

Business Plan and Growth Potential

Vega corporation Co., Ltd.

Securities code: 3542

May 15, 2025





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1

Company Overview



VISION

Explore the endless possibilities of e-commerce

MISSION

Create “incredible experiences” and change the “norm”

VALUE

Honesty, Love, Appreciation, Humility, Harmony



Company name	Vega corporation Co., Ltd.
Listing market	Tokyo Stock Exchange Growth Market (securities code: 3542)
Share capital	1,043.55 million yen (as of March 31, 2025)
Established	July 2004
Company representative	Tomokazu Ukishiro, President and CEO
Number of employees	244 (as of March 31, 2025)
Head office	4F Hakata Gion Center Place, 7-20 Gion-machi, Hakata-ku, Fukuoka-city



President and CEO Tomokazu Ukishiro

Taken aback by the advent of the Internet while in college, he decided to start a business in the IT industry.

After graduating, he deliberately experienced various occupations and searched for a business to launch from the viewpoint of affinity with IT.

He established Vega corporation at the age of 27 with the idea of combining furniture and e-commerce. He is currently expanding the business to cross-border e-commerce.



Director
Head of Corporate
Management
Headquarters

Kazuhiro Kawabata



Director
Head of LOWYA Business
Headquarters
and General Manager of
Human Resources
Department

Yuki Yoshida



Director
(Audit and
Supervisory
Committee)

Hiroyuki Ikeda



Director
(Audit and
Supervisory
Committee)

Toshiaki Sano

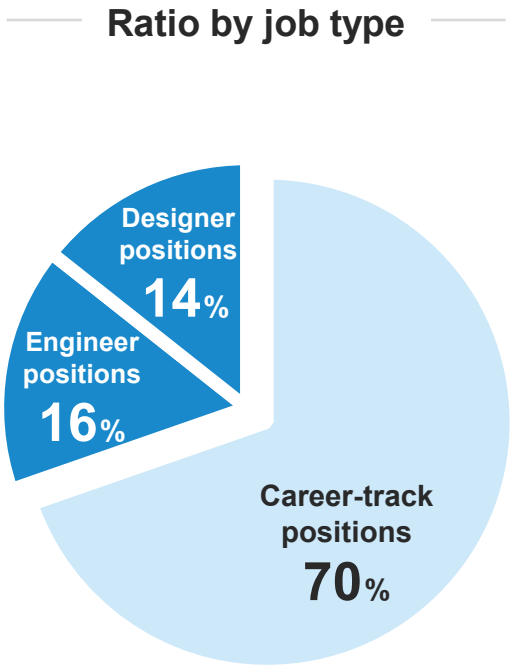
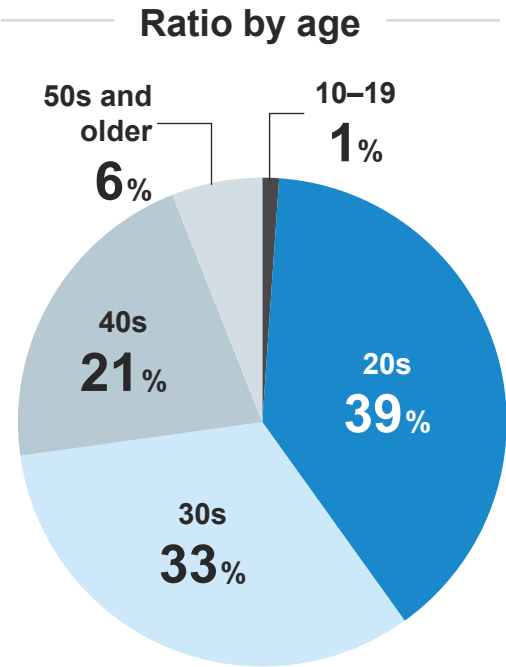
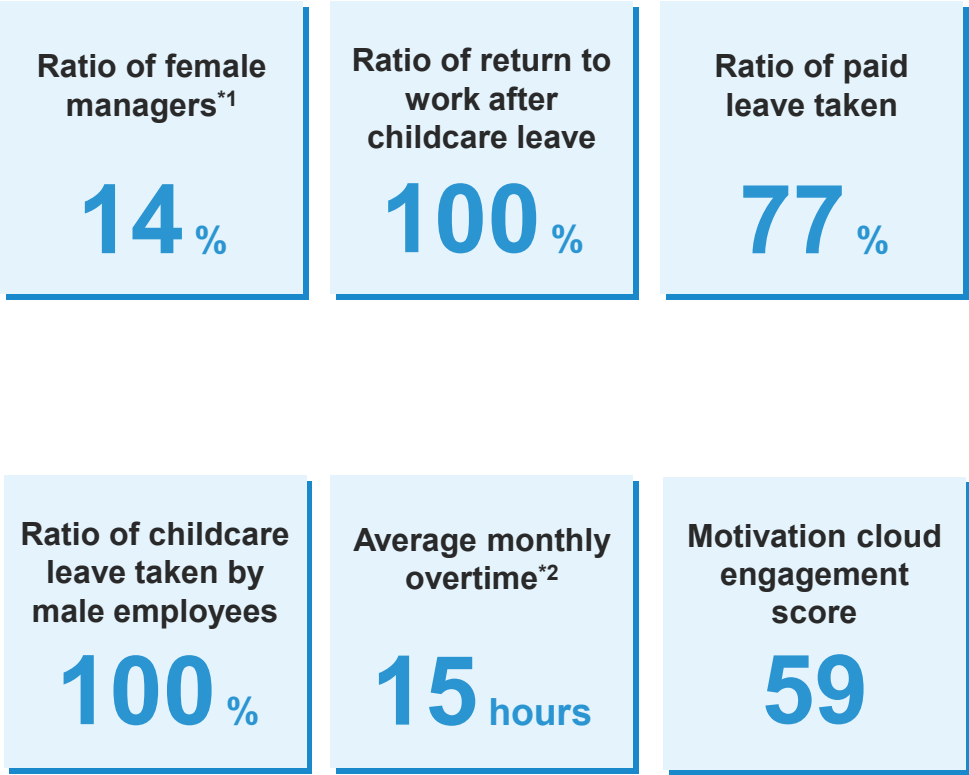


Director
(Audit and
Supervisory
Committee)

Katsuya Eguchi



We will create and support a working environment for those who want to expand their potential by taking on challenges toward the Company's vision.

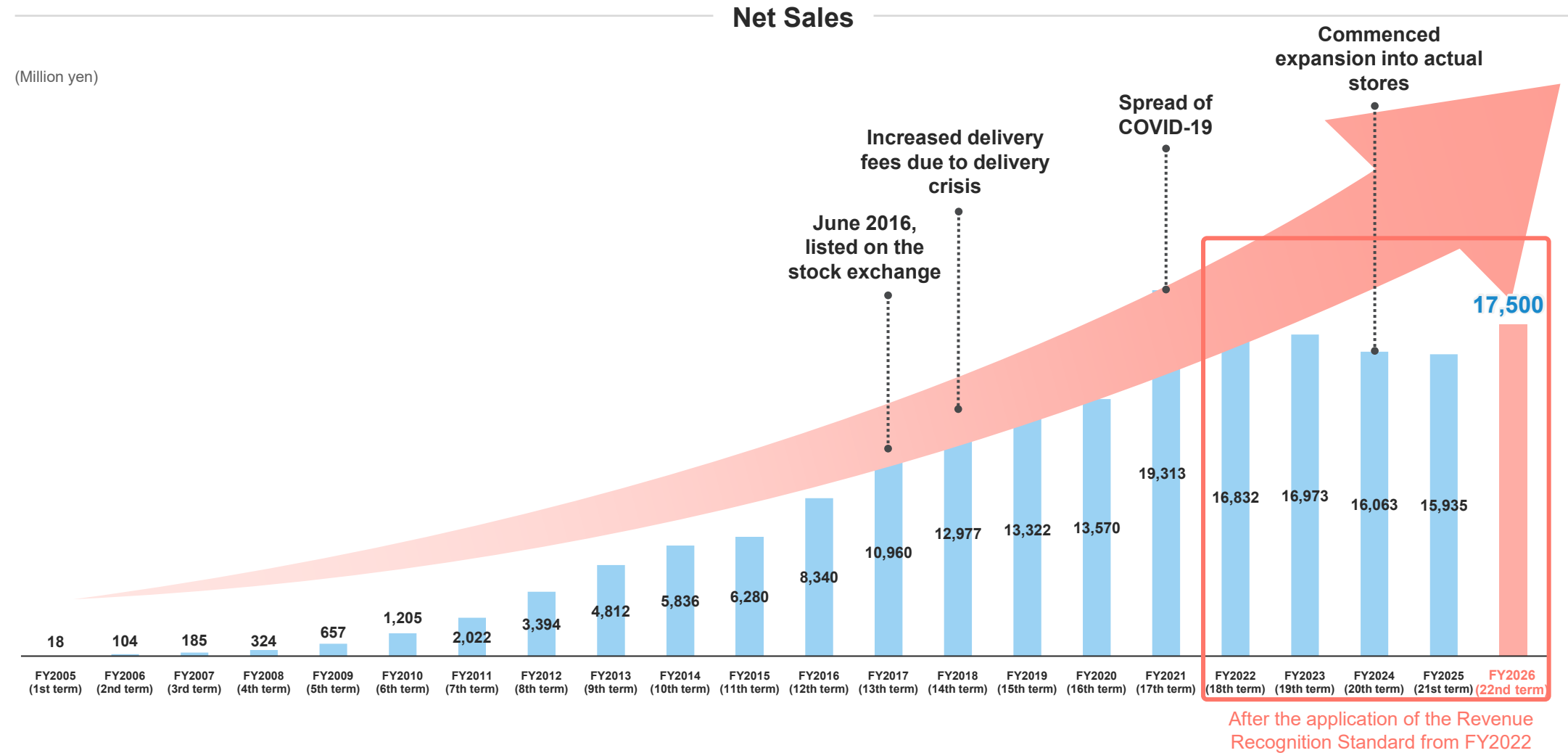


*1 The calculation method has been changed since the last disclosure.

*2 Regular employees only



The Company has been maintaining a growth trend since its founding.



* At the time of the previous disclosure, the sales forecast for FY2025 (21st term) was 17,000 million yen, but due to profit-oriented measures, the number of accesses declined more than expected, and it ended up at 15,935 million yen.



Implementing various measures under the “Sustainability Policy,” a policy for working towards a sustainable future.

Connect “thank you” to the future.

Our materiality issues



Reduction of
waste and
expansion of
resource
recycling

Creation of an
environment rich
in diversity and
pursuit of
employees’ job
satisfaction

Revitalization of
regions and
communities



2

Business Description



Promote the two businesses by exercising the power of creative content and technological know-how acquired through LOWYA's e-commerce and D2C* business.

Net sales breakdown

DOKODEMO
2 %

LOWYA
98 %

Core business

LOWYA

R&D phase

DOKODEMO

Products

From furniture and interior to outdoor goods, home appliances and sundries

Offering fashionable items at affordable prices

Cross-border e-commerce platform for the whole world

One-stop cross-border sales (B2B2C)

Process

Creative content

Technology

Attract customers

Sales

Delivery

CS

Online marketing, social media utilization, content distribution

MD, UI/UX design, e-commerce website operation, actual store operation (LOWYA)

Customers

Mainly domestic users (individuals)

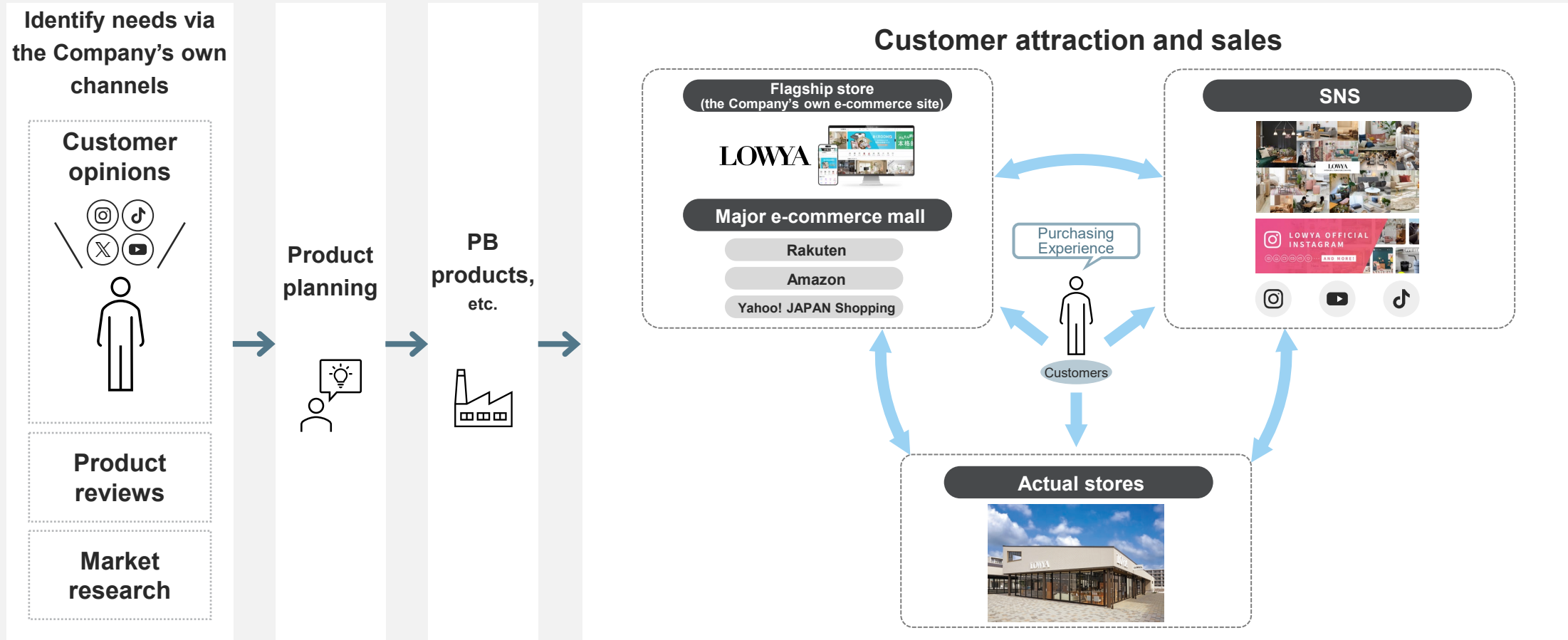
Domestic manufacturers, retailers, etc.

Users are individuals from all over the world

* D2C (Direct to Consumer) is a format of business that involves direct sales exclusively online.

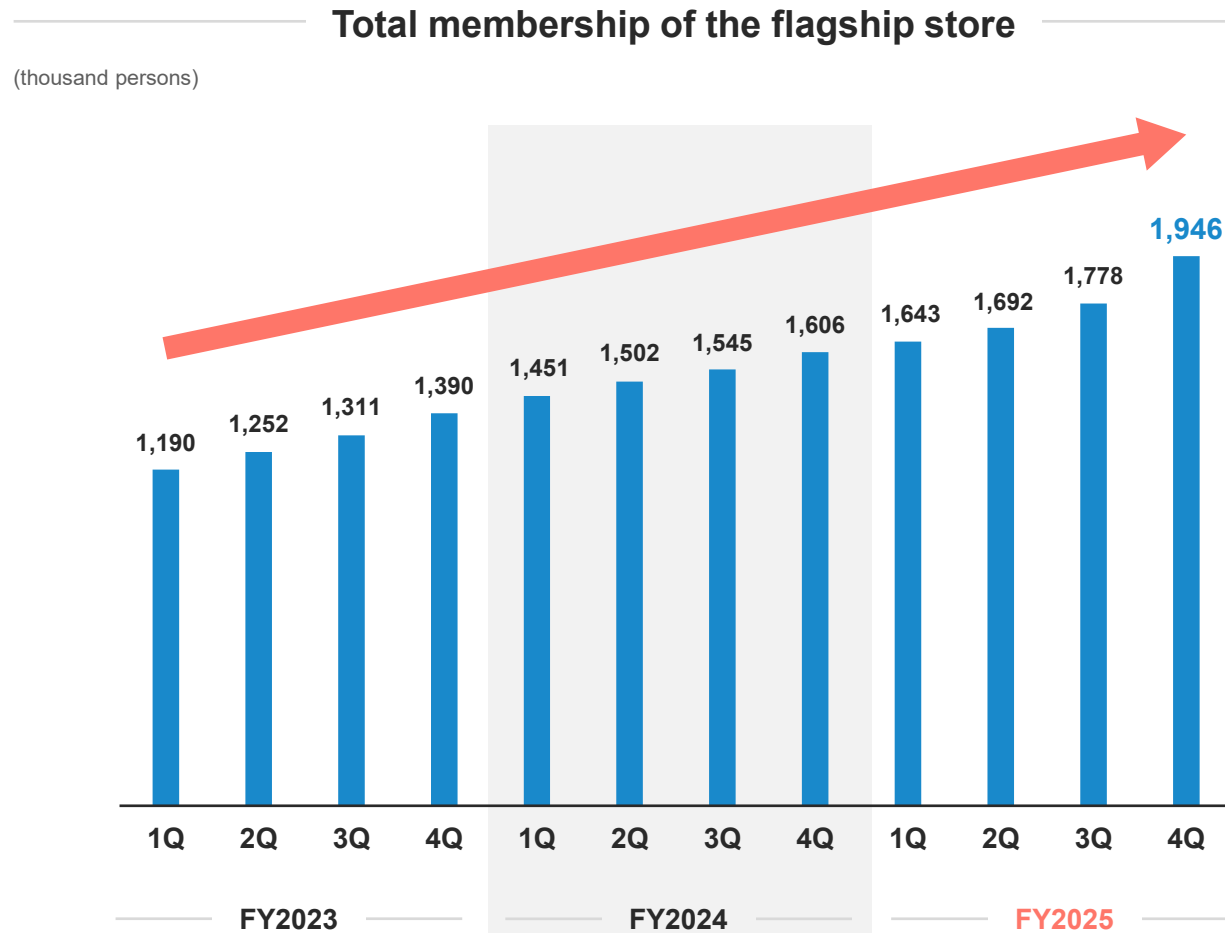


OMO-type D2C model that integrates the traditional D2C (direct sales) model, in which the Company handles everything from planning to sales and attracts customers mainly through its flagship store, with actual stores (offline).

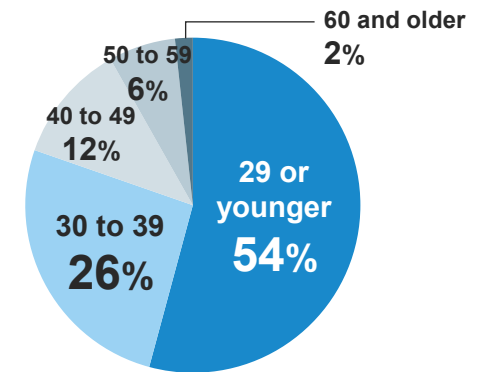




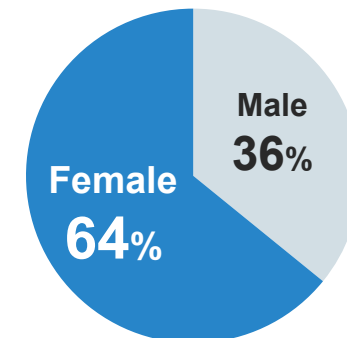
Total membership of the flagship store is steadily increasing, with strong support from people in their 20s and 30s.



Age distribution



Ratio of male vs. female



* The total membership reflects all members who enrolled at the flagship store.

* Age distribution and ratio of male vs. female are data of members who answered they had made purchases at the flagship store in the past 12 months from the most recent quarter.



Release products with a focus on our own private brand products that are design- and trend-conscious and pursue affordable prices with cost competitiveness. Expand product categories and release new products of home appliances, sundries, etc.

Furniture / interiors



Round dining table set
¥119,970 (tax included)



Wide size couch
¥99,990 (tax included)



Shoebox
¥39,990 (tax included)



Oshiteru for "Oshikatsu"
storage, wide type
¥29,990 (tax included)



Living room table
¥19,990 (tax included)



Two-layer coil mattress
from ¥39,990 (tax included)



Ceiling light with upper light
¥19,990 (tax included)



Drape curtain set
¥6,990 (tax included)

Home appliances



Dehumidifier with air
purification function
¥24,990 (tax included)



Electric coffee grinder
¥7,990 (tax included)

* All sales prices listed here are current as of May 2025, and therefore may differ from current selling prices.

* "Oshikatsu" refers to the act of supporting someone or something one particularly likes.



The internally developed official app and operation of social media function as the key to attracting customers. 1.76 million smartphone app downloads, and more than 1.17 million Instagram followers.

Sizes of engagement channels that deliver a unique brand image to a wide range of users (as of March 31, 2025)



Smartphone app

1,760,000

downloads (cumulative)



Instagram

1,170,000

followers



TikTok

390,000

followers



YouTube

200,000

channel subscribers

LOWYA official app



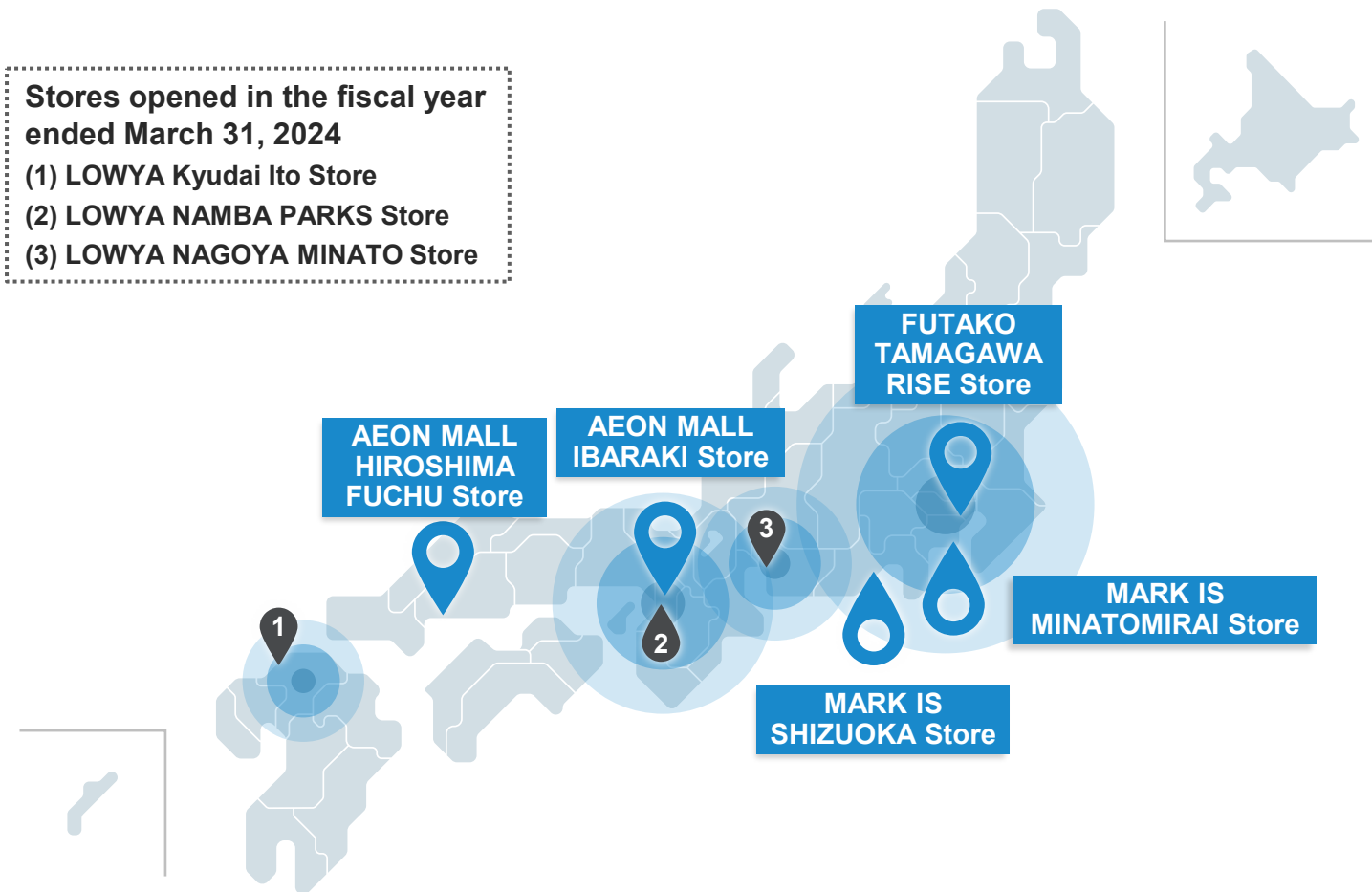
LOWYA official social media accounts





Opening of actual stores from April 2023 to realize the OMO-type D2C model.

In the fiscal year ended March 31, 2025, the Company opened five stores, and had already opened a total of eight stores as of March 31, 2025.



Stores opened in the fiscal year ended March 31, 2025

Store name : LOWYA MARK IS MINATOMIRAI Store

Opening date : August 10, 2024

Store location : MARK IS Minatomirai (Nishi Ward, Yokohama City, Kanagawa Prefecture)

Store name : LOWYA FUTAKO TAMAGAWA RISE Store

Opening date : September 14, 2024

Store location : Futako Tamagawa Rise Shopping Center Town front (Setagaya Ward, Tokyo)

Store name : LOWYA AEON MALL HIROSHIMA FUCHU Store

Opening date : October 5, 2024

Store location : AEON MALL Hiroshima Fuchu (Aki District, Hiroshima Prefecture)

Store name : LOWYA AEON MALL IBARAKI Store

Opening date : November 2, 2024

Store location : AEON MALL Ibaraki (Ibaraki City, Osaka Prefecture)

Store name : LOWYA MARK IS SHIZUOKA Store

Opening date : November 30, 2024

Store location : MARK IS Shizuoka (Shizuoka City, Shizuoka Prefecture)



The Company internally developed services that change the furniture purchasing experience with a focus on augmented reality/virtual reality (AR/VR).

It launched Oku ROOM®, a 3D furniture placement simulation app, in November 2024.

Total downloads exceeded 300,000 by March 2025.

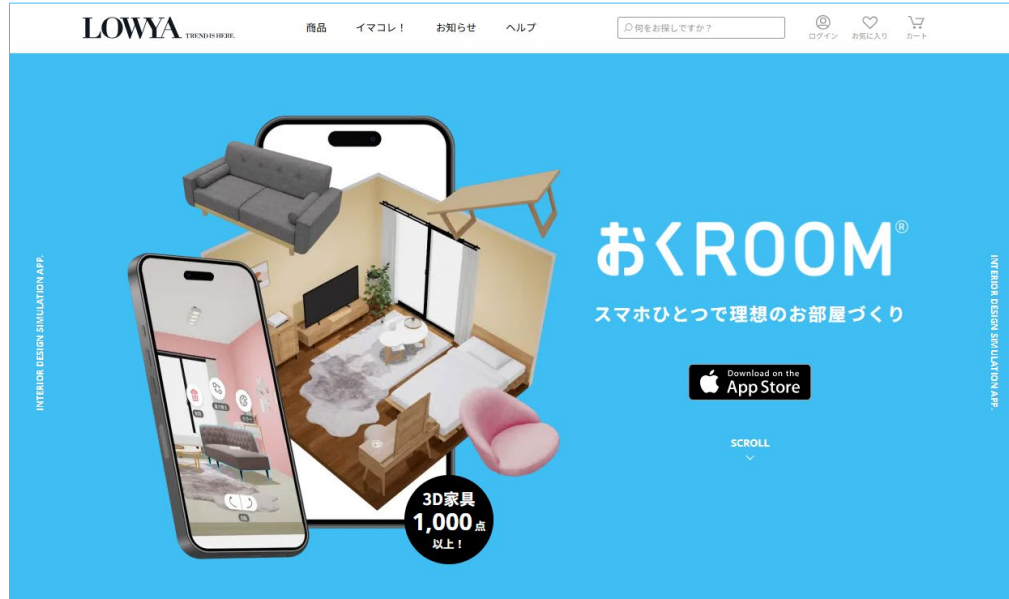
Create your ideal room with a smartphone. A 3D furniture placement simulation app

Patent pending

No interior design knowledge? No problem!

Just enter your room size and budget to automatically generate unlimited rooms tailored to your style!

Experience the room coordination prepared by professionals in 3D environments!



Point

- Free of charge
- Easy operation
- AI automatic coordination generation function is available
- You can refer to coordination prepared by professionals
- You can purchase all furniture through the official LOWYA app



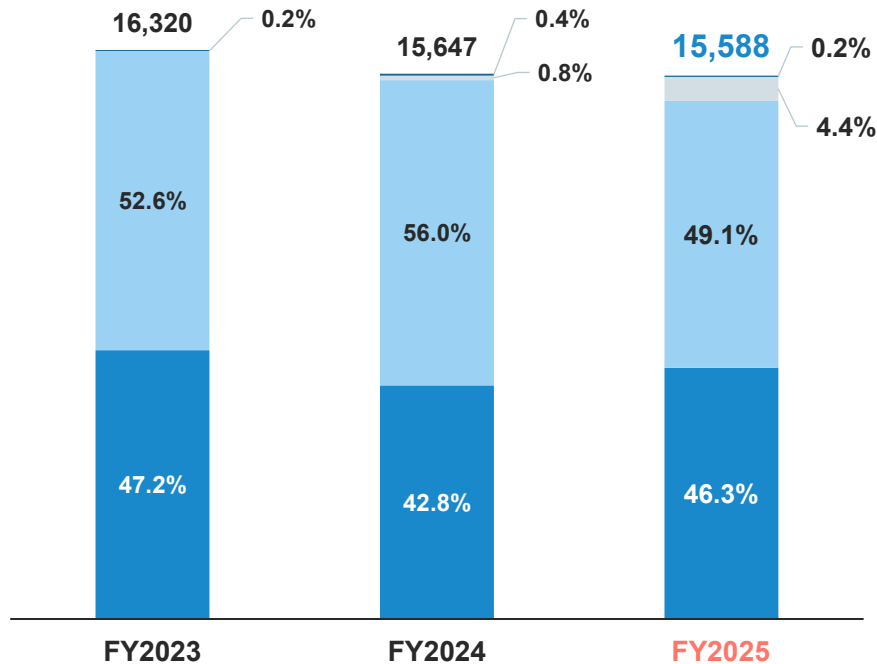
Net sales slightly declined due to the impact of the shift to a profit-oriented management policy in 2Q of the previous fiscal year. However, as a result of optimizing promotion expenses and advertising expenses in line with this policy, operating profit recovered.

The percentage of sales from actual stores increased due to an increase in actual store openings.

Net sales

(Million yen)

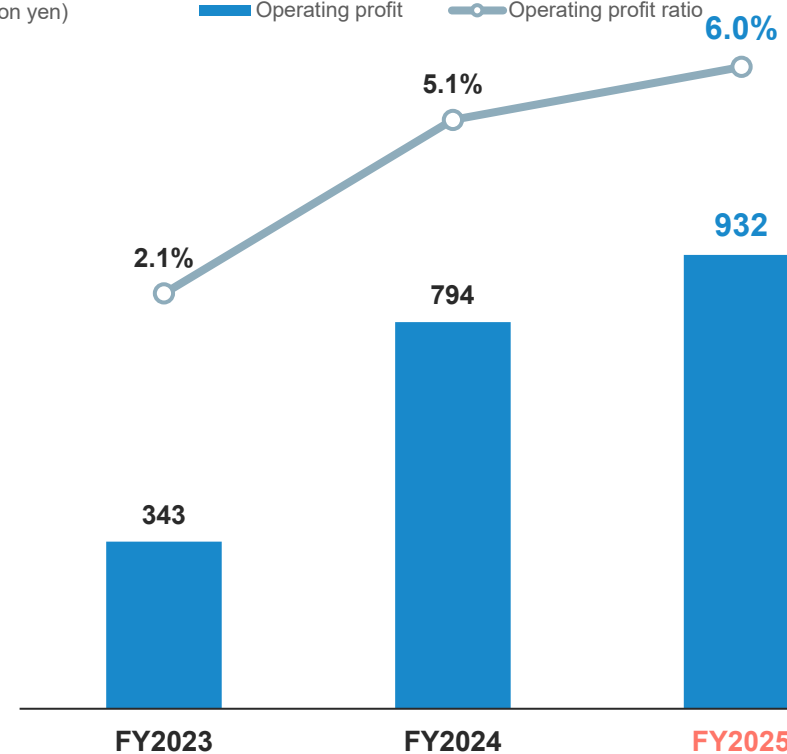
■ Flagship store ■ E-commerce malls ■ Actual stores ■ Wholesale



Operating profit

(Million yen)

■ Operating profit ○ Operating profit ratio

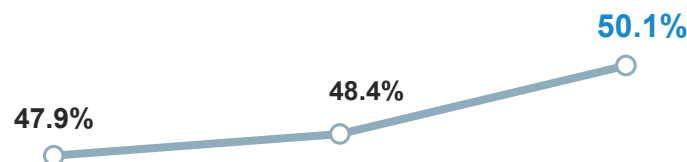




In the fiscal year ended March 31, 2025, gross profit margin ratio improved due to reduced promotion expenses. Despite efforts to optimize advertising costs, SG&A expenses increased slightly due to one-time expenses, including opening actual stores and preparing to replace the core system.

Gross profit margin ratio

(%)



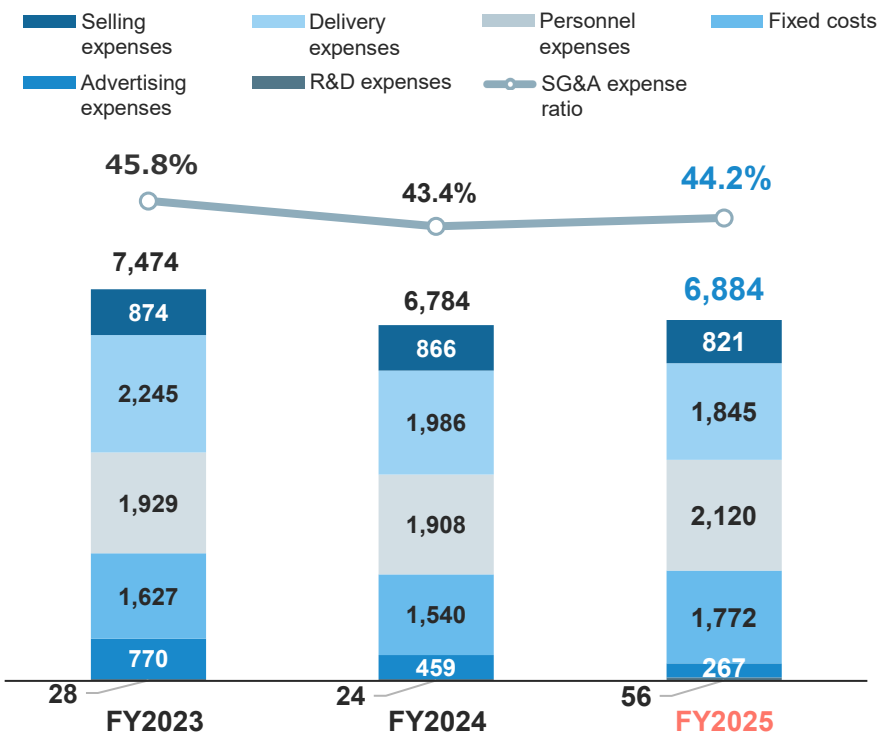
FY2023

FY2024

FY2025

SG&A expenses

(Million yen)



28

FY2023

24

FY2024

56

FY2025

* Revenue related to the DOKODEMO Business and to research and development expenses is excluded from net sales used as the basis for calculating the SG&A expense ratio, and therefore this data does not match the SG&A expense ratio on the statement of income.

* Promotion expenses, which were included in selling expenses, are included in advertising expenses from the fiscal year ending March 31, 2024. As such, the figures for the fiscal year ended March 31, 2023, have been retrospectively adjusted.



3

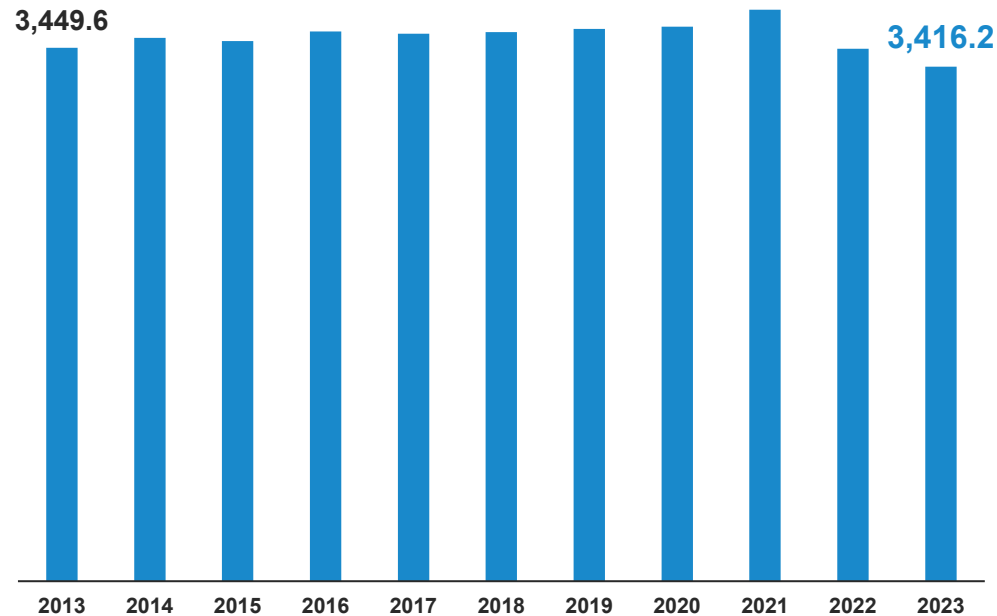
Market Environment



While the furniture and interior market as a whole has remained flat, the EC market grew at a CAGR of 2.8%. EC market growth is expected to continue in the future.

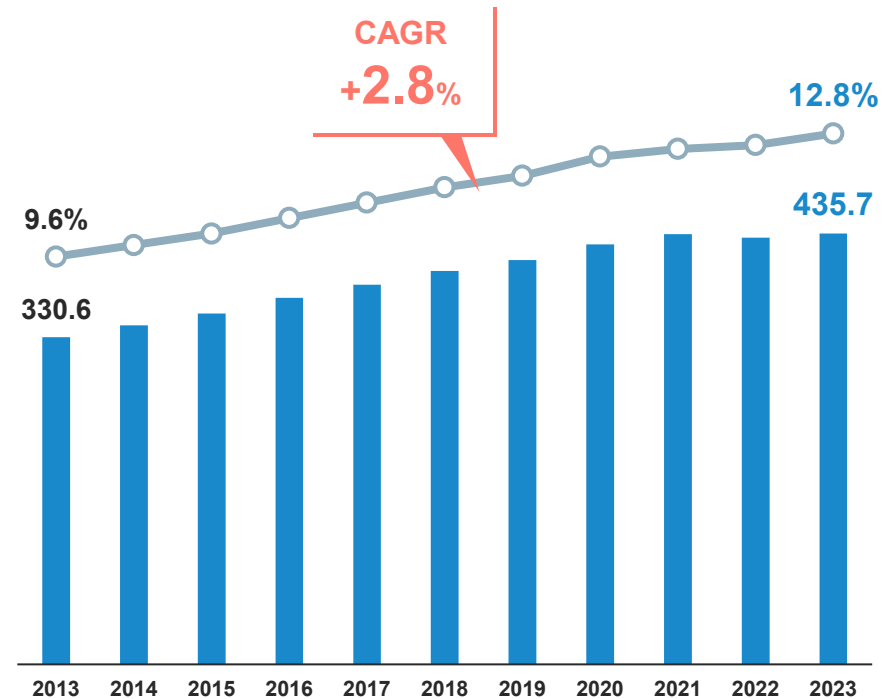
Furniture and interior market scale

(Billion yen)



E-commerce market and e-commerce rate

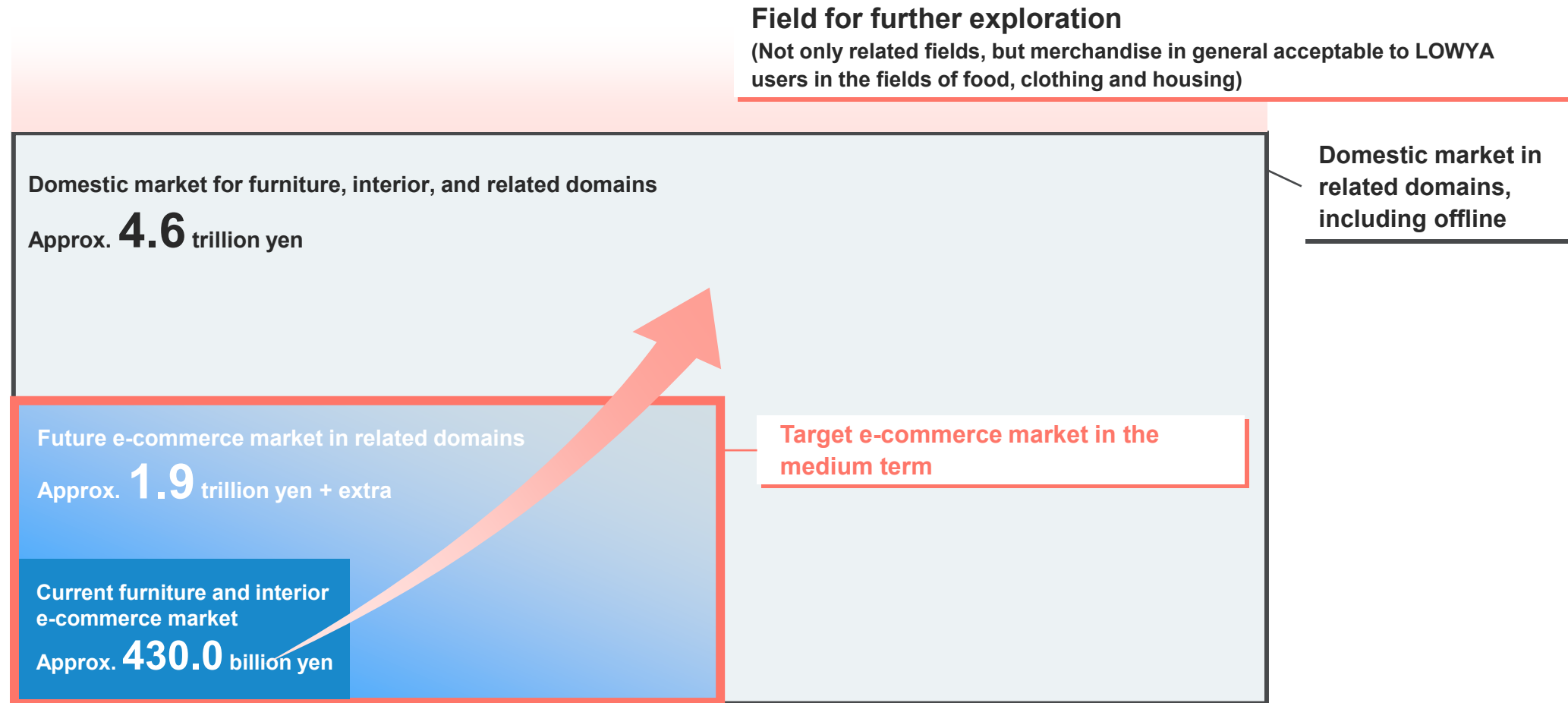
(Billion yen)





Target market continues to expand, driven by an increasing shift to e-commerce.

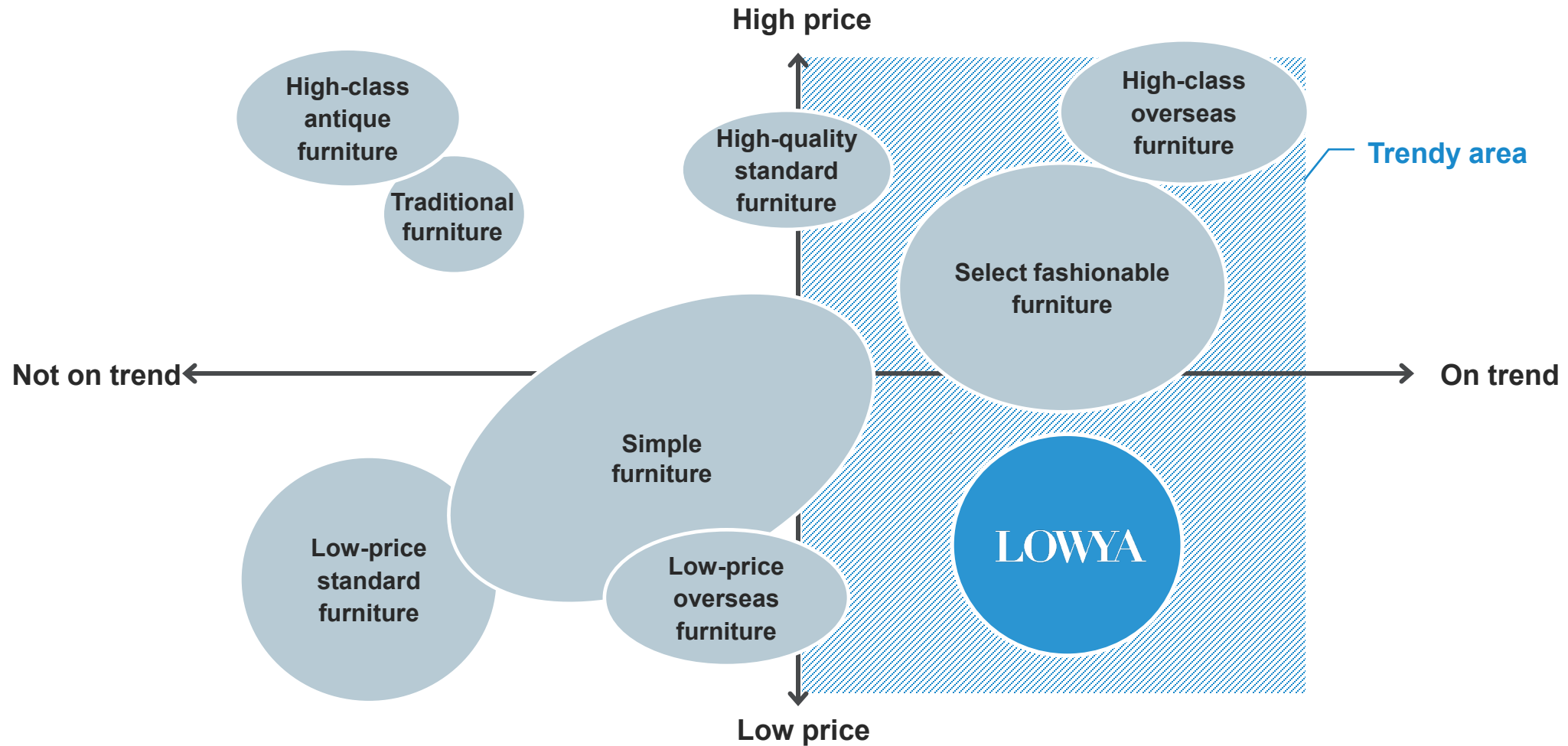
In addition to accelerating the shift to EC, the Company will capture the needs of the offline market by promoting OMO-type D2C, and aim for business growth as well as business domain expansion.



* Source: Related domains include the furniture and interior market, home appliances excluding large home electric appliances, plastic goods for daily use and sundries. Figures for the furniture and interior market and e-commerce shift were estimated by the Company, based on "Home Furnishings in Japan, June 2024" issued by Euromonitor. Figures for home electrical appliances were prepared based on "FY2025 Electrical Machinery Outlook" issued by the Japan Electrical Manufacturers' Association with the exception of room air-conditioners, electric refrigerators, and electric washing machines. Figures for plastic goods for daily use and sundries were prepared based on "2023 Yearbook of Current Production Statistics" issued by the Ministry of Economy, Trade and Industry. Figures for an e-commerce shift regarding home electrical appliances, plastic goods for daily use and sundries were estimated by the Company, based on "FY2023 Digital Transaction Infrastructure Development Project (E-Commerce Market Survey)" issued by the Ministry of Economy, Trade and Industry.



Establishing the unique positioning of LOWYA that differentiates it from other brands by offering a wide variety of low-priced, trendy products in the furniture and interior products market.





4

Growth Strategy

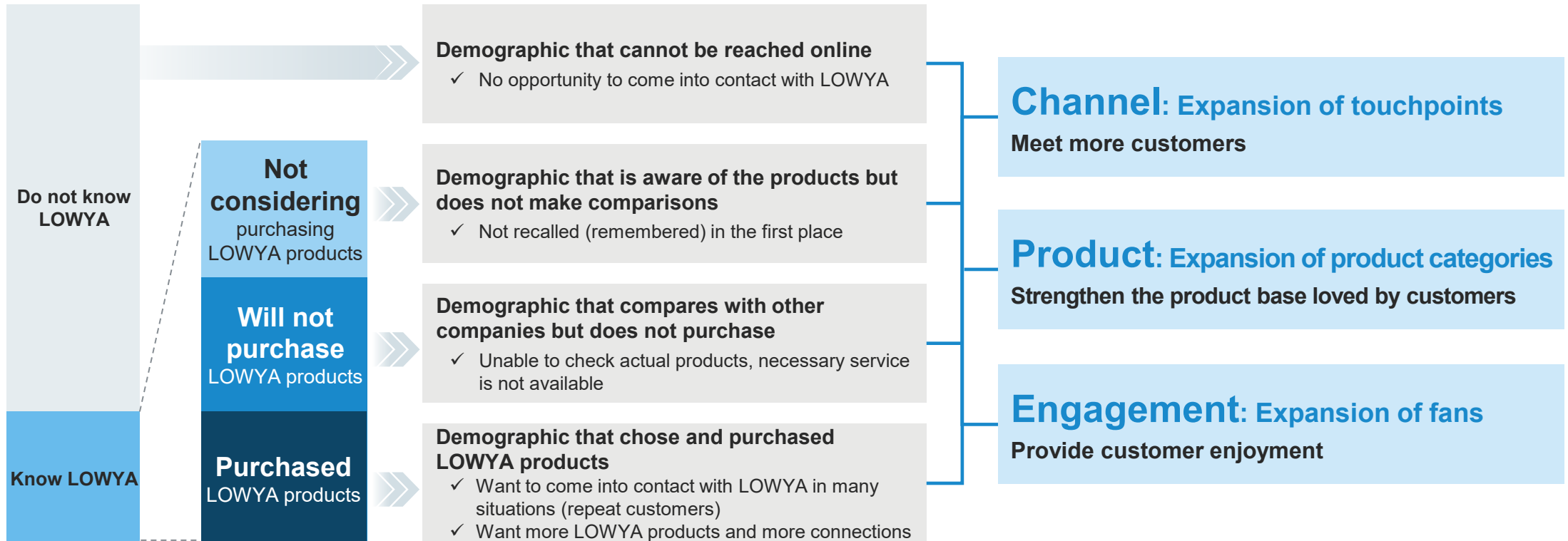


Converted to an OMO model by developing actual stores (channels) to build touch points with customers that could not be reached online alone.

Work to increase the number of fans and improve customer satisfaction (engagement) by utilizing SNS and strengthening products.

Classification of customers and their respective pains

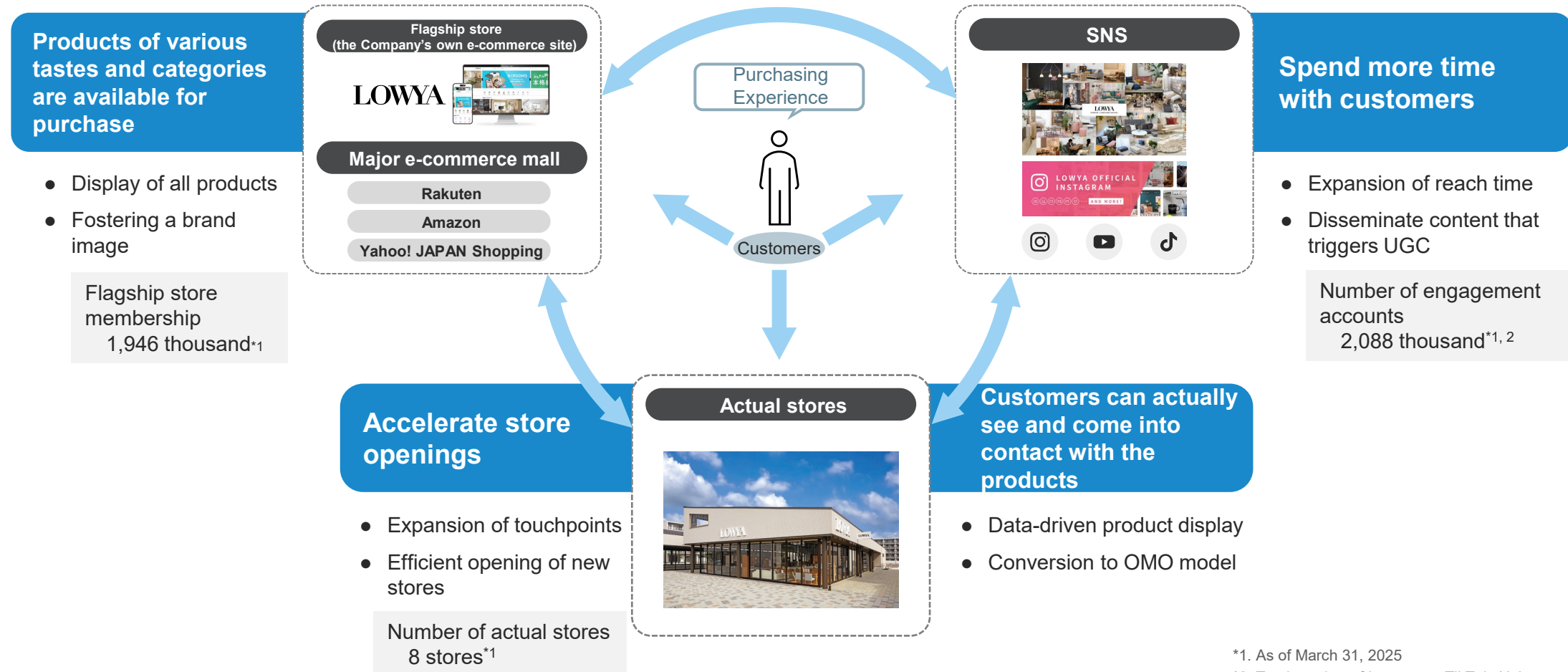
Three reinforcement points





Build a seamless purchasing experience that links online and offline, including SNS.

Accelerate the opening of actual stores and increase the number of places where customers can see and come into contact with our products.



*1. As of March 31, 2025

*2. Total number of Instagram, TikTok, X, Lemon8, and Threads followers, YouTube subscribers, and THE 608 HOTEL accounts



Increase the share of LOWYA products in the living space by expanding product categories, and develop products that meet the needs of a broadening customer base.

Home furnishing

- General household goods including furniture
- Complete coordination of colors, patterns, materials, etc. of household goods in a coherent style



Increase the share of LOWYA products in customers' living spaces

Enhance product lineup



Sofa



TV stand



Cabinet



Bedding



Rug / carpet



Sundries

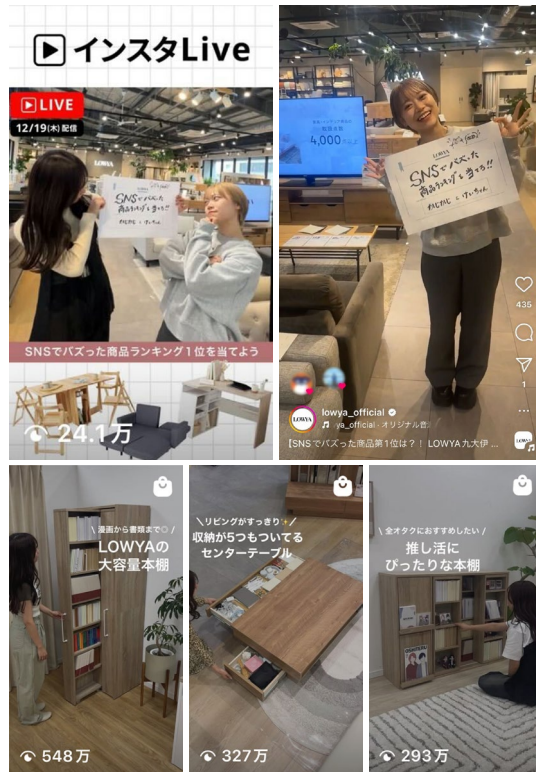


Implement interactive communication measures online and offline for the enjoyment of customers.

The Company aims to deepen its fan base by activating communication with customers centered on SNS.

SNS

▼ Instagram



▼ TikTok



▼ YouTube



Live-streaming from actual stores, and streaming of product introductions, room coordination, etc.

Actual stores



Asked customers to vote for their favorite furniture on Instagram in advance

Coordination with the most voted products was displayed in actual stores

*This event has ended.



Implementing events utilizing actual stores in conjunction with SNS projects



During the fiscal year ended March 31, 2025, the Company opened five stores out of a target of four to six store openings.

The Company had already opened a total of eight stores as of March 31, 2025.



MARK IS MINATOMIRAI Store

Opening date August 10, 2024

Store location MARK IS Minatomirai
(Yokohama City,
Kanagawa Prefecture)



AEON MALL IBARAKI Store

Opening date November 2, 2024

Store location AEON MALL Ibaraki
(Ibaraki City,
Osaka Prefecture)



FUTAKO TAMAGAWA RISE Store

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Shopping Center Town front
(Setagaya Ward, Tokyo)



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Shizuoka Prefecture)



AEON MALL HIROSHIMA FUCHU Store

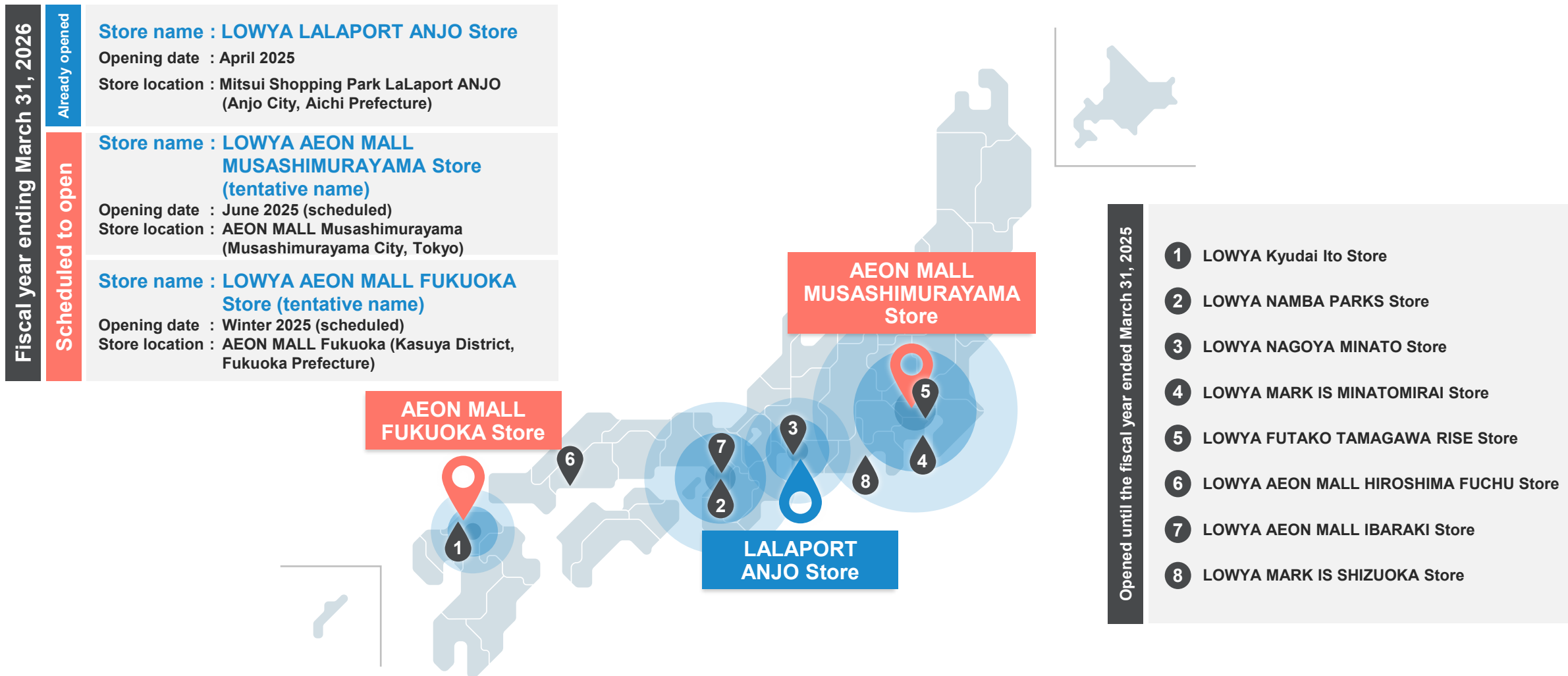
Opening date October 5, 2024

Store location AEON MALL Hiroshima Fuchu
(Aki District,
Hiroshima Prefecture)



Opened one store in April 2025 and decided to open two more stores.

By the fiscal year ending March 31, 2027, the Company plans to continue opening new stores, with the goal of opening dozens of new stores mainly in densely populated areas.





Plan to use operating cash flow to invest aggressively in development of new actual stores (channels).

Plans to invest in human resources, IT, and other infrastructure to support the OMO model with the expansion of actual stores.

The Company's shareholder returns policy is to implement dividend payments based on DOE of 2.0%.

Financing methods

1. Operating CF

- Optimize advertising costs in the EC channel and realize efficiency-oriented actual store
- Although the costs of opening actual stores are front-loaded investments, they drive medium-term sales growth
- Efficient management of working capital

Generation of operating CF

2. Interest-bearing debts

- Continuing to be debt-free since the end of March 31, 2023
 - Shareholders' equity amounts to 5.9 billion yen, sufficient borrowing capacity
- *As of March 31, 2025

3. Equity

- Not excluded as an option

Investment areas

Three focal points for reinforcement

Channel

Products

Engagement

Strengthen infrastructure

- Strengthen SCM and fulfillment
- Improve IT systems
- Secure human resources in each area

Complement strategies

External collaboration

- Startup investment
- Capital and business alliance
- M&A, etc.

Shareholder returns

- Secure internal reserves for further upfront investment-like business funds to strengthen the management structure and expand the scale of business in the future
- Implement dividend payments based on DOE of 2.0%, taking into comprehensive consideration the enhancement of corporate value, the business environment, and business performance



Revised plans for fiscal years ending March 31, 2026 and 2027.

No change to the targets of ROE of 15% or more and DOE of 2%.

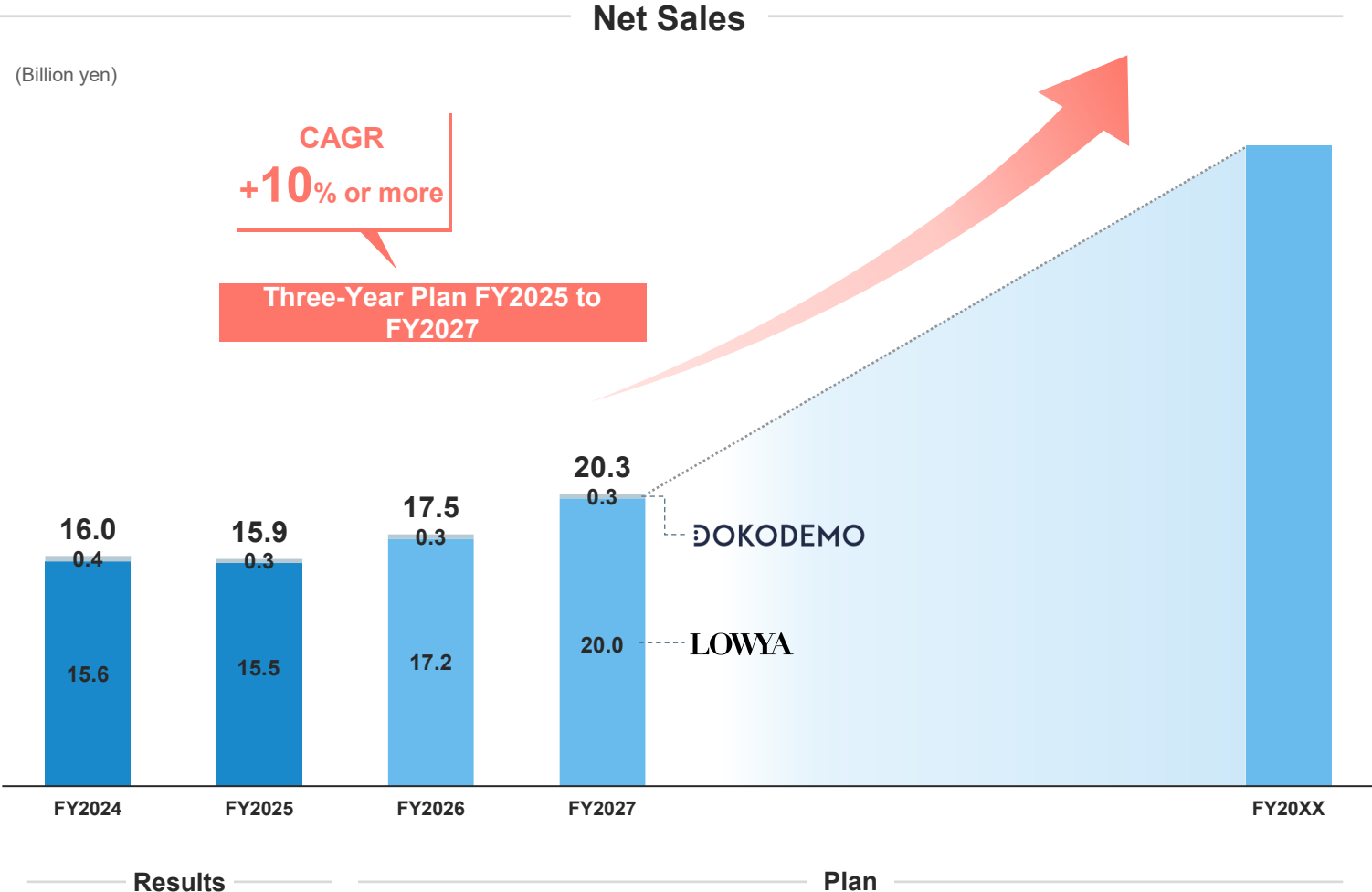
	Fiscal year Ended March 31, 2025		Fiscal Year Ending March 31, 2026		Fiscal Year Ending March 31, 2027	
	Initial plan	Results	Initial plan	Revised plan	Initial plan	Revised plan
Net sales (million yen)	17,000	15,935	19,500	17,500	22,500	20,300
LOWYA Business	16,500	15,588	19,000	17,200	22,000	20,000
Number of new stores opened	4 to 6 stores	5 stores	6 to 8 stores	5 stores or more	8 to 10 stores	5 stores or more
DOKODEMO Business	500	346	500	300	500	300
Operating profit (million yen)	1,200	926	1,500	1,100	2,000	1,400
ROE(%)	12.4	10.3	13.9	10.6	16.2	12.3
Dividend per share (yen)	11	11	13	12	15	13

* In the fiscal year ended March 31, 2025, net sales fell short of the initial plan as a result of advertising cost optimization and other measures implemented in accordance with the profit-oriented policy. Additionally, due to the impact of the weaker yen, the gross profit margin ratio declined more than expected. As a result, operating profit fell short of the initial plan.

* For the fiscal years ending March 2026 and 2027, the number of new store openings is lower than initially planned, as the Company will also focus on improving operations and human resource training at its actual stores. Other planned values were revised accordingly.



Aim for a CAGR of 10% or more, mainly through growth in the LOWYA business.
The DOKODEMO business continues its R&D phase.



Mid-term target

50 billion yen



Long-term target

100 billion yen

5

Risks





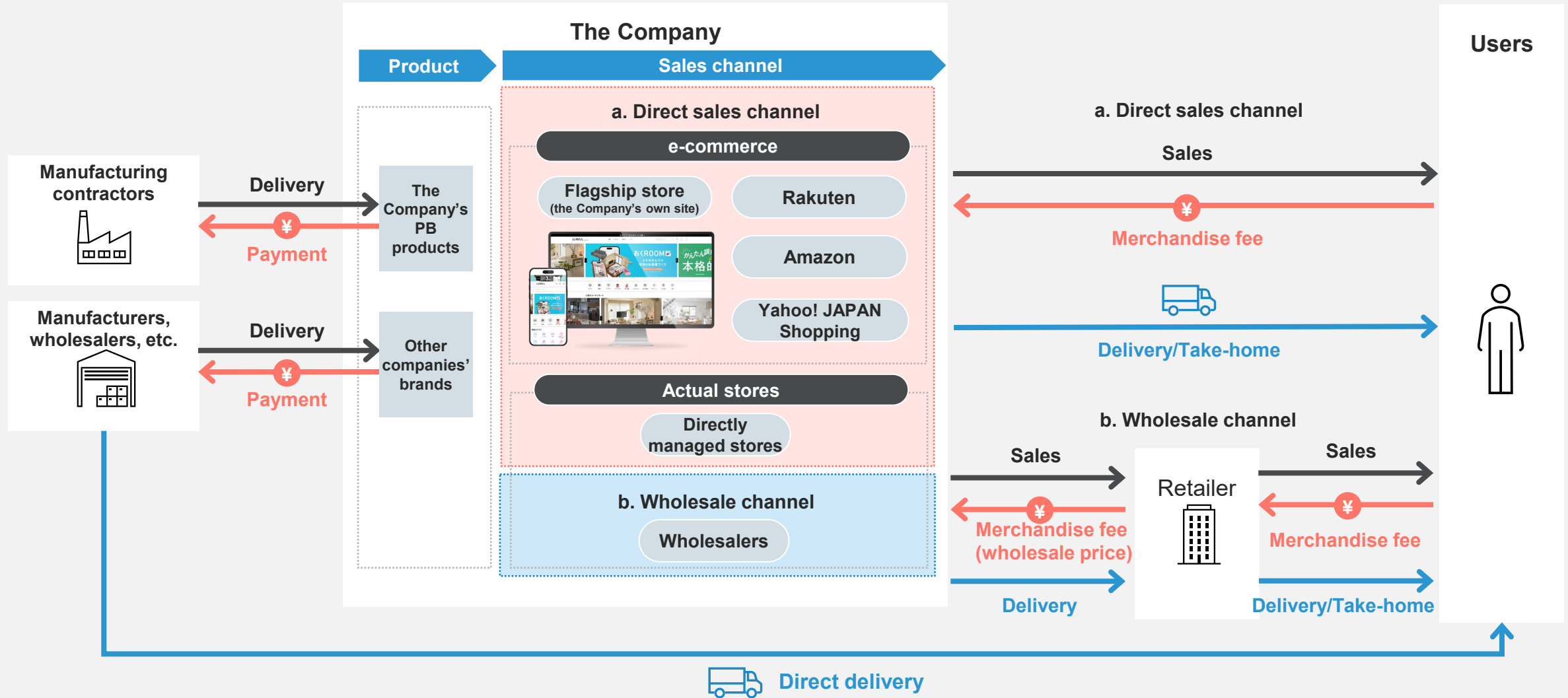
Major risks related to our business and countermeasures are as follows.

Please refer to “Business Risks” in the annual securities report for other risks.

Description	Possibility of manifestation	Timing	Impact	Countermeasures
Foreign exchange Risk of significant exchange rate fluctuations affecting business performance	High	Short- to long-term	High	<ul style="list-style-type: none"> Review and upgrade the hedging policy from time to time
Response to search engines Risk of not being able to acquire sufficient customers as a result of ineffective search engine optimization (SEO) due to factors including changes in search algorithms	Medium	Unclear	Medium	<ul style="list-style-type: none"> Implement measures to reduce the impact of search algorithm changes, etc.
Impact of online malls Risk arising from mall closures, cancellation of store opening agreements, mall system troubles, etc.	Medium	Unclear	Medium	<ul style="list-style-type: none"> Focus efforts on the growth of the LOWYA flagship store as well as establishment and expansion of new sales channels
New business model Risk of not achieving expected sales and profit growth, synergies with existing business areas, etc.	Medium	Short- to medium-term	High	<ul style="list-style-type: none"> Continuously monitor sales performance, etc. Examine medium-term numerical plans and withdrawal criteria
Competition Risk of a decline in the Company's competitive advantage or occurrence of price competition	Medium	Short- to long-term	High	<ul style="list-style-type: none"> Strengthen competitive advantage Provide high-value-added services
Increase in delivery expenses Risk of shipping companies withdrawing from large-scale deliveries or raising prices	Medium	Short- to medium-term	Medium	<ul style="list-style-type: none"> Build an earnings structure that is not easily affected by rising delivery expenses
Intellectual property rights Risk of the Company's rights being infringed or unintentional infringement of intellectual property rights of third parties	Low	Short- to long-term	Low	<ul style="list-style-type: none"> Obtain various intellectual property rights Build a system to ensure that there is no infringement of the intellectual property rights of third parties
Information security and system troubles Risk of system troubles due to unexpected accidents, unauthorized access, etc. resulting in difficulties in providing services stably	Low	Short- to long-term	High	<ul style="list-style-type: none"> Back up data and disperse systems Strengthen security measures



Appendix



IR Inquiries

<https://www.vega-c.com/contact/ir/>

This document contains forward-looking statements. All statements other than those related to historical facts in this document constitute such forward-looking statements. These statements involve known and unknown risks and uncertainties, and actual results in future periods may differ materially from these statements. Risks and uncertainties include, but are not limited to, market trends, competitive environment, and domestic and international economic conditions surrounding the business of the Company.

The opinions, estimates, and forecasts contained in this document are based on judgments made by the Company using information currently available and are not intended as a guarantee by the Company to achieve them.

Business plans and matters concerning growth potential will be disclosed at the same time as the full-year financial results announcement scheduled for May each year.