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 Three Months of the Fiscal Year Ending February 28, 2027 <under IFRS>

July 3, 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
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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 three months of the fiscal year ending February 28, 2027 (from March 1, 2026 to May 31, 2026)

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

	Revenue		Business profit		Operating profit		Profit before financing and income taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2026	74,707	6.7	7,171	13.0	7,293	7.7	7,308	2.9
Three months ended May 31, 2025	70,015	19.9	6,343	–	6,774	–	7,105	–

	Profit attributable to owners of parent	
	Millions of yen	%
Three months ended May 31, 2026	5,451	24.7
Three months ended May 31, 2025	4,373	6.7

(Reference) NOPAT (actual) Fiscal year ending February 28, 2027 6,022 million yen (24.1%) Fiscal year ended February 28, 2026 4,854 million yen (–%)

(Note) Business profit is revenue less cost of sales and selling, general and administrative expenses. This management indicator is a Management-defined Performance Measure (MPM) as defined in IFRS 18.

(Note) The Company has early adopted IFRS 18 “Presentation and Disclosure in Financial Statements” (hereinafter “IFRS 18”) from the first quarter of the fiscal year ending February 28, 2027, and the figures have been retrospectively adjusted to reflect this change in accounting policy. The percentages of year-on-year changes for business profit, operating profit, and profit before financing and income taxes for the three months ended May 31, 2025 are not presented because retrospective adjustments were made as a result of this change in accounting policy.

(Note) Provisional accounting treatment, which had been applied for business combinations in the fiscal year ended February 28, 2025, was finalized during the fiscal year ended February 28, 2026. Accordingly, the figures for the three months ended May 31, 2025 have been revised to reflect adjustments to the allocation of acquisition costs.

(Note) NOPAT (Net Operating Profit After Tax) represents after-tax operating performance and is calculated by adding back net finance income (interest income less interest expenses and financial fees) to profit before tax, and then deducting income taxes and profit attributable to non-controlling interests. It is used as the numerator in the calculation of ROIC (Return on Invested Capital). This management indicator is a Management-defined Performance Measure (MPM) as defined in IFRS 18.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2026	71.57	71.57
Three months ended May 31, 2025	64.18	64.18

(Note) The Company implemented a share split at a ratio of two shares for each share of ordinary shares effective March 1, 2026. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

(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 May 31, 2026	277,700	99,764	99,312	35.8
As of February 28, 2026	280,059	96,282	94,659	33.8

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, 2026	–	49.00	–	60.00	109.00
Fiscal year ending February 28, 2027	–				
Fiscal year ending February 28, 2027 (Forecast)		31.00	–	36.00	67.00

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

(Note) The Company implemented a share split at a ratio of two shares for each share of ordinary shares effective March 1, 2026. The actual amounts of dividends before the stock split are presented for the fiscal year ended February 28, 2026. For the fiscal year ending February 28, 2027 and the forecast for the fiscal year ending February 28, 2027, the amounts after the stock split are presented. Assuming that the stock split had been carried out at the beginning of the fiscal year ended February 28, 2026, the total annual dividends per share would have been 54.50 yen for the fiscal year ended February 28, 2026.

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Operating profit		Profit before financing and income taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending August 31, 2026	143,500	4.8	8,350	0.6	8,000	(14.2)	8,050	(14.0)
Fiscal year ending February 28, 2027	300,000	5.6	18,500	12.3	17,500	11.5	17,550	8.5

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending August 31, 2026	5,700	1.1	78.31
Fiscal year ending February 28, 2027	12,600	4.9	173.10

(Reference) NOPAT (forecast) Six months ending August 31, 2026 6,670 million yen (1.1%) Fiscal year ending February 28, 2027 14,530 million yen (4.3%)

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

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

(Note) NOPAT (Net Operating Profit After Tax) represents after-tax operating performance and is calculated by adding back net finance income (interest income less interest expenses and financial fees) to profit before tax, and then deducting income taxes and profit attributable to non-controlling interests. It is used as the numerator in the calculation of ROIC (Return on Invested Capital).

* 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: Yes

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 May 31, 2026	77,139,828 shares
As of February 28, 2026	73,717,266 shares

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

As of May 31, 2026	939,018 shares
As of February 28, 2026	927,726 shares

c. Average number of shares during the period

For the three months ended May 31, 2026	76,166,482 shares
For the three months ended May 31, 2025	68,140,687 shares

(Note) The Company implemented a share split at a ratio of two shares for each share of ordinary shares effective March 1, 2026. Total number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares during the period have been calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit 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 8 of the attached material.

Attached Material Index

1. Qualitative information on quarterly consolidated financial results

(1) Explanation of results of operations

As the current fiscal year marks the first year of the “VISION-W” Medium-Term Management Plan, the Company commenced financial reporting from the three months ended May 31, 2026 reflecting both the changes in reportable segments and the early adoption of International Financial Reporting Standards (IFRS) 18, as announced in the release dated February 27, 2026. The background to these changes includes the expected completion of a business structure not dependent solely on the apparel brand business, as well as the acceleration of medium- to long-term sustainable value creation centered on ROIC management.

The reportable segments have been changed from the previous “Brand Business,” “Digital Business,” and “Platform Business” to the “B2C Business” and “B2B Business.” This change is to ensure the optimal governance structure and resource allocation according to the characteristics of each business, recognizing that the B2C business focuses on maximizing brand value and profitability, while the B2B business aims to accelerate growth through the expansion of solution businesses, as they differ in business characteristics, key success factors, and management indicators to be emphasized.

In addition, the early adoption of IFRS 18 aims to align the indicators emphasized by the Company with the profit and loss classifications of IFRS 18, and to achieve the following three points: “accuracy improvement for global business performance comparison,” “clarification of management viewpoints,” and “improvement in understanding of profit structure.” Accordingly, year-on-year changes are calculated using the figures for the corresponding period of the previous fiscal year that have been restated to reflect the new segment classifications and the adoption of IFRS 18.

In the three months ended May 31, 2026, revenue was 74,707 million yen, up 6.7% year on year. Business profit was 7,171 million yen, up 13.0% year on year, operating profit was 7,293 million yen, up 7.7% year on year, profit before financing and income taxes was 7,308 million yen, up 2.9% year on year, and profit attributable to owners of parent was 5,451 million yen, up 24.7% year on year, achieving increases in both revenue and profit.

On the revenue side, in the B2C business, the full-period contribution of RIGHT-ON Co., Ltd. and World Style Labels Co., Ltd., which were newly included in the scope of consolidation, made a significant contribution to revenue. In the B2B business as well, revenue exceeded the level of the corresponding period of the previous fiscal year, supported mainly by the steady expansion of external sales at MC Fashion Co., Ltd. Although the challenged apparel brand business continued to benefit gradually from the effects of its merchandising reforms, its performance has not yet exceeded the plan, with continued growth in the circular business helping to offset the shortfall.

On the profit side, both the B2C business and the B2B business achieved double-digit profit growth year on year. In the B2C business, the two newly consolidated subsidiaries mentioned above contributed significantly, while also achieving substantial improvements in profitability. The apparel business also remained resilient, supported by strengthened sales of regular price items and the reform of the revenue structure, while the strong performance of the circular business further contributed to earnings. In the B2B business, the expansion of external sales at MC Fashion Co., Ltd. drove overall earnings, while the people operations business also improved earnings, particularly through sales agency operations.

Descriptions of each segment are given below.

1) B2C Business

The B2C Business consists of the sub-segments of “Apparel” and “Lifestyle” under World･Brands Co., Ltd., “Unique,” comprising operating companies engaged in businesses such as jewelry and intimate apparel, as well as “Overseas” and “Circular,” which the Company strategically manages directly and supports for growth. In the “VISION-W” Medium-Term Management Plan, we are returning to the fundamentals of business and working to reform the revenue structure in the apparel business and expand growth in non-apparel domains.

In the three months ended May 31, 2026, in the apparel domain, we thoroughly improved the accuracy of product planning, merchandising, procurement, and sales operations. Rather than pursuing sales growth beyond an appropriate scale, we continued our efforts to transform the business into a leaner and more profitable operation. At the same time, in the lifestyle and circular domains, we continued to improve the profitability of existing businesses and make growth investments. In the overseas domain, we advanced the establishment of business foundations in Thailand, Taiwan, Hong Kong, and Malaysia.

Furthermore, at RIGHT-ON Co., Ltd., which was included in the scope of consolidation in the previous fiscal year, the benefits of structural reforms aimed at improving profitability, together with the recovery in top-line performance resulting from merchandising reforms, became evident. In addition, World Style Labels Co., Ltd., which was newly included in the scope of consolidation in March 2026, also performed very well in terms of profit while steadily advancing its post-merger integration (PMI) process. As a result, these two newly consolidated subsidiaries made significant contributions to the expansion of the B2C business in terms of both revenue and profit from an early stage.

As a result, the operating results of the B2C business were as follows: revenue was 58,106 million yen, up 10.4% year on year (of which external revenue was 56,388 million yen, up 10.0% year on year), and business profit (segment profit) was 5,015 million yen (up 13.6% year on year), resulting in increases in both revenue and profit.

2) B2B Business

The B2B business consists of the sub-segment domains of "Supply Chain," "Technology," and "People Operations" under WORLD･SOLUTIONS CO., LTD. In the "VISION-W" Medium-Term Management Plan, we aim to expand the business by addressing our customers' business challenges. To achieve this, we continue to accumulate expertise in solving issues specific to each business domain, while building a track record of successful cross-domain solution proposals. At the same time, we are strategically concentrating resources, including personnel, to enhance our growth potential.

In the supply chain domain, we provide OEM and ODM solutions by leveraging our procurement, production, and logistics capabilities. In the technology domain, we offer a wide range of digital solutions, including e-commerce operation support, inventory management, and core business systems. In the people operations domain, we support our customers' business operations through services such as sales agency, store development, and education and training. Across all of these businesses, we continue to develop our human resources, improve the visibility of sales activities, and strengthen a repeatable sales platform.

In the three months ended May 31, 2026, as a common theme across all business domains, we strengthened our sales organization and expanded the scope of our solution proposals. We also enhanced our solution proposals by combining multiple services tailored to the specific needs of each customer. In addition, we promoted synergy creation in the supply chain domain, service enhancements in the technology domain, and the expansion of external sales in the people operations domain.

As a result, the operating results of the B2B business were as follows: revenue was 24,523 million yen, up 4.6% year on year (of which external revenue was 17,969 million yen, down 2.7% year on year), and business profit (segment profit) was 1,849 million yen (up 31.1% year on year), resulting in increases in both revenue and profit.

3) Common

The Common segment, which is not a business segment, has a basic revenue structure whereby incomes such as business advisory fee income from subsidiaries are recorded, and that is used to cover expenses related to the corporate functions of the Company (Holdings). It consists of the Corporate Governance Office, which is responsible for Group governance as the holding company; the Corporate Operations Headquarters, which supports Group management; and the Corporate

Strategy Office, the Corporate IP & Alliance Office, the Corporate Investment Office, and the Overseas Business Development Division, which are responsible for promoting medium- to long-term strategies.

In the three months ended May 31, 2026, as the first year of the "VISION-W" Medium-Term Management Plan, we strengthened the organizational structure supporting the competitiveness of each business and promoted Group-wide initiatives aimed at medium- to long-term growth. On the other hand, in terms of actual results, in addition to higher expenses associated with the leaseback of the Kobe head office building and the enhancement of the shareholder benefit program, we executed strategic upfront investments in human capital, new business development, and other areas for future growth, resulting in a decrease in profit year on year.

As a result, the operating results of the Common segment were as follows: revenue was 3,802 million yen, up 3.1% year on year (of which external revenue was 350 million yen, up 26.9% year on year), and business profit (segment profit) was 367 million yen (down 34.9% year on year), resulting in an increase in revenue and a decrease in 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 the reduction of environmental burden and addressing social issues as one of its most important issues in corporate management. In the fashion industry, where the fragmented structure often makes the overall picture difficult to grasp, we are moving forward with the visualization of environmental burden, and are aiming to balance diversity and sustainability in the fashion industry and proactively working to eliminate industry-wide structural issues.

In 2022, we announced the "WORLD SUSTAINABILITY PLAN & REPORT[*1]," which embodied our strategic guidelines for a sustainable society. Furthermore, under the "Roadmap for Reducing Greenhouse Gas Emissions by 2050," revised in 2025, we are advancing the establishment of a sustainable value chain with a lower environmental burden and the creation of a foundation for achieving carbon neutrality. We have also set KPIs and are implementing various measures to achieve our targets. In addition, through building a human capital management framework and promoting diversity, we are striving for sustainable improvement in corporate value.

The main sustainability activities undertaken in the three months ended May 31, 2026 are as follows.

■ Environment

- In order to lower our greenhouse gas emissions, we have developed a dedicated system for planning and managing the use of sustainable materials on a seasonal basis, and have established a framework that can be monitored in real time. The percentage of sustainable materials used in the Group's apparel products was 17.2% in 2025 spring/summer season and 24.1% in 2025 autumn/winter season.
- We are also expanding sales of products under the sustainable materials brand "CIRCRIC[*2]".
- 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.

- We continue to conduct the World Ecoromo Campaign[*4], which allows customers to drop off their unwanted clothing and other items for reuse, while steadily expanding collection locations and frequency at department stores, shopping centers, and our own fashion e-commerce site. As a result of these efforts, the number of clothing and other items collected has been increasing every year, reaching 21.46 million items in total since this activity was launched in 2009.

■ Social

- In addition to the World Ecoromo Campaign conducted at our stores and our fashion e-commerce sites, as well as the Group employees' participation in the Ecoromo Campaign, we have also launched new initiatives such as clothing collection activities in collaboration with Toyooka City (Hyogo Prefecture) and clothing collection activities at schools. The proceeds are donated for the benefit of children's futures, and the cumulative total of donations has reached 127 million yen. Of this amount, 5.56 million yen in total was donated as relief funds 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 three months ended May 31, 2026, 1,375 people participated in the workshops in total, bringing the cumulative total of people who have attended these workshops to 38,025.

■ 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. 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.

■ Human capital management

- To realize a "Value-Creating Enterprise," the Group is promoting human capital management to maximize the potential of our "people," our most important management resource. Human resources strategies and key personnel matters are reviewed and approved by the Management Committee or the Board of Directors. Under the Sustainability Committee, the responsible officers and departments implement related initiatives, while the Board of Directors provides regular oversight.
- In conjunction with our medium-term business strategy, 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 "improvement of engagement (improvement of organizational strength)." Having set KPIs for each theme, we are striving to achieve an ROE of 12.5% or higher and enhance corporate value.
- We identify organizational challenges through the annual "Organizational Strength Questionnaire" conducted as an engagement survey, and have established a system under which each Group company formulates, implements, and evaluates action plans for improvement.
- As specific measures to promote diversity and inclusion, we have implemented "unconscious bias training," "roundtable discussions on promoting the active participation of women," and "DE&I training for managers." At the same time, we are developing a work environment in which employees can work with peace of mind through initiatives such as a life-priority work arrangement, a secondary employment program, and a flexible work program for employees with caregiving responsibilities.

- We are promoting “training programs where everyone can continue to learn” through training programs by job level and job category, e-Learning, training for managers led by executive officers, and AI utilization training. In addition, through career interviews, regular rotations, and an intra-group job posting system, we encourage employees’ growth through getting them to take on challenges. We also regularly hold Human Resources Development Committee meetings to advance the identification, development, and promotion of human resources.
- Going forward, to realize the “VISION-W” Medium-Term Management Plan, we will further strengthen our efforts to recruit talented personnel for growth businesses, including investment, IP alliances, and overseas operations. We will also accelerate talent rotation from the B2C business to the B2B business and reskilling in line with the transformation of our business structure. In addition, we are establishing a next-generation management team by appointing both internal and external talent, thereby creating a framework for continuously developing the next generation of business leaders.

*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://store.world.co.jp/eco-romo/ (Japanese only)

(2) Explanation of financial position

1) Condensed quarterly consolidated statement of financial position

The main factors contributing to changes in the major items of the condensed quarterly consolidated statement of financial position at the end of the three months ended May 31, 2026 are as follows.

(Assets)

Total assets were 277,700 million yen, a decrease of 2,359 million yen from the end of the previous fiscal year.

The main factors behind this decrease were decreases of approximately 2,800 million yen in cash and cash equivalents and approximately 1,600 million yen in right-of-use assets, despite increases of approximately 800 million yen in property, plant and equipment due to capital investments in stores and approximately 700 million yen in inventories due to the consolidation of World Style Labels Co., Ltd. as a subsidiary.

(Liabilities)

Total liabilities were 177,936 million yen, a decrease of 5,840 million yen from the end of the previous fiscal year.

The main factors behind this decrease were decreases of approximately 4,800 million yen in trade and other payables, approximately 1,100 million yen in lease liabilities, and approximately 1,000 million yen in income taxes payable due to the payment of income taxes, despite an increase of approximately 1,200 million yen in borrowings.

(Equity)

Total equity was 99,764 million yen, an increase of 3,481 million yen from the end of the previous fiscal year.

The main factors behind this increase were an increase of approximately 3,300 million yen in retained earnings due mainly to the recording of approximately 5,500 million yen in profit attributable to owners of parent, despite dividends paid of approximately 2,200 million yen.

In addition, the Company implemented a share exchange with RIGHT-ON Co., Ltd. with an effective date of March 1, 2026. As a result of this share exchange, capital surplus increased by approximately 1,200 million yen, while non-controlling interests decreased by approximately 1,200 million yen.

2) Financial indicators

Under the “VISION-W” Medium-Term Management Plan that commenced in the fiscal year under review, the Group has set the following targets for key financial indicators in order to achieve sustainable improvement in TSR (Total Shareholder Return).

<table>
<tr><th>Growth</th><th colspan="2">Profitability</th><th>Financial soundness</th></tr>
<tr><td>Profit attributable to owners of parent: Annual growth of 8%</td><td>ROE: 12.5% or higher</td><td>ROIC: 8.5% or higher</td><td>Net D/E ratio: 0.75x or lower</td></tr>
</table>

(Profit attributable to owners of parent)

Profit attributable to owners of parent for the three months ended May 31, 2026 was 5,451 million yen, an increase of approximately 1,100 million yen, up 24.7% year on year. For details on profit attributable to owners of parent for the three months ended May 31, 2026, please refer to “(1) Explanation of results of operations.”

(ROE)

ROE for the three months ended May 31, 2026 increased 0.6 percentage points to 14.3% from 13.7% in the previous fiscal year. This includes the impact of gains temporarily recognized as a gain on valuation of derivatives in the previous fiscal year.

(ROIC)

ROIC for the three months ended May 31, 2026 increased 0.3 percentage points to 7.3% from 7.0% in the previous fiscal year. This was due to an increase in NOPAT, the numerator used in calculating ROIC, despite an increase in net interest-bearing liabilities.

(Net D/E ratio)

Net interest-bearing liabilities at the end of the three months ended May 31, 2026 were 114,725 million yen, an increase of approximately 2,900 million yen from the end of the previous fiscal year, while total equity attributable to owners of parent increased by approximately 4,700 million yen. As a result, the net D/E ratio at the end of the three months ended May 31, 2026 decreased by 0.02 to 1.16 from 1.18 at the end of the previous fiscal year.

The definitions and calculation methods for each indicator are as follows. In calculating ROE and ROIC, the profit or loss items (numerators) are based on figures converted to a trailing 12-month basis, while the equity and liability items (denominators) are based on the average of the balances at the end of the corresponding month of the previous fiscal year and at the end of the current period. In addition, lease liabilities used in calculating net interest-bearing liabilities include lease liabilities under IFRS 16.

- Net interest-bearing liabilities
  Borrowings + Lease liabilities - Cash and cash equivalents
- Net D/E ratio
  Net interest-bearing liabilities at end of period / Total equity attributable to owners of parent at end of period
- ROE
  Profit (quarterly or semi-annual) attributable to owners of parent (trailing 12-month basis) / Total equity attributable to owners of parent

- NOPAT
  Profit (quarterly or semi-annual) before tax - Interest income + Interest expenses + Financial fees - Income taxes - Profit attributable to non-controlling interests (trailing 12-month basis)
- ROIC
  NOPAT (trailing 12-month basis) / (Net interest-bearing liabilities + Total equity attributable to owners of parent)

3) Cash flows

Cash flows and their factors for the three months ended May 31, 2026 were as follows. With the adoption of IFRS 18 "Presentation and Disclosure in Financial Statements," each item in the consolidated statement of cash flows for the corresponding period of the previous fiscal year has been reclassified, and the comparative analysis is based on figures presented on the same basis as those for the current first quarter.

(Cash flows from operating activities)

Cash flows from operating activities ended in a net inflow of 4,029 million yen, an increase of 3,908 million yen in inflow year on year.

This was mainly due to positive cash flow factors including the solid performance of MC Fashion Co., Ltd. and the reduction in working capital.

(Cash flows from investing activities)

Cash flows from investing activities ended in a net outflow of 1,372 million yen, a decrease of 363 million yen in outflow year on year.

This was mainly due to reductions of approximately 800 million yen in purchase of property, plant and equipment and approximately 100 million yen in purchase of intangible assets, respectively, as a result of promoting a selective investment strategy for store facilities and infrastructure systems, despite the recording of approximately 200 million yen in payments for acquisition of subsidiaries associated with the acquisition of shares of World Style Labels Co., Ltd.

(Cash flows from financing activities)

Cash flows from financing activities ended in a net outflow of 5,545 million yen, an increase of 1,651 million yen in outflow year on year.

This was mainly due to increases of approximately 700 million yen in repayments of borrowings and approximately 700 million yen in dividends paid, respectively.

As a result, the balance of cash and cash equivalents at the end of the three months ended May 31, 2026 was 15,357 million yen, a decrease of 2,752 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, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and cash equivalents	18,109	15,357
Trade and other receivables	35,151	34,908
Inventories	31,682	32,421
Other financial assets	57	39
Other current assets	1,771	3,233
Total current assets	86,771	85,958
Non-current assets		
Property, plant and equipment	33,412	34,254
Right-of-use assets	46,318	44,760
Goodwill	61,168	61,168
Intangible assets	21,488	21,313
Investments accounted for using equity method	1,418	1,430
Deferred tax assets	7,952	7,751
Other financial assets	19,801	19,907
Other non-current assets	1,731	1,158
Total non-current assets	193,288	191,742
Total assets	280,059	277,700

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	36,985	32,184
Income taxes payable	1,918	887
Provisions	203	66
Borrowings	37,823	82,874
Lease liabilities	14,576	14,374
Other financial liabilities	195	247
Other current liabilities	2,873	3,213
Total current liabilities	94,572	133,845
Non-current liabilities		
Borrowings	43,964	155
Lease liabilities	33,588	32,679
Retirement benefit liability	1,911	1,368
Provisions	9,284	9,453
Other financial liabilities	443	421
Other non-current liabilities	15	15
Total non-current liabilities	89,205	44,091
Total liabilities	183,777	177,936
Equity		
Equity attributable to owners of parent		
Share capital	511	511
Capital surplus	20,787	22,020
Retained earnings	72,568	75,835
Treasury shares	(505)	(522)
Other components of equity	1,298	1,467
Total equity attributable to owners of parent	94,659	99,312
Non-controlling interests	1,623	452
Total equity	96,282	99,764
Total liabilities and equity	280,059	277,700

(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)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Revenue	70,015	74,707
Cost of sales	33,251	34,599
Gross profit	36,763	40,108
Selling, general and administrative expenses	30,420	32,937
Other operating income	769	335
Other operating expenses	338	213
Operating profit	6,774	7,293
Share of profit (loss) of investments accounted for using equity method	315	12
Other investment income	17	5
Other investment expenses	1	2
Profit before financing and income taxes	7,105	7,308
Other finance income	1	1
Other finance expenses	496	580
Profit before tax	6,610	6,730
Income tax expense	2,039	1,272
Profit	4,572	5,458
Profit attributable to		
Owners of parent	4,373	5,451
Non-controlling interests	198	6
Profit	4,572	5,458
Earnings (loss) per share		
Basic earnings per share (yen)	64.18	71.57
Diluted earnings per share (yen)	64.18	71.57

(Condensed quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	4,572	5,458
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	9	7
Remeasurements of defined benefit plans	2	30
Total	10	37
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(18)	151
Effective portion of cash flow hedges	(148)	(24)
Total	(165)	126
Other comprehensive income, net of tax	(155)	164
Comprehensive income	4,417	5,621
Comprehensive income attributable to		
Owners of parent	4,217	5,620
Non-controlling interests	200	1
Comprehensive income	4,417	5,621

(3) Condensed quarterly consolidated statement of changes in equity

Three months ended May 31, 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	Effective portion of cash flow hedges
Balance at beginning of period	511	15,566	63,645	(39)	1	–
Comprehensive income						
Profit	–	–	4,373	–	–	–
Other comprehensive income	–	–	–	–	9	(148)
Total	–	–	4,373	–	9	(148)
Transactions with owners						
Dividends	–	–	(1,465)	–	–	–
Purchase of treasury shares	–	–	–	(0)	–	–
Share-based payment transactions	–	24	–	–	–	–
Other	–	–	(0)	–	–	–
Total	–	24	(1,466)	(0)	–	–
Balance at end of period	511	15,589	66,553	(39)	9	(148)

	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	Total			
Balance at beginning of period	546	959	1,505	81,188	5,251	86,439
Comprehensive income						
Profit	–	–	–	4,373	198	4,572
Other comprehensive income	2	(19)	(156)	(156)	1	(155)
Total	2	(19)	(156)	4,217	200	4,417
Transactions with owners						
Dividends	–	–	–	(1,465)	(209)	(1,674)
Purchase of treasury shares	–	–	–	(0)	–	(0)
Share-based payment transactions	–	–	–	24	3	27
Other	–	–	–	(0)	–	(0)
Total	–	–	–	(1,442)	(206)	(1,648)
Balance at end of period	547	940	1,349	83,963	5,244	89,208

Three months ended May 31, 2026

(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	Other components of equity: Effective portion of cash flow hedges
Balance at beginning of period	511	20,787	72,568	(505)	(486)	(38)
Comprehensive income						
Profit	–	–	5,451	–	–	–
Other comprehensive income	–	–	–	–	7	(24)
Total	–	–	5,451	–	7	(24)
Transactions with owners						
Issuance of new shares	–	5,651	–	–	–	–
Dividends	–	–	(2,184)	–	–	–
Purchase of treasury shares	–	–	–	(1)	–	–
Share-based payment transactions	–	45	–	–	–	–
Changes in ownership interest in subsidiaries	–	(4,463)	–	(16)	–	–
Other	–	–	(0)	–	–	–
Total	–	1,233	(2,184)	(17)	–	–
Balance at end of period	511	22,020	75,835	(522)	(479)	(62)

	Other components of equity: Remeasurements of defined benefit plans	Other components of equity: Exchange differences on translation of foreign operations	Other components of equity: Total	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of period	390	1,432	1,298	94,659	1,623	96,282
Comprehensive income						
Profit	–	–	–	5,451	6	5,458
Other comprehensive income	30	156	169	169	(5)	164
Total	30	156	169	5,620	1	5,621
Transactions with owners						
Issuance of new shares	–	–	–	5,651	–	5,651
Dividends	–	–	–	(2,184)	–	(2,184)
Purchase of treasury shares	–	–	–	(1)	–	(1)
Share-based payment transactions	–	–	–	45	–	45
Changes in ownership interest in subsidiaries	–	–	–	(4,479)	(1,172)	(5,651)
Other	–	–	–	(0)	–	(0)
Total	–	–	–	(968)	(1,172)	(2,140)
Balance at end of period	420	1,588	1,467	99,312	452	99,764

(4) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Cash flows from operating activities		
Operating profit	6,774	7,293
Depreciation and amortization	4,635	5,090
Gain on negative goodwill	(145)	(181)
Gain on sale of fixed assets	–	(8)
Loss on sale and retirement of fixed assets	126	154
Decrease (increase) in trade and other receivables	(6,022)	384
Decrease (increase) in inventories	(3,165)	(576)
Increase (decrease) in trade and other payables	(457)	(4,810)
Increase (decrease) in consumption taxes payable	(367)	(149)
Other	370	(1,355)
Subtotal	1,748	5,842
Income taxes refund (paid)	(1,627)	(1,813)
Net cash provided by (used in) operating activities	121	4,029
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,685)	(844)
Proceeds from sale of property, plant and equipment	–	15
Purchase of intangible assets	(565)	(492)
Payments of leasehold deposits and guarantee deposits	(392)	(240)
Proceeds from refund of leasehold deposits and guarantee deposits	318	501
Payments for acquisition of subsidiaries	–	(170)
Interest and dividends received	19	11
Payments for asset retirement obligations	(81)	(135)
Other	652	(17)
Net cash provided by (used in) investing activities	(1,735)	(1,372)

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,680)	5,151
Proceeds from long-term borrowings	8,000	11
Repayments of long-term borrowings	(2,439)	(3,964)
Interest paid	(396)	(496)
Financial fees paid	(169)	(6)
Purchase of treasury shares	(0)	(1)
Repayments of lease liabilities	(3,562)	(4,096)
Dividends paid	(1,438)	(2,143)
Dividends paid to non-controlling interests	(209)	–
Net cash provided by (used in) financing activities	(3,894)	(5,545)
Effect of exchange rate changes on cash and cash equivalents	(6)	136
Net increase (decrease) in cash and cash equivalents	(5,514)	(2,752)
Cash and cash equivalents at beginning of period	21,748	18,109
Cash and cash equivalents at end of period	16,233	15,357

(5) Notes to consolidated financial statements

Notes on premise of going concern

No items to report.

Changes in accounting policies

The Group has early adopted the following standard from the first quarter of the current fiscal year.

IFRS Accounting Standard		Summary of new or revised standard
IFRS 18	Presentation and Disclosure in Financial Statements	A new standard replacing IAS 1, the current accounting standard governing presentation and disclosure in financial statements Amendments and other changes to IAS 7 “Statement of Cash Flows” were made in conjunction with the publication of IFRS 18

The Group has early adopted IFRS 18 “Presentation and Disclosure in Financial Statements” (hereinafter “IFRS 18”) from the first quarter of the current fiscal year.

IFRS 18 introduces, among other things, five newly defined categories of income and expenses in the statement of profit or loss and the presentation of new subtotals, including operating profit, to improve the reporting of an entity’s financial performance and provide investors with a better basis for analyzing and comparing entities. It also introduces requirements for disclosures relating to management-defined performance measures and for grouping information in the financial statements in a more useful manner.

In accordance with the transitional provisions of IFRS 18, the Group has applied the standard retrospectively and has also restated the comparative information in accordance with IFRS 18.

In the first year of applying IFRS 18, entities are required to disclose a reconciliation for each line item in the consolidated statement of profit or loss for the immediately preceding comparative period between the restated amounts presented under IFRS 18 and the amounts previously presented under IAS 1 “Presentation of Financial Statements” (hereinafter “IAS 1”).

The reconciliation of each line item in the condensed quarterly consolidated statement of profit or loss for the corresponding period of the previous fiscal year is presented below.

Three months ended May 31, 2025

(Millions of yen)

Amounts previously presented under IAS 1		Adjustments	Restated amounts under IFRS 18		
Line item	Amount		Amount	Notes	Line item
Revenue	70,015	–	70,015		Revenue
Cost of sales	(33,251)	–	(33,251)		Cost of sales
Gross profit	36,763	–	36,763		Gross profit
Selling, general and administrative expenses	(30,435)	15	(30,420)		Selling, general and administrative expenses
Other income	764	5	769	1)	Other operating income
Other expenses	(339)	1	(338)	1)	Other operating expenses
Share of profit (loss) of investments accounted for using equity method	315	(315)	–		
Operating profit	7,068	(294)	6,774		Operating profit
		315	315		Share of profit (loss) of investments accounted for using equity method
		17	17	2)	Other investment income
		(1)	(1)	2)	Other investment expenses
		37	7,105		Profit before financing and income taxes
Finance income	23	(23)	–		
Finance costs	(481)	481	–		
		1	1	3)	Other finance income
		(496)	(496)	3)	Other finance expenses
Profit before tax	6,610	–	6,610		Profit before tax
Income tax expense	(2,039)	–	(2,039)		Income tax expense
Profit	4,572	–	4,572		Profit

The principal adjustments affecting profit or loss are as follows.

1) Reclassification to other operating income and other operating expenses

For the corresponding period of the previous fiscal year, operating income and operating expense items previously included in other income and other expenses have been presented as other operating income and other operating expenses, respectively, in accordance with IFRS 18.

2) Reclassification to other investment income and other investment expenses

For the corresponding period of the previous fiscal year, investment income and investment expense items previously included in other income, other expenses, finance income, and finance costs have been presented as other investment income and other investment expenses, respectively, in accordance with IFRS 18.

3) Reclassification to other finance income and other finance expenses

For the corresponding period of the previous fiscal year, finance income and finance expense items previously included in selling, general and administrative expenses, other income, other expenses, finance income, and finance costs have been presented as other finance income and other finance expenses, respectively, in accordance with IFRS 18.

Under IAS 1, the initial recognition of derivative transactions and changes in their fair value were recognized as finance income or finance costs. Under IFRS 18, they are presented as other operating income or expenses, other investment income or expenses, or other finance income or expenses, depending on the purpose of the derivative transactions.

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.

(2) Changes in reportable segments

During the three months ended May 31, 2026, the Group fundamentally reviewed its business management structure and changed its reportable segments to three segments: “B2C Business,” “B2B Business,” and “Common,” with the aim of implementing the optimal governance structure and resource allocation according to the characteristics of each business.

Accordingly, the segment information for the corresponding period of the previous fiscal year has been reclassified based on the new reportable segment classifications.

(3) Method for measuring revenue, profit or loss, and other items by reportable segment

The accounting policies for the reportable segments are the same as those applied in the consolidated financial statements.

Inter-segment revenue is determined based on transaction prices established through price negotiations, taking into consideration market prices and manufacturing costs.

Segment profit represents business profit, which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

(4) 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 revenue transactions are determined each fiscal year.

Three months ended May 31, 2025

(Millions of yen)

	Reportable segments				Adjustments (Note 2)	Total
	B2C Business	B2B Business	Common (Note 1)	Total		
Revenue						
External revenue	51,273	18,465	276	70,015	–	70,015
Inter-segment revenue	1,344	4,982	3,411	9,737	(9,737)	–
Total	52,618	23,448	3,687	79,752	(9,737)	70,015
Segment profit						
Business profit	4,413	1,410	565	6,388	(45)	6,343
Reconciliation items to operating profit						
Impairment losses	(0)	–	–	(0)	–	(0)
Other operating income and other operating expenses, net	337	162	(74)	426	6	431
Operating profit (loss)	4,751	1,572	490	6,813	(39)	6,774
Share of profit (loss) of investments accounted for using the equity method	4	–	310	315	–	315
Other investment income	–	–	–	–	–	17
Other investment expenses	–	–	–	–	–	(1)
Profit (loss) before financing and income taxes	–	–	–	–	–	7,105
Other finance income	–	–	–	–	–	1
Other finance expenses	–	–	–	–	–	(496)
Profit (loss) before tax	–	–	–	–	–	6,610
Income tax expense	–	–	–	–	–	(2,039)
Profit (loss)	–	–	–	–	–	4,572
Other items						
Depreciation and amortization	3,064	481	1,090	4,635	–	4,635

(Note 1) The Common segment's duties include the corporate-related operations, in which incomes include business management and advisory fee income from subsidiaries.

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

Three months ended May 31, 2026

(Millions of yen)

	Reportable segments				Adjustments (Note 2)	Total
	B2C Business	B2B Business	Common (Note 1)	Total		
Revenue						
External revenue	56,388	17,969	350	74,707	–	74,707
Inter-segment revenue	1,718	6,554	3,452	11,724	(11,724)	–
Total	58,106	24,523	3,802	86,431	(11,724)	74,707
Segment profit						
Business profit	5,015	1,849	367	7,231	(60)	7,171
Reconciliation items to operating profit						
Impairment losses	(0)	–	–	(0)	–	(0)
Other operating income and other operating expenses, net	145	(5)	(19)	121	1	122
Operating profit (loss)	5,160	1,844	348	7,352	(60)	7,293
Share of profit (loss) of investments accounted for using the equity method	19	(6)	–	12	–	12
Other investment income	–	–	–	–	–	5
Other investment expenses	–	–	–	–	–	(2)
Profit (loss) before financing and income taxes	–	–	–	–	–	7,308
Other finance income	–	–	–	–	–	1
Other finance expenses	–	–	–	–	–	(580)
Profit (loss) before tax	–	–	–	–	–	6,730
Income tax expense	–	–	–	–	–	(1,272)
Profit (loss)	–	–	–	–	–	5,458
Other items						
Depreciation and amortization	3,671	361	1,058	5,090	–	5,090

(Note 1) The Common segment's duties include the corporate-related operations, in which incomes include business management and advisory fee income from subsidiaries.

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

Selling, general and administrative expenses

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Employee benefit expenses	10,964	12,004
Sales promotion expenses	1,458	1,615
Packing and transportation expenses	2,011	2,017
Leasing fees	1,514	1,783
Percentage rent	4,146	4,180
Depreciation	4,065	4,441
Amortization	553	633
Other	5,709	6,265
Total	30,420	32,937