

**Fiscal year ending
Aug. 2024 - Aug. 2026**

M e d i u m - T e r m M a n a g e m e n t P l a n

September 29, 2023
HIMARAYA Corporation
(Securities Code: 7514)

Agenda

01. Message from the President-Elect
02. Review of previous Medium-Term Management Plan
03. New Medium-Term Management Plan (FY2024/8 - FY2026/8)

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Message from the President-Elect



We at HIMARAYA, as a leading sports retailer, will work, day and night, to create products and services that only we can offer, under our new management vision of: **"Enhance Global Well-being Through Sports and Health."**

As the role of sports in our daily lives continues to diversify, we are confident in our ability to expand our business horizons. In our mid-term business plan, we have outlined strategies and initiatives to capitalize on diverse growth opportunities. HIMARAYA will continue to aim for sustainable growth under the company slogan: "Aim for the Top!"

The entire management team is committed to pursuing our management strategy with dignity and passion for the benefit of all of our stakeholders, and we look forward to your continued support.

Manabu Oda, September 29, 2023

HIMARAYA's New Management Vision

**Enhance Global Well-being
Through Sports and Health**



What HIMARAYA must do in the future...

Designing Sport and Well-being

**48 years ago, we opened a ski specialty store in Gifu.
That was the start of HIMARAYA.**

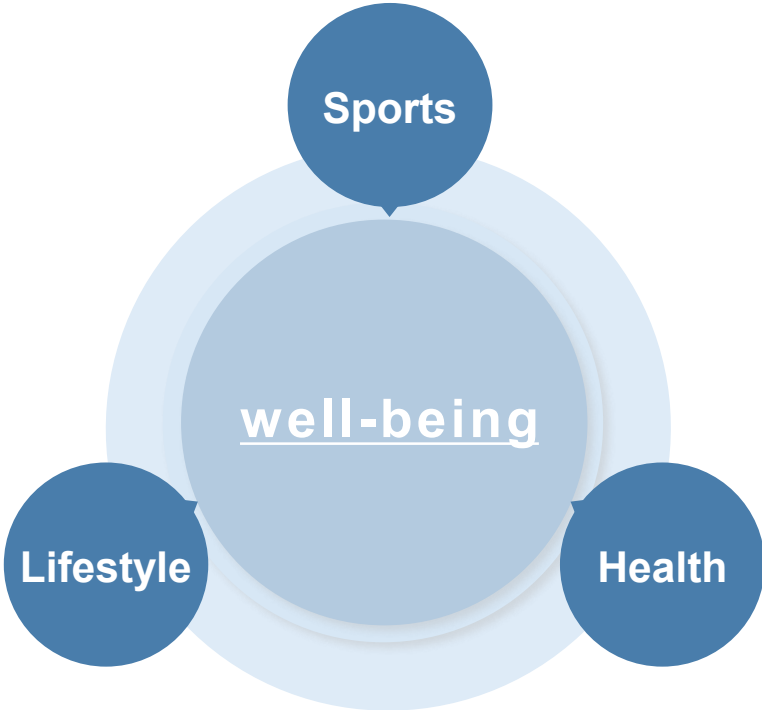
**Supported by our sports-loving customers and staff,
HIMARAYA has always been a place where people and sports
meet.**

**Now, as people enjoy, grow, and live healthy lives in their own
unique ways every day, there's a sport for every occasion.**

**And by embracing sports in all its dimensions, we aspire to
enrich the lives of people worldwide. In pursuit of this goal, we
have undertaken thorough consideration of how we can best
serve our customers, employees, and society as a whole.**

HIMARAYA's Commitment to Well-being

At HIMARAYA, we are dedicated to conducting business activities that promote the well-being of all individuals, including our valued customers and staff, across the three key domains of Sports, Lifestyle, and Health.



| | |
|-------------------------|--|
| Sports Domain | <ul style="list-style-type: none">▶ Pursue sustainable growth of sporting goods business▶ Organize in-store and out-of-store events▶ Plan and develop original products |
| Lifestyle Domain | <ul style="list-style-type: none">▶ Expand products offerings in response to changes in customer preferences▶ Plan and develop of original products▶ Create new business models |
| Health Domain | <ul style="list-style-type: none">▶ Promote good health using our qualified trainers▶ Provide and propose health-conscious food and beverages▶ Develop new products and services |

HIMARAYA's Pursuit of Well-Being

Ongoing Initiatives

Sports Domain

- ▶ In addition to strengthening customer service, one of our strengths, secure and train personnel with high value-added skills such as qualified trainers and former professional athletes.
- ▶ Strengthen engagement with customers and local communities by planning and holding experiential in-store and out-of-store events

Lifestyle Domain

- ▶ Further reinforce manufacturing and marketing know-how through development of full lineup of products under our outdoor brands
- ▶ Expand business domain to lifestyle fashion by strengthening apparel brand development

Health Domain

- ▶ Recruit/develop 11 qualified trainers to provide health promotion proposals, training services, etc. in stores, focusing on customers' physical balance.
- ▶ Accumulate know-how by creating health management programs for employees
- ▶ Sell nutritional supplements and other food-related products

In addition to the above, we will focus on the following areas based on "Sports x Lifestyle x Health" in the future:

- ▶ Domestic: Exclusive e-commerce sales and new business categories (small stores, etc.); create products and services with themes based on categories such as food & beverages and health & beauty.
- ▶ Overseas: Export own-brand products and expand overseas sales channels through e-commerce, etc.

Key Strategies of Medium-Term Management Plan for New Business Areas

We will strive to build a new growth scenario by aggressively investing in a broader range of sports, lifestyles, and health domains, including our current sporting goods business.

| | | Corresponding area | | |
|--|---|--------------------|-----------|--------|
| | | sport | lifestyle | health |
| Product Strategy | Strengthen lifestyle products utilizing PB products such as VISION PEAKS and SPGY | | ✓ | |
| | Develop new domestic stores and overseas sales channels through new products | ✓ | ✓ | |
| | Develop supplements and other health-conscious foods and beverages | | | ✓ |
| EC Strategy | Strengthen store profitability by increasing shipments from retail stores (store EC) | ✓ | ✓ | ✓ |
| | Expand EC-exclusive product sales, establish new business categories in coordination with product strategy | ✓ | ✓ | ✓ |
| | Develop structure to achieve EC sales of ¥30 billion | ✓ | ✓ | ✓ |
| Store Strategies (Operations, new store openings) | Build efficient store management system through unified commerce | ✓ | ✓ | ✓ |
| | Development of new business categories to accommodate new businesses | ✓ | ✓ | ✓ |
| | Reinforcement of store development department structure and ability to open new stores through enhancement of store profitability | ✓ | ✓ | ✓ |
| New Business | Develop fitness-focused business using qualified trainers | | | ✓ |
| | Apply expertise acquired from designated campground management operations and internally organized events | | ✓ | ✓ |
| | Strengthen external sales with Core Brain (e-commerce platform) fulfillment | ✓ | ✓ | ✓ |

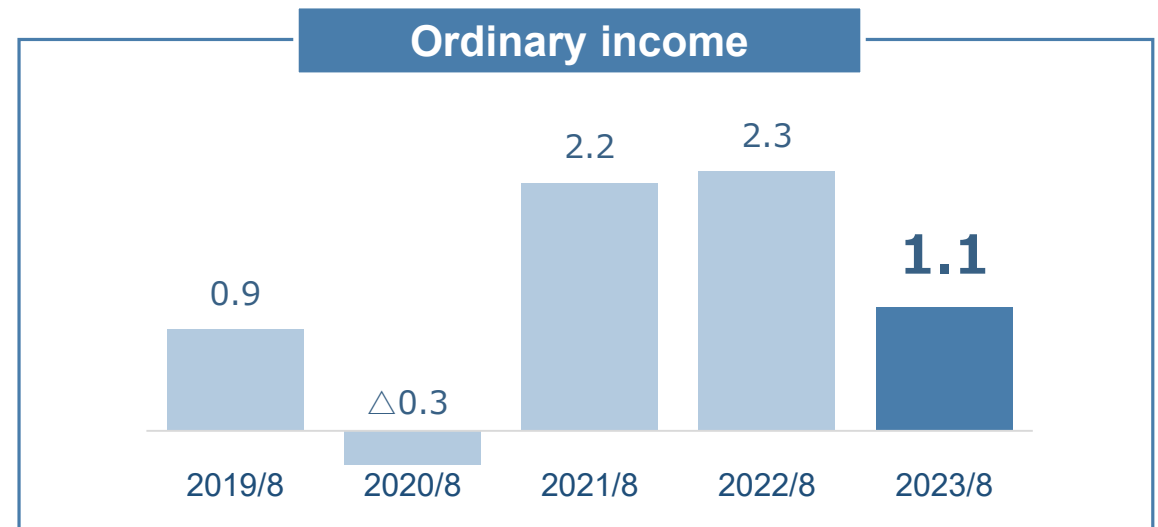
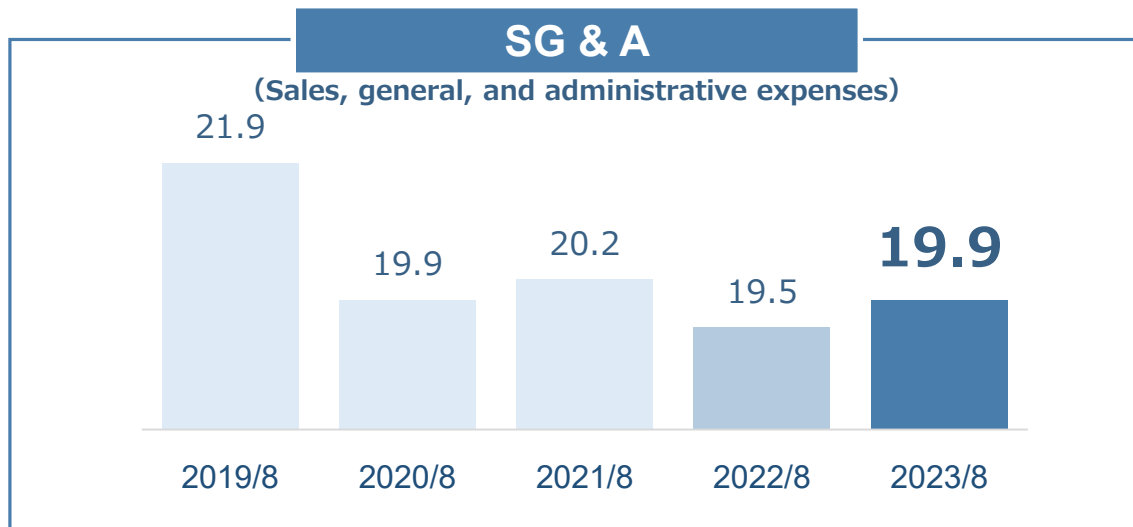
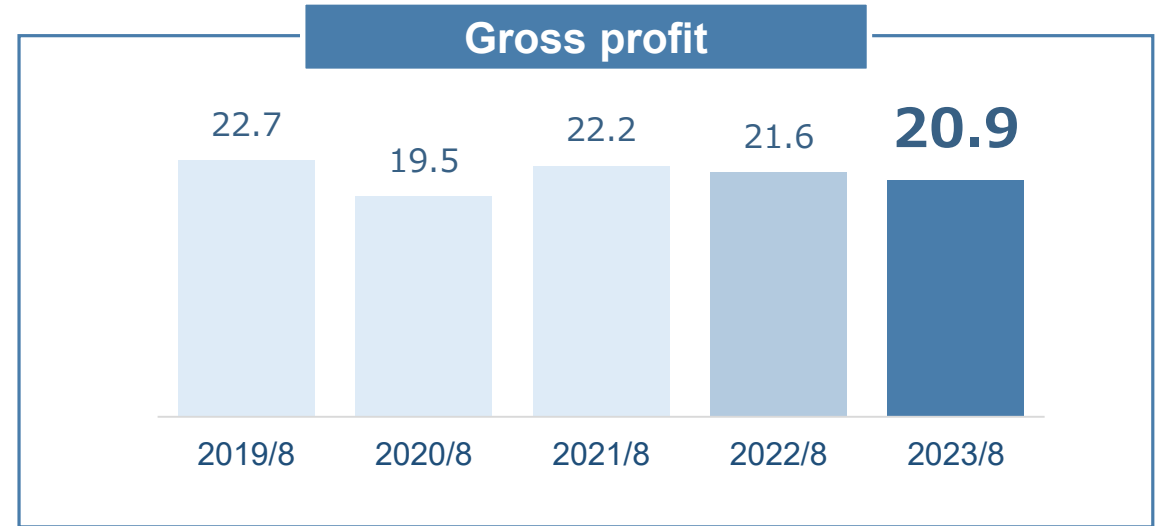
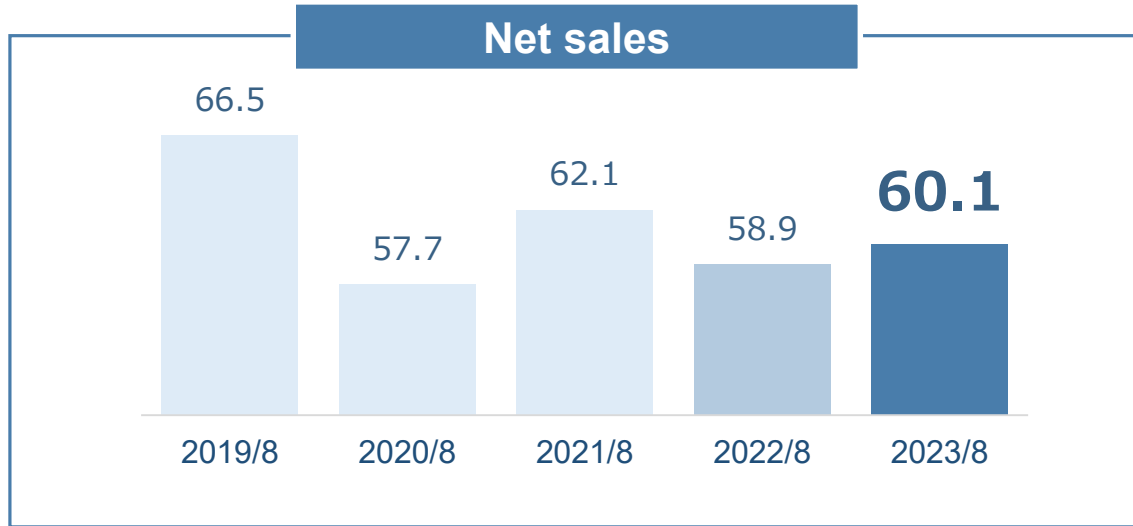
01. Message from the President-Elect

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Performance over the past five years

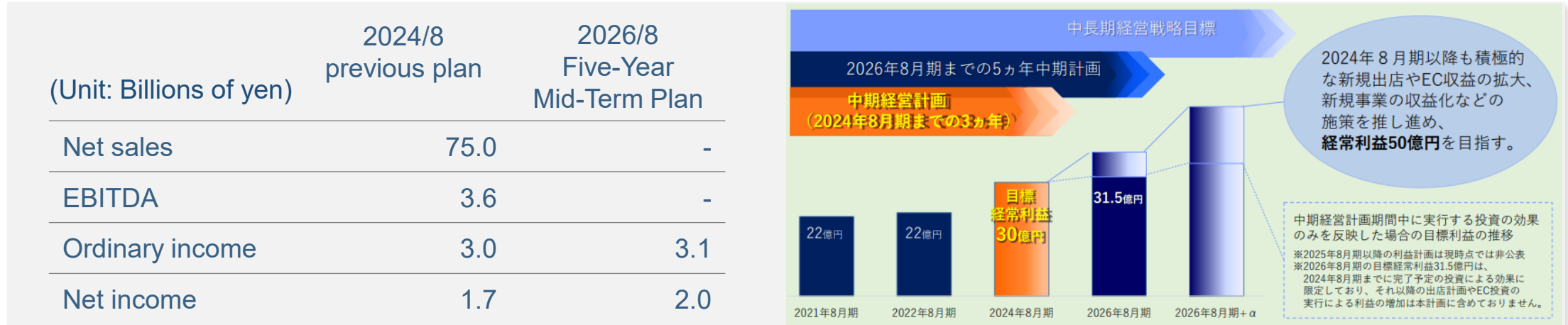
(Unit: Billions of yen)



*Figures for sales, gross profit, and SG&A expenses prior to the FY ending August 31, 2021 are prior to the application of the revenue recognition standard.

Review of previous Mid-term Management Plan (August 2022 to August 2024)

We have decided to withdraw the goals set forth in the previous medium-term management plan and the five-year medium-term plan ending in the fiscal year ending August 2026 as stated in the "Plan for Compliance with the Listing Maintenance Criteria for the New Market Classification."



The differences between the planned and actual results of the previous medium-term management plan for the fiscal year ending August 31, 2023 are as follows:

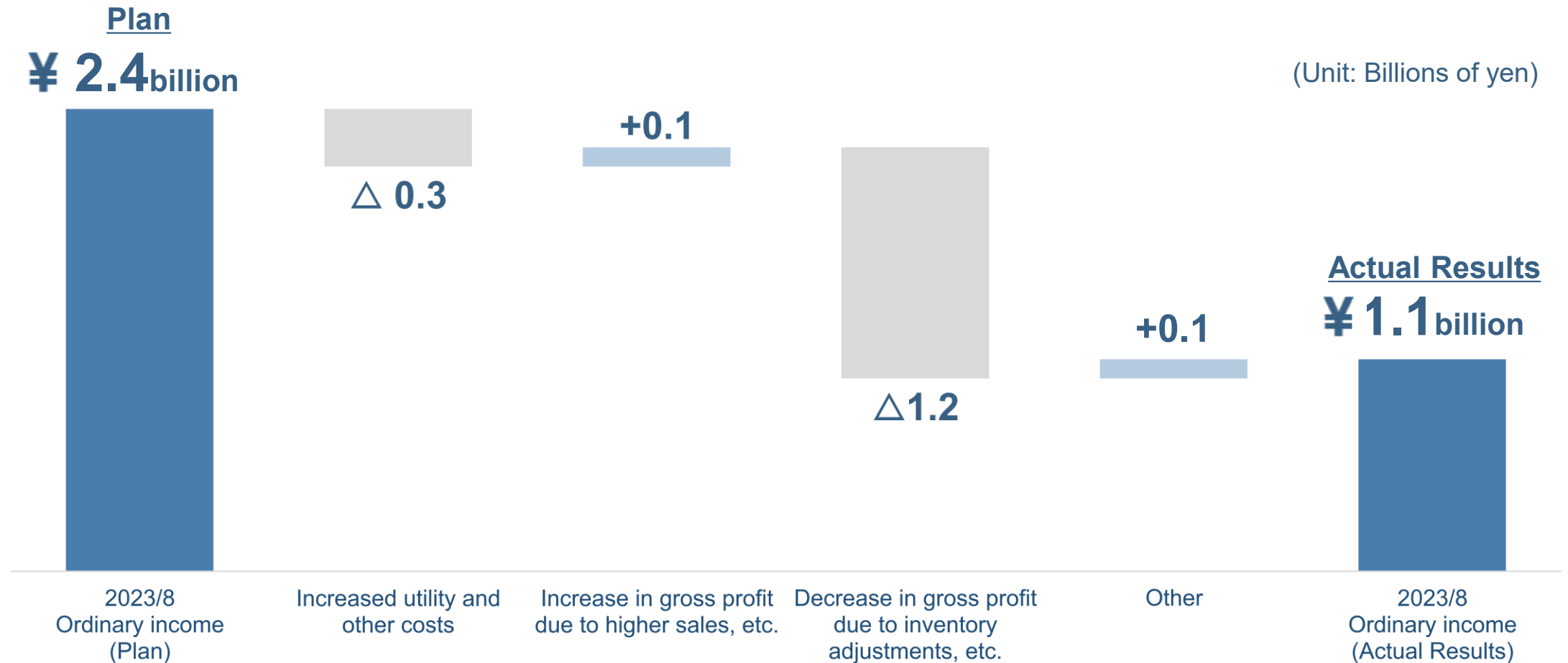
| (Unit: Billions of yen) | 2023/8 planned value | 2023/8 actual results | difference |
|-------------------------|-------------------------|--------------------------|------------|
| Net sales | 59.5 | 60.1 | +0.6 |
| Ordinary income | 2.4 | 1.1 | △1.2 |
| net income | 1.4 | 0.5 | △0.8 |

Variance Factors

As noted on the next page, this was mainly due to a decline in gross profit margin resulting from inventory liquidation and the recording of an impairment loss on stores in extraordinary losses.

Difference between planned and actual ordinary income for the fiscal year ending August 2023

Higher utility costs and the need to promptly adapt to shifting trends in outdoor camping merchandise led to increased expenses during the period. Consequently, the gross profit margin decreased ($\Delta 2$ compared with the previous period) due to necessary inventory adjustments, leading us to fall short of our target.



Review of previous medium-term management plan (FY2022/8 - FY2023/8)

| strategy () new medium-term management plan | Val | Initiatives | Issues |
|---|-----|--|---|
| Store Environment Strategy (Store Operation Strategy) | ▲ | <ul style="list-style-type: none"> ▶ Promote new personnel evaluation standards such as HIMARAYA 3.0 ▶ Expand digital infrastructure, inc. HIMARAYA App | <ul style="list-style-type: none"> ▶ Some store renovations and digital investments have not yet been made. ▶ Training of store personnel to be digitally enabled |
| Store Opening Strategy (Store opening strategy) | ○ | <ul style="list-style-type: none"> ▶ Large-scale store openings in major metro areas ▶ Enhance hands-on facilities and soft services ▶ Open specialty stores centered on outdoor & golf | <ul style="list-style-type: none"> ▶ Further strengthen store opening capabilities ▶ Accelerate development of new business model store openings |
| MD Strategy (Product Strategy) | ▲ | <ul style="list-style-type: none"> ▶ Eliminate excess inventory by addressing supply-demand balance, etc. ▶ Develop progress by improving PB product system and selecting focused brands | <ul style="list-style-type: none"> ▶ Establishment of positioning and MD restructuring ▶ Strengthen PB products and development process |
| DIGITAL/EC Strategy (EC Strategy) | ◎ | <ul style="list-style-type: none"> ▶ Achieve steady and significant growth in EC business ▶ Warehouse Expansion for EC Growth Plan | <ul style="list-style-type: none"> ▶ Strengthen marketing and promotional activities |
| New Business Development | ○ | <ul style="list-style-type: none"> ▶ Core Brain Improves Fulfillment Capabilities ▶ Training of qualified trainers and entry into campground operations | <ul style="list-style-type: none"> ▶ Seek opportunities to utilize newly acquired management resources |

Our previous three-year management plan, which ended in August 2024, focused on strategies for opening new stores and improving our digital and e-commerce presence. Our profits were on track with the plan until the second quarter of the fiscal year ending in August 2023. However, there was a significant gap between our plan and the actual results. This was primarily due to rapid changes in camping equipment trends in the outdoor category and our rush to adjust our inventory.

To address these challenges, we've reviewed the plan with our new management team, who will take office after the shareholders' meeting on November 29, 2023.

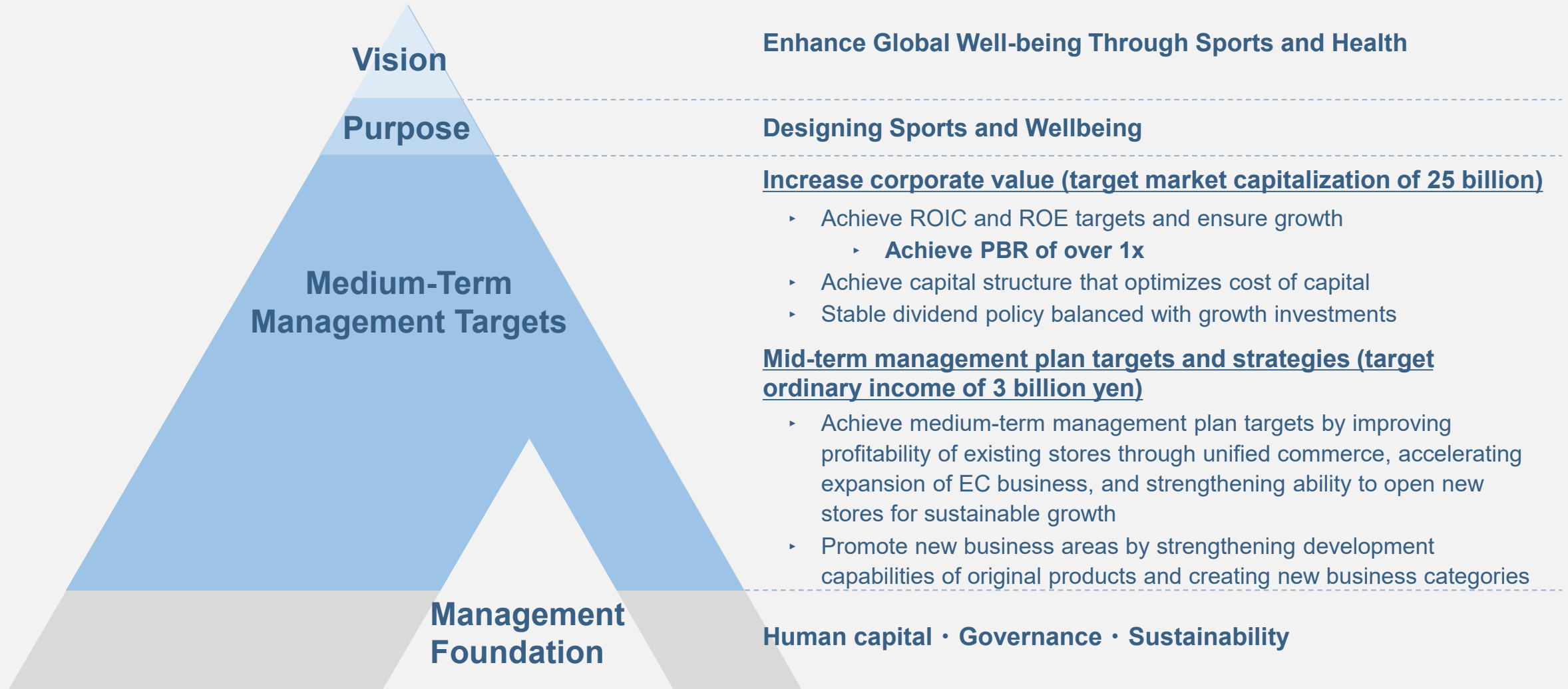
The new three-year management plan, starting in the fiscal year ending August 31, 2024, aligns with the third to fifth years of the 'Plan for Compliance with the Listing Standards' announced in December 2021. Our main goal remains unchanged: **to establish a structure that consistently generates ordinary income of 3 billion yen.**

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Overall picture of new medium-term management targets



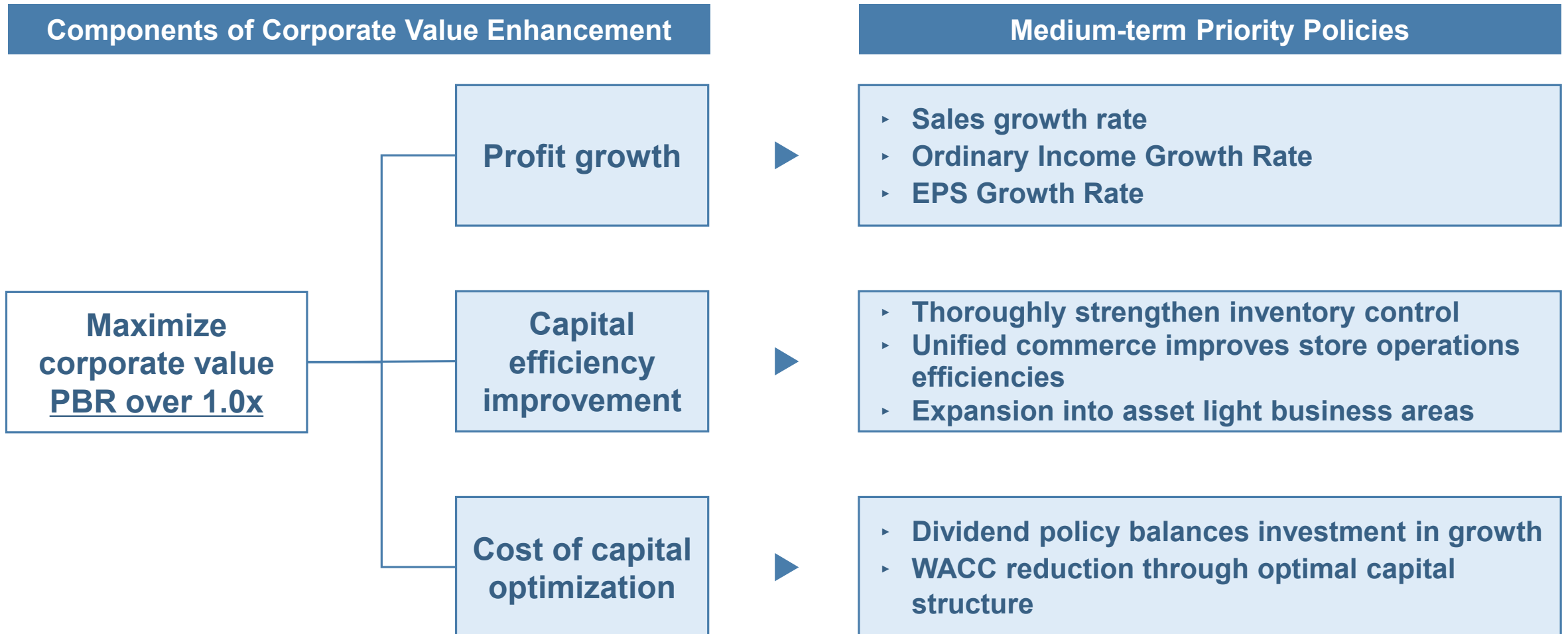
Performance Plan (Consolidated)

Targeting sales of ¥69.0 billion and ROIC of 7.2% or more in FY8/2026

| (Amounts in billions of yen) | Year ending August 31, 2023 Actual | Year ending August 31, 2024 Target | Year ending August 31, 2026 Target | CAGR |
|------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------|
| Net sales | 60.1 | 61.1 | 69.0 | 4.7% |
| EBITDA | 1.6 | 2.0 | 3.6 | 28.9% |
| Ordinary income | 1.1 | 1.4 | 3.0 | 38.7% |
| Net income | 0.5 | 0.7 | 1.8 | 45.7% |
| Net assets | 16.5 | 17.0 | 19.3 | 5.3% |
| ROE | 3.6% | 4.6% | 9.4% | — |
| ROIC | 2.8% | 3.6% | 7.2% | — |

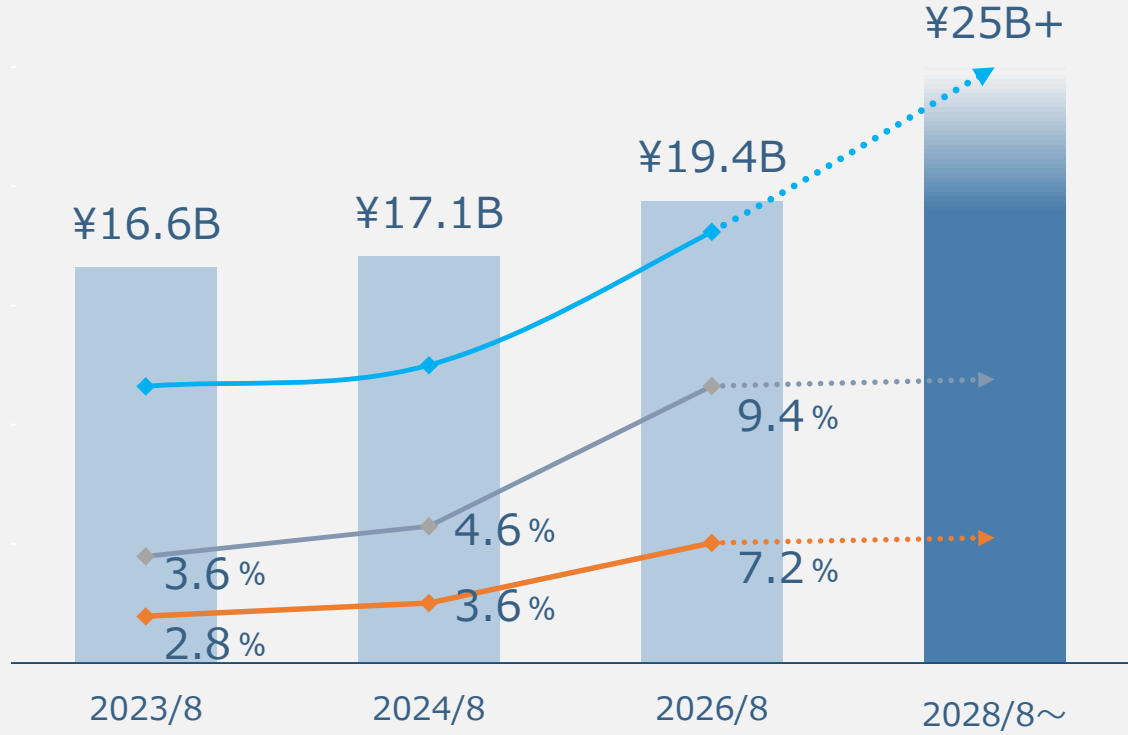
Medium-term priority measures to maximize corporate value

Maximize corporate value by emphasizing capital efficiency and shareholder returns to achieve a PBR of over 1.0x.



Medium- to long-term business growth image for the fiscal year ending August 2028

Sustainably increase corporate value by aiming for a PBR of over 1.0x through achievement of KPIs in the mid-term management plan

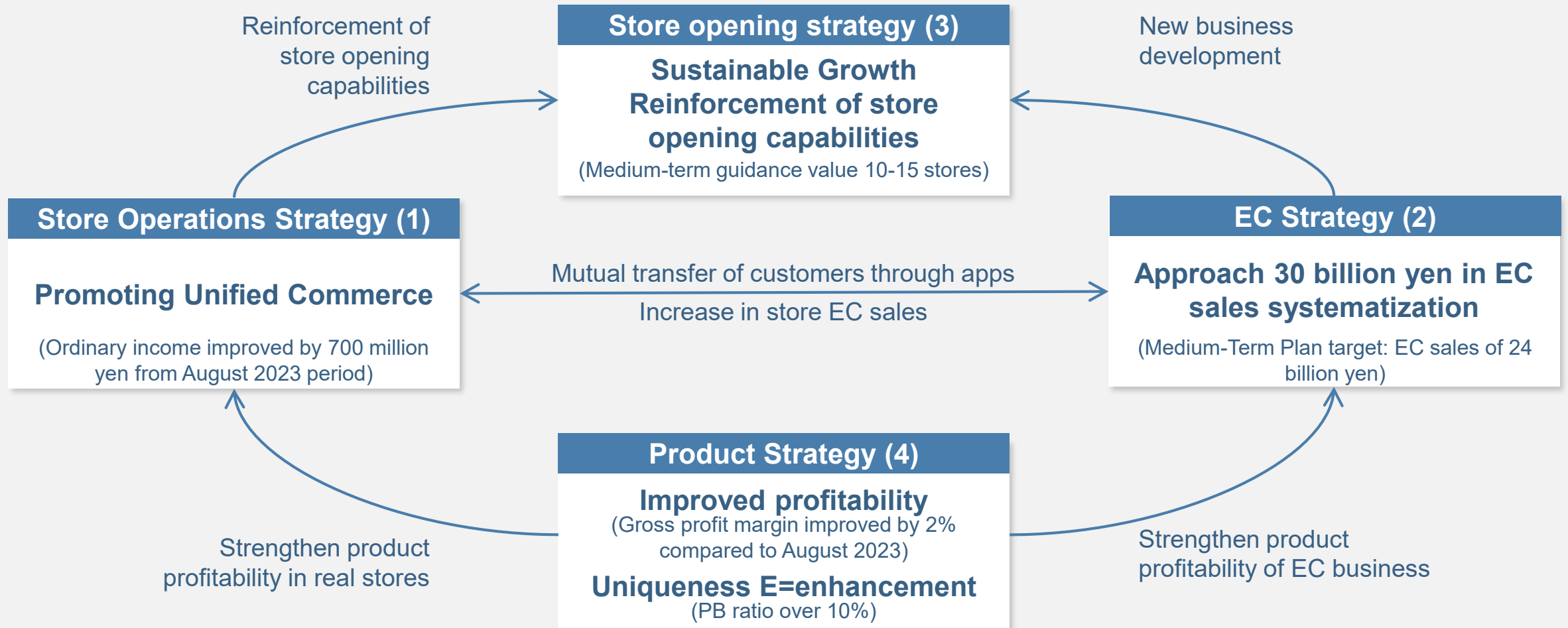


| Mid to Long-term targets | | |
|--------------------------|------------|-----------------|
| Book value net assets | ¥25 | Billion or more |
| ROE | 9.5 | % or more |
| ROIC | 7.5 | % or more |

■ book value net assets
■ market capitalization
■ ROE
■ ROIC

Key Strategies of the New Medium-Term Management Plan

Our primary objectives are to achieve our mid-term profit target of 3 billion yen in recurring profit by 1) enhancing store profitability, 2) expanding our e-commerce (EC) business, strengthening our capacity to open new stores, and 3) developing unique and original products to drive 4) sustainable growth for our company.

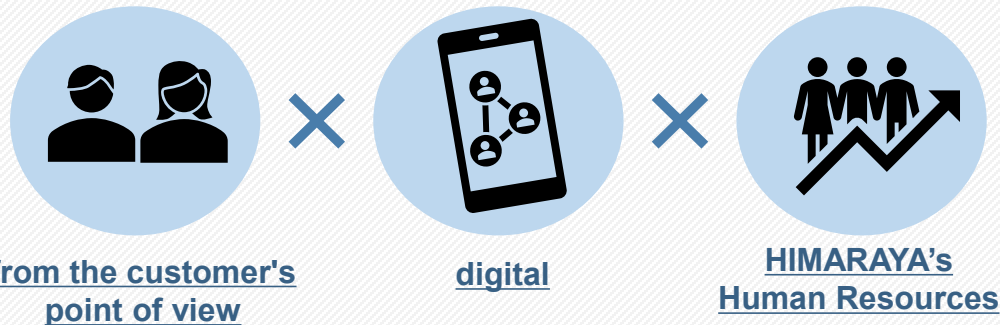


Store Operation Strategy (Unified Commerce)

HIMARAYA's Unified Commerce initiative aims to elevate the shopping experience, adding significant value while boosting store profitability. We will achieve this by harnessing our strengths in human resources and customer-driven digital solutions. Through the synergy of our robust human resources and data-driven digital capabilities, we are committed to delivering a high-value shopping experience that enhances profitability.

*Unified Commerce: Our approach to offering personalized services and experiences by seamlessly integrating a wide range of customer information.

Unified Commerce at HIMARAYA



Effect of Unified Commerce on Ordinary Income Increase (2023/8 to 2026/8)

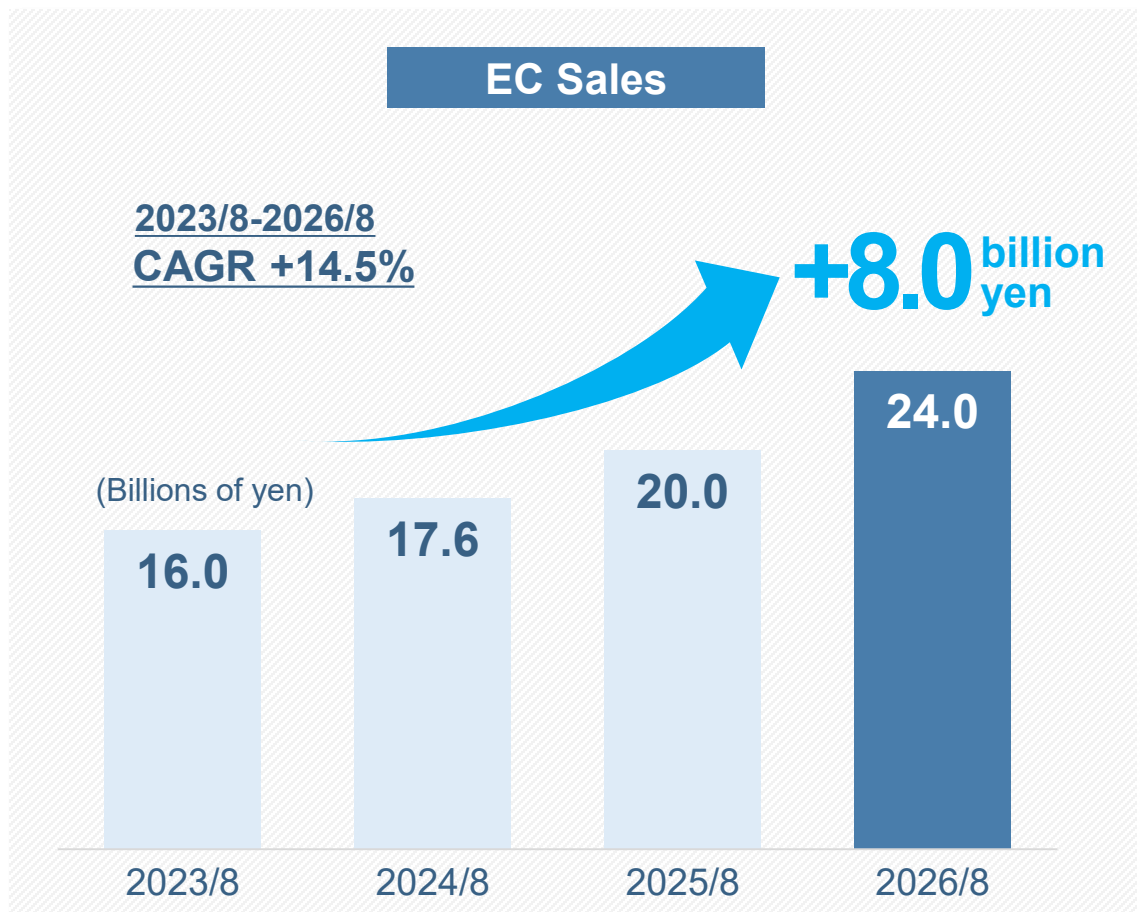
+0.7 billion yen

Effects of Unified Commerce, etc.

- ▶ Realization of Unified Commerce
Provide personalized and valuable buying experiences for each customer, both in-store and online
- ▶ Streamlining of stores
Improve productivity of in-store operations, invest in human resources in new businesses and other priority areas; invest in system upgrades

*Reference material on our initiatives : <https://youtu.be/gDWhR9UwzXo>

EC Strategy



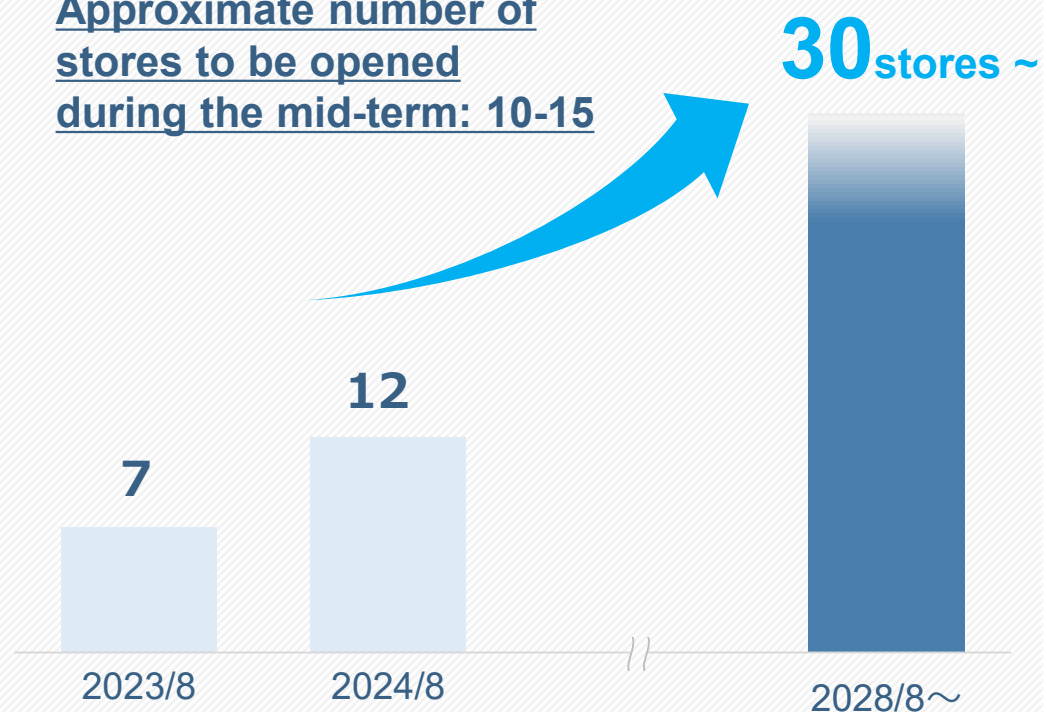
Key Initiatives

- ▶ Expand our range of exclusive e-commerce (EC) products and venturing into new product categories.
- ▶ Set up dedicated EC operations with a new distribution center.
- ▶ Facilitate smooth in-store EC integration.
- ▶ Enhance user experience services through our company app.
- ▶ **Additional Focus: Create a robust framework to achieve EC sales of 30 billion yen.**

Store Opening Strategy

Number of stores opened (cumulative total)

Approximate number of stores to be opened during the mid-term: 10-15



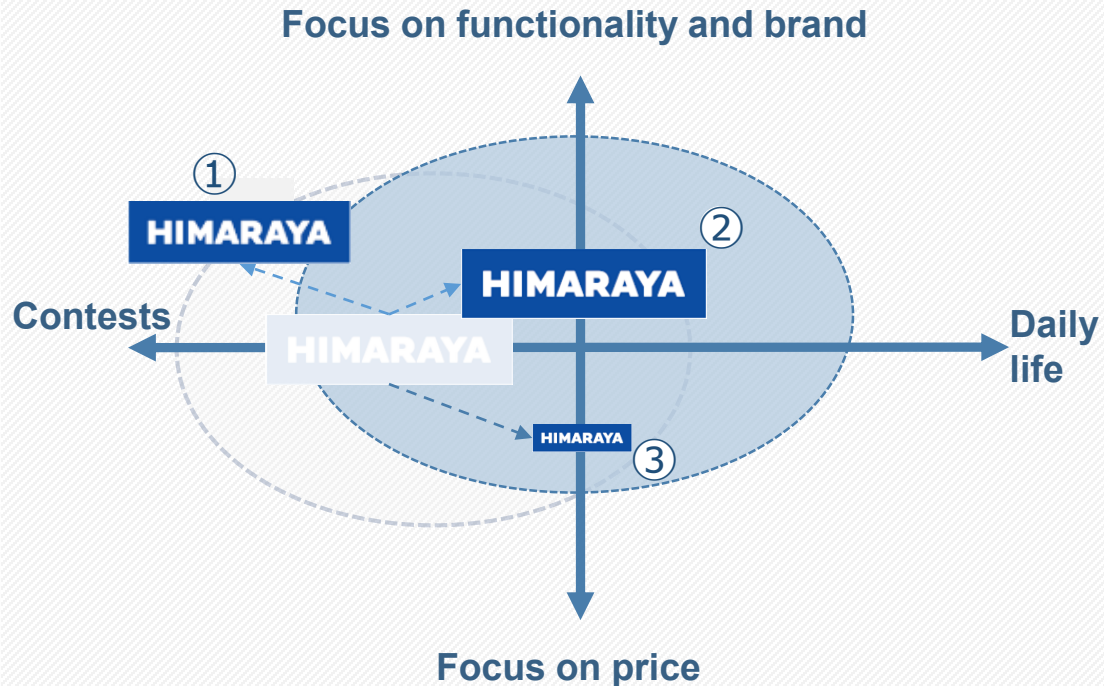
7 new stores were opened in FY8/2022 and FY8/2023 under the previous mid-term plan

Key Initiatives

- ▶ Continue store opening activities based on previous medium- to long-term target (30 stores).
- ▶ Strengthen store-opening capabilities through improved store profitability.
- ▶ Develop new business categories for mid- to long-term growth.
- ▶ 16

Product Strategy

Targets under new medium-term management plan



- ① Real demand sports developed according to local needs.
- ② Unique lifestyle proposals combining national brands
- ③ Unique lifestyle proposals through development of original brands

Current market trends based on sales

- ① Sports-light, entry-level, club activities, sports competitions
⇒ Gently shrinking trend, specialty stores becoming oligopolistic
- ② People who use sports stores for “daily necessities”
⇒ More competitive market with entry of different industries
- ③ Sports brands.
⇒ The function of “brand” is changing; brands whose product value exceeds price are being selected.

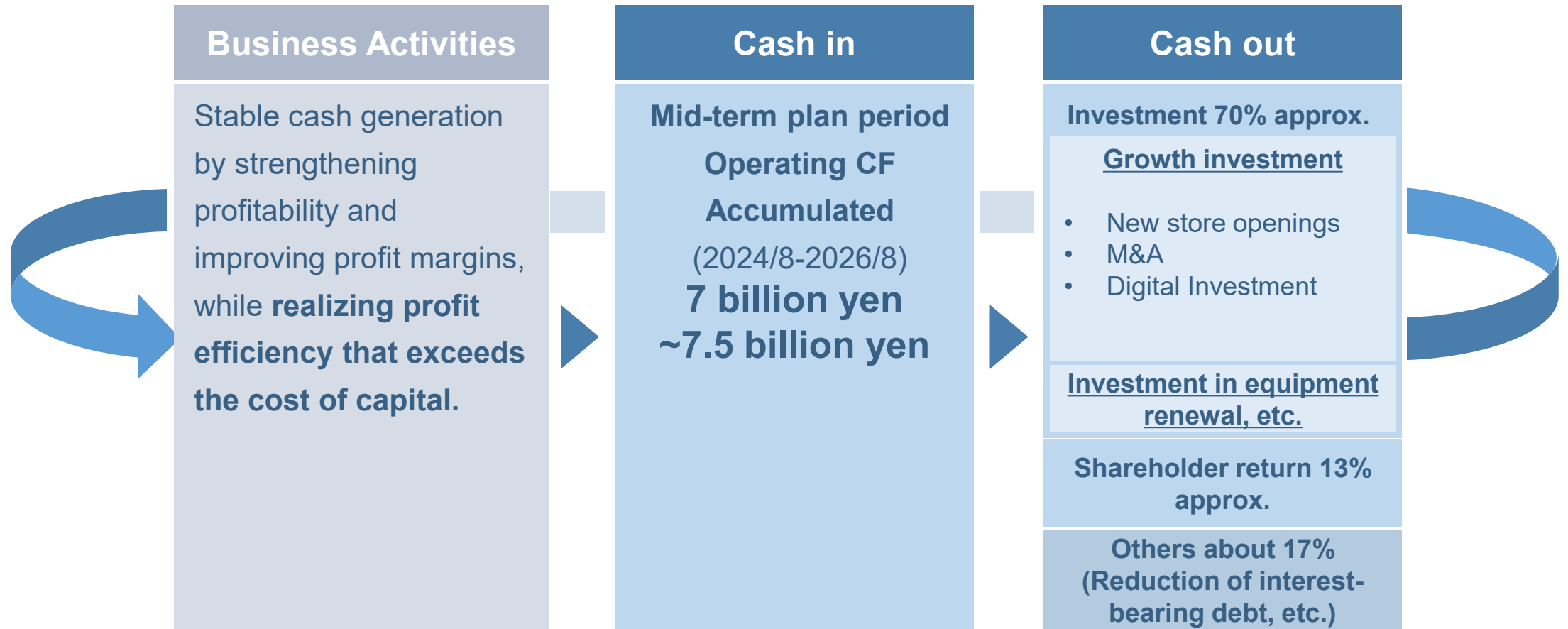
Unified Commerce “Services” for Differentiation

- ▶ HIMARAYA treats sports as a “part of life.”
- ▶ HIMARAYA does not “simply sell” sports brands; it “adds unique value.”
- ▶ HIMARAYA will develop customer-driven “original brands” that are closely linked to daily life.

Capital Allocation

Allocation of capital allocation to "return to shareholders" and "reduction of interest-bearing debt" with a focus on "growth investment" for the future.

Optimize capital efficiency through balanced implementation within the



Business Management ▶ Human Capital Management

Secure Diverse Human Resources

- ▶ Develop and secure highly specialized staff based on Tokyo office structure

Develop core human resources

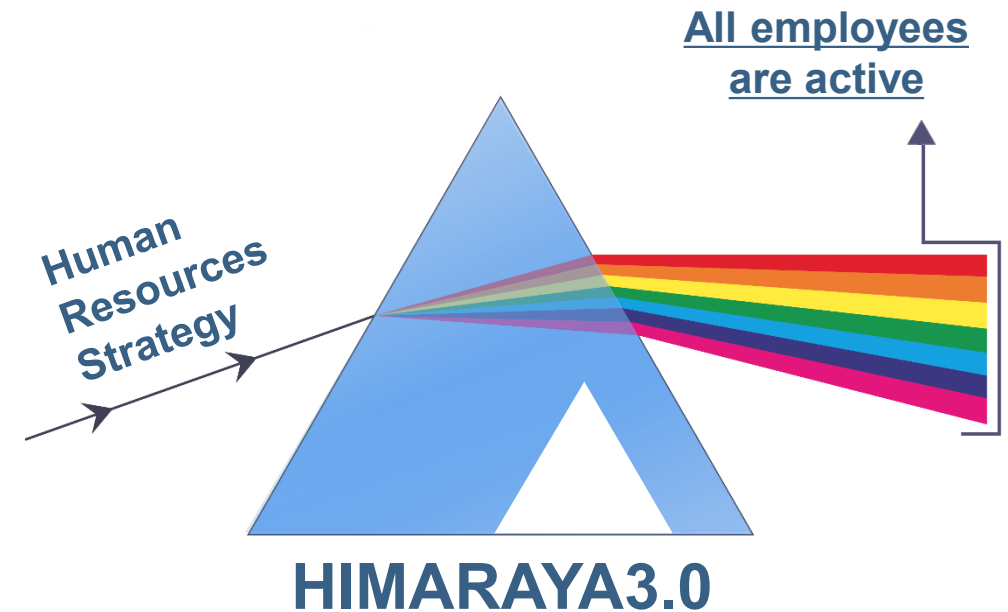
- ▶ Train from both mindset and skill perspectives by classifying employees into three levels: core personnel, managers, and skill-developing employees
- ▶ Establish programs and educational support for management development and professional human resource development

Policies that support the organization

- ▶ Review human resource systems to encourage diverse hiring
- ▶ Expand remote work

Promote employee well-being through sports (health manage

- ▶ Aim for certification as a "corporation with excellent health management"
- ▶ Develop unique health promotion methods utilizing qualified trainers
- ▶ Establish health and hygiene organization for employees' mental health



Business Management ▶ Sustainability

Aggressive growth investments planned to achieve further growth stages in the future

Environmental Initiatives

Carbon neutrality and other environmental load reduction

- ▶ Building Environmentally Conscious Business Model
- ▶ Scope 3 GHG Emission Reduction Targets to be Achieved

Social Initiatives

Realization of Sustainable Sporting Life
HR Strategy (HIMARAYA3.0)

- ▶ Contribute to local communities in Cooperation with Local Governments
- ▶ Build business model focused on wellbeing
- ▶ Launch Human Capital Management Initiatives and Promotion of Health Management

Governance Initiatives

Strengthening Corporate Governance

- ▶ Establish Succession Plan for Next Ge
- ▶ Generation of Management Personnel based on Skills Matrix
- ▶ Maintain efforts to evaluate effectiveness of Board of Directors for sustainable enhancement of corporate value

Shareholder Return Policy ▶ Dividend Policy

Basic Policy on Profit Distribution

The Company will take into consideration the dividend payout ratio, internal reserves for strengthening the management base, and other factors in line with the growth of its business performance. Our basic policy is to provide stable and continuous profit distribution from a long-term perspective.

| | Annual dividend (yen) | | |
|--|-----------------------|-------------|--------------|
| | Interim | End of term | Total amount |
| Year ending August 31, 2024 Forecast (*1) | 13 yen | 13 yen | 26 yen |
| Year ending August 31, 2023 confirmed | 13 yen | 13 yen | 26 yen |
| Year ending August 31, 2022 Actual | 10 yen | 15 yen (*2) | 25 yen |

1. Dividends subject to change in the event of major fluctuations in business performance or capital needs.
2. Breakdown of year-end dividend (15 yen): Ordinary dividend: 13 yen; Commemorative dividend: 2 yen

Shareholder Returns ► Shareholder Benefit Plan

Shareholder Benefit Program

Discount coupons will be issued twice a year to shareholders who hold 100 or more shares of HIMARAYA stock, based on the following criteria

| Number of shares held | Discount coupons |
|--|---|
| More than 100 shares - Less than 500 shares | 1,000 yen discount coupon x 1 |
| More than 500 shares - Less than 2,000 shares | 1,000 yen discount coupon x 3 |
| 2,000 shares or more - less than 5,000 shares | 1,000 yen discount coupon x 6 |
| 5,000 shares or more - less than 10,000 shares | 1,000 yen discount coupon x 15 coupons |
| 10,000 shares or more | Uniform 1,000 yen discount coupons x 30 |

Base date and expiration date at the time of presentation

- ▶ Sent to shareholders as of August 31 in late November (Expiration date: November 30 of the following year)
- ▶ Sent to shareholders as of the end of February in late May (Expiration date: May 31 of the following year)

Cautionary Statement Concerning Forward-Looking Statements

This document contains forward-looking statements based on information currently available to the Company and certain assumptions that the Company believes to be reasonable. The Company does not promise that it will achieve these goals.

There may be significant differences between the forward-looking statements in this document and actual results due to various factors, including changes in economic conditions, customer needs and preferences, and competition with other companies.

The Company assumes no obligation to update or revise any forward-looking statements contained in this document, whether as a result of new information or future events that may occur after the release of this document.