

Earnings Results Briefing for the Third Quarter of the Fiscal Year Ending March 31, 2023

February 13, 2023
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Contents

1. Overview of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 P. 2
2. Initiatives for the Third Quarter of the Fiscal Year Ending March 31, 2023 P. 19
3. Reference Information (Company Profile, etc.) P. 32

- 1. Overview of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023**
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FY 2023 3Q Financial Summary

Brand Fashion

Net sales	Operating income	Purchase from individual customers
58,853	3,371	33,344
Millions of yen	Millions of yen	Millions of yen
(YoY 126.9%)	(YoY 155.3%)	(YoY 137.3%)

P13.	Increase in revenue and profit
P22-23.	Purchases from individuals were strong chiefly due to strong purchases at existing stores, new store openings, and purchase events.
P14,24.	Accompanying strong individual purchases, corporate sales also performed well.
P20.	33 purchase centers, including 14 franchised centers, and three overseas stores opened and one flagship BRAND OFF store was relocated.

Tire and Wheel

Net sales	Operating income
3,807	296
Millions of yen	Millions of yen
(YoY 111.3%)	(YoY 170.8%)

P13,30.	<ul style="list-style-type: none"> • Increase in revenue and profit • The event commemorating CRAFT's 50th anniversary was so successful that it gained new custom product users and sales per consumer rose. • Sales of winter tires grew steadily, up 9% year-on-year. Profit margin improved due to unit price increase due to price hike, etc.
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The BRAND OFF Ginza Main Store has been renovated.



Opened 3 overseas stores (left: Thailand, right: Shanghai)

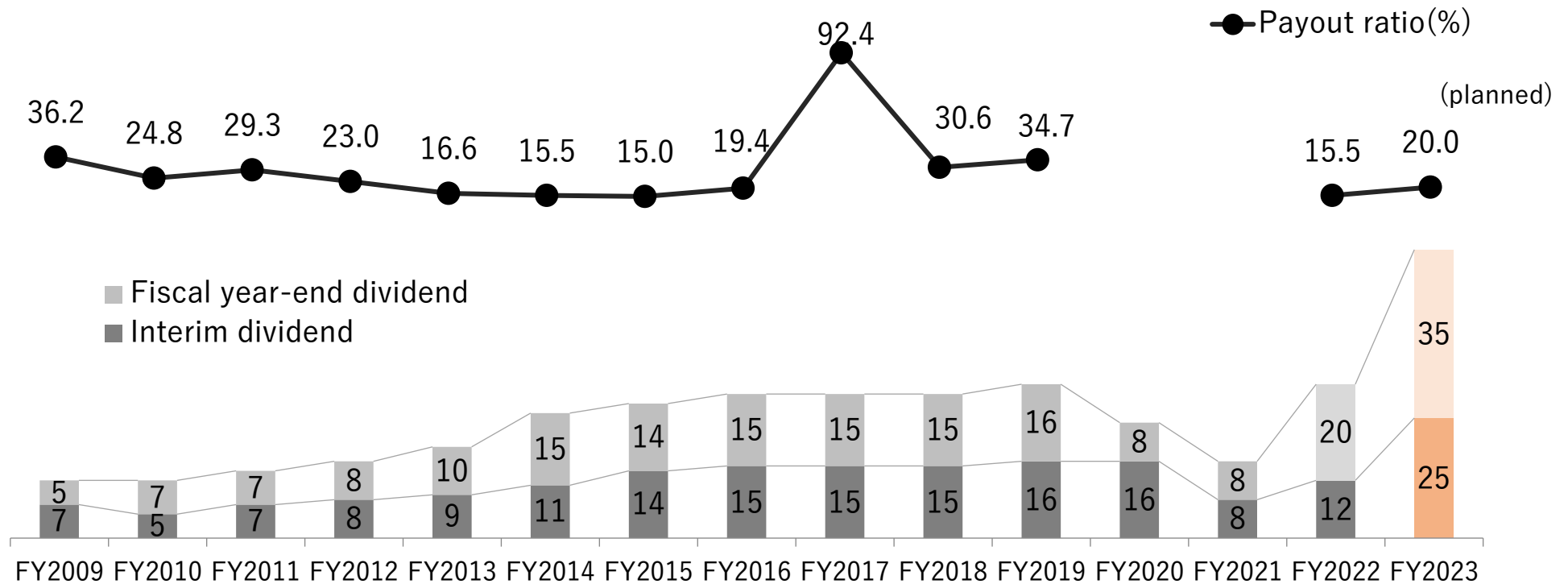


Revisions to full-year performance plan for the fiscal year ending March 31, 2023

	(Millions of yen)	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
FY2022	Forecasts released previously	82,500	4,350	4,350	2,830	258.30
	Revised forecasts announced on this occasion	85,000	4,780	5,040	3,280	299.37
	Change	2,500	430	690	450	—
	Rate of change	3.0%	9.9%	15.9%	15.9%	—
	(yen)	Interim dividend	Fiscal year-end dividend	Annual dividend	Dividend payout ratio	
Dividends	Forecasts released previously	25	25	50	19.4%	
	Revised forecasts announced on this occasion	25	35	60	20.0%	

Shareholder return

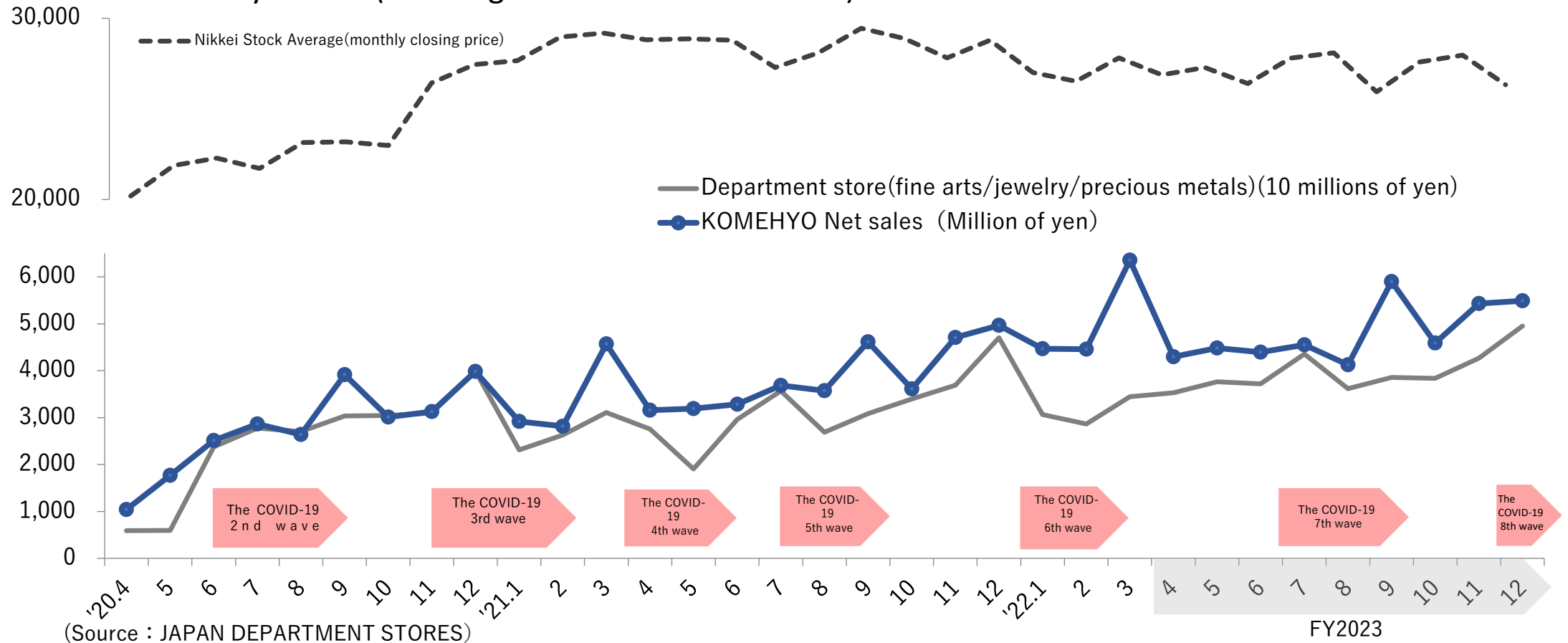
The annual dividend forecast has been revised upwards from 50 yen to 60 yen per share, in consideration of the projected income level and other factors for the fiscal year ending March 31, 2023. Aiming to increase dividends consistently in line with the status of profit and cash flow.



Economic Trend

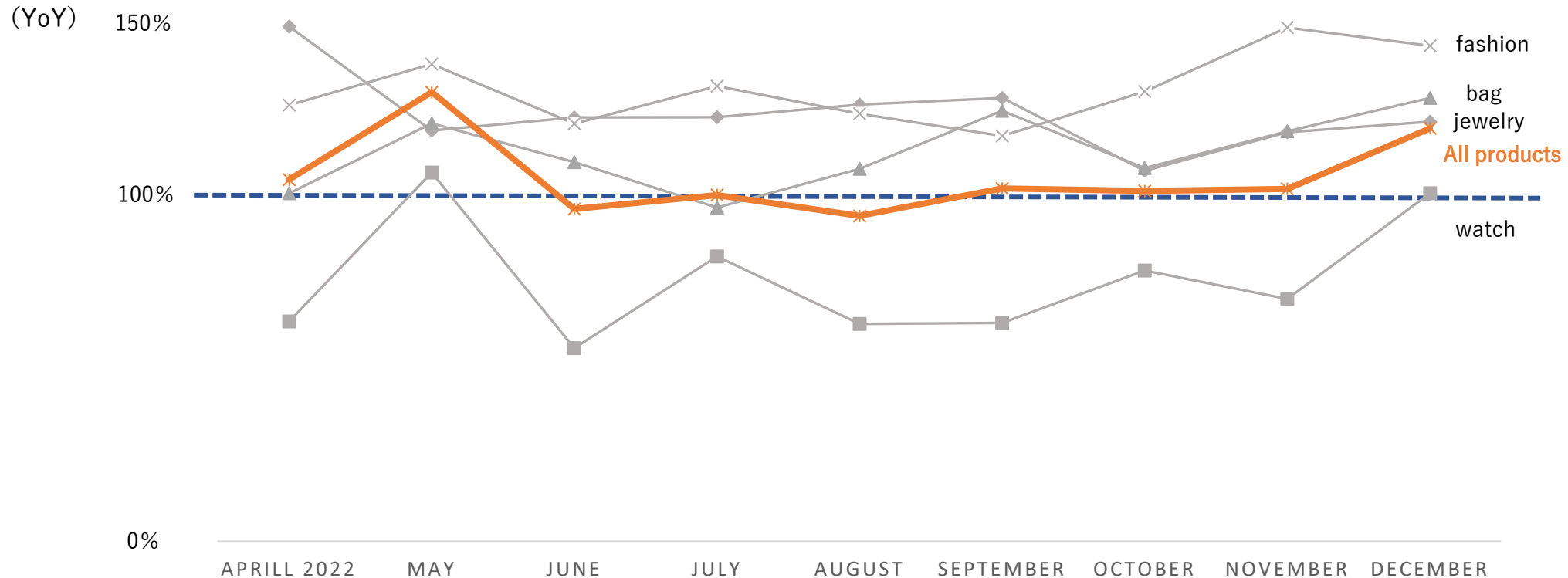
Demand for high-priced items remained strong, as at department stores.

The percentage of KOMEHYO's net sales that are tax-free sales started to rise in October and rose month by month (reaching 9.5% in December 2022).



Changes in average purchaser unit price by product (KOMEHYO)

Due to purchase price control in line with market fluctuations, the year-on-year average sales price of watches remained low. Jewelry and precious metals performed well in 1Q, bags and clothing in 2Q, and clothing in 3Q. The unit purchase price per customer for all products is at the same level as the previous year.



Overview of income statement

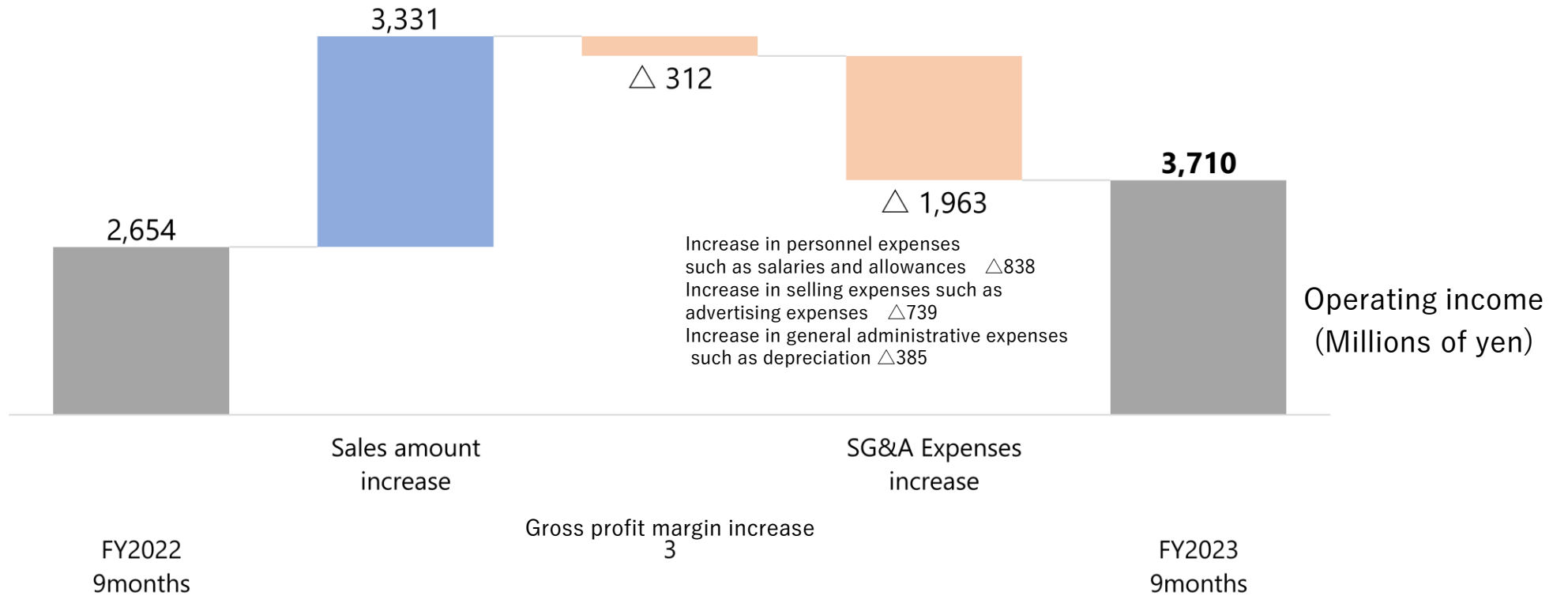
Record-high sales and profits

(Millions of yen)	FY2023 1Q	YoY	FY2023 2Q	YoY	FY2023 3Q	YoY	FY2023 9months	YoY	vs full year plan*
Net sales	18,753	132.4%	20,466	124.2%	23,475	122.0%	62,696	125.7%	73.8%
Gross profit	4,717	118.4%	5,092	120.8%	6,476	127.8%	16,287	122.8%	—
Gross profit margin	25.2%	△2.9pt	24.9%	△0.7pt	27.6%	+1.3pt	26.0%	△0.6pt	—
SG&A expenses	3,978	114.4%	4,088	113.1%	4,510	128.0%	12,576	118.5%	—
Operating income	739	145.3%	1,004	166.9%	1,966	127.4%	3,710	139.8%	77.6%
Operating profit margin	3.9%	+0.3pt	4.9%	+1.2pt	8.4%	+0.4pt	5.9%	+0.6pt	—
Ordinary income	760	147.4%	949	155.6%	2,269	147.7%	3,978	149.4%	78.9%
Net income attributable to owners of parent	519	154.0%	572	148.4%	1,603	171.3%	2,694	162.4%	82.2%

*Announcement of "Notice Concerning Revision of Earnings Forecast and Dividend Forecast" on February 13, 2023

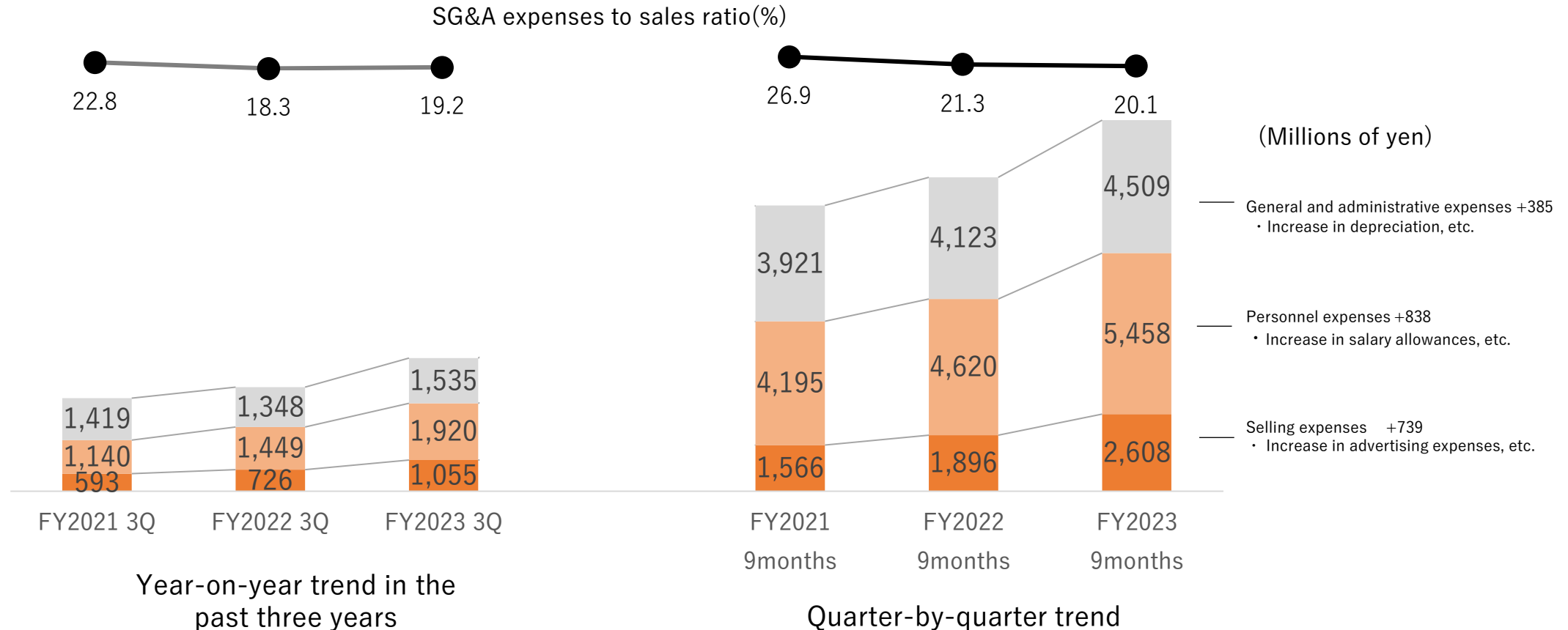
Operating income increase and decrease factor

Purchases from individuals remained strong as in the first half and net sales increased. Operating income grew thanks to efforts to control expenses and other efforts.

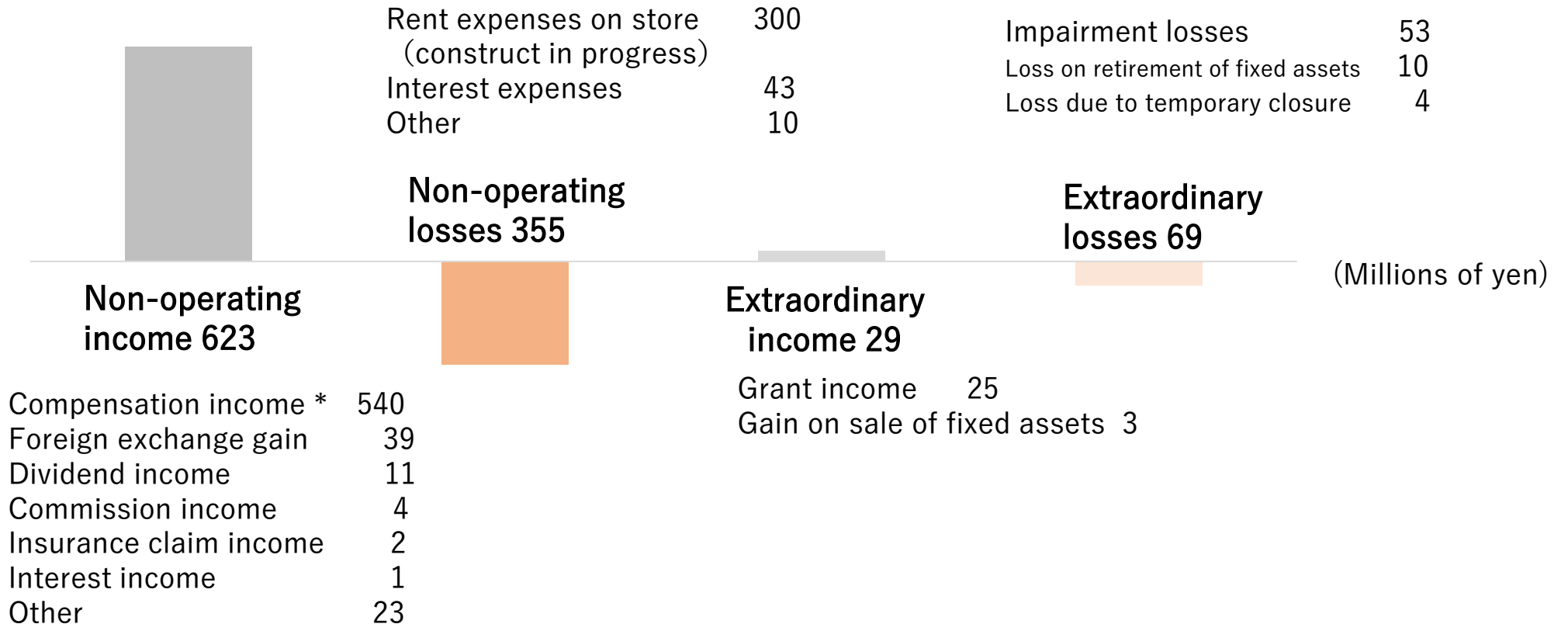


Changes in selling, general and administrative expenses

Upfront investment for the opening of KOMEHYO GINZA and increased hiring due to store expansion, year-on-year increase over the last three years. The SG&A ratio has decreased compared to the cumulative 3Q of the last 3 years due to advertising expenses that emphasize efficiency.



Non-operating income(loss) / Extraordinary income(loss)



*In connection with the relocation of the BRAND OFF
Ginza Main Store

Balance sheet overview

(Millions of yen)	FY2022	FY2023 3Q	Change	
Current assets	29,453	37,443	+ 7,989	
Cash and deposits	9,080	10,372	+ 1,292	→Increase cash on hand in preparation for personal purchases
Inventories	15,308	20,557	+ 5,248	→Individual purchases are brisk, SELBY Co., Ltd. Inventory increased due to grouping
Other current assets	5,065	6,514	+ 1,448	
Non-current assets	10,213	10,989	+ 775	
Assets	39,667	48,433	+ 8,765	
Liabilities	18,966	24,967	+ 6,000	
Interest-bearing liabilities	13,519	19,648	+ 6,129	→Increase in cash on hand and inventories, increase in interest-bearing debt
Other liabilities	5,446	5,318	△128	
Net assets	20,700	23,465	+ 2,765	→Attributable to an increase in retained earnings and other factors
Liabilities and net Assets	39,667	48,433	+ 8,765	

Overview by segment

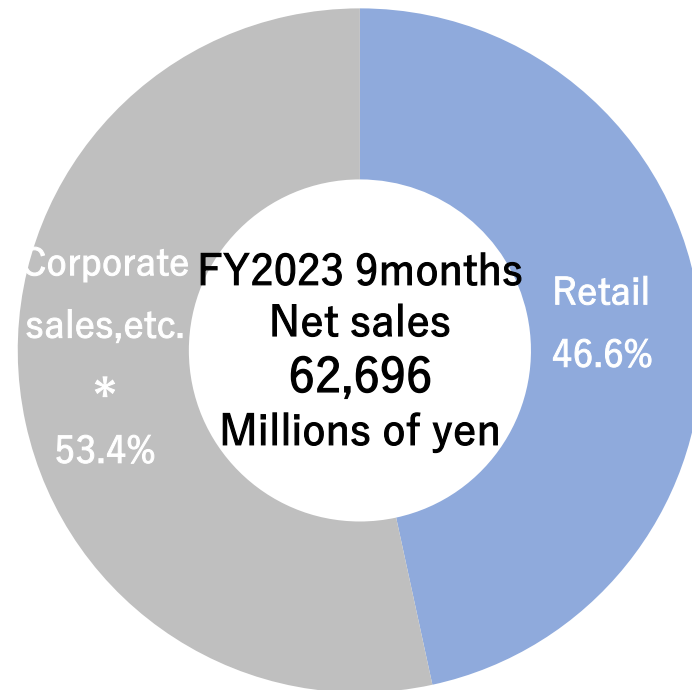
In the Brand Fashion business, both sales and profit increased thanks to strong purchases from individuals and the
In the tire and wheel business, second-hand sales remained strong

	(Millions of yen)	FY2023 1Q	YoY	FY2023 2Q	YoY	FY2023 3Q	YoY	FY2023 9months	YoY
Brand Fashion	Net sales	17,794	134.0%	19,519	124.6%	21,538	123.4%	58,853	126.9%
	Operating income	730	154.4%	1,002	176.1%	1,638	145.1%	3,371	155.3%
	Operating margin	4.1%	+ 0.5pt	5.1%	+ 1.5pt	7.6%	+ 1.1pt	5.7%	+ 1.0pt
Tire and Wheel	Net sales	947	109.6%	935	118.4 %	1,925	109.0%	3,807	111.3%
	Operating income	2	—	△9	—	303	131.9%	296	170.8%
	Operating margin	0.3%	—	—	—	15.8%	+ 2.8pt	7.8%	+ 2.7pt
Real estate leasing	Net sales	71	84.9%	71	84.5%	71	84.7%	214	84.7%
	Operating income	21	86.5%	20	80.8%	22	83.1%	64	83.5%
	Operating margin	30.3%	+ 0.5pt	28.8%	△1.4pt	30.8%	△0.6pt	30.0%	△0.5pt

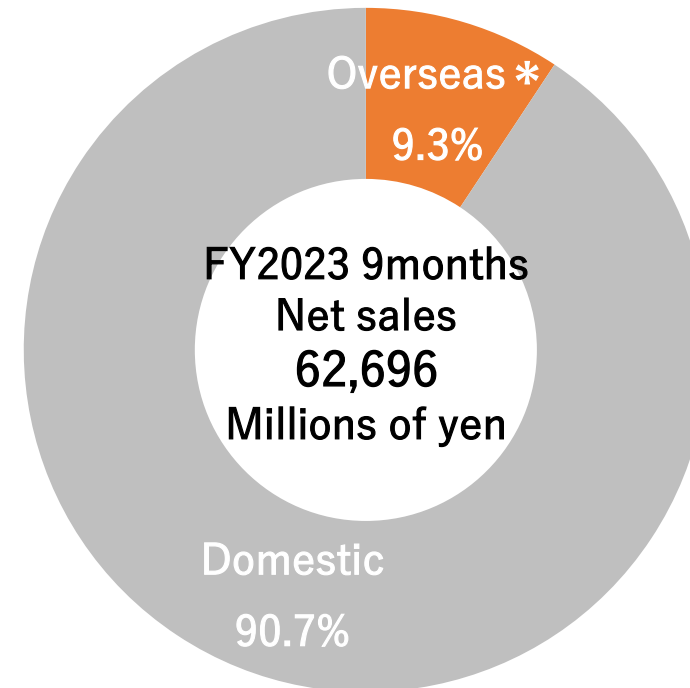
Breakdown of consolidated Net sales (Retail / Overseas)

Corporate sales had a higher percentage due to strong purchases and for keeping stock new and fresh, whereas retail was also bullish, keeping its share at slightly below 50%.

The overseas sales ratio dropped mainly due to buoyant domestic sales and the impact of lockdowns in Shanghai.



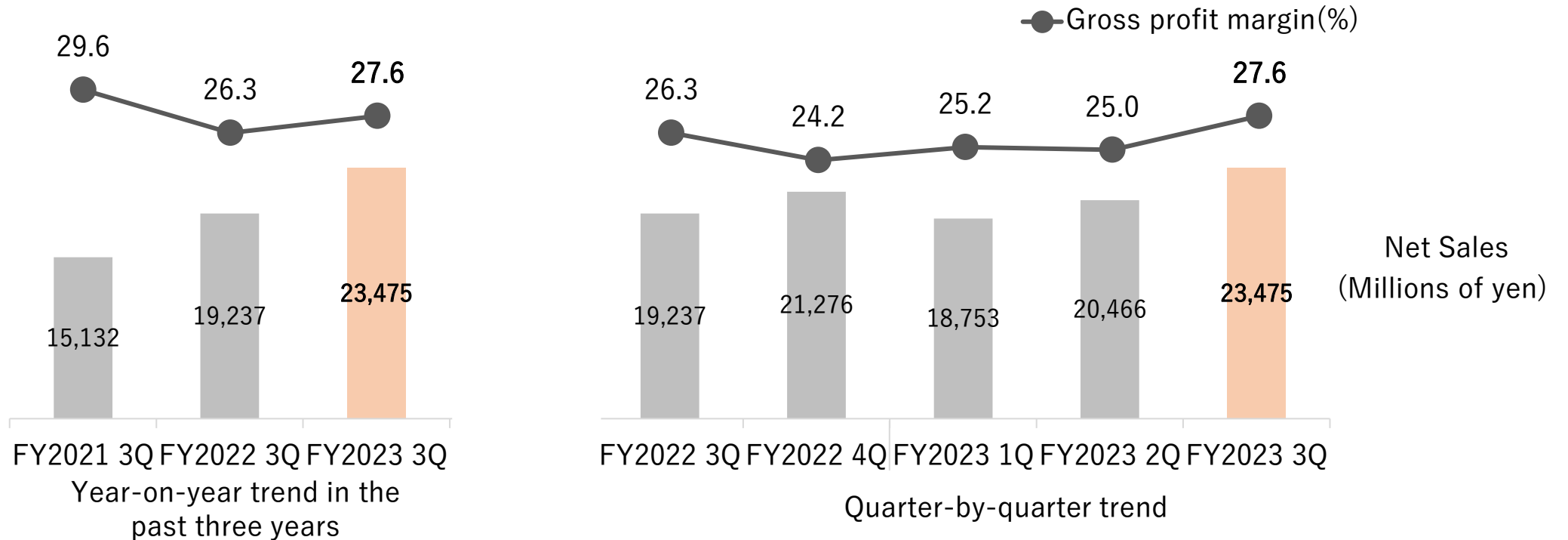
*"Corporate sales" includes auction fees.



*The ratio of overseas business does not include domestic tax-free sales, etc.

Trends in Net sales and Gross Profit Margin

Both retail and corporate sales increased due to strong individual purchases. In addition to improving the purchase ratio of purchases, the sales composition ratio of watches, which have a low gross profit margin, declined. Gross profit margin increased by 1.3pt YoY.

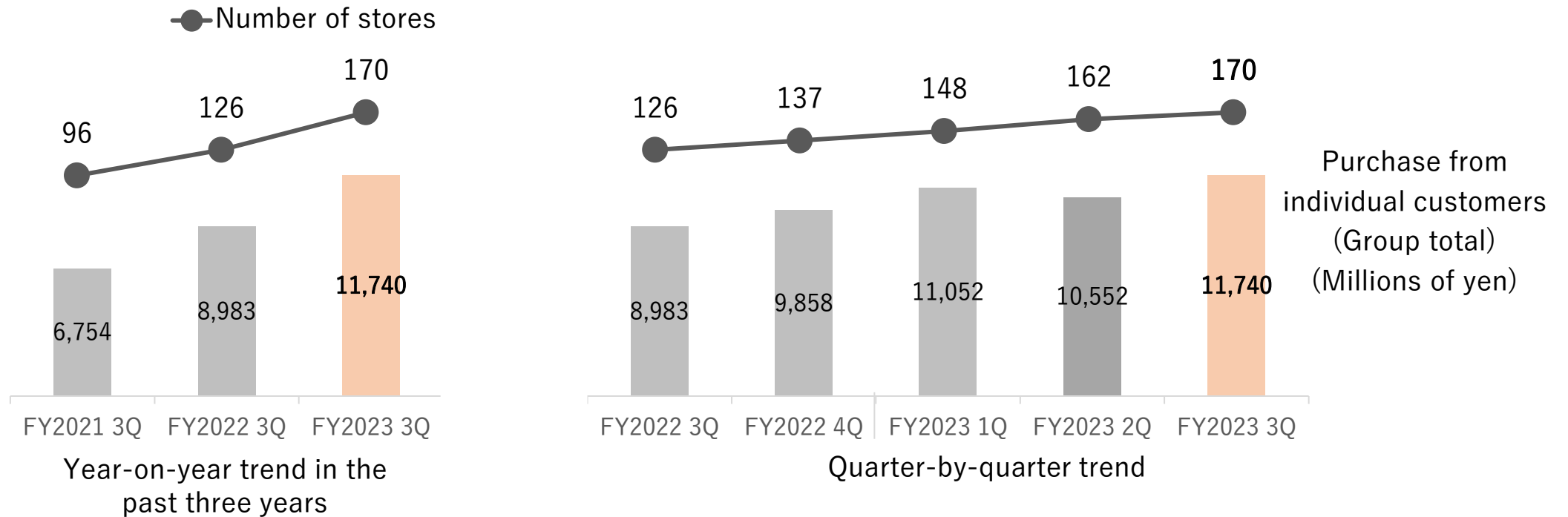


Trend in gross profit margin

- The figure tends to rise in the third quarter, when the ratio of retail is high in the year-end busy season.
- Inventories are revised in September and in March. The figure tends to fall in the second and fourth quarters.
- The figure may vary depending on the weightings of items that can be purchased.

Purchase from individual customers (Group total)

Due to the steady growth in the amount of purchases per customer, personal purchases were strong at 130.7% year-on-year in 3Q. The highest purchase amount in the accounting period.

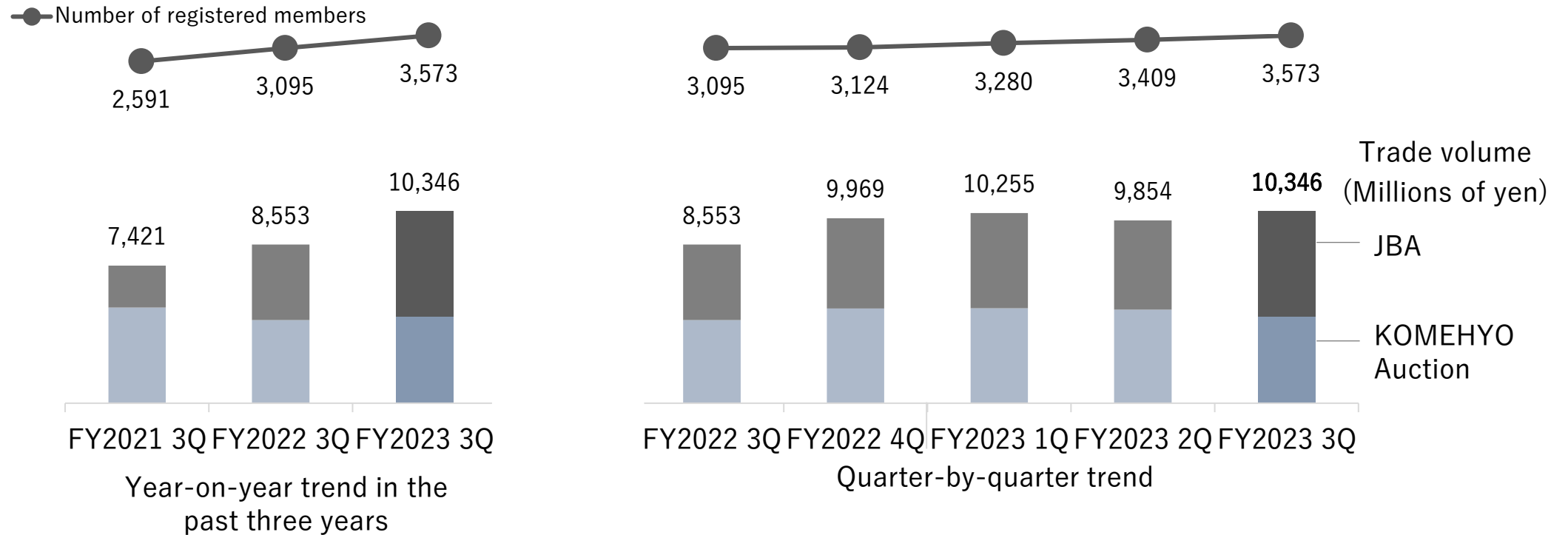


※The individual purchase amount is the amount purchased from an individual customer through the following route.

- Purchasing at stores
- Purchasing at visited sites
- Purchasing at events
- Purchasing using home delivery services

Changes in corporate auction trade volume

JBA auctions, particularly offline auctions in Kanazawa, displayed strength due mainly to an increase in the number of registered members. The total trading volume of corporate auctions increased 20% year on year, hitting a record high.

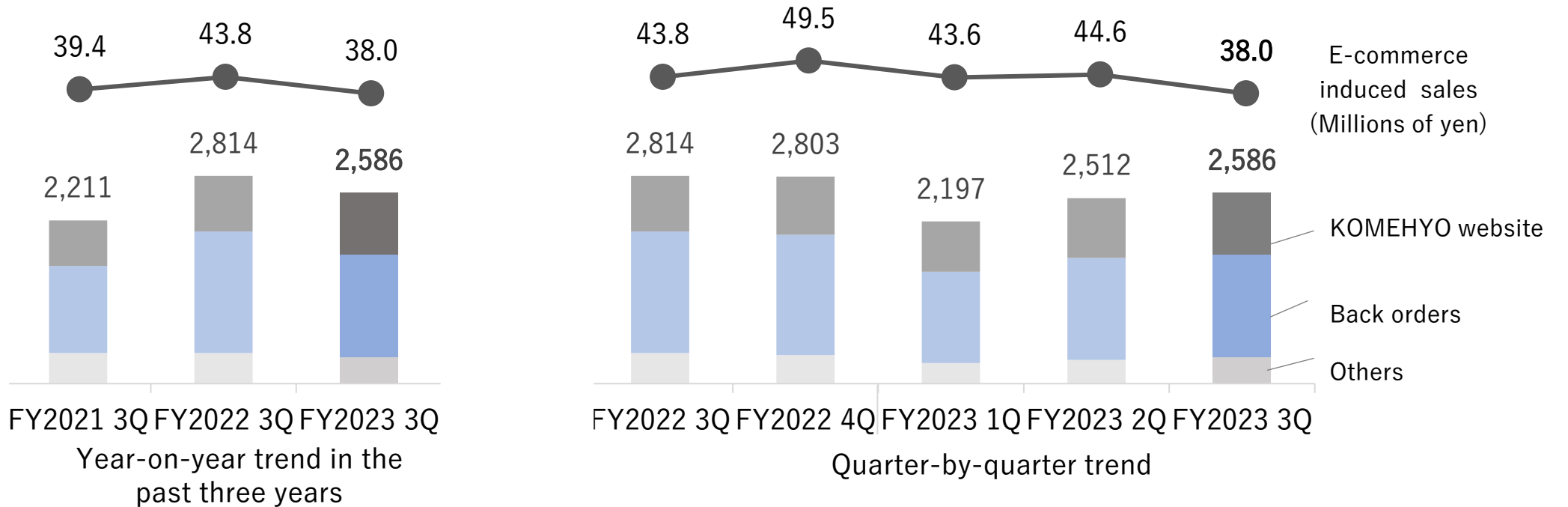


※KOMEHYO auction : The online auction method
 ※K-BRAND OFF : Japan Brand Auction(JBA)TOKYO – the real bidding method
 Japan Brand Auction(JBA)KANAZAWA – the live auction method
 JBA Live Net Auction – The online bidding method

E-commerce-induced sales rate (KOMEHYO)

Our own e-commerce site performed well, up 11.3% year-on-year. Due to the impact of the watch market, the composition ratio of watches in EC-related sales decreased by 10.8 points compared to the same period last year. Sales related to EC also decreased due to the increase in the sales ratio of foreign visitors to Japan.

E-commerce-induced sales rate : EC Sales as a Percentage of Retail Sales



※KOMEHYO website: Make a purchase by directly clicking the KOMEHYO online or by making a phone call to a contact center and receiving a customer service.
 Back orders(Purchasing from a catalog): Make a purchase after choosing a product from a catalog at the KOMEHYO online store, having the product delivered to a nearby KOMEHYO making sure of the product in person.
 Others(Other companies' websites): Make a purchase at a store KOMEHYO set up at an Internet sales site operated by another company.

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Stores : Group total 170 stores (As of December 2022)

*Figures in parentheses () are change during the three quarters.

	Brand Fashion						Tire and Wheel	
								
Flagship stores	5		3	1				
Sales Stores		2		6	3 (1)			
Stores annexed with sales facilities	12	6	2			2 (2)	10	3
Purchasing Center	76 (19)		7 (-1)					
Franchised purchasing centers			15 (14)					
Overseas	6 (1)		11					
Total	99	8	38	7	3	2	10	3

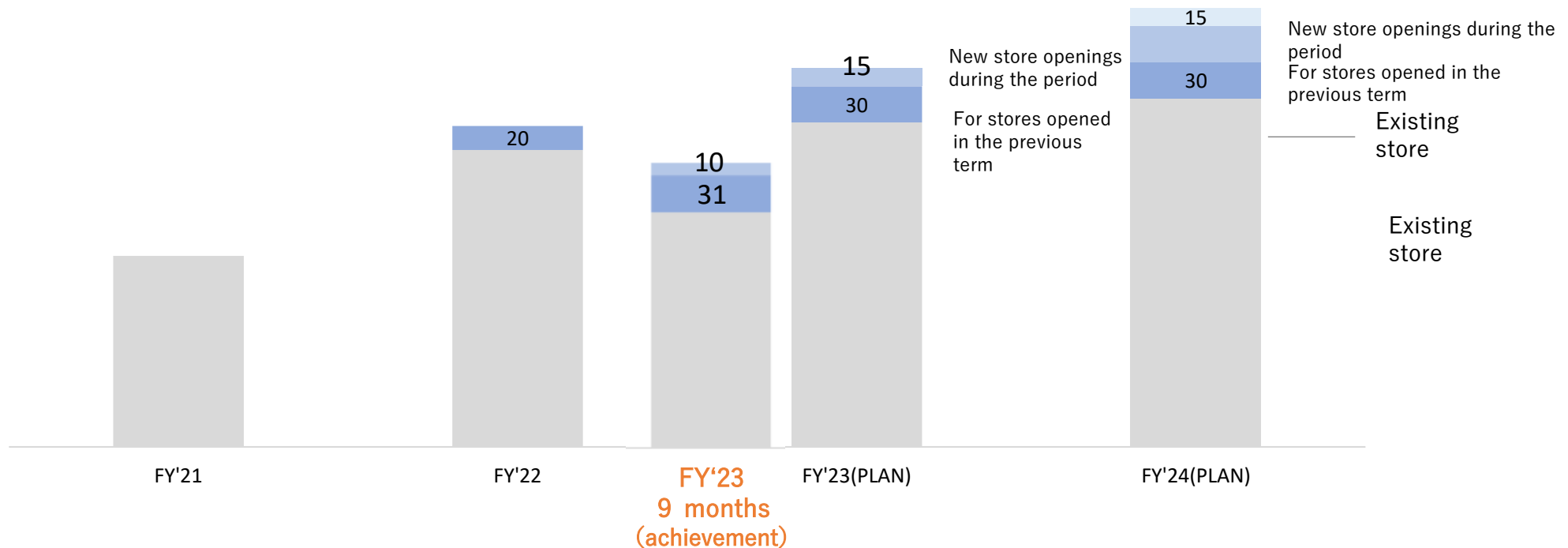


Effect of opening the purchase center (KOMEHYO)

More than 30 purchase centers have been opened since the previous fiscal year, and 100 purchase centers will have been opened in the three years, in places where customers pass by daily. We are planning to increase purchase from individual customers by 3.0 billion yen per year (1.5 billion yen during the fiscal year), targeting purchases from individual customers at 100 million yen per purchase center.

Individual purchase amount transition image

(100 million of yen)



Efforts to strengthen purchasing (FY2023 9months)

19 purchasing centers launched

3Q launched

ASPIA AKASHI / PLARE MATSUDO/ Shin-Shizuoka cenova

Matsubishi Department Store/ MASA21 / Azabujuban



FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 9months
8	5	6	19
stores	stores	stores	stores

116 purchase events held

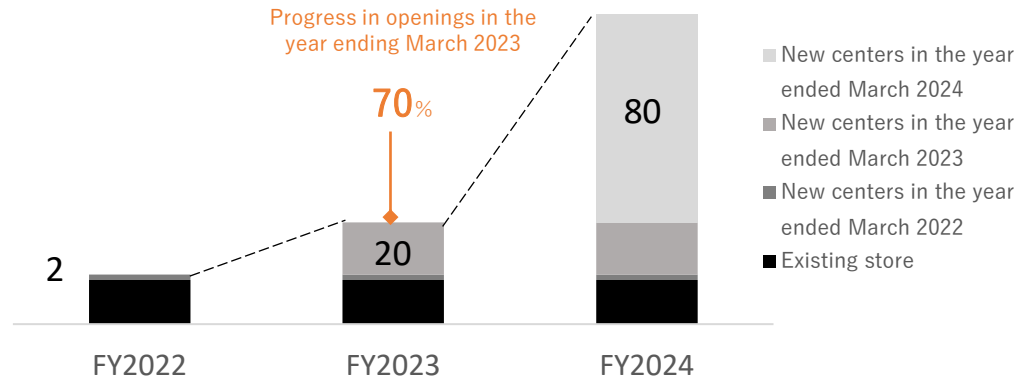
- At commercial facilities and department stores considered to be reassuring, familiar and close to consumers since they are found in their daily life
- Events may lead to launch of permanent stores.



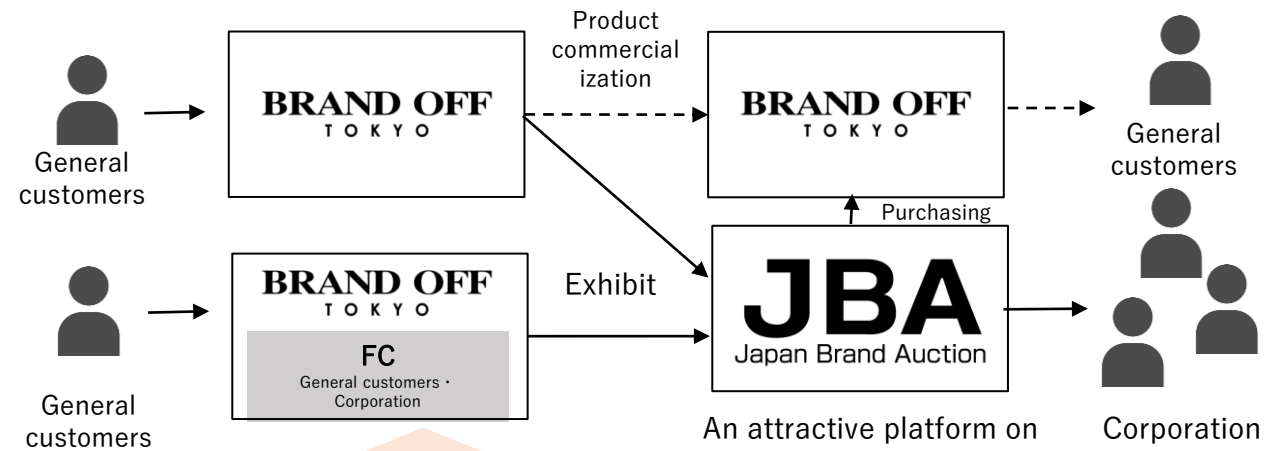
Efforts to strengthen purchasing (FY2023 9months)

A hundred franchised purchase centers will be set up in the three-year period starting in the previous fiscal year. We are aiming to introduce at least 20 new stores by the end of the current fiscal year. Items purchased at franchise purchase centers are put to auction (JBA). The trade volume thus increases. From September 2022 onwards, purchase events are held regularly in Kagoshima, Kumamoto and Miyazaki.

Franchise purchasing center specialty store opening plan (domestic)



An increase in bases for purchase helped increase the trade volume in the auction.



An attractive platform on which an abundance of items are placed for auction

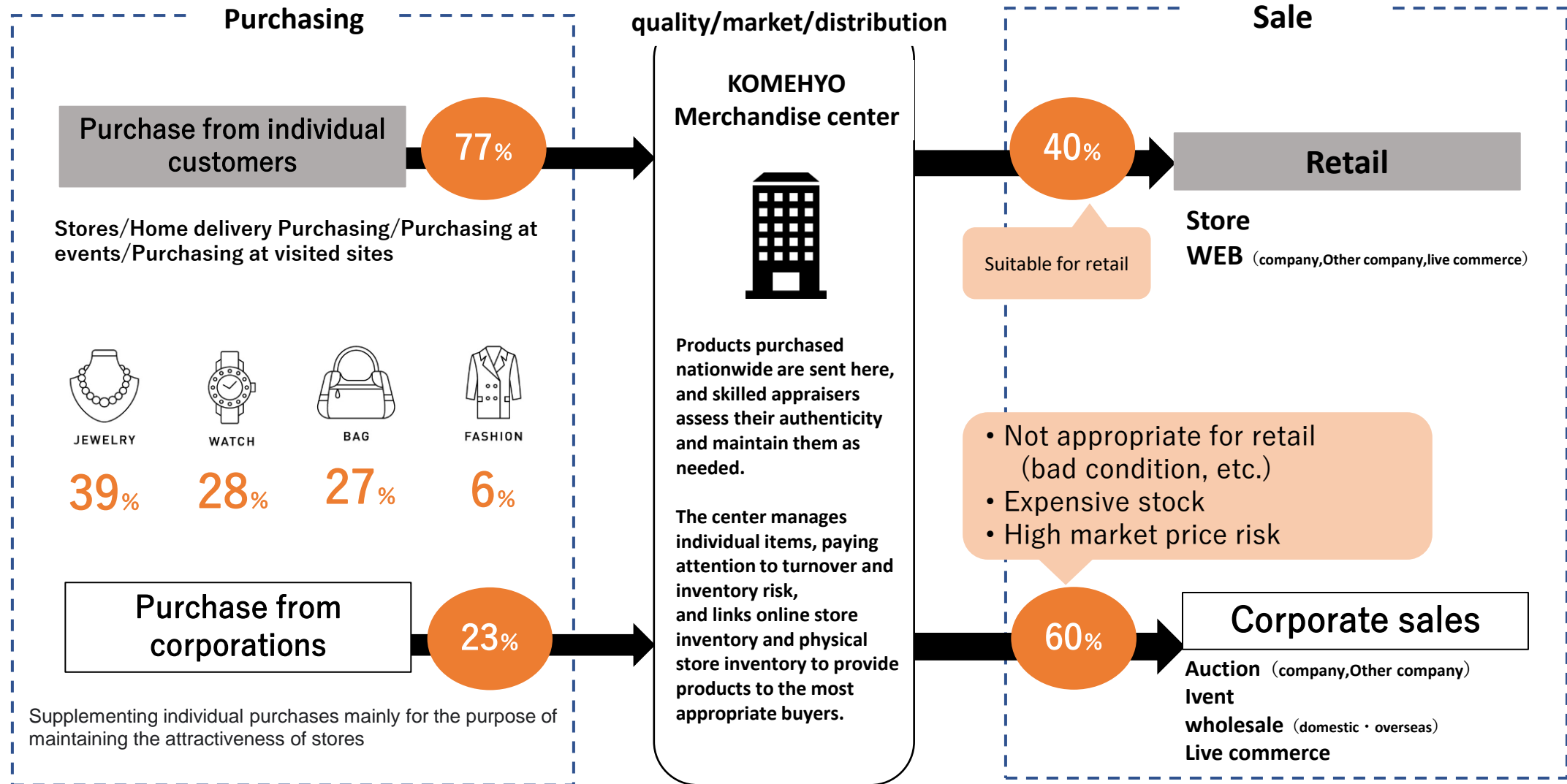
Opened 14 FC purchasing specialty stores

FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 9 months
3 stores	8 stores	3 stores	14 stores

Advantages of the owner of a franchise center

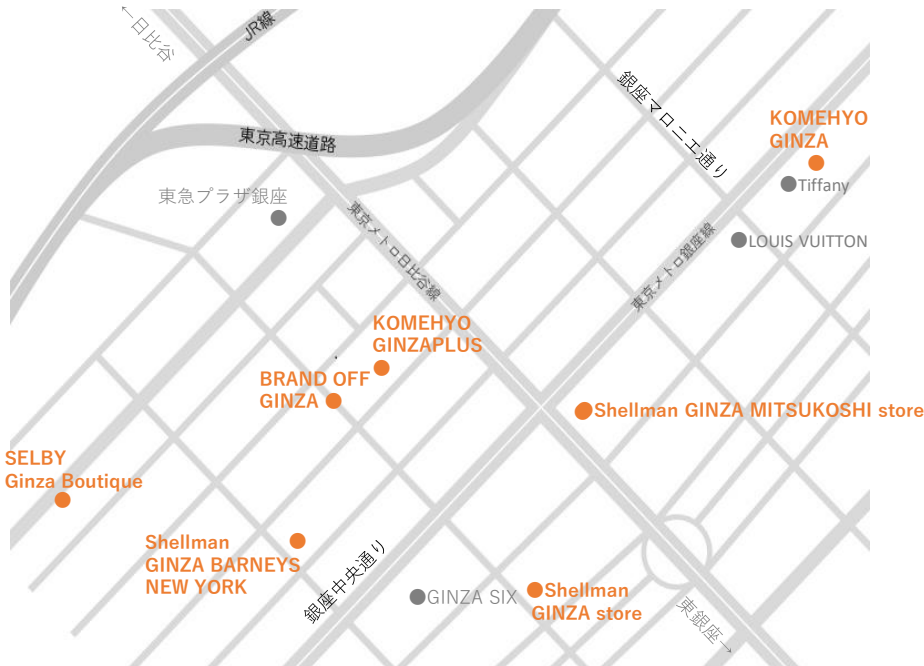
- Opening a center at low cost
- Educational support
- Use of AI (assessing authenticity and model numbers)
- call center

Product distribution (FY2023 9months)



Store development in the Ginza area

Ginza is an important area for strengthening retail sales.
Expand stores as a group and expand contact points with customers.



BRAND OFF 銀座本店



KOMEHYO GINZA

- February 15, 2022 KOMEHYO GINZA CLOSED
- Feb 18-Aug 28 KOMEHYO GINZA LIMITED CLOSED
- September 1 KOMEHYO GINZA PLUS open
- October 8 BRAND OFF GINZA store open
- January 2023 KOMEHYO GINZA store open

Renovation of the flagship BRAND OFF Ginza Main Store

It opened on October 8, 2022. Its sales in October jumped 522% from the sales of the previous Ginza main store in the same month of the previous year. It achieved bullish sales mainly due to inbound tourists. In December, monthly purchases hit a record high.



Continue strengthening OMO (FY2023 9months)

Customer services on smartphones

A total of 307 staff members across the country holds smartphones exclusively for customer services to digitally communicate directly with customers. After-sales services and customer needs are stored in form of data and notices are given about incoming goods. That opens the way for more in-depth one-to-one communication.

actual results	Number of customers that have been communicated with in the last three months	0.8 Folds YoY
	Number of sales	1.3 Folds YoY
	Number of purchases	1.3 Folds YoY



Live Commerce

Apart from the stores, we have launched dedicated sites where Chinese influencers operate live commerce on social media services. They handle inventories for live commerce. Their purpose is to increase the profitability of corporate sales. In the third quarter, the frequency of live commerce at stores was reduced in light of the increase in the number of customers for tax-free sales at stores.

actual results	Sales	0.6 folds YoY
	Gross profit	0.7 folds YoY



Contact center

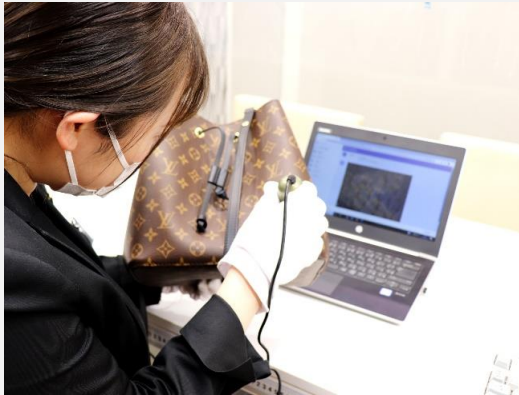
In August 2020, a contact center was established with the aim of improving the customer experience starting with EC. It responds to inquiries on goods, how to operate and others through voice and chat communication. KOMEHYO seeks to build a shopping environment that allows customers to purchase without worries on the non-face-to-face platform and to easily obtain information they want.

actual results	Number of chats	1.1 folds YoY
	Number of orders placed over the phone	0.8 folds YoY
	Sales per customer through the contact center	1.2 folds the level without through the contact center



Technology indispensable to store operation : AI

The system has been introduced to all the KOMEHYO purchase centers, all of K-Brand Off's franchised purchase centers and some of the LINK SMILE and USED MARKET shops. It will be introduced to purchase events and to the global business. It is a technology indispensable to removal of counterfeit goods from circulation and to growth of the KOMEHYO Holdings Group.



Assessing authenticity and model numbers of bags, wallets, purses and small articles from famous brands. Supporting Hermes, Louis Vuitton, Chanel, Gucci and Prada

purchase centers
KOMEHYO
LINK SMILE
USED MARKET



Improvement of communication with customers
(Enhanced CX)

training assessors



Curtailment of time for training assessors
(Shorter lead time for launch)

Franchised purchasing centers
BRAND OFF



Support for owners
(Superiority in acquisition of new franchisees)

Future development plan

Purchase events
GLOBAL



Improvement of communication with customers

Prevention of the know-how drain
To be introduced to overseas stores as well

Overseas expansion

Overall operations of overseas stores in four locations, Thailand, Taiwan, Shanghai and Hong Kong, have shifted from an investment phase to a phase of generating income for the Group.

A purchase center is set to be launched in central Singapore in April 2023 or later.

Thailand

Two stores are in operation. Purchases are strong mainly from wealthy people. Aims to run five stores by the fiscal year ending March 31, 2025.



KOMEHYO terminal21 RAMA3店
(Opened October 20th)

SHANGHAI

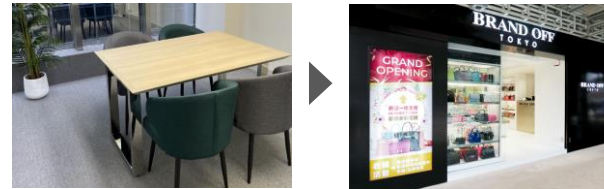
Some stores were closed during the lockdown. A flagship store for sales and purchases was launched and management resources were concentrated in it.



KOMEHYO MOHO SHANGHAI
(Opened December 24th)

HONG KONG

Purchases from individuals commenced in October 2022. Performance is buoyant. BRAND OFF stores in Hong Kong are commissioned to sell a part of the purchased goods in person. Connections are built between stores in Hong Kong to increase retail performance.



Commissioned sales handle around 50% of the items purchased from individuals. The remaining items purchased are handled through corporate sales.

Taiwan

90% of purchases are made by individuals, realizing a highly profitable structure. Live commerce sales using SNS increased by 121.9% year-on-year.



We will purchase and sell goods locally and expand business, while striving to get reuse to take root.

Tire and Wheel

Sales of used tires and wheels increased from a year ago due to strong online sales. Net sales and operating income surged.

Craft

- The 50th anniversary renewal event was held to increase wheels and supplies for custom product users. The event attracted customers, and sales per customer rose.
- Sales of winter tires grew steadily, up 9% year-on-year. Profit margin improved due to unit price increase due to price hike, etc.

Auto Parts Japan

- An automatic washing machine was introduced to improve the efficiency of used product offering operations. This widened the range of products handled in e-commerce malls, increased the number of items proposed and increased sales.
- Data on used items markets began to be stored for the construction of a system for making purchases at more appropriate prices.



4 × 4 engineering service

- Introduced an automatic washing machine to improve the efficiency of used product offering operations, which resulted in an increase in sales. Overseas export sales leaped 73% year on year.
- The lineup of mainstay products such as Bradley and Air/G improved to increase the number of car models that are compatible with them as well as size variations. That bolstered sales in Japan and overseas.



Format of auctions among companies

KOMEHYO Auction and JBA complement each other in terms of area, date and format of the event.

		Frequency of corporate auctions
	Jewels / watches / bags	Online auction 2 times/ month
	Apparel clothing	Online auction Monthly
 (K-BRAND OFF)	JBA Kanazawa	Real auction Monthly
	JBA Tokyo	Online auction Monthly
	JBA Live net	Online auction Every Monday and Thursday

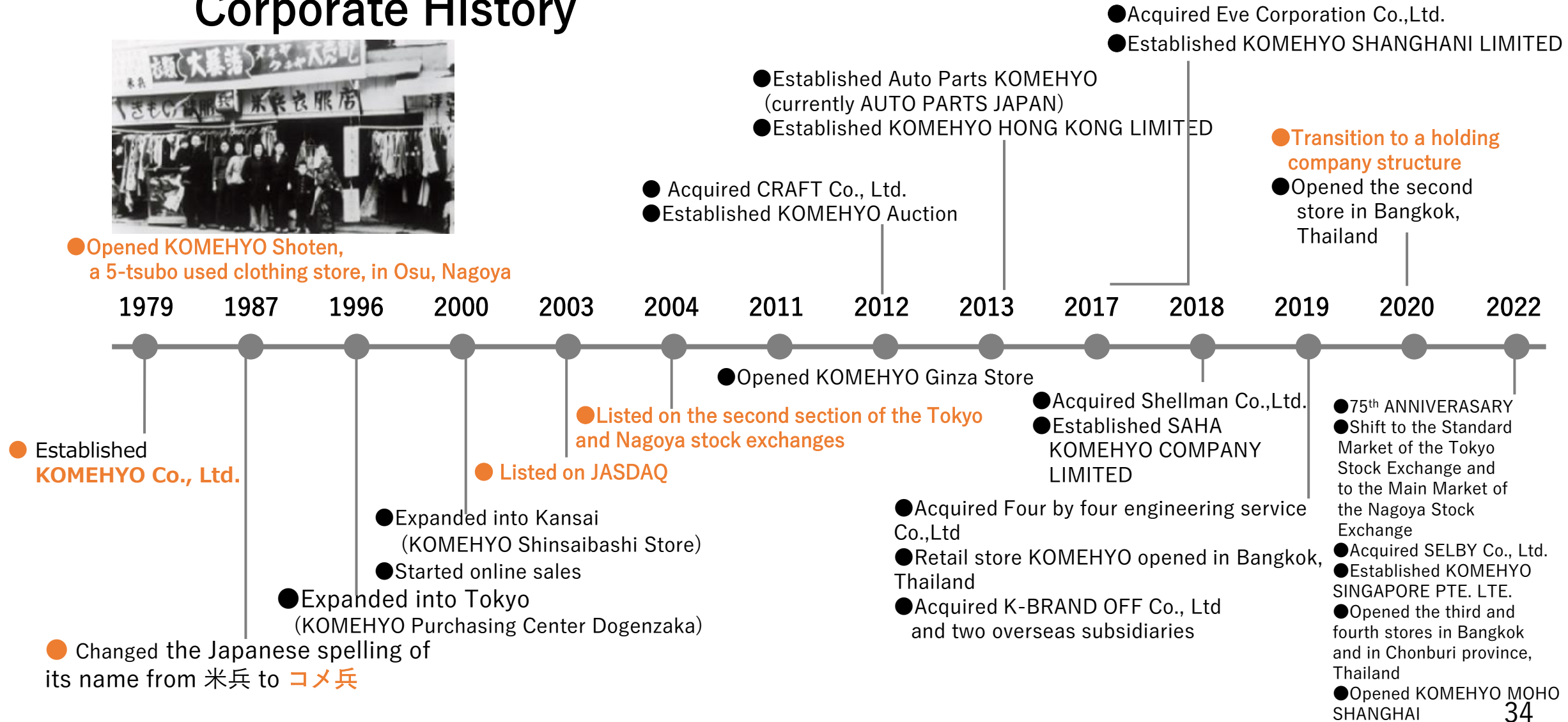


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Corporate Profile

Company name	Komehyo Holdings Co., Ltd.
Established	May 1979 ※Transition to holding company system in October 2020
Head Office	3-25-31 Osu, Naka-ku, Nagoya
Representative	President, Representative Director: Takuji Ishihara
Capital	1,803 million yen
No. of employees	Consolidated: 1,105 Non-consolidated: 25 (As of December 2022)
Business activities	Management planning, business operation support, administration and others for the corporate group engaging in the Brand-Fashion Business and the Tire-Wheel Business
Fiscal year-end	March
Stock	Second Section, Tokyo and Nagoya Stock Exchanges (Securities code: 2780; Unit: 100 shares)

Corporate History



Mission

Komehyo Holdings is necessary for a sustainable recycling society.
It acts as a relay point in the connection of “people,” “things,” and “society.”
We will strive to connect “good quality” and “value” to the future.

存在意義
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.

目指す姿
VISION

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

価値観
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.

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

Maintenance, remake, editing, connection with people.
"Relay youth" is not just a downcycle of the value of things,
but an upcycle of increasing the value, even though it is
reused.

As values for a sustainable future society spread, we will
contribute to the formation of a sustainable society by
respecting producers and users and relaying their "feelings".



KOMEHYO HD Group materiality (important issue)

Work on four tasks of purchase, sales, appraisal, and restoration to realize the circulation of value through environmentally and socially conscious recycling, in pursuit of both promotion and growth of reuse and value improvement of used goods.



Value Chain for RELAY USE

- | | | |
|--------------------|---|--|
| Purchase | Making reuse a common practice in society | Promotion and growth of reuse |
| Sales | Developing the reuse market further | |
| <hr/> | | |
| Appraisal | Pursuing fair sustainability | Value improvement of used goods |
| Restoration | Restoring value with our unique technical capabilities | |

A value chain where value circulates through relay use

Developing the reuse market further

Contributing to the development of the reuse market by proposing quality items, taking advantage of the diversity of new items, unused items, items for reuse, and others

- Revitalizing the reuse market through BtoB auctions
- Providing unique value
- Disseminating the reuse culture to other countries to d used goods to the world
- Introducing environmentally friendly shopping bags
- Expanding the reuse customer base in Japan and overs



Making reuse a common practice in society

Making it a common practice to sell goods which will no longer be used
Promoting education and creating opportunities for breaking away from the social structure of mass production for mass consumption

- Initiatives to ensure that recycling of goods creates new value and leads to happiness
- Strengthening measures to drive KAITORI GO (creating opportunities through cross-industrial collaboration)
- Improving engagement
- Disseminating the culture of handing down goods from person to person, from Japan to the world
- Creating an environment where goods can be purchased casually without worry
- Cooperating with related government ministries and agencies and related organizations



Restoring value with our unique technical capabilities

Creating new value by understanding the intrinsic value of goods and applying expertise that has been accumulated internally over many years.

- Manufacturing and discovering distinct, attractive products
- Next vintage, vintage, and antique products
- Repair/restoration of fashion items, bags, watches, and jewelry
- Product lineup for offering good quality from all over the world
- Improving product knowledge
- Developing the standard of product quality of Japan in other countries



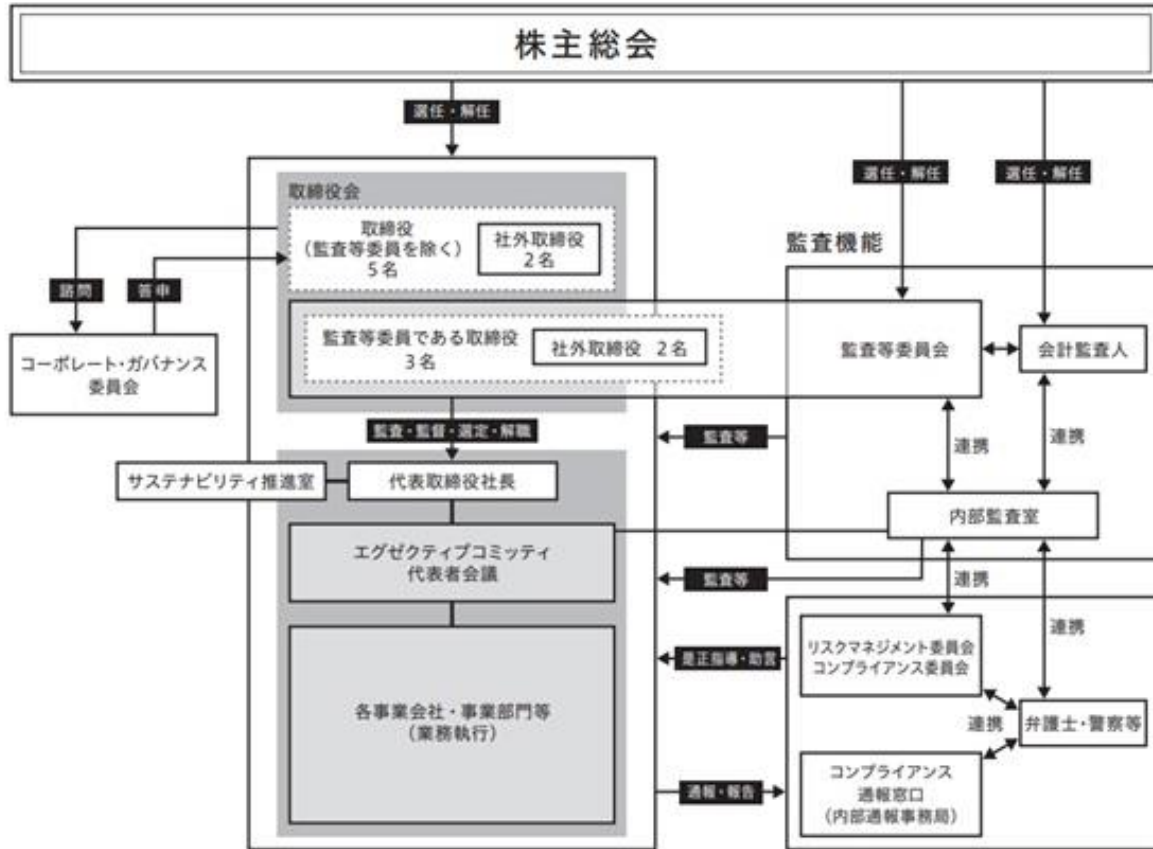
Pursuing fair sustainability

Creating a sound reuse market, where anyone can have a sense of security, with the Komehyo Holdings Group's skills to determine the value

- Promoting reuse technologies (use of AI for assessing authenticity and model numbers)
- Eliminating counterfeit goods from the reuse market
- Working together with partners (business partners, franchised store owners, and auction members)
- Efforts to ensure fair purchase prices and sales prices
- Awareness-raising activities to prevent trouble or damage related to reuse , such as coercive buying
- Developing appraisers with a unique curriculum



Corporate governance system



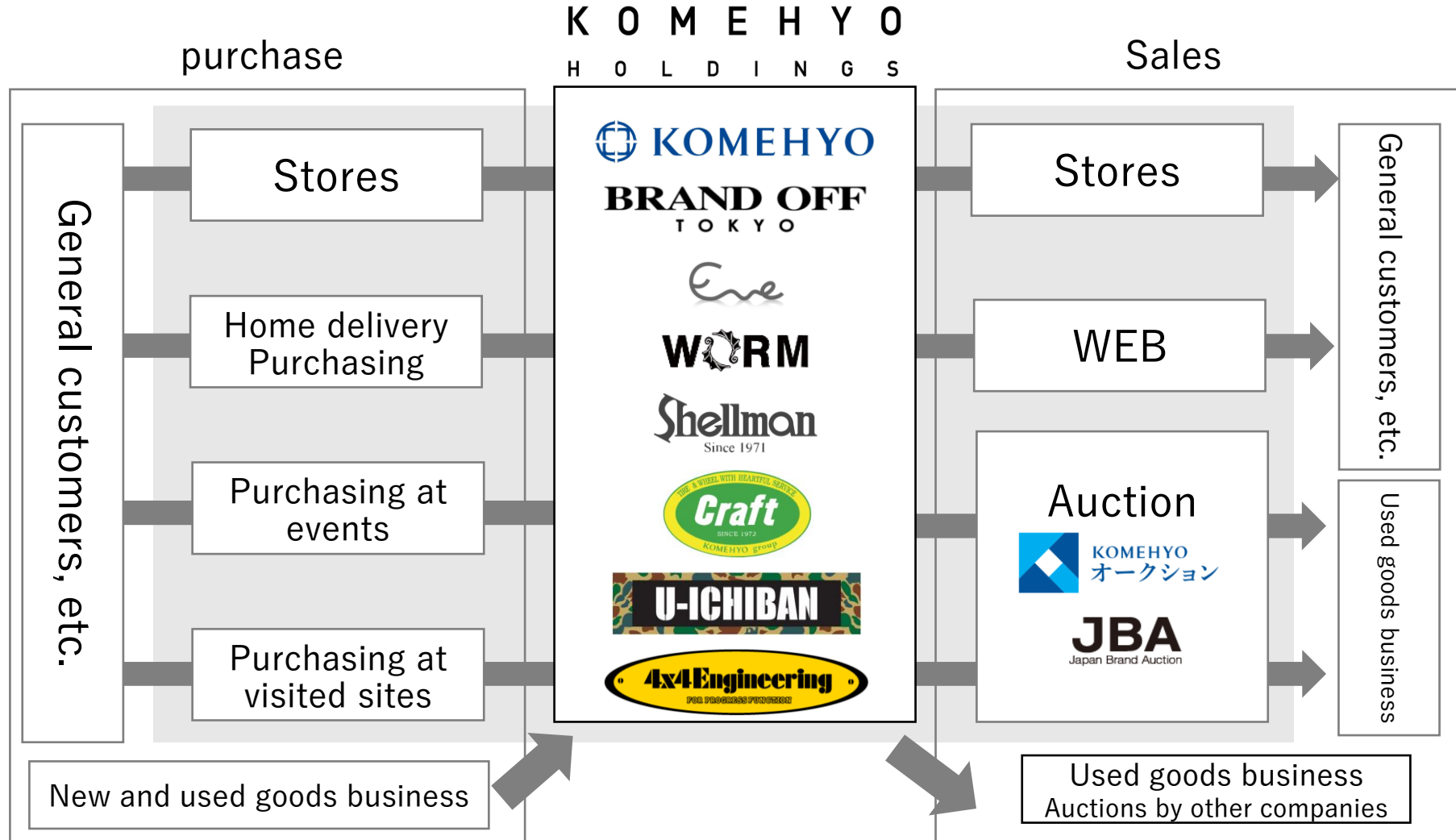
The Group's management efficiency and business performance are aimed at respecting the interests of not only shareholders, but also employees, customers, business partners, creditors, local communities, and other people who have great influences and interests. We are working on strengthening corporate governance with an emphasis on improvement and compliance as the most important management issue.

Officer system



Name		Takuji Ishihara	Toshio Sawada	Yuya Yamauchi	Masaru Hirauchi	Yoshiko Nakahara	Kazutoshi Torita	Momoko Murase	Miyuki Minamiru
Title		President and Representative Director	Managing Director	Director	Outside Director	Outside Director	Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)
Skills matrix	Corporate management	○	○	○	○				
	Management strategy and planning	○	○	○	○	○	○		
	Marketing	○		○	○				
	Experience and knowledge in the industry	○	○	○					
	Business development and innovation			○	○				
	Global		○	○	○				
	IT・DX			○	○				
	Finance・Accounting					○	○	○	
	Legal・Risk Management								○
	governance					○	○	○	○
	ESG・Sustainable	○				○			
	Qualifications, etc.	MBA				Small business doctor		CPA Tax accountant	Lawyer

Business system diagram



Medium-term management target (until FY2025)

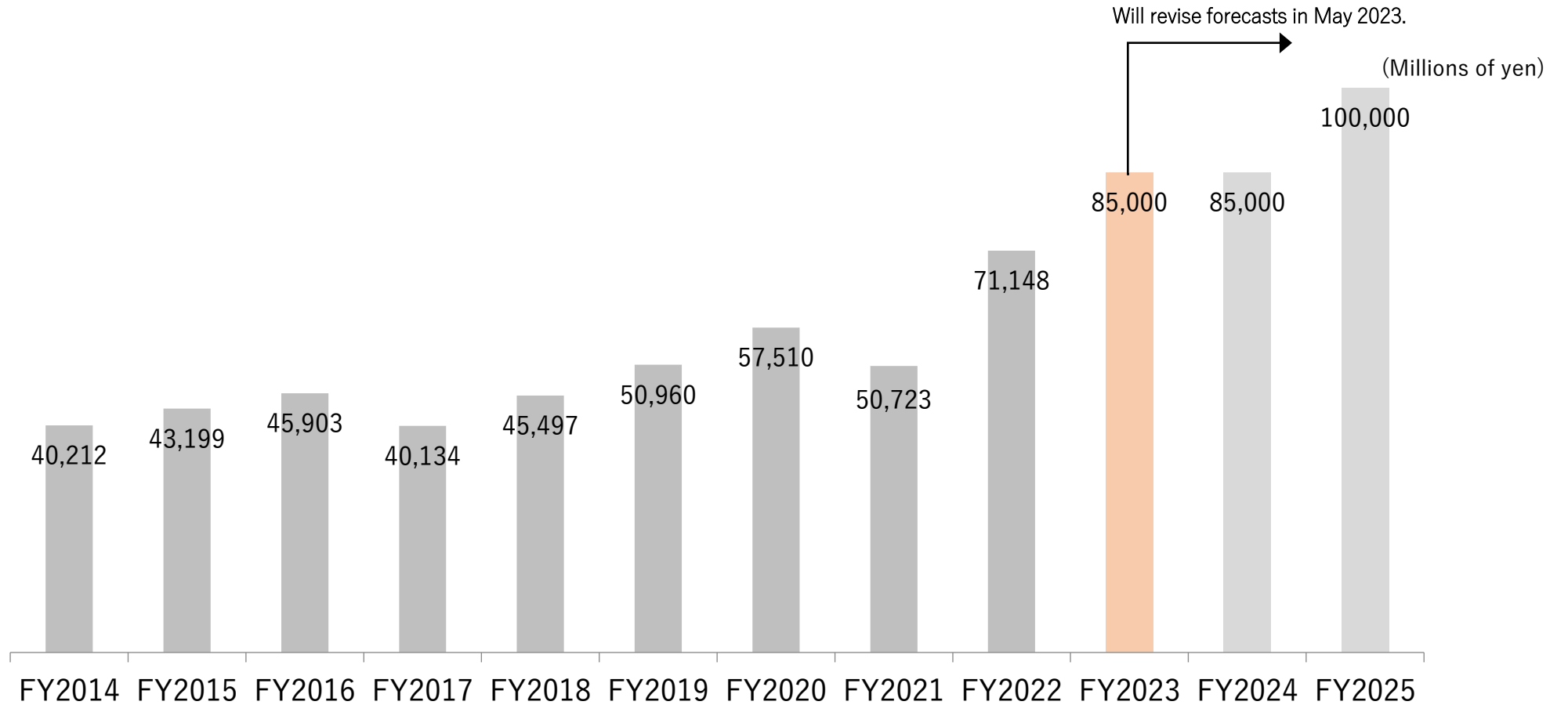
(Millions of yen)	FY2023 *1	FY2024 *2	FY2025*3
	Full year	Full year	Full year
Net sales	85,000	85,000	100,000
Operating income	4,780	4,400	5,500
Operating profit margin	5.6%	5.2%	5.5%
Ordinary income	5,040	4,400	5,500
Net income attributable to owners of parent	3,280	2,850	3,450

* 1 Earnings forecast revised on February 13, 2023

* 2 A rolling forecast will be provided in May 2024.

* 3 It is expected that retail sales will increase as inbound demand returns in the fiscal year ending March 2025.

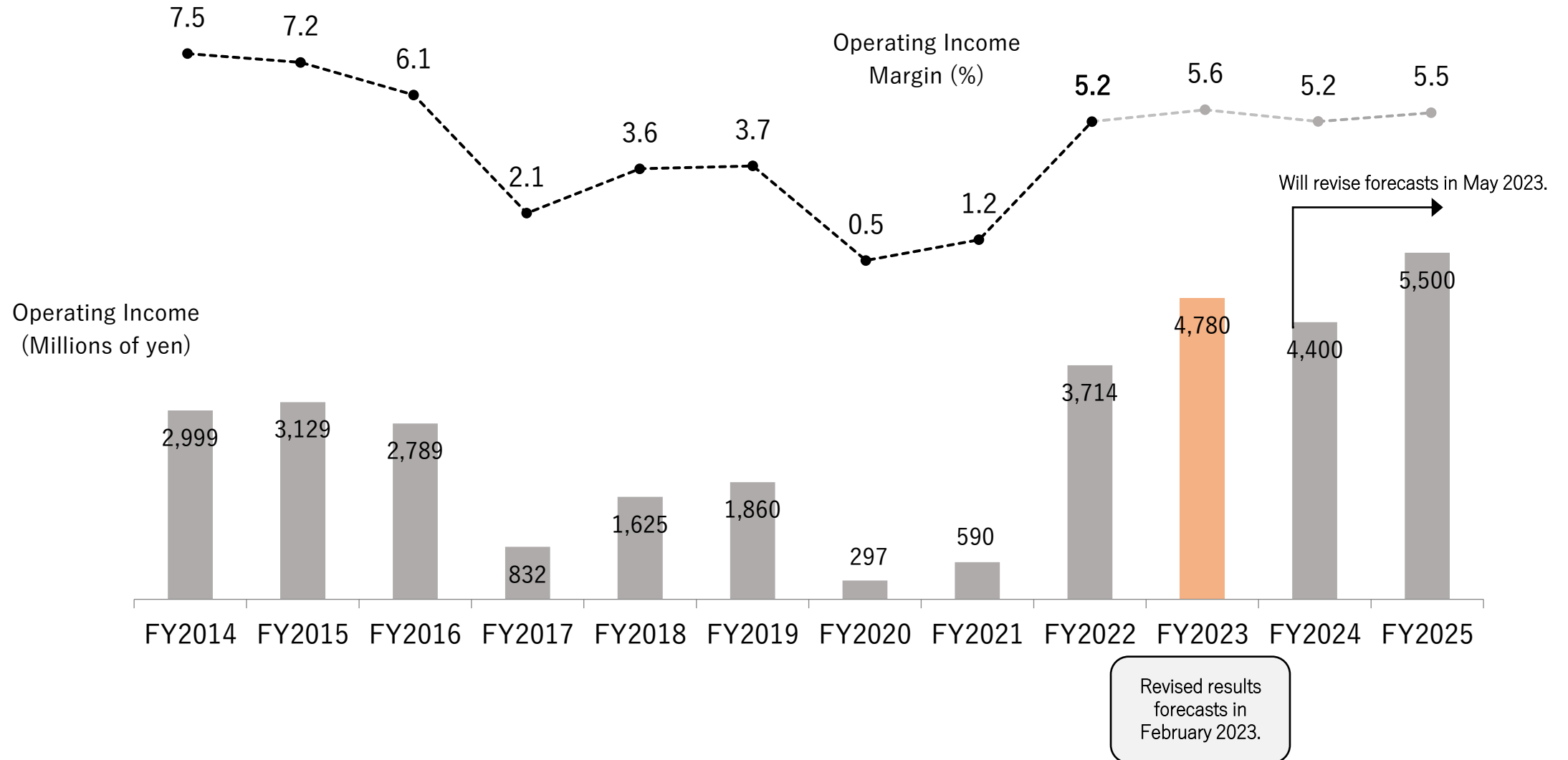
Sales plan



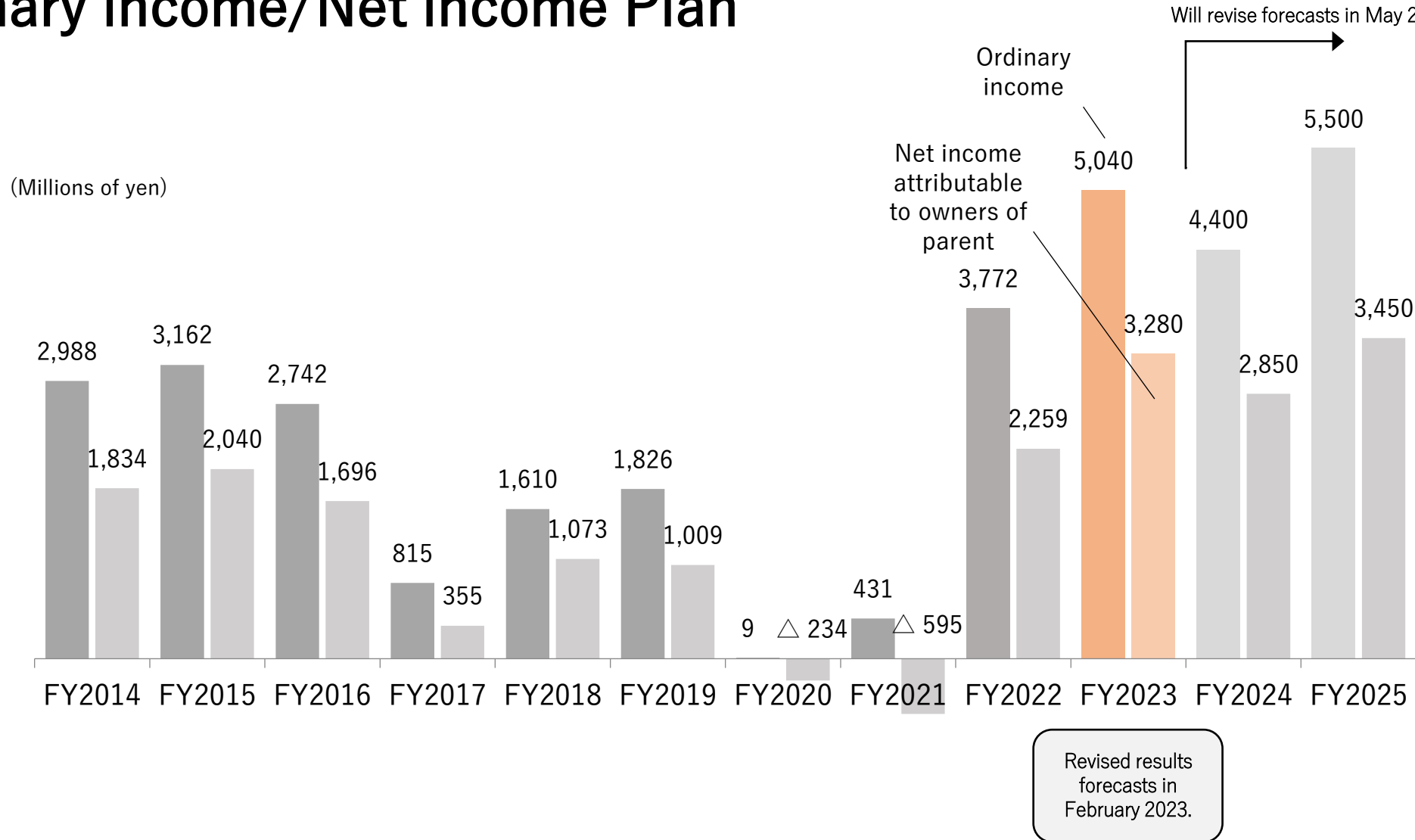
Revised results forecasts in February 2023.

Will revise forecasts in May 2023.

Operating Profit Plan



Ordinary income/Net income Plan



Medium-term management plan:
Continuous business expansion through investments in growth businesses and human resource development

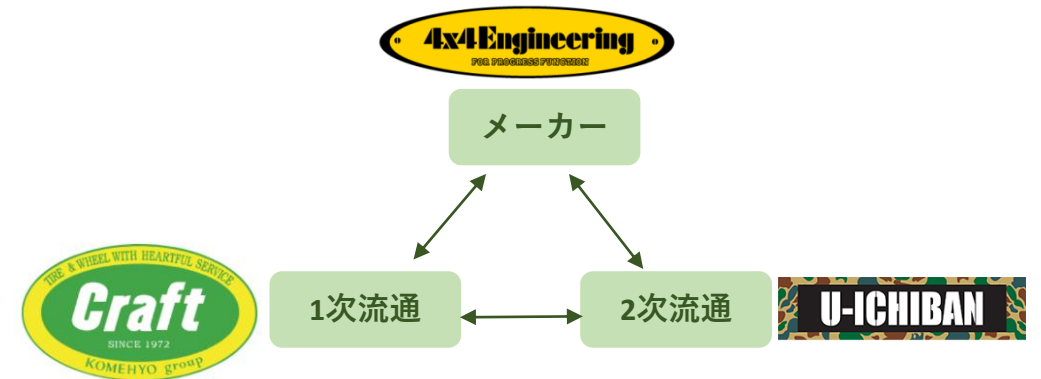
Brand Fashion

1. Achieving growth with existing core businesses
2. Achieving growth with businesses that contribute to the distribution of used goods to revitalize the market
3. Achieving growth with businesses that contribute to market growth and the formation of a sound market

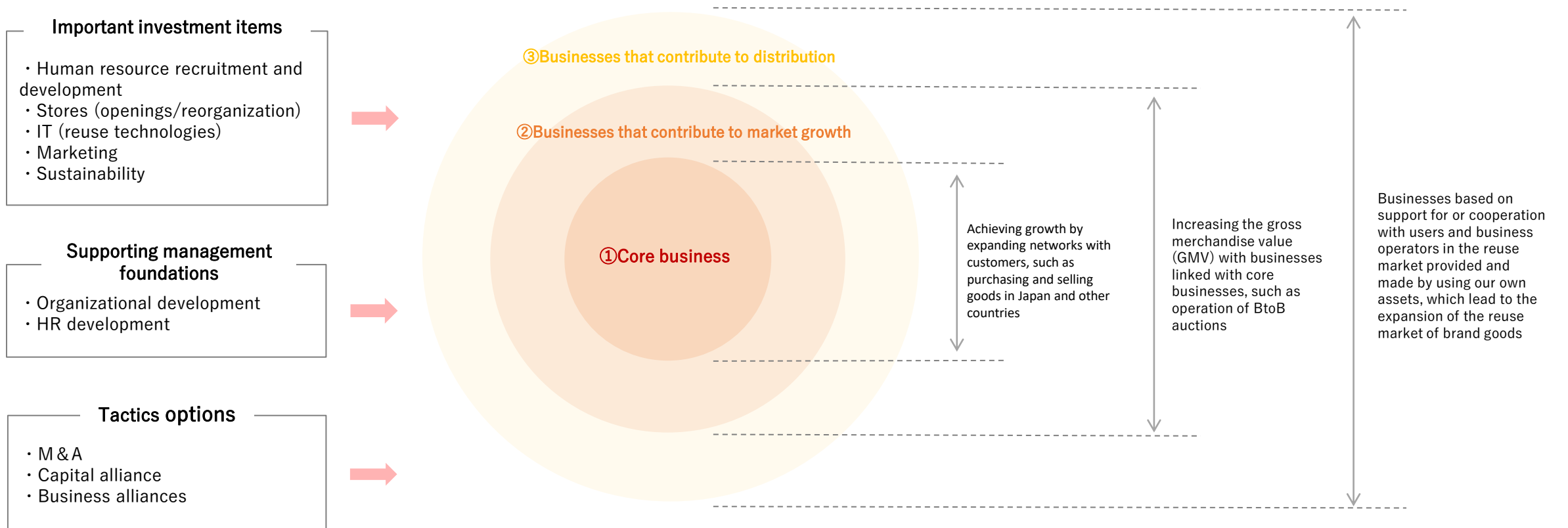


Tire/Wheel

1. Strengthening profitability
2. Strengthening product development
3. Making attempts at businesses and items with affinity



Growth in the brand reuse market image



Medium-term Management Plan : Brand · Fashion

Gaining more influence in the reuse market by making maximum use of the Group's assets

1. Achieving growth with existing core businesses

= Domestic =

- Increasing the number of purchasing channels
(continuing to open purchase centers and strengthening alliances)
- Creating seamless customer touch points by using digital technologies and improving the customer experience value through the reorganization of stores
- Improving the value of used goods by means of upcycling

= Overseas =

- Strengthening purchase and sales through the opening of new stores at each base, etc.
- Developing new bases
- Building a network for the distribution of products among overseas bases



Medium-term Management Plan : Brand · Fashion

Gaining more influence in the reuse market by making maximum use of the Group's assets

2. Achieving growth with businesses that contribute to the distribution of used goods to revitalize the market

- Auctioning more items through franchise development
(openings of 100 purchase centers by franchised stores)
- Providing reuse technologies, expertise, and market information to member companies
- Acquiring new member companies in Japan and other countries by using digital technologies



3. Achieving growth with businesses that contribute to market growth in Japan and overseas and the formation of a sound reuse market

- Supporting the growth of reuse-related businesses with SaaS
- Supporting new entrant companies, etc. by using human resources and training systems
- Business cooperation using databases (customer data and product data)



Medium-term Management Plan : Tire · Wheel

Expanding the business by strengthening profitability and investing in growth drivers

1. Strengthening profitability through collaboration among the three companies

- Strengthening and opening specialty stores developed according to customer preference
- Strengthening the sale and purchase of used tires and wheels and controlling their inventory
- Improving productivity and strengthening expertise through investment in human resources

2. Investing in product development

- Planning and manufacturing wheels and automobile parts by taking advantage of brand power
- Stepping up efforts to supply products to overseas markets
- Maintaining and increasing brand power in Japan and overseas

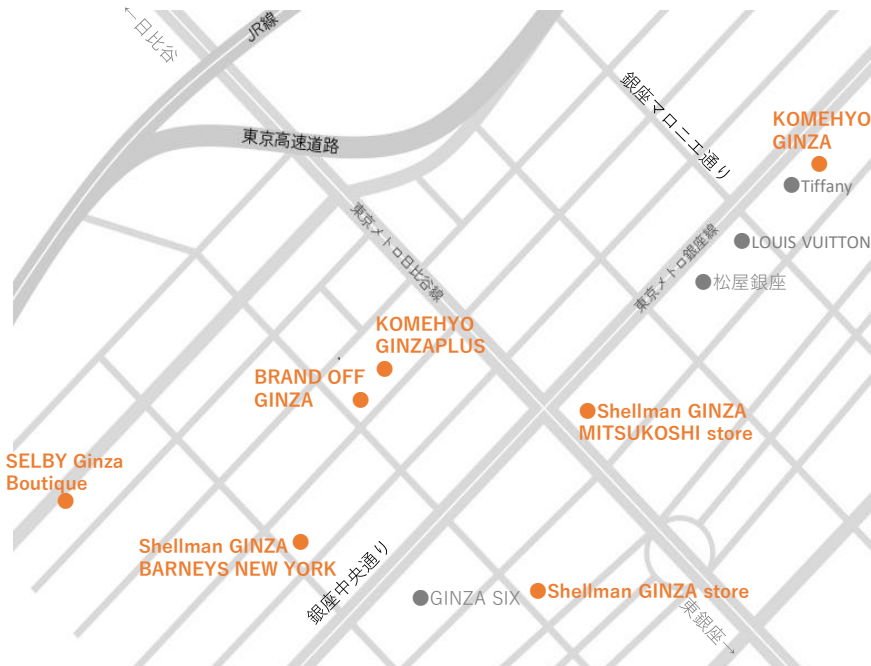
3. Approaching businesses and items with affinity

- Used cars
- Automotive supplies
- Car camping supplies



Store development in the Ginza area

Ginza is an important area for strengthening retail sales.
Expand stores as a group and expand contact points with customers.



KOMEHYO GINZA PLUS



BRAND OFF GINZA Store

- February 15, 2022 KOMEHYO GINZA CLOSED
- Feb 18-Aug 28 KOMEHYO GINZA LIMITED CLOSED
- September 1 **KOMEHYO GINZA PLUS open**
- October 8 **BRAND OFF GINZA store open**
- January 2023 KOMEHYO GINZA store
Scheduled to open

Human capital management (KOMEHYO)

In the business model of environmentally and socially conscious recycling, humans play a wide range of roles (knowledge, skills, expertise, speed, relationship with customers, etc.), making it important to take initiatives to develop and retain human resources.



Sale

Purchase

Reproduction

Evaluation



Human capital management (KOMEHYO)

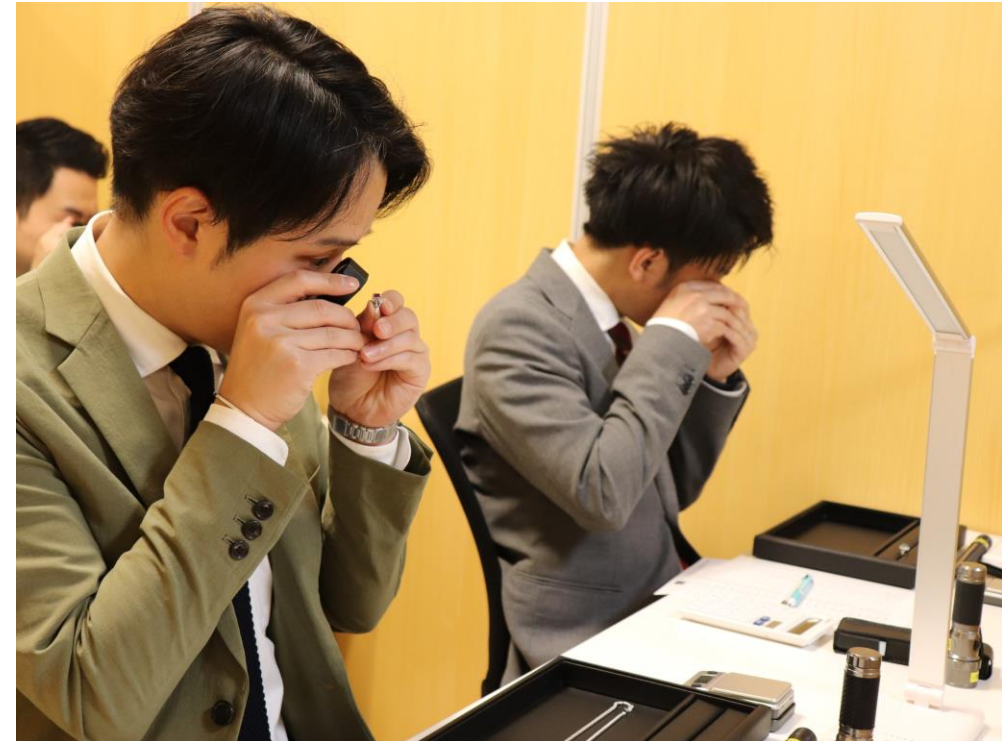
Groupwide training of personnel for the next generation

KOMEHYO provide opportunities for groupwide training aimed at developing management personnel and executives for the next generation. It continues training of staff to display their individual capabilities to the fullest degree. It carries out organizational development directly linked to business operations to ensure effective human capital management.



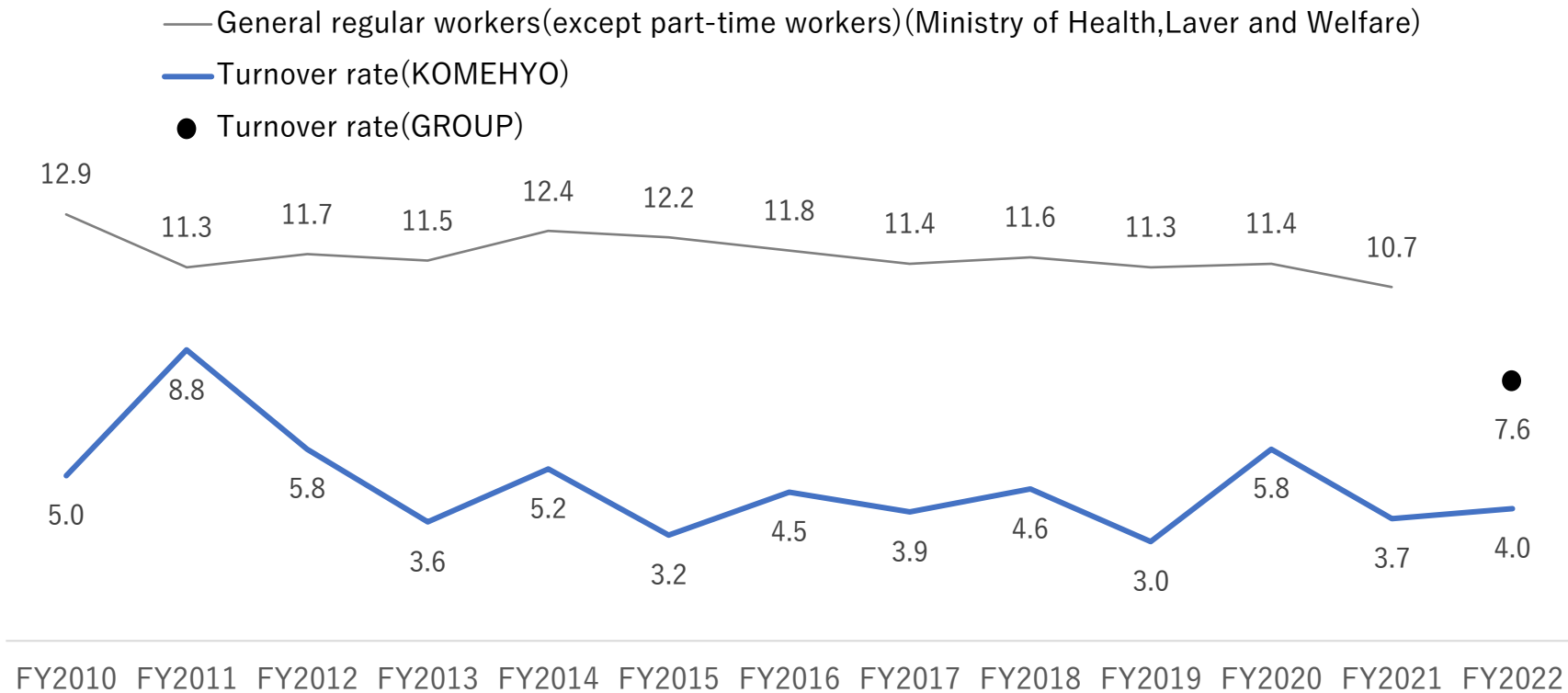
Education of assessors by a team dedicated to education

KOMEHYO focuses its efforts on education of assessors and sales staff. The education team has systematized various knowledge and skills involved in communication with customers. The system will stably develop assessors requisite to store launch and help shorten the lead time for it.



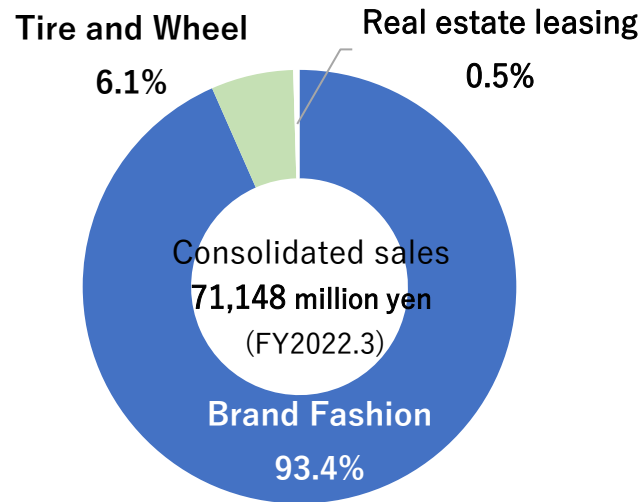
Human resources retention rate

Employee turnover rate has been low, which means that the employee retention rate has been high. This enables to accumulate expertise, laying a foundation for stable growth.

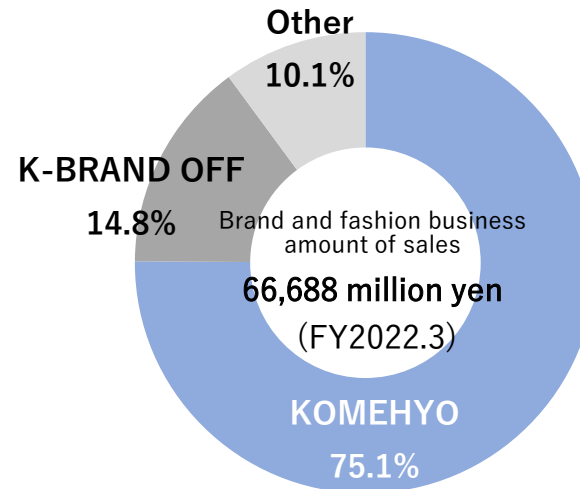


Sales shares by segment and by sales channel (FY2022)

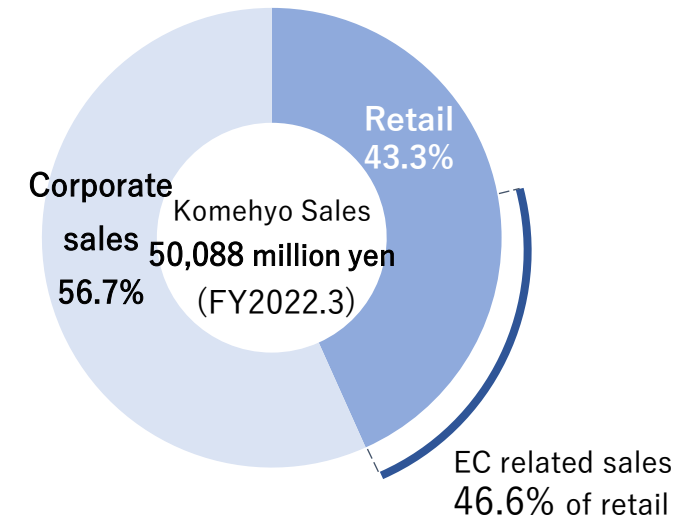
■ By segment



■ Brand/fashion business by operating company



■ By sales channel



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Note:

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.