June 12, 2026

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Notice of Revision of Earnings Forecasts

At a meeting of the Board of Directors held on June 12, 2026, the Company resolved to revise its consolidated earnings forecast for the fiscal year ending July 31, 2026 (August 1, 2025 to July 31, 2026) announced on September 12, 2025 (hereinafter, “previous forecast"), in light of recent trends in its business performance, as shown below.

1. Revision of consolidated earnings forecast for the current fiscal year (August 1, 2025 to July 31, 2026)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	14,440	570	560	370	16.23
Revised forecast (B)	13,500	-250	-34	-105	-4.59
Change (B-A)	-940	-820	-594	-475	-20.82
Change (%)	-6.5	-	-	-	-
(Reference) FY07/25 results	13,478	513	504	320	13.74

2. Reason for revision

Regarding net sales, we have revised our forecast downward as results are expected to fall short of the previously announced forecast, mainly due to significantly slower sales growth in Chinese e-commerce, the Company's principal market, since Q2 as a result of factors including heightened tensions between Japan and China since November 2025. From the third quarter onward, although the impact has been showing signs of subsiding, recovery is not expected to be sufficient to make up for the shortfall against the previously announced forecast.
In addition, the impact led to a decline in the number of visitors to Japan from China, resulting in inbound sales at the Company's directly operated stores also trending below the previously announced forecast.
In addition, sluggish sales at our consolidated subsidiary M&D Co., Ltd., which engages in the import and sale of cosmetics, due to factors including price revisions in response to the weaker yen, also contributed to net sales falling below forecast.
Regarding operating income/loss, results are expected to fall below the previously announced forecast due to a decline in profit associated with lower sales in Chinese e-commerce, which has a relatively high profit margin, as well as advertising expenses and commissions related to Chinese e-commerce rising significantly above initial assumptions due to intensified competition.
Regarding ordinary income and profit attributable to owners of parent, although foreign exchange gains are expected to be recorded as exchange rates remained on a weaker-yen trend through Q3, this is not expected to be sufficient to offset the shortfall in operating profit, and results are therefore expected to

fall below the previously announced forecast.
There is no change in the dividend forecast in connection with the revised earnings forecast.

(Note) The above earnings forecast is based on information available as of this announcement, and actual results may differ from the forecast due to various factors.