January 8, 2025

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Notice of Revision of the Financial Result Forecast for the Fiscal Year and Revision of Dividend Forecast (Dividend Increase)

World Co., Ltd. (hereinafter, the "Company") hereby announces that, at the Board of Directors meeting held on January 8, 2025, it has resolved to revise the earnings forecasts and the dividend forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025), which were disclosed on April 3, 2024 at the time of the financial results announcement for the fiscal year ended February 29, 2024. The details are as follows.

1. Revisions to the full-year earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

	Revenue	Core operating profit	Operating profit	Profit before tax	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A)	230,000	17,000	15,500	14,550	8,500
Revised forecast (B)	230,000	17,000	16,500	15,500	11,100
Change (B-A)	–	–	1,000	950	2,600
Change (%)	–	–	6.5	6.5	30.6
(Reference) Results for the fiscal year ended February 29, 2024	202,342	13,569	12,004	11,186	6,764

(Note) Due to the change in the fiscal year-end, the consolidated accounting period for the previous fiscal year is an 11-month period from April 1, 2023 to February 29, 2024. For an explanation on the comparison with the previous fiscal year in conjunction with the change in the fiscal year-end, please refer to "1. Qualitative information on quarterly consolidated financial results" in the attached materials of the Consolidated Financial Results released today.

2. Reasons for the revisions

The Company expects profit attributable to owners of parent for the fiscal year ending February 28, 2025 to be 11,100 million yen, exceeding the previously announced forecast of 8,500 million yen by approximately 2,600 million yen, or more than 30%. The factors for this upward revision can be largely divided into two categories: (i) revenue for the first nine months of the fiscal year exceeding the planned figure (an increase of approximately 600 million yen) and (ii) temporary accounting and tax-related factors (an increase of approximately 2,000 million yen).

First, regarding “(i) revenue for the first nine months of the fiscal year exceeding the planned figure,” while there were still some product issues remaining to address for the apparel brands in the Brand Business, such as the lingering summer heat, the lifestyle brand remained firm and the Digital Business and Platform Business have grown, exceeding the initial expectations. Because the fourth quarter remains and the outlook is still unpredictable, the forecasts for revenue and core operating profit remain unchanged from the initial plan. However, because profit attributable to owners of parent is expected to be higher by approximately 600 million yen, the Company will allocate this increase of the revised amount to increasing the fiscal year-end dividend and has revised the dividend forecasts as follows.

Next, the “(ii) temporary accounting and tax-related factors” include the estimated gain on bargain purchase associated with the planned inclusion through consolidation of Mitsubishi Corporation Fashion Co., Ltd. in February 2025, as well as the impacts of RIGHT ON Co., Ltd. becoming a subsidiary through W&D Investment Design Inc., which is an investment company accounted for using equity method, and of Laxus Technologies, Inc., which was a consolidated subsidiary, becoming an associate accounted for using equity method in conjunction with the new listing of the said company’s shares. In addition, the Company expects to record a provision for temporary losses to prepare for future risks. These are temporary factors and they were not taken into consideration in the calculation of the following dividend forecasts.

3. Details of revisions to the dividend forecasts

	Annual dividends		
	Second quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen
Previous forecast		38.00	75.00
Revised forecast		43.00	80.00
Results for the current year	37.00		
(Reference) Results for the fiscal year ended February 29, 2024	26.00	30.00	56.00

Breakdown of fiscal year-end dividends for the fiscal year ended February 29, 2024

Ordinary dividend per share: 25.00 yen

Commemorative dividend per share: 5.00 yen (commemorative dividend for the 5th anniversary of the Company’s listing)

4. Reasons for the revisions to the dividend forecasts

The Company’s basic capital policy is to ensure improvement in a well-balanced and sustainable manner by adopting a three-pronged approach that focuses on “profit growth,” “shareholder returns,” and “financial soundness.” In addition, as set forth in the medium-term management plan “PLAN-W” announced in May 2023, the Company aims to maintain its target payout ratio of 30% in the three-year period up to the fiscal year ending

February 28, 2026 while increasing shareholder returns by continuously increasing dividends using sustainable growth in profit as the source of the funds.

In the current fiscal year, which is the second year of PLAN-W, the Company's earnings have continued to grow steadily, carrying on from the previous fiscal year as described above, and we have made solid progress towards the achievement of PLAN-W. Although the dividend forecasts are calculated by multiplying adjusted profit, which excludes temporary factors, by the payout ratio, the Company has calculated the forecasts with the increase of the revised amount of profit attributable to owners of parent, which excludes the temporary accounting and tax-related factors, as the source of the funds for the increased dividend.

In light of this capital policy and the progress in generating earnings in the current fiscal year, the Company expects to increase the fiscal year-end dividend for the fiscal year ending February 28, 2025 by 5 yen per share from 38 yen to 43 yen. Although the annual dividends for this fiscal year of 80 yen are forecast to be significant higher than the dividends of 56 yen paid in the previous fiscal year, which was an irregular 11-month accounting period, this represents an annualized dividend increase of nearly 30% from the 48 yen per year prior to the start of PLAN-W. For the following fiscal year onward, the Company aims to achieve continuous increases in dividends backed by growth in earnings.

(Note) The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors in the future.