

Sustainability of Komehyo Holdings

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Komehyo Holdings Co., Ltd.

Securities code: 2780

(Tokyo and Nagoya Stock Exchanges)

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Sustainability

For the Komehyo Holdings Group, sustainability is the business model itself. A large amount of products are still produced, consumed and discarded, As a result, environmental destruction is occurring all over the world. “Responsible consumption and production” is a major issue that needs to be resolved in today's consumer society. Our group is a company that provides solutions to solve these issues.

Sustainability Policy

Komehyo Holdings Group contributes to the creation of affluent lifestyles and the realization of a sustainable society by building a relay use culture, a concept connecting “things” and “feelings” from one person to another.

● Market Creation

To achieve sustainable production and consumption, we enhance the value of used products and create a healthy reuse market.

● Business Growth

We are committed to addressing environmental and social challenges and achieving corporate growth at the same time through responsible business activities centered on relay use.

● Co-Creation with Stakeholders

We build relationships of trust with stakeholders with integrity and fulfill our social responsibilities as a company chosen by them.

Materiality of the Komehyo Holdings Group

Komehyo Holdings Group will promote and expand its business and increase the number of people who sympathize with relay use. set as materiality.

■ Realization of a recycling society that follows the great cycles of the earth

Action on climate change

- Green logistics
- Visualization of the effects of GHG emissions reductions
- Use of environmentally friendly materials

Investments that contribute to being nature positive

- Promotion of reuse technology
- Creating an environment where goods can be purchased casually without worry
- Building trust with customers through real and digital communication

Promoting resource recycling through reuse

- Expansion of gross merchandise value (GMV)
- Passing on the reuse culture overseas, taking reuse from Japan to the rest of the world
- Revitalizing the reuse market through BtoB auctions



■ Respect for diversity and integrity

Utilization of diverse human resources

- Developing appraisers with a unique curriculum
- Improving product knowledge
- Developing workstyles and environments which enable the active participation of diverse employees.
- Recruiting a diverse pool of employees in Japan and abroad

Promote health and productivity management

- Maintaining and promoting the physical and mental health of employees
- Create an environment where employees can work with peace of mind
- Achieving both job satisfaction and increased productivity

Coexistence with local communities

- Increasing consumer reuse literacy
- Collaboration within the industry, with related ministries and agencies and with other relevant organizations
- Participation in community and social contribution activities
- Support for people with disabilities in sports

■ Future-oriented governance for eternal growth and development

Active dialogue with stakeholders

- Cooperation with partners (business partners, owners, member companies)
- Timely and appropriate information disclosure in a fair manner

Strengthening of the group governance system

- Enhancement of compliance
- Ensuring thorough risk management
- Fair and transparent management

Solving social issues through business activities

- Eliminating counterfeit goods from the reuse market
- Awareness-raising activities to prevent trouble or damage related to reuse, such as coercive buying
- Efforts to ensure fair purchase prices and sales prices
- Developing the standard of product quality of Japan in other countries

A value chain where value circulates through relay use

Developing the reuse market further

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

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



Restoring value with our unique technical capabilities

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

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



Making reuse a common practice in society

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

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



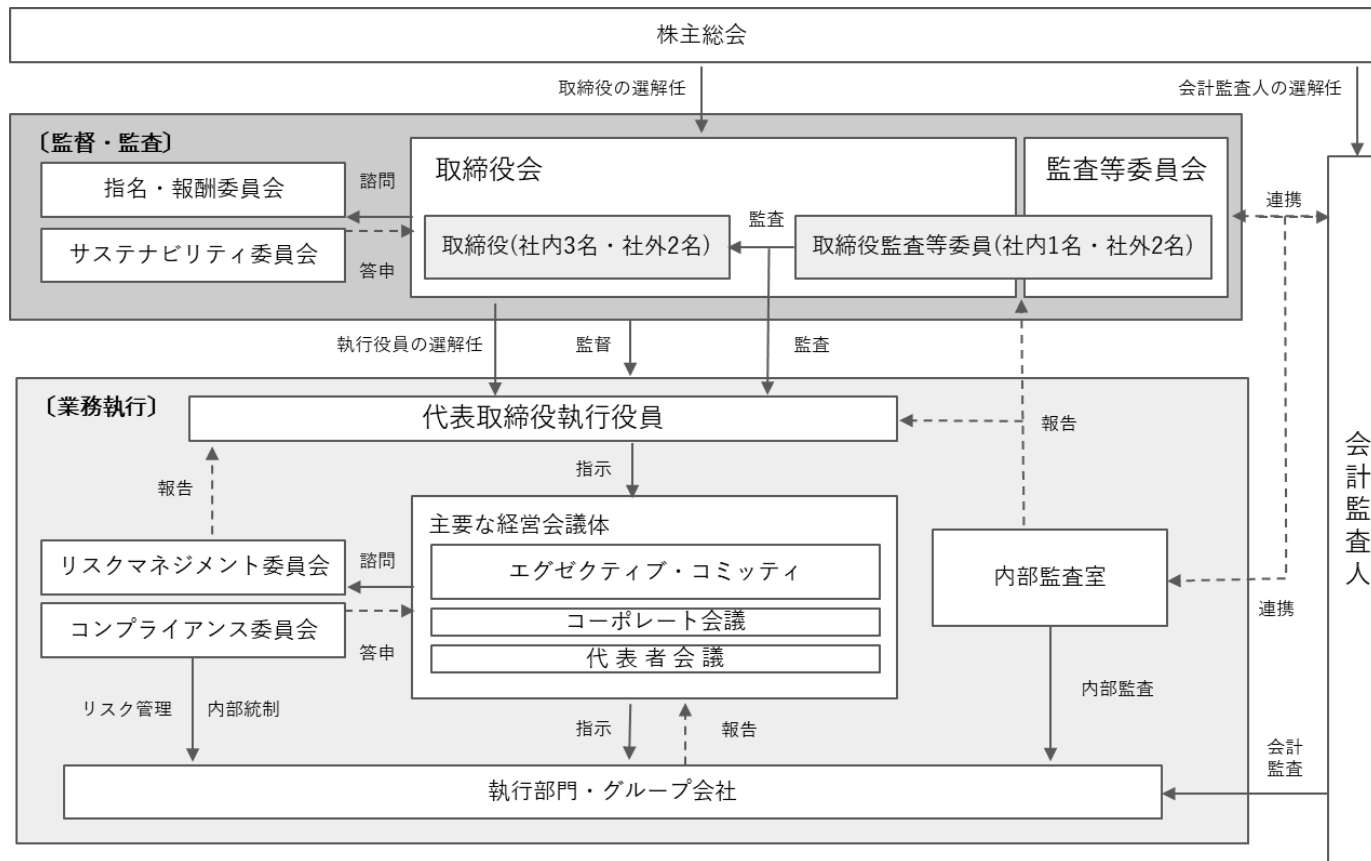
Pursuing fair sustainability

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

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



Corporate governance system



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

Officer system



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

Human capital data (KOMEHYO HD)

The employee retention rate has remained at a high level, and the retention of human resources is high. We are able to accumulate know-how, which is the foundation for stable growth.

Management ratio

Gender pay gap

Childcare leave acquisition rate

Management ratio	woman	17.6%
	Mid-career recruitment	58.6%
	foreigner	15.2%
Gender pay gap	regular workers	68.9%
	part timer fixed-term employee	85.0%
Childcare leave acquisition rate	male	80.0%
	female	96.4%

The employee retention rate

	FY2021	FY2022	FY2023
KOMEHYO HD GROUP	—	92.4%	91.4%
KOMEHYO	96.3%	96.0%	96.9%
【reference】 Regular worker (general) Excluding part-timers (Ministry of Health, Labor and Welfare)	89.3%	88.9%	—

* Measure the turnover rate and convert it into a retention rate at our company

IR contact

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Note:

This document is an English translation of a document prepared in Japanese.

Statements in this document that are not historical facts; statements concerning current plans, forecasts, strategies, and opinions of KOMEHYO Co., Ltd. are forward-looking statements subject to various risks and uncertainties.

These statements are prepared based on assumptions of the management of Komehyo Holdings Co.,Ltd. using currently available information.

Actual results may differ significantly from forecasts due to a variety of factors; therefore, investors should not place undue reliance upon them.

In addition, this document is not intended to solicit investments. Investors should make investment decisions at their own discretion.