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To Our Valued Stakeholders

Company Name : BuySell Technologies Co., Ltd.

Representative : Kosuke Tokushige,

President, representative director &amp; CEO

Securities code : 7685

Inquiries : Koji Ono, CFO

Telephone : +81-03-3359-0830

**Frequently Asked Questions and Answers (FY2025 Q2)**

Thank you for your continued interest in our company. From the perspective of fair disclosure, we would like to inform you of the questions and answers that were frequently received from investors following the announcement of our second quarter financial results on August 14, 2025, as outlined below. Please refer to our company website (<https://buysell-technologies.com/en/ir/>) for the latest financial materials.

**Q. Regarding the 'repeat visit' strategy for the home visit purchasing business, the July repeat visit rates for BuySell: 17.7% and Fuku-chan: 9.6% show steady growth. However, is there a risk that the customer list eligible for repeat visits will dry up, causing the number of repeat visits to peak?**

The "repeat visits" disclosed in our financial statements are defined as visits made by the appraiser who handled the initial home visit purchase, directly contacting customers who used our home visit purchase service within the past 1 to 3 months and obtaining their consent for a follow-up visit (this does not include repeat business from organic traffic via advertising channels). Therefore, we primarily conduct revisit visits to customers who have recently used our home visit appraisal service for the first time. As we continue to expand both new inquiries and the number of home visits, the number of customers eligible for revisit visits will also increase. Consequently, we do not currently foresee any risk of revisit visit numbers peaking.

**Q. Regarding the sale of purchased inventory, what sales channels are being utilized? For B2C sales, is in-store sales the primary sales channel?**

Our sales channels are divided into B2B and B2C channels. For the fiscal year ended December 2024, B2B sales accounted for approximately 81% of consolidated revenue, while B2C sales accounted for approximately 16% (the remaining approximately 3% difference includes auction commission revenue and alliance revenue from referring customers to third-party services). Our group's B2C sales encompass a wide range of channels, including e-commerce sales, event sales, in-store sales, and live commerce. However, e-commerce sales (through our own e-commerce malls (BuySell Online, BuySell Brandchee) and third-party e-commerce malls (Rakuten, Yahoo, etc.)) constitute the majority of B2C sales. The Group's store strategy focuses on expanding buy-only specialized stores (447 stores as of the end of July 2025). Stores primarily focused on sales, such as the BuySell Kyoto store, are limited in number, resulting

in a low proportion of sales from physical stores.

**Q. Regarding the funding policy for future M&A transactions. Following the capital increase through an overseas public offering in June 2025, to what extent has the debt capacity been expanded?**

In our company, we position inorganic growth through M&A as a key management strategy alongside organic business growth. For the past five M&A transactions, we primarily executed deals using funds raised through debt financing. Considering that the 2024 acquisitions of Musubi Co. and Lexst HD Co. partially violated our financial discipline and reduced our borrowing capacity for future M&A, we conducted a capital increase of approximately ¥3.9 billion in June 2025. This funding aimed to expand our debt capacity by restoring compliance with our financial discipline.

In connection with this financing, we have determined that we can raise funds through debt at a level of approximately ¥15 billion to ¥20 billion to serve as debt capacity for future strategic investments such as M&A.

Therefore, our future M&A funding strategy will continue to be based on generating cash flow from operations (cash on hand) and debt financing, aiming to maximize group profits through agile M&A execution and post-merger integration (PMI).

**Q. While some companies in the reuse market are experiencing negative impacts on their performance due to falling market prices for luxury watches and high-end brand goods, is the BuySell Group unaffected?**

Within our group, the impact of market fluctuations on luxury watches and high-end brand goods is limited.

We analyze the primary reasons as follows:

- I. Our group's purchases, whether through home visits or in-store transactions, are predominantly direct purchases from general consumers. This structure enables us to secure high gross profit margins, limiting the impact of market fluctuations on gross profit. (\*Note)
- II. For items susceptible to market fluctuations, we determine purchase prices based on market rates at the time of acquisition. We also shorten inventory turnover periods and sell through B2B channels like auctions to hedge against market volatility impacts.
- III. Our Group handles a broad range of purchase items including kimonos, stamps, antique coins, antiques, precious metals, and jewelry. This diversified portfolio limits the impact of specific high-value items, ensuring stability.

(\*Note: In the reuse market, many businesses purchase inventory at B2B prices through suppliers or auctions and then sell it to both consumers and other businesses. However, this business model is vulnerable to market fluctuations, as the spread between purchase and resale prices is narrow, making it susceptible to declines in resale value when market prices fall.)

**Q. The company announced a three-year medium-term management plan in February 2025. Considering the current profit progress, including two upward revisions during the current fiscal year, is there a possibility of revising the financial guidance for the fiscal year ending December 2027 within the medium-term management plan?**

Performance progress for the current fiscal year, the first year of our mid-term management plan, has been favorable. This is due to steady progress in existing businesses and the positive post-merger integration (PMI) of Rext HD, which began consolidated P/L reporting this fiscal year. Consequently, we raised our consolidated operating profit forecast to ¥8.5 billion in the upward revision announced in August (the second revision), compared to the initial plan of ¥6.5 billion. We recognize that the likelihood of achieving the targets in our mid-term management plan has significantly increased. We are considering whether to revise the financial guidance for the fiscal year ending December 2027, aiming to make a decision around the time of the full-year results announcement in February 2026.

End.