

## **FORMOSA OPTICAL**

## **Investor Conference**

[Stock Code: 5312]



Stakeholder contact information

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109/5/21



## **Subject Index**

- I. Company Profile
- **II. Financial Performance**
- III. Market Profile
- **IV. Business Development**



## Company Profile



### FORMOSA OPTICAL TECHNOLOGY CO.,LTD.

Chairman: Tsai Kuo-Chou

Vice Chairman: Tsai Kuo-Ping

General Manager: Tsai Yi-Shan

Operations :Optical chain stores

Capital stock:600 Million

Total number of employees: 1,400

Number of direct sales stores: 317



## History of Formosa Optical



### 1976

 The first "Formosa Optical shop" was set up in Sanchong District, New Taipei City.

#### 1999

 FORMOSA OPTICAL was listing in Taiwan Exchange.

#### 2001

 The group appointed Tsai Kuo-chou as chairman of Formosa Optical.

#### 2003

 Acquired Wen Hsiung chain stores and expanded into the sub-brand pathway period.

#### 2004

Acquired KING COME chain stores.

#### 2011

 Lutein and other health foods were Launched to advance towards all-round vision care.

#### 2016

 Started selling Japanese RIONET hearing aid.

### 2017

 Expending La Mode business territory to catch sunglasses opportunities in the department stores.

#### 2018

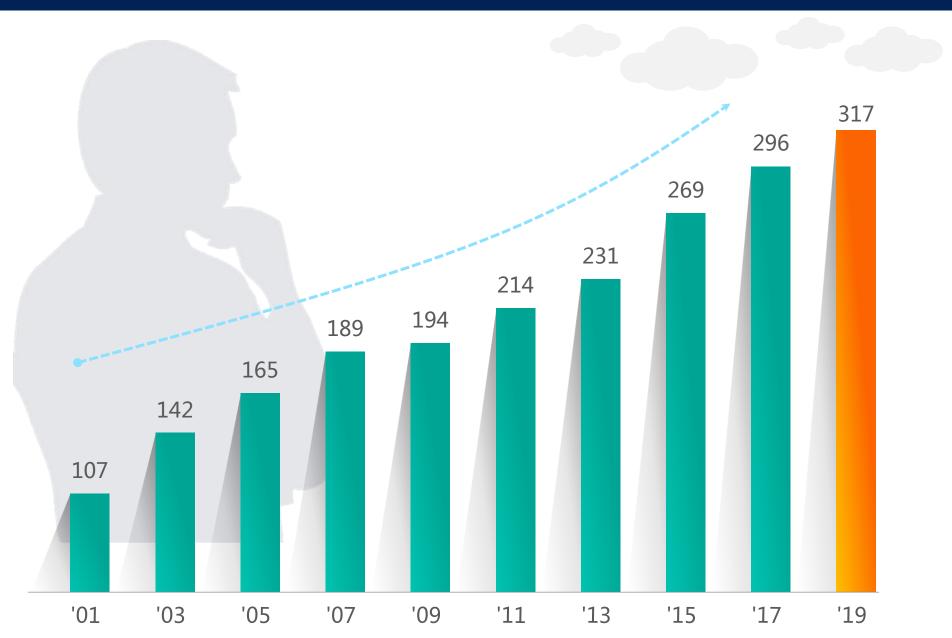
SOLO MAX was set up in East
 District Underground Stores ,
 ATT4FUN and Shin Kong
 Mitsukoshi Nanxi Store, leading
 the trend of fast fashion.

#### 2019

 Create a wonderful consumer experience and omnichannel marketing plan to promote the digitalization of stores.

## Stores expansion





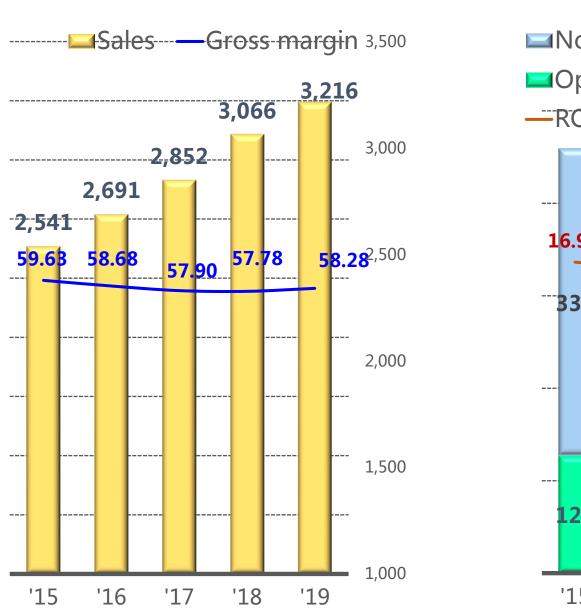
## Organization

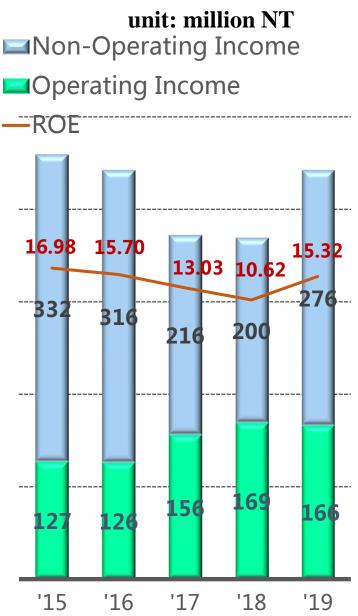




### Financial performance of the previous

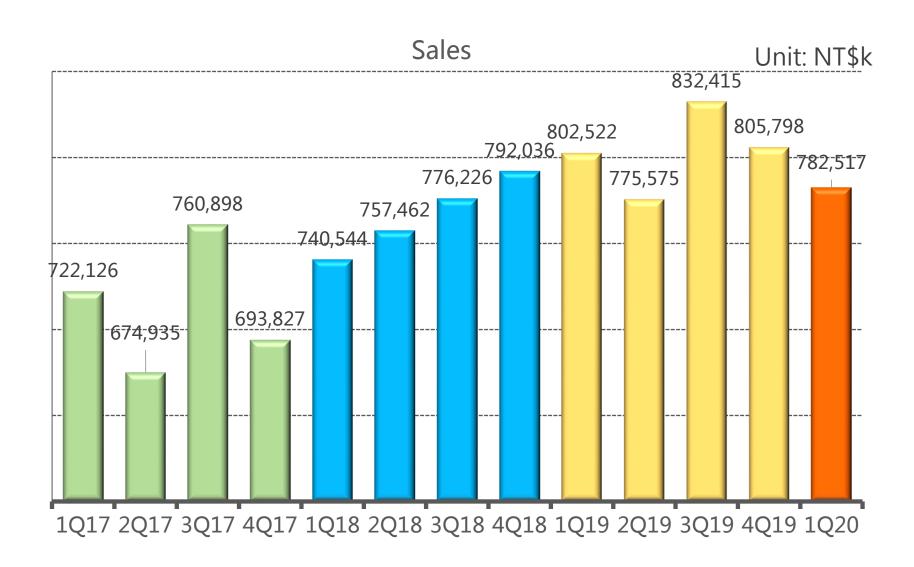






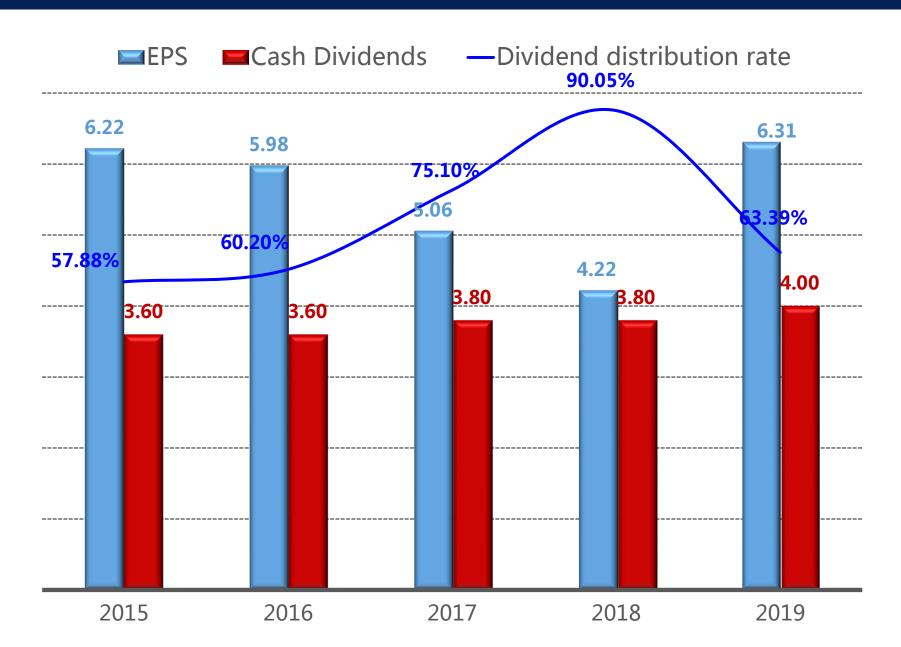
### Financial performance of the previous





## Financial performance of the previous 专業集成绩





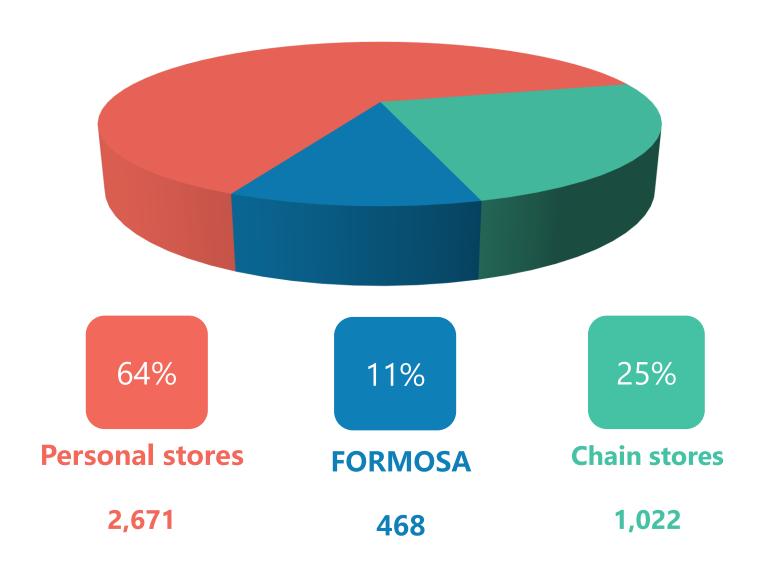
### Consolidated Financial Statement



Unit: NT\$k	109Q1	108Q1
Operating Revenue	782,517	802,522
Gross Profit	471,528	472,021
Gross margin	60.26%	58.82%
Operating Expenses	427,667	421,912
Operating Income	43,861	50,109
Non-Operating Income	24,775	42,388
Income before Tax	68,636	92,497
Tax Expense	14,215	18,968
Net Income	54,421	73,529
EPS	0.93	1.24

## Industry overview-Eyewear market in Taiwan 🏻 ধ 實島 化 鏡





### Location of the store



Mode Mode













La Ma





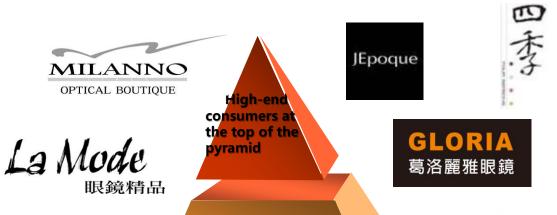






### Market Position







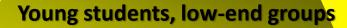
Average working class and mid- to high-end groups





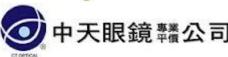












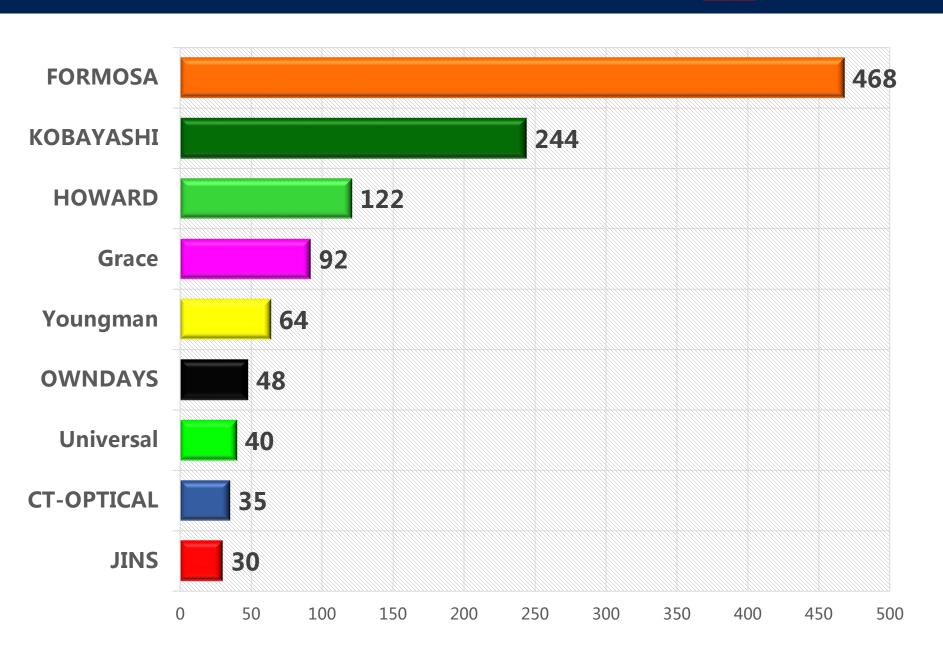






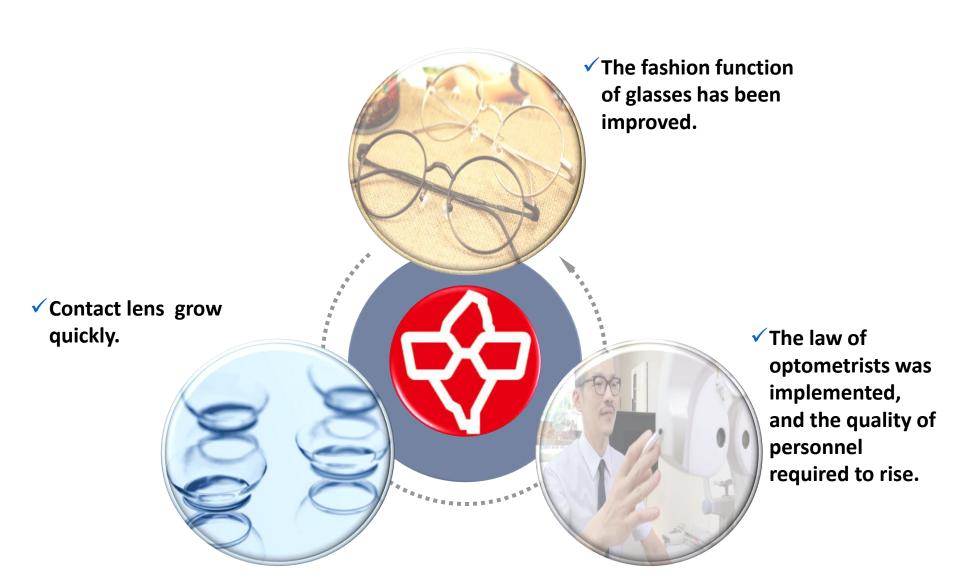
### Comparison of chain stores in Taiwan





## Industry trends





## Future development -SWOT analysis



- Advantage of channel of scale
- Good company system and transparency
- Value of brand image
- Advantage of supply chain integration
- Complete education, training system and facilities
   Strong marketing and
- merchandising ability
- Standardized operation

Strengths

Opportunities

- Insist on providing high qualities of goods, so it cost more than other trades
- Spend more cost than other trades because we pay attention to the education of staff

Weaknesses

### satisfy the needs of custómers at all levels

 Strengthen regional marketing to enhance competitiveness

- Strengthen the member management and the network marketing, achieve the
- virtual reality integrationCommodity benefit development, stimulate consumption.
- Implementation of the law of optometrist
- The development of AsiaCombination of production and marketing

### Threats

- Laser surgery is increasingly mature and convenient
- Trade poaching
- Consumer demand changing the product portfolio
- The development and future prospect of business circle in Taiwan

## Future development -Business strategy





每月5號

virtual

reality

integration

**Integrate various** 

**14YESmart** 

Compound goods

Compound goods

1. lutein

2. facial mask

3. Hearing AIDS

4. Soda water

### Strengthen the management

**Enhance Brand value** 

2. Strength the value of services

3. Improve product quality

4. Fulfill technical training members.

Transform into all-channel wisdom retail and make good use of digital tools and add electronics payment

social tools to guide

members to the

physical stores and

promote loyalty of

## Business strategy Brand image



# Outstanding store manager selection - Oscar for chain industry



感恩同仁們用心努力的力挺! 感恩夥伴們相互切磋的珍寶!

感恩團隊力量給予強大信念!

感恩每一雙充滿溫暖的雙手!

感恩每一個進步向前的機會!

感恩成長卓越的每一次契機!

感恩分享帶來的喜悅與感動! 再次滿心感恩珍惜再度成長的機會,得到的是比

成果多的更多更多!

最後感謝能向支持肯定的力量有個榮譽的 交代!未來·要學習的還很多! 秉持著「抬頭苦 於, 今为以表」。 整體德努力,第萬而踏實!



感動 · 大家庭支持力量的幸福點滴溫暖! 感動 · 與夥伴們認真執著的一起拚榮譽! 在心沈澱後 · 感受到那麼多的感動 · 變得充滿力量 · 原來我擁有那麼多!真心感恩這珍貴的成長



我們是最棒的!相互鼓舞拚榮譽

#### 榮耀時刻





Business strategy
- Charitable activities





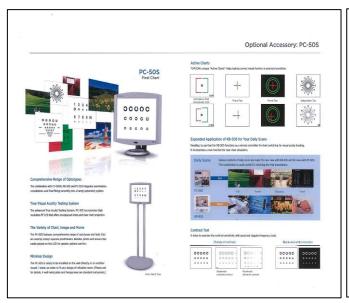
## Business strategy

- Professional upgrade program

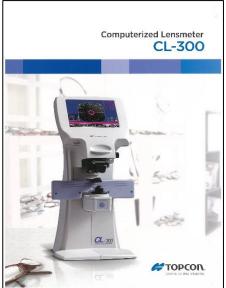












Business strategy - Professional upgrade program





## Business strategy - Joint goods

















## Business strategy - Contact lens monopoly



## Launched a new Korean color contact lens brand







- The launch of the new contact lens brand MIMA has attracted more than 10,000 new visitors in just a few months.
- Japanese and Korean brands sell well over one million boxes.









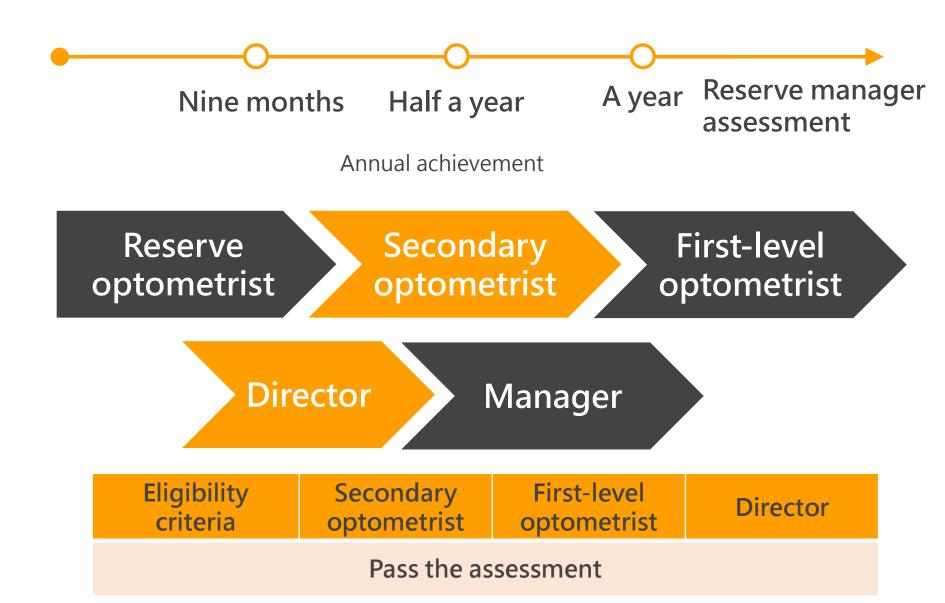
Talented person is the most valuable asset of our company. Our company spend more than 10 million training staffs every year.





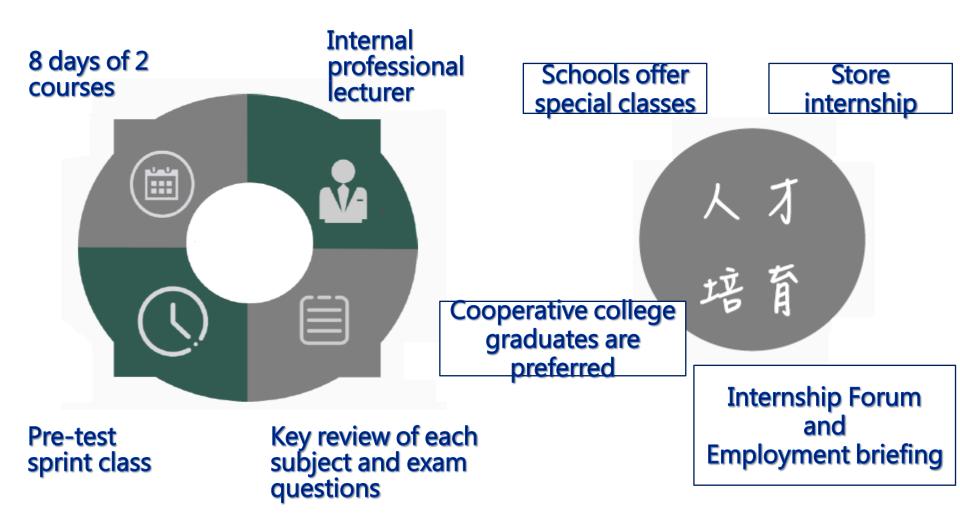
## Business strategy - Rooted technology







## Optometry license counseling project



# Business strategy -Virtual reality integration





## Business strategy

- National event









## Business strategy - Facebook operation





combine the current affairs to interact with netizens helping the fan group to increase.

Attractive joint products and good advertising make people share the article to each other.

### **Business strategy** -KOL operation





剛好寶島眼鏡粉絲團 邀約來的正是時候, 結果一進眼鏡行~登登~我的度數又加深啦Ⅲ而且還出現了散光☞(更崩

這次打算選有鼻墊的,以免睫毛眨眨,每次都眼鏡都下滑變蒸閨 而且鏡架護要輕,不然容易壓的耳朵好痛,

結果發現鬼鬼代言的K-Design K PLUS韓國設計款眼鏡實在太符合我的

門市人員不但拿天秤諮明新款比舊款更輕,

遗譲我測試一下眼鏡的彈性(抱著怕壞掉賠錢,又好奇的緊張心情實測下

順利誘發了我的選擇障礙, 完全把門市當成伸展台,開啟了我的穿搭照系列。

即身為一個很容易把眼鏡戴成乖寶寶好學生的人,這一系列終於把我帶 往時尚屬(咸動想架)

不管是比較學生團的吊帶裙、運動風、還是偏正式的打扮都很百搭№ 就算是偏圓形的黑框眼鏡,也讓我順利脫離丁小雨,往韓風邁進! BTW眼鏡盒還是粉嫩的撞色設計,完全可以騙人是充滿少女心的手拿包



○○ 寶島眼鏡粉絲團、志成、林成和其他 801 人 31則留言 40次分享





57則留言 40次分享 4.1 補次觀看





35期留言 38世分享











#### Oliver Hung 買啦!太會介紹 02

讚· 回題· 11调





· 回覆 · 11调



Jocelyn Wong 我都有看完啊, 眼鏡包好漂亮 啊那個...換了眼鏡告白成功的話讀報喜一下

讚·回覆·11週



李虹宜 欽咦 看完很想買欸 你成功了 😷 2







讚· 回费· 11调



Yin Cheng Fang 好像真的滿好看的欸 這副眼鏡 哈哈

讚·回覆·10週



陳沛妤 你確定只有畢業後嗎 影片內容整個超甘 🕶 聽田鎬講完很想去賈賈看 但... 我沒近視😬 (彩蛋是影片重頭戲阿 😂

讚 · 回覆 · 11调

## Marketing strategy -Mobile payment EYEPAY







The percentage of knowing mobile payment is about 97%. The percentage of using mobile payment is about 60%.

- The percentage of consumers who have heard and used mobile payment has grown from 53.7% to 59.7% in 2019
- Over 60% from 18 to 45 years old
- The number of the consumers between 26 and 35 years old grow fast .They have a high penetration rate and high acceptance of new technology and generally hold credit cards and smart vehicles. source: Institute for Information Industry

## Business strategy - Member management



### **Social communication tool**

APP breaks through 650,000 downloads

LINE@ friends more than 500,000 people

### **Member management status**

**CRM** 

- More than 2.5 million members
- Nearly 70% of the member annual repurchase rate

## **Expand publicity and activate** membership points

- Advance corporate and campus activities to actively reach out to members
- Cross-industry cooperation to import more high-spending members

### **Accurate marketing**

Successfully awakened35% of old customersback to the store

Business strategy
- Membership recruitment











## Business strategy - Big data upgrade







Asian Silicon Valley Smart Business Service Technology Project Subsidy

- Plan to launch AR contact lens try-on / adaptive product recommendation / intelligent online customer service / precision membership group marketing / ophthalmology referral system service.
- Won the first place in Asian Silicon Valley Smart Business Service Technology Project Subsidy in 2019.











# Business strategy -Compound goods (lutein)







### 專利葉黃素 PS

 適合青少年及莘莘學子,特別添加複方DHA、大豆萃取物(PS)、卵磷脂、維生素B群,是成長所需要的營養補給,可幫助維持健康、增強體力,精神旺盛! 面對繁忙的學業也能得心應手。

主要成份: FloraGLO™ 專利葉黃素、DHA、大豆萃 取物(含磷脂質絲胺酸-PS)、卵磷脂、維 生素B1、維生素B2、維生素B6、維生素 B12、菸鹼酸、泛酸、維生素E、葵花油。

包裝規格:60顆,每顆500毫克。

建議售價:1,200元

DHA PS 炯炯有神 成績好神



### 專利葉黃素

 特別添加蜂王乳、大豆胚芽異黃酮、水溶性輔酶 Q10、維生素E、β胡蘿蔔素,針對女性所設計 ,提供女性由內而外自信的散發,養顏美容、促 進新陳代謝、維持青春永駐,全方位關心現代女性、維護青春源頭的優質選擇。

主要成份: FloraGLO™專利葉黃素、蜂王乳、水性輔 酶Q10、維生素E、大豆胚芽異黃酮、β胡 蘿蔔素、菱花油。

包裝規格:60顆・每顆500毫克。

建議售價: 1,850元

蜂王乳

迷人眼神 自信動人



### Business strategy -Compound goods (facial mask)









活動期間自即日起至5月31日山

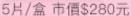
### 1+1甜美活動

Richbaby面膜1盒+Radiqueen面膜1盒

量\$280

憑購買發票登錄 再<mark>抽頂級茶樹精油乾洗手</mark>。







5片/盒 市價\$280元

Business strategy
-Compound goods (Hearing AIDS)









## Business strategy -Compound goods (Soda water)







### Future development -Second generation store



- The number of newly renovated stores increased to 78, accounting for 22% of the total number of stores
- The revenue growth rate of newly renovated stores is five times more than other stores
- 100% of consumers liked the new decoration more than the original decoration in the market survey in 2019. More than 60% of consumers would like to go inside when pass by.





Future development
- Optometry Experience Center





Future development

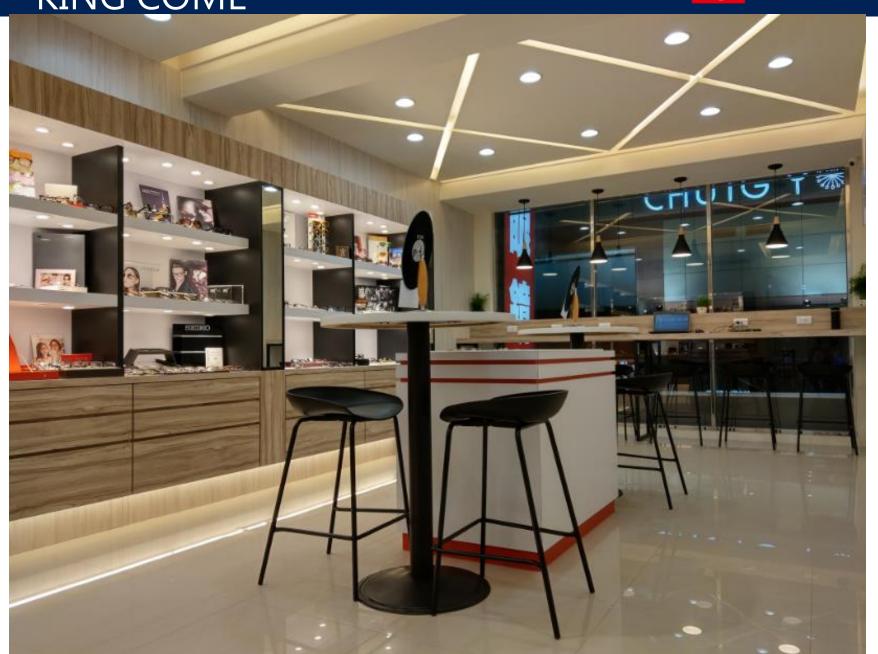
- Wen Hsiung





Future development - KING COME





### Future development -Department store counter

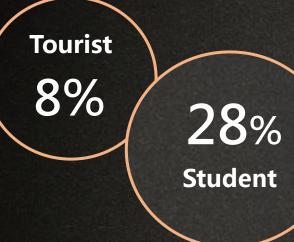




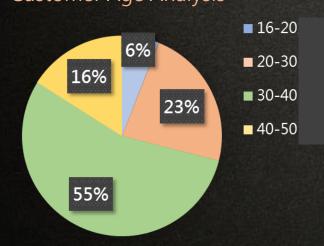
#### Future development -Department store counter



Target Customer Analysis



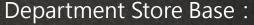
Customer Age Analysis



**Family guest** 

19%

45% Office worker



- Taipei Zhongxiao SOGO ◆ Shin Kong A8 \ A11 ◆ Ximen Eslite Neihu LEECO • Q Square
- Taoyuan Hsinchu Miaoli- Zhongli SOGO ◆ Shang Shun World Taoyuan TONLIN PLAZA
- Taichung Park Lane by CMP ◆ TIGER CITY ◆ TAROKO MALL ◆ MITSUI OUTLET PARK • Showtime Live Taichung Wenxin Store
- ○Kaohsiung- E-DA World ◆ Taroko Park ◆ Dream Mall
  - Hanshin Arena Shopping Plaza Hanshin Department Store
- Pingtung- Pacific Department Store Ping Tung
- Hualien Hualien City

# Future development -Department store counter

中實島眼鏡

Counter display



#### Future development -Fast Fashion





### Future development -Fast Fashion



The first fast fashion optical store was introduced by Japanese brands in 2014. There are more than 60 fast fashion optical stores have been opened in the department stores in Taiwan since January 2017. Fast fashion optical store is estimated to share 10% of glasses market in Taiwan, which has 28 billion market value, in 3 years.

The Advantages of fast fashion optical store:

●Open display ●Price transparency ●get your glasses in 30 mins

4 fashion commodity

The fast fashion optical store is the advantageous business type in the future.



#### Future development -Fast Fashion



#### Dream Mall

DESIGNED BY SOLOMAX TEAM







