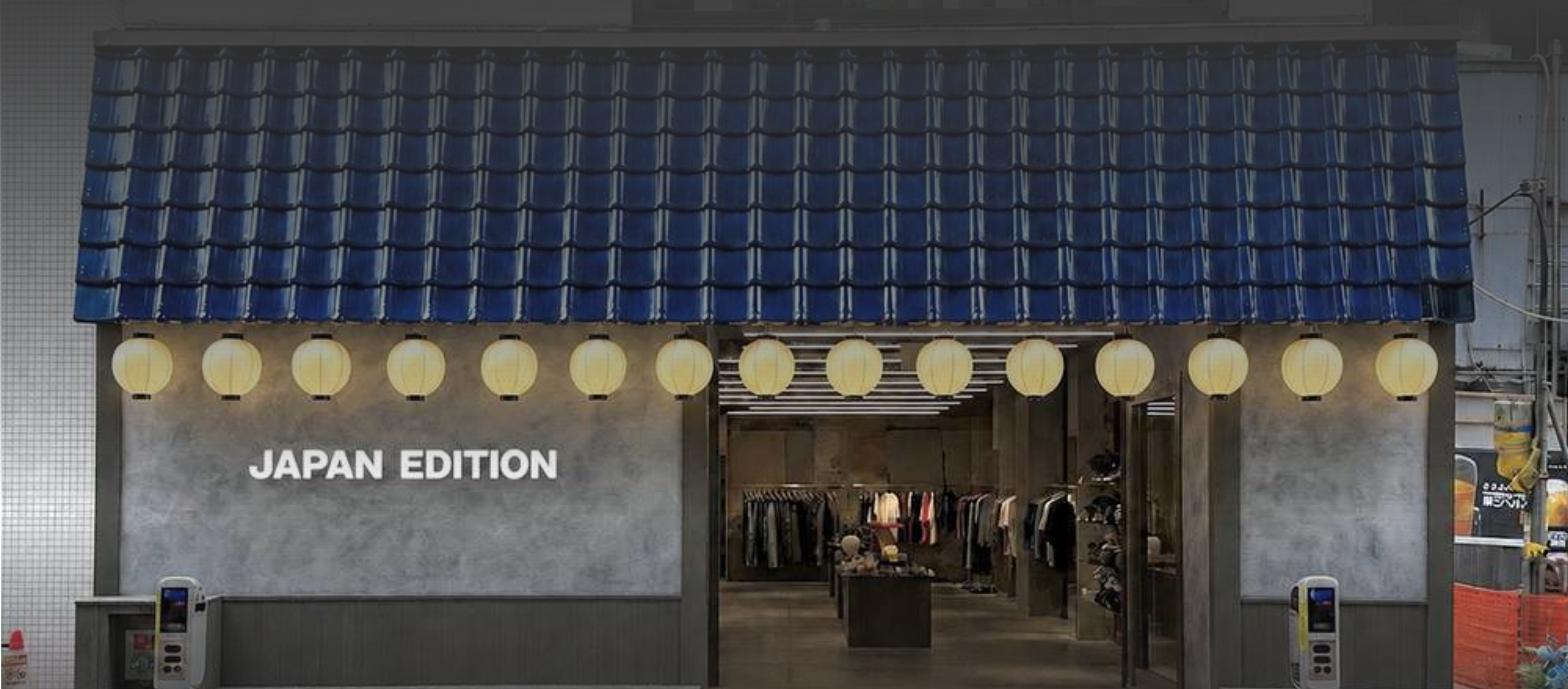
FROM JAPAN TO THE WORLD



TOKYO BASE

Financial Results Briefing Material for 1H of FY2027/1

September 15, 2026

AGENDA

Note

*Hereinafter, STUDIOUS is abbreviated as ST, STUDIOUS TOKYO as STT, UNITED TOKYO as UT, PUBLIC TOKYO as PT, CITY as CT, THE TOKYO as TT, CONZ as CZ, RITAN as RT, JAPAN EDITION as JE, and KEY TIMEZ as KT (ST business category includes STT).

This material refers to forward-looking statements based on plans, estimates, prospects or forecasts as of the present time. These forward-looking statements contain various risks and uncertainties. Risks that are already known or not yet known, uncertainties or other factors could bring different results from the contents included in the forward-looking statements.

This material is not intended to solicit investments such as the purchasing or selling of our stock.
Furthermore, although the various data has been carefully compiled in detail, the Company assumes no responsibility whatsoever for any damages or losses arising from this material, regardless of the reason, including errors in the information provided or falsification of data by third parties.

1H of FY2027/1

Business Results

Consolidated Financial Results Summary

TOKYO BASE

Net sales	Operating profit	Ordinary profit	Net profit
12.46 billion yen	**850** million yen	**920** million yen	**510** million yen
YoY 121.1%	YoY 107.8%	YoY 134.8%	YoY 111.9%

- **In addition to continued store openings, growth in domestic EC and overseas business led to a 21.1 % increase in net sales YoY**
- **Curbing the excessive purchasing volume from the previous year normalized inventory levels despite a decrease in existing store sales**
- **Operating profit margin declined due to temporary upfront costs from store openings in Hong Kong and the development of a new core business category (KEY TIMEZ)**
- **Foreign exchange gains were recorded in non-operating income due to the continued trend of a weak yen, resulting in a significant increase in ordinary profit of +34.8% YoY**

TOKYO BASE

Consolidated PL Results

- In Japan, due to the digestion of previous fiscal year's inventory and expenses for the development of core new business categories, the operating profit margin temporarily saw a YoY change of (0.6) percentage points
- In China, operating profit improved significantly, becoming profitable, while in Hong Kong, initial investment costs associated with expanding store openings led to a loss.

(million yen)

	FY2027/1 1H				FY2026/1 1H	
	Actual results	Composition ratio	YoY	YoY	Actual results	Composition ratio
Net sales	12,466	100.0%	121.1%	+2,173	10,293	100.0%
Japan	11,350	-	119.9%	+1,882	9,477	-
Hong Kong	473	-	162.7%	+182	291	-
China	641	-	122.5%	+117	524	-
Gross profit	6,680	53.6%	120.2%	+1,121	5,559	54.0%
SG&A expenses	5,822	46.7%	122.2%	+1,059	4,763	46.3%
Operating profit	857	6.9%	107.8%	+62	795	7.7%
Japan	881	7.8%	110.9%	+86	794	8.4%
Hong Kong	(52)	-	-	(116)	63	21.9%
China	+29	4.6%	-	+91	(62)	-
Ordinary profit	920	7.4%	134.8%	+237	683	6.6%
Net profit	518	4.2%	111.9%	+54	463	4.5%

Consolidated PL Results – Factors Behind YoY Changes –

Net sales

12.46 billion yen / YoY change **+2.17** billion yen YoY **121.1** %

Factors for change	Increase in physical store sales due to expansion of domestic store openings	+1.40 billion yen
	(of which, increase in sales to inbound tourists)	(+1.01 billion yen)
	Increase in EC sales	+0.57 billion yen
	Increase in overseas business sales (increase in existing stores in China, expansion of new store openings in Hong Kong)	+0.30 billion yen
	Other (fluctuations due to revenue recognition standard)	(0.16) billion yen

Gross profit

53.6 % / YoY change (0.4) pts

Improvement factors	Composition change due to sales increase in overseas business (China/Hong Kong) with high gross profit margin structure	+ 0.1 pts
Deterioration factors	Structural change due to sales increase in specialty products shop business exceeding our brand business	(0.3) pts
	Promotion of inventory clearance for excess SS inventory from the previous fiscal year	(0.1) pts

TOKYO BASE

Consolidated PL Results – Factors Behind YoY Changes –

SG&A expense ratio

46.7 % / YoY change **+0.4** pt

personnel expenses	1.74 billion yen	YoY change (0.1) pt	Ratio of personnel expenses improved due to higher productivity per employee
Expenses for rent of space, land, etc.	1.92 billion yen	YoY change +0.1 pt	Rent ratio increased slightly due to a decrease in net sales of existing stores
Sales commissions	0.38 billion yen	YoY change +0.3 pt	Increase in various commissions (card, ZOZO) linked to sales growth
Depreciation	0.33 billion yen	YoY change +0.4 pt	Increase in fixed assets and asset retirement obligations due to store openings
Other	1.42 billion yen	YoY change (0.2) pt	Improvement in SG&A expense ratio for fixed costs due to sales growth

Non-operating expenses (income)

Foreign exchange gains	0.09 billion yen	YoY change +0.19 billion yen	Foreign exchange gains recorded in overseas subsidiary transactions due to the weak yen

Extraordinary Items / Corporate income tax

Impairment losses	60 million yen	YoY change +60 million yen	Loss on retirement of non-current assets recorded due to building renewals and business category changes
Corporate income tax	330 million yen	YoY change +110 million yen	Increase due to higher ordinary profit (+34.8% YoY)

Sales by Sales Channel

TOKYO BASE

➤ **Existing physical stores in Japan struggled with 96.4% YoY sales due to reduced purchasing**

➤ **EC and Overseas Business offset the decline, resulting in a total existing stores YoY of 105.7%, exceeding the previous year**

(million yen)

	1H total			1H total for existing stores		
	FY2027/1	Fiscal Year Ending January 2026	YoY	FY2027/1	Fiscal Year Ending January 2026	YoY
physical stores	**10,449**	**8,742**	**119.5%**	**7,120**	**7,233**	**98.4%**
Japan	9,329	7,924	117.7%	6,591	6,838	96.4%
Hong Kong	473	291	162.7%	256	214	119.6%
China	645	526	122.4%	272	180	150.6%
EC	**2,182**	**1,605**	**136.0%**	**2,113**	**1,493**	**141.5%**
Other *1	(165)	(54)	---	(162)	(109)	---
Total	**12,466**	**10,293**	**121.1%**	**9,234**	**8,735**	**105.7%**

*1: Other includes adjustments for revenue recognition, etc.

TOKYO BASE

Sales by Sales Channel

➤ **Despite inventory control, the specialty products shop business achieved 113.5% YoY in existing store sales due to strong sales to inbound tourists**

➤ **The brand business fell below the previous year's level in existing stores, mainly due to sluggish performance in the women's business category**

(million yen)

	1H total			1H total for existing stores		
	FY2027/1	Fiscal Year Ending January 2026	YoY	FY2027/1	Fiscal Year Ending January 2026	YoY
Specialty products shop business	**7,533**	**5,464**	**137.9%**	**5,291**	**4,661**	**113.5%**
STUDIOUS	5,012	4,239	118.2%	4,020	3,594	111.9%
THE TOKYO	1,370	888	154.2%	995	835	119.2%
CONZ	617	248	248.8%	275	231	118.9%
JAPAN EDITION	161	88	183.1%	---	---	---
KEY TIMEZ	371	---	---	---	---	---
Our brand business	**5,099**	**4,766**	**107.0%**	**3,942**	**4,065**	**97.0%**
UNITED TOKYO	3,048	2,807	108.6%	2,689	2,660	101.1%
PUBLIC TOKYO	1,479	1,464	101.0%	1,085	1,220	89.0%
CITY TOKYO	425	405	105.0%	166	184	90.3%
RITAN	146	89	163.4%	---	---	---
Total	**12,466**	**10,293**	**121.1%**	**9,234**	**8,735**	**105.7%**

TOKYO BASE

Consolidated BS Results

➤ Due to purchasing adjustments and the disposal of old inventory, merchandise levels have become healthy and are on par with the same period of the previous year

➤ Net assets decreased due to the acquisition of 499 million yen in treasury shares, aiming to improve ROE and investment efficiency

(million yen)

	FY2027/1 (End of 2Q)		FY2026/1 (End of 2Q)			FY2026/1 (End of 4Q)		
	Actual results	Composition ratio	Actual results	YoY	Change	Actual results	Change vs. previous fiscal year-end	Change
Current assets	9,723	63.6%	8,470	114.8%	+1,253	10,140	95.9%	(417)
Cash and deposits	3,523	23.0%	2,435	144.7%	+1,088	4,397	80.1%	(874)
Merchandise	4,197	27.4%	4,158	100.9%	+39	3,661	114.7%	+536
fixed assets	5,571	36.4%	4,331	128.6%	+1,240	4,722	118.0%	+849
Property, plant and equipment	2,901	19.0%	2,245	129.2%	+656	2,505	115.8%	+396
Guarantee deposits	2,028	13.3%	1,632	124.3%	+396	1,759	115.3%	+269
Total assets	15,294	100.0%	12,801	119.5%	+2,493	14,863	102.9%	+431
Liabilities	9,235	60.4%	7,304	126.4%	+1,931	8,597	107.4%	+638
Loans payable	5,511	36.0%	4,154	132.7%	+1,357	5,315	103.7%	+196
Net assets	6,059	39.6%	5,497	110.2%	+562	6,266	96.7%	(207)
Retained earnings	5,309	34.7%	4,309	123.2%	+1,000	5,055	105.0%	+254
Treasury shares	(499)	---	(0)	---	(499)	(0)	---	(499)

TOKYO BASE

Change in the Number of Stores

	End of previous period	Store openings	Store closings	Renovation	End of July	Change in 1H
Total group stores (including EC stores)	**106**	**17**	**4**	**±0**	**119**	**+ 13**
Total consolidated stores (including EC stores)	**104**	**16**	**4**	**±0**	**116**	**+ 12**
Total consolidated physical stores	**92**	**15**	**4**	**±0**	**103**	**+ 11**
Japan physical stores	78	12	4	+ 1	87	+ 9
STUDIOUS	29	4	2	+2 (Business category change)	33	+ 4
UNITED TOKYO	18	---	1	---	17	(1)
PUBLIC TOKYO	10	1	---	±0 (Relocation/Renovation)	11	+ 1
CITY TOKYO	5	---	1	±0 (Relocation/Renovation)	4	(1)
THE TOKYO	8	---	---	(1) (Business category change)	7	(1)
CONZ	5	1	---	---	6	+ 1
RITAN	2	---	---	---	2	±0
JAPAN EDITION	1	1	---	---	2	+ 1
KEY TIMEZ	---	5	---	---	5	+ 5
Hong Kong physical stores	6	3	0	±0 (Business category change)	9	+ 3
China physical stores	8	---	0	(1) (Store consolidation)	7	(1)
Non-consolidated stores	**2**	**1**	**0**	**---**	**3**	**+ 1**

Change in the Number of Stores

TOKYO BASE

Store Openings

ST WOMENS Kitasenju store

Opened March 5 / 31 tsubo

Expansion of select business category sales channels to suburban terminal locations

ST MENS Shinsaibashi store

Opened March 6 / 62 tsubo

Added to the existing WOMENS store as there was no MENS store in the Shinsaibashi area

ST WOMENS Kyoto Sanjo store

Opened March 7 / 60 tsubo

Added a WOMENS store to the existing MENS store due to high female customer traffic

KT MENS Omotesando store

Opened March 11 / 23 tsubo

Opened M/W simultaneously on the B1F/3F of Omotesando Hills

KT WOMENS Omotesando store

Opened March 11 / 27 tsubo

Opened M/W simultaneously on the B1F/3F of Omotesando Hills

KT Shinjuku store

Opened March 11 / 59 tsubo

Opened M/W complex store on the 3F of Shinjuku Lumine 2

KT Osaka store

Opened March 11 / 109 tsubo

Opened M/W complex store on the 3F of Shinjuku Lumine 2

ST WOMENS Roppongi store

Opened March 25 / 39 tsubo

First store opening by the Company in the Roppongi area at Roppongi Hills

1H of FY2027/1

Change in the Number of Stores

Store Openings

PT Hong Kong Causeway Bay Store

Opened April 4 / 39 tsubo

Hong Kong Causeway Bay area
Re-entry into the

CZ Hong Kong HERITAGE Store

Opened June 5 / 56 tsubo

First CONZ store in Hong Kong
Dominant in Hong Kong Tsim Sha Tsui area

KT Hong Kong HERITAGE Store

Opened June 5 / 61 tsubo

First overseas store for KT business category
7-store structure in Tsim Sha Tsui area

PT Jingumae Store

Opened June 26 / 103 tsubo

As a flagship store for PT
Opened along Meiji-dori Avenue

UT Seoul Store

Opened July 3 / 65 tsubo

First UT store in Seoul
Opened 2nd store in South Korea

CZ Shinsaibashi Store

Opened July 9 / 48 tsubo

on 4F of Shinsaibashi Parco
on the 3F of Shinjuku Lumine 2

KT Namba Store

Opened July 9 / 84 tsubo

on the 2F of Namba Parks
on the 3F of Shinjuku Lumine 2

JE Ginza Store

Opened July 17 / 83 tsubo

On Namiki-dori Street in Ginza
Opened 2nd store in Ginza area

Change in the Number of Stores

TOKYO BASE

Business Category Change

ST WOMENS Omotesando store

Opened February 25 / 59 tsubo

Relocated and expanded the former STW Omotesando store to become a flagship store

UT Hong Kong Causeway Bay store

Opened April 4 / 35 tsubo

Established a UT/PT dominant presence following the acquisition of an adjacent unit

STM/W Nagoya Gofukucho store

Opened July 24 / 60 tsubo

Changed business category from TT to ST based on market and customer characteristics

Relocation and Renovation

PT Ikebukuro store

Opened April 3 / 43 tsubo

CT Ikebukuro store

Opened April 3 / 53 tsubo

Ikebukuro Parco underwent a full-building renewal

Transitioning to an inbound-tourist-oriented brand lineup, similar to Shibuya Parco

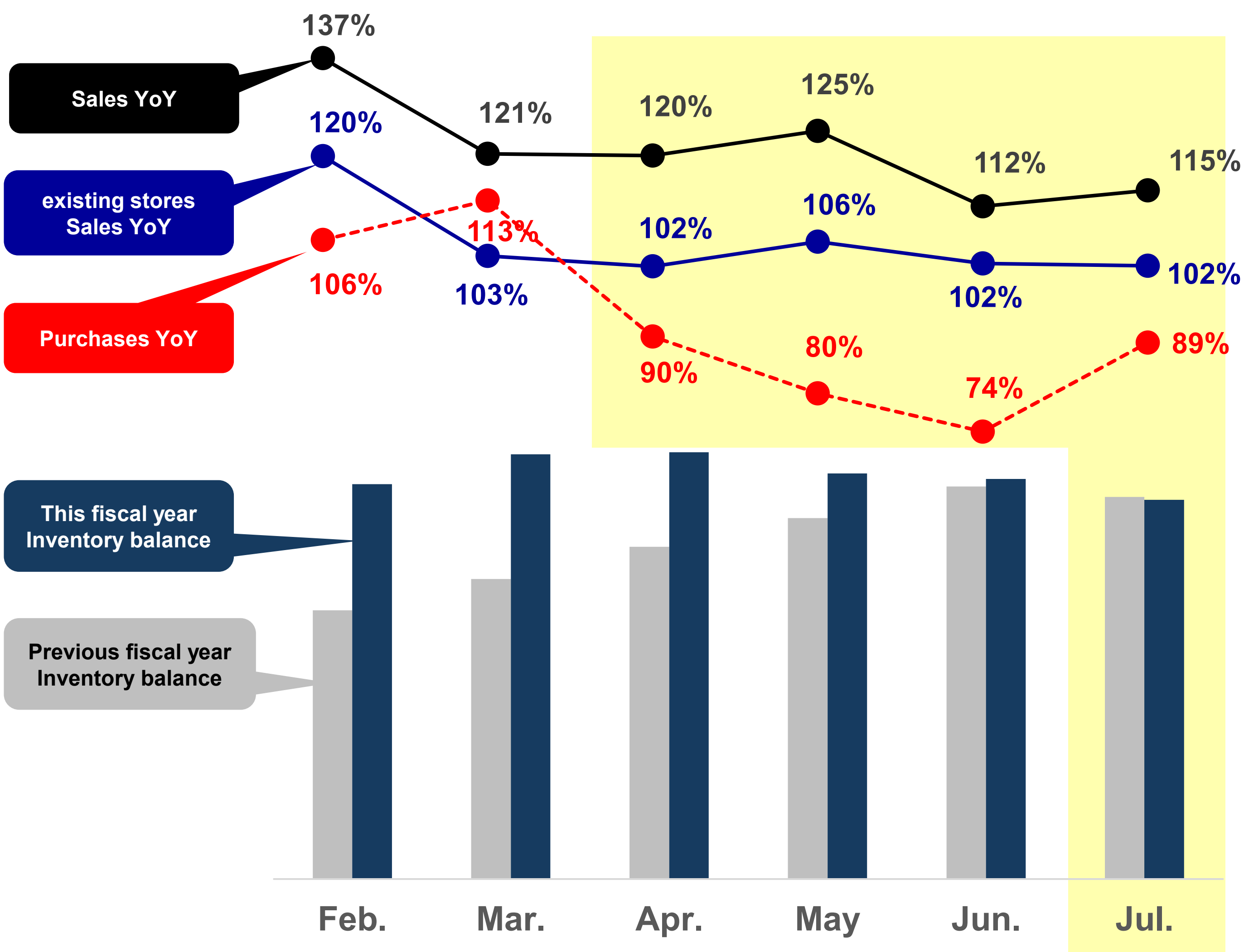
As our brands have strong inbound demand, we are relocating floors and continuing operations.

1H of FY2027/1

Topics

(1) Japanese business

➤ **While maintaining business growth, we were able to curb purchasing volume and bring inventory levels to an appropriate value**



1H results	YoY
Net sales	120.8 %
Net sales of existing store	104.5 %
Purchase amount	93.0 %
Inventory balance at end of period	99.2 %

Transitioned to a 5MD (mid-summer MD addition) system in the previous fiscal year,
but faced accuracy challenges in the first year of the transition,
resulting in excess SS inventory in the previous fiscal year

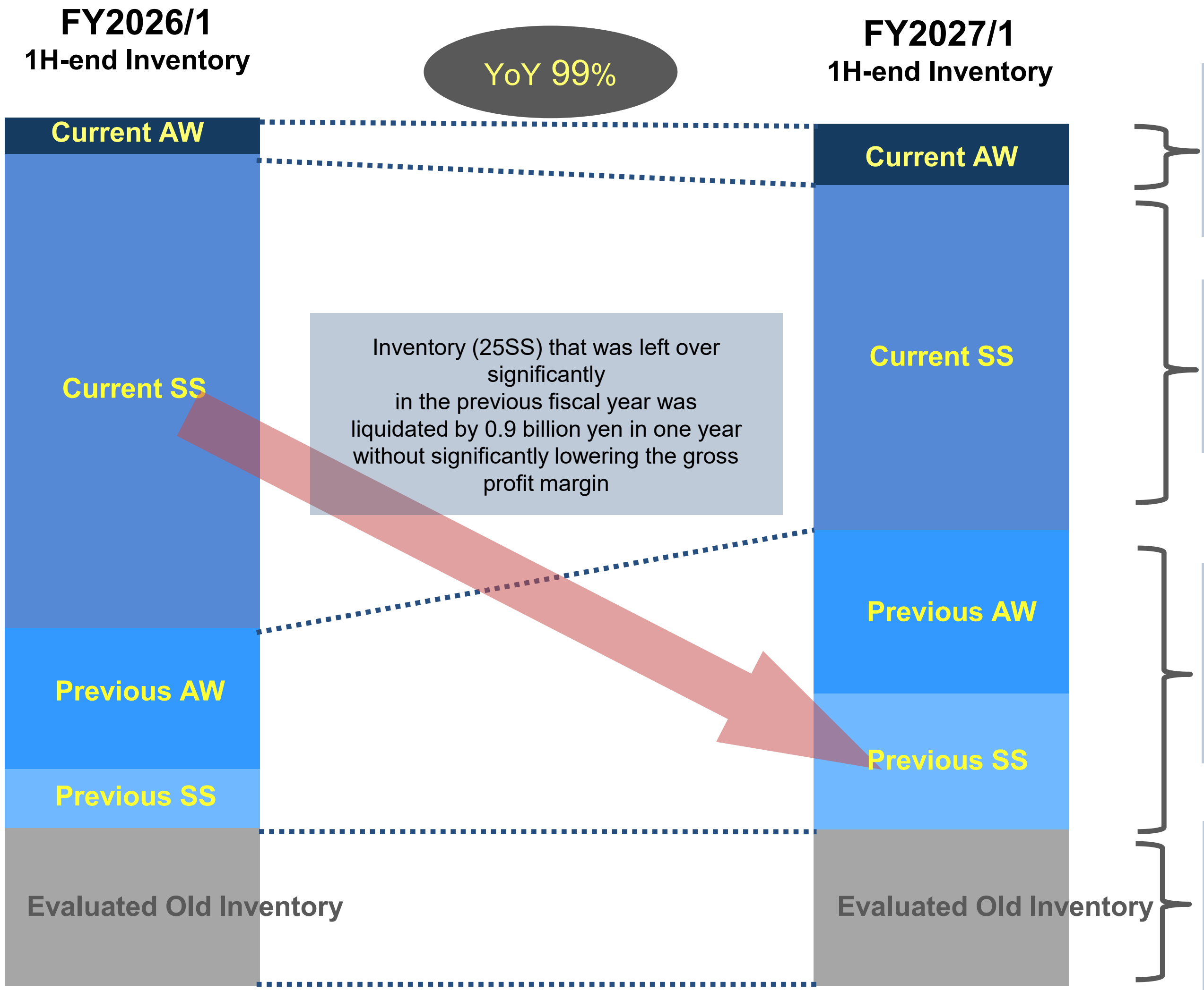
This fiscal year, we curbed current-period purchasing and resold previous-period inventory to optimize inventory levels

Achieved inventory control that maintained growth, supported by sales capabilities and inbound demand

(1) Japanese Business - Inventory Optimization -

TOKYO BASE

➤ **Japanese inventory was suppressed to 99% YoY while increasing net sales, and the inventory breakdown also became sound**



<< Autumn/Winter Season Inventory >>

YoY **168%**

Purchasing aimed at maximizing sales in the second half

<< Spring/Summer Season-end Inventory >>

YoY **73%**

Elimination of future profit impairment risk

<< Previous Year Inventory >>
(Inventory subject to valuation loss in the following fiscal year)

YoY **150%**

Inventory level that does not require purchasing suppression

<< Evaluated Old Inventory >>

YoY **101%**

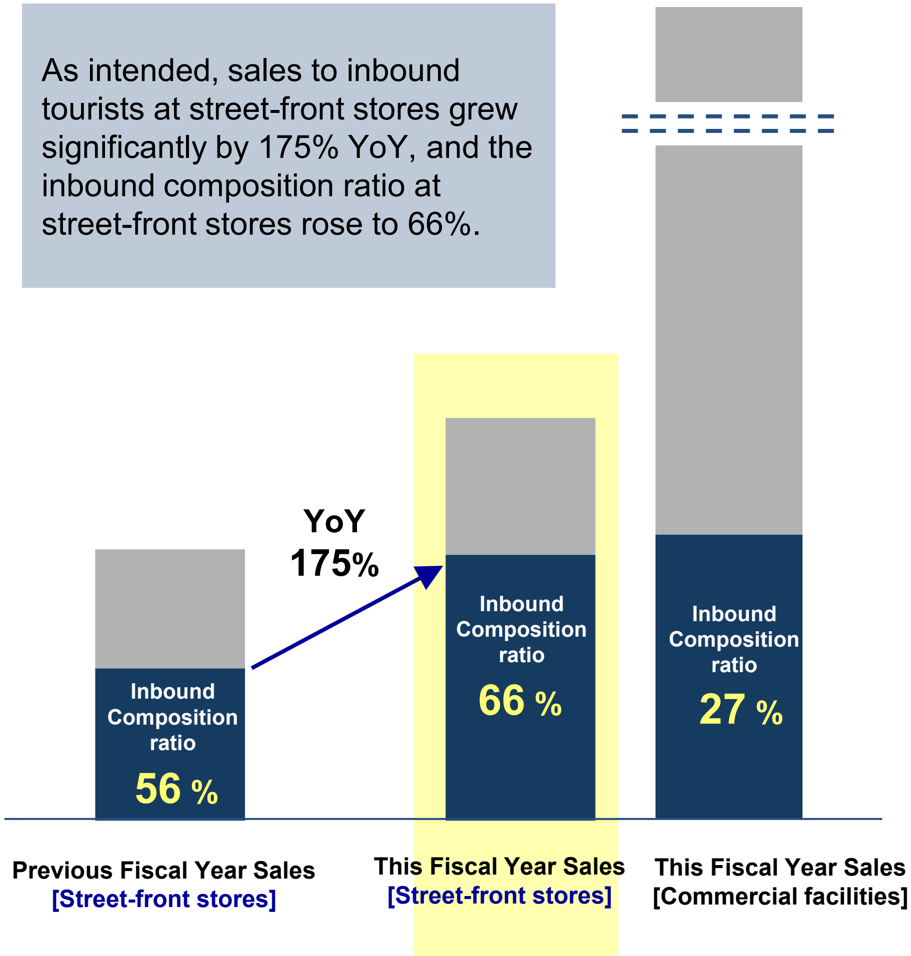
Furthermore, 120 million yen was liquidated at the family sale events in August

(1) Japanese Business - Inbound Tourists -

➤ Sales to inbound tourists for 1H grew by 44.5% YoY, and the inbound composition ratio at physical stores reached 36.4%.

Strengthening of Street-Front Store Openings Strategy

As intended, sales to inbound tourists at street-front stores grew significantly by 175% YoY, and the inbound composition ratio at street-front stores rose to 66%.



(million yen)

		Net sales	Composition ratio	YoY
1	China (including Hong Kong)	649	23.5%	83.2%
2	USA	521	18.8%	248.8%
3	Taiwan	420	15.2%	192.6%
4	South Korea	133	4.8%	165.7%
5	Australia	97	3.5%	203.6%
6	Canada	94	3.4%	203.8%
7	United Kingdom	78	2.8%	209.6%
8	France	64	2.3%	229.7%
9	Singapore	49	1.8%	213.4%
10	Mexico	46	1.7%	206.0%
---	Other	612	22.1%	203.0%
Total Inbound Tourists (Company-owned)		2,769	100.0%	154.1%
Total Inbound Tourists *1		3,285	---	144.5%

*1 LUMINE commercial facilities handle tax-free procedures, so country-specific information for our stores within LUMINE cannot be obtained.

As a result of the street-front store opening strategy, sales to customers from Europe, the US, and Australia have generally more than doubled YoY.

Following the popularity of Taiwan, we entered the Taiwanese market this fiscal year, using it as a benchmark for overseas expansion.

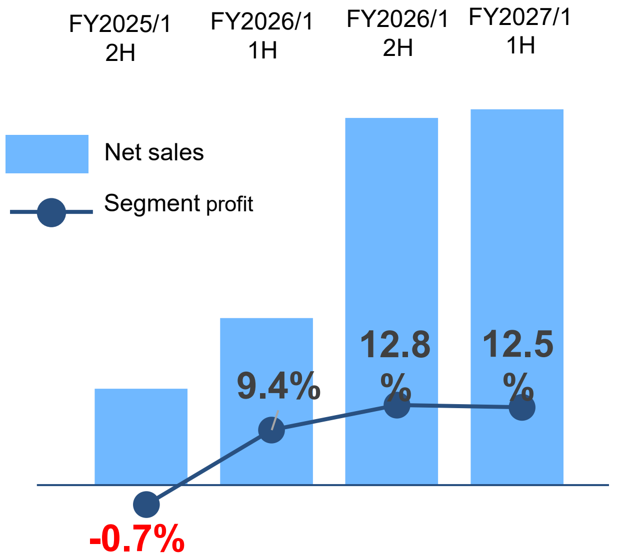
TOKYO BASE

(1) Japanese business - Progress of new business categories -

➤ **Leveraging our strengths in business category development and bold policy correction to achieve profitability in new business categories at an early stage (6 months to 1 year)**

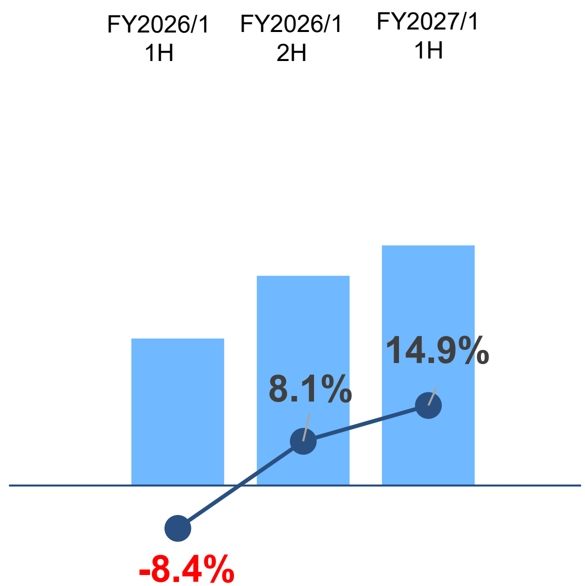
➤ **KEY TIMEZ, launched this fiscal year, started with a segment profit of (6.8%), aiming for profitability in the second half through corrective measures**

CONZ



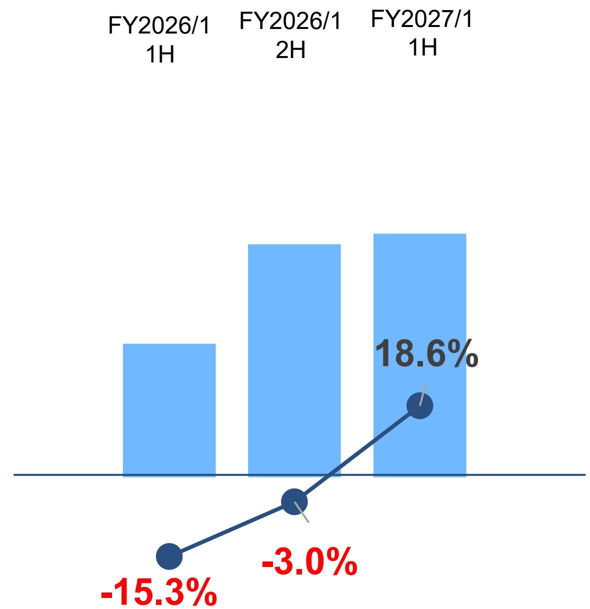
Performed well from the start.
Strengthened branding as a concept shop and achieved a turnaround to profitability through increased sales of original merchandise.

RITAN



Shifted from a "market-in" product development policy to a "product-out" approach,
putting performance on a growth trajectory.

JAPAN EDITION



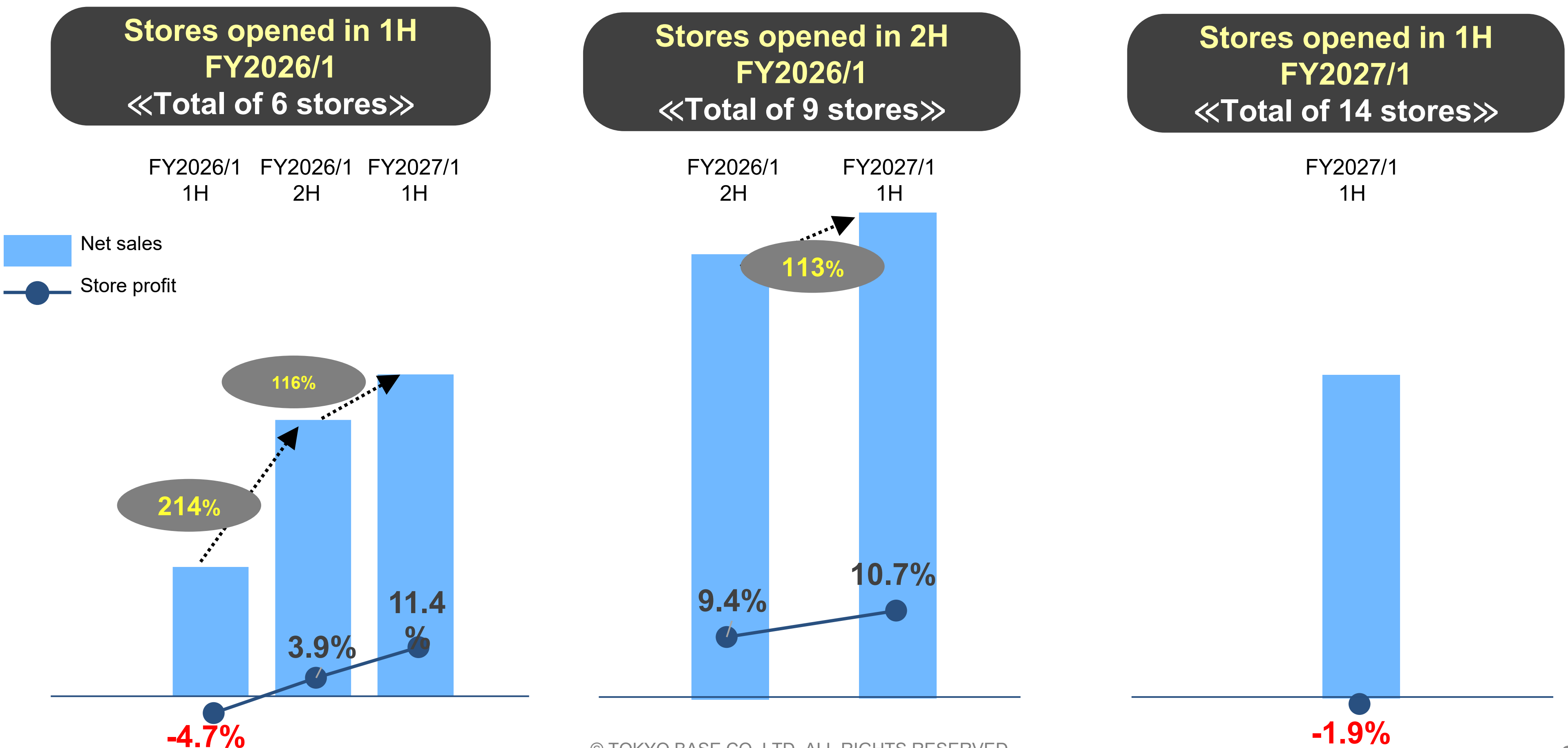
Started as the souvenir category GOOD EDITION,
but boldly shifted by changing the name to a craftsmanship-focused category.

(1) Japanese business - Progress of new store openings -

TOKYO BASE

➤ **With a management vision of impressing customers, our company sees sales and profits increase over time as the number of customers grows.**

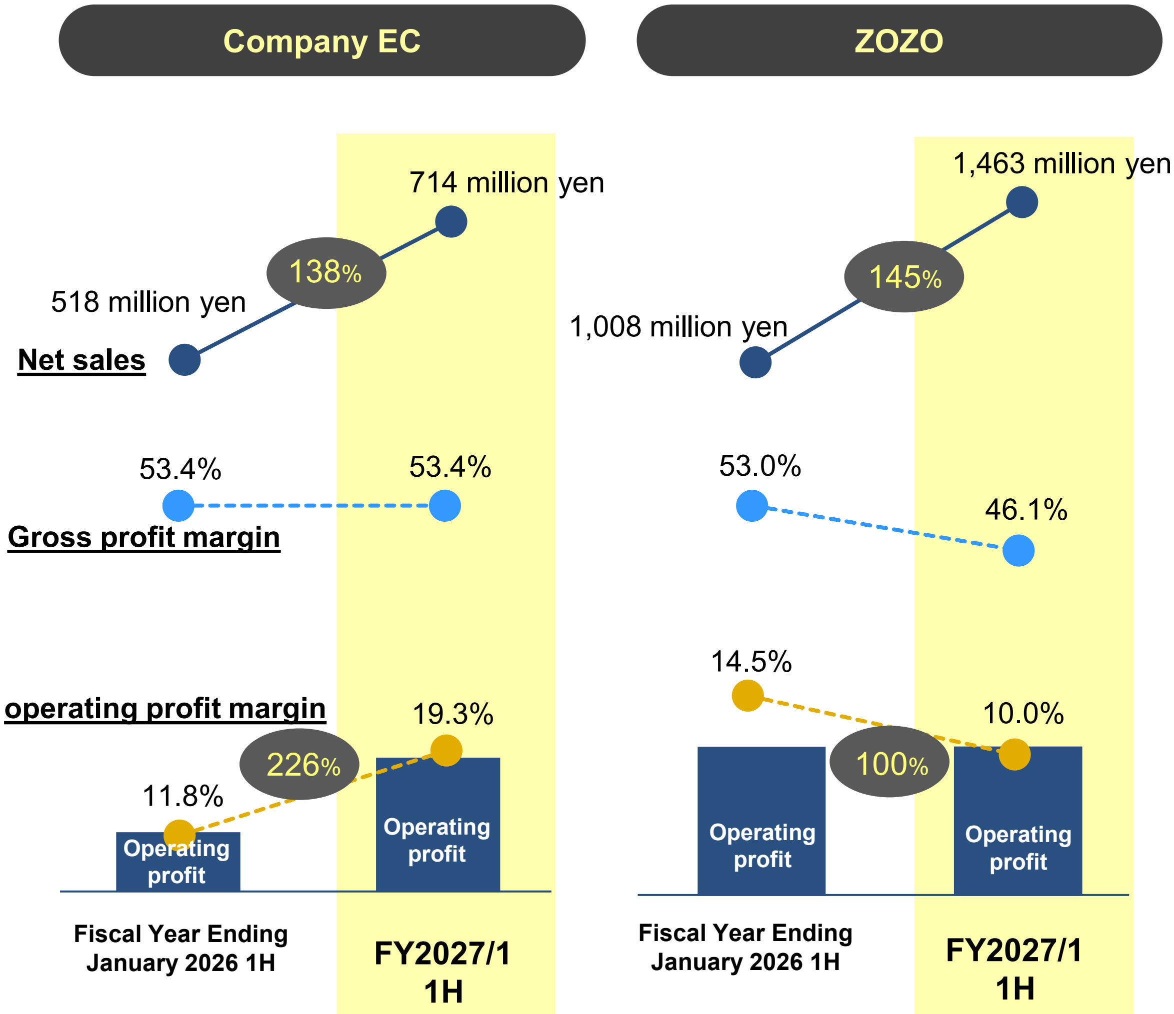
- Many of the stores opened in 2H FY2026/1 were in commercial facilities or existing business categories, and they became profitable during the current period.
- For stores opened in 1H FY2027/1, the store profit margin is 5.1% when excluding the new business category KEY TIMEZ.



(1) Japanese Business - EC Business -

TOKYO BASE

➤ **Company EC significantly improved through structural reforms, and ZOZO contributed to the liquidation of old inventory without sacrificing operating profit**



Company EC

With the renewal of AI images, in addition to improving the brand image, it became easier to visualize products from all angles, and the user interface was significantly improved. Furthermore, we reduced model fees, personnel expenses, and unnecessary shooting expenses.
As a result, the operating profit margin grew to 19.3%, making it a business that contributes significantly to profitability.

ZOZO

Utilized time sales events to expand touchpoints with new customer segments, primarily light users.
Although the gross profit margin declined by (6.9)%, net sales grew significantly due to the expansion of sales opportunities, and operating profit remained at the same level as the previous fiscal year.
This initiative led to securing profits while balancing the acquisition of new and light users with inventory efficiency.

(2) Overseas Business - Overview -

TOKYO BASE

China business

7 stores

Achieved Profitability

Full-year profitability expected
Entering a regrowth phase

The shift in policy toward middle-risk stores has been effective, and repeat visits to China stores by customers who recognized the brand in Japan have increased.
Existing store sales have grown steadily, and in addition to STUDIOUS, CONZ and PUBLIC TOKYO are also performing well, marking a transition to a phase capable of multi-format expansion.

Hong Kong business

9 stores

Development of growth infrastructure

From 3 stores in the same period last year to 3 times that, 9 stores

Following the multi-format dominant strategy in the Tsim Sha Tsui area (7 stores), dominant expansion has started in the Causeway Bay area.
Improving sales capabilities of new staff, building a customer base, and increasing brand awareness are among the steps being taken to develop the growth infrastructure.

US Business (Non-consolidated)

1 store

Sales YoY 142%

Entering a multi-store expansion phase

Through repeated verification of brands and merchandise, we have come to understand the preferences of Americans.
As a result, we are now able to generate most of our sales from non-Asian demographics.Dominant expansion in the NY Soho area is now in view.

South Korea Business (Non-consolidated)

2 stores

2nd store opened

Profitable in the first year (previous fiscal year)

With STUDIOUS performing well and local staff growing, we opened a UNITED TOKYO store this fiscal year.
The sales composition is robust, driven not only by local South Koreans but also by inbound tourists, including those from China.

(2) Overseas Business - Regrowth of the China Business -

TOKYO BASE

➤ **The middle-risk model of opening stores in appropriate locations is functioning, and net sales increased to 150 % YoY for existing stores**

➤ **Having established a successful pattern, we will move up our schedule and aim to re-expand store openings starting from the second half of this fiscal year**

➤ **First, we will begin dominant store openings in the Shanghai area**

- We will open up to 7 stores by the first half of the next fiscal year, and aim for a 14-store structure in the next fiscal year, doubling from the current level
- In the second half of this fiscal year, we plan to open street-front stores for UNITED TOKYO and PUBLIC TOKYO on Huaihai Road in Shanghai

TOKYO BASE

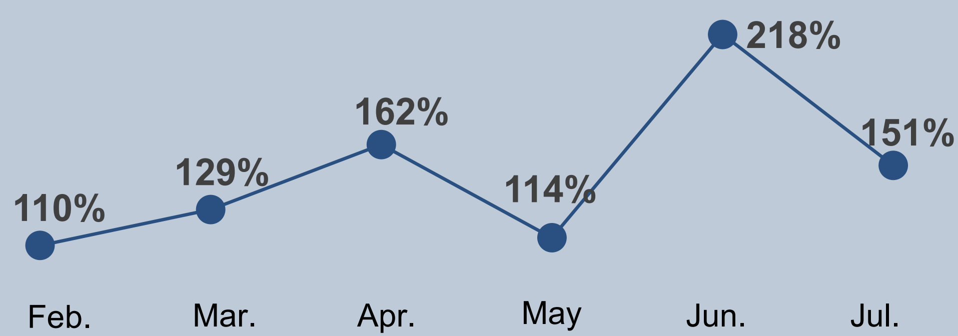
(2) Overseas Business - Consolidation of US and Korea businesses from next fiscal year -

➤ **In both the US and South Korea, market understanding has progressed, sales YoY have improved significantly, and the businesses are generating profit.**

➤ **Transitioning to a multi-store expansion phase this fiscal year, aiming for a 2-3 store structure for each, with consolidation planned from next fiscal year.**

[US Business]

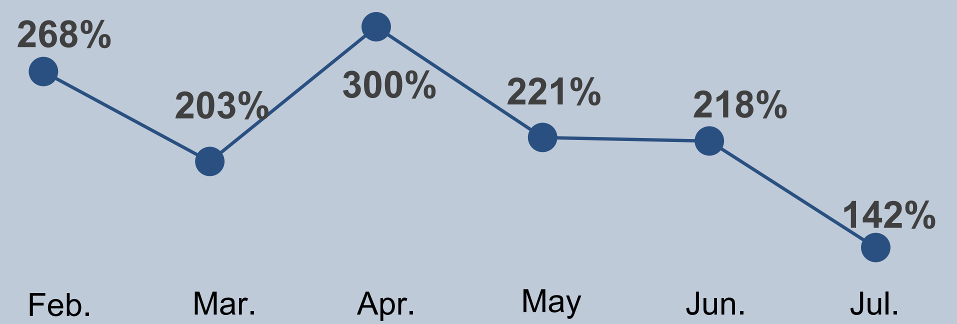
Existing store YoY



- STUDIOUS has gained recognition in NY
- Merchandise editing tailored to the preferences of Americans is progressing
- Contract for the second store in the SOHO area has been agreed
- Construction planned with the goal of opening within this fiscal year

[Korea Business]

Existing store YoY



- Achieved a positive operating profit from the first year of operation
- Supported not only by South Koreans but also by inbound tourists
- Opened the second UNITED TOKYO store in South Korea in July
- Investigating new properties for further multi-store expansion

(2) Overseas Business - Launch of Taiwan Business -

Commenced business with the simultaneous opening of three stores in the Xinyi District, the commercial hub of Taipei

- ➤ In addition to UNITED TOKYO and PUBLIC TOKYO, CITY TOKYO makes its first overseas expansion
- ➤ Simultaneous opening of three stores in early October, aiming for early consolidation

Shin Kong Mitsukoshi A9

First overseas expansion of CITY

BREEZE Nan Shan

UNITED TOKYO / PUBLIC TOKYO

(2) Overseas Business - Launch of Taiwan Business -

TOKYO BASE

(2) Overseas Business - Mid- to Long-Term Strategy for Overseas Business -

[Management VISION]
Expansion into the World's 10 Largest Cities

×

Global City Dominant Strategy

Expansion into major cities in countries with high inbound tourism sales

Top countries for inbound tourism	Cities for expansion	Timing of expansion
China (including Hong Kong)	Hong Kong / Shanghai Beijing / Shenzhen	Already entered
USA	NY	Already entered
	LA	TBD
Taiwan	Taipei	Entering this fiscal year
South Korea	Seoul	Already entered
Australia	Sydney?	TBD
Canada	Toronto?	TBD
United Kingdom	London	Next mid-term plan
France	Paris	Next mid-term plan
Singapore	Singapore	Next mid-term plan

*Other potential store opening cities: Milan / Dubai / Macau

1 city **10** Business categories × **1-2** stores

13-15 city expansion

Overseas business scale (Natural growth) **60.0** billion yen + M&A

Current	5 years later	10 years later
4 countries **7** cities	**8** countries **11** cities	**10** countries **13** cities
3.0 billion yen	**20.0** billion yen	**60.0** billion yen

(3) Full-Year Performance Forecast

Initial performance forecasts remain unchanged

➤ In 1H, although operating profit fell slightly short of the plan, we performed well by covering the impact of purchasing restrictions with sales capabilities (productivity improved).

➤ In 2H, we expect to be able to fully cover the shortfall by returning to normal purchasing and leveraging our current level of sales capabilities and the ability of our new business formats to make adjustments.

(million yen)

	FY2027/1 Forecast of Business Results	Composition ratio	YoY	YoY change
Net sales	**28,000**	100.0%	118.0%	+4,266
Operating profit	**2,500**	8.9%	127.8%	+544
Ordinary profit	**2,200**	7.9%	116.5%	+311
Net profit	**1,500**	5.4%	124.1%	+291

1H of FY2027/1

Capital Cost Management and ESG

TOKYO BASE

(1) Management with an awareness of capital costs

ROE (efficiency of earnings): achieve the mid-term plan target for ROE ahead of schedule, enhancing shareholder value with the highest investment efficiency to date

- ➤ 1H Action: Treasury share acquisition (approx. 0.5 billion yen / 1.3411 million shares acquired / 3.4% of total shares outstanding)
- ➤ 2H Action: Strengthened financial leverage by establishing a 3.0 billion yen commitment line through bank loans

	Cost of shareholders' equity	ROE	Company Analysis
FY2027/1	**9.2 – 9.4 %** **(Estimated value)**	**20 % or more than 20%** **(TARGET)**	**[Maximizing Returns]** **Achieved the mid-term ROE target of 20% one year ahead of schedule, realizing overwhelming returns**
FY2026/1	9.1 %	19.2 %	[All-time High] Stable price movement (lower β value) resulting in lowest cost and maximum earnings
FY2025/1	9.2 %	17.2 %	[Higher Efficiency] Strong inbound tourists, with cost reduction and ROE improvement progressing simultaneously
FY2024/1	9.5–9.8 %	12.5 %	[V-shaped Recovery] Return to profitability due to the recovery of domestic and overseas stores, leading to lower capital costs
FY2023/1	10 % or more	(7.8 %)	[Value Destruction] Fell into the red due to China lockdowns, maximizing capital costs
FY2022/1	8–8.5 %	11.2 %	[Value Creation] Endured the initial impact of COVID-19, clearing the hurdle of cost of shareholders' equity < ROE

(2) ESG Policy - Progress Report -

TOKYO BASE

Realizing a Sustainable Fashion Society

By evolving into a high-value-added brand, we realize business expansion solely through high price ranges, rather than mass production/mass sales, while being environmentally conscious.

In the development of new business categories, rather than creating a lower-priced version of a successful business category or a second line to expand into regional areas, we are developing entirely new business categories and pursuing a dominant strategy in city centers.

≪ Customer Spending Trends ≫

FY2027/1 (First Half) 1H	44,149 yen
	+13.1 %
FY2026/1 (First Half) 1H	39,045 yen
	+24.0 %
FY2025/1 (First Half) 1H	31,480 yen

(2) ESG Policy - Progress Report -

Transmitting Japan's creation to the world

In 1H FY2027, 138 brands were sold in overseas stores

*Excludes in-house brands; counts only Japanese designer brands

All 4 countries	**12** brands
3 countries	**15** brands
2 countries	**41** brands
1 country only	**70** brands
Total	**138** brands

Improving the social status of the fashion industry

Under the star sales system, 62 staff members have an expected annual income of over 8 million yen

*62 out of a total of 331 store staff members

	1 star	2 stars	3 stars	4 stars	5 stars
Number of staff	**40** staff	**15** staff	**4** staff	**3** staff	---
Expected annual income	**8.00** million	**10.0** million	**12.0** million	**15.0** million	**20.0** million

(2) ESG Policy - Progress Report -

TOKYO BASE

26SS Production Results by Prefecture

(Unit: items)

Prefecture	Production volume	Prefecture	Production volume	Prefecture	Production volume
Gifu	46,158	Chiba	5,454	Tokushima	998
Niigata	41,873	Nagano	5,400	Hyogo	560
Aomori	21,611	Miyagi	4,533	Nagasaki	522
Iwate	19,430	Tokyo	4,250	Fukui	365
Osaka	16,815	Saitama	3,488	Kochi	319
Yamagata	16,578	Oita	2,812	Shizuoka	311
Fukushima	15,886	Aichi	2,716	Shimane	299
Tochigi	15,179	Saga	2,080	Shiga	129
Akita	14,214	Toyama	1,861	Fukuoka	99
Ishikawa	10,532	Mie	1,561	Tottori	2
Ibaraki	10,362	Ehime	1,458	34 prefectures / 177 factories 279,000 items	
Okayama	9,662	Hiroshima	1,221		

(2) ESG Policy - Progress Report -

TOKYO BASE

Revitalizing the Japanese textile and garment industry - Introduction of Initiatives -

UNITED TOKYO

OUTLAST Series

Contributing to local communities by distributing production of the same material to factories in various prefectures for each item, rather than producing it in only one factory

Outlast®

Not too hot, not too cold.™

Slacks	Iwate
Casual pants	Aomori
Jacket	Saga
Blouson	Niigata
Shirt	Akita
Knit	Ishikawa

PUBLIC TOKYO

SHIOTA Series

Branding by using the names of factories with skilled techniques in product names,
and initiatives to promote the factories' technical capabilities to the public

Shiota Factory in Okayama Prefecture, where techniques have been passed down through three generations since its founding in 1966

TOKYO BASE

Appendix.

Company Information

Corporate Mission

from JAPAN to the WORLD

Along with building a fashion company that presents Japan to the world, we will use business expansion to realize the joy and dreams of our customers, employees, clients, and shareholders.

Corporate Vision

1. To deliver excitement and joy to customers around the world
2. To be a group of fashion professionals
3. NEXT MADE IN JAPAN
4. To open stores in the world’s 10 largest cities.
5. To achieve sales of 100 billion yen in stores and 50 billion yen in EC as quickly as possible

Capital Relationship of Affiliated Companies

Japan
TOKYO BASE CO.,LTD.
Share capital: 682 million yen
Establishment date: December 2008
Fiscal year end: January

Hong Kong
TOKYO BASE H.K. LTD.
Share capital: 10 million HKD
Establishment date: September 2016
Fiscal year end: January
Consolidated subsidiaries   Wholly owned

Mainland China
TOKYO BASE CHINA., Ltd. (Shanghai)
Share capital: 21 million RMB
Establishment date: March 2019
Fiscal year end: December
Consolidated sub-subsidiaries   Wholly owned

US
TOKYO BASE N.Y. INC.
Share capital: 300 thousand USD
Establishment date: February 2024
Fiscal year end: January
Non-consolidated subsidiaries   Wholly owned

South Korea
TOKYO BASE KOREA CO., LTD.
Share capital: 800 million WON
Establishment date: March 2025
Fiscal year end: January
Non-consolidated subsidiaries   Wholly owned

Taiwan
TOKYO BASE TAIWAN CO., LTD.
Share capital: 15 million NTD
Establishment date: July 2026
Fiscal year end: January
Non-consolidated subsidiaries   Wholly owned

Business Overview

Specialty products shop business division

STUDIOUS

THE TOKYO

CONZ

JAPAN EDITION

KEY TIMEZ

Brand business division

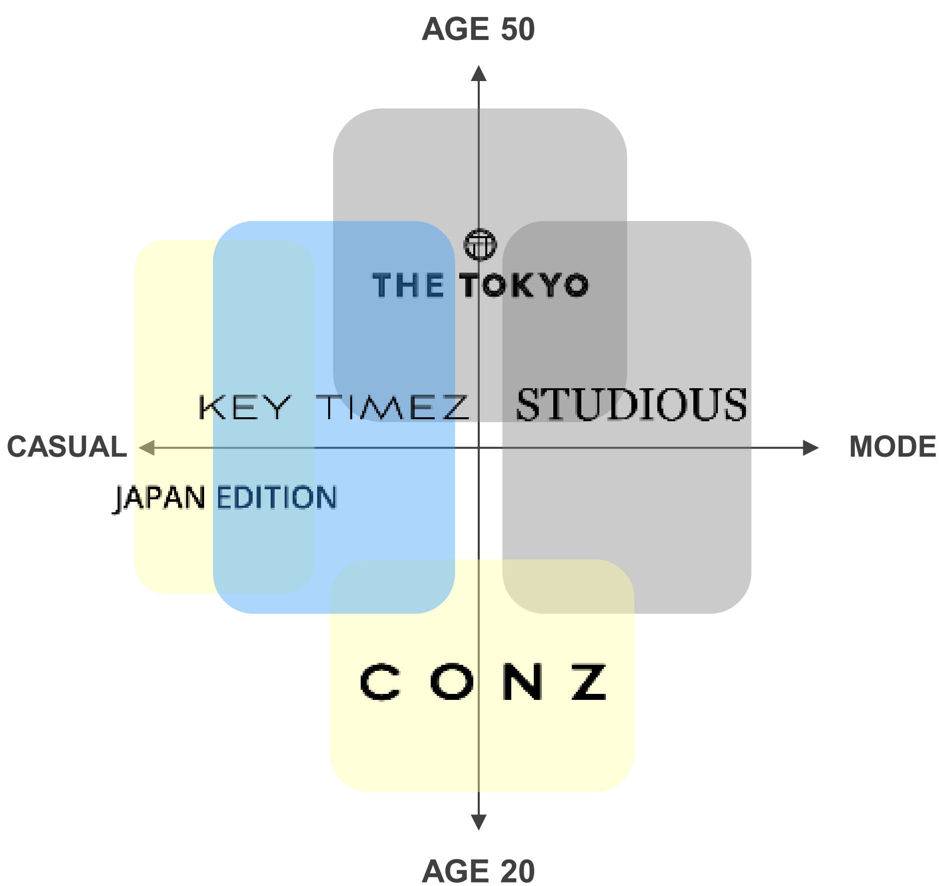
UNITED TOKYO

PUBLIC TOKYO

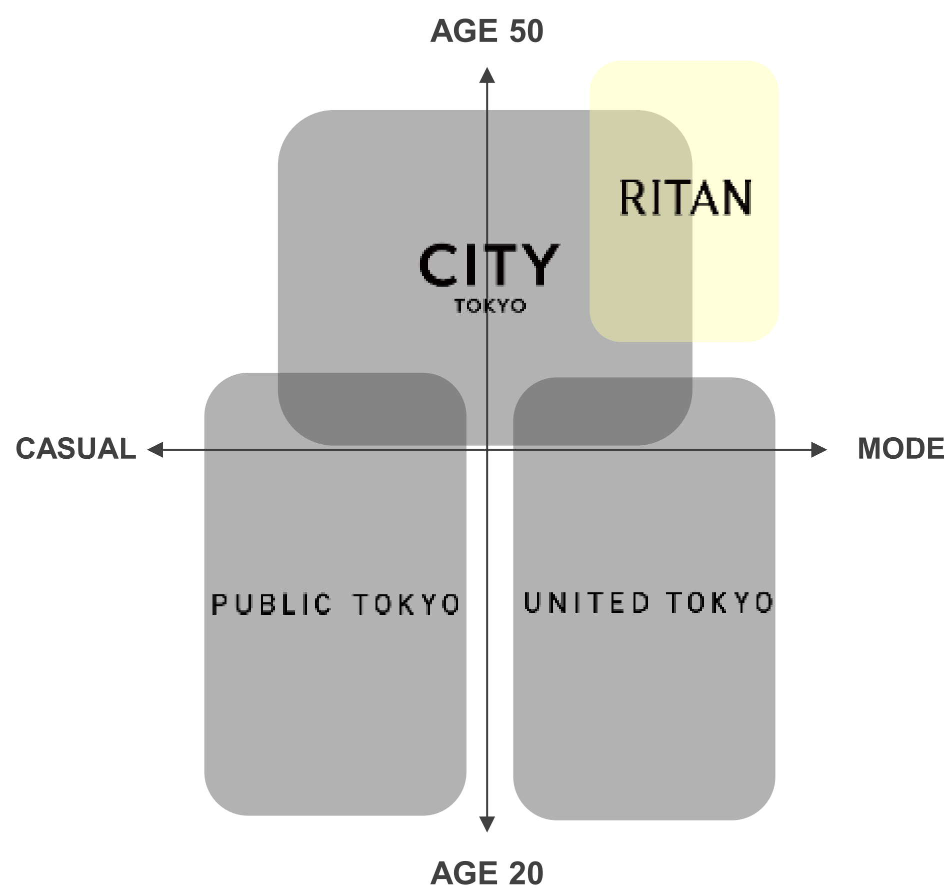
CITY TOKYO

RITAN

Specialty products shop business

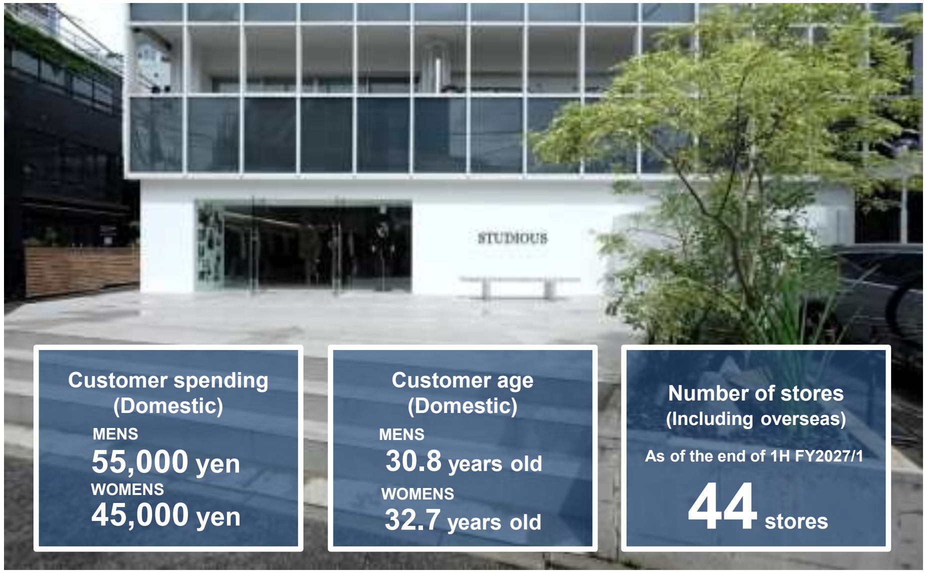


Our brand business



STUDIOUS

A “trend-setting select shop” to promote Tokyo brands throughout the world



Customer spending (Domestic)
MENS **55,000** yen
WOMENS **45,000** yen

Customer age (Domestic)
MENS **30.8** years old
WOMENS **32.7** years old

Number of stores (Including overseas)
As of the end of 1H FY2027/1
44 stores

THE TOKYO

A high-end select shop to promote Tokyo brands throughout the world

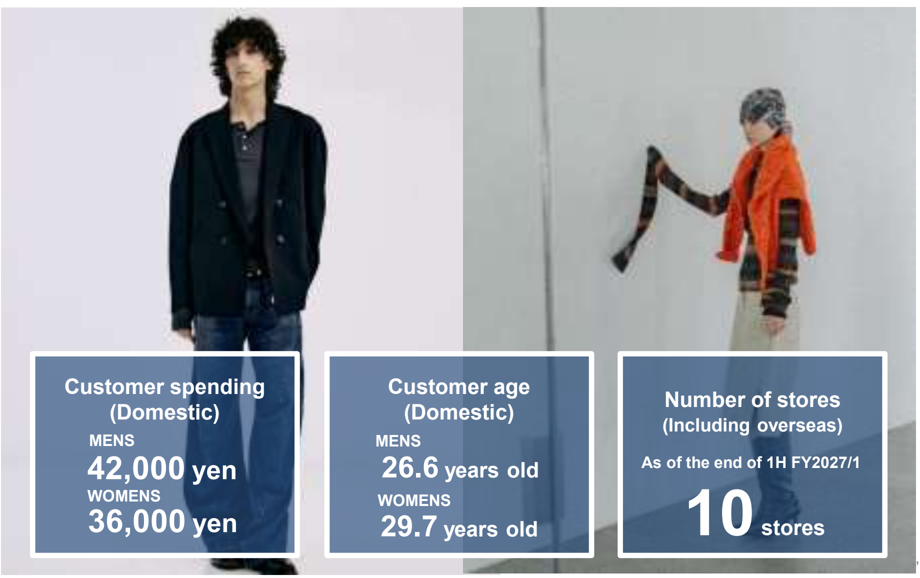
Customer spending (Domestic)
MENS **72,000** yen
WOMENS **67,000** yen

Customer age (Domestic)
MENS **35.2** years old
WOMENS **38.0** years old

Number of stores (Including overseas)
As of the end of 1H FY2027/1
10 stores

CONZ

A select shop that promotes a chaotic mix of styles unique to Japan



Customer spending (Domestic)
MENS **42,000** yen
WOMENS **36,000** yen

Customer age (Domestic)
MENS **26.6** years old
WOMENS **29.7** years old

Number of stores (Including overseas)
As of the end of 1H FY2027/1
10 stores

JAPAN EDITION

A select shop that curates unique Japanese craftsmanship products

Customer spending (Domestic)
44,000 yen

Customer age (Domestic)
32.1 years old

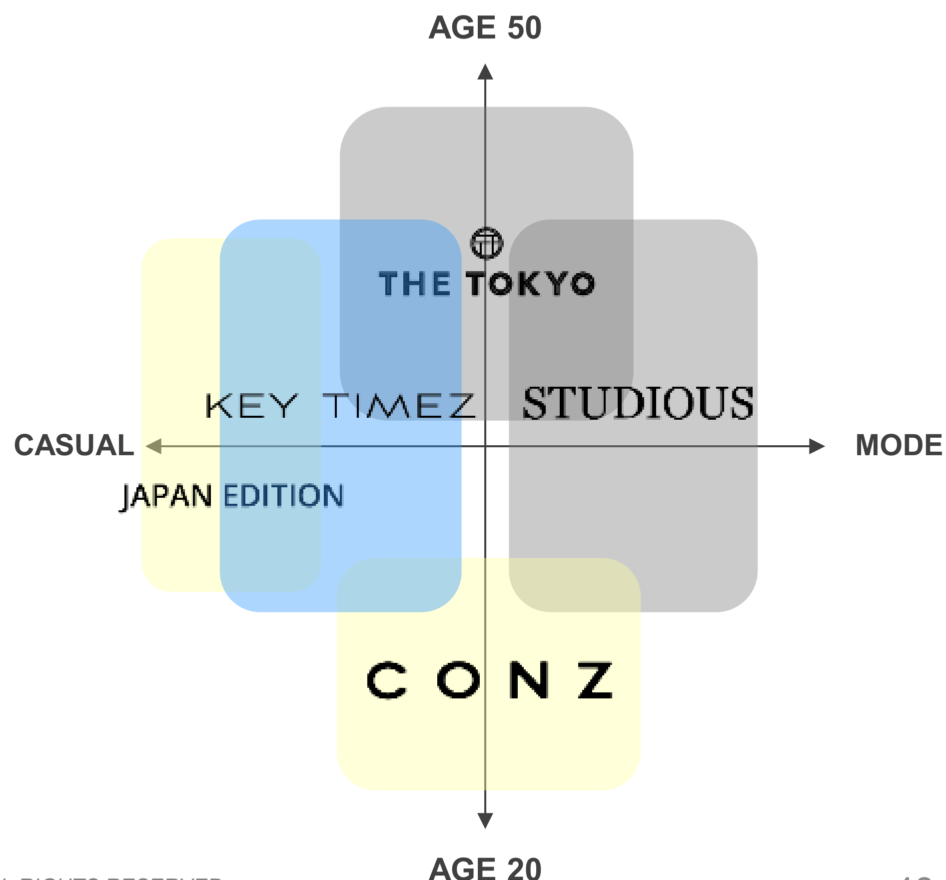
Number of stores (Including overseas)
As of the end of 1H FY2027/1
2 stores

Expanding our portfolio into the select casual market, where major specialty stores are the main players and a large market exists.

Aiming for a business scale of over 10 billion yen in the future as a core business that will drive TOKYO BASE for the next 10 years.

A specialty store that proposes "valuable moments" on the boundary between the everyday and the extraordinary.

Specialty Store Business (Our Portfolio)

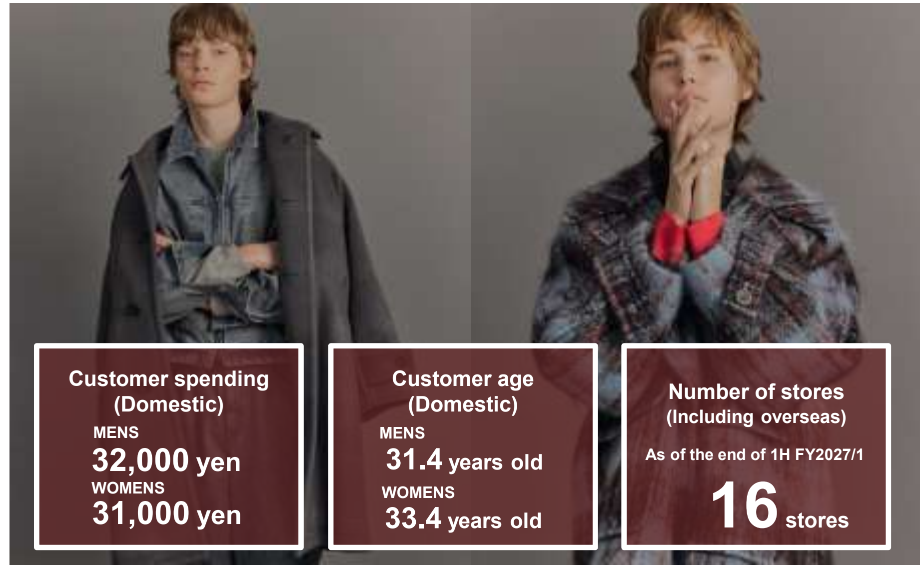


UNITED TOKYO

Contemporary mode brand, all made in Japan

PUBLIC TOKYO

Contemporary casual brand, all made in Japan



CITY TOKYO

Super fabric brand, all made in Japan

RITAN

Healthy mode brand for adult women