



# **Financial Results Briefing for the Fiscal Year Ended March 31, 2026**

May 15, 2026

Komehyo Holdings Co., Ltd.

Securities code: 2780 (Tokyo and Nagoya Stock Exchanges)

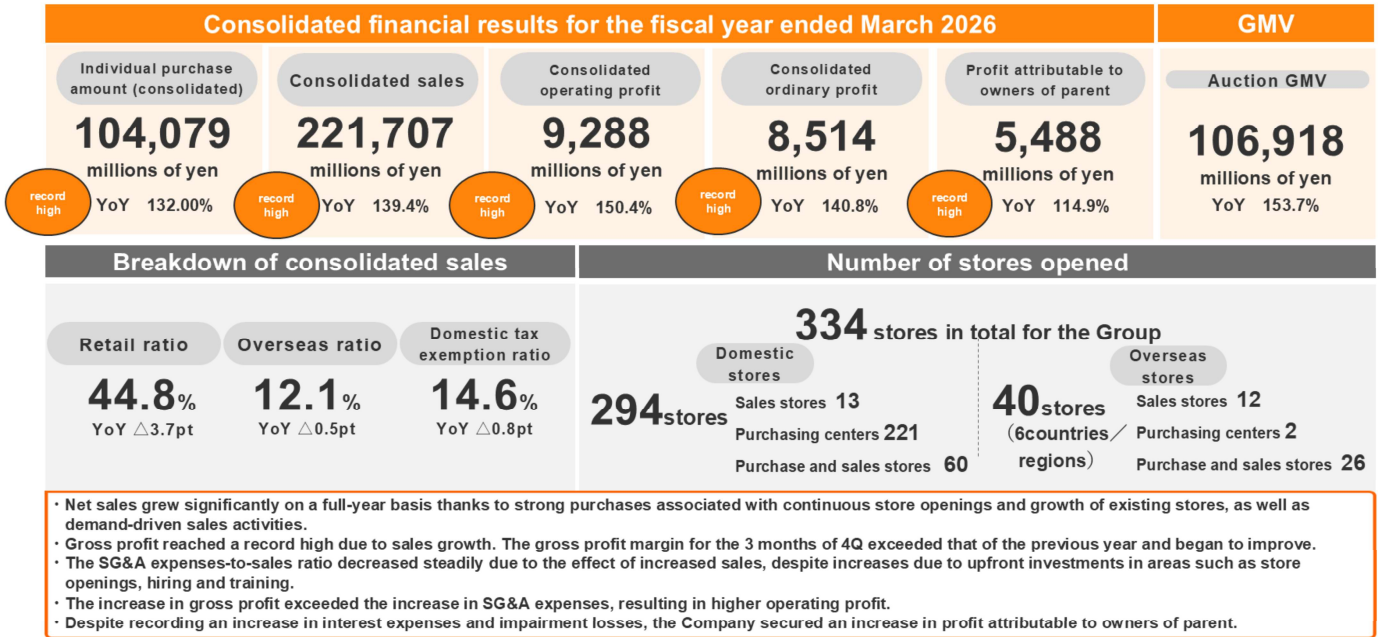
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Thank you very much for gathering here today.

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

Now, I will explain our financial results for the fiscal year ending March 2026.

# Highlights of cumulative financial results for the fiscal year ended March 31, 2026



First, let me explain the highlights of our financial results.

In the fiscal year ending March 2026, our individual purchase business, the source of our growth, exceeded 100 billion yen for the first time.

As a result, we achieved record-high sales and profits at all stages, resulting in a significant increase in both revenue and profit.

During the fiscal year, the reuse industry faced unstable conditions, including greater-than-expected market fluctuations.






However, based on our commitment to "putting our customers first," we implemented operational improvements, such as prioritizing the allocation of goods to retail, and strengthened our retail operations.

This, particularly in the second half of the year, significantly improved our profit margins.

We believe this was due to our successful implementation of sales activities aligned with external trends such as rising gold prices and increased demand for luxury goods.

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

Strong purchases from individuals resulted in ample inventories for supply to retailers. Both retail and corporate sales outperformed the plan, resulting in a significant increase in net sales.  
Operating profit more than tripled from the same period of the previous year, reaching a record high on a quarterly basis, as the increase in gross profit exceeded the increase in SG&A expenses.

	Evaluation	4Q (three months) results	
<b>Purchase</b> 	In addition to ongoing new store openings, there were steady purchases at existing stores due to tailwind from soaring gold bullion prices. Our structure, which maximizes opportunities in all sales channels by securing inventories in excess of retail supply, paid off.	<b>Individual purchases :</b> YoY <b>137.6%</b>	<ul style="list-style-type: none"> <li>The amount of purchases reached a record high on a quarterly basis.</li> <li>New purchasing centers and purchase and sales stores were steady. Existing stores drove growth in the amount of individual purchases.</li> <li>In addition to the continued rise in gold prices and price revisions by brand companies, demand remained strong in Japan and overseas due to the weak yen. Jewelry and watches maintained high prices throughout the quarter, while bag prices also remained stable due to a surge in demand for popular models.</li> </ul>
<b>Net sales</b> 	Backed by strong purchases, both retail and corporate sales are performing well, this was a record high on a quarterly basis.	YoY <b>136.1%</b>	<ul style="list-style-type: none"> <li>Retail sales ratio : 45.1% (YoY : <math>\Delta</math>2.0pt)</li> <li>Tax-free sale ratio : YoY 150.2%</li> <li>Sales increased due to the effect of addition of flagship store openings by 2Q and opening of retail stores.</li> <li>Corporate sales of gold bullion with low gross profit margins also increased.</li> </ul>
<b>Gross profit margin</b> 	The gross profit margin improved due to prioritization of retail in product supply. Gross profit was achieved, albeit lower than planned due to downward pressure from an increase in the sales ratio of watches and gold bullion with low profit margins.	YoY <b>+1.1pt</b>	<ul style="list-style-type: none"> <li>Gross profit margin : 21.3%</li> <li>Domestic retail sales and duty-free sales exceeded expectations, thanks to prioritization of the supply of high-margin items purchased from individuals to domestic and overseas retail markets that are seeing high levels of activity.</li> <li>This contributed to improvement in the gross profit margin.</li> <li>The inventory purchased in excess of what could be sold at retail was efficiently sold through corporate auctions, resulting in record-high quarterly auction GMV (Gross Merchandise Volume).</li> </ul>
<b>SG&amp;A expenses to sales ratio</b> 	The SG&A expenses-to-sales ratio fell due to the effect of significantly higher sales, despite continued aggressive investment in store openings and hiring for future growth.	YoY $\Delta$ <b>2.2pt</b> (Improvement)	<ul style="list-style-type: none"> <li>SG&amp;A expenses to sales ratio : 15.8%</li> <li>Continuing investment in store openings and hiring for the future.</li> <li>Benefiting from economies of scale associated with significant revenue growth.</li> </ul>
<b>Operating profit</b> 	Gross profit increased more than SG&A expenses. It more than tripled compared to the same period last year, setting a new record high.	YoY <b>326.6%</b>	<ul style="list-style-type: none"> <li>Operating profit margin : 5.5% (YoY : +3.2pt)</li> </ul>

Next, let's look at the evaluation for the fourth quarter (three months).

Regarding purchasing and sales, Individual purchases increased by 137.6% year-on-year, setting a new quarterly record.

This was due to the surge in gold prices and the success of strengthened purchasing efforts at existing stores, securing ample high-quality inventory to support growth in the next fiscal year and beyond.

Sales also significantly exceeded plans, increasing by 136.1% year-on-year.

This was driven by a further increase in demand for high-value items emphasizing asset value, and the revitalization of inbound tourism due to the weaker yen.

To meet this strong demand, in the previous fiscal year, we thoroughly implemented a "retail-first" inventory supply strategy.

Even products that would have traditionally been allocated to corporate sales for early monetization were prioritized for sales at stores and online, strengthening supply.

This embodies the "relay use" philosophy, which emphasizes building relationships through real-world interactions, and we believe it has been well-received by many customers.

Gross profit margin improved by 1.1 percentage points compared to the same period last year, due to growth in high-margin retail sales, but still fell short of the initial plan.

This is because, due to strong purchasing, the proportion of corporate sales of relatively low-margin items such as gold bullion increased more than expected.

However, due to a significant increase in revenue, the accumulated profit amount significantly exceeded the plan.

Selling, general, and administrative expenses (SG&A) increased in total due to continued store openings and hiring investments as planned, but the SG&A ratio decreased due to the effect of increased revenue.

As a result, operating profit increased significantly by 326.6% compared to the same period last year.

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Here are the main topics we will be discussing today.  
Today, we will be explaining points 1 through 5.

## 1. Our business model

First, let me explain our business model.

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

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

### 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.

[https://komehyohds.com/mission\\_vision\\_value/](https://komehyohds.com/mission_vision_value/)

Our group's mission is

to create a sense of shared purpose in a circular economy by showing respect to those who create, expressing gratitude to those who connect, and providing inspiration to those who use our products.

Our vision is to transform relay use from an ideology to a culture.

## Company Highlights (Consolidated) (As of March 2026)

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



\*1 Reuse Market Data Book 2025\* Reform Industry Newspaper, October 2025  
\*2 Including Komehyo Holdings

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This page outlines key indicators as of the end of the previous fiscal year to provide an overview of our group.

Founded in 1947, our company is now in its 79th year of operation. Our workforce has grown to approximately 2,000 employees domestically and internationally, an increase of 200 from the previous fiscal year.

In particular, more than half of our employees are active "appraisers." We have been able to promote the recruitment and training of such highly specialized personnel in line with our store expansion speed.

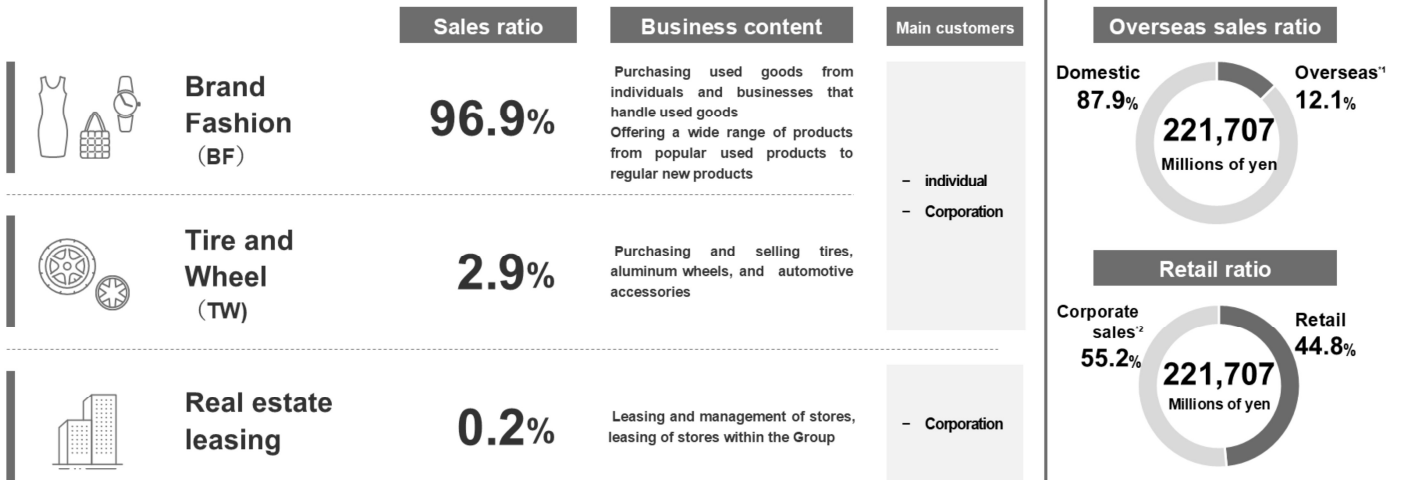
Furthermore, our number of stores has expanded to 334 globally. Each of these locations serves as a real point of contact with our customers and plays a vital role in spreading the culture of relay use.

## Business list (Consolidated) (As of March 2026)

We operate three businesses: Brand Fashion, Tire and Wheel, and real estate leasing. We support "Relay Use," the handing down of goods from person to person and their effective utilization, both in Japan and other countries.

Consolidated sales for the fiscal  
year ending March 2026

**221,707** millions of yen



\*1 "Overseas" does not include domestic duty-free sales, etc. \*2 Including auction fee

This summarizes our business structure.

We operate three businesses: brand fashion, tires and wheels, and real estate leasing. We support "relay use"—the transmission and effective utilization of goods from person to person—both domestically and internationally.

In particular, our brand fashion business is our main business, accounting for approximately 97% of our total sales.

## **2. Earnings Results for the Fiscal Year Ended March 31, 2026**

Now, let me explain earnings results for the fiscal year ended March 31, 2026.

## Performance

Net sales and profits reached record highs.

(Millions of yen)	FY2022	FY2023	FY2024	FY2025	FY2026	Changes	YoY	Plan ratio*
Net sales	71,148	86,113	119,459	158,994	221,707	62,712	139.4%	110.0%
Gross profit	18,415	22,542	29,590	35,248	47,150	11,901	133.8%	—
Gross profit margin	25.9%	26.2%	24.8%	22.2%	21.3%	△0.9pt	—	—
SG&A expenses	14,700	17,373	22,137	29,072	37,862	8,790	130.2%	—
Operating profit	3,714	5,168	7,452	6,176	9,288	3,111	150.4%	124.3%
Operating profit margin	5.2%	6.0%	6.2%	3.9%	4.2%	+0.3pt	—	—
Ordinary profit	3,772	5,406	7,479	6,046	8,514	2,468	140.8%	126.5%
Net income attributable to owners of parent	2,259	3,706	5,025	4,777	5,488	711	114.9%	137.9%

\*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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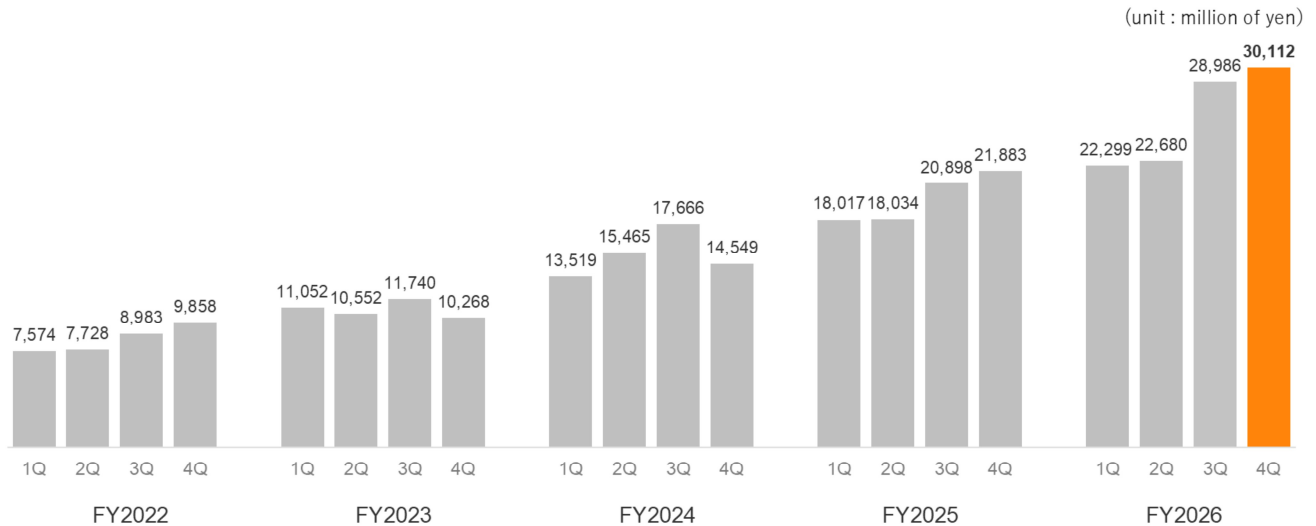
Here is the status of the consolidated income statement.

For the full year, sales and profits at each stage reached record highs.

## Purchase from individual customers (Group total)

In addition to the continuous opening of new purchasing centers and steady growth of existing stores, historically high gold prices accelerated the bringing-in of gold bullion and watches.

As a result, the total amount of purchases hit 137.6% YoY on a quarterly basis and hit a record high.



\*1 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)

\*2 There was an error in the individual purchase amount for the tire and wheel business for the fiscal year ending March 2026, and this document has been retroactively corrected.

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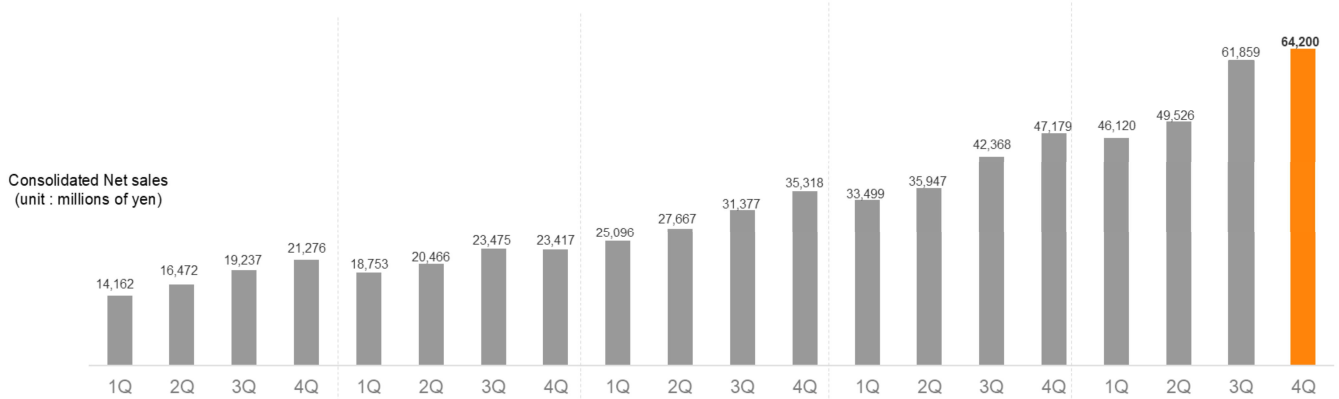
This chart shows the trend in individual purchase amounts.

In order to meet the active demand, we have focused on expanding individual purchases through the continuous opening of new specialty purchase stores and strengthened promotions, aiming to provide a product lineup that satisfies both in quality and quantity.

As a result, the fourth quarter saw a significant increase of 137.6% compared to the same period last year.

## Trends in Consolidated Net Sales and Gross Profit Margin

Strong purchasing leads to securing high-quality inventory, and by prioritizing supply to retailers and utilizing corporate sales, we are achieving both increased revenue and improved profit margins.



	FY2022				FY2023				FY2024				FY2025				FY2026			
Gross profit margin	28.1%	25.6%	26.3%	24.2%	25.2%	25.0%	27.6%	26.7%	26.3%	24.2%	24.9%	24.0%	25.6%	21.6%	22.1%	20.3%	21.3%	19.9%	22.2%	21.3%
Retail ratio <sup>*1</sup>	51.0%	47.8%	39.9%	47.4%	43.2%	43.5%	46.6%	46.9%	48.2%	49.6%	50.8%	48.4%	52.8%	47.8%	49.2%	47.1%	42.8%	43.1%	44.7%	45.1%
Tax-free sale ratio <sup>*3</sup>	3.7%	2.3%	1.6%	1.7%	2.5%	3.8%	8.8%	9.9%	12.3%	12.0%	13.9%	13.2%	18.4%	17.1%	16.1%	15.4%	13.3%	12.9%	16.4%	15.3%

\*1 The retail ratio is calculated as retail sales / consolidated sales (retail sales include tax-free sales)  
\*2 The tax-free sale ratio is calculated as domestic tax-free sales / consolidated sales.

This chart shows the trends in consolidated sales and gross profit margin.

The quarterly trends are as shown.

We achieved significant increases in sales and improvements in the gross profit margin.

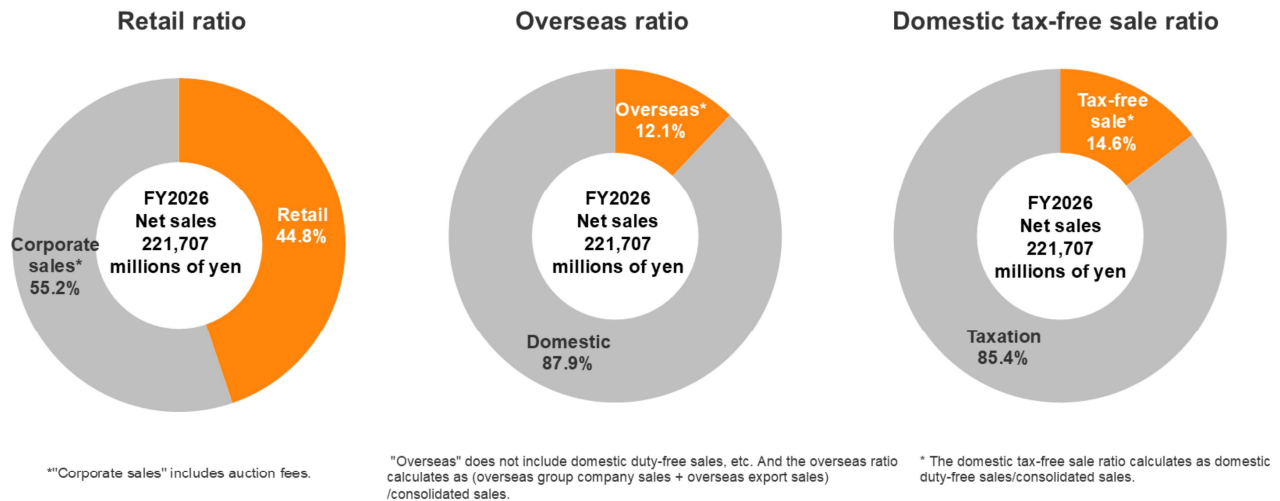
In the fourth quarter, both the retail sales ratio and the tax-free sales ratio showed an upward trend.

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

**[Retail]** Retail sales have steadily increased due to store expansion both domestically and internationally, and inventory expansion to meet demand.

**[Overseas]** Aggressive store openings and increased brand awareness in Asia have contributed to the rise in sales.

**[Domestic tax free sales]** In line with the recovery and expansion of inbound tourism demand, inventory has been increased, and duty-free sales remain strong.



This is a breakdown of consolidated sales.

The retail sales ratio and the domestic duty-free sales ratio decreased in the previous period due to the inclusion of a company with a high proportion of corporate sales into the group and the utilization of corporate sales in line with the business environment. However, sales volume increased significantly, contributing greatly to this period's performance.

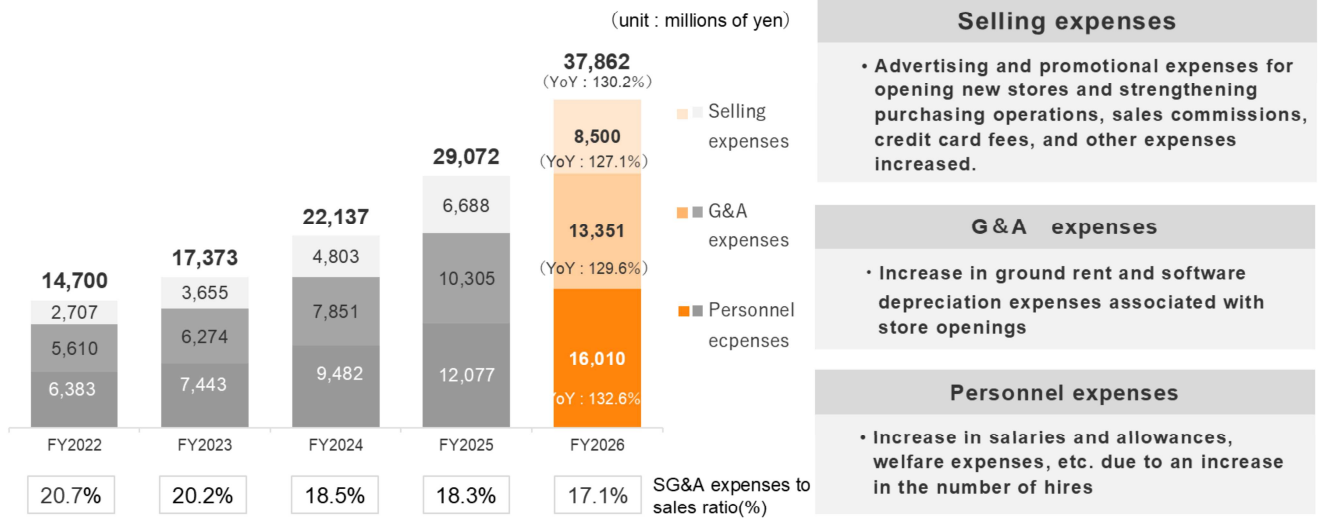
In particular, the number of customers in the United States increased significantly, in addition to customers in East Asia.

This diversification of the customer base has led to stable performance.

The overseas sales composition ratio remained strong at 12.1%, even as domestic sales grew, due to store openings mainly in Asia and business expansion in the United States.

## Changes in selling, general and administrative expenses

Continued to actively invest in stores and personnel for future growth, which increased selling, general, and administrative expenses.

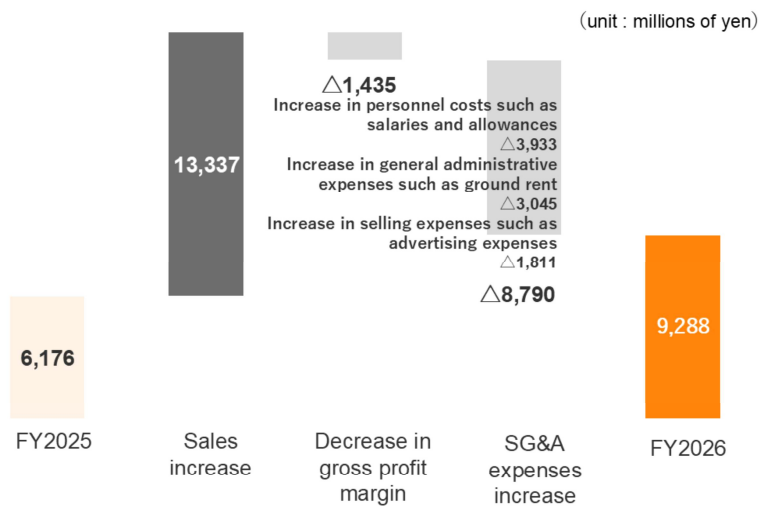


This shows the trend in selling, general, and administrative expenses.

Selling, general, and administrative expenses increased due to proactive and continued investment in opening new stores that will lead to future growth, and in recruiting and training personnel.

## Analysis of consolidated operating income

The procurement of high-quality inventory through increased purchases and the capture of strong retail demand in Japan and overseas drove profit growth. A substantial increase in gross profit exceeded the strategic increase in SG&A expenses, Operating profit reached a record high.



### Net sales

- Purchasing is strong and inventory is substantial.
- Corporate purchases and corporate sales were utilized to increase inventory liquidity.
- Growth in both retail and corporate sales

### Gross profit margin

- By prioritizing retail sales, profit margins improved from the third quarter onward.
- Against the backdrop of soaring gold prices, the number of low-profit margin products such as gold bullion and watches has increased, and while profit margins are falling short of targets, gross profit is steadily increasing.

### SG&A expenses

- Increase in salary allowances due to base increase and increase in employees
- Increase advertising and promotional expenses to strengthen purchasing efforts
- Increase in ground rent, etc. due to store openings
- Increase in sales commissions, etc. due to higher net sales

This is an analysis of consolidated operating profit.  
Details are as follows:

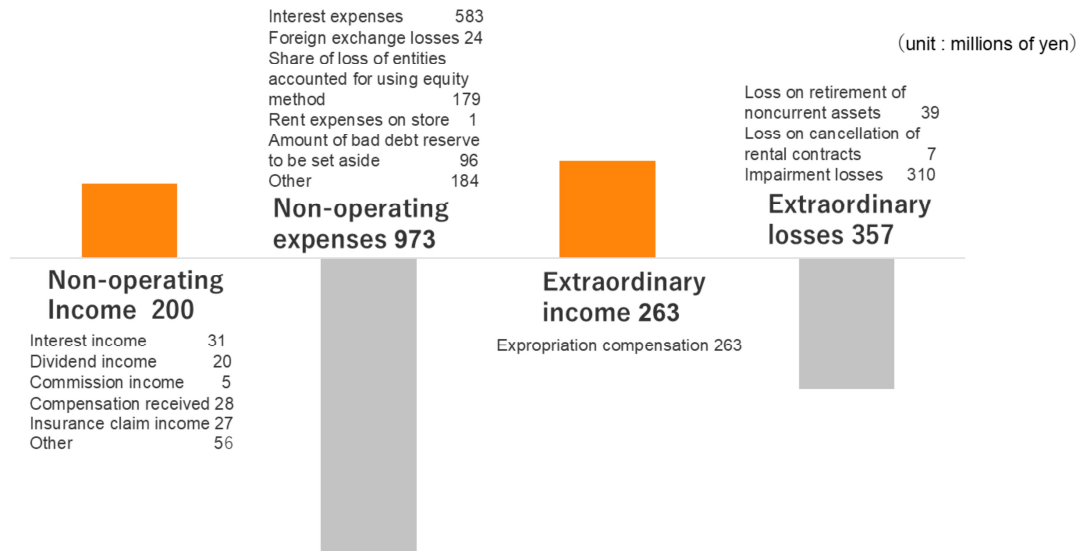
The strong acquisition of high-quality inventory and the capture of active domestic and international retail demand drove the increase in profits.

The increase in gross profit due to the rise in sales significantly boosted profits, and by absorbing the increase in selling, general, and administrative expenses, operating profit reached a record high.

On the other hand, the profit margin fell short of the plan due to the increased proportion of corporate sales of gold bullion and watches, but in the most recent fourth quarter, the decline narrowed due to the growth in retail sales.

## Non-operating income and expenses/extraordinary income and losses

Land expropriation compensation and a lower tax burden boosted profit, offsetting the recording of interest expenses associated with increased borrowing to secure inventory and impairment losses.



This section covers non-operating income and expenses, and extraordinary income and expenses.

While interest payments increased due to increased borrowing to secure inventory, and impairment losses were recorded at some stores, these were absorbed by higher-than-expected profits at each stage due to strong performance in our core business.

Furthermore, the record-high net income attributable to parent company shareholders, exceeding initial plans, includes one-time factors such as the occurrence of land expropriation compensation payments and a decrease in the tax burden rate.

## Balance sheet overview

Record high growth in purchases from individuals led to a significant expansion in fresh inventory, enabling retail demand to be met immediately. Building a solid asset base that will drive future growth through the development of a structure that maximizes opportunities in all sales channels.

(unit : millions of yen)	March 2025	March 2026	Change
<b>Current assets</b>	<b>68,457</b>	<b>85,697</b>	<b>17,239</b>
Cash and deposits	15,535	19,790	4,254
Inventories	39,994	50,046	10,052
Other current assets	12,927	15,860	2,932
<b>Non-current assets</b>	<b>20,168</b>	<b>23,483</b>	<b>3,315</b>
<b>Assets</b>	<b>88,625</b>	<b>109,181</b>	<b>20,555</b>
<b>Liabilities</b>	<b>55,426</b>	<b>71,353</b>	<b>15,927</b>
Interest-bearing liabilities	47,395	59,930	12,534
Other liabilities	8,031	11,426	3,395
<b>Net assets</b>	<b>33,199</b>	<b>37,827</b>	<b>4,628</b>
<b>Liabilities and net Assets</b>	<b>88,625</b>	<b>109,181</b>	<b>20,555</b>

• 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 + highly liquid 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 borrowings

### Net assets

Steady profit recording absorbed dividend payments and increased net assets.

This is an overview of our balance sheet.

Total assets increased by approximately 32 billion yen from the end of the previous fiscal year, expanding to 109.1 billion yen.

In particular, we were able to secure 50 billion yen in high-quality inventory, which will serve as a source of future sales and directly contribute to growth.

Furthermore, our group's inventory is highly liquid, and our upfront investment in fresh, abundant inventory provides a competitive advantage.

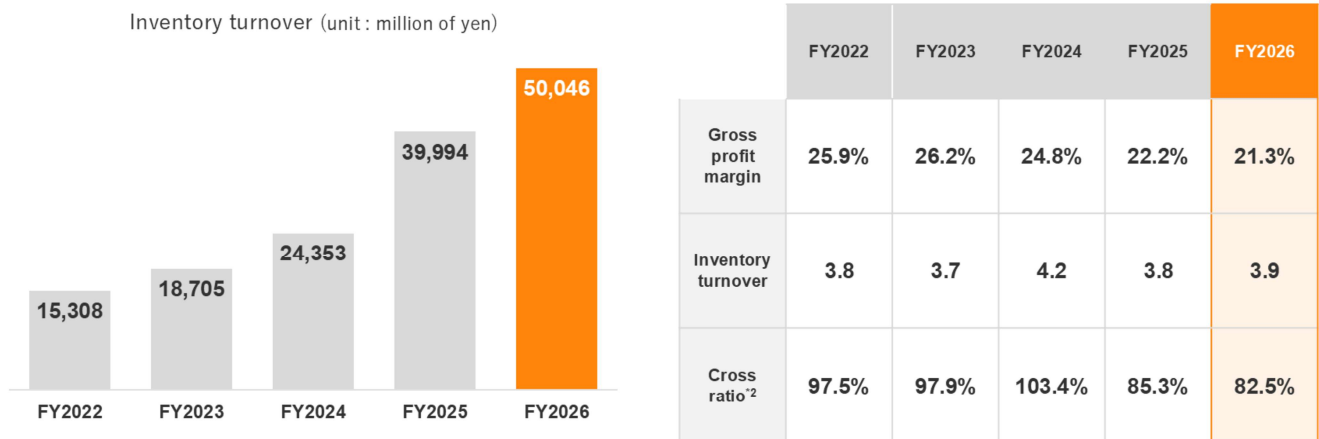
In addition, since the sum of cash and deposits and readily convertible inventory exceeds interest-bearing debt, we believe our risks are limited.

Regarding liabilities, interest-bearing debt has increased to meet the increased demand for working capital, such as inventory.

While we anticipate that borrowing will continue to increase with business growth, we will strive to maintain financial soundness.

## Inventory Turnover <sup>\*1</sup>

Inventory has expanded to approximately 50 billion yen due to increased stockpiling aimed at strengthening retail operations. While continuing to proactively secure inventory, we aim to improve our cross-ratio in the medium to long term by optimizing profit margins and inventory turnover while enhancing inventory control.



<sup>\*1</sup> Inventory turnover data was previously based on the Brand Fashion Business but is now prepared on a consolidated basis due to the relatively small impact of the Tire & Wheel Business on the consolidated data.

<sup>\*2</sup> An indicator that is emphasized within the group, calculated as gross profit margin x inventory turnover rate.

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This is an inventory turnover.

To support future growth, we have strengthened our procurement and continued to build up high-quality inventory for retail.

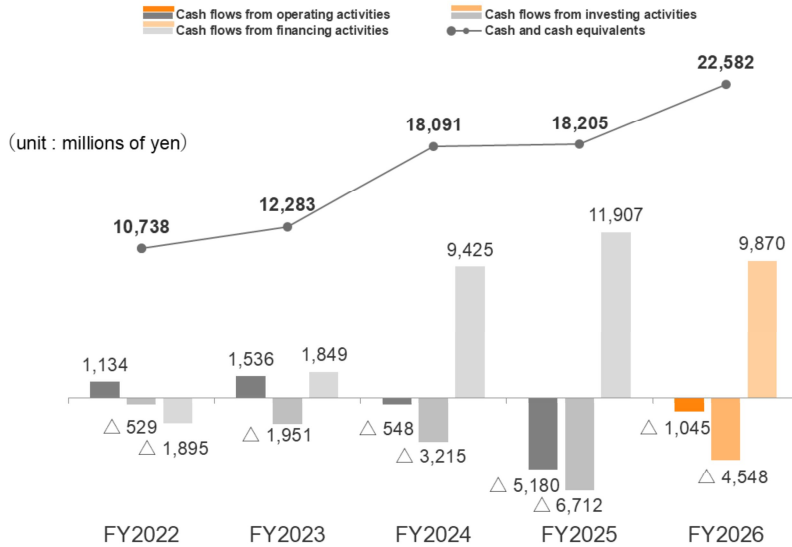
At the same time, we control inventory by appropriately selecting products that should be converted into cash quickly and by flexibly utilizing corporate sales.

As a result, our cross-trading ratio for this period is 82.5%, reflecting our continued proactive increase in inventory assets.

Going forward, we will continue to provide flexible inventory in response to changes in market conditions and supply and demand, aiming to improve our cross-trading ratio in the medium to long term through maximizing profits and optimizing inventory turnover.

## Consolidated cash flow

Cash flows from operating and investing activities were negative due to the procurement of inventories for future growth and investment in new store openings, respectively. Cash flows from financing activities were positive due to fundraising to increase purchases from individuals.



### Cash flows from operating activities

Increase in inventories and corporate tax payments, etc.

### Cash flows from investing activities

Acquisition of tangible and intangible fixed assets related to store openings, etc., has increased.

### Cash flows from financing activities

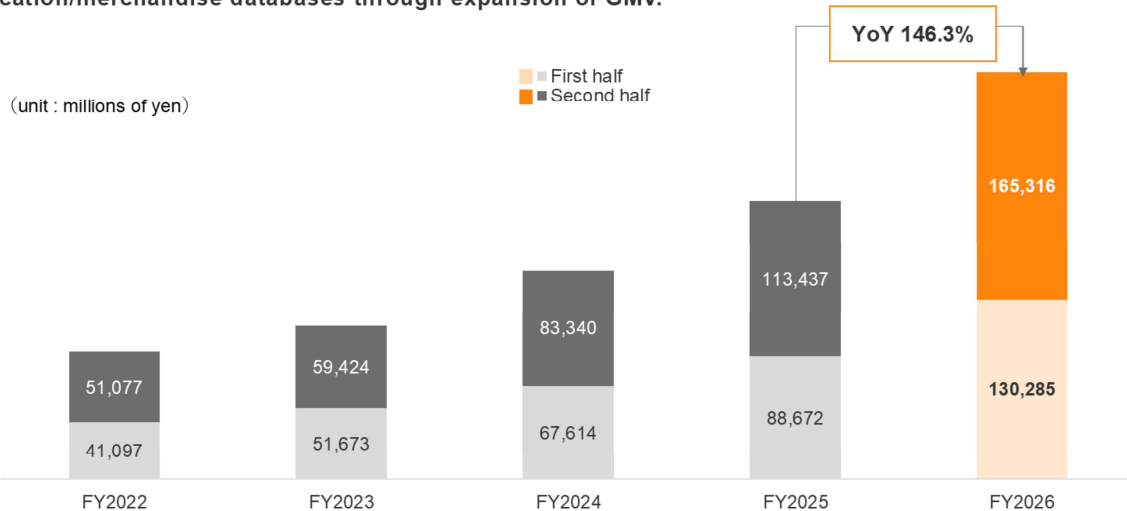
Significant increase in short-term and long-term borrowings, etc. due to individual purchases and acquisition of shares

Here is the cash flow situation.

Cash flow from operating activities and cash flow from investing activities resulted in cash outflows due to inventory acquisition and accelerated new store openings.

## Trends in Consolidated Gross Merchandise Volume (GMV)

GMV\*, which indicates the scale of our business, is an indicator for the promotion of relay use. Using increased purchasing capability as a starting point for maximizing merchandising volume in both retail and auction activities. Strengthening market presence by accelerating the development of one of Japan's largest authentication/merchandise databases through expansion of GMV.



\*GMV is calculated simply by adding or subtracting sales and transaction volume from auctions of group companies, transaction volume and commission sales from inspection businesses, etc., based on consolidated sales.

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The trend in consolidated gross merchandise volume (GMV) is as shown.

GMV for this consolidated fiscal year increased significantly by 146.3% compared to the previous year, setting a new record high.

This growth is attributed to maximizing the volume of goods sold in both retail and corporate channels, starting with strengthening our purchasing capabilities.

Expanding GMV (General Merchandise Volume) will result in the accumulation of vast amounts of product and customer data, as well as authenticity data, due to the increase in transactions.

This will further enhance business efficiency, such as improving the accuracy of AI-based authenticity and model number determination, and optimizing marketing.

By accelerating the accumulation of this data, we will strengthen our presence within the industry.

### **3. Initiatives for the Fiscal Year Ended March 31, 2026**

Next, let's look at our main initiatives for the fiscal year ended March 2026.

## BF business| Purchasing and sales status by route

- Both retail and corporate sales exceeded projections on the back of strong purchases from individuals. The prioritization of retail in the supply of inventories to reliably tap into robust demand contributed to higher retail sales. Maximized LTV through continuous engagement with customers.
- More than enough inventories for the retail were procured and efficient corporate sales resulted in corporate sales growth exceeding retail sales growth.



\* Cumulative total for fiscal year ended March 2026

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This shows the performance of Komehyo, the core business company in the brand and fashion business, broken down by sales channel.

First, regarding purchase, the ratio of individual purchases reached a high level of 72%, driven by the growth of existing stores, aggressive store openings, and historically high gold prices.

In terms of the breakdown of individual purchases by product category, jewelry and precious metals accounted for 47%, with 69% of that being bullion, showing significant growth along with watches.

Furthermore, a positive cycle has been created where gold product purchases serve as a hook, leading to customers bringing in other products.

Also, starting with this document, we have newly included an image of the gross profit margin in the center right.

The profit margin image for highly profitable retail and agile corporate sales is approximately 3 for retail and 1 for corporate sales.

By selecting appropriate sales channels according to demand, we aim to achieve both profit maximization and inventory control.

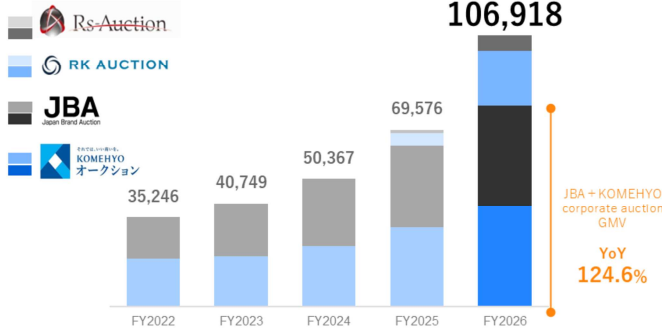
## BF business| Corporate auction GMV (volume) growth

The B-to-B auction business, the core of the Group's "business that contributes to distribution," grew significantly, with total auction GMV for the four businesses reaching 153.7%\*1 of the level a year earlier.

Full-year GMV exceeded 100 billion yen, reaching a record high due to the expansion of the membership base and increase in the number of events held, and commission income also remained strong.

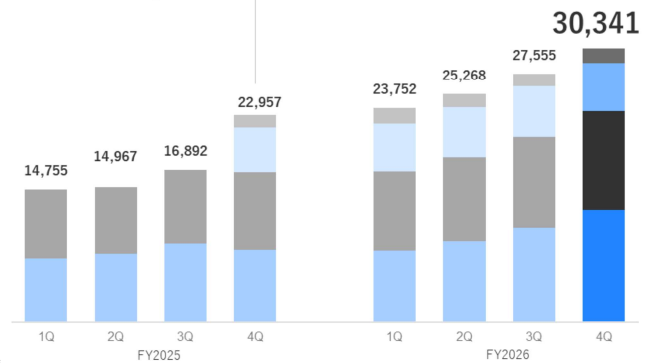
### Trends in full-year auction GMV (Gross Merchandise Volume)

(unit : millions of yen)



### Quarterly trends in auction GMV (Gross Merchandise Volume)

(unit : millions of yen)



	FY2022	FY2023	FY2024	FY2025	FY2026
Total number of member companies: <sup>*2</sup>	2,509	2,811	3,602	6,252	6,538
Total number of events held for 4 companies	280	279	279	287	383

	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q
Total number of member companies: <sup>*2</sup>	3,788	3,919	4,071	6,252
Total number of events held for 4 companies	70	70	68	79

	FY2026 1Q	FY2026 2Q	FY2026 3Q	FY2026 4Q
Total number of member companies: <sup>*2</sup>	6,040	6,229	6,395	6,538
Total number of events held for 4 companies	89	95	100	99

\*1 Rs Auction and RK Auction results for FY2024 are results for the four months of 4Q that were included in consolidation only.  
\*2 Number of regular members

This chart shows the trend in auction volume.

Including the two operating companies that joined our group in the fiscal year ending March 2025, we currently operate a total of four corporate auctions.

In the previous fiscal year, we maximized the frequency of auctions, primarily through online bidding, to capture the selling needs of reuse businesses.

Furthermore, in addition to our sales activities, we have steadily increased our membership base, supported by the trust and brand strength placed upon us, and have been able to steadily increase the total number of member companies.

As a result, our volume exceeded 100 billion yen for the first time, and commission income has also remained strong.

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

## BF business| Topics1

### Opening stores in optimal areas and growing existing stores (domestic)

Through aggressive store openings and the deepening of existing stores, we will strengthen the growth foundation of our domestic brand and fashion business.

#### Key Initiatives for the Fiscal Year Ending March 2026

- Amidst intensifying competition to open stores, the group has opened 23 purchasing centers and 8 purchasing and sales stores (including flagship stores) and sales stores.
- Although there were times when purchasing some products was difficult due to market fluctuations, the company demonstrated strong risk resilience through the complementary nature of its diversified product range.
- Backed by its overwhelming ability to attract customers, the company expanded its support both domestically and internationally by providing highly specialized curation and an attractive shopping experience, driving strong growth in the retail sector.
- A stable base of repeat customers and reliable demand in regional areas have been successful, resulting in steady growth in existing store performance.

#### Main store openings for the fiscal year ending March 2026



This section concerns new store openings and growth of existing stores in Japan.

While digital is the main battleground in retail, physical store touchpoints remain essential for improving the customer experience in the reuse market. Therefore, we continued our aggressive store opening strategy, which progressed smoothly as planned.

In particular, we opened two flagship KOMEHYO stores, exceeding our plan. "OSAKA SHINSAIBASHI," which opened in June, has captured active demand, mainly from inbound tourists, and is progressing according to plan towards its annual sales target of 2.5 billion yen.

Furthermore, "KOMEHYO YOKOHAMA," which opened in September, also aims for annual sales of 2.5 billion yen.

While we have received support from local customers, particularly for high-priced items, the number of customers is slightly below plan, indicating room for expanding customer touchpoints.

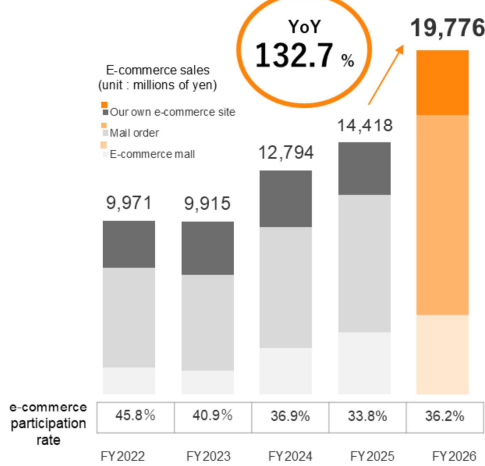
Going forward, we will focus on strengthening promotions and expanding our attractive product range.

In addition, at our existing stores, we have focused on further improving the quality of communication in customer service and increasing the frequency of customer visits, which has been successful and contributed to the growth of our business performance.

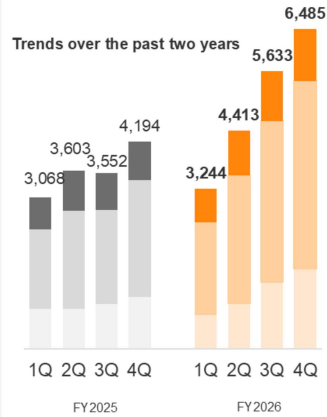
## BF business| Topics2 Sales growth through e-commerce\*1

- E-commerce sales reached a record high, reaching 132.7% of the level a year earlier (full-year cumulative total). The e-commerce rate\*2 also remained stable. Maximizing sales opportunities by expanding the store network, revamping the e-commerce infrastructure and increasing personnel to expand the number of listings.
- In particular, there has been a significant increase in pre-purchase product checks via e-commerce and in-store purchases by foreign visitors to Japan.

### Trends in e-commerce sales and e-commerce participation rate



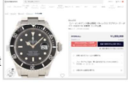
Strengthening merchandising in response to strong procurement by increasing the number of e-commerce personnel. The number of items listed reached a record high, thanks to the expansion of target products (no-maintenance watches, fashion items, etc., which contribute to higher profit margins).



#### EC mall

- Cross-border e-commerce infrastructure overhaul**  
The system renewal enables cross-border sales of most of the merchandise listed on the company's e-commerce site, maximizing sales opportunities. Generating growth that exceeds increases in external costs such as tariffs.
- Advanced domestic mall collaboration**  
Optimizing sales promotion measures based on strong relationships with mall companies. High customer attraction efficiency accelerates sales growth.

#### Mail order

- Capturing inbound demand**  
The "Used in Japan" trend among foreign visitors to Japan is spreading, leading to significant expansion in advanced procurement via e-commerce and duty-free sales in stores.  
  
Demand for no-maintenance products is high.

#### Our own e-commerce site

- Advanced digital marketing**  
Both traffic inflow and the sales conversion rate improved significantly, reflecting improved SEO, refinement of CRM, and revamping of site UI/UX.

\*1 EC-related sales/retail sales

\*2 Net sales are the total of net sales from the company's own e-commerce site and e-commerce malls and net sales from customers who purchased merchandise at stores via the company's own e-commerce site. Integration of online with offline is essential in a digital marketing strategy that leverages our strengths. @Komehyo Holdings Co., Ltd. 25

This is about Komehyo's e-commerce sales.

"E-commerce sales," which represent sales conducted online, grew significantly by 132.7% compared to the same period last year.

To cope with the strong purchasing activity, we have increased our staff and strengthened our operations, while also revamping our cross-border e-commerce infrastructure to maximize sales opportunities.

## BF business| Topics3 Active overseas expansion

### Store expansion in the Asian region

- Opened our first purchase center and sales store in Malaysia.
- Achieved better-than-planned progress with the opening of a total of 13 new stores for the full year, further expanding recognition in countries where we operate.



### Expanding reach into the North American market

October 2025:

Full-scale launch of the buying and selling business.

- The purchase business at our NY office has ramped up since the establishment of the local subsidiary in July 2024. Despite seasonal fluctuations, progress in purchases from individuals remained steady.
- Implementing corporate sales ahead of retail sales.
- Expanding awareness through digital marketing to strengthen retail.

December 2025:

iShopshops, Inc. becomes a wholly owned subsidiary.

- The current phase is positioned as an investment phase in which "market share expansion" is the top priority.
- Ensuring the reliability of the platform and expanding the user base by deploying the Group's high-quality inventory. Also raising awareness of live commerce through the cultivation of live commerce and the establishment of a seller network, looking to establish a global infrastructure.

\* For iShopshops, Inc., only the balance sheet (B/S) will be consolidated for the fiscal year ending March 31, 2026, and the profit/loss (P/L) statement will be reflected from the fiscal year ending March 31, 2027.

This is about the progress of our overseas business.

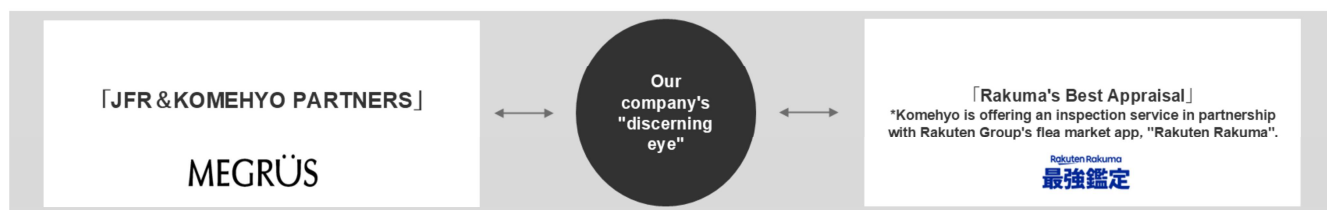
As you can see, we were able to expand our overseas stores at a pace exceeding our plan, opening 13 stores annually, primarily in Asian countries. This has led to increased brand awareness and the acquisition of new customers in each area.

In North America, we have fully launched our buying and selling business. Individual purchases in the area are strong, confirming that the service and reliability of the KOMEHYO brand, cultivated in Japan, are well-received in North America.

Currently, while keeping future retail store openings in mind, we are proactively conducting corporate sales to efficiently sell and monetize our acquired inventory.

Furthermore, regarding "iShopshops," which became a subsidiary in December of last year, we are prioritizing market share expansion by investing in it, including deploying the group's high-quality inventory, and promoting the construction of a foundation for expanding our sales channels.

## BF business| Topics4 Developing alliances centered on "discerning eye."



### Progress of "MEGRÜS"

- Against the previous fiscal year's plan of 7 stores, the number of new store openings was ahead of schedule, reaching 9 stores, through full deployment of the sales and training know-how of both companies.
- Progress against the annual purchase target set at the time of establishment was as planned.
- About half of the users are "customers who have never purchased before," and JFR & KOMEHYO PARTNERS gained contact points with customers it could not reach before. It maintained a high sales rate due to the peace of mind associated with a department store and proper assessments based on our training. It was also able to acquire merchandise that was in high demand in the secondary distribution market.

#### ▼ The significance of the alliance

Improving purchase efficiency by securing a stable supply of high-quality goods. Expanding the scope of secondary distribution and encouraging a recycling-oriented society by expanding contact points with department store customers who have no experience of reuse.

### Progress of "Rakuma's Best Appraisal"

- The functional renewal (introducing the "Pre-Delivery Appraisal" feature) in October 2024 greatly improved user convenience. The number of inspected items has been steadily increasing, giving deeper insight into appraisal needs in C-to-C transactions.
- The number of target brands doubled from "more than 400 brands" to "more than 850 brands." Leveraging KOMEHYO's vast amount of authenticity and forgery data, a system that can immediately respond to diversifying secondary distribution needs has been created.
- More than 90% of sellers and buyers intend to continue using the service because it offers the "Rakuma's Best Appraisal," directly increasing loyalty to the platform. Besides giving peace of mind, the service gets a positive response that contributes to increased sales rates and listing opportunities.

#### ▼ The significance of the alliance

Building an infrastructure that enhances the reliability and convenience of the C-to-C market by providing inspection services that leverage the Company's "good judgment." Dramatically expanding business domains by improving distribution safety.

This is an update on our alliances providing our "discerning eye" to external parties.

Our joint venture with J. Front Retailing, JFR & KOMEHYO PARTNERS, is progressing ahead of schedule with the opening of nine MEGRÜS stores, a specialty buyback shop.

Approximately half of our customers are first-time buyback customers, and the synergistic effect of the sense of security offered by department stores and our appraisal capabilities has successfully created a new customer base.

KOMEHYO provides inspection services for Rakuten Rakuma's "Ultimate Appraisal" service.

We have been able to double the number of target brands to over 850, and the convenience of appraisal-based transactions has improved, resulting in a steady increase in the number of items inspected by KOMEHYO.

Furthermore, over 90% of users of the inspection service have expressed an intention to continue using it, indicating that it is highly valued as a function that enhances the reliability of the C2C market.

Going forward, we will continue to expand the scale of each business and challenge ourselves with new alliances that leverage our assets.

## The Tire and Wheel business | Business Overview



Net sales reached a record high, driven by the sale of used summer tires and overseas sales of our own designed wheels. In terms of profit, a combination of a shorter winter sales season due to the warm winter and strategic investments for the future slowed growth, but full-year profit reached a record high (Revenue and profits increased for the fourth consecutive year).

Second-hand  
purchase price

**Record high**

Net sales

**Record high**

### Factors driving the increase in revenue



#### Second-hand purchases are booming

- We focused on promoting trade-ins of high-quality genuine tires and wheels when installed on new vehicles. In addition, as a result of expanded corporate transactions with major businesses, used goods purchases were strong, coming in at 128% YoY.
- Going forward, we will continue to focus on acquiring high-quality used goods at our stores while investing in advertising to expand our secondhand inventory.



#### Strong sales of summer tires

- Net sales of summer tires were 117% YoY due to successful sales promotion measures such as strategic stocking and in-store events for new customers. We achieved a significant increase in sales to cover the struggling winter tire business.
- Continuing to build relationships with major manufacturers and strengthen purchases of overseas brands to secure ample inventories.



#### Overseas sales of in-house designed wheels accelerate.

- The expansion of the sales network to 16 countries, mainly in North America and ASEAN, has been successful, and the business continues to grow as a stable source of revenue that complements fluctuations in domestic demand.

\*The used equipment business of AUTO PARTS JAPAN was transferred to CRAFT from April 2026 for the purpose of improving operational efficiency of the reuse business and consolidating purchase know-how.

This is an overview of our tire and wheel business.

In this consolidated fiscal year, driven by used tire procurement, summer tire sales, and the overseas expansion of our own-designed wheels, both sales and profits reached record highs, achieving four consecutive years of increased revenue and profit.

We will continue to aim for stable growth, focusing on overseas sales and used tire sales as key indicators.

## **4. Progress of the Medium-term Management Plan**

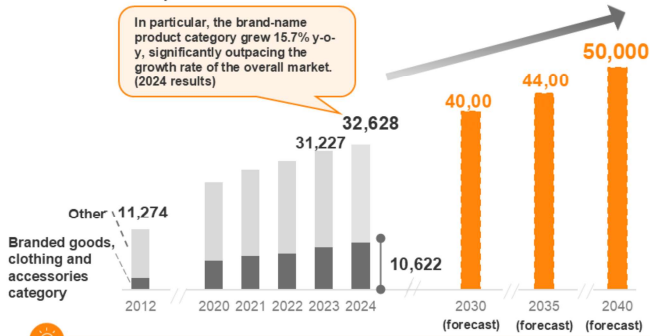
Next, let's look at the progress of medium-term management plan.

## Outlook for the domestic reuse market

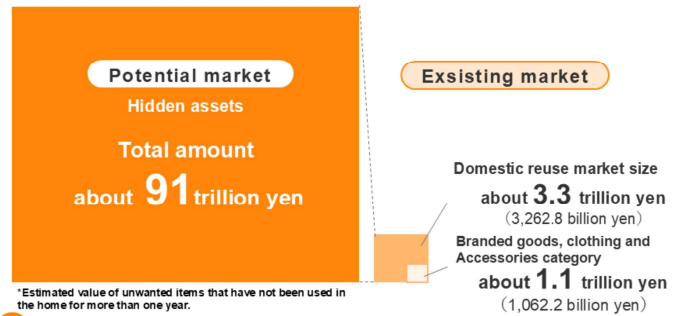
The domestic reuse market is expanding steadily and is projected to reach 5 trillion yen by 2040. Going forward, the key to market growth will be the expansion of the reuse population. Driven by rising primary distribution prices and changing consumer behavior, the reuse market is expected to experience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

### Domestic reuse market size<sup>\*1</sup>

(unit : billions of yen)



### Domestic potential reuse market (hidden asset)<sup>\*2</sup>



- 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



- The "hidden assets" lying dormant within households amount to approximately 91 trillion yen. The current visible market represents only 3.6% 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.

<sup>\*1</sup> "Reuse Market Data Book 2024" Reform Industry Newspaper, October 2025

<sup>\*2</sup> "A Survey on Japan's 'Owned Assets'," jointly compiled by Mercari Inc. and NLI Research Institute, was released on November 20, 2025.

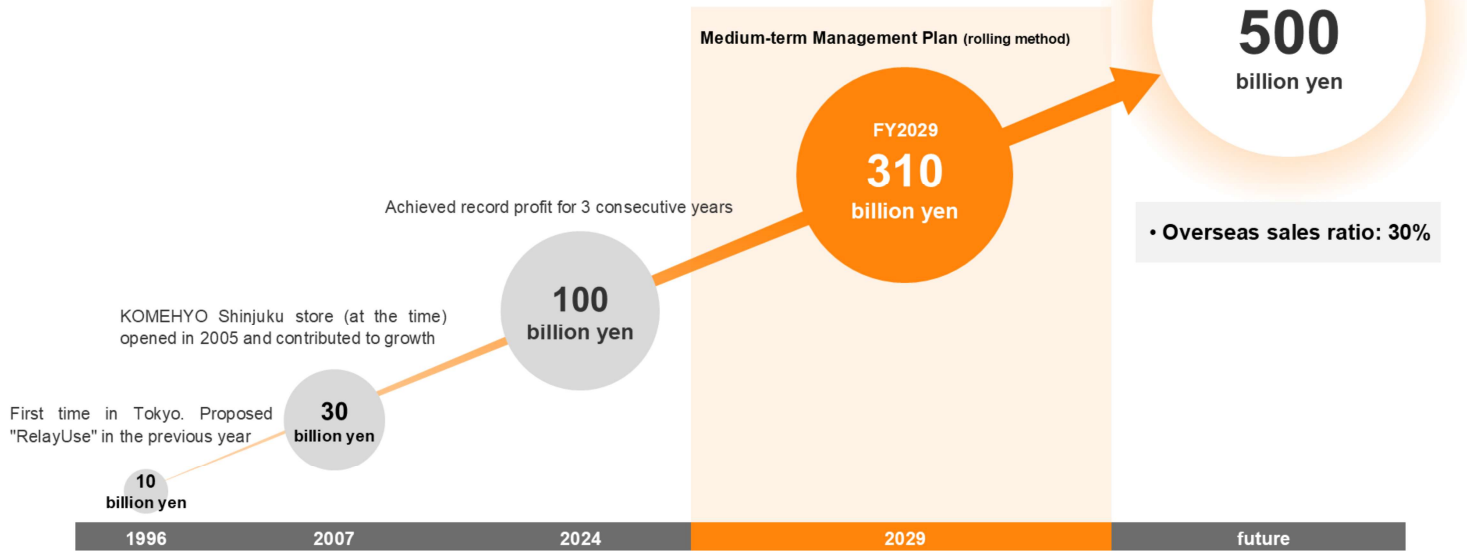
The current state and outlook of the domestic reuse market are as follows:

The market size is steadily expanding and is expected to reach 5 trillion yen by 2040.

Furthermore, the domestic potential market, or so-called "hidden assets," is estimated to be approximately 91 trillion yen. The current visible market accounts for only 3.6% of this, and our role is to bring this enormous potential market to light.

## Position of the Medium-term Management Plan

With an eye on becoming the world's No. 1 company in brand reuse sales, we aim for sales of 310 billion yen in the fiscal year ending March 2029.



To flexibly respond to changes in the business environment, our company publishes its plans annually using a rolling approach. This outlines the new medium-term management plan we have formulated, covering the period from March 2027 to March 2029.

Our future goal is to become the world's No. 1 brand reuse retailer.

We have set a high target of 500 billion yen in sales.

We consider this three-year plan to be an important step towards achieving that goal.

## 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,

2026 Announcement

← 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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These are the quantitative targets for our medium-term management plan.

Yesterday, May 14th, we announced our medium-term management plan, which is enclosed in a dark orange box, covering the period up to the fiscal year ending March 2029.

By the fiscal year ending March 2029, we aim for sales of 310 billion yen and operating profit of 14.5 billion yen.

We will continue to expand our market share through domestic store openings and aggressive investments, and work to improve our profitability, focusing on individual purchases and retail.

The planned figures presented at this time are based on the steady growth of our existing businesses.

Going forward, we aim for even greater heights through initiatives to achieve discontinuous growth, such as M&A.

## 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) Trading business (Japan and other countries) : a business that grows by expanding customer touchpoints such as buying and selling both domestically and internationally.

(2) Business that contributes to distribution : expanding GMV through businesses linked to buying and selling, such as operating auctions for corporations, and providing a platform for buying and selling.

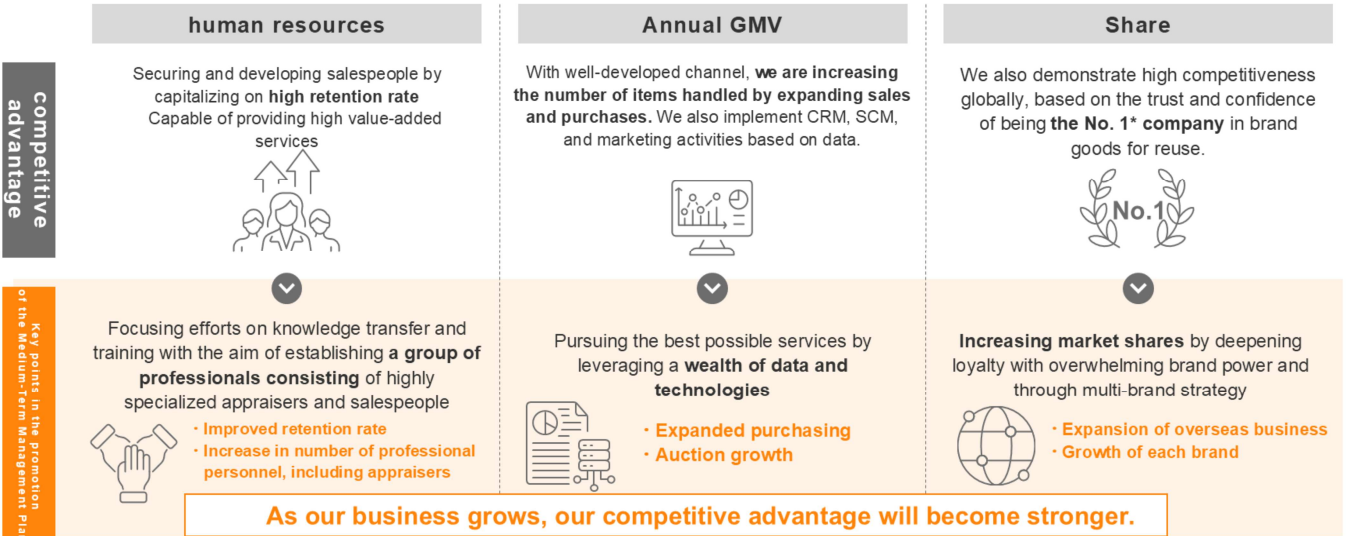
(3) Business that contributes to market growth : leveraging the company's expertise and assets cultivated in (1) and (2), we will create new services and collaborations to support the expansion of the entire reuse market.

As a basic policy to achieve this, we have set forth the following three pillars:

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

## 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 our competitive advantage lies in three key areas: "human resources," "annual transaction volume," and "market share," which we have established through our consistent commitment to reuse since our founding.

As our business grows, we will further strengthen these advantages and pursue sustainable improvements in corporate value.

# 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.

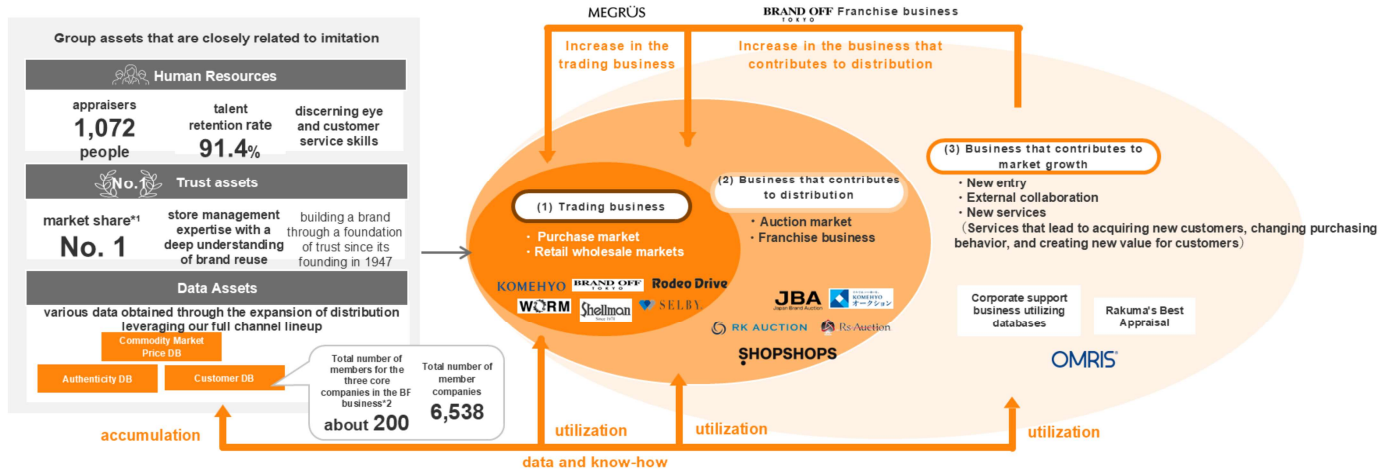
## Image of expanding the BF business domain

**Phase 01**  
Expanding each business  
Refining existing businesses

**Phase 02** *In progress*  
Interoperability between businesses  
Expanding GMV through collaboration with the buying and selling business

**Phase 03** *In progress*  
Expanding domains through data utilization  
Growing existing business while expanding domains through accumulated data

Each phase does not represent a move to another step but rather expansion alongside the maintenance and strengthening of existing strengths- the implementation of a self-reinforcing cycle



\*1 "Reuse Market Data Book 2025" Reform Industry Newspaper, October 2025, 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

In our core brand and fashion business, we have defined three areas—'Buying and Selling,' 'Distribution Involvement,' and 'Market Growth Involvement'—and have focused on expanding these areas.

This time, we would like to reiterate how these three areas are interconnected and collaborative, and how their expansion drives the growth of our group.

The foundation of our growth lies in the group assets—human resources, data, and trust—that we have built since our founding in 1947, as shown on the left of this document.

We have over 1,000 appraisers and a vast amount of product, market, authenticity, and customer data gathered from diverse contact points.

Simply possessing these assets does not realize their true value.

We have the knowledge and execution capabilities to utilize these assets in sales activities and technology development, and to develop them into high-value-added services.

Based on these group assets, we have created opportunities for buying and selling and distribution, and expanded each of our businesses.

Furthermore, this expansion of business areas has led to diversification of our revenue streams.

- ① In our trading business, we maximize profits from sales by expanding our customer base both domestically and internationally through multi-brand strategies.
- ② In our distribution involvement business, we provide auctions and other platforms for corporate clients, accumulating stable commission income as GMV (Gross Merchandise Volume) expands.
- ③ In our market growth involvement business, we generate profits from service provision by offering our expertise and assets to other companies, supporting the overall expansion of the market.

Currently, we are in a phase of expanding our business domains while simultaneously refining our existing buying and selling and distribution involvement businesses.

The expansion of our distribution involvement and market growth involvement businesses will, as a result, create a synergistic effect that further increases our core buying and selling business, including procurement and sales.

The results obtained from these businesses will be reinvested as data and know-how, enriching our assets.

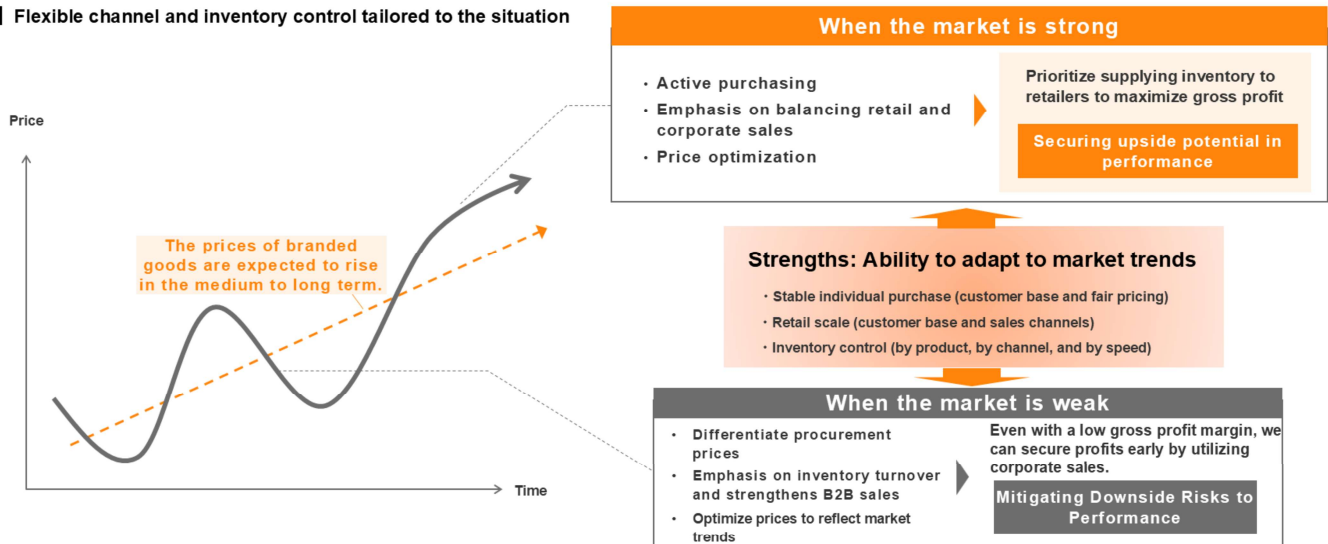
In this way, as our group assets grow, we will further enhance the competitiveness of all our businesses.

We will strive for long-term growth and increased corporate value by continuously driving this cycle of mutual cooperation and complementarity among our businesses, and "self-enhancement" through domain expansion using data.

## Market response capabilities that maximize upward trends in the market

Backed by robust demand for luxury goods, we anticipate that prices for branded products will rise in the medium to long term. In response to short-term market fluctuations, we aim to stabilize and improve our performance by leveraging our strength in market adaptability.

### Flexible channel and inventory control tailored to the situation



Currently, global demand for luxury goods remains strong, and major brands are successively revising their primary market prices.

Against this backdrop, we anticipate that the prices of branded goods in the reuse market will continue their upward trend in the medium to long term.

Our company has enhanced its ability to respond to market fluctuations by expanding three business foundations: "stable individual purchasing," "overwhelming retail scale," and "precise inventory control" cultivated over many years.

Going forward, we will further refine these strengths and thoroughly implement strategies to turn market fluctuations into profits as needed.

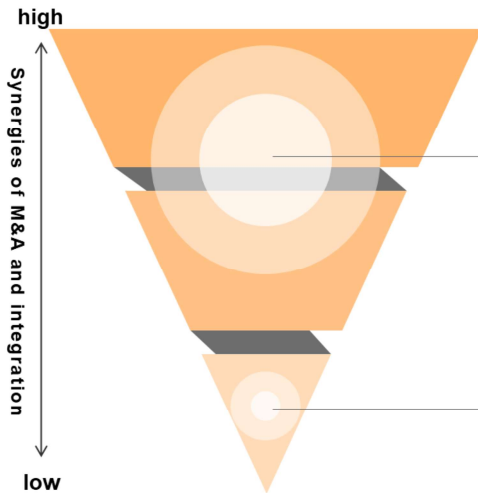
Specifically, in periods of rising market prices, we will prioritize supplying inventory primarily to retailers to secure upside potential in our performance.

Conversely, even if market prices turn weak, we can accelerate inventory turnover and optimize prices through corporate sales, enabling us to realize profits early and minimize downside risk to our performance.

## M&A Strategy (BF business)

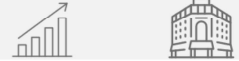
Consider M&A etc. in overseas markets with excellent growth potential and areas that will lead to higher customer value, aiming to strengthen the business portfolio in addition to achieving organic growth.

### Approach to alliances



#### Expand the scale and strengthen competitiveness of existing businesses

- Increasing the number of stores and expanding areas in the Brand Fashion business
- Enhancing purchase/sales channels (e-commerce, visits, home delivery, cross-border, pawn)
- Operation of auctions



- Businesses and companies that contribute to improving added value and operational efficiency (DX of repair and value chain)
- Overseas companies operating brand fashion business
- Services that help acquire new customers



#### Exploring unexplored areas

- Businesses and companies with high affinity with the clientele (paintings, etc.)

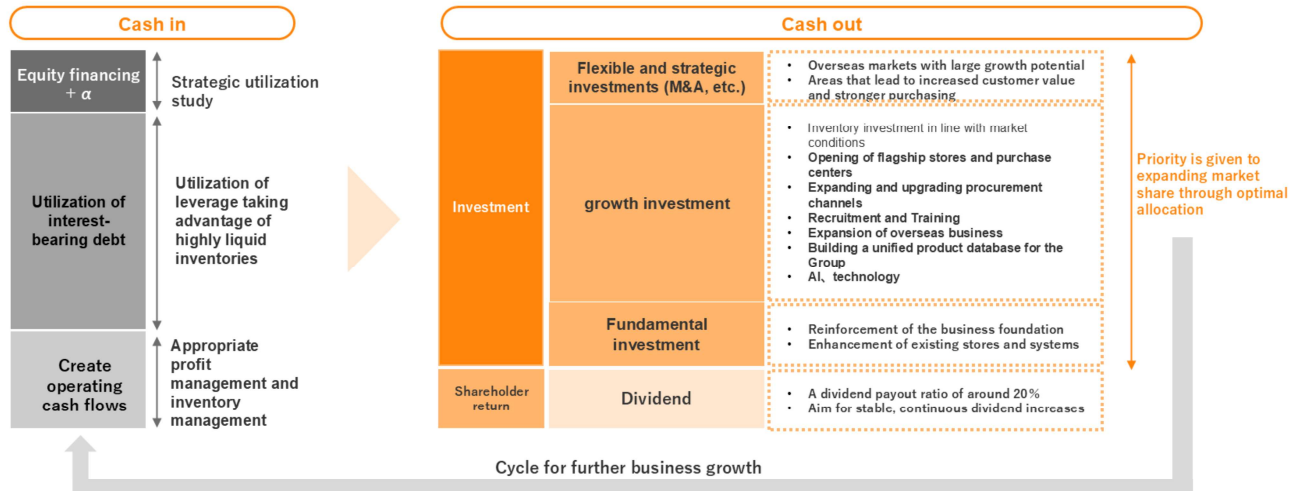


Regarding future M&A strategies in our brand and fashion business, we will continue to consider areas such as entering global markets with significant growth potential, areas that will lead to improved customer value, and areas that will lead to the expansion of our existing businesses.

## 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



This concerns our resource allocation policy.  
The image of fundraising and resource allocation is as follows:

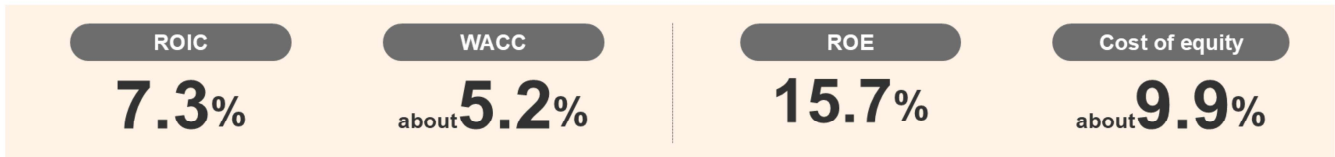
We will prioritize proactive inventory acquisition and capital investment to gain market share in the growing brand reuse market.

Furthermore, while maintaining a certain level of financial discipline, we will actively invest in discontinuous growth such as M&A.

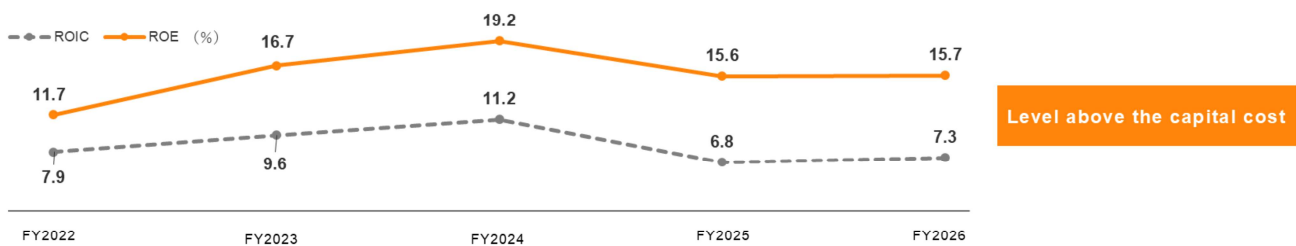
## Advancing management with an awareness of capital cost Analysis and evaluation of current situation

Amid rising costs of equity, the company achieved a return on equity (ROE) of 15.7%, exceeding market expectations, through the growth of individual purchases and the optimization of inventory turnover. By flexibly allocating the generated cash to growth investments, the company pursues sustainable improvement of corporate value.

### ■ Status for the fiscal year ending March 2026



### ■ ROIC and ROE trends



This document outlines our current situation and assessment regarding our cost of capital.

For the fiscal year ending March 2026, our ROE was 15.7% and our ROIC was 7.3%. We have maintained an ROE that exceeds our cost of equity and WACC, demonstrating our steady progress in highly capital-efficient management.

Going forward, we will continue to allocate the cash generated to inventory management and growth investments, and by precisely controlling inventory in accordance with the business environment, we will maintain profitability that exceeds our cost of capital and pursue sustainable improvements in corporate value.

## **5. Outlook and Initiatives for the Fiscal Year Ending March 31,2027**

Next, I will discuss our outlook and initiatives for the fiscal year ending March 2027.

## Rearrangement of given matters that will affect this fiscal year's performance

Assuming that the brand reuse market will continue to experience relatively stable market prices and strong demand, the Company aims to expand its market share by securing inventory, mainly through purchases from individuals. On the other hand, if product prices are affected by the uncertainty of geopolitical risks (changes in exchange rates, stock markets, and economic conditions in countries around the world), corporate sales will be flexibly utilized to stabilize performance.

External environment/opportunity	Internal environment/approach
<ul style="list-style-type: none"> <li style="margin-bottom: 5px;"><span style="color: #f96; font-size: 1.2em;">+</span> Corporate earnings will remain strong, and an improved income environment will provide a tailwind for personal consumption.</li> <li style="margin-bottom: 5px;"><span style="color: #f96; font-size: 1.2em;">+</span> Consumption by wealthy customers will continue to grow against the backdrop of the asset effect of rising stock prices, etc.</li> <li style="margin-bottom: 5px;"><span style="color: #f96; font-size: 1.2em;">+</span> Continuous price revisions of major brands will prop up the prices of pre-owned goods.</li> <li style="margin-bottom: 5px;"><span style="color: #f96; font-size: 1.2em;">+</span> There will still be demand for sales due to continued high gold prices in Japan.</li> <li style="margin-bottom: 5px;"><span style="color: #f96; font-size: 1.2em;">+</span> Inbound demand will continue to be partially driven by diversification of countries/regions (rising demand in Europe, the U.S. and Asia) and the effect of a weaker yen.</li> <li style="margin-bottom: 5px;"><span style="color: #ccc; font-size: 1.2em;">±</span> Market entry will lead to the expansion of alliances and intensification of purchase competition.</li> <li style="margin-bottom: 5px;"><span style="color: #007bff; font-size: 1.2em;">—</span> There is concern about rising costs due to inflation and the impact of high oil prices on consumer confidence.</li> <li style="margin-bottom: 5px;"><span style="color: #007bff; font-size: 1.2em;">—</span> Changes in the business environment caused by trends in the global economy and changes in the international situation will need to be addressed.</li> </ul>	<p><b>Efforts to increase market share will remain a priority.</b></p> <ul style="list-style-type: none"> <li>• <b>Purchase</b> Planning to continue opening new stores, raise the level of existing stores, and strengthen procurement channels to secure inventory. At the same time, the reproducibility of the previous fiscal year's results for gold bullion will be a challenge.</li> <li>• <b>Sale</b> Planning to strengthen product lineups and prioritize inventory allocation for stores and e-commerce to meet strong retail demand, activate in-house auctions on the assumption of ample purchases, and expand GMV and commission income.</li> </ul> <p><b>Improving profitability</b></p> <ul style="list-style-type: none"> <li>• Continuing to strengthen retail and purchases from individuals.</li> <li>• Maintaining competitiveness in purchasing and enhancing market responsiveness through prompt reflection of the external environment in purchase and sales prices.</li> </ul> <p><b>Strengthening Human Resource Development and Organizational Development</b></p> <ul style="list-style-type: none"> <li>• Continuing active recruitment</li> <li>• Strengthening onsite responsiveness through the delegation of authority</li> <li>• Strengthening indirect departments</li> <li>• Accelerating the development of the next generation of management and leaders</li> <li>• Constantly brushing up forward-looking "succession plans" and "development plans"</li> </ul>

The following is a summary of the factors affecting our performance for the fiscal year ending March 2027.

The brand reuse market is expected to continue to see stable prices and strong demand. We will continue to focus on securing inventory, primarily through individual purchases, to expand our market share, improve our profitability, and develop our human resources and organization.

On the other hand, if market prices fluctuate due to geopolitical risks, we will strive to stabilize our performance by flexibly utilizing corporate sales.

## Market price forecast for main products for the fiscal year ending March 2027

Our current product price trend forecasts, which form the basis for our FY2026 plan, are as follows.

### Jewelry



JEWELRY

- Gold prices are expected to remain at record high levels, while diamond prices are expected to remain soft.
- Volatility in the gold market will tend to increase against the backdrop of geopolitical risks. At the same time, there is concern about the risk of decline in unrealized gains on inventories in the event of falling gold prices and yen appreciation.

### Watch



WATCH

- Market prices may fall due to geopolitical risks such as the situation in the Middle East, but a significant decline is unlikely once the exchange rate stabilizes.
- While price revisions in primary distribution will prop up market prices, there is concern about the risk of falling market prices, especially for high-value items, during periods of sharp yen appreciation.

### Bag



BAG

- While demand will remain strong, the overall market distribution volume, especially for popular models, will be limited, so market prices are expected to remain stable at high levels.
- While the risk of market price volatility is believed to be relatively low, changes in consumer confidence triggered by geopolitical risks require attention.

### Fashion



FASHION

- While it will take time for the price revisions of brands to ripple down to the secondary distribution market, there is concern over the risk that, in the high-price range of 300,000 yen and above, market prices will remain high and purchase prices will rise.
- Market prices for trend goods such as "Vintage, Archive, and Y2K" and domestic designer brands are expected to remain firm.

The market forecast for our main products is as follows:

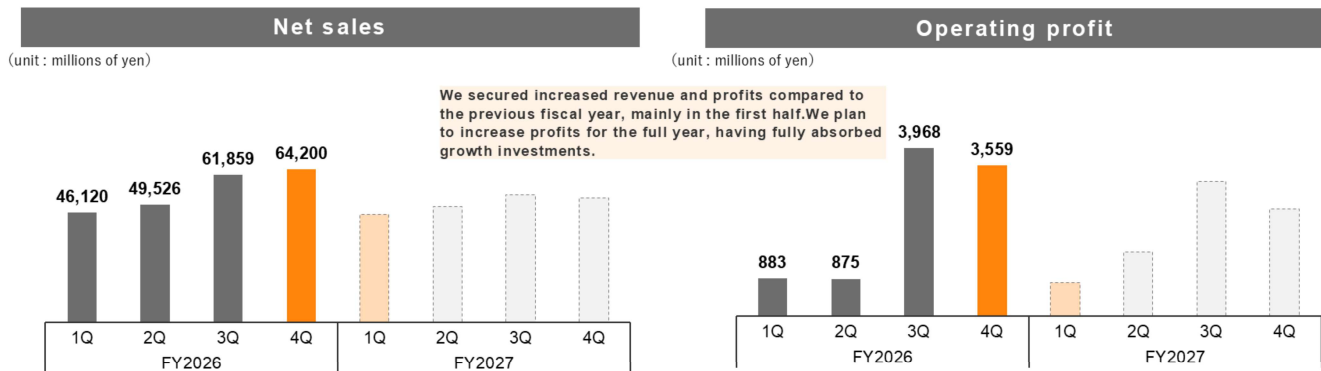
Overall, we expect prices to remain relatively stable, similar to the previous period.

However, uncertainties such as geopolitical risks remain, so we will closely monitor developments and strive for flexible operations.

## FY2027 Forecast of Consolidated Earnings Results by Quarter

We will drive sales and profit growth by strengthening individual purchases, enhancing retail sales, and utilizing diverse sales channels including corporate sales. While continuing aggressive investments for future growth, we aim to achieve increased revenue and profit for the full year, and to surpass our record high sales and operating profit.

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



This is our consolidated earnings forecast for the fiscal year ending March 2027.

This fiscal year, we aim to further expand both sales and profits by making maximum use of our diverse channels in both procurement and sales.

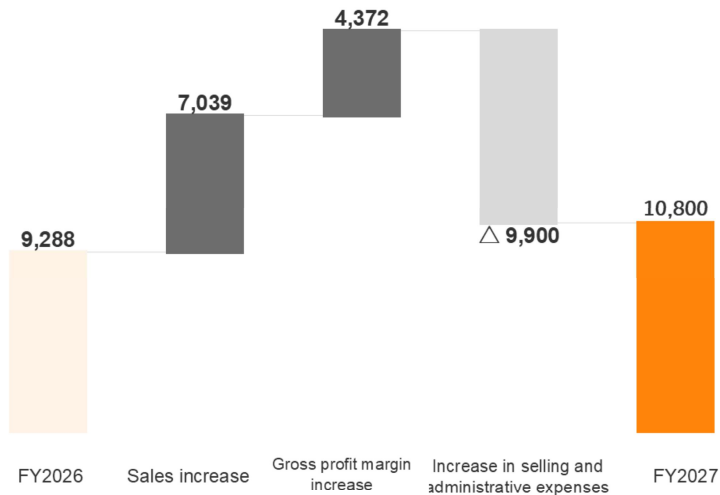
In addition, we plan to continue making proactive investments for sustainable future growth.

Our projected progress is to see growth in both sales and profits, particularly in the first half of the year, aiming for increased sales and profits for the full year, as well as achieving record-high sales and operating profits.

## Analysis of consolidated operating income (forecast)

Sales are projected to increase by 114% compared to the previous period, setting a new record high. The gross profit margin is aimed to improve by 1.9 percentage points for the full year. While continuing investments for future growth, the company aims to achieve an operating profit of 10.8 billion yen.

(unit : millions of yen)



### Net sales

By opening specialized buyback stores and strengthening the buyback functions of existing stores, we will secure ample inventory. We will maximize sales by utilizing diverse sales channels.

### Gross profit margin

We expect to improve our profit margin by 1.9 percentage points for the full year by strengthening our retail operations and utilizing flexible corporate sales.

### SG&A expenses

Selling, general, and administrative expenses are expected to continue increasing due to aggressive investments in human resources, store openings, IT, and other areas aimed at medium- to long-term growth.

This is an analysis of our consolidated operating profit forecast for the fiscal year ending March 2027.

We aim for a consolidated operating profit of 10.8 billion yen for the fiscal year ending March 2027.

Regarding sales, we plan a 114% increase compared to the previous year by securing ample inventory through strengthened procurement and utilizing diverse sales channels.

In terms of profit, we will continue to prioritize allocating inventory to high-margin retailers, as we did in the previous year.

Furthermore, by improving our inventory management system, we aim to select and utilize the optimal sales channels, improving profitability by 1.9 percentage points to 23.2% compared to the previous year.

Regarding the gross profit margin, there was an error in the figure presented yesterday, which has now been corrected.

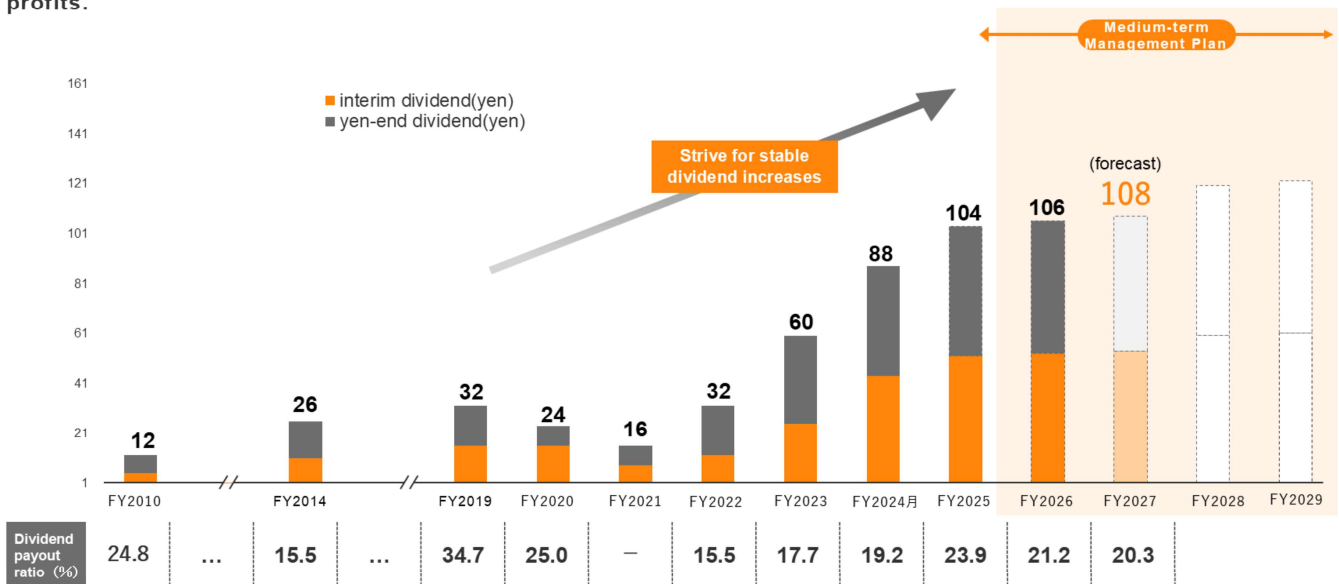
We apologize for the error.

This fiscal year, we will continue to actively invest in human resources, IT, and AI for future growth.

Although selling, general, and administrative expenses are expected to increase significantly due to the difficulty of achieving profitability quickly for the companies acquired through M&A in the previous fiscal year, we will absorb these costs through a substantial increase in revenue and steadily translate them into profit growth.

## 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.



Regarding our dividend forecast:

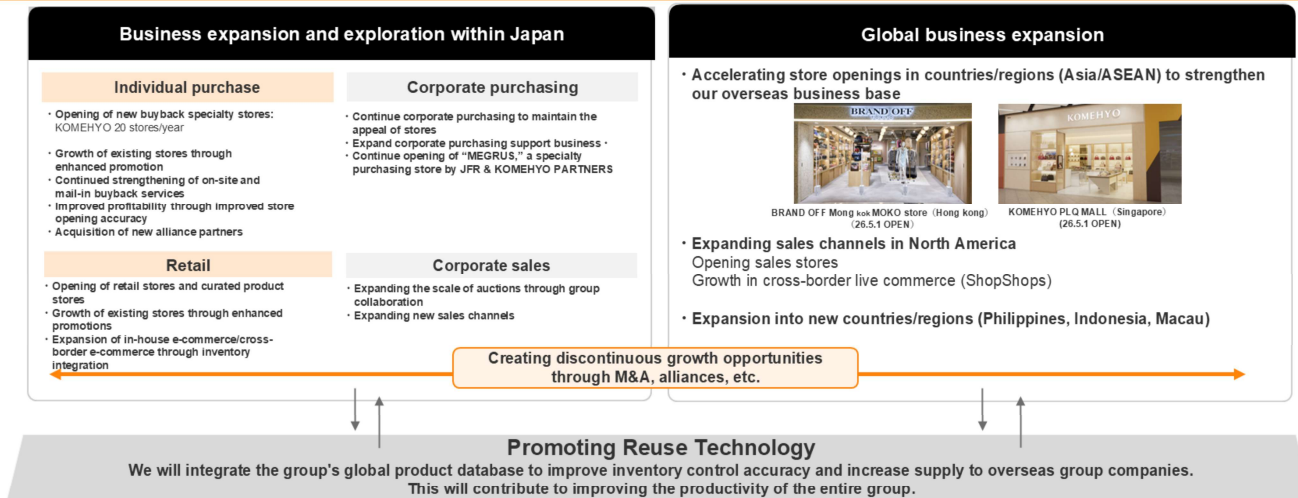
For the fiscal year ending March 2027, we plan to pay an interim dividend of 54 yen, a year-end dividend of 54 yen, and an annual dividend of 108 yen (an increase of 2 yen).

Our business is in a growth phase, and we will continue to secure inventory and invest in growth while striving to maintain stable dividend increases in line with profit growth.

## Key focus points for the fiscal year ending March 2027

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.**



Our focus for the fiscal year ending March 2027 is to simultaneously achieve "market share expansion" and "improvement of profitability."




In an increasingly competitive market environment, boosting our top line and expanding our market share is essential for the sustainable growth of our group.

Therefore, by strengthening our individual purchasing and retail operations, and by approaching all market segments, including potential customers, we will further solidify our customer base, thereby pursuing both domestic market share expansion and global revenue growth.

## Key Focus Points for the Fiscal Year Ending March 2027:

### Strengthening individual purchase / Strengthening retail (domestic)

We aim to maximize profits by strengthening individual purchasing, centered on opening new stores and growing existing ones, and by increasing inventory supply to stores and e-commerce.

Individual purchase	Retail
<ul style="list-style-type: none"> <li>● <b>Opening of new buyback specialty stores</b> KOMEHYO aims to open 20 buyback stores per year, aiming to expand market share in all areas of Japan.</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Opening of retail stores and curated product stores</b></li> <li>● <b>Joint Store Opening by Two Companies (2026.5.9 OPEN)</b> 「BRAND OFF SHIBUYA」 「Rodeo Drive SHIBUYA」  <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Area : about 421m<sup>2</sup></p> </div> <div style="text-align: center;">  <p>Area : about 108m<sup>2</sup></p> </div> <div style="font-size: small;"> <p>Located in Shibuya, a hub for many people from both Japan and abroad, the two companies aim to create an attractive store that maximizes the synergy of their respective product characteristics, offering a wide selection of goods and high-quality customer service.</p> </div> </div> </li> <li>● <b>Flagship store 「Selby Okachimachi Station Store」 (End of May 2026 OPEN)</b>   <p>Area : about 227m<sup>2</sup> The company plans to open its first flagship store, aiming to expand sales and broaden its target market.</p></li> <li>● <b>Renovation of flagship store "KOMEHYO Nagoya Main Store Main Building"</b> The store's interior will be renovated to enhance customer attraction and browsing. By increasing the appeal of the flagship store, we aim to improve customer service efficiency and further increase profits. Phase 1 opening (1st floor area and exterior renovation) is scheduled for late July 2026, and the grand opening of the entire building (renovation completed) is scheduled for late November 2026.</li> <li>● <b>Growth of existing stores through enhanced promotions</b> We are developing a unified system to centralize inventory within the group. This will enable immediate supply to the optimal channel and contribute to improving inventory efficiency.</li> <li>● <b>Expansion of in-house e-commerce/cross-border e-commerce through inventory integration</b></li> </ul>
<ul style="list-style-type: none"> <li>● <b>Growth of existing stores through enhanced promotion</b> To further strengthen organic growth, they aim to increase brand awareness through enhanced promotion and SEO measures.</li> </ul>	
<ul style="list-style-type: none"> <li>● <b>Continued strengthening of on-site and mail-in buyback services</b> They also aim to expand operations to capture non-face-to-face and in-person customer needs, and further strengthen their buyback channels.</li> </ul>	
<ul style="list-style-type: none"> <li>● <b>Improved profitability through improved store opening accuracy</b></li> </ul>	
<ul style="list-style-type: none"> <li>● <b>Acquisition of new alliance partners</b></li> </ul>	

In particular, our domestic focus points are as follows:

Domestically, we will maximize profits by strengthening our individual purchasing services and thoroughly implementing a "retail-first" approach.

For individual purchasing, we will continue to expand our contact points through the opening of specialized purchasing stores and on-site purchasing services.

In retail, we jointly opened "BRAND OFF" and "Rodeo Drive" in Shibuya in May, pursuing synergies between the two companies.

Furthermore, we will improve customer traffic and foot traffic through the opening of the first "Selby" flagship store at the end of May and the sequential renovation of the "KOMEHYO Nagoya Main Store" starting in late July.

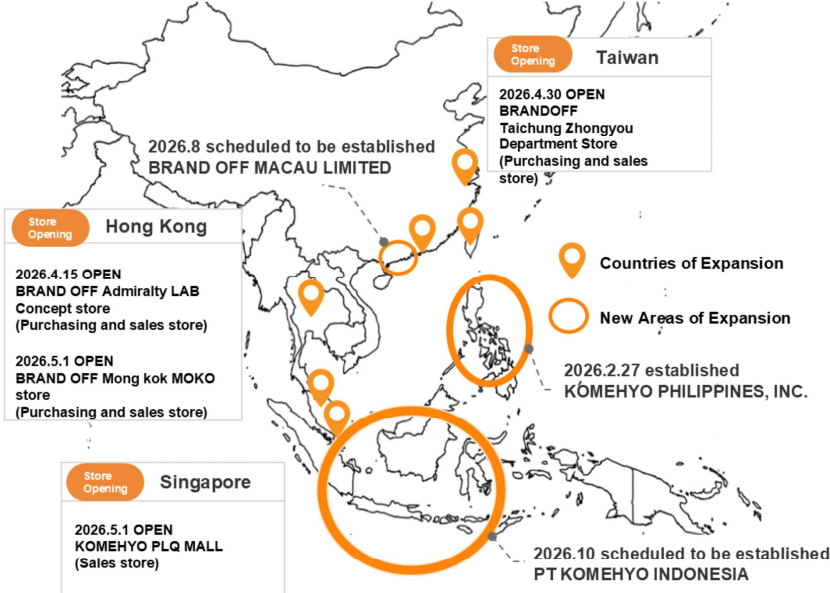
We will also deepen the inventory coordination between stores and e-commerce to maximize sales opportunities.

## Key Focus Points for the Fiscal Year Ending March 2027:

### Developing new areas and establishing a growth foundation (overseas)

Starting from ASEAN, the Greater Bay Area (Guangdong-Hong Kong-Macao Greater Bay Area), and North America, we aim to optimize our purchasing and sales channels according to the characteristics of each market.

#### Planned market entry/store openings in the fiscal year ending March 2027



#### Main initiatives in the fiscal year ending March 2027

- Accelerating store openings to match the growth rate of each country
- Expanding into new areas (Philippines, Indonesia, Macau)
- Expanding sales channels in North America  
Opening sales stores  
Growth in cross-border live commerce (ShopShops)

#### Our Future Vision:

We will leverage our accumulated appraisal technology and reuse expertise to promote the development of a "local production for local consumption model" that handles everything from purchase to sales in each country. By focusing on developing local talent, we aim to build a strong foundation of trust and achieve sustainable growth.

- Image of local production and consumption within the region



Our overseas focus is on developing new areas and establishing a global growth foundation.

As you can see, we are accelerating our expansion, targeting ASEAN, the Greater Bay Area, and North America.

Most recently, in addition to the Philippines where we established a subsidiary in February, we plan to establish local subsidiaries in Macau in August and Indonesia in October.

Initially, we will secure inventory by starting local procurement by our subsidiaries and promote the expansion of our local production and consumption business model in each country, leading to local sales.

## 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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That concludes my explanation.  
Thank you for your attention.