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February 13, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Komehyo Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange  
 Securities code: 2780  
 URL: <https://komehyohds.com>  
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 Scheduled date to commence dividend payments:—  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Scheduled (Posting videos on our website)

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

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	111,815	32.9	5,086	△0.7	4,976	△3.5	3,780	2.9
December 31, 2023	84,141	34.2	5,121	38.0	5,158	29.7	3,674	36.3

Note: Comprehensive income For the nine months ended December 31, 2024: ¥3,800 million of yen [△8.0%]  
 For the nine months ended December 31, 2023: ¥4,130 million of yen [28.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	345.03	—
December 31, 2023	335.34	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	91,379	31,554	34.1
March 31, 2024	64,039	28,770	44.4

Reference: Equity

As of December 31, 2024: ¥31,157 million of yen  
 As of March 31, 2024: ¥28,405 million of yen

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	44.0	—	44.0	88.0
Fiscal year ending March 31, 2025	—	52.0	—		
Fiscal year ending March 31, 2025 (Forecast)				52.0	104.0

Note: Revisions to the forecast of cash dividends most recently announced: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	158,500	32.7	6,000	△19.5	5,860	△21.6	4,280	△14.8	390.58

Note: Revision to the financial results forecast announced most recently: Yes

### \* Notes

- (1) Major changes in the scope of consolidation during the period under review : No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - ① Changes in accounting policies due to the revision of accounting standards : No
  - ② Changes in accounting policies other than ① above : No
  - ③ Changes in accounting estimates : No
  - ④ Retrospective restatement : No

### (4) Total number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury stock)	Nine months ended December 31, 2024	11,257,000shares	March 31, 2024	11,257,000shares
② Total number of treasury shares at the end of the period	Nine months ended December 31, 2024	297,810shares	March 31, 2024	300,715shares
③ Average number of shares during the period:	Nine months ended December 31, 2024	10,957,986shares	Nine months ended December 31, 2023	10,956,351shares

\* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an auditing corporation: Yes (optional)

\* Explanation of the proper use of financial results forecast and other notes

(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 the achievability of them. 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.

## ○Table of Contents

1. Overview of business results, etc. ....	2
(1) Overview of business results for the current quarter.....	2
(2) Overview of financial position for the current quarter.....	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	4
2. Quarterly Consolidated Financial Statements and Primary Notes.....	5
(1) Quarterly Consolidated Balance Sheets.....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	7
Quarterly Consolidated Statements of Income	
Nine Months Ended December 31, 2023 and 2024.....	7
Quarterly Consolidated Statements of Comprehensive Income	
Nine Months Ended December 31, 2023 and 2024.....	8
(3) Notes to Quarterly Consolidated Financial Statements.....	9
(Notes regarding accounting treatments specific to the preparation of quarterly consolidated financial statements).....	9
(Notes on segment information) .....	9
(Notes when there is a significant change in the amount of shareholders' equity) .....	11
(Notes regarding going concern assumption) .....	11
(Notes on quarterly consolidated statements of cash flows) .....	11

## 1. Overview of business results, etc.

### (1) Overview of business results for the current quarter

During the first three quarters of the fiscal year under review, the Japanese economy staged a moderate recovery, reflecting progress in a shift to a virtuous circle of an increase in commodity prices and wages, despite sluggishness in some areas. On the other hand, close attention should continue to be paid to how the prolonged slowdown of the Chinese economy and policies to be taken by the re-elected U.S. president going forward, among other factors, will affect interest rates, foreign exchange rates, share prices, commodity prices, consumption, inbound tourism-related demand, etc. In the reuse industry, the market as a whole 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 sale has only been intensifying due to increasingly active M&A activities through industry reorganization and a large number of 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 as a whole worked to achieve its Vision. As a result, the Group's net sales for the nine months ended December 31, 2024 increased 32.9% year on year to 111,815 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 and ordinary profit decreased 0.7% and 3.5% year on year respectively, to 5,086 million yen and 4,976 million yen, while profit attributable to owners of parent increased 2.9% year on year to 3,780 million yen.

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.

Consolidated results (Millions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY	Change
Net sales	84,141	111,815	32.9%	27,674
Operating profit	5,121	5,086	△0.7%	△34
Ordinary profit	5,158	4,976	△3.5%	△182
Profit attributable to owners of parent	3,674	3,780	2.9%	106

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 23 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 13 purchase centers (including franchised stores) in addition to Umeda Store, a store annexed with sales facilities. Among the overseas Group companies, Saha Komehyo Co., Ltd. (Thailand) opened one retail store, Komehyo Singapore Pte. Ltd. (Singapore) also opened two retail stores, and Komehyo Brand Off Asia Ltd. (Hong Kong) opened three retail stores. 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, the Group increased online contact points starting with an e-commerce site and contact centers, enhanced the in-store inventory to respond to the increase in the number of visitors to stores, including foreigners visiting Japan, took measures to deepen its relationship with customers and renovated multiple BRAND OFF retail stores in Japan and overseas. In addition, in response to strong purchases from individuals, the Group strengthened corporate sales after enhancing products for retail and strengthened the corporate auctions that KOMEHYO Auction Co., Ltd. and K-Brand Off Co., Ltd. each operate.

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 the level higher than initially planned, the operating profit margin declined.

As a result of the above, the net sales of this segment for the nine months ended December 31, 2024 were 107,120 million yen (up 33.7% year on year) and operating income was 4,579 million yen (down 2.0% 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.

Additionally, as individual purchases have been strong, we have been able to secure ample inventory. As a result, used sales increased and profit margins improved.

As a result of the above, the net sales of this segment for the nine months ended December 31, 2024 were 4,661 million yen (up 16.8% year on year) and the segment posted an operating income of 386 million yen (up 43.8% 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 nine months ended December 31, 2024 were 267 million yen (up 24.6% year on year) and operating income was 87 million yen (up 36.2% year on year).

(2) Overview of financial position for the current quarter

(Assets)

Total assets as of December 31, 2024 were 91,379 million yen, which is an increase of 27,340 million yen from the end of the previous fiscal year. This mainly reflected increases of 3,604 million yen in cash and deposits, 1,377 million yen in accounts receivable – trade, 14,900 million yen in inventories, 2,593 million yen in current assets – other (deposits paid, etc.), 1,049 million yen in buildings and structures, net, 377 million yen in property, plant and equipment – other, net (tools, equipment and fixtures), 840 million yen in leased assets (intangible assets), 289 million yen in

intangible assets – other (software, etc.), 1,606 million yen in goodwill and 867 million yen in investments and other assets, due to the conversion of RK Enterprise Co., Ltd., and its subsidiaries, Rodeo Drive Japan Co., Ltd. and Rs-JAPAN Co., Ltd., into Group companies.

(Liabilities)

Total liabilities as of December 31, 2024 were 59,825 million yen, which is an increase of 24,555 million yen from the end of the previous fiscal year. This was attributable largely to increases of 209 million yen in accounts payable – trade, 24,335 million yen in short-term borrowings, 331 million yen in lease liabilities (current liabilities), 282 million yen in accounts payable – other, 265 million yen in current liabilities – other (deposits received, etc.), 1,191 million yen in long-term borrowings, 579 million yen in lease liabilities (non-current liabilities), 157 million yen in retirement benefit liability, 322 million yen in asset retirement obligations and 228 million yen in other, which more than offset decreases of 2,235 million yen in current portion of long-term borrowings, 687 million yen in income taxes payable, and 532 million yen in provision for bonuses, due to conversion of RK Enterprise Co., Ltd., and its subsidiaries, Rodeo Drive Japan Co., Ltd. and Rs-JAPAN Co., Ltd., to group companies.

(Net assets)

Total net assets as of December 31, 2024 were 31,554 million yen, which is an increase of 2,784 million yen from the end of the previous the fiscal year. This was because the posting of profit attributable to owners of parent of 3,780 million yen, which was mainly attributable to the conversion of RK Enterprise Co., Ltd., and its subsidiaries, Rodeo Drive Japan Co., Ltd. and Rs-JAPAN Co., Ltd., to Group companies, more than offset the dividend of surplus of 1,051 million yen.

As a result, the equity ratio stood at 34.1% (compared to 44.4% at the end of the previous fiscal year).

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

The Company has made the following revisions to its forecasts on consolidated financial results and dividends for the fiscal year ending March 31, 2025, which it announced in the Notice Concerning Revision of Earnings Forecasts and Dividend Forecasts dated August 13, 2024. For details, please see the Notice Concerning Revision of Earnings Forecasts released today (February 13, 2025).

Consolidated performance forecast

Consolidated Financial Results Forecast	Fiscal year ending March 2025 Full year (Millions of yen)
Net sales	158,500
Operating profit	6,000
Ordinary profit	5,860
Profit attributable to owners of parent	4,280

2. Quarterly Consolidated Financial Statements and Major Notes  
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,208,866	18,813,408
Accounts receivable - trade	3,917,182	5,294,879
Inventories	24,353,155	39,253,561
Other	6,447,695	9,040,827
<b>Total current assets</b>	<b>49,926,900</b>	<b>72,402,677</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,619,444	5,669,188
Land	1,644,961	1,606,461
Construction in progress	156,906	27,995
Other, net	1,048,097	1,425,571
<b>Total property, plant and equipment</b>	<b>7,469,408</b>	<b>8,729,215</b>
Intangible assets		
Goodwill	449,586	2,056,456
Leased assets	752,061	1,592,498
Other	1,669,547	1,959,250
<b>Total intangible assets</b>	<b>2,871,194</b>	<b>5,608,205</b>
Investments and other assets	3,771,971	4,639,607
<b>Total non-current assets</b>	<b>14,112,574</b>	<b>18,977,028</b>
<b>Total assets</b>	<b>64,039,475</b>	<b>91,379,705</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	870,728	1,080,651
Short-term borrowings	19,154,400	43,489,800
Current portion of bonds payable	72,000	68,000
Current portion of long-term borrowings	2,788,170	553,014
Lease liabilities	395,098	726,630
Accounts payable - other	1,428,784	1,711,091
Income taxes payable	1,442,075	754,850
Contract liabilities	463,476	522,894
Provision for bonuses	1,198,397	666,289
Provision for merchandise warranties	10,417	10,019
Provision for point card certificates	102,088	137,640
Other	510,418	776,410
<b>Total current liabilities</b>	<b>28,436,056</b>	<b>50,497,290</b>
Non-current liabilities		
Bonds payable	68,000	-
Long-term borrowings	4,825,000	6,016,185
Lease liabilities	431,281	1,010,922
Provision for retirement benefits for directors (and other officers)	23,598	53,334
Provision for merchandise warranties	610	765
Provision for point card certificates	177,879	201,623
Retirement benefit liability	126,063	283,888
Asset retirement obligations	953,440	1,276,280
Contract liabilities	115,816	144,897
Other	111,726	340,019
<b>Total non-current liabilities</b>	<b>6,833,416</b>	<b>9,327,917</b>
<b>Total liabilities</b>	<b>35,269,473</b>	<b>59,825,208</b>

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
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	26,742,699
Treasury shares	△80,858	△80,756
Total shareholders' equity	27,646,589	30,388,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67,056	83,391
Foreign currency translation adjustment	691,836	685,219
Total accumulated other comprehensive income	758,892	768,611
Non-controlling interests	364,519	397,412
Total net assets	28,770,002	31,554,496
Total liabilities and net assets	64,039,475	91,379,705



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(Third quarter consolidated cumulative period)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	84,141,496	111,815,643
Cost of sales	63,034,188	86,125,486
Gross profit	21,107,307	25,690,157
Selling, general and administrative expenses	15,986,139	20,603,506
Operating profit	5,121,168	5,086,650
Non-operating income		
Interest income	18,534	8,735
Dividend income	12,935	20,465
Foreign exchange gains	29,315	—
Commission income	3,427	3,223
Insurance claim income	14,622	11,904
Other	33,859	40,797
Total non-operating income	112,694	85,125
Non-operating expenses		
Interest expenses	54,655	167,355
Foreign exchange losses	—	11,143
Rent expenses on store(construct in progress)	7,867	3,536
Other	12,437	13,073
Total non-operating expenses	74,960	195,109
Ordinary profit	5,158,901	4,976,667
Extraordinary income		
Gain on sale of non-current assets	1,461	88,188
Gain on bargain purchase	—	487,531
Total extraordinary income	1,461	575,720
Extraordinary losses		
Loss on retirement of non-current assets	33,551	59,047
Loss on cancellation of rental contracts	542	5,481
Impairment losses	39,893	7,823
Total extraordinary losses	73,986	72,351
Profit before income taxes	5,086,376	5,480,036
Income taxes	1,395,545	1,689,134
Profit	3,690,831	3,790,901
Profit attributable to non-controlling interests	16,766	10,042
Profit attributable to owners of parent	3,674,064	3,780,859

(Quarterly Consolidated Statements of Comprehensive Income)  
(Third quarter consolidated cumulative period)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	3,690,831	3,790,901
Other comprehensive income		
Valuation difference on available-for-sale securities	12,853	16,335
Foreign currency translation adjustment	427,172	△6,616
Total other comprehensive income	440,025	9,718
Comprehensive income	4,130,856	3,800,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,089,617	3,765,298
Comprehensive income attributable to non-controlling interests	41,238	35,321

### (3) Notes on Semi-annual Consolidated Financial Statements

(Notes regarding accounting treatments specific to the preparation of semi-annual 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 semi-annual consolidated accounting period, and multiply the interim net income before taxes by the estimated effective tax rate.

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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Thousands of yen)

	Reportable Segment			Total	Adjustment amount	Amount recorded in quarterly consolidated statements of income (Note) 1
	Brand/Fashion business	Tire and wheel business	real estate rental business			
Net sales						
Revenue from contracts with customers	80,115,177	3,991,789	–	84,106,966	–	84,106,966
Other revenue	–	–	34,529	34,529	–	34,529
Net sales to outside customers	80,115,177	3,991,789	34,529	84,141,496	–	84,141,496
Inter-segment net sales or transfers	–	9	180,192	180,201	△180,201	–
Total	80,115,177	3,991,789	214,721	84,321,697	△180,201	84,141,496
Segment profit	4,671,287	268,814	64,601	5,004,703	116,464	5,121,168

(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 adjustment amount of 116,464 thousand yen for segment profit includes 700,857 thousand yen in intersegment transaction eliminations and △584,392 thousand yen in company-wide expenses that are not allocated to each reportable segment. Company-wide expenses are mainly general and administrative expenses that are not attributable to reportable segments.

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

(Significant impairment losses in non-current assets)

Based on the "Accounting Standards for Impairment of Fixed Assets," the book value of software, etc. that has shown signs of impairment due to a decline in profitability due to changes in the market and environment, etc., is reduced to the recoverable amount, and the book value is reduced to the recoverable amount. The amount was recorded as an impairment loss of 39,893 thousand yen as an extraordinary loss. By segment, sales amounted to 39,209 thousand yen in the "Brand Fashion Business" and 683 thousand yen in the "Tires and Wheels

Business.”

(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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

(Thousands of yen)

	Reportable Segment			Total	Adjustment amount	Amount recorded in quarterly consolidated statements of income (Note) 1
	Brand/Fashion business	Tire and wheel business	real estate rental business			
Net sales						
Revenue from contracts with customers	107,120,446	4,661,687	—	111,782,134	—	111,782,134
Other revenue	—	—	33,509	33,509	—	33,509
Net sales to outside customers	107,120,446	4,661,687	33,509	111,815,643	—	111,815,643
Inter-segment net sales or transfers	—	—	234,059	234,059	△234,059	—
Total	107,120,446	4,661,687	267,568	112,049,702	△234,059	111,815,643
Segment profit	4,579,230	386,425	87,977	5,053,633	33,017	5,086,650

(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 33,017 thousand yen includes the elimination of inter-segment transactions of 955,510 thousand yen and company-wide expenses of △922,493 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)

Based on the “Accounting Standards for Impairment of Fixed Assets,” the book value of building equipment, etc. that has been found to be impaired due to a decline in profitability due to changes in the market and environment, etc. is reduced to its recoverable amount, and the amount of the decrease was recorded as an impairment loss of 7,823 thousand yen as an extraordinary loss. By segment, sales amounted to 5,782 thousand yen in the “Brands and Fashion Business” and 2,040 thousand yen in the “Tires and Wheels Business.”

(Significant changes in the amount of goodwill)

In the Brand Fashion business, goodwill in the amount of 1,574,908 thousand yen was generated due to the acquisition of all shares of RK Enterprise Co., Ltd.

(Significant gain on negative goodwill)

In the Brand Fashion business, the Company posted gains on bargain purchase in the amounts of 350,273 thousand yen and 137,257 thousand yen, which were generated due to the

acquisition of all shares of Rodeo Drive Japan Co., Ltd. and Rs-JAPAN Co., Ltd., as extraordinary income.

(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 flows for the third quarter under review. Depreciation (including amortization of intangible assets except for goodwill and long-term prepaid expenses) and amortization of goodwill for the nine months under review are as follows.

(thousands of yen)	For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation expense	1,194,931	1,686,805
Amortization of goodwill	59,351	69,497