

Aug 14, 2024

To All Concerned Parties

Company Name	BuySell Technologies Co., Ltd.
Representative	Kosuke Tokushige, President, representative director & CEO
Securities code	7685
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[Summary version]

Notice of Acquisition of Shares of REXT HOLDINGS CO., LTD. and Making it a Wholly Owned Subsidiary through a Simplified Share Exchange

We are pleased to announce that our Board of Directors resolved on August 14, 2024, to make REXT HOLDINGS CO., LTD. our subsidiary through a share acquisition and exchange.

Rext HD is a pure holding company with several operating subsidiaries and other companies in addition to a subsidiary that operates the reuse business, the Company's main business.

Before the Share Acquisition and the Share Exchange, Rext HD plans to spin off its real estate and other businesses through a corporate spin-off, and the Company will make a holding company, which will own only the subsidiaries related to the Reuse Business after the corporate spin-off, a wholly owned subsidiary.

Note

I. Reason for acquisition of shares (making the company a subsidiary)

The Group's mission is "to be a bridge that connects people, transcends time, and connects precious things. The Group provides a comprehensive reuse service that realizes a cycle of purchase and sale.

In addition to the "BuySell" service, one of the largest at-home pick-up services in Japan operated by the Company, the Company is strengthening the opening of "BuySell" stores for purchase. Through aggressive M&A activities, we have developed 356 stores nationwide (as of June 30, 2024) that purchase 5 brands, including 4 subsidiaries. We will continue to aim to increase corporate value through the expansion of diverse purchase and sales channels and synergy effects among group companies.

After the company split, Rext HD will consist of seven subsidiaries: REGATE Inc. ("REGATE"), which will be the core subsidiary, Nikkoudou K.K. which mainly purchases and assesses antiques and antique art, and five functional subsidiaries necessary to develop the reuse business, including call centers, logistics, and marketing. The company is comprised of seven subsidiaries. REGATE, the core subsidiary of the Reuse Business, operates an at-home pick-up business and store-purchasing business (18 stores as of June 30, 2024) for main kimonos, stamps, brand bags, jewelry, etc. under the "FUKU CHAN" service brand, The company has achieved business growth mainly in the at-home pick-up business by increasing the number of employees and raising awareness of the company through aggressive promotional activities such as TV commercials.

With the acquisition of the shares of Rext HD, we intend to strengthen further our approach to "hidden assets" in Japan, which are estimated to be approximately 66 trillion yen*, by effectively utilizing and collaborating with the management resources of the Company and Rext HD group companies. To further strengthen the competitive advantage of the at-home pick-up business and to promote further growth as

the BuySell Group, we have decided to make Rext HD our subsidiary by concluding a share transfer agreement and a share exchange agreement with Rext HD.

*Source: "2023 Edition: Survey of 'Hidden Assets' Lying in Japanese Households," November 15, 2023, supervised by Mercari Inc. and Nissay Research Institute.

II. Method of the Share Acquisition and Share Exchange

The Company will purchase 7,660 of the 8,660 outstanding shares of Rext HD through the Share Acquisition and will acquire the remaining 1,000 shares through the Share Exchange, thereby making Rext HD a wholly owned subsidiary of the Company. We plan to allot 297,000 shares of treasury stock held by the Company (303,129 shares of treasury stock held as of June 30, 2024) as consideration for this share exchange, and the Company does not plan to issue any new shares.

The execution of the Share Acquisition and the Share Exchange is subject to the absence of any cease-and-desist order, etc. issued by the Fair-Trade Commission in its examination of the notification filed under Article 10, Paragraph 2 of the Antimonopoly Act.

III. Outline of the Share Acquisition

1. Schedule of the Share Acquisition

(1) Date of Board of Directors resolution approving share acquisition	August 14, 2024
(2) Date of execution of share transfer agreement	Mid-August 2024(scheduled)
(3) Date of completion of share acquisition	October 1, 2024 (scheduled)

2. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

(1) Number of shares held before the change	0 Shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) Number of shares acquired	7,660 Shares (Number of voting rights : 7,660, Percentage of voting rights held: 88.5%)
(3) Acquisition price	The acquisition amounts to 8,200 million yen Advisory fees, etc. (estimated amount) 40 million yen Total (estimated amount) 8,240 million yen
(4) Number of shares held after the change	7,660 shares (number of voting rights: 7,660; percentage of voting rights held: 88.5%)

IV. Outline of the Share Exchange

1. Schedule of the Share Exchange

(1) Date of the Board of Directors' resolution approving the share exchange (the Company)	August 14, 2024
(2) Date of execution of share exchange agreement	Mid-August 2024(scheduled)
(3) Effective date of share exchange	October 8, 2024 (scheduled)

(Note) Under Article 796, Paragraph 2 of the Companies Act, the Company plans to conduct the Share Exchange through a simplified Share Exchange procedure that does not require approval at a general meeting of shareholders of the Company.

2. Method of the Share Exchange

The Share Exchange will be a share exchange in which the Company will become the wholly owned parent company in share exchange and Rext HD will become the wholly owned subsidiary company in share exchange. The consideration to be delivered by the Company to the shareholders of Rext HD

through the Share Exchange will be the Company's shares only.

3. Details of the Allotment of Shares in the Share Exchange

	BuySell Technologies Co., Ltd. (Share Exchange Wholly Owning Parent Company)	REXT HOLDINGS CO., LTD. (Wholly owned subsidiary in share exchange)
Allotment Ratio for this Share Exchange	1	297
Number of shares to be delivered upon share exchange	Common stock of the Company: 297,000 shares	

(Note 1) Share allotment ratio

For each share of the common stock of Rext HD, 297 shares of common stock of the Company will be allocated to Mr. Shigeo Tada and Mr. Yoshihisa Sogo, shareholders of Rext HD. However, no shares will be allocated and delivered under the Share Exchange for the shares of common stock of Rext HD held by the Company as of immediately before the effective date (scheduled for October 8, 2024).

(Note 2) Number of shares of common stock of the Company to be delivered upon the Share Exchange

Upon the Share Exchange, 297,000 shares of common stock of the Company will be allocated and delivered. The Company plans to allot 297,000 shares of treasury stock held by the Company (303,129 shares of treasury stock held by the Company as of June 30, 2024) for the shares to be delivered, and the Company does not plan to issue any new shares.

4. Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Share Exchange

Not applicable, as Rext HD has not issued any stock acquisition rights or bonds with stock acquisition rights.

5. Basis of Calculation of the Allotment of Shares upon the Share Exchange

The Company's stock value was determined to be 3,610 yen per share using the average market stock price method (the calculation base date is July 31, 2024, and the simple average of the closing stock price on each trading day in the last three months until the calculation base date) to consider not only the closing stock price at a certain point but also the historical average stock price because the Company is listed on the Growth Market of the Tokyo Stock Exchange and the market stock price fluctuates daily. The closing stock price on the calculation reference date was 4,050 yen.

In contrast, to ensure the fairness and appropriateness of the value of the shares of Rext HD, an unlisted company, we requested an independent third party, Grant Thornton Taiyo Advisors Co., Ltd... The amount of 1,070,500 yen per share was determined after careful discussions between the parties within the range (940,069 yen to 1,284,642 yen) of the calculation results stated in the valuation report.

6. Prospect of delisting and reasons for delisting

No applicable matter.

V. Outline of the Subsidiary to be Transferred and the Parties to the Share Exchange

	Share Exchange Wholly Owning Parent Company	*1 Wholly owned subsidiary in a share exchange
(1) Company name	BuySell Technologies Co., Ltd.	REXT HOLDINGS CO., LTD.
(2) Location	PALT Building, 4-28-8 Yotsuya,	3-5-13 Azuchi-machi, Chuo-ku, Osaka-shi,

	Shinjuku-ku, Tokyo	Osaka
(3) Title and name of representative	Kyohei Iwata, Representative Director and Chairman of the Board. Kosuke Tokushige, President and CEO.	Representative Director Yoshihisa Sogo
(4) Business	Reuse business	Business management of the entire group companies and related operations
(5) Capital stock	897 million yen	70 million yen
(6) Date Established	January 2001	April 2016
(7) Total number of shares issued and outstanding	14,613,820 shares	8,660 shares
(8) Fiscal Year End	December 31	December 31
(9) Number of Employees	1,751 (consolidated)	5 (non-consolidated) Approx. 500 (total of reuse-related subsidiaries)
(10) Main Banks	Mizuho Bank Chiba Bank Sumitomo Mitsui Trust Bank Shizuoka Bank, etc.	Resona Bank
(11) Major Shareholders and Shareholding Ratio	Hideki Yoshimura Midas A Investment Limited Partnership 42.0% Midas No. 2 Investment Limited Partnership 16.4% Kyohei Iwata 7.1% Munenori Oishi 5.6% Japan Custody Bank, Ltd. (Trust Account) 4.2% NORTHERN TRUST CO.(AVFC) RE NON-TREATY CLIENTS ACCOUNT 2.8% The Master Trust Bank of Japan, Ltd. 2.7% Hideki Yoshimura 2.0% Goldman Sachs Bank Europe SE, Luxembourg Branch 2.0% BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC) 1.4% (As of June 30, 2024)	Shigeo Tada 37.8% Rext Dream Fund Limited Partnership 30.6% Yoshihisa Sogo 20.2% Two other corporate shareholders
(12) Major Customers	Reuse Business	Reuse Business
(13)	Relationship between the listed company and the company concerned	
Capital		

	Relationships	Not applicable
	Personal relations	
	Business relations	
	Related Parties Status as a related party	

(14) Operating results and financial condition of the company for the past three years

Fiscal Year End	BuySell Technologies Co., Ltd. (Consolidated)			* ² REXT HOLDINGS CO., LTD. (Non-consolidated)			
	FYE December 31, 2021	FYE December 31, 2022	FYE December 31, 2023	FYE December 31, 2021	FYE December 31, 2022	FYE December 31, 2023	* ³ (Reference) FYE December 31, 2023 (Consolidated)
Net assets (Millions of yen)	4,592	8,238	8,610	73	74	184	698
Total assets (Millions of yen)	10,285	17,644	21,320	223	129	495	4,059
Net assets per share (yen)	319.34	560.38	589.51	13,799.4	14,080.6	29,973.8	113,323.3
Net sales (Millions of yen)	24,789	33,724	42,574	132	140	243	13,769
Operating income (Millions of yen)	2,315	3,694	2,796	-4	-4	14	971
Ordinary income (Millions of yen)	2,295	3,672	2,754	-2	-4	15	957
Net income (Millions of yen)	1,314	2,268	1,453	-7	-5	16	292
Net income per share (yen)	93.26	158.28	100.11	-1,321.5	-1,112.1	2,657.1	47,361.7
Dividend per share (yen)	14.0	20.00	25.00	-	-	-	-
(Reference) EBITDA (Millions of yen)							1,155

*1 Rext HD plans to implement a corporate spin-off on August 20, 2024, to separate its non-reuse related subsidiaries (real estate business, other businesses, etc.). Rext HD, the company in which we plan to conduct the Share Acquisition and Share Exchange, will be a holding company that owns a total of seven companies, including a reuse-related subsidiary and a shared services-related subsidiary.

*2 Due to the change in fiscal year-end, historical figures have been adjusted to the current accounting period (fiscal year ending December 31).

*3 Since Rext HD does not prepare consolidated financial statements, these are simplified consolidated figures for reference, combining the non-consolidated figures of Rext HD with those of its subsidiaries. For the fiscal year ending December 31, 2024 (consolidated), which is a progressive period, they expect net sales to be at the 17 billion yen

level and operating income at the 1.2 billion yen level.

VI. Status after the Share Exchange

There will be no change in the trade name, head office location, representative, business activities, capital stock, or fiscal year end of our company, the wholly owning parent company in the share exchange, and the number of net assets and total assets have not been determined at this time.

VII. Outline of Accounting Procedures

The accounting treatment for the Share Acquisition and the Share Exchange falls under the category of "acquisition" under the accounting standards for business combinations and is the treatment of the acquisition of Rext HD by the Company. However, the amount of goodwill, if any, and the number of years for amortization have not been determined at this time and will be disclosed as soon as they are determined.

VIII. Outlook

Since December 31, 2024, is the deemed acquisition date and only the balance sheet will be consolidated in the fourth quarter of the current fiscal year, we do not expect this matter to have a material impact on our financial results for the fiscal year ending December 31, 2024, but we will promptly disclose any matters that should be publicly announced in the future.

The Company plans to borrow from financial institutions for the acquisition of the shares. Details will be disclosed as soon as they are finalized.

(Reference) Consolidated earnings forecast for the current fiscal year (announced on August 14, 2024) and consolidated results for the previous fiscal year (Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income attributable to the parent company
FY24 Consolidated Earnings Forecast	61,850	4,680	4,140	2,240
FY23 Consolidated Actual	42,574	2,796	2,754	1,453

End.