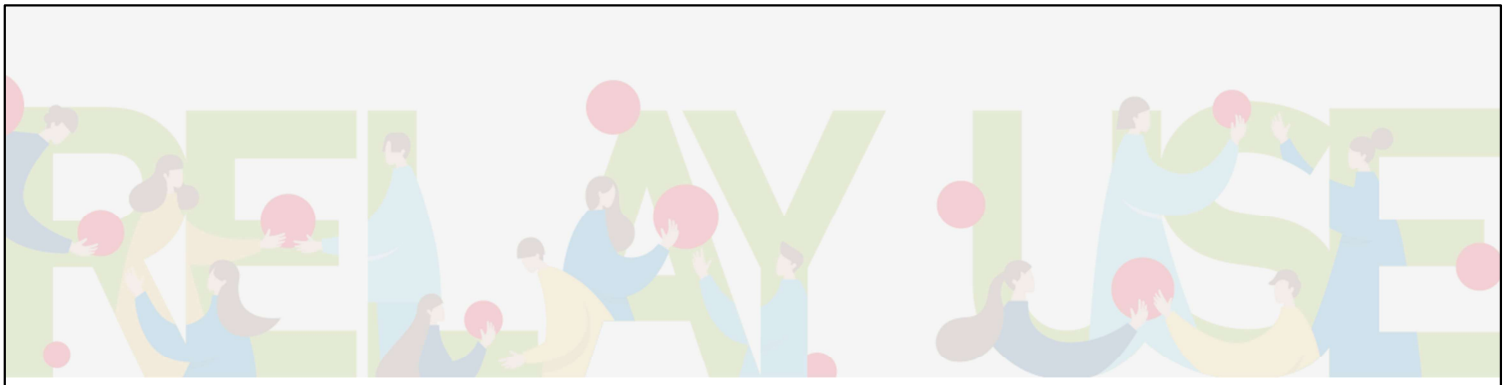


Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 31, 2027

KOMEHYO HOLDINGS

Thursday, November 13, 2026
Komehyo Holdings Co., Ltd.
Securities code: 2780 (Tokyo and Nagoya Stock Exchanges)

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Thank you very much for joining us today.

I am Ishihara, President and Representative Director of Komehyo Holdings Co., Ltd.

I will now explain the financial results for the second quarter of the fiscal year ending March 31, 2027.

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From reuse to relay use We will inherit that "value".

To realize a circular economy, we will cultivate relay use as a social culture and contribute to the development of a sustainable society.

Vision

Relay use from 'philosophy' to a "culture."

Mission

We respect people for making products, thank people for providing products for use by other people, and provide inspiration to people who receive them, and by doing so, create empathy for a recycling society.

Value

We listen and empathize with what others say.
We value the importance of talking.
We take action proactively.
We are not afraid of creating change.



'Things fulfill their mission only when they are passed down from person to person (relay) and put to effective use (use).' This is our unique concept.

Our group does not simply provide products; instead, we play a role in proposing value to customers and co-creating value with them. We value the thoughts of the people who create things and the thoughts of those who connect things "for someone else," and we make the next person who uses them smile, be happy, and be enriched.
The entire group will work to create a society where such thoughts and efforts are commonplace.

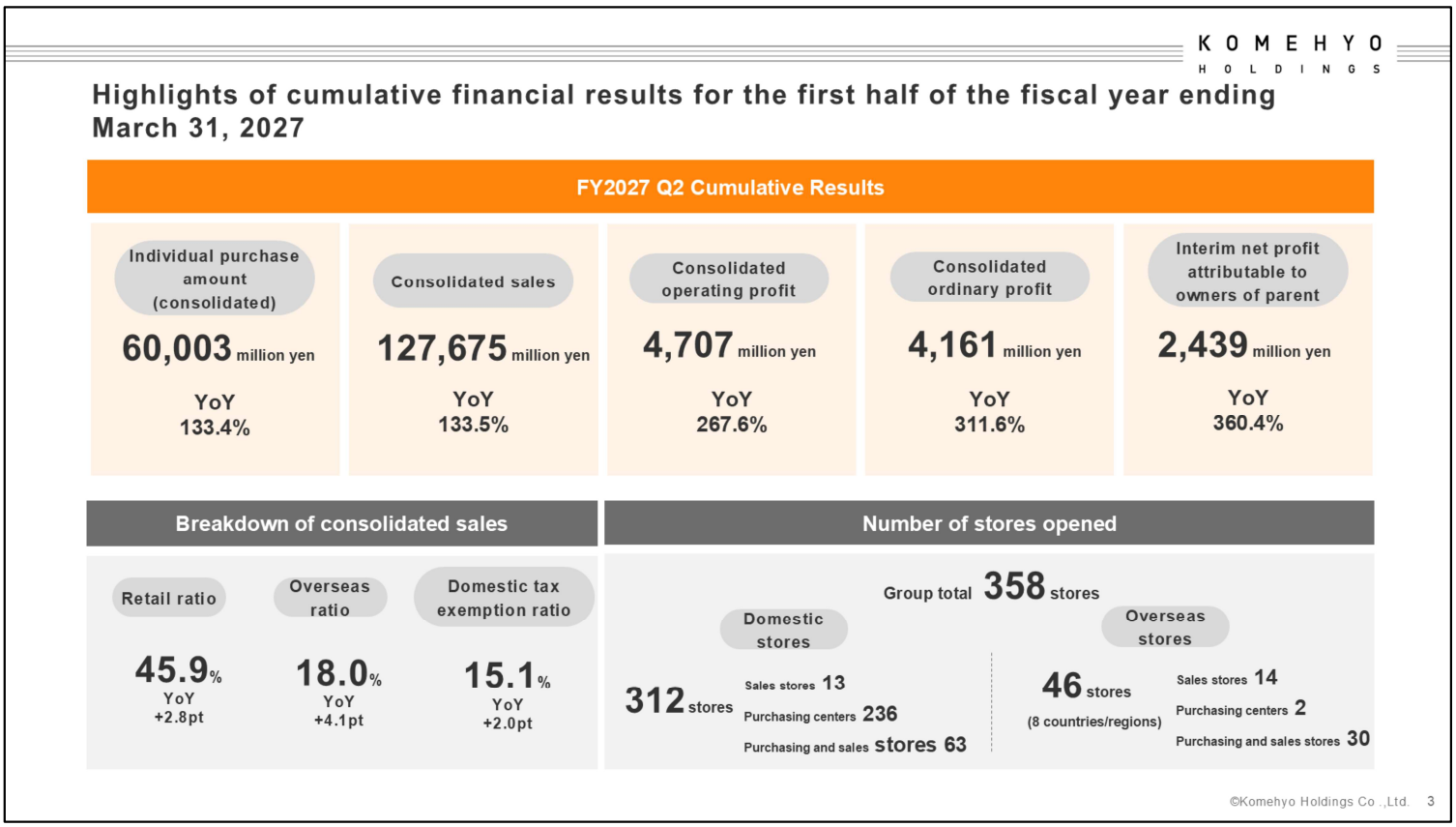
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First, I would like to explain our corporate philosophy.

Our group has established the Vision of "Relay reuse from 'philosophy' to a 'culture'."

This is our unique concept, which goes beyond simply passing products from one person to another as reuse. We value the thoughts of the people who create things and the thoughts of those who connect things "for someone else," and we pass on that value firmly to the next person who uses them.
By cultivating this relay reuse into a social norm, or a 'culture,' we will contribute to the development of a sustainable recycling society.
This is the raison d'être of our group and the starting point of all our business growth.



First, I will provide a summary of our performance for the first half.

Consolidated sales were 127.675 billion yen, 133.5% of the previous year's level, and consolidated operating profit was 4.707 billion yen, 267.6% of the previous year's level, achieving significant increases in both revenue and profit.

In addition, individual purchases, which serve as an indicator of our purchasing power, were 60.003 billion yen, 133.4% of the previous year's level, reaching a record high for the first half.

Regarding the number of stores, we have reached a total of 358 stores both domestically and overseas, steadily expanding our network.

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Evaluation of the second quarter (three months) of the fiscal year ending March 31, 2027

Even in the face of sudden market changes, we maintained high-level growth in both purchasing and sales through the agile selection of product portfolios and sales channels.

Ensured high profitability through priority supply to retail, achieving a 134.1% YoY increase in operating profit.

Market Trends for Main Products

JEWELRY
The gold market entered a correction phase after the high in August, accompanied by sudden volatility. On the other hand, brand jewelry and vintage items performed steadily, and the market for small- to medium-sized diamonds is on a recovery trend.

WATCH
Although the market performed steadily in July against the backdrop of historical yen depreciation, it shifted to a downward correction following sudden exchange rate fluctuations from August onwards. While maintaining a high level compared to the previous year, a cautious stance strengthened across the market.

BAG
Due to changes in the supply-demand balance accompanying an increase in total market distribution volume, the market trend for major brands and others has been soft since August, and the correction phase continues.

FASHION
The market for fashion in general has remained stable without major fluctuations. Although some brands that have driven the market rise so far are showing signs of a pause in the high-price range due to an increase in market distribution volume, they maintain a high market level compared to the same period last year.

Evaluation	Results	
Purchase ★★★	Individual purchases YoY 130.4%	• Deepening 1-to-1 relations and effective promotions were successful, with existing stores with a solid foundation powerfully driving the majority of the increase. • Through the proactive opening of purchasing centers conscious of daily life traffic lines, the expansion of the purchasing base and the development of new customer touchpoints progressed steadily. • Even in the face of sudden fluctuations in the gold market, we maintained a high level of procurement capability through immediate responses to price revisions by brand companies and a diverse product portfolio.
Net sales ★★★	YoY 124.9%	• Retail ratio: 45.8% (YoY: +2.4pt) • Tax-free sale YoY: 146.4% • Achieved both sales expansion and inventory optimization through agile channel optimization (retail and corporate sales) based on market trends.
Gross profit margin ★★☆	YoY +1.0pt※	• Gross profit margin: 20.9% • Supplied high-margin individual purchase items with a retail-first approach, driving the improvement of the overall profit margin. • Profit margin for corporate sales declined due to market fluctuations and the optimization of inventory content for the second half.
SG&A expenses to sales ratio ★★☆	YoY +0.9pt	• SG&A expenses to sales ratio: 19.0% • Proactively invested in promotions (CM, WEB, etc.) to accelerate the growth of individual purchases and retail. • Promoted growth base investments in human resources, IT, etc., as planned, with an eye toward medium- to long-term competitiveness.
Operating profit ★★★	YoY 134.1%	• Operating profit margin: 1.9% (YoY:+ 0.1pt) • Absorbed the increase in SG&A expenses accompanying proactive growth investments through the expansion of gross profit, achieving profit growth.

※ The YoY change in gross profit margin and SG&A expenses to sales ratio is calculated as the difference between the gross profit margin and SG&A expenses to sales ratio of the current and previous periods (rounded to the first decimal place).

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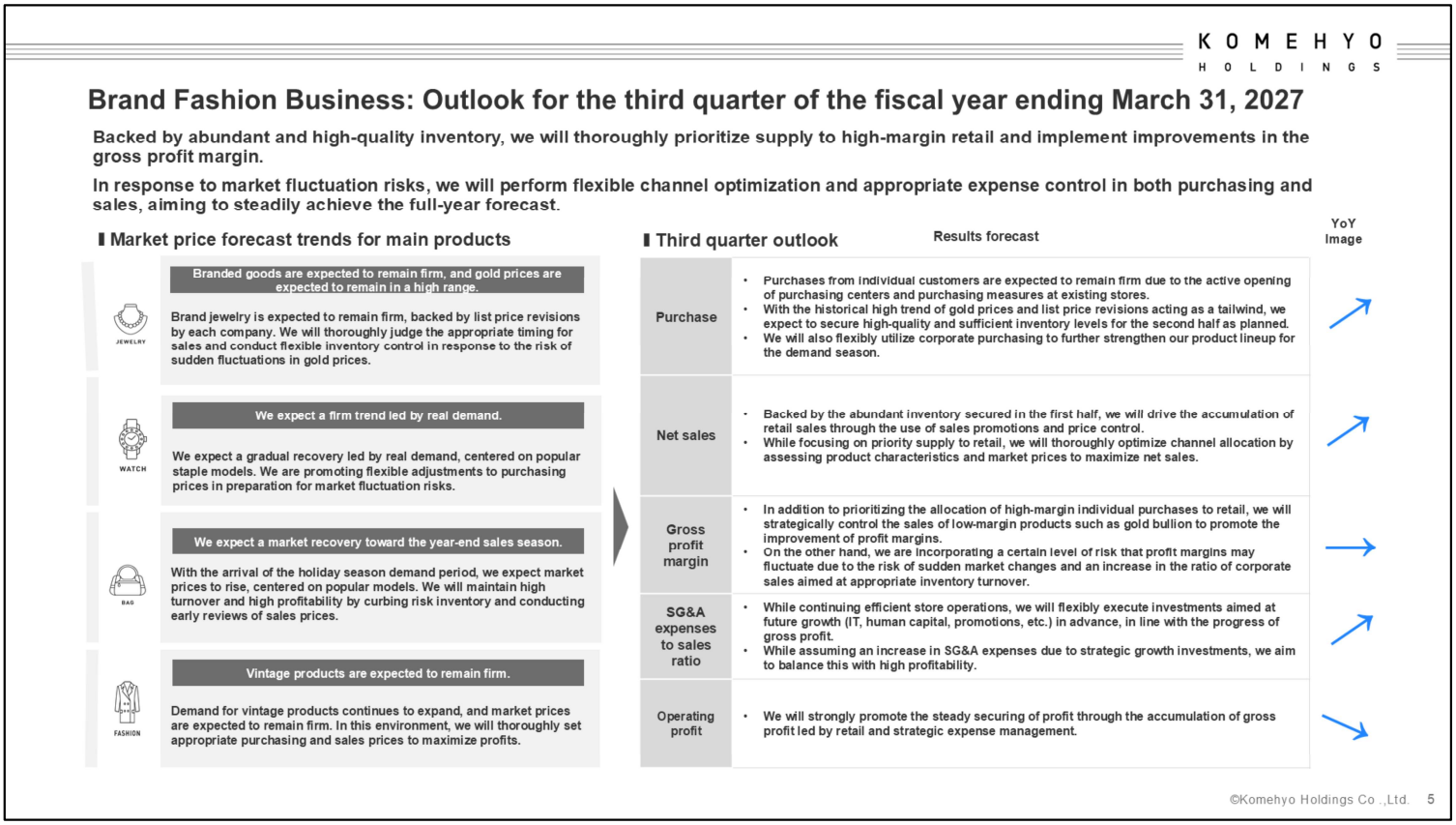
Next, I will provide an evaluation of the second quarter (three months).

During this quarter, we faced sudden changes in the external environment, such as the shift toward a stronger yen and volatility in gold prices.
Regarding our main products, the market for watches entered a downward correction phase, and the market for bags remained soft due to an increase in distribution volume.

Even amidst these environmental changes, we responded quickly through our diverse product portfolio and agile channel optimization. As a result, individual purchases reached 130.4% YoY, and by prioritizing the supply of high-quality inventory to retail, our gross profit margin improved to 20.9%.
Furthermore, to optimize inventory for profit generation in the second half, we utilized sale events and corporate sales to move inventory with relatively low margins or inventory subject to market fluctuation risks during the second quarter.

Although the profit margin for corporate sales temporarily narrowed due to market conditions, the expansion in gross profit successfully absorbed the increase in growth investments, achieving a 134.1% YoY increase in operating profit for the quarter alone.

We evaluate this quarter as one that demonstrated our company's operational strength in responding to changes in the external environment and product market prices while securing profits.



Next, I will explain the "Outlook and Business Policy for the Third Quarter" for our core Brand Fashion business.

The third quarter is the largest retail demand period of the year, including Christmas and the year-end and New Year holidays. Accordingly, purchases from individual customers, which are the source of our inventory, are also expected to expand further.

During this peak demand period, we will continue to focus on "purchases from individual customers" and "retail."

High-quality inventory secured through purchases from individual customers will be prioritized for "retail," which has the highest profit margin, to maximize profits.
On the other hand, for products susceptible to market fluctuations and inventory exceeding retail demand, we will flexibly utilize "corporate sales," including our in-house auctions.

By combining a "retail-first" approach with flexible corporate sales,

we will thoroughly suppress market decline risks and improve both gross profit margins and inventory turnover.

Through these initiatives, we will reliably capture demand in the third quarter and connect it to the achievement of our full-year plan.

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Today, I will explain according to this agenda.

First, I will review the earnings results for the second quarter, followed by our initiatives for the second half.

1. Consolidated Earnings Results for the First Half of the Fiscal Year Ending March 31, 2027

First, I will provide details on our consolidated earnings results.

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Performance

Net sales increased significantly to 133.5% of the year-ago level, exceeding the first-half plan.
The expansion of gross profit absorbed the increase in SG&A expenses, resulting in a significant increase in operating profit to approximately 2.7 times the year-on-year level and achieving the first-half plan.

(unit : millions of yen)	FY2025 Q2 YTD	FY2026 Q2 YTD	FY2027 Q2 YTD	Changes	YoY	FY2027 Q2 YTD Plan Ratio	FY2027 Full year Plan Ratio
Net sales	69,447	95,646	127,675	32,029	133.5%	104.7%	50.7%
Gross profit	16,346	19,689	27,305	7,615	138.7%	-	-
Gross profit margin	23.5%	20.6%	21.4%	+0.8pt	-	-	-
SG&A expenses	13,220	17,930	22,598	4,667	126.0%	-	-
Operating profit	3,126	1,759	4,707	2,947	267.6%	104.6%	43.6%
Operating profit margin	4.5%	1.8%	3.7%	+1.9pt	-	-	-
Ordinary profit	3,069	1,335	4,161	2,825	311.6%	-	43.0%
Interim net profit attributable to owners of parent	1,961	677	2,439	1,762	360.4%	-	41.7%

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The status of the consolidated statement of income is as shown.

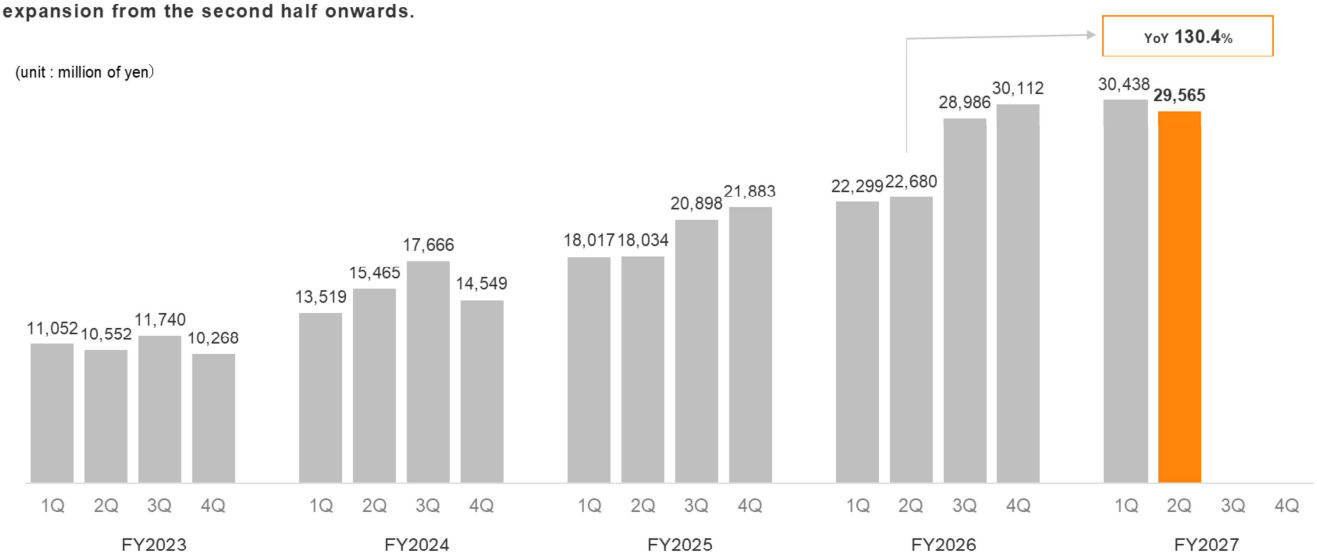
Net sales reached 127.675 billion yen, achieving 133.5% year-on-year and 104.7% against the first-half forecast.

Gross profit grew strongly to 23.705 billion yen, reaching 138.7% of the previous year's level, as the shift of high-margin items purchased from individuals to retail sales proved successful.

Due to growth investments such as store openings, hiring, and promotions, SG&A expenses increased by 4.667 billion yen year-on-year to 22.598 billion yen; however, the growth in gross profit significantly exceeded this, resulting in an operating profit of 4.707 billion yen, approximately 2.7 times the year-on-year level.
This also reached 104.6% of the forecast, achieving both revenue and profit targets for the first half.

Purchase from individual customers (Group total)

Individual purchases maintained a significant increase of 130.4% YoY due to the continuous opening of purchasing centers and steady growth of existing stores.
Secured abundant high-margin individual purchase inventory, which is the source of earnings, and built a solid foundation for sales expansion from the second half onwards.



* Individual purchase routes: Purchasing at stores, Purchasing at visited sites, Purchasing at events, Purchasing using home delivery services

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This is the quarterly trend of "Individual purchases."

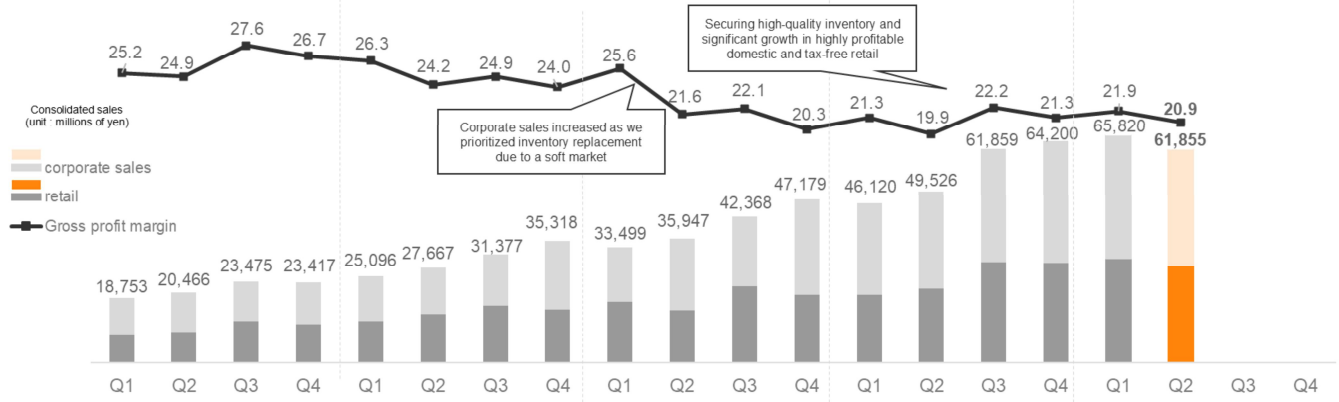
Following the first quarter, we maintained a pace of approximately 30.0 billion yen in the second quarter, achieving a cumulative total of approximately 60.0 billion yen for the first half.

In addition to expanding customer touchpoints through store openings, repeat business at existing stores has also progressed, steadily accumulating high-quality inventory to meet robust demand in the second half.

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Trends in Consolidated Net Sales and Gross Profit Margin

Driven by the growth in purchases from individual customers, both retail and corporate sales remained solid, and net sales for the three months of the second quarter maintained a high level at 124.9% compared to the same period last year.
By prioritizing the supply of high-quality inventory to retail, the gross profit margin steadily recovered to 20.9% compared to the previous year.



	FY2023				FY2024				FY2025				FY2026				FY2027			
Retail ratio*1	43.2%	43.8%	51.7%	47.6%	48.2%	50.8%	53.1%	43.7%	52.8%	42.5%	52.6%	41.9%	42.8%	43.4%	47.3%	45.1%	46.0%	45.7%		
Tax-free sale ratio*2	5.0%	3.8%	8.8%	9.9%	12.3%	10.4%	16.0%	10.8%	18.4%	14.8%	13.3%	12.6%	13.3%	12.9%	16.4%	15.3%	16.6%	13.5%		

*1 Retail ratio is calculated as retail sales / consolidated sales (retail sales include tax-free sales)
*2 Tax-free sale ratio is calculated as domestic duty-free sales / consolidated sales
*3 The retail ratio for FY2027 Q1 was incorrect and has been corrected in this document (Before correction: 46.1% → After correction: 46.0%)

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This is the trend of net sales and gross profit margin.

Net sales for the second quarter alone remained at a high level of 61.855 billion yen, firmly maintaining a high sales scale.

Gross profit margin has also been on a recovery trend, bottoming out at 19.9% in the second quarter of the previous fiscal year, and we are steadily regaining a healthy profit level.

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Breakdown of consolidated Net sales (Retail / Overseas/Domestic tax-free sales)

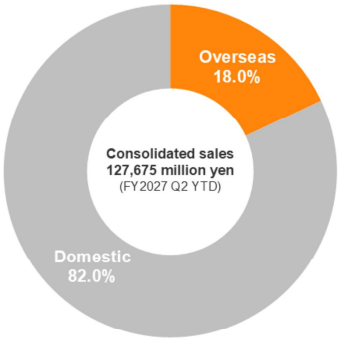
【Retail】 Good-quality inventory secured through purchases from individuals is preferentially supplied to retail, and the Retail ratio reached 46.0% (up 2.9pt YoY).
【Overseas】 Brand awareness has improved due to aggressive store openings centered in the Asian region and business expansion in each area.
Furthermore, corporate sales have grown, and the overseas ratio has expanded to 18.0% (up 4.1pt YoY).
【Tax-free】 We have reliably captured robust inbound tourism demand from various countries and regions, and the domestic tax exemption ratio has expanded to 15.1% (up 2.0pt YoY).

Retail ratio*



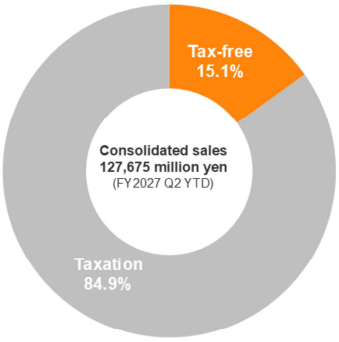
* "Corporate sales" includes auction fees.

Overseas ratio*



* "Overseas" does not include domestic tax-free sales, etc.
* Overseas ratio is calculated as
(overseas group company sales + overseas export sales) / consolidated sales

Domestic tax exemption ratio*



* Domestic tax exemption ratio is calculated as domestic tax-free sales / consolidated sales.

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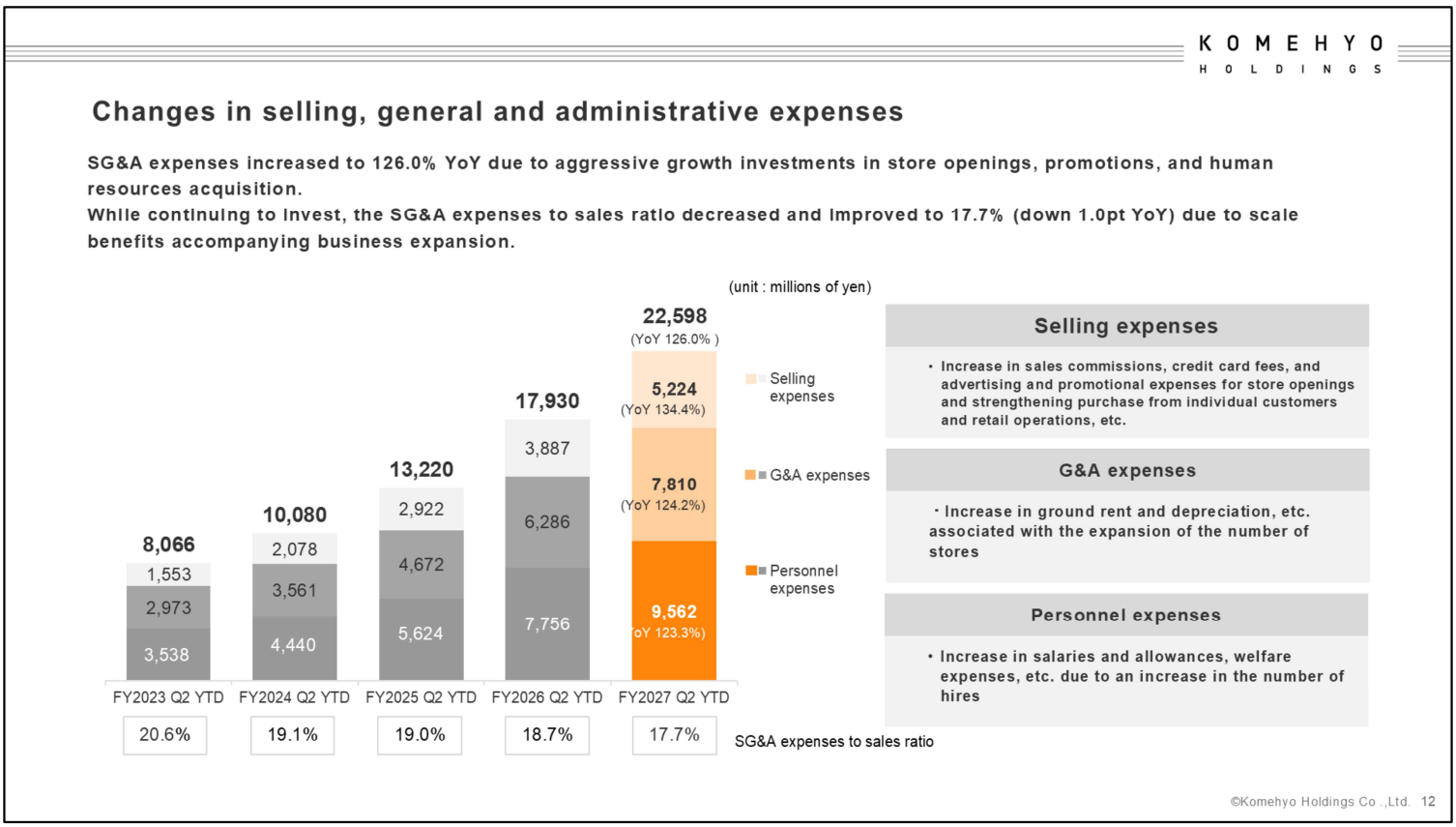
The breakdown of sales composition is as shown.

The retail ratio reached 45.9%, and a structure capable of securing high profitability is becoming established.

The overseas ratio expanded to 18.0%, and in addition to improved brand awareness due to aggressive store openings centered in the Asian region, growth in local corporate sales contributed to this quarter.

The domestic tax exemption ratio reached 15.1%, and tax-free sales themselves have also grown significantly.

Deepening demand in Japan, expansion of overseas business, and reliable capture of inbound tourism demand—these three growth axes are functioning in a well-balanced manner.



The status and details of SG&A expenses are as shown.

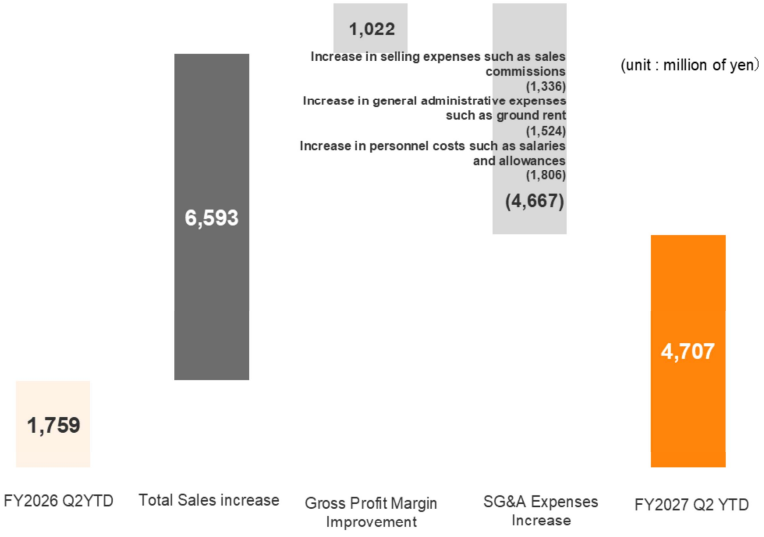
SG&A expenses increased to 126.0% YoY due to investments in ground rent, personnel expenses, and promotional expenses associated with aggressive store openings.

On the other hand, as a result of controlling the growth of SG&A expenses within the growth of sales, the SG&A expenses to sales ratio became 17.7%, an improvement of 1.0 percentage point YoY.

As a result, we were able to improve the operating profit margin while continuing growth investments.

Analysis of consolidated operating income

The strengthening of individual purchasing and the retail-first approach were successful, and gross profit expanded due to the synergistic effect of sales expansion and gross profit margin improvement.
We generated profit that significantly exceeded the increase in SG&A expenses associated with growth investments such as store openings and hiring, and operating profit expanded to approximately 2.7 times that of the same period last year.



Net sales

- High-quality inventory has been enhanced through the strengthening of individual purchasing.
- We pushed up net sales growth by flexibly combining corporate sales while focusing on a retail-first approach.

Gross profit margin

- Improved the overall profit structure by prioritizing the supply of high-margin items purchased from individuals to retail.
- Covered the narrowing of profit margins in corporate sales due to market fluctuations with strong growth in retail.

SG&A expenses

- Increase in salary allowances due to base increase and increase in employees
- Increase in strategic promotions, etc., to accelerate the growth of individual purchasing and retail.
- Increase in ground rent, etc. due to store openings
- Increase in sales commissions, etc. due to higher net sales

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This is an analysis of the factors behind the increase or decrease in operating profit from the same period last year.

As you can see, the increase in net sales boosted profit by 6.593 billion yen, and the improvement in gross profit margin contributed 1.022 billion yen, resulting in a total gross profit increase of approximately 7.6 billion yen.

As a result, we fully absorbed the 4.667 billion yen increase in investment expenses, achieving a significant increase in profit.

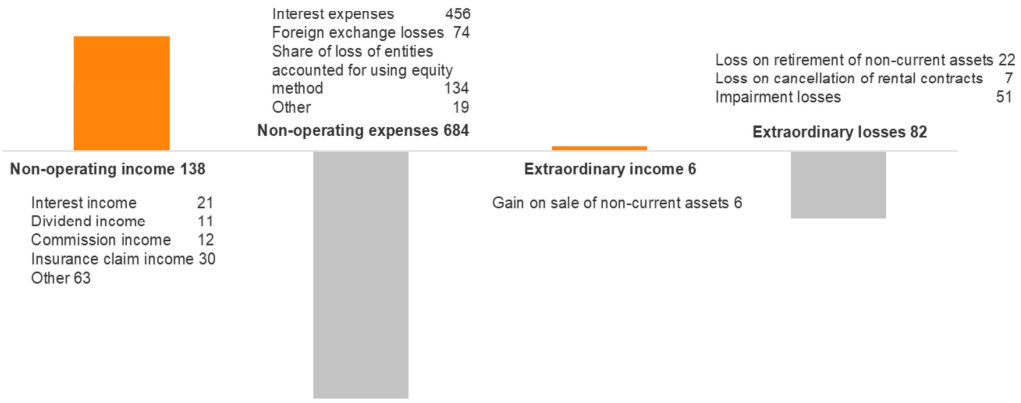
While executing aggressive investments, we have established a mechanism to steadily increase profits through the expansion of purchasing and sales that significantly exceeds those investments.

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Non-operating income and expenses/extraordinary income and losses

Although non-operating expenses increased, primarily due to interest expenses associated with growth investments such as store openings and inventory expansion, they were sufficiently absorbed by strong operating profit growth in our core business. The impact of extraordinary losses was also limited, and with a solid earnings base, we are progressing extremely well toward achieving our full-year plan.

(unit : millions of yen)



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This is an overview of non-operating income and expenses and extraordinary income and losses.

Regarding non-operating expenses, we recorded 0.684 billion yen, primarily due to interest expenses on short-term borrowings associated with proactive inventory securing.

Although costs for growth have been incurred, they are being firmly absorbed by the strong profitability of our core business, and ordinary profit is also progressing steadily toward the plan.

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Balance sheet overview

Expanded fresh inventory that serves as a source of competitive advantage, and inventories that serve as a source of sales are growing steadily.
Although interest-bearing liabilities increased due to securing inventory, they are sufficiently covered by "cash and deposits + highly liquid inventories," maintaining financial soundness.

(unit : million yen)	As of Mar. 31, 2026	As of Sep. 30, 2026	Changes
Current assets	85,697	94,743	9,046
Cash and deposits	19,790	20,038	248
Inventories	50,046	57,775	7,729
Other	15,860	16,929	1,069
Non-current assets	23,483	26,364	2,880
Assets	109,181	121,108	11,927
Liabilities	71,353	80,956	9,603
Interest-bearing liabilities	59,930	69,826	9,896
Other	11,423	11,129	(293)
Net assets	37,827	40,151	2,324
Liabilities and net Assets	109,181	121,108	11,927

- The Group's inventories are highly liquid, and the fresh and plentiful inventory secured through upfront investment serves as a competitive advantage.
- Cash and deposits + highly liquid inventories > interest-bearing liabilities so the risk is limited.

Inventories

- Inventories, which are the source of sales, increased due to strong individual purchasing and the implementation of Corporate purchasing.

Interest-bearing liabilities

- Increase in inventories was financed with short-term borrowings

Net assets

- Steady profit recording absorbed dividend payments and increased net assets.

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This is an overview of the balance sheet.

Total assets were 121.108 billion yen, an increase of 11.927 billion yen from the end of the previous fiscal year.
The main reason for this is that "Inventories," which are the source of sales, increased by 7.729 billion yen, reaching 57.775 billion yen.

As a result of financing this strategic inventory buildup with short-term borrowings, interest-bearing liabilities increased to 69.826 billion yen.

Although interest-bearing liabilities have increased, our inventory is highly liquid and has the strength of being quickly convertible to cash in the market.

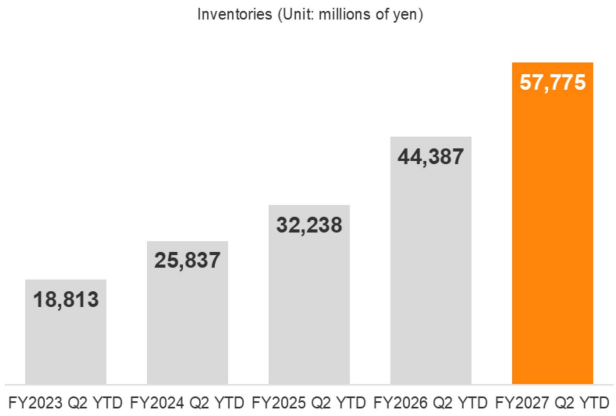
Since the total amount of cash and deposits on hand and this inventory exceeds interest-bearing liabilities, we believe that financial soundness is sufficiently maintained and the risk is

extremely limited.

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Inventory Turnover

While continuing to expand inventory for business expansion and the demand season in the second half (YoY 130.2%), inventory turnover improved to 3.7 times due to sales growth (YoY 133.5%) that outpaced inventory expansion.
In addition, we are maintaining high-quality inventory content for the second half.
The virtuous cycle of improved gross profit margins and higher turnover driven by a "retail-first" approach has come to fruition, with the cross ratio improving to 79.6%.



	FY2023 Q2 YTD	FY2024 Q2 YTD	FY2025 Q2 YTD	FY2026 Q2 YTD	FY2027 Q2 YTD
revenue Gross profit margin	25.0%	25.2%	23.5%	20.6%	21.4%
Inventory turnover	3.4 times	3.5 times	3.8 times	3.6 times	3.7 times
Cross ratio*	86.2%	89.3%	88.3%	74.1%	79.6%

* An indicator that is emphasized within the group, calculated as gross profit margin x inventory turnover rate.

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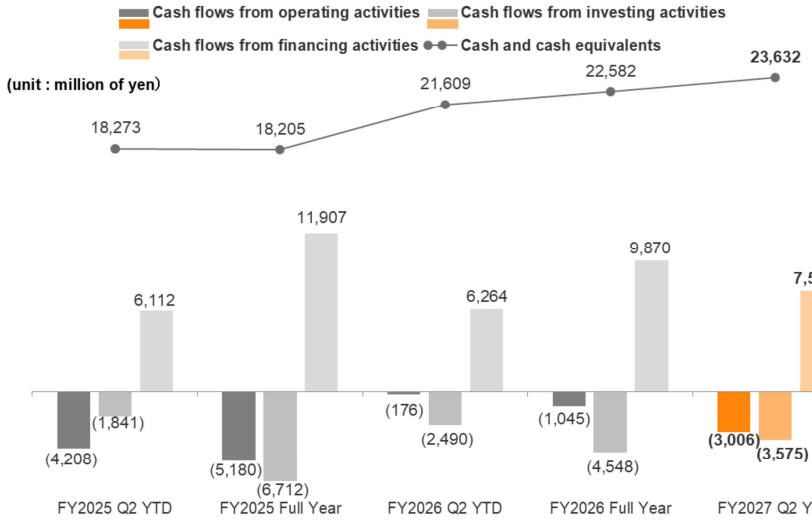
This is the trend of inventory turnover, which indicates inventory efficiency.

While we increased inventory to 130.2% YoY in preparation for the second half, we achieved sales growth that exceeded this, resulting in an improvement in the inventory turnover rate from 3.6 times in the previous fiscal year to 3.7 times.
Furthermore, the "cross ratio," which indicates inventory efficiency calculated by multiplying the gross profit margin by the inventory turnover rate, also improved significantly from 74.1% in the previous fiscal year to 79.6%.

Inventory with a risk of stagnation was sold during the second quarter, and we are maintaining an inventory mix that is fresh and generates higher profits.

Consolidated cash flow

In addition to increasing inventories, we executed new store openings and M&A for business expansion, resulting in cash outflows for operating and investing activities.
We financed aggressive purchasing and investments through borrowings, and cash and cash equivalents increased by 1.0 billion yen from the end of the previous fiscal year.



Cash flows from operating activities

- Inventories
- Increase in corporate tax payments, etc.

Cash flows from investing activities

- Associated with store openings, etc. Increase in expenditures for the acquisition of tangible and intangible fixed assets, etc.
- Recorded expenditures for the acquisition of subsidiary shares

Cash flows from financing activities

- Net increase in short-term borrowings to cover purchases from individual customers and growth investments

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This is the trend of cash flows.

At a stage of significant growth like the current one, it is necessary to first secure inventory to generate revenue.
Therefore, operating cash flows tend to be negative.

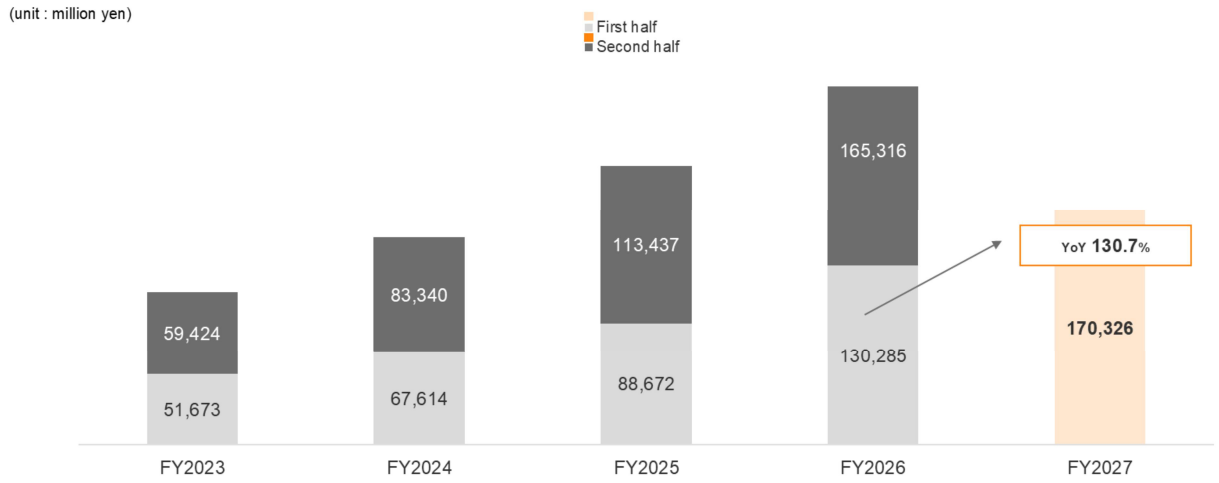
Although we generated solid profits in this first half, operating cash flows became negative as a result of proceeding with inventory procurement for the second half.

In addition, investing cash flows are also negative due to investments for the future, such as opening new stores and M&A.

As a result of covering these positive funding needs with borrowings, cash and cash equivalents increased by 1.0 billion yen from the end of the previous fiscal year.

Trends in Consolidated Gross Merchandise Volume (GMV)*

Consolidated Gross Merchandise Volume (GMV), which indicates the scale of our business, expanded significantly by 130.7% YoY, marking a record high for a half-year period.
Synergies between our diverse proprietary auction platforms and external alliances are accelerating the expansion of our distribution scale and the strengthening of our medium- to long-term earnings base.



*GMV is calculated simply by adding and subtracting the sales and GMV from auctions and live commerce businesses of group companies, as well as the GMV and commission sales from the inspection business, based on consolidated sales.

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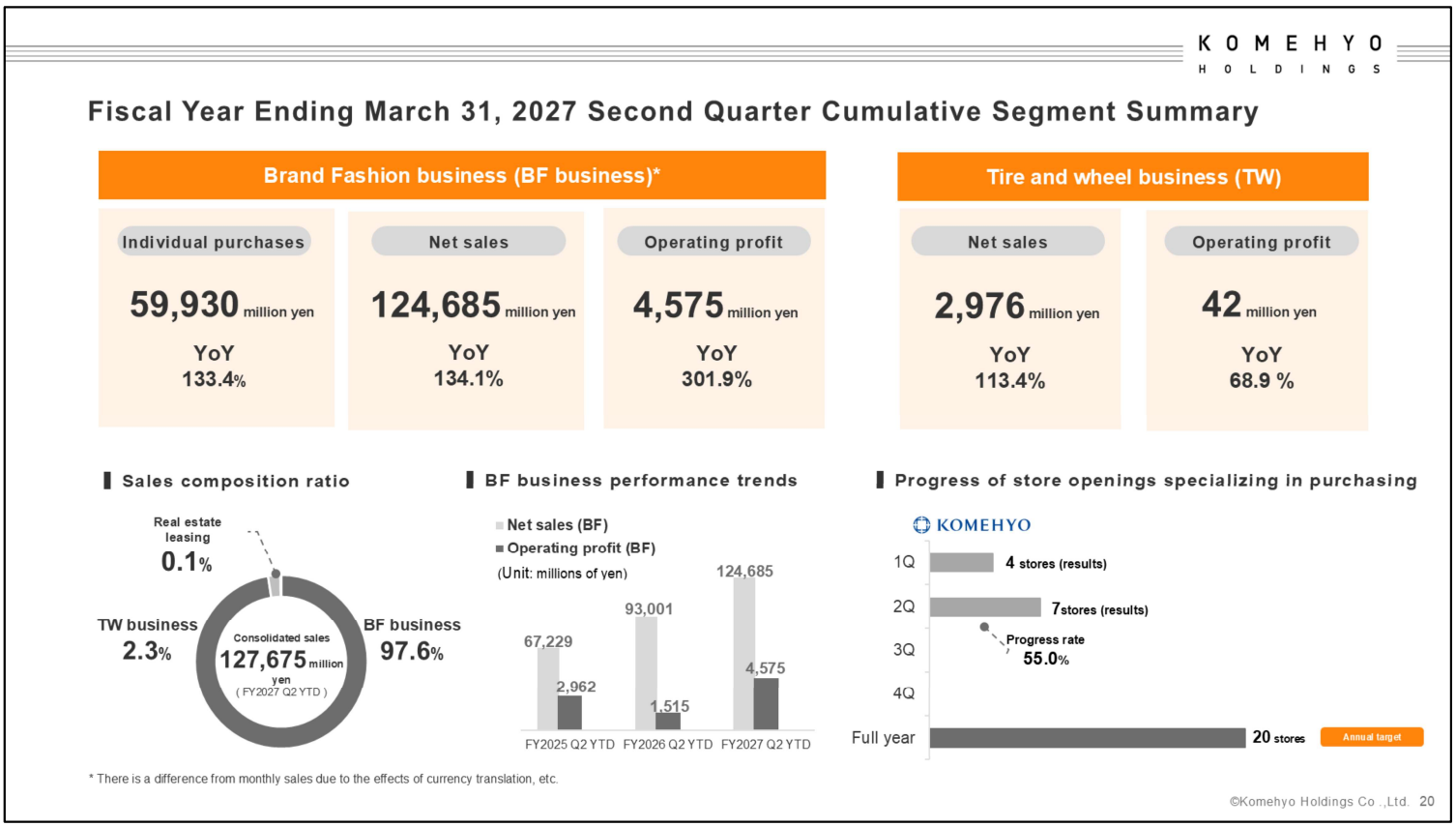
This is the trend of GMV, which indicates the scale of our Group's transactions.

As a result of the growth of our in-house auctions, the expansion of inspection partnerships on Rakuten Rakuma, and the addition of transaction volume from live commerce through M&A in the previous fiscal year, GMV for the first half reached 170.326 billion yen, or 130.7% YoY, marking a record high for a half-year period.

We have been able to further enhance our presence as a distribution platform for the entire industry.

2. Segment Overview for the First Half of the Fiscal Year Ending March 31, 2027

Next, I will explain the segment overview.



As shown on pages 21 and 22, for our core Brand Fashion business, net sales were 124.685 billion yen (134.1% YoY) and operating profit was 4.575 billion yen (301.9% YoY), strongly driving the growth of the entire group.

In addition, regarding the opening of KOMEHYO purchasing centers, 11 stores were opened in the first half, progressing steadily toward our annual target of 20 stores.

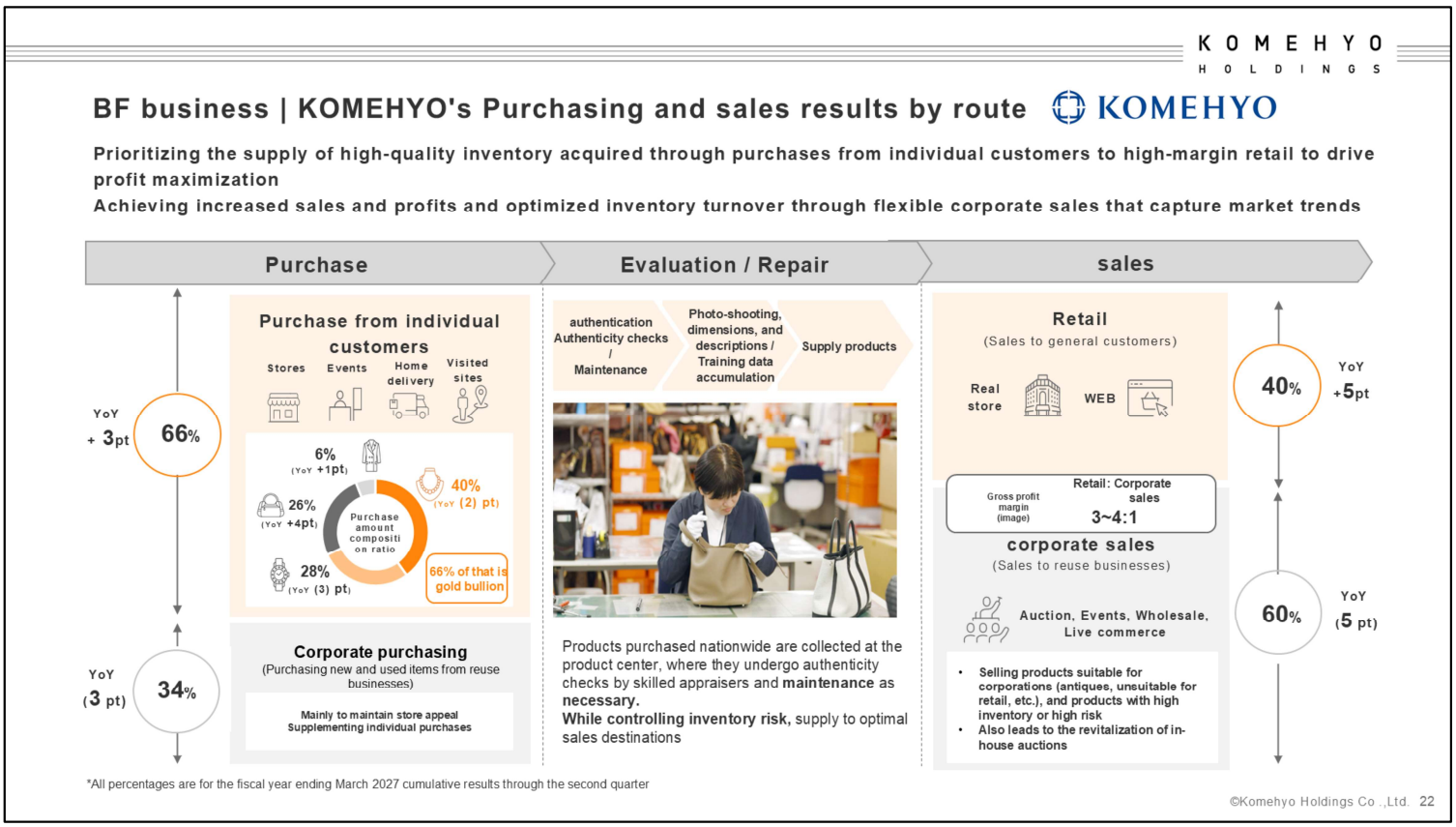
On the other hand, for the Tire and Wheel business, net sales reached 2.976 billion yen (113.4% YoY), securing an increase in revenue.
Regarding operating profit, it was 42.00 million yen (a decrease YoY) due to the impact of active upfront investments, but it significantly exceeded our internal plan.

Fiscal Year Ending March 31, 2027 Second Quarter Cumulative Segment Overview

The Brand Fashion business achieved significant increases in both revenue and profit, with net sales up 134.1% YoY and operating profit up 301.9% YoY, strongly driving overall performance.
While the Tire and Wheel business saw net sales remain steady at 113.4% YoY, profit decreased due to proactive growth investments with a medium- to long-term perspective; however, operating profit significantly exceeded the plan.

(unit : million of yen)		FY2025 Q2 YTD	FY2026 Q2 YTD	FY2027 Q2 YTD	Changes	YoY
Brand fashion	Net sales	67,229	93,001	124,685	31,683	134.1%
	Operating profit	2,962	1,515	4,575	3,060	301.9%
	Operating profit margin*2	4.4%	1.6%	3.7%	+1.9pt	-
Tire and wheel	Net sales	2,194	2,625	2,976	350	113.4%
	Operating profit or Operating loss (△)	29	61	42	(18)	68.9%
	Operating profit margin*2	1.3%	2.3%	1.4%	(0.9pt)	-
Real estate leasing	Net sales	175	182	182	0	100.2%
	Operating profit	58	61	59	(2)	96.6%
	Operating profit margin*2	33.2%	33.9%	32.7%	(1.2pt)	-

*1 Adjustments: Net sales (163) million yen, Operating profit 29 million yen
*2 YoY change in operating profit margin is calculated as the difference between the operating profit margins of the current and previous periods (rounded to the first decimal place).



This is the business flow of Komehyo Co., Ltd., the core company of the Brand Fashion business.

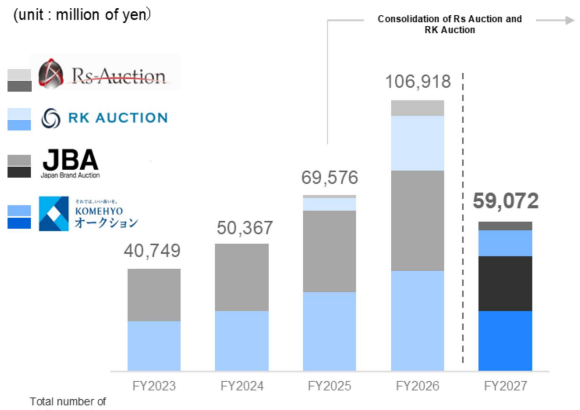
In terms of purchasing, "Purchase from individual customers" accounts for 66% of the total, and in terms of sales, the "Retail" ratio has grown to 40%, allowing us to steadily increase the "Purchase from individual customers" and "Retail" segments that the company is strengthening.

The gross profit margin image for retail and corporate sales is "3~4:1," and we are able to exercise flexible control by prioritizing the supply of individual purchases to retail, while directing surplus items and products with high risk of remaining unsold to corporate sales.

BF business | Auction GMV (Gross Merchandise Volume) Trends

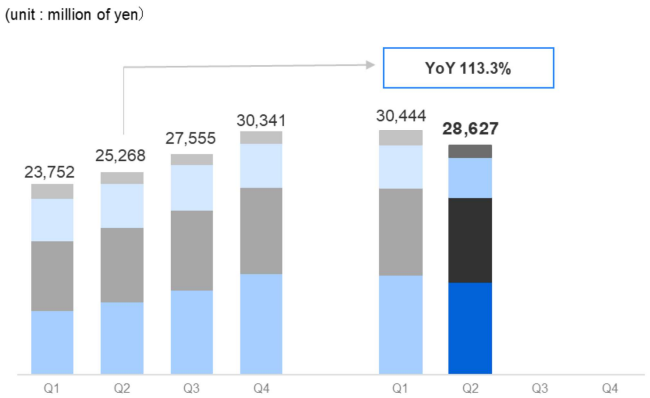
B-to-B auction business, the core of the Group's "business that contributes to distribution"
Grew significantly to 113.3% YoY for the four businesses combined due to the expansion of the membership base and an increase in the number of events held

▌Trends in full-year auction GMV (Gross Merchandise Volume)



	FY2023	FY2024	FY2025	FY2026	FY2027
Total number of cumulative member companies for the four businesses combined	2,811	3,602	6,252	6,538	-
Total number of events held for the four businesses combined	279	279	287	383	-

▌Quarterly trends in auction GMV (Gross Merchandise Volume)



	FY2026 Q1	FY2026 Q2	FY2026 Q3	FY2026 Q4	FY2027 Q1	FY2027 Q2	FY2027 Q3	FY2027 Q4
Total number of cumulative member companies for the four businesses combined	6,040	6,229	6,395	6,538	6,691	**6,931**	-	-
Total number of events held for the four businesses combined	89	95	100	99	102	**104**	-	-

*Business that contributes to distribution: A business that utilizes the Group's data and know-how to participate in market distribution through B-to-B auctions and franchise development

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This is the trend of our Group's B-to-B auction business.

Auction GMV for this quarter grew strongly to 113.3% of the year-earlier level, and the number of member companies expanded to 6,931.

BF business | E-commerce sales*1 trends

KOMEHYO

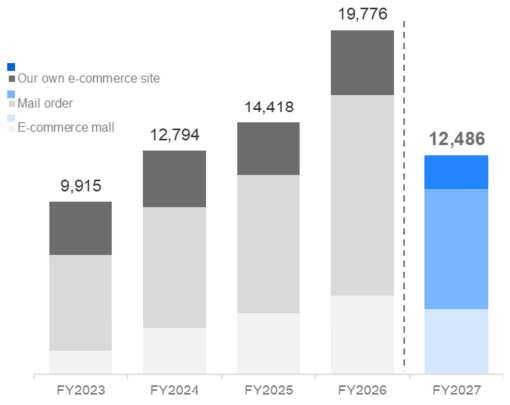
E-commerce sales continue to show high growth at 143.1% YoY

In addition to the optimization of sales promotions on domestic malls, the growth of cross-border e-commerce has driven a dramatic expansion in e-commerce mall sales of 224.0% YoY

Seamless integration between online and physical stores has permeated, realizing the maximization of sales efficiency

Trends in full-year E-commerce sales and e-commerce participation rate

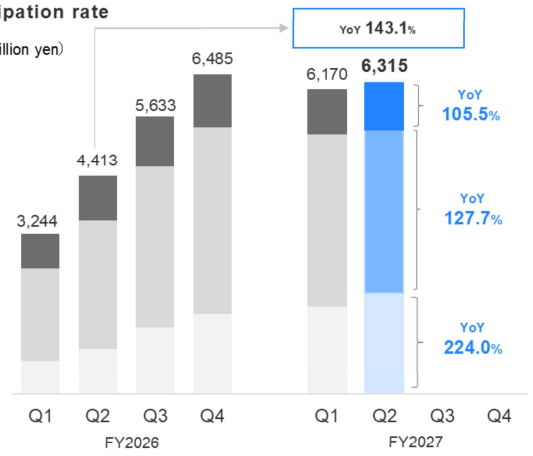
(unit : million yen)



	FY2023	FY2024	FY2025	FY2026	FY2027
E-commerce participation rate	40.9%	36.9%	33.8%	36.2%	-

Trends in quarterly E-commerce sales and e-commerce participation rate

(unit : million yen)



	FY2026 Q1	FY2026 Q2	FY2026 Q3	FY2026 Q4	FY2027 Q1	FY2027 Q2	FY2027 Q3	FY2027 Q4
E-commerce participation rate	32.6%	38.6%	34.3%	39.1%	36.9%	**41.7%**	-	-

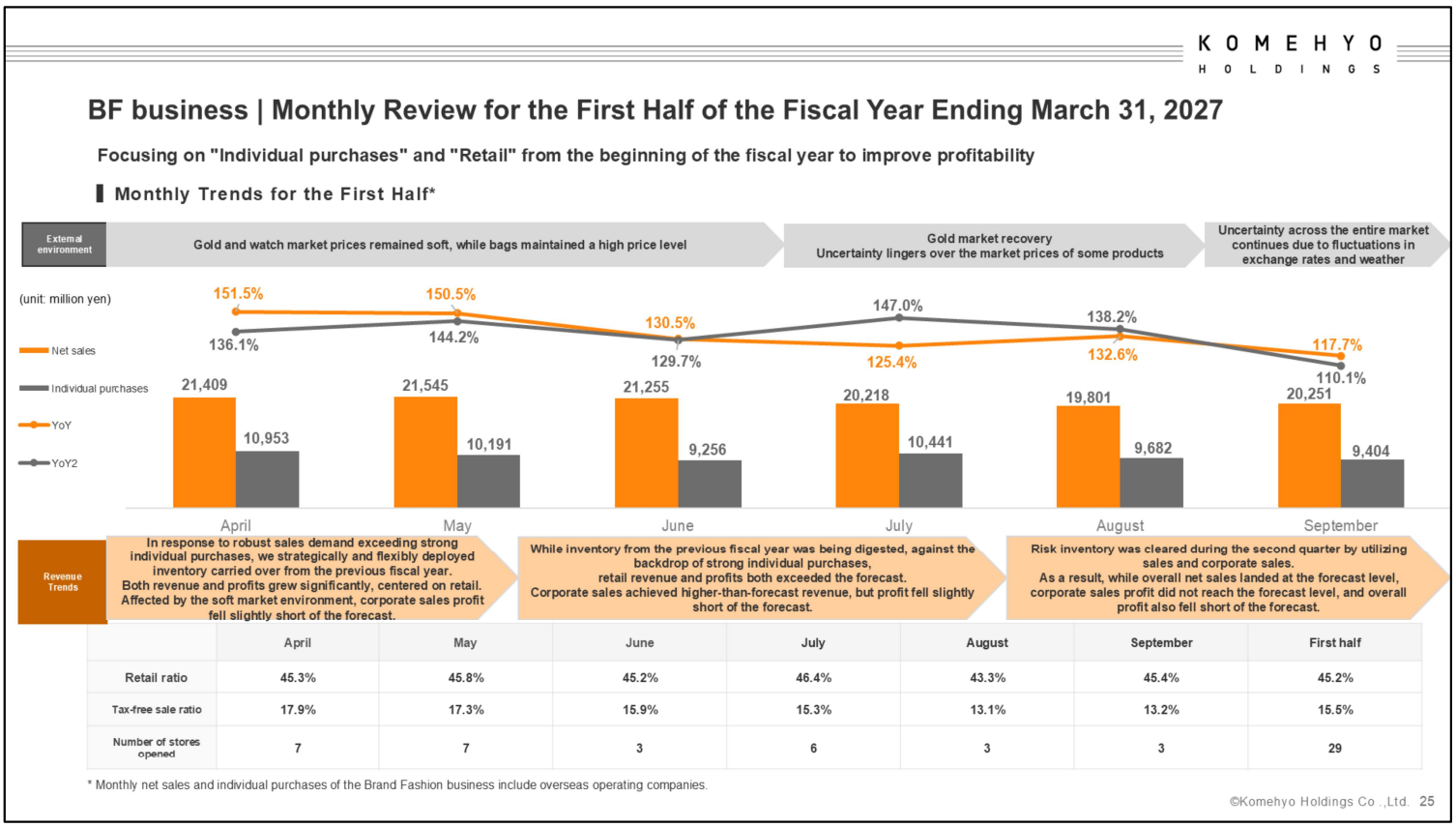
*1 Sales that are the sum of sales from the company's own e-commerce site and e-commerce mall, and sales from customers purchasing products at stores via the company's e-commerce site. Integration with offline is essential for digital marketing strategies that leverage our strengths.
*2 E-commerce sales / retail sales

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This is the performance of E-commerce related sales.

In this quarter, KOMEHYO's e-commerce sales reached 143.1% YoY, and the e-commerce participation rate reached 41.7%.

In addition to the optimization of domestic malls, cross-border e-commerce has driven growth, and the "back order" system, which allows customers to check products online and try them on or purchase them at stores, has become established as a robust infrastructure.



	April	May	June	July	August	September	First half
Retail ratio	45.3%	45.8%	45.2%	46.4%	43.3%	45.4%	45.2%
Tax-free sale ratio	17.9%	17.3%	15.9%	15.3%	13.1%	13.2%	15.5%
Number of stores opened	7	7	3	6	3	3	29

Next, I will explain the monthly trends for the first six months of the first half in the Brand Fashion business.

First, regarding the first quarter from April to June, in addition to strong individual purchases, the utilization of high-quality inventory strategically carried over from the previous fiscal year bore fruit, allowing us to achieve an extremely strong start with both net sales and individual purchases ranging from 130% to over 150% year-on-year.

On the other hand, from July onwards, entering the second quarter, uncertainty in the overall market intensified due to factors such as the rapid shift toward a stronger yen, market adjustments, and weather conditions.

In this situation, what we thoroughly implemented was disciplined inventory control with an eye toward the second half.

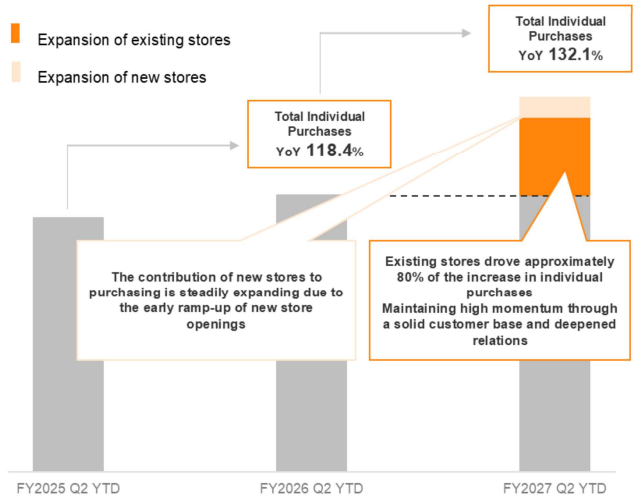
Toward the third quarter, which is the largest sales season of the

year, we proactively utilized sales and corporate sales to thoroughly complete early sales of inventory involving market price decline risks during the second quarter.
Due to the market environment, corporate sales profit for the second quarter alone fell short of the forecast, but the preparation for the second half—namely, the compression of risk inventory and the securing of high-margin inventory—has been completed as planned.

BF business | 2Q of the Fiscal Year Ending March 31, 2027 Highlights (Domestic)

Leveraging a solid purchasing base to prioritize supply from "Purchase from individual customers" to retail
Driving steady performance in the first half by building a unique high-turnover, high-margin flow, even amidst market fluctuations

Trends in Individual Purchases (Existing Stores/New Stores)*



Unique "Purchasing → Inventory → Retail" Cycle

Purchase from individual customers

- New: Proactive store openings focused on daily life traffic lines have been successful, expanding customer touchpoints
- Existing: Deepening customer relations through active promotions (CMs, etc.) and 1-to-1 engagement thereby strongly driving overall growth

Inventory

- Suppressing the occurrence of excess inventory through agile inventory control linked to sales trends
- Achieving both high turnover and high margins through strict monitoring and freshness management on a per-item basis

Retail

- Responding to robust demand in both domestic and tax-free sales
- Thoroughly and promptly resolving and liquidating inventory subject to market fluctuation risks by utilizing sales, etc., during the 2Q
- Forming a portfolio centered on high-quality inventory as a result of clearing out risk inventory
- Allocating this inventory preferentially to our retail channels in the second half to achieve even higher profitability

* The trends in individual purchases and the breakdown of the increase on this page are based on aggregated figures for Komehyo Co., Ltd.

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Now, I will present the highlights of our domestic business.

As shown in the graph on the left, individual purchases at KOMEHYO grew strongly, reaching 132.1% YoY.

While the early ramp-up of new stores has contributed steadily, it is worth noting that "existing stores drove approximately 80%" of the increase in purchasing.
Through active promotions and the deepening of 1-to-1 customer relations, existing stores with a solid customer base are demonstrating high momentum.

Furthermore, the unique 'Purchasing → Inventory → Retail' cycle shown on the right allows us to reliably convert this strong purchasing power into earnings.

First, in terms of purchasing, we are expanding our purchasing base by strengthening existing stores while broadening new customer touchpoints through store openings that consider daily

life traffic lines.

Next, regarding inventory, we maintain high-quality inventory that achieves both high turnover and high gross margins by thoroughly managing products on an individual item basis.

Furthermore, in retail, as I mentioned earlier, we thoroughly sold off risk inventory by utilizing sales during the 2Q, ensuring that our current inventory is centered on high-quality items.

We will concentrate these items toward the retail demand period in the 3Q, leading to further earnings expansion in the second half.

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BF business | 2Q Highlights of the Fiscal Year Ending March 31, 2027 (Overseas)

Through active store openings, primarily in ASEAN and the Greater China area, the progress rate for the Medium-term Management Plan target (30 stores by FY2025-FY2028) has reached 96.7%

Accelerating the construction of a global revenue base through business development tailored to the characteristics of each region, such as the launch of B2B auctions in Shanghai and expansion into Europe

▮ Store Opening Progress



Greater China area	・Regarding Hong Kong/Taiwan, although 2Q was slightly weak due to weather factors, overall performance remains solid. In particular, Taiwan is growing as the strong domestic economy, supported by the booming semiconductor industry, acts as a tailwind ・Regarding Shanghai, JBA Auction began operations in August. The closing rate and transaction value have been on an improving trend since the initial phase, and it has had a smooth start ・Regarding Macau, we plan to start the purchasing business this winter
ASEAN	・Both revenue and profit are growing steadily ・In particular, Singapore is leveraging its strengths as a free port to achieve more than double the growth compared to the previous year ・Purchasing business in the Philippines will start in late September. In addition, we plan to start business in Indonesia this winter, further accelerating our ASEAN expansion
America	・Purchasing continues to perform well ・Considering store openings from the next fiscal year onwards
Europe	・As our first base in Europe, we established a local entity in London this September. Preparations for the start of business are underway

Opened on July 31, 2026
Komehyo Sunway Velocity (Malaysia)



Opened on August 19, 2026
BRAND OFF Causeway Bay LAFORET store (Hong Kong)



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In our overseas business, we have reached 29 stores as of the end of September, against our Medium-term Management Plan target of "30 store openings in 4 years."

We currently operate in 8 countries across the Greater China area, ASEAN, and the U.S. Among these, Singapore has leveraged its strengths as a free port to achieve growth of more than double year-on-year, and Taiwan also continues to perform well.

In addition, our first overseas B2B auction started in Shanghai in August, and we established a local subsidiary in London in September as a foothold for our expansion into Europe.

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The Tire and Wheel business | Overview of the tire and wheel business for the Second Quarter of the Fiscal Year Ending March 31, 2027

Achieved increased revenue compared to the previous year through the early capture of winter demand and the growth of self-planned wheels
Although profit declined due to investments in new warehouse operations and promotions, operating profit significantly exceeded the forecast

Net sales

Achieved increased revenue

Second-hand purchase amount

105% YoY steady growth
Expansion of purchasing base through strengthened web customer acquisition

Background to revenue growth



Expansion of supply capacity and growth in used goods sales due to the full-scale operation of the new reuse warehouse

- Significantly strengthened the supply system for both e-commerce and stores through the efficiency of product commercialization and listing processes accompanying the full-scale operation of the new warehouse
- Against the backdrop of abundant inventory supply, used goods sales expanded significantly to 174% YoY



Capturing last-minute demand before maker price hikes and securing appropriate profit

- Captured last-minute demand before maker price hikes, leading to significant growth in early sales of studless tires
- Secured appropriate profit levels and achieved steady growth in gross profit through sales strategies that avoid price competition and tire purchasing that anticipates cost increases



Capturing demand for new vehicle models and growth of self-planned wheels in Japan and overseas

- Self-planned wheels drove revenue growth by reliably capturing demand for new vehicle models (Land Cruiser FJ, Hilux, etc.)
- Maintained strong performance in both domestic and overseas sales, contributing significantly to the revenue growth of the entire group

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From here, I will explain the overview of the Tire and Wheel business.

With the full-scale operation of the new warehouse, supply capacity has improved dramatically, and used goods revenue has expanded rapidly to 174.0% YoY.

We are well-prepared for the second half of the fiscal year, thanks to early sales of studless tires capturing demand ahead of manufacturer price hikes and the growth of our self-planned wheels for new vehicle models.

3. Initiatives for the Second Half of the Fiscal Year Ending March 31, 2027

Next, we will move on to Part 3, Initiatives for the second half and medium- to long-term growth strategies.

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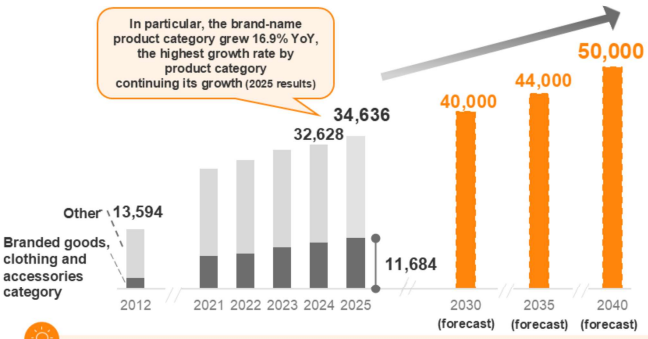
"Earnings Results Briefing for the Fiscal Year Ended March 31, 2026" (reprinted)

Outlook for the domestic reuse market

The domestic reuse market is expanding steadily and is projected to reach 5 trillion yen by 2040. Going forward, the key to market growth will be the expansion of the reuse population. Driven by rising primary distribution prices and changing consumer behavior, the reuse market is expected to experience stable long-term growth.

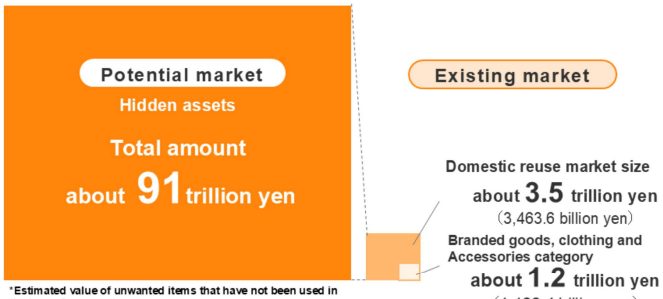
Domestic reuse market size*1

(unit : 100 millions of yen)



- If there is primary distribution, sources for the reuse market will continue to expand.
- The Japanese people value things, so we expect them to be reused multiple times.
- Rising prices and inbound demand are driving the industry
- Increasing number of new entrants, industry restructuring

Domestic potential reuse market (hidden asset)*2



*Estimated value of unwanted items that have not been used in the home for more than one year.

- The "hidden assets" lying dormant within households amount to approximately 91 trillion yen. The current visible market represents only 3.9% of this potential.
- Rising prices have increased awareness of asset liquidity and the growing awareness of resale value, accelerating the inflow of potential assets into the reuse market.
- Expanding touchpoints will convert non-users into experienced reusers and broaden the customer base, which is key to market growth.

*1 "Reuse Market Data Book 2026" Reform Industry Newspaper, October 2026
*2 "A Survey on Japan's 'Owned Assets'," jointly compiled by Mercari Inc. and NLI Research Institute, was released on November 20, 2025.

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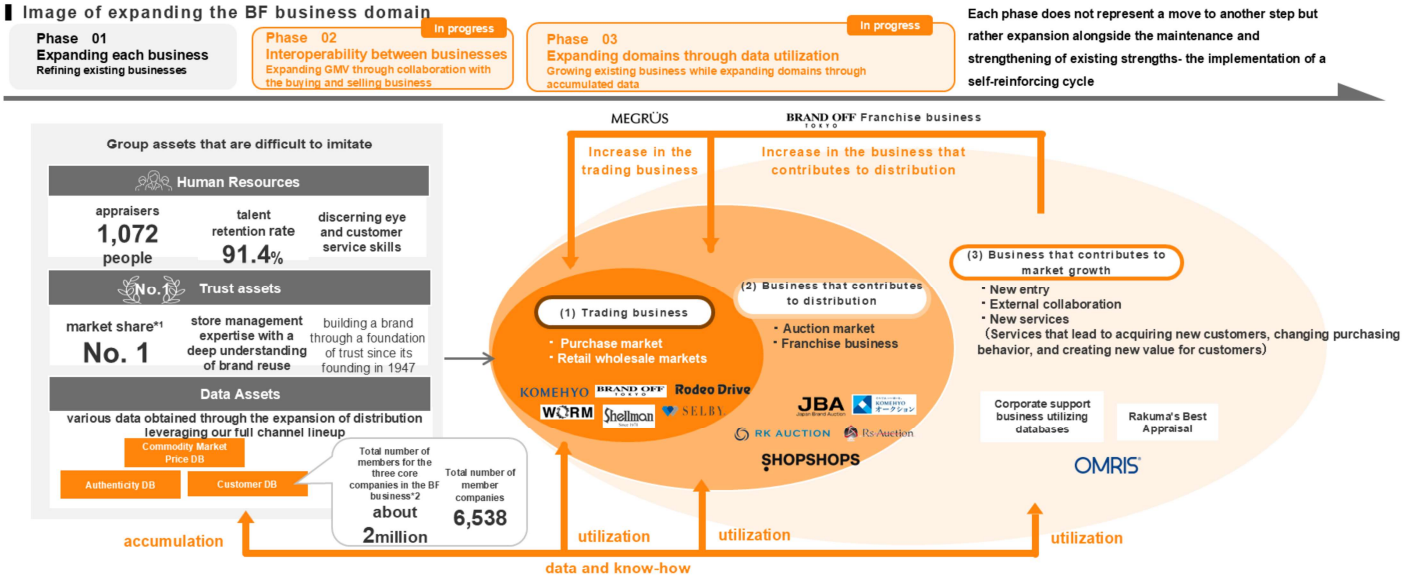
While the domestic reuse market is expected to grow to a scale of 5 trillion yen by 2040, the "hidden assets" lying dormant within households amount to approximately 91 trillion yen, with the current visible market representing only 3.9%.

Converting non-users into the reuse population is our greatest room for growth.

Concept for business growth（BF business）

We defined three businesses: (1) trading business, (2) business that contributes to distribution and (3) business that contributes to market growth. We are expanding each business with unique human resources, data, and trustworthy assets as a source of competitive advantage. We are currently expanding business domains and existing businesses simultaneously through inter-business collaboration and data utilization to achieve global market share expansion, GMV growth, and corporate value enhancement.

▌Image of expanding the BF business domain



*1 "Reuse Market Data Book 2026" Reform Industry Newspaper, October 2026, market share in the branded goods category
*2 Total number of members of KOMEHYO, BRAND OFF, and Rodeo Drive members' cards in the brand fashion business

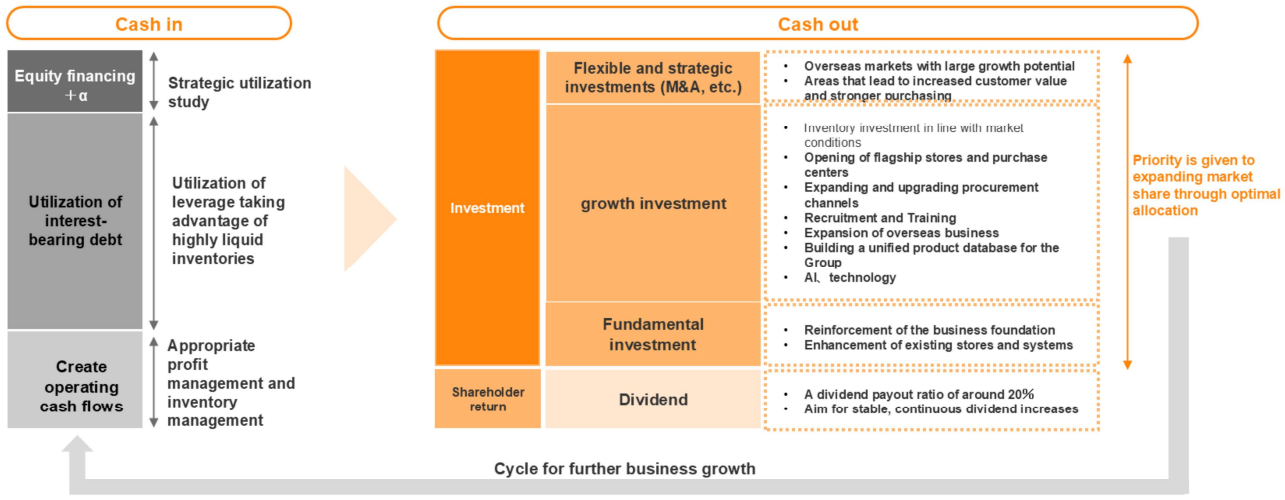
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Under such circumstances, we have defined three business areas: (1) buying and selling, (2) business that contributes to distribution, and (3) business that contributes to market growth. We will accelerate our self-reinforcing cycle by leveraging assets that are difficult to imitate, including over 1,000 appraisers, the trust built since our founding, and our market and authentication databases.

Management Resource Distribution Policy

Priority is given to securing inventory and capital investment ahead of time to gain market share in growing markets, particularly branded reuse. Also, while maintaining a certain degree of financial discipline, we will actively invest in M&A and other noncontinuous growth opportunities

Vision of financing and the distribution of management resources



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This is our policy for the distribution of management resources, or capital allocation, to powerfully drive the self-reinforcing cycle through business areas as explained on the previous page, and to overwhelmingly gain market share in growth markets.

We will prioritize securing inventory and capital investment ahead of time to gain market share in growth markets, particularly in brand reuse.

In addition, while maintaining a certain degree of financial discipline, we will actively invest in non-continuous growth such as M&A.

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"Earnings Results Briefing for the Fiscal Year Ended March 31, 2026" (reprinted)

Quantitative targets of the medium-term management plan (FY2025 to FY2029)

We will promote business expansion while driving profit growth, aiming for sales of 280 billion yen and operating profit of 13 billion yen in the fiscal year ending March 2028, which marks our 80th anniversary, as a stepping stone, and then targeting sales of 310 billion yen and operating profit of 14.5 billion yen in the fiscal year ending March 2029. (Excludes figures for inorganic growth such as new M&A)

May 14, 2026Announcement

Medium-term management plan

(unit : millions of yen)	FY2025 (results)	FY2026 (results)	FY2027 (forecast)	80th anniversary FY2028 (forecast)	FY2029 (forecast)
Net Sales	158,994	221,707	252,000	280,000	310,000
Operating income	6,176	9,288	10,800	13,000	14,500
Operating margin	3.9%	4.2%	4.3%	4.6%	4.7%
Ordinary profit	6,046	8,514	9,680		
Net income attributable to owners of parent	4,777	5,488	5,850		
ROE	15.6%	15.7%	More than 15%		More than 15%
Capital adequacy ratio	37.0%	34.2%	About 35%		About 35%
EPS (yen)	435.9	499.9	532.3		
Dividend payout ratio	23.9%	21.2%	20.3%		About 20%

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Currently, we are aiming for net sales of 310.0 billion yen and operating profit of 14.5 billion yen in the fiscal year ending March 2029, with the fiscal year ending March 2028, our 80th anniversary, as a stepping stone.

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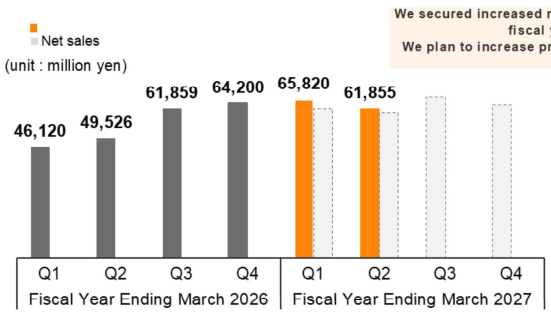
"Earnings Results Briefing for the Fiscal Year Ended March 31, 2026" (reprinted)

FY2027 Forecast of Consolidated Earnings Results by Quarter

By strengthening individual purchasing and promoting a retail-first approach, both net sales and operating profit for the first half achieved the initial plan.
We are maintaining a high level of profitability while fully absorbing growth investments, and we aim to achieve record-high net sales and operating profit for the full year by capturing demand during the demand season in the second half.

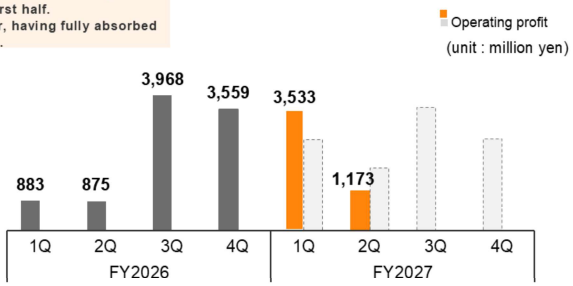
(unit : million yen)	Net sales	Operating profit	Operating profit margin
First half	122,000	4,500	3.7%
Full year	252,000	10,800	4.3%

Net sales



Operating profit

We secured increased revenue and profits compared to the previous fiscal year, mainly in the first half.
We plan to increase profits for the full year, having fully absorbed growth investments.



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Regarding the full-year earnings forecast, although the first-half results exceeded the plan, there is no change from the figures announced at the beginning of the fiscal year.

With the peak sales season of the year ahead in the second half, as well as the renovation of the KOMEHYO Nagoya main store which will be explained later, we will first focus on retail in the third quarter and aim to achieve the full-year earnings targets.

Key focus points for the fiscal year ending March 2027

"Earnings Results Briefing for the Fiscal Year Ended March 31, 2026" (reprinted)

For our group's sustainable growth, overwhelming market share expansion is essential. While continuing to expand our scale through aggressive investment, we will focus on improving our profit structure, centered on strengthening individual purchase and retail. We will accelerate the utilization of reuse technology and the exploration of new areas, simultaneously pursuing solid domestic market share and global profit growth.

Policy: Simultaneously achieve both market share expansion and improved profitability.

Business expansion and exploration within Japan

Individual purchase

- Opening of new buyback specialty stores: KOMEHYO 20 stores/year
- Growth of existing stores through enhanced promotion
- Continued strengthening of on-site and mail-in buyback services
- Improved profitability through improved store opening accuracy
- Acquisition of new alliance partners

Corporate purchasing

- Continue corporate purchasing to maintain the appeal of stores
- Expand corporate purchasing support business
- Continue opening of "MEGRUS," a specialty purchasing store by JFR & KOMEHYO PARTNERS

Retail

- Opening of retail stores and curated product stores
- Growth of existing stores through enhanced promotions
- Expansion of in-house e-commerce/cross-border e-commerce through inventory integration

Corporate sales

- Expanding the scale of auctions through group collaboration
- Expanding new sales channels

Global business expansion

- Accelerating store openings in countries/regions (Asia/ASEAN) to strengthen our overseas business base



BRAND OFF Mong kok MOKO store (Hong kong) (26.5.1 OPEN)



KOMEHYO PLQ MALL (Singapore) (26.5.1 OPEN)

- Expanding sales channels in North America
  Opening sales stores
  Growth in cross-border live commerce (ShopShops)
- Expansion into new countries/regions (Philippines, Indonesia, Macau)

Creating discontinuous growth opportunities through M&A, alliances, etc.

Promoting Reuse Technology

We will integrate the group's global product database to improve inventory control accuracy and increase supply to overseas group companies.
This will contribute to improving the productivity of the entire group.

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I will now explain the key focus points for this fiscal year.

To achieve sustainable improvement in our group's corporate value, we will realize both "market share expansion" and "profitability improvement" this fiscal year.

In Japan, we will deepen our business by strengthening "individual purchase" and "retail," while overseas, we will push forward with "accelerating store openings to match the growth speed of each country" and "building a business base in North America."

Based on this initial policy for the fiscal year, I will explain the measures that are progressing toward the second half.

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KOMEHYO Nagoya Main Store Renovation and New Vintage Specialty Store Openings

Accelerating the opening of specialty stores to capture growing domestic and international demand for vintage items, while improving store circulation and CX through the renovation of the flagship "KOMEHYO Nagoya Main Store Main Building 1F"

Further strengthening retail and acquiring new customer segments through mutual customer referrals with the two existing vintage stores and by leveraging the combined strengths of group companies

Deepening Flagship Stores

Renovation of KOMEHYO Nagoya Main Store Main Building 1F (Jewelry Floor)
(Scheduled for this year)



- Enhancing in-store circulation and expanding opportunities for customers to engage with products through an increased number of items handled and a refreshed floor space, thereby stimulating latent customer demand and improving conversion rate
- Strengthening customer attraction on the 1F and creating smooth vertical flow to guide customers to upper floors
- Utilizing private/semi-private spaces to create a service environment that caters to the individual preferences and specific needs of each customer through dialogue

Strengthening Retail

Opening of 2 New Vintage Specialty Stores
(Scheduled for December 2026)



KOMEHYO VINTAGE TOKYO Current
- The 3rd KOMEHYO vintage store
- A product-curated sales store that revamps an existing purchasing specialty store and adds sales floors on the 1st and 2nd floors



BRAND OFF
OMOTESANDO LUXE VINTAGE
- BRAND OFF's first vintage store
- Aiming to create a unique store that aligns with the company's distinctive products and customer attributes

- Promoting mutual customer referrals between stores by opening in areas adjacent to the two existing stores, maximizing sales share for the entire area
- Taking a multi-faceted approach to demand across a wide range of generations and attributes by mutually complementing the unique customer bases and product strengths of each company. Steadily capturing vintage customer segments that cannot be reached through a single business format across the entire group
- Consolidating the abundant, high-quality vintage items held by each group company to realize highly efficient retail operations that respond to rising sales demand

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The first point is the renovation of the KOMEHYO Nagoya Main Store Main Building 1F Jewelry Floor, our symbolic flagship store. Scheduled to open within the year, this project will significantly improve in-store circulation through an expansion in the number of stores handled and a completely redesigned floor space, aiming to increase total store revenue by guiding customers from the 1F to the upper floors.

The second point is the development of the vintage market, where needs are rising globally.
In December, we will open new vintage specialty stores with different concepts from KOMEHYO and BRAND OFF, respectively.

By bringing together the customer bases and high-quality inventory of both companies, we will accelerate the acquisition of new customer segments while generating synergies across the entire group.

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Opening of the First Sales Store in the U.S.

Commencing full-scale North American operations, starting with the opening in the SOHO district of New York
Connecting existing individual purchasing and e-commerce sales to physical stores, with an eye toward multi-store expansion

Late December 2026 Opening
KOMEHYO NEW YORK SOHO Flagship Store



Location: 433 W Broadway, New York, NY 10012
Store Area: Approx. 185㎡
Products Handled: Jewelry, watches, bags, etc.

Outlook for the North American Reuse Market

The World's Largest Luxury Reuse Market
A promising market maintaining high growth potential, driven by the penetration of sustainability awareness and demand from the younger generation.

High trust in "Used in Japan" and "Checked in Japan"
In the U.S., where anti-counterfeiting measures are highly valued, our strict appraisal technology and quality control are major differentiating factors.

Future Growth Story

[Phase 1: Verification of supply and demand through prior purchasing and e-commerce sales]
In addition to the individual purchasing business at the local office, e-commerce sales for individual consumers started in 2025. Purchasing has performed well, more than doubling year-on-year, establishing a local procurement base and verifying sales demand in advance.

[Phase 2: Enhancing brand presence in SOHO, a trend-setting hub]
By opening a store in SOHO, one of New York's premier commercial areas, we will further accelerate branding and awareness both domestically and internationally. The presence of a physical store will expand touchpoints with new customer segments.

[Phase 3: Expansion of store openings to major areas]
Using the SOHO store as a foothold, we plan to sequentially expand sales store openings to major areas across the U.S. By localizing the business know-how cultivated in countries where we have already expanded, and maximizing the synergy between physical and digital (e-commerce sales), we aim to capture share in the North American reuse market.

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Next, I would like to announce the opening of our first retail store in the United States, which was announced yesterday.

In late December of this year, we will open our first retail store in the SOHO district of New York, in the United States, which is the world's largest reuse market.

In the United States, very high growth continues, driven by the spread of sustainability awareness and demand from the younger generation.
We believe that our proven discerning eye and quality control, which are highly valued in the U.S. where anti-counterfeiting measures are strongly required, will be a major strength that sets us apart from other companies.

As shown in the growth story on the right, we have been conducting individual purchasing and e-commerce sales at our local office since 2025.
With purchasing amounts growing to more than double the previous year, we have achieved strong results and, having gained sufficient confidence in both local purchasing and sales, we have decided to open this store.

The intention behind opening this store in the SOHO district is to rapidly increase brand awareness and expand our new customer base by establishing a presence in one of the world's leading commercial and trend-setting areas.

Moving forward, we will localize the business know-how we have cultivated in countries where we have already expanded, such as in Asia, and use SOHO as a foothold to open retail stores in major areas. We aim to capture market share in the

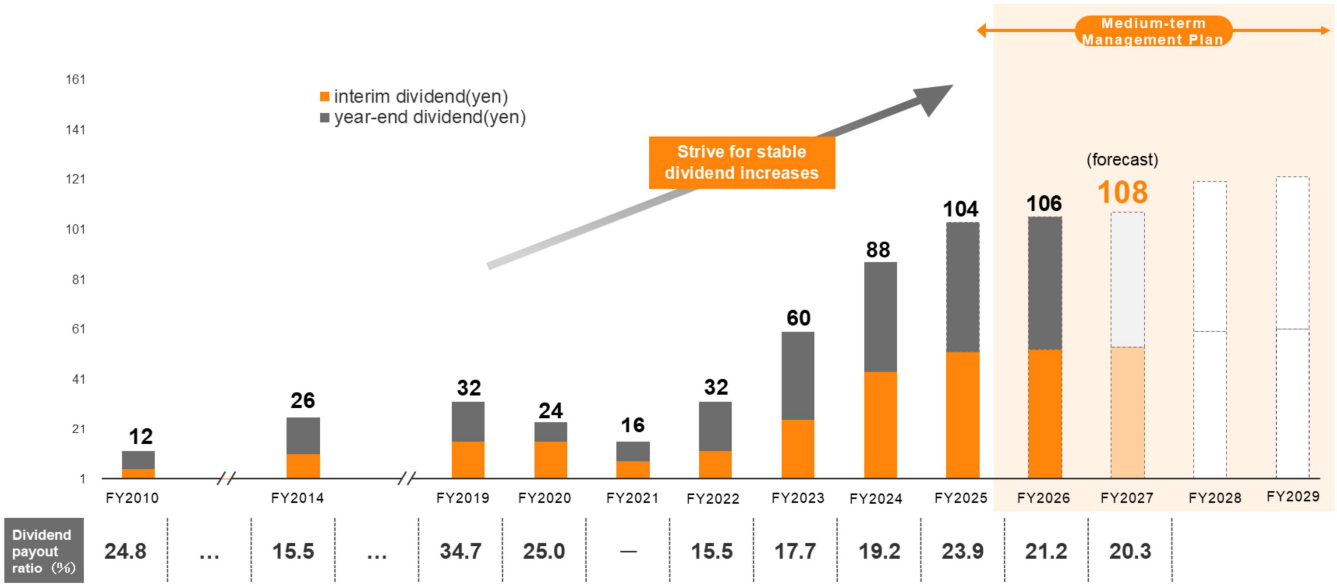
United States through a sales structure that integrates physical stores and e-commerce.

KOMEHYO HOLDINGS

"Earnings Results Briefing for the Fiscal Year Ended March 31, 2026" (reprinted)

Dividend forecast

The annual dividend forecast is set to be 108 yen, an increase of 2 yen from the previous fiscal year. We will continue to focus on maintaining stable dividends and increasing dividends based on increased revenue and profits.



Dividend payout ratio (%)	24.8	…	15.5	…	34.7	25.0	—	15.5	17.7	19.2	23.9	21.2	20.3

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Regarding shareholder returns.

For the current fiscal year, we plan an annual dividend of 108 yen, consisting of an interim dividend of 54 yen and a year-end dividend of 54 yen.

While prioritizing growth investments, we will maintain a policy of stable and continuous dividend increases based on increased revenue and profits, with a target dividend payout ratio of 20%.

4. IR Initiatives

Finally, I would like to report on the strengthening of our IR activities.

Strengthening IR Activities: Publication of Analyst Report by Shared Research Inc.

Purpose of the Report

We have commissioned Shared Research Inc. to prepare a report with the aim of actively disclosing information to our investors and promoting a better understanding of our company.
The report is prepared based on research and analysis from a third-party perspective, with an emphasis on neutrality. We hope it will help deepen your understanding of our company and serve as a reference for your investment decisions.

URL (Japanese): https://sharedresearch.jp/ja/companies/2780
URL (English): https://sharedresearch.jp/en/companies/2780


Coverage initiated on: 2020-09-20
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Shared Research

2780
Komehyo Holdings

Company Name
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Listed On
Tokyo Stock Exchange, Standard Market

Fiscal Year-End
Mar

Established
1979-05-04

Exchange Listing
2003-09-12

Research Policy
Shared Research reports are created and maintained according to the following principles.
Grounded in management interviews: We begin every report with extensive interviews of the company's senior management.
Updated at least 5 times a year: Reflects quarterly interviews, earnings flash updates, and timely disclosures.
Neutral and fact-based: We do not provide buy/sell recommendations or investment opinions. Our reports present only fact-based information.
Common structure across all coverage: All companies we cover follow the same table of contents, enabling consistent and comprehensive analysis.
This report is rewritten every quarter based on direct interviews with the company. The latest version is available on the report page on our website.

Research Coverage Report by Shared Research Inc.


Executive summary

Business overview

Komehyo Holdings Co., Ltd. (TSE Standard: 2780), founded in 1947, holds the largest share of Japan's market for the purchase and sale of second-hand goods, including luxury brand-name items and jewelry. Its corporate philosophy centers on what it calls "mitsu-ue"—the idea that goods fulfill their mission only when they are passed on from one person to another and are put to good use. Komehyo Holdings aspires to spread this concept globally and turn it into a culture. The company underscores its ability to secure merchandise from private sellers through diverse channels. Supported by a team of more than 1200 appraisers who have passed in-house certification exams, Komehyo Holdings has built a reputation for reliable appraisals. Additionally, the company has established a nationwide network and also partners with financial institutions and department stores in its purchasing activities. The company has actively expanded its business portfolio through M&A, starting with its entry into the tire and wheel business in 2010. Based on the principle of honest business practices that has guided the company since its founding, Komehyo Holdings seeks to offer fair prices by making full use of the vast distribution data derived from its substantial market share, as well as the diverse sales channels that include its own sales stores. In doing so, the company builds strong customer loyalty that sets it apart from competitors.

Komehyo Holdings traces its origins to Komehyo Shoten, a used kimono shop established in Aichi Prefecture in 1947. The company was converted to a holding company (Komehyo Co., Ltd.) in 2006, and then to its current form (Komehyo Holdings Co., Ltd.) in 2018. Komehyo Holdings is listed on the Tokyo Stock Exchange (TSE) Standard Market. The company is engaging its domestic stores and substantially enlarging its business footprint in Hong Kong, Taiwan, and elsewhere. The company moved to a holding company structure in 2006, and in 2008, it acquired IM Enterprise Co., Ltd., which focuses on luxury watches, as well as auction operator Ito Japan. Komehyo Holdings has achieved fast-paced business growth by aggressively opening purchase-only stores and by accelerating acquisitions based on a roll-up strategy. Its revenue has increased roughly fivefold over the past 10 years. In global expansion, the company established a joint venture in Beijing, China, in 2018 and has since entered Shanghai, Singapore, the US, the Philippines, and other markets, building a reuse distribution network that extends overseas.

In FY03/26, the company posted consolidated revenue of JPY221.8bn and operating profit of JPY 9.3bn. By reportable segment, the Brand Fashion business accounted for 97.0% of revenue and 89.0% of operating profit (OPM of 41%), and the Tire and Wheel business for 2.8% and 3.3% (OPM of 5.0%), respectively. The Real Estate Leasing business and adjustments accounted for the remainder.

In the Brand Fashion business, Komehyo Holdings pursues a multi-brand strategy in Japan and overseas tailored to specific customer segments, merchandise categories, and the areas where it opens stores. Operations center around the KOMEHYO stores; other store brands include BRAND OFF and Rodeo Drive. In FY03/26, direct purchases from individuals (private sellers) accounted for 72% of the merchandise sourced at KOMEHYO stores in value terms. The company purchases through diversified channels, anchored by its more than 200 purchase-only stores nationwide and supplemented by its own EC platform, visits to customers' homes, and purchases from department stores and elsewhere. By merchandise category, the bulk of the items purchased by KOMEHYO stores are luxury goods, such as gemstones and precious metals (47% of the total in FY03/26), watches (25%), bags (23%), and apparel (5%). The company explains that since it focuses on luxury merchandise, its average purchase price per item is high by reuse industry standards.

In FY03/26, direct purchases from individuals totaled JPY93.3bn in the Brand Fashion business. The company's purchasing procedure involves an authenticity check by appraisers who have passed its in-house exams, paired with authentication and model number identification (for bags only) using an in-house-developed AI system. In the reuse industry, where the condition of goods is not uniform, the company's ability to secure a large volume of goods at low prices is the core operational function that converts out-counterfeits at a minutes's transactions at fair prices. The company therefore imposes demanding in-house exams for each merchandise category, and only appraisers who meet strict standards for authentication accuracy, valuation speed, and customer service are permitted to handle on-site work. Komehyo Holdings has also built an AI-based system that can automatically determine an item's authenticity and verify the model number with 99% accuracy, using photographs of items brought in for appraisal and checking them against the vast image database accumulated over the years. The company holds down the percentage of counterfeit purchases and achieves both uniform appraisal quality and speedy pricing by combining the discerning skills of seasoned appraisers with AI.

Shared Research

* About Shared Research Inc.
Shared Research is a research firm that creates unique analytical reports from an investor's perspective, staffed by individuals who have been involved in the research and management of Japanese stocks at domestic and international financial institutions. Their reports are utilized by over 6,000 institutional investors across 130 countries, as well as by many individual investors.

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As a new initiative to strengthen our IR activities, we have begun publishing analyst reports by Shared Research Inc., an independent research institution.

We are developing a multifaceted business that goes beyond over-the-counter trading of second-hand goods, including B2B auctions and a local production for local consumption model overseas.
We recognized that expanding our information dissemination to ensure the capital market correctly and more deeply understands these unique competitive advantages and growth cycles was a challenge.

This report is a thorough analysis of our strengths and revenue structure from a neutral and objective perspective by analysts with extensive research and investment experience at financial institutions.
Its greatest feature is that it is published in both Japanese and English simultaneously and distributed directly to over 6,000

institutional investors in 130 countries worldwide.

We will utilize this as a powerful dialogue platform to bridge the information gap for institutional investors and gain appropriate valuation commensurate with our intrinsic corporate value.

KOMEHYO HOLDINGS

Selected as a Constituent of Stock Indices

In addition to being selected for the "TOPIX Next-tier," which was newly calculated as of October 30, 2026, the Company has continued to be selected as a constituent of the "JPX-Nikkei Mid and Small Cap Index."

Newly Selected for "TOPIX Next-tier" in October 2026 NEW!

The Company was selected as a constituent of the "TOPIX Next-tier," a stock index newly calculated by JPX Market Innovation & Research, Inc., and calculation began on October 30, 2026.

What is "TOPIX Next-tier"?
・Composed of stocks listed on the Tokyo Stock Exchange that meet certain criteria such as liquidity and market capitalization.
・An index aimed at ensuring diverse investment opportunities in the market and promoting investment in a wide range of growth companies.

Consecutively Selected for the "JPX-Nikkei Mid and Small Cap Index"

The Company has been continuously selected as a constituent of the "JPX-Nikkei Mid and Small Cap Index," calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc., since fiscal year 2024.

What is the "JPX-Nikkei Mid and Small Cap Index"?
・A stock index composed of "companies highly attractive to investors" that meet various conditions required by global investment standards, such as efficient use of capital and management perspectives that are conscious of investors.

・After screening based on trading value, market capitalization, etc., the top 200 stocks are selected by adding qualitative factors to quantitative index scoring.

*For details, please refer to the Japan Exchange Group website. https://www.jpx.co.jp/markets/indices/index.html

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Furthermore, we have been selected as a constituent of the new stock index "TOPIX Next-tier," which was newly launched in conjunction with the revision of TOPIX.

This index is composed of companies listed on the Tokyo Stock Exchange that meet certain criteria, such as market capitalization and liquidity, and are expected to drive the future growth of the Japanese economy and market.
We hope that this selection will lead to our stock being included in new funds and receiving investment capital, further enhancing our stock liquidity.

In addition, we have also been continuously selected for the "JPX-Nikkei Mid and Small Cap Index" since fiscal year 2024.

We view this as an indication that our maintenance of high ROE, governance structure, and stance on shareholder returns are being objectively evaluated by the market in both quantitative and qualitative terms.

To live up to the trust placed in us as a constituent of these indices, we will continue to thoroughly implement management that is strongly conscious of the cost of capital, and will enhance our presence in the capital markets through sustainable ROE improvement and the expansion of liquidity.

Disclaimer

This document is an English translation of a document prepared in Japanese.

Statements in this document that are not historical facts; statements concerning current plans, forecasts, strategies, and opinions of KOMEHYO Co., Ltd. are forward-looking statements subject to various risks and uncertainties.

These statements are prepared based on assumptions of the management of Komehyo Holdings Co.,Ltd. using currently available information.

Actual results may differ significantly from forecasts due to a variety of factors; therefore, investors should not place undue reliance upon them.

In addition, this document is not intended to solicit investments. Investors should make investment decisions at their own discretion.

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In this second quarter, despite facing fluctuations in exchange rates and market prices, we achieved a significant increase in both revenue and profit through our unique market adaptability and the strengthening of our "purchasing from individual customers" and "retail" operations.
We were able to clearly demonstrate through our figures that our earnings base has become even more robust.

From the second half onward, we will continue to leverage our solid inventory base to reliably capture demand, and we will work together as a company to achieve record-high performance and meet the goals of our Medium-term Management Plan.

This concludes my presentation.

Thank you very much for your attention.