



Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 12, 2025

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

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

Representative (Title) President and Representative Director (Name) Takuji Ishihara

Inquiries (Title) Corporate Officer General Manager (Name) Takahiro Suzuki Tel 052-249-5366
of Corporate Headquarters

Dividend payable date (as planned) —

Supplemental material of results : Yes

Convening briefing of results : Yes (Posting videos on our website)

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	46,120	37.7	883	(58.7)	652	(70.2)	353	(75.0)
June 30, 2024	33,499	33.5	2,137	23.9	2,186	24.1	1,412	19.3

Note: Comprehensive For the three months ended income June 30, 2025

(92) Million s of yen (—%)

For the three months ended June 30, 2024

1,792 Million s of yen (42.8%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	32.24	—
June 30, 2024	128.92	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	98,583	32,515	32.6
March 31, 2025	88,625	33,199	37.0

Reference: Owner's equity

As of June 30, 2025

32,112 Million s of yen

As of March 31, 2025

32,774 Million s of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended March 31, 2025	Yen	Yen	Yen	Yen	Yen
—	—	52.00	—	52.00	104.00
Fiscal year ending March 31, 2026	—	—	—	—	—
Fiscal year ending March 31, 2026 (Forecast)	—	53.00	—	53.00	106.00

Note: Revisions to the forecast of cash dividends most recently announced : None

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

Note: Revisions to the earnings forecasts most recently announced : None

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements (Notes regarding accounting treatments specific to the preparation of quarterly consolidated financial statements)" on page 10 of the attached documents.

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2025	11,257,000 ^{sha} _{res}	As of March 31, 2025	11,257,000 ^{sha} _{res}
As of June 30, 2025	297,810 ^{sha} _{res}	As of March 31, 2025	297,810 ^{sha} _{res}
Three months ended June 30, 2025	10,959,190 ^{sha} _{res}	Three months ended June 30, 2024	10,956,285 ^{sha} _{res}

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

* 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. For information on the assumptions underlying the earnings forecasts and important points to note when using the forecasts, please see "1. Overview of Business Results, etc. (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 5 of the attached documents.

(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) Explanation of Operating Results

During the three months ended June 30, 2025, the Japanese economy maintained a moderate recovery due to improved employment and income conditions. On the other hand, the outlook remained uncertain, as tariff policies in the U.S. and heightened geopolitical risks in the Middle East and Ukraine led to financial market volatility, a strong yen trend in exchange rates, and sharp fluctuations in stock prices, among other events.

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 market prices of watches and bags remained soft overall due to many unstable factors such as the U.S. tariff policies and the Chinese economy.

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 three months ended June 30, 2025 increased 37.7% year on year to 46,120 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 summer tires and wheels designed in-house.

Operating profit, ordinary profit, and profit attributable to owners of parent all declined significantly, standing at 883 million yen (down 58.7% year over year), 652 million yen (down 70.2% year over year), and 353 million yen (down 75.0% year over year), respectively, due to a decline in gross profit margin caused by market fluctuations for some products.

Consolidated results (Millions of yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY	Change
Net sales	33,499	46,120	37.7%	12,620
Operating profit	2,137	883	△58.7%	△1,253
Ordinary profit	2,186	652	△70.2%	△1,534
Profit attributable to owners of parent	1,412	353	△75.0%	△1,059

Performance results by business segment are as follows.

① Brand Fashion business

In the Brand Fashion business, among domestic Group companies, Komehyo Co., Ltd., opened 10 purchase centers in addition to KOMEHYO OSAKA SHINSAIBASHI, the flagship store. K-Brand Off Co., Ltd. opened one store annexed with sales facilities. In addition, among overseas Group companies, KOMEHYO BRAND OFF ASIA LIMITED (Hong Kong), opened one store.

Regarding the purchase price of used goods, the Company strengthened existing stores by enhancing promotional activities and campaigns in addition to holding purchase events and aggressively opening purchase centers, among other measures. For purchases from individuals, appropriate purchase prices were set in accordance with market prices. In addition, to expand the lineup of products offered at retail stores, the Company further strengthened corporate purchasing via auctions for corporate customers operated by Group companies.

Regarding sales, the Company increased in-store inventory to accommodate an increase in the number of customers and implemented measures to deepen relationships with customers. In addition to corporate sales of gold bullion purchased in abundance from individuals by tapping into the soaring gold market, the Company actively promoted sales on cash of watches and bags via auctions for corporate clients with an eye on inventory turnover.

On the profit side, the Company leveraged corporate purchases and corporate sales to liquidate inventories in response to the fluctuation of the unstable prices of products. As a result, 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 three months ended June 30, 2025 were 44,751 million yen (up 38.2% year on year) and operating income was 779 million yen (down 63.0% year on year).

② Tire and Wheel business

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

As a result of the above, the net sales of this segment for the three months ended June 30, 2025 were 1,359 million yen (up 22.3% year on year) and operating profit was 38 million yen (compared to an operating loss of 3 million yen in the same period of the previous fiscal 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 three months ended June 30, 2025 were 91 million yen (up 10.8% year on year) and operating income was 31 million yen (up 14.0% year on year).

(2) Explanation of Financial Position

(Assets)

Total assets as of June 30, 2025 were 98,583 million yen, an increase of 9,957 million yen from the end of the previous fiscal year. This was mainly because a decrease of 646 million yen in accounts receivable-trade was more than offset by increases of 4,405 million yen in cash and deposits, 3,615 million yen in inventories, 1,372 million yen in "other" under current assets (such as accounts receivable-other), 239 million yen in buildings and structures, net, 225 million yen in construction in progress, 107 million yen in "other" under non-current assets (such as tools, furniture and fixtures), 451 million yen in "other" under intangible assets (such as software), and 180 million yen in investments and other assets.

(Liabilities)

Total liabilities as of June 30, 2025 were 66,068 million yen, an increase of 10,641 million yen from the end of the previous fiscal year. This was mainly because decreases of 247 million yen in income taxes payable and 366 million yen in long-term borrowings were more than offset by increases of 317 million yen in accounts payable-trade, 10,094 million yen in short-term borrowings, 268 million yen in accounts payable-other, 267 million yen in provision for bonuses, 141 million yen in lease liabilities under non-current liabilities, and 92 million yen in asset retirement obligations.

(Net assets)

Total net assets as of June 30, 2025 were 32,515 million yen, a decrease of 684 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 446 million yen in foreign currency translation adjustments and dividends of surplus of 569 million yen, which exceeded profit attributable to owners of parent of 353 million yen.

As a result, the equity ratio stood at 32.6% (compared to 37.0% at the end of the previous fiscal year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no revisions to the consolidated earnings and dividend forecasts for the current fiscal year announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2025, which is dated May 14, 2025.

For the current 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.

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.

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%.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	15,535,605	19,940,911
Accounts receivable - trade	4,800,648	4,154,242
Inventories	39,994,349	43,609,745
Other	8,126,816	9,499,070
Total current assets	68,457,419	77,203,970
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,854,632	6,094,031
Land	1,606,461	1,606,461
Construction in progress	48,441	274,199
Other, net	1,692,137	1,799,311
Total property, plant and equipment	9,201,672	9,774,004
Intangible assets		
Goodwill	1,992,227	1,927,997
Leased assets	1,582,971	1,654,469
Other	1,936,275	2,387,617
Total intangible assets	5,511,474	5,970,085
Investments and other assets	5,455,181	5,635,349
Total non-current assets	20,168,327	21,379,439
Total assets	88,625,747	98,583,409
Liabilities		
Current liabilities		
Accounts payable - trade	526,817	844,149
Short-term borrowings	34,952,500	45,046,700
Current portion of bonds payable	68,000	32,000
Current portion of long-term borrowings	1,368,740	1,366,364
Lease liabilities	830,791	891,605
Accounts payable - other	2,045,492	2,314,364
Income taxes payable	543,552	295,651
Contract liabilities	480,282	547,370
Provision for bonuses	1,134,305	1,402,137
Provision for merchandise warranties	10,009	7,932
Provision for point card certificates	130,461	129,057
Other	914,941	858,149
Total current liabilities	43,005,893	53,735,483
Non-current liabilities		
Long-term borrowings	9,217,935	8,851,344
Lease liabilities	957,397	1,098,583
Provision for retirement benefits for directors (and other officers)	43,709	43,709
Provision for merchandise warranties	839	698
Provision for point card certificates	225,901	257,731
Retirement benefit liability	281,759	287,268
Asset retirement obligations	1,370,963	1,463,275
Contract liabilities	172,130	181,604
Other	149,984	148,673
Total non-current liabilities	12,420,620	12,332,889
Total liabilities	55,426,514	66,068,372

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	1,803,780	1,803,780
Capital surplus	1,922,750	1,922,750
Retained earnings	27,738,952	27,522,420
Treasury shares	(80,756)	(80,756)
Total shareholders' equity	31,384,726	31,168,194
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	85,716	86,819
Foreign currency translation adjustment	1,304,237	857,436
Total accumulated other comprehensive income	1,389,954	944,256
Non-controlling interests	424,552	402,587
Total net assets	33,199,233	32,515,037
Total liabilities and net assets	88,625,747	98,583,409

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

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	33,499,768	46,120,102
Cost of sales	24,920,044	36,278,226
Gross profit	8,579,723	9,841,876
Selling, general and administrative expenses	6,442,304	8,958,143
Operating profit	2,137,419	883,732
Non-operating income		
Interest income	4,980	2,784
Dividend income	18,623	18,479
Foreign exchange gains	46,902	—
Commission income	1,083	1,047
Insurance claim income	7,202	2,270
Other	9,039	15,447
Total non-operating income	87,833	40,029
Non-operating expenses		
Interest expenses	37,511	128,548
Share of loss of entities accounted for using equity method	—	22,300
Foreign exchange losses	—	100,852
Rent expenses on store(construct in progress)	—	1,275
Other	1,132	18,411
Total non-operating expenses	38,643	271,387
Ordinary profit	2,186,608	652,374
Extraordinary income		
Gain on sale of non-current assets	179	79
Total extraordinary income	179	79
Extraordinary losses		
Loss on retirement of non-current assets	54,809	26,397
Loss on cancellation of rental contracts	5,860	—
Impairment losses	—	32,516
Total extraordinary losses	60,670	58,914
Profit before income taxes	2,126,117	593,540
Income taxes	709,075	239,921
Profit	1,417,042	353,619
Profit attributable to non-controlling interests	4,509	273
Profit attributable to owners of parent	1,412,532	353,345

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,417,042	353,619
Other comprehensive income		
Valuation difference on available-for-sale securities	11,965	1,102
Foreign currency translation adjustment	363,292	(446,800)
Total other comprehensive income	375,257	(445,698)
Comprehensive income	1,792,299	(92,079)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,785,134	(114,592)
Comprehensive income attributable to non-controlling interests	7,164	22,513

(3) Notes to Quarterly Consolidated Financial Statements

(Notes regarding accounting treatments specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Regarding tax expenses, we reasonably estimate the effective tax rate after applying tax effect accounting to the consolidated net income before taxes for the consolidated fiscal year including the current first quarter and multiply the quarterly net income before taxes by the estimated effective tax rate. It is calculated as follows.

However, for companies whose tax expenses would be extremely unreasonable if calculated using the estimated effective tax rate,

The amount calculated using the effective statutory tax rate is recorded.

(Notes on segment information)

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Net sales and income (loss) for each reportable segment and the breakdown of revenue

(Thousands of yen)

	Reportable segments			Total	Reconciling items	Per quarterly consolidated financial statements
	brand fashion business	tire wheel business	real estate leasing business			
Sales						
Revenue from contracts with customers	32,377,210	1,111,047	—	33,488,258	—	33,488,258
Other revenue	—	—	11,509	11,509	—	11,509
Revenues from external customers	32,377,210	1,111,047	11,509	33,499,768	—	33,499,768
Transactions with other segments	—	—	70,829	70,829	(70,829)	—
Net sales	32,377,210	1,111,047	82,339	33,570,597	(70,829)	33,499,768
Operating profit (loss)	2,106,431	(3,785)	27,323	2,129,968	7,450	2,137,419

(Note) 1. Segment income matches the operating income in the quarterly consolidated statements of income.

2. Other revenue is based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13)

3. The segment income adjustment of 7,450 thousand yen includes the elimination of inter-segment transactions of 276,481 thousand yen and company-wide expenses of -269,031 thousand yen that are not allocated to any of the reportable segments. Company-wide expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Non-current assets impairment losses, goodwill and other information for each reportable segment

(Significant impairment losses in non-current assets)

There are no applicable items.

(Significant changes in the amount of goodwill)

There are no applicable items.

(Significant gain on negative goodwill)

There are no applicable items.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Net sales and income (loss) for each reportable segment and the breakdown of revenue

(Thousands of yen)

	Reportable segments			Total	Reconciling items	Per quarterly consolidated financial statements
	brand fashion business	tire wheel business	real estate leasing business			
Sales						
Revenue from contracts with customers	44,751,419	1,359,254	—	46,110,674	—	46,110,674
Other revenue	—	—	9,428	9,428	—	9,428
Revenues from external customers	44,751,419	1,359,254	9,428	46,120,102	—	46,120,102
Transactions with other segments	—	—	81,825	81,825	(81,825)	—
Net sales	44,751,419	1,359,254	91,253	46,201,927	(81,825)	46,120,102
Operating profit	779,462	38,813	31,147	849,423	34,309	883,732

(Note) 1. Segment income matches the operating income in the quarterly consolidated statements of income.

2. Other revenue is based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13)

3. The segment income adjustment of 34,309 thousand yen includes the elimination of inter-segment transactions of 371,293 thousand yen and company-wide expenses of -336,984 thousand yen that are not allocated to any of the reportable segments. Company-wide expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Non-current assets impairment losses, goodwill and other information for each reportable segment

(Significant impairment losses in non-current assets)

In accordance with the Accounting Standard for Impairment of Fixed Assets, the book value of buildings and accompanying facilities that showed signs of impairment due to a decline in profitability caused mainly by changes in the market and environment was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss under extraordinary losses in the Brand and Fashion Business in the amount of 32,516 thousand yen.

(Significant changes in the amount of goodwill)

There are no applicable items.

(Significant gain on negative goodwill)

There are no applicable items.

(Notes when there is a significant change in the amount of shareholders' equity)

There are no applicable items.

(Notes regarding going concern assumption)

There are no applicable items.

(Notes on quarterly consolidated statements of cash flows)

The Company did not prepare quarterly consolidated statements of cash flow for the first three months under review. Depreciation (including amortization of intangible assets except for goodwill and long-term prepaid expenses) and amortization of goodwill for the three months under review are as follows.

	For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation expense	507,334	744,992
Amortization of goodwill	19,783	64,229