



Medium-term Management Plan 2028

Stock code: 2930
Kitanotatsujin Corporation
July 15, 2025

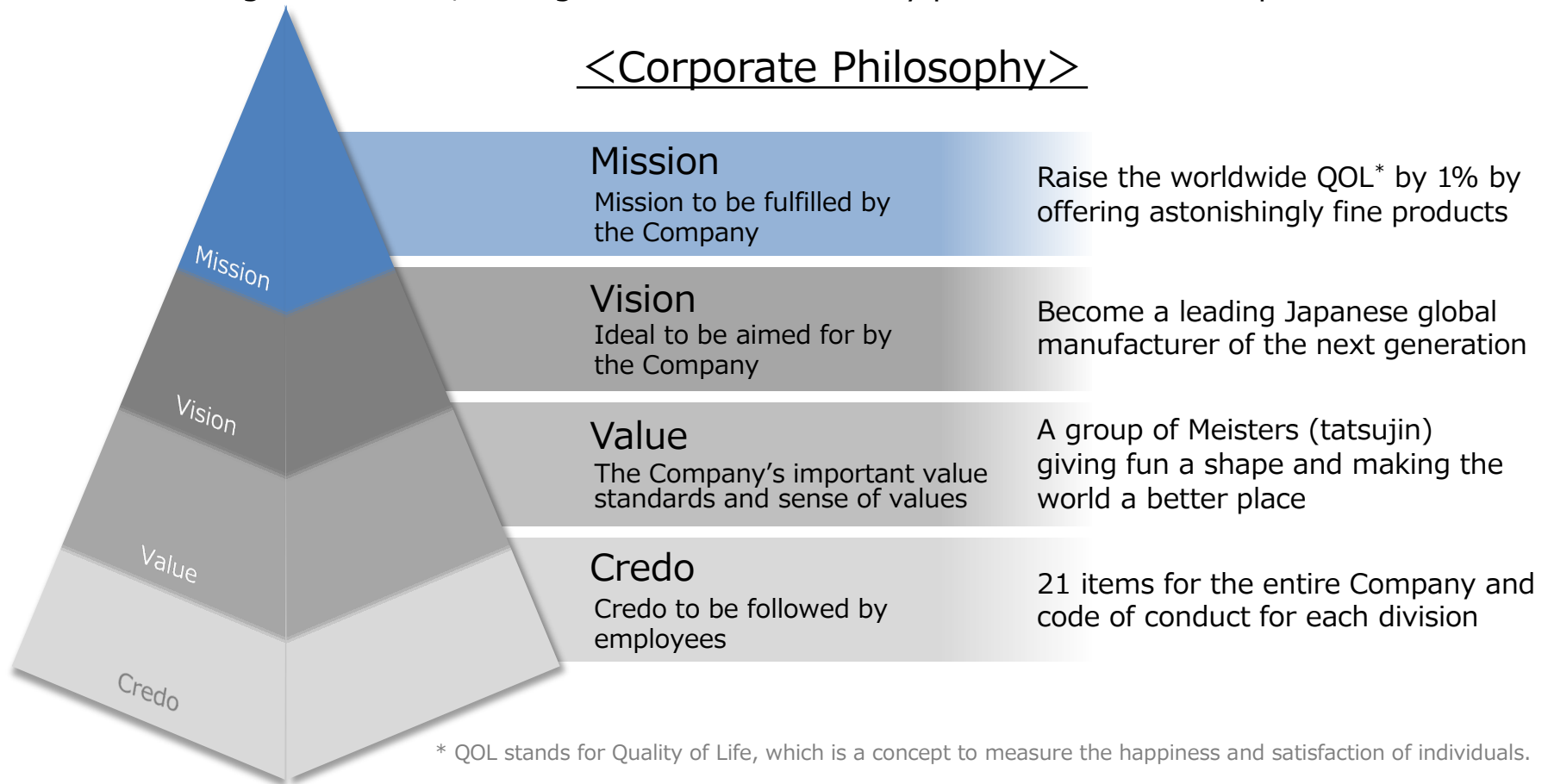
Our MVV

The Company's Mission, Vision, and Value (MVV) was set forth in 2022.

The Company is aiming for long-term growth and development by thinking from the customer's point of view, providing products and services for solving customers' challenges, and consistently pursuing reliable, high-quality manufacturing quality.

The Medium-term Management Plan 2028 is positioned as a growth phase for achieving the mission, during which we will actively promote business expansion.

<Corporate Philosophy>



Positioning of Medium-term Management Plan 2028

Mission

Raise the worldwide QOL by 1% by offering astonishingly fine products

Focusing on strengthening sales in the domestic market with a view to future global development



Medium-term
Management Plan
2028

Set as **a cornerstone to the next stage of growth** toward achievement of the mission

From here, we will draw a new growth track.

Overview of Growth Strategy (Summary)



Expand product lineup and increase the number of new customer acquisitions by newly establishing a team specialized for product planning and introducing a planning model for hit products

→Establish a structure where 10 products can be annually released in FY2029 and thereafter

Strengthen CRM^{*1} to raise the upselling^{*2} rate, cross-selling^{*3} rate, and retention rate toward improving LTV^{*4}



Maintain steady performance with sales promotion know-how for existing e-commerce malls

Others

Utilization of M&A and alliances

(These are extra initiatives and not incorporated as figures into the Medium-term Management Plan 2028.)

*1 CRM stands for Customer Relationship Management, which is a method to establish good relationships between companies that provide products and services and customers.

*2 Sales technique to encourage customers to buy more expensive products than those they currently buy or move to a regular course that offers more products than their current regular course. It improves LTV and furthermore, offers customers the benefit of a higher discount rate on regular course.

*3 Sales technique to encourage customers to buy additional products other than those they currently buy. It improves LTV and furthermore, offers customers the benefit of reductions in settlement fees and shipping costs.

*4 LTV stands for Life Time Value, which is the amount of lifetime net sales a customer will bring. 1-year LTV is the amount of net sales a customer will bring for one year.

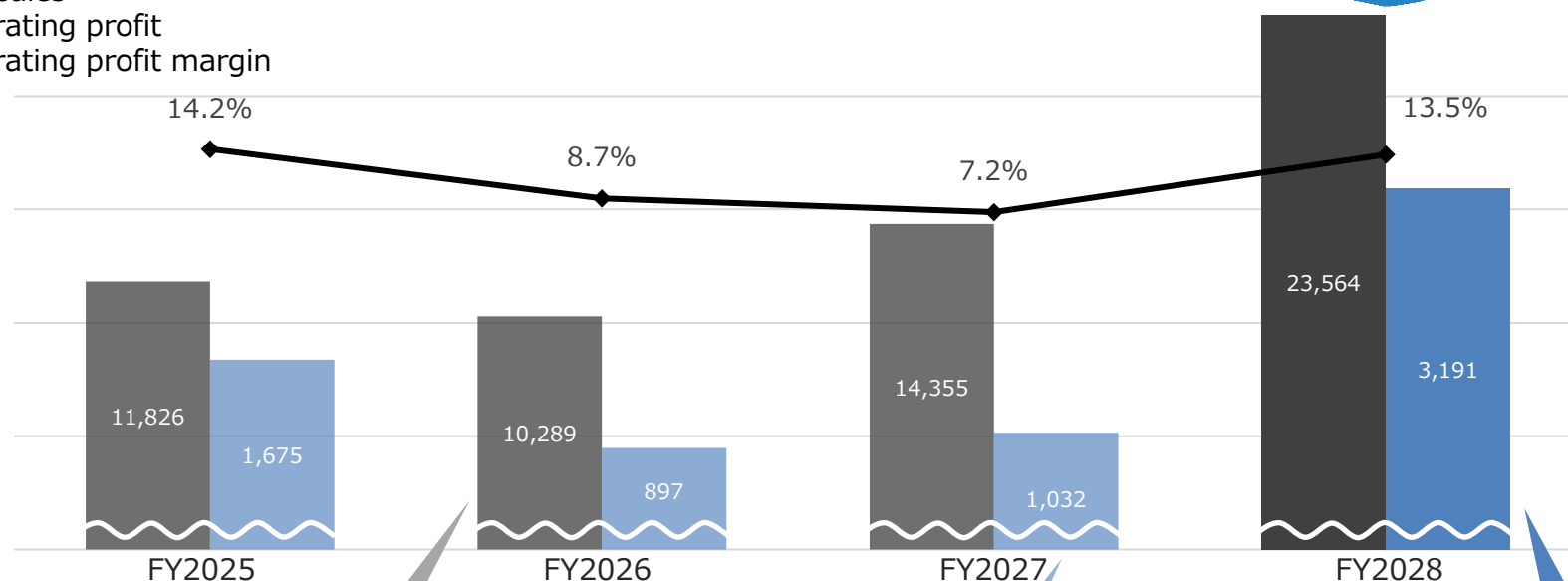
*5 FY (Fiscal Year) refers to our accounting year. FY2025 indicates a period from March 1, 2024 to February 28, 2025.

Numerical Summary of Medium-term Management Plan 2028

The Company aims to achieve ¥23.5 billion in consolidated net sales and ¥3.1 billion in operating profit for a three-year period until FY2028.

(Millions of yen)

- Net sales
- Operating profit
- Operating profit margin



Accumulation of regular sales decreases due to a decrease in new sales through FY2025, resulting in decreases in both net sales and operating profit.

Operating profit margin declines mainly due to an increase in upfront investments for new customer acquisitions in FY2026 and FY2027.

Though upfront investments continue to increase, regular customers are steadily accumulated, resulting in improvements in both operating profit and operating profit margin.

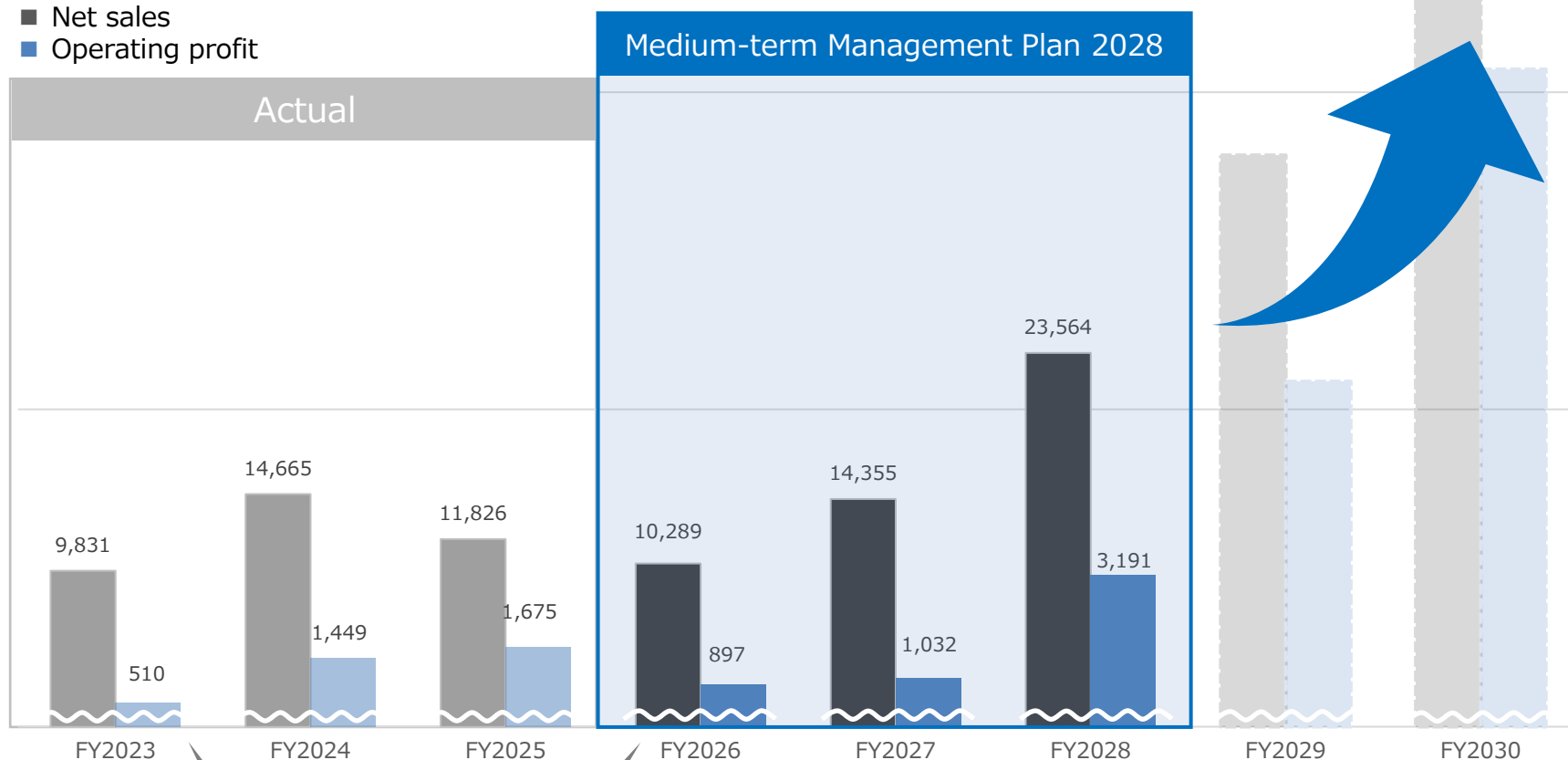
* FY2026 forecast announced on April 14, 2025 has been prepared on the assumption that the status of new customer acquisitions continues at the level as of the date of announcement.

Although the impact of each initiative planned to be implemented in the Medium-term Management Plan 2028 on the forecast was considered, it is insignificant given the assumed timing of product release and initiatives to be implemented and therefore, the financial results forecast is currently unchanged.

Trend Chart of Net Sales and Operating Profit

(Millions of yen)

- Net sales
- Operating profit



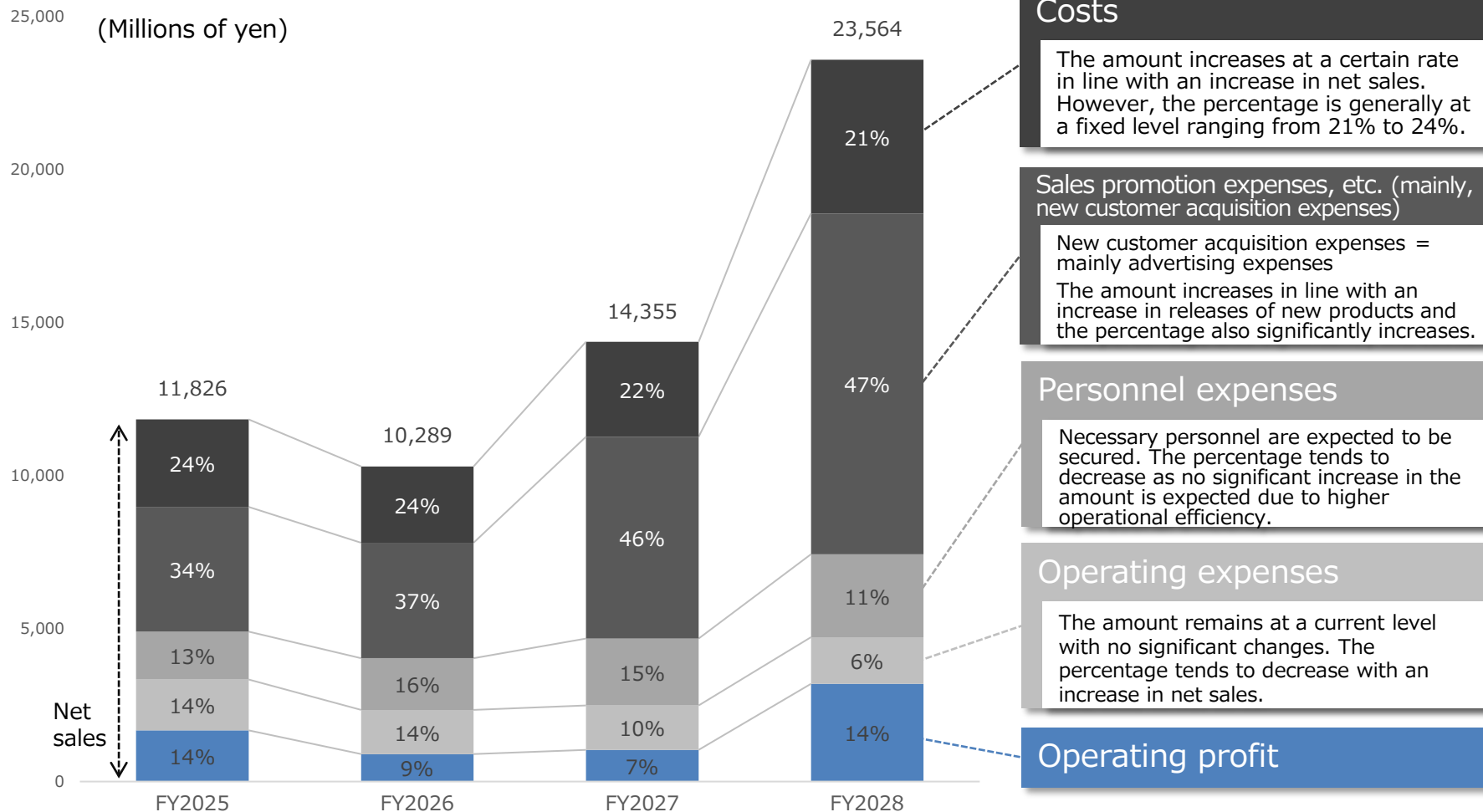
Though upfront investments for new customer acquisitions increased in FY2023, resulting in a decrease in operating profit, it led to an increase in net sales in FY2024.

Significant sales growth is expected in FY2027 and FY2028 due to the accumulation of regular customers, as upfront investments for new customer acquisitions are increased in FY2026 and FY2027.

We will establish a structure where 10 products can be annually released in FY2029 and thereafter and draw a growth track with significant increases in both sales and profit.

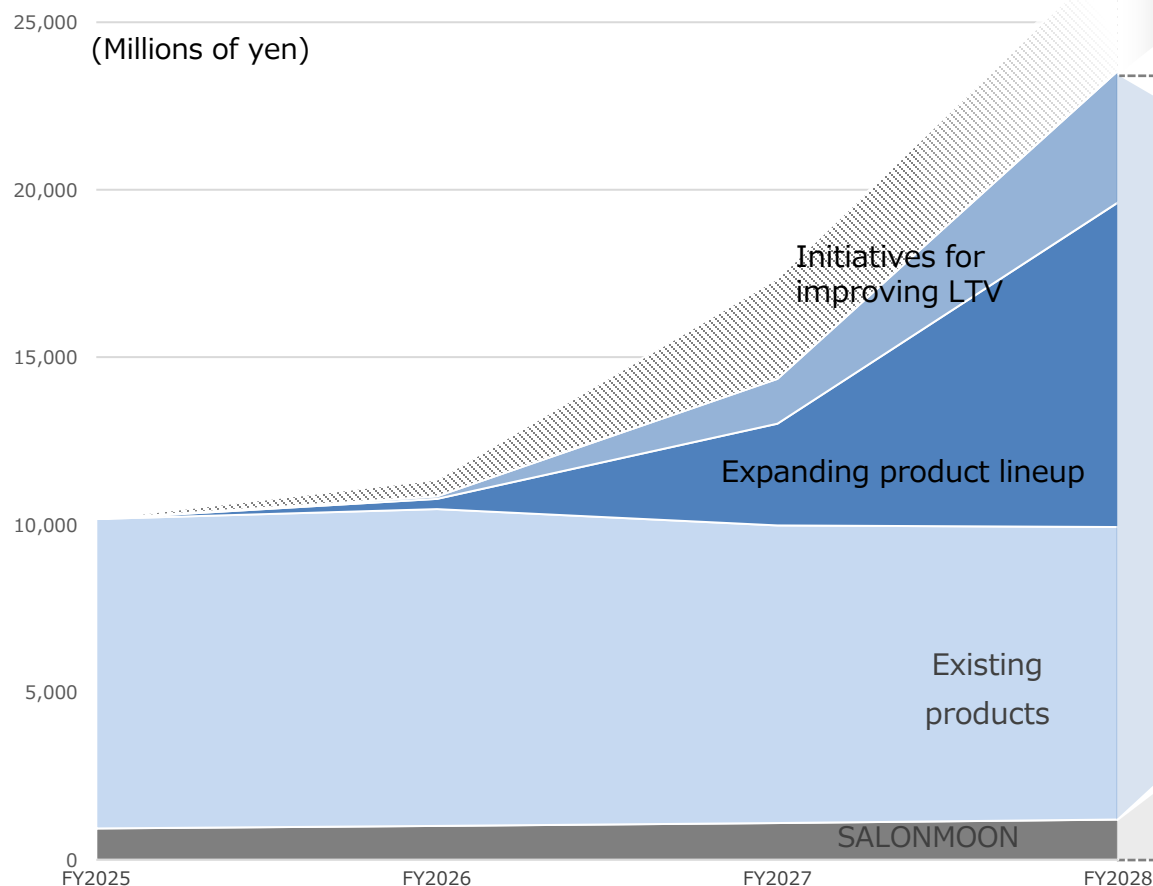
Change in Expenses and Operating Profit in Net Sales

Though costs and sales promotion expenses, etc. increase, operating profit increases mainly due to a decline in the percentage of expenses with characteristics similar to fixed costs to net sales.



Contribution to Net Sales of Growth Strategy

Disaggregation of net sales of the Company's group by future initiatives shows that the future initiatives by Kitanotatsujin Corporation contribute most significantly to the business expansion.



Others and extra initiatives

M&As and other initiatives which are not incorporated

Medium-term Management Plan 2028 Net sales ¥23.5 billion

Kitanotatsujin Corporation

Growth of J NORTH FARM is expected to become the largest contributor to expansion of the Company's group's performance.

Major initiatives are:

1. Expanding product lineup
2. Improving LTV

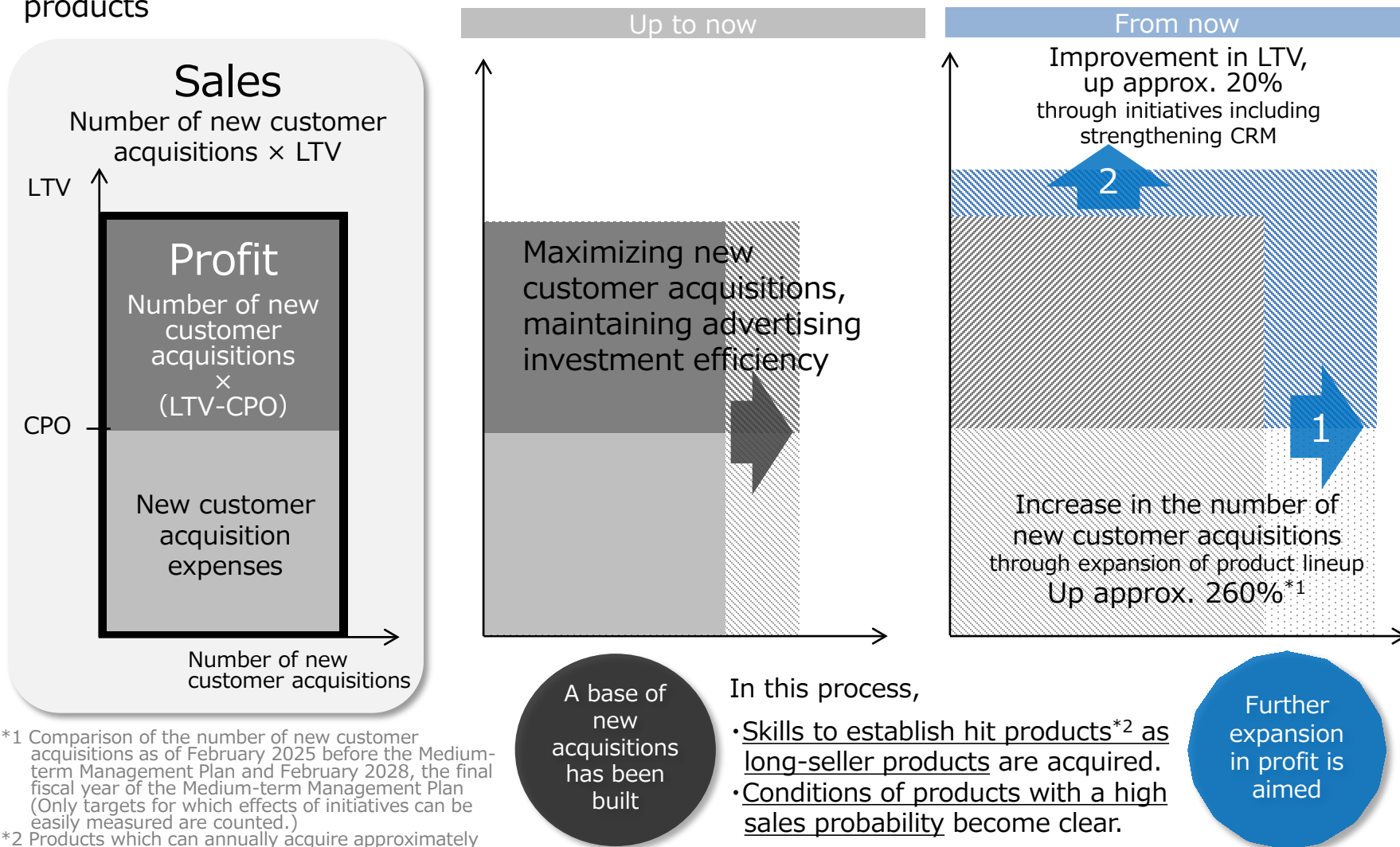
The highly probable number of existing products is incorporated based on the current status of new customer acquisitions to prioritize a focus on new products.

SALONMOON

Steady performance is expected to continue.

Diversification of Growth Strategy of Kitanotatsujin

Shift away from maximizing the number of new customer acquisitions from existing products



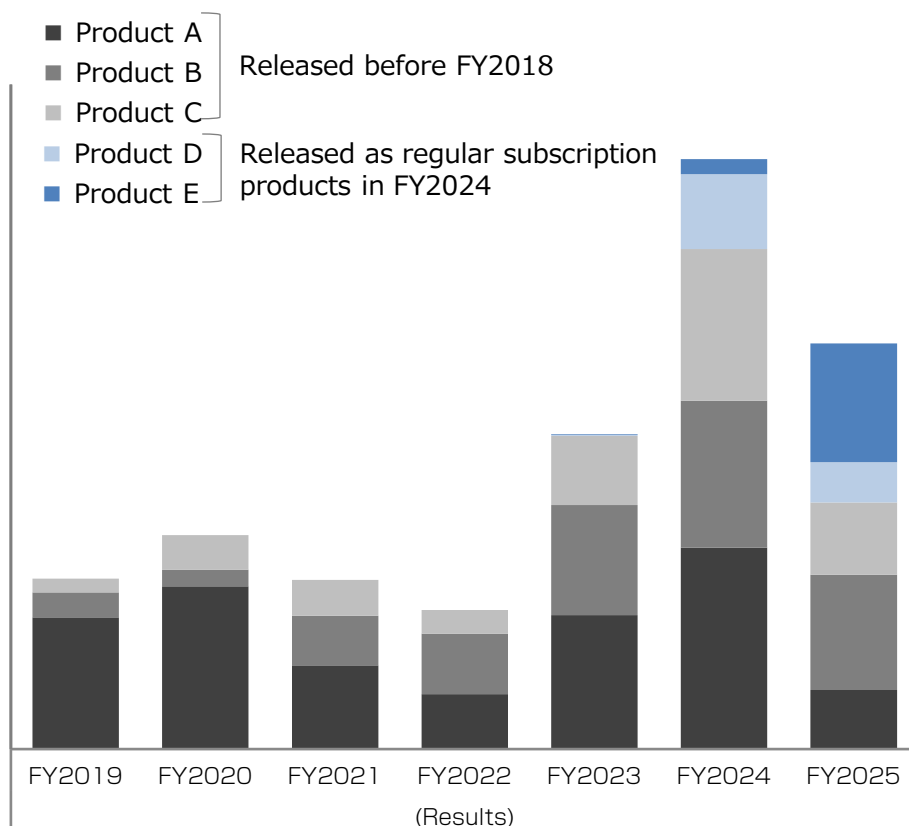
*1 Comparison of the number of new customer acquisitions as of February 2025 before the Medium-term Management Plan and February 2028, the final fiscal year of the Medium-term Management Plan (Only targets for which effects of initiatives can be easily measured are counted.)

*2 Products which can annually acquire approximately 100,000 to 130,000 of new customers

Kitanotatsujin's Growth Strategy (Expanding Product Lineup)

Know-how for “establishing a product as a long-seller” and “planning hit products” acquired in the process of maximizing new customer acquisitions

<Change in the number of new customer acquisitions for mainstay products>



Existing mainstay products

Products A to C were released through FY2017 to FY2018. They have maintained new customer acquisitions for a long period, repeating an increase and decrease, as these products did not see a peak of new customer acquisitions due to demand from new release immediately after the launch.

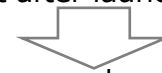


Creative skills* to establish a hit product as a long-seller have been developed.

New mainstay products

Comparing FY2023 and FY2025, Products D and E contributed to growth in new acquisitions.

Multiple products were released through FY2022 to FY2024. However, clear difference in figures has been seen between products D and E which have grown to mainstay products and products which did not grow to such products, clarifying “numerical conditions for a hit after launch.”



Products D and E were released after a variety of trial-and-error, accumulating know-how for planning hit products

* Skills for creating “advertising content” including advertisements and sales pages

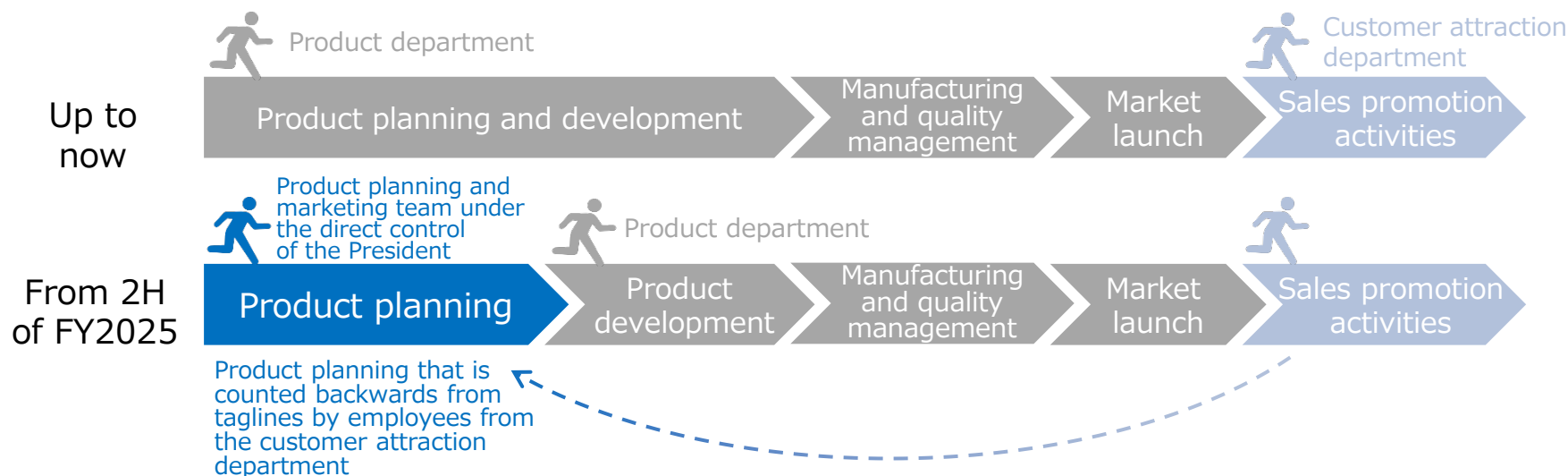
It is necessary to create new advertising content using different viewpoints and approaches, since advertising content, after a certain period of time, becomes exhausted.

Kitanotatsujin's Growth Strategy (Expanding Product Lineup)

For releasing “annually 10 items” of “hit products”

The newly established product planning and marketing team under the direct control of the President focuses on product planning

- Product “planning” and “development” in which the existing product department engaged in an integrated manner are separated into different phases.



- The personnel deployment and structure have been changed so that “product planning” can be conducted with a view to “sales promotion activities.”
- Focusing on increasing products to be released through KPI setting and management

As a specialized team has been established, dedicated personnel for focusing on planning have been secured, leading to an increase in “quantity” and enhancement of “quality” of product planning.

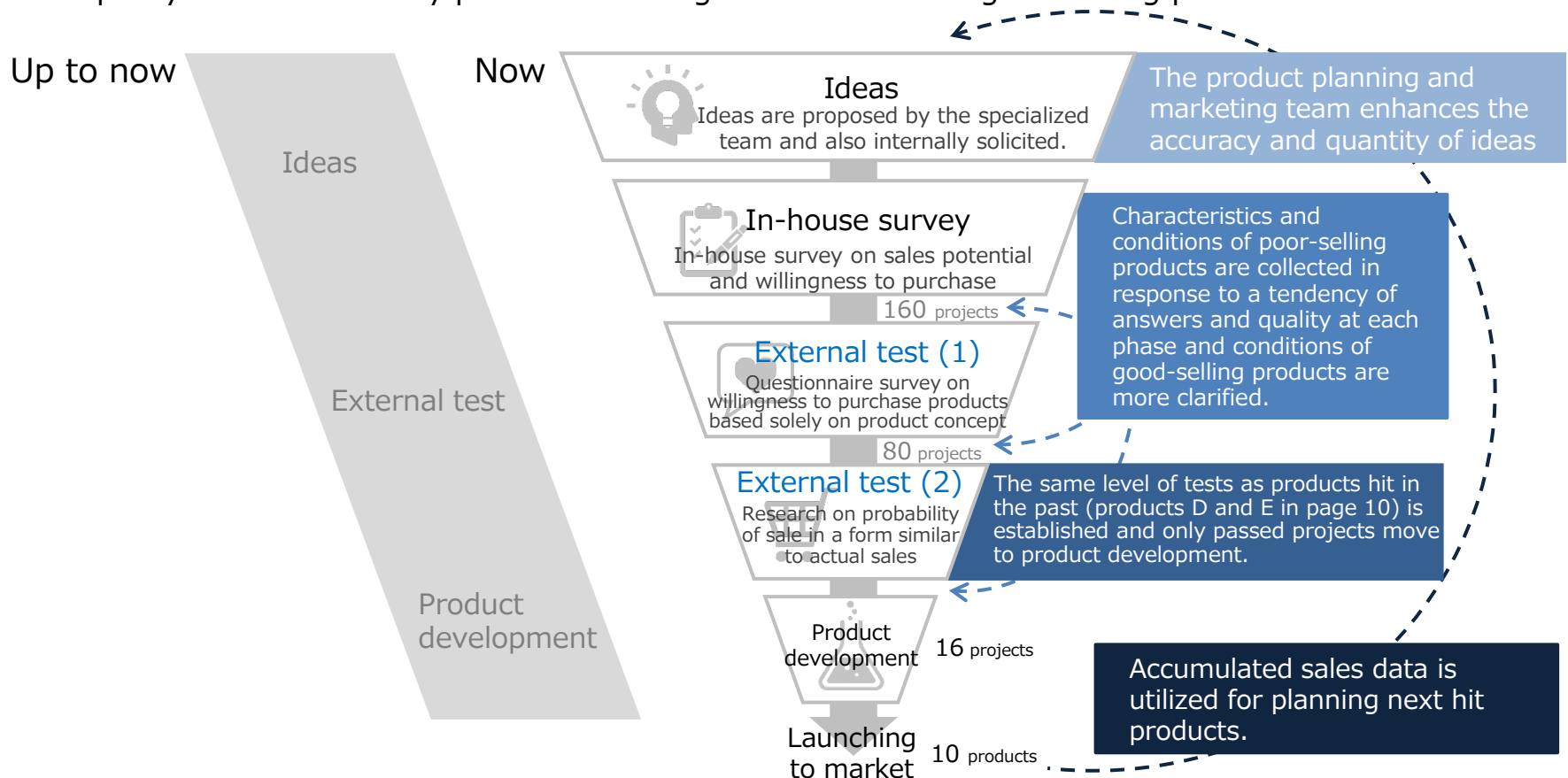
Kitanotatsujin's Growth Strategy (Expanding Product Lineup)

For releasing “annually 10 items” of “hit products”

Introducing a “planning model of hit products” to the existing process to product development

Conditions of good-selling products and poor-selling products are quantified based on sales performance of approximately 50 products that were released up to date.

Our policy is to release only products clearing the conditions of good-selling products.



Kitanotatsujin's Growth Strategy (Expanding Product Lineup)

So that the customer attraction department can respond to the increasing number of products to be handled due to an increase in new products

Recruitment

Launching
the "recruitment marketing team"



Implementation of social recruiting strategies

→ Using our SNS account with 170,000 followers in total*1



Remote worker recruitment project limited to persons with creative experience



Strengthening recruitment of persons with high IQ

→ Continuing recruitment of persons with IQ 130 or higher in charge of operations

Training and structure

Developing a structure where advertising contents with current high quality can be mass-produced without significantly increasing personnel



- Launching the generative AI project team
- Establishing a system where, with "the Company's know-how and AI," even a small number of staff can mass-produce advertising contents, maintaining a current level of quality



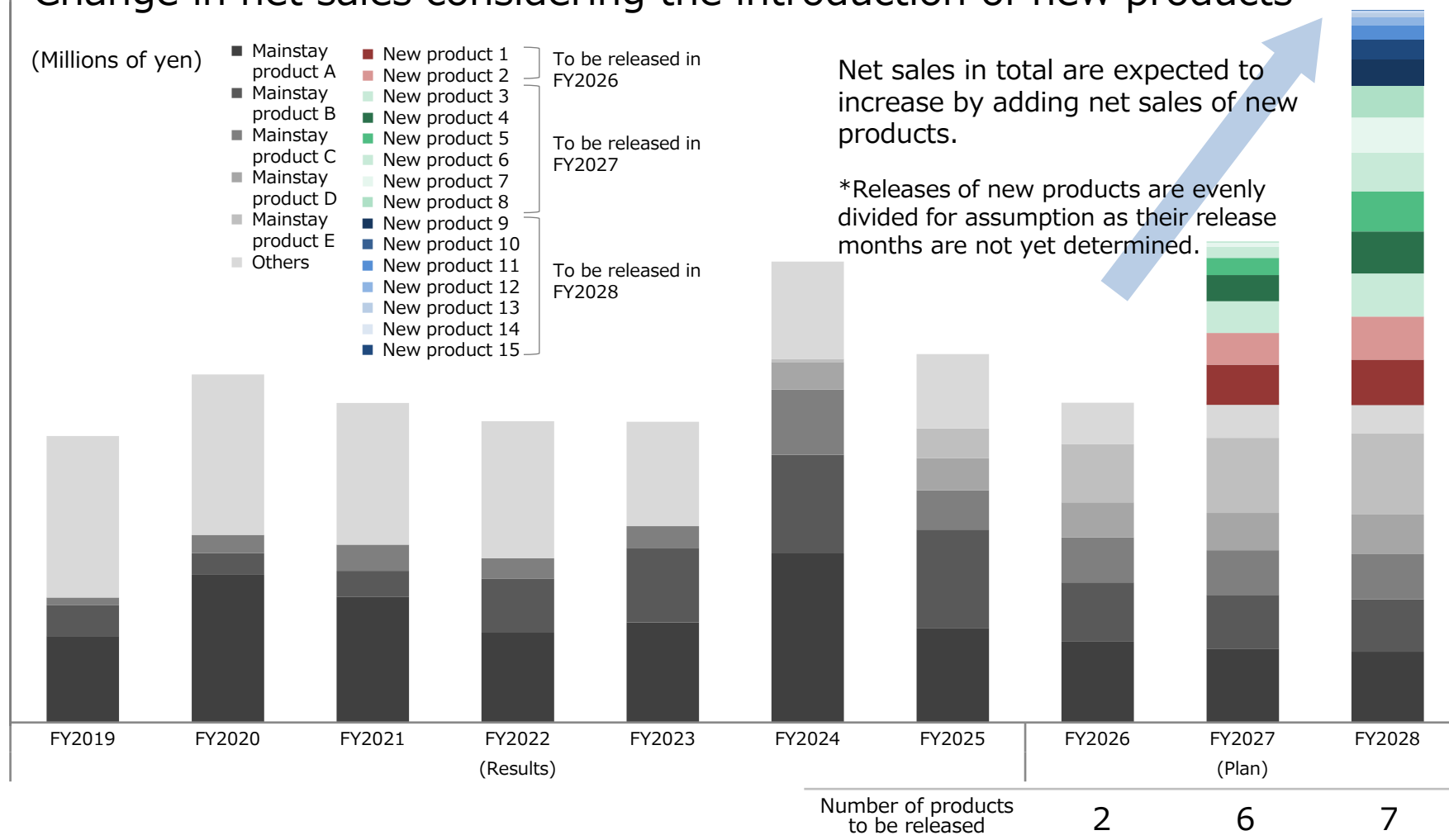
Upskilling through our unique fundamentals and technical marketing training*2 to learn practical web marketing technique

*1 As of July 2025

*2 Education and development program of advertisement creation staff to learn and practice basic advertising creation techniques

Kitanotatsujin's Growth Strategy (Expanding Product Lineup)

Change in net sales considering the introduction of new products



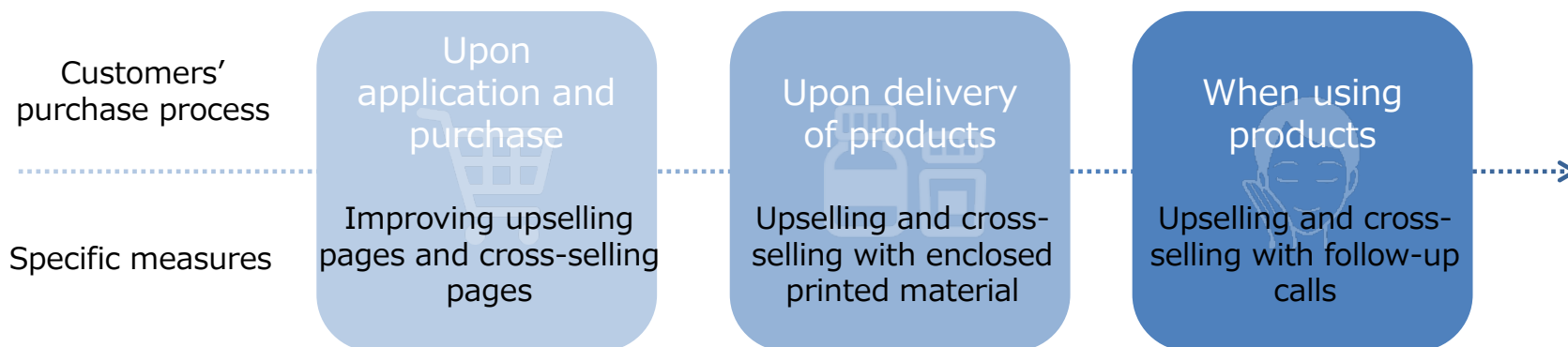
Establish a structure where 10 products can be annually released in FY2029 and thereafter to increase the number of new customer acquisitions

Kitanotatsujin's Growth Strategy (Improving LTV)

Up to now Not yet commenced as focuses were placed on new customer acquisitions “through creative ability” in selection and concentration of limited resources.

Now The “base” has been built to maximize new customer acquisitions, maintaining advertising investment efficiency and accordingly, the initiative began with high potential.

- As the first initiative by the Company, a specialized project team was launched.
- For multiple measures, consideration, implementation, and verification of effects are underway in parallel.



Aiming to improve LTV by approximately 20% compared to the prior period by increasing customer satisfaction and strengthening CRM to raise the upselling and cross-selling rates and retention rate

Growth Strategy (Consolidated Subsidiaries and Others)

SALONMOON

Maintaining steady performance based on expansion of existing products

- New products are slightly incorporated.
- As for expansion of existing products, both dryers and hair irons are expected to grow sales.



Others (M&A and alliances)

Aiming for roll-up M&A of companies holding products for which our know-how of the customer attraction department can be utilized, not for diversification of the business.

(Operating the business under the Company's infrastructure* by acquiring part of the business or products of target companies)

Profitability improvement model by the business acquisition

	Before acquisition	After acquisition
Net sales	¥10.0 bil.	¥10.0 bil.
Gross profit	¥8.0 bil.	¥8.0 bil.
Sales profit	¥2.0 bil.	¥3.0 bil.
Operating profit	¥0.5 bil.	¥2.0 bil.

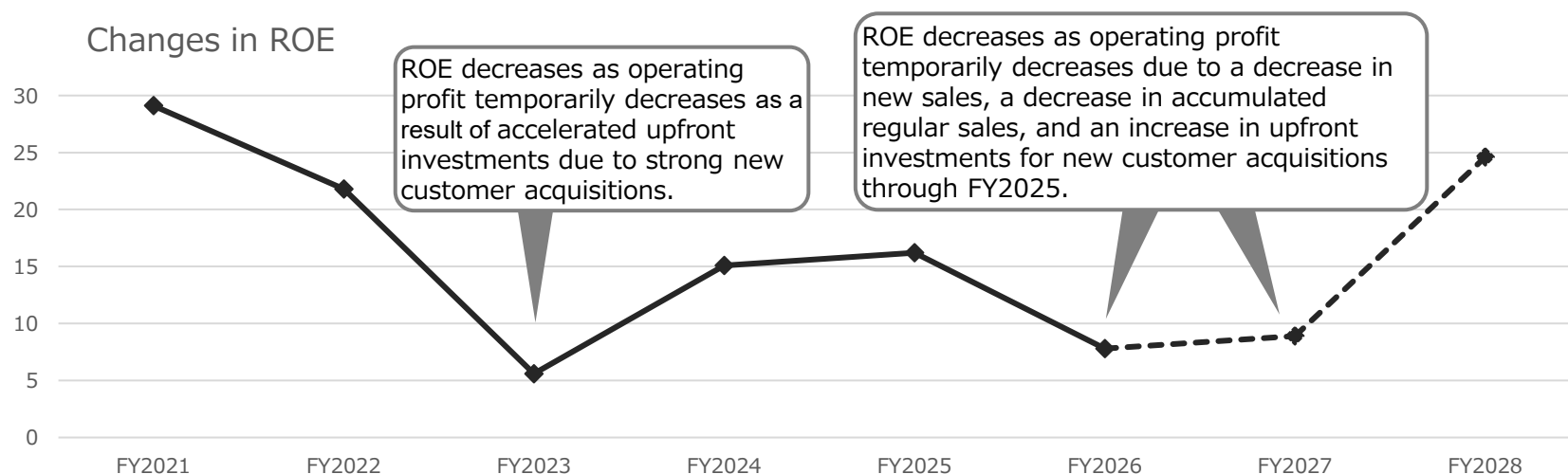
Profitability improves by **integrating** the infrastructure **into the Company**, as new customer acquisition expenses, order-linked costs, and other costs **can be reduced**, in addition to decreasing costs for order receipt, distribution, customers, rent, etc.

* Our unique system including an advertising optimization system and management accounting method

Initiatives Toward Realizing Management That is Conscious of Cost of Capital and Stock Price

Analysis of current status

- The cost of equity estimated by the Company's CAPM^{*1} is approximately 6%^{*2}. However, we do not think that exceeding the cost of capital calculated by this model meets investors' needs.
- ROE is in a decreasing trend due to lowering profitability.



Future initiatives

- Aiming to increase profitability through achieving the Medium-term Management Plan
- Improving active dialogues with shareholders and investors further to make adjustments with a level required of the Company in an appropriate manner
- Continuing a focus on growth investments while securing safety of funds as a company in a growth phase

*1 CAPM stands for capital asset pricing model

*2 Median of values calculated by financial institutions

Returns to Shareholders

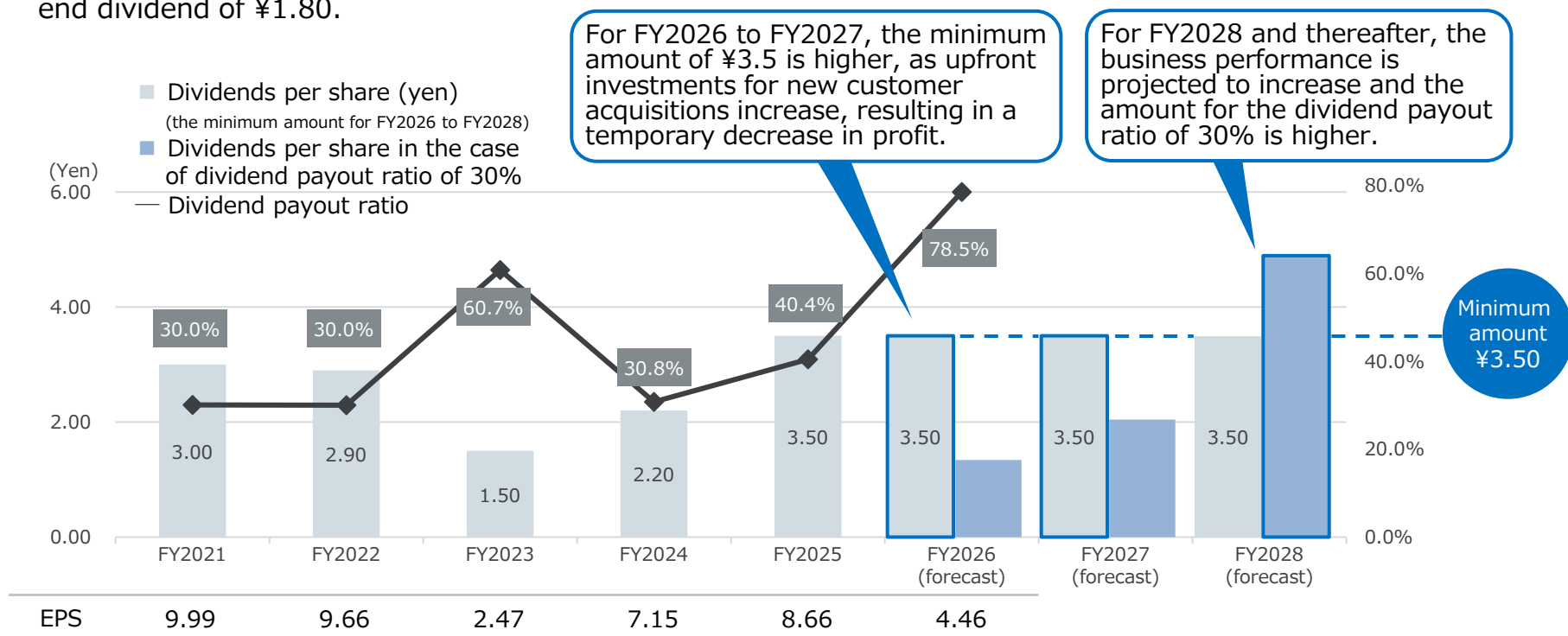
Current policy Target consolidated dividend payout ratio of approximately 30%

New policy Target consolidated dividend payout ratio of approximately 30%

The minimum amount of dividends per share shall be ¥3.50 annually during a period of the Medium-term Management Plan 2028 (FY2026 to FY2028).

- As revenue increases along with business growth, the amount of returned dividends increases, maintaining the previous consolidated dividend payout ratio
- A temporary decrease of profit will be seen during FY2026 to FY2028, a shifting period for the future business growth. Accordingly, we have set the minimum amount, thereby making efforts to return profit to shareholders through paying continuous and stable dividends.

We plan to pay an annual dividend of ¥3.50 per share for FY2026 with an interim dividend of ¥1.70 and a year-end dividend of ¥1.80.



* The Company transitioned to consolidated accounting from FY2022. The graph above indicates non-consolidated figures for FY2021 and consolidated figures for FY2022 and thereafter.

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