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On July 21, 2021, Ryohin Keikaku Co., Ltd. announced its medium-term business plan covering the period from FY08/22 through FY08/24.

The company announced its medium-term business plan covering the period from FY08/22 through FY08/24, as detailed below.

Medium-term business plan: Quantitative targets

Medium-term targets (JPYmn)	FY08/21 Est.	FY08/24 Targets	FY08/30 Targets
Operating revenue	487,600	700,000	3,000,000
Comparable-store revenue growth	-	2.0%	-
Domestic	303,300	450,000	-
Overseas	184,300	250,000	-
Operating profit	49,200	75,000	450,000
Operating profit margin	10.1%	10.7%	15.0%
ROE	13%	15%	15%
ROA (RP-based)	18%	15%	15%
Store count	980	1,300	2,500
Average floor space (tsubo)	250	300	550
E-commerce ratio	10%	15%	30%

Source: Shared Research, based on company data

Overview of medium-term business plan

Looking out to FY08/30, the company has set its sights on making its stores and products an essential part of everyday life for consumers and becoming an active part of local communities, contributing to both community building and problem solving. To accomplish this goal, the company will implement the following regional strategies by FY08/24.

▷ Japan and Mainland China

Plans call for focusing the bulk of the company's resources on its operations in Japan and Mainland China, where it looks to grow earnings while at the same time laying the groundwork for a new business model centered around individually managed stores to meet the needs of local communities. In practice, this means fielding a core lineup of consumer products/services essential for everyday living for all stores nationwide, serving local communities, and accelerating store openings while maintaining profitability.

▷ Taiwan, Thailand, Hong Kong, and South Korea

Plans call for besting competitors with price cuts and a broader lineup of everyday goods to meet the needs of the average consumer in each market. In terms of store strategy, plans call for putting in place stores built to its new standard format with 600 *tsubo* (roughly 1,980sqm) of sales floorspace through a combination of new store openings and the remodeling/replacement of existing stores. With this working to reach more consumers, the company will then be in a better position to meet the needs of the local market and grow the business.

▷ Other countries in Southeast Asia/Oceania

Plans call for besting competitors with price cuts, putting in place stores built to its new standard (600 *tsubo* or roughly 1,980sqm) format that will be more profitable; putting in place the personnel structure needed to support the expansion of business in this region; and finishing the preparations for its store expansion plans that are expected to be implemented starting in 2024.

▷ India, Europe, and North America

Plans here center around business restructuring, with the company planning to push ahead with structural reforms, including closing unprofitable stores and revamping individual store operations. In Europe, the company is looking at the implications of the lifestyles and values for "super mature society", where it will work together with local community stakeholders to contribute to local communities through such measures as adapting individual stores to local market needs.

To successfully implement these strategies, the company will undertake the following initiatives: 1) putting together the best core merchandise lineup of everyday goods and establishing related procurement and manufacturing networks; 2) creating a community-based business model centered around individually managed stores and accelerating the nationwide rollout of these stores while maintaining profitability; 3) fostering independent growth initiatives at the individual store, country, and regional level by encouraging companywide employee autonomy; and 4) putting in place the business infrastructure needed to support the changeover to individually managed stores that have adapted to local market needs.

This note is the most recent addition to the [full report](#).

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