



Consolidated Financial Results for the Six Months (Interim Period) Ended September 30, 2025 (Under Japanese GAAP)

November 10, 2025

Company name: HARD OFF CORPORATION Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2674
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Scheduled date to file semiannual securities report: November 13, 2025
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors and analysts) *Held online

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

1. Consolidated financial results for the six months (interim period) ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages represent year-on-year changes from the previous interim period.)

(cumulative)	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent (interim)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2026 (interim period)	17,257	6.8	1,328	△13.3	1,430	△12.7	925	△9.4
Fiscal year ended March 31, 2025 (interim period)	16,165	14.0	1,532	41.4	1,639	36.4	1,021	34.9

Note: Comprehensive income	Fiscal year ending March 31, 2026 (interim period)	¥994	million	[(7.9 %)]
	Fiscal year ended March 31, 2025 (interim period)	¥1,080	million	[(6.0%)]

	Basic earnings per share (interim)	Diluted earnings per share (interim)
Fiscal year ending March 31, 2026 (interim period)	Yen 66.58	Yen —
Fiscal year ended March 31, 2025 (interim period)	Yen 73.51	Yen —

(2) Consolidated financial position

(2) Consolidated financial position			
	Total assets	Net assets	Equity-to-asset ratio
Fiscal year ending March 31, 2026 (interim period)	Millions of yen 27,642	Millions of yen 18,283	% 65.7
Fiscal year ended March 31, 2025	25,617	18,373	71.3

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen —	Yen 0.00	Yen —	Yen 78.00	Yen 78.00
Fiscal year ending March 31, 2026	—	0.00	—	—	—
Fiscal year ending March 31, 2026 (forecast)	—	—	—	78.00	78.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Fiscal year ending March 31, 2026	Millions of yen 36,000	% 7.4	Millions of yen 3,550	% 10.3	Millions of yen 3,660	% 7.5	Millions of yen 2,450	% 5.9	Yen 176.30

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

New inclusion (-) company (Company Name) -

Exclusion 1 company HARDOFF Family Co., Ltd.

(Note) For details, please refer to "2. Interim consolidated financial statements and significant notes thereto (3) Notes to Interim Consolidated Financial Statements (Notes on significant changes in the Scope of Consolidation during the Current Consolidated Interim Period)" on page 9 of the accompanying materials.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

Fiscal year ending March 31, 2026 (interim period)	13,954,000 shares	Fiscal year ended March 31, 2025	13,954,000 shares
Fiscal year ending March 31, 2026 (interim period)	57,814 shares	Fiscal year ended March 31, 2025	57,562 shares
Fiscal year ending March 31, 2026 (interim period)	13,896,297 shares	Fiscal year ended March 31, 2025 (interim period)	13,896,860 shares

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

*Review of the attached quarterly consolidated financial statements by Certified Public Accountant or auditing firm: None

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. These forward-looking statements are not guarantees of future performance. Actual results may differ materially from these forecasts due to a variety of reasons.

Please refer to "1. Qualitative information regarding interim financial results (3) Explanation of consolidated earnings forecasts and other forward-looking statements" on page 3 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on quarterly financial results)

Supplementary material on quarterly financial results was disclosed on the same day on TDnet.

Attached Material

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1. Qualitative information regarding interim financial results

(1) Explanation of operating results

During the six months ended September 30, 2025, the Japanese economy showed signs of moderate recovery with improvements in employment and income conditions. However, the future remained uncertain due to the unstable global situation caused by the impact of U.S. trade policy and prolonged geopolitical risks. In the secondhand industry in which our company operates, the concept of “reusing” has become increasingly integrated into consumer lifestyles, and rising prices have drawn even more attention to secondhand goods, resulting in continuous expansion of the secondhand market.

With respect to the opening of secondhand stores during the six months ended September 30, 2025, the Company opened 13 directly operated stores, closed 1 directly operated store, opened 21 franchised stores, and closed 3 franchised stores. As a result, the total number of secondhand stores was 1,042, which was comprised of 462 directly operated stores and 580 franchised stores.

The number of stores by business category as of September 30, 2025 is shown in the following table.

Number of stores	(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	168 [+6]	130 [△1]	15 [±0]	10 [±0]	75 [+5]	4 [±0]	49 [+1]	11 [+1]	462 [+12]	1 [±0]
Franchised stores	259 [+6]	199 [+3]	2 [±0]	6 [+1]	101 [+5]	1 [±0]	—	12 [+3]	580 [+18]	—
Total	427 [+12]	329 [+2]	17 [±0]	16 [+1]	176 [+10]	5 [±0]	49 [+1]	23 [+4]	1,042 [+30]	1 [±0]

Notes: 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 ecoplus Co., Ltd. is 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.

With respect to the operating results for the quarter ended September 30, 2025, net sales for the existing stores showed steady growth, up 1.7% year on year. Attributed to the contribution of the 24 directly operated stores opened in the previous fiscal year and the 13 stores opened during the current fiscal year, consolidated net sales amounted to ¥17,257 million (an increase of 6.8% year-on-year), setting a new all-time high.

Regarding profitability, selling, general and administrative expenses increased by 9.6% due to various factors, including opening costs for 13 new stores opened during the current fiscal year and the advance recognition of opening costs for the 4 stores scheduled to open in October 2025 and an increase in expenses including personnel costs and depreciation. Due to the above, operating profit was ¥1,328 million (a decrease of 13.3% year on year), ordinary profit was ¥1,430 million (a decrease of 12.7% year on year), and the profit attributable to owners of parent was ¥925 million (a decrease of 9.4% year on year).

(2) Explanation of financial position

Assets

Total current assets as of the end of the current interim consolidated accounting period amounted to ¥15,646 million, an increase of ¥1,728 million compared with the end of the previous consolidated fiscal year. This was primarily due to an increase of ¥951 million in cash and deposits, and an increase of ¥634 million in merchandise.

Total non-current assets amounted to ¥11,995 million, an increase of ¥296 million compared with the end of the previous consolidated fiscal year. This was primarily due to an increase of ¥253 million in property, plant and equipment, and an increase of ¥75 million in investments and other assets.

As a result, total assets amounted to ¥27,642 million, an increase of ¥2,042 million compared with the end of the previous consolidated fiscal year.

Liabilities

Total current liabilities as of the end of the current interim consolidated accounting period amounted to ¥8,154 million, an increase of ¥2,114 million compared with the end of the previous consolidated fiscal year. This was primarily due to an increase of ¥2,430 million in short-term borrowings. As a result, total liabilities amounted to ¥9,359 million, an increase of ¥2,114 million compared with the end of the previous consolidated fiscal year.

Net assets

Total net assets as of the end of the current interim consolidated accounting period amounted to ¥18,283 million, a decrease of ¥90 million compared with the end of the previous consolidated fiscal year. This was primarily due to decrease of ¥158 million in Retained Earnings and increase of ¥62 million in valuation difference on available-for-sale securities. As a result, the equity-to-asset ratio was 65.7% (71.3% at the end of the previous consolidated fiscal year).

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

No revisions have been made to the consolidated earnings forecasts for the fiscal year ending March 31, 2026 announced in the "Financial Results for the Fiscal Year Ended March 31, 2025" released on May 12, 2025.

2. Interim consolidated financial statements and significant notes thereto

(1) Interim consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	3,009,386	3,960,605
Accounts receivable - trade	1,380,112	1,363,759
Merchandise	8,971,859	9,606,245
Work in process	637	450
Other	558,857	716,537
Allowance for doubtful accounts	△2,636	△863
Total current assets	<u>13,918,216</u>	<u>15,646,734</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,774,438	2,981,367
Land	1,023,215	1,023,215
Construction in progress	32,727	22,446
Other, net	979,050	1,035,705
Total property, plant and equipment	<u>4,809,431</u>	<u>5,062,735</u>
Intangible assets		
Software	614,988	606,760
Goodwill	160,782	137,655
Other	20,210	19,102
Total intangible assets	<u>795,981</u>	<u>763,518</u>
Investments and other assets		
Investment securities	3,639,795	3,731,403
Other	2,454,309	2,437,937
Total investments and other assets	<u>6,094,104</u>	<u>6,169,341</u>
Total non-current assets	<u>11,699,518</u>	<u>11,995,596</u>
Total assets	<u>25,617,734</u>	<u>27,642,330</u>

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	168,105	96,880
Short-term borrowings	2,950,000	5,380,000
Income taxes payable	653,430	556,107
Contract liabilities	36,269	19,568
Other	2,232,217	2,101,875
Total current liabilities	<hr/> 6,040,022	<hr/> 8,154,432
Non-current liabilities		
Asset retirement obligations	765,578	810,255
Other	439,023	394,641
Total non-current liabilities	<hr/> 1,204,601	<hr/> 1,204,897
Total liabilities	<hr/> 7,244,624	<hr/> 9,359,330
Net assets		
Shareholders' equity		
Share capital	1,676,275	1,676,275
Capital surplus	1,910,632	1,910,632
Retained earnings	13,132,286	12,973,533
Treasury shares	△30,278	△30,626
Total shareholders' equity	<hr/> 16,688,915	<hr/> 16,529,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,541,082	1,603,962
Foreign currency translation adjustment	40,334	40,074
Total accumulated other comprehensive income	<hr/> 1,581,417	<hr/> 1,644,036
Non-controlling interests	<hr/> 102,777	<hr/> 109,149
Total net assets	<hr/> 18,373,110	<hr/> 18,283,000
Total liabilities and net assets	<hr/> 25,617,734	<hr/> 27,642,330

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income

Interim consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	16,165,017	17,257,318
Cost of sales	5,071,228	5,447,283
Gross profit	11,093,789	11,810,035
Selling, general and administrative expenses	9,561,001	10,481,321
Operating profit	1,532,787	1,328,713
Non-operating income		
Interest income	1,457	2,665
Dividend income	65,062	72,347
Rental income from land and buildings	25,242	15,193
Income from recycling	14,021	9,619
Other	17,032	18,009
Total non-operating income	122,817	117,835
Non-operating expenses		
Interest expenses	6,767	15,230
Lease contract cancellation losses	6,350	—
Other	3,437	822
Total non-operating expenses	16,555	16,053
Ordinary profit	1,639,049	1,430,495
Extraordinary income		
Gain on sale of non-current assets	—	220
Total extraordinary income	—	220
Extraordinary losses		
Loss on valuation of investment securities	5,661	—
Loss on retirement of non-current assets	1,967	363
Impairment losses	54,712	19,994
Total extraordinary losses	62,341	20,357
Profit before income taxes	1,576,708	1,410,357
Income taxes - current	535,967	476,288
Income taxes - deferred	12,782	5,729
Total income taxes	548,750	482,018
Profit	1,027,957	928,339
Profit attributable to non-controlling interests	6,405	3,170
Profit attributable to owners of parent	1,021,551	925,168

Interim consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,027,957	928,339
Other comprehensive income		
Valuation difference on available-for-sale securities	37,937	62,880
Foreign currency translation adjustment	14,493	3,764
Total other comprehensive income	52,430	66,644
Comprehensive income	1,080,388	994,984
Breakdown:		
Comprehensive income attributable to owners of parent	1,067,021	987,787
Comprehensive income attributable to non-controlling interests	13,366	7,196

(3) Notes to interim consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on significant changes in the Scope of Consolidation during the Current Consolidated Interim Period

HARDOFF Family Co., Ltd., which was a consolidated subsidiary until the previous fiscal year, is excluded from the scope of consolidation because it disappeared as a result of the absorption-type merger with our company as the surviving company on April 1, 2025.

Notes on Significant Post-Balance Sheet Events

Business Combination through Acquisition

At a meeting of the Board of Directors held on August 12, 2025, our company resolved to acquire ECONOS Co., Ltd. (Hereinafter referred to as the "Target") in a series of transactions for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, through a tender offer under the Financial Instruments Exchange Act (Act No. 25 of 1948; as amended). (Hereinafter referred to as the "Tender Offer") The Tender Offer, which had been implemented since August 13, 2025, ended on September 25, 2025.

As a result of the Tender Offer, the Target Company became a consolidated subsidiary of the Tender Offeror and falls under the category of a specified subsidiary as of October 2, 2025 (the commencement date of settlement of the Tender Offer).

1. Outline of the business combination

(1) Name of the acquired company and details of its business

Name of the acquired company: ECONOS Co., Ltd.

Details of its business : Purchase and sale of secondhand products

(2) Main reason for the business combination

Our company acquired its shares for the purpose of promoting the expansion of its business in secondhand and made it a consolidated subsidiary.

(3) Date of business combination

October 2, 2025

(4) Legal form of business combination

Acquisition of shares in cash

(5) Name of combined company

There is no change.

(6) Percentage of voting rights acquired

Percentage of voting rights held immediately before the merger:	15.96%
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Percentage of voting rights additionally acquired on the date of the business combination:	81.84%
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Percentage of voting rights after acquisition:	97.80%
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(Note) After the squeeze-out, the percentage of voting rights is expected to be 100.00%

(7) Main grounds for determining the acquirer

Our company acquired the shares for cash consideration.

2. Acquisition cost of the acquiree and breakdown by type of consideration

Consideration for acquisition

Fair value of the previously held equity interest at the acquisition date	293 million yen
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<u>Acquisition cost of common shares acquired on or after the date of the business combination (cash)</u>	<u>1,521 million yen</u>
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Acquisition cost	1,815 million yen
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3. Details and amounts of major acquisition-related expenses

Not determined at this time.

4. Amount of goodwill to be incurred, cause of occurrence, amortization method and amortization period

Not determined at this time.

5. Amounts of assets and liabilities to be accepted on the date of business combination and major breakdown thereof

Not determined at this time.