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28 August 2025

Dear All

Company Name SANYO SHOKAI LTD.
Name of Representative Shinji Oe
Representative Director
Chief Executive Officer and President
(Code: 8011 Tokyo Stock Exchange Prime)
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# Notice of Revisions to 2Q (Semi-Annual) and Full-Year Earnings Forecasts

We hereby announce that we decided to revise our consolidated earnings forecasts for the 2Q (semi-annual) and full-year of the financial year ending 28 February 2026 at the meeting of the Board of Directors held today, as follows:

Notes

1. Revision of 2Q (Semi-Annual) Forecast for FY2/2026 (1 March 2025 to 31 August 2025)

| | Net sales | Operating income | Ordinary income | Net profit attributable to owners of parent company | Net profit per share |
|---|---|---|---|---|---|
| Previously announced outlook (A) | JPY M<br>28,400 | JPY M<br>500 | JPY M<br>500 | JPY M<br>400 | Yen Sen<br>37.49 |
| Current revised outlook (B) | 26,900 | △300 | △270 | △400 | △37.49 |
| Change (B-A) | △1,500 | △800 | △770 | △800 | |
| Change (%) | △5.3 | — | — | — | |
| (Reference) PY results (2Q (semi-annual) of FY2/2025) | 27,902 | 599 | 678 | 457 | 39.21 |

2. Revision of Full-Year Forecast for FY2/2026 (1 March 2025 to 28 February 2026)

| | Net sales | Operating income | Ordinary income | Net profit attributable to owners of parent company | Net profit per share |
|---|---|---|---|---|---|
| Previously announced outlook (A) | JPY M<br>62,500 | JPY M<br>3,300 | JPY M<br>3,300 | JPY M<br>4,100 | Yen Sen<br>384.27 |
| Current revised outlook (B) | 59,900 | 2,300 | 2,360 | 4,100 | 384.27 |
| Change (B-A) | △2,600 | △1,000 | △940 | 0 | |

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| | | | | | |
|---|---|---|---|---|---|
| Change (%) | △4.2 | △30.3 | △28.5 | 0 | |
| (Reference) PY results (FY2/2025) | 60,526 | 2,715 | 2,825 | 4,007 | 351.48 |

3. Reasons for Adjustments

The apparel market continued to face severe conditions, as luxury brands, which had traditionally been the driving force behind the overall market, struggled due to a sharp decline in inbound consumption and other factors. In the general apparel market to which we belong, consumer sentiment has been cooled down due to factors such as heightened uncertainty about the outlook for domestic and overseas political and economic conditions and a persistent rise in prices. In particular, the mid-to-high-end market, centered on department stores, has remained sluggish.

In this environment, the slump in sales channels of department stores, our main sales channel, has had a significant impact, and full price sales of Spring/Summer products have remained at around 90% of the previous year's level at this point. These and other extremely challenging sales trends have been achieved. On the other hand, discount sales at outlets and others were steady, and although sales were above the previous year's level, we were unable to cover the above-mentioned slump in the full price sales. The gross margin is also expected to be significantly lower than the previous year in the 1H of the current financial year due to a decline in the ratio of the full price sales. We expect this trend to continue for the foreseeable future, and we cannot predict the situation from September onward.

In light of the above, we have decided to revise our consolidated earnings forecasts for the 2Q (semi-annual) and full year of the financial year ending 28 February 2026, which were announced on 14 April 2025.

For the 2Q (semi-annual) of the financial year ending 28 February 2026, we have implemented further reductions in SG&A expenses since the 2Q. However, it is difficult to make up for the aforementioned decline in net sales and the gross margin. Accordingly, we have revised our forecasts for net sales, operating income, ordinary income and net profit attributable to owners of parent company.

For the full-year forecast for the financial year ending 28 February 2026, we will revise net sales, operating income and ordinary income in the same manner as in the 2Q (semi-annual), while we will maintain our previous forecast for net profit attributable to owners of parent company because we expect an increase in extraordinary income in the 2H.

* The above forecasts are based on currently available information, and actual results may differ from the forecasts due to various factors that will occur in the future.