

# Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]



July 3, 2025

Company name: Onward Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 8016

URL: <https://www.onward-hd.co.jp/en/>

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Scheduled date of commencing dividend payments: –

Availability of supplementary materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors, securities analysts, and the press)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Performance for the Three Months Ended May 31, 2025 (March 1, 2025 – May 31, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

|                                 | Net sales   |      | Operating profit |       | Recurring profit |     | Profit attributable to owners of parent |      |
|---------------------------------|-------------|------|------------------|-------|------------------|-----|---|------|
|                                 | Million yen | %    | Million yen      | %     | Million yen      | %   | Million yen                             | %    |
| Three months ended May 31, 2025 | 60,158      | 17.1 | 5,353            | 5.5   | 5,217            | 0.4 | 4,271                                   | 6.3  |
| May 31, 2024                    | 51,376      | 2.9  | 5,074            | (5.7) | 5,195            | 6.9 | 4,019                                   | 20.1 |

(Note) Comprehensive income: Three months ended May 31, 2025: 3,654 million yen [(53.1)%]

Three months ended May 31, 2024: 7,799 million yen [188.2%]

|                                 | Basic earnings per share | Diluted earnings per share |
|---------------------------------|--------------------------|----------------------------|
|                                 | Yen                      | Yen                        |
| Three months ended May 31, 2025 | 31.47                    | 31.44                      |
| May 31, 2024                    | 29.61                    | 29.58                      |

(Reference) EBITDA (operating profit + depreciation and amortization):

Three months ended May 31, 2025: 6,678 million yen [6.9%]

Three months ended May 31, 2024: 6,247 million yen [(4.6)%]

## (2) Consolidated Financial Position

|                         | Total assets | Net assets  | Shareholders' equity ratio |
|-------------------------|--------------|-------------|----------------------------|
|                         | Million yen  | Million yen | %                          |
| As of May 31, 2025      | 180,794      | 84,412      | 46.7                       |
| As of February 28, 2025 | 179,218      | 84,287      | 47.0                       |

(Reference) Shareholders' equity: As of May 31, 2025: 84,348 million yen

As of February 28, 2025: 84,218 million yen

## 2. Dividends

|   | Annual dividends per share |                 |                 |          |       |
|---|----------------------------|-----------------|-----------------|----------|-------|
|   | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
|   | Yen                        | Yen             | Yen             | Yen      | Yen   |
| Fiscal year ended February 28, 2025             | —                          | —               | —               | 26.00    | 26.00 |
| Fiscal year ending February 28, 2026            | —                          |                 |                 |          |       |
| Fiscal year ending February 28, 2026 (Forecast) |                            | 14.00           | —               | 16.00    | 30.00 |

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Performance Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)

(% indicates changes from the previous corresponding period.)

|                 | Net sales   |      | Operating profit |      | Recurring profit |     | Profit attributable to owners of parent | Basic earnings per share |
|-----------------|-------------|------|------------------|------|------------------|-----|---|--------------------------|
|                 | Million yen | %    | Million yen      | %    | Million yen      | %   | Million yen                             | Yen                      |
| 1H (cumulative) | 110,400     | 16.1 | 5,700            | 8.5  | 5,500            | 5.5 | 4,500                                   | 33.15                    |
| Full year       | 230,000     | 10.4 | 11,500           | 13.3 | 11,000           | 9.1 | 10,000                                  | 73.67                    |

(Note) Revision to the performance forecast announced most recently: None

(Reference) EBITDA (operating profit + depreciation and amortization):

Full year ending February 28, 2026 (forecast): 17,000 million yen [10.0%]

Full year ended February 28, 2025: 15,452 million yen [(3.7)%]

**\* Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Total number of issued shares (common stock)

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

As of May 31, 2025: 157,921,669 shares

As of February 28, 2025: 157,921,669 shares

2) Total number of treasury shares at the end of the period:

As of May 31, 2025: 22,170,321 shares

As of February 28, 2025: 22,180,165 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2025: 135,745,738 shares

Three months ended May 31, 2024: 135,735,253 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

\* Explanation of the proper use of performance forecast and other notes

The performance outlook and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that have been deemed reasonable. Actual performance may differ significantly from these forecasts due to a wide range of factors. For conditions used as the assumptions for the performance forecast and notes on the use of performance forecast, please refer to “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information” on page 4 of the Attachments.

*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.*

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Period under Review

During the three months ended May 31, 2025, the Japanese economy saw improvement in employment and income conditions as companies continued to raise wages. However, the outlook remains uncertain due to prolonged geopolitical risks, soaring raw material prices, higher interest rates and inflation, and potential economic slowdown stemming from US tariff policies. In the apparel industry, signs of a slowdown in inbound consumption have emerged, while consumers continued to demonstrate a strong tendency to curb spending amid rising living costs driven by inflation.

In this environment, the Onward Group's net sales rose significantly due to reinforcement of product lineups and acceleration of new store opening of the strategically enhanced brands, such as UNFILO, KASHIYAMA, Chacott COSMETICS and the consolidation of WEGO Co., Ltd., which became a wholly owned subsidiary in third quarter of the previous fiscal year. Gross profit margin improved, primarily owing to strengthened inventory management. Despite a higher expense ratio resulting from investments in human capital, including employee wage increases, and expanded DX-related initiatives, the Group achieved profit growth.

As a result, consolidated net sales totaled 60,158 million yen (+17.1% year-on-year), operating profit 5,353 million yen (+5.5% year-on-year), recurring profit 5,217 million yen (+0.4% year-on-year), and profit attributable to owners of parent 4,271 million yen (+6.3% year-on-year).

Amid efforts to accelerate growth by expanding and reinforcing its business foundation through initiatives such as new business development and M&A, the Group has adopted EBITDA (operating profit + depreciation and amortization) as a key performance indicator to facilitate earnings comparisons with other companies, irrespective of differences in accounting standards.

EBITDA for the three months ended May 31, 2025 was 6,678 million yen (+6.9% year-on-year).

Results by segment were as follows.

#### [Domestic Business]

In the Domestic Business, the core operating company Onward Kashiyama Co., Ltd. continued to expand the number of OMO stores offering the Click & Try service nationwide, while sales of the UNFILO brand remained firm.

Onward Personal Style Co., Ltd., which operates the KASHIYAMA brand, generated significant sales growth through the continued success of promotional measures utilizing digital advertising.

Chacott Co., Ltd. reported strong sales of its staple Chacott COSMETICS product, Lasting Base, as well as its limited-edition seasonal Cool Series.

WEGO Co., Ltd., operator of the WEGO brand, made steady progress by enhancing marketing effectiveness, contributing to significant growth in the Onward Group's net sales.

In terms of profit, the expense ratio increased due to strategic investments for future growth. However, profit rose as an improvement in the gross profit margin more than offset the increase in expenses.

As a result, both sales and profit rose in the Domestic Business.

[Overseas Business]

In Europe, JOSEPH, a contemporary designer brand founded in London, UK, delivered solid retail performance. However, overall sales declined due to the brand's weak wholesale performance in China and the US.

In the US, sales declined primarily due to the transfer of shares related to the Guam-based golf business at the end of the previous fiscal year. However, profitability improved, driven by growth in e-commerce sales of the long-standing J.PRESS brand.

In Asia, increased orders for made-to-order suits led to a higher utilization rate at the Dalian plant, resulting in sales growth.

As a result, the loss in the Overseas Business narrowed despite lower sales.

## (2) Overview of Financial Position for the Period under Review

(Status of assets, liabilities, and net assets)

Total assets as of the end of the period under review increased by 1,576 million yen compared with the end of the previous fiscal year to 180,794 million yen. This was primarily due to increases in notes and accounts receivable—trade, and contract assets of 2,245 million yen, and merchandise and finished goods of 1,879 million yen, despite a decrease in cash and deposits of 3,141 million yen.

Liabilities increased by 1,451 million yen compared with the end of the previous fiscal year to 96,382 million yen. This was primarily due to increases in notes and accounts payable—trade of 783 million yen, and electronically recorded obligations—operating of 4,457 million yen, despite a decrease in short-term borrowings of 3,973 million yen.

Net assets increased by 124 million yen compared with the end of the previous fiscal year to 84,412 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 4,271 million yen, a decrease in foreign currency translation adjustment of 337 million yen, and a decrease of 3,529 million yen from dividends of surplus.

As a result, the shareholders' equity ratio was 46.7%.

## (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information

There is no change to the consolidated performance forecasts for the first half and the full year of the fiscal year ending February 28, 2026, from the forecasts announced on April 3, 2025.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

|  | As of February 28, 2025 | As of May 31, 2025 |
|--|-------------------------|--------------------|
| <b>Assets</b>  |                         |                    |
| Current assets   |                         |                    |
| Cash and deposits  | 13,505                  | 10,363             |
| Notes and accounts receivable—trade, and contract assets | 15,957                  | 18,203             |
| Merchandise and finished goods                           | 41,373                  | 43,253             |
| Work in process  | 666                     | 431                |
| Raw materials and supplies                               | 3,823                   | 3,914              |
| Other  | 4,913                   | 5,101              |
| Allowance for doubtful accounts                          | (139)                   | (143)              |
| Total current assets                                     | 80,101                  | 81,125             |
| Non-current assets                                       |                         |                    |
| Property, plant and equipment                            |                         |                    |
| Buildings and structures, net                            | 19,445                  | 19,689             |
| Land   | 22,145                  | 22,130             |
| Other, net   | 6,102                   | 6,166              |
| Total property, plant and equipment                      | 47,693                  | 47,986             |
| Intangible assets  |                         |                    |
| Goodwill   | 5,835                   | 5,534              |
| Other  | 7,010                   | 6,977              |
| Total intangible assets                                  | 12,846                  | 12,512             |
| Investments and other assets                             |                         |                    |
| Investment securities                                    | 13,789                  | 13,561             |
| Retirement benefit asset                                 | 9,496                   | 9,572              |
| Deferred tax assets                                      | 3,582                   | 4,404              |
| Other  | 11,808                  | 11,729             |
| Allowance for doubtful accounts                          | (98)                    | (97)               |
| Total investments and other assets                       | 38,577                  | 39,170             |
| Total non-current assets                                 | 99,117                  | 99,669             |
| Total assets   | 179,218                 | 180,794            |

(Million yen)

|  | As of February 28, 2025 | As of May 31, 2025 |
|--|-------------------------|--------------------|
| <b>Liabilities</b>   |                         |                    |
| Current liabilities  |                         |                    |
| Notes and accounts payable—trade                                       | 10,250                  | 11,033             |
| Electronically recorded obligations—operating                          | 9,527                   | 13,985             |
| Short-term borrowings  | 27,314                  | 23,341             |
| Income taxes payable   | 1,129                   | 1,299              |
| Provision for bonuses  | 1,049                   | 1,335              |
| Provision for bonuses for directors                                    | 145                     | 23                 |
| Other  | 13,310                  | 14,081             |
| Total current liabilities  | 62,728                  | 65,101             |
| Non-current liabilities  |                         |                    |
| Long-term borrowings   | 21,268                  | 20,399             |
| Retirement benefit liability   | 2,679                   | 2,658              |
| Provision for retirement benefits for directors and corporate auditors | 28                      | 28                 |
| Asset retirement obligations   | 3,090                   | 3,187              |
| Other  | 5,136                   | 5,008              |
| Total non-current liabilities  | 32,202                  | 31,281             |
| Total liabilities  | 94,931                  | 96,382             |
| <b>Net assets</b>  |                         |                    |
| Shareholders' equity   |                         |                    |
| Share capital  | 30,079                  | 30,079             |
| Capital surplus  | 50,335                  | 50,330             |
| Retained earnings  | 24,515                  | 25,257             |
| Treasury shares  | (20,723)                | (20,714)           |
| Total shareholders' equity   | 84,206                  | 84,953             |
| Accumulated other comprehensive income                                 |                         |                    |
| Valuation difference on available-for-sale securities                  | 1,689                   | 1,501              |
| Deferred gains or losses on hedges                                     | (2)                     | (64)               |
| Revaluation reserve for land   | (5,825)                 | (5,825)            |
| Foreign currency translation adjustment                                | 1,399                   | 1,061              |
| Remeasurements of defined benefit plans                                | 2,751                   | 2,721              |
| Total accumulated other comprehensive income                           | 12                      | (605)              |
| Share acquisition rights   | 68                      | 63                 |
| Total net assets   | 84,287                  | 84,412             |
| <b>Total liabilities and net assets</b>                                | <b>179,218</b>          | <b>180,794</b>     |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended May 31

(Million yen)

|   | For the three months<br>ended May 31, 2024 | For the three months<br>ended May 31, 2025 |
|---|--|--|
| Net sales   | 51,376                                     | 60,158                                     |
| Cost of sales   | 22,232                                     | 25,850                                     |
| Gross profit  | 29,143                                     | 34,307                                     |
| Selling, general and administrative expenses                  | 24,069                                     | 28,954                                     |
| Operating profit  | 5,074                                      | 5,353                                      |
| Non-operating income  |  |  |
| Interest income   | 14   | 5  |
| Dividend income   | 52   | 13   |
| Share of profit of entities accounted for using equity method | 131  | 3  |
| Foreign exchange gains  | 71   | —  |
| Other   | 31   | 123  |
| Total non-operating income                                    | 302  | 146  |
| Non-operating expenses  |  |  |
| Interest expenses   | 83   | 127  |
| Foreign exchange losses                                       | —  | 73   |
| Other   | 97   | 82   |
| Total non-operating expenses                                  | 181  | 282  |
| Recurring profit  | 5,195                                      | 5,217                                      |
| Extraordinary income  |  |  |
| Gain on sales of non-current assets                           | 944  | —  |
| Total extraordinary income                                    | 944  | —  |
| Extraordinary losses  |  |  |
| Impairment loss   | 31   | 293  |
| Loss on liquidation of subsidiaries and associates            | 1,445                                      | —  |
| Other   | 5  | 15   |
| Total extraordinary losses                                    | 1,482                                      | 309  |
| Profit before income taxes                                    | 4,658                                      | 4,907                                      |
| Total income taxes  | 576  | 636  |
| Profit  | 4,081                                      | 4,271                                      |
| Profit attributable to non-controlling interests              | 61   | —  |
| Profit attributable to owners of parent                       | 4,019                                      | 4,271                                      |

# Quarterly Consolidated Statements of Comprehensive Income

Three months ended May 31

(Million yen)

|  | For the three months<br>ended May 31, 2024 | For the three months<br>ended May 31, 2025 |
|--|--|--|
| Profit   | 4,081                                      | 4,271                                      |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | 1,665                                      | (181)                                      |
| Deferred gains or losses on hedges   | 12   | (62)                                       |
| Foreign currency translation adjustment  | 1,959                                      | (336)                                      |
| Remeasurements of defined benefit plans, net of tax                                  | 66   | (30)                                       |
| Share of other comprehensive income of entities<br>accounted for using equity method | 13   | (7)  |
| Total other comprehensive income   | 3,717                                      | (617)                                      |
| Comprehensive income   | 7,799                                      | 3,654                                      |
| Comprehensive income attributable to:  |  |  |
| Owners of parent   | 7,737                                      | 3,654                                      |
| Non-controlling interests  | 61   | —  |

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes to changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other standards)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “2022 Revised Accounting Standard”) and other standards from the beginning of the first quarter of the fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “2022 Revised Implementation Guidance.” The changes in accounting policies have no impact on Quarterly Consolidated Financial Statements.

With regard to the revision associated with the review of the treatment in the Consolidated Financial Statements in case that gain or loss on the sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purpose, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies have been retrospectively applied, and the Quarterly Consolidated Financial Statements for the previous corresponding period and the Consolidated Financial Statements for the previous fiscal year reflect the retrospective application of these changes in accounting policies. The changes in accounting policies have no impact on the Quarterly Consolidated Financial Statements for the previous corresponding period and the Consolidated Financial Statements for the previous fiscal year.

(Segment information, etc.)

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

1. Information on net sales and profit or loss by reportable segment

(Million yen)

|                                     | Domestic<br>Business | Overseas<br>Business | Total  | Adjustments<br>(Note 1) | Amount recorded<br>in Consolidated<br>Financial<br>Statements<br>(Note 2) |
|-------------------------------------|----------------------|----------------------|--------|-------------------------|---|
| Net sales                           |                      |                      |        |                         |   |
| (1) Net sales to outside customers  | 47,306               | 4,069                | 51,376 | —                       | 51,376  |
| (2) Intersegment sales or transfers | 326                  | 707                  | 1,033  | (1,033)                 | —   |
| Total                               | 47,633               | 4,776                | 52,410 | (1,033)                 | 51,376  |
| Segment profit (loss)               | 5,595                | (402)                | 5,192  | (117)                   | 5,074   |

(Notes) 1. The adjustment amount for segment profit (loss) of (117) million yen includes amortization of goodwill of (208) million yen, elimination of intersegment transactions of 1,036 million yen, and corporate expenses not allocated to reportable segments of (945) million yen.

Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

2. Segment profit (loss) coincides with the amount of operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

There was no significant impairment loss or significant change in goodwill.

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

1. Information on net sales and profit or loss by reportable segment

(Million yen)

|                                     | Domestic<br>Business | Overseas<br>Business | Total  | Adjustments<br>(Note 1) | Amount recorded<br>in Consolidated<br>Financial<br>Statements<br>(Note 2) |
|-------------------------------------|----------------------|----------------------|--------|-------------------------|---|
| Net sales                           |                      |                      |        |                         |   |
| (1) Net sales to outside customers  | 56,657               | 3,501                | 60,158 | —                       | 60,158  |
| (2) Intersegment sales or transfers | 363                  | 1,035                | 1,398  | (1,398)                 | —   |
| Total                               | 57,020               | 4,536                | 61,557 | (1,398)                 | 60,158  |
| Segment profit (loss)               | 5,804                | (353)                | 5,451  | (97)                    | 5,353   |

(Notes) 1. The adjustment amount for segment profit (loss) of (97) million yen includes amortization of goodwill of (263) million yen, elimination of intersegment transactions of 1,085 million yen, and corporate expenses not allocated to reportable segments of (919) million yen.

Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

2. Segment profit (loss) coincides with the amount of operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

There was no significant impairment loss or significant change in goodwill.

(Notes when there are significant changes in amounts of shareholders' equity)

Not applicable.

(Uncertainties of entity's ability to continue as going concern)

Not applicable.

(Notes to quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the three months ended May 31, 2025 have not been created. Depreciation and amortization (including amortization pertaining to intangible assets, excluding goodwill) and amortization of goodwill for the three months ended May 31, 2025 are as follows:

|                               | For the three months<br>ended May 31, 2024 | For the three months<br>ended May 31, 2025 |
|-------------------------------|--|--|
| Depreciation and amortization | 964 million yen                            | 1,060 million yen                          |
| Amortization of goodwill      | 208 million yen                            | 263 million yen                            |