

# FY 2024 Q4 Settlement Report

February 14, 2025

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BuySell Technologies Co., Ltd.

TSE Growth Market : 7685

**BUYSELL**  
**TECHNOLOGIES**

|                  |   |
|------------------|---|
| <b><u>01</u></b> | <b>Executive Summary</b>                |
| <b><u>02</u></b> | <b>Results of FY 2024</b>               |
| <b><u>03</u></b> | <b>Changes in major KPIs of FY 2024</b> |
| <b><u>04</u></b> | <b>Forecasts for FY 2025</b>            |
| <b><u>05</u></b> | <b>Mid-term management plan FY2027</b>  |
| <b><u>06</u></b> | <b>Appendix</b>                         |

# 01

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## Executive Summary

\* "BST" in the document refers to the BuySell non-consolidated

# Executive Summary-1

## FY2024 Results (Consolidated)

|                  | FY2023      |  | FY2024      | YoY     |        |
|------------------|-------------|--|-------------|---------|--------|
| Sales            | ¥42,574 mil |  | ¥59,973 mil | +17,398 | +40.9% |
| Operating income | ¥2,796 mil  |  | ¥4,733 mil  | +1,937  | +69.3% |
| OPM%             | 6.6%        |  | 7.9%        | +1.3pt  | -      |
| Adjusted EBITDA  | ¥3,994 mil  |  | ¥6,398 mil  | +2,403  | +60.2% |
| Net income       | ¥1,453 mil  |  | ¥2,411 mil  | +957    | +65.9% |

- Successful turnaround of the home-visit purchase business, sustained growth of the existing Group store purchase business, and strong performance of newly consolidated companies resulted in the highest profits
- **Strategically carry inventory into FY25 while landing profits on target**
- Operating margin improved significantly by 1.3 pt YoY to 7.9% due to business promotion emphasizing profitability on an operating income basis, not just gross profit.

## Mid-term management plan 2027

### FY2025 Forecast

|  | FY2024           | FY2025 Est       | YoY%          | FY2027Est        | CAGR(FY24-27) |
|--|------------------|------------------|---------------|------------------|---------------|
| <b>Sales</b>   | <b>¥59.97</b> bn | <b>¥99.79</b> bn | <b>+66.4%</b> | <b>¥140.0</b> bn | <b>32.7%</b>  |
| <b>Operating income</b>                                  | <b>¥4.73</b> bn  | <b>¥6.50</b> bn  | <b>+37.3%</b> | <b>¥11.0</b> bn  | <b>32.5%</b>  |
| <b>Operating income before amortization of goodwill*</b> | <b>¥5.56</b> bn  | <b>¥7.89</b> bn  | <b>+41.9%</b> | <b>¥12.3</b> bn  | <b>30.3%</b>  |
| <b>OPM</b>   | <b>7.9</b> %     | <b>6.5</b> %     | <b>-1.4pt</b> | <b>7.9</b> %     | <b>—</b>      |

- New 3-year medium-term business plan was established. Plans net sales of 140 billion yen (CAGR 33%) and operating income of 11 billion yen (CAGR 32%) in FY2027, the final year of the plan (not including new M&A during the mid-term plan period).
- In FY2025, the first year of the medium-term business plan, we plan high growth of 99.8 billion yen in net sales (+66% YoY) and 6.5 billion yen in operating income (+37% YoY) due to solid organic growth and the start of consolidation of Rext HD P/L, while making strategic investments for mid- to long-term growth.
- FY2025 dividend is planned to be 20 yen per share, an increase of 5 yen per share (after stock split)

\*Operating income before amortization of goodwill, etc. = Operating income + Amortization of goodwill (including customer-related assets)

**02**

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## **Results of FY 2024**

# Consolidated Statements of Income for the FY2024

- Both the home-visit purchase business and the group store purchasing business have been successful in implementing measures to improve unit prices and strategic repeat acquisitions and have made progress well above the full-year profit plan, **so a strategic stock carry was implemented in Q4 to carry over sales of stock to the next financial year.**
- As a result, **operating profit was slightly higher than planned at ¥4,733 million (69.3% YoY), and the operating profit margin improved to 7.9%.**

| consolidated financial results<br>(Unit: Million yen) | FY2023 Q4<br>12 months | FY2024 Q4<br>12 months | YoY     | YoY%   | (Reference)<br>FY2024<br>Forecast | % of<br>progress |
|---|------------------------|------------------------|---------|--------|-----------------------------------|------------------|
| Sales   | 42,574                 | <b>59,973</b>          | +17,398 | +40.9% | <b>61,850</b>                     | 71.4%            |
| Gross profit  | 24,493                 | <b>31,655</b>          | +7,162  | +29.2% | <b>32,651</b>                     | 72.0%            |
| Gross profit margin                                   | 57.5%                  | <b>52.8%</b>           | -4.7pt  | —      | <b>52.8%</b>                      | —                |
| Selling, general and administrative expenses          | 21,696                 | <b>26,921</b>          | +5,225  | +24.1% | <b>27,971</b>                     | 70.7%            |
| (Breakdown) Advertising expenses                      | 6,524                  | <b>7,598</b>           | +1,073  | +16.5% | <b>7,855</b>                      | 71.2%            |
| (Breakdown) Personnel expenses*                       | 7,926                  | <b>10,156</b>          | +2,229  | +28.1% | <b>10,621</b>                     | 71.0%            |
| Operating income                                      | 2,796                  | <b>4,733</b>           | +1,937  | +69.3% | <b>4,680</b>                      | 79.3%            |
| Sales to operating income ratio                       | 6.6%                   | <b>7.9%</b>            | +1.3pt  | —      | <b>7.6%</b>                       | —                |
| Adjusted EBITDA                                       | 3,994                  | <b>6,398</b>           | +2,403  | +60.2% | <b>6,332</b>                      | 77.6%            |
| Adjusted EBITDA margin                                | 9.4%                   | <b>10.7%</b>           | +1.3pt  | —      | <b>10.2%</b>                      | —                |
| Ordinary income                                       | 2,754                  | <b>4,198</b>           | +1,443  | +52.4% | <b>4,140</b>                      | 79.2%            |
| Ordinary income ratio                                 | 6.5%                   | <b>7.0%</b>            | +0.5pt  | —      | <b>6.7%</b>                       | —                |
| Net income attributable to owners of the parent       | 1,453                  | <b>2,411</b>           | +957    | +65.9% | <b>2,240</b>                      | 78.8%            |

## Sales

- Inventory sales are strategically carried forward to the next financial year.

## Gross Profit Margin

- Year-on-year change is lower due to a change in mix due to the consolidation of new shop subsidiaries.
- BST's non-consolidated gross margin remains high at 64.1%.

## Advertisement

- Increase by subsidiaries approx. ¥740 million

## Non-operating profit/loss

- Fees paid for Rext HD's M&A fund borrowing, etc.

## Net income

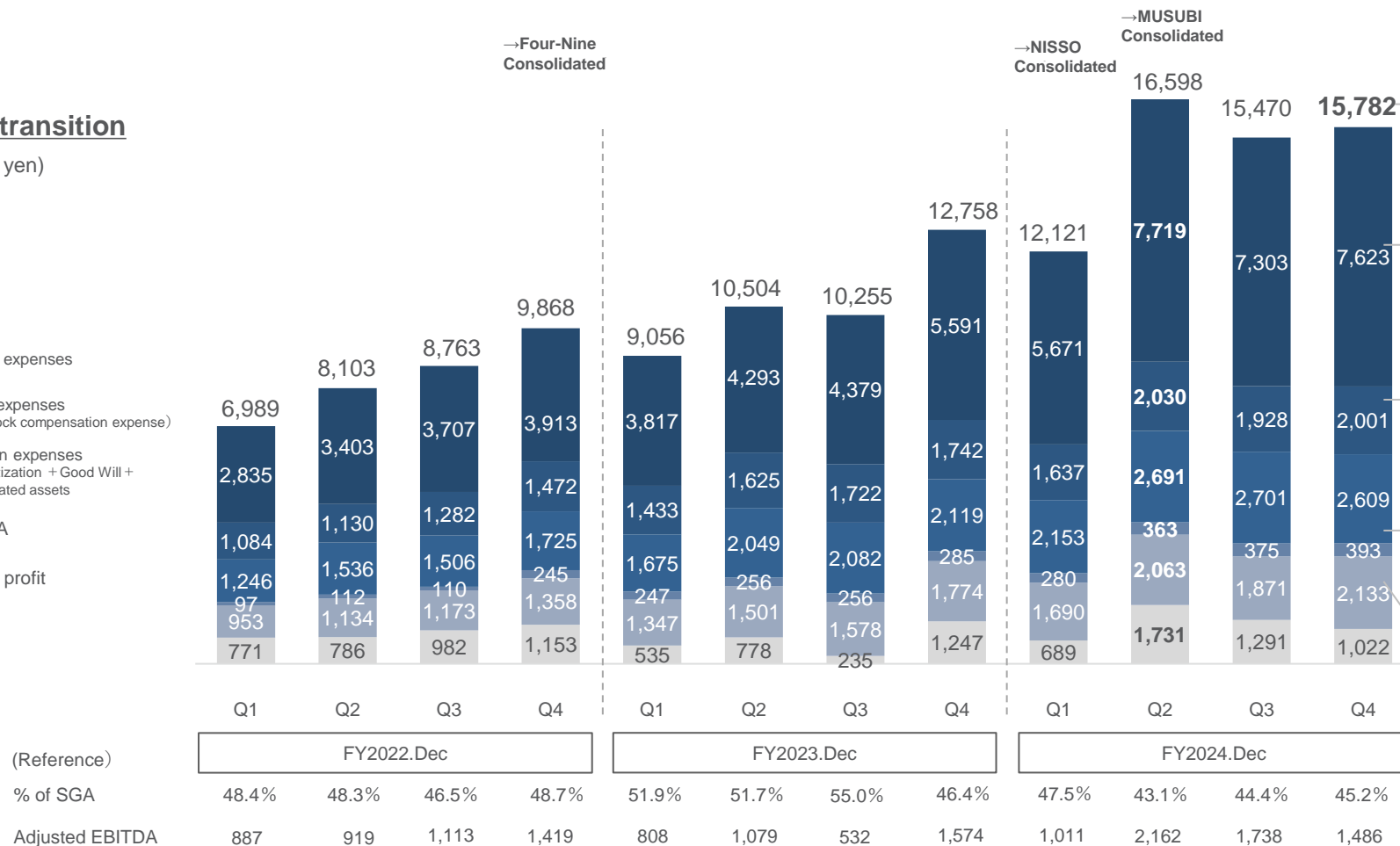
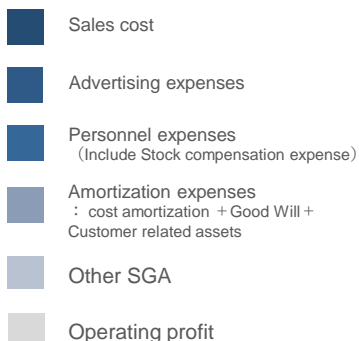
- Higher than expected due to the application of tax incentives for employment.

# Quarterly transition(Consolidated)

- Q4 results were in line with expectations, with sales of ¥15,782 million (+23.7% YoY) and operating profit of ¥1,022 million (-18.0% YoY), as a result of strategic inventory carry to land on the full-year profit plan.

## Quarterly transition

(Unit: Million yen)



### Highlights for Q4 of FY2024

#### Sales

- Sales of approximately ¥2.5 billion from the new consolidation of Musubi and Nisso

#### cost of sales

- Increase due to growth in purchase and sales and consolidation of a new store-based subsidiary with a relatively high cost-of-sales ratio

#### Advertising expenses

- Increase due to new consolidation of Musubi and Nisso
- on a stand-alone basis -¥0.07 billion.

#### Personnel expenses

- Group-wide headcount increase, consolidated YoY + ¥287 (excluding Rext HD)

#### Other SGA

- Land rent due to shop expansion and amortization of goodwill, etc.

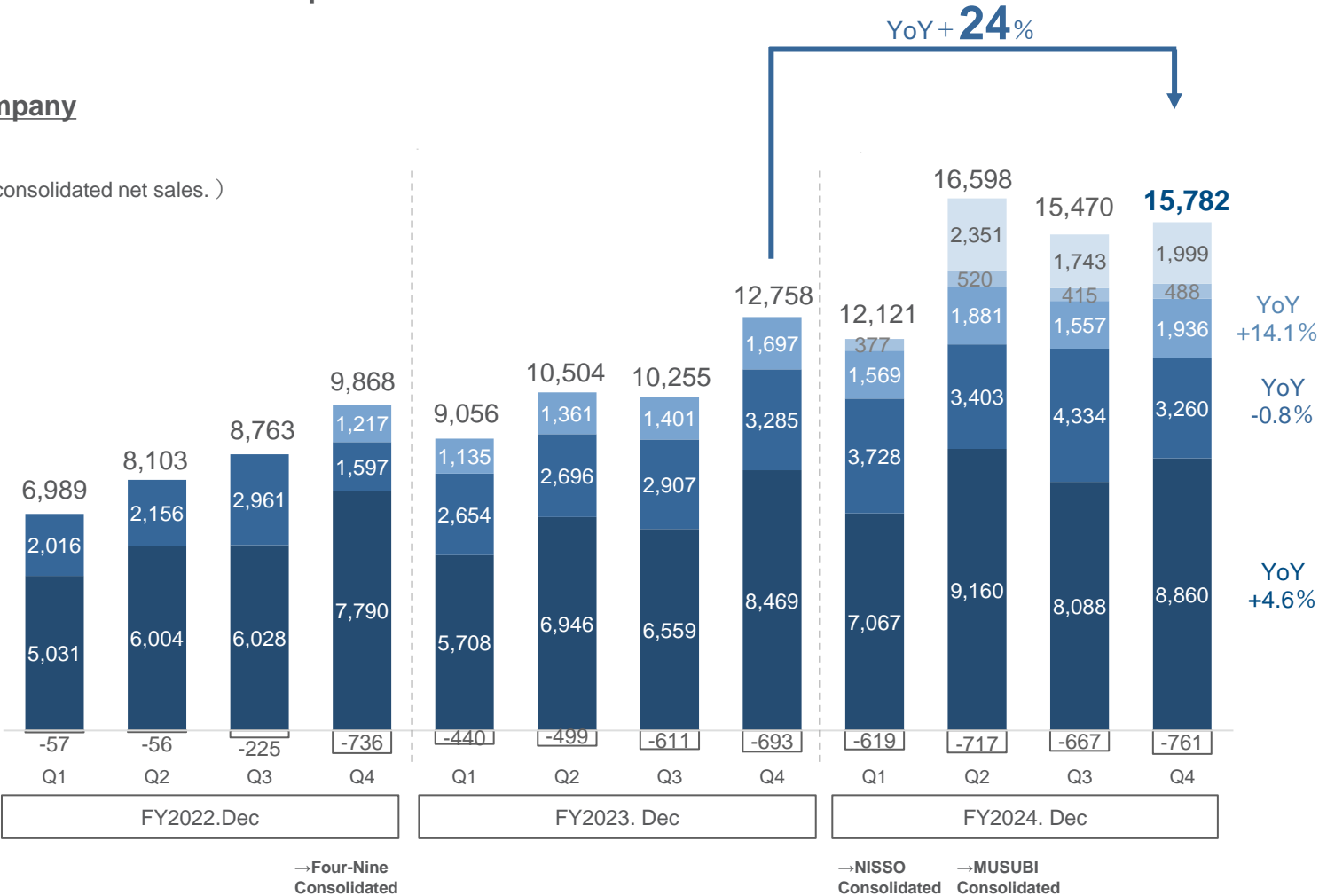
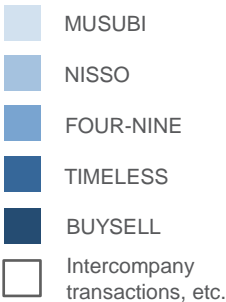
# Sales by Group Company

- Sales growth in Q4 for BST on a standalone basis and Timeless is limited due to strategic inventory carries, but sales from such carries are expected to be recorded from Q1 of FY25 onwards.
- Sales of Four Nine and Musubi are solid and above plan.

## Quarterly Sales by Company

(Unit: Million yen)

( Figures outside the graph are consolidated net sales. )



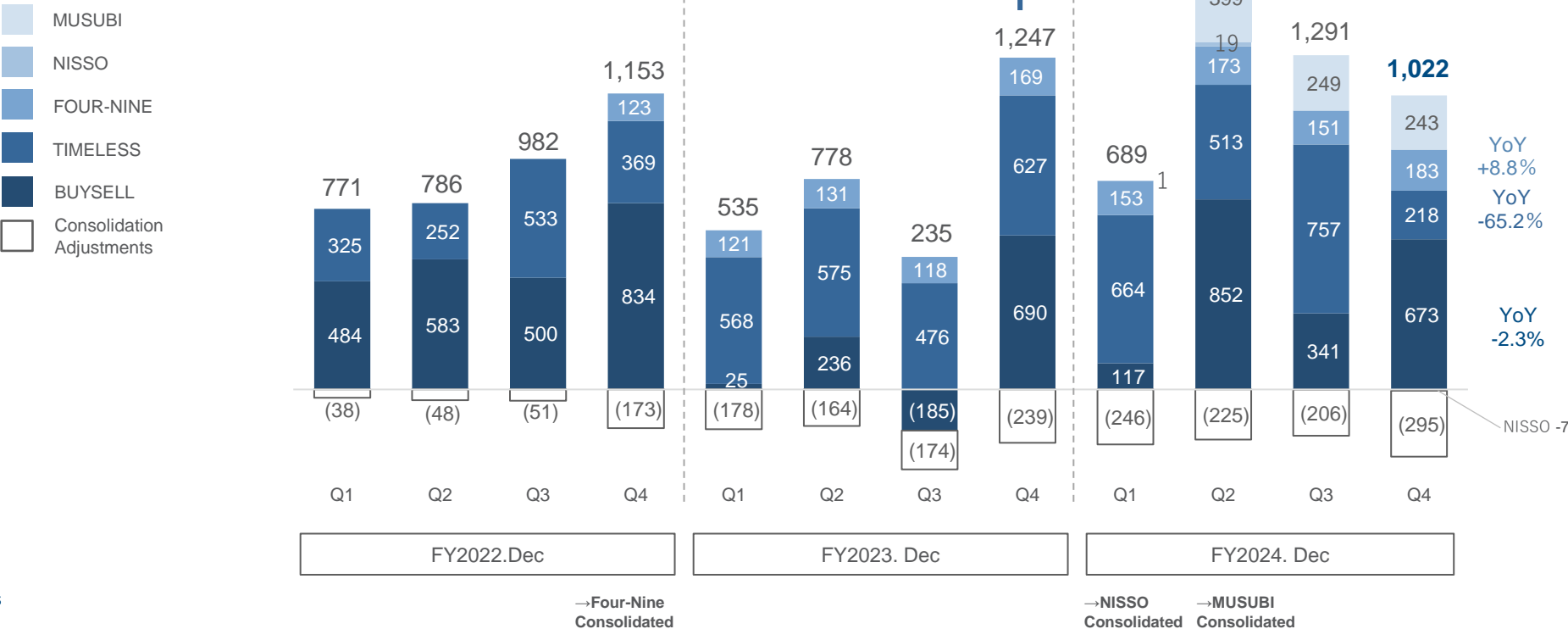
# Operating Income by Group Companies

- Consolidated operating profit in Q4 declined, but this was due to the strategic carrying of inventory at BST and Timeless and the carry-over of sales to the next financial year, to target the full-year profit plan level, due to profit progress that exceeded expectations.
- Operating profit at BST on a standalone basis was at the same level as in the same period of the previous year, as the success of efficiency-oriented advertising operations, etc. compensated for the decline in sales due to inventory carry. Timeless's business model means that its SG&A expenses are mainly labor costs, which are fixed costs, so the decline in sales due to inventory carry is linked to operating profit.

## Quarterly Operating Income by Company

(Unit: Million yen)

( Figures outside the graph are consolidated net operating income. )



# Q4 of FY2024 Balance Sheet

- **Inventories (stock) increased and the turnover period increased due to strategic stock carry in Q4 into the next period at BST on a non-consolidated basis and at Timeless, and the consolidation of the B/S of Rext HD from this Q4.**
- **The amount of goodwill of Rext HD is approximately ¥9 billion and the amortisation period is fixed at 18 years (annual amortisation of ¥500 million).**

| (Unit: Million yen)              |                                 |                                  | FY2023              | FY2024              |                     |                     |                     |                      |
|----------------------------------|---------------------------------|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                  |                                 |                                  | Q4                  | Q1                  | Q2                  | Q3                  | Q4                  | Vs Q4,FY23           |
| Assets                           | Current assets                  | Cash and deposits                | 7,756               | 7,078               | 11,003              | 20,011              | 13,217              | +12,255              |
|                                  |                                 | Inventories<br>(turnover period) | 4,543<br>(75.5days) | 5,394<br>(81.5days) | 6,651<br>(75.2days) | 6,812<br>(74.1days) | 9,023<br>(89.1days) | +2,269<br>(-1.4days) |
|                                  |                                 | Other                            | 1,117               | 1,649               | 1,396               | 1,506               | 1,579               | +389                 |
|                                  | Fixed asset                     | Goodwill                         | 3,599               | 7,573               | 7,418               | 7,263               | 16,163              | +3,664               |
|                                  |                                 | Customer related<br>assets       | 1,031               | 962                 | 893                 | 825                 | 756                 | -206                 |
|                                  |                                 | Other                            | 3,273               | 3,874               | 4,136               | 4,254               | 5,626               | +981                 |
|                                  | Total assets                    |                                  | 21,320              | 26,531              | 31,499              | 40,674              | 46,366              | +19,353              |
| Liability                        | Interest-bearing debt           |                                  | 8,068               | 13,790              | 16,501              | 25,670              | 26,977              | +17,601              |
|                                  | Other                           |                                  | 4,642               | 4,156               | 5,408               | 4,817               | 6,894               | +175                 |
| Total<br>net<br>assets           | Capital (incl. capital surplus) |                                  | 3,388               | 3,409               | 3,448               | 3,451               | 4,087               | +62                  |
|                                  | Retained earnings               |                                  | 6,038               | 5,974               | 6,891               | 7,445               | 8,092               | +1,407               |
|                                  | Other                           |                                  | -816                | -799                | -750                | -710                | 314                 | +105                 |
| Total liabilities and Net assets |                                 |                                  | 21,320              | 26,531              | 31,499              | 40,674              | 46,366              | +19,353              |

## Major balance sheet changes

### Cash and deposits

10 billion borrowed cash outflow for Rext HD M&A in Q3, ¥8.2 billion in Q4.

### Inventories

- An increase of approximately ¥2.14 billion in BST and Timeless compared to the end of the previous year.
- The increase in inventories due to the consolidation of Rext HD is approximately ¥1 billion.

### Goodwill

- Goodwill of Musubi Corp. was recorded in Q1 of this fiscal year (approx. ¥4.1 billion, amortized over 17 years).
- Goodwill' of Rext HD is recorded in Q4 (approx. 9 billion yen, amortized over 18 years).

### Interest-bearing debt

- Increase due to borrowing of funds for M&A of Musubi and Rext HD, etc.

**03**

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## **Changes in Major KPIs of FY 2024**

# Changes in KPIs (Home visit purchase business Non-consolidated)

- The number of visits in Q4 landed in line with the strategic policy of -11% YoY, as the company is thoroughly investing in advertising to emphasize profitability based on the strategic policy of emphasizing profit generation.
- Gross profit per visit exceeded the full-year plan due to a significant increase in gross profit per visit as a result of an increase in strategic revisits and steady results from enablement. Although advertising expenses per visit landed at a slightly higher level, variable profit per visit was in line with the plan due to an increase in gross profit per visit.

**KPI (at-home pick up service): Number of visits × Variable profit per visit\* (\*gross profit – advertising expenses)**

| Changes in KPIs<br>(Comparison between full fiscal year and total periods) | FY2019  | FY2020  | FY2021  | FY2022  | FY2023  | FY2024           |                   | Vs<br>Full Year Plan |
|--|---------|---------|---------|---------|---------|------------------|-------------------|----------------------|
|  | Full FY | Full FY | Full FY | Full FY | Full FY | Q4<br>(12months) | Full-year<br>Plan |                      |
| Number of visits (cases)   | 180,146 | 187,871 | 209,526 | 243,321 | 260,997 | 270,944          | 284,800           | 95.1%                |
| Variable profit per visit (yen)  | 32,178  | 35,526  | 40,238  | 45,560  | 44,214  | 47,343           | 47,200            | +0.3%                |
| - Gross profit per visit (yen)   | 46,687  | 51,443  | 57,324  | 62,161  | 63,843  | 67,364           | 65,600            | +2.7%                |
| - Advertising expenses per visit (yen)                                     | 14,509  | 15,917  | 17,086  | 16,602  | 19,628  | 20,021           | 18,400            | +8.8%                |

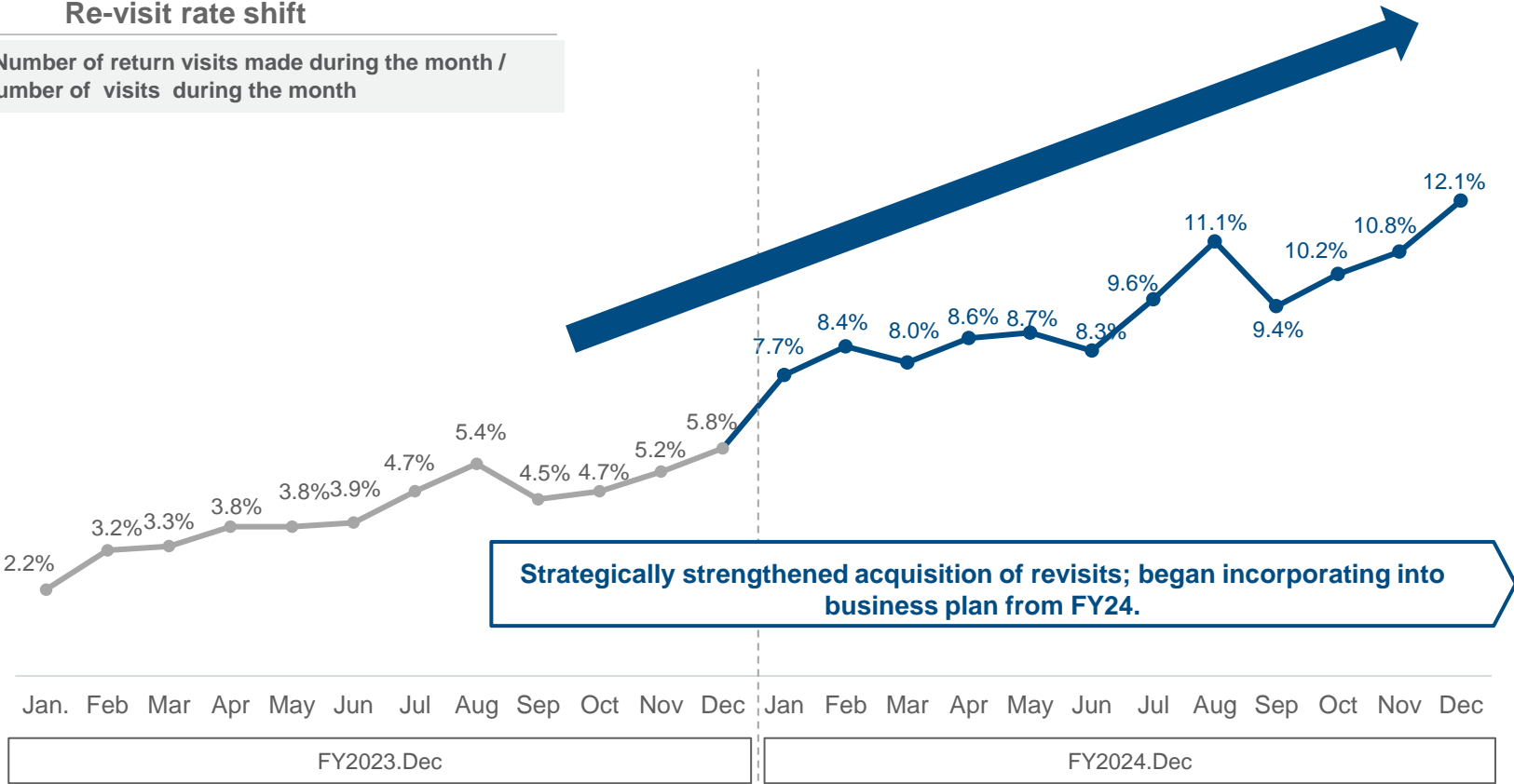
| Changes in KPIs<br>(Comparison of quarter accounting period) | FY2022 |        |        |        | FY2023 |        |        |        | FY2024 |        |        |        | YoY<br>vs.Q4 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
|  | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     |              |
| Number of visits (cases)                                     | 49,174 | 60,929 | 64,859 | 68,359 | 57,724 | 63,570 | 63,652 | 76,051 | 62,744 | 74,271 | 66,559 | 67,370 | -11.4%       |
| Variable profit per visit (yen)                              | 47,179 | 46,133 | 40,830 | 48,371 | 40,757 | 46,644 | 40,288 | 47,493 | 41,998 | 50,511 | 45,508 | 49,108 | +3.4%        |
| - Gross profit per visit (yen)                               | 65,354 | 61,503 | 56,907 | 65,436 | 59,487 | 66,603 | 61,376 | 65,828 | 61,905 | 69,528 | 66,176 | 69,703 | +5.9%        |
| - Advertising expenses per visit (yen)                       | 18,175 | 15,370 | 16,077 | 17,066 | 18,729 | 19,958 | 21,087 | 18,336 | 19,907 | 19,017 | 20,669 | 20,595 | +12.3%       |

# Home Visit Purchase Business KPI Trends - Revisit Rate

- The revisit ratio has steadily increased due to the strategic reinforcement of revisit acquisitions. In particular, the revisit ratio for the current fiscal year, incorporated into the business plan, **more than doubled from the previous year.**
- Since customers already use and are satisfied with our services, they tend to purchase more merchandise that did not request an appraisal the first time, **and the unit price of return visits is higher than the unit price of new visits, contributing to higher unit gross profit during the period.**

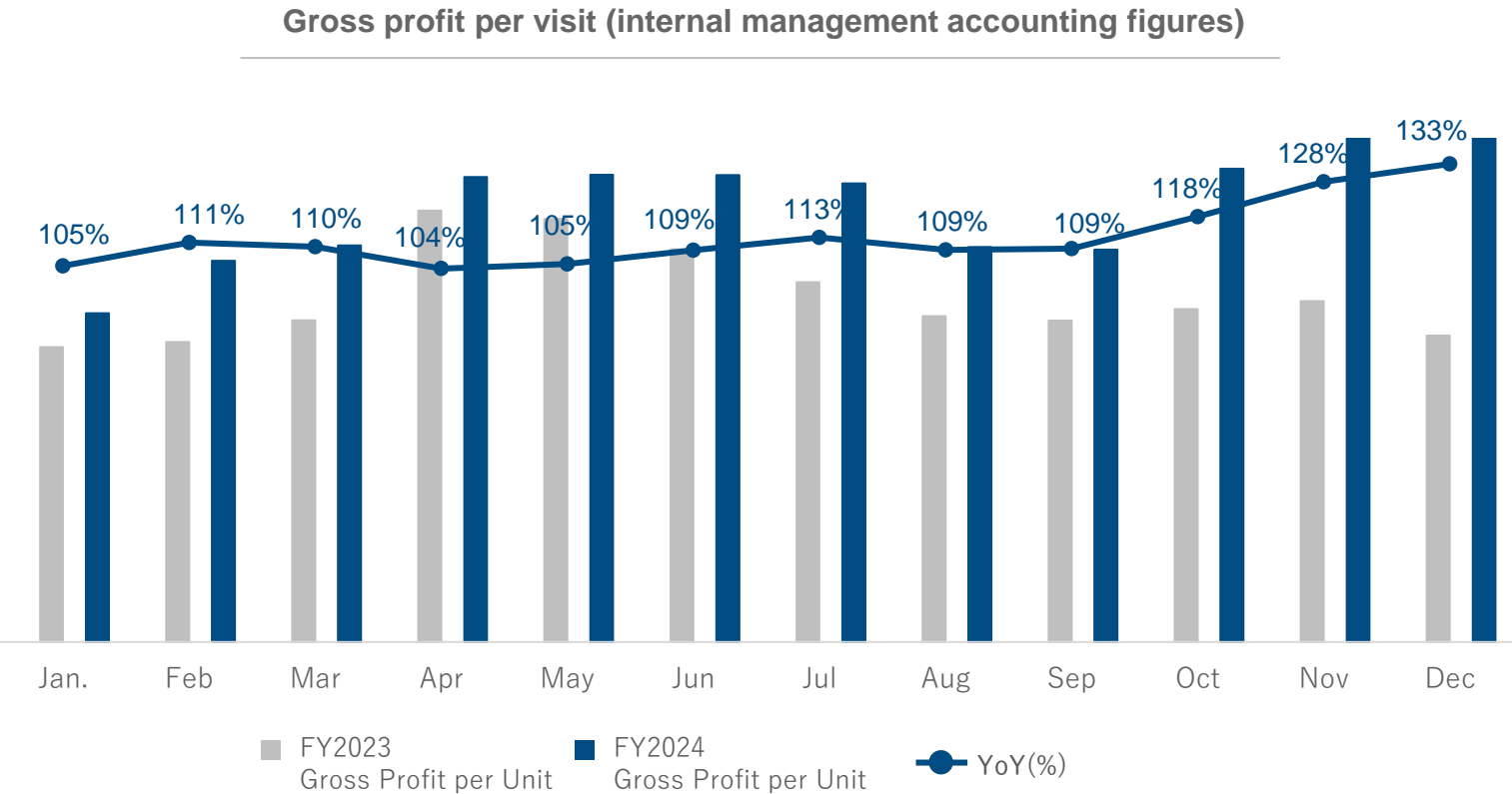
## Re-visit rate shift

\* Re-visit rate = Number of return visits made during the month /  
Number of visits during the month



# (Reference) Gross profit per visit (internal management accounting figures)

- The internal management accounting's "Gross profit per visit" continued to exceed that of the previous year, growing by 13% YoY. The constant improvement of assessors' skills through sales enablement and the increase in the number of repeat visits, which often include high unit price projects, contributed to the increase in the unit price.

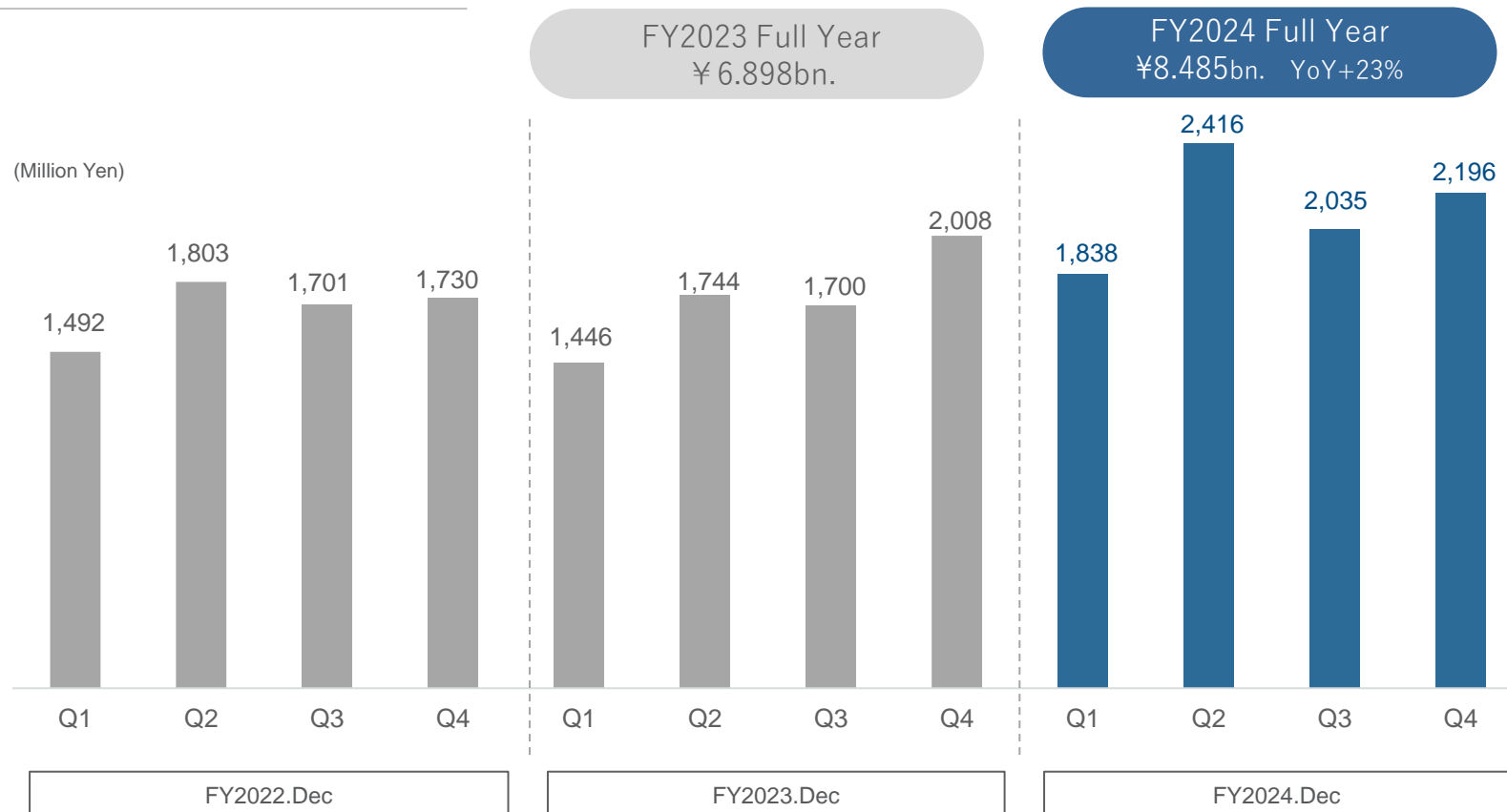


(\*) Gross profit per visit for internal management accounting to manage KPIs in each FS business unit  
• KPI that eliminates the impact of gross profit growth from sales  
• **Gross profit per unit is not disclosed because it is a KPI for management accounting purposes.**

# Home visit purchase business KPI Trends - purchase volume

- FY2024 home-visit purchase business purchase volume was solid at +23% YoY, thanks to an increase in the unit price per business visit.

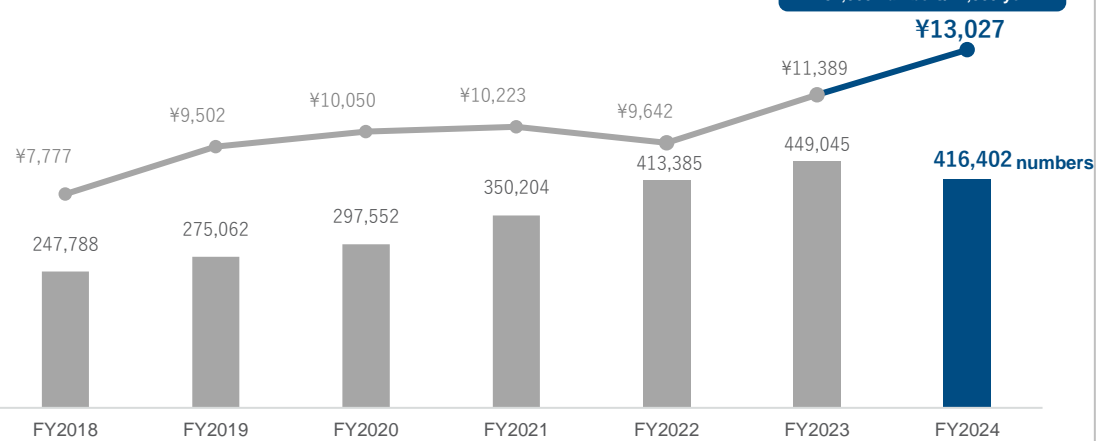
## Amount of purchases shift (Non-consolidated)



# Reference) Changes in other KPIs (BuySell, non-consolidated) of home visit purchase service

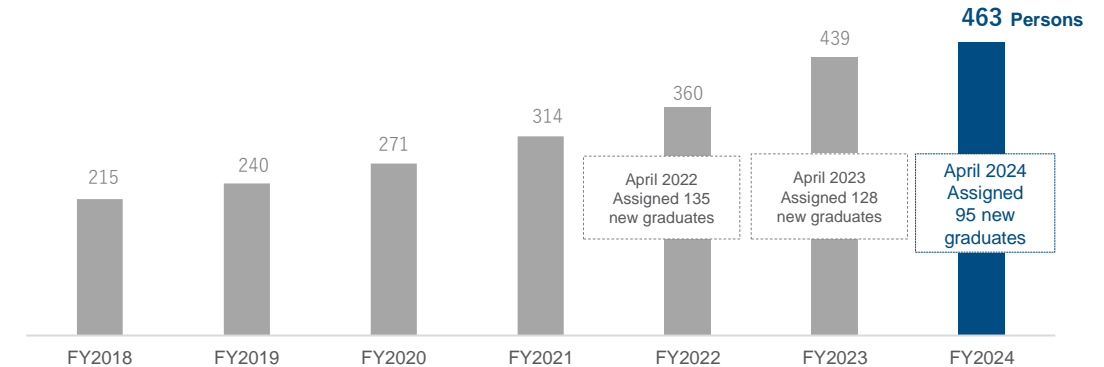
## Other important KPIs

### Number of inquiries/CPA



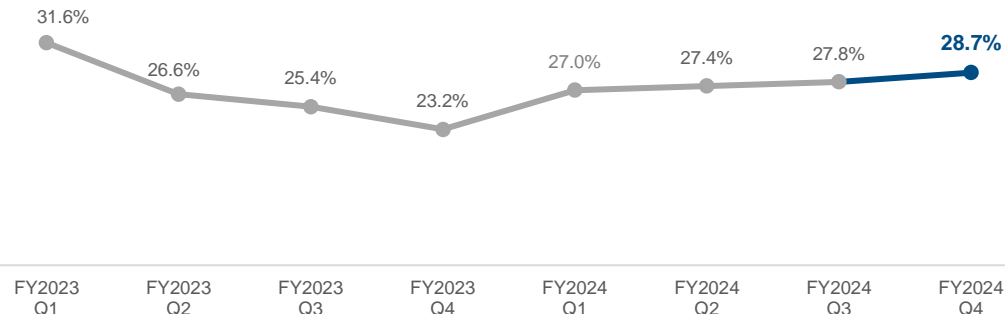
### FS business (at-home pick-up): Number of employees

**FY 24 Target 450**



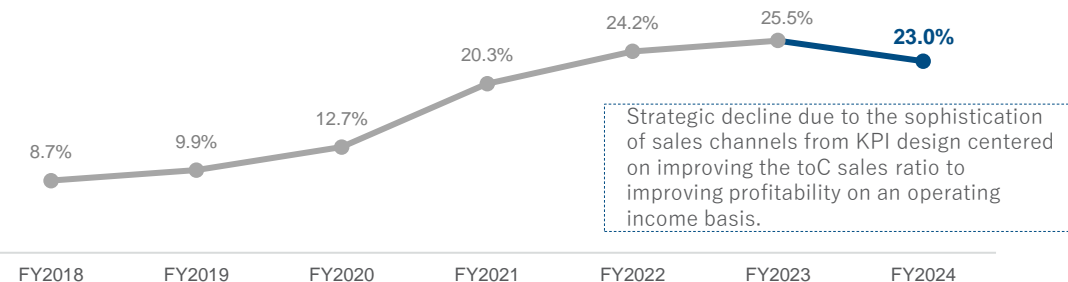
### High-ranking appointment ratio

**FY24 Target 25.0%**  
(new standards base)



### B2C sales ratio (BuySell, non-consolidated)

**FY 24 Target 30.0%**



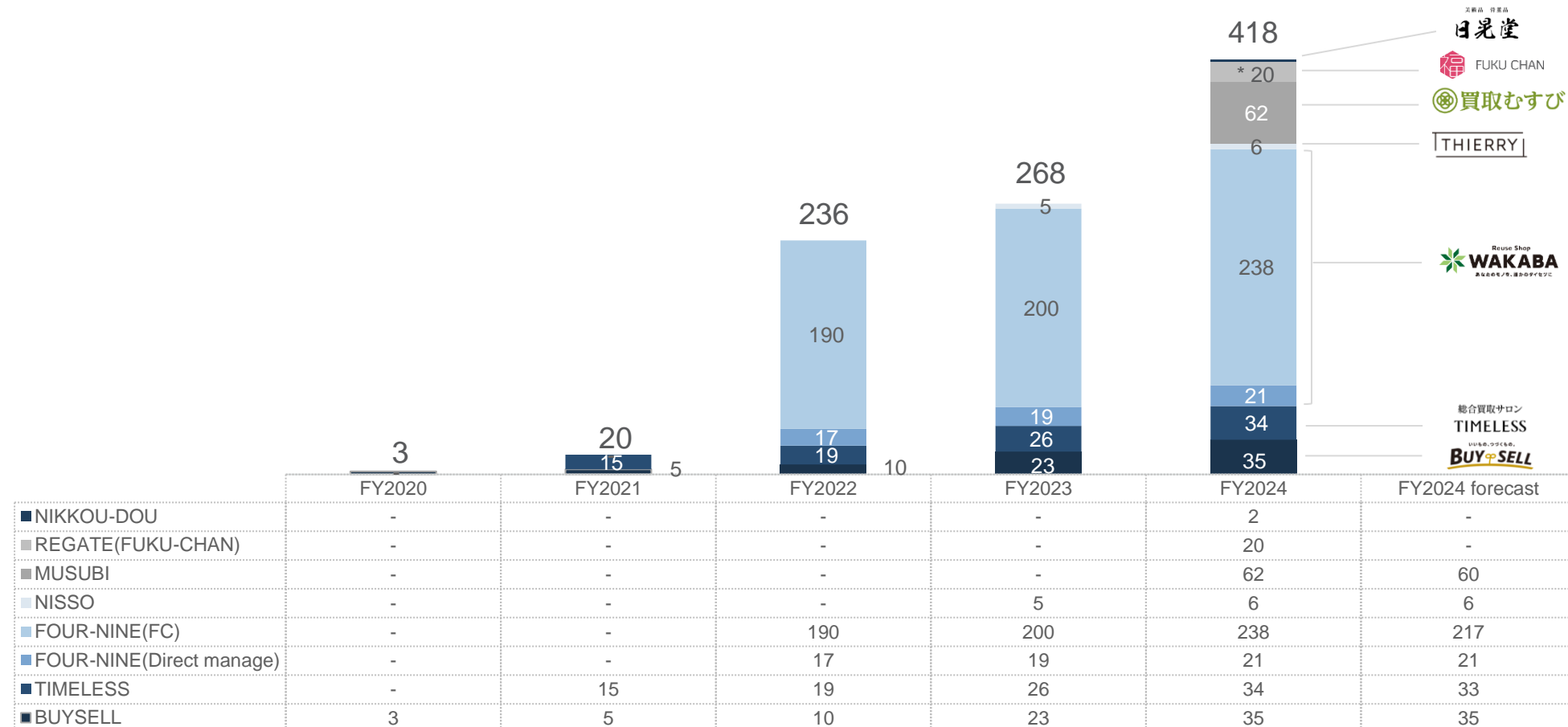
\*1 CPA: Advertising expenses per inquiry (advertising expenses related to home visits ÷ number of inquiries)

\*2 High rank appointment ratio: Appointments are classified into five ranks, A-E, according to the expected gross profit per visit for internal management accounting.  
Percentage of the number of home visits for A-C high-ranking appointments among the relevant ranks (number of ABC rank appointments ÷ number of home visits)

# Group store purchase business KPI transition - Number of stores

- New store openings in the group store purchase business were steady at each company, and each company achieved its annual store plan.

## Number of Group Stores



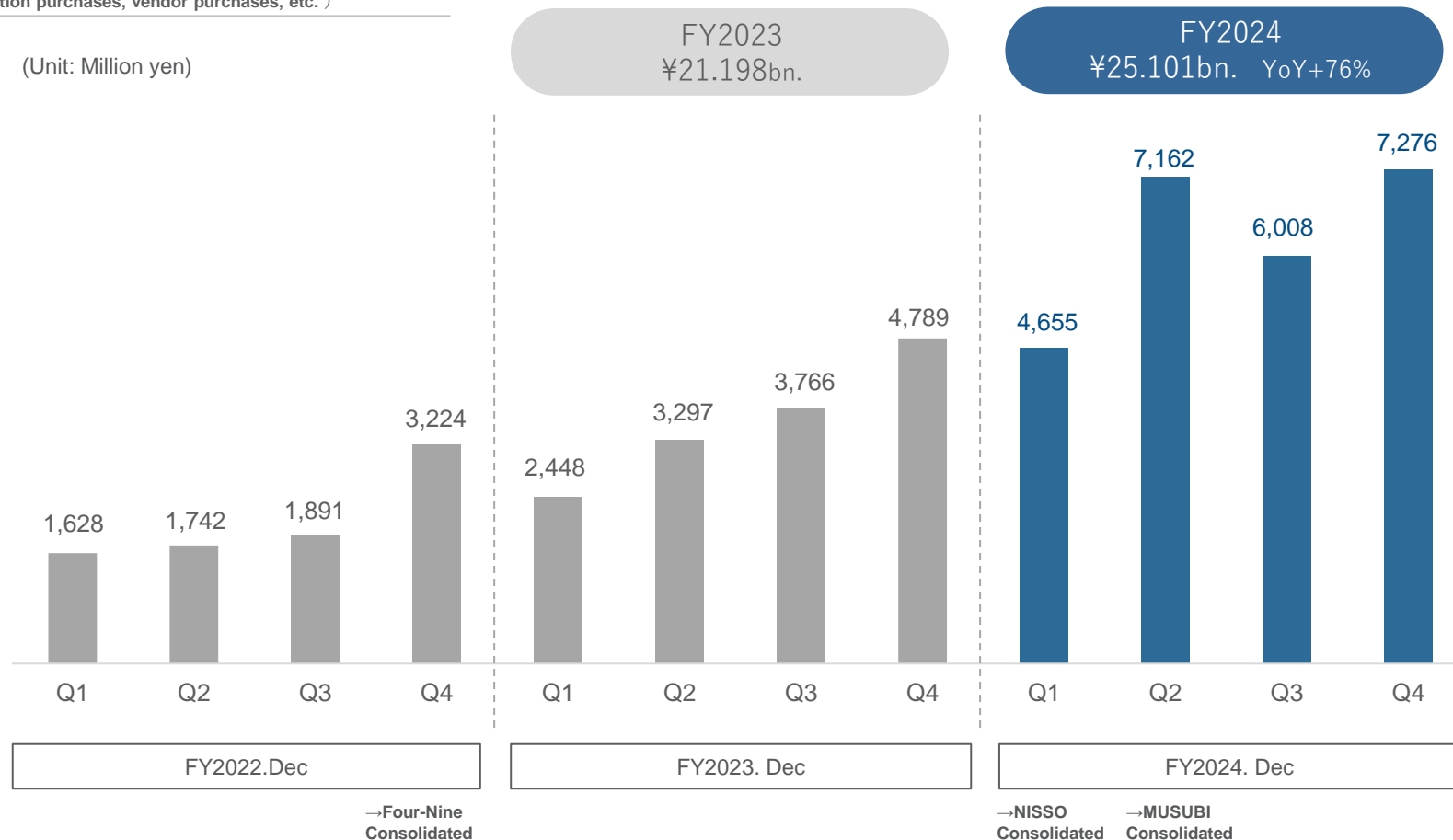
# Group store purchase business KPI transition - purchase volume

- Purchases in the group's store purchase business in Q3 continued to grow at a high rate due to higher unit prices resulting from the acquisition of repeat customers, an increase in new stores, and the effects of M&A.

## Group Store Business and Others Purchases

( Store purchasing business of the Company's group as a whole (consolidated) + home delivery purchases, auction purchases, vendor purchases, etc. )

(Unit: Million yen)



**04**

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## **Forecasts for FY 2025**

# Forecast of Consolidated Financial Results and Dividends for the FY2025

- FY2025 plans to increase profit by more than 20% even in organic terms while incorporating investments for medium- and long-term growth. Although the operating margin is expected to decline due to the new consolidation mix of Rext HD, consolidated operating profit is expected to contribute to profit after goodwill amortization, and consolidated operating profit is expected to increase 38% YoY to ¥6.5 billion. The dividend was increased by 5 yen to 20 yen per share (post-stock split basis).
- The Company is executing a discontinuous growth strategy through roll-up M&A, and has newly established “Operating income before amortization of goodwill, etc.” as a substantial profit evaluation indicator.

| consolidated financial forecast<br>(Unit: Million yen)      | FY2024              | FY2025 Forecast | YoY      | YoY%   |
|---|---------------------|-----------------|----------|--------|
| Sales   | 59,973              | <b>99,790</b>   | +39,809  | +66.4% |
| Gross profit  | 31,655              | <b>52,680</b>   | +21,024  | +66.4% |
| Gross profit margin   | 52.8%               | <b>52.8%</b>    | +0.1pt   | —      |
| SGA   | 26,921              | <b>46,180</b>   | +19,258  | +71.5% |
| (Breakdown) Advertising expenses                            | 7,598               | 12,863          | +5,266   | +69.3% |
| (Breakdown) Personnel expenses*                             | 10,156              | 17,554          | +7,398   | +72.8% |
| Operating income  | 4,733               | <b>6,500</b>    | +1,766   | +37.3% |
| Operating income margin                                     | 7.9%                | 6.5%            | -1.4pt   | —      |
| Operating income before<br>amortization of goodwill, etc.*1 | 5,567               | <b>7,890</b>    | +2,330   | +41.9% |
| margin  | 9.3%                | 7.9%            | -1.4pt   | —      |
| Ordinary income   | 4,198               | <b>6,100</b>    | +1,902   | +45.3% |
| Ordinary income ratio                                       | 7.0%                | 6.1%            | -0.9pt   | —      |
| Net income attributable to owners of<br>the parent          | 2,411               | <b>3,330</b>    | +919     | +38.1% |
| Dividend Forecasts  |                     |                 |          |        |
| Annual dividend (year-end)*2                                | 15.0 yen (30.0 yen) | <b>20.0 yen</b> | +5.0 yen |        |

## Sales

- Newly consolidated Rext HD+¥21.6 bn

## Gross Profit Margin

- Assumed to remain flat year on year
- Rext HD's gross profit margin is around 60%.

## Advertisement

- Increase of approx. 3.3 billion yen due to home-visit purchase business (including new consolidation of Rext HD)

## Personnel expenses

- Increase of approx. ¥4.3 billion due to new consolidation of Rext HD

## Amortization of goodwill

- Total amortization of consolidated subsidiaries of approximately ¥1.4 billion per year (including amortization of customer-related assets)
- Amortization of goodwill of newly consolidated Rext HD is ¥0.5 bn per year

\*1 Operating income before amortization of goodwill, etc. = Operating income + Amortization of goodwill (including customer-related assets)

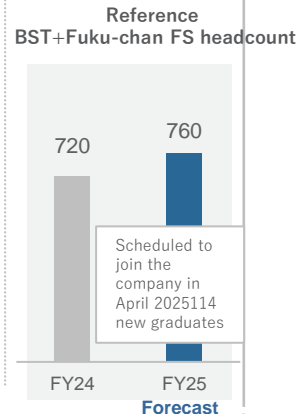
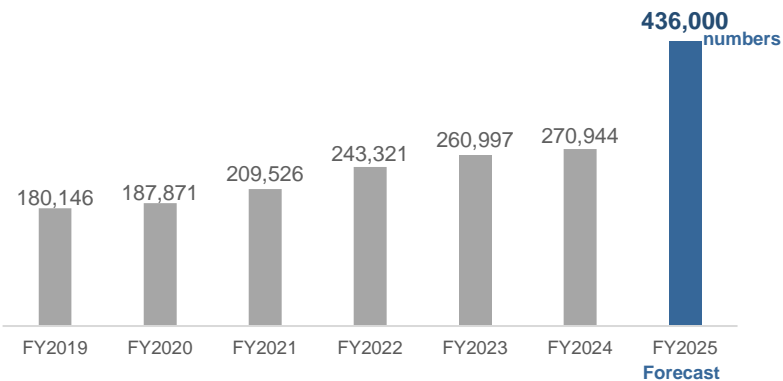
\*2 Due to the 1-for-2 stock split implemented on January 1, 2025, the dividend amount is shown assuming that the stock split had taken place from the fiscal year ended December 31, 2024. (Figures in parentheses represent pre-split dividend amounts.)

# (Reference) Home-visit purchase business KPI

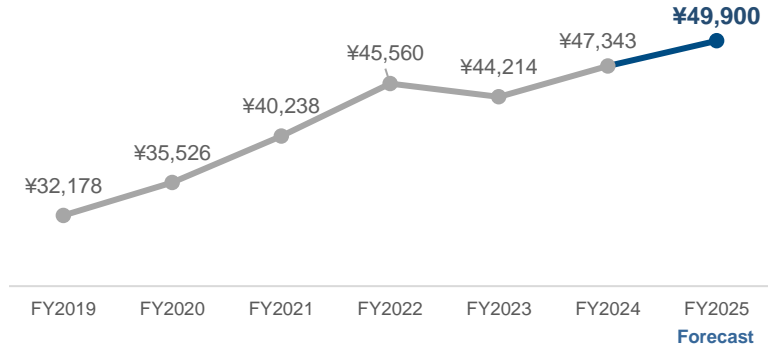
- Each KPI up to FY2024 is the sum of “BST stand-alone” and each KPI in FY2025 is the sum of “BST stand-alone + Fuku-chan”.

KPI (Home-visit purchase business) : 「①Number of visits」 × 「② Variable profit per visit \* ( \*③Gross profit—④ Advertising expenses )

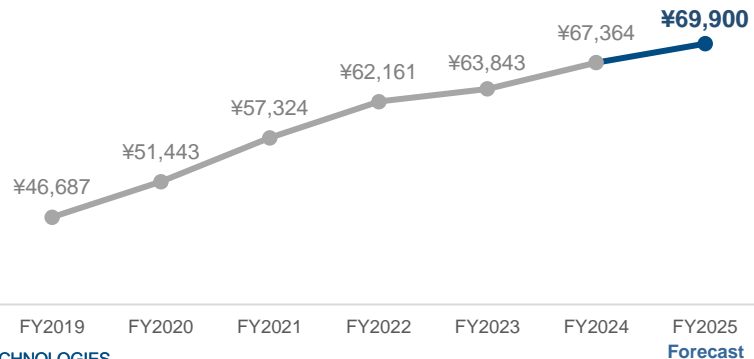
① Number of visits



② Variable profit per visit



③ Gross profit per visit

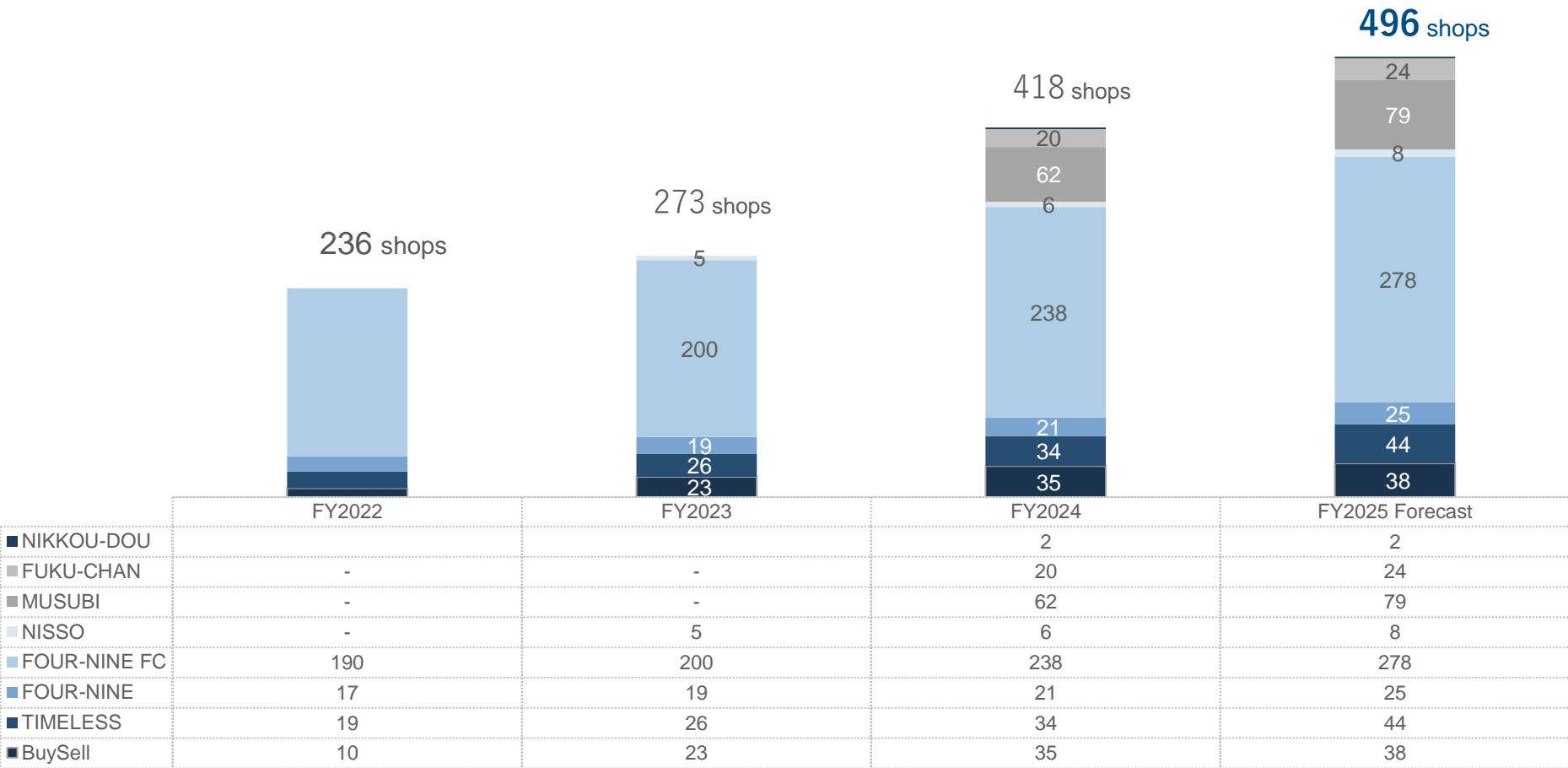


④ Advertising expenses per visit



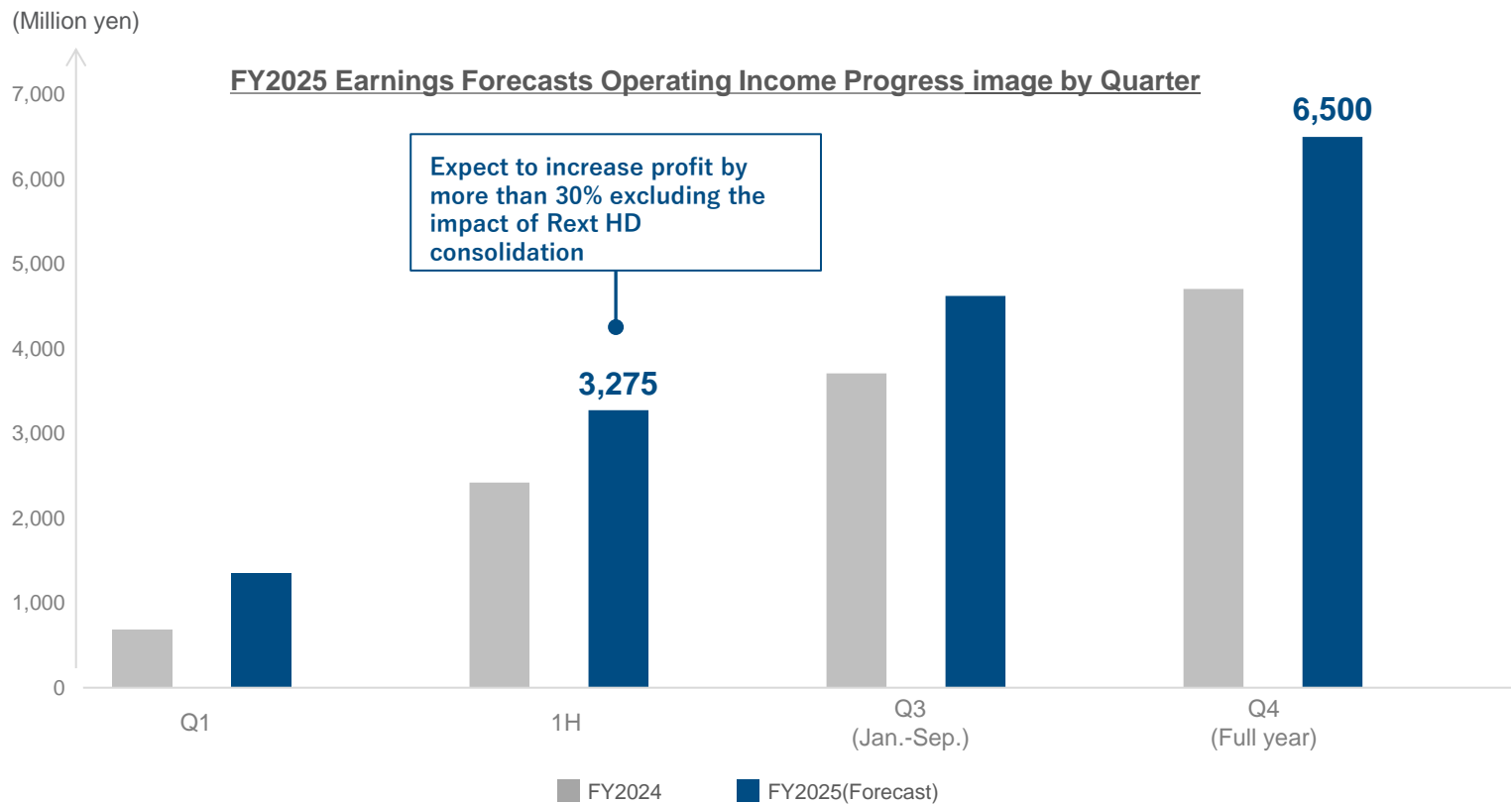
# (Reference) Group store purchasing business KPI

## KPI (Group store purchasing business): End of FY2025 Number of Group stores



# (Reference) Forecast for FY2025 Consolidated Operating Income Progress Image

- The quarterly operating income plan for FY2025 assumes solid growth in each quarter Inventory carry in FY2024 will contribute to a significant YoY increase in profit in Q1 and busy Q4. Due to the nature of the business and its seasonality, the company's operating income is usually weighted toward the second half of the year, but the ratio of the first half to the second half is expected to be 50-50.
- Operating income of Rext HD is expected to contribute to profit after amortization of goodwill in accordance with our M&A policy. Profits are expected to be weighted toward the second half of the year due to the contribution to earnings from the full-scale operation of new graduates, as well as the home-visit purchase purchase business of BST.





# Mid-term Business Plan 2027

FY2025-FY2027

February 14, 2025

BuySell Technologies Co., Ltd.

TSE Growth Market : 7685

- 01**    **Mid-term Business Plan**
- 02**    **The Market Environment**
- 03**    **Business Strategies**
- 04**    **M&A Strategies**
- 05**    **Investment and Financial Strategies**
- 06**    **Governance Structure, ESG/SDGs**

**01**

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## **Mid-term Business Plan**

# Review of the previous three fiscal years (FY2022-FY2024)

## ➤ FY2022-FY2024 Business Review

|                               |  |
|-------------------------------|--|
| Home visit purchase business  | <ul style="list-style-type: none"><li>Struggled in FY2023 due to deterioration of home-visit purchase business environment caused by external factors such as a wide-area robbery incident and extreme heat.</li><li>V-shaped recovery in FY2024 by implementing strategic changes such as strengthening acquisition of return visits, improving cost management of advertising and other expenses, and equalizing the number of visits throughout the year.</li></ul>   |
| Group store purchase business | <ul style="list-style-type: none"><li>Timeless, achieved significant earnings growth, and the group store business, including newly consolidated group companies, performed well.</li></ul>  |
| M&A                           | <ul style="list-style-type: none"><li>Executed 4 M&amp;As in 3 years, mainly in the resale area, with successful PMI synergies and consolidated profit add-on from M&amp;As</li><li>Achieved long-awaited M&amp;A with Rext HD (“Fuku-chan”), the No. 2 home-visit purchase business in the industry, in October 2024 (PL consolidated from FY25)</li></ul>  |
| results                       | <ul style="list-style-type: none"><li>Although the home-visit purchase business temporarily struggled due to changes in the external environment, including a wide-area robbery incident that was not anticipated when the previous medium-term management plan was formulated, a turnaround in the home-visit purchase business in FY2024, aggressive promotion of M&amp;A and high growth in the group company store purchasing business, including PMI, contributed to the business performance. In FY2024, the company achieved consolidated net sales of ¥60.0 billion and consolidated operating income of ¥3.7 billion.</li></ul> |

## ➤ Key strategic themes of the new medium-term business plan (FY2025-FY2027)

- Strategy planning based on the constant occurrence of external influences such as widespread robberies and extreme heat, flexible strategy changes, and securing strategic investment slots positioned as up-front investments.
- Building an overwhelming competitive advantage in the area of home visit purchase visitation (especially in the marketing area) for “BuySell” x “Fuku-chan” by joining Rext HD.
- Business expansion through both “home-visit purchase business” and “store purchase business” and reduction of risk volatility through diversification of channels
- Further acceleration of continuous M&A backed by M&A track record and synergy creation through reproducible PMI

## MISSION

**We are a bridge that transcends people, transcends time, and connects important things.**

## VISION

**We lead a recycling-oriented society with our excellent people and new technologies.**



- **Contributing to the formation of a recycling-oriented society through the revitalization of secondary distribution markets for the realization of a sustainable society.**
- **Maximize corporate value by pursuing sustainable growth as a company that co-creates value with various stakeholders, including customers, shareholders, employees, and society.**

## Long-term goal

\*Refer to the next slide for details.

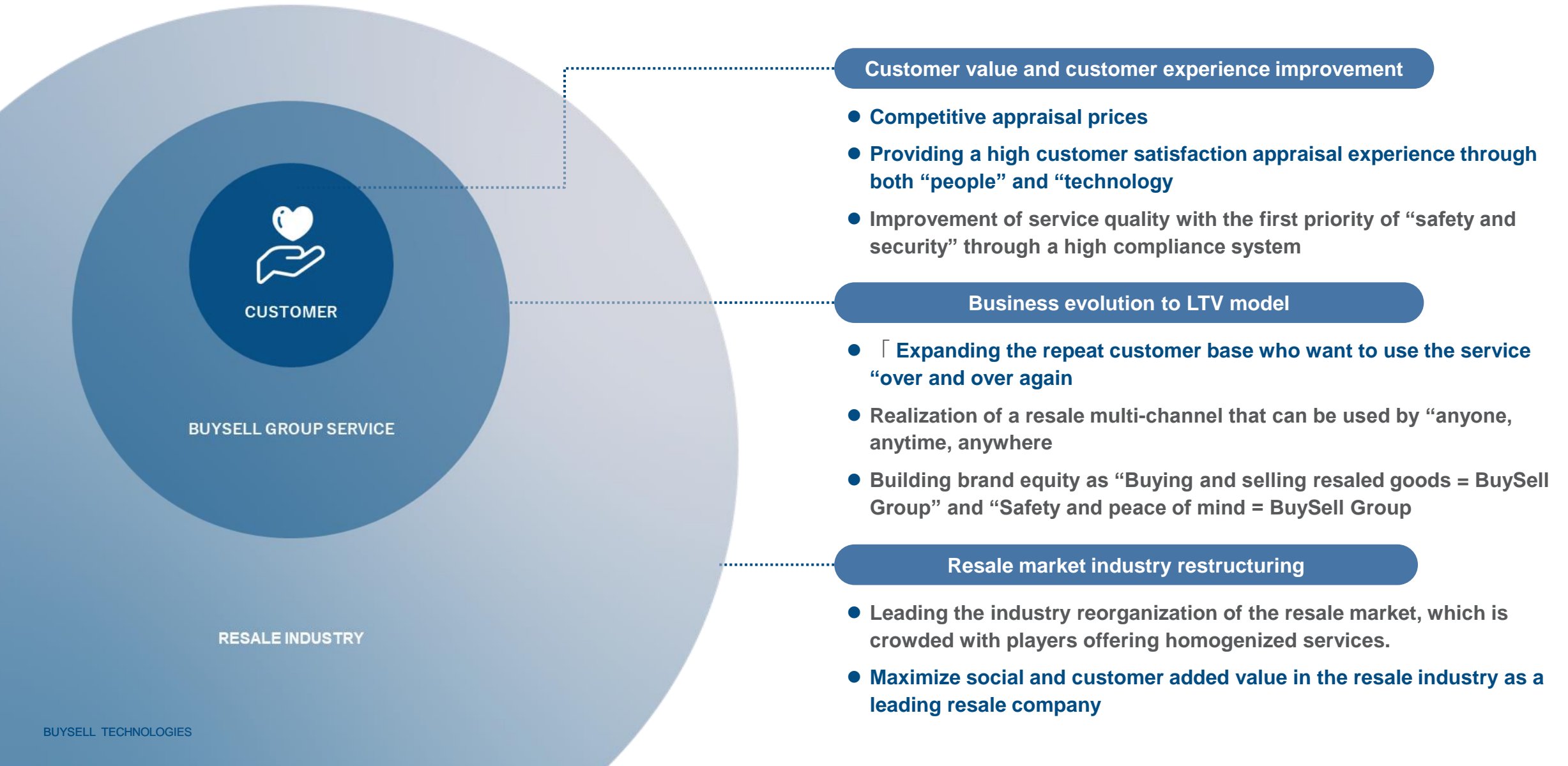
- Strengthening competitive advantage by improving intrinsic customer added value and customer experience
- Building a business model focused on LTV maximization to establish “growth potential,” “profitability,” and “sustainability
- Achieve roll-up of the resale market, including industry restructuring (leading company in the resale market)



## Our goal by FY2027

- Establish a strong position in the home-visit purchase business with “BuySell” and “Fuku-chan
- Establish a leading position in the store purchase business by expanding the number of stores in the group to more than 600
- Creation of a new revenue base through global expansion centered on overseas sales channels
- Realization of profit margin improvement through productivity enhancement by “people (organizational and human resource enhancement)” x “technology (full-scale operation of Cosmos)
- Promote roll-up of the resale market and achieve inorganic growth through continuous M&A execution

# (Reference) Long-term goals



# medium-term business plan 2027 financial guidance - performance targets

Performance targets for FY12/2027 (organic performance targets assuming non new M&A)

|  | FY2024 Actual  |   | FY2027 Forecast |  |
|--|----------------|---|-----------------|--|
| Sales  | ¥59.97 billion | ▶ | ¥140.0 billion  | <small>CAGR<br/>(FY24-27)</small><br>32.7% |
| Operating income                                     | ¥4.73 billion  | ▶ | ¥11.0 billion   | 32.5%                                      |
| Operating income before<br>amortization of goodwill* | ¥5.56 billion  | ▶ | ¥12.3 billion   | 30.3%                                      |
| OPM  | 7.9 %          | ▶ | 7.9 %           |  |

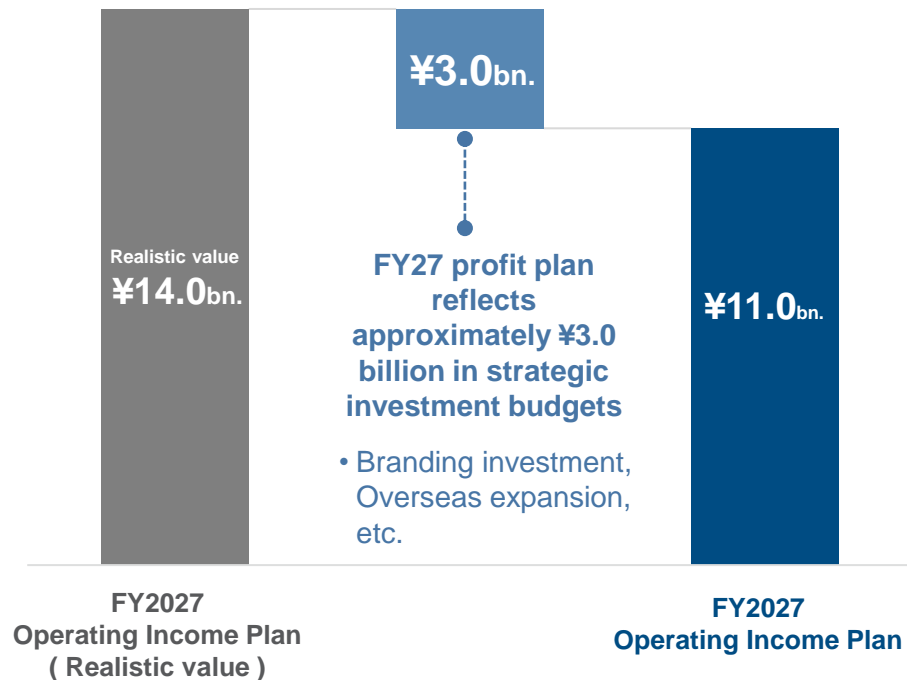
\* Operating income before amortization of goodwill = Consolidated operating income + amortization of goodwill + amortization of customer-related asset

Note: M&A of Rext HD in October 2024 will start PL consolidation from FY2025 (FY2024 results are non-consolidated)

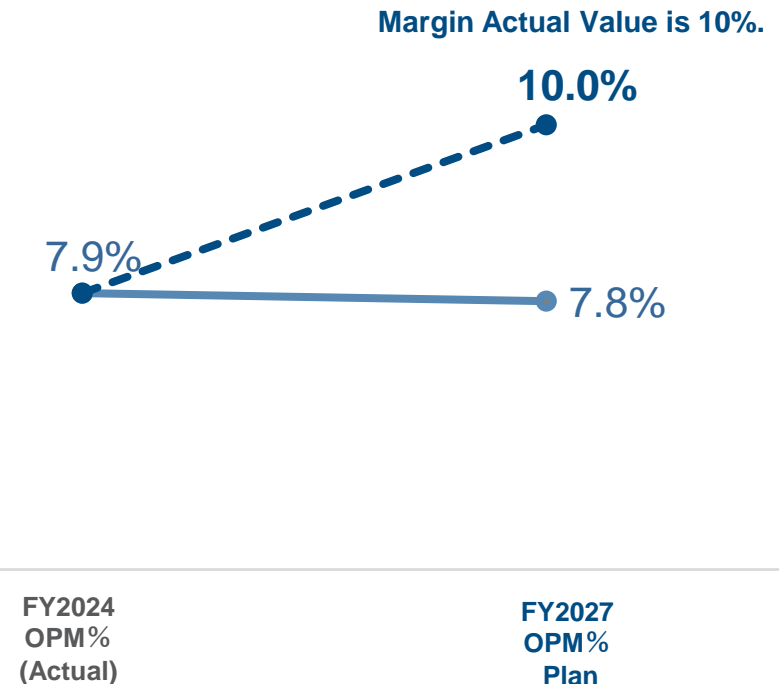
# (Reference) Medium-term business plan 2027 Operating Income Plan

- This medium-term business plan, in addition to solid business growth over the three-year period through FY2027, reflects strategic investments, mainly branding investments and overseas expansion, in the three-year profit plan from the perspective of achieving sustainable business growth by establishing a medium- to long-term business foundation and competitive advantage.
- The FY2027 operating income plan, which is the mid-term financial guidance, includes approximately ¥3 billion in branding investments, etc. Excluding these strategic investment budgets, operating income based on actual performance is ¥14 billion, and operating margin is at the 10% level.

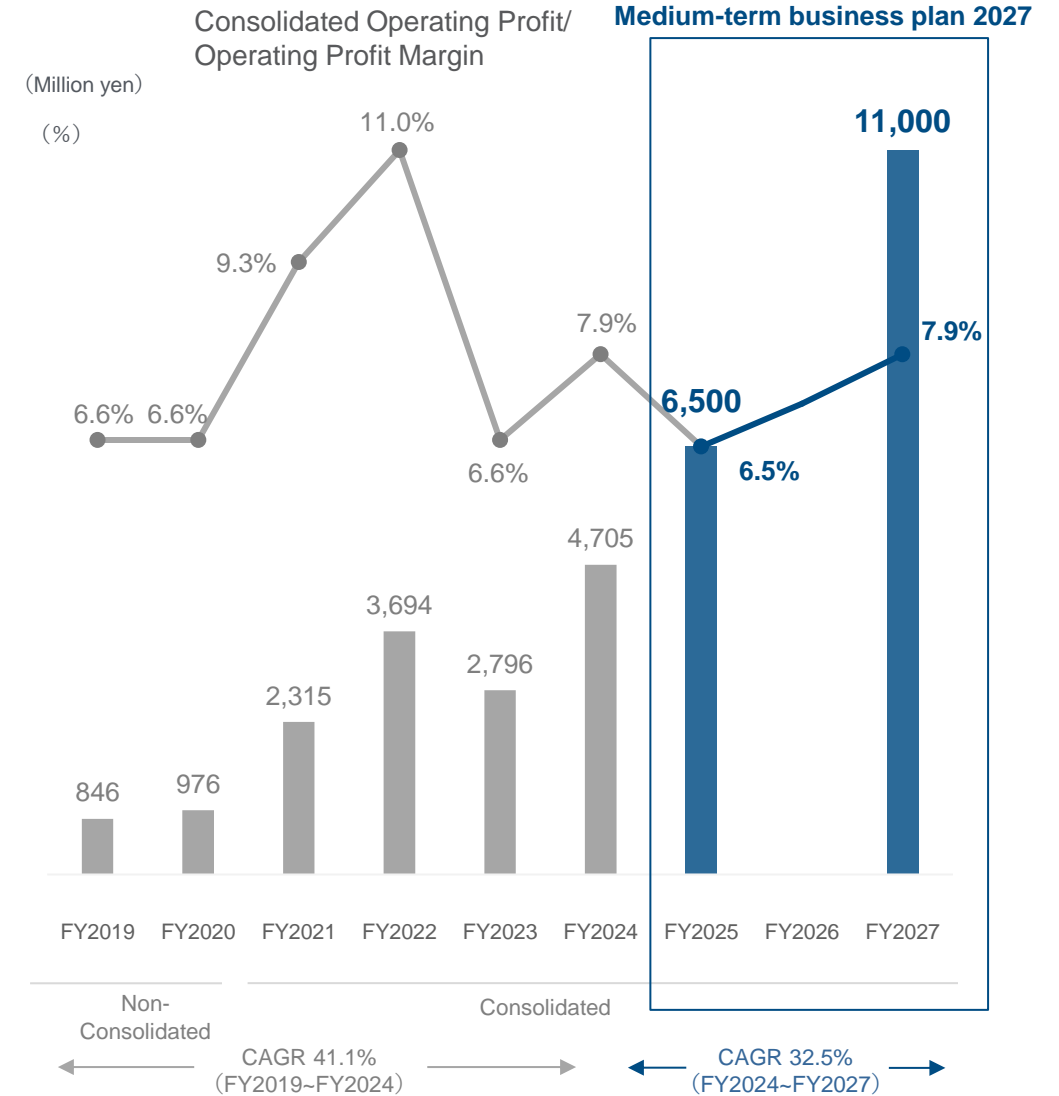
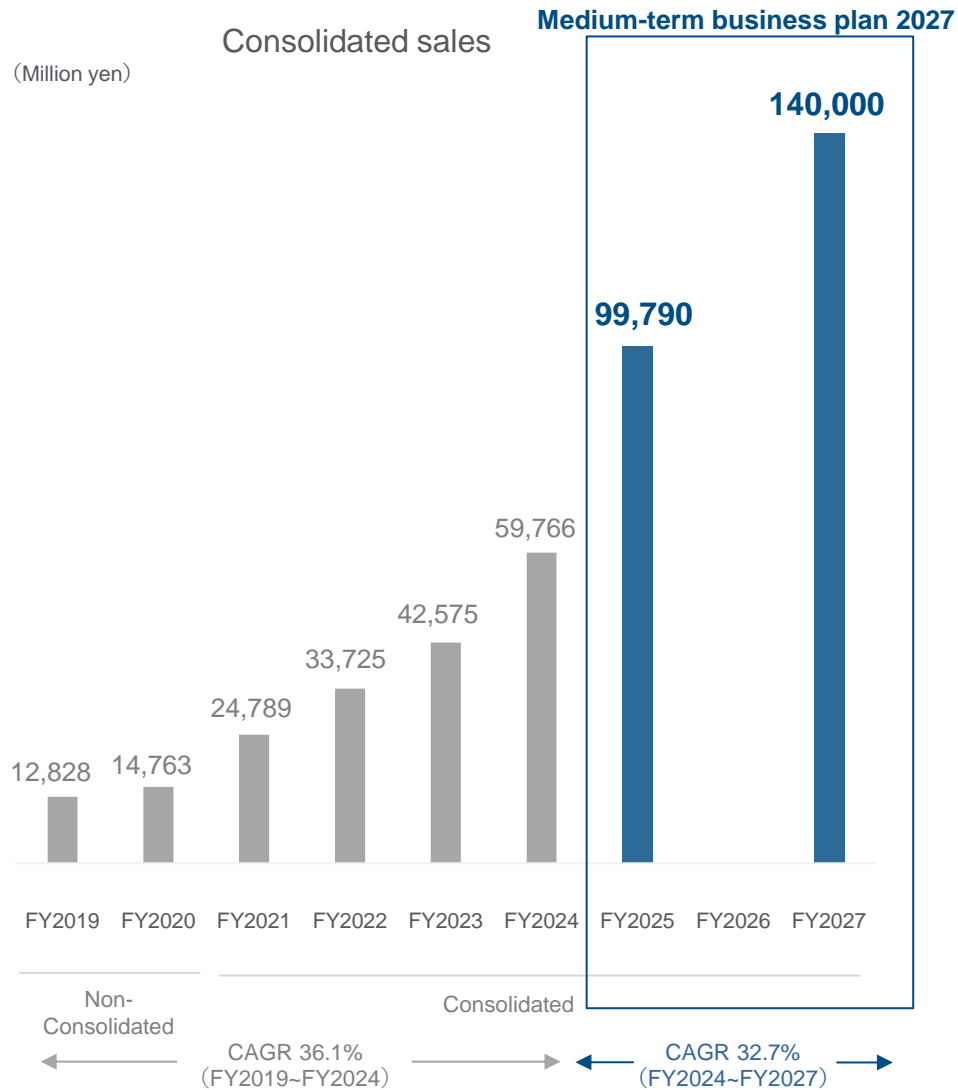
FY2027 Operating Income Plan



FY2027 Operating Margin Plan



# Performance Highlights and Medium-Term Performance Targets



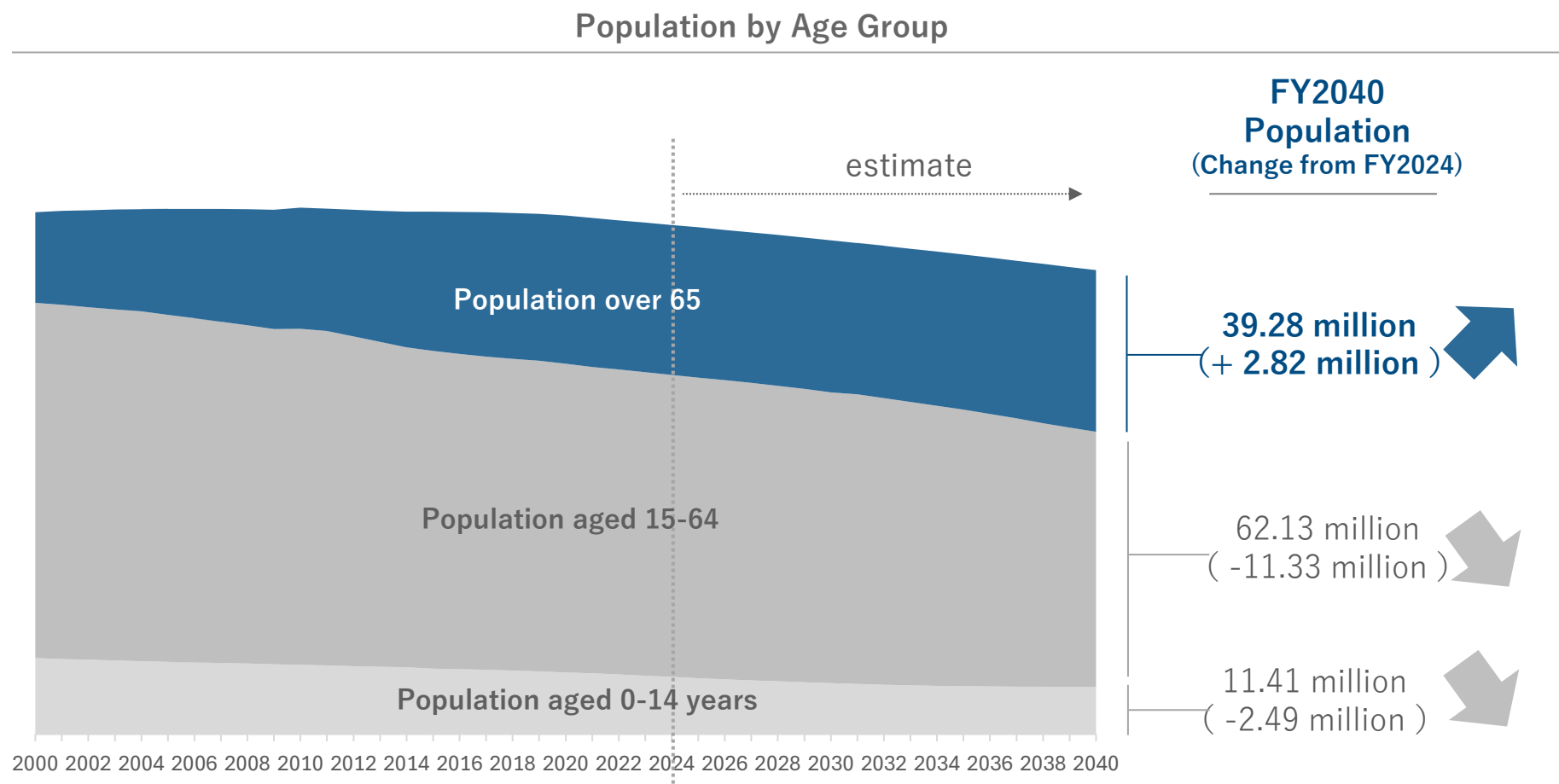
# 02

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## The Market Environment

# Macrostructural changes (further aging of society)

- Even as Japan's population declines, the population over 65 years old, the customer base for our on-site purchase service, is expected to increase, and the need to dispose of unwanted items is expected to grow as the aging society progresses.

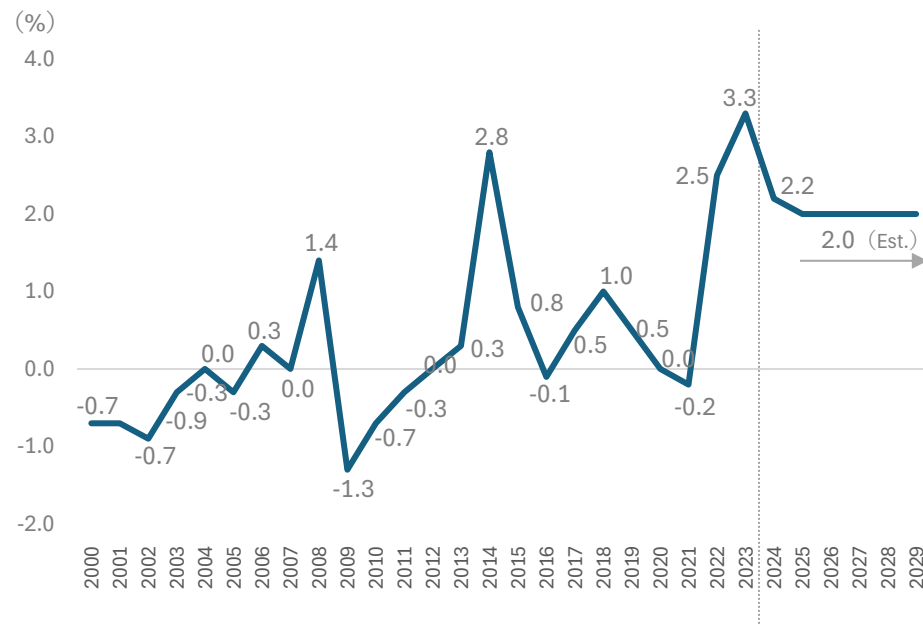


Source: Compiled by our company from data from the Statistics Bureau of the Ministry of Internal Affairs and Communications (birth medium and death medium)

# Macrostructural changes (inflation progression and changes in consumer attitudes)

- Domestic price inflation has been on a continuous upward trend since 2022, and prices are expected to rise about 2% annually in future projections.
- Against this backdrop, changes in consumer awareness, such as an increased willingness to sell personal belongings and purchase resold items, are creating a tailwind for the resale market.

## Trends in domestic price inflation



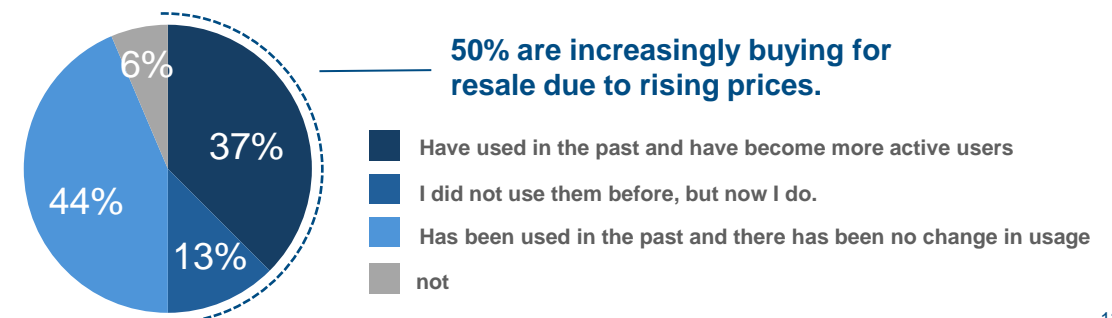
Source: Prepared by the Company from IMF 2024 data.

## Consumer attitudes toward buying and selling resale items

Have you ever bought, auctioned, or sold items you had on hand on a flea market site, etc., in order to counter rising prices?



Have you purchased items from resale in any genre in response to rising prices?

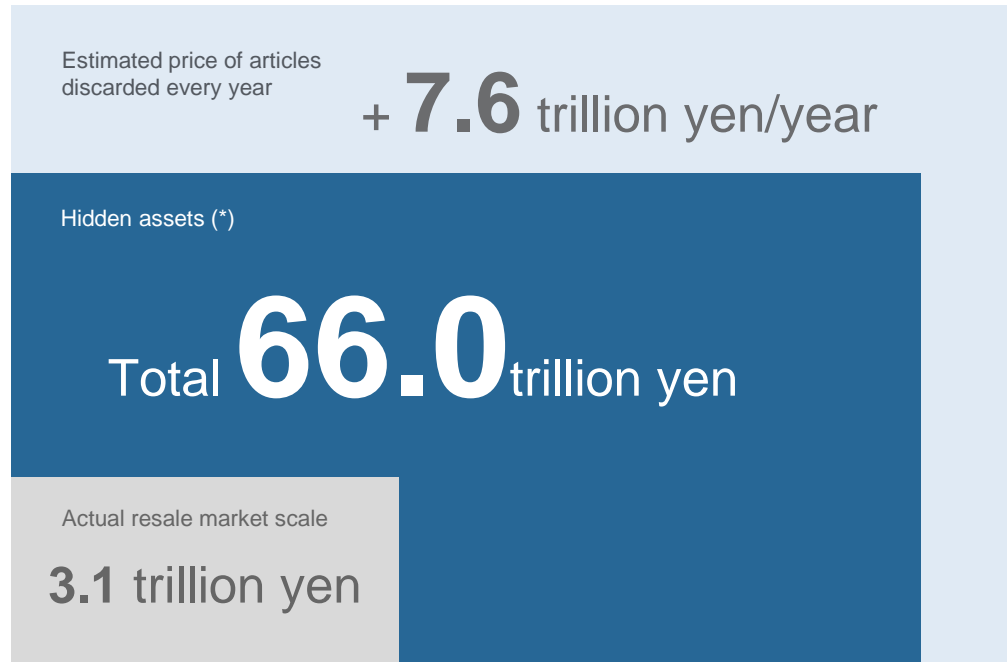


Source: [brandear] January 2023 survey.

# Potential resale market “hidden assets” outlook

- The total amount of “hidden assets” (the estimated value of unused items in the home that have not been used for more than a year), which indicates the size of the latent resale market in Japan, is estimated to be approximately 66 trillion JPY, and the potential for latent resale market growth is huge.
- The company's strength is in at-at-home pickups which unearth "hidden assets" (precious metals, brand goods, watches, etc.), mainly from wealthy seniors in their 50s and above, and realize the expansion of purchases.

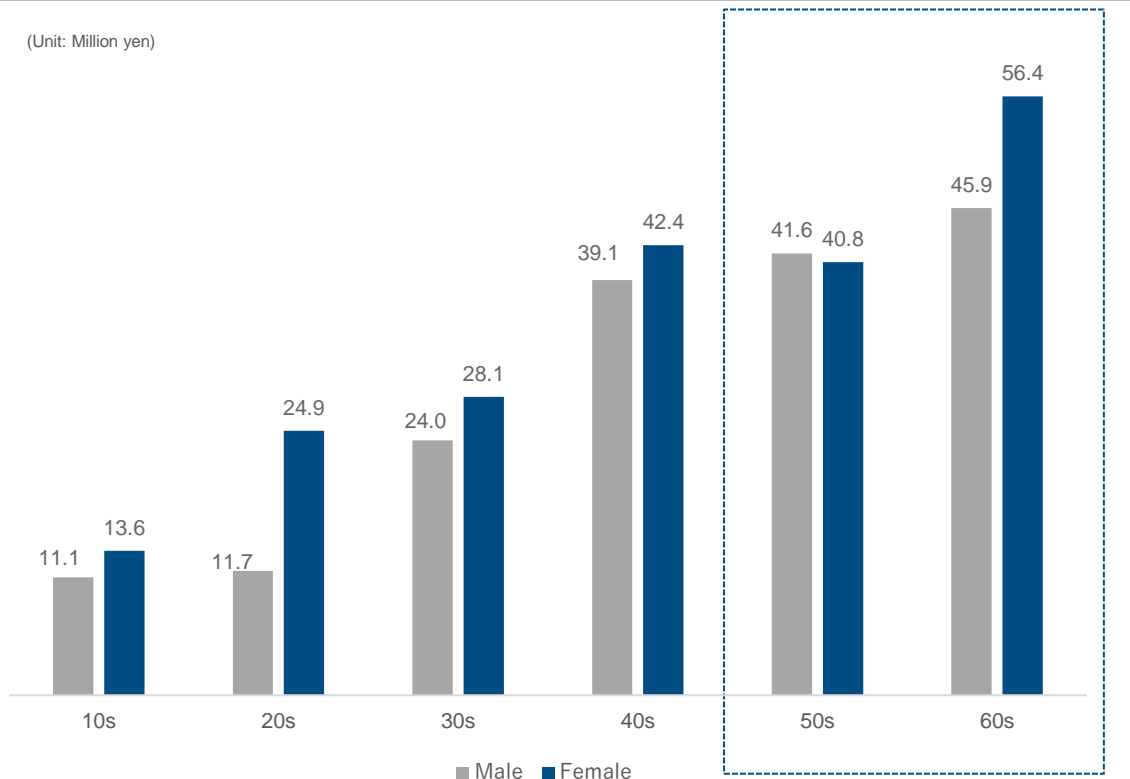
Potential resale market scale



\*Hidden assets: Prices of unwanted articles at home that have not been used for one year or longer.

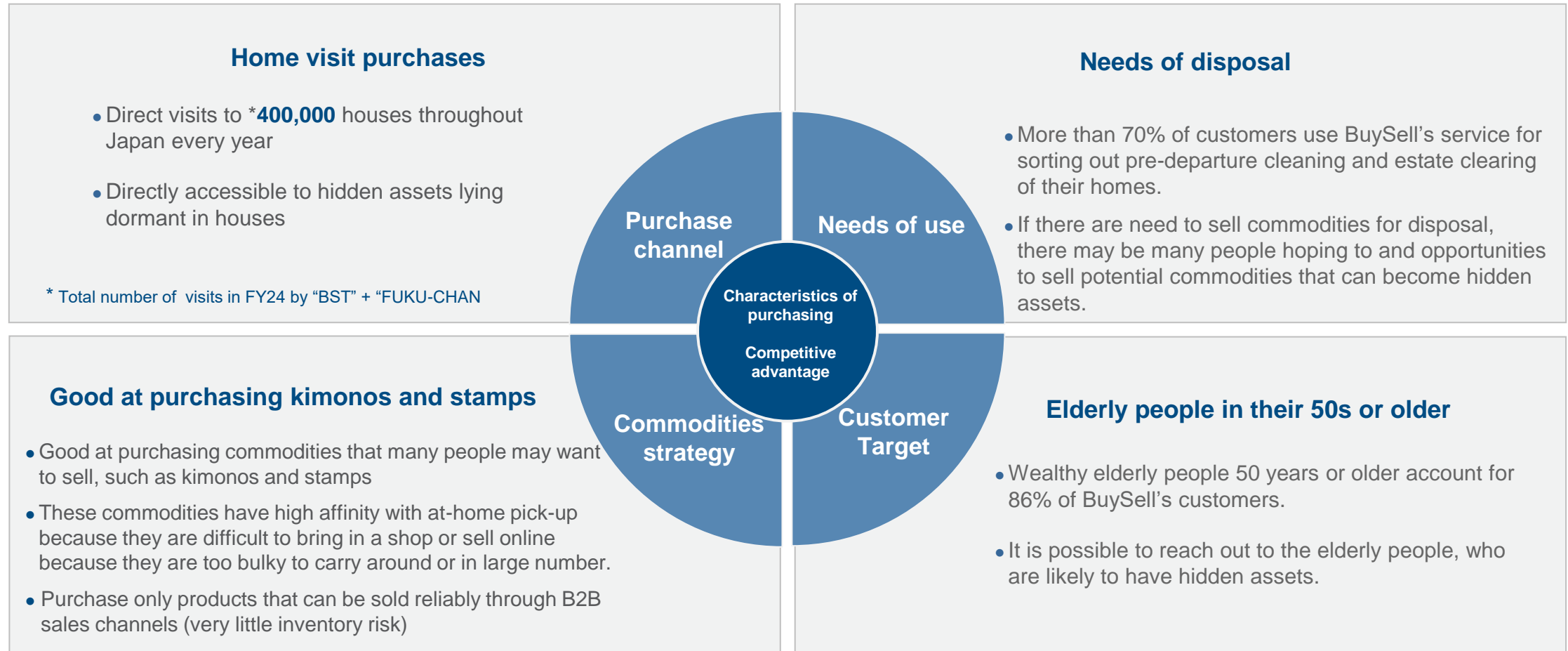
Source : 「Reuse Market Databook 2024」 The Reuse Economy Newspaper、Mercari, Inc. and NLI Research Institute supervising (Dated December 14, 2021, and November 15, 2023) based on survey results and our estimates

Value of hidden assets possessed per person



# Four characteristics that support purchasing, which is the source of our competitive advantage

- Forming differentiated positioning that captures the disposal needs of seniors, with our strengths in purchasing kimonos and stamps for which there is a high demand for disposal and home visit purchases.
- Realize direct access to “hidden assets\*,” which is the latent resale market, by visiting customers at their homes.

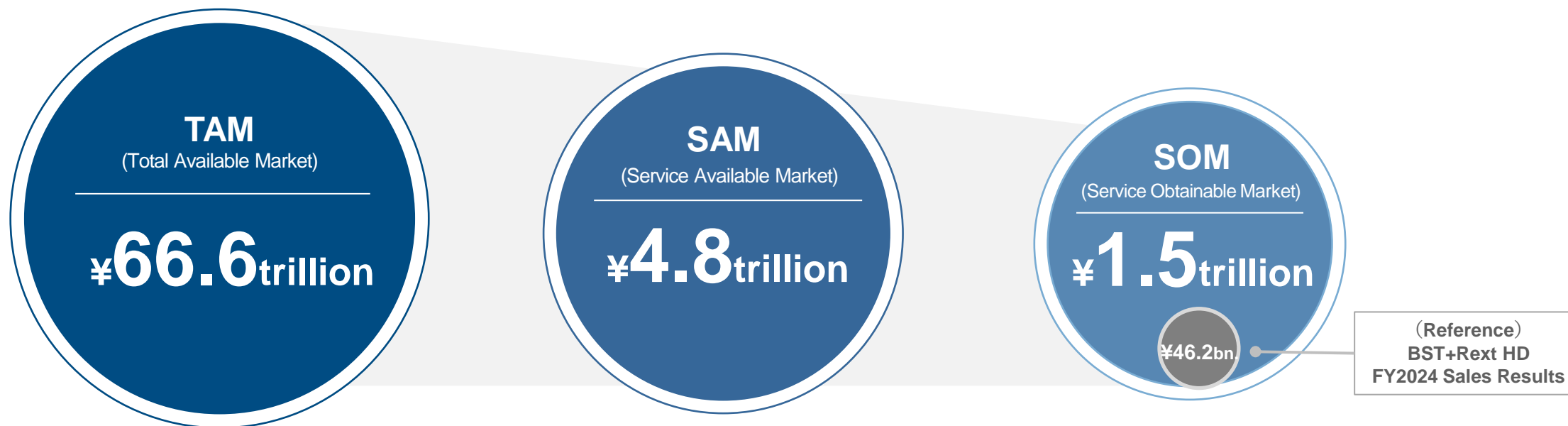


**\*Hidden assets: Prices of unwanted articles at home that have not been used for one year or longer**

# Market size of home-visit purchase business

- Of the total “hidden assets” valued at ¥66 trillion, our group primarily handles merchandise worth approximately ¥4.8 trillion. Additionally, customers plan to sell items with an estimated value of around ¥1.5 trillion. This indicates that the potential market size for our group's home-visit purchase business is substantial.

## TAM/SAM/SOM (including our estimates) for home-visit purchase market (hidden assets)



### 「 Total hidden assets\* 」

\* Estimated value of unused items at home that have not been used for more than one year

Apparel, books, CDs, games, and home electronics, which are not our main merchandise, are the top items, and the largest market we can target by expanding our purchase merchandise.

### 「 Estimated holdings of the commercial products handled by our company out of the hidden assets. 」

Estimated value of merchandise we handle (kimonos, stamps, old coins, brand-name goods, jewelry, watches, etc.) among hidden assets. Markets with high expansion certainty for home visit purchase\* Calculated based on the average number of items in possession x average sales unit price at our company.

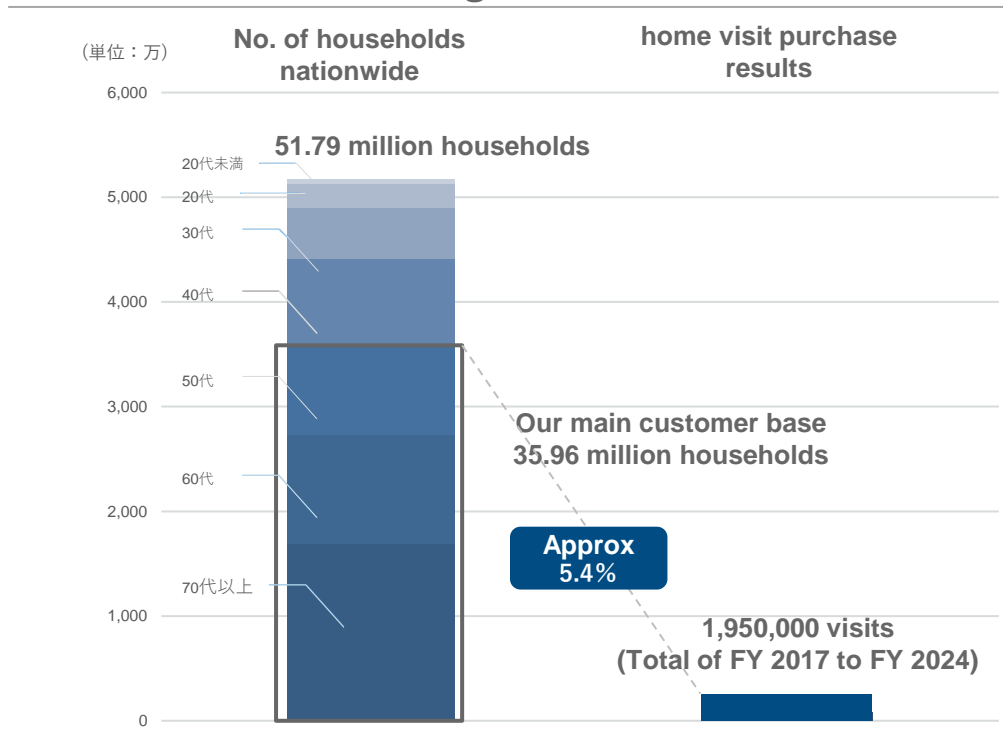
### Estimated value of merchandise handled by our company that customers intend to sell.

The total value of SAM is multiplied by the estimated number of customers who already intend to sell (liquidate), which is defined as the apparent market in the home visit purchase.

# Growth in the number of business visits

- The number of visits to target customer households is about 5% of the total number of visits in Japan in the past, even for the No. 1 group of at-home-visit purchases, BuySell + Fuku-chan.

## Visits to target households

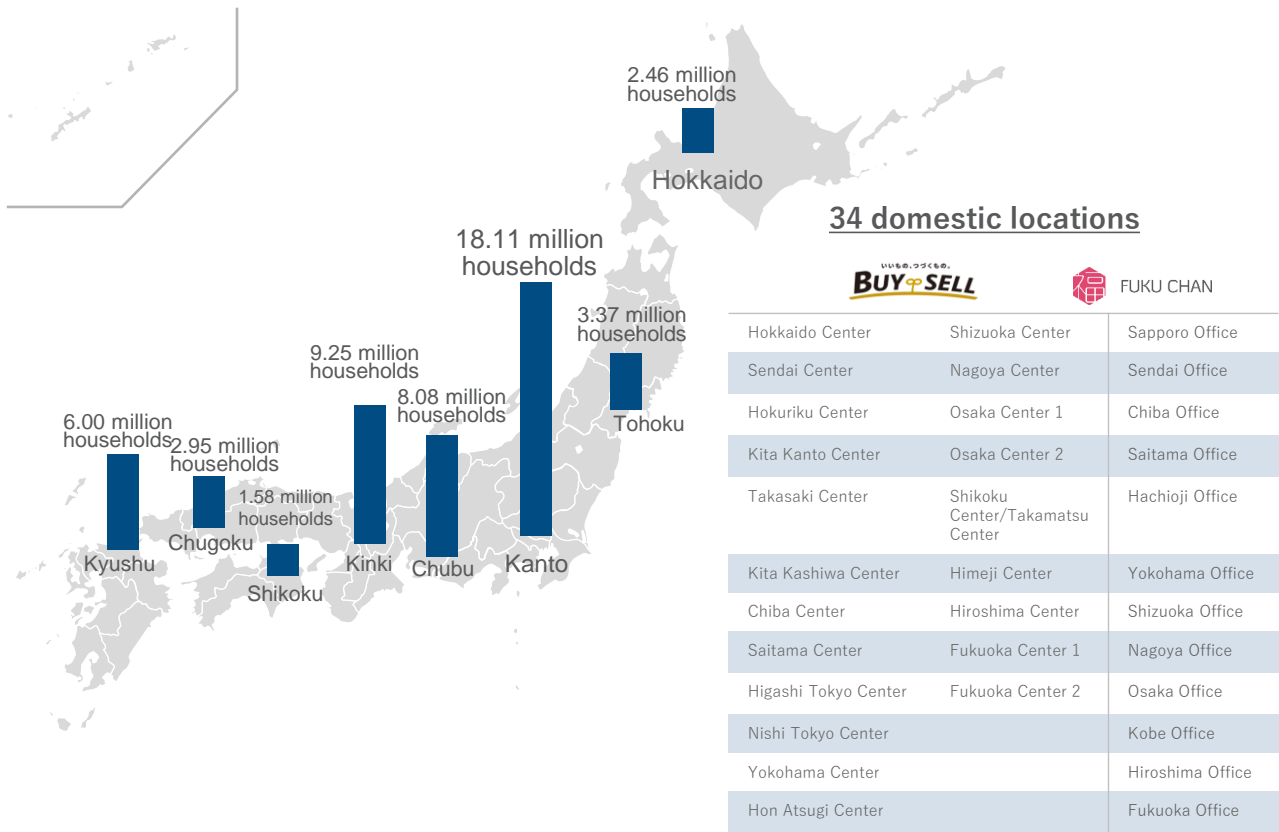


Source: Prepared in-house, based on the Ministry of Health, Labor and Welfare's "2019 Basic Survey of Living Conditions"

\* Total number of visits since FY2022 plus Fuku-chan's visitation results

## Distribution of 51.79 million households nationwide and our business offices

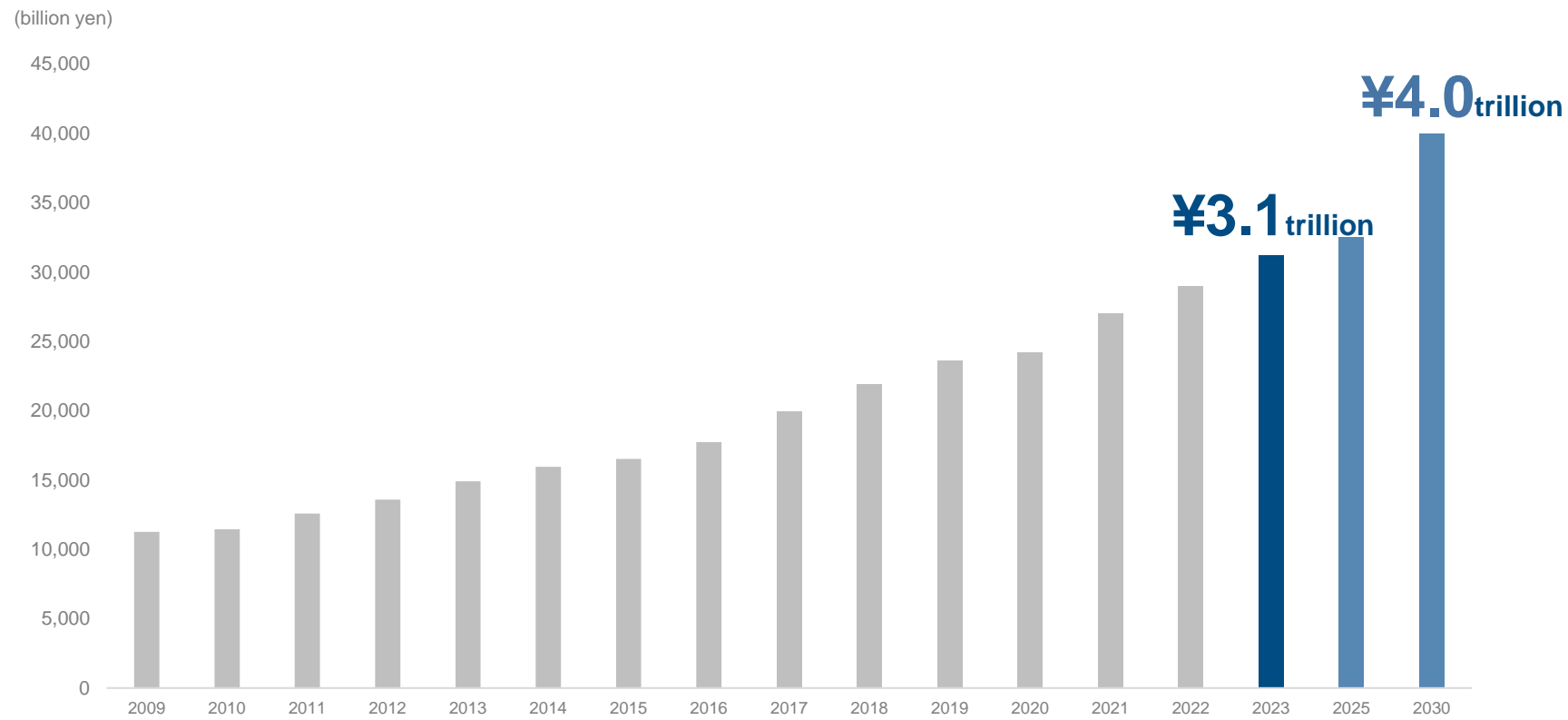
Number of locations as of December 31, 2024: 22 BST locations, 12 Fukuchan locations



# Outlook for the apparent resale market

- The apparent resale market consists mainly of the CtoC and BtoC markets, with a market size of approximately ¥3.1 trillion in 2023.
- The market is expected to expand to ¥4 trillion by 2030 and continues to grow steadily every year.

The size of the apparent resale market



Source : 「 Reuse Market Databook 2024 」 The Reuse Economy Newspaper

# Market size of store purchase business

- The BtoC market is mainly composed via store purchases and has an estimated market size of approximately ¥1.3 trillion.
- A competitive market with approximately 19,000 stores, but with few differentiating factors and only homogeneous service offerings, a market in which we can achieve a roll-up of the resale industry, including industry restructuring, by accelerating M&A, a key strategy of the Company.

TAM/SAM/SOM of the apparent resale market (store purchase market) (including our estimates)



# Summary of the Company's Strategic Policy for the Resale Market

Size of Resale Market

Our view of the market

Our Basic Strategic Policy

## Home-visit purchase Market size

**SAM : ¥4.8bn.**

**SOM : ¥1.5bn.**

- Mainly, sale needs for clearance and disposal.
- Clientele: Mainly seniors with a large amount of hidden asset
- Competitive environment: "BuySell" x "Fuku-chan" No.1 position in the industry



FUKU CHAN

**Building an overwhelming competitive advantage in the home visit purchase market of "BuySell" and "Fuku-chan"**

## Store Purchases Market Size

**SAM : ¥1.3bn.**

**SOM : ¥0.9bn.**

- Mainly manifested sale needs for cash conversion and replacement
- Clientele : Wide range from young adults to seniors
- Competitive environment : High competition



FUKU CHAN



**Expand the number of stores in the group stores and increase market share through M&A**

**03**

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## **Business Strategies**

## **A** Home-visit purchase business

- 1 Revisit Enhancement
- 2 Optimize marketing costs x Brand investment
- 3 Purchase Merchandise Expansion
- 4 Group development of sales enablement

## **B** Store purchase business

- 1 Group Store Differentiation Strategy
- 2 Improve profitability and expand the number of stores by creating group synergies

## **C** Merchandising business

- 1 Integration of Group Inventory and Upgrading of Sales Strategies
- 2 Building new overseas sales channels (China)

## **D** Technology/Human Resources

- 1 “Cosmos” Launch & Group Installation
- 2 Building business operations with AI agents
- 3 Improving Productivity by Enhancing Human Resource Strategies

# A Home-visit purchase business Growth strategy summary

- Aiming to build an overwhelming competitive advantage in the industry through synergies between “BuySell,” the No. 1 company in the home-visit purchase industry, and “Fuku-chan,” the No. 2 company in the same industry.



Growth strategy aimed at through synergies between BuySell and Fuku-chan

1

**Improve profitability by strengthening revisits**



- Applying “BuySell's” strengths in repeat business to “Fuku-chan”
- Aim to maximize variable profit per visit

2

**Marketing Cost Optimization  
Investing in Brands**



- Cross-cutting cost reductions across all companies operating in the home-visit purchase business
- Aiming to establish the brand as the overwhelming No. 1 in the home-visit purchase industry as a group

3

**Group development of sales enablement**



- Systematized assessor training based on behavioral characteristics of high performers is deployed to all group companies.
- Aiming to significantly improve the performance of the sales organization

4

**Improvement of unit price per visit through expansion of purchase merchandise**



- Developing the know-how of antique appraisal, which is one of “Fukuchan's” strong points.
- Aim to maximize the volume of purchased merchandise by taking advantage of the characteristics of home-visit purchases to uncover merchandise.

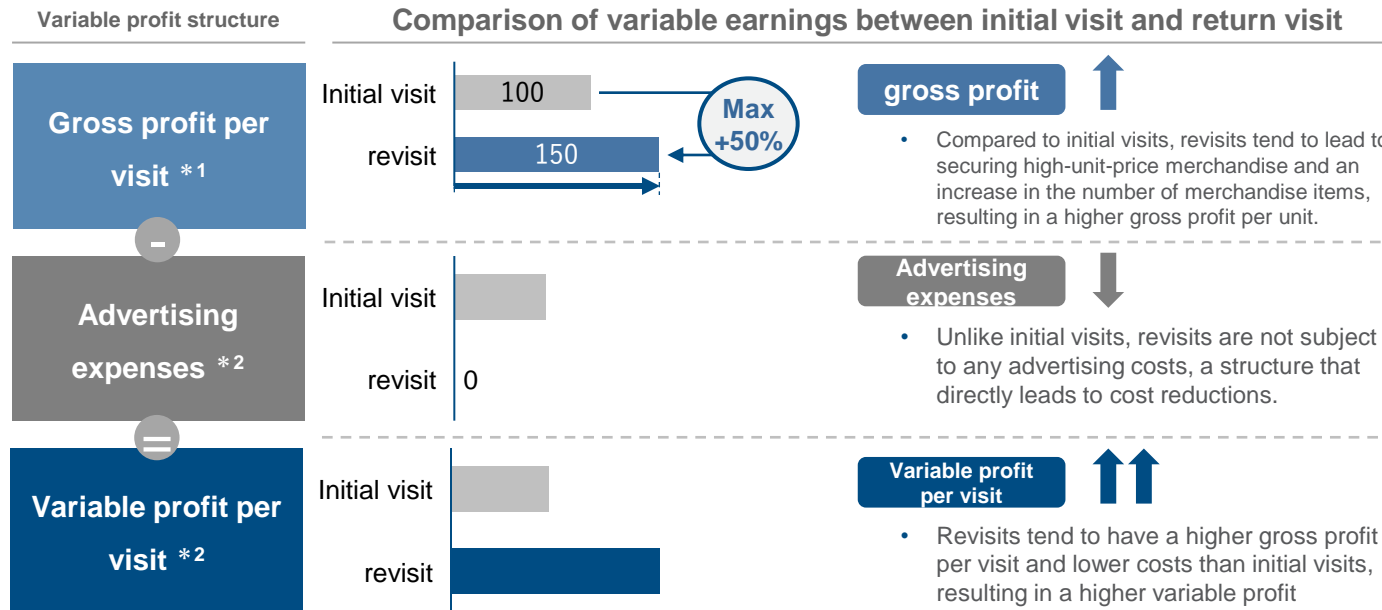
# A-1 Improve profitability by strengthening revisits

- Aim for 20% revisit rate in FY2027 by further brushing up the know-how cultivated so far in acquiring revisits for “BuySell” home-visits.
- Revisit ratio of “Fuku-chan” home-visits was only 1% in FY2024, leaving a large room for growth, and by horizontally deploying BuySell's know-how on how to acquire return visits, we aim to achieve 10% level in FY2027.

## Revisit/revisit ratio Definition

- Revisit” is defined as the act of visiting a customer after the initial visit to make an appointment for the next purchase on the spot or to promise to purchase the product again on a later date by contacting the customer.
- It is defined as the percentage of return visits to the total number of visits.

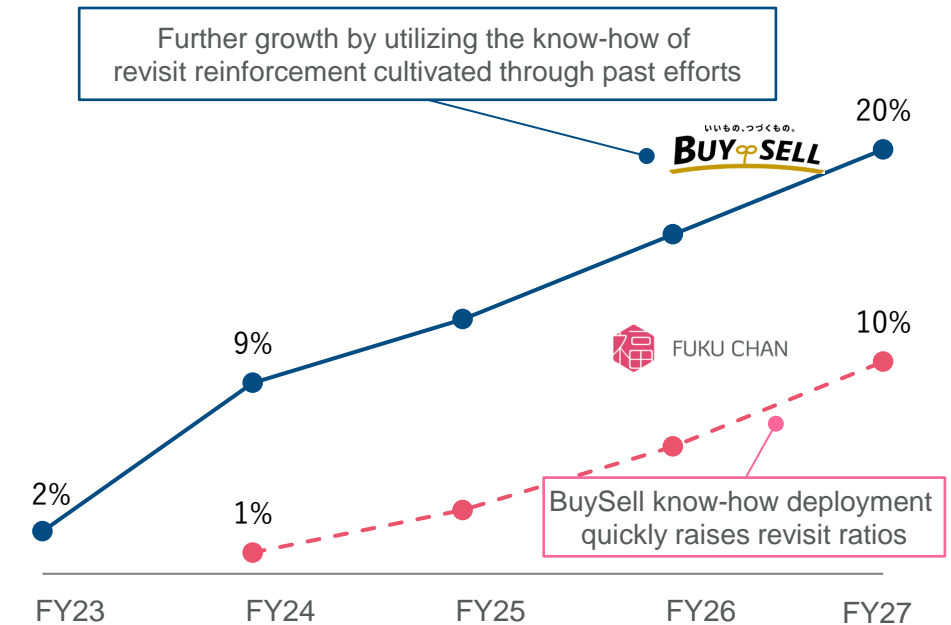
## Effects of improved profitability realized through revisit enhancements



\*1 Gross profit per visit for internal management accounting to manage KPIs by Field Sales business unit  
Figures are not disclosed due to management accounting KPIs. Disclose the expected rate of increase in unit price with the initial unit price as 100

\*2 Figures are not disclosed, so images are shown.

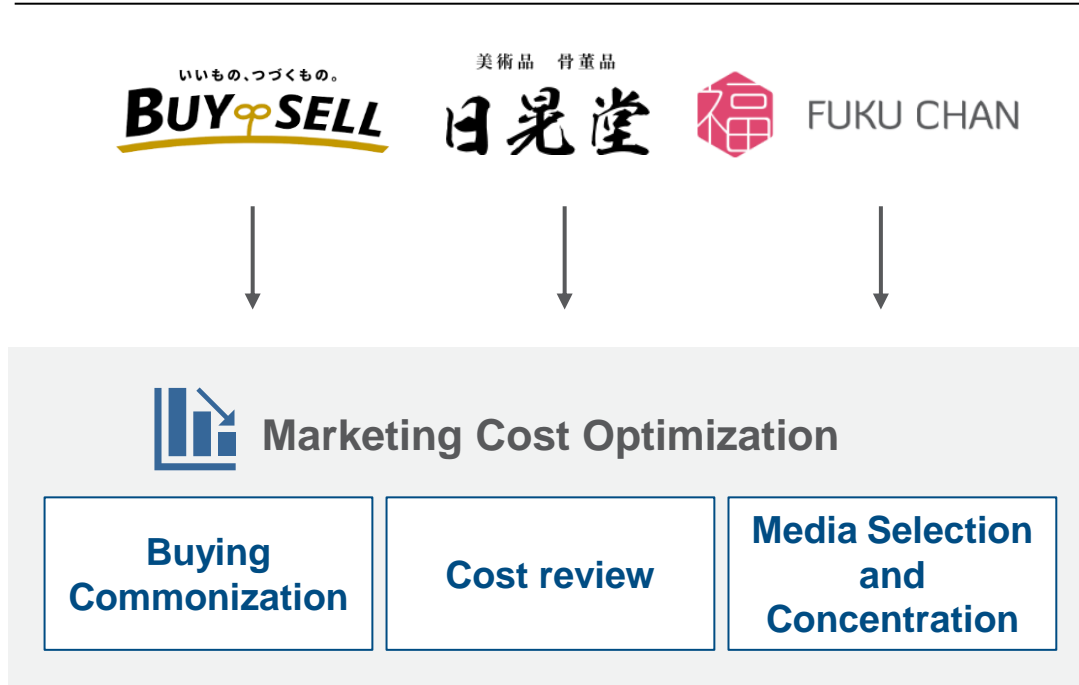
## Revisit Ratio Forecast Trends



## A-2 Marketing Cost Optimization x Investment in our brand

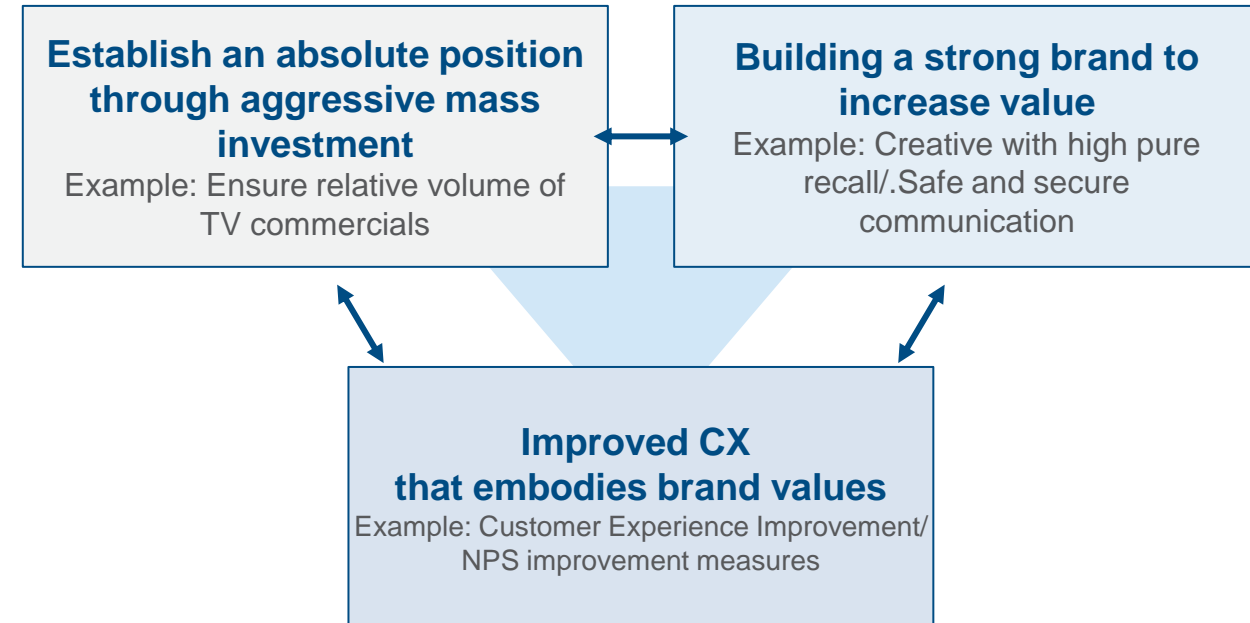
- Reduction of advertising costs by optimizing marketing costs at the three group companies that operate the home-visit purchase business
- Policy to actively invest in brands with a medium- to long-term outlook in the marketing area, which is positioned as an optimized cost and company-wide strategic investment.

### Marketing Cost Optimization



**Continue to optimize advertising expenses at around 5% level every year for FY27**

### Investing in Brand Equity



**Establish competitive advantage and reduce customer acquisition costs**

- Enablement initiatives that BuySell has developed over many years have been molded and introduced to each company in the Group.
- Aiming to increase revenue by raising the gross profit per visit by expanding purchased merchandise by taking advantage of synergies between both BuySell and Fuku-chan and by securing the purchase of merchandise that had been left undone.

## Enablement Initiatives and Results

### Details of Initiatives

- **High Performer Analysis**

Analyze top buyers' behavioral characteristics and visualize their idiosyncratic skills

- **On-boarding training**

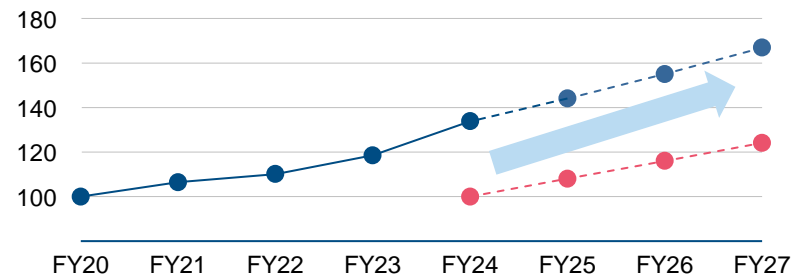
Introduced training programs for early entry into the workforce

- **Formalization of tacit knowledge**

Visualization of top buyers' knowledge and experience for use in training programs

### Results & Benefits

Growth rate of gross profit per visit



\* Gross profit per visit for internal management accounting to manage KPIs by Field Sales business unit  
Figures are not disclosed due to management accounting KPIs. Disclose the expected rate of increase in unit price with the initial unit price as 100

## Segment expansion of purchased merchandise



### Strengthen existing products

Sharing of know-how on the purchase of existing merchandise such as antiques, minimization of oversold purchases

Examples of products... antiques , etc.



### Advanced Pricing

Sophisticated pricing of high-priced products up to the standards of toC sales

Examples of products...brand-name goods, watches, etc.



### Expansion of new merchandise

Expanding into new main merchandise areas while strengthening stable sales channel strategies

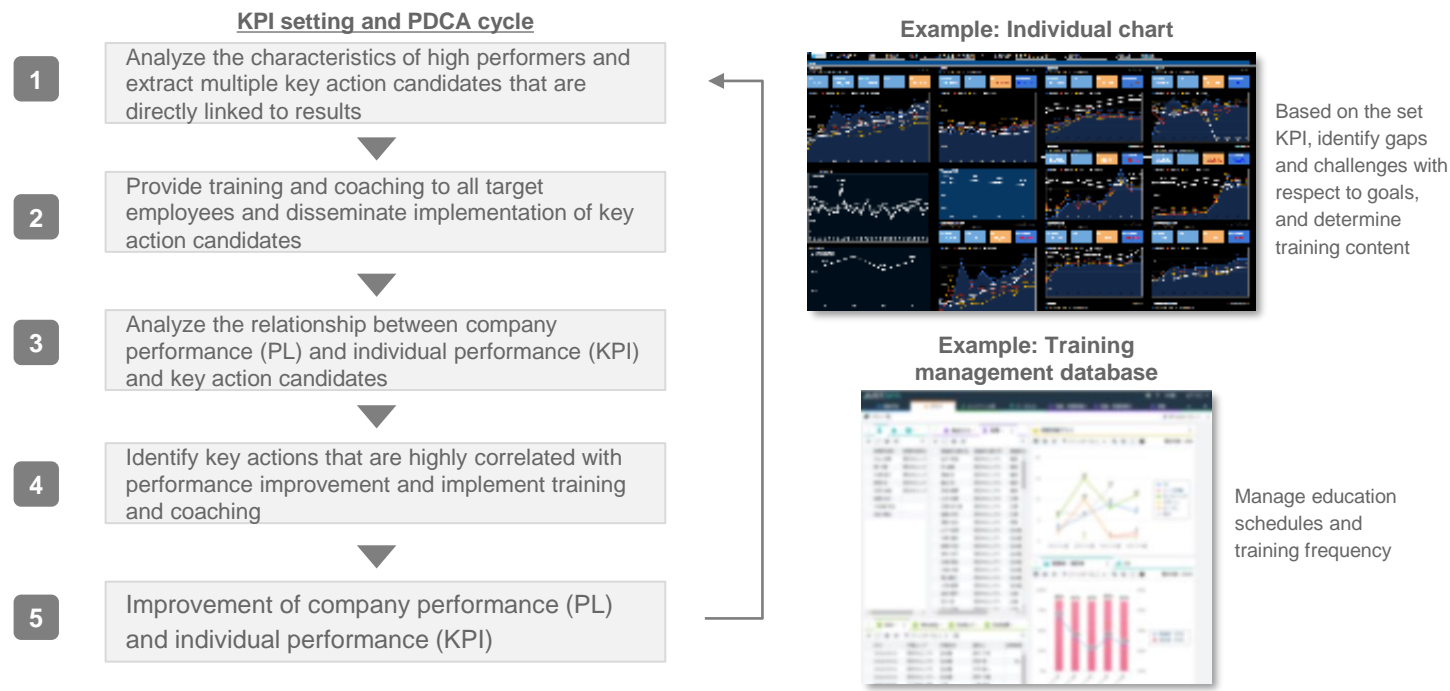
Example of merchandise...apparel, etc.

# Reference) Example of sales enablement

- The Enablement department, which is an education and training specialist unit, conducted education and training based on **setting KPI as indicators for individual key actions** that are directly linked to the improvement of a major KPI, the variable profit on at-home pickups (gross profit on sales), resulting in **significant performance improvement of the sales organization**.

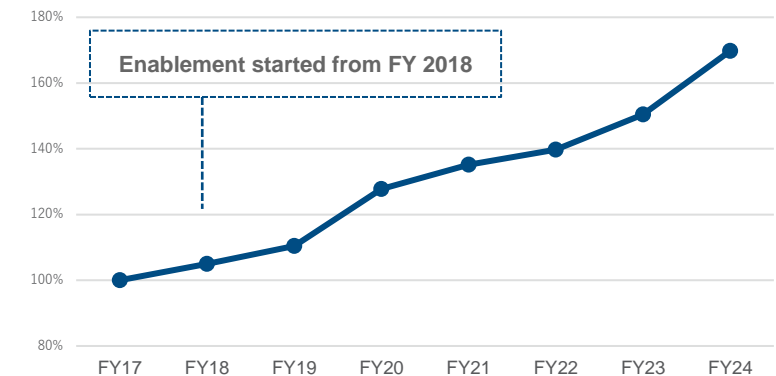
## < Data-driven management case study: Improving the performance of the sales organization >

### Examples of initiative by the Enablement Department



### Results of KPI improvement

#### FS business\_Gross profit unit price (\*) growth rate per visit (base year: FY 2017)



(\*) Gross profit unit price per visit for internal management accounting to manage KPIs at FS Business Division

- KPIs eliminating impact of sales on a growth of gross profit  
- Values are not disclosed because these KPIs are for management accounting.

By applying the same data-driven management in all departments, the aim is to improve a wide range of KPIs, and achieve improved performance.

# B-1 Group Store Business strategic policy

- Aim to establish a competitive advantage in the store purchase business by promoting a differentiation strategy in the group's stores while achieving overall group optimization

Medium-term Strategic Policy

## Mass Market Strategy

Aim to establish a competitive advantage through large-scale marketing investments, including home-visit purchase business and expansion of the number of stores to raise awareness and acquire customers.

### 1 Multi-channel stores

- **Store purchase business strategy that emphasizes marketing and customer connections with the core home-visit purchase business**
  - Attracting customers based on recognition through the effectiveness of advertising for on-site, home-visit purchases
  - Customer lead between multi-channel of home-visit purchase ⇔ store



35 stores



FUKU CHAN

20 stores

### 2 Mass store

- **Store strategy that emphasizes customer leads and efficient store operations in SCs and other community-based locations**
  - Efficiently attract customers through community-based trade area strategies and marketing, etc.
  - Store scalability centered on small stores and store profitability through efficient store operations



62 stores



259 stores

(Of these, 238 are franchises)

Medium-term Strategic Policy

## Differentiation Strategies

Aim to establish competitive advantage in a manner that does not cannibalize group stores (1) and (2) above through differentiation strategies such as store opening strategies, customer targets, and specific merchandise.

### 3 Permanent stores in department stores

- **High-end store strategy focusing on strong customer contact with senior affluent customers by opening permanent purchase stores in department stores**
  - Attract customers based on affluent seniors who use department stores
  - Efficient marketing such as direct mail in cooperation with department stores



総合買取サロン  
TIMELESS  
タイムレス

34 Stores

### 4 Merchandise-specific stores

- **Store strategy emphasizing high specialization in specific merchandise such as luxury brands and antiques**
  - Attracting customers with specialized customer needs, specializing in differentiated and specific commercial products
  - Purchase x Sales" type store (THIRRRY) specializing in luxury goods with a focus on Hermes



6 Stores

美術品 骨董品

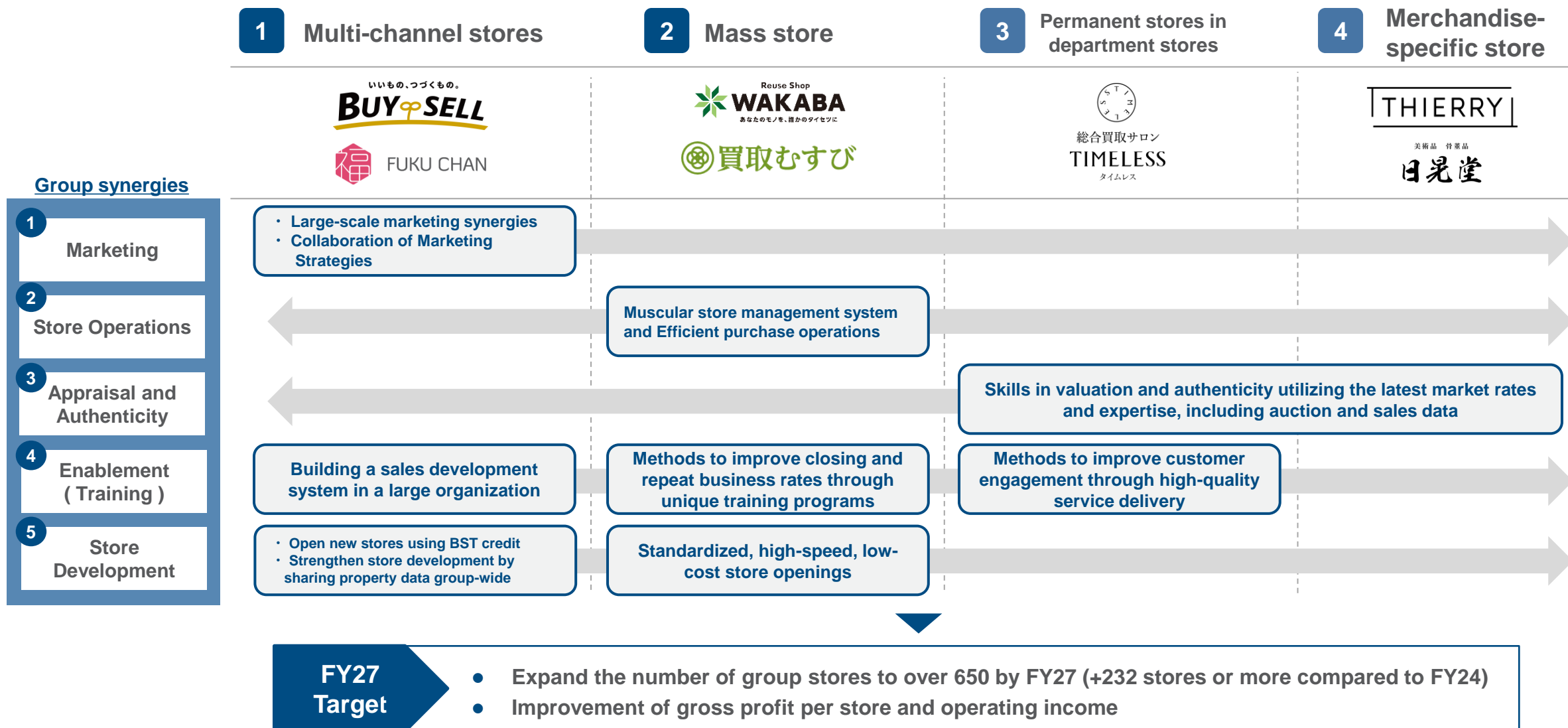


2 Stores

Number of stores: As of December 31, 2024

## B-2 Improve profitability and expand the number of stores by creating group synergies

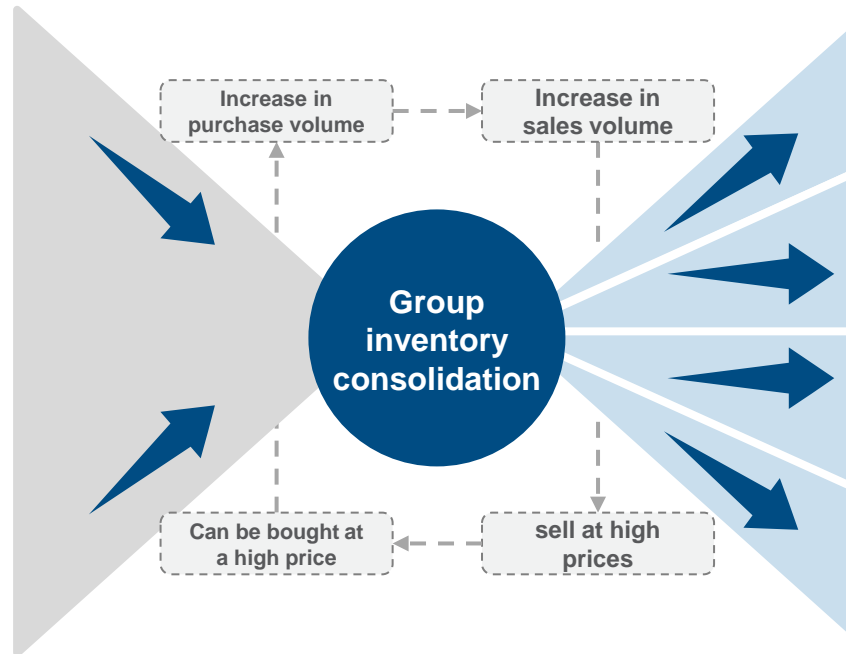
- Aim to both expand the number of stores and increase profitability per store by creating group synergies centered on the strengths of each group store.



# C-1 Integration of Group Inventory and Upgrading of Sales Strategies

- Aiming to improve operating margin through cost reductions by improving warehouse operations and optimizing sales promotion and logistics costs by integrating group inventories.
- Aiming to improve gross profit by maximizing sales amount by consolidating the group's inventory to the most appropriate sales channel for each product.

## Consolidation of group purchase inventory



## Sophisticated selection of sales channels for each product

| merchandise | Sales Channels |          |               |
|-------------|----------------|----------|---------------|
| Kimono      | EC             | Store    | Live Commerce |
|             | Overseas       | Auctions |               |
| Brand items | EC             | Store    | Live Commerce |
|             | Overseas       | Auctions |               |
| Watch       | EC             | Store    | Live Commerce |
|             | Overseas       | Auctions |               |
| Antique     | EC             | Store    | Live Commerce |
|             | Overseas       | Auctions |               |

**1** Improved efficiency of warehouse operations and reduced logistics costs by integrating group inventories

**2** Improvement of sales gross profit margin through integration of group inventory + selection and expansion of sales channels segmented by product line

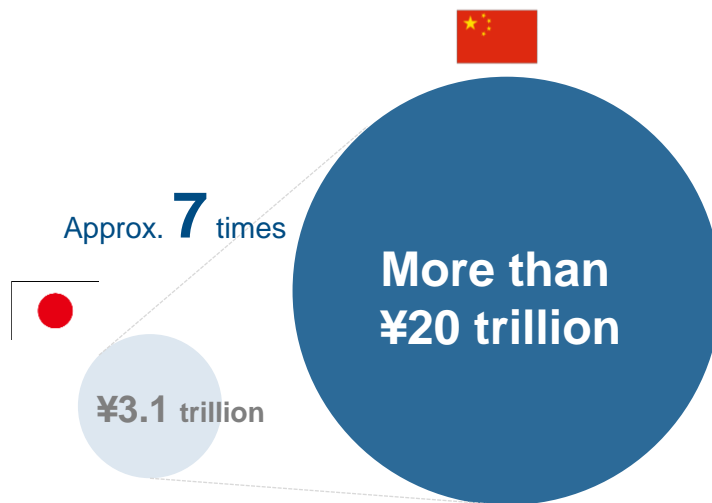
**FY27  
Target**

(1) Cost reduction through integration of group inventory management + (2) Gross profit increase through sales channel optimization ⇒ Aim to improve operating margin to about 1% level by FY27 through

## C-2 Building new overseas sales channels (China)

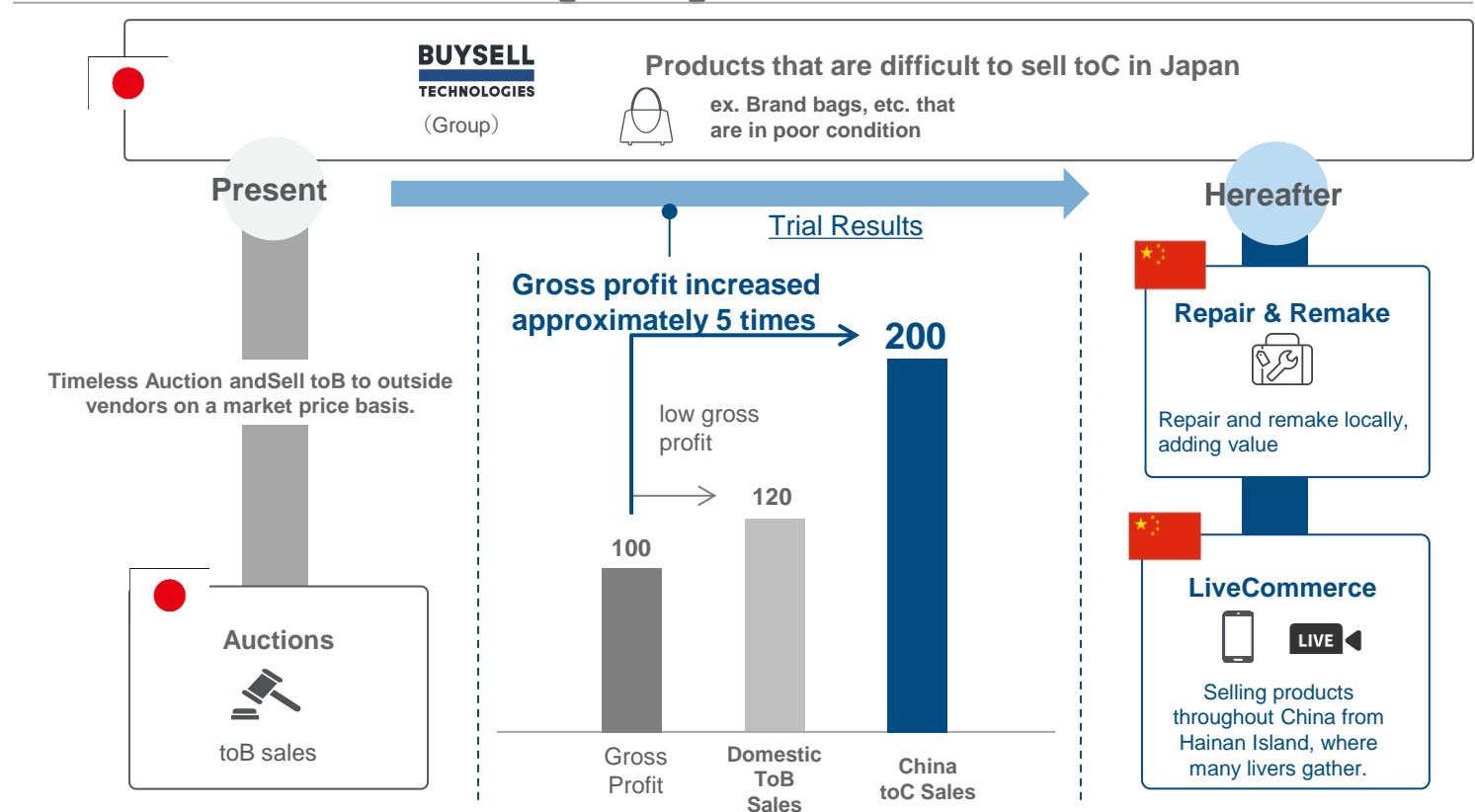
- As our first overseas expansion, we will establish a subsidiary in Hainan Island, China, which is expected to become a free trade port in the future and plan to start operations in 2025 to expand high-unit price sales channels targeting the huge Chinese apparent resale market of over 20 trillion yen.
- Aiming to improve gross profit margins by repairing and remaking products in China that were previously sold through domestic to B auctions and selling them through live commerce.

### Size of China's apparent resale market



Source : Institute for Environment and Energy Research, Tsinghua University  
Materials published in April 2024 、 「 Reuse Market Databook 2024 」 The Reuse Economy Newspaper

### Flow of Strengthening Sales Channels in China



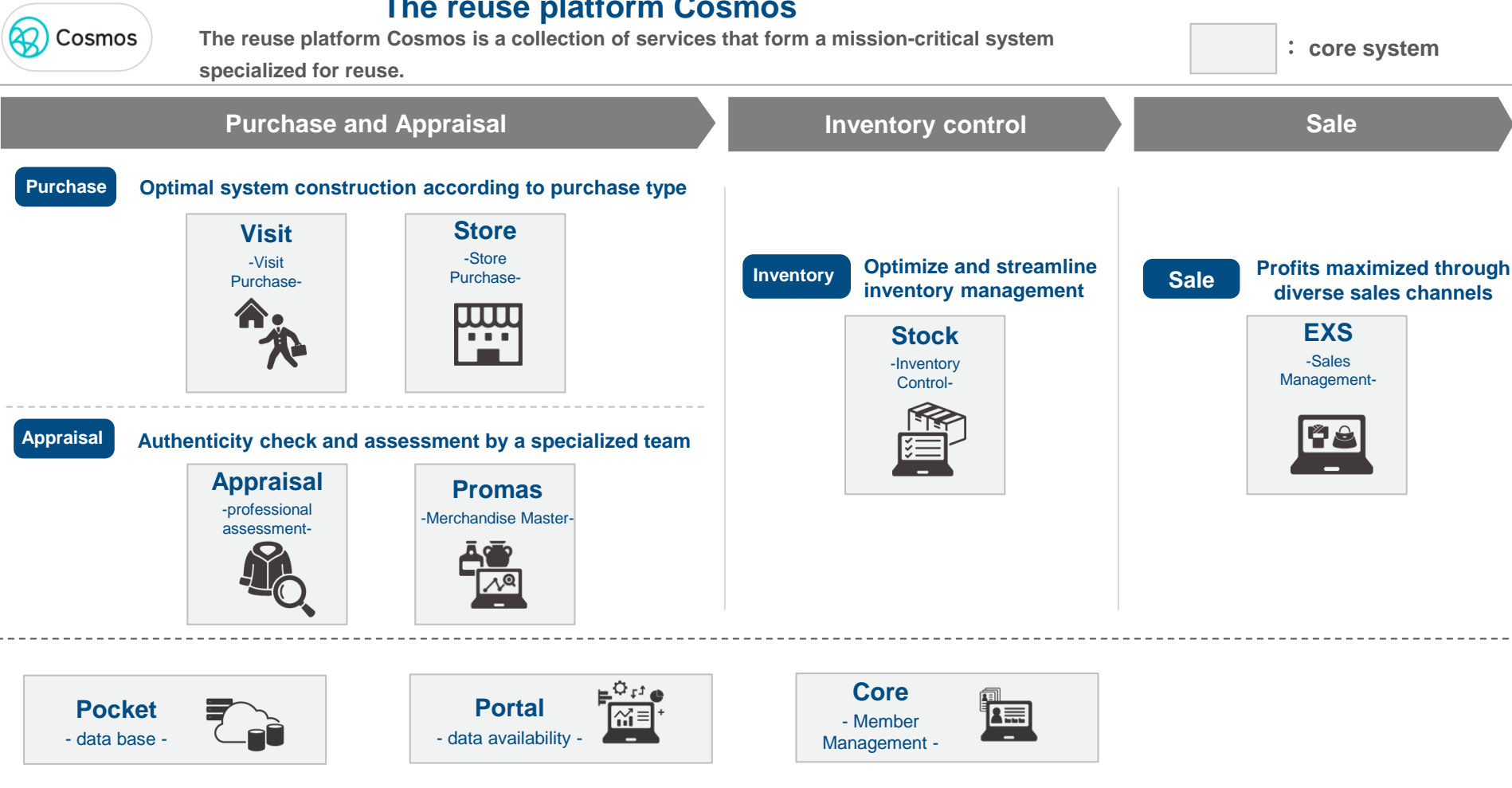
**FY27  
Target**

- Building a sales channel in China, the possibility of profit add-on at the level of approximately ¥1.5 billion by expanding to target products only in the Group's inventory.
- Aiming to further improve profitability by expanding product lineup and sales channels in China over the medium term.

# D-1 About “Cosmos” Reuse Platform

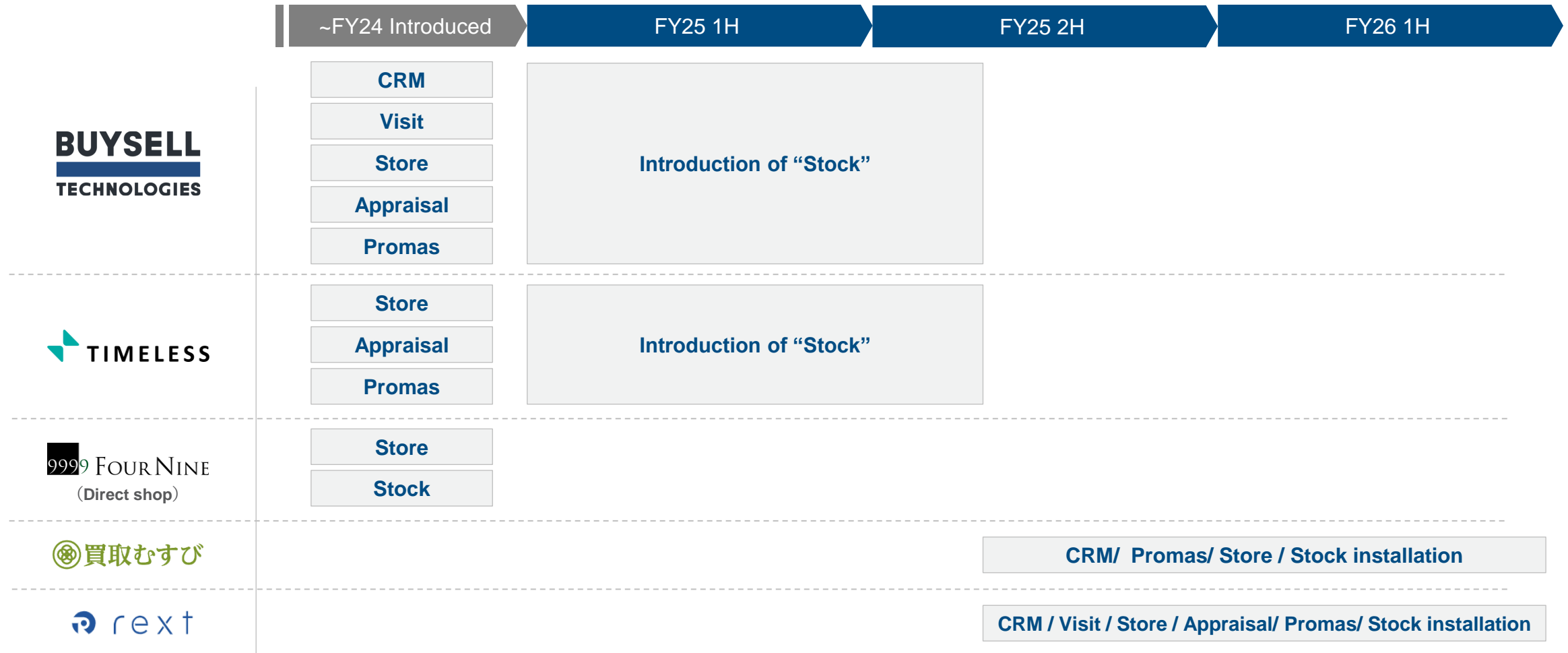
- Aiming to improve operational efficiency throughout the BuySell Group and increase key KPIs by deepening data-driven management through the introduction of “Cosmos,” a proprietary platform that comprehensively provides everything related to the resale business, from purchasing to sales, customer management, inventory management, sales management, and data analysis.

## The reuse platform Cosmos



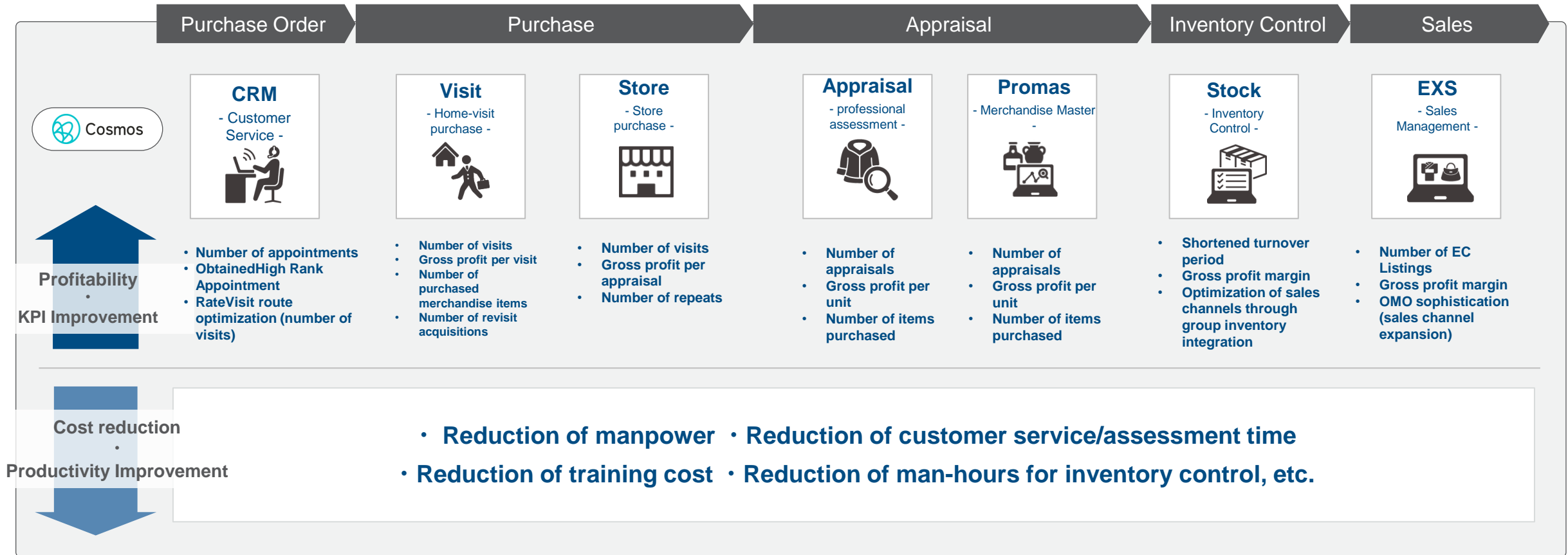
# D-1 Schedule for introduction of “Cosmos”

- Launch of core system from purchase application to inventory management will be completed with the introduction of “Stock” during the second half of FY25.
- System to be deployed to all groups, including system installation at Rext HD (Fuku-chan) during 1H FY26.



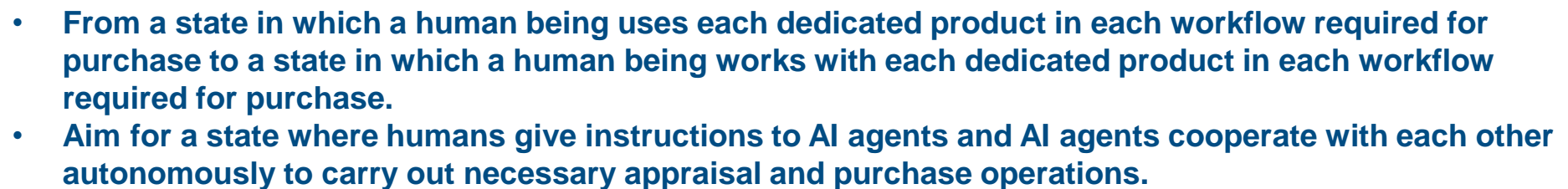
# D-1 Expected effects of “Cosmos”

- Aiming for full-fledged promotion of profitability expansion and productivity improvement (cost reduction) by utilizing technology and data through the launch of the entire “Cosmos” core system and its group implementation.



**► The theme is building higher-order business operations using AI, and aims to “utilize AI agents” for call center operations and assessment operations.**

- ### Image of AI application in product valuation operations



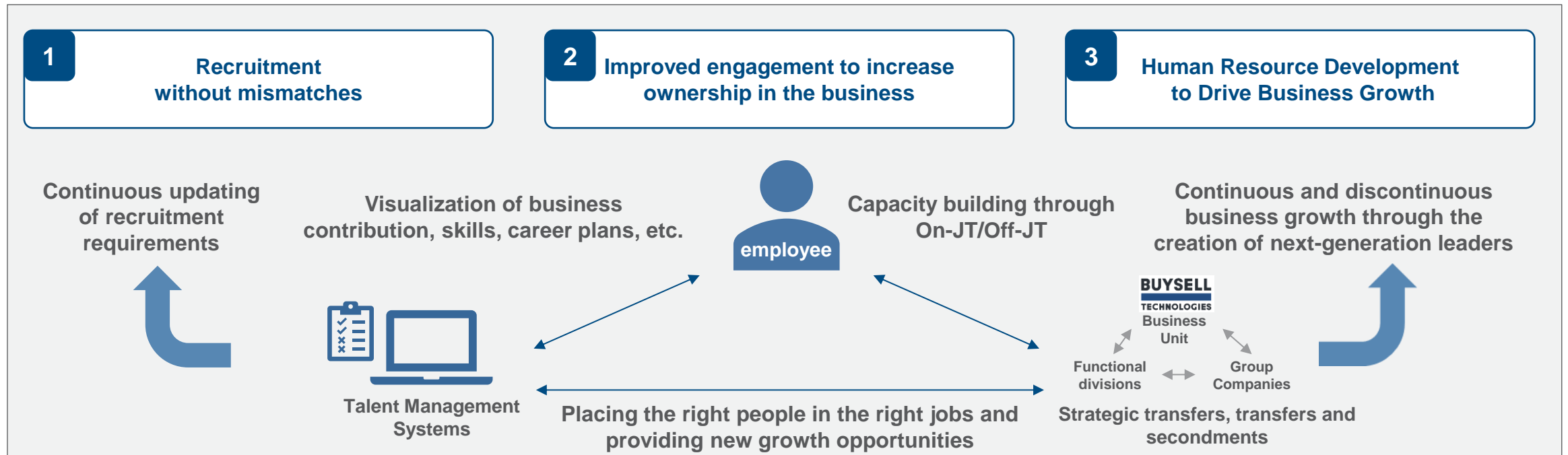
# D-3 Human Resources Strategic Policy Outline

- Set HR strategic themes and focused measures centered on improving productivity of “people and organization” to achieve medium-term business plan goals.

medium-term business plan 2027 human resources strategic themes

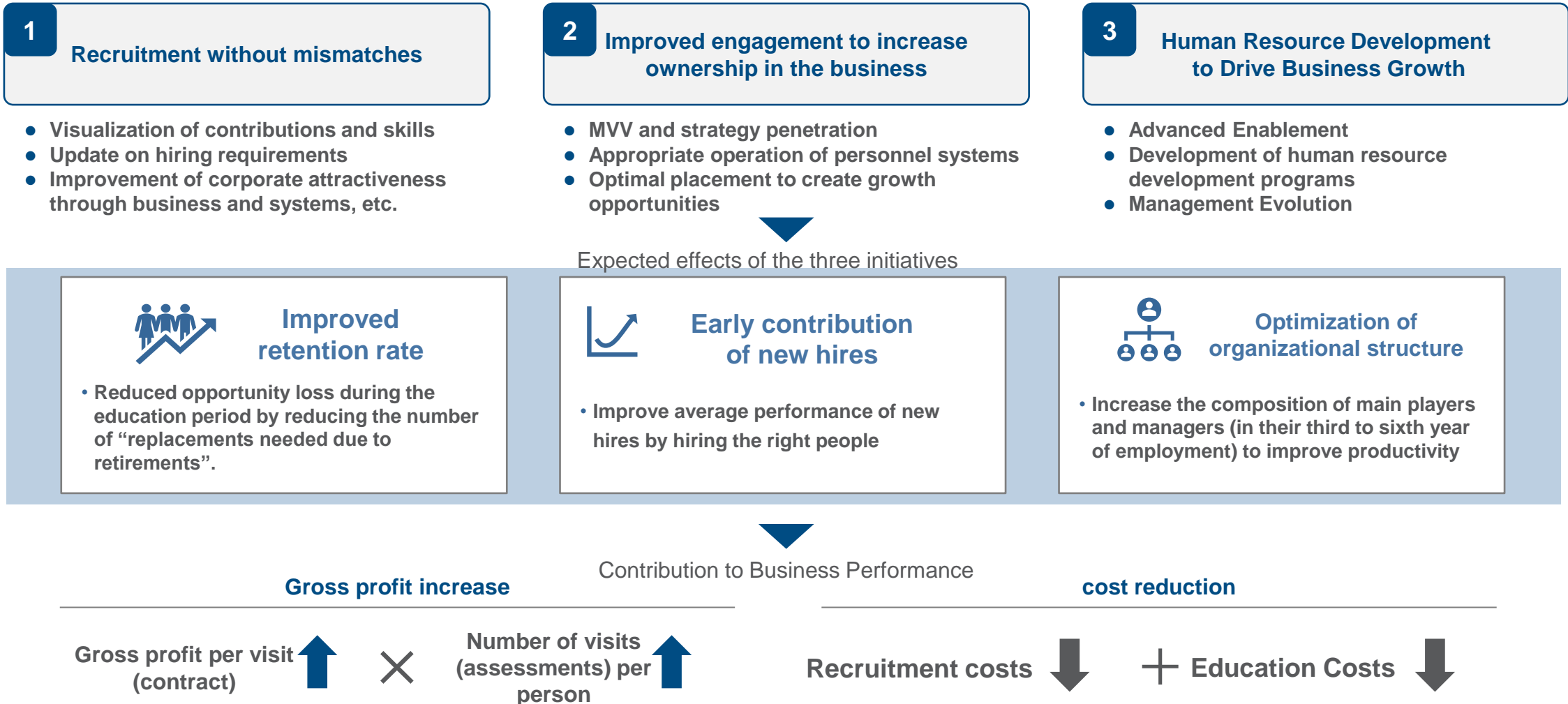
**Maximize individual performance**  
**(Maximize gross profit earned per employee)**

Outline of measures to be focused on in the area of human resources



# D-3 Improve productivity by promoting human resource strategies

- Maximize gross profit per employee and reduce costs through productivity improvement by promoting human resource strategies centered on three priority measures.



**04**

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## **M&A Strategy**

# M&A Strategy Overview

- Plans to continue executing investments that will contribute to strengthening existing competitiveness and developing areas not yet covered by the resale business, with M&A in the Reuse Business as the top priority.
- Aiming to increase corporate value by maximizing investment returns quickly through enhanced return on investment by creating synergies through reproducible PMI execution.

## M&A Target Policy

### Priority

1

#### Resale Business: Strengthen competitiveness of existing businesses

##### Focus area

- **Strengthened purchase channels:** home-visit purchase, store purchase, home delivery
- **Strengthen sales channels:** e-commerce sales, auctions, events
- **Strengthening of merchandise handled:** Kimono, brands, watches, jewelry, antiques, etc.

2

#### Resale business: not started/expanding into adjacent areas

- **Expansion of purchase channels:** purchase channels for niche and specialized merchandise, etc.
- **Expand sales channels:** overseas sales channels, sales stores, specialized merchandise EC channels
- **Expansion of new merchandise:** musical instruments, high-end apparel, paintings, hobbies, etc.

3

#### Expansion into new business areas

- New areas with high affinity to our business
- Other new areas where management reproducibility is expected

## M&A Investment Discipline

- Set a maximum EV/EBITDA multiple (no overpriced M&A)
- Contribution to profit without “goodwill loss” from the first year of consolidation under J-GAAP assumptions
- Profit growth potential beyond standalone by creating synergies in PMI

## PMI Frameworks

### Commonization Type introduction

- data-driven management
- Enablement Introduction
- Listed group level compliance system

### Efficiency Operations Integration

- Technology and DX
- Logistics Collaboration
- Marketing Support

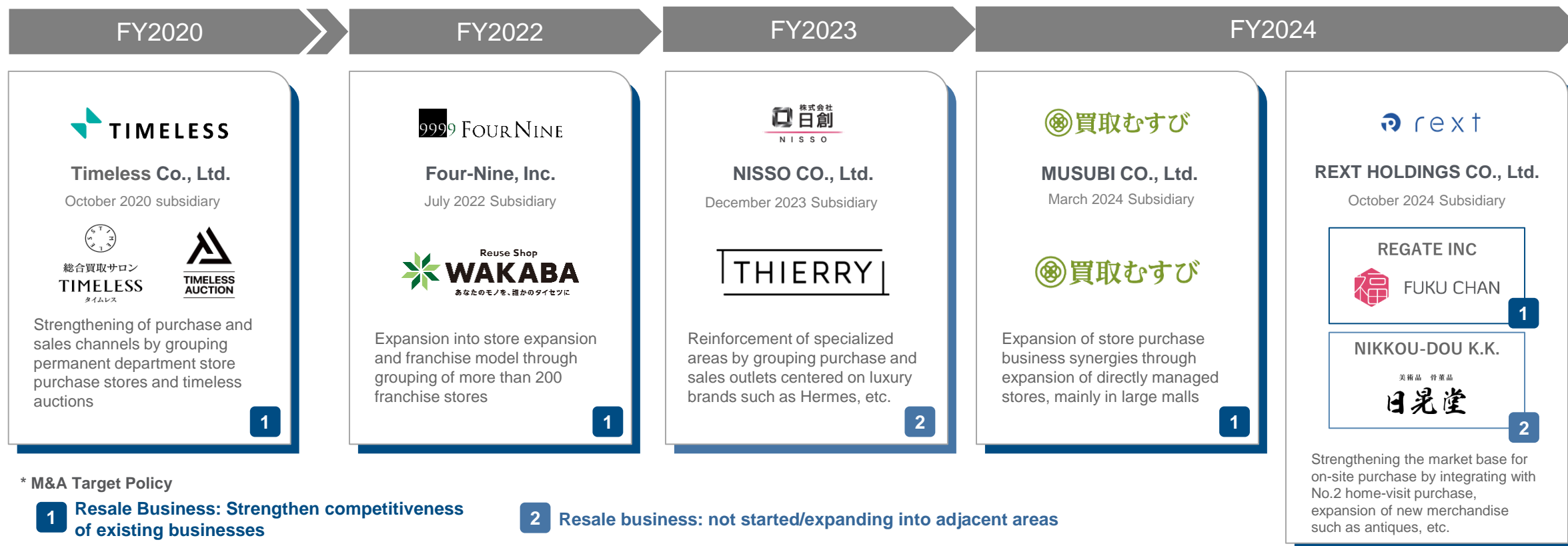
### Advancement Group Synergy Creation

- Recruitment and Human Resource Collaboration
- Sales channel optimization
- Knowledge sharing of each company's advantages

**Maximize return on investment and increase corporate value through clear M&A strategies and highly repeatable PMI execution**

# Execution of successive M&A

- Executed 5 consecutive M&As in the 5 years since listing, with M&A targets focusing on the most important resale area in accordance with the target policy.
- The company plans to accelerate continuous M&A to achieve inorganic business growth in the future.



Mid-term Policy


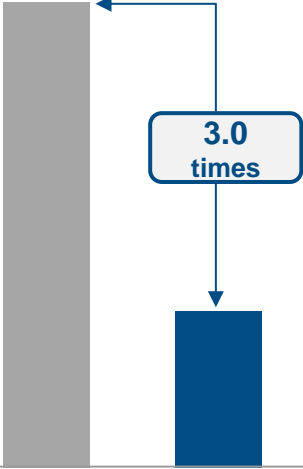



Continue to accelerate continuous M&A that can realize inorganic business growth, mainly in the resale area

# M&A Investment Results

- Over the past five years, we have invested a cumulative total of approximately ¥20 billion (5 companies) in M&A. With clear M&A targets, reasonable entry valuations based on investment discipline, and the creation of synergies through PMI, each company's performance after M&A execution grew steadily, and M&A investment efficiency progressed at a high level.

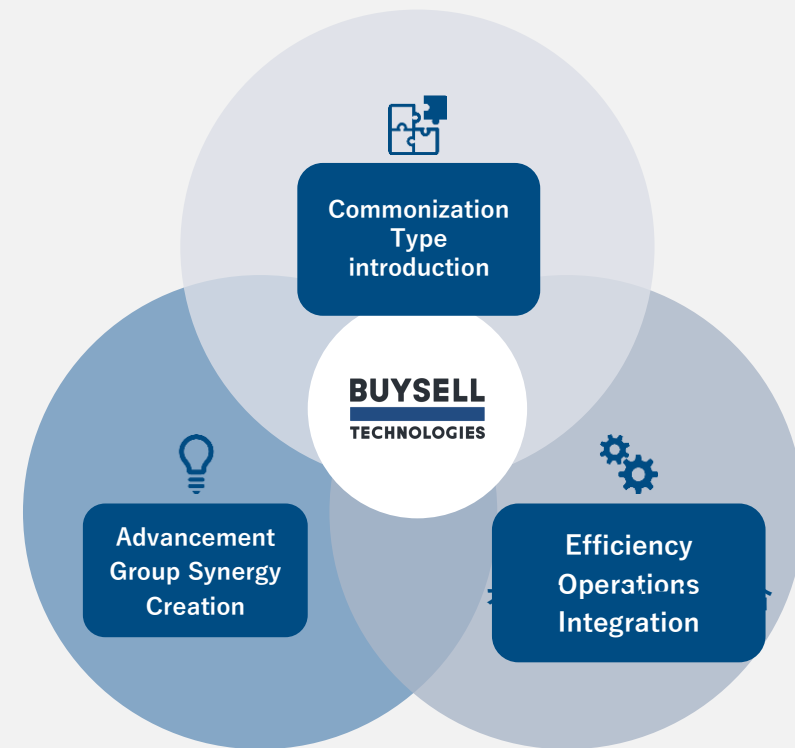
## Group subsidiary M&A performance

## Return on investment

|   |   | Before Subsidiary<br>Immediately before FY | Latest FY                             | After M&A<br>Growth<br>Rate | Investment<br>(linked) period | 4 subsidiaries Total EV at time of<br>investment/Total FY24 actual EBITDA   |
|---|---|--|---------------------------------------|-----------------------------|-------------------------------|---|
|  <b>TIMELESS</b><br>Timeless Co., Ltd.<br>October 2020 subsidiary    | Sales   | FY2020<br>¥5.4 billion                     | FY2024<br>147億円                       | + 271%                      | 4年                            | Achieve high M&A investment efficiency by executing<br>investments at reasonable valuations and creating<br>synergies through PMI<br> |
|   | EBITDA  | ¥270 million                               | 22.2億円                                | + 795%                      |                               |   |
|  <b>FOURNINE</b><br>Four-Nine, Inc.<br>July 2022 Subsidiary          | Sales   | FY2021<br>¥4.8 billion                     | FY2024<br>69億円                        | + 144%                      | 2年<br>3カ月                     |   |
|   | EBITDA  | ¥350 million                               | 6.7億円                                 | + 190%                      |                               |   |
|  <b>買取むすび</b><br>MUSUBI CO., Ltd.<br>March 2024 Subsidiary           | Sales   | FY2023*<br>¥4.4 billion                    | FY2024*<br>60億円                       | + 136%                      | 9カ月                           | Total EV at<br>investment   |
|   | EBITDA  | ¥270 million                               | 9.2億円                                 | + 343%                      |                               |   |
| <b>NISSO CO., Ltd.</b>  | Note: Nisso is omitted due to its small scale of performance. |  |                                       |                             |                               | FY24 Results<br>Total EBITDA  |
|  <b>rext</b><br>REXT HOLDINGS CO., Ltd.<br>October 2024 Subsidiary | Sales   | FY2024<br>¥17.9 billion                    | From FY2025 Start consolidation of PL |                             |                               |   |
|   | EBITDA  | ¥980 million                               |                                       |                             |                               |   |

- Execute PMI focusing on BuySell's strengths to generate profit contribution through early creation of synergies after joining the group.
- Since M&As in the resale industry are the main focus, the business and synergy resolution of the target companies is high, and PMI can be executed in a highly repeatable manner in the future.

|   |   |
|---|---|
| <b>Commonization<br/>on<br/>Type<br/>introduction</b> | <ul style="list-style-type: none"> <li>• <b>data-driven management</b><br/>Sharing of business data visualization, KPI design, and monitoring know-how</li> <li>• <b>Enablement Introduction</b><br/>Systematization of customer service and valuation know-how</li> <li>• <b>Listed group level compliance system</b><br/>Improve risk management system and governance</li> </ul>   |
| <b>Efficiency<br/>Operations<br/>Integration</b>      | <ul style="list-style-type: none"> <li>• <b>Technology and DX</b><br/>Improved productivity through the introduction of a core system</li> <li>• <b>Logistics Coordination</b><br/>Optimization of logistics and inventory management</li> <li>• <b>Marketing Support</b><br/>Develop efficient media procurement and placement plans</li> </ul>  |
| <b>Advancement<br/>Group<br/>Synergy<br/>Creation</b> | <ul style="list-style-type: none"> <li>• <b>Recruitment and Human Resources Collaboration</b><br/>Cross-group recruiting activities and creation of opportunities for human resources to play an active role</li> <li>• <b>Sales channel optimization</b><br/>Selecting the best sales channel for each product by utilizing each company's channels</li> <li>• <b>Knowledge sharing of each company's advantages</b><br/>Cross-cutting collaboration that plays to strengths and compensates for weaknesses</li> </ul> |



**05**

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## **Investment and Financial Strategies**

# Capital Allocation Policy Overview

- Aim to allocate capital for sustainable growth by securing funds for business investment and M&A for growth based on the ability to generate operating cash flow and debt financing based on high profit growth.

## Investment Source Financing Policy

- Policy to use operating CF from business → interest-bearing debt → equity in order of priority for investment resources

### Operating Cash Flow

- Generation of operating CF through sustainable profit growth



### Debt with interest, etc.

- Flexible procurement of funds to meet working capital requirements and M&A investments, etc., in light of the Company's financial condition and the possibility of procuring funds at low interest rates.



### Equity

- After making a comprehensive judgment of the stock price level, market environment, financial condition, and other factors, we will consider capital procurement as an option, based on the assumption that EPS will be improved by investment.

## Capital Allocation Policy

- In addition to business investments for organic growth, the policy is to prioritize allocation to strategic investments for inorganic growth, mainly M&A

### Business Investments

- Business investment for sustainable growth of existing resale business

### Strategic Investment (M&A)

- Strategic investment centered on continuous M&A execution

### Shareholder Returns

- Stable and continuous dividend payments while securing sufficient investment for future growth
- Considering share repurchase depending on the stock price level and capital capacity, etc.

# Three-Year (FY2025-FY2027) Investment Plan Policy

- In addition to the OPEX and CAPEX required to achieve the three-year medium-term business plan, the company has established an upfront investment framework for sustainable growth over the medium to long term, with a maximum investment framework of approximately ¥5 billion over the three-year period.
- To achieve inorganic growth, we will continue and accelerate continuous M&A execution as our most important investment area.



- 1 Normal operating costs as a premise for business growth in the medium-term business plan**  
Control cost allocation based on the assumption that it will be reflected in the profit plan for each fiscal year.
  - Marketing investment, human resource investment (personnel expenses, hiring and training, etc.)
- 2 Upfront investment (strategic investment) framework for sustainable growth over the medium to long term**  
Set upfront investment quota as part of the 3-year profit plan (already reflected in planned costs)  
The Company plans to make a decision on whether or not to invest and in what amount, after carefully examining the effects of this investment facility.
  - Brand marketing strategy investment: up to ¥4 billion slots in total through FY27
  - Investment in overseas sales channel expansion: Up to ¥1 billion in cumulative total through FY27
- 3 Major CAPEX 3-year investment plan through FY2027**
  - Technology investment (SW assets booked): approx. ¥1.0 billion
  - Investment in new store expansion: approx. ¥2.0 billion
  - Investment in warehouse expansion: approx. ¥100 million \*No need for large investments such as new warehouse construction until
  - FY27 Other: Expansion of sales offices, AC venue expansion, etc.: approx. ¥400 million
- 4 M&A Investment Plan through FY2027**  
(Target investment framework) Based on the results of M&A investments totaling approximately ¥20 billion over the past five years, target continuous M&A investments over the three years to FY2027, focusing on companies that can maximize synergies at an even faster pace.

- Secure investment funds to enable aggressive business investment and M&A while maintaining the stability of the financial base through disciplined financial management while focusing on investment for growth.
- Designed medium-term financial policy in the new medium-term business plan to incorporate the temporary increase in leverage from M&As, given the significant change in the level of goodwill and interest-bearing debt as a percentage of BS as a result of the execution of successive M&As through debt financing

As of Dec. 31, 2024 Consolidated

| BS (Million yen)               |                                 |
|--------------------------------|---------------------------------|
| Cash<br>13,217                 | Interest-bearing debt<br>26,977 |
| Inventories<br>9,023           |                                 |
| Goodwill<br>16,182             | Other liabilities<br>6,904      |
| Customer related assets<br>756 | Net assets<br>12,494            |
| Other assets<br>7,196          |                                 |

Financial discipline

- 1

Net D/E ratio : Less than 1.0x

Changed

• Considering leverage level based on investment execution by Debt
- 2

Net Debt/ EBITDA multiples : Less than 2.0x

Changed

• Balancing financial stability, financial leverage, and repayability based on ability to generate CF (1) and (2): Policy to tolerate a temporary increase in leverage due to the execution of M&A in Debt
- 3

Goodwill-to-Equity Ratio : Less than 1.0x

• Monitoring at around 1.0x from the perspective of hedging against financial abandonment due to impairment.
- 4

Self-capitalization rate: more than 30%

Changed

• Capital allocation policy and mid- to long-term financial stability are taken into consideration.

Due to the significant impact of increased financial leverage resulting from continuous M&A activity, the Company has revised some of its financial discipline based on the need to reflect the timeframe for M&A investment recovery, the ability to generate cash flow from solid profit growth, and investment efficiency (ROI) backed by M&A performance.

(Note: EBITDA = Operating income + Amortization of goodwill (including customer-related assets)  
+ Stock-based compensation expense

|   | FY12/2012 basis      | FY12/25 forecast*.           |
|---|----------------------|------------------------------|
| 1 | 1.1x                 | 約0.7x level                  |
| 2 | 2.1x<br>EBITDA(FY24) | 約1.1x level<br>EBITDA(FY25E) |
| 3 | 1.3x                 | 約1.0x level                  |
| 4 | 26.2%                | 約30% level                   |

\*Financial indicators at the end of FY12/25 are estimated based on the net income forecast and dividend forecast for FY12/25, taking into account only capital increase/decrease, amortization of goodwill and repayment of borrowings, which are highly probable at this point in time.

- By prioritizing growth investment, **the aim is to improve TSR (total shareholder yield) through medium to long-term share price increases due to an increase in EPS (earnings per share)**, as well as paying stable and continuous dividends. Shareholder return is the basic policy.

## Basic shareholder return policy

- Basic policy is to target improvement of TSR \*.
- Prioritize business investment and M&A that is needed for growth in order to sustainably improve corporate value, and aim for medium to long-term share price increases by increasing EPS.
- Pay stable and continuous dividends while securing internal reserves that can prioritize and carry out investments needed for future growth.

## TSR (Total Shareholder Yield)

### Stock price rise

- Aiming for **medium to long-term share price increases** through continuous increase in EPS

### Dividends

- From the perspective of being able to pay stable and continuous dividends, the policy is to pay dividends with a **consolidated dividend payout ratio of 20%** as a benchmark (maintaining the current dividend policy).

### Buyback

- Considering share repurchase depending on the stock price level and capital capacity, etc.  
(Approximately 1 billion shares of treasury stock were already repurchased in FY2023)

\* TSR (Total Shareholder Return): Total yield of dividends and share price increases over a given period of time

# 06

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**Corporate governance system • ESG / SDGs**

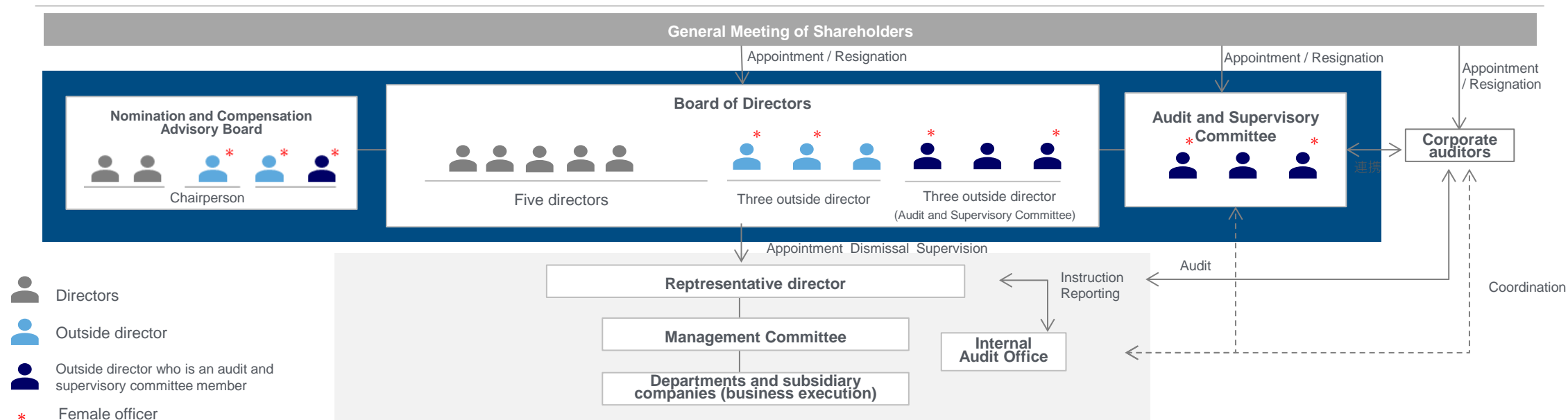
# Strengthening our corporate governance system

- With the aim of improving corporate value, further enhancing governance, and aiming for management transparency and objectivity, we transitioned to a company with an Audit and Supervisory Committee and to a system in which independent outside directors occupy the majority of positions on the Board of Directors.

## Strengthening our corporate governance system

- Transition from a company with a Board of Corporate Auditors to **a company with an Audit and Supervisory Committee** ( March 2022 )
- Transition to a board structure in which **independent outside directors** (including directors who are Audit and Supervisory Committee members) make up the **majority of the Board of Directors**
- Continued operation of a **Nomination and Compensation Advisory Board**, of which the **chairperson and the majority of members are external directors**
- From the perspective of promoting diversity on the Board of Directors, the ratio of female directors is 36% (4 female directors / 11 directors overall)

## Corporate Governance Structure



- From April 2024, the company will be managed by two representative directors from the viewpoint of accelerating business promotion and enhancing management sophistication.
- Promoting the management with directors with various backgrounds to combine medium- and long-term growth and strengthening of governance.



**Kyohei Iwata/Chairman and Representative Director**

Graduated from Systems Innovation, Faculty of Engineering, The University of Tokyo. In 2008, joined Hakuhodo Inc. as a new graduate. In 2014, established a marketing consulting company specializing in small and medium enterprises, ventures, and startups. In June 2016, started marketing consulting for BuySell, and then in October 2016, joined the company as a director and CSMO (Chief Sales & Marketing Officer). Now in charge of the Marketing Strategy Division and the Reuse Business Division. In September 2017, assumed the presidency of BuySell.



**Kosuke Tokushige/ Representative Director, President and CEO**

After graduation from university, he joined Recruit Co., Ltd. (Recruit Holdings Co., Ltd.) . After working in sales in the food and beverage information area, he was engaged as the head of marketing support at Recruit Marketing Partners Co. Appointed as Executive Officer of the company in 2015; appointed as Executive Officer of Recruit Lifestyle Inc. in 2019, promoting customer-attracting media for restaurants, DX support, etc. Scheduled to become President and CEO of the BuySell in April 2024.



**Koji Ono/Director CFO**

After joining Deloitte Touche Tohmatsu LLC, engaged in auditing, IPO support, and M&A operations. In 2011, sent on loan to the investment and banking department of Nomura Securities Co., Ltd.,. After returning to Tohmatsu, provided services that included M&A advisory business and IPO consulting. In October 2016, assumed the post of director and CFO. Certified public accountant.



**Masayuki Imamura / Director and CTO**

Joined Yahoo Japan Corporation in 2006. Founded VASILY in 2009 and assumed the post of director and CTO. Sold VASILY to Start Today (present ZOZO) in 2017. At the same time as company integration, assumed the post of operating officer at ZOZO Technologies in April 2018. Assumed the post of director and CTO in March 2021.



**Hideki Yoshimura/ Directors**

Graduated from the Graduate School of Economics, Faculty of Economics, The University of Tokyo. In 2007, jointly founded Evolvable Asia and assumed the presidency. The company was listed on the TSE (Tokyo Stock Exchange) Mothers in 2016 and the TSE First Section in 2017. Became the largest shareholder in September 2017 of the Midas Investment Business Limited Partnerships No. 1 (currently Hideki Yoshimura & Midas A Investment Limited Partnership) and No. 2, in which Hideki Yoshimura substantially invested, by acquiring the said company's stock. In March 2019, assumed the presidency to participate in management toward the improvement of mid-to-long term corporate value.

**Outside director** \* Excluding outside directors who are Audit and Supervisory Committee members



**Yuki Akiyama / Outside director**

After working at UBS Securities, joined the hedge fund Speedwell / Nezu. In 2017, worked as a portfolio manager for Japanese equities at Millennium Capital, a US hedge fund. Engaged in investment business for startups from 2019. Partner at Globe Advisor Ventures. Appointed as outside director in March, 2022.



**Kayo Gado / Outside director**

After working for Nippon Life Insurance Company, joined J-COM Co., Ltd. (currently Like Co., Ltd.) in 2006, spending seven years of her tenure as a director. In charge of the Group's business administration and business promotion, and also serves as Representative Director . Appointed as outside director in March, 2022.














**Tsuneo Watanabe/ Outside director**

After joining Japan M&A Center Inc. in 2008, he promoted the establishment and expansion of industry-specific business units. Over 100 M&A transactions closed during his tenure. Appointed to the Board of Directors of Japan M&A Center Holdings, Inc. in 2020 and will be appointed as an outside director of the BuySell in March 2024.

# Structure of Board of Directors

- By appointing directors based on a skill matrix that defines the main areas that the Company expects from directors, the structure of the Board of Directors has been changed to one that can achieve both the mid to long-term growth of the Group and the strengthening of its governance.

Directors' Skill Matrix

| Name             | Position  | Independent | Gender  | Specialty / experience |                 |                      |            |                            |                                |     |                                |
|------------------|---|-------------|---|------------------------|-----------------|----------------------|------------|----------------------------|--------------------------------|-----|--------------------------------|
|                  |   |             |   | Corporate management   | Sales marketing | Accounting / Finance | Technology | Human Resource Development | Compliance and risk management | M&A | Investment and capital markets |
| Kyohei Iwata     | Chairman of board of directors                            |             |    | ●                      | ●               |                      |            |                            |                                |     |                                |
| Kosuke Tokushige | President, representative director & CEO                  |             |    | ●                      | ●               |                      |            | ●                          |                                |     |                                |
| Hideki Yoshimura | Director  |             |    | ●                      |                 |                      |            |                            |                                |     |                                |
| Koji Ono         | Director CFO  |             |    | ●                      |                 | ●                    |            |                            |                                | ●   |                                |
| Masayuki Imamura | Director CTO  |             |    | ●                      |                 |                      | ●          |                            |                                |     |                                |
| Yuki Akiyama     | Outside director  | ●           |    |                        |                 |                      |            |                            |                                |     | ●                              |
| Kayo Gado        | Outside director  | ●           |   | ●                      |                 |                      |            |                            |                                | ●   |                                |
| Tsuneo Watanabe  | Outside director  | ●           |  | ●                      |                 |                      |            |                            |                                | ●   |                                |
| Mami Suzuki      | Outside director<br>Full-time member of supervisory board | ●           |  |                        |                 | ●                    |            |                            |                                |     |                                |
| Toshihiro Hara   | Outside director<br>(Audit and Supervisory Committee)     | ●           |  |                        |                 |                      |            |                            | ●                              |     |                                |
| Mika Horasawa    | Outside director<br>(Audit and Supervisory Committee)     | ●           |  |                        |                 |                      |            |                            | ●                              |     |                                |

- From the perspective of the sustainability of business activities required by society, we have established a strategic policy on sustainability centered on compliance and risk management and organizational and human capital management.

## A bridge that connects important things, beyond people and spanning time

- To be a company that can contribute to the realization of a sustainable society through the formation of a recycling-oriented society by expanding the secondary distribution market through the growth of the reuse business.
- Based on a foundational policy of balancing business activities in accordance with the Group's mission with activities aimed at addressing social issues, we place importance on social necessity and sustainability in our business activities.



## The two pillars of our sustainability strategy

Environment

Social

Governance

### Compliance and risk management

Strengthen corporate and service governance

Enhance information security

Maintaining and improving reliability in home-visit purchases



### Organizational and human capital management

Strengthen recruitment and training

Improve employee engagement

Close skill and gender gaps



**06**

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**Appendix**

## 1 Outline of group

## 2 Outline of home-visit purchase business model

|                      |   |                  |   |
|----------------------|---|------------------|---|
| Company name         | BuySell Technologies Co., Ltd.  |                  |   |
| Foundation           | January 2001  |                  |   |
| Head office address  | PALT Bldg. 4-28-8 Yotsuya, Shinjuku Ward, Tokyo   |                  |   |
| Capital              | 3,546 million yen (including capital reserve)   |                  |   |
| Business description | Reuse business of clothes, brand items, etc.  |                  |   |
| Directors            | Chairman of the board   | Kyohei Iwata     | Outside director<br>Yuki Akiyama                                    |
|                      | President and CEO   | Kosuke Tokushige | Outside director<br>Kayo Gado                                       |
|                      | Directors   | Hideki Yoshimura | Outside director<br>Tsuneo Watanabe                                 |
|                      | Director CFO  | Koji Ono         | Outside director(Audit and Supervisory Committee)<br>Mami Suzuki    |
|                      | Director CTO  | Masayuki Imamura | Outside director(Audit and Supervisory Committee)<br>Toshihiro Hara |
|                      | Directors   | Daiya Ota        | Outside director(Audit and Supervisory Committee)<br>Mika Horasawa  |
| Group company        | Timeless Co., Ltd., Four-Nine, Inc. , NISSO Co., Ltd., Musubi Co.,Ltd., BuySell Link Co., Ltd. (special subsidiary) |                  |   |
| Employees            | Group: 1,724 (as of September 2024)<br>Unconsolidated: 1,227 (as of September 2024)                                 |                  |   |

|      |      |  |
|------|------|--|
| 2001 | Jan. | Established a limited personal placement company, I Management Japan, in Nihonbashi, Chuo Ward, Tokyo  |
|      | May  | Changed the organization of limited company I Management Japan to establish I Management Japan. Co., Ltd.  |
| 2015 | Feb. | Changed the company name to Ace Co., Ltd..   |
|      | Apr. | Started online reuse business service through transfer of business.  |
|      | Apr. | Relocated the head office to Yotsuya, Shinjuku Ward, Tokyo, and built a warehouse in Edogawa Ward, Tokyo.  |
| 2016 | Nov. | Changed the company name to BuySell Technologies Co., Ltd.   |
| 2017 | Mar. | Relocated the warehouse to Narashino City, Chiba Prefecture, for business expansion.   |
|      | Sep. | Hideki Yoshimura (current board of directors) became the largest shareholder and assumed the presidency when Midas Investment Business Limited Partnerships No. 1 and No. 2, in which he had substantially invested, acquired the stock of BuySell Technologies. In addition, Kyohei Iwata(Currently Chairman of the board) assumed the post of representative director. |
| 2018 | Jul. | Changed the name of the online reuse business service to BuySell.  |
| 2019 | Mar. | Hideki Yoshimura became the chairman of the board of directors.  |
|      | Dec. | Listed on the TSE (Tokyo Stock Exchange) Mothers.  |
| 2020 | Jun. | Relocated the warehouse to Funabashi City, Chiba Prefecture.   |
|      | Oct. | Acquired DAI-YA Corporation Co., Ltd. (current Timeless Co., Ltd.), which runs antiques auction "Timeless auction" among others, as a wholly owned subsidiary.   |
| 2021 | Jan. | Established BuySell Link (special subsidiary) that promotes the employment of disabled people.   |
| 2022 | Jul. | Acquired Four Nine Co., Ltd., which operates the purchase store "Reuse Shop Wakaba".   |
| 2023 | Dec. | "Brand Peace" stores for the purchase and sale of luxury brand goods, becomes a subsidiary of Nisso Co.Ltd.,   |
| 2024 | Mar. | "Kai-tori MUSUBI" stores for the purchase, becomes a subsidiary of MUSUBI Co.Ltd.,   |
|      | Apr. | Kyohei Iwata became the chairman of the board of directors and Kosuke Tokushige became the representative director and CEO.  |
|      | Oct. | Acquired subsidiary Rext HD Co., Ltd., which owns Japan's leading home visit purchase service, "KAITORI Fuku-chan" and other services through its subsidiaries.  |

## **Transcend people and time to become a bridge that connects precious things.**

Transcend people. Transcend time.

Keep attracting people and being sought after.

What we handle has power that exceeds things.

There is life like an ongoing mission there.

We are unearthing things from all over the world.

Spawning.

Connecting people, businesses, and even countries with  
technologies,

Circulating them throughout society in sequence.

Circulating like the revolutions of the Earth,

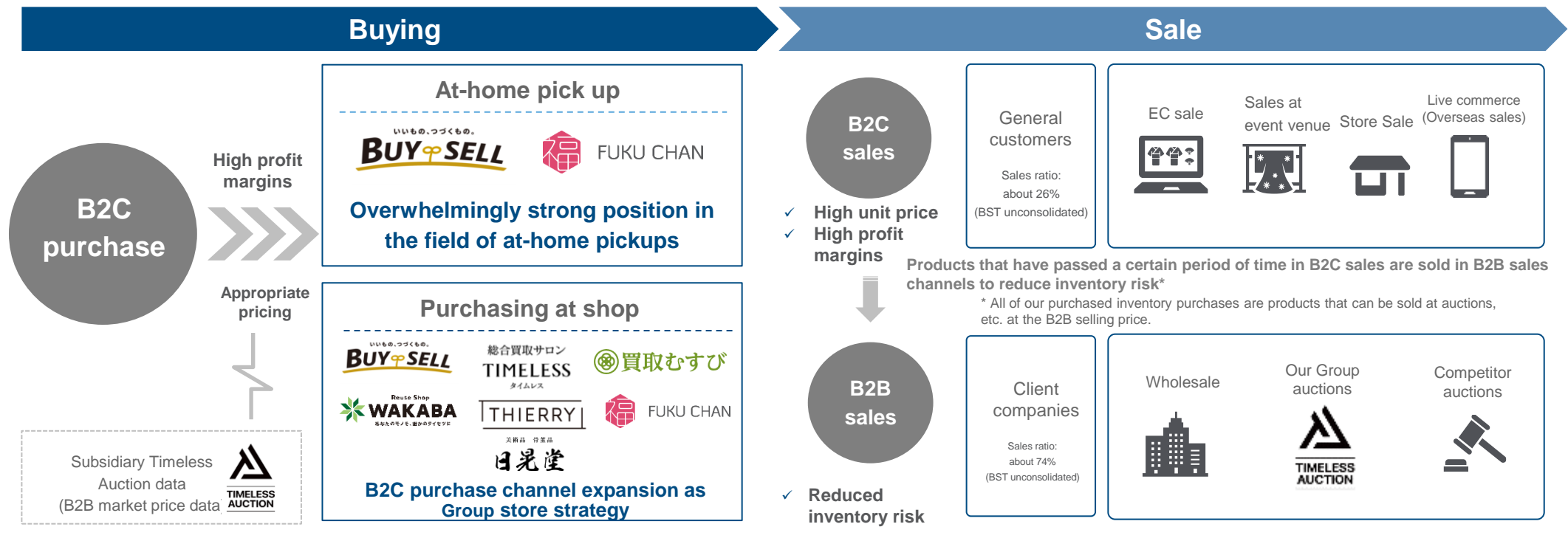
Connecting precious things to the future, forever.

Good things that last.

BuySell Technologies

# A business structure that creates a source of competitive advantage

- The source of the Company's competitive advantage is our purchasing power from **B2C**, which enables us to achieve a high gross profit rate through a differentiated business model centered on at-home pickups and purchases.
- Appropriate pricing appraisal based on subsidiary auction data (B2B market price data) **reduces inventory risk of purchased products.**
- **Achieving both improved profit margins and reduced inventory risk** by optimizing the B2B sales channels, which are always available for sale, and the highly profitable B2C sales channels.


















Purchasing from “B2C” that can realize high gross profit rates is the source of competitiveness

A sales channel that achieves both improved profit margins and reduced inventory risk

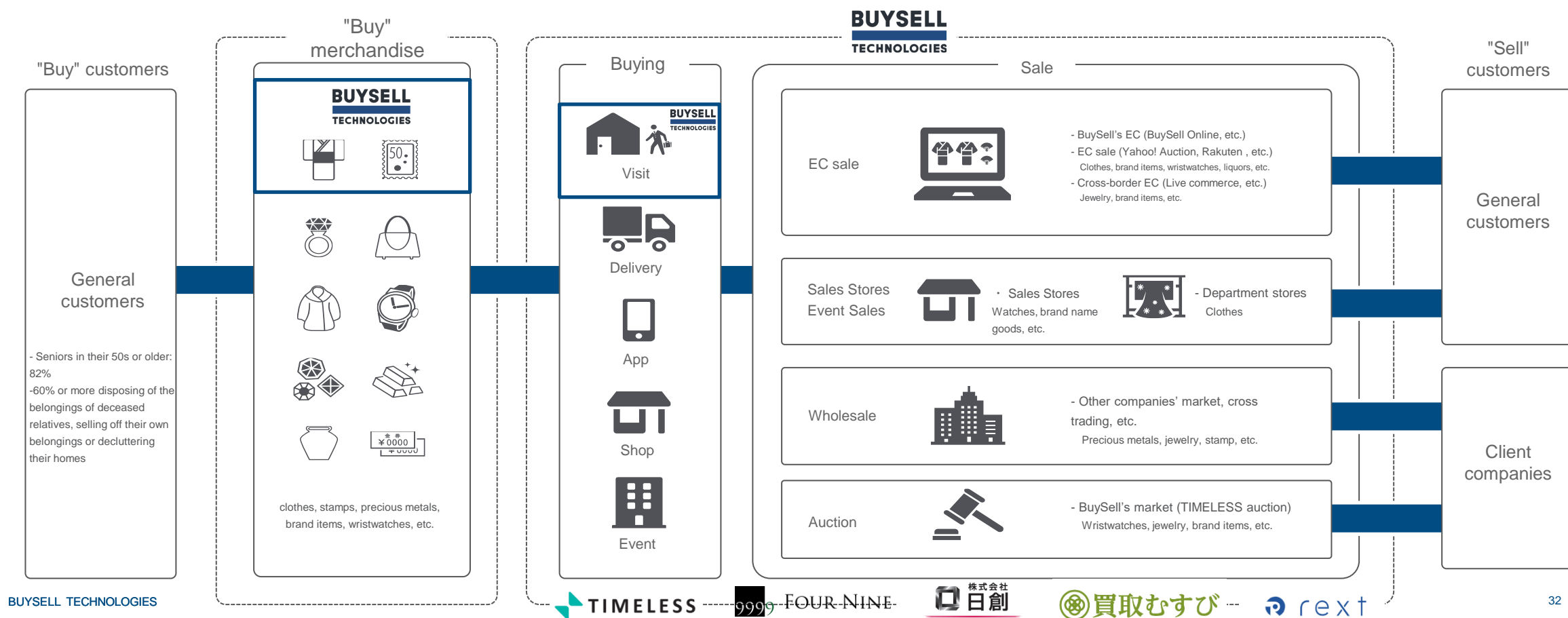
# Outline of the group

- Operates a comprehensive reuse business that encompasses a wide range of channels, from purchase to sale, through 13 Group companies (as of FY25), including the Company.

| FY23 Sales composition: 62%  | FY23 Sales composition: 26%   | FY23 Sales composition: 12%   | FY24 New Consolidation   | FY24 New Consolidation   | FY25 New Consolidation  |
|--|---|---|--|--|---|
|  <p><b>BuySell Technologies Co., Ltd.</b></p>   |  <p><b>Timeless Co., Ltd.</b></p> <p>Wholly acquired in October 2020</p>   |  <p><b>Four-Nine, Inc.</b></p> <p>Wholly acquired in September 2022</p>  |  <p><b>NISSO CO., Ltd.</b></p> <p>Wholly acquired in December 2023</p>  |  <p><b>MUSUBI CO., Ltd.</b></p> <p>Wholly acquired in March 2024</p>  |  <p><b>REXT HOLDINGS CO., Ltd.</b></p> <p>October 2024: Becoming a subsidiary</p>  |
| <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>General reuse and purchase service of BuySell</li> </ul>  <ul style="list-style-type: none"> <li>At-home pick up</li> <li>Purchase through home delivery</li> <li>Purchase at shop (35 shops)*</li> </ul> <p><b>Sale Main services</b></p> <ul style="list-style-type: none"> <li>BuySell's EC "BuySell Online"</li> </ul>  <ul style="list-style-type: none"> <li>BuySell's EC</li> <li>Other companies' EC malls (Rakuten, Yahoo Auctions etc.)</li> </ul> <ul style="list-style-type: none"> <li>Selling Stores (Kyoto)</li> </ul> <ul style="list-style-type: none"> <li>Shops specializing in sale of used kimonos (department stores)                             <ul style="list-style-type: none"> <li>Permanent shop (3 shops)</li> <li>Sales at event venue</li> </ul> </li> </ul> | <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>General purchase salon "Timeless"</li> </ul>  <ul style="list-style-type: none"> <li>Permanent shop set up in department store (34 shops)*</li> <li>Purchase at department store events</li> </ul> <p><b>Sale Main services</b></p> <ul style="list-style-type: none"> <li>"TIMELESS auction"</li> </ul>  <ul style="list-style-type: none"> <li>Brand bag auction                             <ul style="list-style-type: none"> <li>Flat-ground (face-to-face) auction, once a week</li> </ul> </li> <li>Auctions of wristwatches, jewelry, and loose stones:                             <ul style="list-style-type: none"> <li>WEB type, twice a month</li> </ul> </li> </ul> | <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>「Reuse Shop WAKABA」</li> </ul>  <ul style="list-style-type: none"> <li>Franchise shop: 238 shops*</li> <li>Directly managed shop: 21 shops*</li> </ul> | <div> <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>Reuse Shop 「Brand Peace」</li> </ul> </div> <div> <p><b>Sale Main services</b></p> <ul style="list-style-type: none"> <li>Store purchase and store sales (6 stores)</li> </ul> </div>  | <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>Reuse Shop 「Kai-tori MUSIBI」</li> </ul>  <ul style="list-style-type: none"> <li>Directly managed shop: 62 shops*</li> </ul> | <p><b>Purchase Main services</b></p> <ul style="list-style-type: none"> <li>REGATE INC.</li> </ul>  <ul style="list-style-type: none"> <li>At-home pick up</li> <li>Store purchase(20 Stores)</li> </ul> <ul style="list-style-type: none"> <li>NIKKOU-DOU K.K. 「NIKKOU-DOU」</li> </ul>  <ul style="list-style-type: none"> <li>At-home pick up</li> <li>Store purchase(2 Stores)</li> </ul> <p>* In addition to the above, the company has five reuse-related functional companies under its umbrella.</p> |

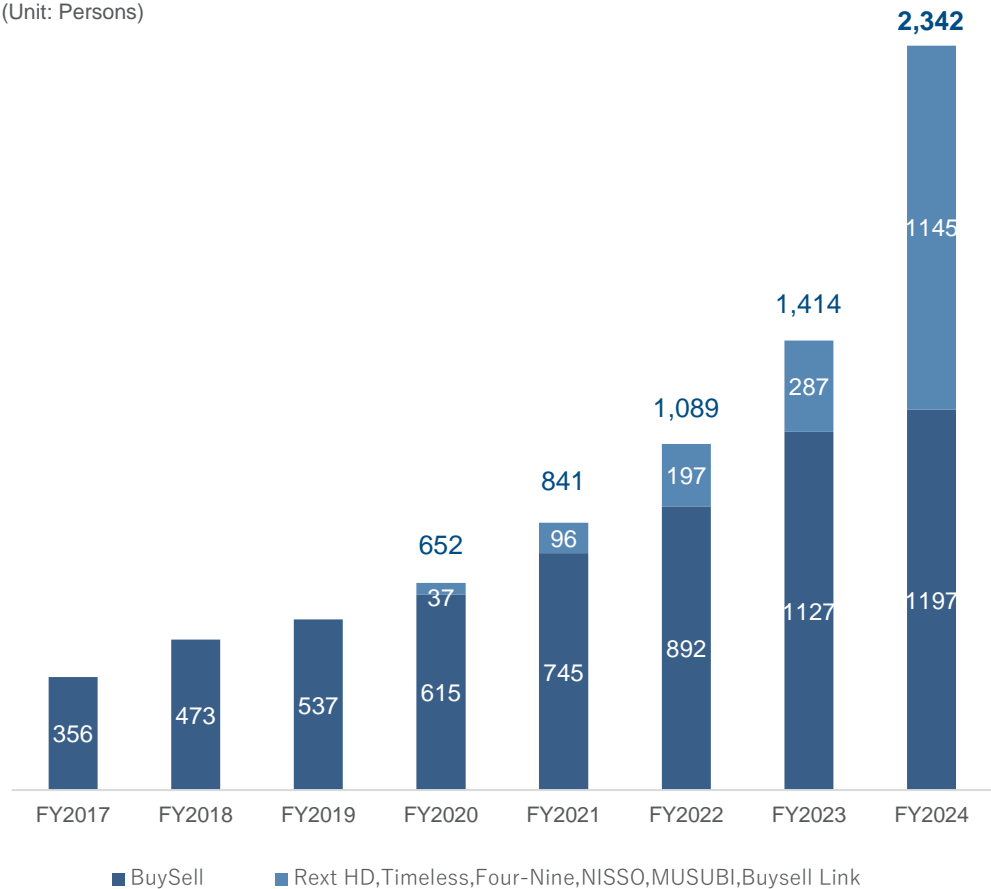
# Group business block diagram

- Purchasing of luxury merchandise such as kimonos, postage stamps, brand goods, watches, etc. through varied channels centered on business visits.
- About 70% or more of our services are used by customers disposing of the belongings of deceased relatives, selling off their own belongings or decluttering their homes, and 86% of customers are seniors in their 50s or older.
- The purchased merchandise has diversified sales channels such as B2B for the auction of secondhand goods, etc., and B2C for EC sales, events, etc., and inventory risk is minimal.

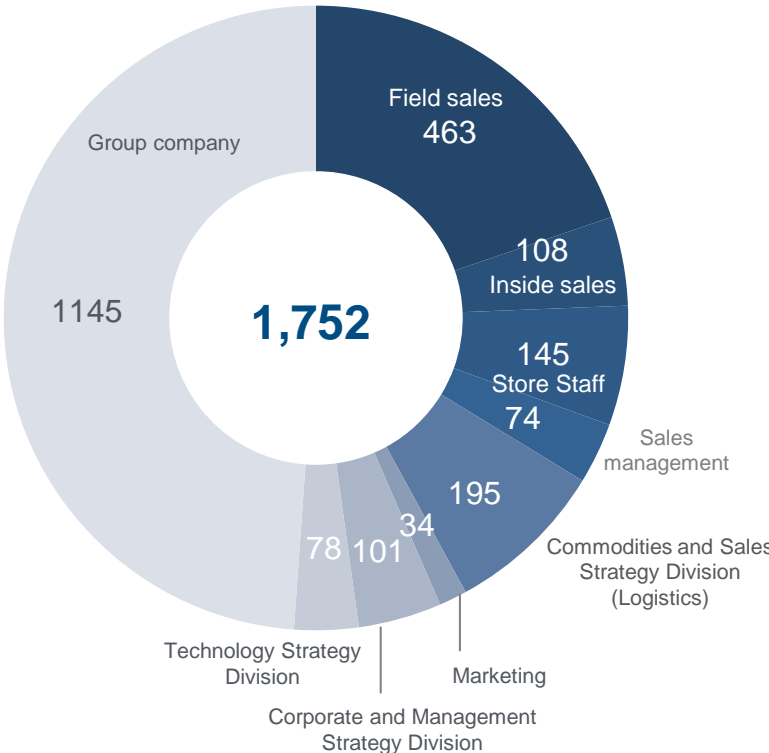


Change of group companies' number of employees

(Unit: Persons)



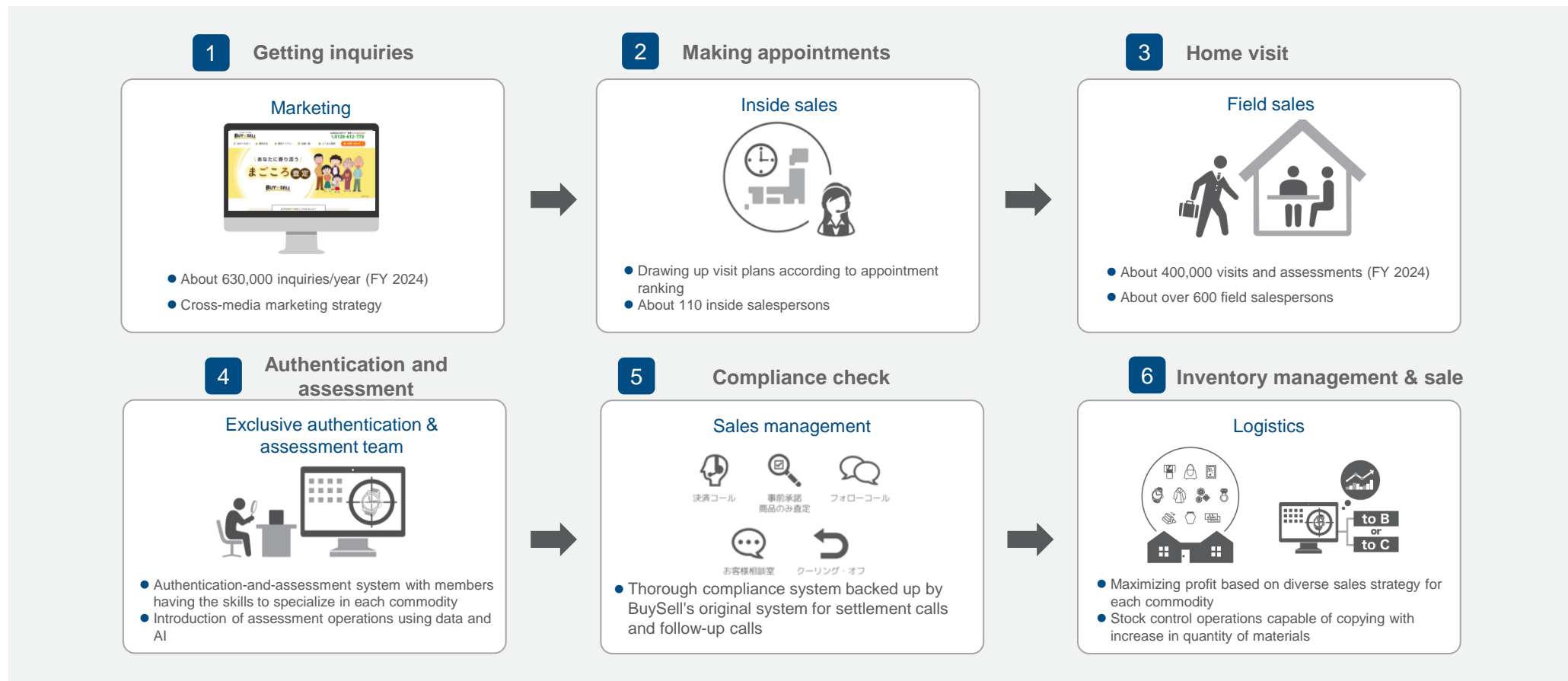
BuySell group personnel organization  
(December 2024, Including non-consolidated subsidiaries)



- 1 Outline of group
- 2 Outline of home-visit purchase business model

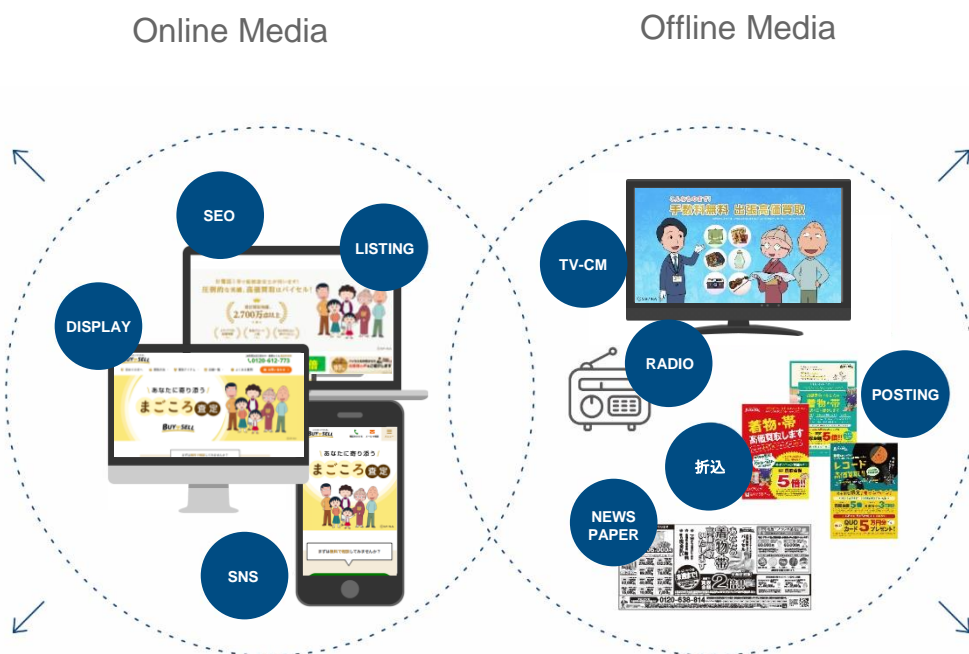
# Outline of home visit purchase business model

- Organizing internally a series of operations related to (1) Marketing, (2) Appointment making, (3) Visits, (4) Authentication and assessment, (5) Compliance, and (6) inventory and sale strategy, and realizing a business growth with a high probability through data-driven management based on the KPIs of each department.



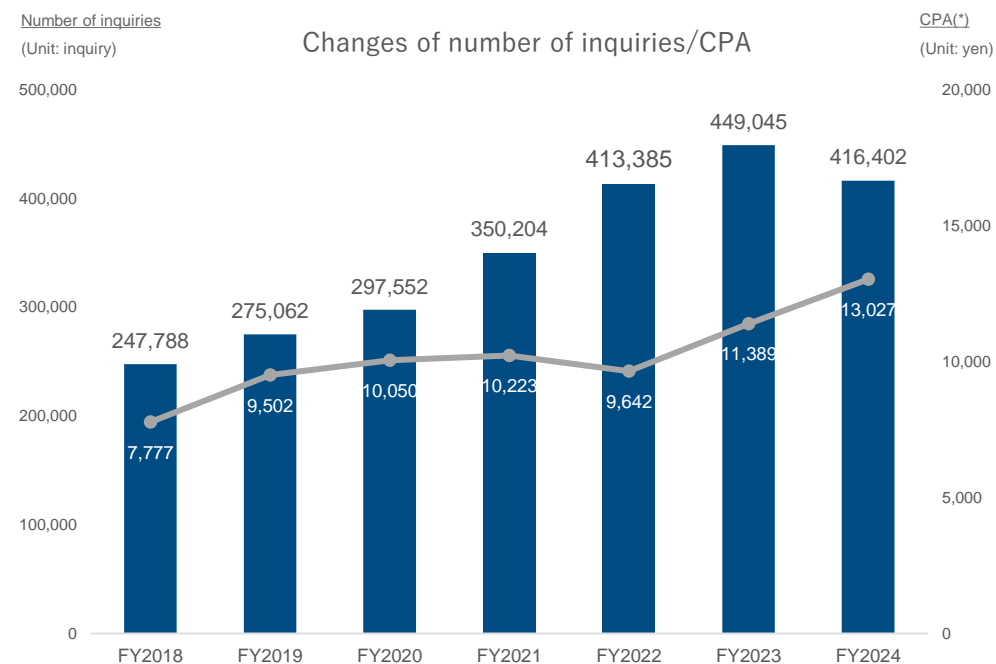
# Marketing: Ability to attract customers by using cross-media marketing

- BuySell is increasingly attracting customers, especially the elderly, while realizing efficient cost per acquisition (CPA: advertising expenses per inquiry) through cross-media marketing making the best use of the internet and mass media, mainly TV CMs.



© S.P / N.A

- Reach optimized for the wealthy elderly through cross-media marketing
- Effective marketing strategy executed in accordance with medium, region, season, and market conditions



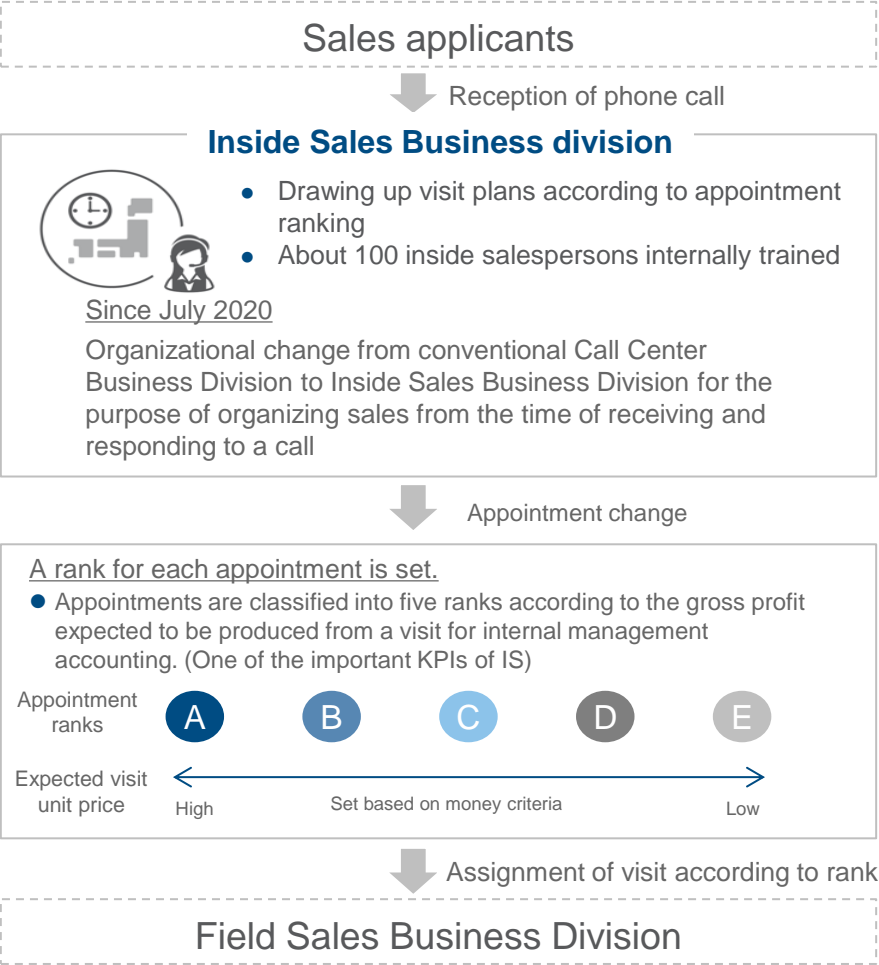
- Inquiries steadily increasing while realizing efficient CPA

(\*) Advertising expenses per inquiry into the visit service

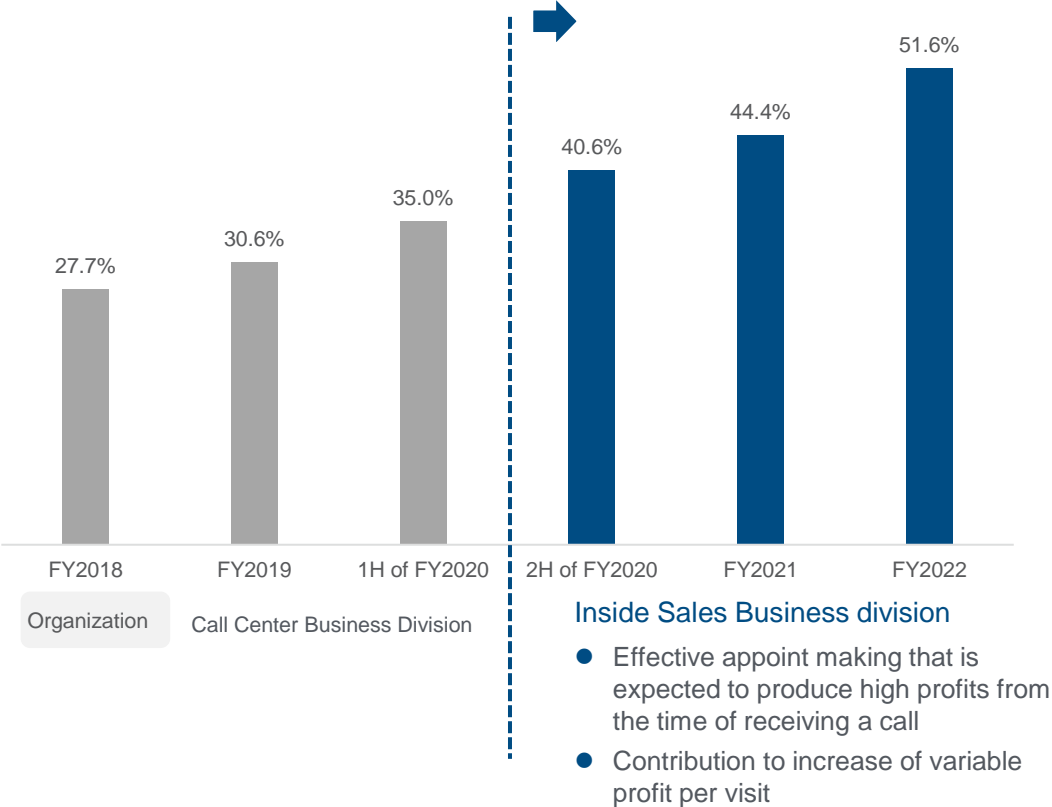
Strategically curb the number of inquiries in FY2024 by focusing on profitability

# Inside sales: Effective appointment making through sales organization

- Appointments that are expected to produce high profits are effectively made by responding to customers as a sales organization and by receiving and responding to phone calls since the organization changed so that the Insite Sales (IS) Division makes appointments.



Change of high-ranking (ranks A, B, and C) appointment rate (\*)



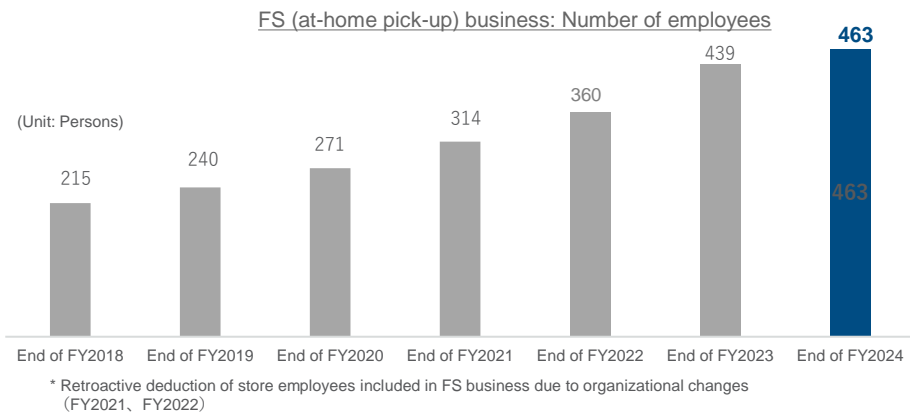
(\*) Rate of total number of appointments for visit ranked A, B, or C

# Field sales: Organizational design with high repeatability and capable of expanding business

- Midterm business growth is realized by creating a field sales (FS) organization with a high repeatability and expandability that can scale up the organization with a training system that is based on the power of employment and data while increasing profitability.

## Employment

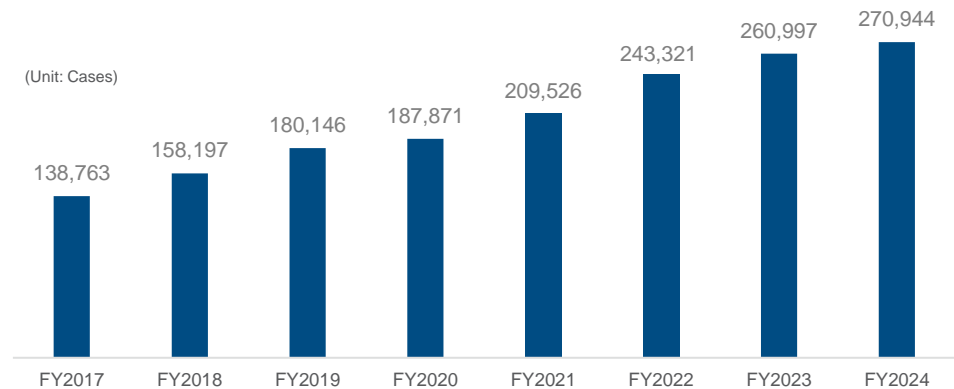
- The number of FS personnel is on a steady rise as the business scale increases backed up by the power of employment.
- While we have been increasing our workforce since 2017 by strengthening the hiring of new graduates, we intend to strengthen mid-career hiring in order to increase our workforce with flexibility from 2024 onward.



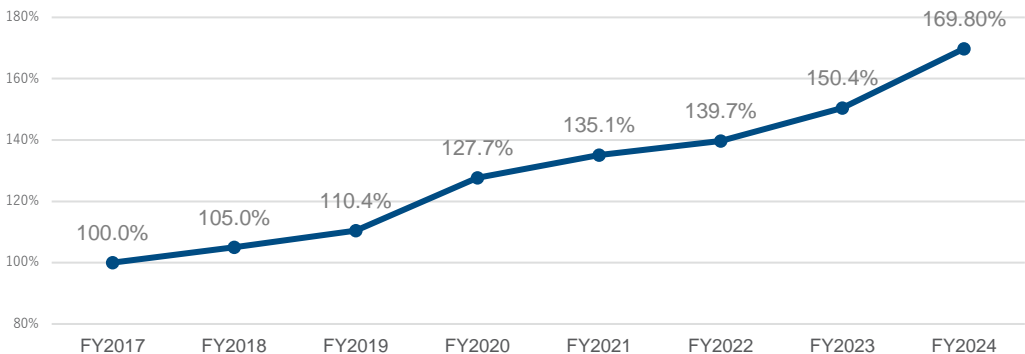
## Education

- Introduced a systematic education & training system for reuse appraisers at the Enablement Department, a department specializing in education and training.
- Executing an education and training program suitable to an appraiser by using BuySell's original, segmented internal management indexes classified according to each center or appraiser

## Number of visits



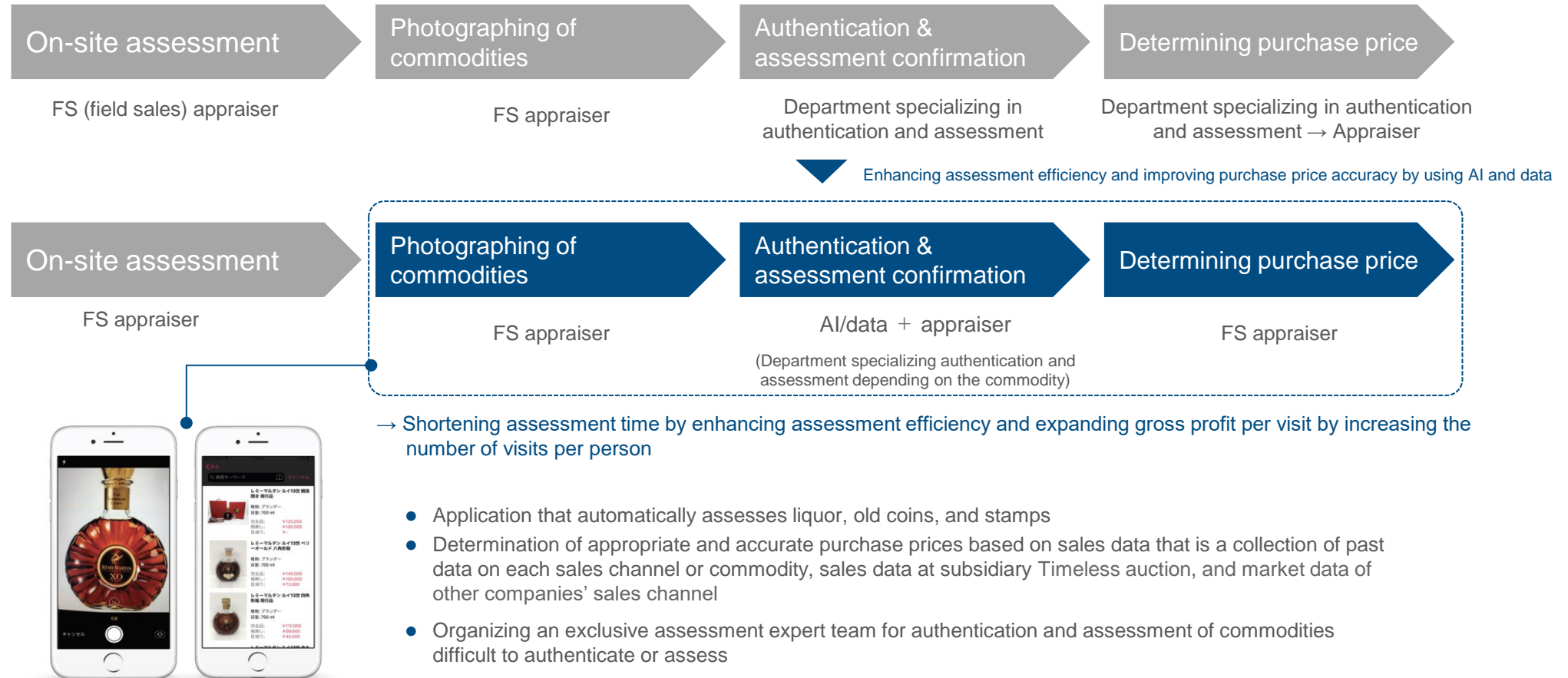
## FS business\_Gross profit unit price (\*) growth rate per visit (base year: FY 2017)



(\*) Gross profit unit price per visit for internal management accounting to manage KPIs at FS Business Division  
- KPIs eliminating impact of sales on a growth of gross profit  
- Values are not disclosed because these KPIs are for management accounting.

# Authentication and assessment: Enhancing assessment efficiency by using data technology

- Efficiency of assessment is enhanced, productivity is improved, and quantity of commodities purchased is maximized through automatized operations using assessment data, technology, and machine language technology for assessment and pricing.



# Sales management: Creation and operation of a thorough compliance system

- Service values with high hospitality are provided by creating an educational system that appropriately reflects customers' voices, supplying safe and secure services, and building and running BuySell's original, robust compliance system.

## Sales Management Department

- Establishing an independent department that conducts compliance check and follow-up on customers
- Thorough improvement of services and employee education by sharing information about all complaints and opinions with all departments

## Compliance system

### Settlement call



- Concluding a contract by an appraiser alone is prohibited, and the Sales Management Department always talks with the customer before concluding a contract and decides if it is all right to do so.

### Follow-up call



- A follow-up call is made to the customer after completion of the visit assessment to listen to the customer's candid opinion, evaluation of the appraiser, and satisfaction.

### Cooling-off



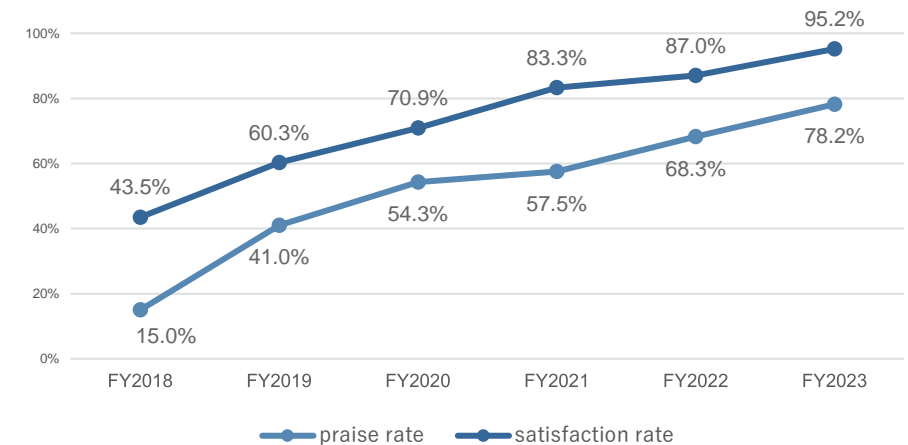
- Thorough cooling-off response in compliance with laws and ordinances

### Customer service office



- A customer service office is set up to respond to various inquiries and requests from customers.

Change of corresponding satisfaction rate (\*1) and praise rate (\*2)



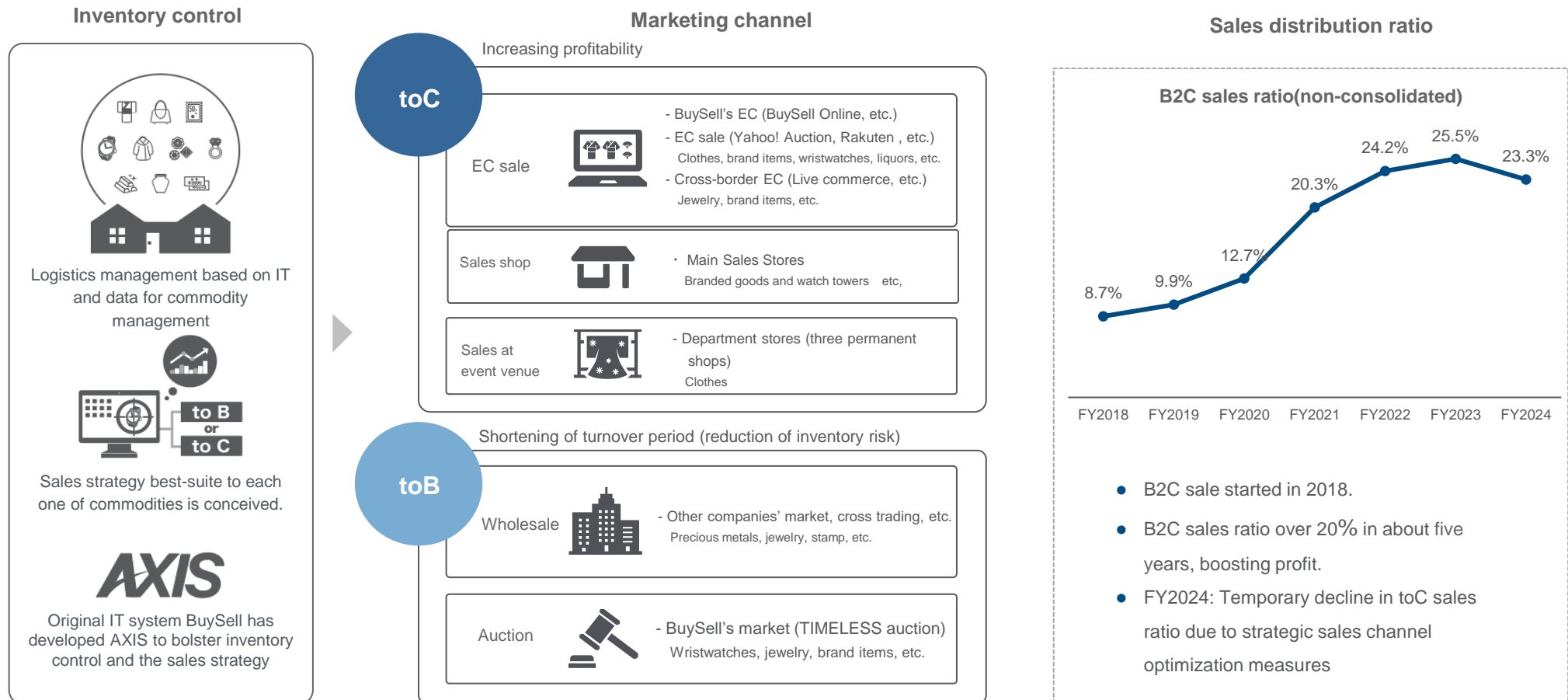
Source: Created by us based on the results of a questionnaire conducted during follow-up calls

\*1 Rate of customer satisfaction with our response: Rate of customers who replied "very satisfied" or "satisfied" to a question about responses by our employees

\*2 Praise rate: Of the above, reply concretely describing what the customer was satisfied with

# Logistics: Sales strategy using many sales channels suitable for respective commodities

- Sales strategy best-suited to each one of commodities is conceived by creating an inventory control system for each commodity and expanding diverse sales channels to strike a balance between a reduction in the inventory risk and maximization of profit.



## Concerning the handling of this material

In the preparation of these materials, we have relied on and assumed the accuracy and completeness of the information available to us, but information other than that from the Company is quoted from public sources, etc., and we make no representation or warranty as to its accuracy or completeness. In addition, the information may contain forward-looking assumptions and forecasts as of the date of presentation and forecasts based on plans, but these forward-looking statements are based on the information currently available to us and on certain assumptions that we consider reasonable, and the Company makes no promises that they will be achieved. There may be significant differences between these forecasts and actual business results due to various factors in the future, such as changes in economic conditions, changes in customer needs and user preferences, competition with other companies, and changes in laws and regulations.



BUYSELL TECHNOLOGIES