

Always Creating,
Sharing Value.
Always Striving
For More.



World Co., Ltd.

**Financial Results for the Fiscal Year
Ended February 28, 2026**

April 2026

World Co., Ltd.

Financial Results for the Fiscal Year
Ended February 28, 2026

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Disclaimer

The World Group's earnings forecast and numerical targets described in this document, other than those based on historical or objective facts, are future projections by the Company based on currently available information and are subject to risks and uncertainties. Actual results may differ significantly from earnings forecast and numerical targets due to a variety of factors, including economic environment and market trends surrounding the Group.

This document has been prepared to foster a more informed understanding of the Group, and should not be construed as a solicitation for investment. While the data has been compiled with due consideration, we shall not be held liable for any failures or damages that may arise in connection with this document due to errors contained herein, falsification of data by a third party, or any other reason whatsoever.

The Company has adopted the International Financial Reporting Standards (IFRS) accounting principles since the end of the fiscal year ended March 31, 2013, IFRS 16 (Leases) since the fiscal year ended March 31, 2020, and will make early adoption of IFRS 18 (Presentation and Disclosure in Financial Statements) and disclose management KPIs, etc. by incorporating the debt relating to Leases into the interest-bearing debt from the fiscal year ending February 28, 2027.

This document has been prepared in accordance with IFRS in all aspects unless otherwise stated and the normalized business profit (ex- core operating profit) has been calculated by deducting COGS, selling expenses and G&A expenses from the revenue. For more information on the structure of each business segment, refer to page 18. For abbreviations and other terminologies used in this document, refer to page 40.

I

World Co., Ltd.

Financial Results for the Fiscal Year
Ended February 28, 2026

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Financial Results Review

Plan-W Summary

Financial Statements: Statement of Profit or Loss

- ① We revised our business forecast downward due to unfavorable sales in 4Q, as already announced in the news release dated March 12, 2026. The FY02/26 actual was finally at the level of the revised forecast, however, substantially below the initial forecast and a disappointing result at the final stage of PLAN-W.
- ② The profit recovery after the COVID-19 pandemic was not satisfactory, either. Though the revenue and the profit attributable to owners of the parent have continuously increased, the profits at all stages between the topline and the bottom-line decreased YoY for the first time during the recovery period after the COVID-19 pandemic.

#	(Millions of yen)	FY02/26 actual		FY02/26 forecast		① Actual - forecast		FY02/25 actual		② vs FY02/25 actual	
			% of total		% of total	Change	% change		% of total	Change	% change
1	Revenue	284,014	100.0%	282,000	100.0%	2,014	101%	225,658	100.0%	58,356	126%
2	Gross profit	139,674	49.2%	139,000	49.3%	674	100%	133,288	59.1%	6,386	105%
3	SG&A expenses	123,267	43.4%	122,600	43.5%	667	101%	116,275	51.5%	6,992	106%
4	Core operating profit (loss)	16,407	5.8%	16,400	5.8%	7	100%	17,013	7.5%	-606	96%
5	Other income and	△379	—	△400	—	21	—	△283	—	-96	—
6	Operating profit (loss)	16,028	5.6%	16,000	5.7%	28	100%	16,730	7.4%	-702	96%
7	Finance income and costs, net	△1,825	—	△1,800	—	-25	—	△1,290	—	-535	—
8	Profit (loss) before tax	14,203	5.0%	14,200	5.0%	3	100%	15,440	6.8%	-1,237	92%
9	Income taxes ^(a)	△2,190	—	△2,200	—	10	—	△4,401	—	2,211	—
10	Profit (loss) attributable to owners of parent	12,013	4.2%	12,000	4.3%	13	100%	11,039	4.9%	974	109%

Income taxes^(a) reduction

(a) Includes income tax expense and non-controlling interests.

• Figures for FY03/25 have been adjusted to reflect the finalization of provisional accounting treatments for business combinations.

1. Decrease in income taxes due to application of tax effect accounting relating to reorganization in World Group, etc.
2. Prevention of profit outflow to non-controlling interest through making NARUMIYA INTERNATIONAL CO., LTD., a wholly owned company, etc.

- ① The equity attributable to owners of the parent increased due to making certain subsidiaries wholly owned companies through stock exchange and our approach toward the optimal equity composition has steadily progressed. The non-controlling interest in the amount of 4.6 billion yen was transferred to equity through the stock exchange with NARUMIYA INTERNATIONAL CO., LTD. and we also expect the effect of making RIGHT-ON CO., LTD., a wholly owned company in near future.
- ② The inventories increased by 3.9 billion yen (14%) compared to the end of FY02/25, mainly attributed to the consolidation of RIGHT-ON CO., LTD. The consolidated inventory turnover substantially improved mainly due to reduction in winter clothes procurement for such apparel brands as World and Narumiya.

#	(Millions of yen)	February 28, 2026	% of total	February 28, 2025	% of total	Change	RIGHT-ON's impact on consolidation (note)
11	Cash and deposits	18,109	6.5%	21,748	7.9%	-3,638	-2,598
12	Trade receivables (b)	33,182	11.8%	37,023	13.5%	-3,841	890
13	Inventories	31,682	11.3%	27,756	10.1%	3,927	3,869
14	Current assets	86,771	31.0%	90,525	33.1%	-3,755	2,641
15	Property, plant and equipment	33,412	11.9%	35,445	12.9%	-2,033	801
16	Right-of-use assets	46,318	16.5%	40,139	14.7%	6,179	8,325
17	Goodwill	61,168	21.8%	57,176	20.9%	3,992	3,992
18	Intangible assets	82,657	29.5%	79,024	28.9%	3,632	3,992
19	Financial assets	19,801	7.1%	17,355	6.3%	2,446	2,019
20	Non-current assets	193,288	69.0%	183,301	66.9%	9,987	19,979
21	Total assets	280,059	100.0%	273,826	100.0%	6,233	22,619
22	Trade payables (b)	24,222	8.6%	27,772	10.1%	-3,549	2,420
23	Borrowings	81,787	29.2%	86,779	31.7%	-4,992	3,042
24	Lease liabilities (c)	48,164	17.2%	45,141	16.5%	3,023	7,618
25	Interest-bearing debt	129,951	46.4%	131,920	48.2%	-1,969	10,660
26	Total liabilities	183,777	65.6%	187,387	68.4%	-3,611	17,527
27	Equity attributable to owners of the parent	94,659	33.8%	81,188	29.6%	13,471	3,920
28	Interest-bearing debt	1,623	0.6%	5,251	1.9%	-3,628	1,172
29	Total equity	96,282	34.4%	86,439	31.6%	9,843	5,092
30	Total liabilities and equity	280,059	100.0%	273,826	100.0%	6,233	22,619

Increase / decrease of inventories	
[Impact of new consolidation]	
RIGHT-ON CO., LTD.	+ 3.87 billion yen
MCF	+ 0.39 billion yen
Others *1	+ 0.21 billion yen
Total	+ 4.47 billion yen
[Increase / decrease in current businesses]	
World (BR)	- 0.12 billion yen
Narumiya	- 0.26 billion yen
Others *2	- 0.16 billion yen
Total	- 0.55 billion yen

*1 Consisting of WORLD SEWING CO., LTD. (+ 0.07 billion yen) and newly established WORLD SAHA (THAILAND) CO., LTD. (+ 0.14 billion yen)

*2 Consisting of each company in Investment and Overseas, sub-segments of Brand business in addition to each company in digital business and Platform business.

Making RIGHT-ON CO., LTD., a wholly owned subsidiary became effective on March 1, 2026

→ The majority of the equity excluding its treasury shares has been transferred to the equity attributable to owners of the parent as of March 1, 2026.

(b) Trade receivables include notes and accounts receivable only. Trade payables include notes and accounts payable only.

(c) From this FY, we indicate all the lease liabilities based on IFRS 16. (We indicated figures for the end of FY 02/25 based on the same standard as well.)

* Figures for FY02/25 have been adjusted to reflect the finalization of provisional accounting treatments for business combinations.

(Note) We indicate RIGHT-ON's impact on consolidation, a newly consolidated subsidiary in FY02/26 as reference.

- ① The free cash flow (FCF) in real terms was 12.3 billion yen, an increase of 4.2 billion yen YoY, which also exceeded the plan in the PLAN-W period, 10.0 billion yen. Though the FCF at the end of 1H was – 0.8 billion yen mainly due to a specific factor (- 6.2 billion yen), the FCF at the end of the fiscal year substantially improved mainly due to reduction of winter clothes procurement.
- ② We acknowledged that the cash flow was practically more favorable than the profit, considering such impacts that the capital investment at World was shifted from leasing to capitalization (- 2.4 billion yen) and that the collection of accounts receivable at MC FASHION CO., LTD. was delayed to the subsequent FY due to holidays at the end of the FY (- 1.9 billion yen).

#	(Millions of yen)	FY02/26	FY02/25	Change	Notes
31	Profit (loss) before tax	14,203	15,440	-1,237	Decrease in profit before tax
32	Depreciation and amortization	18,944	18,103	840	
33	Decrease (increase) in working capital ^(d)	△1,121	411	-1,532	Decrease (increase): Decrease in trade receivables (CF: + 4.1billion yen*)
34	Other, net	△1,041	△1,962	921	*The collection at MCF was delayed to the subsequent month due to month-end holidays: + 1.9 billion yen, decrease in procurement obligations (CF: - 6.2 billion yen)
35	Net cash provided by (used in) operating activities	30,984	31,992	-1,008	
36	Purchase (or proceeds from sale) of property, plant and equipment, net	△2,747	△2,130	-617	Sale of HQs building (+ 1.7 billion yen), shift from leasing to capitalization (- 2.4 billion yen)
37	Purchase (or proceeds from sale) of marketable securities, net ^(e)	523	△6,390	6,913	FY02/25: Acquisition of MCF (- 5.2 billion yen), acquisition of RIGHT-ON (- 1.2 billion yen)
38	Purchase (or proceeds from sale) of intangible assets, net	△2,464	△1,693	-771	
39	Payments for (or proceeds from collection of) leasehold deposits and guarantee deposits, net	329	△276	605	
40	Other, net	226	228	-1	
41	Net cash provided by (used in) investing activities	△ 4,132	△10,262	6,130	
42	Free cash flow	26,852	21,730	5,122	
43	Decrease (increase) in borrowings and bonds payable	△9,740	7,375	-17,115	FY02/25: Financing / repayment for MCF (11.5 billion yen)
44	Repayments of lease obligations	△14,581	△13,638	-943	
45	Equity-related income and expenses	△4,830	△13,579	8,749	Increase (decrease): Repayment of subordinated loan in FY02/25 (+ 10.0 billion yen), increase in dividend payment (- 0.9 billion yen)
46	Other, net	△1,786	△914	-873	
47	Net cash provided by (used in) financing activities	△30,937	△20,755	-10,182	
48	Net increase (decrease) in cash and cash equivalents^(f)	△3,638	900	-4,538	

Free cash flow in real terms (#42-44)

- (d) The change in working capital is calculated as follows: change in trade receivables + change in inventories - change in trade payables
 (e) Marketable securities include shares of subsidiaries and affiliates in addition to investment securities.
 (f) Net increase (decrease) in cash and cash equivalents also includes the effect of exchange rate changes on cash and cash equivalents.

① Issues and Achievements: KPI Summary

We summarize initiatives and achievements made when preparing the Medium-Term Management Plan considering the assessment of KPI achievement for PLAN-W, the first Medium-Term Plan publicly disclosed. At the next Medium-Term Plan, we shall address such areas of improvement indicated this time that “inflexible planning and implementation failed at the final stage” without fail.

* The figures for FY02/24 are corrected figures based on the irregular financial results due to change of the accounting period and, in practice, we simply added the actual results of March 2024 to those for FY02/24.

(Unit: million yen)

	PLAN-W					Asses sment
	FY03/23	FY02/24	FY02/25	FY02/26		
	Actual	Actual	Actual	Plan	Actual	
P/L KPI						
Contribution by corporate actions						
Revenue	2,142	2,233	2,257	2,548	2,840	○
Core operating profit <small>Business profit</small>	135	164	170	190	164	×
Brand business	100	116	111	123	89	×
Digital business	13	20	26	27	23	△
Platform business	1	12	18	19	42	○
Profit attributable to owners of the parent	57	82	110	100	120	○
B/S KPI						
Refinancing of subordinated loan completed Year-end figures						
Net D/E ratio	0.76x	0.71x	0.86x	0.67x	0.72x	△
Net interest-bearing debt	630	581	699	566	678	×
Equity attributable to owners of the parent	824	820	813	841	947	○
Return on Capital						
Overall good performance Average of the beginning and the year-end figures						
ROE (Return on Equity)	7.1%	9.9%	13.5%	10.0%	13.7%	○
ROIC (Return on Invested Capital)	4.8%	6.4%	8.5%	n.a.	8.8%	—
Capital Cost						
Necessary to prepare for a rise in the interest rate						
COE (Cost of Equity)	9.13%	8.92%	10.17%	8.00%	7.52	○
WACC (Weighted Average Cost of Capital)	4.54%	4.18%	4.81%	n.a.	4.85	—

Issues

We could not achieve the core operating profit target and the profit decreased YoY in the final year of PLAN-W.

The apparel business showed a downward achievement from the 2nd year of PLAN-W, however, we did not revise the initial plan, which resulted in more disappointing results in the final fiscal year with the overambitious sales plan.

We regret that the inflexible plan being publicly disclosed for the first time resulted in disappointing results, lacking flexibility responding to business circumstances.

We made performance-related bonuses for directors and those equivalent to executive officers zero, considering such disappointing results. Also, they voluntarily gave up all the stock-price-related stock options including vested ones.

Notes

In “VISION-W”, we accounted new leases (IFRS 16) in interest-bearing debt.

It is necessary to set a target considering such points as encouraging an increase in the net D/E ratio and ensuring a downward pressure to ROIC and WACC.

Achievements

In the Capital aspect, we achieved our plan both in return and cost.

For ROE, we overachieved the target of 12% we revised upward in the middle and for COE, we achieved the target figure, as we reduced the β value as planned, compensating for the rise in the interest rate.

We set the target KPI in the Capital aspect for the first time and it showed a positive deterrent effect including unplanned M&A.

① Issues and Achievements: From PBR 1X to pursuing TSR

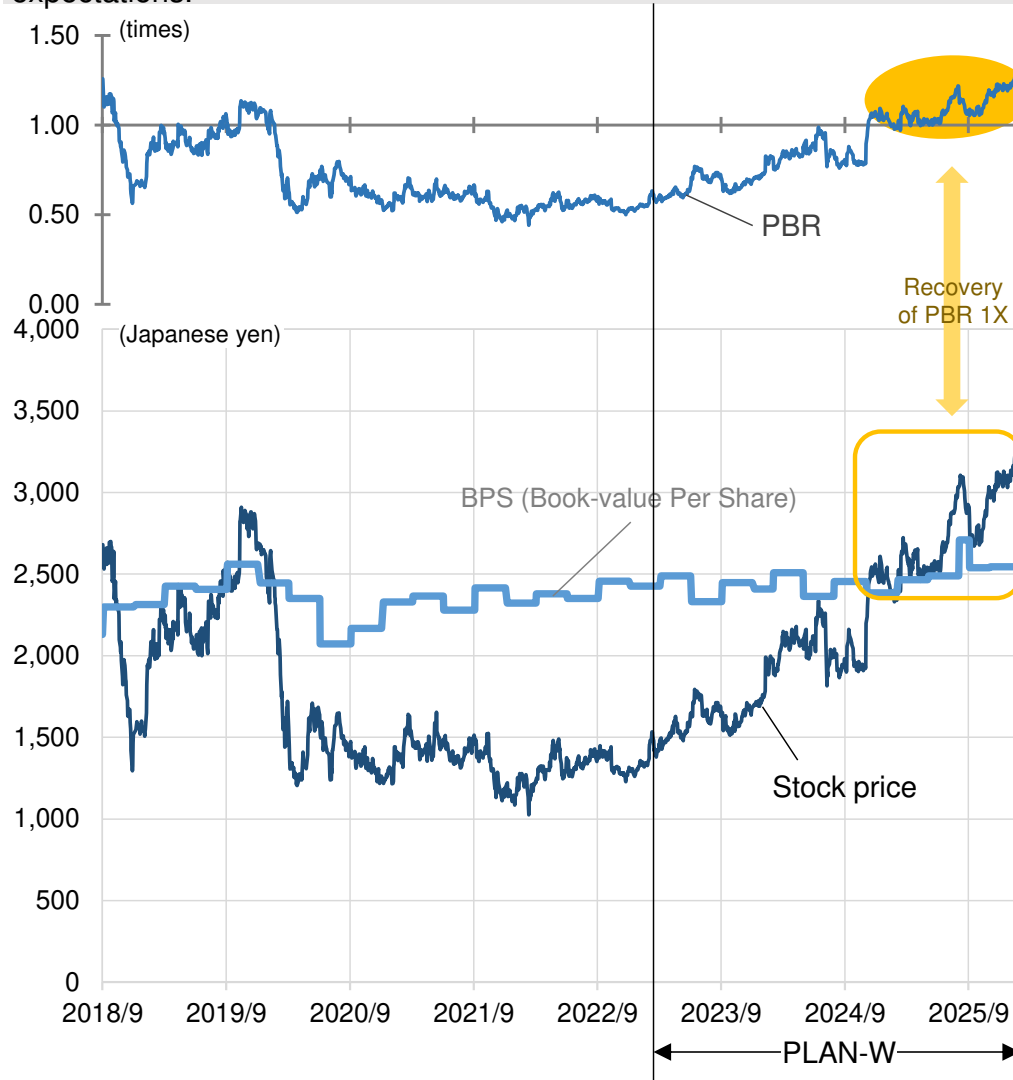
We indicate the trend of PBR and TSR starting from the re-listing on September 28, 2018. Though we came back to PBR 1X, for TSR, we are still behind TOPIX and the average of 12 of our peer companies. Though we have improved TSR during the PLAN-W period, we have not yet recovered from the decrease during the COVID-19 pandemic.

Achievement: Recovery from PBR below 1



Issue: TSR index is still under the market average

We recovered from PBR below 1, powered by ROE improvement, not by increase in PER. We substantially lack efforts to improve growth expectations.



The TSR increase in "PLAN-W" is still in the level of rebound along with the structural reform effect and the recovery from the COVID-19 pandemic. We shall achieve sustainable growth.



Source: Prepared in cooperation with Nomura Securities Co., Ltd.

① Issues and Achievements: Review of Strategic Actions

Though we have achieved re-composition and development of portfolio in the Brand business to some extent, disappointing results in the existing apparel business negatively affected the entire group. For the Digital business, we started having a long-delayed approaches for growth. For the Platform business, we started preparing for further growth.

Corporate actions	Brand business	“Portfolio re-composition” Making RO a 100% subsidiary / making Narumiya a 100% subsidiary / making HSL a 100% subsidiary	
		Enhancement of business portfolio	✗ Disappointing in World’s original apparel business On the other hand, continuous improvement in lifestyle business
		Store opening at multi-channels	⚠ Though we increased sales in several businesses, we could not succeed in improving operational accuracy.
	Sustainable metabolism	⚠ Though we launched several new brands, we are not yet able to make them profitable.	
	Digital business	“Selection and focus” Making Laxus a membership company / making OpenFashion a 100% subsidiary	
		Focus on circular economy	⚠ We completed our focus on re-use, and the business reached 10-billion-yen level. However, finally, it was negatively impacted by Laxus’s impairment.
		Focus on solution business	⚠ Made a full-fledged launch of long-delayed development of sales structure. In addition, we have taken steps for service improvement.
	Enhancement of management base	⚠ Though we are implementing re-alignment of its management structure, we face risks occasionally.	
	Platform business	“Breaking our limit” Making MCF a 100% subsidiary	
End-to-end services		○ Finally establishing cross-the-board proposals for services	
Problem-solution type sales		○ We substantially expanded our sales coverage with MCF’s participation. We made full-fledged enhancement of sales structure by shifting human resources	
Improvement of products and services based on customer viewpoint	⚠ Though we made progress in certain market opportunities and improvements, we have not made progress in practical development of solutions.		

Taking decisive actions for structural reform for apparel business

“Short term” approach in the previous 2H

- We deeply regret the unrealistic sales plan, the procurement linked to such a plan and the residual inventory as a result, following the result in the previous 1H.
- We decisively take structural reform measures toward the next Medium-Term Plan to cut the negative spiral with the risk of giving up short-term revenue.

- 1 Putting a brake strategically on the number of types and procurement**
→To end low gross profit margin and bad inventory
- 2 Slimming down personnel structure at HQs and reassignment within the group**
→To shift resources to store fronts and B2B
- 3 Ensuring sure punishment or reward**
→To ensure performance appraisal based on achievements and efforts

↓

Approaches to “Medium-Term” Plan from the next FY onward

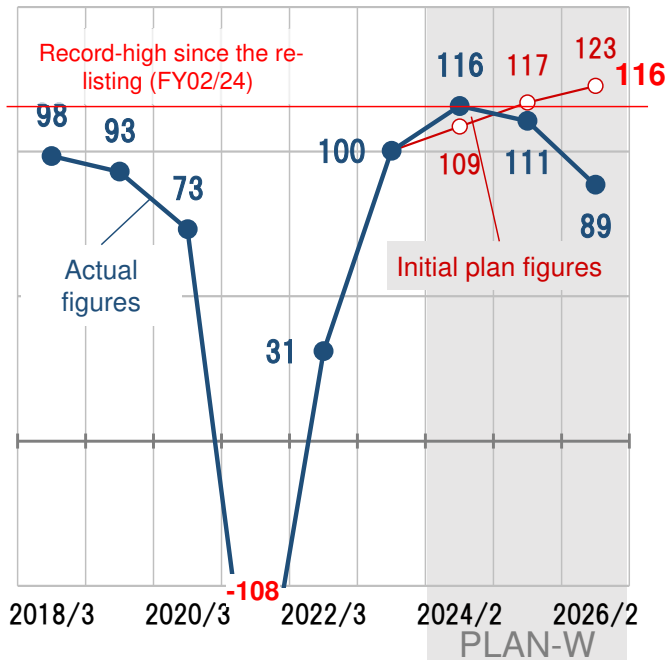
- To re-implement daily profitability improvement PDCA not depending on sales
- The fundamental issue is product development and MD accuracy as well as weakening sales capabilities.
To take time to reconstruct them looking from every viewpoint, “starting from scratch”..
 - To identify the loss in value chain, to decisively implement BPR
 - To ensure revitalization with human resources investment in advance and to foster competitive environment
 - Transition of MD to the next generation with more detailed Off-JT and On-JT, etc.

As for the profit by business segment stated in PLAN-W, only the Platform business achieved a record-high profit supported by MCF's participation in the consolidation. As a result, B2B business's profit exceeded one-third of the total business profit for the first time.

Brand business (100 million yen)

Disappointing due to poor sales of main apparel brands

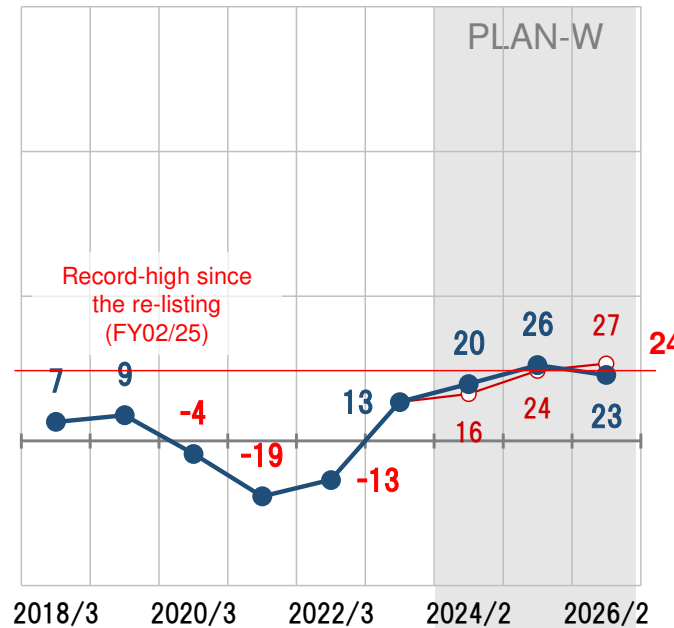
Lifestyle brands continuously show profit increase



Digital business (100 million yen)

B2C circular business could not make up for the loss made by Lexus's exclusion

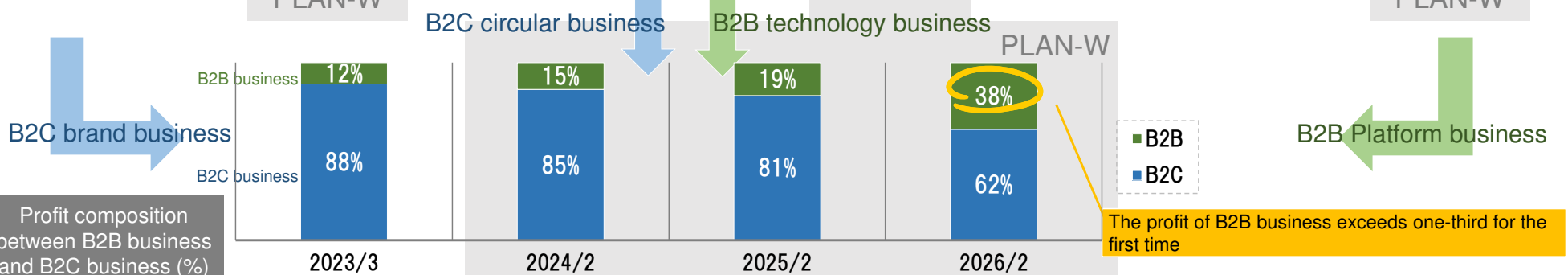
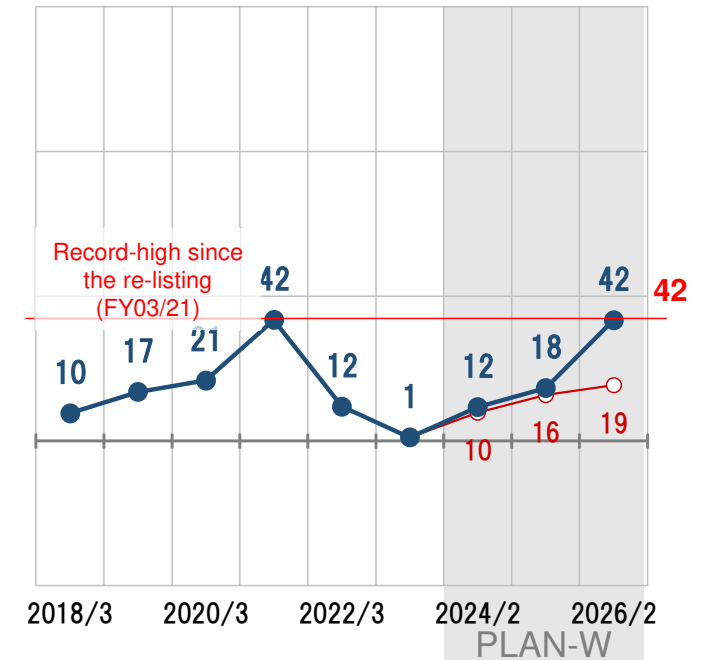
B2B technology business continues to show profit increase trend



Platform business (100 million yen)

Positively impacted by MCF's participation in the consolidation

How to enhance sales agents is an issue for growth to expand the business scale



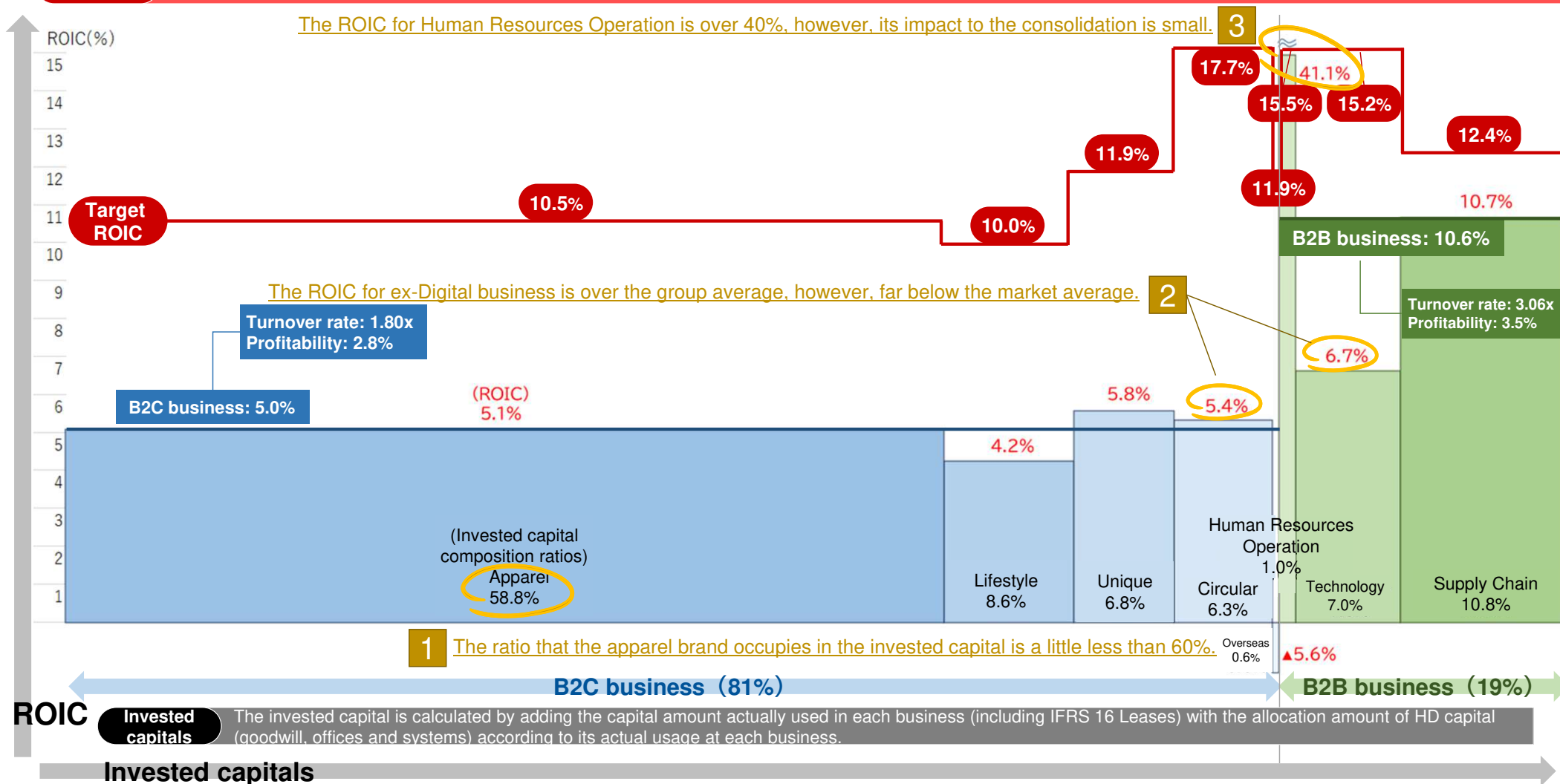
The profit of B2B business exceeds one-third for the first time

* The figures for FY02/24 are corrected figures based on the irregular financial results due to change of the accounting period and, in practice, we simply added the actual results of March 2024 to those for FY02/24.

The ROIC for B2B business is higher, as we have such a structure that around 80% of the invested capital is allocated to B2C business, which is higher in comparison with NOPAT and asset light. It is important for each business to improve its value, considering the pitfall of optimal ROIC for individual business and being aware of coordinated work within the entire group.

ROIC by business sub-segment (FY02/26 actual)

Target ROIC: The target ROIC is a hurdle rate that each business should aim to achieve, and we adopt the average of benchmarking COE, reflecting inherent risks for each business.



Over the nine years through the end of March 2026, we executed equity investments totaling JPY 56.7 billion, using a combination of cash and share consideration. By vertical axis, apparel accounted for 47%, followed by supply chain at 22% and circular businesses at 20%; by horizontal axis, turnaround investments accounted for 15%, and the use of share exchanges involving listed companies accounted for 22%, among other notable characteristics.

The past 9 years

(2018/3~2026/3)

56.7 billion yen

Annual average: 6.3 billion yen

Investment type:

Business scale:

billion yen

Investment method:

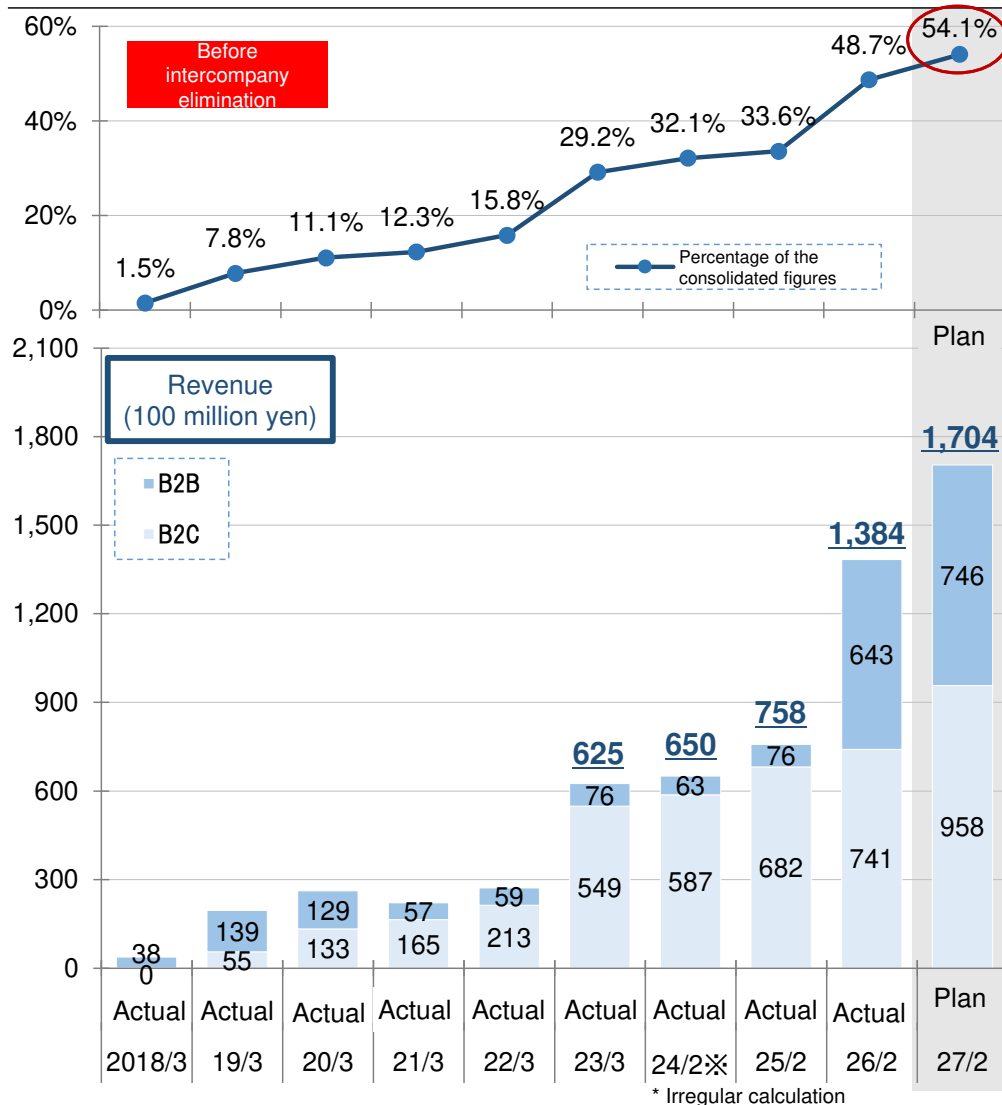
		Purchase / investment (including exceptional minority investment)				Revitalization and investment	
		Business succession / acquisition (including carve out)					
		0 ⇒ 1	1 ⇒ 10	10 ⇒ 100	100 ⇒ 100		
		Cash consideration			Stock consideration	Cash consideration	
Domestic	B2C	Apparel					
		Lifestyle					
		Circular					
	B2B	Technology					
		Human Resources Operation					
		Supply Chain					
		Designers' Brand					
	Product Brand						
Global							

Minority investment

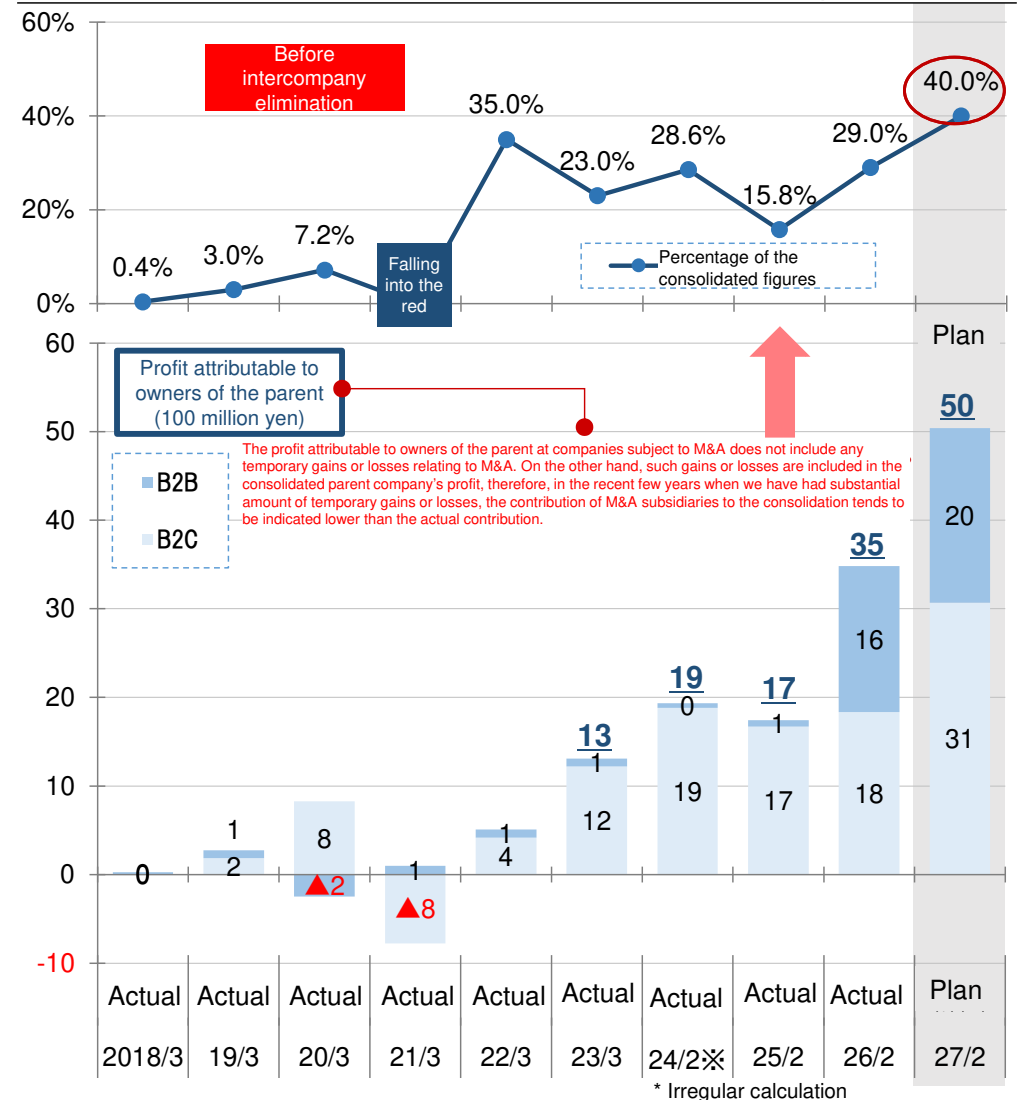


As a result, the investee companies have shown good performance, achieving almost half of the profit attributable to owners of the parent and substantially making up for the sales loss due to World's structural reform, even if there was a temporary slow-down due to the COVID-19 pandemic. We have transformed ourselves from the profit structure depending on World's apparel segment.

M&A subsidiaries' contribution to the consolidation: Revenue



M&A subsidiaries and related companies' contribution to the consolidation: Profit attributable to owners of the parent



Note) For the profit attributable to owners of the parent, we did not include those with such temporary impacts as negative goodwill and impairment loss accounted at World. As such temporary gains / losses, we accounted the negative goodwill in the amount of 2.7 billion yen at KLC (FY03/20), the loss on step acquisition in the amount of 1.3 billion yen at Narumiya (FY03/22), the goodwill impairment loss in the amount of 2.0 billion yen at Original (total of FY03/22 and FY 03/23), the gain on step acquisition in the amount of 1.0 billion yen at STRASBURGO (FY03/23), the negative goodwill in the amount of 4.9 billion yen at MCF (FY02/25), the gain on step acquisition, etc. in the amount of 3.1 billion yen at RIGHT-ON (FY02/26) and the stock valuation loss in the amount of 2.0 billion yen at Laxus (FY02/26).

II

World Co., Ltd.

Financial Results for the Fiscal Year
Ended February 28, 2026

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Medium-Term Management Plan VISION-W

Offering a diverse range of fashion to society — toward the fashion industry’s “third pole”

We are positioning ourselves as the fashion industry’s “third pole” — an overwhelmingly diverse group distinct from the “first pole” (global SPAs) and the “second pole” (mega retailers / mega suppliers). We aim to be the hub where a multitude of fashion brands and services come together

Declaration of our commitment to achieve JPY 1 trillion in revenue— an essential milestone for establishing a sustainable “Third Pole” in the fashion industry.

We will surpass our historical record highs in both revenue and profit since founding. With existing-business revenue of JPY 330 billion as a foundation and by accelerating M&A, we will first target JPY 500 billion as an intermediate milestone on the path to JPY 1 trillion. We will pursue skillful M&A, bold overseas expansion, and the co-creation of new value through IP and strategic alliances.

We will establish an optimal capital structure as the foundation for long-term sustainability and resolve our capital and financing issues.

Targets: net D/E ratio of 0.75x; net assets of JPY 120 billion; and the ability to issue corporate bonds through attaining an A credit rating.

We will provide competitive remuneration linked to taking on challenges and delivering results, and enhance employee value through diverse development opportunities.

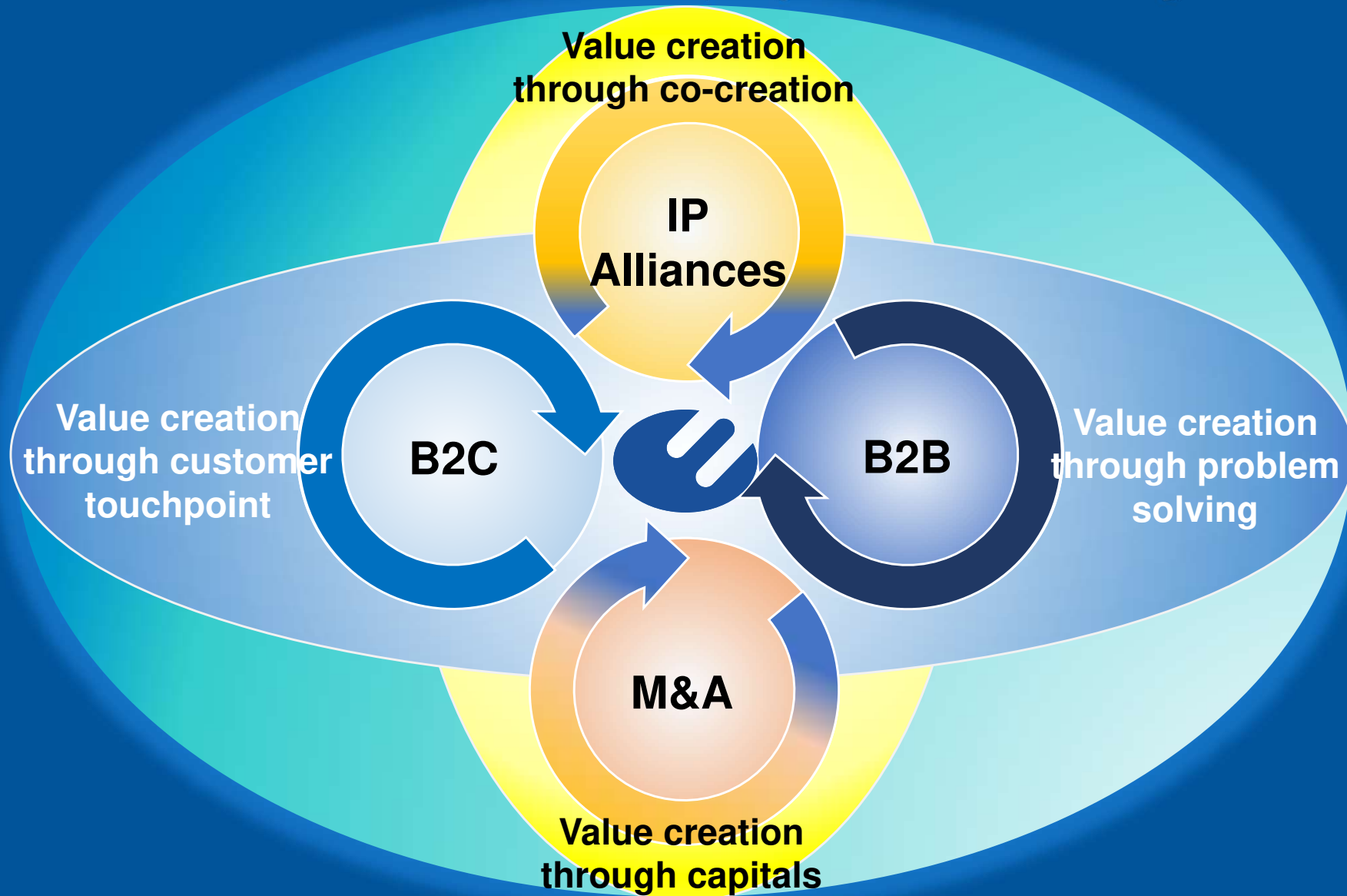
Under a challenge-and-results-oriented annual salary system, we aim to target an annual pay increase of 10% for employees who demonstrate initiative and strong performance.

We will overturn the stereotype that domestic apparel is a mature, declining sector and establish ourselves as an excellent, market-leading company.

Long-term targets: TSR 15%, ROIC 10.0%, ROE 15.0%, DOE 6.0%.
Medium-term targets (PLAN-W): TSR 11%, ROIC 8.5%, ROE 12.5%, DOE 5.0%.

To foster strong “human resources” while engaging in the most advanced “technology.” And, to cultivate “minds” creating wonderful workplaces, always focusing on “righteousness”

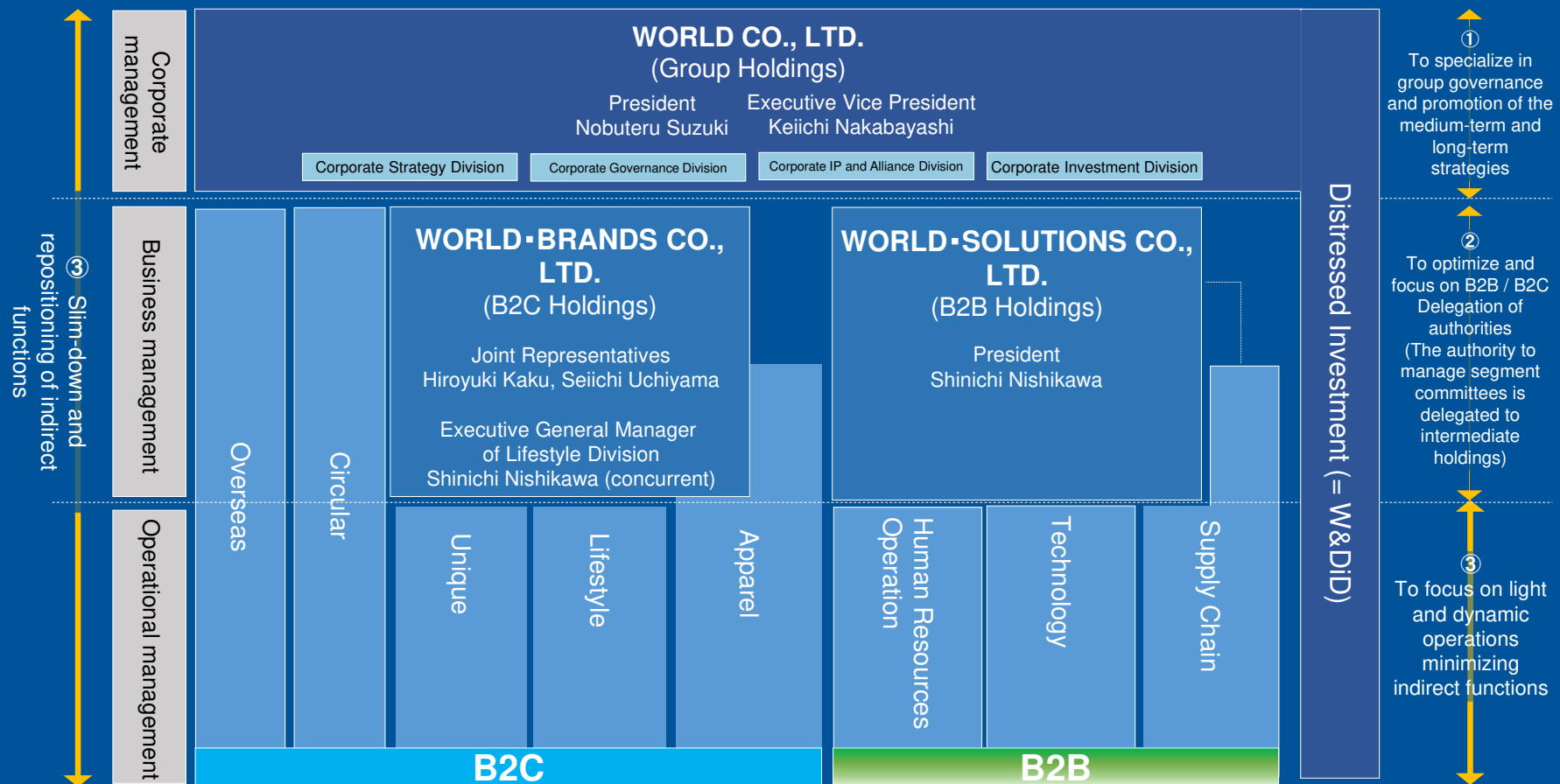
Full-fledged Implementation of Evolving WORLD Fashion Ecosystem Toward one-of-a-kind value creation company in the world through 4 touchpoints



New corporate formation to materialize “diversified solidarities” Completion of reorganization based on 3 directions to formation fighting at 2 large segments

Three directions

- ① Reconstruction of management strength: Reconstruction of management structure. World Co., Ltd. will focus on Group governance, resource optimization and strategic initiatives.
- ② Reconstruction of competitiveness: Restructuring segments to conform to facing markets and business models. Focusing on operational improvement with slim and lean organization.
- ③ Reconstruction of productivity: Reinforcement of cost competitiveness and elimination of redundancy by taking advantage of the scale merit as Group to win the competition in segments.

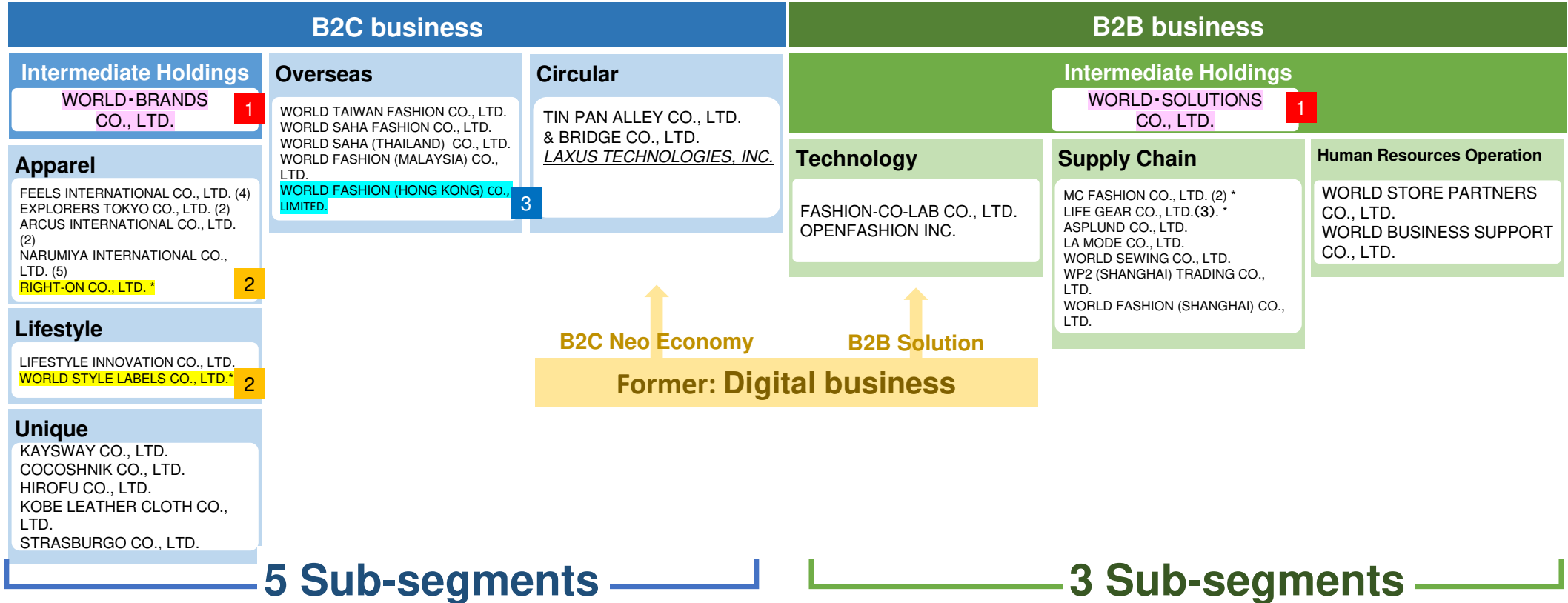


Independent business units. We aim to rebuild profit structure for apparel business while reducing profit transfer from ex-World Apparel. The holdings take more risks than before and support new business development investments, in particular, personnel investment to committed businesses.

VISION-W Segment Composition

47 Group companies
Parent, 44 subsidiaries,
and 2 affiliates*

* *Equity-method affiliates (italics, underlined)*



1 To shift to 2 large business segments as B2C business and B2B business

In B2C business, we consolidate shares, etc. of affiliates to "WORLD•BRANDS CO., LTD.", an intermediate holding company covering this business domain, under which such sub-segments as "Apparel", "Lifestyle", "Unique" are created. B2C contains such sub-segments as "Overseas" having its business mainly in Asia and "Circular" whose name was changed from B2C Neo Economy, Digital business, which are directly managed by HD as strategic businesses.

We consolidate shares, etc. of affiliates relating to B2B business to "WORLD•SOLUTIONS CO., LTD.", an intermediate holding company whose trade name was changed from "WORLD PLATFORM SERVICE CO., LTD." under which such sub-segments as "Technology", "Supply Chain" and "Human Resources Operation", transferred from Platform business and B2B solution of Digital business, are created.

2 To make certain affiliates a 100% subsidiary

We made "RIGHT-ON CO., LTD." a 100% subsidiary to pursue further synergy and improve corporate value.

We acquired shares of "WORLD STYLE LABELS CO., LTD." (100%) for partial business succession from Hankyu Style Labels Co., Ltd.

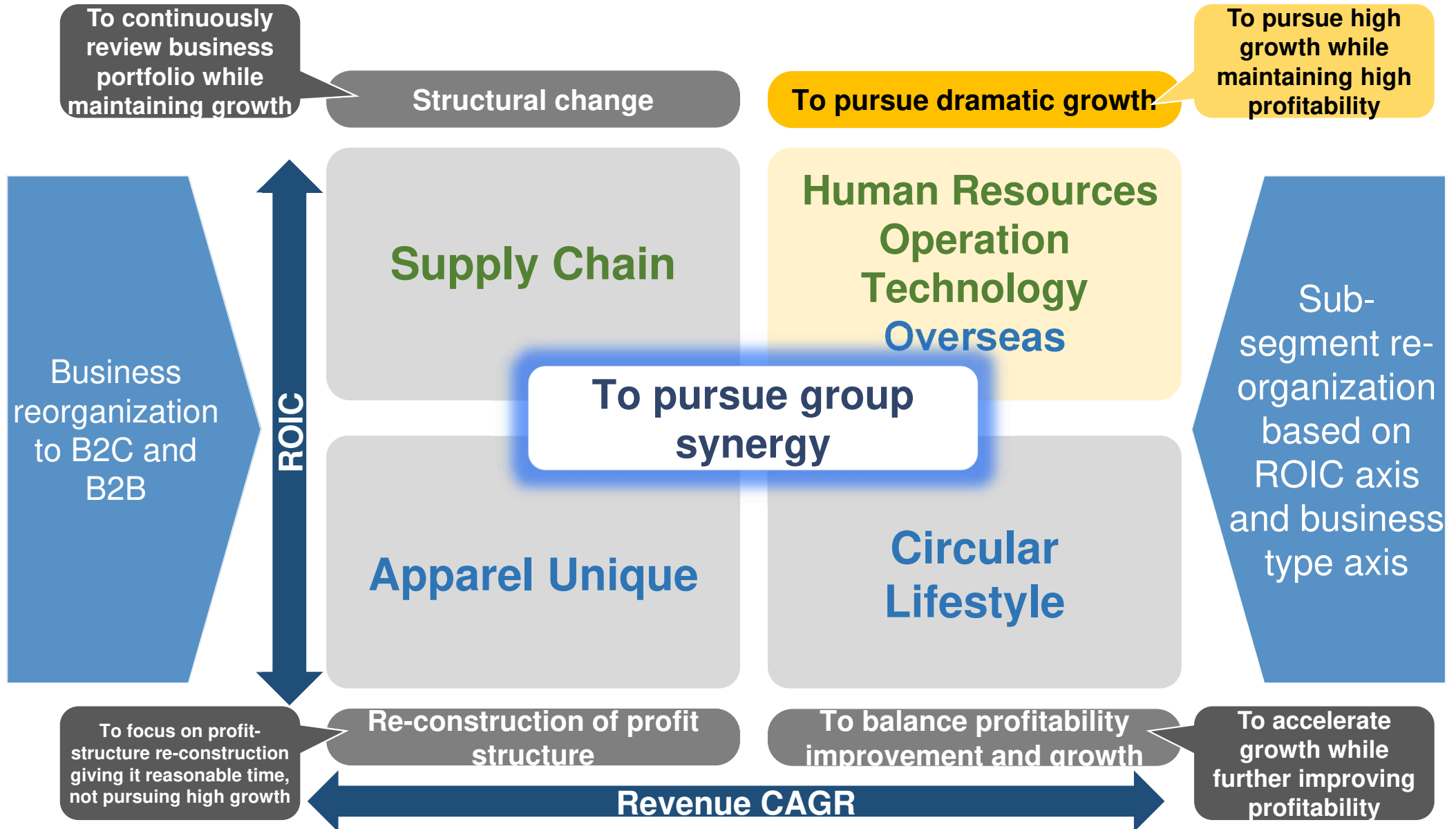
3 New establishment (overseas local subsidiaries)

We established "WORLD FASHION (HONG KONG) CO., LIMITED." to make a full-fledged deployment of circular business, etc. in Hong Kong.

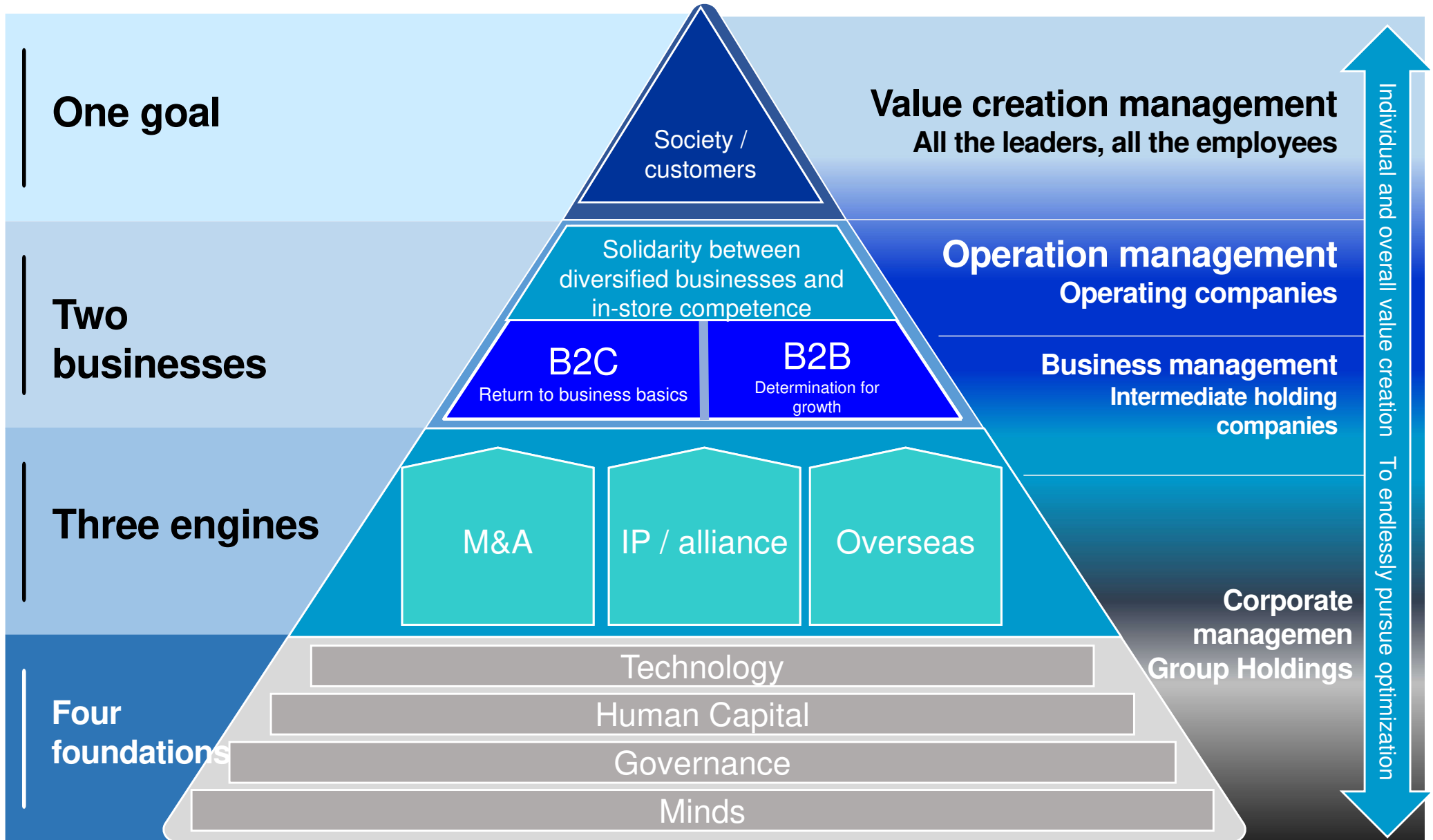
The numbers described in parentheses after company names represent the number of group companies that each company has.
Example: XXXX (●)

Companies with *sign are out of intermediate holdings management, in which our company (parent company) has directly invested.

We evolve into portfolio management having revenue growth and return on capital as two axes. We accelerate businesses with high growth and asset light for ROIC improvement. At the same time, we take time to reconstruct B2C, value resource of our business model, considering the pitfall of optimal ROIC



We pursue value creation, improving in-store competence at re-organized business segments, identifying group foundation and growth engine. In line with this, we re-align management hierarchies and redefine a role for each.



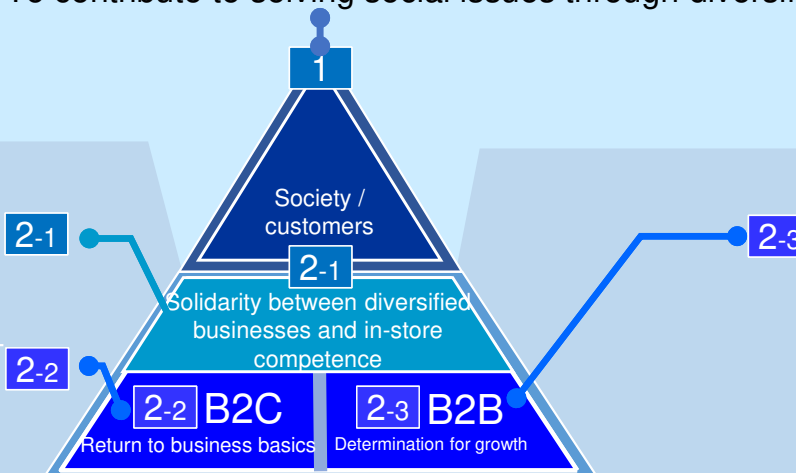
All move to value creation for society and customers. We pursue value creation as if making the entire group as one entity while addressing individual theme.

One goal

- 1 • To enhance customers' daily lives and stand by them, being with their joy and happiness
- To contribute to solving social issues through diversified approaches

Two businesses

- To continue and accelerate shift of resources to in-store competence
- Synergy between B2C retail network at the scale of 3,000 stores and B2B solution offering full services
- Investment and re-allocation for product development and MD personnel enhancement
- Value chain optimization: To change losses into value
- Product development taking advantage of the group's economies of scale



- 2-3 • Branding for problem solving group taking risks and differentiating with implementation and achievement
- Business management based on customer and service axes
- Quality and quantity of sales power and raising the overall level in quality and quantity
- Business operation management / re-construction of management accounting
- Formulation and materialization of should-be B2B IT strategy

Three engines

- To pursue investment ROIC with WORLD unique approach
- B2C focuses on distressed and circular businesses
- B2B focuses on expansion of service areas



- 3-2 • Business creation through internal IP development and utilization
- Business creation through co-creation of external IP
- 3-3 • To establish business base in Southeast Asia
- Expansion to European and American markets

Four foundations



- 4-1 • To construct AI-ready database
- Agent implementation with high-speed PoC taking advantage of strength having AI companies
- AI normalization with embedded evaluation
- 4-2 • To construct group human capital management structure and database (human resources BS)
- Reproduction of next generation leaders reproducible through human resources development committee
- 4-3 • Strengthening our framework to address increasingly complex challenges and further ensure independence
- Multi-layered checks and balances integrated with delegation of authority
- 4-4 • To foster common value used as foundation for the group increasingly diversified
- To endlessly pursue SDGs



Moving to next challenges aiming to be a company with one trillion-yen revenue

To achieve a record high revenue and a record high profit since our group's establishment through out-of-plan measures
Continuous productivity improvement

FY02 /29

Relaying "minds" to succeeding next generation team

Forming next generation management team for sustainability
Continuous improvement in front line

Proving "growth" with return on capital

Full-fledged implementation of business model
Continuous productivity improvement

FY02 /28

Introducing new human resource management system based on achievements and challenges

Attractive remuneration for personnel who make challenges and achievements
Continuous improvement in front line

Maintaining revenue increase and profit increase with reforms

Full-fledged execution of new corporate formation
Ensuring profit structure reforms for depressed apparel business
Continuous productivity improvement

FY02/27

Ensuring better remuneration for leaders who make challenges and achievements

To start introducing long-term stock-based compensation
Continuous improvement in front line

We aimed to establish a “value-creation type growth model” as follows since the disclosure of PLAN-W. In VISION-W, we redesigned targets, etc. from scratch in line with our current competence so that three management KPI are consistent with such capital policies as TSR, which have newly been set as targets.

We shift our theme from ending PBR below 1 in “PLAN-W” to high performance for TSR (Total Shareholder Return / annual rate) in “VISION-W”.

We set our target considering both of:

- ① TSR (annual rate) shall be absolute level of 10 ~ 12% exceeding COE.
- ② Comparative performance exceeding TOPIX and our peer companies’ average

Total Shareholder Return
TSR
11%
(10 ~ 12%)

FCFR
(shareholders) FCF return

MVR
Market capitalization (growth) return

Investment criteria **Investment-version ROIC**

- To prepare a financing limit of 21 billion yen with financial discipline for out-of-plan M&A investments
- To ensure investment criteria targeting an investment-version ROIC of 20% to contribute to improvement in the consolidated ROIC

Return policy **Shareholder return policy**

- To drastically increase dividend payout ratio to 40% and also introduce progressive criteria of DOE 5% or more
- To prevent a share dilution by controlling the number of shares and aim at EPS growth of 8% annually at earlier stage.

Financial discipline **Optimal capital structure**

- To be able to obtain single A rating with the best financial leverage
- The optimal capital structure for our company shall be net D/E ratio of 0.75x

Return on Invested Capital

ROIC
8.5%

Return on Equity

ROE
12.5%

SGR
7.5%

$$SGR = ROE \times (1 - PO)$$

Internal growth rate

Total payout ratio

PO
40%

ROIC and net D/E materializing 12.5% ROE

Net D/E
0.75x

Net interest-bearing debt

$$ROE = ROIC + \left(ROIC - \text{After-tax interest rate} \right) \times \frac{D}{E}$$

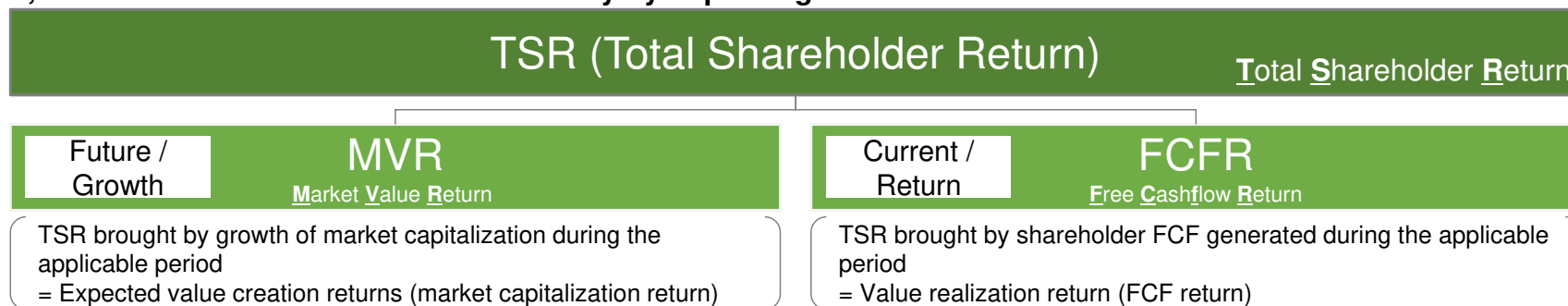
DOE
5%

Dividend on Equity Ratio

Dividend yield

$$DY = DOE \div PBR$$

Though TSR in PLAN-W was 38.2%, exceeding TOPIX and our peer companies' average, it was simply contributed by profit recovery after the COVID-19 pandemic. Our real strength is to be tested in VISION-W and we, together with all of our executive officers, aim to achieve TSR of 10 ~ 12% annually by improving both MVR and FCFR.

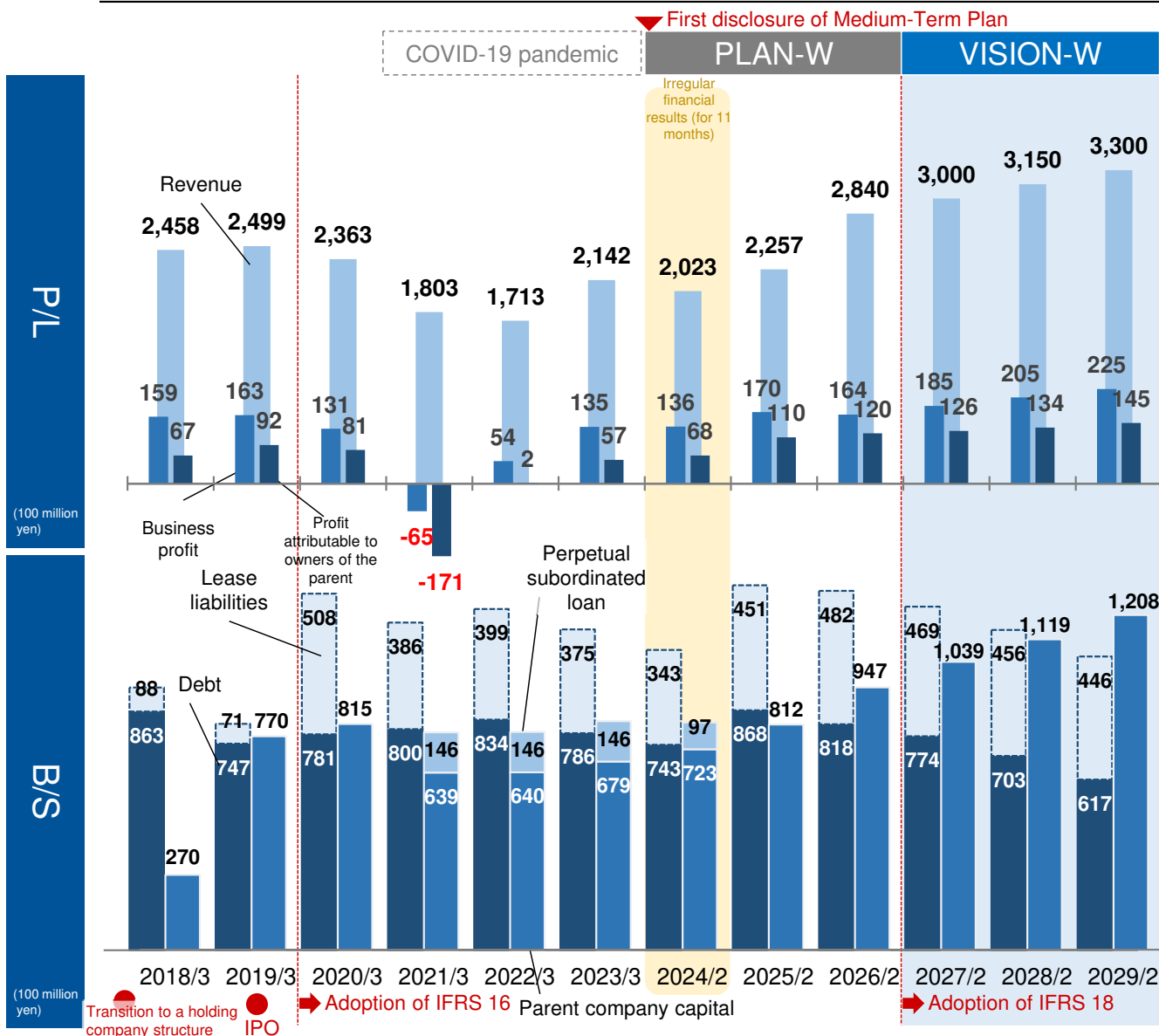


PLAN-W Results	Return	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">100%</div> <div style="margin-left: 20px;"> TSR CAGR 38.2% </div> <div style="float: right; text-align: right;"> TOPIX CAGR 28.6% Twelve peer group companies CAGR 25.8% </div>		
	Analysis	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">93%</div> <div style="margin-left: 10px;"> MVR CAGR 35.6% </div> </td> <td style="width: 50%; padding: 5px;"> <div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">7%</div> <div style="margin-left: 10px;"> FCFR CAGR 2.6% </div> </td> </tr> </table> <ul style="list-style-type: none"> Contributed by the rebound after the COVID-19 pandemic and profit increase due to M&A Insufficient growth expectations supported by sustainable growth 	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">93%</div> <div style="margin-left: 10px;"> MVR CAGR 35.6% </div>	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">7%</div> <div style="margin-left: 10px;"> FCFR CAGR 2.6% </div>
<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">93%</div> <div style="margin-left: 10px;"> MVR CAGR 35.6% </div>	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">7%</div> <div style="margin-left: 10px;"> FCFR CAGR 2.6% </div>			
VISION-W Targets	Return	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">100%</div> <div style="margin-left: 20px;"> TSR CAGR 11% (10~12%) </div>		
	Concept Approach	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">70%</div> <div style="margin-left: 10px;"> MVR CAGR 7.5% </div> </td> <td style="width: 50%; padding: 5px;"> <div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">30%</div> <div style="margin-left: 10px;"> FCFR CAGR 3.5% </div> </td> </tr> </table> <ul style="list-style-type: none"> The expected net profit growth for the next 3 years will be 6.5% annually, which is below the target We shall cover it up by proving our growth exceeding the expectations aiming at PER 12.5x 	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">70%</div> <div style="margin-left: 10px;"> MVR CAGR 7.5% </div>	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">30%</div> <div style="margin-left: 10px;"> FCFR CAGR 3.5% </div>
	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">70%</div> <div style="margin-left: 10px;"> MVR CAGR 7.5% </div>	<div style="background-color: #808080; color: white; padding: 5px; display: inline-block;">30%</div> <div style="margin-left: 10px;"> FCFR CAGR 3.5% </div>		
	Linkage with remuneration	<ul style="list-style-type: none"> To ask executive officers and managers for strong commitment to achieving the plan, we introduce attractive stock incentives (two incentives, one for executive officers "Performance-linked restricted stock compensation plan" and another for employees (managers) "Restricted stock compensation plan for employee stock ownership association") We aim to enhance executive officers and managers' commitment to improving corporate value as a part of human capital management 		
Please refer to the news release disclosed today as well.				

Source: Prepared based on the analysis method and the provided data of Nomura Securities Co., Ltd. TSR in PLAN-W has been prepared for the period from the end of February 2023 to the end of February 2026.

We can see steady progress in PLAN-W, looking at the P/L and financing trends. However, they have not progressed beyond the rebound after the COVID-19 pandemic, therefore, our real growth is to be achieved in VISION-W. We shall move on to a growth track once again to achieve management targets, responding to new accounting standards.

Chronological trend for major P/L (upper) and B/S (lower) accounts



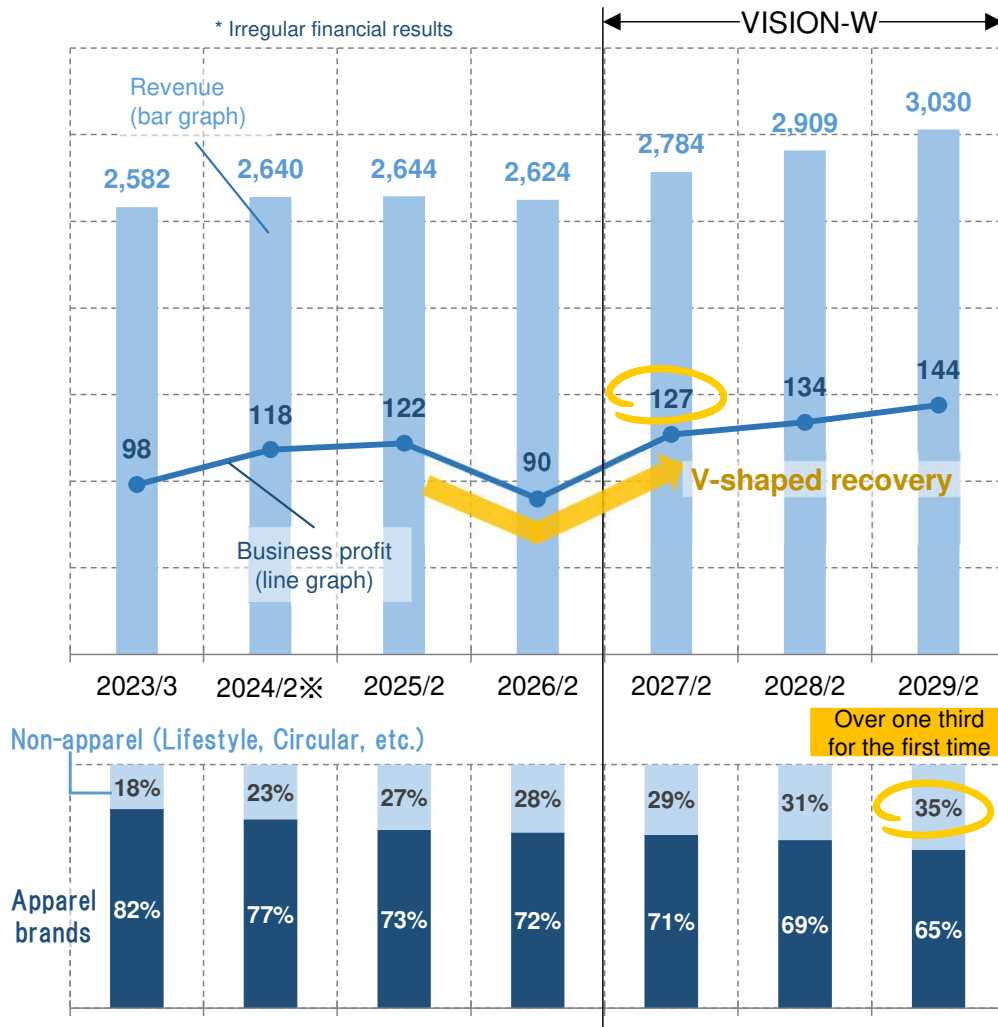
Direction of VISION-W

- The most difficult target is a profit attributable to owners of the parent. During the past 2 years, it was pushed up by temporary profits, etc., therefore, we shall make all the efforts to maintain profit increase for the next 2 years.
- We need to rapidly improve normalized operating profit. We aim to increase the profit by 2 billion yen annually for the next 3 years and to achieve the profit of over 20 billion yen as early as possible.
- **From the 3rd year, the increase in normalized operating profit will make it possible for the profit attributable to owners of the parent to achieve annual growth of 8%.**
- D/E ratio 0.9x (net D/E ratio 0.75x) is a benchmark for optimal capital structure, and we will move on to such a stage within the next 3 years.
- For the time being, we need to allocate a certain portion of capital increase to debt repayment, and after achieving the optimal capital structure, we will utilize financial leverage.
- **Capital accumulation is required for the optimal capital structure, and we would like to have a capital of over 120.0 billion yen as early as possible.**

In FY02/27, a key to achieve the consolidated plan is how to ensure V-shaped recovery not depending on revenue for the apparel brands in B2C business. For B2B business, we reach a plateau, as the effect of MCF's participation in the consolidation is over, therefore, we aim to form a structure ensuring stable and steady profit growth in medium and long term.

B2C business (100 million yen)

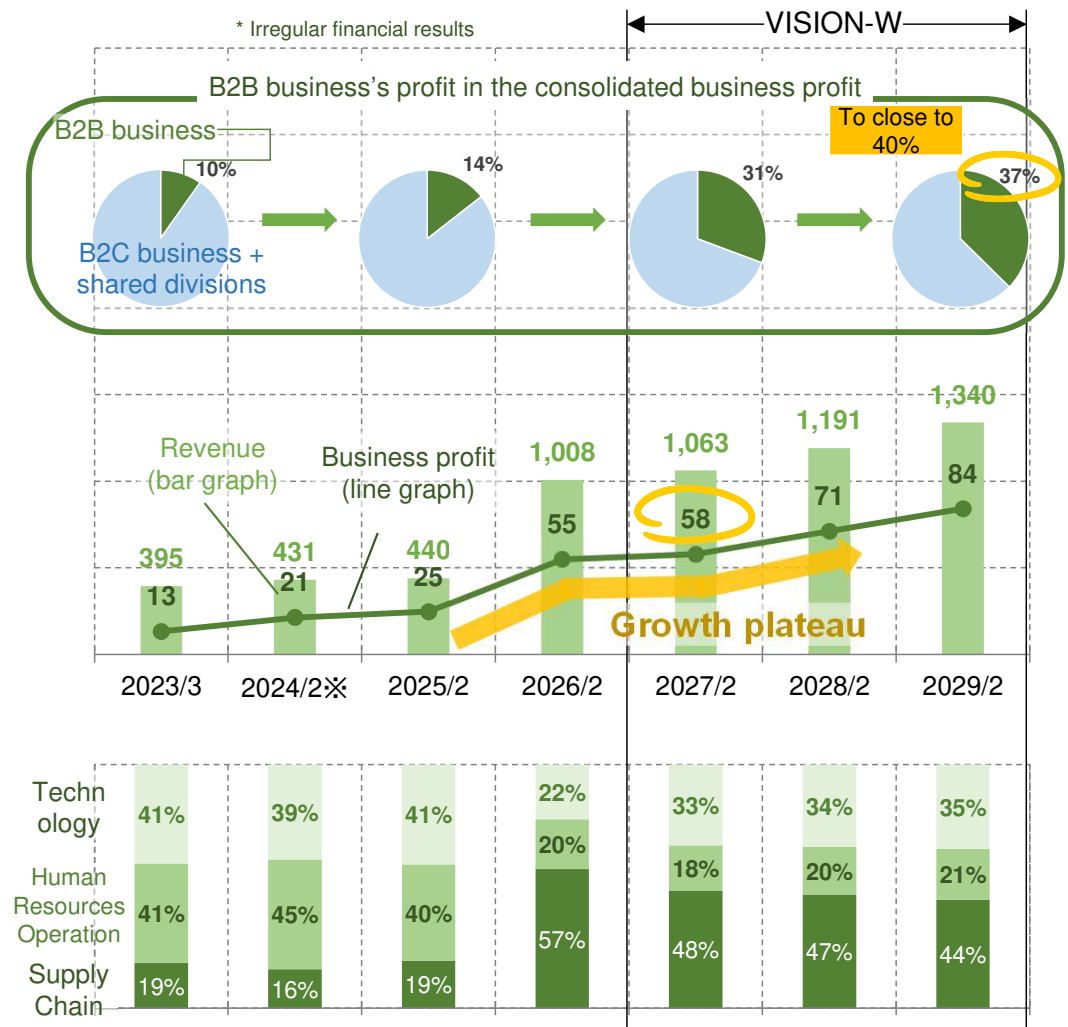
Before intercompany elimination



The profit portion from Lifestyle and Circular steadily increases, and the profit from non-apparel brands is expected to exceed one third of B2C business total after 3 years.

B2B business (100 million yen)

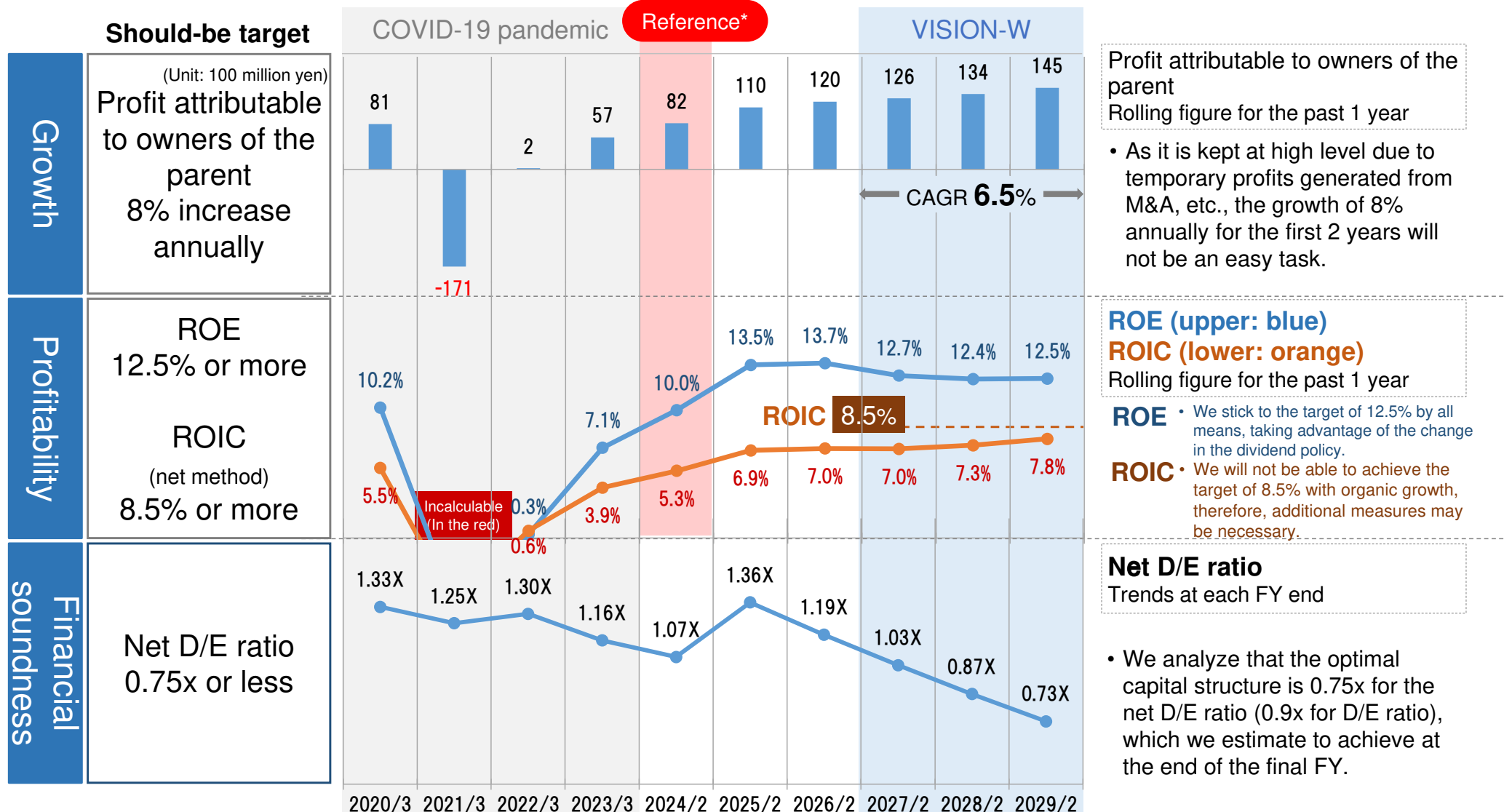
Before intercompany elimination



We will rapidly pursue growth for areas other than Supply Chain where MCF joined, and we feel that the Human Resources Operation, having the highest profitability, still has a large room for growth.

* The figures for FY02/24 are corrected figures based on the irregular financial results due to change of the accounting period and, in practice, we simply added the actual results of March 2024 to those for FY02/24.

We have revised our three management KPIs based on the redesign of our management targets. “Growth” is linked to profit attributable to owners of the parent and is set ambitiously, while “Profitability” and “Financial soundness” are based on lease liabilities under the new lease accounting standard and are set conservatively. Although we are still slightly short of the ideal target levels, we have already begun taking actions, including M&A, to exceed the plan.



Note 1: ROIC is calculated by dividing the net operating profit after tax (NOPAT) by the shareholder's equity in the average of opening and ending balances + the net interest-bearing debt (debt + lease liabilities including right-of-use liability – cash & deposits)).
 Note 2: Net D/E ratio is calculated by dividing the net interest-bearing debt at the end of FY (debt + lease liabilities including right-of-use liability – cash & deposits) by the shareholder's equity at the end of FY.

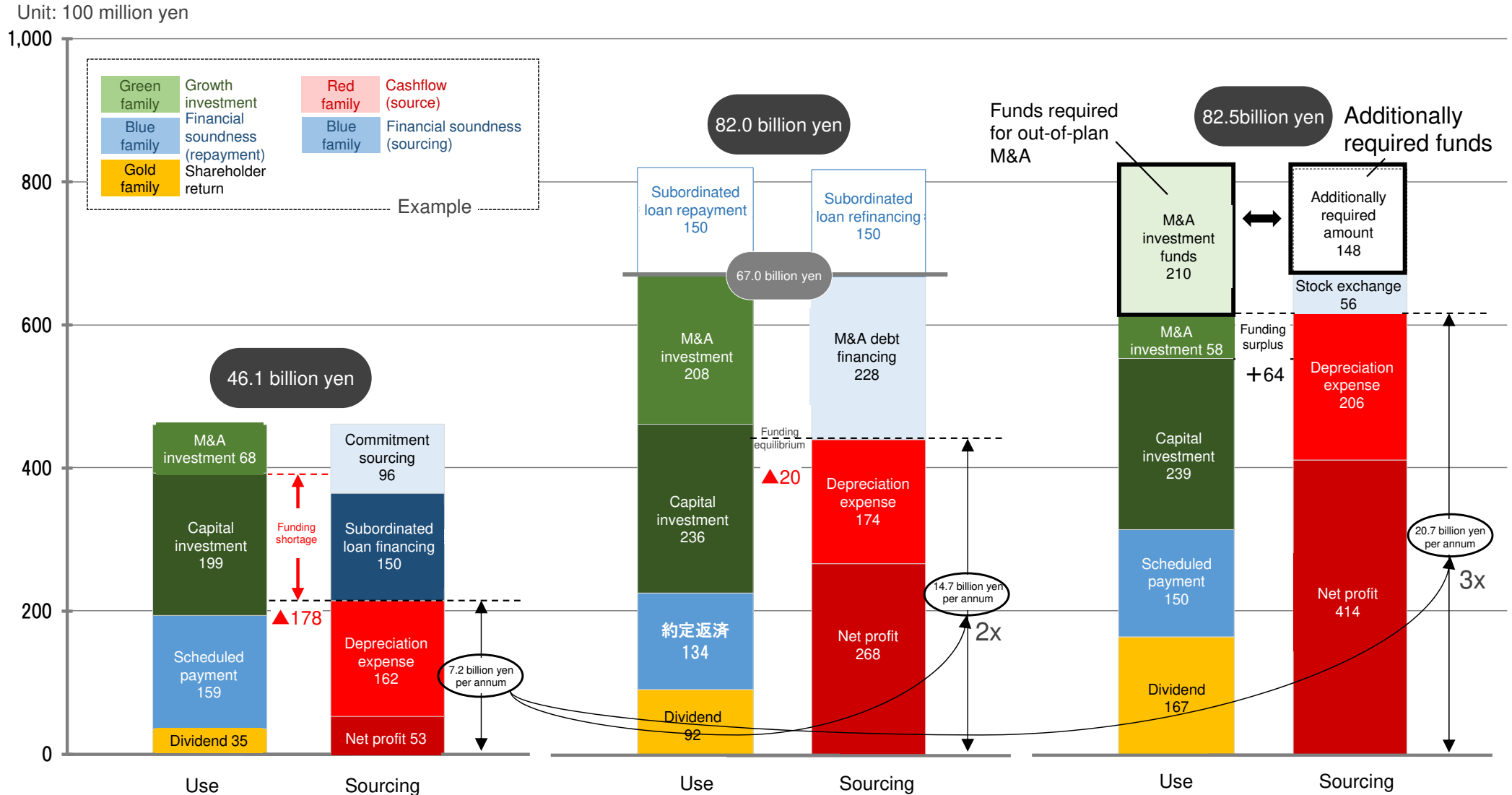
*To correct the irregular financial results (for 11 months) due to the change in accounting period into 12-month results, such figures as the core operating profit, ROE and ROIC are calculated by adding the actual figures for March 2024 to FY02/24 actual figures. For FY02/25 1H, we made a correction in such a manner to indicate actual figures for 12 months, as there was a duplication of highly profitable March. For details, please refer to page 14 of the Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2025.

The cashflow was negative in and after the COVID-19 pandemic, followed by an equilibrium during PLAN-W, and we expect to have surplus cashflow in VISION-W. However, it is still short of 21 billion yen, an investment funds for the M&A strategy, a key for achievement exceeding the plan. It is important to take such measures as financial leverage and out-of-plan sales of assets and businesses.

3 years in and after the COVID-19 pandemic
(FY03/21 ~ FY03/23)

3 years during PLAN-W
(FY02/24 ~ FY02/26)

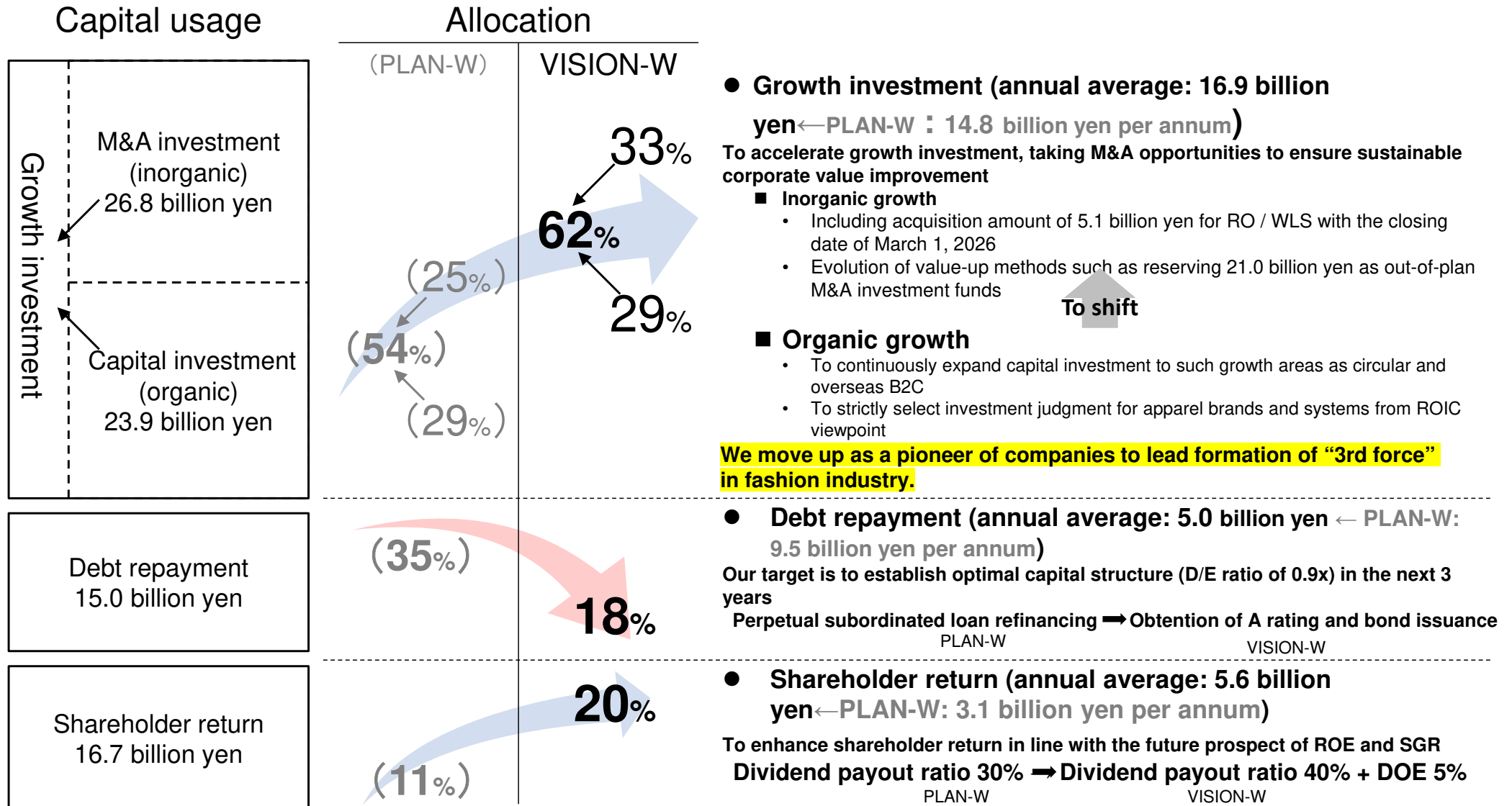
3 years in VISION-W
(FY02/27 ~ FY02/29)



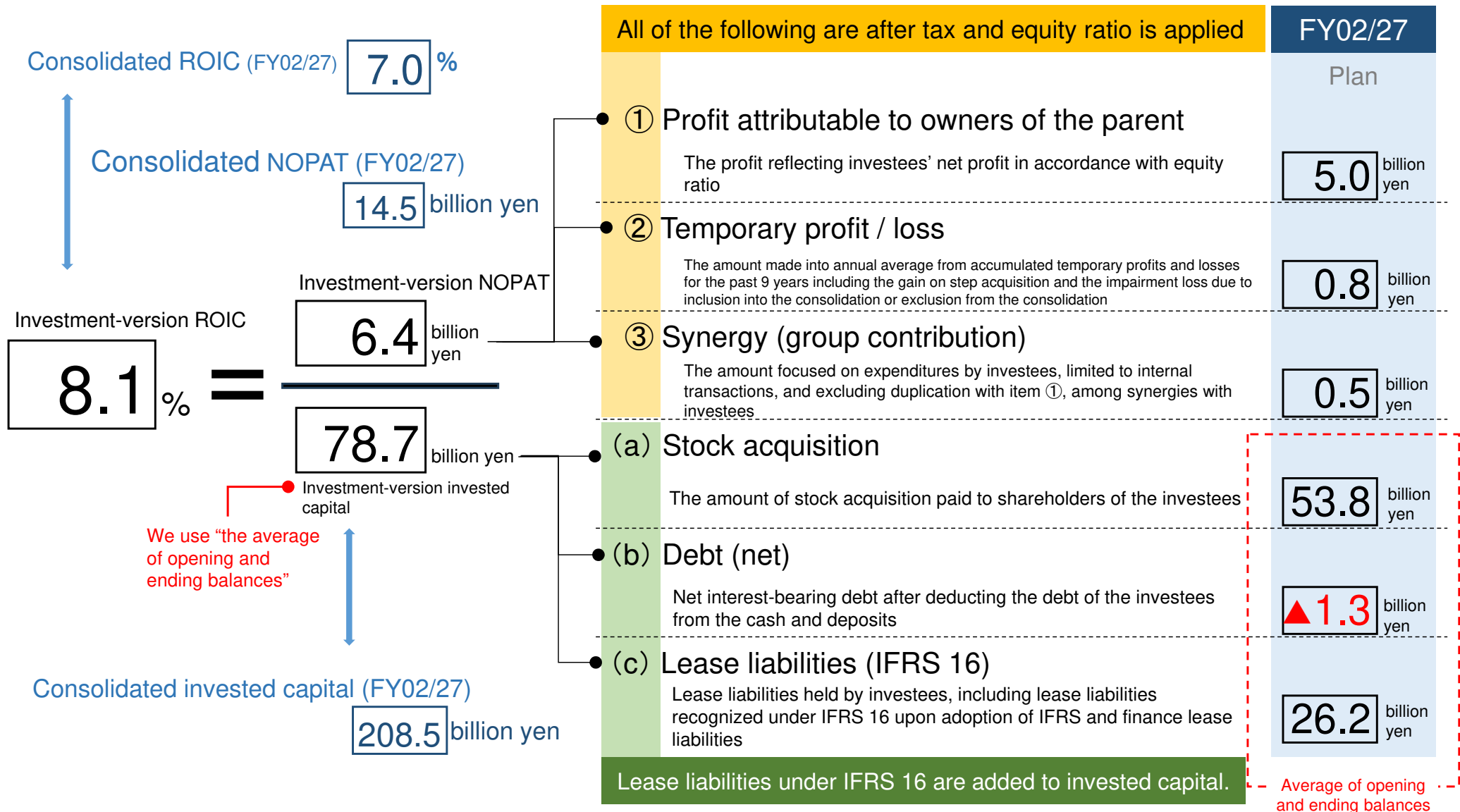
*1: The dividend includes the subordinated loan interest. *2: The net profit is calculated by adding or deducting the profit attributable to owners of the parent and the non-cash profits / losses.

We increase capital allocation to shareholder return and growth investment more than before to achieve the management targets while ensuring financial discipline toward optimal capital structure. We pursue balancing of share value improvement for now following shareholder return enhancement and corporate value maximization through acceleration of growth investment.

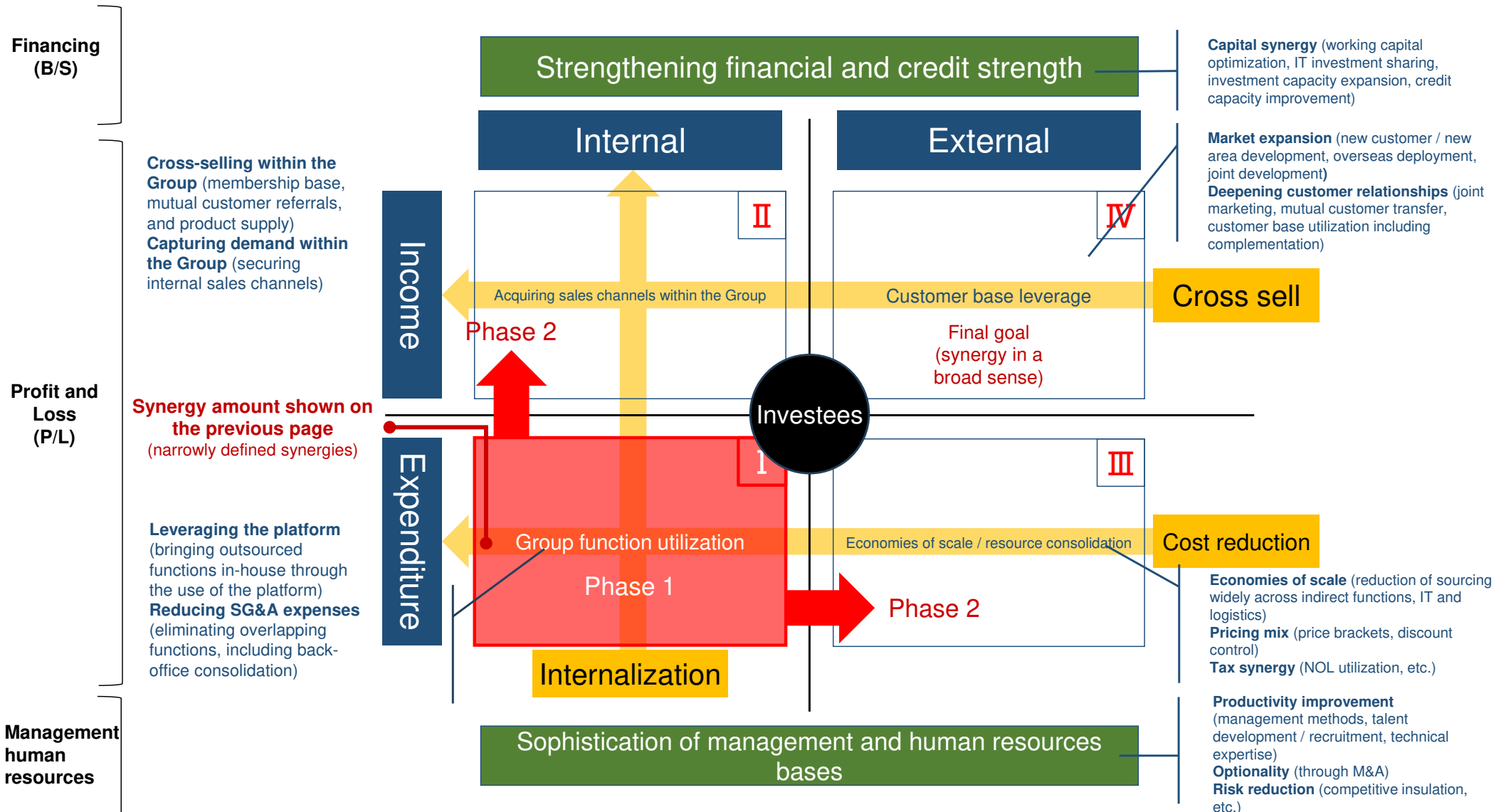
Concept of capital allocation in “VISION-W”



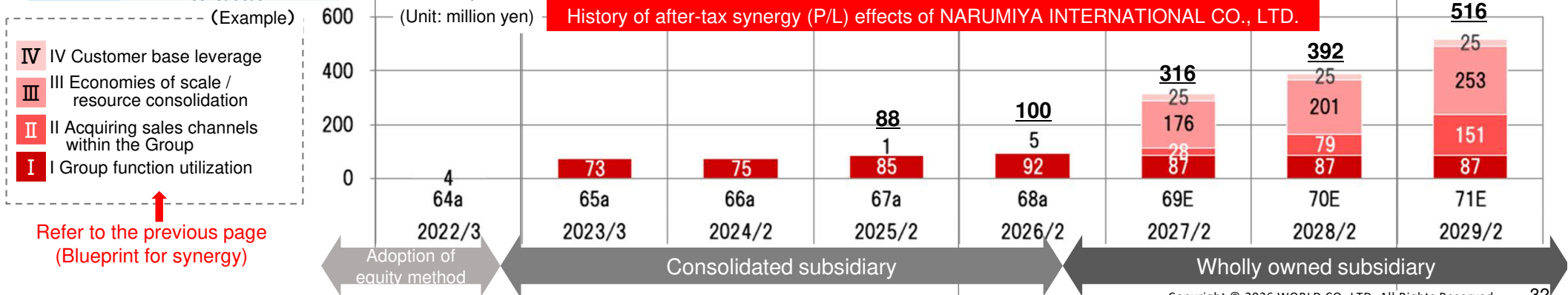
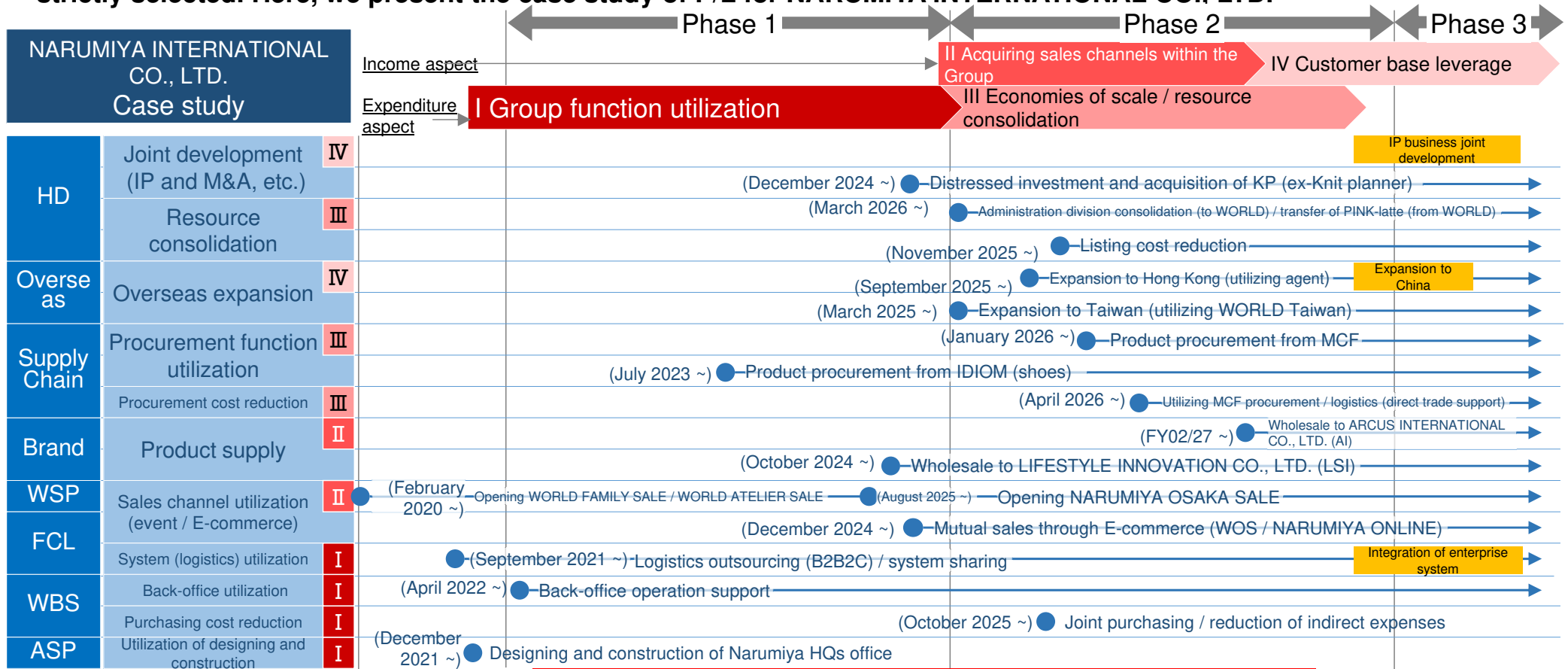
Our Group has formally adopted investment ROIC as an investment criterion in order to promote ROIC management and maintain financial discipline. For projects in which investments have already been made, investment ROIC is 8.1% for FY02/27, 16% higher than the consolidated ROIC of 7.0%, and is expected to exceed 11% in FY02/29, driven by increases in ① profit attributable to owners of the parent and ③ synergy (group contribution), which are included in the numerator of the formula.



VISION-W positions M&A strategy as an engine for corporate value improvement. It is important for investees to bring synergy effects even after participating in the consolidation, in addition to high returns obtained from the investees. We describe the blueprint for such synergy creation methods.

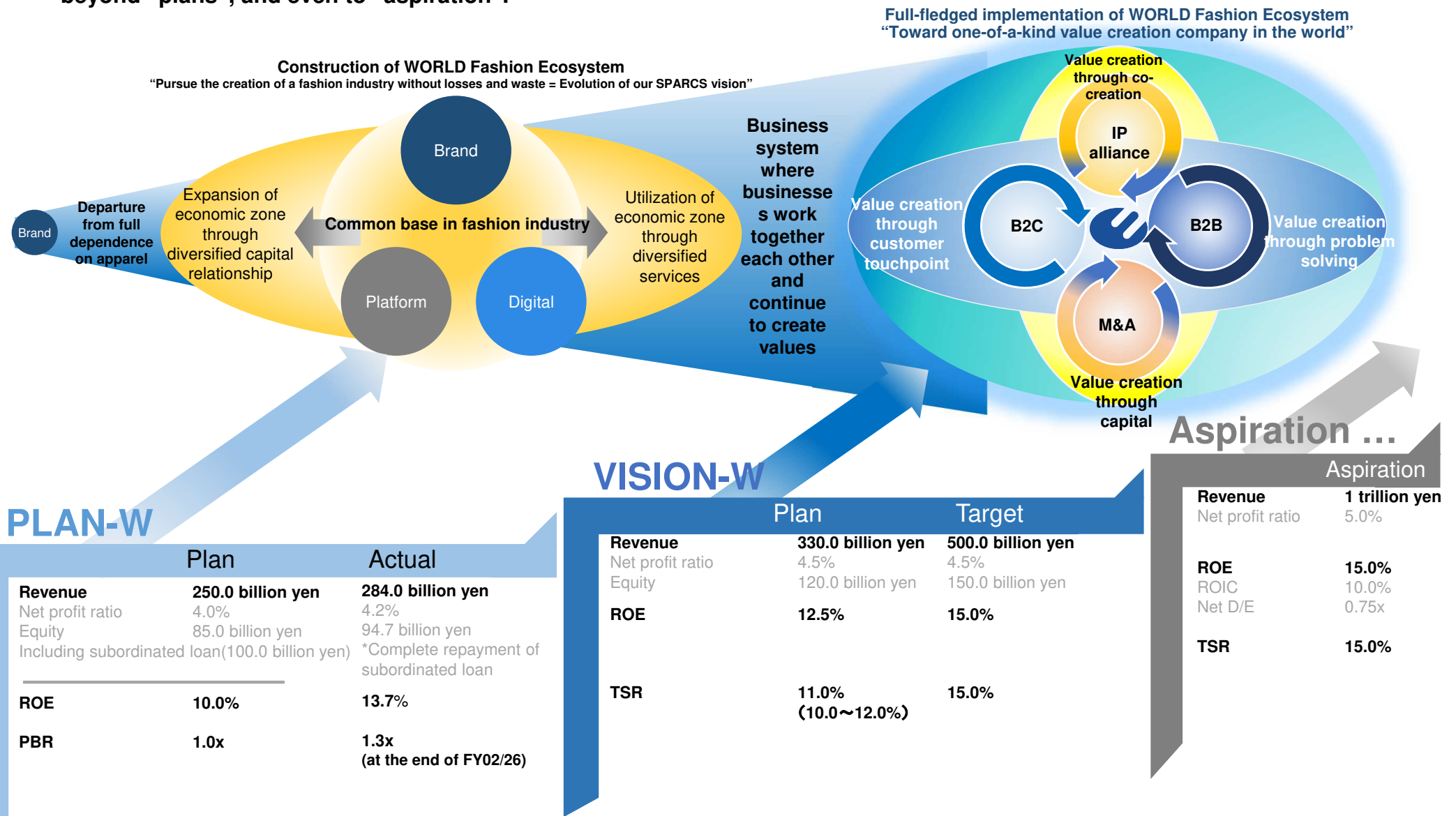


To achieve the management target through out-of-plan M&A, it is important to improve the accuracy of systematic value-up activities immediately after the investment, in addition to sourcing M&A projects with priority areas being strictly selected. Here, we present the case study of P/L for NARUMIYA INTERNATIONAL CO., LTD.



Refer to the previous page (Blueprint for synergy)

It is not an easy goal to become a “3rd force in fashion industry”, which is our 10-year vision. We have a strong sense of urgency to achieve revenue of 1 trillion yen as “minimum condition” to survive the future fierce competition to materialize our vision, “Delivering diversified fashion to society” while exceeding the expectations of the capital market. Therefore, VISION-W, which is our halfway point, is a straight road that we must pass through. We simply move forward to “targets” beyond “plans”, and even to “aspiration”.



Firstly, we deeply regret that we revised our financial results downward, greatly disappointing the expectations of our stakeholders, feeling the lack of our abilities, which we sincerely apologize. We had substantially poor performance, in the last minute, in the 4th quarter of the final fiscal year of “PLAN-W”, our Medium-Term Management Plan. Our employees made their best efforts. I am personally responsible for the fact that we could not convert such efforts into achievements, for which I deeply apologize.

When I was faced with poor performance in apparel business, I acknowledged that we should take decisive measures leading to our future, reconstructing our profit structure, ending bad practices that caused such poor performance and not sticking to immediate profit, as there is no point in continuing the current approach. We made a relocation of human resources and cut down procurement of products, only to increase sales without proof of product value. It is our initial step for all of us to face ourselves. However, the root cause is my “overconfidence” asking them to pursue sales inflexibly, which I deeply regret once again.

As a result, the under-achievement in apparel business was the main factor for the under-achievement for the entire group. Currently, we are normalizing the inventory and the gross margin and starting to reinforce our structure, and we will take a reasonable time to reconstruct such entire value chain as fundamental planning, production and sales as “final grace period”, not being happy or unhappy with short-term achievements.

For Digital business, B2C business slowed down in 2H, failing to keep the gross margin control. Human resources development and reinforcement could not catch up with the rapid business front expansion including overseas, and we lost the accuracy in the end. As the re-use business requires highly sophisticated operations repeating minor adjustments as its core factor, we should have allocated human resources much earlier. B2B business achieved its plan, however, it still depends on cost optimization utilizing the technology, therefore there are many things to do to achieve expected growth.

Platform business achieved a substantial expansion in its scale and profitability improvement mainly due to contribution by MCF. In parallel, through proactive recruitment of external managerial personnel and resource shift from apparel business, we started establishing quantitative structure and sales methods pursuing growth. Though it has such characteristics as having a long lead time, we take necessary measures including non-linear M&A, making it our group’s pillar focusing on “growth” once again.

In addition, we completed making RIGHT-ON CO., LTD. our wholly owned subsidiary and started taking accelerated steps toward making it profitable, and we now have a positive feeling for its business turnaround. For Overseas business, the circular business in Thailand has been stabilized and it moves to expansion phase, and we are to launch stores in Hong Kong and in Malaysia in near future. On the other hand, in Taiwan where we have continued our business for a long time, we face new growth challenges and, at the same time, issues with existing apparel business, similar to those in Japan, which we need to have reforms.

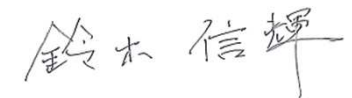
In conclusion, we had very disappointing results, which I deeply regret. However, we have made good progress in improving the soundness of the balance sheet and the cash flow, and it is true that we have a positive feeling for our future, mainly around B2B business. We are determined to have no other choice than continuously challenging, clenching our teeth.

“VISION-W”, the next Medium-Term Management Plan, is the announcement of our determination to evolve ourselves into “overwhelmingly diversified group” under the slogan of “becoming “3rd force” in fashion industry” with the vision of “Delivering diversified fashion to society”, and re-establishes management KPI designing exceeding the expectations of the capital market from scratch, backing up such a determination. We are determined to take necessary measures with single-minded focus, each management team member in each responsibility, based on new corporate formation.

In the first year of VISION-W, we promote changing ourselves to profit structure not excessively depending on sales for “apparel business normalization” while steadily consolidating the base for B2B expansion. Furthermore, leveraging such 3 engines as IP / alliance, overseas and M&A, we are currently moving to ensure achievements exceeding the plan. We fully understand some of our stakeholders are disappointed with the poor results. However, nevertheless, we keep making challenges. WORLD group would like to be everywhere entertaining your daily lives. We know nothing else than seriously reflecting on the previous FY’s results and showing all the stakeholders our excellent results.

“Always creating, sharing value. Always striving for more.”

All the employees will unite together for their efforts and move forward, living up to the name, “value creation corporate group”.



We ask for your continued support of the World Group.

III

World Co., Ltd.

Financial Results for the Fiscal Year
Ended February 28, 2026

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Appendix

As stated in the news releases dated February 27, 2026, “Notice about the early application of IFRS 18 Presentation and Disclosure in Financial Statements” and “Notice about the change in reportable segments”, we have disclosed the consolidated financial statements for the past fiscal years by retroactively applying IFRS 18, and by retroactively applying new segment structure for reportable segments for the past fiscal years back to FY03/22 as comparative information.

For such financial figures for the past fiscal years referred to as comparative information (*please note that these are unaudited and only used as reference figures), please refer to “the supplementary materials for financial results for the fiscal year ended February 28, 2026 (DATA BOOK)” disclosed today in addition to the supplementary data in the reference materials attached hereinafter.

Reference Consolidated Statement of Profit or Loss (Full-Year Forecast)

The presentation of P/L for FY02/27 has been changed due to early application of IFRS 18. We have adopted Business profit (ex-core operating profit) and NOPAT for MPM (management-defined performance measures). In FY02/27, we aim to achieve the record high profit attributable to owners of the parent while focusing on the recovery of business profit .

#	(Millions of yen)	FY02/27 forecast		FY02/26 actual		YoY	
			% of total		% of total	Change	% change
1	Revenue	300,000	100.0%	284,014	100.0%	15,986	106%
2	Gross profit	154,500	51.5%	139,674	49.2%	14,826	111%
3	SG&A expenses	136,000	45.3%	123,207	43.4%	12,793	110%
4	Business profit	18,500	6.2%	16,467	5.8%	2,033	112%
5	Other operating income and expenses, net.	△1,000	—	△770	—	-230	—
6	Operating profit	17,500	5.8%	15,697	5.5%	1,803	111%
7	Equity in net income of affiliates	—	0.0%	△2,790	—	2,790	—
8	Investing income and expenses	50	—	3,262	—	-3,212	—
9	Profit or loss before financing and income taxes	17,550	5.9%	16,169	5.7%	1,381	109%
10	Financing income and expenses	△2,000	—	△1,967	—	-33	—
11	Profit before income taxes	15,550	5.2%	14,203	5.0%	1,347	109%
12	Income taxes ⁽¹⁾	△2,950	—	△2,190	—	-760	—
13	Profit attributable to owners of the parent	12,600	4.2%	12,013	4.2%	587	105%
14	NOPAT ⁽²⁾	14,530	4.8%	13,928	4.9%	602	104%
15	No. of issued shares ⁽³⁾	76,212,102		72,789,540		—	—
16	EPS (yen) ⁽⁴⁾	165		165		—	—
17	DPS (yen)	67		54.5		—	—

MPM

MPM

(1) Includes income tax expense and non-controlling interests
(2) It is calculated by (Profit before income taxes + (Interest expense + financial fees - Interest income)) - (Income taxes + Profit attributable to non-controlling interests).
(3) Number of common shares issued as of the end of each fiscal year; differs from the number in the financial statement (i.e., average of figures at the beginning and end of the fiscal year).
(4) EPS is calculated by dividing profit attributable to owners of the parent above (#10) by the number of issued shares (#11), so the figures are different from those in the financial statement.

Parameter of assumptions	
Same-store sales growth	100.4%
Net increase/decrease in stores	-13
Openings	99
Closures	-112
E-commerce sales growth	104.6%

The number of stores represents the number of directly managed stores in Japan. It does not include the net increase in franchise stores (+18 stores).

Business profit : Increase of 2.0 billion yen	
Actual for FY02/26	16.5 billion yen
B2C (recovery of apparel brands)	+3.5 billion yen
B2B (allocation of human resources / reskilling)	+ 0.3 billion yen
Shared divisions (decrease in guidance fee, development investment)	- 1.8 billion yen
FY02/27 forecast	18.5 billion yen

Dividend 67 yen per annum	
• Payout ratio of 40% or DOE 5%, whichever is higher	
• Increase by 23% compared to 54.5 yen (after split adjustment) for FY02/26	
• Interim dividend: 31 yen / Year-end dividend: 36 yen	

Reference Consolidated Statement of Profit or Loss (1H / 2H Forecast)

We estimate the business profit of 8.4 billion yen for 1H of FY02/27, almost the same as 1H of FY02/26 and 10.2 billion yen for 2H of FY02/27, 24% increase YoY, therefore, we expect a substantial increase in 2H. We expect the profit for B2C apparel business including that for RIGHT-ON will rebound in 2H.

#	(Millions of yen)		1H				2H			
			FY02/27		FY02/26		FY02/27		FY02/26	
			Forecast	% of total	Actual	YoY	Forecast	% of total	Actual	YoY
1	Revenue	Operating category	143,500	100.0%	136,916	105%	156,500	100.0%	147,097	106%
2	Gross profit		74,200	51.7%	67,335	110%	80,300	51.3%	72,339	111%
3	SG&A expenses		65,850	45.9%	59,033	112%	70,150	44.8%	64,174	109%
4	Business profit		8,350	5.8%	8,303	101%	10,150	6.5%	8,165	124%
5	Other operating income and expenses, net.		△350	—	1,023	—	△650	—	△1,793	—
6	Operating profit	8,000	5.6%	9,325	86%	9,500	6.1%	6,372	149%	
7	Equity in net income of affiliates	Investing category	0	0.0%	△9	—	0	—	△2,781	—
8	Investing income and expenses		50	0.0%	43	116%	0	0.0%	3,219	0%
9	Profit or loss before financing and income taxes	Financing category	8,050	5.6%	9,360	86%	9,500	6.1%	6,810	140%
10	Financing income and expenses		△1,000	—	△958	—	△1,000	-0.6%	△1,008	—
11	Profit before income taxes		7,050	4.9%	8,401	84%	8,500	5.4%	5,801	147%
12	Income taxes ⁽¹⁾	△1,350	—	△2,761	—	△1,600	—	572	—	
13	Profit attributable to owners of the parent	5,700	4.0%	5,640	101%	6,900	4.4%	6,373	108%	
14	NOPAT ⁽²⁾	6,670	4.6%	6,599	101%	7,860	5.0%	7,329	107%	
15	No. of issued shares ⁽³⁾	76,212,102		68,205,754		76,212,102		72,789,540		
16	EPS (yen) ⁽⁴⁾	75		83		91		88		
17	DPS (yen)	31		24.5		36		30		
Parameters for assumption ⁽⁵⁾										
18	Same-store sales growth	100.8%		98.2%		100.0%		97.2%		
19	Net increase / decrease in stores ⁽⁶⁾	0		22		7		155		
20	No. of stores opened	69		71		30		71		
21	No. of stores closed	△69		△49		△43		△142		
22	Increase / decrease due to M&A	0		0		0		226		
23	E-commerce sales growth	105.5%		98.4%		103.8%		95.9%		

(1) Includes income tax expense and non-controlling interests

(2) It is calculated by (Profit before income taxes + (Interest expense + financial fees - Interest income)) - (Income taxes + Profit attributable to non-controlling interests).

(3) Number of common shares issued as of the end of each fiscal year; differs from the number in the financial statement (i.e., average of figures at the beginning and end of the fiscal year).

(4) EPS is calculated by dividing profit attributable to owners of the parent above (#10) by the number of issued shares (#11), so the figures are different from those in the financial statement.

(5) Includes all domestic retails brands.

(6) The number of stores represents the number of directly managed stores in Japan. It does not include the net increase in franchise stores (+8 in 1H, +10 in 2H).

Reference Segment Performance (Full-Year Forecast)

As for the profit forecast by business segment, we estimate that V-shaped recovery in B2C business makes up for the plateau in growth in B2B business and the profit decrease in shared divisions.

- ① In B2C business, the driving force for profit increase will be the recovery in profitability in apparel brands in such a manner that the profit will not rely on their topline growth.
- ② In B2B business, the profit will stay at plateau due to prioritized allocation of human resources for external sales, reskilling and loss of special demand for Expo 2025, Osaka, Kansai, Japan by MCF.
- ③ In shared divisions, such expenses as the upfront costs for new business development, the leasing back of Kobe Head Office and the enhancement of shareholder benefits will increase.

FY02/27 Forecast (Millions of yen)				Total	Adjustment	Total
	B2C business	B2B business	Corporate			
Revenue	230,065	104,730	15,450	350,245	△50,245	300,000
Of which, external revenue	223,728	74,627	1,645	300,000	0	300,000
% of total	74.6%	24.9%	0.5%	100.0%	—	100.0%
YoY	109%	96%	142%	106%	—	106%
Business profit	12,693	5,784	7	18,483	17	18,500
vs. sales revenue	5.5%	5.5%	0.0%	5.3%	—	6.2%
YoY	139%	105%	0%	112%	—	112%
Operating profit	11,913	5,794	1	17,708	△208	17,500
Profit before financing and income taxes	12,046	5,817	523	18,387	△837	17,550

FY02/26 Actual (Millions of yen)				Total	Adjustment	Total
	B2C business	B2B business	Corporate			
Revenue	210,962	98,607	13,786	323,355	△39,342	284,014
Of which, external revenue	205,344	77,514	1,156	284,014	0	284,014
% of total	72.3%	27.3%	0.4%	100.0%	—	100.0%
Business profit	9,159	5,516	1,808	16,483	△16	16,467
vs. sales revenue	4.3%	5.6%	13.1%	5.1%	—	5.8%
Operating profit	9,740	5,573	382	15,695	2	15,697
Profit before financing and income taxes	9,457	5,423	3,883	18,763	△2,594	16,169

Reference Segment Performance (1H / 2H Forecast)

- ① In B2C business, we estimate that the profit increase level will go up due to profit contribution, more in 2H, by RIGHT-ON CO., LTD. and WORLD STYLE LABELS CO., LTD., which have been consolidated.
- ② We estimate that the business profit for B2B business will recover in 2H. We have upfront costs for positioning of human resources for external sales in 1H and the loss of special demand for 2025 Expo, Osaka, Kansai, Japan by MCF will mostly impact the profit in 1H.

FY02/27 1H Forecast					Total		
(Millions of yen)	B2C business	B2B business	Corporate	Total	Adjustment	Total	
Revenue	112,008	48,582	7,499	168,089	△24,589	143,500	
Of which, external revenue	108,831	33,900	770	143,500	0	143,500	
% of total	75.8%	23.6%	0.5%	100.0%	—	100.0%	
YoY	111%	88%	149%	105%	—	105%	
Business profit	5,515	2,315	81	7,912	438	8,350	
vs. sales revenue	4.9%	4.8%	1.1%	4.7%	—	5.8%	
YoY	125%	84%	7%	95%	—	100%	
Operating profit	4,984	2,315	58	7,357	643	8,000	
Profit before financing and income taxes	5,052	2,327	322	7,700	350	8,050	

FY02/27 2H Forecast					Total		
(Millions of yen)	B2C business	B2B business	Corporate	Total	Adjustment	Total	
Revenue	118,056	56,148	7,952	182,156	△25,656	156,500	
Of which, external revenue	114,898	40,727	875	156,500	0	156,500	
% of total	73.4%	26.0%	0.6%	100.0%	—	100.0%	
YoY	107%	104%	137%	106%	—	106%	
Business profit	7,177	3,469	△74	10,572	△422	10,150	
vs. sales revenue	6.1%	6.2%	—	5.8%	—	6.5%	
YoY	152%	125%	—	130%	—	124%	
Operating profit	6,929	3,479	△57	10,351	△851	9,500	
Profit before financing and income taxes	6,994	3,491	202	10,687	△1,187	9,500	

No	Term		Description
1	A	AW	Autumn and winter
2	B	B (bargain)	Selling items at a discount to the full price. B is in contrast to P, which refers to the full price.
3		BPR	「Business Process Reengineering」。The fundamental restructuring of business processes.
4		BR	Brand
5		B2B (solution)	Digital solution service that targets companies. Leverages technology to cover all business domains in the value chain that is necessary for the fashion industry.
6		B2C (neo economy)	Next-generation fashion service that targets consumers. Utilizes technology to respond to changes in the purchasing behavior of consumers as a result of the evolution of digital technologies.
7	H	HSL (WSL)	An abbreviation for Hankyu Style Labels Co., Ltd. (World Style Labels Co., Ltd.).
8	M	Maison AI	Generative AI tool developed by OpenFashion Inc.; the tool specializes in the fashion industry and generates text and images.
9	N	NOL	An abbreviation for “Net Operating Loss.” Carryforward tax losses.
10	P	P (proper)	In Japanese, “proper” refers to selling an item at full price. P is in contrast to B, which stands for bargain (discount).
11		PF	Platform. PFs are schemes for reproducible operations.
12		PoC	An initial study or project to verify the feasibility and effectiveness of a new concept or idea before it enters the full-scale prototyping and development phase.
13	R	RO	Abbreviation for Right-on Co., Ltd.
14	S	SPARCS	Super, Production, Apparel, Retail, and Customer Satisfaction. SPARCS refers to the concept of transforming losses and waste into value by creating consistency across operations from retail to production from the perspective of consumers.
15		SS	Spring and summer
16	W	WOS	An abbreviation of own company’s EC site “World Online Store”



Always creating, sharing value.

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