November 27, 2026

Company name: World Co., Ltd.
Representative: Nobuteru Suzuki
Representative Director of the Board, President and Executive Officer
(Securities code: 3612; Prime Market of TSE)
Contact: Keiichi Nakabayashi
Member of the Board, Executive Vice President and Executive Officer
(Phone: +81-3-6887-1300)

Notice on the making of the new company for succeeding MARK STYLER's business into a wholly-owned subsidiary by an equity-method affiliate of World Co., Ltd. (W&D Investment Design Inc.)

On November 19, 2026, W&D Investment Design Inc., an equity-method affiliate of World Co., Ltd. (hereafter referred to as "W&D") resolved that an agreement would be concluded, on condition that the financial institutions with which MARK STYLER Co., Ltd. (hereafter referred to as "MS") does business agrees to it, that a new succeeding company which MS will establish (hereafter referred to as the "New Company") will succeed MS's entire business and all financial obligations to be succeeded by the method of corporate divestiture and W&D will purchase all the shares issued by the New Company (the agreement shall hereafter be referred to as the "Agreement"). As the said financial institution's consent has been obtained, we would like to inform you that we concluded today the Agreement.

For details, please refer to the attached material entitled "Notice on the making of the new company for succeeding MARK STYLER's business into a wholly-owned subsidiary," which W&D released on November 27, 2026.

The New Company, which will become a wholly-owned subsidiary of W&D, is also expected to become an equity-method affiliate of World Co., Ltd. The impact of this transaction on our consolidated financial results for the fiscal year ending February 2027 through equity-method profit or loss is expected to be minor and is currently under detailed review. We will promptly disclose any matters requiring disclosure as they arise.

Overview of W&D Investment Design Inc.

[1] Company name	W&D Investment Design Inc.
[2] Location of the Head Office	5-10, Kitaaoyama 3-chome, Minato-ku, Tokyo
[3] Representative	Kiyoshi Hirohashi, Representative Director
[4] Capital stock	3,000,000 yen (as of August 31, 2026)
[5] Shareholders	50%: World Co., Ltd. 50%: Development Bank of Japan
[6] Main line of business	Investment in companies related with the fashion industry

November 27,2026

Company: W&D Investment Design Inc.
Representative: Kiyoshi Hirohashi, Representative Director

Notice on the making of the new company for succeeding MARK STYLER's business into a wholly-owned subsidiary

On November 19, 2026, W&D Investment Design Inc. (hereafter referred to as "W&D") resolved that an agreement would be concluded, on condition that the financial institutions with which MARK STYLER Co., Ltd. (hereafter referred to as "MS") does business agrees to it, that a new succeeding company which MS will establish (hereafter referred to as the "New Company") will succeed MS's business by the method of corporate divestiture and W&D will purchase all the shares issued by the New Company (the agreement shall hereafter be referred to as the "Agreement"). As the said financial institution's consent has been obtained, we would like to inform you that we concluded today the Agreement.

1. Overview of the project

The prerequisite for the scheme adopted for this is that drastic financial support will be carried out based on the cooperation and consent of MS's bankers centering at the main financial bank through procedures for an out-of-court restructuring process in accordance with the Guideline for Business Revitalization, etc. of Small to Medium-sized Enterprises. More specifically, W&D will purchase all the shares issued by the New Company after MS having had the New Company established by MS succeed its business by the method of corporate divestiture: It is the business revitalization scheme of the "second company" style with the support by sponsors. Under the second company style revitalization, a sponsor succeeds the business which is expected to be profitable and to grow, paying consideration for the transfer, after obtaining consent of financial institutions, with the main financial bank at the head of the list. It is projected that this scheme will be carried out with the primary prerequisite of satisfying the conditions specified in the agreement concluded among related parties and, at the same time, W&D will subscribe for the third-party-allocating capital increase carried out by the New Company.

As a result of this, W&D will further promote its endeavor for succeeding MS's brand business, which can be revitalized, as well as its customer base to raise their value even more, in which W&D will engage in the New Company's management and governance while the World Group's know-how for business management and the Development Bank of Japan's (hereafter referred to as "DBJ") financial know-how are made use of. It is planned that the old company which holds assets and liabilities not succeeded to the New Company will be wound up through such methods as special liquidation.

2. Detailed background for reaching the decision for making the investment and basic policy for the business revitalization

Since its foundation in November 2005, MS has been engaged in planning, manufacture, sale, import and export of apparel products of its original brands (it has 16 brands), enjoying strong support by customers centering at young women of their twenties. MS developed the brands as well as the marketing method that followed the tide of the times so that it promoted its store-opening strategy with high density in such places as the station buildings in the central part of Tokyo or other big cities, as it has a wide variety of brands that satisfy the taste young women would seek after. It also engages in the e-commerce: Its sales through internet, including the external e-commerce sales, account for slightly over 40% of its annual sales.

As mentioned above, in addition to the brand assets that cover various types of tastes, it holds the customer base centering at the customers at the station buildings and the e-commerce along with the potential for planning and developing of original products and the OEM or wholesale channels. It is therefore assessed as having managerial resources essential for business development at a certain level, using its brand assets with original attractiveness as leverage.

On the other hand, the company gave priority to increases in expenses and purchases aiming at targets which were not easily achieved, for such reasons that it targeted at listing of its shares in the stock market (an IPO) after effecting a management buyout (MBO) scheme of January 2024. However, it continued failing to achieve the targets, which led to deterioration in profitability, resulted in exhaustion of cash flow and further deterioration of financial standing which had been weak due to excessive liabilities and thin capitalization resulting from the MBO. The harsh business conditions still remain now as seen in higher costs caused by foreign exchange fluctuations and more intense competition due to new entries: It has become urgent business to curtail inventories and fixed expenses by a wide margin and to drastically review the structure of sales channels and others.

Aiming at further improving the MS's strengths mentioned above and solving the problems it is now facing, W&D is intended to, as a sponsor, promptly build up the new management structure and, in addition, to lead the structural reform to meet the drastic financial support in an attempt to revitalize MS's business without fail. Furthermore, W&D considered it was highly possible to display MS's brand value and to recover its business profitability by combining its know-hows in and platform of product planning, production, trading, sale, digital technology, commodity transportation and others World Co., Ltd. has, which is a company that has made substantial contribution to revitalization of a wide variety of fashion businesses, and the DBJ's knowledge of financial expertise: These are the background for W&D to determine to effect the investment.

In the future, it is planned to remove the factors which caused MS to be in difficult situation and to recover its brand power and business value, emphasizing the three points mentioned below.

(i) Drastic financial restructuring and reform of the shareholder and management system; reconstruction of the relationship of mutual trust with business partners

This will be based on the self-examination of the fact that the company found itself in financial difficulty so harsh that it caused problems to the business partners who had supported its business management as a result of the decrease in cash flow following the deterioration of profitability and the liabilities referred to earlier that became a significant burden. More specifically, at the same time the drastic financial restructuring will be carried out, a cost structure with the prerequisite of realizable sales will be built under the new shareholder and management system, so that the company will promote with sincerity the reconstruction of the relationship of mutual trust with business partners, while formulating and carrying out a revitalization plan in which sufficient profits and cash flow can be expected.

(ii) Improvement of the cost structure by decisive enforcement of structural reform and utilization of World platform

One of the important pillars for the growth strategy is the reformation of the fact that the cross-organizational functions in anticipation of high growth in sales had, in fact, resulted in the swell of fixed expenses and decrease in the brand power. In order to better-balance the direct-indirect ratio (the ratio of sales by the indirect divisions of the organization in relation to the sales by the direct divisions such as stores), emphasis will be placed on the reduction of fixed expenses, which had swelled due to the structural reform, and on the transition to the variable expense by promoting the platform function in which the World's business scale is made use of, to realize the principle of having affairs run by a select few in the head office and headquarters: Through these moves, it is targeted at turning into the black and, subsequently, to transit and realize at an early date to the remuneration system that can reward the employees' contributions.

(iii) Raising the competitiveness of the resources and assets the company possesses

W&D learned a lesson from the fact that the competitiveness of the company's bases, such as its own e-commerce site RUNWAY channel, was harmed by excessive dependence on external entrustees and other external services and partners aiming at securing sales for a short term. It is now targeted that the competitive advantage unique to MARK STYLER will be established by optimizing the situation so that the company's own physical store network and the staff members that run the stores, which are the most important assets to secure MS's competitive advantage, will be able to regain vitality, and by changing its business structure at an early date into the one in which the company's own control is emphasized by advocating the "recovery of brand's value and profits" through the online-merges-with-offline (OMO) cooperation between physical stores and the company's official EC site.

Through such endeavors, a sustainable growth will be targeted at as a new company, while making good use of the customer base and business assets which MS has had so far developed.

3. Overview of MARK STYLER Co., Ltd.

[1] Targeted enterprise	MARK STYLER Co., Ltd.
[2] Location of the Head Office	5-8-14 Hiroo, Shibuya-ku, Tokyo Note: Registered office is located at 19-15. Hiroo 5-chome, Shibuya-ku, Tokyo
[3] Date of establishment	December 20, 2023
[4] Capital stock	100,000,000 yen
[5] Shares	Number of authorized shares: 10,000,000 Number of shares issued: 2,621,929 Common shares: 100,000 shares Class A preferred shares: 2,499,979 shares Class B preferred shares: 21,950 shares
[6] Line of business	Planning and development of women's clothing and accessories of its original brand; retailing at directly managed stores and wholesaling to franchisees, specialty stores, etc.; internet sale of products through "RUNWAY channel," the e-commerce site run by the company, as well as e-commerce sites other companies run.
[7] Number of employees	884 (including 704 regular employees) （Fiscal year ended February 2026）
[8] Subsidiary	Moku Fashion (Shanghai) Co., Ltd. （Location: Room 305, Shenbaoguan, 309 Hankou Road, Huangpu, Shanghai）
[9] Correspondent financial institution	Aoyama Corporate Office of Sumitomo Mitsui Banking Corporation
[10] Scale of business （Fiscal year ended February 2026）	Annual revenue:　30,461 million yen Total assets: 14,545 million yen

4. Future schedule

December 29, 2026: Effective date of the company split; date for subscription third-party allocation of new shares (planned)

5. Overview of W&D Investment Design Inc.

[1] Company name	W&D Investment Design Inc.
[2] Location of the Head Office	5-10, Kitaaoyama 3-chome, Minato-ku, Tokyo
[3] Representative	Kiyoshi Hirohashi, Representative Director
[4] Capital stock	3,000,000 yen (as of August 31, 2026)
[5] Shareholders	50%: World Co., Ltd. 50%: Development Bank of Japan
[6] Main line of business	Investment in companies related with the fashion industry

W&D is a joint venture investment company 50% of whose equity is held by World Co., Ltd. and another 50% by DBJ and is engaged in the investment business for revitalization of companies related to the fashion or lifestyle industries. By combining the World Group's knowledge of business management and the DBJ's knowledge financial business, W&D supports the revitalization of the companies it invests in from both aspects of business and financing.

W&D features its experience and actual results in revitalizing various corporations and businesses by appropriately apply the World Group's know-hows in product planning, production, trading, sale, digital technology, commodity transportation and others as well as its platform functions in accordance with the situation of each company invested in while respecting the brand power, customer bases, corporate culture and other unique features the invested companies have so far developed. In other words, raising of business value is targeted at by combining necessary functions or structures required while making use of the strengths each party has, instead of applying an uniformed method to all cases.

In making investment decisions, W&D places emphasis on comprehensive study of the growth potential, business needs, capital efficiency and other factors of the companies to be invested in so as to lead to an increase in corporate value after investment, rather than simply seeking after the expansion of business scale. W&D has hitherto engaged in investment in and revitalization of such companies as Right-on Co., Ltd. and STRASBURGO CO., LTD. and continued supporting of various types such as provision of various know-hows and resources up to the stage where many of them completed structural reforms and started engaging in corporate value increase and growth strategies.

W&D will oversee the management and governance of the New Company and coordinate with its main bank to establish a support framework. By drawing on the World Group's business platforms and operational know-how, together with DBJ's financial expertise, W&D will support the New Company in rebuilding its business foundation, restoring sustainable profitability and achieving long-term growth.