

WA inc.

Financial Results Supplementary Materials for the Six Months Ended July 31, 2026



September 18, 2026

Tokyo Stock Exchange Prime Market
Securities code: 7683



Summary of financial results for the six months ended July 31, 2026



Executive Summary



Net sales

11.08 billion yen
YoY **-0.66** billion yen

Operating profit

4 million yen
YoY **-0.7** billion yen

- Although investment in sneakers began to show results, the sales contribution fell short of the level expected. This, together with TV commercial expenses and other factors, resulted in a cumulative YoY decline in first-half revenue and profit.
- In the second half, our busy season, we aim to improve performance by entering the men's business shoe market and strengthening sales of fall and winter merchandise.

Second-Half Strategy

- We will enter the men's business shoe market for the first time with products jointly developed with **Regal Corporation**.
- We will strengthen sales of fall and winter merchandise, such as boots and coats, to **steadily capture demand during the busy season**.
- We aim to **achieve the full-year earnings forecast** by translating the increased brand recognition from TV commercials into store visits and purchases.

Expanded Shareholder Benefits

- As we enter the men's business shoe market, we will **make more products available under the shareholder benefit program**.



Business Performance (Consolidated)



- Although strategic investment in sneakers gradually began to show results, the sales contribution did not achieve the level expected.
- Procurement costs rose due to exchange rate fluctuations, such as a weakening yen and a stronger Chinese yuan.
- Although the progress rate of operating profit against the full-year forecast remained low due to TV commercial expenses recognized in Q1, revenue in Q2 more than offset the Q1 operating loss, and cumulative operating profit for the first half turned positive.

Consolidated (Unit: Millions of yen)	6M of FYE Jan. 2026		6M of FYE Jan. 2027		YoY		Full-year plan	
	Amount	Sales ratio	Amount	Sales ratio	Change in amount	Rate of change	Amount	Progress rate
Net sales	11,747	—	11,080	—	(667)	(5.7%)	24,661	44.9%
Cost of sales	4,508	38.4%	4,193	37.9%	(314)	(7.0%)	—	—
Gross profit	7,238	61.6%	6,886	62.2%	(352)	(4.9%)	—	—
Selling, general, and administrative expenses	6,528	55.6%	6,882	62.1%	+354	+5.4%	—	—
Operating profit	710	6.1%	4	0.0%	(706)	(99.4%)	1,504	0.3%
Ordinary profit	794	6.8%	189	1.7%	(605)	(76.2%)	1,496	12.6%
Net profit	484	4.1%	43	0.4%	(440)	(91.1%)	881	4.9%



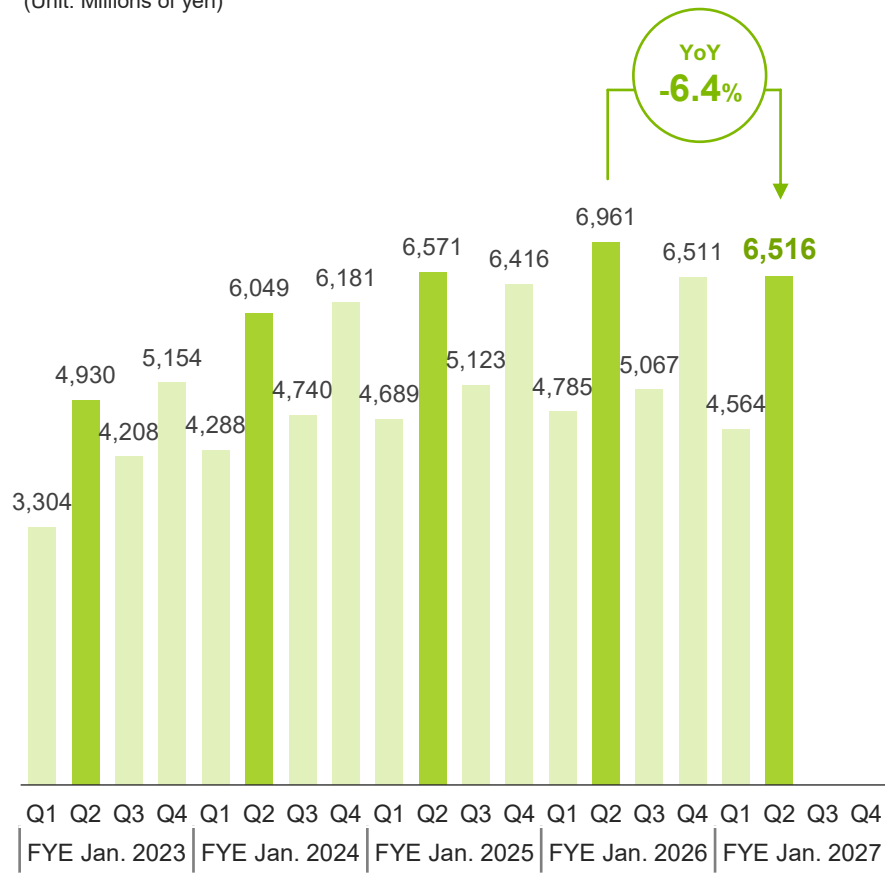
Quarterly Trends



- Revenue and profit declined YoY in Q2 as sneaker sales fell short of expectations.
- The Q1 operating loss was mainly due to upfront investment in TV commercials aimed at improving brand recognition and customer traffic.

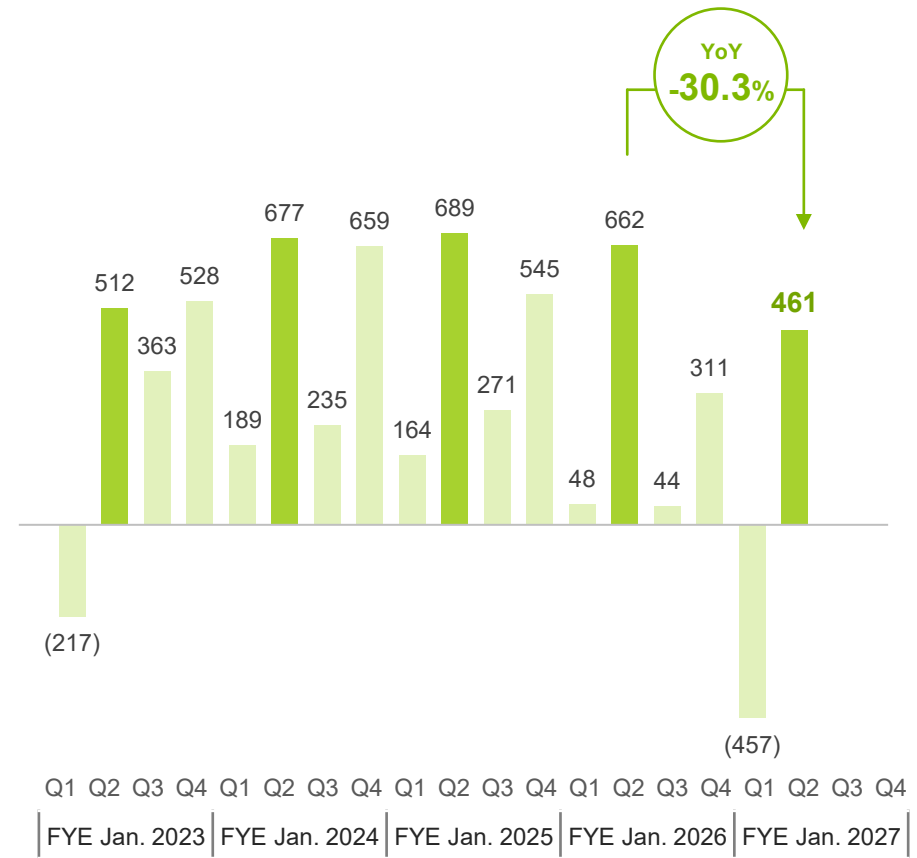
Net sales

(Unit: Millions of yen)



Operating profit

(Unit: Millions of yen)

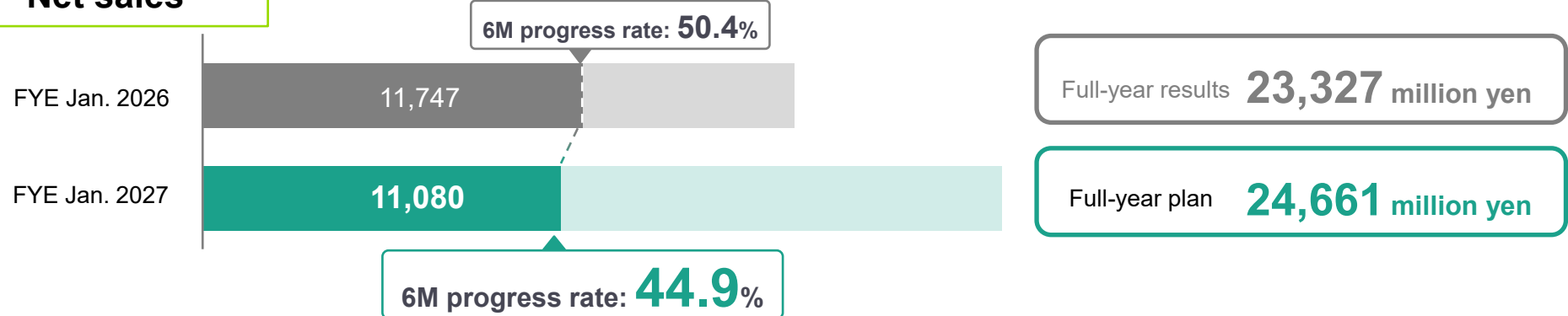




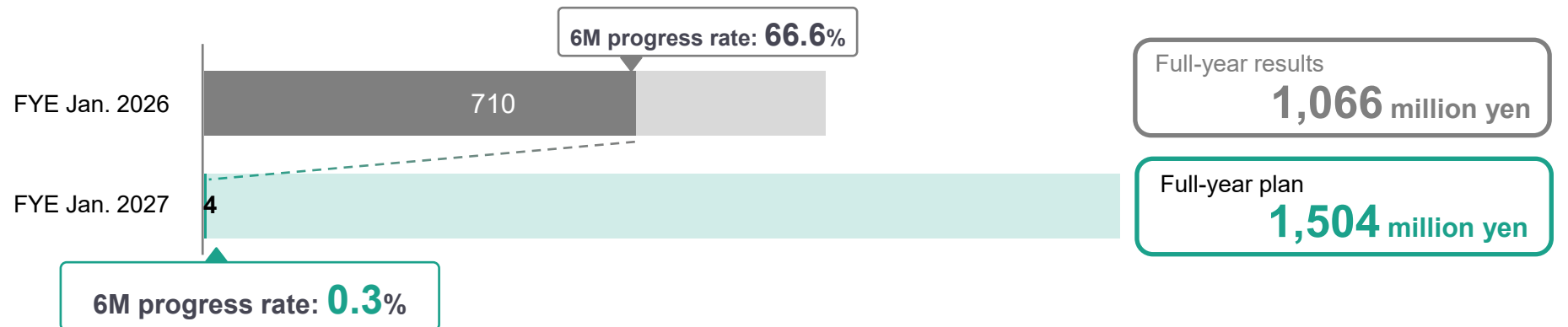
Progress Rate of Six Months vs. Full-Year Earnings Forecast

- The progress rate of net sales against the full-year forecast was 44.9%. We aim to make up the shortfall in the second half, our busy season, by strengthening sales of fall and winter merchandise.
- Although the progress rate of operating profit against the full-year forecast remained low due to TV commercial expenses recognized in Q1, revenue in Q2 more than offset the Q1 operating loss, and cumulative operating profit for the first half turned positive.

Net sales



Operating profit



*Progress rate for the same period of the previous fiscal year represents results for that period as a percentage of full-year results for the previous fiscal year.

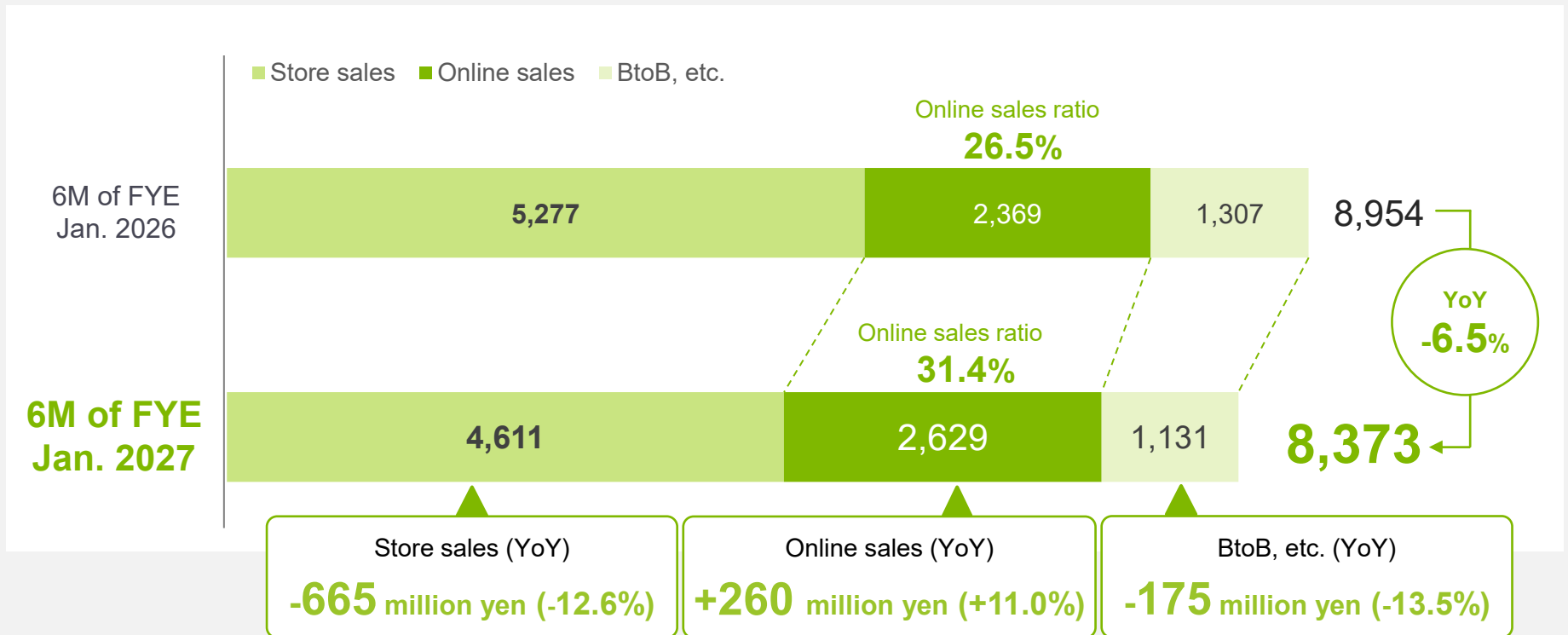


WA inc. (Non-Consolidated) Breakdown of Net Sales by Sales Channel

- Online sales grew steadily.
- Store sales temporarily declined due to revisions to how and when store sales promotions are implemented.

WA inc. (non-consolidated) net sales

(Unit: Millions of yen)

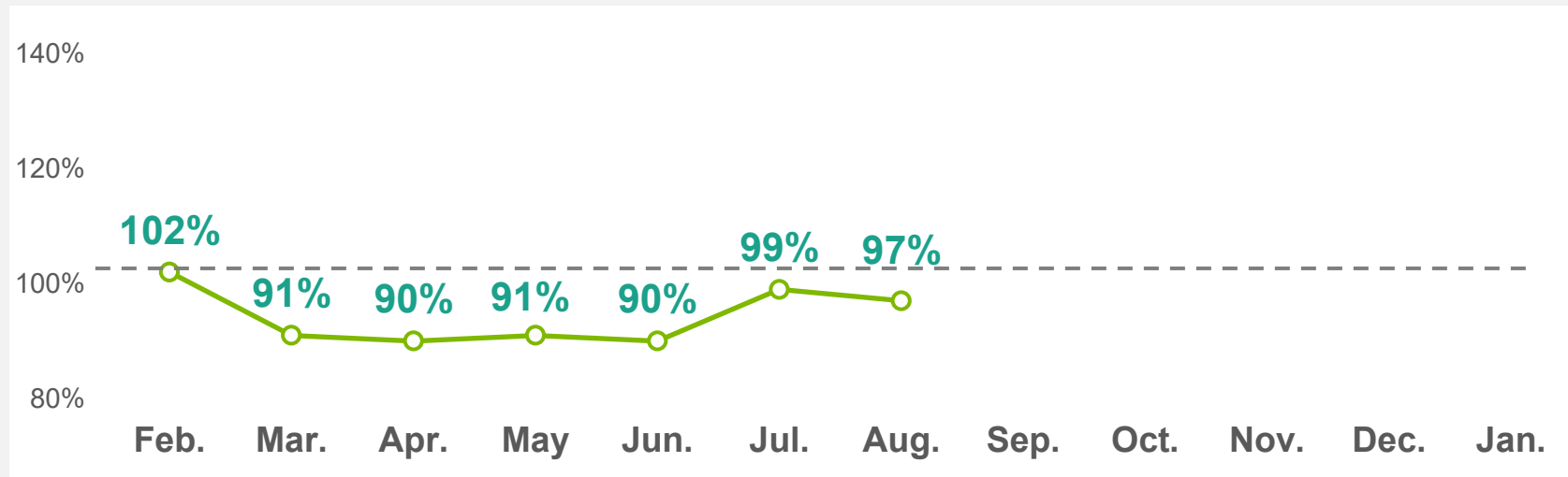




WA inc. (Non-Consolidated) Monthly Net Sales Trend

- We are focusing on expanding online sales.
- The decrease in store sales was mainly due to the impact of revisions to store sales promotions.

WA inc. (non-consolidated) monthly net sales versus same month of the previous year



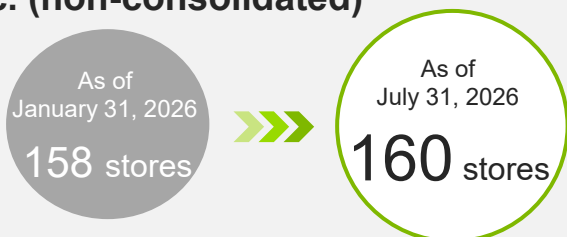
WA inc. (non- consolidated)	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Total	102%	91%	90%	91%	90%	99%	97%					
Stores	95%	78%	83%	79%	85%	103%	92%					
Online	113%	106%	119%	110%	105%	113%	112%					
Other (BtoB, etc.)	103%	120%	70%	113%	76%	25%	88%					

Store Openings and Closings



In Japan

WA inc. (non-consolidated)



- Net increase of 2 stores
- 7 store openings, 5 store closures

Himiko

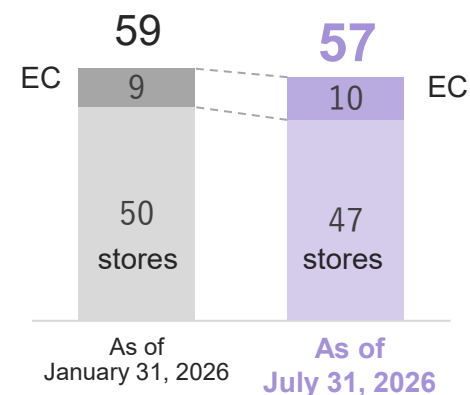


- Net decrease of 2 stores
- 2 store openings, 4 store closures

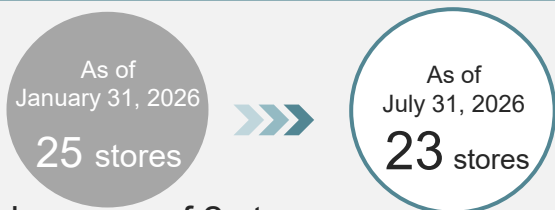
WA inc. (non-consolidated)



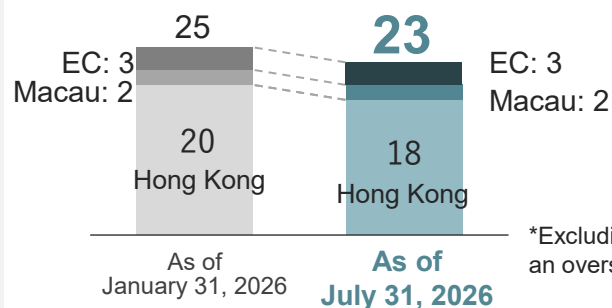
Himiko



Overseas



- Net decrease of 2 stores
- (0 store openings, 2 store closures)



*Excluding stores in Taiwan operated under an overseas sales license agreement



Financial Position

(Unit: Millions of yen)



	As of January 31, 2026	As of July 31, 2026	Change
Current assets	9,951	10,787	+836
Cash and deposits	2,623	2,933	+310
Notes and accounts receivable - trade	1,969	2,063	+94
Inventories	4,994	5,205	+211
Other	364	585	+220
Non-current assets	3,506	3,472	(33)
Property, plant and equipment	1,484	1,431	(52)
Intangible assets	18	14	(4)
Investments and other assets	2,002	2,026	+24
Total assets	13,457	14,260	+803
Total liabilities	2,393	3,283	+889
Current liabilities	1,830	2,715	+884
Non-current liabilities	562	567	+4
Total net assets	11,063	10,977	(86)
Total liabilities and net assets	13,457	14,260	+803
Equity ratio	82.2%	77.0%	(5.2 points)