Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 12, 2025

Company name: HARD OFF CORPORATION Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2674
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Scheduled date of annual general meeting of shareholders: June 24, 2025
Scheduled date to commence dividend payments: June 25, 2025
Scheduled date to file securities report: June 23, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1.Consolidated financial results for the fiscal year ended March 31,2025 (April 1, 2024 to March 31, 2025)

(1)Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	33,531	11.4	3,218	14.8	3,403	13.8	2,314	10.6
March 31, 2024	30,105	11.3	2,803	21.3	2,990	19.1	2,093	26.6

Note: Comprehensive income Fiscal year ended March 31, 2025 2,433 Millions of yen (△2.1%)
Fiscal year ended March 31, 2024 2,484 Millions of yen (16.6%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	166.52	-	13.2	14.0	9.6
March 31, 2024	150.62	-	13.0	13.7	9.3

(2)Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	25,617	18,373	71.3	1,314.75
March 31, 2024	23,099	16,999	73.2	1,216.42

Reference: Equity As of March 31, 2025 18,270 Millions of yen
As of March 31, 2024 16,904 Millions of yen

(3)Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	2,055	△1,749	△334	3,009
March 31, 2024	1,869	△1,198	△587	3,024

2. Cash dividends

	Annual Dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	76.00	76.00	1,056	50.5	6.6
Fiscal year ended March 31, 2025	-	0.00	-	78.00	78.00	1,083	46.8	6.2
Fiscal year ending March 31,2026 (forecast)	-	0.00	-	78.00	78.00		44.2	

(Note)The year-end dividend for the fiscal year ending March 31,2025 has been changed from 76 yen to 78 yen. For details, please refer to "Notice Concerning Revision of Dividend Forecast (Increase in Dividend) and Change in Shareholder Return Policy" announced today (May 12, 2025).

3.Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages represent year-on-year changes for the full-year period and year-on-year changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	17,250	6.7	1,540	0.5	1,628	△0.7	1,040	1.8	74.84
Fiscal year ending March 31, 2026	36,000	7.4	3,550	10.3	3,660	7.5	2,450	5.9	176.30

※ Notes

(1)Material changes in scope of consolidation during the period: None

(2)Changes in accounting policies, changes in accounting estimates, and restatements

① Changes in accounting policies due to revisions of accounting standards: None
② Changes in accounting policies due to other reasons : None
③ Changes in accounting estimates : None
④ Restatement : None

(3)Number of shares outstanding (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2025	13,954,000 shares	As of March 31, 2024	13,954,000 shares
(ii) Number of treasury shares at the end of the period	As of March 31, 2025	57,562 shares	As of March 31, 2024	56,905 shares
(iii) Average number of shares outstanding during the period	Fiscal year ended March 31, 2025	13,896,438 shares	Fiscal year ended March 31, 2024	13,897,399 shares

※ This report is not subject to audit by certified public accountants or an audit firm.

※ Explanation of Appropriate Use of Earnings Forecasts and Other Notes

(Notes on Forward-Looking Statements)

The financial results forecasts and other forward-looking statements in this document are based on information currently available to our company and certain assumptions deemed reasonable, and do not constitute any promise by our company that they will be achieved. Actual results may differ materially from these forecasts due to various factors.

For the conditions underlying the financial results forecasts and cautionary notes on the use of financial results forecasts, please refer to Appendix. Page3 "1.Summary of consolidated financial results (4) Future Outlook."

(How to obtain supplementary financial results materials)

The supplementary financial results materials are disclosed on TDnet on the same day.

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1. Summary of consolidated financial results, etc.

(1) Summary of operating results for the fiscal year under review

The Japanese economy in the fiscal year under review continues to be in an uncertain future due to prolonged unstable global conditions and rising prices, while the employment and income situation has improved and the economy is recovering moderately. In Reuse industry to which our company belongs, Reuse has permeated the lives of consumers and Reuse market is continuously expanding.

As for the opening of Reuse stores in the fiscal year under review, we opened 24 new directly-operated stores and closed 5 stores, and opened 31 new Franchised stores and closed 7 stores. In addition, 1 overseas store was transferred from a Franchised store to a directly- operated store in February. As a result, the number of secondhand stores became 450 directly-operated stores and 562 Franchised stores, bringing the total number of stores to 1,012.

The table below shows the number of stores by business category as of the end of the fiscal year under review.

(Stores)

Number of stores	HARD OFF	OFF HOUSE	MODE OFF	Garage OFF	Hobby OFF	Liquor OFF	BOOK OFF	Overseas	Total number of secondhand stores	BOOK ON
Directly operated stores	162 (+10)	131 (+4)	15 (±0)	10 (±0)	70 (+6)	4 (±0)	48 (△2)	10 (+2)	450 (+20)	1 (±0)
Franchised stores	253 (+12)	196 (△1)	2 (±0)	5 (±0)	96 (+11)	1 (±0)	-	9 (+1)	562 (+23)	-
Total	415 (+22)	327 (+3)	17 (±0)	15 (±0)	166 (+17)	5 (±0)	48 (△2)	19 (+3)	1,012 (+43)	1 (±0)

(Note) 1. Figures in square brackets [ ] indicate the increase or decrease in the number of stores during the period.

2. The stores operated by the Company's subsidiaries HARD OFF Family Co., Ltd. and ecoplus Co., Ltd. are included in the number of directly operated stores.

3. The stores operated by the Company's subsidiaries HARD OFF TAIWAN INC. and ECO TOWN USA INC. are included in the number of directly operated overseas stores.

In the consolidated fiscal year under review, domestic existing store sales rose 5.8%, which was the 43 consecutive month of year-on-year increase. With the contribution of the 23 directly-operated stores opened in the previous fiscal year and the 24 stores opened in the current fiscal year, company-wide sales increased 11.4% to ¥33,531 million.

On the profit side, SG & A expenses increased 10.8% due to the opening costs of 24 new stores and the relocation costs of 3 existing stores. As a result, operating profit increased 14.8% to ¥3,218 million, ordinary profit increased 13.8% to ¥3,403 million, and profit attributable to owners of parent increased 10.6% to ¥2,314 million, all of which set new record highs.

① Secondhand Business

In this business, net sales increased 11.2% to ¥31,687 million.

② FC Business

In this business, net sales of merchandise, membership fees and royalty income increased 14.8% to ¥1,815 million.

(2) Summary of financial position for the fiscal year under review

(Assets)

Total current assets increased by 1,431 million yen from the end of the previous fiscal year to 13,918 million yen. This was mainly due to an increase of 135 million yen in accounts receivable and an increase of 1,262 million yen in merchandise.

Total Fixed assets increased by 1,086 million yen from the end of the previous fiscal year to 11,699 million yen. This was mainly due to an increase of 655 million yen in tangible assets, an increase of 181 million yen in intangible assets, and an increase of 249 million yen in investments and other assets.

As a result of the above, total assets increased by 2.518 million yen from the end of the previous fiscal year to 25,617 million yen.

(Liabilities)

Total current liabilities increased by 1,103 million yen from the end of the previous fiscal year to 6,040 million yen. This was mainly due to an increase of 830 million yen in short-term borrowings and an increase of 68 million yen in income taxes payable.

Total non-current liabilities increased by 42 million yen from the end of the previous fiscal year to 1,204 million yen. This was mainly due to an increase of 115 million yen in asset retirement obligations and a decrease of 66 million yen in lease obligations.

As a result of the above, total liabilities increased by 1,145 million yen from the end of the previous fiscal year to 7,244 million yen.

(Net assets)

Total net assets increased by 1,373 million yen from the end of the previous fiscal year to 18,373 million yen. This was mainly due to an increase of 1,257 million yen in retained earnings and an increase of 104 million yen in valuation difference on available-for-sale securities.

(3) Summary of cash flows for the fiscal year under review

The balance of cash and cash equivalents (Hereinafter referred to as "Funds".) for the fiscal year under review decreased by 15 million yen from the previous fiscal year to 3,009 million yen.

The status of cash flows and their factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Cash flows from operating activities for the fiscal year under review were 2,055 million yen (compared to 1,869 million yen in the previous fiscal year). This was mainly due to income before income taxes and minority interests of 3,232 million yen.

(Cash flows from investing activities)

Cash flows from investing activities were 1,749 million yen (compared to 1,198 million yen in the previous fiscal year). This was mainly due to 1,233 million yen in purchases of tangible assets and 269 million yen in purchases of intangible assets.

(Cash flows from financing activities)

Cash flows from financing activities were 334 million yen (compared to 587 million yen in the previous fiscal year). This was mainly due to Dividends paid of 1,055 million yen, an increase in short-term borrowings of 830 million yen and repayment of lease obligations of 105 million yen.

(4) Future Outlook

The Company has established the following long-term vision.

Be the only one that no one else comes close to imitating by refining our management philosophy. “Re”NK CHANNEL will be created with a focus on powerful stores, and contribute to the creation of a recycling-oriented society as the overwhelming leading secondhand company, not only in Japan but also overseas.

*“Re”NK CHANNEL: HARD OFF’s omni-channel strategy integrates various channels of stores and the Internet.

HARD OFF’ s Omni-Channel Strategy

Additionally, as part of our medium-term plan leading up to 2030, we aim to expand our business through four strategic pillars: brick-and-mortar strategy, store expansion strategy, online strategy, and international strategy.

For the fiscal year ending March 31, 2026, the Company plans to open 28 directly operated stores and 23 franchised stores, for a total net increase of 51 stores.

For the full year, the Company forecasts net sales of 36,000 million yen (up 7.4% year on year), operating profit of 3,550 million yen (up 10.3% year on year), ordinary profit of 3,660 million yen (up 7.5% year on year), and profit attributable to owners of parent of 2,450 million yen (up 5.9% year on year).

(5)Basic Policy on Profit Distribution and Dividends for the current and next fiscal year

① Basic Policy on Profit Distribution

The Company positions the return of profits to shareholders one of its significant management policies. By improving earnings per share, return on equity (ROE) and cash flow and working to strengthen its management base and financial position through enhancing active business development to increase corporate value, the Company will implement a policy of maintaining a stable dividend based on business performance with a dividend payout ratio of approximately 50% . In order to realize more stable and sustainable dividends, the Company has decided to introduce DOE (Dividend on equity ratio) as a new indicator starting from the fiscal year ending March 2026.

② Dividend of surplus for the fiscal year under review

The year-end dividend for the fiscal year ending March 2025 will be ¥78 per share, taking into consideration the business performance and retained earnings.

③ Dividend of surplus for the next fiscal year

Based on the new policy, the annual dividend per share for the next fiscal year will be ¥78.

2. Basic Views on the Selection of Accounting Standards

Taking into account the period comparability of consolidated financial statements and the comparability between companies, our group will prepare consolidated financial statements in accordance with Japanese GAAP for the time being.

With regard to the application of International Financial Reporting Standards, we will take appropriate measures in consideration of domestic and overseas developments.

3. Consolidated Financial Statements and Notes

(1)Consolidated Balance Sheets

(thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,024,396	3,009,386
Accounts receivable	1,244,938	1,380,112
Merchandise	7,709,038	8,971,859
Work in process	1,801	637
Other	510,053	558,857
Allowance for doubtful accounts	△3,800	△2,636
Total current assets	12,486,429	13,918,216
Fixed assets		
Tangible assets		
Buildings and structures	7,749,654	8,357,389
Accumulated depreciation	△5,301,500	△5,582,951
Buildings and structures,net	2,448,154	2,774,438
Land	972,119	1,023,215
Leased assets	1,844,154	1,980,674
Accumulated depreciation	△1,585,363	△1,687,494
Leased assets ,net	258,791	293,179
Construction in progress	18,078	32,727
Others	1,382,012	1,809,552
Accumulated depreciation	△924,891	△1,123,682
Other ,net	457,121	685,870
Total Tangible assets	4,154,265	4,809,431
Intangible assets		
Software	590,963	614,988
Goodwill	-	160,782
Other	23,241	20,210
Total intangible assets	614,205	795,981
Investments and other assets		
Investment securities	3,465,169	3,639,795
Deferred tax assets	207,027	235,667
Security deposit	1,540,341	1,567,200
Other	638,874	651,442
Allowance for doubtful accounts	△7,075	-
Total investments and other assets	5,844,337	6,094,104
Total fixed assets	10,612,808	11,699,518
Total assets	23,099,237	25,617,734

(thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable	41,771	168,105
Short-term borrowings	2,120,000	2,950,000
Lease obligations	103,494	96,328
Income taxes payable	585,355	653,430
Accrued	449,443	488,286
Accrued expenses	1,231,194	1,264,332
Contract liabilities	23,123	36,269
Other	382,631	383,269
Total current liabilities	4,937,012	6,040,022
Non-current liabilities		
Lease obligations	203,703	137,421
Asset retirement obligations	649,588	765,578
Long-term payables	216,276	239,682
Other	92,825	61,918
Fixed liabilities	1,162,394	1,204,601
Total non-current liabilities	6,099,407	7,244,624
Net assets		
Shareholders' equity		
Share capital	1,676,275	1,676,275
Capital surplus	1,910,632	1,910,632
Retained earnings	11,874,435	13,132,286
Treasury stock	△29,348	△30,278
Total shareholders' equity	15,431,994	16,688,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,436,316	1,541,082
Foreign currency translation adjustment	36,339	40,334
Total accumulated other comprehensive income	1,472,656	1,581,417
Non-controlling interests	95,178	102,777
Total net assets	16,999,829	18,373,110
Total liabilities Total net assets	23,099,237	25,617,734

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net Sales	30,105,147	33,531,023
Cost of sales	9,446,598	10,534,041
Gross profit	20,658,548	22,996,981
Selling, general and administrative expenses	17,854,700	19,778,765
Operating profit	2,803,848	3,218,216
Non-operating income		
Dividend income	61,481	74,200
Rent income	51,594	51,071
Foreign exchange gains	13,658	11,317
Recycling revenues	31,155	29,120
Grant income	8,442	10,424
Others	34,206	39,849
Total non-operating income	200,539	215,983
Non-operating expenses		
Interest expenses	9,833	17,633
Loss on termination of lease	-	6,457
Other	3,672	6,947
Total non-operating expenses	13,505	31,038
Ordinary profit	2,990,882	3,403,162
Extraordinary income		
Sales of investment securities	15	-
Sales of non-current assets	110	-
Total extraordinary income	125	-
Extraordinary loss		
Loss on retirement of fixed assets	97	1,967
Impairment loss	78,569	163,808
Loss due to disaster	2,137	-
Loss on valuation of investment securities	1,181	4,458
Total Extraordinary loss	81,985	170,234
Income before income taxes	2,909,022	3,232,927
Income taxes – current	886,637	1,015,777
Income taxes - deferred	△88,883	△102,958
Total Income taxes	797,753	912,818
Net profit	2,111,269	2,320,108
Profit attributable to non-controlling interests	18,087	6,078
Profit attributable to owners of the parent	2,093,182	2,314,029

(Consolidated Statement of Comprehensive Income)

(thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net profit	2,111,269	2,320,108
Other comprehensive income		
Unrealized gains on other securities	326,512	104,766
Foreign currency translation adjustments	47,038	8,206
Total other comprehensive income	373,551	112,972
Comprehensive income	2,484,820	2,433,080
(Breakdown)		
Comprehensive income attributable to owners of parent	2,461,550	2,422,790
Comprehensive income attributable to non-controlling interests	23,269	10,289

(3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (From April 1, 2023 To March 31, 2024)

(thousands of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	1,676,275	1,910,632	10,615,106	△28,723	14,173,290
Change during the current period					
Dividends of surplus			△833,852		△833,852
Profit attributable to owners of parent			2,093,182		2,093,182
Acquisition of treasury stock				△625	△625
Net changes in items other than shareholders' equity					-
Total changes	-	-	1,259,329	△625	1,258,704
Balance at the end of the current period	1,676,275	1,910,632	11,874,435	△29,348	15,431,994

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	1,109,803	△5,515	1,104,287	71,908	15,349,487
Change during the period					
Dividends from surplus					△833,852
Profit attributable to owners of parent					2,093,182
Acquisition of treasury stock					△625
Net changes in items other than shareholders' equity	326,512	41,855	368,368	23,269	391,638
Total changes during the period	326,512	41,855	368,368	23,269	1,650,342
Balance at the end of the current fiscal year	1,436,316	36,339	1,472,656	95,178	16,999,829

Current consolidated fiscal year (From April 1, 2024 To March 31, 2025)

(thousands of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,676,275	1,910,632	11,874,435	△29,348	15,431,994
Change during the period					
Dividends from surplus			△1,056,179		△1,056,179
Profit attributable to owners of parent			2,314,029		2,314,029
Acquisition of treasury stock				△929	△929
Net changes in items other than shareholders' equity					-
Total changes during the period	-	-	1,257,850	△929	1,256,920
Balance at the end of the period	1,676,275	1,910,632	13,132,286	△30,278	16,688,915

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the period	1,436,316	36,339	1,472,656	95,178	16,999,829
Change during the period					
Dividends from surplus					△1,056,179
Profit attributable to owners of parent					2,314,029
Acquisition of treasury stock					△929
Net changes in items other than shareholders' equity	104,766	3,994	108,761	7,598	116,359
Total changes during the period	104,766	3,994	108,761	7,598	1,373,280
Balance at the end of the period	1,541,082	40,334	1,581,417	102,777	18,373,110

(4) Consolidated Statements of Cash Flows

(thousands of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Fiscal year under review (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Income before income taxes and minority interests	2,909,022	3,232,927
Depreciation and amortization	669,238	855,599
Amortization of goodwill	-	10,487
Impairment loss	78,569	163,808
Increase (decrease) in allowance for doubtful accounts	△552	△8,239
Interest income and dividends income	△64,532	△78,015
Interest expense	9,833	17,633
Net unrealized losses (gains) on sales of investment securities	1,165	4,458
Net decrease (increase) in trade receivables	△260,025	△135,108
Decrease (Increase) in inventories	△1,037,538	△1,258,381
Increase (decrease) in trade payables	△23,721	126,809
Increase (decrease) in accrued consumption taxes	64,311	14,567
Increase (decrease) in accounts payable	87,598	△32,671
Increase (decrease) in accrued expenses	236,410	42,057
Other	6,771	△11,077
Subtotal	2,676,549	2,944,856
Interest and dividends received	62,663	76,297
Interest paid	△9,833	△17,633
Damage paid	△2,137	-
Insurance proceeds received	12,525	-
Income taxes paid	△869,777	△947,702
Cash flows from operating activities	1,869,989	2,055,817
Cash flows from investing activities		
Proceeds from sales of investment securities	60	-
Purchases of tangible assets	△883,317	△1,233,153
Purchases of intangible assets	△248,925	△269,714
Acquisition of goodwill	-	△171,269
disbursement of guarantee deposits	△18,995	△20,793
Disbursement of security deposits	△60,067	△80,903
Collection of security deposits	6,766	51,909
Other	6,336	△26,067
Cash flows from investing activities	△1,198,142	△1,749,992

(thousands of yen)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Fiscal year under review (From April 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	370,000	830,000
Purchase of treasury stock	△625	△929
Repayment of lease obligations	△124,167	△105,351
Dividends paid	△833,174	△1,055,387
Dividends paid to non-controlling interests	-	△2,737
Cash flows from financing activities	△587,967	△334,406
Exchange differences on cash and cash equivalents	30,532	13,571
Increase (decrease) in cash and cash equivalents	114,412	△15,009
Cash and cash equivalents at the beginning of the year	2,909,983	3,024,396
Cash and cash equivalents at the end of the year	3,024,396	3,009,386

(5)Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

Notes to Segment Information

[Segment Information]

1. Overview of Reportable Segments

Our group's reportable segments are those for which separate financial information is available among the constituent units of our company and its subsidiaries, and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and to evaluate performance.

Our group mainly purchases and sells secondhand products, and has developed its business operations as the " Secondhand Business" and the "FC Business," so these two segments are designated as reportable segments.

Reuse Business is the operation of the reuse shops HARD OFF, OFF HOUSE, MODE OFF, Garage OFF, Hobby OFF, Liquor OFF and BOOK OFF (franchisee). The FC Business is the franchise chain business of the secondhand shops HARD OFF, OFF HOUSE, MODE OFF, Garage OFF, Hobby OFF and Liquor OFF.

2. Calculation method of net sales, profit or loss, assets and other items by reportable segment

The method of accounting for reported business segments is the same as the method of preparing consolidated financial statements.

Income for reportable segments is based on operating profit.

Inter-segment transactions are based on prevailing market prices.

3. Information on net sales, profit or loss, assets and other items by reportable segment

Previous fiscal year (from April 1, 2023 to March 31, 2024)

(thousands of yen)

	Reportable segment			Other (Note)1	Total	Adjustments (Note)2	Amount reported in the consolidated financial statements (Note)3
	Secondhand Business	FC	Total				
Sales							
To External Customers Sales	28,495,700	1,581,100	30,076,801	28,346	30,105,147	-	30,105,147
Inter-segment sales or transfers	-	390,970	390,970	267,018	657,988	△657,988	-
Total	28,495,700	1,972,071	30,467,771	295,364	30,763,135	△657,988	30,105,147
Segment Profit	4,537,877	1,031,447	5,569,324	30,384	5,599,708	△2,795,860	2,803,848
Segment Assets	15,310,491	410,418	15,720,910	34,110	15,755,020	7,344,217	23,099,237
Other items							
Depreciation	609,593	47,157	656,750	213	656,964	12,274	669,238
Amortization of goodwill	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	1,150,400	67,887	1,218,287	-	1,218,287	790	1,219,078

(Note) 1 "Other" refers to business segments not included in reportable segments and includes the system development business.

2 Adjustments are as follows.

(1)Adjustments in segment income (¥2,795,860 thousand) include elimination of intersegment transactions (¥22,753 thousand) and corporate expenses (¥2,773,106 thousand) not allocated to each reportable segment.

(2)Adjusted segment assets of ¥7,344,217 thousand represent company-wide assets not allocated to each reportable segment.

(3)Internal sales and transfers between segments are presented separately.

3 Segment income is adjusted for operating profit in the consolidated financial statements.

Fiscal year under review (from April 1, 2024 to March 31, 2025)

(thousands of yen)

	Reportable segments			Other (Note)1	Total	Adjustments (Note)2	Amount reported in consolidated financial statements (Note)3
	Secondhand Business	FC business	Total				
Sales							
To external customers Sales	31,687,799	1,815,518	33,503,317	27,705	33,531,023	-	33,531,023
Inter-segment sales or transfers	-	462,313	462,313	330,348	792,662	△792,662	-
Total	31,687,799	2,277,831	33,965,631	358,054	34,323,685	△792,662	33,531,023
Segment Profit	5,055,045	1,294,503	6,349,548	37,560	6,387,109	△3,168,892	3,218,216
Segment Assets	17,610,889	447,346	18,058,235	34,543	18,092,779	7,524,955	25,617,734
Other items							
Depreciation and amortization	792,989	52,344	845,333	156	845,489	10,110	855,599
Amortization of goodwill	10,487	-	10,487	-	10,487	-	10,487
Increase in property, plant and equipment and intangible assets	1,824,215	53,427	1,877,642	-	1,877,642	4,554	1,882,197

(Note) 1 The "Other" segment is a business segment not included in the reportable segment and includes the system development business.

2 Adjustments are as follows.

(1)Adjustments to segment income of ¥3,168,892 thousand consist of elimination of intersegment transactions of ¥56,220 thousand and corporate expenses not allocated to each reportable segment of ¥3,112,672 thousand.

(2)Adjustments to segment assets of ¥7,524,955 thousand consist of corporate assets not allocated to each reportable segment.

(3)Internal sales and transfers between segments are presented separately.

3 Segment income is adjusted for operating profit in the consolidated financial statements.

[Related Information]

Previous fiscal year (from April 1, 2023 to March 31, 2024)

1. Information by product and service

Our group purchases and sells secondhand products and is not classified as a single product or service.

This information is omitted because sales to customers in Japan exceed 90% of net sales in the consolidated statements of income.

2. Information by region

(1) Sales

This information is omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Tangible assets

This information is omitted because the amount of tangible assets located in Japan exceeds 90% of the amount of tangible assets in the consolidated balance sheets.

3. Information by major customer

This information is omitted because there are no sales to specific customers that account for 10% or more of net sales in the consolidated statements of income.

Fiscal year under review (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Our group purchases and sells secondhand products, and is not classified as a single product or service.

This information is omitted because sales to customers exceed 90% of net sales in the consolidated statement of income.

2. Information by region

(1) Sales

This information is omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated statement of income.

(2) Tangible assets

Description is omitted because the amount of tangible assets located in Japan exceeds 90% of the amount of tangible assets on the consolidated balance sheet.

3. Information by major customer

Description is omitted because there are no sales to specific customers that account for 10% or more of net sales on the consolidated statements of income.

[Information on impairment loss on fixed assets by reportable segment]

Previous fiscal year (from April 1, 2023 to March 31, 2024)

(thousands of yen)

	Secondhand Business	FC Business	Total	Company elimination	Amount reported in the consolidated financial statements
Impairment loss	78,569	-	78,569	-	78,569

Fiscal year under review (from April 1, 2024 to March 31, 2025)

(thousands of yen)

	Secondhand Business	FC Business	Total	Company elimination	Amount recorded in consolidated financial statements
Impairment loss	163,808	-	163,808	-	163,808

[Information on amortized goodwill and unamortized balance by reportable segment]

Previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

Current fiscal year (April 1, 2024 to March 31, 2025)

(thousands of yen)

	Secondhand Business	FC Business	Total	Company elimination	Amount reported in the consolidated financial statements
Amortization for the current period	10,487	-	10,487	-	10,487
Balance at the end of the current fiscal year	160,782	-	160,782	-	160,782

[Information on Gain on Negative Goodwill by Reportable Segment]

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

Not applicable.

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

Not applicable.

(Per Share Information)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Net assets per share	¥1,216.42	¥1,314.75
Earnings per Share	¥150.62	¥166.52

(Note)1. Diluted net income per share is not presented because there are no dilutive shares.

2.The basis for the calculation of net assets per 2.1 shares is as follows:

	Previous fiscal year (March 31, 2024)	Fiscal year under review (March 31, 2025)
Total net assets	¥16,999,829 thousand	¥18,373,110 thousand
Amount to be deducted from the total net assets	¥95,178 thousand	¥102,777 thousand
(Of which, non-controlling interests)	(¥95,178 thousand)	(¥102,777 thousand)
Net assets of common stock at the end of the period	¥16,904,650 thousand	¥18,270,332 thousand
Number of common shares at the end of the period used to calculate net assets per share	13,897 thousand shares	13,896 thousand shares

The basis for calculating net income per 3.1 shares is as follows:

	Previous fiscal year (1) April 1, 2023 to March 31, 2024	Year under review (From April 1, 2024 to March 31, 2025)
Earnings per Share		
Net income attributable to owners of parent	¥2,093,182 thousand	¥2,314,029 thousand
Amounts not attributable to common shareholders	-	-
Net income attributable to owners of the parent on common shares	¥2,093,182 thousand	¥2,314,029 thousand
Average number of shares	13,897 thousand shares	13,896 thousand shares

(Significant Subsequent Events)

(Absorption-type Merger with a Consolidated Subsidiary)

At a meeting of the Board of Directors held on January 14, 2025, the Company resolved to implement an absorption-type merger (hereinafter referred to as the Merger.) in which HARDOFF Family Co., Ltd. became the absorbed company, and the merger became effective on April 1, 2025.

Outline of the Transaction

1.Purpose of the Merger

HARDOFF Family Co., Ltd. operates 23 HARD OFF stores and 14 OFF HOUSE stores, 18 Hobby OFF stores, 16 BOOK OFF stores, and a total of 71 secondhand stores in the Tokyo metropolitan area and Nagasaki Prefecture.

It is a wholly-owned subsidiary of our company, which also operates new book store, BOOK ON.

With the aim of consolidating management resources and promoting efficient business operations, we have decided to merge HARDOFF Family Co., Ltd..

2.Outline of the Merger

Schedule of the Merger

Resolution of the Board of Directors	January 14, 2025
Date of conclusion of the Merger Agreement	January 17, 2025
Date of Merger (effective date)	April 1, 2025

Method of Merger

This is an absorption-type merger with our company as the surviving company, and HARDOFF Family Co., Ltd. was dissolved on the effective date.

* This merger constitutes a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger as prescribed in Article 784, Paragraph 1 of the Companies Act for Hard Off Family Co., Ltd.; accordingly, it has been executed without obtaining approval at a general meeting of shareholders of either company.

Details of Allotment in the Merger

The Merger is a merger with a wholly owned subsidiary, and no new shares will be issued or money, etc., will be delivered.

Overview of Accounting

Based on “Accounting Standard for Business Combinations ” (ASBJ Statement No. 21, January 16, 2019) and“ Accounting Standard for Business Combinations and Guidance on Accounting Standard for Business Divestitures, etc. ” (ASBJ Guidance No. 10, January 16, 2019), transactions are handled as transactions under common control.