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Q&A collection
Financial Results for the Three Months Ended May 31, 2026
(Updated on July 31, 2026)

This Q&A collection is a compilation of anticipated questions regarding the financial results for the three months ended May 31, 2026, which were announced on July 9, 2026, as well as excerpts of inquiries from investors and their responses. Some content has been edited for clarity.

Q | Please tell us the factors behind the strong performance in the first quarter and the background to the upward revision of the full-year financial results forecast.

The main factor for the profit increase is that both sales and gross profit exceeded expectations, while SG&A expenses progressed as planned. In terms of demand, in addition to the expansion of reuse demand due to growing budget-consciousness backed by rising prices, weather factors such as rising temperatures in May caused the demand for summer merchandise (such as apparel) anticipated for the second quarter to materialize ahead of schedule, resulting in very strong performance. In addition, regarding home appliances, backed by the application of new standards based on the Energy Conservation Act to be implemented in 2027 (the so-called 2027 problem), replacement demand, mainly for air conditioners, has materialized earlier than in typical years. Regarding the upward revision of the full-year financial results forecast, it reflects the addition of the strong actual results from the first quarter, as well as raising the assumption for the growth rate of non-consolidated existing store sales in the second half from 102% to 103% year-on-year, based on the growth in the number of sales in April and May. Considering the strength of demand in the first quarter, we have determined that achieving the full-year target is well within reach.

Q｜While the first quarter was strong, what is the reason for anticipating a profit decline in the second quarter on a standalone basis?

This is due to a reactionary drop following the front-loaded demand in May, compounded by unseasonable weather, which caused sales in June to struggle. Furthermore, in August of the previous year, there was a last-minute surge in demand prior to the expiration date of buyback coupons (August 31, 2025) and the implementation of our 30th anniversary campaign, making the hurdle for year-on-year comparison extremely high, which is why we anticipate a profit decline for the second quarter on a standalone basis.

Q｜Please tell us the main factors behind the improvement in the gross profit margin and the future outlook.

The main factor is the change in the buyback coupon system implemented since the third quarter of the previous fiscal year. We lowered the maximum increase from 50% to a cap of 20%. We expect this positive impact to continue until the measures have run their full course around the end of the third quarter of the current fiscal year, and we assume it will settle down to levels similar to the previous year from the fourth quarter onwards.

Q｜How has the change in the buyback coupon system affected product procurement?

Due to the impact of the coupon revision, we are seeing a trend where it is becoming harder to gather high-priced apparel and branded goods in some business formats, such as the fashion-specialized "TreFac Style". On the other hand, there has been almost no negative impact on the "General" format or "Sports/Outdoor" format, and total procurement has increased by 15.7% year-on-year, progressing smoothly. Furthermore, since high-priced merchandise directly ties into the attractiveness of the sales floor, we are advancing measures such as campaigns to strengthen purchasing utilizing our official app.

Q｜How is the situation regarding procurement channels outside of stores, such as home-visit purchases and mail-in purchases?

We are currently strengthening investments, such as personnel, in home-visit purchases, and procurement is growing smoothly. Regarding mail-in purchases as well, applications are increasing due to factors such as improved awareness on SNS. As actual results for the first quarter, home-visit purchases grew significantly by 28.0% year-on-year, and mail-in purchases by 16.8%. We will continue to strengthen procurement through these non-store channels, as the merchandise acquired serves as a crucial source of inventory supply to support our target of 30 to 35 new store openings per year.

Q | Please tell us about the trends in e-commerce sales.

The e-commerce ratio is on an upward trend, reaching 15.5% (an increase of 1.7 percentage points year-on-year) in the first quarter's actual results. We are strengthening operations, such as raising the target number of e-commerce listings at each store. Our company lists inventory from physical stores on e-commerce platforms and sells them concurrently. Through this, we not only aim to maximize sales opportunities, but we have also built a system where stores can secure sales by strengthening e-commerce listings even during periods when customer traffic to physical stores is sluggish due to bad weather.

Q | Please tell us about the progress of new domestic store openings and your future area strategy.

Against our full-year target of opening 30 to 35 stores, we opened 12 stores in the first quarter, and with 27 store openings already confirmed for the current fiscal year, we are progressing smoothly. Moving forward, our policy is to proceed with store openings by maintaining a well-balanced mix of store openings based on a dominant area strategy in regional areas as well as urban stores that are expected to become profitable early on.

Q | What are your differentiating factors and strengths compared to peers in the reuse market (such as buy-only specialty stores and home-visit purchase operators)?

A major strength of our company is our "ability to collectively purchase whatever diverse unused items customers have," such as household goods, apparel, furniture, and home appliances. This is supported by our logistics centers located in the Kanto and Kansai regions, as well as our in-house logistics network, which serve as a high barrier to entry enabling us to handle large items and mass procurements. Furthermore, we secure high profitability through a system that maximizes profits by selling purchased products through optimal channels, such as general stores, specialized formats, and e-commerce.