Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending February 28, 2026 <under IFRS>

January 7, 2026

Company name:	World Co., Ltd.
Listing:	Tokyo Stock Exchange
Securities code:	3612
URL:	https://corp.world.co.jp/
Representative:	Nobuteru Suzuki, Representative Director of the Board President and Executive Officer
Inquiries:	Keiichi Nakabayashi, Member of the Board Executive Vice President and Executive Officer
TEL:	+81-3-6887-1300

Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: None

(Millions of yen with fractional amounts rounded to the nearest million yen, unless otherwise noted.)

1. Consolidated financial results for the first nine months of the fiscal year ending February 28, 2026 (from March 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2025	207,938	24.5	14,503	2.0	15,894	11.3	14,534	8.2
Nine months ended November 30, 2024	167,036	1.0	14,223	(3.3)	14,281	(3.3)	13,435	(4.8)

(Note) Core operating profit is revenue less cost of sales and selling, general and administrative expenses.
(Note) Regarding the year-on-year changes for the nine months ended November 30, 2024, the comparison periods for the nine-month periods differ because the fiscal year ended February 29, 2024 (an 11-month period) began on April 1, 2023, due to a change in the fiscal year-end.

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Nine months ended November 30, 2025	9,745	16.3	281.56	281.56
Nine months ended November 30, 2024	8,378	2.6	240.46	240.46

(Note) Basic earnings per share for the nine months ended November 30, 2024 takes into consideration the amount not attributable to common shareholders of parent (amount attributable to owners of other equity instruments).
(Note) The Company has resolved at its Board of Directors meeting held on November 14, 2025 to conduct a share split at a ratio of two shares for each share of ordinary shares, with March 1, 2026 as the effective date. “Basic earnings per share” and “diluted earnings per share” have been calculated based on the number of shares before the share split.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of November 30, 2025	273,147	92,841	92,404	33.8
As of February 28, 2025	273,826	86,451	81,200	29.7

(Note) Provisional accounting treatment was applied for business combinations in the fiscal year ended February 28, 2025. However provisional accounting continues to be applied for the nine months ended November 30, 2025. Each of the figures for the fiscal year ended February 28, 2025 reflect the impact of a review of the allocation of acquisition costs based on the most recent information and reasonably available information.

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	–	37.00	–	43.00	80.00
Fiscal year ending February 28, 2026	–	49.00	–		
Fiscal year ending February 28, 2026 (Forecast)				60.00	109.00

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

(Note) The Company has resolved at its Board of Directors meeting held on November 14, 2025 to conduct a share split at a ratio of two shares for each share of ordinary shares, with March 1, 2026 as the effective date. The fiscal year-end dividend of 60.00 yen for the fiscal year ending February 28, 2026 (forecast) is stated as the dividend amount per share before the share split.

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending February 28, 2026	300,000	32.9	20,000	17.6	19,500	16.5	18,300	18.4

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 28, 2026	12,000	8.6	307.73

(Note) Revisions to earnings forecasts most recently announced: None

(Note) Core operating profit is revenue less cost of sales and selling, general and administrative expenses.

(Note) The Company has resolved at its Board of Directors meeting held on November 14, 2025 to conduct a share split at a ratio of two shares for each share of ordinary shares, with March 1, 2026 as the effective date. “Basic earnings per share” is stated as earnings per share before the share split. If the said share split is taken into consideration, “basic earnings per share,” calculated on the assumption that the aforementioned share split had been conducted at the beginning of the fiscal year ending February 28, 2026, would be 153.87 yen.

* Notes

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

Newly included: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2025	36,858,633 shares
As of February 28, 2025	34,390,965 shares

b. Number of treasury shares at the end of the period

As of November 30, 2025	463,487 shares
As of February 28, 2025	320,608 shares

c. Average number of shares during the period

For the nine months ended November 30, 2025	34,611,425 shares
For the nine months ended November 30, 2024	34,055,355 shares

(Note) The Company implemented a share exchange with an effective date of October 1, 2025. As a result, the number of issued shares (including treasury shares) increased by 2,467,668 shares. In addition, based on a resolution of the Company's Board of Directors, the Company acquired 175,055 treasury shares during the nine months ended November 30, 2025.

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to the section of "(3) Explanation of consolidated earnings forecasts and other forward-looking statements" of "1. Qualitative information on quarterly consolidated financial results" on page 10 of the attached material.

Attached Material Index

1. Qualitative information on quarterly consolidated financial results 2
(1) Explanation of results of operations 2
(2) Explanation of financial position 8
(3) Explanation of consolidated earnings forecasts and other forward-looking statements 10
2. Condensed quarterly consolidated financial statements and significant notes thereto 11
(1) Condensed quarterly consolidated statement of financial position 11
(2) Condensed quarterly consolidated statement of profit or loss and statement of comprehensive income 13
(3) Condensed quarterly consolidated statement of changes in equity 15
(4) Condensed quarterly consolidated statement of cash flows 17
(5) Notes to condensed quarterly consolidated financial statements 19
Notes on premise of going concern 19
Segment information 19
Selling, general and administrative expenses 20
Events after the reporting period 20

1. Qualitative information on quarterly consolidated financial results

(1) Explanation of results of operations

In the nine months ended November 30, 2025, revenue was 207,938 million yen, up 24.5% year on year. Core operating profit was 14,503 million yen, up 2.0% year on year, operating profit was 15,894 million yen, up 11.3% year on year, profit before tax was 14,534 million yen, up 8.2% year on year, and profit attributable to owners of parent was 9,745 million yen, up 16.3% year on year, representing increases in revenue and core operating profit.

The fiscal year ending February 28, 2026 is the third and final year of “PLAN-W” Medium-Term Management Plan announced on May 8, 2023. While wrapping up that plan, we are preparing for the next Medium-Term Management Plan, which will be “the next challenge.” We conclude that this financial result reflects the outcomes of our business portfolio reform efforts and that the challenges we face for the next phase of growth continued during this period.

Specifically, in the Brand Business, inventory issues arising from sluggish sales of some apparel brands during the spring and summer sales season also caused delays in switching products from summer items during the newly established hot-autumn sub-season, which in turn affected the product transition for the autumn launch. As a result, our core operating profit, which is the main earnings driver of our operation, fell short of the plan. We take this seriously, as it leaves us with challenges in both quality and quantity regarding our response to climate change, the accuracy of merchandising design, and the control of production and sales.

On the other hand, the Platform Business achieved a significant increase in profit mainly due to the contribution of MC Fashion Co., Ltd., which was included in the scope of consolidation at the end of February, 2025. As a result, the strong performance of non-apparel businesses, including lifestyle brands, strongly compensated for the slump in the apparel businesses, and the Group as a whole secured year-on-year increases in all profit/loss levels below the core operating profit level. We recognize that this is evidence of our progress in shifting to a robust earnings structure that is less susceptible to changes in specific business environments.

In addition, we recorded a one-time gain on the valuation of options supported by the steady restructuring of equity-method affiliate RIGHT-ON Co., Ltd. Furthermore, the effect of making NARUMIYA INTERNATIONAL Co., Ltd. a wholly owned subsidiary of the Company as of October 1, 2025 through a share exchange contributed to increases in profit attributable to owners of parent and in capital (equity attributable to owners of parent) through the stopping the outflow of profits to the non-controlling interests.

In addition, on the financial side, we have achieved our key financial and capital strategy goal of reducing the cost of shareholders’ equity (COE) to a level below our target of 8.0% and have laid the groundwork for accelerated investment in future growth under the next Medium-Term Management Plan.

As a result, the nine months ended November 30, 2025, which marks the final year of “PLAN-W” Medium-Term Management Plan, became an important period for us to address the challenges needed to achieve the full-year plan and to move forward with the formulation of the next Medium-Term Management Plan, which will be “the next challenge.”

Descriptions of each segment are given below.

1) Brand Business

In the Brand Business, we are pursuing sustainable growth that strikes a balance between growth potential and profitability from the standpoint of optimizing the overall Brand Business segment, aiming to complete our appropriate brand portfolio strategy.

With regard to the middle-upper brands, mainly operated at department stores, we are developing differentiated, high-value-added products that reflect their unique brand essence. At the same time, we aim to return to domestic manufacturing by vertically integrating our own factory system so that our business is not affected by global increases in prices or sharp forex fluctuations. Furthermore, to create strong bonds with our customers, we are promoting our multichannel strategy and Online Merges with Offline (OMO) strategy, and creating new growth through the development of various prototypes and store openings.

For the middle-lower brands, mainly operated at shopping centers, we have vertically integrated our product procurement teams at the beginning of the previous fiscal year to further promote direct trade, optimizing the number of styles, and other initiatives to reduce the cost ratio and strengthen price competitiveness. We are also working to improve store operations and strengthen store development by utilizing the scale achieved through the integration of our middle-lower brand business subsidiaries into a single company, as well as by sharing know-how across the organization.

In the lifestyle brand, we continue to strive to expand customer support by offering goods for everyday life and fashion accessories that meet their lifestyle needs. The effect of the fundamental reform of the revenue structure has also been realized, driven by flexible appropriation of resources through the integration of the middle-lower lifestyle brand business into a single company, which was implemented at the beginning of the previous fiscal year, and sharing of know-how. In addition, we plan to assume the cosmetics select shop “Color Field” Business and the furniture and interior goods “Double Day” Business operated by Hankyu Style Labels CO., Ltd. on March 1, 2026, and are further strengthening our business foundation in the lifestyle domain.

Meanwhile, in the investment group, the Group’s themes are pursuing synergies by introducing platforms and improving and establishing revenue structures. Regarding the business revitalization of RIGHT-ON Co., Ltd., which is being undertaken as a large-scale project in the restructuring investment business by an investment company W&D Investment Design Inc., the fundamental structural reforms of revenue has exceeded initial expectations. Accordingly, it has been decided to make it a wholly owned subsidiary effective March 1, 2026.

We are also actively developing and expanding our overseas business. In Thailand, World Saha (Thailand) Co., Ltd., a joint venture established with the SAHA GROUP in January 2025, opened the first and second overseas “RAGTAG” stores in Bangkok in July 2025 and September 2025, respectively. In Taiwan, in collaboration with NARUMIYA INTERNATIONAL Co., Ltd., we opened the first overseas “petit main” store in March 2025, and also opened the third overseas “RAGTAG” store in November 2025. In Hong Kong, through a local agent, we opened the second overseas “petit main” store in September 2025 and the third store in November 2025.

In the nine months ended November 30, 2025, some apparel brands struggled during the spring and summer selling season as their merchandising design failed to fully capture customer needs in terms of both quantity and quality and the struggle due to the changeover from summer to hot autumn and from hot autumn to autumn, which offset the strong performance of lifestyle brands. In this regard, the Brand Business Division, newly established in March 2025, has been promoting reform and improvement activities for each of the issue brands in the middle upper and middle lower.

As a result, the operating results of the Brand Business were as follows: revenue was 144,780 million yen, down 1.2% year on year (of which external revenue was 140,030 million yen, down 0.1% year on year), and core operating profit (segment profit) was 8,189 million yen (down 6.8% year on year), resulting in decreases in revenue and core operating profit.

2) Digital Business

The Digital Business consists of B2B solutions and B2C “Neo Economy.” In B2B, we aim to recover aggressive investments made to date through external sales revenue, and in B2C, we aim to accelerate the growth of our “circular.”

In the B2B solutions business, in the area of the commissioned e-commerce business service, we are contracted to develop and operate WORLD ONLINE STORE (WOS), a directly managed fashion site centered on sales of World brand products, and official e-commerce sites of other companies. In the operation of its own website, the Company is making investments in improving the app functionality and OMO activities, while also promoting seamless service improvements with its directly managed stores in unison with its Brand Business. We are also promoting upfront investments for the evolution of WOS into a mall-type platform through expanding the assortment of other companies' brands. On the other hand, in solution services, the Company is not only working to curb logistics costs for its own group and updating its core system, but also providing inventory control system installation and operation services to other companies, and will continue to strengthen sales activities to expand sales.

In the B2C "Neo Economy," we are pursuing a growth strategy, focusing on the keyword "circular" as a result of applying the strategy of "selection and concentration" to businesses that experimented with various themes. In addition to pursuing growth as part of our OMO strategy combining purchasing and sales through the mutual use of stores and EC channels by TIN PAN ALLEY CO., LTD., which operates "RAGTAG," a store marketing used products from selected brands, we are continuing trials of "usebowl" as a casual business format for future growth. In overseas development, we are making focused upfront investments toward future growth, including taking on the challenge of developing stores in Thailand and Taiwan by utilizing what we have learned from opening local pop-up stores. &Bridge Co., Ltd, which operates the off-price store "& Bridge," is promoting business collaboration with TIN PAN ALLEY CO., LTD. and is generating synergies such as improved store profitability and significant growth in EC.

Excluding the negative impact of changes in the scope of consolidation with the conversion of Laxus Technologies, Inc. from a consolidated subsidiary to an equity-method associate due to its listing, segment profit for the nine months ended November 30, 2025 remained broadly in line with the previous year, as both the B2B and B2C businesses absorbed the increased burden of upfront investments. In order to achieve sustainable profit growth while covering the costs of such growth investments, we believe that both the B2B and B2C businesses need to further enhance profitability in their existing operations.

As a result, the operating results of the Digital Business were as follows: revenue was 23,022 million yen, down 11.4% year on year (of which external revenue was 8,663 million yen, down 20.9% year on year), and core operating profit (segment profit) was 1,545 million yen (down 23.7% year on year), resulting in decreases in revenue and core operating profit.

3) Platform Business

The Platform Business engages in operations to make the Group's platforms, where its know-how and mechanisms were accumulated over the years, available to external companies. It tries to expand new business fields that surpass the existing industrial boundaries.

WORLD PLATFORM SERVICE CO., LTD., an intermediate holding company, possesses both the business management functions and the marketing functions for external client companies that build a revenue model for the Platform Business. Combining the full range of know-how and mechanisms of each platform, we propose and provide one-stop services that best suit a client's needs.

WORLD PRODUCTION PARTNERS CO., LTD., which functions as the production platform, builds a scheme for direct trade as a trading firm and supervises and supports the improvement of productivity at the Group's manufacturing subsidiaries. It also commissions services for the development and manufacture of other apparel companies' products (OEM and ODM business), at specialist trading firms Idiom Co., Ltd. and a sewing factory La Mode Co., Ltd. that deal mainly with external sales.

WORLD STORE PARTNERS CO., LTD., which functions as the sales platform, operates the NEXT DOOR outlet which, along with events such as family sales for which the opening of stores for other brands has continued to grow year after year, is indispensable to the final liquidation of product inventory, and has steadily expanded its external sales services, including sales agency operations for various types of businesses.

Aside from these production and sales platforms focused on apparel, ASPLUND CO., LTD., and other subsidiaries handle the lifestyle field from space creation to the production and sales of fixtures (construction), to wholesales and handing contracts of furniture and goods for everyday life, and these businesses are contributing to the expansion of the service lines and client base of the Platform Business.

In addition, by strengthening our platform functions while using M&A, we will progressively expand our B2B business platform and further expand our overall business platforms to build the "World Fashion Ecosystem" with the goal of contributing to the realization of both diversity and permanence in fashion.

To provide specific examples, the inclusion of MC Fashion Co., Ltd., which became a subsidiary on February 28, 2025, and WORLD SEWING CO., LTD., which became a subsidiary on March 1, 2025, in the scope of consolidation has significantly expanded the resources of our production platform. We are promoting further business expansion while pursuing synergy effects throughout the Group.

In the nine months ended November 30, 2025, we have continued to make progress mainly on external sales orders, which focused on securing gross profit through changes in transaction conditions while also carefully considering profitability at the project level. We are gradually achieving results by increasing resilience against forex fluctuations and cross-selling multiple services to customers. Compared with the same period of the previous fiscal year, the revenue growth in B2B external sales due to the inclusion of MC Fashion Co., Ltd. in the scope of consolidation, significantly contributed to the increase in segment profit.

As a result, the operating results of the Platform Business were as follows: revenue was 100,929 million yen, up 72.2% year on year (of which external revenue was 59,066 million yen, up 273.7% year on year), and core operating profit (segment profit) was 3,688 million yen (up 120.4% year on year), resulting in increases in revenue and core operating profit.

4) Common

The Common segment, which is not a business segment, has a basic revenue structure whereby incomes such as dividends received from subsidiaries and business advisory fee income from subsidiaries are recorded, and that is used to cover expenses of the Company (Holdings), such as costs for the staff. The dividend income received by the holding company has been deducted in advance from the relevant segment profit.

The Common segment is composed of several key divisions. These include the Group Management Headquarters, which consists of corporate staff, and the Creative Management Center, responsible for overseeing the improvement of Group product freshness and software development. Additionally, the Brand Business Division leads the Digital Retail Promotion Office, which is tasked with developing and operating next-generation OMO stores and promoting DCX. The Digital Solution Business Division is also part of this segment, focusing on the development and operation of the Group's information and distribution systems. In September 2025, the Corporate Strategy Office was established to advance the activities aimed at realizing important common strategies for the Group.

World, the holding company, makes it a rule to collect business advisory fee and other income from subsidiaries, with the amount surpassing the actual expenses of the holding company's personnel, to fulfill its duty of conducting intensive investments in key target areas. Corporate continually endeavors to improve its own productivity mainly by consolidating functions.

In the nine months ended November 30, 2025, while we benefited from cost reduction effects linked to business performance, the segment was affected by activity costs for the Overseas Business Development Division, which began full-scale operations in the previous fiscal year, as well as increased upfront costs associated with strategic investment for new businesses and other projects undertaken across Group companies and departments and growth investment. Another factor was an increase in personnel expenses resulting from improved employee compensation.

As a result, the operating results of the Common segment were as follows: revenue was 5,746 million yen, down 1.1% year on year (of which external revenue was 179 million yen, up 61.8% year on year), and core operating profit (segment profit) was 1,201 million yen (up 12.3% year on year), resulting in decrease in revenue and an increase in core operating profit.

< Initiatives for Sustainability >

In order to continue to create and provide value as a “Value-Creating Enterprise” on a long-term, sustainable basis, the Group believes that the contribution to “the realization of a sustainable society” is essential and has positioned initiatives associated with environmental burden and social activities as one of its most important issues in corporate management. In the fashion industry, in which the visualization of dispersed structures is not progressing, we are moving forward with the visualization of environmental burdens, and through the “World Fashion Ecosystem,” we are aiming to balance diversity and sustainability in the fashion industry and proactively working to eliminate industry-wide structural issues.

We embodied the strategic guidelines for a sustainable society unique to the World Group by elevating the establishment of the “World Fashion Ecosystem,” to the next level to create new growth opportunities and the value that can gain the empathy of people in society. In addition to expressing our consent to the TCFD recommendations in June 2022, we announced the Group’s own “WORLD SUSTAINABILITY PLAN & REPORT[*1]” aimed at realizing a decarbonized society. Having set KPIs to achieve our goals, we have been implementing our various measures. As a foundation for realization, we are also focusing on building a human capital management framework and promoting diversity.

The main sustainability activities undertaken in the nine months ended November 30, 2025, are as follows.

■ Environment

- In order to lower our greenhouse gas emissions, we have drafted a plan for the use of sustainable materials on a seasonal basis and are managing the actual results. In the 2023 autumn/winter season, we launched products under the sustainable materials brand “CIRCRIC[*2].” In January 2025, original aprons were launched at “212 KITCHEN STORE” as the first initiative among “CIRCRIC” products to reuse leftover inventory as raw materials (recycled materials) instead of discarding them.

  The percentage of sustainable materials used in the Group’s apparel products was 15.9% in 2024 spring/summer season, 18.4% in 2024 autumn/winter season and 17.2% in 2025 spring/summer season. Additionally, we participated in the formulation of the “Industry-Specific Commentary on the Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain (Fashion Industry)[*3]” published by the Japan Apparel and Fashion Industry Council (JAFIC) in March 2024 and the “Approach and Estimate Methods for Greenhouse Gas Emission Reduction” of the same guideline published by JAFIC in February 2025. The guidelines include examples of the Group’s greenhouse gas emission reduction efforts.
- To reduce the environmental burden of water use, we are visualizing the amount of water used, promoting water conservation and pollution prevention at our own factories, and promoting load reduction measures in the dyeing of apparel products and in the raw material selection process.
- In areas other than products, we are actively promoting the use of recycled materials and other resources, and we have also promoted providing paper bags to our customers through closed recycling of our own used cardboard boxes.
- In addition to holding our World Ecoromo Campaign[*4], which allows customers to drop off their unwanted clothing and other items, at department stores and shopping centers twice a year, we also began the Ecoromo Campaign on our in-house directly managed fashion site WORLD ONLINE STORE (WOS) in January 2025.
  We have continued to accept donations of clothing that employees and their families are no longer wearing, as well as conducting a clothing collection activity in collaboration with our business partners. Furthermore, through new cooperation with the Economic and Tourism Bureau of the city of Kobe, we also conducted clothing collection activities at 13 stations on the Kobe Municipal Subway under the “World Ecoromo and City of Kobe SDG Campaign.”
  As a result of these efforts, the number of clothing and other items collected has been increasing every year, reaching 20.65 million items in total since this activity was launched in 2009.

■ Social

- We continued to donate the proceeds from the World Ecoromo Campaign and the Group employees' participation in the Ecoromo Campaign for the benefit of children's futures. So far, we have donated 122 million yen. Of these, we donated 4.60 million yen in total as relief money for the 2024 Noto Peninsula Earthquake.
- We held workshops at the Group's stores nationwide and at facilities operated by local governments to give people the opportunity to make use of the leftover fabric and thread from our factories. In the nine months ended November 30, 2025, 6,906 people participated in the workshops in total, bringing the cumulative total of people who have attended these workshops to 34,481.

■ Governance

- We aim to improve governance by increasing the diversity of Members of the Board and ensuring transparency, fairness, objectivity, and independence, while encouraging free and vigorous discussion and constructive exchange of opinions. In May 2025, one outside Member of the Board was replaced. In addition, to further enhance corporate governance, an outside Member of the Board chairs the Board of Directors.
- Our sustainability initiatives are driven by officers and departments appointed by the Sustainability Committee, a body that reports directly to the Representative Director of the Board, President and Executive Officer. In addition, the Board of Directors—comprising a majority of independent outside Members of the Board—monitors and supervises the progress of these initiatives by receiving reports on a regular basis from the President and the Sustainability Committee member.

■ Human capital management

- We are promoting "various people-centered measures such as human resource development, work-life balance, diversity, and improved compensation" in conjunction with each of the ESG measures. Also, we have defined the themes we will promote as "improvement of knowledge availability (evolution of knowledge sharing)," "workforce optimization (improvement of productivity)," "improvement of diversity" and "engagement (improvement of organizational strength)," and we set KPIs for these themes and aim to achieve them.
- We identify organizational challenges through the annual "Organizational Strength Questionnaire" conducted as an engagement survey, and accordingly formulate improvement action plans for each company. We also have a system in place to monitor the results and challenges of their implementation.
- As specific measures to promote diversity and inclusion, we have implemented "unconscious bias training," "roundtable discussions on promoting the active participation of women," and "online training on DE&I inclusion for managers." In addition, to promote diversity, we have conducted an employee awareness survey and formulated a roadmap to promote diversity.
- We are promoting "training programs where everyone can continue to learn" by formulating training programs by job level and job category in conjunction with our business strategy. These efforts include enhancing e-Learning content, providing training for managers led by executive officers, and conducting AI utilization training.
- We have established a training plan for all employees and encourage their growth through getting them to take on challenges through initiatives such as career interviews, regular rotations, and an intra-group job posting system.
- As part of our efforts to evolve our system for finding, training and promoting human resources, we regularly hold Human Resources Development Committee meetings.

*1 WORLD SUSTAINABILITY PLAN & REPORT: https://corp.world.co.jp/csr/world_sustainabilityreport.pdf (Japanese only)
*2 CIRCRIC: https://store.world.co.jp/s/brand/circric/ (Japanese only)
*3 Industry-specific guidance on the basic guidelines for calculating greenhouse gas emissions across the supply chain (Fashion Industry): https://form.run/@jafic--UoRMcDscq6qNlafub8r8 (Japanese only)
*4 World Ecoromo Campaign: https://corp.world.co.jp/csr/pdf/world_ecoromo.pdf (Japanese only)

(2) Explanation of financial position

1) Assets, liabilities and equity

(Assets)

Total assets were 273,147 million yen, a decrease of 680 million yen from the end of the previous fiscal year.

The main factors behind this decrease were a reduction of approximately 6,300 million yen in cash and cash equivalents and a decrease of approximately 4,700 million yen in right-of-use assets while inventories increased by approximately 6,200 million yen. Meanwhile, trade and other receivables increased by approximately 3,500 million yen because a delay in payment occurred, as the term end date was a holiday, causing payments to be pushed to the next month.

(Liabilities)

Total liabilities were 180,305 million yen, a decrease of 7,070 million yen from the end of the previous fiscal year.

The main factors behind this decrease were a decrease of approximately 1,300 million yen in trade and other payables, a decrease of approximately 1,000 million yen in borrowings, and a decrease of approximately 5,300 million yen in lease liabilities.

(Equity)

Total equity was 92,841 million yen, an increase of 6,390 million yen from the end of the previous fiscal year.

The main factors behind this increase were an increase of approximately 6,700 million yen in retained earnings due mainly to the recording of approximately 9,700 million yen in profit attributable to owners of parent, despite dividends paid of approximately 3,100 million yen.

(Net D/E ratio)

For the purpose of examining the optimal capital structure between interest-bearing liabilities and shareholders’ equity so that the Group can sustainably improve its ability to service debt while achieving profitability and growth of its business, the Group has designated the net D/E ratio as an indicator of financial soundness, aiming for a net D/E ratio of 0.5x over the medium to long term.

Net interest-bearing liabilities at the end of the nine months ended November 30, 2025 were 74,762 million yen, an increase of approximately 4,800 million yen from the end of the previous fiscal year, and total equity attributable to owners of parent increased by approximately 11,200 million yen, partly due to a reclassification from non-controlling interests to equity attributable to owners of parent associated with making NARUMIYA INTERNATIONAL Co., Ltd. a wholly owned subsidiary. As a result, the net D/E ratio at the end of the nine months ended November 30, 2025 was 0.81.

(ROE)

At the time of formulating the “PLAN-W” Medium-Term Management Plan, the Group set a target of achieving a return on equity (ROE) of more than 10%, exceeding the cost of shareholders’ equity (COE), and currently we are striving to reach 12% or more by the end of the fiscal year under review, the final year of “PLAN-W,” based on the progress of our business performance and other factors to date.

Reflecting the results of the nine months ended November 30, 2025, the 12-month ROE increased 0.6 percentage points to 14.1% from 13.5% in the previous fiscal year. Even on a substantive basis excluding the impact of one-time revenue recorded in the previous fiscal year, we exceeded our sustainable goal values, and we evaluate that capital profitability is steadily improving.

(ROIC)

The Group recognizes the importance of creating a value-creating state in “PLAN-W” so that it can pursue a full-fledged growth strategy in the next medium-term management plan. Specifically, in “PLAN-W,” we aim to achieve a state where ROE exceeds COE under the optimal capital structure and return on invested capital (ROIC) exceeds weighted average cost of capital (WACC).

Therefore, we will aim to achieve a level within reach of the target of 8.5% by the end of the fiscal year under review, the final year of our “PLAN-W” Medium-Term Management Plan. Furthermore, having defined our optimal equity structure as having a credit rating of A and the lowest possible WACC, we are working to control WACC and maintain a target value of 5.0% or lower.

Reflecting the results of the nine months ended November 30, 2025, ROIC on a 12-month basis was 9.1%, an increase of 0.6 percentage points from 8.5% in the previous fiscal year.

Each indicator is calculated according to the following definitions.
Net interest-bearing liabilities and total equity attributable to owners of parent are calculated as the average of the end of the previous year and the end of the current year.

- Net D/E ratio
  Net interest-bearing liabilities at end of period / Total equity attributable to owners of parent at end of period
- Net interest-bearing liabilities
  Borrowings + J GAAP finance lease obligations - Cash and cash equivalents
- ROE
  Profit attributable to owners of parent for the past year / Total equity attributable to owners of parent
- ROIC
  (Operating profit for the past year - Income tax expense - Profit attributable to non-controlling interests) / (Net interest-bearing liabilities + Total equity attributable to owners of parent)

2) Cash flows

Cash flows and their factors for the nine months ended November 30, 2025 were as follows.

(Cash flows from operating activities)

Cash flows from operating activities ended in a net inflow of 15,241 million yen, a decrease of 3,645 million yen in inflow year on year.

The main reason for this was negative factors including an increase in working capital of approximately 4,100 million yen due to rises in trade and other receivables and inventories as well as the postponement of collections because the term-end date was a holiday. These changes occurred against the backdrop of the inclusion of MC Fashion Co., Ltd. in the scope of consolidation. Meanwhile, profit before tax increased approximately 1,100 million yen.

(Cash flows from investing activities)

Cash flows from investing activities ended in a net outflow of 5,375 million yen, an increase of 2,197 million yen in outflow year on year.

This was mainly due to negative cash flow factors including approximately 1,500 million yen of purchase of property, plant and equipment. In anticipation of higher interest rates in the future, the Company has switched its investment in store openings and renovations from leasing to in-house acquisition starting this fiscal year.

(Cash flows from financing activities)

Cash flows from financing activities ended in a net outflow of 16,524 million yen, a decrease of 3,620 million yen in outflow year on year.

As for the main reasons, there was negative cash flow factor of approximately 800 million yen in dividend payments due to an increased dividend and approximately 500 million yen in interest payments due to rising interest rates. Meanwhile, there were positive cash flow factors, mainly the absence of 5,000 million yen from the redemption of other equity instruments, which was recorded in the nine months ended November 30, 2024.

As a result, the balance of cash and cash equivalents at the end of the nine months ended November 30, 2025 was 15,444 million yen, a decrease of 6,304 million yen from the end of the previous fiscal year.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The earnings forecasts presented in this document represent the judgment of management of the Company based on information currently available and include risk and uncertainty. Accordingly, investors are advised not to rely solely on these earnings forecasts when making investment decisions.

2. Condensed quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and cash equivalents	21,748	15,444
Trade and other receivables	39,181	42,676
Inventories	27,756	33,941
Other financial assets	157	1,488
Other current assets	1,684	1,932
Total current assets	90,525	95,481
Non-current assets		
Property, plant and equipment	35,445	37,933
Right-of-use assets	40,139	35,454
Intangible assets	79,024	78,687
Investments accounted for using equity method	5,600	5,409
Deferred tax assets	5,034	3,240
Other financial assets	17,355	16,324
Other non-current assets	705	619
Total non-current assets	183,301	177,666
Total assets	273,826	273,147

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	41,476	40,189
Income taxes payable	1,578	1,913
Borrowings	44,400	41,113
Lease liabilities	12,782	11,263
Other financial liabilities	150	197
Other current liabilities	2,945	3,108
Total current liabilities	103,331	97,785
Non-current liabilities		
Borrowings	42,379	44,653
Lease liabilities	32,360	28,595
Retirement benefit liability	2,359	2,013
Provisions	6,573	6,781
Other financial liabilities	150	463
Other non-current liabilities	222	15
Total non-current liabilities	84,044	82,521
Total liabilities	187,375	180,305
Equity		
Equity attributable to owners of parent		
Share capital	511	511
Capital surplus	15,566	20,742
Retained earnings	63,657	70,312
Treasury shares	(39)	(504)
Other components of equity	1,505	1,343
Total equity attributable to owners of parent	81,200	92,404
Non-controlling interests	5,251	437
Total equity	86,451	92,841
Total liabilities and equity	273,826	273,147

(2) Condensed quarterly consolidated statement of profit or loss and statement of comprehensive income

(Condensed quarterly consolidated statement of profit or loss)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Revenue	167,036	207,938
Cost of sales	66,494	104,329
Gross profit	100,542	103,608
Selling, general and administrative expenses	86,319	89,106
Other income	611	2,590
Other expenses	481	1,103
Share of profit (loss) of investments accounted for using equity method	(72)	(95)
Operating profit	14,281	15,894
Finance income	28	59
Finance costs	873	1,420
Profit before tax	13,435	14,534
Income tax expense	4,100	4,783
Profit	9,335	9,751
Profit attributable to		
Owners of parent	8,378	9,745
Non-controlling interests	957	6
Profit	9,335	9,751
Earnings (loss) per share		
Basic earnings per share (yen)	240.46	281.56
Diluted earnings per share (yen)	240.46	281.56

(Condensed quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Profit	9,335	9,751
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2	(488)
Remeasurements of defined benefit plans	–	2
Total	2	(487)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	36	412
Effective portion of cash flow hedges	–	(38)
Total	36	374
Other comprehensive income, net of tax	38	(113)
Comprehensive income	9,373	9,638
Comprehensive income attributable to		
Owners of parent	8,416	9,629
Non-controlling interests	957	9
Comprehensive income	9,373	9,638

(3) Condensed quarterly consolidated statement of changes in equity

Nine months ended November 30, 2024

(Millions of yen)

	Share capital	Capital surplus	Other equity instruments	Retained earnings	Treasury shares	Other components of equity
						Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	511	15,112	9,704	55,192	(44)	4
Comprehensive income						
Profit	–	–	—	8,378	–	–
Other comprehensive income	–	–	—	–	–	(3)
Comprehensive income	–	–	—	8,378	–	(3)
Transactions with owners						
Dividends	–	–	—	(2,282)	–	–
Share-based payment transactions	–	70	—	–	5	–
Changes in ownership interest in subsidiaries	–	645	—	–	–	–
Obtaining of control of subsidiaries	–	–	—	–	–	–
Loss of control of subsidiaries	–	–	—	–	–	–
Distribution to owners of other equity instruments	–	–	—	(215)	–	–
Redemption of other equity instrument	–	(148)	(4,852)	–	–	–
Total	–	568	(4,852)	(2,497)	5	–
Balance at end of period	511	15,679	4,852	61,074	(39)	1

	Other components of equity				Total equity attributable to owners of parent	Non-controlling interests	Total
	Remeasure-ments of defined benefit plans	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance at beginning of period	585	947	–	1,535	82,010	6,407	88,418
Comprehensive income							
Profit	–	–	–	–	8,378	957	9,335
Other comprehensive income	–	41	–	38	38	(0)	38
Comprehensive income	–	41	–	38	8,416	957	9,373
Transactions with owners							
Dividends	–	–	–	–	(2,282)	(162)	(2,443)
Share-based payment transactions	–	–	–	–	75	—	75
Changes in ownership interest in subsidiaries	–	–	–	–	645	(1,780)	(1,135)
Obtaining of control of subsidiaries	–	–	–	–	–	82	82
Loss of control of subsidiaries	–	–	–	–	–	(230)	(230)
Distribution to owners of other equity instruments	–	–	–	–	(215)	–	(215)
Redemption of other equity instrument	–	–	–	–	(5,000)	–	(5,000)
Total	–	–	–	–	(6,776)	(2,090)	(8,867)
Balance at end of period	585	987	–	1,573	83,650	5,274	88,924

Nine months ended November 30, 2025

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity: Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	511	15,566	63,657	(39)	1
Comprehensive income					
Profit	–	–	9,745	–	–
Other comprehensive income	–	–	—	–	(488)
Comprehensive income	–	–	9,745	–	(488)
Transactions with owners					
Dividends	–	–	(3,136)	–	–
Purchase of treasury shares	–	–	–	(469)	–
Share-based payment transactions	–	89	–	4	–
Changes in ownership interest in subsidiaries	–	5,087	–	–	–
Other	–	–	46	–	–
Total	–	5,176	(3,090)	(465)	–
Balance at end of period	511	20,742	70,312	(504)	(488)

	Other components of equity				Total equity attributable to owners of parent	Non-controlling interests	Total
	Remeasure-ments of defined benefit plans	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance at beginning of period	546	959	–	1,505	81,200	5,251	86,451
Comprehensive income							
Profit	–	–	–	–	9,745	6	9,751
Other comprehensive income	21	389	(38)	(116)	(116)	4	(113)
Comprehensive income	21	389	(38)	(116)	9,629	9	9,638
Transactions with owners							
Dividends	–	–	–	–	(3,136)	(209)	(3,345)
Purchase of treasury shares	–	–	–	–	(469)	–	(469)
Share-based payment transactions	–	–	–	–	93	7	101
Changes in ownership interest in subsidiaries	–	–	–	–	5,087	(4,621)	466
Other	(47)	–	–	(47)	(0)	–	(0)
Total	(47)	–	–	(47)	1,575	(4,823)	(3,248)
Balance at end of period	520	1,349	(38)	1,343	92,404	437	92,841

(4) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Cash flows from operating activities		
Profit before tax	13,435	14,534
Depreciation and amortization	13,316	13,943
Finance costs	873	1,420
Gain on sale of fixed assets	(26)	(6)
Gain on negative goodwill	–	(145)
Loss on sale and retirement of fixed assets	106	219
Decrease (increase) in trade and other receivables	(6,010)	(3,325)
Decrease (increase) in inventories	(5,306)	(6,066)
Payments for acquisition of asset for rent	(551)	–
Increase (decrease) in trade and other payables	5,062	(1,616)
Increase (decrease) in consumption taxes payable	161	(446)
Other	212	(765)
Subtotal	21,271	17,748
Income taxes refund (paid)	(2,385)	(2,507)
Net cash provided by (used in) operating activities	18,886	15,241
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,084)	(3,626)
Proceeds from sale of property, plant and equipment	113	—
Purchase of intangible assets	(1,242)	(1,752)
Purchase of investment securities	–	(351)
Payments of leasehold deposits and guarantee deposits	(695)	(657)
Proceeds from refund of leasehold deposits and guarantee deposits	657	577
Purchase of investments in associates	(28)	–
Interest and dividends received	27	46
Payments for asset retirement obligations	(273)	(294)
Other	347	682
Net cash provided by (used in) investing activities	(3,178)	(5,375)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,340)	(4,190)
Proceeds from long-term borrowings	5,730	10,009
Repayments of long-term borrowings	(5,225)	(6,986)
Interest paid	(640)	(1,199)
Financial fees paid	(17)	(180)
Purchase of treasury shares	–	(3)
Purchase of treasury shares of subsidiaries	(43)	–
Repayments of lease liabilities	(9,962)	(10,660)
Dividends paid	(2,271)	(3,106)
Dividends paid to non-controlling interests	(162)	(209)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,000)	–
Payment of distribution to owners of other equity instruments	(215)	–
Redemption of other equity instruments	(5,000)	–
Net cash provided by (used in) financing activities	(20,144)	(16,524)
Effect of exchange rate changes on cash and cash equivalents	(19)	354
Net increase (decrease) in cash and cash equivalents	(4,454)	(6,304)
Cash and cash equivalents at beginning of period	20,848	21,748
Cash and cash equivalents at end of period	16,394	15,444

(5) Notes to condensed quarterly consolidated financial statements

Notes on premise of going concern

No items to report.

Segment information

(1) Overview of reportable segments

Operating segments are reported in a manner consistent with internal reporting presented to the chief operating decision maker. The chief operating decision maker is responsible for allocation of resources to the segments and assessment of its performance. The Group positions the Board of Directors, which makes strategic decisions, as the chief operating decision maker.

The Group has four reportable segments, namely, “Brand Business,” “Digital Business,” “Platform Business” and “Common” segment.

(2) Segment income and operating results

Income and operating results of the Group’s reportable segments are as follows:

The terms and conditions for inter-segment sales transactions are determined each fiscal year.

Nine months ended November 30, 2024

(Millions of yen)

	Reportable segments					Adjustments (Note 2)	Total
	Brand Business	Digital Business	Platform Business	Common (Note 1)	Total		
Revenue							
External revenue	140,164	10,955	15,806	111	167,036	–	167,036
Inter-company revenue	6,426	15,032	42,813	5,700	69,972	(69,972)	–
Total	146,590	25,987	58,620	5,810	237,008	(69,972)	167,036
Segment profit (loss) (Note 3)	8,788	2,026	1,673	1,069	13,556	666	14,223
Impairment losses	–	(22)	–	–	(22)	–	(22)
Other income and expenses, net (Note 4)	(101)	86	108	37	130	(51)	80
Operating profit (loss)	8,687	2,090	1,781	1,106	13,665	616	14,281
Finance income	–	–	–	–	–	–	28
Finance costs	–	–	–	–	–	–	(873)
Profit (loss) before tax	–	–	–	–	–	–	13,435
Other							
Depreciation and amortization	8,461	3,163	434	1,258	13,316	–	13,316

(Note 1) The Common segment’s duties include the corporate-related operations, in which incomes including business management and advisory fee income from subsidiaries are to cover expenses at the holding company, such as costs for the staff.

(Note 2) The adjustment amount of segment profit (loss) mainly includes the eliminations of inter-company transactions and the costs not allocated to each reportable segment.

(Note 3) Segment profit (loss) is revenue less cost of sales and selling, general and administrative expenses.

(Note 4) Other income and expenses (net) includes loss on investments of 72 million yen, calculated using equity method. This is broken down into loss of 71 million yen from the Brand Business and loss of 0 million yen from the Digital Business.

Nine months ended November 30, 2025

(Millions of yen)

	Reportable segments					Adjustments (Note 2)	Total
	Brand Business	Digital Business	Platform Business	Common (Note 1)	Total		
Revenue							
External revenue	140,030	8,663	59,066	179	207,938	–	207,938
Inter-company revenue	4,750	14,359	41,863	5,568	66,540	(66,540)	–
Total	144,780	23,022	100,929	5,746	274,478	(66,540)	207,938
Segment profit (loss) (Note 3)	8,189	1,545	3,688	1,201	14,623	(120)	14,503
Impairment losses	(3)	–	–	–	(3)	–	(3)
Other income and expenses, net (Note 4)	(3)	(99)	531	965	1,394	0	1,394
Operating profit (loss)	8,184	1,446	4,220	2,165	16,015	(120)	15,894
Finance income	–	–	–	–	–	–	59
Finance costs	–	–	–	–	–	–	(1,420)
Profit (loss) before tax	–	–	–	–	–	–	14,534
Other							
Depreciation and amortization	8,516	3,070	1,188	1,170	13,943	–	13,943

(Note 1) The Common segment's duties include the corporate-related operations, in which incomes including business management and advisory fee income from subsidiaries are to cover expenses at the holding company, such as costs for the staff.

(Note 2) The adjustment amount of segment profit (loss) mainly includes the eliminations of inter-company transactions and the costs not allocated to each reportable segment.

(Note 3) Segment profit (loss) is revenue less cost of sales and selling, general and administrative expenses.

(Note 4) Other income and expenses (net) includes loss on investments of 95 million yen, calculated using equity method. This is broken down into a loss of 112 million yen from the Brand Business and a profit of 16 million yen from the Digital Business.

Selling, general and administrative expenses

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Employee benefit expenses	29,434	32,454
Sales promotion expenses	4,750	4,374
Packing and transportation expenses	6,488	5,828
Leasing fees	4,093	4,169
Percentage rent	12,203	11,804
Depreciation and amortization	13,019	13,893
Other	16,331	16,584
Total	86,319	89,106

Events after the reporting period

No items to report.