

ONWARD (8016, Corporate)

Initiating Coverage: Higher margin shift

25th August 2026

Share price: ¥778

Market cap: ¥110.4bn

ONWARD's earnings mix is shifting towards higher-margin growth, driven by OMO-led store productivity, Made-To-Order KASHIYAMA scaling & Wellness expansion.

Company sector

Consumer Durables & Apparel

Stock data

Price (¥)	778
Mkt cap (¥bn)/(\$m)	110.4 / 693.2
52-week range (¥)	622 – 842
Shares O/S (m)	141.9
Average daily value (\$m)	3.4
Free float (%)	77.0
Foreign shareholding (%)	15.5
Ticker	8016
Exchange	Tokyo Prime
Net Debt/Equity	36.8

ONWARD HOLDINGS vs TOPIX, rebased to 100



Source: Bloomberg

- **Equity story:** ONWARD is shifting from a department store dependent apparel group towards a **diversified, higher-margin consumer platform**. OMO-driven store productivity, strategic Fashion brand growth, Wellness expansion, Made-To-Order KASHIYAMA scaling & overseas recovery are set to support OP growth ahead of sales growth. Management targets OPM of 8.0% by FY 2/31 versus 4.9% in FY 2/26.
- **1Q execution supports the direction of travel:** 1Q FY 2/27 sales increased +5.5%YoY to ¥63.5bn & OP +5.5% to ¥5.6bn. Domestic Fashion OP rose +15.0%YoY on +4.5% sales growth, with Onward Kashiyama, WEGO & Made-To-Order KASHIYAMA all delivering OP growth ahead of sales. Group guidance remains unchanged.
- **Strategic growth businesses are gaining scale:** Made-to-order KASHIYAMA sales increased +38.5%YoY in 1Q, UNFILO +25.7% & Chacott Cosmetics +45.4%, whilst WEGO domestic sales rose +6.8%. **These businesses are becoming increasingly important to the group's sales mix & are key growth engines for the FY 2/31 margin expansion plan.** WEGO's 1st Taiwan store & EC operation also started strongly, with sales through June reaching ~4.4x the initial forecast.
- **Current trading remains weather-sensitive but recovered after June:** June existing-store sales declined -7.6%YoY due to cooler weather, higher rainfall & one fewer holiday, with the calendar effect estimated at -2.1ppt. July subsequently recovered +4.7%, leaving March–July comparable sales up +0.8%, supporting management's view that June weakness was mainly due to weather conditions.
- **Vision 2030:** Management targets FY 2/31 sales of ¥300bn & OP of ¥25bn. FY 2/27 sales guidance of ¥247bn positions the group well against this target. The ¥12.8bn OP guidance (5.2% margin) provides a solid foundation for margin expansion, supported by Made-To-Order **KASHIYAMA, Wellness, OMO productivity & overseas recovery**.
- **Valuation:** ONWARD trades at 9.5x FY 2/27 P/E versus 13.7x for domestic apparel peers. We foresee sustained OP growth ahead of sales growth supporting earnings upgrades & a gradual re-rating. We recommend investors meet senior management to assess the execution pathway: [here](#).

BUSINESS OVERVIEW

ONWARD HOLDINGS CO., LTD. is a Japanese multi-brand apparel & lifestyle holding company operating across three segments: Fashion, Wellness & Corporate Design.

Next event

1H 2/27 results in October 2026

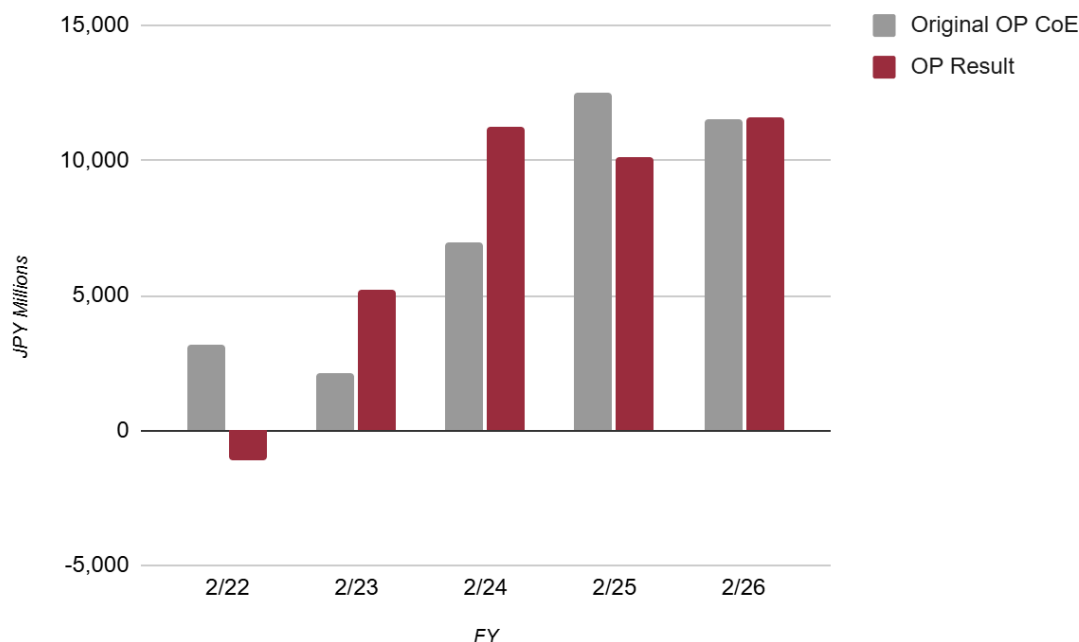
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ONWARD is a research client of Storm Research

Year end	2/2025	2/2026	1Q 2/2027	2/2027E
Sales (¥bn)	208.4	236.8	63.5	247.0
OP (¥bn)	10.2	11.6	5.6	12.8
NP (¥bn)	8.5	10.1	5.0	11.2
EPS (¥)	62.7	74.3	37.1	82.3
DPS (¥)	26.0	30.0	n/a	33.0
Sales growth YoY (%)	9.9	13.6	5.5	4.3
OP growth YoY (%)	-9.8	14.3	5.5	10.3
NP growth YoY (%)	28.8	18.5	18.1	10.9
EPS growth YoY (%)	28.8	18.4	17.8	10.9
PER (x)	8.6	11.0	9.1	9.5
EV/EBITDA (x)	7.2	8.2	7.6	8.3
PBR (x)	0.9	1.2	1.1	1.1
ROE (%)	10.4	11.4	12.2	n/a
ROIC (%)	5.5	5.9	6.5	n/a
FCF yield (%)	0.8	4.2	n/a	n/a
Dividend yield (%)	4.8	3.7	n/a	4.2

Financial metrics source: Company & Bloomberg

RESULTS VS
FORECAST HISTORY

COMPANY OVERVIEW

Company history

ONWARD traces its roots to Kashiya Trading, founded in Osaka in 1927. The company adopted a department store consignment model, under which unsold inventory was returned after a fixed period. This structure linked earnings to department store footfall & underpinned group economics for 5 decades. The company listed in 1960 & became Japan's leading menswear manufacturer during the country's high-growth period.

Dependence on department stores became a structural headwind as consumer traffic shifted towards suburban malls & online from the 2000s. Group sales peaked in the early 2000s, whilst OPM compressed from the mid-teens to low single digits through the 2010s. Alongside its core fashion business, ONWARD expanded through acquisitions into adjacent Wellness & lifestyle categories.

The group built its diversified portfolio through M&A, with Wellness businesses now accounting for ~19% of group sales.

In FY 2/21, management undertook a major restructuring, closing unprofitable overseas operations, rationalising ~1,800 stores & investing in digital infrastructure. These measures laid the foundation for the group's current OMO strategy.

In FY 2/25, the company saw a temporary setback, with OP declining 9.8%YoY to ¥10.2bn as GPM fell -1.3ppt to 54.5%, reflecting the deliberate reduction of excess post-COVID inventory & unseasonal weather. With inventory levels normalised in FY 2/26, margins recovered, driving OP growth of +14.3%YoY to ¥11.6bn.

Vision 2030, introduced in 2021 & updated in 2024, targets sales of ¥300bn & OP of ¥25bn by FY 2/31. OPM is guided at 5.2% in FY 2/27, implying a 2.8ppt gap versus the FY 2/31 target of 8.0%. Management aims to close this gap through **channel mix improvement, operating leverage & faster growth in higher-margin Wellness businesses.**

- Acquisition history:

Year	Company / Brand	Strategic Rationale
1986	J. Press Inc. (USA)	US preppy/trad heritage brand, providing an established North American retail & wholesale platform.
1990	Chacott Co., Ltd.	Ballet & dancewear specialist; its cosmetics business subsequently evolved into a key growth engine within the Wellness segment.
2005	Project Sloane Ltd. (Joseph Group)	Owner of JOSEPH, a UK premium fashion brand with a strong presence across major European & US cities, anchoring the group's overseas fashion operations.
2008	Creative Yoko Co., Ltd.	Operator of character IP (Sirotan) & pet goods retail; the group's first step beyond apparel into lifestyle categories.
2009	Island Co., Ltd.	Domestic fashion brand, strengthening its portfolio in the Japanese apparel market.
2016	Tiaclasse Co., Ltd.	Expanded the group's women's fashion presence.
2017	KOKOBUY Inc.	Cosmetics business that strengthened the Wellness platform alongside Chacott.
2019	Yamato Co., Ltd.	Catalogue gift & direct-to-consumer business; anchors the gifting sub-segment within Wellness.
2023	WEGO Co., Ltd.	Youth culture fashion retailer targeting 12-18-year-olds.
FY 2/27	Cosme de Beauté Ltd.	Nail cosmetics business, the third pillar of the Wellness cosmetics platform.

* Source: Onward Holdings Integrated Report 2025; management interview April 2026

Competitive positioning & market context

Domestic apparel market: Japan's apparel retail market peaked at ¥15.3trn in 1991 & contracted to ¥8.4trn by 2023, below the pre-pandemic level of ¥9.1trn. Department stores experienced the sharpest decline, with average annual contraction of -4.5% in the 2000s & -5.2% in the 2010s, as demographic changes, regional store closures, rising fast fashion penetration & e-commerce adoption reduced footfall.

ONWARD has materially reduced its exposure to department stores, which declined from 70.5% of Onward Kashiya sales in FY 2/15 to 34.1% in FY 2/26, with a FY 2/31 target of 20%. Over the same period, EC penetration grew from 5.8% in FY 2/15 to 29.5% in FY 2/26, approaching the FY 2/31 target of 30%. Whilst penetration has largely reached its long-term target, management expects EC sales to grow in absolute terms alongside group sales, with further upside from deeper omnichannel capabilities & demographic shifts driving online engagement. Directly operated stores & shopping centres are targeted to contribute 50% of sales by FY 2/31. This structural channel shift further reduces exposure to ongoing department store market decline, whilst improving ONWARD's control over customer acquisition & inventory management.

- **Peer comparison:** ONWARD's closest listed domestic apparel peers are World Co., Ltd. (3612) & Sanyo Shokai (8011). A broader peer group includes TSI Holdings (3608), United Arrows (7606), Honey's (2792), Aoyama Trading (8219), & AOKI Holdings (8214).

The earnings mix is becoming gradually more diversified beyond the core fashion business: Made-To-Order KASHIYAMA, WEGO & Wellness are increasingly important growth drivers, whilst OMO rollout, shopping centre expansion & overseas restructuring are improving channel mix & profitability.

Despite these improvements, valuation remains slightly below many domestic apparel peers. As of 25th Aug 2026, ONWARD traded on 9.5x forward P/E versus a broader Japanese apparel peer average of 13.7x. We believe the discount reflects investor caution on execution of the mix shift strategy & persistent weather volatility.

The company is executing against 3 strategic priorities that could support multiple expansion if successful: (1) Made-To-Order KASHIYAMA is targeting growth from ¥8.3bn towards ¥25bn by FY 2/31, with the path to higher profitability dependent on new store network productivity. (2) The Wellness segment is pursuing M&A synergies & cosmetics mass-market penetration through campaigns such as the Chacott TV initiative & Cosmé de Beauté integration; segment OPM expansion towards 8.5-9% would require successful execution of these initiatives. (3) OMO-driven store productivity is improving through Click & Try & multi-brand store formats, supporting higher labour productivity & sales density.

For a re-rating to occur, these initiatives would need to translate into material OP growth. FY 2/27 guidance implies ¥12.8bn OP; should OP accelerate towards ¥16bn by FY 2/28, a multiple expansion from current levels could follow. However, achieving this growth trajectory requires successful execution of Made-To-Order KASHIYAMA store expansion, Wellness M&A integration & OMO rollout in a volatile weather environment.

- Benchmarking versus key peers

Company	Sales (¥bn)	OPM	P/E	P/B
Onward Holdings (8016)	247	5.2%	9.5	1.1
World Co. (3612)	284	6.3%	9.5	1.3
Sanyo Shokai (8011)	59	2.3%	13.5	1.4
TSI Holdings (3608)	198	3.5%	18.5	0.8
United Arrows (7606)	167	6.1%	10.3	1.6
Aoyama Trading (8219)	192	6.1%	16.6	0.6
AOKI Holdings (8214)	194	8.1%	17.6	1.1
Peer average		5.7%	13.7	1.1

* Source: Bloomberg / market data, 25th August 2026 close

Business model

ONWARD operates a 3-division holding company structure comprising Fashion, Wellness & Corporate Design (uniforms). FY 2/26 sales increased +13.6%YoY to ¥236.8bn, whilst OP rose +14.3%YoY to ¥11.6bn, with OPM stable at 4.9%.

Management targets sales of ¥300bn by FY 2/31, supported by OMO rollout, channel mix optimisation, EC expansion & investment in strategic growth brands. Supported by an improving sales mix, the company aims to expand OPM to 8.3% by FY 2/31.

- Sales & profitability by segment

(¥bn)	FY 2/26 Sales	FY 2/26 OPM	FY 2/31 Target	Growth vs FY 2/26
Fashion	174	~5.0%	200	14.9%
Wellness	45.5	7.7%	70	53.8%
Cosmetics	4.8	High margin**	15	~3.1x
Gift	24	~6.2%	30	25%
IP/Pet	6.9	9.7%	10	44.9%
Corp. Design	17.3	9.5%	30	73.4%
Total Sales	236.8	4.9%	300.0 / OP ¥25bn	26.7%

* Fashion YoY boosted significantly by full-year WEGO consolidation.

** Cosmé de Beauté (FY 2/27 first-year consolidation) guides 22.3% OPM — the highest disclosed margin of any group unit & an illustration of the potential margin benefit from Wellness M&A.

- **Production:** ONWARD retains control over key functions across the apparel value chain, including design, pattern-making, sourcing, merchandising & distribution. Manufacturing is primarily outsourced through long-standing partner factories, with China accounting for

~67% of production, SE Asia ~26% & Japan ~7%. This model supports procurement efficiency, production flexibility & quality control.

The group operates manufacturing facilities in Dalian, China & Osaka, Japan. The KASHIYAMA smart factory in Dalian, established in 2019, manufactures bespoke suits. Over the medium term, management aims to reduce China exposure towards ~50% of total production to strengthen supply chain resilience & diversify sourcing risk.

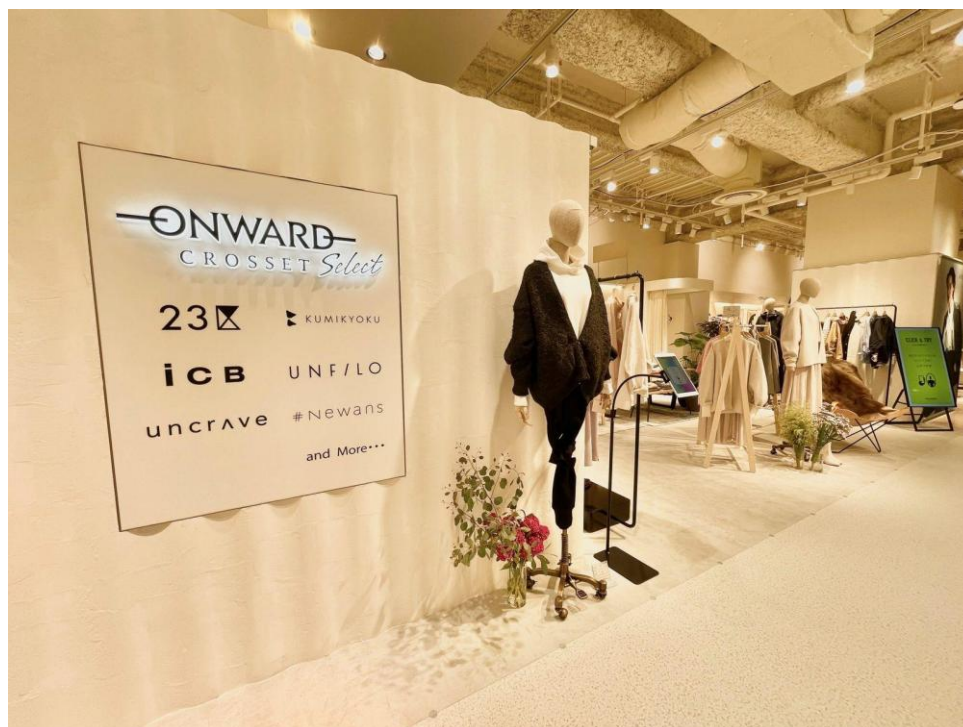
- *OMO STRATEGY - Online Merges with Offline*: OMO transformation at Onward Kashiya represents the group's central strategic initiative. It aims to create an integrated omnichannel customer journey centred on Click & Try (C&T) & ONWARD CROSSET SELECT (OCS). C&T enables customers to reserve products online for in-store fitting, integrating EC product discovery with physical store conversion.

The economics are compelling: **customers who engage across both online & offline channels spend ¥136k annually, versus ¥53k for store-only customers & ¥38k for EC-only users**. This 3.6x spending differential supports the value of long-term omnichannel customer relationships. Management therefore focuses increasingly on maximising customer lifetime value through sustained engagement, rather than optimising average selling price or short-term annual spending.

OCS stores offer a structurally more efficient & profitable operating model than traditional standalone stores through shared staffing, higher labour productivity, flexible floor space allocation & improved negotiation leverage with landlords through multi-brand operations.

The top 5 OCS-converted stores achieved sales growth of +15.2%, sales per employee growth of +29.8% & monthly sales per tsubo growth of +43.1% versus the year prior to conversion.

- *ONWARD CROSSET SELECT (OCS)*:



* Source: Company website

As of FY 2/26, Onward Kashiya operated 214 conventional standalone stores without C&T, 245 standalone stores with C&T, & 199 OCS stores. C&T had been implemented across 67% of the store network, whilst OCS accounted for ~30% of total store count.

OCS conversion within department stores depends on landlord negotiations & refurbishment schedules, reflecting the consolidation of multiple brand concessions into multi-brand stores. Shopping centres are often new-build locations, allowing the group to deploy them as OCS from the outset & supporting its migration towards higher-margin formats.

Underpinning the OMO strategy is the 12.2m-member ONWARD Members platform, which management targets to expand towards 20m by FY 2/31. The membership database enhances direct marketing, cross-selling opportunities, inventory allocation & data-driven merchandising decisions.

Few Japanese apparel peers possess ONWARD's combination of proprietary OMO infrastructure, nationwide department store relationships, growing shopping centre scale, a 12m-member customer database & vertically integrated Made-To-Order manufacturing capabilities. Management believes these assets create **structural advantages in customer acquisition, inventory efficiency & cross-channel monetisation**.

Fashion comprises the core domestic apparel businesses, Made-To-Order KASHIYAMA & overseas operations, with Domestic Fashion providing the majority of group earnings.

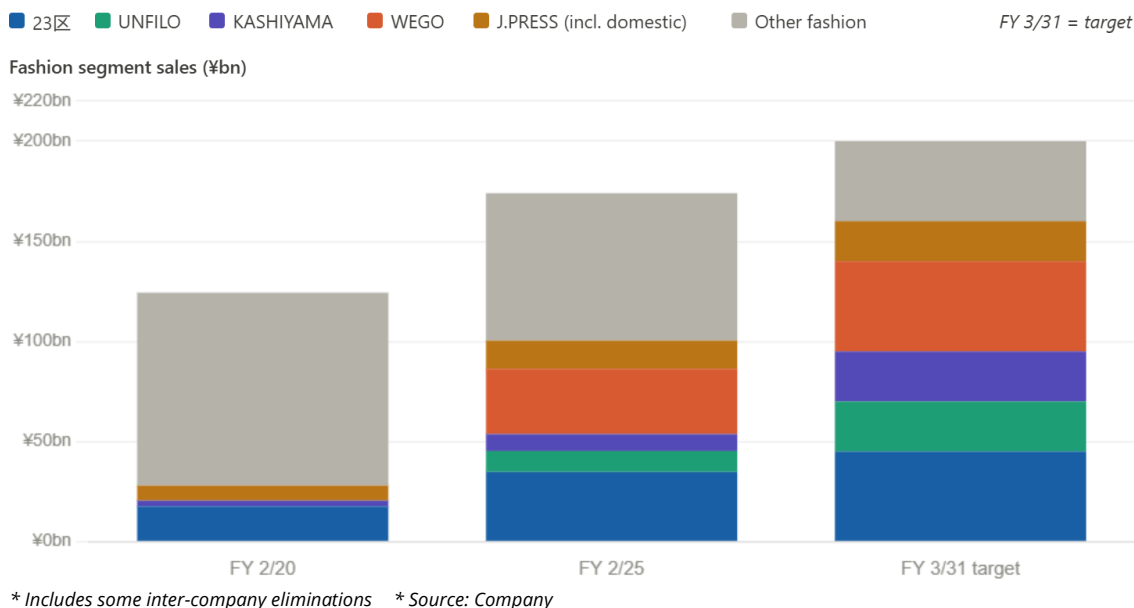
- Fashion division breakdown:

Category	FY 2/26 earnings	FY 2/27 forecast	FY 2/27 YoY
Onward Kashiya + Onward Holdings	Sales: ¥115.9bn	Sales: ¥116.7bn	Sales: +0.8%
	OP: ¥7.2bn	OP: ¥7.7bn	OP: +7.0%
	OPM: 6.2%	OPM: 6.6%	OPM: +0.4ppt
WEGO	Sales: ¥31.3bn	Sales: ¥31.5bn	Sales: +0.8%
	OP: ¥1.3bn	OP: ¥1.4bn	OP: +9.1%
	OPM: 4.1%	OPM: 4.5%	OPM: +0.4ppt
Onward Personal Style	Sales: ¥8.3bn	Sales: ¥11.3bn	Sales: +36.5%
	OP: ¥258m	OP: ¥420m	OP: +62.8%
	OPM: 3.1%	OPM: 3.7%	OPM: +0.6ppt
Domestic Fashion subtotal	Sales: ¥163.8bn	Sales: ¥167.4bn	Sales: +2.2%
	OP: ¥8.7bn	OP: ¥9.8bn	OP: +12.3%
	OPM: 5.3%	OPM: 5.8%	OPM: +0.5ppt
Overseas Fashion subtotal	Sales: ¥24.5bn	Sales: ¥28.5bn	Sales: +17.4%
	OP: ¥442m	OP: ¥615m	OP: +39.1%
	OPM: 1.8%	OPM: 2.2%	OPM: +0.4ppt

* Source: Company

Following 1Q results, Onward Kashiya's FY 2/27 guidance was raised, as WEGO & Made-To-Order KASHIYAMA performed strongly versus plan. Yamato's outlook was reduced following weaker B2B contract outcomes.

- Fashion sales by brand



DOMESTIC FASHION

Onward Kashiyama + Onward Holdings

ONWARD's core domestic apparel platform remains the group's main earnings engine. It comprises legacy heritage brands including Nijusanku, Kumikyoku, ICB, Gotairiku & ATON, alongside growth brands including UNFILO & WEGO, all operating through a mixed-channel model increasingly weighted towards shopping centres & e-commerce.

The portfolio increasingly spans the full customer lifecycle, from youth fashion at WEGO to functional casualwear at UNFILO, premium womenswear via Nijusanku & bespoke tailoring through Made-To-Measure KASHIYAMA.

For FY 2/27, company guidance assumes Onward Kashiyama sales growth of +0.8%YoY & OP growth of +7.0%YoY, with OPM expanding to 6.6%. The outlook reflects improved store productivity, OMO deployment & continued resource reallocation towards strategic brands.

1Q performance was broadly in line with expectations. Onward Kashiyama sales increased +2.0%YoY to ¥31.4bn, whilst OP rose +9.7%YoY to ¥3.4bn as improved store operations offset pressure on GPM. Warm weather in May supported summer product demand, particularly at Nijusanku, although the result also reflected continued growth through shopping centres, directly operated stores & EC.

Strategic brands continued to outperform. UNFILO sales grew +25.7%YoY, supported by digital marketing, new stores & increased floor allocation within OCS locations. Management is expanding UNFILO's selling space where demand supports higher sales density, allowing growth within existing multi-brand stores & through new openings.

The domestic Fashion strategy is increasingly weighted towards UNFILO, WEGO & Made-To-Order KASHIYAMA, supported by OMO-driven productivity improvements across the broader store network. The structural channel shift away from department stores towards shopping centres, directly operated stores & EC remains important, but the key margin benefit comes from improved labour productivity, inventory control & floor space utilisation through OMO rather than differences in occupancy costs alone.

Made-To-Order KASHIYAMA (Operated by Onward Personal Style Co., Ltd.)

Made-To-Order KASHIYAMA is one of ONWARD's highest-growth businesses & an important contributor to the FY 2/31 earnings plan. FY 2/26 sales increased +33.3%YoY to ¥8.3bn, whilst OP rose +55.9%YoY to ¥258m, with management targeting sales of ¥25bn & OPM of $\geq 8\%$ by FY 2/31.

The platform combines in-store measurement, digital data transmission & production at the Dalian smart factory. Customer measurements are stored electronically, allowing repeat orders without a full refitting, whilst Made-To-Order products can be delivered within ~1 week. Entry pricing starts from ¥30,000, positioning KASHIYAMA as an accessible Made-To-Order offering between ready-to-wear & traditional made-to-measure tailoring.

Speed, convenience & repeat purchasing are key. Digital order transmission to Dalian shortens the production process, whilst stored customer data supports targeted marketing, seasonal campaigns & repeat orders. Management increasingly views Made-To-Order KASHIYAMA as a customer lifetime value business rather than a one-off tailoring transaction.

- 1Q FY 2/27: 1Q sales increased +38.5%YoY to ¥3.3bn, whilst OP rose +55.9%YoY to ¥276m, implying OPM of 8.3%. Growth was supported by 11 new stores, +12% existing-store sales & effective digital marketing.

The brand benefits from strong repeat purchasing from existing customers. Campaigns include seasonal fabric mailings, customer referral offers & targeted digital promotions.

1Q earnings demonstrate that higher volumes can support operating leverage. The margin should not be annualised, however, as suit demand is seasonally weak during 2Q, when hot weather reduces formalwear purchases, before recovering in autumn & winter. Management expects 1H OPM of 2.3% & FY 2/27 OPM of 3.7%, despite the higher 1Q margin.

- *Store expansion:* Growth is being driven by both new stores & higher sales at existing locations. Management plans to continue expanding primarily through suburban shopping centres, broadening KASHIYAMA's reach beyond its traditional urban & department store customer base.

The Nagareyama shopping centre location significantly exceeded its initial sales plan & attracted more customers in their 30s–40s. This supports management's view that suburban locations can broaden customer acquisition & increase sales density, although performance at one location should not be extrapolated across the full rollout.

- *Profitability drivers:* The path towards OPM of $\geq 8\%$ rests on 3 factors.

- Dalian factory utilisation: The factory has a relatively fixed cost base. Higher order volumes improve fixed cost absorption, labour productivity & unit economics.
- Store productivity: stores also carry fixed staffing & fit-out costs. Higher customer traffic, repeat purchasing & digital marketing can increase sales without a proportionate increase in operating costs.

- Network expansion: New shopping centre locations broaden the addressable customer base & support higher production volumes. The margin benefit depends on scale, sales density & operating efficiency rather than assumed rent advantages.

Made-To-Order KASHIYAMA's medium-term contribution is material but should not be overstated. At the FY 2/31 target of ¥25bn sales & OPM of ≥8%, the business would generate OP of ≥¥2.0bn. This would make it an important contributor to group OP growth, but not the sole driver of ONWARD's ¥25bn FY 2/31 target.

UNFILO

UNFILO is the group's fastest growing internally developed brand. Launched in 2021, the brand generated FY 2/26 sales of ¥10.5bn, +35.5%YoY, with management targeting sales of ¥25bn by FY 2/31. The brand is positioned around functional apparel, combining technical fabrics – such as BEAUTY MOVE & UV CUT Rashguard – with casual daily wear at an ASP of ~¥8,000.

UNFILO's strategic importance lies in its structural channel positioning. Unlike legacy ONWARD brands, UNFILO was developed for shopping centres, EC & OCS formats, providing direct exposure to the group's fastest-growing distribution channels. Proprietary functional fabrics, developed partly with Toray, support product differentiation & repeat sales of successful products.

The functional apparel proposition also reduces exposure to Japan's increasingly unpredictable seasonal weather patterns, which have pressured demand for traditional seasonal collections. Marketing is predominantly digital, with customer engagement & AI-assisted analysis of customer reviews informing product development & merchandising decisions. **Management targets approximately doubling sales over the next 3 years** through floor space expansion & standalone store rollout.

WEGO

WEGO is ONWARD's youth fashion platform, offering affordable streetwear, casualwear & accessories at price points accessible to secondary & high school students. ~68% of members are aged below 20, giving ONWARD access to a younger demographic than its legacy brands.

Management views WEGO as an entry point into a longer-term customer relationship. As customers' purchasing power increases, ONWARD aims to retain them within the group through UNFILO, Nijusanku, Made-To-Order KASHIYAMA & selected Wellness brands. This cross-brand migration opportunity remains at an early-stage.

ONWARD initially acquired a 20.27% stake in May 2023 before purchasing the remaining 79.73% in Sep 2024 for ¥500m. WEGO had previously been loss-making but restructuring initiatives & operational support improved profitability prior to full consolidation. Since consolidation, investment has focused on systems, DX, inventory, stores & human capital rather than acquisition consideration alone.

FY 2/26 sales reached ¥32.5bn with OP of ¥1.3bn on a pre-reclassification basis; on the restated basis used for FY 2/27 domestic comparisons, sales were ¥31.3bn & OP was ¥1.3bn, whilst management targets sales of ¥45bn by FY 2/31. In 1Q FY 2/27, WEGO's domestic sales increased +6.8%YoY to ¥8.2bn, whilst OP rose +16.4%YoY to ¥546m.

Existing-store sales increased +6.9%, supported partly by women's collaboration products.

The OPM improvement mainly reflected better procurement accuracy & inventory discipline. Higher buying volumes in the 1st year after acquisition led to greater markdowns, but improvement is expected in FY 2/27, suggesting that integration is improving earnings quality.

- *Overseas expansion*: FY 2/27 marks the start of a more structured overseas rollout. WEGO launched its first Taiwan store & local EC operation at the end of May 2026. Combined store & EC sales through end-June reached 4.4× the initial conservative forecast, indicating a stronger-than-expected start.

Management plans to open 3 further Taiwan stores during FY 2/27, including a Taipei flagship, taking the network to 4 stores. The medium-term target is ~20 Taiwan stores by FY 2/30. Early performance supports WEGO's overseas expansion strategy, although the key test is whether momentum can be sustained as the Taiwan network scales.

In China, WEGO has launched EC through Taobao & Tmall, initially focused on accessories & related merchandise. A Shanghai flagship is planned later in CY26, with the physical store intended to support brand awareness & broader apparel sales through EC.

WEGO broadens ONWARD's exposure to younger customers, shopping centres & Asian growth markets. Domestic margin improvement & the Taiwan launch support the acquisition rationale, with the next phase centred on disciplined scaling across Taiwan & China.

- *WEGO: targeting young consumers through affordable streetwear, casualwear & accessories*



* Source: Company website

- *Nijusanku*: **Nijusanku is ONWARD's largest brand, generating ~¥35bn in annual sales & ranking among the group's most profitable brands.** The brand benefits from strong full-price sell-through & repeat purchase rates above 60%. ASP is ~¥22k, positioning the brand within the premium smart-casual & workwear segment for women in their 30s-50s.

The main structural challenge is demographic concentration. The brand remains heavily exposed to department stores, whilst its core customer base is aged 40-50.

Management is pursuing a gradual repositioning strategy through the launch of the SALON Nijusanku AOYAMA flagship store in March 2026, continued OCS rollout, EC expansion & the appointment of actress Ai Mikami (20s) as brand ambassador to strengthen appeal among younger consumers. Evidence of meaningful demographic broadening remains limited at this stage.

- Nijusanku: ONWARD's leading womenswear brand



* Source Company website

Legacy brands including Nijusanku, Kumikyoku, Gotairiku, ICB & Jiyuku provide the earnings & cashflow foundation for investment into growth businesses across the portfolio. Collectively, these mature brands provide scale, broad customer reach, stable profitability & cashflow generation.

Consequently, they allow management to allocate capital more aggressively into higher-growth businesses such as UNFILO, WEGO & KASHIYAMA, which are expected to drive the majority of medium-term sales growth, channel transformation & margin expansion.

OVERSEAS FASHION

OVERSEAS FASHION

Overseas sales have declined following the global structural reforms implemented from FY 2/20, which led to a reduction in the portfolio through market withdrawals, cost-cutting measures & the sale of the Guam business .

In FY 2/26, overseas sales increased +5.5%YoY to ¥23.0bn. The regional businesses generated aggregate OP of ¥268m versus a ¥115m loss in FY 2/25, marking the first positive result in 11 years, although the consolidated Overseas Fashion subtotal remained loss-making at -¥322m after eliminations.

- Sales & OP by region



* Source Company

Regional sales are shown on a simple aggregate basis before intercompany eliminations & therefore differ from the consolidated Overseas Fashion subtotal.

Management is now focused on a smaller number of scalable brands, supported by tighter inventory control, higher EC penetration & selective expansion through WEGO.

In 1Q FY 2/27, Overseas Fashion sales increased +16.2%YoY to ¥5.6bn, whilst the OP loss narrowed slightly to -¥275m from -¥283m. J.PRESS benefited from EC growth & returned to modest profitability, whilst JOSEPH remained loss-making. Asia sales increased, but front-loaded WEGO Taiwan expansion costs weighed on OP.

Europe — JOSEPH

Europe remains ONWARD's largest overseas business, led by JOSEPH, the London-based contemporary designer brand acquired in 2005. The brand is positioned between the high street & global luxury market, with womenswear as its core category. Management strategy prioritises EC penetration, retail productivity & brand positioning rather than aggressive store expansion.

In FY 2/26, sales grew +9.3%YoY to ¥13.6bn, whilst OP declined -28.3%YoY to ¥124m as structural reforms, including integration of the UK & French headquarters, weighed on profitability. FY 2/27 guidance targets sales of ¥14.7bn & OP of ¥180m, implying gradual earnings recovery.

1Q FY 2/27 sales increased +7.4%YoY to ¥2.7bn, whilst the OP loss narrowed to -¥323m. EC & wholesale grew, but physical retail remained affected by weak UK demand. The 1Q loss is partly seasonal because wholesale earnings are weighted towards later quarters, making

2Q & 4Q important to FY delivery.

US — J.PRESS

J.PRESS is a heritage American menswear brand acquired in 1986. Following the disposal of the Guam golf business, the US operation is now centred on J.PRESS, with management **focused on EC growth & restoring profitability.**

In FY 2/26, the US operating loss narrowed to -¥47m from -¥379m, supported by restructuring & improved EC performance. FY 2/27 guidance targets modest profitability for the first time. Management targets sales of ¥15bn & 20 stores by FY 2/31.

1Q sales increased +82.5%YoY to ¥604m, whilst OP improved to ¥8m from a -¥43m loss. EC was the main driver, reflecting benefits from the management & digital platform changes implemented during 2025.

New York & Washington DC flagship relocations should support brand development & complement the recent EC momentum. The 1Q result indicates that the turnaround is progressing, with further earnings improvement expected as the new stores stabilise.

Asia

The Asia business includes operations across China, Hong Kong & Taiwan, the Dalian production facility & WEGO's overseas business. The Dalian factory is central to the KASHIYAMA model, with higher Made-To-Order volumes improving utilisation & fixed cost absorption.

FY 2/26 sales reached ¥7.2bn, with OP of ¥191m. FY 2/27 guidance targets sales of ¥10.5bn & OP of ¥425m, supported by Dalian production growth & WEGO's overseas expansion.

In 1Q FY 2/27, sales increased +16.4%YoY to ¥2.3bn, driven by higher Dalian factory activity & WEGO China EC. OP declined to ¥40m from ¥89m due mainly to front-loaded Taiwan launch costs.

WEGO's 1st Taiwan store & local EC operation started materially ahead of plan, whilst a Shanghai flagship is scheduled for later in CY2026. Together, these initiatives create a broader Asian growth platform, with earnings expected to improve as the store network scales.

WELLNESS

Wellness – recent results & FY guidance

Within Wellness, management expects future growth to be driven mainly by cosmetics expansion, direct-to-consumer gifting, selective M&A & higher margin IP / licensing income. FY 2/26 Wellness sales increased +4.8%YoY to ¥45.5bn, whilst OP increased +7.7%YoY to ¥3.5bn, implying OPM of 7.7% above the group OPM of 4.9%.

In 1Q FY 2/27, Wellness sales increased +9.6%YoY to ¥11.9bn, whilst OP declined -16.2%YoY to ¥1.2bn, mainly reflecting lower Yamato earnings & front-loaded Chacott marketing investment.

Management targets FY 2/31 sales of ¥70bn, implying ~¥25bn of incremental sales over 5 years, primarily driven by cosmetics expansion, gifting growth & selective M&A. The

segment currently represents ~19% of group sales, but management expects this weight to increase over time as Wellness grows faster than the core apparel business.

FY 2/27 guidance targets Wellness sales of ¥47.3bn +8.8%YoY & OP of ¥3.6bn +8.4%YoY, implying OPM of 7.6%.

Cosmetics — Wellness's fastest growth driver

Cosmetics is the fastest growing Wellness sub-segment & one of the group's most important structural growth drivers. The business is built around 3 brands: Chacott Cosmetics, KOKOBUY & Cosmé de Beauté. Management targets cosmetics sales of ¥15bn by FY 2/31 versus ~¥4.8bn in FY 2/26.

Chacott was acquired in 1990 & is Japan's leading ballet products company, with >90% domestic market share in ballet-related products, whilst continuing to engage in a wide range of ballet-related businesses.

Growth is increasingly driven by Chacott Cosmetics, which applies product functionality developed through stage makeup to the broader cosmetics market. Its products are positioned around durability, heat resistance & quality, supporting demand across a broad customer base rather than a specific demographic.

- Chacott Cosmetics: driving growth in the Wellness segment



* Source Company website

In FY 2/26, Chacott sales increased +4.9%YoY to ¥10.7bn, whilst OP increased +17.3%YoY to ¥991m, with an OPM of 9.3%. Chacott Cosmetics outperformed with sales rising +22.0%YoY, driven mainly by expansion into drug stores alongside existing variety shop, department store & EC channels.

In 1Q FY 2/27, Chacott sales increased +16.4%YoY, whilst OP was broadly flat as promotional spending was front loaded. Chacott Cosmetics sales increased +45.4%YoY following the company's first national television campaign, wider digital marketing & expanded displays across drug stores & variety stores. The Complexion Creator & Cool Series performed well, with early summer weather supporting demand for heat-resistant products. FY 2/27 guidance targets Chacott sales of ¥12.2bn +14.3%YoY & OP of ¥1.1bn.

The 1Q margin outcome reflects deliberate brand investment rather than weak demand. Management expects increased customer reach & wider retail presence to support a larger profit contribution in 2H, although repeat purchasing & marketing returns remain important areas to monitor.

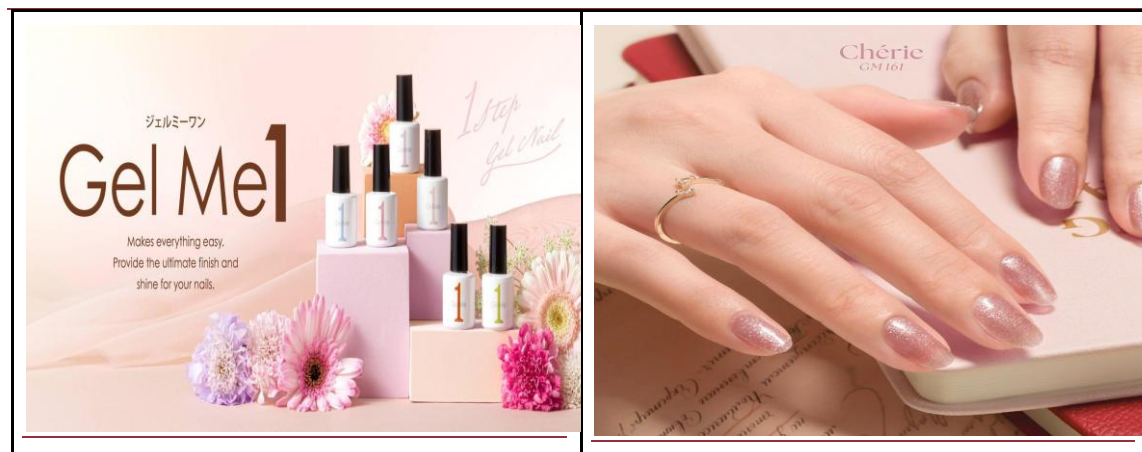
KOKOBUY, acquired in 2017, strengthened the group's presence in beauty EC & premium haircare through salon-focused premium haircare products positioned around natural ingredients & environmentally conscious formulations. The company is currently expanding its sales channels to include chemists & general merchandise shops.

Cosmé de Beauté was acquired in March 2026 for ~¥3.6bn excluding net cash, equivalent to a total transaction value of ~¥4.5bn & was consolidated from 1Q FY 2/27. The company operates the Gel Me One self-nail brand through drug stores & variety shops across Japan. It contributed 1Q sales of ¥465m & OP of ¥146m, broadly in line with management expectations.

FY 2/27 is primarily an integration year for Cosmé de Beauté, with management focused on organisational, management & systems integration. Full-year guidance implies sales of ¥1.7bn & OP of ¥380m, equivalent to OPM of 22.3%, making it one of the group's highest-margin disclosed businesses.

The acquisition illustrates ONWARD's Wellness M&A strategy: acquiring niche brands with **high-margin, repeat-purchase revenue streams that enhance OPM without requiring significant scale**. Over time, management aims to develop a broader beauty platform using shared digital marketing, customer data, EC infrastructure & distribution capabilities.

- Gel Me1: Cosmé de Beauté's flagship self-gel nail brand



* Source Company website

Yamato — Gift

Yamato is the largest Wellness business by sales. Acquired in 2019, it operates catalogue gifting, direct-to-consumer gifting & physical gift stores, including antina gift studio & PRESENTERS ROOM.

In FY 2/26, sales increased +15.6%YoY to ¥24.1bn & OP rose +18.4%YoY to ¥1.5bn. Growth is driven by corporate gifting, Furusato Nozei participation & steady seasonal gifting demand.

In 1Q FY 2/27, sales increased +0.7%YoY to ¥6.0bn, whilst OP declined -55.1%YoY to ¥336m following the absence of a high-margin corporate contract secured in the prior year. Management believes this reflects the company not securing a major contract, rather than weaker gifting demand.

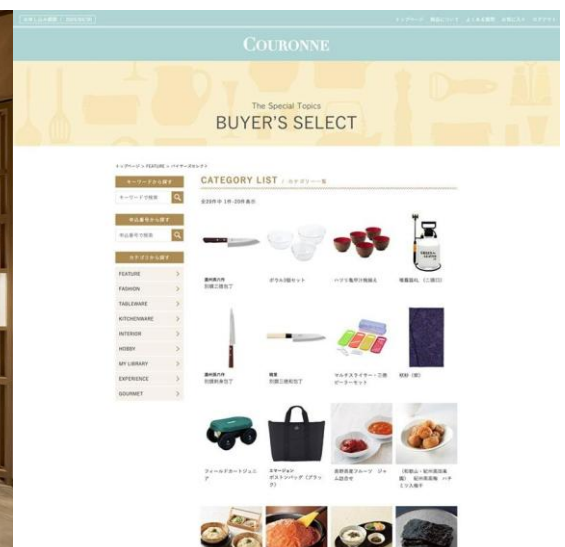
The key structural **shift is from ceremonial gifting to casual gifting occasions**. Traditional catalogue gifting associated with weddings, funerals & seasonal customs (oseibo, ochugen) faces long-term demographic pressure from lower marriage rates & the simplification of funerals in the post-COVID era. In response, management is expanding dōzo, a curated casual gifting platform focused on everyday occasions including birthdays, thank-you gifts & celebrations. The opening of PRESENTERS ROOM at NEWoMan Takanawa in Sep 2025 reflects this repositioning strategy.

Beyond its earnings contribution, Yamato's customer database represents a valuable group asset. The group is considering utilising Yamato's customer database going forward. Gifting data provides insight into household composition, life-stage events & seasonal purchasing behaviour, creating **potential cross-selling opportunities across cosmetics & other Wellness businesses**. FY 2/27 guidance targets sales of ¥24.5bn & OP of ¥1.2bn - 15.8%YoY, reflecting the weaker expected corporate contract mix.

- Yamato: increasing focus on casual gifting occasions



* Source: Company website



Creative Yoko — IP & Pet

Creative Yoko operates Pet Paradise pet lifestyle business alongside the Sirotan IP & licensing franchise.

FY 2/26 sales increased +1.1%YoY to ¥6.9bn, whilst OP declined -18.4%YoY to ¥670m, ¥180m below the original company estimate of ¥850m. The shortfall reflected higher-than-expected upfront investment, new store development, higher anime/IP related spending & weaker GPM.

Despite the FY 2/26 OP decline, OPM remained relatively high at 9.7%, reflecting the structurally attractive profitability of IP licensing & pet-related lifestyle products. Competition in the pet supplies sector is becoming increasingly fierce, but management expects profitability to recover gradually in FY 2/27 as investment costs normalise &

licensing income expands. FY 2/27 guidance targets sales of ¥7.0bn +1.8%YoY & OP of ¥730m +9.0%YoY.

In 1Q FY 2/27, sales increased +6.5%YoY to ¥1.7bn, whilst OP rose +10.7%YoY to ¥197m.

Pet Paradise operates a nationwide network of pet stores offering apparel, accessories, & lifestyle products. Whilst the business remains relatively small within the broader group at ~¥7bn sales, management views the pet category as structurally attractive, supported by ageing demographics, smaller household sizes & rising discretionary spending on pets across Japan & wider Asia. Management also sees overseas expansion into China & Southeast Asia as a medium-term growth opportunity.

- Pet Paradise: leveraging pet category growth



* Source: Company website

The Sirotan character IP, a harp seal mascot developed internally, is becoming an increasingly important monetisation platform through merchandise, licensing, collaborations & media content. The character has a strong presence across social media, stationery, plush toys, apparel & lifestyle products.

The growing popularity of the character amongst younger consumers provides exposure to higher-margin licensing & royalty income beyond the group's traditional pet retail operations.

In March 2026, management announced a TV anime adaptation scheduled for broadcast on TV Asahi from autumn 2026. Management expects the anime series to increase brand awareness, expand licensing opportunities & support overseas growth, particularly across Asia where Japanese character IP has demonstrated strong export potential.

Whilst the business remains relatively small today, management increasingly views Sirotan as a medium-term growth driver with potential to outpace the underlying pet store business through broader merchandising, licensing & royalty income streams.

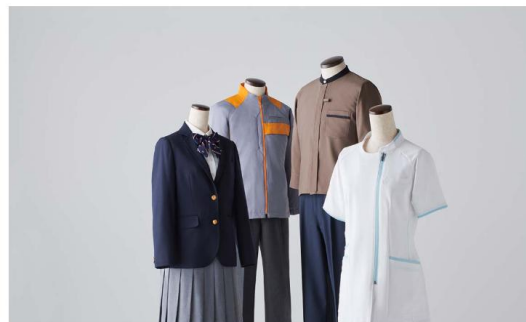
- Sirotan: driving increasing monetisation



* Source: Company website

CORPORATE DESIGN SEGMENT

The Corporate Design segment is operated through Onward Corporate Design Co., Ltd. (OWCD), established in 2023 through the merger of Onward Trading & Onward Creative Center. OWCD has >60 years of B2B experience & operates across Uniforms, Insight, which covers promotional merchandise & packaging, & Environment, which focuses on office design & workplace services.- *Corporate Design segment: focus on uniforms, promotional merchandise & office design*



* Source: Company website

FY 2/26 sales increased +3.6%YoY to ¥19.1bn, whilst OP increased +5.6%YoY to ¥1.8bn, implying OPM of 9.5%. FY 2/27 guidance targets sales of ¥19.4bn +1.3%YoY & OP of ¥2.0bn +9.8%YoY, with OPM expected to exceed 10%. In 1Q FY 2/27, sales increased +0.4%YoY to ¥5.4bn, whilst OP rose +2.1%YoY to ¥744m.

The 2023 merger improved operating efficiency through the consolidation of overlapping sales functions & broader use of shared corporate customer relationships.

Management targets FY 2/31 sales of ¥30bn, with growth expected to be driven mainly by the Space Create office design & consulting business. Space Create has a specific FY 2/31 sales target of ¥10bn & leverages relationships with >2,000 corporate clients built through uniform contracts to generate office design & workplace consulting opportunities.

EARNINGS

FY 2/26 results

FY sales increased +13.6%YoY to ¥236.8bn, OP +14.3%YoY to ¥11.6bn, RP +10.8%YoY to ¥11.2bn & NP +18.5%YoY to ¥10.1bn. Results exceeded the initial company estimates, with sales beating by +3.0% & OP exceeding guidance by ¥104m. EBITDA grew +11.3%YoY to ¥17.2bn. FY 2/26 earnings recovered from a FY 2/25 OP decline of -9.8%YoY to ¥10.2bn following GPM pressure from inventory clearance activity.

- *Sales drivers:* The ¥28.4bn sales increase was driven by 3 key factors:

1) **The transition from partial-year to full-year consolidation of WEGO** provided the largest contribution. WEGO contributed ¥32.5bn of sales & ¥1.5bn OP in FY 2/26 on the pre-reclassification basis versus ¥12.8bn sales over five months in FY 2/25. On a like-for-like 12-month basis, WEGO sales grew +7.5%YoY. From FY 2/27, overseas WEGO is reported within Asia, with the restated domestic comparison at ¥31.3bn sales & ¥1.3bn OP. Excluding WEGO, underlying group growth was ~4-5%YoY.

2) **Onward Personal Style's Made-To-Order KASHIYAMA** delivered ¥8.3bn sales +33.3%YoY & OP of ¥258m, recovering from prior losses as suburban SC expansion broadened the customer base & higher production volumes improved utilisation at the Dalian factory.

3) **Strategic growth brands** continued to outperform the broader group: UNFILO sales increased +35.5%YoY, exceeding ¥10.0bn for the first time, whilst Nijusanku sales rose +5.0%YoY & Chacott Cosmetics grew +22.0%YoY.

- *Channel Mix:* EC sales grew to ¥34.2bn, representing 29.5% of ONWARD Kashiyama sales, & shopping centre sales reached ¥42.2bn, equivalent to 36.5% of sales. Both channels combined now materially exceed department stores sales of ¥39.5bn, which declined -4.2%YoY & account for 34.1% of sales. As a result, channel mix continued to improve during FY 2/26.

Channel	FY 2/26 Sales (¥bn)	% of Sales	YoY
Department stores	39.5	34.1%	-4.2%
Shopping centres & outlets	42.2	36.5%	6.3%
EC	34.2	29.5%	4.5%

- *GPM & SG&A:* GPM improved +0.2ppt to 54.7% despite the dilutive effect of a full-year of WEGO consolidation, implying underlying margin improvement at Onward Kashiyama. Key drivers included tighter inventory control & more disciplined markdowns. The SG&A ratio rose +0.2ppt to 49.8%, reflecting wage increases & DX-related investments concentrated in 1H. These costs were partially offset by tighter 2H spending & cost efficiencies from OCS rollout.

- *Quarterly seasonality:* Earnings remain highly seasonal, with OP heavily skewed to 1Q (Mar-May) & 3Q (Sep-Nov). In FY 2/26, the company generated 1Q OP of ¥5.4bn (OPM of 8.9%), ¥383m in 2Q (0.7%), ¥3.8bn in 3Q (6.1%) & ¥2.1bn in 4Q (3.3%). Weather conditions in April-May & Sep-Oct have an outsized impact on FY results.

- *Overseas:* On a simple aggregate basis before eliminations, overseas operations generated positive OP for the first time in 11 years since FY 2/15, with regional details covered in the Overseas Fashion section.

Region	FY 2/26 Sales (¥bn)	YoY	FY 2/26 OP (¥bn)	YoY
Europe (JOSEPH)	13.6	9.3%	0.1	-28.3%
US (J.PRESS)	2.3	-4.9%	-0.05	loss narrowed
Asia	7.2	2.2%	0.2	109.9%
Overseas total	23	5.5%	0.3	vs. -¥115m

1Q FY 2/27 results

1Q FY 2/27 results were broadly in line with management expectations, despite some variations by business.

Sales increased +5.5%YoY to ¥63.5bn, OP +5.5%YoY to ¥5.6bn & NP +18.1%YoY to ¥5.0bn. FY guidance was maintained as **stronger performance at Onward Kashiya & WEGO offset weaker earnings at Yamato.**

Domestic Fashion was the main profit driver. Onward Kashiya benefited from early summer demand in May, whilst Made-To-Order KASHIYAMA, UNFILO & WEGO continued to outperform.

In Wellness, Chacott Cosmetics also recorded rapid sales growth following increased television, digital & in-store promotion, although front-loaded marketing costs limited the immediate OP contribution.

- *Weather & current trading:* Weather remained the main source of quarterly volatility. Unusually warm May conditions brought summer demand forward, supporting apparel sell-through & Chacott's heat-resistant Cool Series. Comparable total sales increased +3.8%YoY in May, whilst all-store sales rose +5.0%YoY.

Conditions reversed in June, with cooler temperatures, higher rainfall & one fewer holiday weakening demand for summer products. Existing-store sales declined -7.6%YoY, with the calendar difference estimated to have reduced sales by ~2.1ppt. Management attributed the remaining weakness mainly to weather, with July's subsequent recovery supporting the view that June was primarily seasonal rather than structural.

Sales recovered in July with existing stores +4.7% as weather normalised, supporting management's view that June reflected a timing disruption rather than a structural deterioration in demand.

- *Channel performance:* Department store sales declined -4.5%YoY to ¥13.6bn, whilst shopping centres & other channels increased +11.7%YoY to ¥27.5bn. EC sales rose +5.2%YoY to ¥15.2bn, representing 27.0% of disclosed domestic channel sales. The main earnings benefit is improving store productivity rather than a simple change in occupancy costs. Multi-brand operations, Click & Try & flexible floor allocation supported a -0.9ppt improvement in the SG&A ratio, offsetting a -0.9ppt decline in GPM.

- *GPM & inventory:* GPM declined -0.9ppt YoY to 56.1% reflecting the early launch of summer products & inventory optimisation. Management indicated that inventory control was progressing broadly as planned, with no material concern over inventory quality.

The key monitoring point is whether GPM recovers as summer inventory clears & the higher-margin autumn/winter mix increases. No specific 2H margin recovery range was

formally disclosed.

- *Yamato*: Yamato's weaker 1Q reflected the absence of a high-margin corporate contract secured in the prior year. Management reduced its FY 2/27 outlook for the business, whilst group guidance remained unchanged.

FY 2/27 outlook

Following 1Q, management maintained consolidated FY 2/27 guidance despite revising the earnings mix by business. Onward Kashiyama guidance was raised, whilst Yamato was reduced. Key earnings drivers remain KASHIYAMA scaling, cosmetics growth, OMO-led store productivity & overseas recovery.

FY 2/25–27 is positioned as the investment phase, with FY 2/28–31 expected to deliver faster earnings growth as prior investments mature. FY 2/27 OP guidance of ¥12.8bn remains ¥3.2bn below the original FY 2/27 interim target of ¥16bn, whilst the FY 2/31 target of ¥25bn requires a further material earnings acceleration.

- FY 2/27 Segment forecasts

Segment	Sales (¥bn)	YoY	OP (¥bn)	YoY
Onward Kashiyama + HD	116.7	0.8%	7.8	7.0%
WEGO	31.5	0.8%	1.4	9.1%
KASHIYAMA (Onward Personal Style)	11.3	36.5%	0.4	62.8%
Europe (JOSEPH)	14.7	8.6%	0.2	45.2%
US (J.PRESS)	3.2	41.8%	0.0	vs. -¥47m loss
Asia	10.5	24.9%	0.4	16.4%
Chacott	12.2	14.3%	1.1	6.0%
Creative Yoko	7.0	1.8%	0.7	9.0%
Yamato	24.5	1.8%	1.2	-15.8%
Cosmé de Beauté	1.7	n/a	0.4	n/a
Onward Corporate Design	19.4	1.3%	2.0	9.8%

- Monthly Sales

	FY 2/26	1Q FY 2/27	Mar-Jul FY 2/27 (Cumulative)
All Store Sales	16.6%	3.7%	1.8%
Comparable Total Sales	1.1%	2.1%	0.8%
Comparable Store Sales	1.0%	2.8%	1.3%
Comparable EC Sales	1.5%	0.3%	-0.4%

- *Weather-related comps volatility*: 1Q comparable sales increased +2.1%YoY, with physical stores +2.8% & EC +0.3%. Trading weakened in June, when existing-store sales declined -7.5%YoY as cooler temperatures, higher rainfall & one fewer holiday reduced demand for summer products. July then recovered to +4.7%YoY, supported by higher temperatures, strong summer merchandise, KASHIYAMA digital marketing & continued WEGO momentum. As a result, Mar–Jul cumulative comparable sales remained positive at +0.8%, supporting management's view that June weakness was mainly seasonal rather than structural.

MTP — ONWARD Vision 2030

- *MTP*: ONWARD Vision 2030 was originally published in April 2021, revised in April 2024 with updated FY 2/27 interim targets, & further updated in April 2026 with detailed FY 2/31 business unit targets.

The plan is centred on a **structural mix shift story**. Historically, the group was heavily dependent on mature department store channels, which face secular decline. The Vision 2030 path involves **deliberate portfolio rebalancing** towards channels expected to deliver higher growth (shopping centres, e-commerce, direct-to-consumer), higher-margin brands (Nijusanku, Made-To-Order KASHIYAMA, Wellness cosmetics) & operational efficiency gains (OMO store model).

FY 2/31 Targets:

- Total Group Sales: ¥300bn (vs. ¥236.8bn FY 2/26, requiring ~4.8% CAGR)
- OP: ¥25bn (vs. ¥11.6bn FY 2/26, requiring ~16.6% CAGR)
- OPM: 8.3% (vs. 4.9% FY 2/26, +3.4ppt expansion)

- *OPM Expansion*: Management targets group OPM of 8.3% by FY 2/31 versus 4.9% in FY 2/26, implying a +3.4ppt improvement. **The pathway rests on 5 main drivers**, although the contribution from each has not been formally quantified by the company.

- 1) **OMO & store productivity**: OCS, Click & Try & flexible floor allocation are intended to improve labour productivity, customer conversion & sales density. In 1Q FY 2/27, Onward Kashiya OP increased +9.7%YoY on sales growth of +2.0%YoY, whilst the group SG&A ratio improved -0.9ppt.
- 2) **Made-To-Order KASHIYAMA scale**: Management targets KASHIYAMA sales of ¥25bn by FY 2/31 from ¥8.3bn in FY 2/26, with OPM of ≥8%. At target, the business would generate OP of ≥¥2.0bn, making it an important contributor to group earnings growth. Higher factory utilisation, store productivity & repeat purchasing are expected to increase KASHIYAMA's contribution to group OP.
- 3) **Wellness mix**: Wellness generated OPM of 7.7% in FY 2/26, above the group average. Growth in Chacott Cosmetics, Cosmé de Beauté, gifting & IP/licensing should increase its contribution, whilst selective M&A remains an additional lever. Cosmé de Beauté's guided OPM of 22.3% illustrates the potential margin benefit from mix improvement.
- 4) **Channel mix**: ONWARD expects Onward Kashiya's department store sales mix to decline from 34.1% in FY 2/26 towards 20% by FY 2/31. Growth in shopping centres, directly operated stores & EC should improve control over staffing, merchandising & inventory. Higher labour productivity, inventory efficiency & sales density are expected to underpin margin expansion.
- 5) **Overseas recovery & SG&A leverage**: Lower losses at J.PRESS, gradual JOSEPH improvement & WEGO's Asian expansion are expected to reduce the overseas earnings drag. At group level, sales growth towards ¥300bn should also improve fixed cost absorption as prior DX, OMO & store investments mature.

FY 2/25–27 is positioned as the investment phase, with FY 2/28–31 expected to deliver faster earnings growth. FY 2/27 OP guidance of ¥12.8bn remains ¥3.2bn below the ¥16bn interim target set for the same year, leaving a material delivery gap to the FY 2/31 target of ¥25bn.

- FY 2/31 MTP Segment Targets

Segment	FY 2/26 Sales	FY 2/31 Target	Increase	Key Driver
Fashion	¥174bn	¥200bn	+15%	Mix shift to strategic brands; OMO store economics
Strategic growth brands	~¥90bn*	¥160bn	~+78%	UNFILO, WEGO & KASHIYAMA scale
Wellness	¥45.5bn	¥70bn	+54.0%	Higher-margin growth outside apparel
- Cosmetics	~¥4.8bn	¥15bn	~+3x	Distribution scale & high-margin mix
- Gift	¥24.1bn	¥30bn	+24%	Stable growth & operating leverage
- IP/Pet	¥6.9bn	¥10bn	+45%	IP monetisation & overseas pet growth
Corporate Design	¥17.3bn	¥30bn	+73%	Scale & office creation mix improvement
Overseas sales	¥16.7bn	>¥30bn	>+80%*	Loss elimination & profitability recovery
Group total	¥236.8bn	¥300bn	+27%	OP growth driven by mix, OMO & overseas

*Overseas target includes J.PRESS sub-target of ¥15bn sales & ~20 US stores by FY 2/31, versus ¥2.3bn sales in FY 2/26.

* Vision 2030 sales figures are presented after intercompany eliminations & therefore differ from figures used elsewhere in this report.

Management plans ~¥70bn of cumulative investment across DX, OMO, EC, KASHIYAMA expansion, overseas growth & selective M&A. Funding is expected to come from ~¥40bn of cumulative operating cash flow, cross-shareholding disposals & debt, whilst net D/E is targeted at <0.5x.

FY 2/27 Interim Targets — Gap to Close: The April 2024 revision set FY 2/27 interim targets of sales ¥220bn, OP ¥16bn, OPM 7.3% , NP >¥10bn, ROE >10% & ROIC >7%.

Current FY 2/27 company guidance of ¥12.8bn OP sits ¥3.2bn below that interim OP target, highlighting the earnings acceleration required in FY 2/28-31 to reach the FY 2/31 target of ¥25bn. **Key drivers are KASHIYAMA, which is expanding its shopping centres in suburban areas, & Cosmetics, where drug store distribution continues to scale.**

Key operational milestones underpinning the plan include OMO store expansion & KASHIYAMA suburban rollout as primary physical growth drivers, ONWARD Members expanding from 12.2m currently towards 20m by FY 2/31 & EC sales reaching ¥100bn (versus ¥48bn in FY 2/25).

Investor focus is likely to centre on how KASHIYAMA scaling, Wellness mix shift, overseas recovery & OMO-driven store economics translate into progress towards the ¥25bn OP target, & the pace at which the FY 2/27 gap closes.

SHAREHOLDER RETURNS

The April 2024 MTP revision raised the dividend payout target from 35% to 40%, effective from FY 2/25. FY 2/26 DPS was ¥30.0, marking the first year the revised payout target was achieved at a payout ratio slightly above 40%. FY 2/27 DPS guidance is ¥33.0 +10.0%YoY.

ROE reached 11.4% in FY 2/26, above the Vision 2030 target of ≥10% for the first time. Management targets ROIC >7% in FY 2/27.

Restricted stock compensation was introduced in FY 2/26 to better align management incentives with share price performance.

Capital allocation prioritises growth investment, including DX, OMO rollout, store expansion & selective M&A, whilst maintaining net D/E below 0.5x. Dividends remain the primary shareholder return tool, with buybacks not currently prioritised.

Despite this, the share count has declined from 167.9m in FY 2/17 to 141.9m in FY 2/26, reflecting the cancellation of previously repurchased shares.

MARGIN EXPANSION KEY DEBATE

The FY 2/31 OP target of ¥25.0bn requires a significant earnings acceleration from FY 2/27 guidance of ¥12.8bn, with execution across KASHIYAMA, Wellness, OMO & overseas recovery remaining central to delivery.

We summarise here the group's key strengths & weaknesses relevant to achieving the Vision 2030 OPM targets.

Key strengths

- *Portfolio of large-scale core fashion brands with high loyalty rates (Nijusanku repeat rate >60%):* ONWARD has a stable & predictable sales base that smaller competitors cannot replicate.
- *Proven track record of brand development:* UNFILO sales exceeded ¥10bn in 5 years from launch; KASHIYAMA growing at 33%+YoY, demonstrating commercialisation capability beyond the legacy portfolio.
- *OMO platform advantage:* Click & Try & OCS form a proprietary infrastructure that generates cross-channel behaviour (¥136k annual spend versus ¥53k for store-only customers). This cross-use data advantage supports higher customer engagement & OPM expansion.
- *Diversified earnings base with Wellness & Corporate Design:* These segments reduce exposure to fashion cycle & weather-driven volatility — Wellness OPM of ~8% is the group's highest segment margin.
- *Capital-efficient supply chain:* The Dalian smart factory & San Marino sourcing partnership support procurement efficiency & inventory control; D2C model for KASHIYAMA enhances pricing power versus traditional made-to-measure operators.

Main weaknesses

- *High domestic market dependency:* 91.1% of FY 2/26 sales were from Japan, a structurally low-growth market. Overseas operations remain sub-scale relative to the domestic business, with profitability still materially below domestic Fashion.
- *Nijusanku customer ageing:* The brand's core demographic remains women aged 40-50; efforts to attract younger cohorts remain work-in-progress. Men's brands (Gotairiku, J.PRESS domestically) face structural demand pressure from declining department-store formalwear adoption.
- *Gap in 25-35 age bracket:* WEGO targets teens-to-early 20s; Nijusanku/UNFILO skew towards 30s-50s. Management acknowledges the absence of a scaled bridging brand, creating a gap in the customer lifetime value migration pathway.

RISK FACTORS

Key risks

- *Weather & seasonality*: Japan's shift towards a bi-seasonal climate ('Nikisei' trend: long hot summer & late-onset winter) is disrupting traditional spring/autumn seasonal inventory cycles. Onward Kashiyama is adapting by constructing its product range around 2 primary seasons (summer & winter), repositioning spring/autumn as 'season-less' transition periods. UNFILO's functional fabric positioning partly mitigates this risk.
- *Fashion trend risk*: Misalignment with consumer trends can result in inventory build-up & GPM deterioration, as evidenced in the FY 2/25 OP decline. The PLM (product lifecycle management) system & tighter SKU management reduce, but do not eliminate, this structural risk.
- *Fixed cost pivot*: The shift from variable department store concession fees towards fixed rent shopping centre & directly operated store models increases operating leverage. Whilst supportive for margins in a growth environment, there is a possibility of fixed rent structures exposing OPM to operating deleverage & greater compression during periods of weak consumer demand or adverse weather.
- *Raw material & logistics cost inflation*: Production is 67% China-sourced, 26% Southeast Asia, 7% Japan (FY 2/25). The company targets reducing China sourcing to 50% medium-term. Potential FX volatility (JPY vs USD/GBP/EUR for overseas operations) present sales & margin risks.
- *Execution risk on MTP targets*: The FY 2/31 OP target of ¥25bn requires ~16.6% CAGR from FY 2/26, materially ahead of the required sales CAGR of ~4.8%.
- *Management continuity*: President Yasumoto (aged 60 & appointed in 2015) is one of the longest-serving CEOs in Japan's apparel sector. Limited disclosure on succession planning creates a potential strategic continuity risk during the Vision 2030 execution period.
- *Geopolitical risk*: The Dalian factory represents a China concentration risk in the event of deteriorating China-Japan trade relations. FY 2/25 sourcing from China was 67%, with a medium-term target of 50% providing partial mitigation.
- *Overseas profitability fragility*: whilst aggregate overseas operations achieved profitability for the first time in 11 years in FY 2/26, the consolidated overseas segment remained loss-making at -¥322m OP. Deterioration in JOSEPH's performance in Europe, J.PRESS's EC execution, or Asian factory utilisation could quickly reverse profitability.

MANAGEMENT

President & CEO Michinobu Yasumoto (60) joined ONWARD in 2006 after roles at Japan's Ministry of Economy, Trade & Industry & NTT Data. His background is in technology, strategy & corporate transformation rather than fashion merchandising. Many of the group's key initiatives—including OMO, ONWARD CROSSET, Click & Try, OCS rollout, DX investment & customer database integration—align closely with this experience. As a result, management execution remains a key factor in determining whether Vision 2030 margin targets are achievable.

CFO Shohei Yoshida oversees finance, accounting & IR. Investor engagement has increased under the current management team, with institutional 1-on-1 meetings rising from 47 in FY 2/21 to 129 in FY 2/26. Together, Yasumoto & Yoshida have led the group's

transition from a traditional apparel retailer towards a more diversified, data-driven consumer platform.

ESG

Environmental

ONWARD targets a 50% reduction in Scope 1 & 2 emissions by FY 2/31 versus the FY 2/20 base, alongside a 20% reduction target for Scope 3 emissions. Key initiatives include sustainable fabric procurement, lower waste production at the Dalian smart factory, OMO-driven inventory optimisation & the “ONWARD Green Campaign” clothing take-back programme. By Feb 2026, the programme had collected ~9.82m items from ~1.9m customers, with management targeting 2.0m items annually by 2030.

Social

Management is focusing on improving labour productivity, expanding flexible work practices & increasing female leadership representation. The group targets 50% female leadership by FY 2/31 versus 29.4% at the start of FY 2/25. The expansion of Made-To-Order production is also intended to reduce excess inventory & fabric waste.

Governance

ONWARD operates under Japan’s statutory auditor (kansayaku) governance structure. Two of six directors are independent outside directors, in line with the Tokyo Prime Market guideline of one-third independence. Succession planning remains an investor focus, with leadership dependency on President Yasumoto representing a potential governance risk.

COMPANY INFORMATION

Company Timeline	
1927	KASHIYAMA TRADING established by Junzo Kashiyama.
Sep 1947	KASHIYAMA CO., LTD. established (currently, ONWARD HOLDINGS CO., LTD.)
Oct 1960	Company stock listed on the second sections of the Tokyo, Osaka, and Nagoya stock exchanges.
Apr 1962	ONWARD SALES CO., LTD. established (currently, ONWARD CORPORATE DESIGN CO., LTD.)
Jul 1964	Company stock reclassified and listed on the first sections of the Tokyo, Osaka, and Nagoya stock exchanges.
Sep 1966	Head Office relocated in Chuo-ku, Tokyo
Sep 1972	Established ONWARD KASHIYAMA U.S.A. INC.
Apr 1974	Akira Baba appointed to the president
Jun 1986	Junzo Kashiyama, the founder of the company, passed away
Oct 1986	Acquired J.Press Inc.
Feb 1988	Established ONWARD KASHIYAMA HONG KONG LTD.
Sep 1988	Changed company name to ONWARD KASHIYAMA CO., LTD. (currently, ONWARD HOLDINGS CO., LTD.)
Jul 1990	Acquired Chacott Co., Ltd.
Jun 1995	Established SHANGHAI ONWARD FASHION CO., LTD.
Mar 1997	Takeshi Hirouchi appointed to the president
Dec 2001	Established ONWARD FASHION TRADING (China) CO., LTD.
May 2005	Acquired PROJECT SLOANE LTD. (Joseph Group)
Sep 2007	Changed company name to ONWARD HOLDINGS CO., LTD. [Apparel business transferred to ONWARD KASHIYAMA CO., LTD. and trading business transferred to ONWARD TRADING CO., LTD. (currently, ONWARD CORPORATE DESIGN CO., LTD.)]
Oct 2008	Acquired CREATIVE YOKO CO., LTD.
Mar 2009	Established O.P.S. CO., LTD. (currently, ONWARD PERSONAL STYLE CO., LTD.)
Dec 2009	Acquired ISLAND. CO., LTD
Aug 2011	Established ONWARD KASHIYAMA VIETNAM LTD.
Mar 2015	Michinobu Yasumoto appointed to the president
Apr 2016	Acquired TIACLASSE INC.
Aug 2016	Acquired ONWARD KAISEI (Dalian) CO., LTD. (currently KASHIYAMA (Dalian) CO., LTD.)
Jan 2017	Acquired KOKOBUY INC.
Mar 2018	Acquired GENERAL CLOTHING CO., LTD. acquired (currently, KASHIYAMA SAGA CO., LTD.)
Mar 2019	Established ONWARD DIGITAL LAB CO., LTD.
Mar 2019	Acquired YAMATO CO., LTD
Apr 2022	Shifted from First Section to Prime Market due to TSE's market restructuring
Sep 2023	ONWARD TRADING CO., LTD. and ONWARD CREATIVE CENTER CO., LTD. merged, name changed to ONWARD CORPORATE DESIGN CO., LTD.
Sep 2024	Acquired WEGO CO., LTD.
Mar 2026	Acquired COSMÉ DE BEAUTÉ LTD.

Company Contact Details

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

Major Shareholders	Stake (%)
Japan Master Trust Bank, Ltd. (Trust Account)	11.70
Kashiyama Scholarship Foundation (Public Interest Incorporated Foundation)	6.40
Onward Holdings Co., Ltd.	3.93
Nippon Life Insurance Company	3.43
JPMorgan Securities Japan Co., Ltd.	3.24
Custody Bank of Japan, Ltd. (Trust Account)	2.86
ANVISUL Holdings Co., Ltd.	1.94
Morgan Stanley MUFG Securities Co., Ltd.	1.38
Isetan Mitsukoshi Holdings Ltd.	1.31
Government of Norway (Standing Proxy: Citibank, N.A., Tokyo Branch, Head of Custody Services, Jun Ishikawa)	1.28

Source: Company; Note: Ownership as of 28th Feb 2026

MANAGEMENT

Michinobu Yasumoto	President & CEO
Career History	
May 2006	Joined Onward Holdings Co., Ltd.
March 2007	Executive Officer, Onward Holdings Co., Ltd.
September 2007	Executive Officer, Onward Kashiyama Co., Ltd.
March 2011	Managing Executive Officer, Onward Holdings Co., Ltd. Managing Executive Officer, Onward Kashiyama Co., Ltd.
May 2014	Director, Onward Holdings Co., Ltd. Director & Managing Executive Officer, Onward Kashiyama Co., Ltd.
September 2014	Director & Managing Executive Officer, Onward Kashiyama Co., Ltd.
March 2015	Representative Director, President & CEO, Onward Holdings Co., Ltd. (current) Director, Onward Kashiyama Co., Ltd.
November 2019	Representative Director & President, Onward Digital Lab Co., Ltd.
September 2021	Director, Onward Kashiyama Co., Ltd.
March 2022	Representative Director & President Executive Officer, Onward Kashiyama Co., Ltd. (current)
Daisuke Ikeda	Managing Director - Human Resources, General Affairs
Career History	
April 1991	Joined Onward Holdings Co., Ltd.
March 2018	Executive Officer, Corporate Planning & Legal Affairs, Onward Holdings Co., Ltd.
March 2020	Executive Officer, Corporate Planning, Secretary, PR, Human Resources & General Affairs, Onward Holdings Co., Ltd.
May 2020	Director, Corporate Planning, Human Resources & General Affairs, Onward Holdings Co., Ltd.
March 2021	Director, Corporate Planning, Human Resources, General Affairs & Sustainable Management, Onward Holdings Co., Ltd.
September 2021	Director, Onward Kashiyama Co., Ltd.
March 2022	Director, Corporate Planning, Human Resources & General Affairs, Onward Holdings Co., Ltd.
March 2023	Director & Managing Executive Officer, Onward Kashiyama Co., Ltd. (current) Managing Director, Human Resources & General Affairs, Onward Holdings Co., Ltd. (current)
Yoshihiro Higuchi	Managing Director - Marketing, Technology, Product
Career History	
April 1990	Joined Onward Holdings Co., Ltd.
March 2013	Executive Officer, Onward Kashiyama Co., Ltd.
September 2016	Executive Officer, Marketing, Advertising, Onward Holdings Co., Ltd.
March 2019	Managing Executive Officer, Onward Kashiyama Co., Ltd.
March 2020	Managing Executive Officer, Public Relations & Marketing, Onward Holdings Co., Ltd.
March 2021	Managing Executive Officer, Corporate Planning & Production / Public Relations & Marketing, Onward Holdings Co., Ltd. Director & Managing Executive Officer, Onward Kashiyama Co., Ltd. (current)
March 2024	Managing Executive Officer, Marketing, Technology & Product, Onward Holdings Co., Ltd.
May 2025	Managing Director, Marketing, Technology & Product, Onward Holdings Co., Ltd. (current)
Shohei Yoshida	Director (Finance, Accounting, Investor Relations & Corporate Strategy)
Career History	
April 2001	Joined ACTY21 Co., Ltd.
March 2015	Joined Onward Global Fashion Co., Ltd.; General Manager of Administrative Division, Onward Global Fashion Co., Ltd.
March 2017	General Manager of Accounting and IR Division
March 2020	General Manager of Accounting Shared Services Division
March 2024	Executive Officer & General Manager of Finance, Onward Holdings Co., Ltd. Executive Officer, Onward Kashiyama Co., Ltd.
May 2024	Director, Finance, Accounting & IR, Onward Holdings Co., Ltd. (current) Director & Executive Officer, Onward Kashiyama Co., Ltd. (current)
Oct 2024	Director, Finance, Accounting and IR; General Manager, Corporate Strategy Office (current), the Company

Akira Kawamoto	Outside Director
Career History	
April 1981	Joined Ministry of International Trade and Industry (now Ministry of Economy, Trade and Industry)
August 1995	Organisation for Economic Co-operation and Development (OECD), Paris
January 2001	Manager, Electricity Market Development Division, Electricity & Gas Industry Department, Agency for Natural Resources and Energy
July 2009	Deputy Director-General of Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
October 2012	Senior Partner, Aspirant Group Inc.
April 2013	Professor, Faculty of Economics, Keio University (current)
March 2014	Outside Director (Audit & Supervisory Committee Member), Future Corporation
May 2018	Director (Part-time / External), Onward Holdings Co., Ltd. (current)
January 2023	Founding Partner, Aspirant Group Co., Ltd.
July 2023	Vice Chairman & Founding Partner, Aspirant Group Co., Ltd. (current)

Yoshie Komuro	Outside Director
Career History	
April 1999	Joined Shiseido Company, Ltd.
July 2006	President, Work-Life Balance Co., Ltd. (current)
April 2008	Member of the Evaluation Working Group, Cabinet Office
October 2009	Visiting Professor, Graduate School, Kanazawa Institute of Technology (current)
April 2013	Member, Cabinet Office Council on Children & Childcare Support Council
September 2014	Civil Member, Industrial Competitiveness Council
February 2015	Member, Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology
June 2017	Outside Director, Japan Post Insurance Co., Ltd.
May 2019	Director (Part-time / External), Onward Holdings Co., Ltd. (current)
April 2020	Outside Director, Redfox Inc.
September 2020	Member, Ministry of the Environment Expert Committee on Accelerating Work Style Reform (current)
November 2020	Outside Director, ClipLine Inc. (current)
December 2020	Outside Director, Pacific Consultants Co., Ltd.
June 2022	Outside Director, LITALICO Inc. (current)
January 2023	Councillor, Japan Women's University (current)
May 2023	Member of the Working Interval Review Committee, Ministry of Health, Labour and Welfare
Apr 2025	Member, Child and Family Policy Council, Children and Families Agency (current)

Nobuyoshi Onogi	Full-time Audit & Supervisory Board Member
Career History	
April 1983	Joined Onward Holdings Co., Ltd.
March 2015	Executive Officer, Onward Holdings Co., Ltd.
March 2021	Executive Officer, Onward Kashiyama Co., Ltd.
March 2022	Senior Executive Officer, Onward Kashiyama Co., Ltd.
May 2022	Advisor, Onward Holdings Co., Ltd.
	Audit & Supervisory Board Member, Onward Holdings Co., Ltd. (current)
	Audit & Supervisory Board Member, Onward Kashiyama Co., Ltd. (current)

Hirofumi Nishimori	Full-time Audit & Supervisory Board Member
Career History	
April 1991	Joined the Company
March 2015	General Manager, E-Business Division, Onward Kashiyama Co., Ltd.
June 2020	In charge of Omnichannel, General Manager of the President's Office, the Company
March 2022	President and Representative Director, Onward Digital Lab Co., Ltd.
	Executive Officer, General Manager of Secretary & Public Relations Department, General Manager of Sustainability Management Promotion Office, the Company
March 2023	Executive Officer, General Manager of Sustainability Management Group, Onward Kashiyama Co., Ltd.
May 2026	Corporate Auditor (current), the Company Corporate Auditor (current), Onward Kashiyama Co., Ltd.

Ryu Umezu		Outside Audit & Supervisory Board Member
Career History		
April 1991		Registered as Attorney (Daini Tokyo Bar Association) Joined Anderson Mori Law Office
January 2000		Partner, Anderson Mori Law Office (current: Anderson Mori & Tomotsune)
September 2017		Director, Lawyers for LGBTQ & Allies Network (current)
May 2020		Audit & Supervisory Board Member, part-time (current)
April 2023		Managing Partner, Anderson Mori & Tomotsune (Gaikokuho Kyodo Jigyo) (current)

Mitsuyo Kusano		Outside Audit & Supervisory Board Member
Career History		
April 1989		Joined Japan Broadcasting Corporation (NHK)
July 1997		Representative Director, Kusano Office Ltd. (current)
April 2019		Member, Panel on Infrastructure Development, Ministry of Land, Infrastructure, Transport & Tourism
June 2019		Vice President, Japan Sports Association
April 2020		Director, Jin-Bun-Chi Forum
May 2020		Audit & Supervisory Board Member (Part-time), Onward Holdings Co., Ltd. (current)
June 2023		Auditor, Japan Sports Association (current)
June 2024		Councillor, The AED Foundation of Japan (current)
		Outside Auditor, Gifu Shinkin Bank (current)

Income statement・連結損益計算書

	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Sales・売上高	168,453	176,072	189,629	208,393	236,804
Cost of Sales・売上原価	80,841	79,320	83,847	94,818	107,388
Gross Profit・売上総利益	87,612	96,751	105,782	113,575	129,415
Selling, General and Administrative Expenses・販売費及び一般管理費	88,691	91,537	94,521	103,422	117,811
Operating Profit or Loss (Δ)・営業利益又は営業損失 (Δ)	Δ1,079	5,214	11,260	10,153	11,604
Non-Operating Profit・営業外収益					
Interest income・受取利息	52	28	52	43	43
Dividend income・受取配当金	1,340	205	231	281	225
Foreign Exchange Gains・為替差益	99	789	n/a	n/a	n/a
Subsidy Income・助成金収入	1,013	136	n/a	n/a	n/a
Equity in Earnings of Affiliates・持分法による投資利益	n/a	n/a	n/a	180	34
Other・その他	917	219	211	298	293
Total Non-Operating Profit・営業外収益合計	3,423	1,380	494	805	597
Non-Operating Expenses・営業外費用					
Interest expenses・支払利息	391	363	896	414	528
Loss on Disposal of Store Fixtures and Equipment・売場什器等除却損	96	45	16	31	72
Foreign Exchange Loss・為替差損	n/a	n/a	109	109	25
Loss on Investments Accounted for Using the Equity Method・持分法による投資損失	73	46	249	n/a	n/a
Non-Deductible Consumption Taxes, etc.・控除対象外消費税等	252	n/a	n/a	n/a	n/a
Commission Fees Paid・支払手数料	n/a	186	n/a	n/a	n/a
Other・その他	1,022	632	356	318	398
Total Non-Operating Expenses・営業外費用合計	1,836	1,274	1,628	874	1,024
Ordinary Profits・経常利益	507	5,319	10,126	10,084	11,176
Extraordinary Income・特別利益					
Gain on sale of investment securities・投資有価証券売却益	105	527	363	2,131	1,719
Gain on sale of fixed assets・固定資産売却益	17,921	21	69	1,012	3,517
Gain on Sale of Shares of Subsidiaries and Affiliates・関係会社株式売却益	2,944	1,300	n/a	1,122	n/a
Employment Adjustment Subsidy, etc.・雇用調整助成金等	289	n/a	n/a	n/a	n/a
Gain on Lease Cancellation・リース解約益	n/a	n/a	n/a	617	n/a
Other・その他	67	29	n/a	n/a	17
Total Extraordinary Income・特別利益合計	21,327	1,878	433	4,885	5,254
Extraordinary Losses・特別損失					
Loss on Valuation of Investment Securities・投資有価証券評価損	n/a	n/a	n/a	n/a	n/a
Loss on Sale of Shares of Subsidiaries and Affiliates・関係会社株式売却損	1,829	n/a	n/a	n/a	n/a
Impairment loss・減損損失	1,741	2,906	3,586	906	2,621
Loss on Reorganization of Subsidiaries and Affiliates・関係会社整理損	1,968	n/a	n/a	1,454	n/a
Business Restructuring Loss・事業整理損	n/a	n/a	n/a	n/a	n/a
Loss Due to Temporary Closures, etc.・臨時休業等による損失	1,620	5	n/a	n/a	n/a
Disaster Loss・災害による損失	n/a	n/a	195	n/a	n/a
Loss on Step Acquisitions・段階取得に係る差損	n/a	n/a	n/a	1,088	n/a
Other・その他	761	475	614	713	269
Total extraordinary losses・特別損失合計	7,921	3,388	4,395	4,162	2,891
Profit Before Income Taxes・税金等調整前当期純利益	13,912	3,809	6,164	10,807	13,539
Income Taxes Current・法人税、住民税及び事業税	2,695	1,387	1,263	1,018	3,419
Income Taxes Deferred・法人税等調整額	2,523	Δ688	Δ1,976	1,210	25
Total Income Tax・法人税等合計	5,218	698	Δ713	2,228	3,445
Net Profit (Loss) (Δ)・当期純利益又は当期純損失 (Δ)	8,693	3,111	6,878	8,578	10,094
Net Income Attributable to Non-controlling Interests・非支配株主に帰属する当期純利益	127	49	266	61	n/a
Net Income (Loss) Attributable to Owners of the Parent・親会社株主に帰属する当期純利益又は親会社株主に帰属する当期純損失 (Δ)	8,566	3,061	6,611	8,516	10,094

当期純利益又は当期純損失 (△)	8,693	3,111	6,878	8,578	10,094
Other Comprehensive Income ・ その他の包括利益					
Valuation difference on available for sale securities ・ その他有価証券評価差額金	292	4267	△197	△746	846
Deferred hedge gains (losses) ・ 繰延ヘッジ損益	△13	29	△25	△7	19
Revaluation Surplus on Land ・ 土地再評価差額金	1042	n/a	n/a	12	2
Foreign currency translation adjustment ・ 為替換算調整勘定	1370	2256	△990	942	290
Retirement benefit adjustment ・ 退職給付に係る調整額	272	1103	1265	854	3,361
Share of Other Comprehensive Income of Entities Accounted for Using the Equity Method ・ 持分法適用会社に対する持分相当額	n/a	n/a	7	9	16
Total Other Comprehensive Income ・ その他の包括利益合計	2,963	7,656	60	1,065	4,536
Comprehensive Income ・ 包括利益	11,657	10,767	6,938	9,643	14,631
Comprehensive Income Attributable to Owners of the Parent ・ 親会社株主に係る包括利益	11,501	10,231	6,672	9,581	14,631
Comprehensive Income Attributable to Non-controlling Interests ・ 非支配株主に係る包括利益	155	535	266	61	n/a

(JPY Millions ・ 百万円)

Balance sheet ・ 連結貸借対照表

Assets ・ 資産の部	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Current assets ・ 流動資産					
Cash and Deposits ・ 現金及び預金	15,209	13,805	14,133	13,505	19,715
Notes and Accounts Receivable ・ 受取手形及び売掛金	14,204	13,981	15,933	15,957	18,756
Merchandise and Finished Goods ・ 商品及び製品	23,908	27,297	35,257	41,373	44,825
Goods in Process ・ 仕掛品	449	486	456	666	580
Raw Materials and Supplies ・ 原材料及び貯蔵品	2,478	2,935	3,244	3,823	4,305
Others ・ その他	4,509	4,185	4,675	4,913	4,601
Allowance for Doubtful Accounts ・ 貸倒引当金	△252	△437	△301	△139	△258
Total Current Assets ・ 流動資産合計	60,508	62,255	73,400	80,101	92,525
Non-Current Assets ・ 固定資産					
Property, Plant and Equipment ・ 有形固定資産					
Buildings and Structures ・ 建物及び構築物	58,027	40,719	41,039	42,113	41,891
Accumulated Depreciation ・ 減価償却累計額	△35,019	△21,220	△21,772	△22,667	△23,207
Buildings and Structures, Net ・ 建物及び構築物 (純額)	23,008	19,498	19,267	19,445	18,683
Land ・ 土地	23,371	23,328	22,626	22,145	18,910
Lease Assets ・ リース資産	9,998	9,988	10,036	10,374	10,469
Accumulated Depreciation ・ 減価償却累計額	△6,239	△6,784	△7,215	△7,609	△8,044
Lease Assets, Net ・ リース資産 (純額)	3,759	3,204	2,820	2,764	2,425
Other ・ その他	25,158	18,548	17,513	12,478	13,230
Accumulated Depreciation ・ 減価償却累計額	△17,254	△11,449	△11,759	△9,141	△9,830
Other, Net ・ その他 (純額)	7,903	7,099	5,753	3,337	3,399
Total Property, Plant and Equipment ・ 有形固定資産合計	58,042	53,130	50,468	47,693	43,418
Intangible Assets ・ 無形固定資産					
Goodwill ・ のれん	4,631	4,025	3,289	5,835	4,818
Other ・ その他	4,717	5,081	5,533	7,010	6,763
Total Intangible Assets ・ 無形固定資産合計	9,349	9,106	8,822	12,846	11,581
Investments and Other Assets ・ 投資その他の資産					
Investment Securities ・ 投資有価証券	14,117	16,433	16,600	13,789	13,446
Long-term Loans Receivable ・ 長期貸付金	1,683	2,882	2,566	2,564	2,562
Long-term Prepaid Expenses ・ 長期前払費用	524	383	347	518	360
Asset for Retirement Benefits ・ 退職給付に係る資産	3,248	5,441	7,774	9,496	15,107
Deferred Tax Assets ・ 繰延税金資産	4,338	3,454	4,805	3,582	2,717
Other ・ その他	6,078	6,442	6,671	8,725	7,596
Allowance for Doubtful Accounts ・ 貸倒引当金	△163	△331	△93	△98	△92

Total Investments and Other Assets ・ 投資その他の資産合計	29,827	34,706	38,671	38,577	41,698
Total Non-Current Assets ・ 固定資産合計	97,219	96,943	97,962	99,117	96,698
Total Assets ・ 資産合計	157,727	159,198	171,362	179,218	189,223

(JPY Millions ・ 百万円)

Liabilities ・ 負債の部	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Current Liabilities ・ 流動負債					
Notes and Accounts Payable ・ 支払手形及び買掛金	6,361	8,154	8,740	10,250	11,385
Electronically Recorded Obligations ・ 電子記録債務	11,860	13,236	13,871	9,527	7,170
Short-term Borrowings ・ 短期借入金	18,705	14,880	20,198	22,518	23,970
Current Portion of Long-term Borrowings ・ 1 年内返済予定長期借入金	4,053	3,720	5,214	4,796	7,112
Lease Liabilities ・ リース債務	854	887	858	831	655
Income Taxes Payable ・ 未払法人税等	2,022	1,129	965	1,129	3,379
Provision for Bonuses ・ 賞与引当金	626	914	1,296	1,049	1,091
Provision for Directors' Bonuses ・ 役員賞与引当金	50	179	216	145	145
Other ・ その他	11,225	10,021	10,988	12,479	13,750
Total Current Liabilities ・ 流動負債合計	55,761	53,124	62,350	62,728	68,661
Non-current liabilities ・ 固定負債					
Long-term Borrowings ・ 長期借入金	12,377	8,657	12,255	21,268	15,250
Lease Liabilities ・ リース債務	3,676	3,902	3,420	2,661	2,185
Deferred Tax Liabilities Related to Revaluation ・ 再評価に係る繰延税金負債	241	241	180	167	172
Net Defined Benefit Liability ・ 退職給付に係る負債	2,858	2,886	2,752	2,679	2,546
Provision for Directors' Retirement Benefits ・ 役員退職慰労引当金	247	262	290	28	22
Asset Retirement Obligations ・ 資産除去債務	2,503	2,563	2,629	3,090	3,358
Other ・ その他	2,804	2,485	2,488	2,307	3,437
Total Non-Current Liabilities ・ 固定負債合計	24,709	21,000	24,017	32,202	26,974
Total liabilities ・ 負債合計	80,470	74,125	86,367	94,931	95,635

(JPY Millions ・ 百万円)

Net assets ・ 純資産の部	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Shareholders' equity ・ 株主資本					
Capital Stock ・ 資本金	30,079	30,079	30,079	30,079	30,079
Capital Surplus ・ 資本剰余金	50,390	50,347	50,342	50,335	37,390
Retained Earnings ・ 利益剰余金	15,391	16,042	21,165	24,515	26,224
Treasury Stock ・ 自己株式	△20,831	△20,748	△20,737	△20,723	△4,694
Total Shareholders' Equity ・ 株主資本合計	75,030	75,721	80,849	84,206	89,000
Accumulated Other Comprehensive Income ・ その他の包括利益累計額					
Valuation Difference on Available-for-sale Securities ・ その他有価証券評価差額金	△1,646	2,620	2,431	1,689	2,551
Deferred Hedge Gains or Losses ・ 繰延ヘッジ損益	1	30	4	△2	17
Land Revaluation Surplus ・ 土地再評価差額金	△5,698	△5,698	△5,837	△5,825	△5,806
Foreign Currency Translation Adjustment ・ 為替換算調整勘定	△328	1,441	451	1,399	1,690
Cumulative Retirement Benefit Adjustments ・ 退職給付に係る調整累計額	△472	631	1,896	2,751	6,112
Total Accumulated Other Comprehensive Income ・ その他の包括利益累計額合計	△8,144	△973	△1,052	12	4,565
Stock Acquisition Rights ・ 新株予約権	122	82	76	68	21
Non-Controlling Interests ・ 非支配株主持分	10,248	10,243	5,122	n/a	n/a
Total Net Assets ・ 純資産合計	77,257	85,073	84,995	84,287	93,588
Total Liabilities and Net Assets ・ 負債純資産合計	157,727	159,198	171,362	179,218	189,223

(JPY Millions ・ 百万円)

Cash flow statement ・ 連結キャッシュ・フロー計算書

Cash flows from operating activities ・ 営業活動によるキャッシュ・フロー	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Profit Before Income Taxes ・ 税金等調整前当期純利益	13,912	3,809	6,164	10,807	13,539
Depreciation and Amortization ・ 減価償却費	4,605	4,366	3,978	4,357	4,514
Impairment Loss ・ 減損損失	1,741	2,906	3,586	906	2,621
Amortization of Goodwill ・ のれん償却額	766	794	813	942	1,076
Increase (Decrease) in Allowance for Doubtful Accounts (Δ indicates decrease) ・ 貸倒引当金の増減額 (Δは減少)	Δ123	330	Δ413	Δ207	103
Increase (Decrease) in Net Defined Benefit Asset (Δ indicates increase) ・ 退職給付に係る資産の増減額 (Δは増加)	Δ434	Δ2,192	Δ2,333	Δ1,721	Δ5,611
Increase (Decrease) in Net Defined Benefit Liability (Δ indicates decrease) ・ 退職給付に係る負債の増減額 (Δは減少)	Δ217	26	Δ134	Δ73	Δ132
Interest and Dividend Income ・ 受取利息及び受取配当金	Δ1,392	Δ234	Δ283	Δ325	Δ269
Interest Expense ・ 支払利息	391	363	896	414	528
Equity in Earnings (Losses) of Affiliates (Δ indicates gain) ・ 持分法による投資損益 (Δは益)	73	46	249	Δ180	Δ34
Gain (Loss) on Disposal of Fixed Assets (Δ indicates gain) ・ 固定資産処分損益 (Δは益)	Δ17,778	4	Δ21	Δ979	Δ3,474
Loss on Disposal of Store Fixtures and Equipment ・ 売場什器等除却損	96	45	16	31	72
Gain (Loss) on Sale of Investment Securities (Δ indicates gain) ・ 投資有価証券売却損益 (Δは益)	Δ104	Δ505	Δ363	Δ2,131	Δ1,719
Valuation Gain (Loss) on Investment Securities (Δ indicates gain) ・ 投資有価証券評価損益 (Δは益)	n/a	166	n/a	n/a	n/a
Gain (Loss) on Sale of Shares of Subsidiaries and Affiliates (Δ indicates gain) ・ 関係会社株式売却損益 (Δは益)	Δ1,114	Δ1,300	n/a	Δ1,122	n/a
Increase (Decrease) in Trade Receivables (Δ indicates increase) ・ 売上債権の増減額 (Δは増加)	1,004	358	Δ1,742	1,001	Δ2,698
Increase (Decrease) in Inventories (Δ indicates increase) ・ 棚卸資産の増減額 (Δは増加)	3,405	Δ3,653	Δ7,848	Δ4,128	Δ3,572
Increase (Decrease) in Trade Payables (Δ indicates decrease) ・ 仕入債務の増減額 (Δは減少)	Δ1,013	3,077	931	Δ5,640	Δ1,320
Other ・ その他	3,703	Δ1,032	1,793	631	5,962
Subtotal ・ 小計	7,523	7,377	5,289	2,580	9,584
Interest and Dividends Received ・ 利息及び配当金の受取額	245	1,414	252	353	302
Interest Paid ・ 利息の支払額	Δ425	Δ414	Δ766	Δ357	Δ608
Income Taxes Paid ・ 法人税等の支払額	Δ2,064	Δ2,726	Δ2,373	Δ1,077	Δ1,154
Income Taxes Refunded ・ 法人税等の還付額	2,536	35	1,597	1,624	125
Net Cash Provided by (Used in) Operating Activities ・ 営業活動によるキャッシュ・フロー	7,814	5,685	3,999	3,123	8,249

(JPY Millions ・ 百万円)

Cash flows from investing activities ・ 投資活動によるキャッシュ・フロー	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Cash Outflow for Time Deposit Placement ・ 定期預金の預入による支出	Δ32	Δ11	n/a	n/a	n/a
Proceeds from Redemption of Time Deposits ・ 定期預金の払戻による収入	55	11	10	n/a	n/a
Purchase of Property, Plant and Equipment ・ 有形固定資産の取得による支出	Δ2,929	Δ2,164	Δ1,967	Δ2,555	Δ3,579
Proceeds from Sale of Property, Plant and Equipment ・ 有形固定資産の売却による収入	32,270	0	289	1,509	7,228
Purchase of Investment Securities ・ 投資有価証券の取得による支出	Δ10	Δ3	Δ2,022	Δ5	Δ7
Proceeds from Sale of Investment Securities ・ 投資有価証券の売却による収入	687	3,238	1,771	2,988	3,414
Payments for Long-term Loans Receivable ・ 長期貸付けによる支出	n/a	n/a	Δ0	Δ8,500	n/a
Proceeds from Collection of Long-term Loans Receivable ・ 長期貸付金の回収による収入	n/a	n/a	227	1,019	174
Purchase of Long-term Prepaid Expenses ・ 長期前払費用の取得による支出	Δ27	Δ69	Δ9	Δ179	Δ15
Payments for Guarantee Deposits ・ 差入保証金の差入による支出	Δ662	Δ878	Δ607	Δ1,319	Δ539
Proceeds from Refund of Guarantee Deposits ・ 差入保証金の回収による収入	1,099	474	317	1,344	1,653

Proceeds from Acquisition of Shares of Subsidiaries Resulting in Change in Scope of Consolidation ・ 連結の範囲の変更を伴う子会社株式の取得による収入	n/a	n/a	n/a	828	n/a
Cash Outflow for Sale of Subsidiary Shares Resulting in Change in Scope of Consolidation ・ 連結の範囲の変更を伴う子会社株式の売却による支出	△8,286	n/a	n/a	n/a	n/a
Proceeds from Sale of Shares of Subsidiaries Resulting in Change in Scope of Consolidation ・ 連結の範囲の変更を伴う子会社株式の売却による収入	1,620	7,644	n/a	2,150	283
Other ・ その他	△2,098	△3,851	△2,327	△2,671	△2,222
Net Cash Provided by (Used in) Investing Activities ・ 投資活動によるキャッシュ・フロー	21,685	4,390	△4,321	△5,390	6,390

(JPY Millions ・ 百万円)

Cash flows from financing activities ・ 財務活動による キャッシュ・フロー	FY 2/22	FY 2/23	FY 2/24	FY 2/25	FY 2/26
Net Increase (Decrease) in Short-term Borrowings (△ indicates decrease) ・ 短期借入金の純増減額 (△は減少)	△38,471	△4,796	3,202	4,017	1,391
Proceeds from Long-term Borrowings ・ 長期借入れによる収入	n/a	n/a	9,000	14,131	1,500
Repayments of Long-term Borrowings ・ 長期借入金の返済による支出	△5,052	△4,053	△3,907	△5,535	△5,202
Purchase of Treasury Stock ・ 自己株式の取得による支出	△0	△0	△0	△0	△0
Dividends Paid ・ 配当金の支払額	△1,627	△1,627	△1,628	△2,714	△5,433
Payments for Refunds to Non-controlling Interests ・ 非支配株主への払戻による支出	n/a	n/a	△5,020	△5,061	n/a
Proceeds from Non-controlling Interests ・ 非支配株主からの払込みによる収入	10,000	n/a	n/a	n/a	n/a
Dividends Paid to Non-controlling Interests ・ 非支配株主への配当金の支払額	△2	△248	△366	△122	n/a
Other ・ その他	△1,019	△1,229	△1,014	△1,101	△899
Net cash provided by (used in) financing activities ・ 財務活動によるキャッシュ・フロー	△36,173	△11,955	263	3,612	△8,644
Effect of Exchange Rate Changes on Cash and Cash Equivalents ・ 現金及び現金同等物に係る換算差額	602	475	396	239	213
Net increase (△decrease) in cash and cash equivalents ・ 現金及び現金同等物の増減額 (△は減少)	△6,070	△1,403	337	1,585	6209
Cash and Cash Equivalents at Beginning of Period ・ 現金及び現金同等物の期首残高	21,270	15,199	13,795	14,133	13,505
Increase (Decrease) in Cash and Cash Equivalents Due to Change in Fiscal Year of Consolidated Subsidiaries (△ indicates decrease) ・ 連結子会社の決算期変更に伴う現金及び現金同等物の増減額 (△は減少)	n/a	n/a	n/a	△2,213	n/a
Cash and cash equivalents at end of period ・ 現金及び現金同等物の期末残高	15,199	13,795	14,133	13,505	19,715

(JPY Millions ・ 百万円)

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