



Earnings Results Briefing for the Second Quarter of the Fiscal Year Ending March 31, 2026

K O M E H Y O
H O L D I N G S

November 13, 2025

Komehyo Holdings Co., Ltd.

Securities code: 2780 (Tokyo and Nagoya Stock Exchanges)

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I'm Ishihara, President and CEO of Komehyo Holdings Co., Ltd.
I'll now report on our results for the second quarter of the fiscal year
ending March 2026.

Summary of financial results for the second quarter of the fiscal year ending March 31, 2026

1

Revenue increased but profits decreased compared to the same period last year Net sales reached a record high, but issues remain in profitability improvement

- Net sales : Exceeded the plan on the back of strong purchases
- Gross profit : Fell short of the plan due to the lower retail ratio and higher corporate sales ratio
- SG&A expenses : Increased significantly due to continued store openings, strengthening of personnel hiring and training associated with the openings, and increases in expenses pertaining to sales
- Operating profit : Decreased because SG&A expenses exceeded the increase in gross profit
- Ordinary profit : Decreased due to much higher-than-planned non-operating expenses such as interest expenses and foreign exchange losses

2

Store openings in domestic and overseas are progressing smoothly

【Domestic store openings】

- Purchasing centers : Komehyo 3 stores
- Purchase and sales stores : KOMEHYO YOKOHAMA / BRAND OFF Shinjuku store

【Overseas store openings】

- Purchasing centers : 2 stores (Thailand, Malaysia), Sales stores : 1 store (Thailand)

3

Aggressive investments were made to reinforce the foundations for sustainable growth

- On August 1, 2025, first overseas purchasing center was opened in Malaysia, and on August 27 of the same year, first purchasing center was opened in Thailand.
- On September 12, 2025, KOMEHYO YOKOHAMA was opened. Accelerating retail expansion with the opening of our second flagship store this year.
- JFR & KOMEHYO PARTNERS, a joint venture with J. Front Retailing (shareholding ratio: 49%), opened four new purchasing centers by September, 2025.

**We steadily expanded market share both domestically and internationally
In the fiscal year ending March 31, 2026, we will aim to achieve our plan by improving profitability while responding to the external environment and market fluctuations.**

First of all, I'd like to provide an overview of today's financial results.

First, for the second quarter of the fiscal year ending March 31, 2026, revenue increased but profit decreased compared to the same period last year.

While net sales exceeded expectations due to strong purchases, issues remain regarding improving profitability. I will explain the details later.

Second, we are making steady progress with store openings both domestically and overseas.

Third, we strive to secure profits and lay the foundation for sustainable growth by investing in retail stores and buyback specialty stores .

This fiscal year, while responding to the external environment, we will continue to actively open new stores both domestically and overseas, and will prioritize improving our profit structure, aiming to increase both revenue and profits.

Contents

1. Our Business Model and Medium-term Management Plan	P.4
2. Revision of Earnings and Second Half Outlook	P.13
3. Earnings Results for the Second Quarter of the Fiscal Year Ending March 31, 2026	P.16
4. Segment overview for the Second Quarter of the Fiscal Year Ending March 31, 2026	P.31
5. Appendix	P.39

Here are the main topics.
I'll be talking about today.

1. Our Business Model and Medium-term Management Plan

4

First, let me talk about our business model and medium-term management plan.

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

Vision

We develop a concept of environmentally and socially conscious recycling into a culture

Mission

We respect people for making products, thank people for providing products for use by other people, and make people who reuse such products happy, and by doing so, create an empathy-based 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.



Our unique concept is that "things fulfill their mission only when they are passed down from person to person (relay) and put to effective use (use)." Our group does not simply provide products but instead plays 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 make the next person who uses them smile, happy, and enriched. The entire group will work to create a society where such thoughts and efforts are commonplace.

First, I would like to talk about our group's Mission, Vision, and Values.

Our group's mission is to "respect those who create, express gratitude to those who connect, and inspire those who use our products, thereby building empathy for a recycling-oriented society."

Our vision is to transform relay reuse from an "idea" to a "culture."

Company Highlights (Consolidated) (As of March 2025)

A leading player in the reuse industry, which operates KOMEHYO, BRAND OFF, Rodeo Drive, and other brands in Japan and other countries



Founding

1947

Net sales

158,994 millions of yen
(Growth achieved in four consecutive terms)

Individual purchase amount

78,834 millions of yen



Number of employees

1,895 people
Breakdown : appraisers in the brand fashion business **901** people

Talent retention rate

93.4%



Number of stores in Japan

273 stores
Breakdown: 10 sales stores, 209 purchase centers,
and 54 stores annexed with purchase facilities

Number of overseas
stores

28 stores
(5 countries/regions)

Market share *

Brands and
jewelry
No.1

Number of operating
companies

19 companies

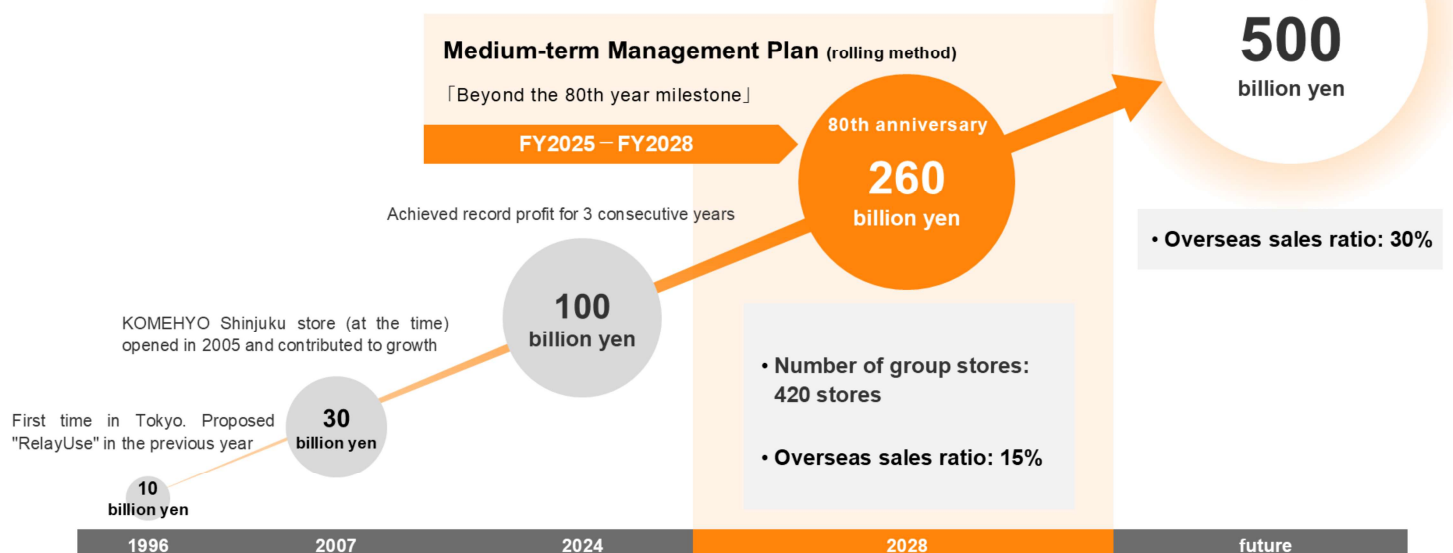
: "Reuse Market Data Book 2025" Reform Industry Newspaper, October 2025

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On this page, we have listed the indicators as of the end of the previous fiscal year to help you get an idea of our Group.

Position of the Medium-term Management Plan

We aim to achieve sales of 260 billion yen by the 80th anniversary of the company's founding, which is the final year of the Medium-term Management Plan, with a view to becoming the world's No. 1 company in sales of brand goods for reuse (net sales of 500 billion yen).



The medium-term management plan announced on May 14, 2025 is shown below.

The final year of this medium-term management plan is set for the fiscal year ending March 2028, which marks our 80th anniversary. We aim to achieve sales of 260 billion yen, an overseas sales ratio of 15%, and a group store network of 420 stores.

Basic Policies for the Medium-term Management Plan "Beyond the 80th year milestone"

Strive to achieve business growth and higher social value under a policy based on the business environment and competitive advantages

1 Achieving business growth

Brand · Fashion business (BF)

Increasing domestic and overseas market shares through multi-branding

Implementing measures based on the characteristics of each business

- (1) Trading business (Japan and other countries)
- (2) Business that contributes to distribution
- (3) Business that contributes to market growth

Strengthen ability to respond to market conditions
M&A strategies



Tire Wheel business (TW)

Stable increase in sales and profit

Growth achieved by leveraging the power of the Group

Area strategies



2 Deepening sustainable management

Contribution to a carbon-neutral society

Aggressive investment in human resources

Strengthening governance



3 Advancing management with an awareness of capital cost

Achieving ROE and ROIC exceeding capital cost



The three basic principles of our medium-term management plan are:

- Achieving business growth
- Deepening sustainability management
- Advancing management with an awareness of capital.

Concept for business growth (BF business)

Based on market trends and competitive advantages, we will set key investment items, supporting management platforms, and tactical options. For the mainstay Brand Fashion business, we aim to expand sales and GMV globally by defining three businesses: ① trading business, ② business that contributes to distribution, and ③ business that contributes to market growth.

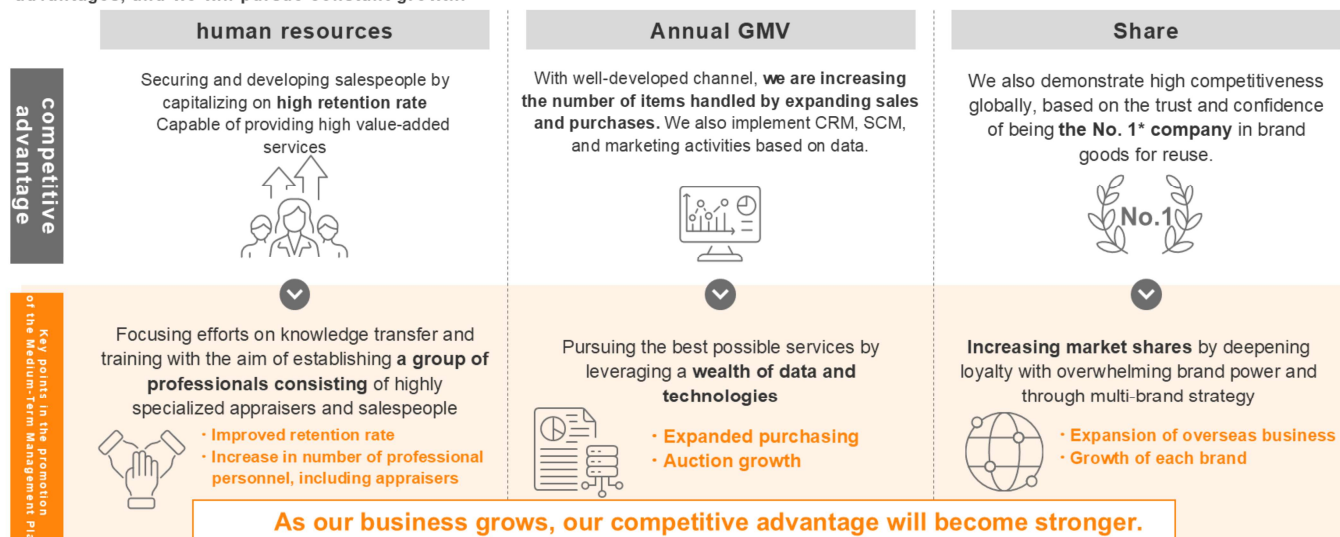


By defining key investment targets, supporting management platforms, and tactical options, we aim to expand sales and GMV globally and improve corporate value through three main business areas for our core brand and fashion business:

- ① sales and purchases,
- ② distribution involvement,
- ③ market growth involvement.

Operating the Medium-term Management Plan Based on Competitive Advantages

Since its founding, the Group has been consistently engaged in reuse and has established competitive advantages based on its human resources, channels, and market share. The Medium-term Management Plan will be based on the business environment and competitive advantages, and we will pursue constant growth.



* "Reuse Market Data Book 2025" Reform Industry Newspaper, October 2025

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We believe that our Group's competitive advantages lie in our human resources, annual product distribution volume, and our share in the brand reuse market.

Our medium-term management plan takes into account the business environment and these competitive advantages, and aims to achieve business growth and improve corporate value.

Quantitative targets of the medium-term management plan (FY2025 to FY2028)

For the fiscal year ending March 2026, the company aims to achieve business growth through increased profits compared to net income attributable to parent company shareholders excluding gains on Gain on bargain purchase in the fiscal year ending March 2025. In the final fiscal year ending March 2028, the company aims to achieve sales of 260 billion yen and operating profit of 13 billion yen.

Medium-term management plan					
(Millions of yen)	FY2024 (results)	FY2025 (results)	FY2026 (forecast) *1	FY2027 (forecast) *2	80th anniversary FY2028 (forecast) *2
Net Sales	119,459	158,994	201,600	230,000	260,000
Operating income	7,452	6,176	7,470	10,300	13,000
Operating margin	6.2%	3.9%	3.7%	4.5%	5.0%
Ordinary profit	7,479	6,046	6,740		
Net income attributable to owners of parent	5,025	4,777	3,980		
ROE	19.2%	15.6%	More than 12%		More than 15%
Capital adequacy ratio	44.4%	37.0%	Approximate 35%		Approximate 35%
EPS (yen)	458.7	435.9	362.9		
Dividend payout ratio	19.2%	23.9%	29.2%		About 20%

*1 Earnings forecast revised on November 7, 2025. However, if revisions are found to be necessary after a careful examination of changes in the business environment, etc., the Company will promptly announce them. *2 Revision planned for May 2026

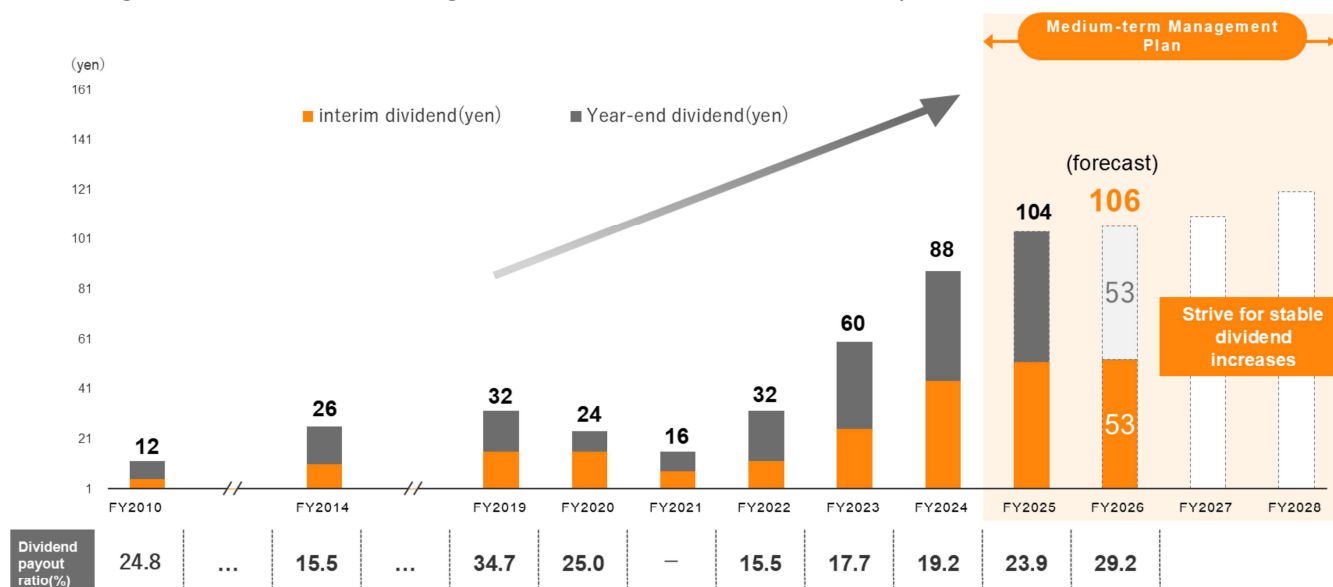
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Our numerical targets through the fiscal year ending March 2028 are as shown below.

We revised our full-year plan for this fiscal year in early November. We will provide more details later.

Dividend forecast

The annual dividend forecast is set to be 106 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.



Regarding dividend forecasts:

There will be no revisions to our dividend forecasts in conjunction with this revision to our earnings forecasts.

For the fiscal year ending March 31, 2026, we plan to pay an interim dividend of 53 yen and a year-end dividend of 53 yen, an increase of 2 yen, for a total annual dividend of 106 yen.

With a dividend payout ratio of 20%, we will strive to continue maintaining stable dividends and increasing dividends based on increased revenue and profits.

2. Revision of Earnings and Second Half Outlook

13

Next, I will explain the revision of earnings and second half outlook.

Revised of full-year earnings forecast for the fiscal year ending March 2026

On November 7, 2025, the Company disclosed revisions to consolidated financial results forecasts for the first six months.

Regarding the full-year forecast, the forecast for the second half is kept unchanged at present, reflecting the uncertainty of future economic conditions and market trends.

However, if revisions are found to be necessary after a careful examination of changes in the business environment, etc., the Company will promptly announce them.

	(Millions of yen)	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share(yen)
FY2026	Forecasts released previously	200,000	8,000 (4.0%)	7,400 (3.7%)	4,600 (2.3%)	419.74
	Revised forecasts announced on this occasion	201,600	7,470 (3.7%)	6,730 (3.3%)	3,980 (2.0%)	362.95
	Change	1,600	△530	△670	△620	—
	Rate of change	0.8%	△6.6%	△9.1%	△13.5%	—
	(Millions of yen)	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	
Second half only	2025.3-2H	89,547	3,049 (3.4%)	2,976 (3.3%)	2,815 (3.1%)	
	2026.3-2H	105,953	5,710 (5.4%)	5,394 (5.1%)	3,302 (3.1%)	
	Change	16,406	2,660	2,417	486	
	YoY	18.3%	87.2%	81.2%	17.3%	

*This is a revision to the earnings forecast announced on May 14, 2025. For details, please refer to the "Notice Regarding Revision of Earnings Forecast" announced on November 7, 2025.

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We recently revised our full-year performance targets for the fiscal year ending March 2026.

For the first half of the fiscal year ending March 2026, we were unable to achieve our initial plans for each profit level due to factors such as a decrease in the retail sales ratio and an increase in the sales composition ratio of merchandise and products with low gross profit margins.

This full-year forecast reflects only the results for the first half, while the forecast for the second half remains unchanged.

For the full fiscal year ending March 2026, we are targeting net sales of 201.6 billion yen, operating profit of 7.47 billion yen, ordinary profit of 6.73 billion yen, and net profit attributable to owners of parent of 3.98 billion yen.

Brand and Fashion Business Assumptions for the second half

Reflecting the external environment including commodity prices and foreign exchange rates, the Company aims to achieve net sales and other results for the second half that exceed the year-ago levels.

Forecasting market trends for main products		Outlook for second half		YoY comparison
 JEWELRY  WATCH  BAG  FASHION	The domestic retail gold price will remain stable at a high level. Brand-name Jewelry is also expected to trend upward due to the revision of list prices and the surge in retail gold price. Although the market prices for diamonds will remain flat, high-quality items, especially colored stones, are expected to remain in high demand and be traded at high prices.	Net sales	- Net sales will grow steadily with abundant inventory and steady purchasing - Retail sales will grow, driven by tax-free sales - Inventories with low profit margins will be rotated as soon as possible through corporate sales.	
	Market prices are expected to remain high until mid-December due to growing demand toward the year-end sales season, despite currency risks from Fed rate cuts, BOJ rate hikes, and exchange rate fluctuations caused by U.S.-China trade war. The market tends to be weak at the end of the year and at the end of March every year, and the same is expected for this fiscal year.	Gross profit margin	- Strengthening high-margin purchases from individuals and retail sales including tax-free sales - Inventory replacement proceeded smoothly, shortening inventory periods and improving mark-up rates	
	Market prices rose gradually for some items in 2Q, but are expected to rise toward the year-end sales season, especially for popular and standard items. If retail sales are weak in the early stages of the year-end sales season, the market may experience rapid fluctuations.	SG&A expenses to sales ratio	- Continuing investment for growth, including hiring and training personnel for new store openings - Holding down SG&A expenses that can be controlled	
	Luxury brands as a whole will be trending lower due to the cooling of the Chinese market. Market prices for some items are expected to increase due to a decrease in the number of good items for corporate auctions. A shift to more affordable brands is likely.	Operating profit	Securing operating profit by increasing the amount of profit through strengthened purchases from individuals and retail sales and by controlling costs appropriately	
		Purchase	- Taking measures such as setting appropriate purchase prices and reviewing inventory valuation - Purchases from individuals will remain strong with the opening of purchase centers. - Gold bullion purchases will be continued due to high and stable retail gold price.	

Our forecasts for the second half of the year for the Brand & Fashion business are as shown below.

Based on forecasts for market trends for our main products, we expect sales to progress smoothly thanks to abundant inventory and steady purchasing. We will improve our gross profit margin by strengthening highly profitable individual purchases and retail. Currently, inventory replacement is progressing, inventory periods are shortening, and mark-up rates are improving. With regard to selling, general and administrative expenses, our policy is to continue investing in growth while keeping costs down where possible.

As a result, we aim to achieve results that exceed those of the same period last year, including operating profit.

3. Earnings Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

16

Now, I would like to talk about earnings results for the second quarter of the fiscal year ending March 31, 2026.

Highlights of cumulative financial results for the second quarter of the fiscal year ending March 31, 2026

Consolidated financial results for the second quarter of the fiscal year ending March 2026

Individual purchase amount (consolidated)	Consolidated sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
45,028 millions of yen YoY 124.9%	95,646 millions of yen YoY 137.7%	1,759 millions of yen YoY 56.3%	1,335 millions of yen YoY 43.5%	677 millions of yen YoY 34.5%

Breakdown of consolidated sales			Number of stores	
Retail ratio	Overseas ratio	Domestic tax exemption ratio	Domestic stores	Overseas stores
43.1% YoY△6.7pt	13.9% YoY+0.3pt	13.1% YoY△4.0pt	287 stores Sales stores 10 Purchasing centers 218 Purchase and sales stores 59	31 stores (five countries/regions) Sales stores 8 Purchasing centers 2 Purchase and sales stores 21

The highlights of our second quarter financial results are as follows.

Consolidated individual purchase amounts and sales reached record highs.

I will explain the details later.

Evaluation of the second quarter (three months) of the fiscal year ending March 2026

Net sales grew significantly with the conversion of RK Enterprises and three other companies into Group companies in the fiscal year ended March 31, 2025, while also reflecting an increase in purchases from individuals and corporate sales of gold bullion, etc. attributed to soaring retail gold price. On the other hand, gross profit margin and operating profit margin are on a downward trend due to a decline in the retail ratio.

	Evaluation	2Q (three months) results	
Net sales 	Although the retail ratio declined due to a slowdown in tax-free sales, retail and corporate sales remained strong chiefly due to the opening of flagship stores.	YoY : 137.8%	• Retail sales ratio: 43.4% (YoY : $\Delta 6.4$pt) • Tax-free sales ratio: YoY: 111.5% • Sales increased due to the effect of addition of Group companies and opening of retail stores in the previous fiscal year. • Corporate sales of gold bullion with low gross profit margins also increased.
Gross profit margin 	Gross profit margin declined, but gross profit was the highest ever.	YoY : $\Delta 1.7$ pt	• Gross profit margin : 19.9% • Inventory replacement was continued from 1Q. • Tax-free sales fell short of the plan and the retail ratio declined, resulting in a lower gross profit margin. • Record-high quarterly trade volume in auctions for corporate clients
SG&A expenses to sales ratio 	SG&A expenses increased significantly due to investment for growth, but SG&A to sales ratio remained on a par with the year-ago level.	YoY : $\Delta 0.8$ pt	• SG&A expenses to sales ratio : 18.1% • Continuing to invest in growth, including hiring and • Ancillary costs associated with sales also increased.
Operating profit 	Profit decreased due to an increase in SG&A expenses, more than offsetting an increase in gross profit.	YoY : 88.5%	• Operating profit margin : 1.8% (YoY : $\Delta 1.0$pt) • BF business ratio: YoY: 86.0% • Tire and Wheel business: YoY: 66.6%
Purchase 	Sales of purchases from individuals remained strong due to steady openings of purchase centers.	Individual purchases: 125.9% YoY Record results for a quarter	• New purchase center openings were steady. • Gold bullion purchases were strong due to a sharp rise in retail gold price in Japan. • Market prices for high-end watches, bags, and fashion items remained relatively weak and flat as in 1Q. • We made sure to set appropriate purchase prices in light of market prices.

These are our evaluation and performance for the three months of the second quarter.

In addition to the conversion of four companies in the previous fiscal year, the second quarter saw significant growth in both individual purchases of gold bullion and other products and corporate sales.

While duty-free sales recovered compared to the first quarter, the retail sales ratio declined compared to the same period last year, and both the gross profit margin and operating profit margin declined.

Performance

Net sales reached record highs.

Operating profit and subsequent profit levels decreased due to a decline in the gross profit margin and higher SG&A expenses.

(Millions of yen)	2026.3-1Q	YoY	2026.3-2Q	YoY	2026.3-1H	YoY	Plan Ratio※
Net sales	46,120	137.7%	49,526	137.8%	95,646	137.7%	47.4%
Gross profit	9,841	114.7%	9,847	126.8%	19,689	120.4%	—
Gross profit margin	21.3%	△4.3pt	19.9%	△1.7pt	20.6%	△2.9pt	—
SG&A expenses	8,958	139.1%	8,972	132.4%	17,930	135.6%	—
Operating profit	883	41.3%	875	88.5%	1,759	56.3%	23.6%
Operating profit margin	1.9%	△4.5pt	1.8%	△1.0pt	1.8%	△2.7pt	—
Ordinary profit	652	29.8%	683	77.4%	1,335	43.5%	19.8%
Net income attributable to owners of parent	353	25.0%	323	59.0%	677	34.5%	17.0%

*Progress rate against the full-year plan for the fiscal year ending March 2026 in the "Notice of Revision of Earnings Forecasts" disclosed on November 7, 2025

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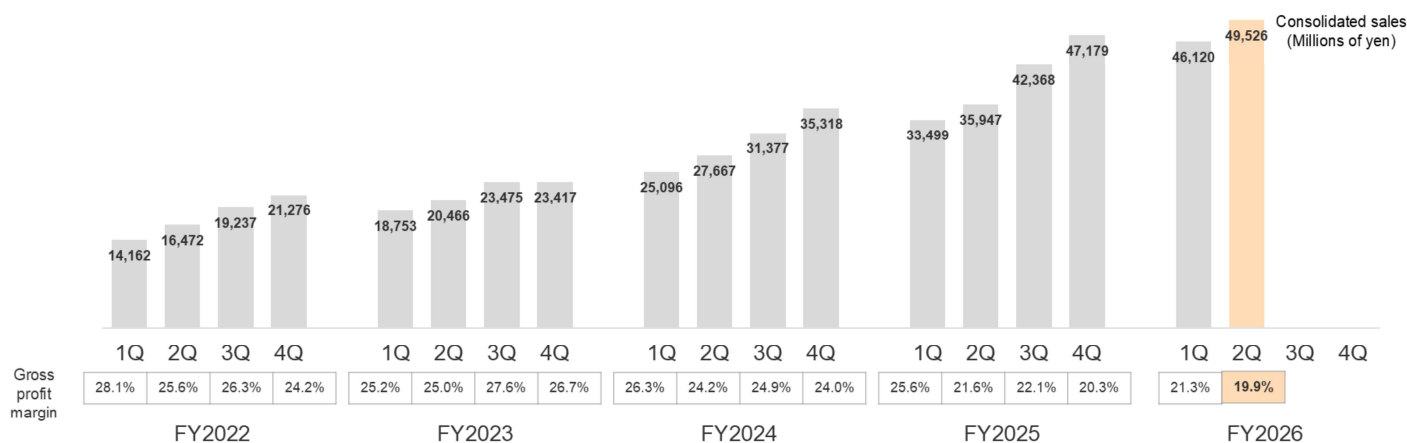
This is the status of the consolidated income statement.

During the second quarter, sales reached a record high, but operating profit and subsequent profit levels decreased due to a decline in gross profit margin and a significant increase in selling, general and administrative expenses.

Trends in Consolidated Net Sales and Gross Profit Margin

In addition to strong purchases from individuals, net sales increased .

Gross profit margin declined YoY but increased by 1.7pt compared to the same period.



Internal Factors behind fluctuations in gross profit margin

- Varies depending on product composition ratio (fashion > jewelry/precious metals > bags > watches)*
- Varies depending on the composition ratio of individual purchases and corporate purchases (individual purchases > corporate purchases)*
- Varies depending on the composition ratio of retail and corporate sales (Retail > Corporate sales)*

*Items in parentheses are in descending order of generally estimated profit margin, and do not indicate the factors behind the fluctuation in results for the period under review.

These are trends in consolidated sales and gross profit margin.

Due to the rise in gold retail prices, purchases of gold bullion by individuals also performed well during the second quarter.

Gold bullion is often sold to corporations as a raw material, so it is a low-profit margin product.

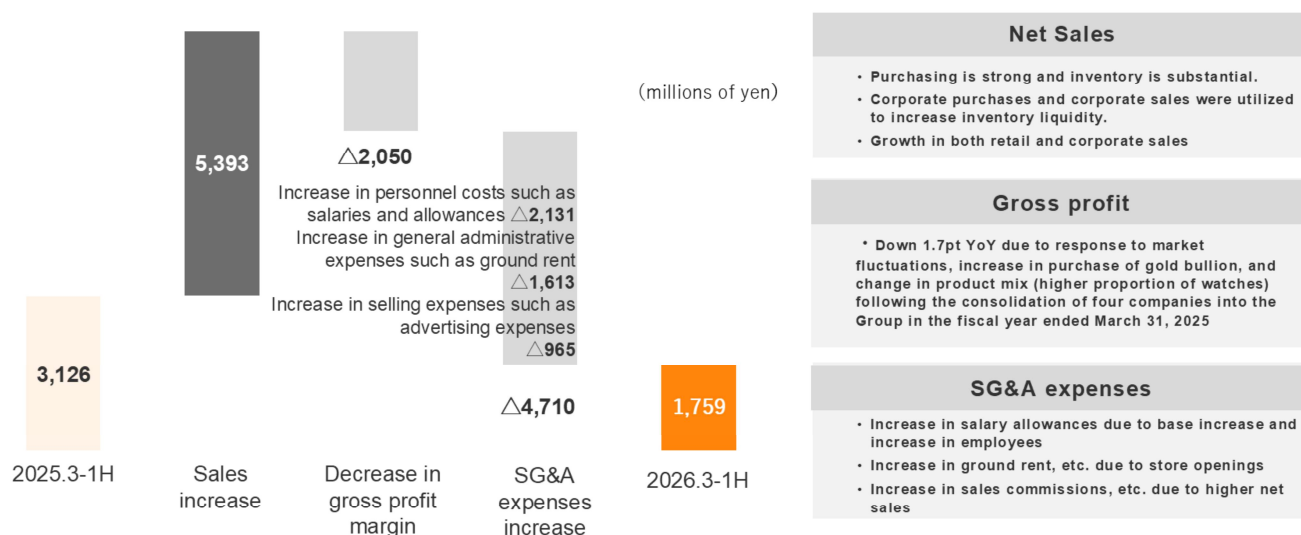
As a result, although this contributed to increased sales, gross profit margin declined by 1.7 points compared to the same period last year.

Analysis of consolidated operating income

Net sales increased in both retail and corporate sales due to enhanced inventory.

On the other hand, the gross profit margin remained low due to a decrease in the retail ratio and an increase in the corporate sales ratio, as well as an increase in the composition ratio of merchandise and products with relatively low profit margins.

Operating profit decreased because of the lower gross profit margin and higher SG&A expenses that resulted from continued investment in growth.



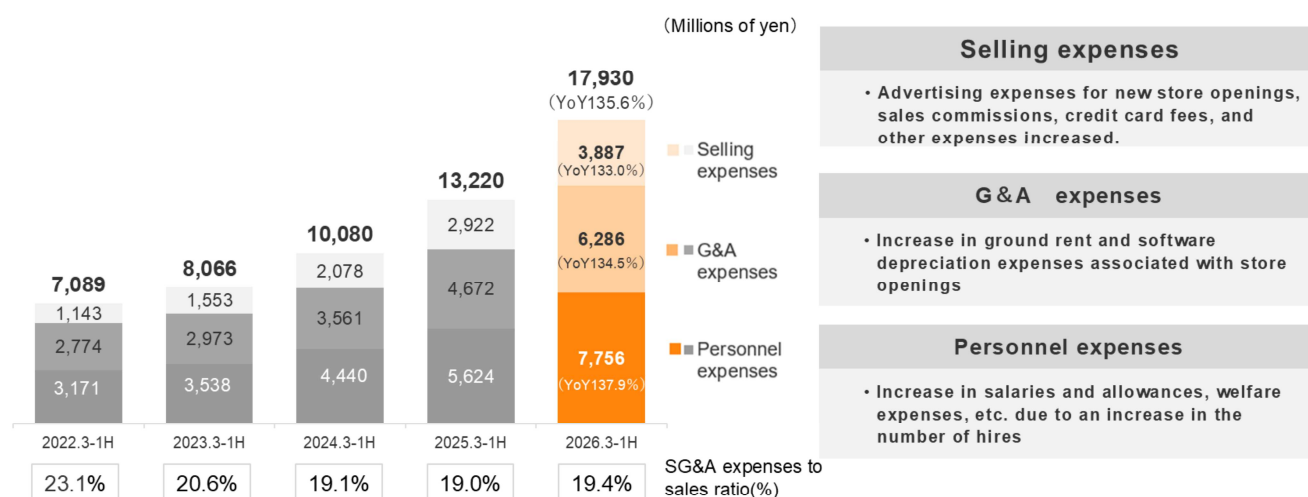
This is the analysis of consolidated operating profit.

Net sales increased significantly due to strong retail and corporate sales.

However, operating profit decreased due to a low gross profit margin and increased selling and administrative expenses due to growth investments.

Changes in selling, general and administrative expenses

Selling, general and administrative expenses increased significantly due to the opening of new stores, and the associated increases in the hiring and training of personnel.



These are trends in selling, general and administrative expenses.

Selling, general and administrative expenses increased significantly due to the conversion of four companies into the group in the previous fiscal year, the opening of new stores, and the associated increases in the hiring and training of personnel.

Ordinary profit and profits indicated below declined due to an increase in non-operating expenses such as interest expenses and foreign exchange losses.
Of these, the increase in foreign exchange losses was mainly due to a temporary valuation difference in cash management.

Balance sheet overview

In addition to strong individual purchases, we purchased from corporations with the aim of expanding our business scale and strengthening our retail presence, and secure ample inventory.

The substantial product lineup at the store contributed to the increase in sales.

(Millions of yen)	March 2025	September 2025	Change
Current assets	68,457	75,518	7,061
Cash and deposits	15,535	18,611	3,076
Inventories	39,994	44,387	4,393
Other current assets	12,927	12,519	△407
Non-current assets	20,168	21,585	1,417
Assets	88,625	97,104	8,478
Liabilities	55,426	64,302	8,875
Interest-bearing liabilities	47,395	54,729	7,334
Other liabilities	8,031	9,572	1,541
Net assets	33,199	32,802	△397
Liabilities and net Assets	88,625	97,104	8,478

- The Group's inventories are highly liquid, and the fresh and plentiful inventory acquired through upfront investment is a source of competitive advantage.
- Cash and deposits + Inventories are greater than interest-bearing debt, limiting risk.

Inventories

Inventory assets, which are the source of sales, increased due to strong individual purchases and strengthened corporate purchasing.

Interest-bearing liabilities

Increase in inventories were financed with short-term and long-term borrowings

Net assets

Decrease due to foreign currency translation adjustment and dividends from retained earnings

This is the overview of the balance sheet.

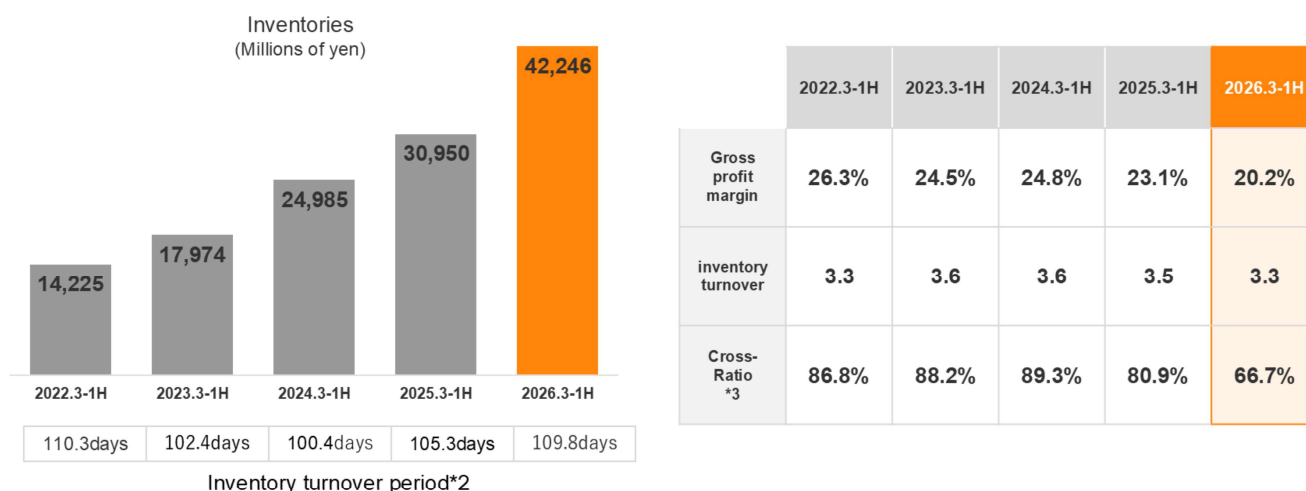
Inventory assets, which directly contribute to growth and are a source of funds for sales expansion, continued to increase steadily during the interim period.

Our group's inventory assets are highly liquid, and our abundant, fresh inventory, which we have invested in upfront, provides us with a competitive advantage.

Inventory Turnover (Brand and Fashion Business)

Due to the conversion of RK Enterprises and three other companies into Group companies in the fiscal year ended March 31, inventories increased significantly. (Inventory write-downs among them remained low*1).

Inventory turnover declined as a result of temporary inventory buildup for retail stores to strengthen retailing, but there is room for improvement from the third quarter onwards.



*1 Deleted from the table because its impact is minor *2 Inventories / Cost of sales *3 An indicator that is emphasized within the group, calculated as gross profit margin x inventory turnover rate.

This is the inventory turnover in the Brand & Fashion business.

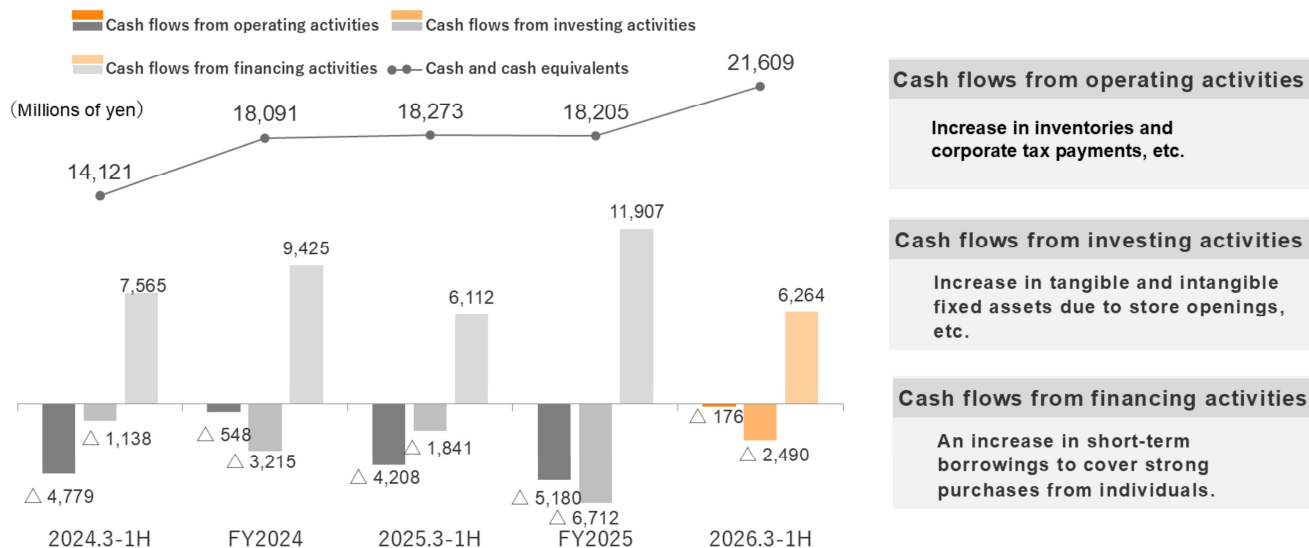
Inventory assets increased significantly due to the conversion of group companies in the previous fiscal year, but inventory valuation losses have remained low.

For the reasons explained above, gross profit margins declined and we accumulated more retail-friendly products as in-store inventory, which led to a decline in inventory turnover and, as a result, a decline in the crossover ratio.

Furthermore, we were able to dispose of low-profit margin inventory as planned.

Consolidated cash flow

Cash was used in operating activities, mainly reflecting an increase in inventories in preparation for business scale expansion and new store openings, as well as an increase in income taxes. There were significant cash inflows from financing activities due in part to strong purchases from individuals and increased borrowings.



This is the Consolidated cash flow.

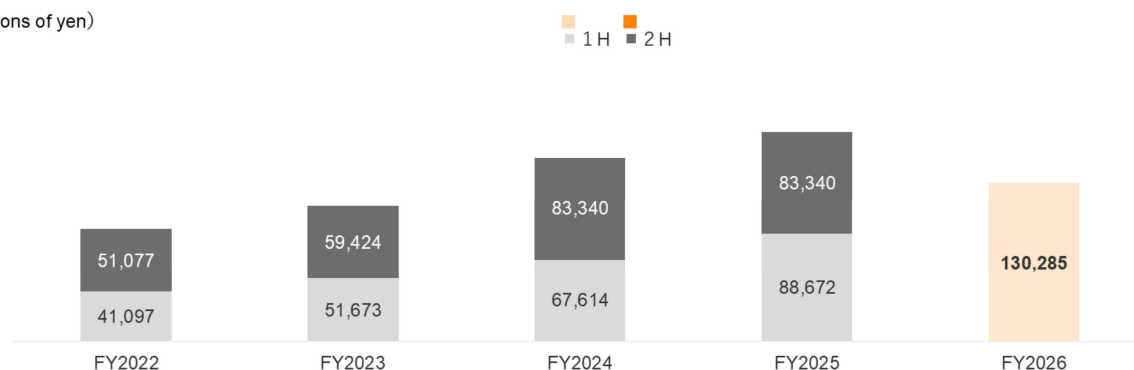
Operating cash flow was an outflow due to an increase in inventory in preparation for new store openings, an increase in income taxes, etc. We have been able to secure ample inventory ahead of the busiest sales period, the year-end and New Year period. Furthermore, strong individual purchases and an increase in borrowings resulted in an inflow of funds from financing cash flow.

Changes in gross merchandise value

GMV*, which indicates the scale of our business, is an indicator for the promotion of relay use. 146.9% compared to the same period last year, the highest ever. The growth of GMV leads to the growth of the business and the improvement of profitability on a medium-to long-term basis.

■ Changes in gross merchandise value (Consolidated)

(Millions of yen)



*GMV is calculated simply by adding and subtracting the sales and volume of auctions by group companies, the volume of inspection business, and commission sales, etc. based on consolidated sales.

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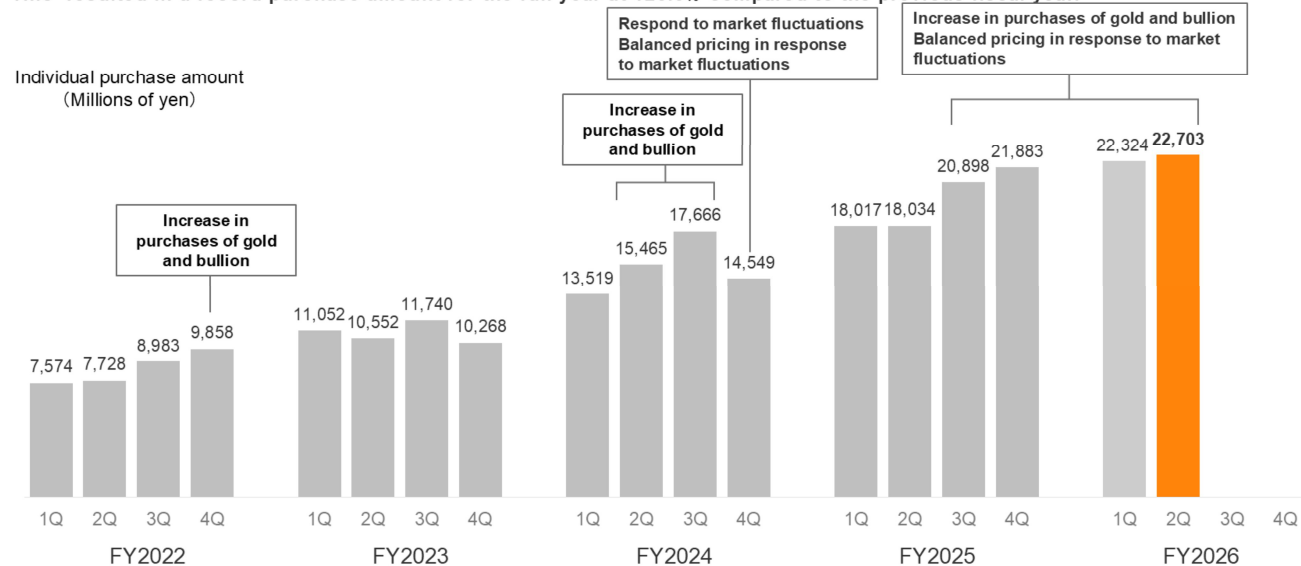
Trends in gross merchandise value are shown below.

In the first half of the year, it increased significantly by 146.9% compared to the same period last year, reaching a record high. One factor contributing to this is the addition of two companies that host corporate auctions to the Group in the previous period. The growth of GMV leads to the growth of the business and the improvement of profitability on a medium-to long-term basis.

Purchase from individual customers (Group total)

Factors including the continued opening of purchasing centers, growth at existing stores, and an increase in items brought in due to the soaring price of gold bullion produced a boom in individual purchases.

This resulted in a record purchase amount for the full year at 125.9% compared to the previous fiscal year.



* The individual purchase amount is the amount purchased from an individual customer through the following route.

・ Purchasing at stores ・ Purchasing at visited sites ・ Purchasing at events (KOMEHYO) ・ Purchasing using home delivery services (KOMEHYO)

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These are trends in purchase from individual customers (Group total)

Due to the rise in gold retail prices, purchases of gold bullion were strong.

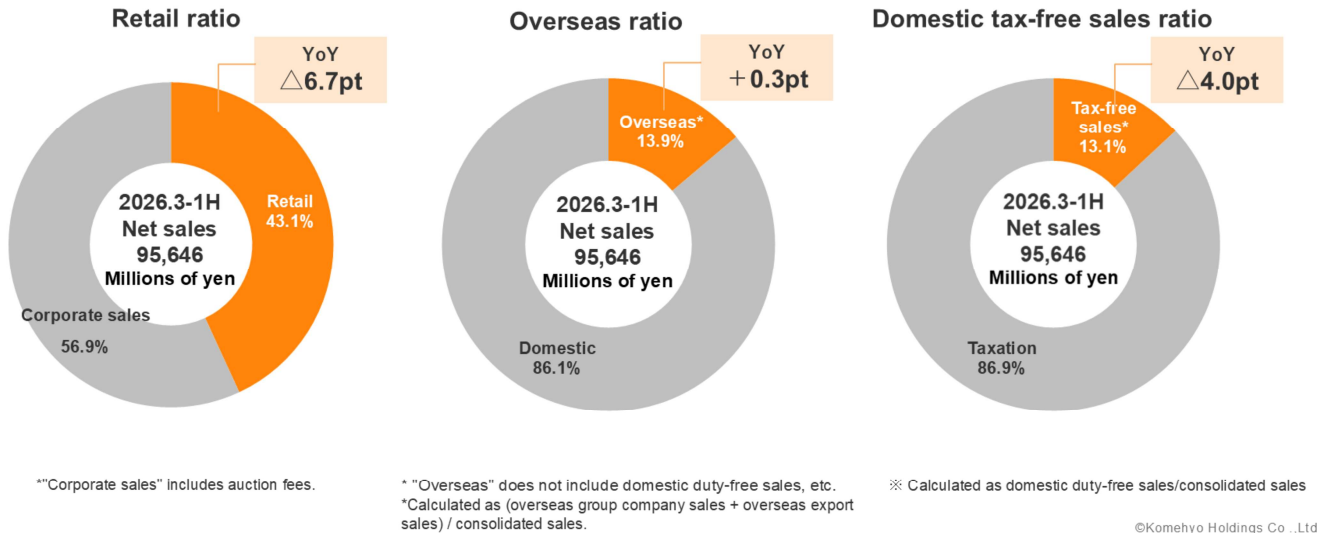
In addition, while continuing to conduct well-balanced purchases linked to commodity market prices, we also opened new specialized purchase stores, strengthened promotions, and strengthened existing stores through campaigns. As a result, individual purchase amounts reached a record high, 125.9% higher than the same period last year.

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

【Retail】 Ratio of retail sales declined 6.7pt YoY due to low-margin inventory of gold bullion, watches, and bags being shifted to corporate sales. On the other hand, retail ratio in 2Q rose 0.6 pt from 1Q due to aggressive efforts to strengthen retailing.

【Overseas】 Overseas sales increased steadily due to the opening of new stores in Hong Kong, Singapore, and Malaysia and business expansion in the U.S.

【Domestic tax-free sales】 Sales decreased, mainly among Chinese customers, and the domestic duty-free ratio fell 4.0 points below expectations.



This is the breakdown of consolidated sales.

Ratio of retail sales declined 6.7pt YoY due to low-margin inventory of gold bullion, watches, and bags being shifted to corporate sales. On the other hand, retail ratio in 2Q rose 0.6 pt from 1Q due to aggressive efforts to strengthen retailing.

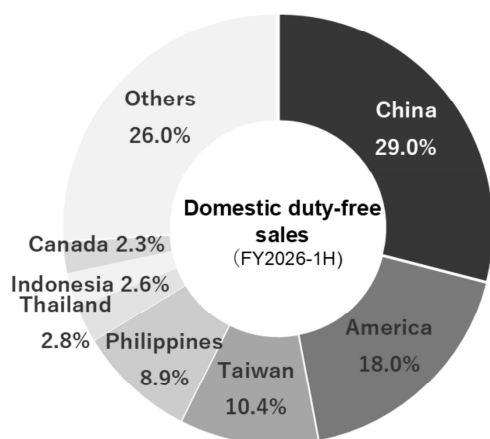
The overseas sales ratio expanded steadily, mainly in Hong Kong, and remained at the same level as previous years.

The domestic tax-free sales ratio decreased by 4 points year-on-year due to a decline in both the number of tourists visiting Japan and average customer spending due to the appreciation of the yen and the impact of the Chinese economy.

Corporate Profile Breakdown of domestic duty-free sales

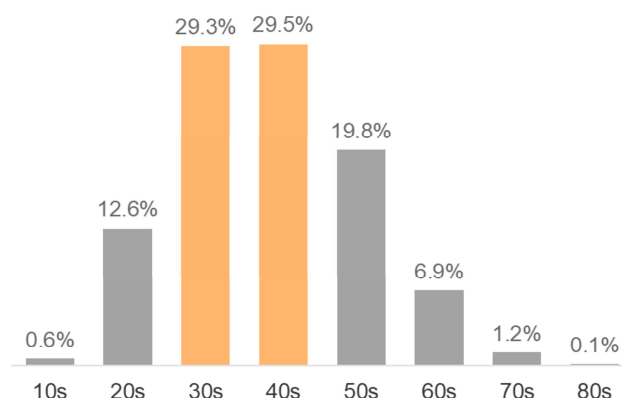
Because of the opening of KOMEHYO SHIBUYA and KOMEHYO OSAKA SHINSAIBASHI, the proportion of customers from the United States increased. The proportion of Chinese customers increased by 5.3 points from the first quarter. They are younger than the domestic customer base, with the volume zone being customers in their 30s to 40s.

Composition ratio by country/region



*Counted by passport issuing country/region

Purchaser ratio by age group (FY2026-1H)



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The breakdown of domestic duty-free sales is as shown below.

The number of customers from the United States increased by 5.1 points compared to the same period last year due to changes in the external environment and the opening of KOMEHYO SHIBUYA and KOMEHYO OSAKA SHINSAIBASHI.

In addition, the proportion of Chinese customers, which had decreased significantly in the first quarter, increased by 5.3 points compared to the first quarter.

Furthermore, the customer demographic is younger than that of Japan, with the majority being in their 30s and 40s.

4. Segment overview for the Second Quarter of the Fiscal Year Ending March 31, 2026

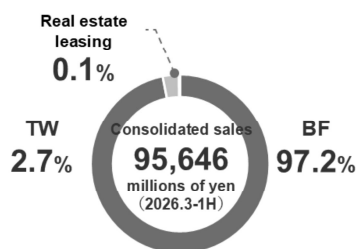
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Next, I will explain the segment overview for the Second Quarter of the Fiscal Year Ending March 31, 2026.

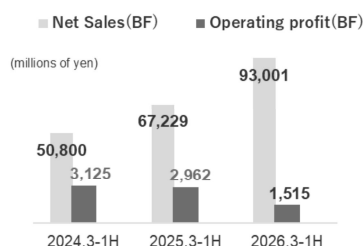
Summary by segment for the second quarter of the fiscal year ending March 31, 2026

Brand Fashion business (BF) *			Tire and wheel business (TW)	
Individual purchase amount	Net sales	Operating profit	Net Sales	Operating profit
44,906	93,001	1,515	2,625	61
millions of yen	millions of yen	millions of yen	millions of yen	millions of yen
YoY 124.8%	YoY 138.3%	YoY 51.2%	YoY 119.7%	YoY 206.3%

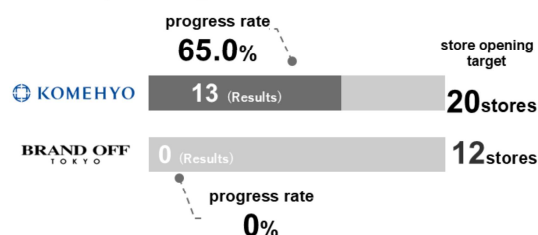
Sales composition ratio



BF business performance trends compared to the same period in the last three years



Progress of store openings specializing in purchasing



* There is a difference from monthly sales due to the effects of currency translation, etc.

A summary of the financial results by segment is shown below.

The Brand & Fashion business saw an increase in revenue but a decrease in profit, while the Tire & Wheel business saw an increase in revenue and profit.

Segment overview for the Second Quarter of the Fiscal Year Ending March 31, 2026

【Brand Fashion business】 Sales grew due to favorable purchasing activity, Net sales increased but profit decreased because of lower gross profit that resulted from a lower retail ratio margin, as well as higher SG&A expenses.

【Tire and Wheel business】 Sales of high- margin summer tires and wheels from in-house campaigns remained strong due to strategic inventory adjustments and sales enhancement.

Brand Fashion	(Millions of yen)	2026.3-1Q	YoY	2026.3-2Q	YoY	2026.3-1H	YoY
	Net sales	44,751	138.2%	48,250	138.4%	93,001	138.3%
	Operating profit	779	37.0%	736	86.0%	1,515	51.2%
	Operating margin	1.7%	△4.8pt	1.5%	△1.0pt	1.6%	△2.8pt
Tire and wheel	Net sales	1,359	122.3%	1,266	116.9%	2,625	119.7%
	Operating profit	38	-	22	66.6%	61	206.3%
	Operating margin	2.9%	-	1.8%	△1.3pt	2.3%	△1.0pt
Real estate leasing	Net sales	91	110.8%	91	97.9%	182	104.0%
	Operating profit	31	114.0%	30	99.4%	61	116.2%
	Operating margin	34.1%	+0.9pt	33.7%	+0.5pt	33.9%	+0.7pt

* Adjustments: Sales △163 millions of yen, Operating profit 120 millions of yen

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This is the segment overview for the Second Quarter of the Fiscal Year Ending March 31, 2026.

The Brand & Fashion business reported sales of 93,010 million yen and operating profit of 1,515 million yen.

The Tire & Wheel business reported sales of 2,625 million yen and operating profit of 61 million yen.

The Real Estate Leasing business reported sales of 182 million yen and operating profit of 61 million yen.

The Brand & Fashion business saw sales increase on the back of strong individual purchases, but a decline in gross profit due to a lower retail sales ratio and increased selling, general and administrative expenses resulted in increased sales but decreased profit.

The Tire & Wheel business saw increased sales and profit thanks to strong sales of high-margin summer tires.

Stores | 318 stores in total for the Group (as of September 2025)

In August, the first purchasing center opened in Malaysia and Thailand, and in September, KOMEHYO YOKOHAMA was opened as the eighth flagship store of KOMEHYO. In 1H, the Group opened 21 stores, mainly specializing in purchasing. (8 stores in the second quarter)

	Brand Fashion						Tire and wheel	
	KOMEHYO	BRAND OFF TOKYO	Rodeo Drive	Shellman Since 1971	WORM	SELBY.	Craft	U-ICHIBAN
Flagship stores	8 (1)	3	1	1				
Sales Stores	2			6	2			
Purchase and sales stores	21	6 (1)	4			2	11	2
Purchasing Centers	173 (3)	7	3					
Franchised purchasing centers		35						
Overseas	10 (3)	20	1					
Total	214	71	9	7	2	2	11	2



KOMEHYO
Nagoya main store



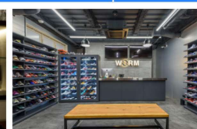
BRAND OFF
KANAZAWA store



Rodeo Drive
Yokohama Kannai store



Shellman
GINZA store



WORM OSAKA



SELBY
OKACHIMACHI store



Craft
NAKAGAWA store

* The figure in parentheses () represents the increase during the second quarter of the fiscal year ending March,2026

The group's total store count now stands at 318.

During the second quarter, we opened eight stores both domestically and overseas, including our flagship store, KOMEHYO YOKOHAMA, which opened in September.

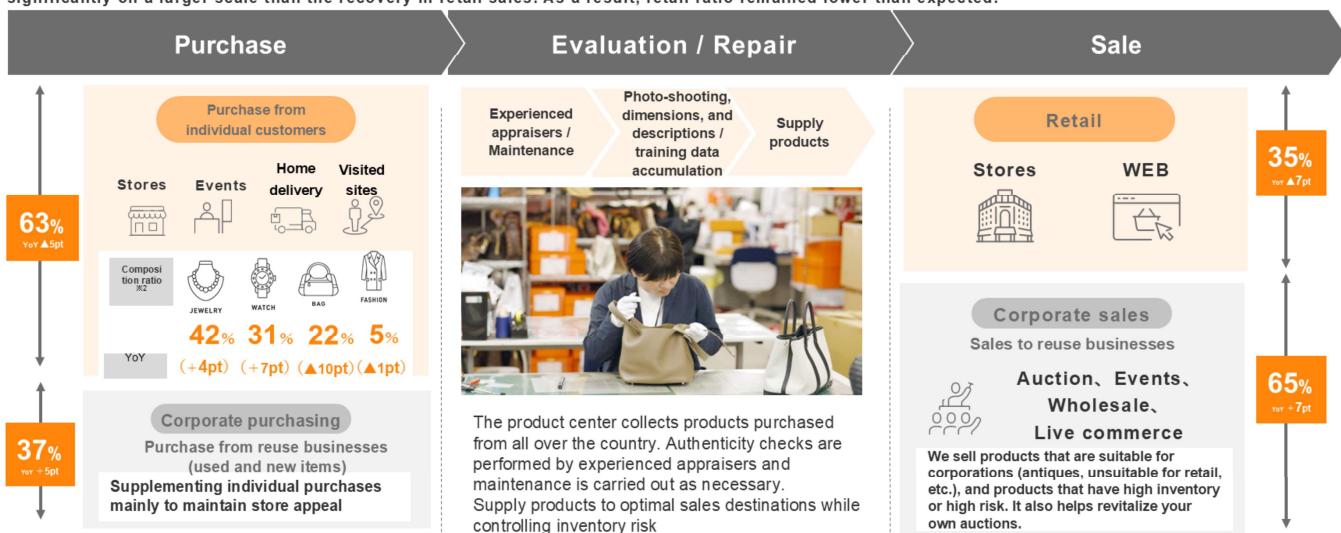
Purchasing and sales status by route ^{*} | KOMEHYO

[Ratio of purchases from individuals and composition of products purchased from individuals]

Purchases from individuals were strong, mainly reflecting the soaring retail gold price in Japan. Corporate purchases were made to expand business scale and strengthen retailing, and the ratio of purchases from individuals declined by 5 pt year on year. The composition ratios of merchandise are marked by the growth of watches with low profit margins and gold bullion. (Gold bullion accounts for 60% of jewelry.)

[Ratio of retail sales]

Although there was a recovery in retail sales mainly due to the opening of flagship stores, corporate sales aimed at inventory liquidation increased significantly on a larger scale than the recovery in retail sales. As a result, retail ratio remained lower than expected.



*All percentages are actual results for second quarter cumulative total for fiscal year ending March 2026

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This section shows the purchasing and sales status by channel for Komehyo, the core business of our Brand & Fashion business.

Regarding the ratio of individual purchases and the composition of products, the amount purchased by individuals reached an all-time high, driven by growth in existing stores, the active opening of specialized purchase stores, and the soaring domestic retail price of gold.

However, corporate purchases continued with the aim of expanding business scale and strengthening retail sales, resulting in a 5-point decrease compared to the same period last year.

The composition of products purchased by individuals showed growth in watches and gold bullion, which have low profit margins.

The retail ratio decreased 7 points compared to the same period last year.

While retail sales showed a recovery due to the opening of flagship stores, etc., corporate sales for the purpose of inventory liquidation increased significantly.

BF business | Status of strengthening individual purchases and retail sales

In September, The flagship store "KOMEHYO YOKOHAMA" opened.

The aim is to attract customers in areas that could not be reached by existing stores in the Tokyo metropolitan area.

In 3Q and beyond, the Company will continue to open new stores and expand locations to strengthen purchases from individuals and retail sales.

■ The flagship store "KOMEHYO YOKOHAMA" opened (September 12)



Features

- The store targets customers in their 30s to 50s from domestic regions. Aim to be the first reuse brand to recall in priority areas where latent demand is strong.
- The store is conveniently located in the basement of Yokohama Station. In honor of Yokohama, "port of call" is the theme of its interior and exterior. More than 5,000 brand-name bags and jewelry items are offered in the luxurious space.

Achievements

- Progressing almost according to plan towards our first-year target of 2.5 billions of yen.

■ Store openings and expansion of bases from 3Q and beyond*

3 Q	Oct 1	Purchase base	Started private purchases in the United States Purchases from individuals began at the office in New York City, which was opened in the previous fiscal year. An e-commerce site was also launched in the same month for simultaneous purchase and retail operations. Going forward, the Company will also consider opening new stores by analyzing performance and market trends.
	Oct 2	Purchase and sales store	「BRAND OFF Yuen Lung YOHO MALL store (Hongkong)
	Oct 3	Sales store	「KOMEHYO LOT10」 (Malaysia)
	Nov 6	Purchase and sales store	「BRAND OFF Longfor Shanghai Minhang Tianjie store(China)
	Nov 28	Sales store	「KOMEHYO VINTAGE TOKYO atelier」
	Mid Dec	Purchase and sales store	「BRAND OFF CITYLINK Nanko store」 (Taiwan)
	Late Dec	Purchase and sales store	「BRAND OFF Tsim Sha Tsui iSQUARE store」 (Hongkong)
4 Q	Feb	Company establishment	Established a subsidiary in the Philippines This is the group's eighth overseas base. The main target is the rapidly growing wealthy local population, and the company aims to start retail sales from summer 2027 onwards, with plans to begin individual purchasing in advance.
	Early Feb	Purchase and sales store	「BRAND OFF Taichung Zhongyou Department Store」 (Taiwan)
	Late Mar	Purchase and sales store	「KOMEHYO 「KOMEHYO Fukuoka Tenjin Daimyo(tentative name)」 Contract area : 447㎡ Aiming to achieve annual sales of 1.2 billion yen and increase awareness in the Kyushu area

* In addition to the stores listed in the table, KOMEHYO plans to open 20 directly managed buy-back specialty stores per year, and BRAND OFF plans to open 12 franchised buy-back specialty stores per year. A purchase center run by JFR & KOMEHYOPARTNERS, a joint venture between J. Front Retailing Co., Ltd. and KOMEHYO Co., Ltd. The company plans to open seven stores by the end of the year and 23 stores over the next four years.

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This is the status of strengthening individual purchases and retail sales.

In order to expand market share and secure profits, we are strengthening our individual purchases and retail, and are actively opening stores both domestically and overseas.

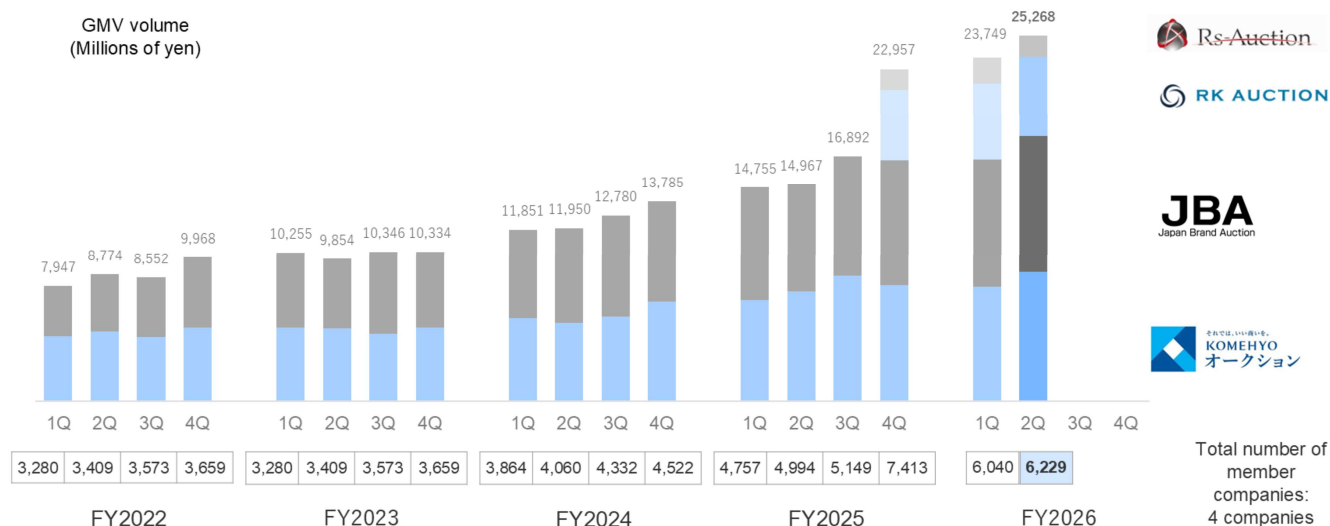
On September 12, we opened our KOMEHYO flagship store at the west exit of Yokohama Station.

Sales are progressing generally according to plan, with our first-year annual sales target of 2.5 billion yen.

In addition, we have continued to open stores and expand our bases overseas, starting personal purchases in the United States in October and opening stores with combined purchase and sales capabilities in Hong Kong, Malaysia, China, and Taiwan.

Corporate auction GMV (volume) growth

Corporate auction GMV reached a record quarterly high due to increased needs for inter-company sales reflecting market fluctuations.



The trends in auction volume are shown below.

Including the two auction management companies that became group companies last term, we currently operate four corporate auctions. Corporate auction GMV reached a record quarterly high due to increased needs for inter-company sales reflecting market fluctuations.

We will maintain this momentum and strengthen our leadership in the auction market.

Overview of tire and wheel business

Net sales grew significantly (driven especially by summer tire sales and overseas sales of self-planned wheels) due to strategic efforts to secure inventories and strengthen sales, despite the difficulty in securing inventories of new products. This offset the increase in SG&A expenses, resulting in a significant increase in profit.

 Planning and development	 Purchasing and selling new products Purchasing used items	 Auto parts Japan Online sales of new products Purchasing used items Sale of used items
• Driven by strong domestic and overseas sales and high-margin products While domestic sales grew strongly by 108% YoY, overseas sales increased significantly, up 254% YoY. Sales of the highly profitable Bradley Series and Air/G Series wheels increased. • Sales network expanded steadily in overseas markets Efforts were made to strengthen social media marketing, especially in North America, to increase the ratio of overseas sales. Due to branding and strengthening of marketing, the number of distributors increased steadily, to 16 companies in 16 countries including ASEAN, Europe, and the U.S.	P u r c h a s e • New inventory secured strategically Efforts to expand purchases and strengthen relationships with major manufacturers were driven for the purpose of ensuring a stable supply of inventory and maximizing sales. This enabled products to be secured at an early stage. • Purchases of used items were also steady thanks to the stepped up sales promotion. The Company purchased genuine, high-quality tires and wheels installed on new cars. In addition, the amount of purchases from individuals was also favorable due to the effect of sales promotions. Purchases of used goods were strong, up 32% year on year. • Strong sales of high-margin products Sales promotions were bolstered by holding events for new customers. Sales of strengthened brands progressed steadily in line with the sales plan. Net sales of summer tires, which have particularly high demand and profit margins, increased significantly, rising 20% year on year and contributing to the improvement of overall profit margins. S a i e	P u r c h a s e • Strong performance of major suppliers and expansion of new business partners To ensure stable sales of used products, the Company has expanded corporate transactions with major business operators, which has led to significant year-on-year growth of 50% and enabled purchases leading to sales growth. • E-commerce sales were up 124% for new products and 103% for used products compared to the same period last year due to the availability of inventory. • Strengthening listings on e-commerce malls, such as starting to sell used wheels on Mercari S a i e

*Actual results are for the second quarter of the fiscal year ending March 2026

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This is the overview of our tire and wheel business.

We have achieved significant growth in sales and profits through strategic inventory management and strengthened sales. In particular, sales of summer tires and overseas sales of self-planned wheels have made a significant contribution.

That's all I have to say.

Disclaimer

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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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This concludes my presentation.

Thank you very much for your attention.