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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



July 31, 2025

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 Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	40,288	16.2	3,504	12.4	3,870	11.8	2,677	18.7
June 30, 2024	34,672	1.1	3,117	(4.6)	3,463	(3.0)	2,256	(6.5)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥2,568 million [3.6%]

Three months ended June 30, 2024: ¥2,478 million [(19.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	30.33	30.23
June 30, 2024	24.40	24.32

(Note) The Company conducted a two-for-one split of its common shares, effective April 1, 2025. The basic earnings per share and the diluted earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	180,180	119,132	66.0	1,353.58
As of March 31, 2025	185,535	120,594	64.9	1,358.58

(Reference) Equity: As of June 30, 2025: ¥118,983 million

As of March 31, 2025: ¥120,446 million

(Note) The Company conducted a two-for-one split of its common shares, effective April 1, 2025. The net assets per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen —	Yen 35.00	Yen —	Yen 65.00	Yen 100.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		29.00	—	29.00	58.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) The Company conducted a two-for-one split of its common shares, effective April 1, 2025. The actual dividend amounts for the fiscal year ended March 31, 2025 are presented based on pre-stock split figures. The forecast for the fiscal year ending March 31, 2026 presents post-stock split figures.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	77,000	11.1	5,500	2.7	6,100	3.0	4,000	45.12
Full year	170,000	10.3	15,900	2.9	17,200	2.1	11,400	128.59

(Note) Revision to the performance forecast announced most recently: No

(Note) While the Company resolved to acquire treasury shares at the Board of Directors meeting held on May 9, 2025, this impact has not been factored into the basic earnings per share in the consolidated financial results forecast.

* Notes:

- (1) Significant changes in the scope of consolidation during the period under review: None
- (2) Application of special accounting methods for 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 the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025:	89,157,092 shares
March 31, 2025:	95,987,092 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2025:	1,253,812 shares
March 31, 2025:	7,331,082 shares
 - 3) Average number of shares outstanding during the period:

Three months ended June 30, 2025:	88,275,013 shares
Three months ended June 30, 2024:	92,460,648 shares

(Note) The Company conducted a two-for-one split of its common shares, effective April 1, 2025. The total number of issued shares at the end of the year, the total number of treasury shares at the end of the year, and the average number of shares outstanding during the year have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Explanation of the proper use of financial results forecast and other notes

(Cautionary note on forward-looking statements, etc.)

Financial results forecast and other forward-looking statements included in this material are based on the information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in way guarantee the achievement of the projections. Actual results may differ significantly due to various factors. For the assumptions for financial results forecast and precautions for using financial results forecasts, please refer to “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments.

(How to obtain supplementary explanatory materials on consolidated financial results)

Supplementary explanatory materials on consolidated financial results will be posted on the Company’s website promptly after the announcement of the results.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

1) Overview for the period under review

During the three months ended June 30, 2025 (hereinafter “the period under review”), the Japanese economy saw a mild recovery in economic conditions along with improvements in employment and income conditions, leading to signs of recovery in personal consumption. However, the future outlook remains uncertain, with concerns that could lower consumer sentiment, such as the impact of U.S. trade policies and continued price increases.

In the auto parts and accessories industry, in which the Company operates, tire sales performed strongly throughout the period due to price revisions implemented by various tire manufacturers, which generated rush demand before the price increases. Additionally, in-store sales of expendable auto parts such as oil and batteries progressed steadily, driven by demand for driving during the Golden Week holidays in May.

In this environment, the Group actively implemented key measures to meet the needs of customers who rely on cars as their daily transportation. Specifically, we strengthened our product lineup and inventory system for tires, which are core products, and began full-scale early deployment of seasonal products, including sunshades, in preparation for summer. Furthermore, in installation and maintenance services, we issued notifications regarding the extension of the vehicle inspection acceptance period from one to two months due to regulatory changes in April 2025, and promoted proposals for body coating and air conditioning services. Additionally, we improved convenience by adding a same-day oil change reservation feature to the Yellow Hat official app we have been rolling out. As a result of being used by many customers, performance remained solid.

As a result, the Group achieved record highs for the first three months of a fiscal year in net sales, gross profit, operating profit, ordinary profit, and profit attributable to owners of parent, with the following financial position and operating results for the period under review.

During the period under review, net sales amounted to 40,288 million yen (116.2% year-on-year, or up 5,616 million yen), due to the start of incorporating Y International, Inc., which operates the “Y’s Road” sports bicycle chain stores and was made a subsidiary in January 2025, into consolidated income, strong sales of expendable auto parts such as tires and batteries, and an increase in wage earnings. Gross profit was 18,293 million yen (117.5% year-on-year, or up 2,725 million yen).

Selling, general and administrative expenses amounted to 14,789 million yen (118.8% year-on-year, or up 2,338 million yen), primarily owing to an increase in subsidiary stores and store operation costs, including personnel costs.

As a result, operating profit was 3,504 million yen (112.4% year-on-year, or up 387 million yen), ordinary profit was 3,870 million yen (111.8% year-on-year, or up 406 million yen), and profit attributable to owners of parent was 2,677 million yen (118.7% year-on-year, or up 421 million yen).

As for the breakdown of net sales by key division, the Retail Division recorded net sales of 27,966 million yen (122.7% year-on-year, or up 5,174 million yen), while the Wholesale Division recorded net sales of 9,698 million yen (103.2% year-on-year, or up 301 million yen).

2) Overview for the period under review by segment

The following is an overview for the period under review by segment, classified by business category.

<Automotive and Motorcycle Parts Sales Business>

Openings and closings of Yellow Hat stores during the period under review were as follows.

The Group opened the following four stores: Fukuyama Teshiro Store (Hiroshima) in April 2025; Yonezawa Kanaike Store (Yamagata) and Tread Niigata Sakuragi IC Store (Niigata) in May; and Chukan Sakai Store (Osaka) in June. The Group closed Yonezawa Store (Yamagata) in May 2025.

As for stores other than Yellow Hat stores, the Group closed Y’s Road Ochanomizu Store (Tokyo) in April

2025.

As a result of the above, the number of stores at the end of the first quarter under review totaled 919 stores including 754 Yellow Hat stores, 63 2Rinkan stores, 75 Bike Kan stores (including Kawasaki PLAZA), and 27 Y's Road stores. Other locations included 10 automobile inspection centers, 11 coin-operated carwash locations, and 96 Niconico Rent a Car locations.

Net sales of the Automotive and Motorcycle Parts Sales Business for the period under review amounted to 38,839 million yen (116.9% year-on-year, or up 5,623 million yen) and segment profit was 3,134 million yen (115.1% year-on-year, or up 412 million yen).

<Real Estate Lease Business>

Net sales of the Real Estate Lease Business for the period under review amounted to 1,449 million yen (99.5% year-on-year, or down 6 million yen) and segment profit was 370 million yen (93.8% year-on-year, or down 24 million yen).

(2) Overview of Financial Position for the Period under Review

1) Assets

The balance of current assets at the end of the first quarter under review decreased by 5,981 million yen to 70,807 million yen (compared with 76,789 million yen at the end of the previous fiscal year). This decrease was primarily due to decreases of 5,289 million yen in cash and deposits, 1,674 million yen in notes and accounts receivable - trade, and 1,079 million yen in other (accounts receivable - other, etc.), while inventories increased by 2,057 million yen.

The balance of non-current assets increased by 626 million yen to 109,372 million yen (compared with 108,746 million yen at the end of the previous fiscal year). This increase was primarily due to an increase of 889 million yen in other property, plant and equipment, net (construction in progress, etc.), while land decreased by 284 million yen.

As a result, the balance of total assets amounted to 180,180 million yen (compared with 185,535 million yen at the end of the previous fiscal year).

2) Liabilities

The balance of current liabilities at the end of the first quarter under review decreased by 3,722 million yen to 55,105 million yen (compared with 58,827 million yen at the end of the previous fiscal year). This decrease was primarily due to decreases of 1,612 million yen in income taxes payable and 1,338 million yen in notes and accounts payable - trade.

The balance of non-current liabilities decreased by 169 million yen to 5,942 million yen (compared with 6,112 million yen at the end of the previous fiscal year).

As a result, the balance of liabilities amounted to 61,047 million yen (compared with 64,940 million yen at the end of the previous fiscal year).

3) Net assets

The balance of net assets at the end of the first quarter under review decreased by 1,462 million yen to 119,132 million yen (compared with 120,594 million yen at the end of the previous fiscal year). This decrease was primarily due to a decrease in retained earnings of 4,885 million yen resulting from a decrease due to dividends paid and cancellation of treasury shares, offsetting an increase in profit attributable to owners of parent, while treasury shares decreased by 3,532 million yen due to acquisition and cancellation of treasury shares.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company has not changed its financial results forecast for the first half and the full year, which was announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025" on May 9, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	31,251	25,961
Notes and accounts receivable - trade	9,079	7,405
Inventories	29,303	31,361
Other	7,162	6,083
Allowance for doubtful accounts	(8)	(3)
Total current assets	76,789	70,807
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,022	59,579
Accumulated depreciation	(29,046)	(29,284)
Buildings and structures, net	29,975	30,294
Land	43,490	43,206
Other	16,206	17,278
Accumulated depreciation	(8,127)	(8,310)
Other, net	8,078	8,968
Total property, plant and equipment	81,545	82,469
Intangible assets		
Goodwill	2,426	2,382
Software	1,074	1,071
Other	462	461
Total intangible assets	3,963	3,915
Investments and other assets		
Investment securities	11,341	11,157
Leasehold deposits	7,473	7,442
Other	4,695	4,662
Allowance for doubtful accounts	(272)	(275)
Total investments and other assets	23,237	22,987
Total non-current assets	108,746	109,372
Total assets	185,535	180,180

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,199	7,861
Short-term borrowings	35,000	35,000
Income taxes payable	2,996	1,383
Contract liabilities	1,673	1,563
Provision for bonuses	1,484	2,082
Other	8,475	7,214
Total current liabilities	58,827	55,105
Non-current liabilities		
Retirement benefit liability	115	120
Lease liabilities	44	38
Asset retirement obligations	3,572	3,600
Other	2,380	2,183
Total non-current liabilities	6,112	5,942
Total liabilities	64,940	61,047
Net assets		
Shareholders' equity		
Share capital	15,072	15,072
Capital surplus	9,085	9,085
Retained earnings	97,870	92,985
Treasury shares	(4,697)	(1,165)
Total shareholders' equity	117,330	115,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,893	4,767
Revaluation reserve for land	(1,907)	(1,907)
Foreign currency translation adjustment	121	109
Remeasurements of defined benefit plans	7	36
Total accumulated other comprehensive income	3,115	3,005
Share acquisition rights	147	147
Non-controlling interests	1	1
Total net assets	120,594	119,132
Total liabilities and net assets	185,535	180,180

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	34,672	40,288
Cost of sales	19,103	21,994
Gross profit	15,568	18,293
Selling, general and administrative expenses	12,450	14,789
Operating profit	3,117	3,504
Non-operating income		
Interest income	8	7
Dividend income	86	108
Commission income	91	115
Share of profit of entities accounted for using equity method	38	31
Reversal of allowance for doubtful accounts	-	1
Other	134	151
Total non-operating income	358	416
Non-operating expenses		
Interest expenses	0	20
Other	11	30
Total non-operating expenses	12	51
Ordinary profit	3,463	3,870
Extraordinary income		
Gain on sale of non-current assets	0	51
Total extraordinary income	0	51
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	0	0
Total extraordinary losses	1	1
Profit before income taxes	3,462	3,920
Income taxes - current	1,108	1,255
Income taxes - deferred	98	(11)
Total income taxes	1,206	1,243
Profit	2,256	2,677
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	2,256	2,677

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	2,256	2,677
Other comprehensive income		
Valuation difference on available-for-sale securities	207	(125)
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Share of other comprehensive income of entities accounted for using equity method	15	16
Total other comprehensive income	222	(109)
Comprehensive income	2,478	2,568
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,478	2,568
Comprehensive income attributable to non-controlling interests	(0)	(0)

(3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes to significant changes in shareholders' equity)

(Acquisition of treasury shares)

Pursuant to the resolution of the Board of Directors meeting held on May 9, 2025, the Company acquired 752,600 treasury shares. As a result, treasury shares increased by 1,149 million yen during the period under review.

(Cancellation of treasury shares)

Pursuant to the resolution of the Board of Directors meeting held on May 9, 2025, the Company cancelled 6,830,000 treasury shares on May 30, 2025. As a result, retained earnings and treasury shares each decreased by 4,681 million yen during the period under review.

As a result of the above and other factors, retained earnings amounted to 92,985 million yen and treasury shares amounted to 1,165 million yen at the end of the first quarter under review.

(Notes on the statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the period under review. However, depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 are as follows:

	(Million yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	736	803
Amortization of goodwill	4	43

(Notes to segment information, etc.)

I. For the three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others	Total
	Automotive and Motorcycle Parts Sales Business	Real Estate Lease Business	Total		
Net sales					
Net sales to external customers	33,216	1,456	34,672	—	34,672
Inter-segment net sales or transfers	—	—	—	—	—
Total	33,216	1,456	34,672	—	34,672
Segment profit	2,722	395	3,117	—	3,117

Note: Segment profit matches operating profit on the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses relating to non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II. For the three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others	Total
	Automotive and Motorcycle Parts Sales Business	Real Estate Lease Business	Total		
Net sales					
Net sales to external customers	38,839	1,449	40,288	—	40,288
Inter-segment net sales or transfers	—	—	—	—	—
Total	38,839	1,449	40,288	—	40,288
Segment profit	3,134	370	3,504	—	3,504

Note: Segment profit matches operating profit on the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses relating to non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

(Significant gain on bargain purchase)

Not applicable