

Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 [Japanese GAAP]



April 9, 2026

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 Annual General Meeting of Shareholders: May 28, 2026

Scheduled date of commencing dividend payments: May 29, 2026

Scheduled date of filing annual securities report: May 27, 2026

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 Fiscal Year Ended February 28, 2026 (March 1, 2025 – February 28, 2026)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended February 28, 2026	236,804	13.6	11,604	14.3	11,176	10.8	10,094	18.5
February 28, 2025	208,393	9.9	10,153	(9.8)	10,084	(0.4)	8,516	28.8

(Note) Comprehensive income: Fiscal year ended February 28, 2026: 14,631 million yen [51.7 %]

Fiscal year ended February 28, 2025: 9,643 million yen [39.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
Fiscal year ended February 28, 2026	Yen 74.27	Yen 74.22	% 11.4	% 6.1	% 4.9
February 28, 2025	62.74	62.67	10.4	5.8	4.9

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended February 28, 2026: 34 million yen

Fiscal year ended February 28, 2025: 180 million yen

EBITDA (operating profit + depreciation and amortization):

Fiscal year ended February 28, 2026: 17,195 million yen [11.3%]

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

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2026	189,223	93,588	49.4	687.91
As of February 28, 2025	179,218	84,287	47.0	620.43

(Reference) Shareholders' equity: As of February 28, 2026: 93,566 million yen

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

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
February 28, 2026	8,249	6,390	(8,644)	19,715
February 28, 2025	3,123	(5,390)	3,612	13,505

2. Dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 28, 2025	–	–	–	26.00	26.00	3,529	41.4	4.2
Fiscal year ended February 28, 2026	–	14.00	–	16.00	30.00	4,080	40.4	4.6
Fiscal year ending February 28, 2027 (Forecast)	–	16.00	–	17.00	33.00		40.1	

3. Consolidated Performance Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026 – February 28, 2027)

(% 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)	117,500	4.3	6,400	11.6	6,200	12.3	5,600	16.1	41.17
Full year	247,000	4.3	12,800	10.3	12,300	10.0	11,200	10.9	82.34

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

Fiscal year ending February 28, 2027 (forecast): 18,800 million yen [9.3%]

Full year ended February 28, 2026: 17,195 million yen [11.3%]

* Notes:

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

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) 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

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

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

As of February 28, 2026:	141,921,669 shares
As of February 28, 2025:	157,921,669 shares

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

As of February 28, 2026:	5,906,571 shares
As of February 28, 2025:	22,180,165 shares

3) Average number of shares outstanding during the period:

Fiscal year ended February 28, 2026:	135,927,776 shares
Fiscal year ended February 28, 2025:	135,739,196 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (March 1, 2025 – February 28, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2026	10,063	(8.9)	5,847	(15.3)	5,514	(25.4)	6,501	27.1
February 28, 2025	11,047	11.4	6,905	24.3	7,390	52.4	5,114	(28.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 28, 2026	47.83	47.80
February 28, 2025	37.68	37.64

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2026	160,571	92,570	57.6	680.43
As of February 28, 2025	152,804	90,133	58.9	663.50

(Reference) Shareholders' equity: As of February 28, 2026: 92,549 million yen
As of February 28, 2025: 90,064 million yen

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* 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." on page 2 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.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Basic Policy on Shareholder Returns and Dividends for the Fiscal Year under Review and the Next Fiscal Year	4
(5) Future Outlook	4
2. Basic Policy on Selection of Accounting Standards	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income	7
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes to Consolidated Financial Statements	13
(Uncertainties of entity's ability to continue as going concern)	13
(Significant accounting policies for preparation of Consolidated Financial Statements)	13
(Notes to changes in accounting policies)	17
(Notes to Consolidated Statements of Comprehensive Income)	18
(Notes to Consolidated Statements of Changes in Equity)	19
(Notes to Consolidated Statements of Cash Flows)	21
(Segment information, etc.)	21
(Notes to per share information)	26
(Notes to significant events after reporting period)	27
4. Others	28
Changes in Directors	28

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026), the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions, as well as the effects of various government policies. However, the outlook remained uncertain due to factors such as the impact of U.S. trade policies and weaker consumer sentiment amid persistent inflation.

Under this business environment, the Onward Group strengthened its product lineups and marketing activities while focusing on its strategically enhanced brands, which translated into higher net sales. Furthermore, through thorough inventory management and successful streamlining of advertising and other SG&A expenses, the Group generated profit growth at all levels.

As a result, consolidated net sales amounted to 236,804 million yen (+13.6% year-on-year), operating profit to 11,604 million yen (+14.3% year-on-year), recurring profit to 11,176 million yen (+10.8% year-on-year), and profit attributable to owners of parent to 10,094 million yen (+18.5% 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 performance indicator to facilitate earnings comparison with other companies, irrespective of differences in accounting standards.

In the fiscal year under review, EBITDA was 17,195 million yen (+11.3% year-on-year).

Results by segment were as follows.

[Domestic Business]

Sales increased, supported by strong sales of winter apparel at Onward Kashiya Co., Ltd., the core operating company, and Onward Personal Style Co., Ltd. Strategically enhanced brands such as UNFILO, KASHIYAMA, Chacott COSMETICS, and WEGO also performed strongly, as did key brands, such as Nijyusanku.

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

[Overseas Business]

In Europe, sales increased, driven by growth in e-commerce sales at JOSEPH, a contemporary designer brand founded in London, U.K. However, profit declined due to upfront increases in personnel-related investment and sales promotion expenses.

In the U.S., sales decreased due to the impact of the transfer of shares in a subsidiary operating a golf business in Guam at the end of the previous fiscal year. However, profitability improved, supported primarily by higher e-commerce sales of the long-standing J.PRESS brand.

In Asia, sales grew, reflecting higher utilization rates at the Dalian plant, backed by growth in orders for made-to-order suits.

As a result, sales improved in the Overseas Business.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets on a consolidated basis as of the end of the fiscal year under review increased by 10,004 million yen compared with the end of the previous fiscal year to 189,223 million yen. This was primarily due to increases in cash and deposits of 6,209 million yen and retirement benefit asset of 5,611 million yen, despite a decrease in land of 3,235 million yen.

Liabilities increased by 703 million yen compared with the end of the previous fiscal year to 95,635 million yen. This was primarily due to increases in notes and accounts payable—trade of 1,134 million yen, short-term borrowings of 1,451 million yen, current portion of long-term borrowings of 2,315 million yen, and income taxes payable of 2,249 million yen, despite a decrease in long-term borrowings of 6,018 million yen.

Net assets increased by 9,300 million yen compared with the end of the previous fiscal year to 93,588 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 10,094 million yen, an increase of 3,361 million yen in remeasurements of defined benefit plans, and a decrease of 5,433 million yen from dividends of surplus.

As a result, the shareholders' equity ratio was 49.4%.

(3) Overview of Cash Flows for the Fiscal Year under Review

1) Status of cash flows as of the end of the fiscal year under review

Cash flows provided by operating activities amounted to 8,249 million yen (an inflow of 3,123 million yen for the previous fiscal year) mainly due to profit before income taxes, an increase in trade receivables, an increase in inventories, and a decrease in trade payables.

Cash flows provided by investing activities amounted to 6,390 million yen (an outflow of 5,390 million yen for the previous fiscal year) mainly due to proceeds from sales of property, plant and equipment, and purchase of property, plant and equipment.

Cash flows used in financing activities amounted to 8,644 million yen (an inflow of 3,612 million yen for the previous fiscal year), which primarily included repayments of long-term borrowings and dividends paid.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by 6,209 million yen compared with the end of the previous fiscal year to 19,715 million yen.

2) Indicators related to cash flows

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Shareholders' equity ratio (%)	42.4	47.0	46.6	47.0	49.4
Shareholders' equity ratio based on fair value (%)	23.8	29.1	40.6	40.8	58.7
Ratio of interest-bearing debt to cash flow (%)	492.3	532.9	1,012.4	1,637.5	588.5
Interest coverage ratio (times)	18.3	13.7	5.2	8.7	13.5

Shareholders' equity ratio:

Shareholders' equity / Total assets

Shareholders' equity ratio based on fair value:

Total market value of shares / Total assets

Ratio of interest-bearing debt to cash flow:

Interest-bearing debt / Cash flow

Interest coverage ratio:

Cash flow / Interest paid

(Note 1) All indicators were calculated using consolidated financial figures.

(Note 2) The total market value of shares was calculated based on the total number of issued shares excluding treasury shares.

(Note 3) Cash flows from operating activities are used.

(Note 4) Interest-bearing debt includes all debt recorded on the Consolidated Balance Sheets for which interest is paid.

(4) Basic Policy on Shareholder Returns and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company positions returning profits to its shareholders as one of the most important management measures. Its basic policy is to provide stable and appropriate shareholder returns linked to performance, with a target full-year dividend payout ratio of 40% or more.

Dividends are paid twice a year: an interim dividend and a year-end dividend. The year-end dividend is resolved at the Annual General Meeting of Shareholders, and the interim dividend is resolved by the Board of Directors.

Regarding dividends for the fiscal year under review, the Company plans to pay a year-end dividend of 16 yen per share, bringing the annual total to 30 yen per share when combined with the interim dividend of 14 yen. For the next fiscal year, the Company intends to increase the annual dividend forecast per share by 3 yen from the previous year to 33 yen, including an interim dividend of 16 yen.

The Company will flexibly utilize its internal reserve for strategic investments in the establishment of a robust business structure, enhancement of financial constitution, and other efforts while giving consideration to balancing its needs for funds.

(5) Future Outlook

For future outlook, please refer to "FY2025 Results Presentation Material" announced today.

2. Basic Policy on Selection of Accounting Standards

In consideration of comparability between each reporting period of Consolidated Financial Statements and comparability between companies, the Group plans to prepare its Consolidated Financial Statements using the Japanese GAAP for the time being.

The Group plans to appropriately handle the adoption of IFRS (International Financial Reporting Standards) in consideration of various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	13,505	19,715
Notes and accounts receivable—trade, and contract assets	15,957	18,756
Merchandise and finished goods	41,373	44,825
Work in process	666	580
Raw materials and supplies	3,823	4,305
Other	4,913	4,601
Allowance for doubtful accounts	(139)	(258)
Total current assets	80,101	92,525
Non-current assets		
Property, plant and equipment		
Buildings and structures	42,113	41,891
Accumulated depreciation	(22,667)	(23,207)
Buildings and structures, net	19,445	18,683
Land	22,145	18,910
Leased assets	10,374	10,469
Accumulated depreciation	(7,609)	(8,044)
Leased assets, net	2,764	2,425
Other	12,478	13,230
Accumulated depreciation	(9,141)	(9,830)
Other, net	3,337	3,399
Total property, plant and equipment	47,693	43,418
Intangible assets		
Goodwill	5,835	4,818
Other	7,010	6,763
Total intangible assets	12,846	11,581
Investments and other assets		
Investment securities	13,789	13,446
Long-term loans receivable	2,564	2,562
Long-term prepaid expenses	518	360
Retirement benefit asset	9,496	15,107
Deferred tax assets	3,582	2,717
Other	8,725	7,596
Allowance for doubtful accounts	(98)	(92)
Total investments and other assets	38,577	41,698
Total non-current assets	99,117	96,698
Total assets	179,218	189,223

(Million yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Notes and accounts payable—trade	10,250	11,385
Electronically recorded obligations—operating	9,527	7,170
Short-term borrowings	22,518	23,970
Current portion of long-term borrowings	4,796	7,112
Lease obligations	831	655
Income taxes payable	1,129	3,379
Provision for bonuses	1,049	1,091
Provision for bonuses for directors	145	145
Other	12,479	13,750
Total current liabilities	62,728	68,661
Non-current liabilities		
Long-term borrowings	21,268	15,250
Lease obligations	2,661	2,185
Deferred tax liabilities for land revaluation	167	172
Retirement benefit liability	2,679	2,546
Provision for retirement benefits for directors and corporate auditors	28	22
Asset retirement obligations	3,090	3,358
Other	2,307	3,437
Total non-current liabilities	32,202	26,974
Total liabilities	94,931	95,635
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,335	37,390
Retained earnings	24,515	26,224
Treasury shares	(20,723)	(4,694)
Total shareholders' equity	84,206	89,000
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,689	2,551
Deferred gains or losses on hedges	(2)	17
Revaluation reserve for land	(5,825)	(5,806)
Foreign currency translation adjustment	1,399	1,690
Remeasurements of defined benefit plans	2,751	6,112
Total accumulated other comprehensive income	12	4,565
Share acquisition rights	68	21
Total net assets	84,287	93,588
Total liabilities and net assets	179,218	189,223

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net sales	208,393	236,804
Cost of sales	94,818	107,388
Gross profit	113,575	129,415
Selling, general and administrative expenses	103,422	117,811
Operating profit	10,153	11,604
Non-operating income		
Interest income	43	43
Dividend income	281	225
Share of profit of entities accounted for using equity method	180	34
Other	298	293
Total non-operating income	805	597
Non-operating expenses		
Interest expenses	414	528
Loss on disposal of salesfloor fixtures, etc.	31	72
Foreign exchange losses	109	25
Other	318	398
Total non-operating expenses	874	1,024
Recurring profit	10,084	11,176
Extraordinary income		
Gain on sales of investment securities	2,131	1,719
Gain on sales of non-current assets	1,012	3,517
Gain on sales of shares of subsidiaries and associates	1,122	–
Gain on cancellation of leases	617	–
Other	–	17
Total extraordinary income	4,885	5,254
Extraordinary losses		
Impairment loss	906	2,621
Loss on liquidation of subsidiaries and associates	1,454	–
Loss on step acquisitions	1,088	–
Other	713	269
Total extraordinary losses	4,162	2,891
Profit before income taxes	10,807	13,539
Income taxes - current	1,018	3,419
Income taxes - deferred	1,210	25
Total income taxes	2,228	3,445
Profit	8,578	10,094
Profit attributable to non-controlling interests	61	–
Profit attributable to owners of parent	8,516	10,094

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Profit	8,578	10,094
Other comprehensive income		
Valuation difference on available-for-sale securities	(746)	846
Deferred gains or losses on hedges	(7)	19
Revaluation reserve for land	12	2
Foreign currency translation adjustment	942	290
Remeasurements of defined benefit plans, net of tax	854	3,361
Share of other comprehensive income of entities accounted for using equity method	9	16
Total other comprehensive income	* 1,065	* 4,536
Comprehensive income	9,643	14,631
Comprehensive income attributable to:		
Owners of parent	9,581	14,631
Non-controlling interests	61	–

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as at March 1, 2024	30,079	50,342	21,165	(20,737)	80,849	2,431	4
Changes during period							
Dividends of surplus			(2,714)		(2,714)		
Profit attributable to owners of parent			8,516		8,516		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares		(7)		14	7		
Increase or decrease resulting from change in accounting period of consolidated subsidiaries			(2,451)		(2,451)		
Net changes in items other than shareholders' equity						(742)	(7)
Total changes in items during period	–	(7)	3,349	13	3,356	(742)	(7)
Balance as at February 28, 2025	30,079	50,335	24,515	(20,723)	84,206	1,689	(2)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 1, 2024	(5,837)	451	1,896	(1,052)	76	5,122	84,995
Changes during period							
Dividends of surplus							(2,714)
Profit attributable to owners of parent							8,516
Purchase of treasury shares							(0)
Disposal of treasury shares							7
Increase or decrease resulting from change in accounting period of consolidated subsidiaries							(2,451)
Net changes in items other than shareholders' equity	12	948	854	1,065	(7)	(5,122)	(4,064)
Total changes in items during period	12	948	854	1,065	(7)	(5,122)	(708)
Balance as at February 28, 2025	(5,825)	1,399	2,751	12	68	–	84,287

Fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as at March 1, 2025	30,079	50,335	24,515	(20,723)	84,206	1,689	(2)
Changes during period							
Dividends of surplus			(5,433)		(5,433)		
Profit attributable to owners of parent			10,094		10,094		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares		(114)	(5)	270	150		
Cancellation of treasury shares		(12,829)	(2,929)	15,759	–		
Reversal of revaluation reserve for land			(16)		(16)		
Net changes in items other than shareholders' equity						862	19
Total changes in items during period	–	(12,944)	1,709	16,029	4,794	862	19
Balance as at February 28, 2026	30,079	37,390	26,224	(4,694)	89,000	2,551	17

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as at March 1, 2025	(5,825)	1,399	2,751	12	68	84,287
Changes during period						
Dividends of surplus						(5,433)
Profit attributable to owners of parent						10,094
Purchase of treasury shares						(0)
Disposal of treasury shares						150
Cancellation of treasury shares						–
Reversal of revaluation reserve for land						(16)
Net changes in items other than shareholders' equity	19	290	3,361	4,553	(47)	4,506
Total changes in items during period	19	290	3,361	4,553	(47)	9,300
Balance as at February 28, 2026	(5,806)	1,690	6,112	4,565	21	93,588

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	10,807	13,539
Depreciation and amortization	4,357	4,514
Impairment loss	906	2,621
Amortization of goodwill	942	1,076
Increase (decrease) in allowance for doubtful accounts	(207)	103
Decrease (increase) in retirement benefit asset	(1,721)	(5,611)
Increase (decrease) in retirement benefit liability	(73)	(132)
Interest and dividend income	(325)	(269)
Interest expenses	414	528
Share of loss (profit) of entities accounted for using equity method	(180)	(34)
Loss (gain) on disposal of non-current assets	(979)	(3,474)
Loss on disposal of salesfloor fixtures, etc.	31	72
Loss (gain) on sales of investment securities	(2,131)	(1,719)
Loss (gain) on sales of shares of subsidiaries and associates	(1,122)	–
Decrease (increase) in trade receivables	1,001	(2,698)
Decrease (increase) in inventories	(4,128)	(3,572)
Increase (decrease) in trade payables	(5,640)	(1,320)
Other, net	631	5,962
Subtotal	2,580	9,584
Interest and dividends received	353	302
Interest paid	(357)	(608)
Income taxes paid	(1,077)	(1,154)
Income taxes refund	1,624	125
Net cash provided by (used in) operating activities	3,123	8,249
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,555)	(3,579)
Proceeds from sales of property, plant and equipment	1,509	7,228
Purchase of investment securities	(5)	(7)
Proceeds from sales of investment securities	2,988	3,414
Long-term loan advances	(8,500)	–
Proceeds from collection of long-term loans receivable	1,019	174
Purchase of long-term prepaid expenses	(179)	(15)
Payments of guarantee deposits	(1,319)	(539)
Proceeds from refund of guarantee deposits	1,344	1,653
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	828	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	2,150	283
Other, net	(2,671)	(2,222)
Net cash provided by (used in) investing activities	(5,390)	6,390

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,017	1,391
Proceeds from long-term borrowings	14,131	1,500
Repayments of long-term borrowings	(5,535)	(5,202)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,714)	(5,433)
Repayments to non-controlling shareholders	(5,061)	–
Dividends paid to non-controlling interests	(122)	–
Other, net	(1,101)	(899)
Net cash provided by (used in) financing activities	3,612	(8,644)
Effect of exchange rate change on cash and cash equivalents	239	213
Net increase (decrease) in cash and cash equivalents	1,585	6,209
Cash and cash equivalents at beginning of period	14,133	13,505
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	(2,213)	–
Cash and cash equivalents at end of period	* 13,505	* 19,715

(5) Notes to Consolidated Financial Statements
(Uncertainties of entity's ability to continue as going concern)
Not applicable.

(Significant accounting policies for preparation of Consolidated Financial Statements)

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 40

Names of major consolidated subsidiaries

Onward Kashiyama Co., Ltd.

Onward Corporate Design Co., Ltd.

Chacott Co., Ltd.

Creative Yoko Co., Ltd.

Island Co., Ltd.

Onward Personal Style Co., Ltd.

Yamato Co., Ltd.

Kokobuy Co., Ltd.

WEGO Co., Ltd.

Joseph Ltd.

Effective for the fiscal year under review, Intimates Co., Ltd. was liquidated and has therefore been excluded from the scope of consolidation. Taiwan WEGO Co., Ltd. was established and has therefore been included in the scope of consolidation.

(2) Names of major unconsolidated subsidiaries

Bien Co., Ltd.

Reasons for exclusion from scope of consolidation

Unconsolidated subsidiaries have been excluded from the scope of consolidation because they are small in scale and the effects of their total assets, net sales, profit or loss (amount attributable to the Company's share), retained earnings (amount attributable to the Company's share), etc. on the Consolidated Financial Statements in the aggregate are not material.

2. Disclosure about application of equity method

(1) Number of unconsolidated subsidiaries and associates accounted for using equity method

10

Names of major associates accounted for using equity method

San Marino Co., Ltd.

(2) Names of major unconsolidated subsidiaries and associates not being accounted for using equity method

Bien Co., Ltd.

Reasons for not being accounted for using equity method

Companies not accounted for using equity method have been excluded from the scope of application of equity method because their effects on consolidated profit or loss, consolidated retained earnings, etc. are insignificant and immaterial individually or in the aggregate.

(3) The fiscal year-end of San Marino Co., Ltd. is June 30, and their financial statements prepared on a basis similar to that for the year-end closing as of December 31 have been used for consolidation purposes.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, companies whose fiscal year-end is different from the consolidated fiscal year-end are as follows.

Companies with fiscal year-end on December 31

J. Press, Inc.

Onward Fashion Trading (China) Co., Ltd.

11 other companies

The consolidated financial statements are prepared using the financial statement as of the day of preparation, with necessary adjustments for consolidation for material transactions incurred between that date and the consolidated fiscal year-end.

4. Accounting policies

(1) Accounting policy for measuring significant assets

1) Accounting policy for measuring securities

Available-for-sale securities

Securities other than shares, etc. that do not have a market value

Carried at the fair values prevailing at the fiscal year-end date (unrealized gains or losses are included as a component of net assets, and cost of sales is computed by the moving-average method).

Shares, etc. that do not have a market value

Stated at cost using the moving-average method.

2) Accounting policy for measuring derivatives

Stated at fair value.

3) Accounting policy for measuring inventories

Inventories are measured at cost determined principally by the specific identification method (the balance sheet value is calculated using the inventory write-down method based on decreased profitability).

(2) Accounting policy for depreciation of significant assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries principally provide depreciation by the declining-balance method, while overseas consolidated subsidiaries provide depreciation by the straight-line method. Provided, however, that certain buildings (other than facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.

The useful lives of property, plant and equipment are summarized as follows:

Buildings and structures	3 to 50 years
Other	2 to 20 years

2) Intangible assets (excluding leased assets)

Amortized by the straight-line method. Software costs for internal use are amortized over their expected useful lives (5 to 10 years) by the straight-line method.

3) Long-term prepaid expenses

Amortized by the straight-line method.

4) Leased assets

Leased assets pertaining to finance lease transactions without transfer of ownership

Depreciated by the straight-line method with the leasing period as the useful life and without residual value.

(3) Accounting policy for significant provisions

1) Allowance for doubtful accounts

In order to prepare for probable future losses on collection, estimated amount uncollectible is provided for in accordance with the historical average charge-off ratio in the case of ordinary receivables. In the case of certain accounts designated as highly doubtful accounts, a specific allowance is provided for based on individual detailed credit analysis.

2) Provision for bonuses

Provision for bonuses is recognized for the estimated amount to provide for payment of bonuses to employees.

3) Provision for bonuses for directors

The Company and certain of its domestic consolidated subsidiaries recognize provision for bonuses for directors in an estimated amount to provide for payment of bonuses to their directors.

4) Provision for retirement benefits for directors and corporate auditors

Certain domestic consolidated subsidiaries recognize provision for retirement benefits for directors and corporate auditors in an amount payable as of the end of the fiscal year based on internal regulations, to provide for payment of retirement benefits for Directors and Audit & Supervisory Board Members.

(4) Accounting policy for retirement benefits

1) Method of allocating estimated retirement benefits to each reporting period

In calculating retirement benefit liability, the method of allocating estimated retirement benefits to each reporting period up to the end of the fiscal year under review is based on the benefit formula basis.

2) Accounting policy for actuarial differences and prior service costs

Actuarial differences are accounted for as expenses over a certain number of years within the average remaining years of service of the employees at the time of occurrence during each fiscal year (5 to 10 years) using the straight-line method, commencing with the fiscal year following the one in which they were incurred.

Prior service costs are accounted for as expenses over a certain number of years within the average remaining years of service of the employees at the time of occurrence (5 to 10 years) using the straight-line method.

(5) Accounting policy for significant revenue and expenses

The main content of performance obligations and normal time when the performance obligations are satisfied (normal time when revenue is recognized) in core businesses related to revenue from contracts with customers of the Company and its consolidated subsidiaries are as follows.

1) Revenue related to wholesale sales

Revenue related to wholesale sales identifies the delivery and shipment of products as performance obligations. In wholesale sales, the performance obligation is satisfied when the inspection by the customer is complete, but as there is no material difference between this and when the product ships, in most cases revenue is recognized when the product ships. Furthermore, the consideration for transactions is generally received within approximately three months from the time when performance obligations are satisfied and does not include a significant financing component.

2) Revenue related to retail sales

Revenue related to retail sales identifies the delivery of products as a performance obligation. In retail sales, the performance obligation is normally satisfied when a product is delivered, so in most cases revenue is recognized when the product is delivered. Furthermore, the consideration for transactions is generally received within approximately one month from the time when performance obligations are satisfied and does not include a significant financing component.

3) Revenue related to service provision

Revenue related to the provision of services primarily includes royalties received for granting licenses, and these grants are identified as performance obligations. These are either sales or usage-based royalties, measured using the counterparty's sales, etc. as the calculation basis, and revenue is recognized when the license is used or when the performance obligation allocated to sales or usage-based royalties is satisfied, whichever is later. Furthermore, the consideration for transactions is generally received within approximately three months from the time when performance obligations are satisfied and does not include a significant financing component.

(6) Accounting policy for hedging

1) Accounting policy for hedging

In principle, deferred hedging is applied.

2) Hedging instruments and hedge items

The derivatives designated as hedging instruments are principally forward exchange contracts. The related hedged items are trade payables and trade receivables denominated in foreign currencies and scheduled transactions.

3) Hedging policy

For the purpose of fixing cash flows denominated in Japanese yen from payables and receivables denominated in foreign currencies by avoiding the risk of future foreign currency exchange rate fluctuation in relation to export and import transactions denominated in foreign currencies, the Company enters into forward exchange contracts based on settlement dates in response to orders received from and sent to business partners.

4) Evaluation of hedge effectiveness

By setting up forward exchange contracts denominated in the same currencies with the same amounts and the same due dates to the amounts of orders received and sent denominated in foreign currencies, the Company ensures that the correlation from fluctuations in foreign currency exchange rates after entering into forward exchange contracts is maintained.

(7) Accounting policy for goodwill

Goodwill is evaluated on an individual basis and amortized on a straight-line basis over a reasonable number of years within 20 years.

(8) Scope of cash and cash equivalents in Consolidated Statements of Cash Flows

Funds (cash and cash equivalents) in the Consolidated Statements of Cash Flows are composed of cash on hand, bank deposits that can be withdrawn on demand, and short-term investments, which are highly liquid and readily convertible into cash, with an original maturity of 3 months or less and insignificant risk of changes in value.

(9) Other significant information for preparation of consolidated financial statements

Application of group tax sharing system

The Company and certain of its domestic consolidated subsidiaries apply the group tax sharing system.

(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 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 the 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 fiscal year under review. These changes in accounting policies have been retrospectively applied, 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 Consolidated Financial Statements for the previous fiscal year.

(Notes to Consolidated Statements of Comprehensive Income)

* Notes regarding reclassification adjustments and income taxes/tax effects relating to other comprehensive income

	(Million yen)	
	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Valuation difference on available-for-sale securities:		
Amount arising during period	975	3,066
Reclassification adjustment for gain and loss	(2,215)	(1,799)
Amount before income taxes and income tax effect	(1,239)	1,267
Income taxes and income tax effect	493	(421)
Valuation difference on available-for-sale securities	(746)	846
Deferred gains or losses on hedges:		
Amount arising during period	(3)	24
Reclassification adjustment for gain and loss	(7)	3
Amount before income taxes and income tax effect	(10)	28
Income taxes and income tax effect	3	(8)
Deferred gains or losses on hedges	(7)	19
Revaluation reserve for land:		
Income taxes and income tax effect	12	2
Revaluation reserve for land	12	2
Foreign currency translation adjustment:		
Amount arising during period	1,202	290
Reclassification adjustment for gain and loss	(259)	-
Foreign currency translation adjustment	942	290
Remeasurements of defined benefit plans, net of tax:		
Amount arising during period	1,349	5,138
Reclassification adjustment for gain and loss	(281)	(177)
Amount before income taxes and income tax effect	1,067	4,960
Income taxes and income tax effect	(212)	(1,599)
Remeasurements of defined benefit plans, net of tax	854	3,361
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during period	9	16
Total other comprehensive income	1,065	4,536

(Notes to Consolidated Statements of Changes in Equity)

For the fiscal year ended February 28, 2025

1. Notes regarding issued shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	157,921,669	–	–	157,921,669

2. Notes regarding treasury shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	22,193,554	1,311	14,700	22,180,165

(Outline of reasons for changes)

Major components of the increase are as follows.

Increase due to the purchase of shares less than one unit: 1,311 shares

Major components of the decrease are as follows.

Decrease due to the exercise of stock options: 14,700 shares

3. Notes regarding share acquisition rights

Company name	Breakdown	Class of underlying shares	Number of underlying shares (Shares)				Balance at end of period (Million yen)
			At beginning of period	Increase	Decrease	At end of period	
Reporting company	Share acquisition rights as stock options	–	–	–	–	–	68
Total			–	–	–	–	68

4. Notes regarding dividends

(1) Cash dividends paid

Resolution	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
May 23, 2024 Annual General Meeting of Shareholders	Ordinary shares	2,714	20.00	February 29, 2024	May 24, 2024

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
May 22, 2025 Annual General Meeting of Shareholders	Ordinary shares	3,529	Retained earnings	26.00	February 28, 2025	May 23, 2025

For the fiscal year ended February 28, 2026

1. Notes regarding issued shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	157,921,669	–	16,000,000	141,921,669

(Outline of reasons for changes)

Major components of the decrease are as follows.

Decrease due to the cancellation of treasury shares by resolution of the Board of Directors: 16,000,000 shares

2. Notes regarding treasury shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	22,180,165	746	16,274,340	5,906,571

(Outline of reasons for changes)

Major components of the increase are as follows.

Increase due to the purchase of shares less than one unit: 746 shares

Major components of the decrease are as follows.

Decrease due to the exercise of stock options: 20,000 shares

Decrease due to the disposal of treasury shares as restricted stock compensation: 254,340 shares

Decrease due to the cancellation of treasury shares by resolution of the Board of Directors: 16,000,000 shares

3. Notes regarding share acquisition rights

Company name	Breakdown	Class of underlying shares	Number of underlying shares (Shares)				Balance at end of period (Million yen)
			At beginning of period	Increase	Decrease	At end of period	
Reporting company	Share acquisition rights as stock options	–	–	–	–	–	21
Total			–	–	–	–	21

4. Notes regarding dividends

(1) Cash dividends paid

Resolution	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
May 22, 2025 Annual General Meeting of Shareholders	Ordinary shares	3,529	26.00	February 28, 2025	May 23, 2025
October 2, 2025 Board of Directors meeting	Ordinary shares	1,904	14.00	August 31, 2025	November 10, 2025

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
May 28, 2026 Annual General Meeting of Shareholders	Ordinary shares	2,176	Retained earnings	16.00	February 28, 2026	May 29, 2026

(Notes to Consolidated Statements of Cash Flows)

* Reconciliation of ending balance of cash and cash equivalents with account balances per Consolidated Balance Sheets is as follows.

	(Million yen)	
	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash and deposits	13,505	19,715
Time deposits with maturities of more than three months	—	—
Cash and cash equivalents	13,505	19,715

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The Group's reportable segments are components for which separate financial information is available and regular evaluation by the Board of Directors is performed to decide how management resources are allocated and to assess performance.

The Group primarily engages in the planning, production, and sale of textile products, including men's and women's clothing, as well as in the cosmetic business, the wellness business related to ballet and dance and resorts, and the pet supply business, among others, in Japan and overseas.

The reportable segments of the Group are divided geographically into two categories, "Domestic Business" and "Overseas Business."

2. Method of calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

Accounting methods for reportable segments are mostly the same as the accounting methods described in "Significant accounting policies for preparation of Consolidated Financial Statements."

Profit by reportable segment refers to operating profit. Intersegment sales or transfers are based on market values.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Million yen)

	Domestic Business	Overseas Business	Total	Adjustments (Note 1)	Amount recorded in Consolidated Financial Statements (Note 3)
Net sales					
Net sales to outside customers	189,858	18,534	208,393	–	208,393
Intersegment sales or transfers	1,645	3,222	4,868	(4,868)	–
Total	191,504	21,757	213,261	(4,868)	208,393
Segment profit (loss)	10,803	(233)	10,570	(416)	10,153
Segment assets	137,776	14,509	152,286	26,932	179,218
Other items					
Depreciation and amortization (Note 2)	3,468	497	3,965	391	4,357
Investments in equity-method entities	757	–	757	–	757
Increases in property, plant and equipment, and intangible assets (Note 2)	4,972	487	5,460	103	5,564

(Notes) 1. Adjustments consist of the following:

- (1) The adjustment amount for segment profit (loss) of (416) million yen includes amortization of goodwill of (942) million yen, elimination of intersegment transactions of 4,264 million yen, and corporate expenses not allocated to reportable segments of (3,738) million yen. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
- (2) The major components of the adjustment amount for segment assets of 26,932 million yen are the unamortized balance of goodwill of 5,835 million yen, property, plant and equipment of the Company, a pure holding company, of 12,808 million yen, and investment securities of 9,946 million yen.
2. Depreciation and amortization, and increases in property, plant and equipment, and intangible assets include long-term prepaid expenses (furniture and fixtures).
3. Segment profit (loss) coincides with the amount of operating profit in the Consolidated Statements of Income.

For the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Million yen)

	Domestic Business	Overseas Business	Total	Adjustments (Note 1)	Amount recorded in Consolidated Financial Statements (Note 3)
Net sales					
Net sales to outside customers	217,876	18,927	236,804	–	236,804
Intersegment sales or transfers	1,069	3,627	4,697	(4,697)	–
Total	218,946	22,555	241,501	(4,697)	236,804
Segment profit (loss)	12,700	(322)	12,377	(773)	11,604
Segment assets	151,131	16,671	167,802	21,420	189,223
Other items					
Depreciation and amortization (Note 2)	3,754	384	4,138	376	4,514
Investments in equity- method entities	834	–	834	–	834
Increases in property, plant and equipment, and intangible assets (Note 2)	5,269	621	5,890	229	6,119

(Notes) 1. Adjustments consist of the following:

- (1) The adjustment amount for segment profit (loss) of (773) million yen includes amortization of goodwill of (1,076) million yen, elimination of intersegment transactions of 4,189 million yen, and corporate expenses not allocated to reportable segments of (3,886) million yen. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
- (2) The major components of the adjustment amount for segment assets of 21,420 million yen are the unamortized balance of goodwill of 4,818 million yen, property, plant and equipment of the Company, a pure holding company, of 12,550 million yen, and investment securities of 10,484 million yen.
2. Depreciation and amortization, and increases in property, plant and equipment, and intangible assets include long-term prepaid expenses (furniture and fixtures).
3. Segment profit (loss) coincides with the amount of operating profit in the Consolidated Statements of Income.

[Information associated with reportable segments]

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

1. Information for each product or service

Descriptions are omitted as similar information is disclosed in Segment information.

2. Information for each region

(1) Net sales

(Million yen)

Japan	Europe	Other	Total
190,031	8,919	9,442	208,393

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Europe	Other	Total
43,835	204	898	2,756	47,693

3. Information for each of main customers

Information is not stated as there are no parties whose net sales to outside customers comprise 10% or more of net sales in the Consolidated Statements of Income.

For the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

1. Information for each product or service

Descriptions are omitted as similar information is disclosed in Segment information.

2. Information for each region

(1) Net sales

(Million yen)

Japan	Europe	Other	Total
217,087	9,849	9,866	236,804

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Europe	Other	Total
39,615	202	895	2,705	43,418

3. Information for each of main customers

Information is not stated as there are no parties whose net sales to outside customers comprise 10% or more of net sales in the Consolidated Statements of Income.

[Information on impairment loss on non-current assets by reportable segment]

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Million yen)

	Domestic Business	Overseas Business	Unallocated amounts and elimination	Total
Impairment loss	589	279	36	906

For the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Million yen)

	Domestic Business	Overseas Business	Unallocated amounts and elimination	Total
Impairment loss	2,240	380	–	2,621

[Amortization and unamortized balance of goodwill by reportable segment]

Descriptions are omitted as similar information is disclosed in Segment information.

[Information about gain on bargain purchase for each reportable segment]

Not applicable.

(Notes to per share information)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net assets per share (Yen)	620.43	687.91
Basic earnings per share (Yen)	62.74	74.27
Diluted earnings per share (Yen)	62.67	74.22

(Notes) 1. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows:

Item	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	8,516	10,094
Components not pertaining to ordinary shareholders (Million yen)	–	–
Profit attributable to owners of parent relating to ordinary shares (Million yen)	8,516	10,094
Average number of ordinary shares during the period (Thousand shares)	135,739	135,927
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Million yen)	–	–
Increase in number of ordinary shares (Thousand shares)	144	78
[Of which, share acquisition rights (Thousand shares)]	[144]	[78]
Outline of residual shares not included in the calculation of diluted earnings per share due to not having a dilutive effect	–	–

2. The basis for the calculation of net assets per share is as follows:

Item	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Total net assets (Million yen)	84,287	93,588
Amount deducted from total net assets (Million yen)	68	21
[Of which, share acquisition rights (Million yen)]	[68]	[21]
Net assets relating to ordinary shares at end of period (Million yen)	84,218	93,566
Number of ordinary shares at end of period used for the calculation of net assets per share (Thousand shares)	135,741	136,015

(Notes to significant events after reporting period)

(Business combination through acquisition)

At the meeting of the Board of Directors held on December 18, 2025, the Company resolved to acquire all shares of Cosmé de Beauté Ltd. and make it a consolidated subsidiary, entered into a share transfer agreement on the same date, and acquired all shares on March 2, 2026.

(1) Summary of business combination

1) Name and details of business of acquiree

Name: Cosmé de Beauté Ltd.

Details of business: Planning, development, import, and sales of cosmetics and cosmetic accessories

2) Main reason for business combination

The Company's medium- to long-term management plan "ONWARD VISION 2030" sets forth a strategy to "Accelerate growth in the 'wellness field' in line with new values of consumers."

In line with this strategy, the Company has decided to acquire all shares of Cosmé de Beauté, which operates nail-related businesses such as gel nails, and make it a wholly owned subsidiary.

The Company will pursue synergies with its existing businesses while aiming for the further growth of Cosmé de Beauté.

3) Date of business combination

March 2, 2026

4) Legal form of business combination

Share acquisition with cash consideration

5) Name of entity after business combination

No change

6) Ratio of voting rights acquired

100%

7) Main grounds for determining acquirer

Due to the Company's acquisition of shares with cash consideration

(2) Acquisition cost of acquiree and the breakdown by type of consideration

Consideration for acquisition	Cash	4,500 million yen
Acquisition cost		4,500 million yen

(3) Content and amount of main acquisition-related costs

Not determined at this time.

(4) Amount, reason, and method and period of amortization with respect to goodwill incurred

Not determined at this time.

4. Others

Changes in Directors

Other changes in Directors (as of May 28, 2026)

(1) Audit & Supervisory Board Member to be retired

Name		Position
Hikosaburo Seike	Current	<ul style="list-style-type: none">• Standing Audit & Supervisory Board Member of the Company• Standing Audit & Supervisory Board Member of Onward Kashiya Co., Ltd.

(2) Candidates for new Audit & Supervisory Board Member

Name		Position
Hirofumi Nishimori	Current	<ul style="list-style-type: none">• Executive Officer of the Company• Executive Officer of Onward Kashiya Co., Ltd.
	New	<ul style="list-style-type: none">• Standing Audit & Supervisory Board Member of the Company• Standing Audit & Supervisory Board Member of Onward Kashiya Co., Ltd.