

28 August 2026

Dear All

Company Name SANYO SHOKAI LTD.
Name of Representative Yoshiki Hirabayashi
Representative Director
Chief Executive Officer and President
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Notice of Revision to 2Q (Semi-Annual) Earnings Forecast

We hereby announce that we resolved to revise our consolidated earnings forecast for the 2Q (semi-annual) of the financial year ending 28 February 2027 (FY2/2027) at the meeting of the Board of Directors held today, as follows. There is no change to consolidated earnings forecast for the full-year of FY2/2027.

Notes

1. Revision of 2Q (semi-annual) Forecast for FY2/2027 (1 March 2026 to 31 August 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
Previous Forecast (A)	JPY M 27,600	JPY M 100	JPY M 50	JPY M 40	Yen Sen 4.02
Revised Forecast (B)	25,700	△400	△360	△480	△48.19
Change (B-A)	△1,900	△500	△410	△520	
Change (%)	△6.9	—	—	—	
(Reference) PY results (2Q (semi-annual) of FY2/2026)	27,042	△213	△149	△299	△28.10

(Note) Net profit per share is calculated without taking into account the number of shares scheduled to be repurchased as announced today in the “Notice regarding Share Repurchase and Share Repurchase through ToSTNeT-3.”

(Reference) Full-Year Forecast for FY2/2027 (1 March 2026 to 28 February 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Full-Year	JPY M 60,000	JPY M 2,100	JPY M 2,000	JPY M 4,020

2. Reasons for Revision

As described in “Consolidated Financial Results for the Three Months Ended May 31, 2026 (Under Japanese GAAP)”, the apparel market in FY2/2027 continues to be affected by consumers’ increasingly defensive mindset due to uncertainty surrounding domestic and global political and economic conditions and the persistent rise in prices. As a result, the mid-to-high-end market remains sluggish overall.

During the second quarter, the apparel market overall was sluggish, particularly due to continuous unfavorable weather in June, the final period of the spring/summer full-price sales season. Our full-price sales

Note: This document is a translation of the original Japanese document and is only for reference purposes.

In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

were also weak, resulting in net sales in June reaching only 90% of the previous year's level and the operating profit declining sharply. On the other hand, since the clearance sales season began in July, we thoroughly strengthened full-price sales and appropriately controlled markdown sales, with improving KPI as our top priority, in response to the significant deterioration of KPIs, including gross profit margin, caused last year by excessive markdown sales to compensate for sluggish full-price sales. As a result, net sales fell below the previous year's level, while KPIs such as full-price sales ratio and gross profit margin improved significantly (During July and August, full-price sales are running at 108% of the previous year's level, and gross profit margin is 3.3 percentage points higher than the previous year's level.). However, we were unable to fully offset the decline in June, and therefore our cumulative second-quarter results are expected to fall short of the previously announced forecast.

In light of the above, we revise our consolidated earnings forecast for the 2Q (semi-annual) of FY2/2027, announced on 14 April 2026, with respect to net sales, operating profit, ordinary profit and profit attributable to owners of parent. For the full-year forecast for FY2/2027, we maintain the previously announced forecast, as we believe that the shortfall through the 1H can be recovered by maintaining the positive trend observed since July, with full-price sales exceeding the previous year and KPIs improving significantly through the 3Q and beyond.

* The above forecast has been made based on information available at the present time. Actual results may differ from the forecast due to various factors that may arise in the future.