



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 14, 2025

Company name Komehyo Holdings Co., Ltd. Stock exchange listings: Tokyo Standard, Nagoya Main

Securities code 2780 URL <https://komehyohds.com>

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Date of general shareholders' meeting (as planned) June 25, 2025 Dividend payable date (as planned) June 9, 2025

Annual securities report filing date (as planned) June 24, 2025

Supplemental material of annual results : Yes

Convening briefing of annual results : Yes (Live streaming for analysts and institutional investors and video posting on our website)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	158,994	33.1	6,176	(17.1)	6,046	(19.2)	4,777	(4.9)
March 31, 2024	119,459	38.7	7,452	44.2	7,479	38.3	5,025	35.6

Note: Comprehensive income For the fiscal year ended March 31, 2025 5,424 Million s of yen (1.2%) For the fiscal year ended March 31, 2024 5,360 Million s of yen (26.6%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	435.94	—	15.6	7.9	3.9
March 31, 2024	458.65	—	19.2	13.5	6.2

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	88,625	33,199	37.0	2,990.61
March 31, 2024	64,039	28,770	44.4	2,592.62

Reference: Owner's equity As of March 31, 2025 32,774 Million s of yen As of March 31, 2024 28,405 Million s of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(5,180)	(6,712)	11,907	18,205
March 31, 2024	(548)	(3,215)	9,425	18,091

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
Fiscal year ended March 31, 2024	Yen —	Yen 44.00	Yen —	Yen 44.00	Yen 88.00	Millions of yen 964	% 19.2	% 3.7
Fiscal year ended March 31, 2025	—	52.00	—	52.00	104.00	1,139	23.9	3.7
Fiscal year ending March 31, 2026 (Forecast)	—	53.00	—	53.00	106.00		25.3	

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	94,000	35.4	2,280	(27.1)	2,000	(34.8)	1,290	(34.2)	117.71
Fiscal year ending March 31, 2026	200,000	25.8	8,000	29.5	7,400	22.4	4,600	(3.7)	419.74

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

As of March 31, 2025	11,257,000 ^{sha} _{res}	As of March 31, 2024	11,257,000 ^{sha} _{res}
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② Number of treasury stock at the end of fiscal year

As of March 31, 2025	297,810 ^{sha} _{res}	As of March 31, 2024	300,715 ^{sha} _{res}
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③ Average number of shares

Fiscal year ended March 31, 2025	10,958,282 ^{sha} _{res}	Fiscal year ended March 31, 2024	10,956,342 ^{sha} _{res}
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* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes on the earnings forecasts and other forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on data currently available to the Company and certain assumptions that the Company believes are reasonable, and the Company has no intention of guaranteeing achievability. Actual results may differ significantly from these forecasts due to various factors.

(How to obtain supplementary presentation materials for quarterly financial results)

Supplementary presentation materials for quarterly financial results will be published on the Komehyo Holdings website as soon as the financial results are reported to the Tokyo Stock Exchange.

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1 . Overview of business results, etc.

(1) Overview of business results for the current fiscal year

During the consolidated fiscal year under review, the Japanese economy was on the edge of transitioning from prolonged deflation to a virtuous cycle of rising prices and wages, as exemplified by the Bank of Japan's ending the negative interest rate policy and increasing interest rates for the first time in 17 years in March 2024. On the other hand, the current financial market situation remains unstable, as the Bank of Japan raised interest rates additionally at the end of July, narrowing the interest rate gap between Japan and the U.S., and a series of policies due to the reelection of the U.S. President have caused the yen to appreciate significantly and stock prices to fluctuate sharply.

In the reuse industry, the market continued to expand, reflecting moves to build a sustainable society and the growing awareness of reuse associated with these moves. In addition to an increase in services and channels, competition in acquisition and sales has only been intensifying due to increasingly active M&A activities through industry reorganization and many new companies entering the market. In the used branded product business, the prices of high-end watches, branded bags, and other products remained weak due to the fluctuation of exchange rates.

The Komehyo Group has set its Mission (the significance of its existence): 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. Guided by this mission, the Group will contribute to creating sound reuse markets in Japan and overseas and will promote initiatives to enable many people to become familiar with reuse and aware of its convenience, aiming to achieve its Vision (what it aims to be like): We develop a concept of environmentally and socially conscious recycling into a culture.

Guided by these ideas, the Group worked to achieve its Vision. As a result, the Group's net sales for the fiscal year ended March 31, 2025, increased 33.1% year on year to 158,994 million yen. In the Brand Fashion business, sales increased significantly, with record-high net sales achieved by Komehyo Co., Ltd. and K-Brand Off Co., Ltd. Sales also increased in the Tire and Wheel business, mainly reflecting strong sales of winter and summer tires.

Operating profit, ordinary profit, and net income attributable to owners of the parent were 6,176 million yen (down 17.1% year over year), 6,046 million yen (down 19.2% year over year), and 4,777 million yen (down 4.9% year over year), respectively, due to a decline in gross profit margin caused by market fluctuations for some products.

The medium-term business plan for the period up to the fiscal year ending March 31, 2028, includes growing the business through M&A activities as one growth strategy. As part of this strategy, the Company purchased shares of RK Enterprise Co., Ltd. and its subsidiary, Rodeo Drive Japan Co., Ltd., on October 23, 2024, and Komehyo Co., Ltd., the Company's consolidated subsidiary, purchased shares of Rs-Japan on November 1, 2024. Our company conducted an absorption-type merger on February 1, 2025, with KOMEHYO as the surviving company and KOMEHYO Auction Co., Ltd. and RS Japan Co., Ltd. as the dissolving companies.

In March 2025, JFR & KOMEHYO PARTNERS, a joint venture with J. Front Retailing Co., Ltd., was established. The Company will continue to actively consider M&A and alliances on the assumption that they will lead to increased corporate value.

Consolidated results (Millions of yen)	Early period (Fiscal year ended March 2024)	Current period (Fiscal year ended March 2025)	YoY	Change
Net sales	119,459	158,994	33.1%	39,534
Operating profit	7,452	6,176	△17.1%	△1,276
Ordinary profit	7,479	6,046	△19.2%	△1,432
Profit attributable to owners of parent	5,025	4,777	△4.9%	△248

Performance results by business segment are as follows.

① Brand Fashion business

In the Brand Fashion business, a domestic Group company, Komehyo Co., Ltd., opened 36 purchase centers in addition to KOMEHYO VINTAGE TOKYO, a selected product retailer, and three small stores for product buying and selling. K-Brand Off Co., Ltd. opened 15 purchase centers (including franchised stores) in addition to Umeda Store, a store annexed with sales facilities. In addition, overseas Group companies opened one retail store through SAHA KOMEHYO COMPANY LIMITED (Thailand), one store through BRAND OFF TAIWAN CO., LTD., one store through KOMEHYO SHANGHAI TRADING CO., LTD. (China), two stores through KOMEHYO SINGAPORE PTE. LTD., and three stores through KOMEHYO BRAND OFF ASIA LIMITED (Hong Kong).

Regarding the purchase price of used goods, Komehyo Co., Ltd. strengthened existing stores by enhancing promotional activities and campaigns in addition to holding purchase events under the concept, "Sell your goods at the reliable and familiar store nearby," aggressively opening purchase centers and taking other measures. Further, to expand the lineup of products offered at retail stores, goods were purchased from individuals for high purchase prices, with a focus on popular products, and corporate purchasing was also actively utilized.

Regarding sales, we proactively implemented measures to improve convenience through Komehyo Co., Ltd.'s contact center, to increase in-store inventory to accommodate an increase in the number of customers, including foreign visitors to Japan, to deepen relationships with customers, and to renovate multiple retail stores under the Brand Off name in Japan and overseas. In addition, the Company strengthened corporate sales in response to strong private purchases and unstable market trends, among other factors, while also reinforcing auctions for corporate clients operated by group companies.

On the profit side, the Company leveraged corporate purchases and corporate sales to liquidate inventories in response to the fluctuation of the prices of some products which has been ongoing since August. Consequently, the gross profit margin decreased, and in addition, with selling, general and administrative expenses rising to a level higher than initially planned, the operating profit margin declined.

As a result of the above, the net sales of this segment for the fiscal year ended March 31, 2025 were 153,078 million yen (up 33.9% year on year) and operating income was 5,717 million yen (down 17.0% year on year).

② Tire and Wheel business

Regarding sales of tires, wheels, and custom parts, sales of winter tires and summer tires remained strong, and so were sales of our in-house designed wheels both in Japan and overseas.

As a result of the above, the net sales of this segment for the fiscal year ended March 31, 2025, were 5,872 million yen (up 15.8% year on year) and the segment posted an operating income of 300 million yen (up 12.3% year on year).

③ Real Estate Leasing business

In the Real Estate Leasing business, the Group manages the leasing of stores and leases the Group companies' major stores to the Group companies.

The net sales of this segment for the fiscal year ended March 31, 2025, were 358 million yen (up 25.0% year on year) and operating income was 108 million yen (up 25.5% year on year).

(2) Overview of financial position for the current fiscal year

(Assets)

Total assets at the end of the consolidated fiscal year under review were 88,625 million yen (up 38.4% year over year), an increase of 24,586 million yen from the end of the previous fiscal year. This was mainly due to the consolidation of RK Enterprise Co., Ltd. and its subsidiaries Rodeo Drive Japan Co., Ltd. and Rs-JAPAN Co., Ltd. This resulted in increases of 326 million yen in cash and deposits, 883 million yen in accounts receivable, 15,638 million yen in merchandise, 1,892 million yen in other current assets (such as accounts receivable-other), 1,235 million yen in buildings and structures, net, 281 million yen in leased assets of property, plant and equipment, 362 million yen in other tangible non-current assets-net, 1,542 million yen in goodwill, 830 million yen in leased intangible non-current assets, 300 million yen in deferred tax assets, 877 million yen in guarantee deposits, and 336 million yen in other investments and other assets.

(Liabilities)

Total liabilities increased by 20,157 million yen from the end of the previous fiscal year to 55,426 million yen (up 57.2% year on year). This was primarily due to the consolidation of RK Enterprise Co., Ltd., its subsidiaries RODEO DRIVE JAPAN CO., LIMITED, and Rs-JAPAN Co., Ltd. as group companies. Although there were decreases of 343 million yen in accounts payable – trade, 1,419 million yen in the current portion of long-term borrowings, and 898 million yen in income taxes payable, these were outweighed by increases of 15,798 million yen in short-term borrowings, 435 million yen in lease

liabilities under current liabilities, 616 million yen in accounts payable – other, 404 million yen in other, net under current liabilities, 4,392 million yen in long-term borrowings, 526 million yen in lease liabilities under non-current liabilities, 155 million yen in retirement benefit liability, and 417 million yen in asset retirement obligations.

(Net assets)

Net assets amounted to 33,199 million yen (up 15.4%), an increase of 4,429 million yen from the end of the previous fiscal year. This was mainly due to 4,777 million yen in net profit attributable to owners of the parent and an increase of 612 million yen in foreign currency translation adjustments, which exceeded the 1,051 million yen in dividends of surplus.

As a result, the equity ratio stood at 37.0% (compared to 44.4% at the end of the previous fiscal year).

(3) Overview of cash flows for the current fiscal year

An overview of each cash flow for the current consolidated fiscal year is as follows:

Cash and cash equivalents (hereinafter referred to as "funds") at the end of this consolidated fiscal year increased by 113 million yen compared to the end of the previous consolidated fiscal year to 18,205 million yen.

(Cash flows from operating activities)

Net cash from operating activities was 5,180 million yen (compared with 548 million yen in the previous year).

This was mainly due to an increase of 10,734 million yen in inventories, an increase of 913 million yen in accounts receivable-other, a decrease of 569 million yen in accounts payable-trade, and a payment of 2,643 million yen in income taxes, which exceeded 6,453 million yen in profit before income taxes, 2,416 million yen in depreciation, and other expenses of 781 million yen.

(Cash flows from investing activities)

Net cash from investing activities was 6,712 million yen (compared with 3,215 million yen in the previous year).

This was primarily due to expenditures of 2,680 million yen for the purchase of property, plant and equipment and intangible assets associated with new store openings, 705 million yen in payments of guaranteed deposits, and 3,277 million yen for the purchase of shares of subsidiaries in connection with a change in the scope of consolidation.

(Cash flows from financing activities)

Net cash from financing activities was 11,907 million yen (compared with 9,425 million yen in the previous fiscal year).

This was mainly due to a net increase of 12,170 million yen in short-term borrowings and 4,560 million yen in proceeds from long-term borrowings, which exceeded 2,976 million yen in repayments of long-term borrowings, 721 million yen in repayments of lease liabilities and 1,050 million yen in dividends paid.

(Reference) Trends in cash flow-related indicators

	FY2024	FY2025
Equity ratio (%)	44.4	37.0
Market value-based equity ratio (%)	68.2	36.3
Cash flow to interest-bearing debt ratio (year)	—	—
Interest coverage ratio (times)	—	—

Equity ratio: Equity capital / Total assets

Market capitalization ratio: Market capitalization / Total assets

Interest Coverage Ratio: Cash Flow/Interest Payment

(Note 1) All calculations are based on consolidated financial figures.

(Note 2) Market capitalization is calculated based on the number of issued shares excluding treasury stock.

(Note 3) Cash flow uses operating cash flow.

(Note 4) Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets for which interest is paid.

(Note 5) The cash flow to interest-bearing debt ratio and interest coverage ratio are not stated as operating cash flow is negative.

(4) Future Outlook

Regarding the outlook for the future, taking into consideration the external environment such as commodity price trends, to strengthen profitability, we will increase purchases of used goods from individual customers by opening new purchase specialty stores and strengthening existing stores, as well as strengthening retail, online and corporate sales both domestically and overseas. Through these measures, we expect full-year sales to be 200,000 million yen.

Regarding profits, we will work to improve the profit structure of each company. As inter-corporate trading prices have remained flat since the decline, it has been difficult to increase gross profit margins, and we expect to see an increase in aggressive investments both domestically and overseas for sustainable growth, such as store openings, and we expect a decrease in profits in the second quarter's cumulative total. However, by focusing on securing high-quality inventory by strengthening purchases of used goods, controlling prices appropriately, and allocating products to appropriate sales channels, we expect profits to increase to ordinary profits in the second half and for the full fiscal year, and the operating profit margin to be 4.0%.

For the next fiscal year, assuming there are no sudden changes in economic sentiment or unexpected bad weather, we forecast consolidated results of sales of 200,000-million-yen, operating profit of 8,000-million-yen, ordinary profit of 7,400 million yen, and net profit attributable to parent company shareholders of 4,600 million yen.

Consolidated Financial Results Forecast	Six months ending September 30, 2025 (Millions of yen)	Fiscal year ending March 31, 2026 (Millions of yen)
Net sales	94,000	200,000
Operating profit	2,280	8,000
Ordinary profit	2,000	7,400
Profit attributable to owners of parent	1,290	4,600

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

We recognize that returning profits to shareholders is an important policy in our management strategy. While securing the necessary internal reserves for future business development and strengthening our management structure, we will pay dividends to shareholders according to our business performance, aiming for a dividend payout ratio of approximately 20%.

We also aim to steadily increase dividends through sustainable profit growth.

For the fiscal year ending March 2025, we plan to pay a year-end dividend of 52 yen per share, and an annual dividend of 104 yen, including an interim dividend (52 yen per share).

For the fiscal year ending March 2026, in line with the above policy, we aim for a dividend payout ratio of approximately 20% and therefore plan to pay an annual dividend of 106 yen per share (interim dividend of 53 yen and year-end dividend of 53 yen).

	Annual dividends per share (Yen)		
	Second quarter-end	Fiscal-year end	Total
The Fiscal year ending March 31, 2026 (Forecast)	53.00	53.00	106.00
The fiscal year ended March 31, 2025	52.00	52.00	104.00

2. Basic approach to the selection of accounting standards

Our group's current policy is to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of consolidated financial statements across periods and between companies. As for the application of IFRS (International Financial Reporting Standards), we plan to consider doing so after taking into consideration the trends of our competitors and various situations both in Japan and overseas, but no decision has been made at this point.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Financial Statements

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,208,866	15,535,605
Accounts receivable - trade	3,917,182	4,800,648
Merchandise	24,303,344	39,931,873
Supplies	49,811	62,476
Deposits paid	2,883,068	2,670,083
Other	3,564,627	5,456,733
Total current assets	49,926,900	68,457,419
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,921,349	11,979,971
Accumulated depreciation	(5,301,905)	(6,125,339)
Buildings and structures, net	4,619,444	5,854,632
Land	1,644,961	1,606,461
Leased assets	169,796	493,471
Accumulated depreciation	(108,061)	(149,798)
Leased assets, net	61,735	343,672
Construction in progress	156,906	48,441
Other	2,577,795	3,281,826
Accumulated depreciation	(1,591,434)	(1,933,362)
Other, net	986,361	1,348,464
Total property, plant and equipment	7,469,408	9,201,672
Intangible assets		
Goodwill	449,586	1,992,227
Leased assets	752,061	1,582,971
Other	1,669,547	1,936,275
Total intangible assets	2,871,194	5,511,474
Investments and other assets		
Deferred tax assets	1,316,596	1,616,740
Retirement benefit asset	41,717	211,562
Guarantee deposits	2,095,488	2,972,509
Other	318,168	654,369
Total investments and other assets	3,771,971	5,455,181
Total non-current assets	14,112,574	20,168,327
Total assets	64,039,475	88,625,747

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	870,728	526,817
Short-term borrowings	19,154,400	34,952,500
Current portion of bonds payable	72,000	68,000
Current portion of long-term borrowings	2,788,170	1,368,740
Lease liabilities	395,098	830,791
Accounts payable - other	1,428,784	2,045,492
Income taxes payable	1,442,075	543,552
Contract liabilities	463,476	480,282
Provision for bonuses	1,198,397	1,134,305
Provision for merchandise warranties	10,417	10,009
Provision for point card certificates	102,088	130,461
Other	510,418	914,941
Total current liabilities	28,436,056	43,005,893
Non-current liabilities		
Bonds payable	68,000	—
Long-term borrowings	4,825,000	9,217,935
Lease liabilities	431,281	957,397
Provision for retirement benefits for directors (and other officers)	23,598	43,709
Provision for merchandise warranties	610	839
Provision for point card certificates	177,879	225,901
Retirement benefit liability	126,063	281,759
Asset retirement obligations	953,440	1,370,963
Contract liabilities	115,816	172,130
Other	111,726	149,984
Total non-current liabilities	6,833,416	12,420,620
Total liabilities	35,269,473	55,426,514
Net assets		
Shareholders' equity		
Share capital	1,803,780	1,803,780
Capital surplus	1,909,872	1,922,750
Retained earnings	24,013,796	27,738,952
Treasury shares	(80,858)	(80,756)
Total shareholders' equity	27,646,589	31,384,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67,056	85,716
Foreign currency translation adjustment	691,836	1,304,237
Total accumulated other comprehensive income	758,892	1,389,954
Non-controlling interests	364,519	424,552
Total net assets	28,770,002	33,199,233
Total liabilities and net assets	64,039,475	88,625,747

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	119,459,909	158,994,692
Cost of sales	89,869,683	123,745,805
Gross profit	29,590,225	35,248,886
Selling, general and administrative expenses	22,137,306	29,072,240
Operating profit	7,452,918	6,176,645
Non-operating income		
Interest income	28,101	18,245
Dividend income	13,275	20,818
Foreign exchange gains	31,923	—
Commission income	4,576	4,296
Insurance claim income	16,066	65,779
Compensation income	18,653	—
Other	26,746	127,186
Total non-operating income	139,343	236,326
Non-operating expenses		
Interest expenses	83,339	278,254
Foreign exchange losses	—	40,562
Rent expenses on store(construct in progress)	9,526	5,387
Other	20,230	42,588
Total non-operating expenses	113,096	366,793
Ordinary profit	7,479,165	6,046,178
Extraordinary income		
Gain on sale of non-current assets	1,461	89,559
Gain on receipt of donated non-current assets	15,273	—
Subsidy income	2,752	—
Gain on bargain purchase	—	476,026
Total extraordinary income	19,486	565,586
Extraordinary losses		
Loss on sale of non-current assets	96	—
Loss on retirement of non-current assets	40,432	78,173
Loss on cancellation of rental contracts	1,397	29,711
Impairment losses	99,792	50,191
Loss on liquidation of business	150,497	—
Other	745	—
Total extraordinary losses	292,961	158,076
Profit before income taxes	7,205,690	6,453,688
Income taxes - current	2,349,861	1,866,748
Income taxes - deferred	(191,570)	(206,104)
Total income taxes	2,158,291	1,660,644
Profit	5,047,399	4,793,044
Profit attributable to non-controlling interests	22,282	15,931
Profit attributable to owners of parent	5,025,116	4,777,112

(Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,047,399	4,793,044
Other comprehensive income		
Valuation difference on available-for-sale securities	36,335	18,660
Foreign currency translation adjustment	277,173	612,400
Total other comprehensive income	313,509	631,061
Comprehensive income	5,360,908	5,424,106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,310,727	5,361,644
Comprehensive income attributable to non-controlling interests	50,181	62,461

(3) Consolidated Statement of Changes in Equity

Previously consolidated fiscal year (April 1, 2023, to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,803,780	1,909,872	19,854,230	(80,494)	23,487,388
Changes during period					
Dividends of surplus			(865,551)		(865,551)
Profit (loss) attributable to owners of parent			5,025,116		5,025,116
Purchase of treasury shares				(363)	(363)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,159,565	(363)	4,159,201
Balance at end of period	1,803,780	1,909,872	24,013,796	(80,858)	27,646,589

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	30,720	414,662	445,383	314,338	24,247,110
Changes during period					
Dividends of surplus					(865,551)
Profit (loss) attributable to owners of parent					5,025,116
Purchase of treasury shares					(363)
Net changes in items other than shareholders' equity	36,335	277,173	313,509	50,181	363,690
Total changes during period	36,335	277,173	313,509	50,181	4,522,891
Balance at end of period	67,056	691,836	758,892	364,519	28,770,002

Current consolidated fiscal year (April 1, 2024, to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,803,780	1,909,872	24,013,796	(80,858)	27,646,589
Changes during period					
Dividends of surplus			(1,051,956)		(1,051,956)
Profit (loss) attributable to owners of parent			4,777,112		4,777,112
Purchase of treasury shares				(731)	(731)
Disposal of treasury shares		12,878		832	13,711
Net changes in items other than shareholders' equity					
Total changes during period	—	12,878	3,725,156	101	3,738,136
Balance at end of period	1,803,780	1,922,750	27,738,952	(80,756)	31,384,726

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	67,056	691,836	758,892	364,519	28,770,002
Changes during period					
Dividends of surplus					(1,051,956)
Profit (loss) attributable to owners of parent					4,777,112
Purchase of treasury shares					(731)
Disposal of treasury shares					13,711
Net changes in items other than shareholders' equity	18,660	612,400	631,061	60,032	691,094
Total changes during period	18,660	612,400	631,061	60,032	4,429,231
Balance at end of period	85,716	1,304,237	1,389,954	424,552	33,199,233

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,205,690	6,453,688
Depreciation	1,658,118	2,416,564
Impairment losses	99,792	50,191
Amortization of goodwill	79,134	133,726
Increase (decrease) in provision for bonuses	240,376	(118,195)
Increase (decrease) in provision for merchandise warranties-OpeCF	1,444	(179)
Increase (decrease) in provision for point card certificates	49,872	64,988
Increase (decrease) in retirement benefit liability	(27,692)	(159,413)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	(9,625)
Increase (decrease) in contract liabilities	(113,262)	(34,732)
Interest and dividend income	(41,376)	(39,063)
Interest expenses	83,339	278,254
Foreign exchange losses (gains)	2,548	64,451
Loss (gain) on sale of property, plant and equipment and intangible assets	(1,364)	(89,559)
Loss on retirement of property, plant and equipment and intangible assets	40,432	78,173
Loss on liquidation of business	150,497	—
Gain on bargain purchase	—	(476,026)
Decrease (increase) in trade receivables	(1,650,420)	(265,218)
Decrease (increase) in inventories	(5,597,111)	(10,734,293)
Decrease (increase) in accounts receivable - other	(728,562)	(913,541)
Increase (decrease) in trade payables	134,793	(569,902)
Increase (decrease) in accrued consumption taxes	13,830	239,407
Increase (decrease) in accounts payable - other	287,827	544,226
Other, net	(506,894)	771,464
Subtotal	1,381,015	(2,314,614)
Interest and dividends received	40,588	38,284
Interest paid	(82,335)	(276,046)
Income taxes paid	(1,894,684)	(2,643,735)
Income taxes refund	7,368	15,787
Net cash provided by (used in) operating activities	(548,046)	(5,180,323)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,717,157)	(2,680,825)
Proceeds from sale of property, plant and equipment and intangible assets	1,462	133,560
Payments of guarantee deposits	(493,950)	(705,667)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(3,277,416)
Proceeds from refund of guarantee deposits	38,920	154,166
Purchase of investment securities	—	(294,842)
Other, net	(44,595)	(41,837)
Net cash provided by (used in) investing activities	(3,215,320)	(6,712,863)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,624,500	12,170,800
Proceeds from long-term borrowings	4,500,000	4,560,000
Repayments of long-term borrowings	(366,724)	(2,976,554)
Repayments of lease liabilities	(393,866)	(721,859)
Redemption of bonds	(72,000)	(72,000)
Purchase of treasury shares	(363)	(731)
Dividends paid	(865,652)	(1,050,224)
Dividends paid to non-controlling interests	—	(2,428)

Net cash provided by (used in) financing activities	9,425,892	11,907,001
Effect of exchange rate change on cash and cash equivalents	145,912	99,939
Net increase (decrease) in cash and cash equivalents	5,808,437	113,753
Cash and cash equivalents at beginning of period	12,283,497	18,091,934
Cash and cash equivalents at end of period	18,091,934	18,205,688

(5) Notes on Consolidated Financial Statements

(Notes regarding going concern assumption)

There are no applicable items.

(Notes on segment information)

【Segment information】

1. Overview of reportable segments

The reportable segments of the Group are the constituent units of the Group for which separate financial information is available and which the Board of Directors periodically reviews to determine the allocation of management resources and evaluate business performance.

The Group's reportable segments are the "Brand and Fashion Business," the "Tire and Wheel Business," and the "Real Estate Leasing Business."

The "Brand and Fashion Business" purchases and sells new and used jewelry, precious metals, watches, bags, clothing, kimonos, cameras, musical instruments, etc. The "Tire and Wheel Business" plans, researches and develops, manufactures, and sells tires and wheels for passenger cars, automotive supplies, and parts. The "Real Estate Leasing Business" manages store rentals and also rents major stores of group companies to group companies.

2. Method of calculating the amounts of sales, profit or loss, assets, liabilities and other items for each reportable segment

The accounting methods for the reported business segments are in accordance with the accounting standards adopted for preparing consolidated financial statements.

Reportable segment profits are based on operating profit.

Intersegmental internal revenues and transfer amounts are based on prevailing market prices.

3. Information on the amounts of sales, profits or losses, assets, liabilities and other items for each reportable segment, and information on revenue breakdown

Previously consolidated fiscal year (April 1, 2023, to March 31, 2024)

(Thousands of yen)

	Reportable segments			Total	Reconciling items	Per consolidated financial statements
	brand fashion business	tire wheel business	real estate leasing business			
Sales						
Revenue from contracts with customers	114,339,446	5,073,822	—	119,413,268	—	119,413,268
Other revenue	—	—	46,640	46,640	—	46,640
Revenues from external customers	114,339,446	5,073,822	46,640	119,459,909	—	119,459,909
Transactions with other segments	—	9	240,450	240,459	(240,459)	—
Net sales	114,339,446	5,073,831	287,090	119,700,368	(240,459)	119,459,909
Operating profit (loss)	6,891,127	267,606	86,627	7,245,361	207,557	7,452,918
Assets	55,082,715	2,877,023	2,883,486	60,843,225	3,196,249	64,039,475
Liabilities	41,207,452	1,259,703	19,279	42,486,435	(7,216,962)	35,269,473
Other items						
Depreciation	1,523,012	61,406	64,802	1,649,221	8,897	1,658,118
Amortization of goodwill	79,134	—	—	79,134	—	79,134
Impairment losses	79,548	20,244	—	99,792	—	99,792
Increase in property, plant and equipment and intangible assets	3,121,436	43,111	399,119	3,563,666	17,099	3,580,766

(Note) 1. The adjustment amounts are as follows:

- (1) The segment profit adjustment of 207,557 thousand yen includes the elimination of inter-segment transactions of -998,649 thousand yen and corporate expenses of 791,092 thousand yen that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segment.
- (2) The adjustment for segment assets of 3,196,249 thousand yen consists of the elimination of inter-segment transactions of -12,205,529 thousand yen and corporate assets of 15,401,779 thousand yen that have not been allocated to each reportable segment.
- (3) The adjustment for segment liabilities of -7,216,962 thousand yen consists of the elimination of inter-segment transactions of -7,471,596 thousand yen and corporate liabilities of 254,634 thousand yen that have not been allocated to each reportable segment.
- (4) The depreciation adjustment of 8,897 thousand yen is the depreciation of assets common to the entire company that are not allocated to each reportable segment.
- (5) The adjustment for the increase in tangible and intangible fixed assets of 17,099 thousand yen is an increase in assets common to the entire company that are not allocated to each reportable segment.
- (6) Depreciation expenses and increases in property, plant and equipment and intangible assets include amounts related to long-term prepaid expenses.

2. "Other revenues" are based on Accounting Standards Board of Japan No. 13, "Accounting Standard for Leases."

Current consolidated fiscal year (from April 1, 2024, to March 31, 2025)

(Thousands of yen)

	Reportable segments			Total	Reconciling items	Per consolidated financial statements
	brand fashion business	tire wheel business	real estate leasing business			
Sales						
Revenue from contracts with customers	153,078,889	5,872,719	—	158,951,609	—	158,951,609
Other revenue	—	—	43,082	43,082	—	43,082
Revenues from external customers	153,078,889	5,872,719	43,082	158,994,692	—	158,994,692
Transactions with other segments	69	265	315,884	316,219	(316,219)	—
Net sales	153,078,959	5,872,985	358,966	159,310,912	(316,219)	158,994,692
Operating profit (loss)	5,717,513	300,504	108,719	6,126,737	49,908	6,176,645
Assets	79,361,780	3,501,341	2,511,641	85,374,763	3,250,984	88,625,747
Liabilities	57,889,297	1,730,579	15,360	59,635,236	(4,208,722)	55,426,514
Other items						
Depreciation	2,265,714	60,905	80,494	2,407,114	9,449	2,416,564
Amortization of goodwill	133,726	—	—	133,726	—	133,726
Impairment losses	31,943	18,247	—	50,191	—	50,191
Increase in property, plant and equipment and intangible assets	4,926,321	36,028	29,753	4,992,102	16,337	5,008,440

(Note) 1. The adjustment amounts are as follows:

- (1) The adjustment of segment profit of 49,908 thousand yen includes the elimination of inter-segment transactions of -1,313,158 thousand yen and corporate expenses of 1,263,250 thousand yen that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment for segment assets of 3,250,984 thousand yen consists of the elimination of inter-segment transactions of -17,249,087 thousand yen and corporate assets of 20,500,071 thousand yen that have not been allocated to each reportable segment.
- (3) The adjustment for segment liabilities of -4,208,722 thousand yen consists of the elimination of inter-segment transactions of -8,815,084 thousand yen and corporate liabilities of 4,606,362 thousand yen that have not been allocated to each reportable segment.
- (4) The depreciation adjustment of 9,449 thousand yen is the depreciation of assets common to the entire company that are not allocated to each reportable segment.
- (5) The adjustment for the increase in tangible and intangible fixed assets of 16,337 thousand yen is an increase in assets common to the entire company that are not allocated to each reportable segment.
- (6) Depreciation expenses and increases in property, plant and equipment and intangible assets include amounts related to long-term prepaid expenses.

2. "Other revenues" are based on Accounting Standards Board of Japan No. 13, "Accounting Standard for Leases."

(Notes to per share information)

	Previously consolidated fiscal year (April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (April 1, 2024, to March 31, 2025)
Net assets per share (Yen)	2,592.62	2,990.61
Net income per share (Yen)	458.65	435.94

(Notes) 1. Diluted net income per share is not stated as there are no potential shares.

2. The basis for calculating net income per share is as follows:

	Previously consolidated fiscal year (April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (April 1, 2024, to March 31, 2025)
Net income attributable to owners of parent (Thousands of yen)	5,025,116	4,777,112
Amount not attributable to common shareholders (Thousands of yen)	—	—
Net income attributable to owners of parent relating to common stock (Thousands of yen)	5,025,116	4,777,112
Average number of common stocks during the period (Thousands of yen)	10,956,342	10,958,282

(Notes to significant subsequent events)

There are no applicable items.