

JADE GROUP, Inc.



LOCONDO.jp

COMPANY INTRODUCTION

※ This material is translated by AI technology

2024.8.1

Company overview

JADE GROUP, Inc.

Address: 30-13, Motoyoyogi, Shibuya, Tokyo
 Establishment 2010.10.22
 CEO: Yusuke Tanaka
 Number of employees: 126
 Listed market: TSE Growth

EC Mall

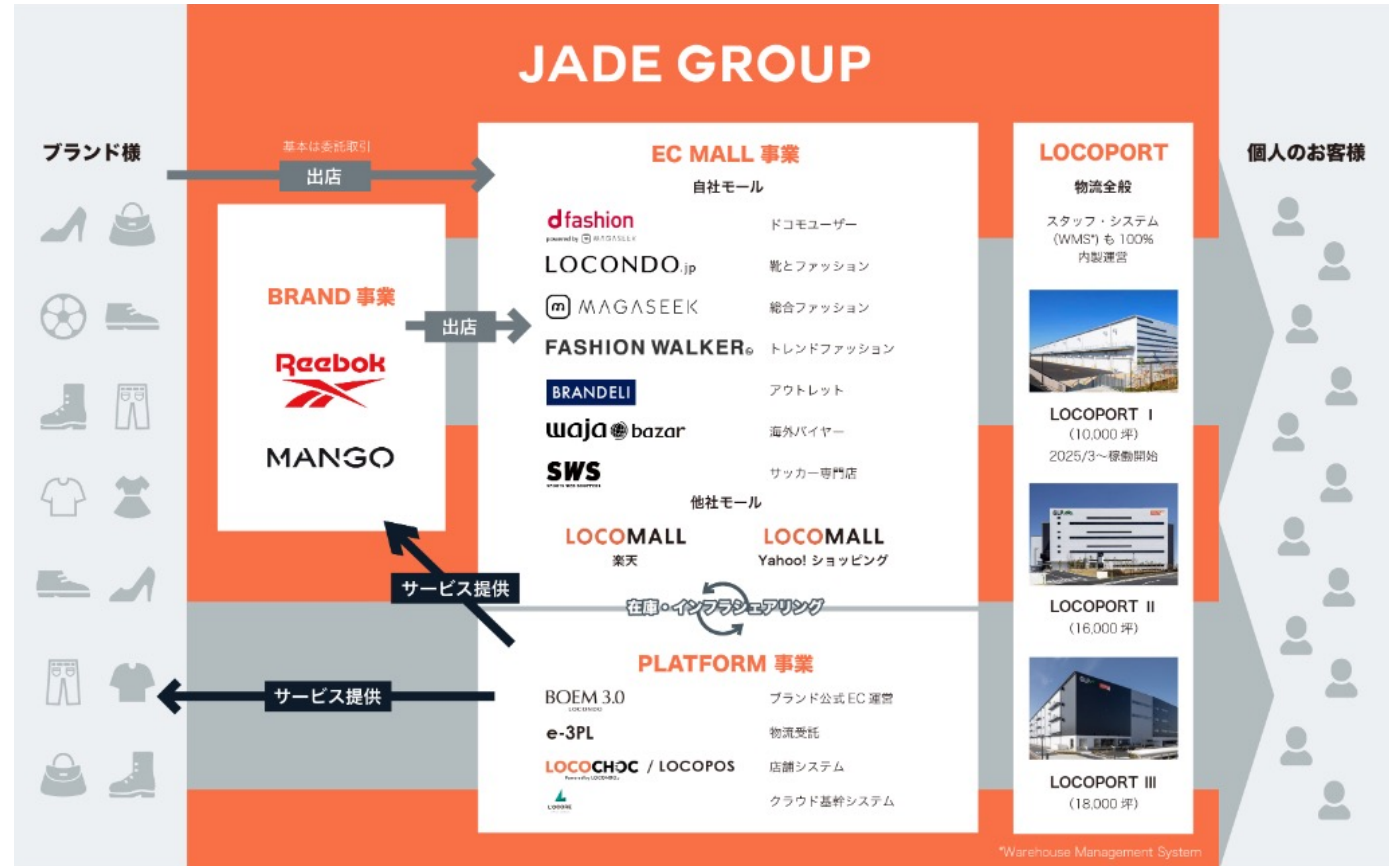
Operates EC malls: LOCONDO.jp, FASHION WALKER, BRANDELI, SPORTSWEBSHOPPERS, and waja

Platform

In addition to inventory centralization as a logistics warehouse hub, we offer a wide range of services to centralize data through DX

Brand

Brand management business such as Reebok and MANGO. Also responsible for store operations.



Group Companies

Acquired March 2024

Magaseek Corp ※consolidated

EC

Comprehensive fashion EC mall with over 2,400 brands

d fashion

Fashion EC mall for d-point members

EC Solution

Apparel brand official EC site management support

Fulfillment Business

Logistics support using our own distribution center

Acquired Oct 2022

RBKJ Corp ※consolidated

EC

Operation of the official Reebok online store

Store Operation

Management of Reebok directly-managed stores

Wholesales

Wholesale sales to retailers

Acquired Mar 2024

FASCINATE Co ※consolidated

EC ※Domestic and cross-border EC

Selling high brand apparel domestically and internationally

Store Operation

Directly managed stores in Shinsaibashi and Kyoto

Acquired Jan 2024 (35%)

TCB Jeans & Co ※35%

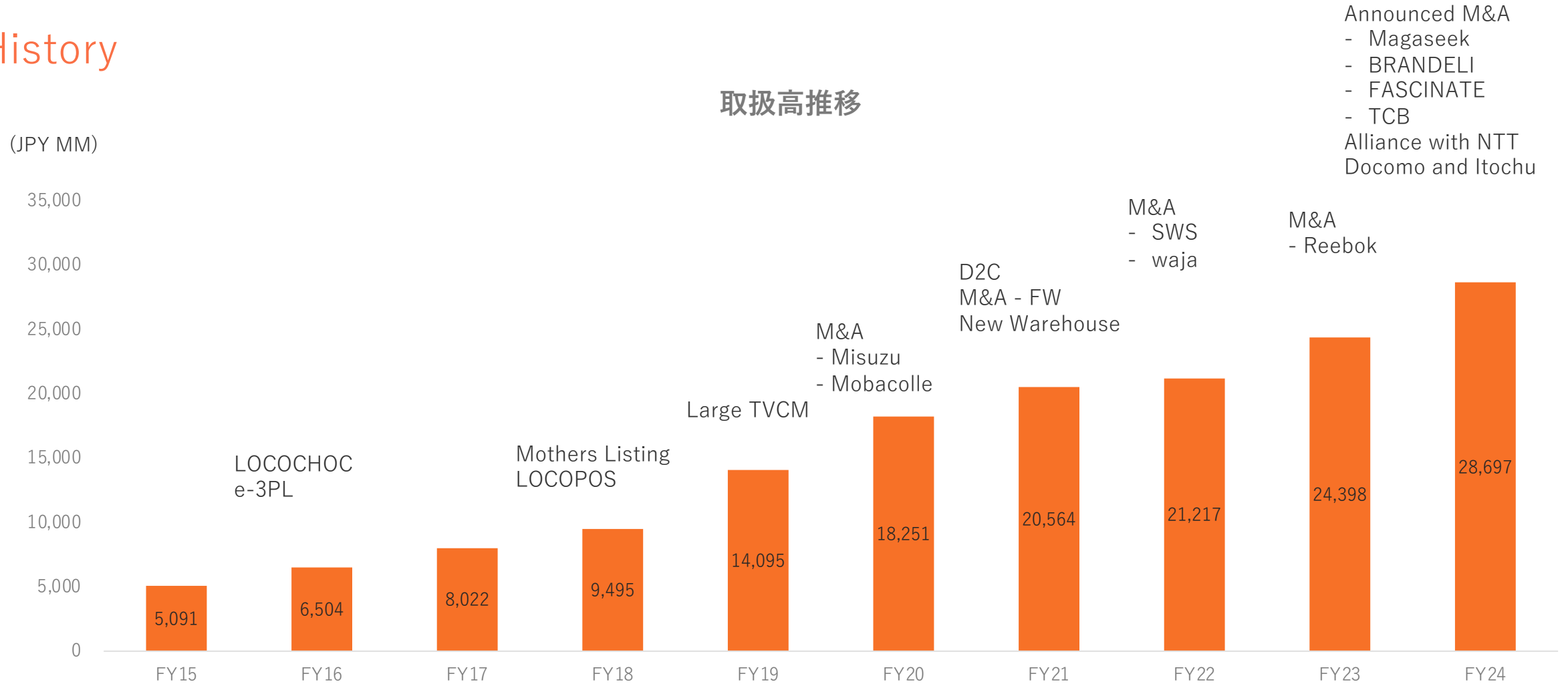
Manufacturing

Kojima Jeans manufactured by artisans

Store and EC operation

Sold to fans in Japan and abroad through stores and EC

History



グループVISION

MAKE BRANDS BRIGHT

～ Sparkle as JADE ～

グループPOLICY

Fast

Speedy and flexible movement

Faith

Earn trust internally and externally through results.

Fair

Fair, transparent and highly ethical

Fun !

Enjoy everything in a positive way!

Yusuke Tanaka, founder of JADE GROUP, first met with Zappos, the 1st shoe EC in the world, while he was studying MBA course in the US. When he came back to Japan, he co-founded JADE GROUP in Japan from 2010 in order to expand the great service with free shipping & return shipping service in Japan.

Before JADE GROUP, many companies couldn't start the similar service because the break-even point of shoe EC is too high; 10 billion JPY (\$100 Million). As expected, JADE GROUP had suffered from many financial crisis between 2010 and 2015, but became profitable in 2016 and went to Tokyo Growth market (IPO) in 2017.

What JADE GROUP has learned and realized is that JADE GROUP has to provide “innovational service” not only to customers but to shops/brands in order to realize free and fun shopping.

Why? The reason is that in Japan, consignment contract is common, and therefore, JADE GROUP has to increase brands' inventory cycle in order to have more inventories in its warehouse. The solution of increasing the inventory cycle is “inventory sharing (inventory centralization)” not only among various EC malls but among EC mall, offline stores and wholesales.

Utilizing this structure, JADE GROUP has continued to grow and become a provider of many services such as REEBOK and MAGASEEK, and has also realized the sublimation of these services into something more attractive. JADE GROUP will continue to provide innovative services for brands and a free and enjoyable shopping experience for customers, helping all stakeholders to sparkle as JADE .

CEO & founder: Yusuke Tanaka

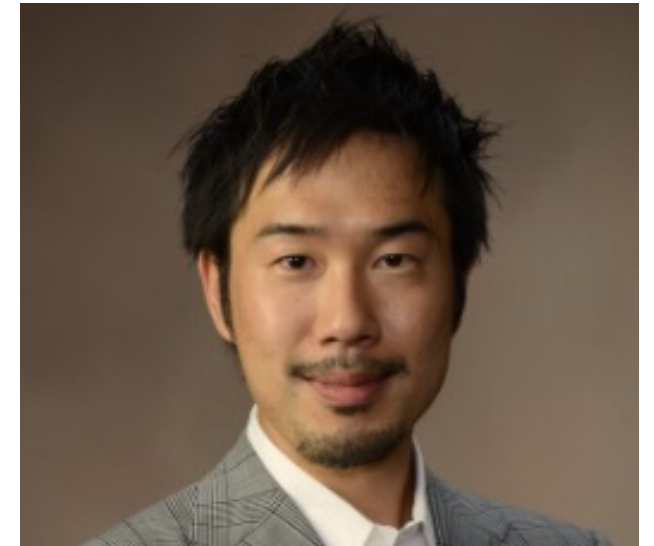
2003: After graduation of Hitotsubashi university in Japan, joined McKinsey & Company Japan as a management consultant.

2007: Became Manager of retail and consumer packaged goods group at McKinsey.

2009: Graduated fulltime MBA course at UC Berkeley (Haas School of Management) in the US.

2011: Co-founded JADE GROUP and became CEO from 2012.

2017: JADE GROUP went public at Tokyo Growth Market (IPO)



BOARD of DIRECTORS

In addition to CEO Tanaka, JADE GROUP's Board of Directors consists of outside directors who are experts in the areas of law, technology, finance, and social contribution activities, and they also form the Audit and Supervisory Committee. Under this structure, the JADE GROUP is strengthening its governance in a wide range of areas, not to mention its Business Continuity Plan (BCP), which covers a variety of crisis scenarios.

Satoshi Hirota

Opened HCA Law Office as a lawyer and became the representative lawyer. In addition to his legal practice, he has been engaged in hands-on work for venture companies and experienced an IPO. Currently, he is active in a wide range of areas, including serving as a corporate auditor for a listed company.

Tomoya Suzuki

As a venture capitalist for a domestic VC firm, Mr. Suzuki invested mainly in IT-related companies for more than 10 years and was involved in many IPOs, including our company's. He is now an independent venture capitalist and co-founded Accord Ventures, Inc. and serves as an outside director of several companies.

Atsuko Ochiai

After working as an equity analyst at Nomura Research Institute, Atsuko Ochiai worked at Goldman Sachs in Tokyo, London, and Hong Kong, where she was involved in bond rating advisory and credit risk. Currently works as a professional coach and counselor.

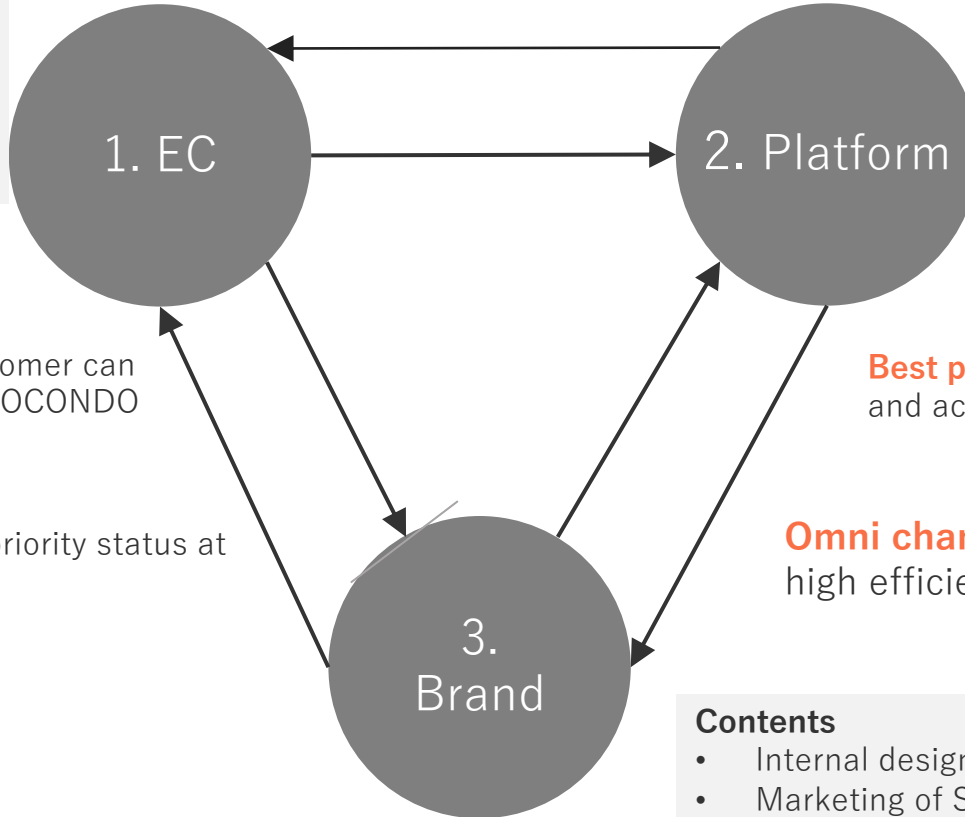
JADE GROUP has 3 businesses **connected complementary** and the ecosystem creates our own **competitiveness**.

Sharing inventories: Sell offline inventories at EC

Sharing infrastructure: Share logistic & IT infrastructure and realize low-cost & high-quality operation

Contents

- High recognition as **free return shipping EC**
- Many assortments of ladies' shoes



Contents

- **Omni store** IT & logistic platform
- **Total solution** that can realize perfect DX thorough all distribution channels

Only at Locondo: Customer can buy the brand only at LOCONDO

Branding: Enjoy priority status at LOCONDO

Best practice: Build success stories and accelerate others to join

Omni channel & DX: Realize high efficiency to the brand.

Contents

- Internal design & **high-speed** production.
- Marketing of SNS, especially **YouTube**

Growth driven by the structure

- In-house operation enables us to realize state of art, agile and the best practice at marketing, inventory management and service originality

OMO support

- Supporting creating EC site, efficient inventory management between EC and store (OMO), and professional operation to the enterprises who has less capability at EC or OMO

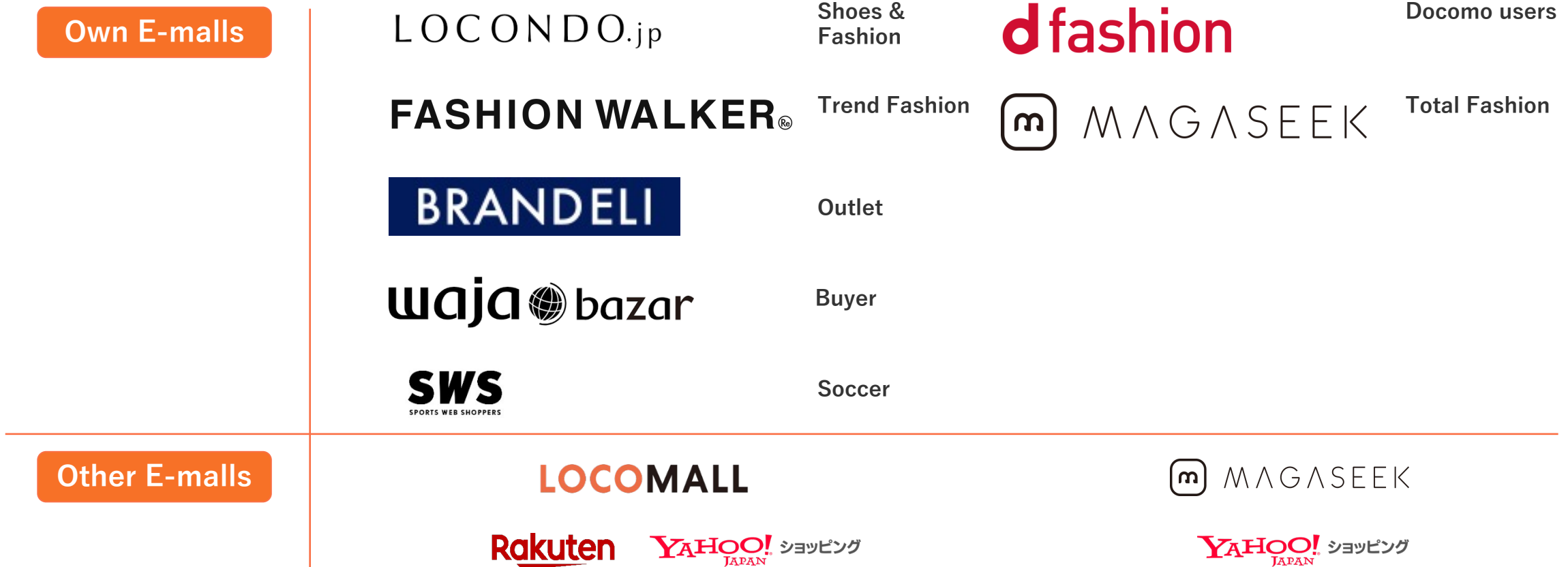
Smooth PMI

- Our full-line in-house platform for OMO/EC operation enables us to realize the smooth PMI (complete M&A immediately) and efficient operation (both at operation and financial) at post merger



1. EC MALL

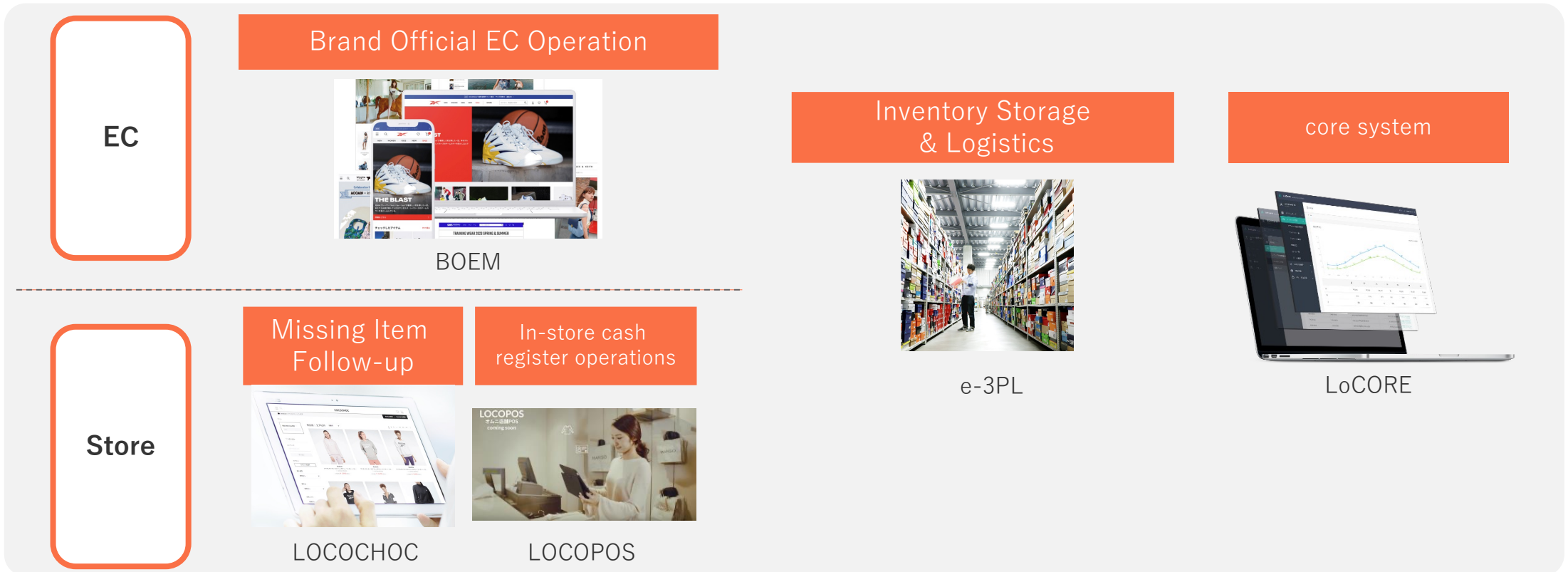
In the EC mall business, the company operates its own mall as well as other companies' malls that open stores on Rakuten and Yahoo! We promote business expansion by maximizing two aspects of our business: "customer attraction" through effective advertising and "product lineup" including category expansion



※ Regarding sales of the EC mall, In the case of purchased inventory, the selling price is recorded as sales, and in the case of consignment inventory, the selling price x LOCONDO commission rate is recorded as sales.

2. PLATFORM

In addition to inventory centralization as a hub for logistics warehouses, the company provides a wide range of systems and services to realize data centralization through DX (Digital Transformation). We are also promoting the introduction of the "ALL-IN-ONE Package," which will implement all of these services and realize a complete omni-strategy. We are proud of the overwhelming cost-effectiveness of the system because it is built in-house and shared with Locondo.



※ Regarding sales of the PF, Service fees are recorded for BOEM, e-3PL, and LOCOCHOC.

3. BRAND

In the brand business, in addition to the agency business, the Spanish fast fashion "MANGO", the main business is the brand operation business (EC, stores, wholesale) of Reebok Japan, which we acquired in October 2022.

			
product development	✓	(only shoes)	
EC operation	✓		✓
Store operation	✓		
Wholesales	✓		

※ Regarding sales of the BRAND most of which are purchase type, In the case of purchased inventory, the selling price is recorded as sales, and in the case of consignment inventory, the selling price x LOCONDO commission rate is recorded.

JADE GROUP warehouse – LOCOPORT –

JADE GROUP's warehouses are leased (by landlord: GLP), but operated entirely by JADE GROUP employees or part-timers.

There are two warehouses, both located in Yachiyo Midorigaoka, Chiba Prefecture, and are used as an integrated warehouse because they are a 5-minute walk away from each other.

The new warehouses were completed in 2020 and 2021, and are of a new type that is designed to withstand all kinds of natural disasters, including fire and floods.

The warehouse will cover an area of approximately 34,000 tsubo (110,000 m²), or about 2.4 times the size of the Tokyo Dome.

This huge warehouse is operated by approximately 500 logistics staff using automated equipment and systems.



Completely in-house IT development

Not only the WMS (Warehouse Management System) used in JADE GROUP warehouses, but also JADE GROUP's EC system, management screens, and other services introduced in the PLATFORM business, etc., all IT systems provided by JADE GROUP are 100% developed in-house by JADE GROUP engineers.

This is the reason why we can provide high quality, cost reduction, speedy, and flexible development for customer satisfaction.

Our professional engineers are ready to solve your various needs.



Working environment for the employees

JADE GROUP employs approximately 150 people at its headquarters (Shibuya-ku, Tokyo) and approximately 400 employees and part-timers at its warehouse.

In order to continue to provide the highest level of customer satisfaction, JADE GROUP invests heavily in employee and part time employee benefits.

Housing allowance, performance-based bonuses, free lunch (LOCOPORT), and stylish break rooms in both our headquarters and warehouse...

Our employees work together to ensure the highest level of satisfaction for our customers and our stores.



LOCOPORT lunch room

SDGs

The ground floor space of LOCOPORT III, completed in 2021 as part of the urban development project, is open to all Yachiyo residents as a community space.

Equipped with a kitchen (IH cooking heater) and other appliances, it is used as a meeting space for neighborhood associations and as a venue for various lessons.

Furthermore, the warehouse is designed to be environmentally friendly with LED lighting, solar power generation, and other features, and is promoting activities to protect the earth while blending in with the local community.



LOCOPORT
community space

