Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2027(Under Japanese GAAP)

August 6, 2026

Company name: HARD OFF CORPORATION Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2674
URL: https://www.hardoff.co.jp/
Representative: Taro Yamamoto, Representative Director andPresident
Inquiries: Tsuyoshi Nagahashi, Senior Managing Director, General Manager of president's office, and General Manager of Management Administration Headquarters
Telephone: +81-254-24-4344
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: No

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31,2027 (April 1, 2026 to June 30,2026)

(1)Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes for the quarter.)

	Net Sales		Operating profit		Ordinary profit		Quarterly Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of the Fiscal Year Ending March 31,2027	11,251	30.0	1,058	34.4	1,061	26.7	1,456	167.8
First Quarter of the Fiscal Year Ended March 31,2026	8,653	4.5	787	△18.7	838	△17.8	544	△18.5

Note:Comprehensive income First quarter of the fiscal year ending March 2027 848 millions of yen (109.1%)
First quarter of the fiscal year ended March 2026 405 millions of yen (△42.6%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First Quarter of the Fiscal Year Ending March 31,2027	104.71	—
First Quarter of the Fiscal Year Ended March 31,2026	39.15	—

(2)Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
First Quarter of the Fiscal Year Ending March 31,2027	32,032	19,995	62.1
Fiscal Year Ended March 31,2026	31,638	20,330	63.9

Reference: equity First Quarter of the Fiscal Year Ending March 2027 19,878 millions of yen
Fiscal Year Ended March 2026 20,216 millions of yen

2. Cash dividends

	Annual Dividends paid				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2026	–	0.00	–	85.00	85.00
Fiscal year ending March 2027	–				
Fiscal year ending March 2027 (Forecast)		0.00	–	92.00	92.00

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

3. Consolidated Financial Results Forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027)

(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, 2026	21,750	26.0	1,580	18.9	1,630	13.9	1,800	94.6	129.37
Fiscal year ending March 31, 2027	45,700	16.4	4,050	19.6	4,100	17.5	3,300	31.0	237.19

(Note)Revisions to the most recent financial forecast: None

*Notes

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

(2)Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

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

① Changes in accounting policies due to revision of accounting standards : None
② ① Changes in accounting policies other than : Yes
③ Changes in accounting estimates : None
④ Restated : None

(4)Number of shares outstanding (common stock)

① Number of shares outstanding (including treasury stock)	As of June 30, 2026	13,954,000 Shares	As of March 31, 2026	13,954,000 Shares
② Number of treasury stock at the end of the period	As of June 30, 2026	40,990 Shares	As of March 31, 2026	40,880 Shares
③ Average number of shares during the period	Three months ended June 30, 2026	13,913,045 Shares	Three months ended June 30, 2025	13,896,365 Shares

※ Review of the accompanying quarterly consolidated financial statements by certified public accountants or auditing firms: 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. Summary of consolidated financial results, etc., (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 5 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain the supplementary materials for quarterly financial results)

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

○Contents of Attached Materials

1. Summary of consolidated financial results, etc

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

During the first quarter of the consolidated fiscal year under review, the Japanese economy faced ongoing inflation due to fluctuating energy prices and rising logistics costs, stemming from heightening Middle East tensions, prolonged geopolitical risks, and rapid exchange rate fluctuations. While employment and income environments showed signs of moderate improvement, consumers' inclination toward thriftiness grew even stronger. Under these conditions, the secondhand industry in which our Company operates saw continued steady demand for secondhand goods, backed by increasing consumer awareness of growing interest in a circular economy and household economy protection.

With regard to the opening of secondhand stores during the first quarter of the current fiscal year, we opened 15 new stores in Directly operated stores, 3 new stores in Franchised stores, and closed 1 store. As a result of the above, the number of secondhand stores was 560 in Directly operated stores and 535 in Franchised stores, bringing the total to 1,095.

The following table shows the number of stores by business category as of the end of the first quarter of the current fiscal year.

(Stores)

Number of stores	HARD OFF	OFF HOUSE	MODE OFF	Garage Off	Hobby OFF	Liquor OFF	BOOK OFF	Overseas	secondhand Total
Directly operated stores	199 (+6)	150 (+1)	13 (±0)	12 (+1)	102 (+4)	4 (±0)	66 (+1)	14 (+2)	560 (+15)
Franchised stores	245 (+1)	183 (△1)	2 (±0)	5 (±0)	86 (+1)	1 (±0)	-	13 (+1)	535 (+2)
Total	444 (+7)	333 (±0)	15 (±0)	17 (+1)	188 (+5)	5 (±0)	66 (+1)	27 (+3)	1,095 (+17)

(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 ecoplus Co., Ltd. and ECONOS 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 cumulative First quarter of the current fiscal year, the domestic existing stores sales performed strongly, up 8.9% year on year. Total net sales reached a record high of 11,251 million yen (up 30.0% year on year), driven by the contribution of 30 stores opened previous fiscal year, and 69 stores of ECONOS Co,ltd. consolidated from the previous third quarter.

On the profit side, Selling, General and Administrative expenses increased by 28.4% due to opening expenses for 15 new stores opened during the period (compared to 6 in the same period last year) and upfront opening expenses for 4 stores scheduled in July. As a result, higher sales pushed operating profit to 1,058 million yen (up 34.4% year on year) and ordinary profit to 1,061 million yen (up 26.7% year on year). Furthermore, recording a gain on sales of investment securities of 1,160 million yen as extraordinary income lifted quarterly net income attributable to owners of parent to 1,456 million yen (up 167.8% year on year)—with all profit metrics hitting record highs.

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

(Assets)

Current assets at the end of the first quarter under review were 17,826 million yen, an increase of 835 million yen from the end of the previous fiscal year, driven mainly by increases of 461 million yen in cash and deposits and 353 million yen in merchandise.

Fixed assets were 14,206 million yen, a decrease of 442 million yen from the end of the previous fiscal year. This was mainly due to an increase of 385 million yen in tangible assets and a decrease of 1,002 million yen in investment securities.

As a result, total assets were 32,032 million yen, an increase of 393 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter of the current fiscal year were 9,629 million yen, an increase of 658 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 820 million yen in short-term borrowings. Non-current liabilities were 2,406 million yen, an increase of 68 million yen from the end of the previous consolidated fiscal year.

As a result, total liabilities were 12,036 million yen, an increase of 727 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the first quarter under review were 19,995 million yen, a decrease of 334 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 274 million yen in retained earnings and a decrease of 624 million yen in valuation difference on available-for-sale securities.

As a result, the equity to asset ratio was 62.1% (63.9% at the end of the previous 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 Six months ending September 30, 2026 and the Fiscal Year Ending March 31, 2027 announced in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” on May 12, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,307,878	3,769,594
Accounts receivable	1,724,999	1,680,766
Merchandise	11,201,218	11,555,110
Work in Process	—	30
Other	757,279	821,380
Allowance for doubtful accounts	△1,109	△857
Total current assets	16,990,266	17,826,023
Fixed assets		
tangible assets		
Buildings and structures, net	3,353,734	3,671,934
Land	1,125,032	1,125,032
Construction in progress	39,819	19,689
Other, net	1,384,153	1,471,567
tangible assets Total	5,902,740	6,288,225
intangible assets		
Software	593,409	590,679
Goodwill	1,062,971	1,039,983
Other	39,344	36,293
intangible assets Total	1,695,725	1,666,956
Investments and other assets		
Investment securities	4,218,361	3,215,957
Other	2,831,772	3,034,960
Total investments and other assets	7,050,134	6,250,918
Total Fixed assets	14,648,600	14,206,100
Total assets	31,638,866	32,032,124

(thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable	100,549	118,231
Short-term borrowings	5,090,000	5,910,000
Current portion of long-term borrowings	286,682	269,822
Income taxes payable	672,395	709,368
Provision for bonuses	—	200,509
Contractual liabilities	23,093	24,902
Other	2,798,137	2,396,816
Total current liabilities	8,970,857	9,629,650
Non-current liabilities		
Long-term borrowings	484,233	424,156
Asset retirement obligations	1,052,193	1,249,933
Retirement benefit liability	86,381	87,102
Other	715,155	645,514
Total non-current liabilities	2,337,963	2,406,706
Total liabilities	11,308,821	12,036,356
Net assets		
Shareholders' equity		
Share capital	1,676,275	1,676,275
Capital surplus	1,930,432	1,930,432
Retained earnings	14,567,475	14,841,701
Treasury stock	△22,100	△22,291
Total shareholders' equity	18,152,082	18,426,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,989,442	1,364,652
Foreign currency translation adjustments	75,166	88,074
Total accumulated other comprehensive income	2,064,609	1,452,726
Non-controlling interests	113,354	116,923
Total net assets	20,330,045	19,995,767
Total liabilities	31,638,866	32,032,124

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(thousands of yen)

	First Quarter of the Fiscal Year Ended March 31,2026	First Quarter of the Fiscal Year Ending March 31,2027
Net Sales	8,653,679	11,251,341
Cost of sales	2,676,753	3,530,329
Gross profit	5,976,925	7,721,012
Selling, general and administrative expenses	5,189,757	6,662,669
Operating profit	787,168	1,058,343
Non-operating income		
Interest income	487	758
Dividend income	36,401	6,750
Land rent income	7,507	5,514
Recycling revenue	5,498	5,387
Other	7,511	12,393
Total non-operating income	57,406	30,804
Non-operating expenses		
Interest expenses	6,218	23,854
Other	110	3,499
Total non-operating expenses	6,329	27,353
Ordinary profit	838,245	1,061,794
Extraordinary income		
Gain on sales of fixed assets	—	100
Gain on sales of investment securities	—	1,160,496
Total extraordinary income	—	1,160,596
Extraordinary losses		
Loss on retirement of fixed assets	363	987
Total extraordinary losses	363	987
Income before income taxes	837,882	2,221,404
Income taxes, inhabitants' taxes and enterprise taxes	183,348	632,314
Income taxes-deferred	104,816	128,463
Total income taxes	288,164	760,778
Net income	549,717	1,460,626
Net income attributable to non-controlling interests	5,693	3,784
Profit attributable to owners of parent	544,024	1,456,841

(Quarterly Consolidated Statements of Comprehensive Income)

(thousands of yen)

	First Quarter of the Fiscal Year Ended March 31,2026	First Quarter of the Fiscal Year Ending March 31,2027
Net income	549,717	1,460,626
Other comprehensive income		
Valuation difference on available-for-sale securities	△96,811	△624,790
Foreign currency translation adjustments	△47,057	12,692
Total other comprehensive income	△143,868	△612,098
Quarterly comprehensive income	405,849	848,528
(Breakdown)		
Comprehensive income attributable to owners of the parent	407,136	844,958
Comprehensive income attributable to non-controlling interests	△1,287	3,569

(3)Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on Changes in Accounting Policies)

(Changes in the valuation of inventories)

We previously adopted the retail method (cost method based on book value write-down for decline in profitability) for the valuation of inventories across our entire secondhand business. However, for the BOOKOFF business within this segment, we have changed to the total-average method (cost method based on book value write-down for decline in profitability) effective from the first quarter of the consolidated fiscal year under review.

This change comes as we updated our inventory management system at the beginning of the current consolidated fiscal year following the consolidation of ECONOS Co., Ltd. as a subsidiary in October 2025. Aimed at unifying cost management methods for the BOOKOFF business across both companies, we determined that this updated approach enables more appropriate inventory valuation.

Because the updated system lacks necessary historical data from prior fiscal years, retrospective application of this accounting policy is practically impossible, and the cumulative effect of retrospective application at the beginning of the current period cannot be calculated. Therefore, without retrospective restatement, calculations are performed by treating the book value at the end of the previous fiscal year as the opening balance for the first quarter under review.

The effect of this change in accounting policy is immaterial.

(Notes on Quarterly Consolidated Statements of Cash Flows)

A quarterly consolidated statement of cash flows for the first quarter under review has not been prepared. Depreciation and amortization (including amortization of intangible assets excluding goodwill) and goodwill amortization for the cumulative first-quarter period under review are as follows:

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	241,079	282,183
Amortization of goodwill	10,034	27,052

(Notes on segment information)

【 Segment information 】

I First quarter of the previous fiscal year (From April 1, 2025 to June 30, 2025)

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

(thousands of yen)

	Reportable segment			Other (Note)1	Total	Adjustments (Note)2	Quarterly Consolidated Income Statement Recorded amount (Note)3
	secondhand Business	FC Business	Total				
Net sales							
To External Customers Sales	8,196,433	449,176	8,645,609	8,069	8,653,679	—	8,653,679
Inter-segment sales or transfers	—	74,699	74,699	88,712	163,411	△163,411	—
Total	8,196,433	523,875	8,720,308	96,781	8,817,090	△163,411	8,653,679
Segment Profit	1,304,337	283,925	1,588,262	5,192	1,593,454	△806,286	787,168

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

2 △806,286 thousands of yen in segment profit adjustments consist of △7,797 thousands of yen in inter-segment eliminations and △798,488 thousands of yen in company-wide expenses not allocated to any specific reportable segment.

3 Segment profit is adjusted for operating profit in the quarterly consolidated statement of income.

2. Information related to impairment losses of fixed assets or goodwill, etc., for each reportable segment

Not applicable.

II First quarter of the current fiscal year (From April 1, 2026 to June 30, 2026)

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

(thousands of yen)

	Reportable segment			Other (Note)1	Total	Adjustments (Note)2	Quarterly Consolidated Income Statement Recorded amount (Note)3
	secondhand Business	FC Business	Total				
Net Sales							
To External Customers Sales	10,785,717	433,797	11,219,514	31,826	11,251,341	—	11,251,341
Inter-segment sales or transfers	—	137,373	137,373	95,849	233,223	△233,223	—
Total	10,785,717	571,171	11,356,888	127,676	11,484,565	△233,223	11,251,341
Segment Profit	1,746,794	303,549	2,050,343	4,493	2,054,837	△996,494	1,058,343

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

2 △996,494 thousands of yen in segment profit adjustments consist of 16,079 thousands of yen in inter-segment eliminations and △1,012,574 thousands of yen in company-wide expenses not allocated to any specific reportable segment.

3 Segment profit is adjusted for operating profit in the quarterly consolidated statement of income.

2. Information on Changes in Reportable Segments, etc.

(Changes in the valuation of inventories)

As described in "Notes on Changes in Accounting Policies," we previously adopted the retail method (cost method based on book value write-down for decline in profitability) for the valuation of inventories across our entire secondhand business. However, for the BOOKOFF business within this segment, we have changed to the total-average method (cost method based on book value write-down for decline in profitability) effective from the first quarter of the consolidated fiscal year under review. This change comes as we updated our inventory management system at the beginning of the current consolidated fiscal year following the consolidation of ECONOS Co., Ltd. as a subsidiary in October 2025. Aimed at unifying cost management methods for the BOOKOFF business across both companies, we determined that this updated approach enables more appropriate inventory valuation.

Because the updated system lacks necessary historical data from prior fiscal years, retrospective application of this accounting policy is practically impossible, and the cumulative effect of retrospective application at the beginning of the current period cannot be calculated. Therefore, without retrospective restatement, calculations are performed by treating the book value at the end of the previous fiscal year as the opening balance for the first quarter under review.

The effect of this change in accounting policy is immaterial.

3. Information regarding impairment loss on fixed assets or goodwill, etc., by reportable segment

Not applicable.