



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

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">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.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. |
| Group store purchase business | <ul style="list-style-type: none">Timeless, achieved significant earnings growth, and the group store business, including newly consolidated group companies, performed well. |
| M&A | <ul style="list-style-type: none">Executed 4 M&As in 3 years, mainly in the resale area, with successful PMI synergies and consolidated profit add-on from M&AsAchieved long-awaited M&A with Rext HD (“Fuku-chan”), the No. 2 home-visit purchase business in the industry, in October 2024 (PL consolidated from FY25) |
| results | <ul style="list-style-type: none">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&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. |

➤ 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.

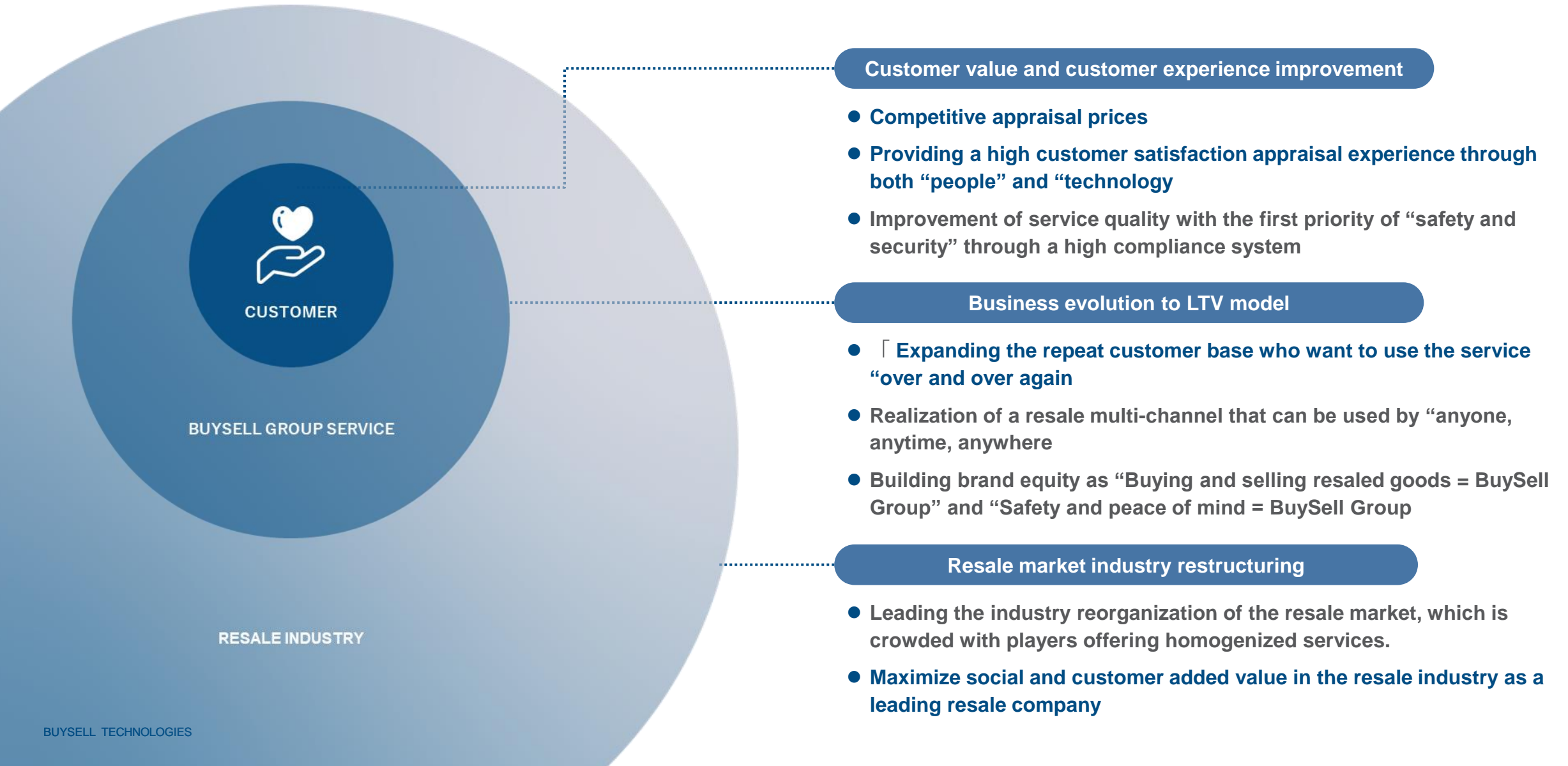
- Strengthening competitive advantage by improving intrinsic customer added value and customer experience
- Building a business model focused on LTV maximization to establish “growth potential,” “profitability,” and “sustainability”
- Achieve roll-up of the resale market, including industry restructuring (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 | <div>CAGR (FY24-27) 32.7%</div> |
| Operating income | ¥4.73 billion | ▶ | ¥11.0 billion | 32.5% |
| Operating income before amortization of goodwill* | ¥5.56 billion | ▶ | ¥12.3 billion | 30.3% |
| OPM | 7.9 % | ▶ | 7.9 % | |

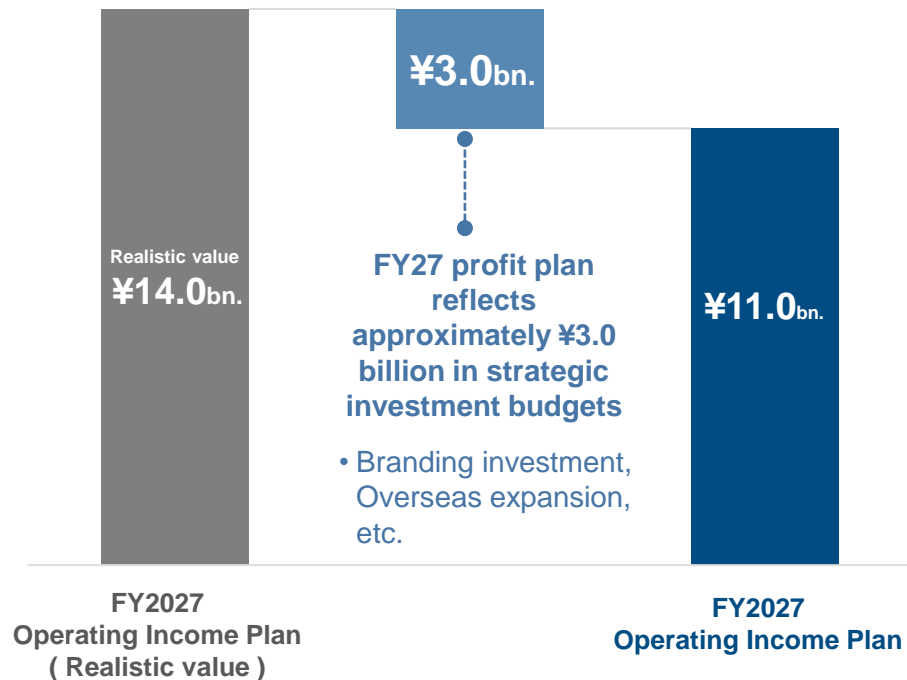
* Operating income before amortization of goodwill = Consolidated operating income + amortization of goodwill + amortization of customer-related asset

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

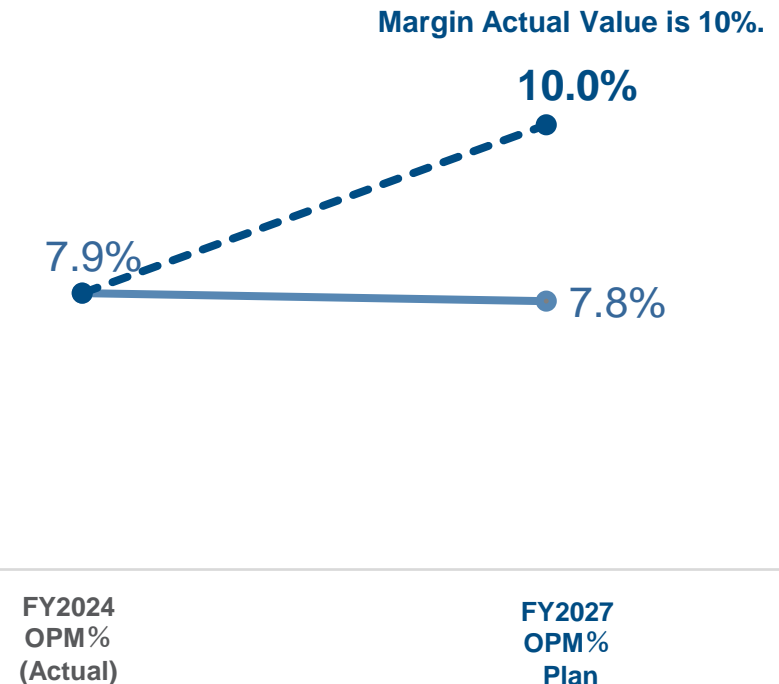
(Reference) Medium-term business plan 2027 Operating Income Plan

- 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.

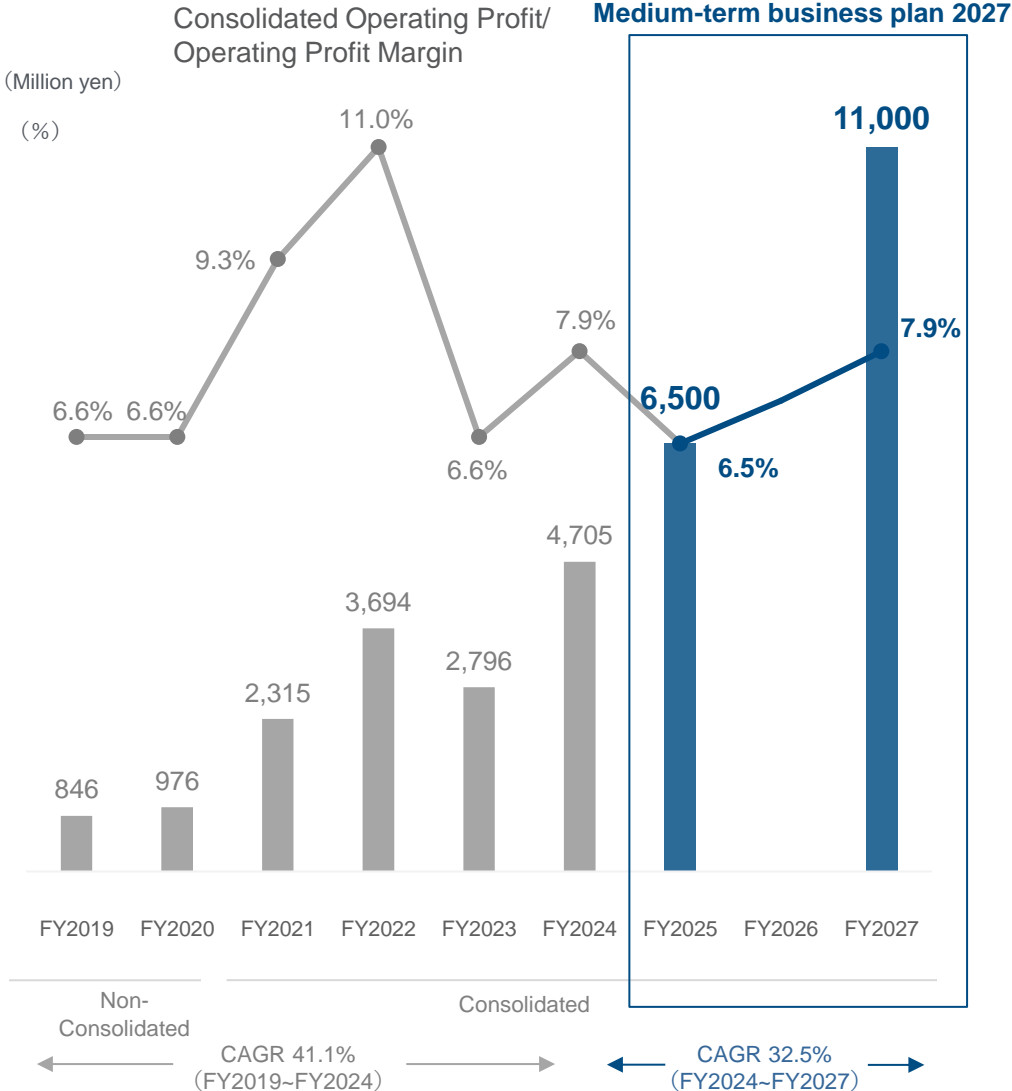
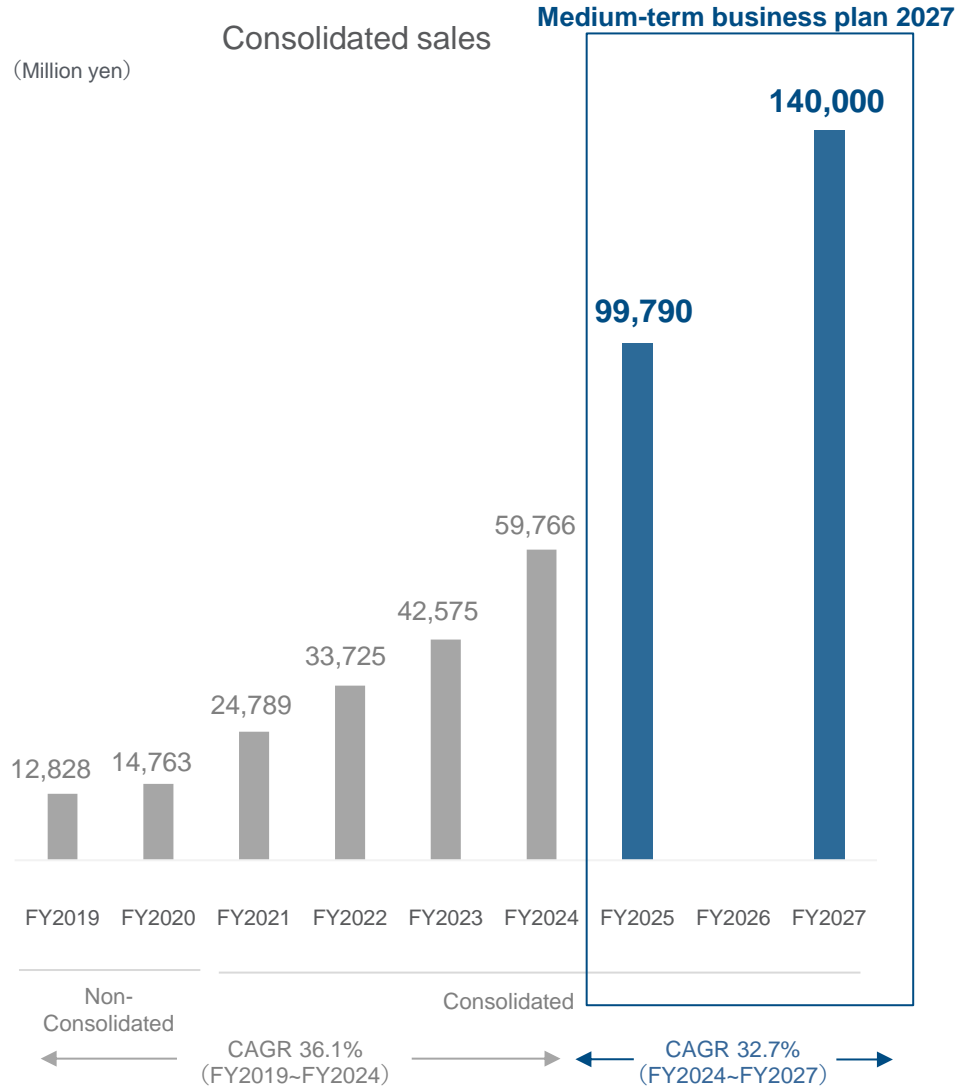
FY2027 Operating Income Plan



FY2027 Operating Margin Plan



Performance Highlights and Medium-Term Performance Targets

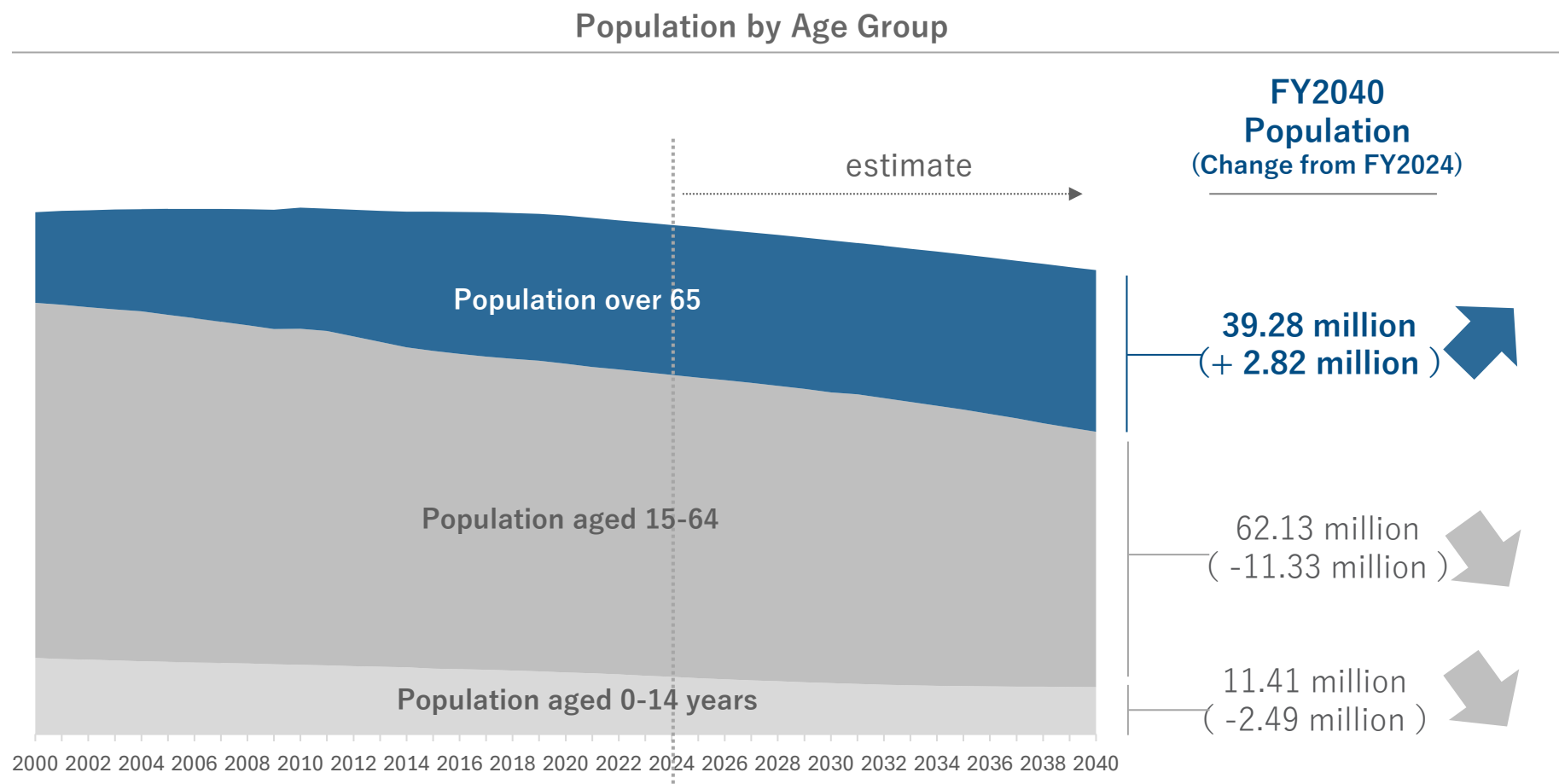


02

The Market Environment

Macrostructural changes (further aging of society)

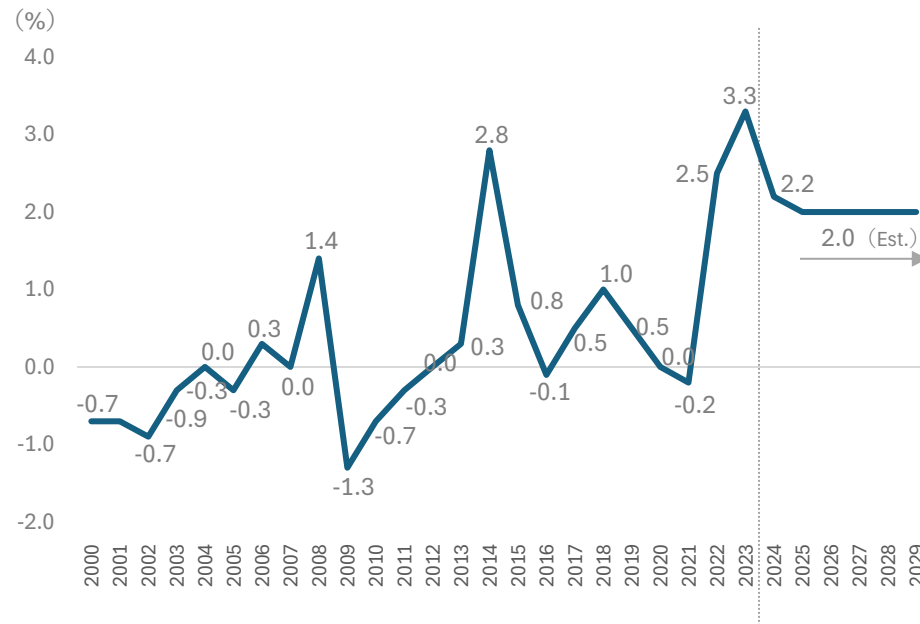
- Even as Japan's population declines, the population over 65 years old, the customer base for our on-site purchase service, is expected to increase, and the need to dispose of unwanted items is expected to grow as the aging society progresses.



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



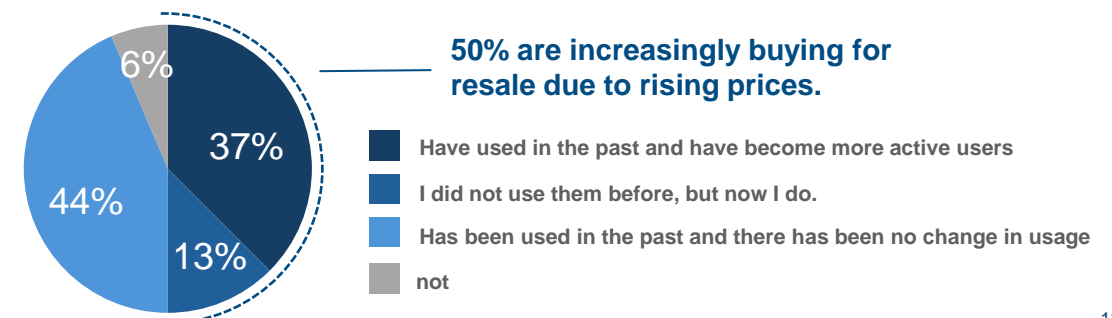
Source: Prepared by the Company from IMF 2024 data.

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?

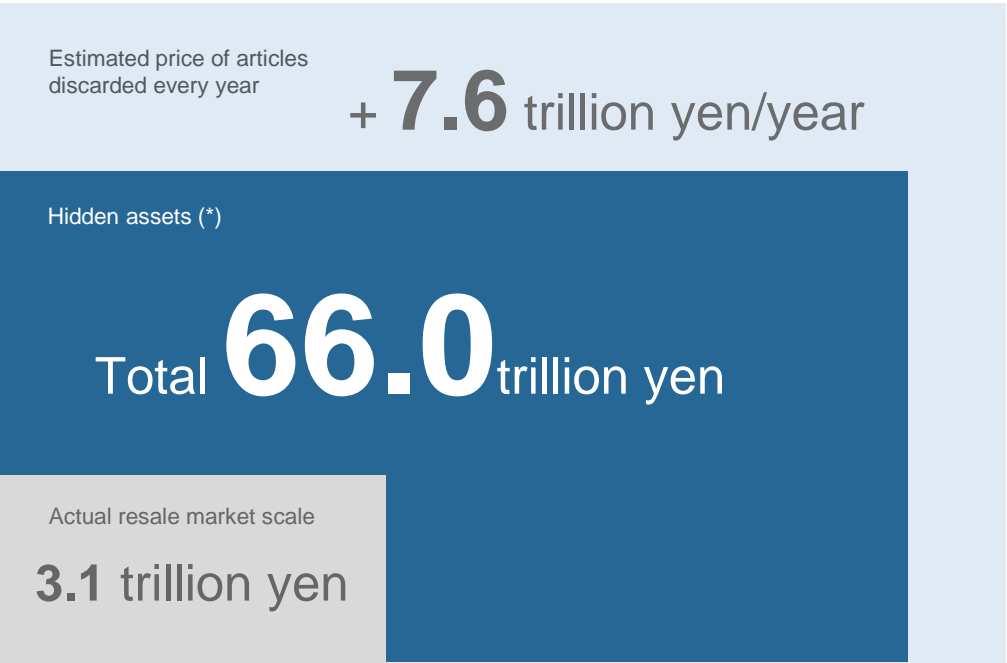


Source: [brandear] January 2023 survey.

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.

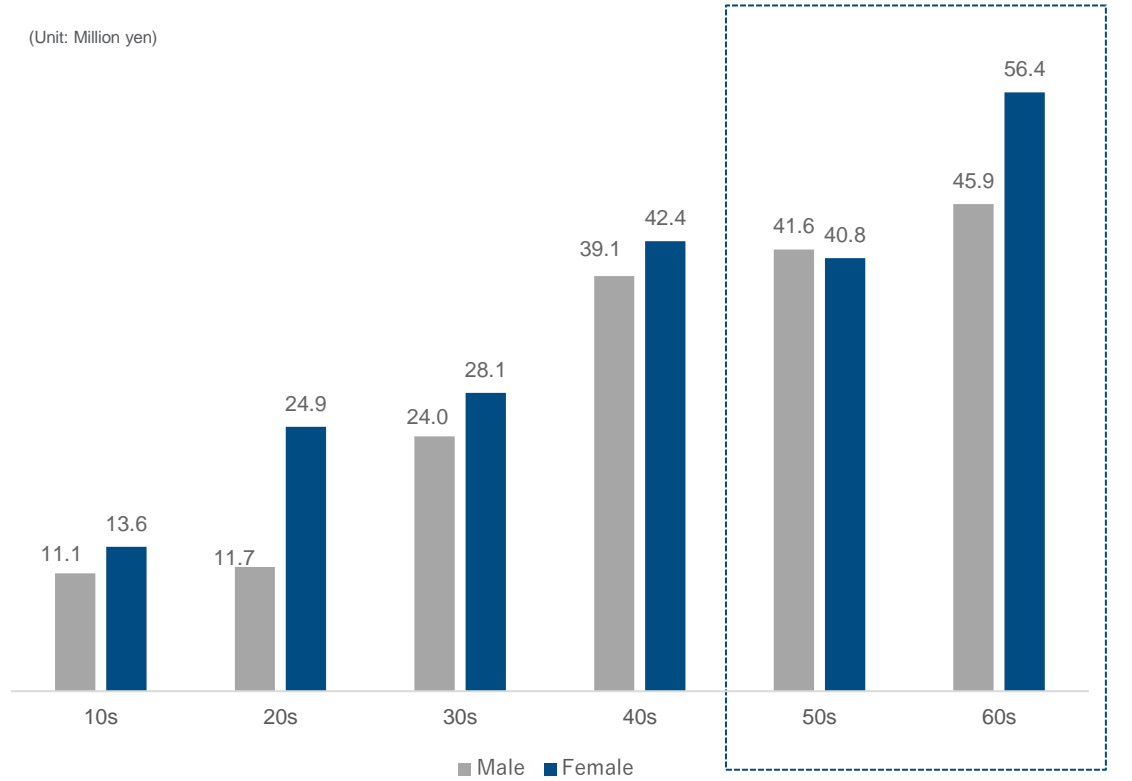
Potential resale market scale



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

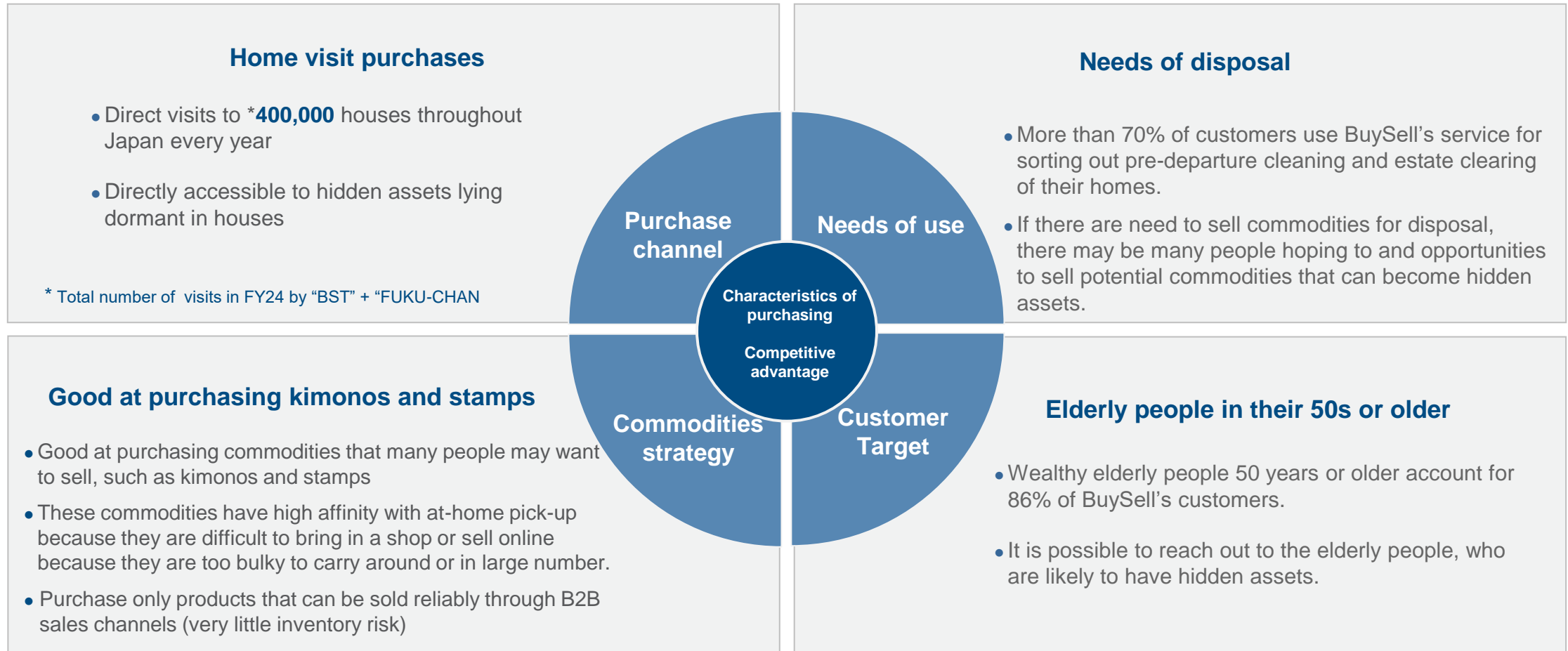
Source : 「Reuse Market Databook 2024」 The Reuse Economy Newspaper、Mercari, Inc. and NLI Research Institute supervising (Dated December 14, 2021, and November 15, 2023) based on survey results and our estimates

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.

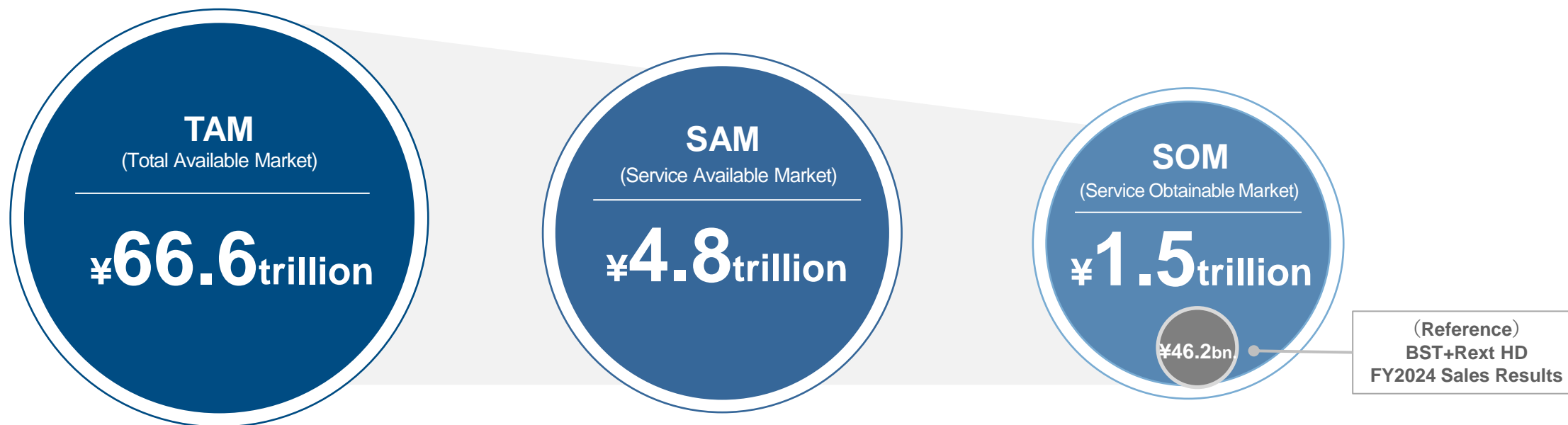


***Hidden assets: Prices of unwanted articles at home that have not been used for one year or longer**

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.

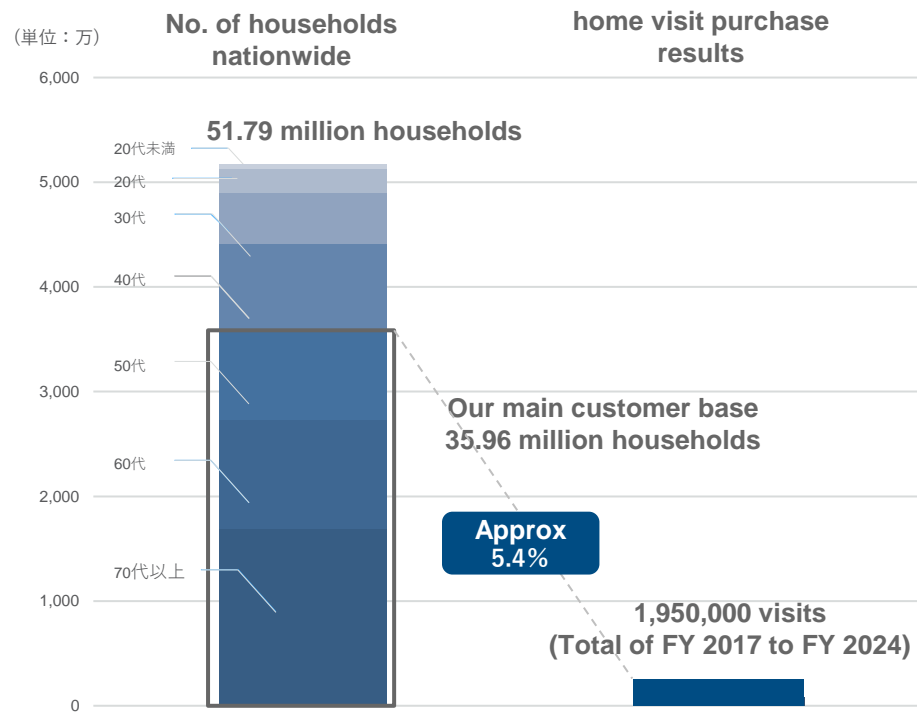
Estimated value of merchandise handled by our company that customers intend to sell.

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

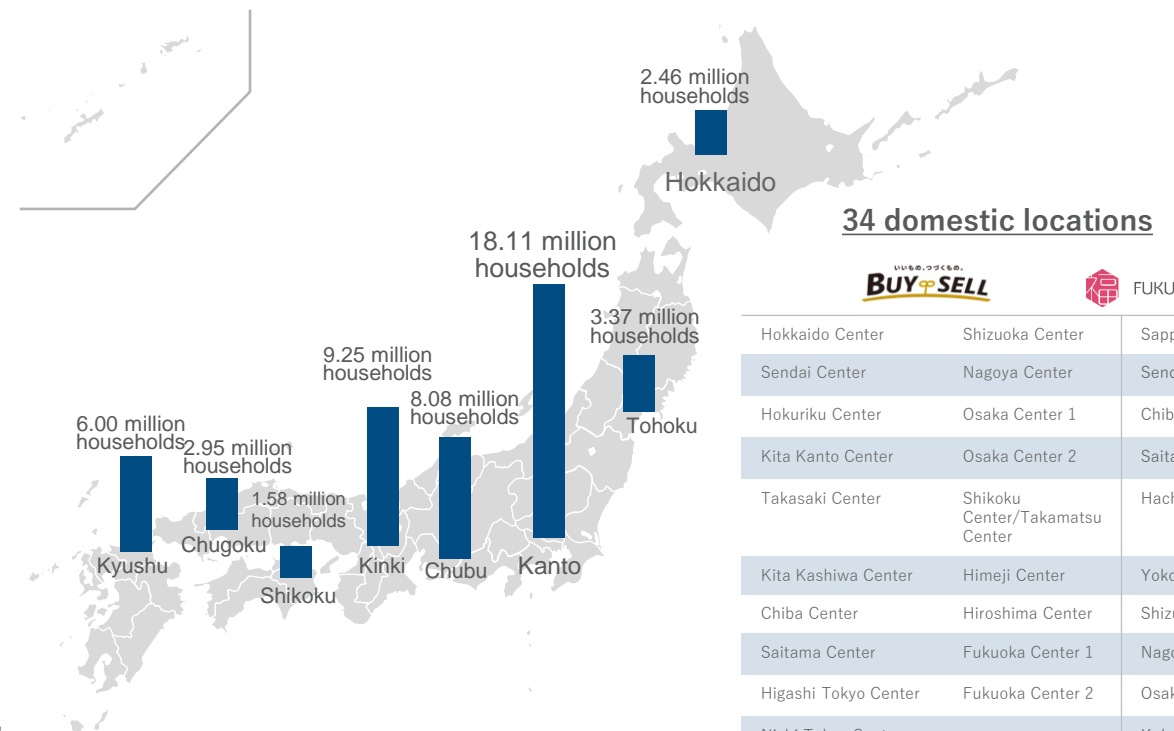


Source: Prepared in-house, based on the Ministry of Health, Labor and Welfare's "2019 Basic Survey of Living Conditions"

* 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

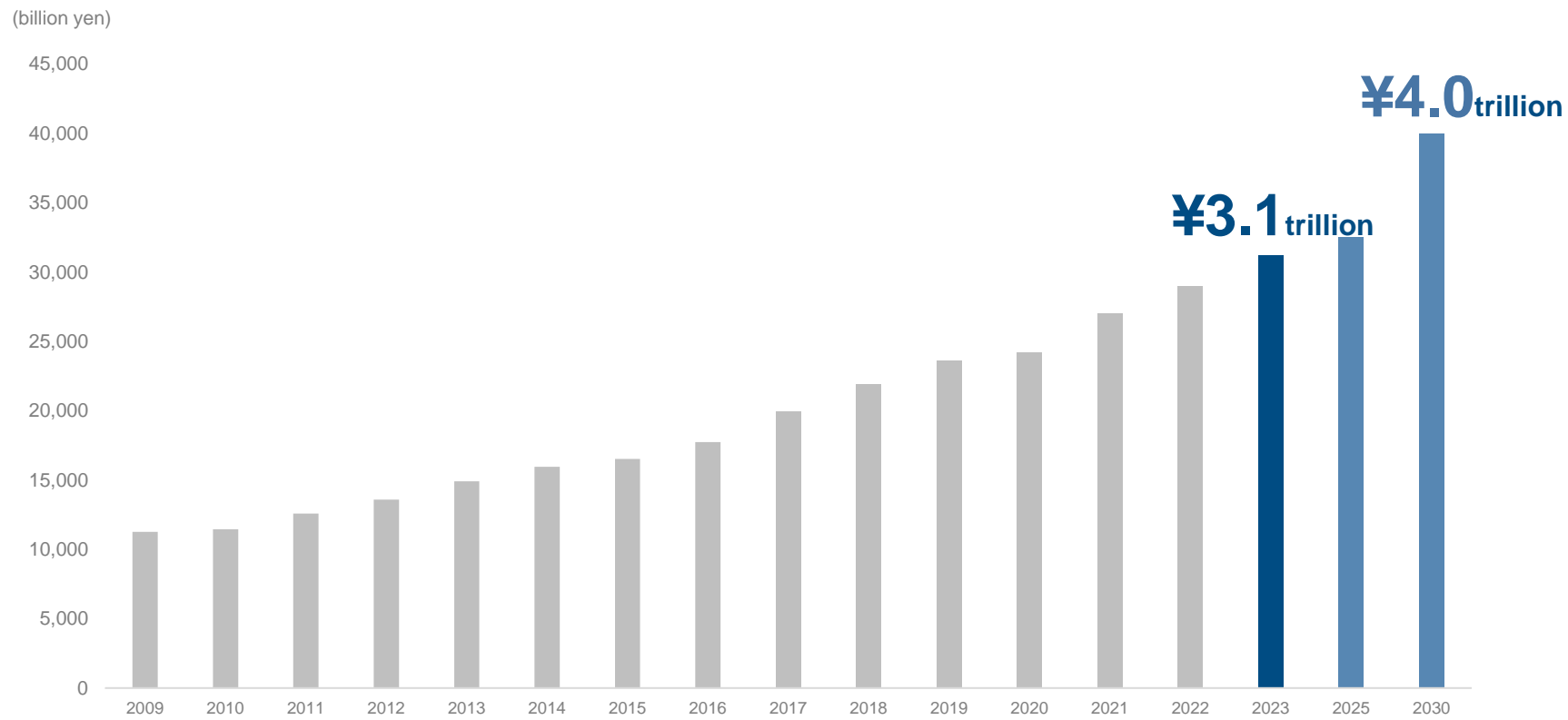


| | | |
|----------------------|---------------------------------|------------------|
| Hokkaido Center | Shizuoka Center | Sapporo Office |
| Sendai Center | Nagoya Center | Sendai Office |
| Hokuriku Center | Osaka Center 1 | Chiba Office |
| Kita Kanto Center | Osaka Center 2 | Saitama Office |
| Takasaki Center | Shikoku Center/Takamatsu Center | Hachioji Office |
| Kita Kashiwa Center | Himeji Center | Yokohama Office |
| Chiba Center | Hiroshima Center | Shizuoka Office |
| Saitama Center | Fukuoka Center 1 | Nagoya Office |
| Higashi Tokyo Center | Fukuoka Center 2 | Osaka Office |
| Nishi Tokyo Center | | Kobe Office |
| Yokohama Center | | Hiroshima Office |
| Hon Atsugi Center | | Fukuoka Office |

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

Home-visit purchase Market size

SAM : ¥4.8bn.

SOM : ¥1.5bn.

Store Purchases Market Size

SAM : ¥1.3bn.

SOM : ¥0.9bn.

Our view of the market

- 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

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

Our Basic Strategic Policy



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



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

03

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.

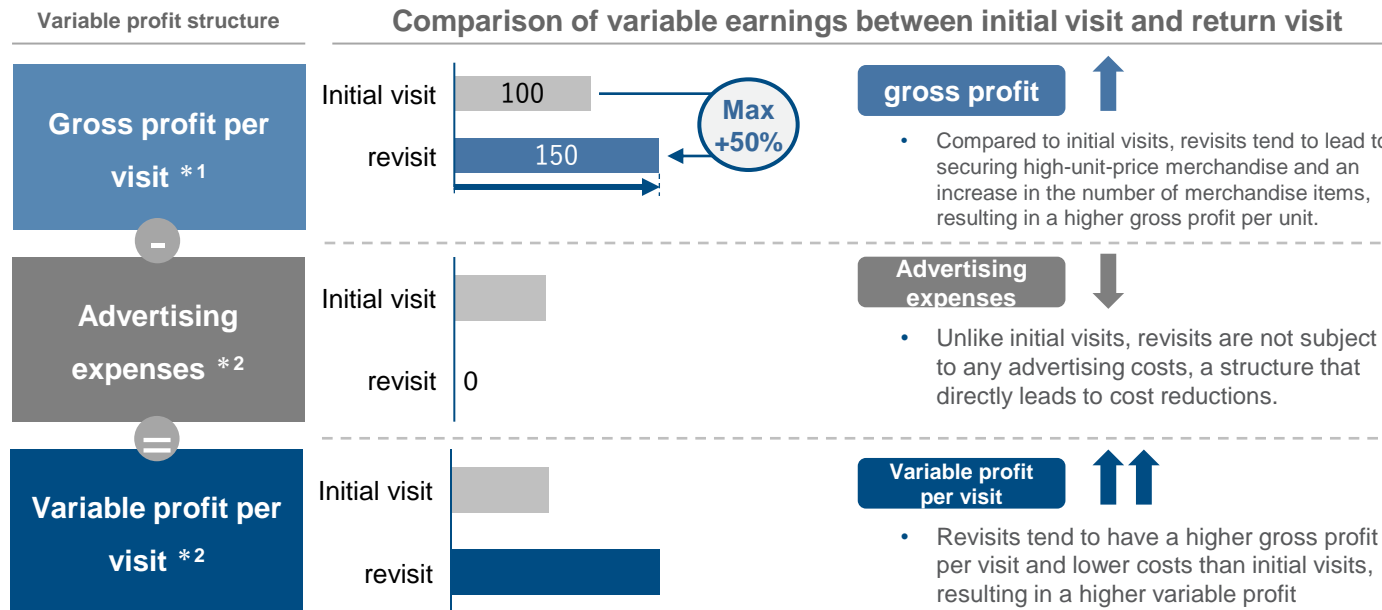
A-1 Improve profitability by strengthening revisits

- 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.

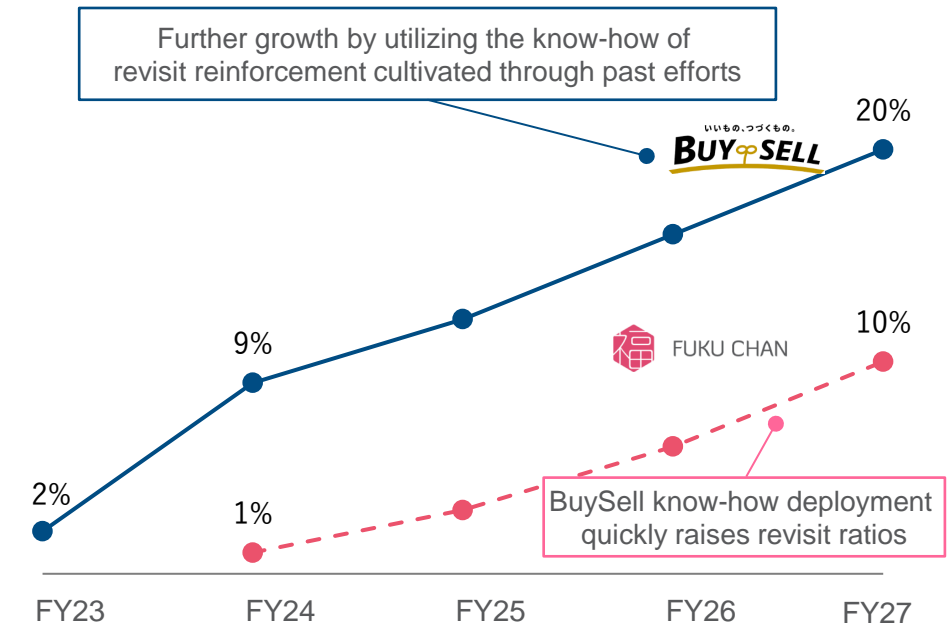
Effects of improved profitability realized through revisit enhancements



*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.

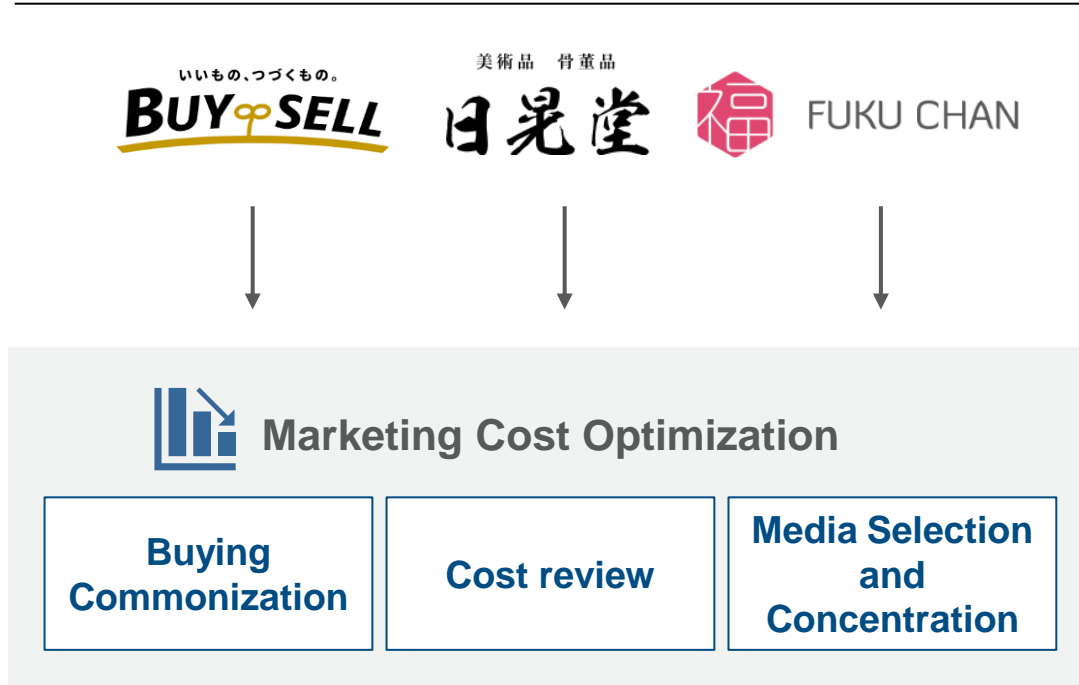
Revisit Ratio Forecast Trends



A-2 Marketing Cost Optimization x Investment in our brand

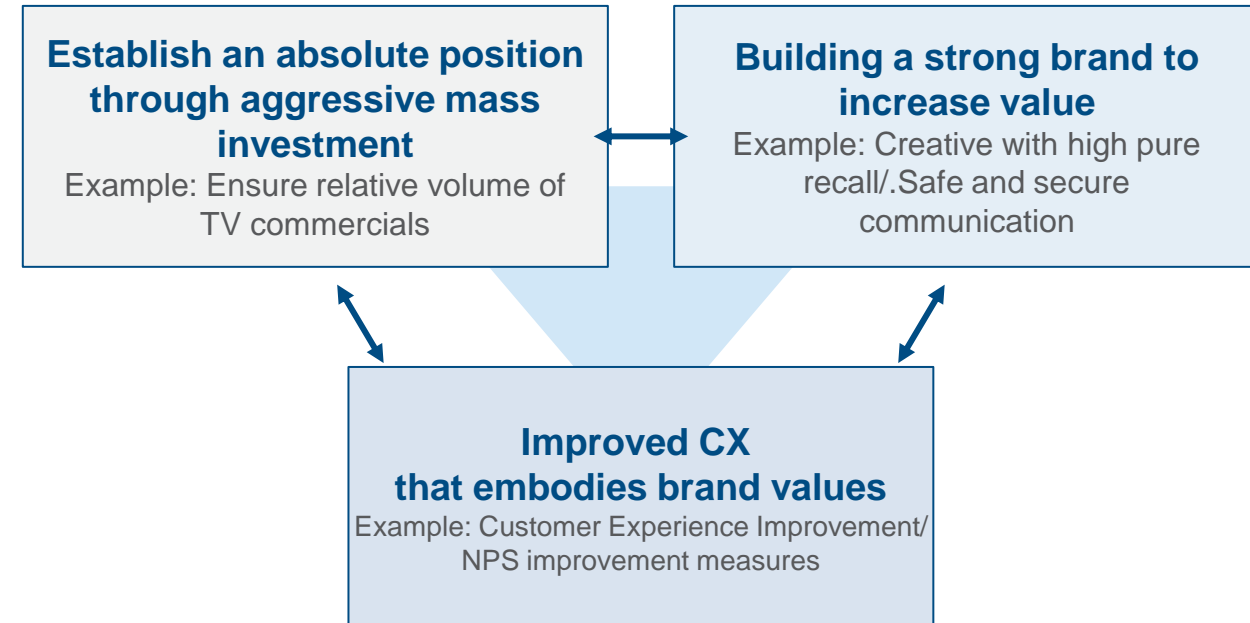
- Reduction of advertising costs by optimizing marketing costs at the three group companies that operate the home-visit purchase business
- Policy to actively invest in brands with a medium- to long-term outlook in the marketing area, which is positioned as an optimized cost and company-wide strategic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

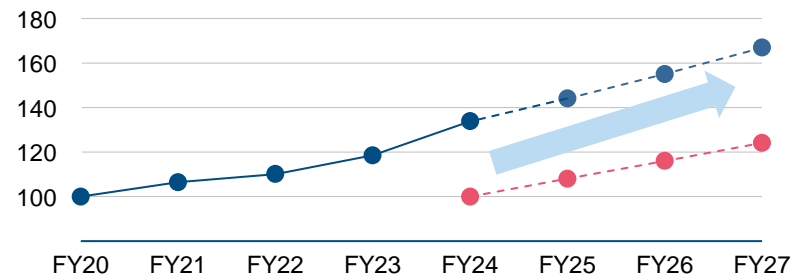
Introduced training programs for early entry into the workforce

- **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

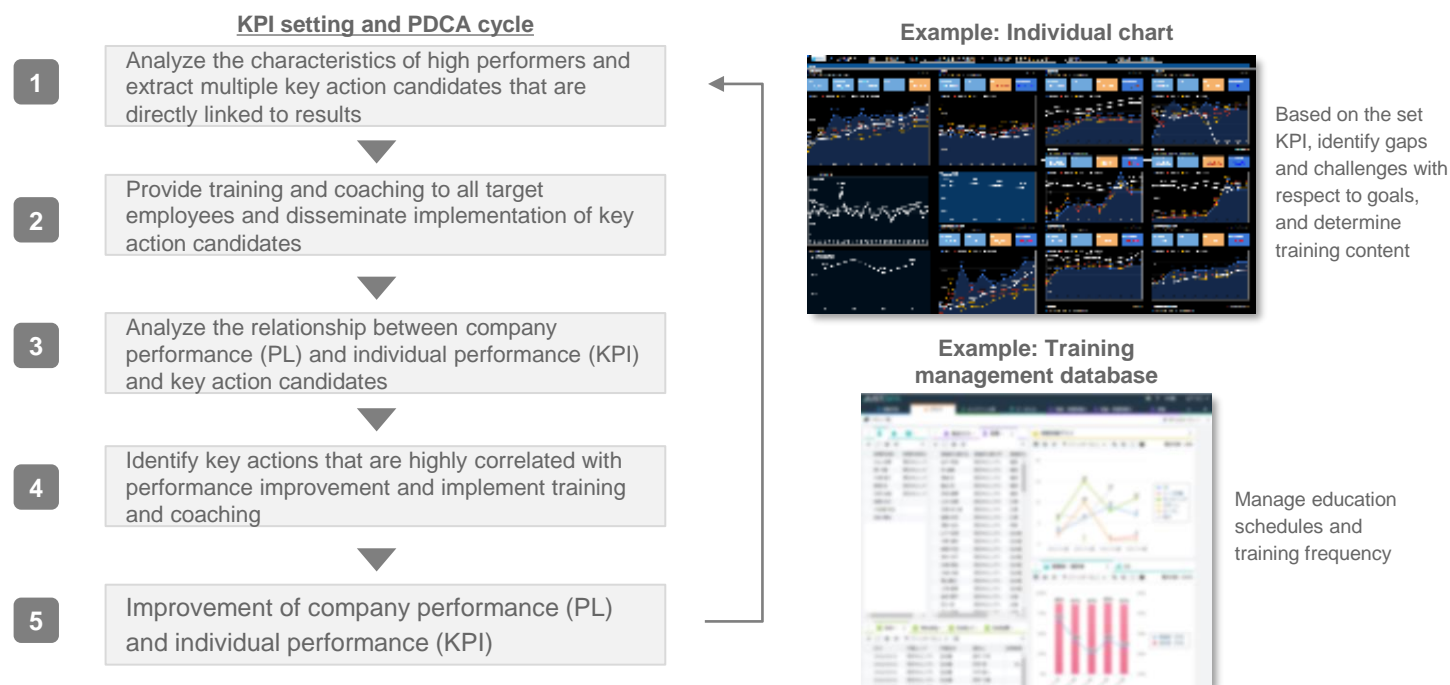
Example of merchandise...apparel, etc.

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**.

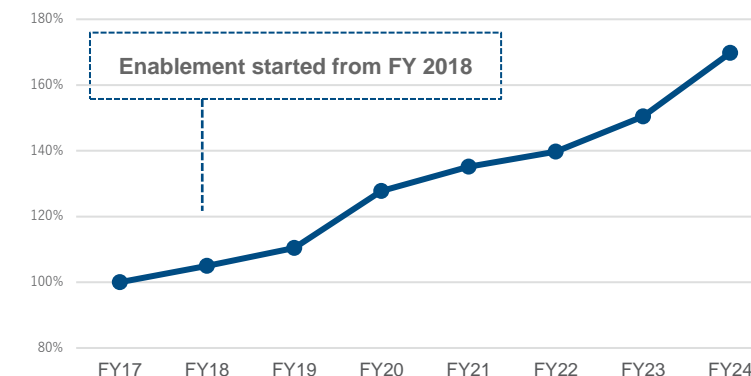
< Data-driven management case study: Improving the performance of the sales organization >

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



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

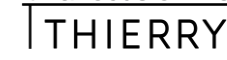
- High-end store strategy focusing on strong customer contact with senior affluent customers by opening permanent purchase stores in department stores
 - Attract customers based on affluent seniors who use department stores
 - Efficient marketing such as direct mail in cooperation with department stores



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

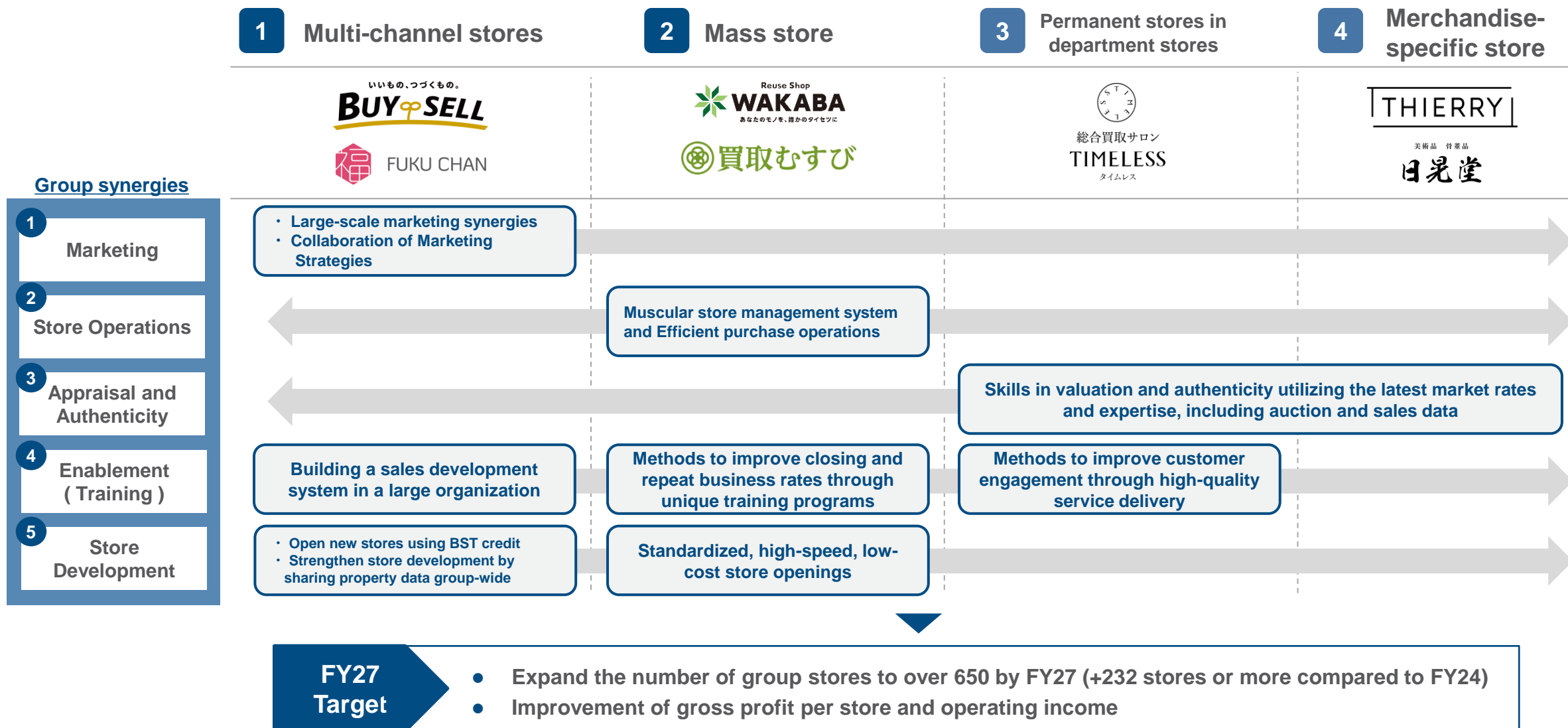


2 Stores

Number of stores: As of December 31, 2024

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

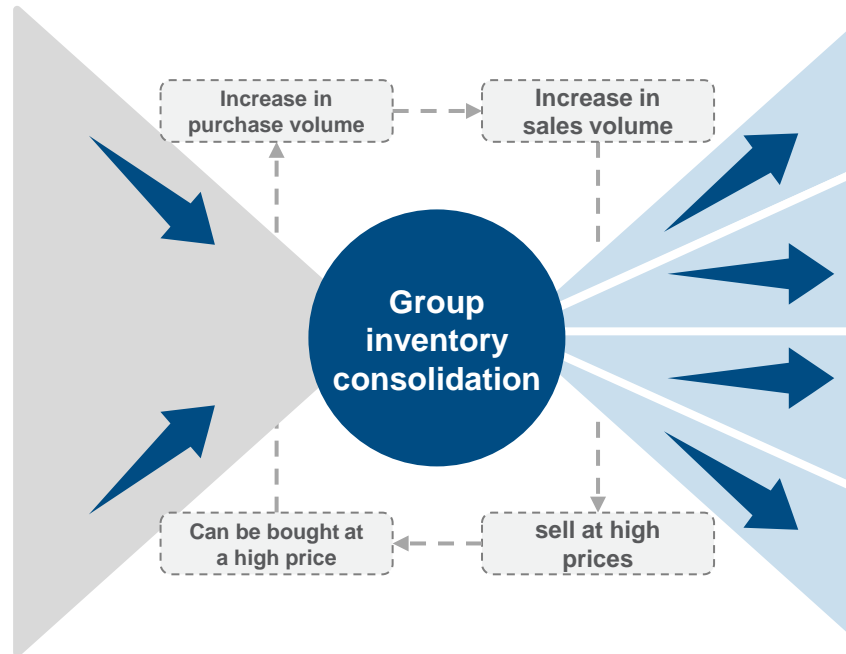
- Aim to both expand the number of stores and increase profitability per store by creating group synergies centered on the strengths of each group store.



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

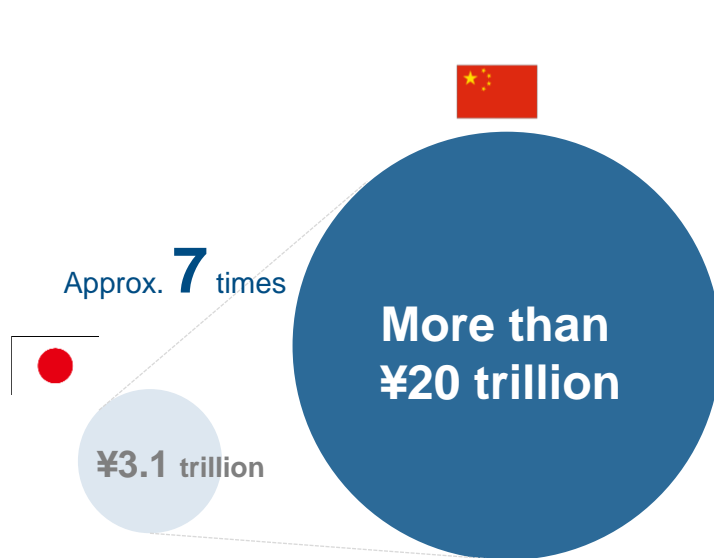
**FY27
Target**

(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)

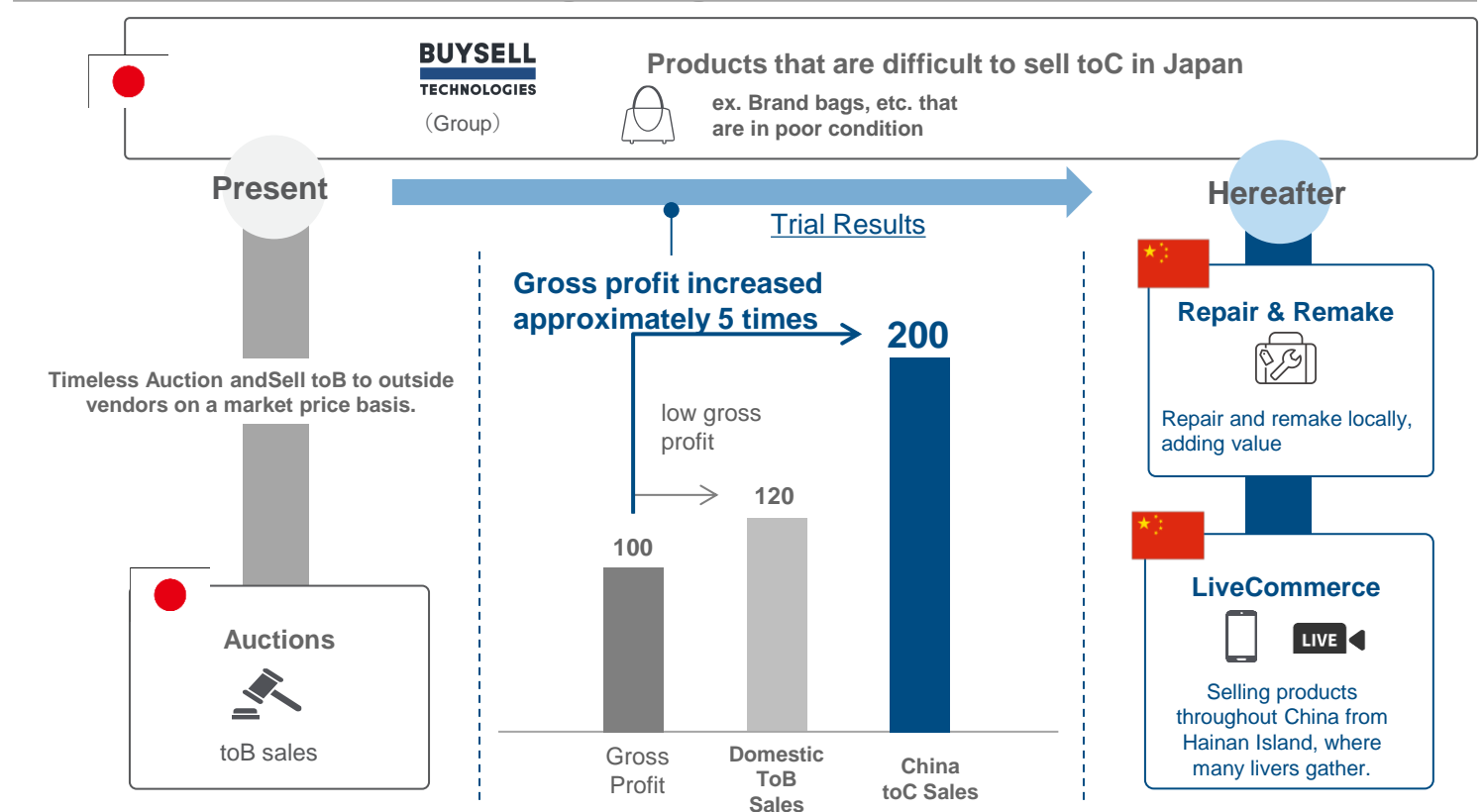
- As our first overseas expansion, we will establish a subsidiary in Hainan Island, China, which is expected to become a free trade port in the future and plan to start operations in 2025 to expand high-unit price sales channels targeting the huge Chinese apparent resale market of over 20 trillion yen.
- 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



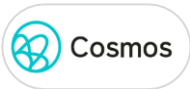
**FY27
Target**

- 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

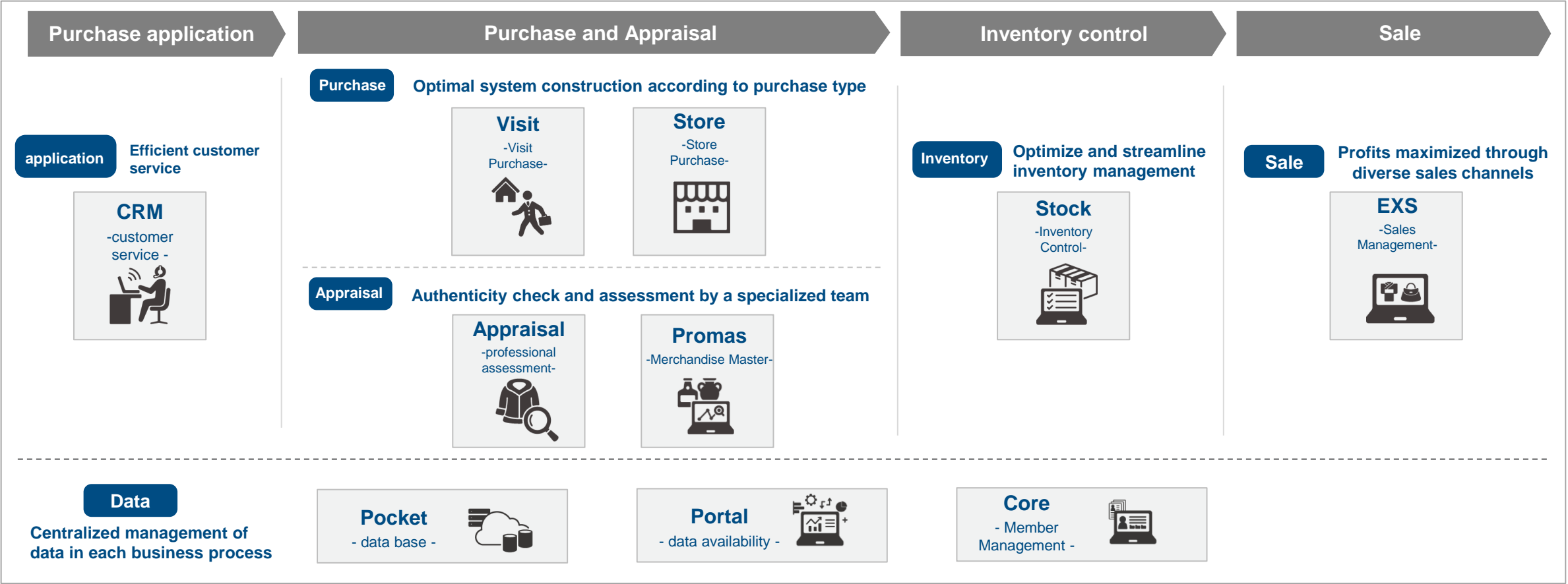
- Aiming to improve operational efficiency throughout the BuySell Group and increase key KPIs by deepening data-driven management through the introduction of “Cosmos,” a proprietary platform that comprehensively provides everything related to the resale business, from purchasing to sales, customer management,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

The reuse platform Cosmos



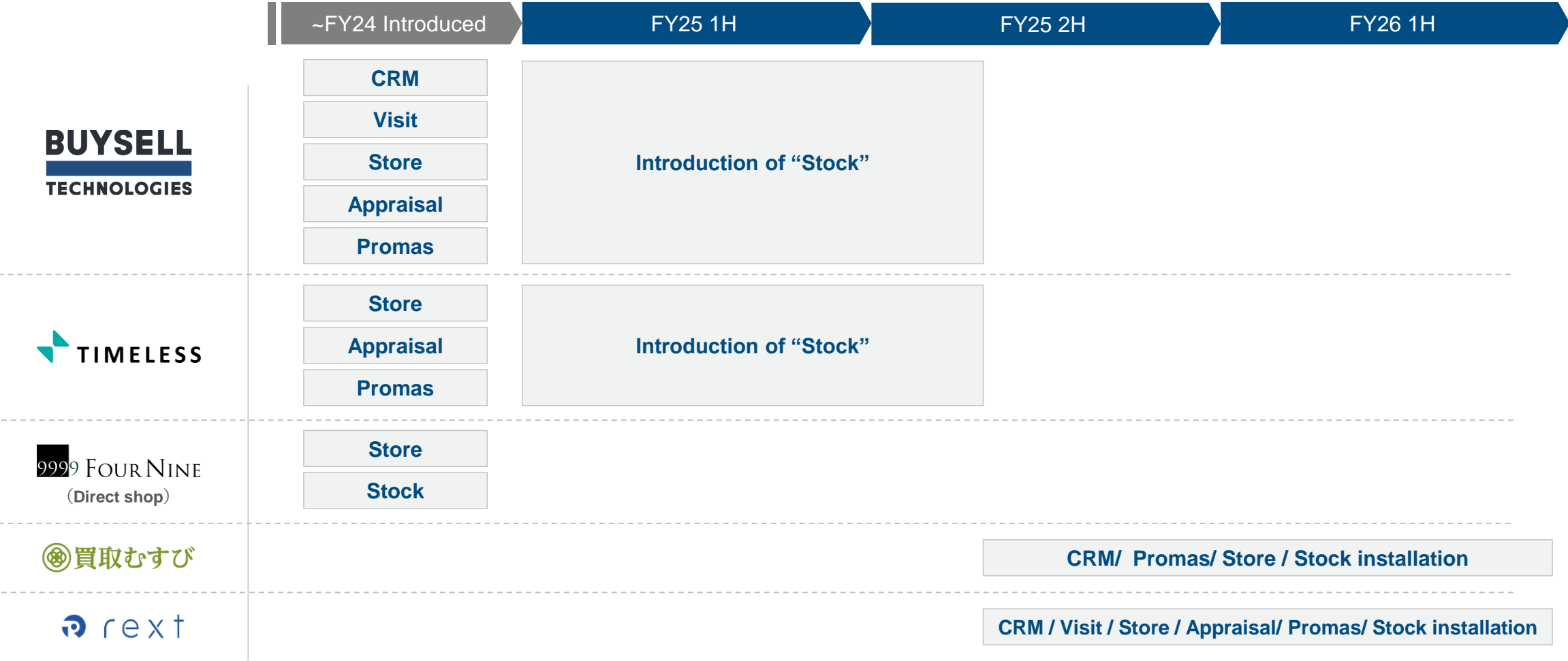
The reuse platform Cosmos is a collection of services that form a mission-critical system specialized for reuse.

 : core system



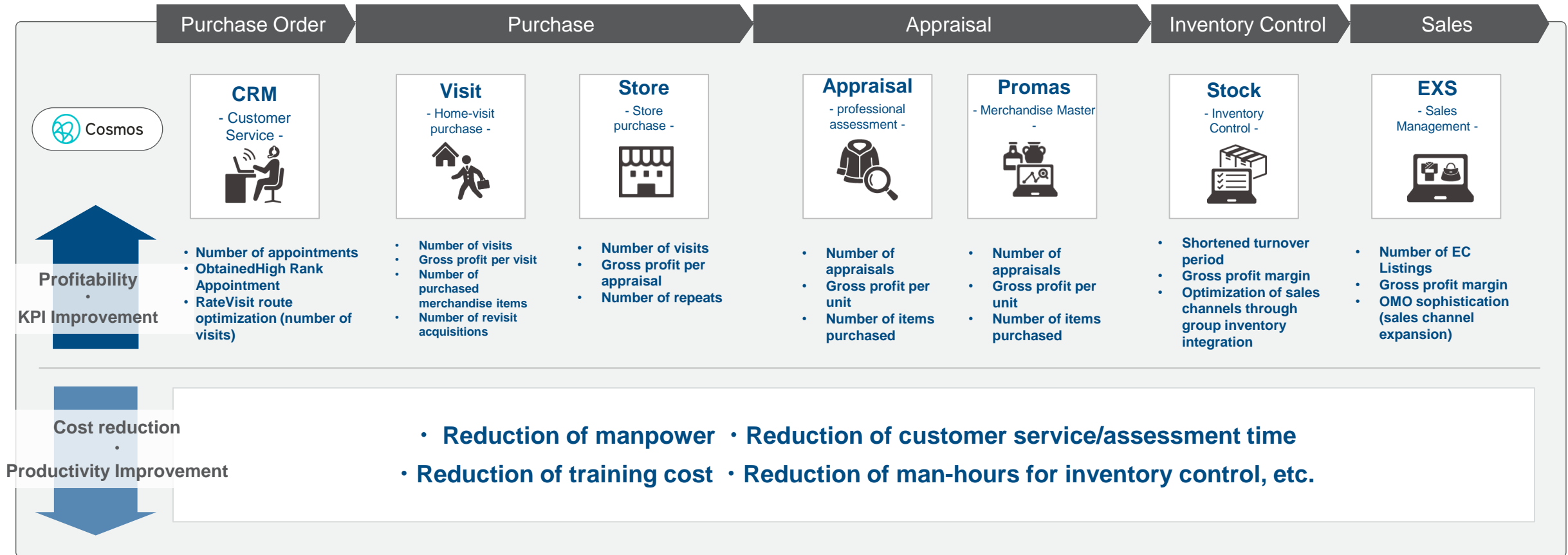
D-1 Schedule for introduction of “Cosmos”

- 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.

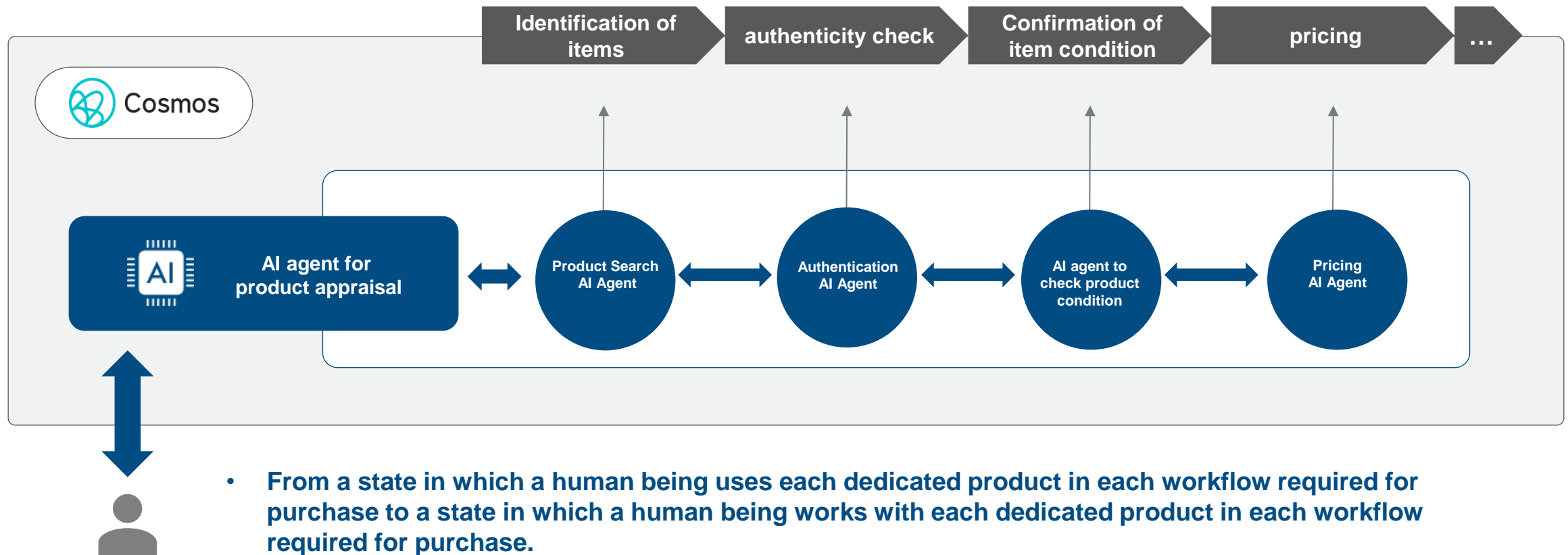


▶ The theme is building higher-order business operations using AI, and aims to “utilize AI agents” for call center operations and assessment operations.

D-2 Building business operations using AI agents

- In the medium term, the company plans to invest in technology, with the most important theme being the building of higher-order business operations using AI.
- **Evolve various business flows digitized based on Cosmos into business operations via AI agents to improve business efficiency and maximize customer experience value at a level that cannot be achieved with human-mediated operations.**

Image of AI application in product valuation operations



- From a state in which a human being uses each dedicated product in each workflow required for purchase to a state in which a human being works with each dedicated product in each workflow required for purchase.
- **Aim for a state where humans give instructions to AI agents and AI agents cooperate with each other autonomously to carry out necessary appraisal and purchase operations.**

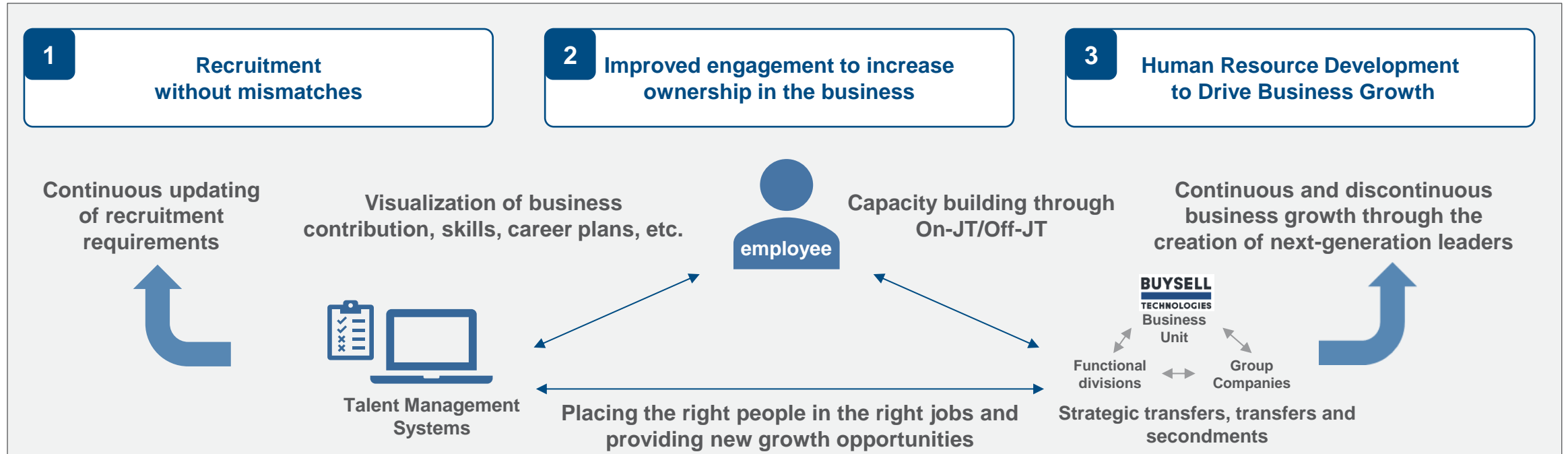
D-3 Human Resources Strategic Policy Outline

- 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

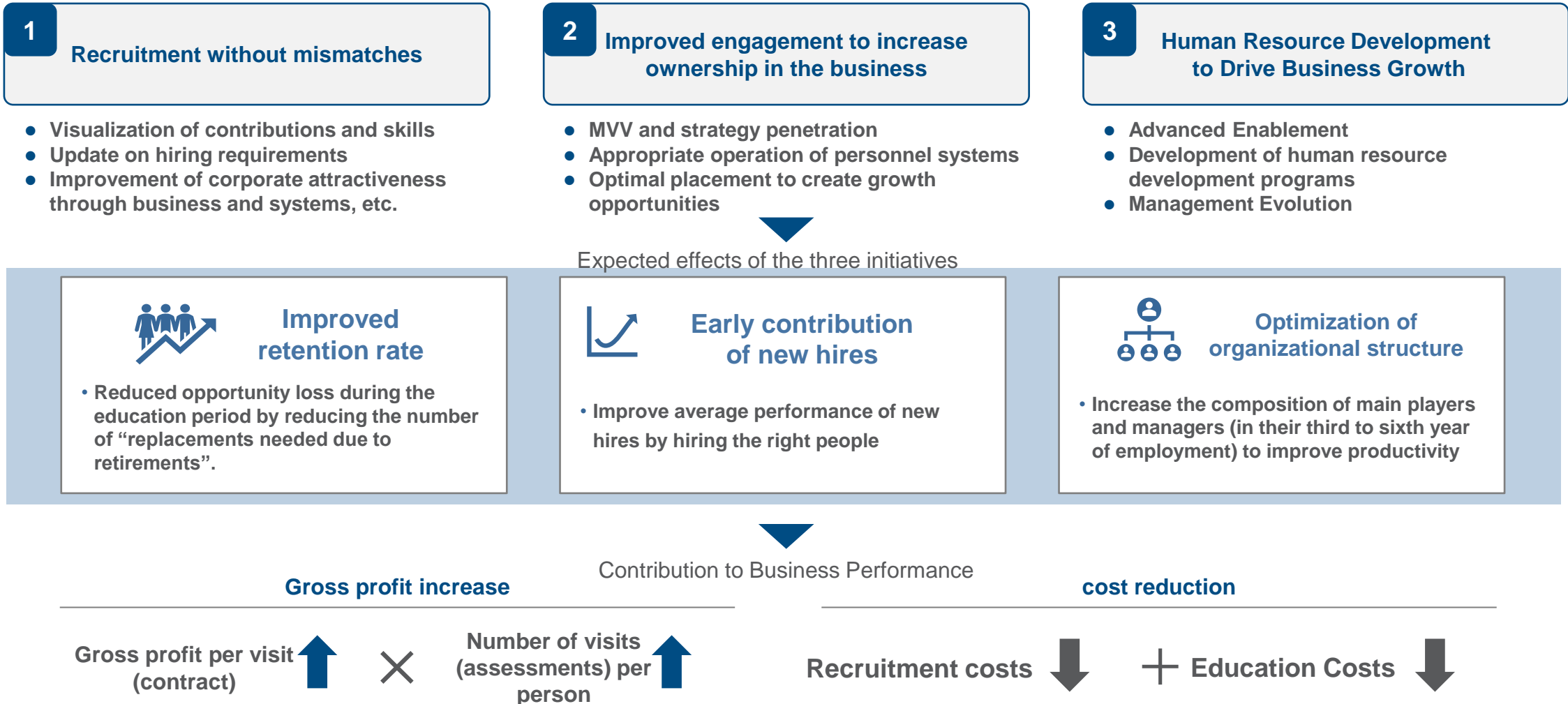
Maximize individual performance
(Maximize gross profit earned per employee)

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

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

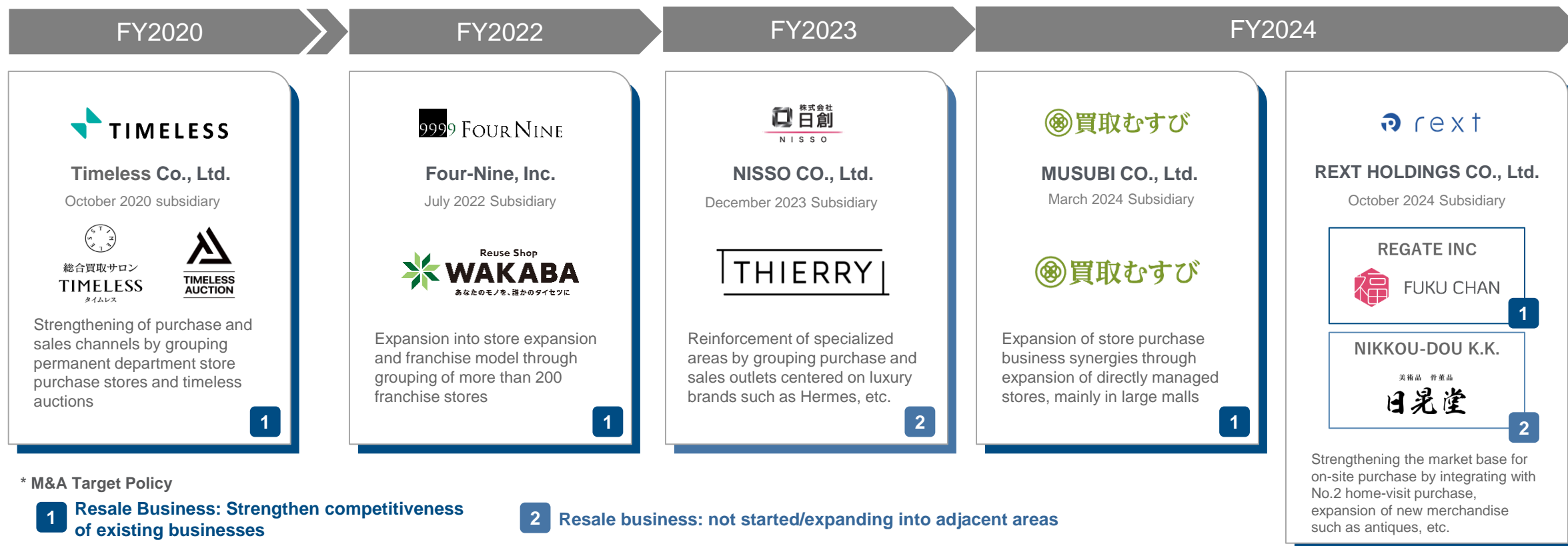
Advancement Group Synergy Creation

- 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


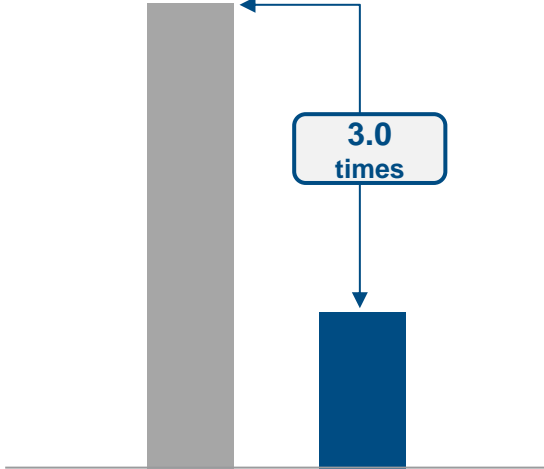



Continue to accelerate continuous M&A that can realize inorganic business growth, mainly in the resale area

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.

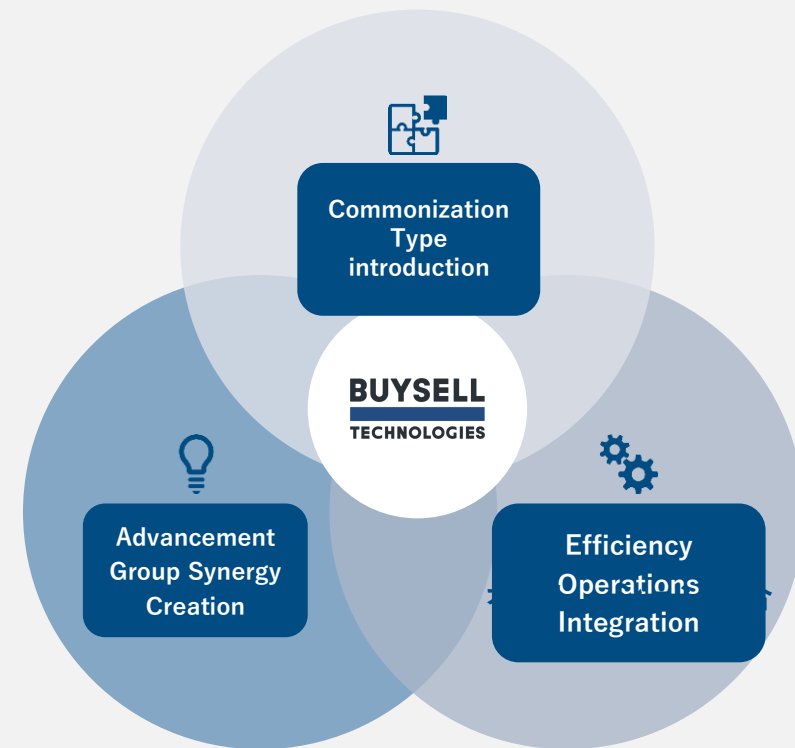
Group subsidiary M&A performance

Return on investment

| | | Before Subsidiary Immediately before FY | Latest FY | After M&A Growth Rate | Investment (linked) period | 4 subsidiaries Total EV at time of investment/Total FY24 actual EBITDA | |
|---|--------|--|---|-----------------------------|-------------------------------|---|--|
|  Timeless Co., Ltd. October 2020 subsidiary | Sales | FY2020 ¥5.4 billion | FY2024 147億円 | + 271% | 4年 | <p>Achieve high M&A investment efficiency by executing investments at reasonable valuations and creating synergies through PMI</p>  <p>3.0 times</p> <p>Total EV at investment FY24 Results Total EBITDA</p> | |
| | EBITDA | ¥270 million | 22.2億円 | + 795% | | | |
|  Four-Nine, Inc. July 2022 Subsidiary | Sales | FY2021 ¥4.8 billion | FY2024 69億円 | + 144% | 2年 3カ月 | | |
| | EBITDA | ¥350 million | 6.7億円 | + 190% | | | |
|  MUSUBI CO., Ltd. March 2024 Subsidiary | Sales | FY2023* ¥4.4 billion | FY2024* *24年4月より連結開始のため9カ月業績比較 60億円 | + 136% | 9カ月 | | |
| | EBITDA | ¥270 million | 9.2億円 | + 343% | | | |
| Note: Nisso is omitted due to its small scale of performance. | | | | | | | |
| NISSO CO., Ltd. | | | | | | | |
|  REXT HOLDINGS CO., Ltd. October 2024 Subsidiary | Sales | FY2024 ¥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.

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



05

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 13,217 | Interest-bearing debt 26,977 |
| Inventories 9,023 | |
| Goodwill 16,182 | Other liabilities 6,904 |
| Customer related assets 756 | Net assets 12,494 |
| Other assets 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 EBITDA(FY24) | 約1.1x level 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

Corporate governance system • ESG / SDGs

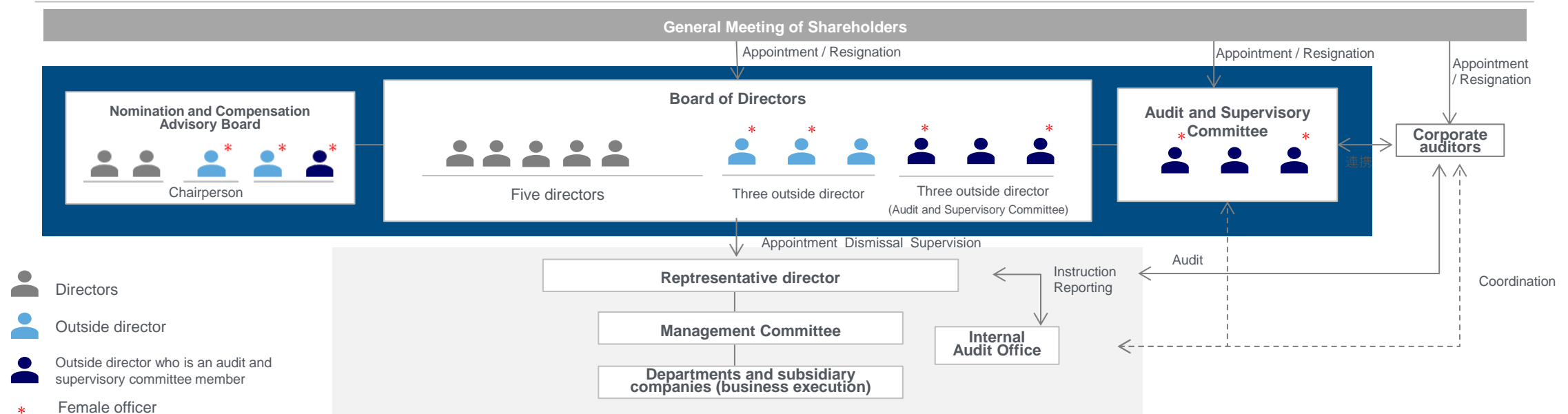
Strengthening our corporate governance system

- 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



Board 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 Full-time member of supervisory board | ● |  | | | ● | | | | | |
| Toshihiro Hara | Outside director (Audit and Supervisory Committee) | ● |  | | | | | | ● | | |
| Mika Horasawa | Outside director (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



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BUYSELL TECHNOLOGIES