DOSHISHA CORPORATION

DOSHISHA's here too!

Results Summary

Summary of FY3/26 Consolidated Results

Achieved Forecast Revised Upward on January 30, 2026

Consolidated (¥ million)	FY3/25		FY3/26		YoY		Comparison with Forecast① (Initial Forecast as of May 9, 2025)			Comparison with Forecast② (Forecast Announced on January 30, 2026)		
	Actual	Composition Ratio	Actual	Composition Ratio	Change	Change (%)	Forecast	Change	Change (%)	Forecast	Change	Change (%)
Net Sales	113,939	100.0%	120,533	100.0%	6,593	5.8%	120,000	533	0.4%	120,000	533	0.4%
Development-Oriented Business Model	63,701	55.9%	69,808	57.9%	6,107	9.6%	67,500	2,308	3.4%	–	–	–
Wholesale Business Model	47,034	41.3%	47,818	39.7%	783	1.7%	49,500	▲ 1,681	▲ 3.4%	–	–	–
Others	3,204	2.8%	2,906	2.4%	▲ 297	▲ 9.3%	3,000	▲ 93	▲ 3.1%	–	–	–
Gross Profit	31,968	28.1%	36,198	30.0%	4,230	13.2%	33,900	2,298	6.8%	–	–	–
SG&A Expenses	22,972	20.2%	24,265	20.1%	1,292	5.6%	24,100	165	0.7%	–	–	–
Operating Profit	8,995	7.9%	11,933	9.9%	2,938	32.7%	9,800	2,133	21.8%	11,300	633	5.6%
Ordinary Profit	9,348	8.2%	12,367	10.3%	3,018	32.3%	10,000	2,367	23.7%	11,600	767	6.6%
Net Income	6,409	5.6%	8,643	7.2%	2,233	34.9%	6,700	1,943	29.0%	8,000	643	8.0%

※The upwardly revised forecast announced on January 30, 2026 does not disclose a breakdown of net sales by business segment or details of gross profit and SG&A expenses.

Amid continued yen depreciation, soaring raw material prices, prolonged inflation, and consumers' growing cost-consciousness, net sales reached a record high of ¥120.5 billion, driven primarily by expanded sales of new products and strengthened initiatives with key customers in the Development-Oriented Business Model.

Operating profit and ordinary profit also reached record highs, achieving significant year-on-year growth of more than 30%, supported by increased gross profit, improved profit margins, and a lower SG&A expense ratio compared with the previous fiscal year.

In addition, all financial targets from net sales to profit attributable to owners of parent exceeded the earnings forecast announced on January 30, 2026.

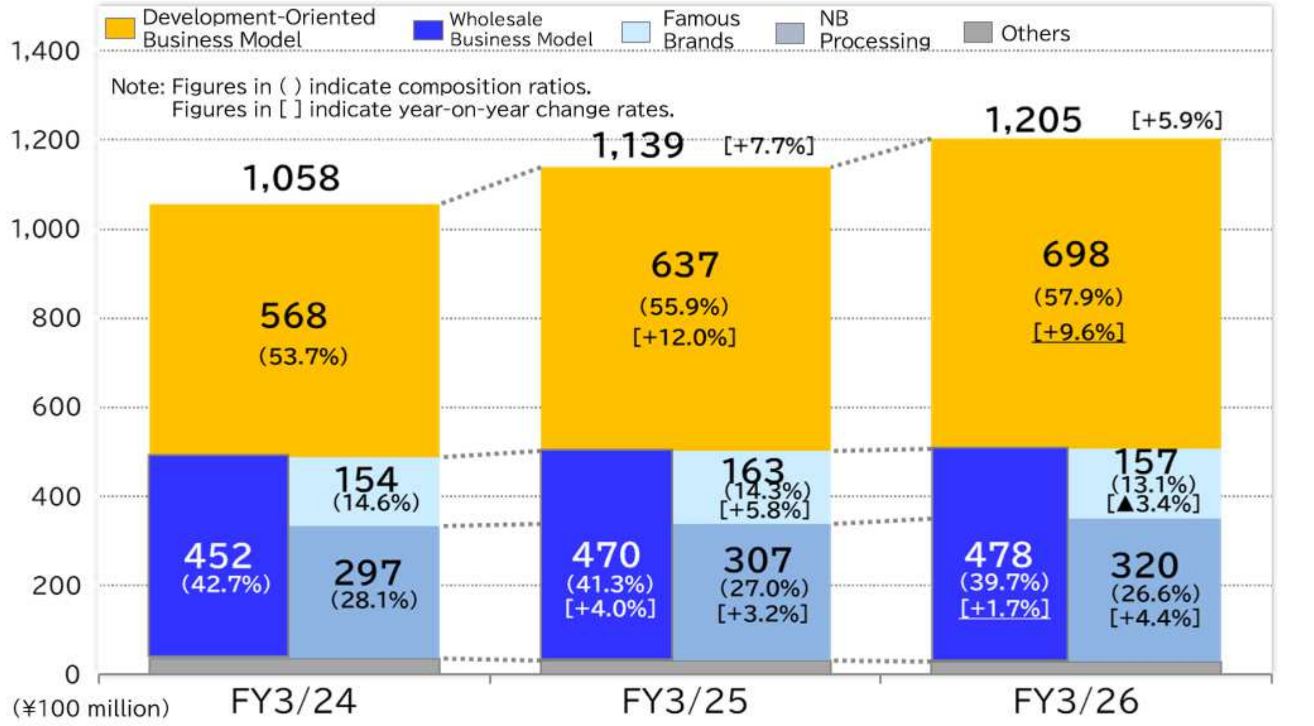
Summary of FY3/26 Consolidated Results by Business Segment

We operate two main business segments: the "Development-Oriented Business Model" and the "Wholesale Business Model."

In the Development-Oriented Business Model, we plan, manufacture, and sell original Doshisha products.

In the Wholesale Business Model, we operate a comprehensive proposal-based business that includes the sale and sales-promotion planning of well-known domestic and overseas brands, as well as gift products such as mid-year and year-end gifts, which are independently assorted and processed using products procured from major domestic manufacturers.

Revenue and Profit Growth in Both Business Models



【 Development-Oriented Business Model – Highlights 】

・**Home Appliances:**

>Sales increased through the expansion of the "Gorilla High-Power Series" lineup of health and beauty products, along with strengthened sales-promotion activities.

・**Household Goods:**

>Performance was supported by the launch of "CORELLE" frying pans, a kitchen brand from the United States, as well as spin-off projects from the Gorilla Series.

・**Food:**

>Sales remained strong through the development of private-brand products for retailers and single-price shops, as well as product development and portfolio revisions aligned with consumer needs.

・**Apparel:**

>Sales expanded for specialty-store initiatives, including "U.S. POLO ASSN." products.

【 Wholesale Business Model – Highlights 】

・**Famous Brands:**

>**(Brand Bags & Goods)** Sales increased for casual brands and tie-up brands.

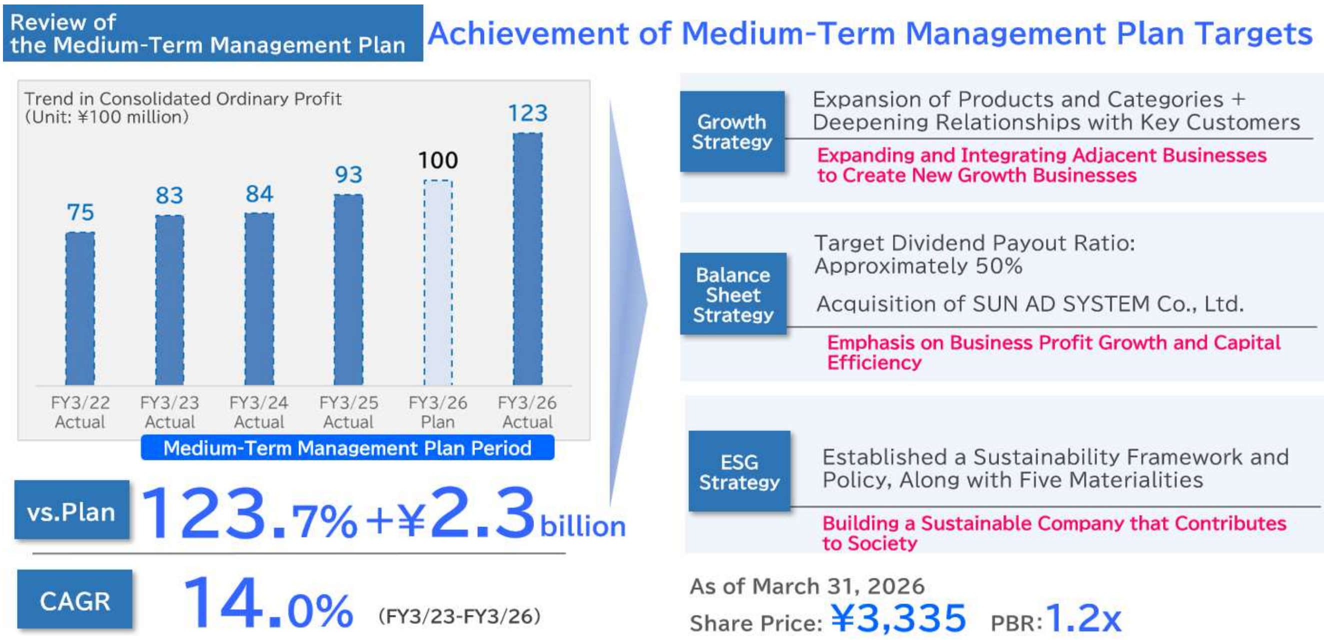
>**(Watches)** Sales remained strong for wearable watches such as "SUUNTO" and "COACH" watches.

・**NB Processing:**

>**(Gifts)** In addition to mid-year and year-end gifts, sales expanded through the growth of casual gifts and branded sweets businesses.

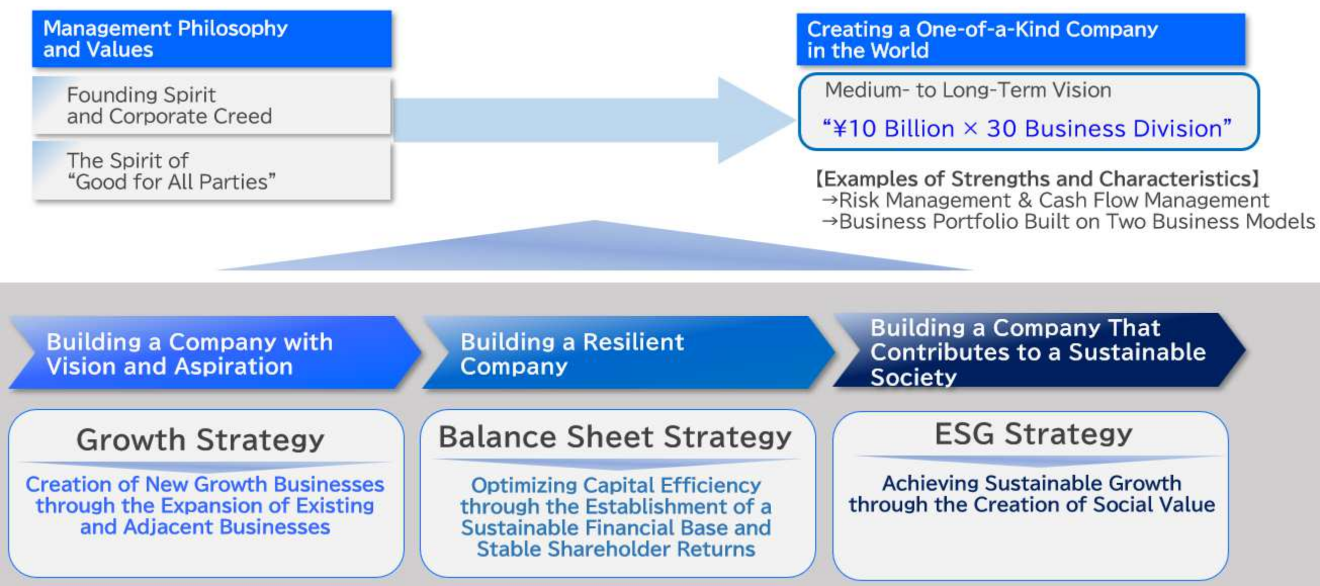
Review of the Medium-Term Management Plan (FY3/23–FY3/26)

In this Medium-Term Management Plan, we positioned the three strategies of "Growth Strategy," "Balance Sheet Strategy," and "ESG Strategy" as key strategic pillars, and worked toward achieving consolidated ordinary profit of ¥10.0 billion in FY3/26.
As a result, consolidated ordinary profit exceeded the target by 23%.



The Future Direction for the Doshisha Group

Based on the achievements of the previous Medium-Term Management Plan and the progress made in strengthening our business foundation, we aim to achieve further growth while pursuing our vision of "creating a one-of-a-kind company in the world."
Recently, the business environment surrounding the Company has changed significantly due to external factors, including developments in the Middle East. Nevertheless, in FY3/26, we revised our earnings forecast upward twice and achieved a level of profitability that exceeded our initial expectations. We recognize this not as a temporary upswing, but as the result of an improvement in our earnings capacity.
In FY3/27, we will operate our business based on this higher earnings level, establish it as our standard earnings capacity, and position the fiscal year as a period for transforming our business into a more sustainable earnings structure that will support the next stage of growth.



Consolidated Forecasts for FY3/27

From Stable Profitability to the Next Growth Stage

Consolidated (¥ million)	FY3/26			FY3/27 (Forecast)			YoY	
	1H	2H	Full Year	1H	2H	Full Year	Change	Change (%)
Net Sales	58,982	61,550	120,533	61,800	67,200	129,000	8,466	7.0%
Development-Oriented Business Model	34,126	35,682	69,808	35,850	39,150	75,000	5,191	7.4%
Wholesale Business Model	23,559	24,258	47,818	24,400	26,300	50,700	2,881	6.0%
Others	1,296	1,609	2,906	1,550	1,750	3,300	393	13.5%
Gross Profit	18,042	18,156	36,198	18,300	19,500	37,800	1,601	4.4%
SG&A Expenses	11,898	12,366	24,265	12,700	12,900	25,600	1,334	5.5%
Operating Profit	6,143	5,789	11,933	5,600	6,600	12,200	266	2.2%
Ordinary Profit	6,311	6,056	12,367	5,700	6,800	12,500	132	1.1%
Net Income	4,309	4,333	8,643	3,900	4,650	8,550	▲ 93	▲ 1.1%

Net sales for FY3/27 are projected to increase 7.0% year on year, while ordinary profit is expected to rise 1.1%, achieving both higher sales and higher profit. By business model, both the Development-Oriented Business Model and the Wholesale Business Model are also expected to achieve sales growth.

On a semiannual basis, for the first half, we expect net sales growth while factoring in the impact of an uncertain external environment, including rising foreign exchange rates, soaring raw material prices, and geopolitical developments in the Middle East. However, due mainly to a decline in the gross profit margin, operating profit and below are planned to decrease year on year.

In the second half, on the other hand, we expect most products to be renewed on a semiannual basis, in addition to the effects of specification changes and revised procurement methods implemented during the first half. As a result, we plan to absorb the impact of the first-half profit decline and achieve higher sales and profit in the second half.

Based on the above, we will promote the following strategies toward achieving the Doshisha Group’s desired future and the targets for FY3/27.

Initiatives for FY3/27 Toward the Doshisha Group's Desired Future

>>Growth Strategy
【Development-Oriented Business Model】

As a whole, the Development-Oriented Business Model will promote product development based on two core concepts: "Creating Surprise" and "Refinement." A representative example is the Gorilla Series.

By combining impactful product design with product planning and marketing, the Gorilla Series surpassed cumulative sales of 3 million units in approximately two years and has expanded into multiple categories and series.

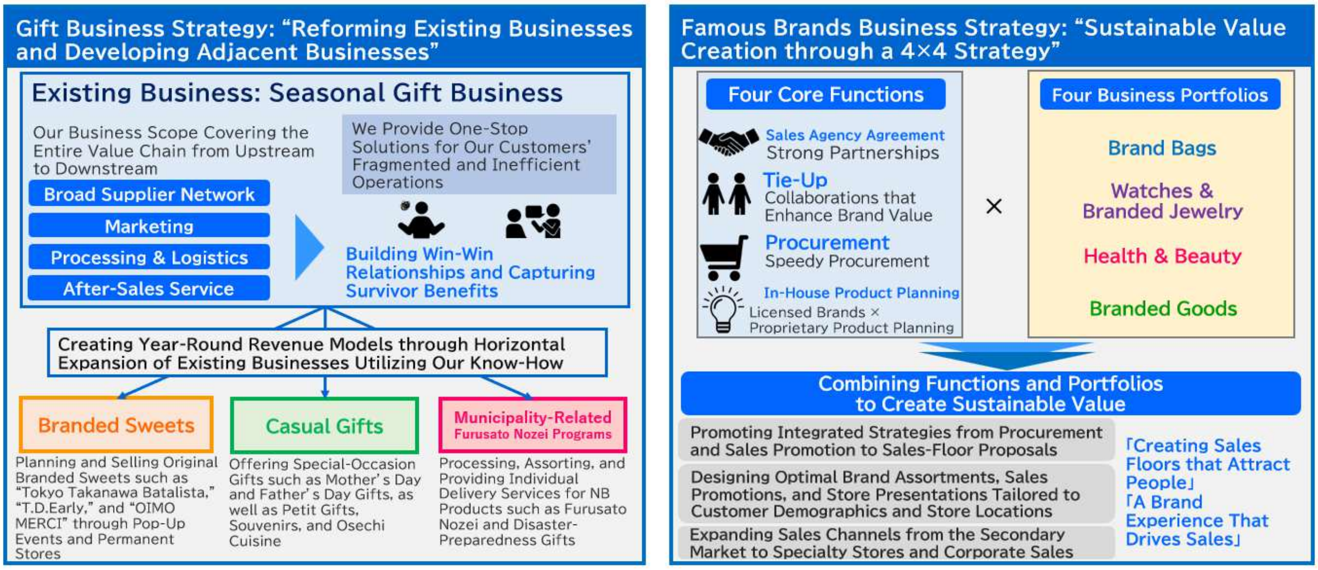
In addition, we are strengthening specialized product development tailored to diverse sales channels, while deepening initiatives with each customer segment, expanding OEM and ODM orders, and promoting cross-category development. The expansion of sales to one-price discount store retailers is one example of these efforts.

In the apparel business, "U.S. POLO ASSN." achieved significant growth by designing optimal product designs and price ranges for each sales channel and developing products that strongly appeal to target customers.

Going forward, we aim to achieve sustainable and repeatable growth by leveraging not only our broad sales network, but also our strengths in product development and sales strategies optimized for each retail format.

>>Growth Strategy
【Wholesale Business Model】

Evolution of the Wholesale Business Model into a Value-Creation Model



As a whole, the Wholesale Business Model will work toward evolving into a "Value-Creation Model."
In the Gift Business, we are strengthening operations along two axes: "Reforming Existing Businesses" and "Developing Adjacent Businesses." While supporting greater efficiency in the mid-year and year-end gift business, we are also expanding into adjacent fields such as year-round gifts, original branded sweets, and Furusato Nozei–related businesses, thereby driving overall business growth.
In the Famous Brands Business, rather than simply supplying products, we have built a strong business foundation by designing brand value and sales strategies in an integrated manner while responding to changes in lifestyles and market trends. This has enabled us to accumulate expertise in handling diverse brands across a wide range of sales channels.

Based on this foundation, we are now evolving into a "Value-Creation Business" by combining our "Four Core Functions" with our "Four Business Portfolios." By leveraging our competitive strengths in "Creating Sales Floors that Attract People" and delivering "Brand Experiences That Drive Sales," we aim to achieve sustainable growth and enhanced profitability.

>>Balance Sheet Strategy

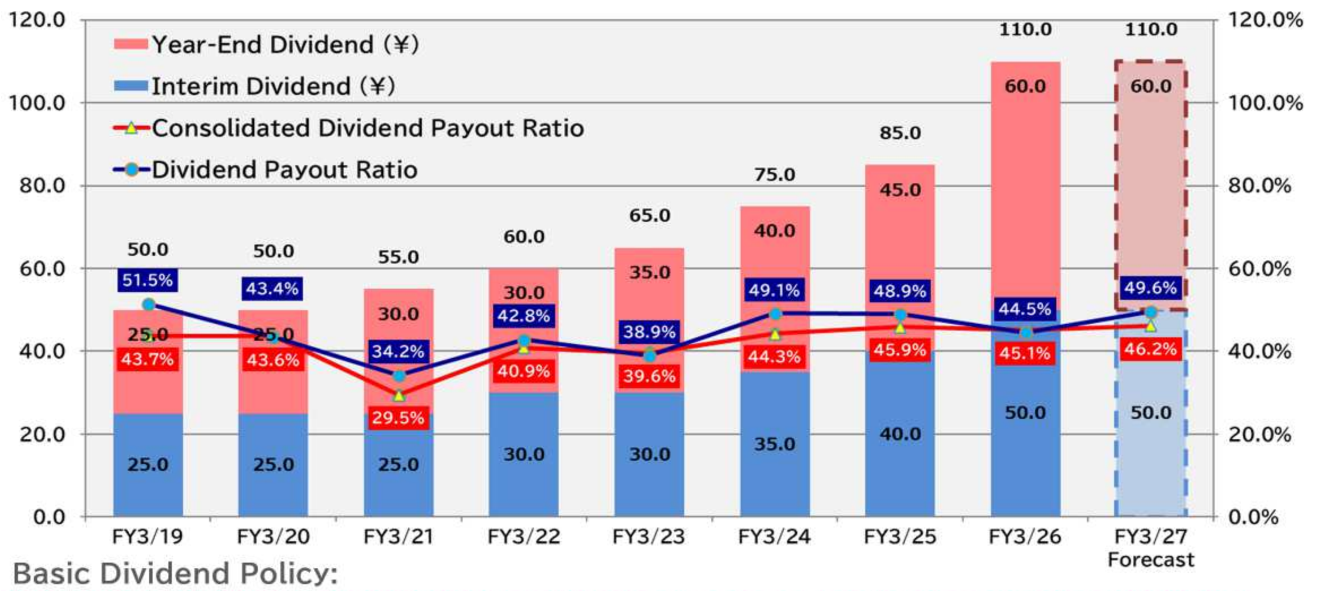
【Measures to Realize Management that is Conscious of Cost of Capital and the Share Price】

In terms of capital efficiency for FY3/26, ROE reached 9.5%, exceeding the cost of capital. In addition, PBR improved from 0.8x at the end of FY3/25 to 1.2x at the end of FY3/26, surpassing the 1.0x level.
Going forward, our policy is to continue maintaining profitability with ROE above the cost of capital, while aiming to stably maintain PBR above 1.0x.

【Returning Profits to Shareholders】

Our basic dividend policy is to target a payout ratio of approximately 50%.
Based on this policy, for FY3/26, the interim dividend was ¥50 per share, and as announced on May 12, 2026, the year-end dividend has been increased by ¥10 from the initial forecast to ¥60 per share. As a result, the full-year dividend is planned to be ¥110 per share, an increase of ¥25 from the previous fiscal year.
For FY3/27, we forecast an interim dividend of ¥50 per share and a year-end dividend of ¥60 per share, for an annual dividend of ¥110 per share. From the perspective of stable shareholder returns, we plan to maintain the same full-year dividend level as the previous fiscal year.

6th Consecutive Annual Dividend Increase / FY3/26 Full-Year Dividend: ¥110



Basic Dividend Policy:
Returning profits to shareholders with a target payout ratio of approximately 50%

※The link to the announcement titled "Notice Regarding the Revision of Basic Policy on Dividends," released on May 9, 2025, is provided below.
https://www.doshisha.co.jp/dcs/wp-content/uploads/2025/05/25-05-09-7.pdf

>>ESG Strategy
(Building a Company That Contributes to a Sustainable Society)

We have established our “Sustainability Policy,” the framework to promote it, the “Five Materialities and Key Initiatives,” and the “Key Indicators Related to Our Human Capital Strategy.” By advancing initiatives to address these issues, we aim to contribute to the realization of a sustainable society.
For more details, please visit the Sustainability section of our corporate website.

※Details of these initiatives are available on the “Sustainability” page of our corporate website. Please visit the link below.
https://www.doshisha.co.jp/lp/sustainability/

By promoting these three key strategies and working toward the enhancement of medium- to long-term shareholder value, we will continue to advance our business with the aim of building a company that is “vision-driven,” “resilient,” and “socially contributive.”

(May 2026)

Disclaimer: This document is a translation of the original Japanese text for reference purposes only. In the event of any discrepancy between this translation and the original Japanese text, the original Japanese text shall prevail.