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Q&A for the Financial Results Briefing for the Fiscal Year Ended June 30 2026

On August 25 2026, we held an online financial results briefing for the fiscal year ended June 30 2026. This document summarizes and makes public the main points of the Q&A session. Some amendments have been made for clarity.

Q1. Regarding shareholder returns: the results-briefing materials state that the Company plans to begin paying dividends in line with increased profits, starting from the fiscal year ending June 2028. What level of profit increase do you have in mind here, and do you have a general sense of how the size of the dividend might correspond to a given level of profit increase?

A1. In the online reuse business, we intend to continue achieving growth and expanding profits going forward. In the mobile communications business, while we plan to return to profitability during the current fiscal year even as we anticipate an increase in the number of cancellations, we expect a substantial improvement at the profit level as well in the fiscal year ending June 2028, since the revenue-boosting effect of the price revision will make a full-year contribution in that year. As both the reuse and mobile communications businesses are thus expected to be on a trend of higher revenue and higher profit by the fiscal year ending June 2028, we intend to shift our means of shareholder return to dividends around that time.

At present, the Company incurs shareholder-benefit program costs of approximately JPY140 million per year, and we intend to begin paying dividends by incorporating these benefit costs into the funding source for the dividend. As for specifics such as the dividend payout ratio and dividend amount, we intend to provide an explanation on a case-by-case basis in line with actual profit results.

Q2. A price increase for "Kashimo WiMAX" has already been announced. What has been the trend in the number of subscriber lines held since then?

A2. We have announced a price increase of JPY540 per month per line, and we expect this to result in a certain number of cancellations. While we will refrain from disclosing specific figures, the number of subscriber lines held has continued to trend within our expectations even after the price increase was announced, and progress shows no significant deviation from the plan.

Q3. How much revenue contribution do you expect from city-center stores in the fiscal year ending June 2027?

A3. Because the store will open partway through the fiscal year and will not make a full-year contribution, we expect the opening of the city-center store to contribute an increase in revenue of several hundred million yen, on a sales basis, for the fiscal year ending June 2027. Note that, on a profit basis, initial costs such as store-opening expenses will also be incurred, so we expect a full-scale profit contribution to begin from the fiscal year ending June 2028. As this is the Company's first foray into opening stores in city centers, we intend to build a structure that fully leverages our strength in online customer acquisition and expands our initiatives in physical stores.

Q4. Used agricultural machinery was once positioned as the Company's next growth driver. Do you have any plans to put it back on a growth track?

A4. In the used agricultural machinery sector, the aging of domestic farmers who handle agricultural machinery continues to progress, and the number of farmers leaving the industry is rising markedly. Recently, there have also been news reports suggesting that rice prices, having surged and then turned to decline, may further accelerate the trend of farmers leaving the industry. Given this, we do not see any change in the situation whereby a substantial volume of used agricultural machinery continues to be supplied to the market.

Accordingly, we intend to continue capturing this used machinery and channeling it into the secondary market — selling it domestically to new entrants into farming at reasonable prices, and exporting machinery no longer used in Japan to overseas markets.

That said, for overseas sales, ocean freight has remained unstable in both cost and lead time due to the emergence of geopolitical risks, and for the time being we limit such transactions to those where we can be confident of a solid profit contribution. Accordingly, our policy going forward is to focus primarily on domestic supply and demand, to prioritize consumer-facing products as the key focus of our reuse business, and to manage used agricultural machinery with an emphasis on profit contribution.

Q5. What is your outlook on the possibility of future industry reorganization in the reuse sector?

A5. As also discussed in the results-briefing materials, we expect the reuse market to continue expanding, as it has to date, and we expect the number of market participants to keep increasing.

At the same time, competition is intensifying considerably, and the increase in franchise buyback stores focused mainly on precious metals and branded goods is particularly notable. We believe this segment will reach a point of saturation at some stage, though the timing may vary.

Currently, prices of primary-market goods are also rising amid inflation, and in the environment surrounding the reuse business, we are seeing not only strong demand from customers wishing to sell (cash-conversion needs) but also strengthening demand from customers seeking reused goods. That said, the reuse business is a business model that can only be sustained by earning the support of customers and receiving buyback requests from them, so we expect that operators unable to consistently secure such requests will likely face increasingly difficult conditions going forward.

M&A has also become an increasingly common approach within the reuse industry; however, because there remains considerable room for the market itself to expand, we expect that, as individual operators continue to grow organically, the industry will gradually move in the direction of greater consolidation among major players.

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