

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

July 3, 2025

Summary of Consolidated Financial Results for the Three Months Ended May 31, 2025 (Based on Japanese GAAP)

Company name: NARUMIYA INTERNATIONAL Co., Ltd
Stock exchange listing: Tokyo
Stock code: 9275 URL <https://www.narumiya-net.co.jp/ir/>
Representative: President, Representative Director and Chief Executive Officer Hirotaka Kunikyo
Inquiries: Executive Officer and General Manager of Administration Masayuki Ooya TEL 03-6430-3405
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2025	10,122	9.9	674	(8.1)	678	(6.4)	435	(9.7)
Three months ended May 31, 2024	9,212	4.0	733	(2.1)	724	(3.1)	482	0.5

Note: Comprehensive income Three months ended May 31, 2025: 414 million yen [(14.0)%]
Three months ended May 31, 2024: 482 million yen [0.5%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	44.23	–
Three months ended May 31, 2024	49.13	–

Note: Diluted earnings per share is not stated, as there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2025	14,759	6,960	47.2
As of February 28, 2025	13,996	7,027	50.2

Reference: Shareholders' equity As of May 31, 2025: 6,960 million yen As of February 28, 2025: 7,027 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	–	0.00	–	53.00	53.00
Fiscal year ending February 28, 2026	–				
Fiscal year ending February 28, 2026 (Forecast)		0.00	–	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: Yes

At a meeting of the Board of Directors held today (July 3, 2025), the Company resolved to conduct a share exchange (scheduled effective date: October 1, 2025), which will make World Co., Ltd. the wholly owning parent company and the Company a wholly owned subsidiary. The share exchange is subject to approval at an extraordinary general meeting of shareholders to be held on August 28, 2025. As a result, the Company's common shares are scheduled to be delisted as of September 29, 2025. Therefore, at the meeting of the Board of Directors held today (July 3, 2025), the Company revised the dividend forecast for the fiscal year ending February 28, 2026, and resolved not to pay a fiscal year-end dividend for the fiscal year ending February 28, 2026.

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

Percentages indicate year-on-year changes.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	44,000	12.4	2,600	39.7	2,584	42.0	1,653	17.8	168.01

Note: Revision to the most recently announced consolidated forecast: Yes

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended May 31, 2025: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2025	10,122,830 shares	As of February 28, 2025	10,122,830 shares
--------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of May 31, 2025	275,940 shares	As of February 28, 2025	305,122 shares
--------------------	----------------	-------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2025	9,842,767 shares	Three months ended May 31, 2024	9,817,708 shares
---------------------------------	------------------	---------------------------------	------------------

Note 1: Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

Note 2: Explanation and other special notes concerning the appropriate use of business performance forecasts

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are not promise by the Company regarding their achievement. Actual results may differ materially from the forecast depending on a range of factors. For the assumptions that form the basis of the earnings forecasts and notes on the use of the earnings forecasts, refer to "1. Overview of Operating Results (3) Explanation of consolidated earnings forecasts and other forward-looking information" on page 3 of the attached material.

Attached Material

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Three Months Ended May 31, 2025	2
(2) Overview of Financial Position	2
(3) Explanation of consolidated earnings forecasts and other forward-looking information	3
2. Quarterly Consolidated Financial Statements and Significant Notes.....	4
(1) Consolidated balance sheets	4
(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative).....	6
Consolidated statements of income (cumulative)	6
Consolidated statements of comprehensive income (cumulative)	7
(3) Notes concerning quarterly consolidated financial statements	8
Note on changes in accounting policies	8
Notes regarding segment information, etc.	8
Notes regarding significant changes in the amount of shareholders' equity	8
Going concern assumptions	8
Notes regarding quarterly consolidated statements of cash flows	8

1. Overview of Operating Results

(1) Overview of Operating Results for the Three Months Ended May 31, 2025

Looking at Japan's economy during the first three months of the current fiscal year, amid improved employment and income situations, the situation remains uncertain due to lacked strength in personal consumption with the yen's depreciation, continued price hikes in raw materials and daily necessities represented by the rice shortage in the current Reiwa period, as well as prolonged geopolitical risks stemming from the tense situation in the Middle East and the impact of U.S. tariff policies.

In the apparel industry, to which we belong, although there are signs of expansion of inbound demand due to an increase in the number of foreign visitors to Japan, there are still concerns about the impact on the future business environment, as the awareness of consumers to protect their lifestyles further increased due to soaring raw material and energy prices and repeated price hikes.

In such a business environment, the Group formulated the medium-term management plan (consolidated), which targets the period from the fiscal year ended February 28, 2025 to the fiscal year ending February 28, 2027. Under this plan, the Group aims to operate the brand portfolio based on the concept of "multi-brand evolution," integrate channels and new locations based on the concept of "deepening multi-channels," and expanding our fanbase and maximizing LTV (lifetime value) by shifting focus from single brand to multiple brands based on the concept of "enhancing CRM (customer relationship management)." With the aim of opening new stores for major brands and enhancing brand value as part of building a stable business foundation, the Group has been proposing sales opportunities by strengthening in-store customer service and VMD (visual merchandising) and promoting product promotions.

Looking at financial results, the relatively warm weather contributed to strong sales of spring apparel, especially occasional products for kindergarten entrance, school entrance, and graduation ceremonies. Due to an increase in sales associated with the aggressive new store openings that resumed the previous fiscal year, and the contribution of sales from the mezzo piano Junior 25th anniversary POPUP store held at Lumine Shinjuku, net sales were firm, resulting in 10,122 million yen (109.9% on the same period of the previous fiscal year).

On the cost front, selling, general and administrative expenses were 5,596 million yen (111.1% on the same period of the previous fiscal year), due to an increase in personnel expenses resulting from the hiring of new graduates in conjunction with an increase in new store openings and improved compensation for existing employees, as well as one-time factors, such as continued upfront investments, including opening costs associated with the aggressive new store openings since the previous fiscal year.

As a result of the above, for the first three months of the current fiscal year we recorded net sales of 10,122 million yen (109.9% on the same period of the previous fiscal year), operating profit of 674 million yen (91.9% on the same period of the previous fiscal year), ordinary profit of 678 million yen (93.6% on the same period of the previous fiscal year), and profit attributable to owners of parent of 435 million yen (90.3% on the same period of the previous fiscal year).

As the Group has a single segment for planning and sales of kidswear, disclosure of operating results by segment has been omitted.

(2) Overview of Financial Position

Assets

Assets at the end of the first quarter increased by 762 million yen from the end of the previous fiscal year to 14,759 million yen. This was mainly due to increases of 384 million yen in accounts receivable - trade, 1,357 million yen in merchandise, 70 million yen in prepaid expenses, and 172 million yen in buildings and structures, net, as well as a decrease of 1,244 million yen in cash and deposits.

Liabilities

Liabilities at the end of the first quarter increased by 830 million yen from the end of the previous fiscal year to 7,799 million yen. This was mainly due to increases of 642 million yen in accounts payable - trade, 118 million yen in accrued expenses, and 127 million yen in provision for bonuses, as well as a decrease of 59 million yen in long-term borrowings.

Net Assets

Total net assets at the end of the first quarter decreased by 67 million yen from the end of the previous fiscal year to 6,960 million yen. This was mainly due to a decrease of 84 million yen in retained earnings mainly as a result of the recording of 435 million yen in profit attributable to owners of parent and the payment of 520 million yen in dividends.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

In the full-year consolidated earnings forecast, there is no change to the earnings forecast announced on April 3, 2025. The above forecasts were prepared based on information available as of the date of publication of this document and on certain assumptions deemed to be reasonable. Actual results, etc. may differ significantly from these forecasts due to a variety of factors.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	1,938,925	694,731
Accounts receivable - trade	2,586,086	2,970,209
Merchandise	3,667,736	5,025,138
Prepaid expenses	179,736	250,622
Other	73,507	112,052
Allowance for doubtful accounts	(16,988)	(19,267)
Total current assets	8,429,003	9,033,487
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,089,347	2,322,082
Accumulated depreciation	(1,365,319)	(1,425,877)
Buildings and structures, net	724,027	896,205
Tools, furniture and fixtures	228,023	231,784
Accumulated depreciation	(131,613)	(140,706)
Tools, furniture and fixtures, net	96,410	91,077
Land	5,940	5,940
Leased assets	3,025,564	3,025,564
Accumulated depreciation	(2,717,893)	(2,753,989)
Leased assets, net	307,671	271,575
Total property, plant and equipment	1,134,049	1,264,798
Intangible assets		
Goodwill	2,121,811	2,073,786
Software	472,215	453,916
Leased assets	3,317	2,321
Other	286	2,164
Total intangible assets	2,597,631	2,532,189
Investments and other assets		
Investment securities	9,947	9,947
Distressed receivables	109,593	109,512
Long-term prepaid expenses	22,579	54,179
Guarantee deposits	1,285,644	1,322,737
Deferred tax assets	487,196	514,480
Other	25,645	22,756
Allowance for doubtful accounts	(104,737)	(104,580)
Total investments and other assets	1,835,869	1,929,033
Total non-current assets	5,567,550	5,726,021
Total assets	13,996,554	14,759,508

(Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,543,407	3,185,788
Current portion of long-term borrowings	762,396	752,267
Lease liabilities	150,521	138,562
Accounts payable - other	517,222	467,078
Accrued expenses	555,554	674,443
Income taxes payable	176,319	279,419
Accrued consumption taxes	92,308	25,013
Contract liabilities	187,165	108,722
Provision for bonuses	240,420	368,183
Provision for point card certificates	12,289	18,863
Other	65,176	183,619
Total current liabilities	5,302,782	6,201,961
Non-current liabilities		
Long-term borrowings	1,155,129	1,095,851
Lease liabilities	201,814	172,161
Retirement benefit liability	301,177	—
Long-term accounts payable - other	—	319,500
Other	7,693	9,993
Total non-current liabilities	1,665,813	1,597,506
Total liabilities	6,968,595	7,799,467
Net assets		
Shareholders' equity		
Share capital	255,099	255,099
Capital surplus	1,860,774	1,871,922
Retained earnings	5,171,803	5,086,833
Treasury shares	(280,732)	(253,813)
Total shareholders' equity	7,006,944	6,960,041
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	21,014	—
Total accumulated other comprehensive income	21,014	—
Total net assets	7,027,958	6,960,041
Total liabilities and net assets	13,996,554	14,759,508

(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Net sales	9,212,281	10,122,675
Cost of sales	3,442,967	3,851,513
Gross profit	5,769,314	6,271,162
Selling, general and administrative expenses	5,035,578	5,596,810
Operating profit	733,735	674,351
Non-operating income		
Interest and dividend income	0	793
Foreign exchange gains	—	14,490
Surrender value of insurance policies	3,933	—
Purchase discounts	551	932
Rental income	13,081	5,553
Miscellaneous income	4,703	6,604
Total non-operating income	22,270	28,374
Non-operating expenses		
Interest expenses	9,064	9,821
Finance fee	756	756
Foreign exchange losses	6,076	—
Rental expenses	10,108	10,235
Miscellaneous losses	5,541	3,764
Total non-operating expenses	31,546	24,577
Ordinary profit	724,460	678,148
Extraordinary losses		
Loss on retirement of non-current assets	1,967	802
Loss on subsidy repayment	—	5,400
Total extraordinary losses	1,967	6,202
Profit before income taxes	722,492	671,945
Income taxes - current	178,836	254,987
Income taxes - deferred	61,314	(18,409)
Total income taxes	240,150	236,577
Profit	482,341	435,368
Profit attributable to owners of parent	482,341	435,368

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	482,341	435,368
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(336)	(21,014)
Total other comprehensive income	(336)	(21,014)
Comprehensive income	482,004	414,354
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	482,004	414,354
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes concerning quarterly consolidated financial statements

Note on changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Notes regarding segment information, etc.

I Three months ended May 31, 2024 (March 1, 2024 to May 31, 2024)

Segment information is omitted since the Group has a single segment for planning and sales of kidswear.

II Three months ended May 31, 2025 (March 1, 2025 to May 31, 2025)

Segment information is omitted since the Group has a single segment for planning and sales of kidswear.

Notes regarding significant changes in the amount of shareholders’ equity

Not applicable.

Going concern assumptions

Not applicable.

Notes regarding quarterly consolidated statements of cash flows

The Company has not prepared consolidated statements of cash flows for the first three months of the current fiscal year. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months of the current and previous fiscal years are as stated below.

(Thousands of yen)

	Three months ended May 31, 2024 (March 1, 2024 to May 31, 2024)	Three months ended May 31, 2025 (March 1, 2025 to May 31, 2025)
Depreciation	110,385	140,870
Amortization of goodwill	46,180	48,025