

## FYE October 2021 - FYE October 2023 Medium-Term Management Plan

AB&Company Co., Ltd.(Head office: Shinjuku-ku, Tokyo; Representative Director: Kazuhiro Ichinose) aims to become a beauty salon group loved by all stakeholders based on its corporate philosophy of "Providing happiness and joy to customers based on the principle of Stylist comes first."

In order to achieve sustainable growth and strengthen our earnings base, we have established the "2021-2023 Mid-Term Management Plan" as follows.

### Numerical targets in the Medium-Term Management Plan

- Number of stores: Approx. 950 (end-October 2023)
- Sales revenue growth: annual average of over 14% - 16%  
(※1) Annual average growth rate for FYE October 2023 over the actual results for FYE October 2020 (9,630 million yen)
- Operating margin: Operating margin of over 17% - 19% (End-October 2023)
- Adjusted EBITDA margin (※2) : EBITDA ratio of over 20% - 22% (End-October 2023)

(※1) Unaudited figure

(※2) EBITDA (IFRS standards) - "Depreciation on right-of-use assets" is the [Figure of operating profit and depreciation (and others)], adjusted

### Corporate philosophy

Since its founding in 2009, our Group has been aiming to change the beauty salon industry, where low wages and long working hours are the norm.

Believing that only when hairstylists who meet customers are able to work with a sense of worthwhile and fulfillment can they provide happiness to the customers they serve, we will achieve continuous growth as a company by continuing to work diligently to "create an environment where hairstylists can work with a true sense of satisfaction."

### Strengths of our Group

The strengths of our Group can be summarized in the following three points:

#### 1. Customer acquisition ability

We can provide our customers with highly cost-effective services, by controlling material costs and others, taking advantage of the economies of scale from operating more than 600 beauty salons (as of April 2021) and controlling the rent expenses on land and buildings by using the second floor or higher of buildings and opening salons in rural areas. In addition, we have achieved the high ability to attract customers at low cost, having accumulated know-how on the efficient operation of HOT PEPPER Beauty, which is frequently used for beauty salon reservations.

## 2. Salon opening ability

We have built a structure that enables us to open stores quickly while reducing store opening costs, by including interior decorators in our Group through M&As. In addition, we can open stores in a manner that avoids competition while maintaining a sense of speed, by selecting senior FC owners in each area and adjusting store openings as necessary.

## 3. Ability to acquire and retain human resources

Many hairstylists belonging to our Group work flexibly in accordance with individual lifestyles, due to their outsourced working style, enabling many dormant beauticians to return to work as a result. In addition, it is a system that remunerations are paid for the treatment performed under the commission-only remuneration system, which contributes to the enhancement of hairdresser satisfaction and in turn to their retention by our Group.

As a leading company in the beauty salon industry, our Group will continue to grow by steadily opening new stores while maintaining a sense of speed by further refining the above strengths.

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