

## Financial Results Briefing for FY02/26 Q1

### – Q&A Summary –

Date: October 2, 2025, Thursday 16:30-17:30

Presenter: Michinobu Yasumoto, President & CEO

Shohei Yoshida, Managing Director in charge of Finance, Accounting & Investor Relations

**Q1. Although the “Nijyusanku” brand saw increased sales in the first half, you mentioned there were some challenges. What were those challenges?**

A1. The online store performed relatively well, whereas the number of customers visiting the in-store department struggled to grow in some months.

**Q2. The U.S J.Press business currently has three stores, but are there no sales channels such as department stores?**

A2. The existing three stores—in New York, New Haven, and Washington D.C.—are all street-level stores, and there is no Japanese-style in-shop presence inside department stores. We plan to continue focusing on directly managed street-level stores, while also considering expanding into department store channels through licensing business.

**Q3. “J.Press” has high brand recognition in Japan, but how about in the U.S.?**

A3. The brand is well recognized among Ivy League graduates. However, it is not widely recognized among the general public. There is significant room for growth. We view this lack of awareness as an opportunity for future expansion and are working to grow the business.

**Q4. You mentioned that the company is trying to cope with the prolonged summer. What is your assessment of the results?**

A4. Sales performance has varied depending on the products introduced and the month, and we recognize the need to improve our accuracy in the coming periods. We also see differences in sales across regions, such as Eastern and Western Japan, and believe there is opportunity to enhance the precision of product allocation as well.

**Q5. It has been a year since WEGO became a consolidated subsidiary. What kind of synergy effects have emerged?**

A5. Looking ahead, our greatest expectations lie in e-commerce. Before becoming a consolidated subsidiary, WEGO had not been able to fully pursue a digital strategy, and we believed that leveraging the Onward Group’s digital platform would unlock significant potential. We are currently in the process of building our own e-commerce platform, and online sales will be a key driver of future growth. In addition, we plan to focus on overseas markets, particularly in China and Taiwan.

**Q6. What are the strategies for “Nijusanku” and “UNFILO” for the second half of this financial year and onwards?**

A6. For the brand “Nijusanku”, we aim to further develop the salon-style apparel store format and are enhancing both products and services in preparation for the opening of a new flagship, street-level store in Aoyama next spring. As for “UNFILO”, awareness is still limited at this stage, and we plan to gradually expand the number of stores. We will expand the range of seasonless items for both brands and aim for these two brands to drive growth of Onward Kashiwazaki’s future business.

**Q7. As part of your future growth strategy, please outline your planned investment areas and the expected amount.**

A7. Over the past year and a half, we have made triple-digit investments in both sales and production. Looking ahead, we intend to continue investing—including M&A—at an even faster pace. However, M&A opportunities are often timing-dependent, and careful consideration of growth potential and synergy effects is essential.

**Q8. What is your view on the impact of US tariffs under the current administration?**

A8. J Press's production in the United States is one of its key brand differentiation strategies, so the impact of US tariffs will be minimal. We expect U.S. production to provide a competitive advantage when compared to other brands. Although we are considering expanding production to countries such as Canada and the UK that will not compromise brand value, however, the decision will be made with economic factors.

**Q9. What was the reason for WEGO’s better performance in Q2 compared to Q1, and what is your outlook for the second half?**

A9. For WEGO, Q2 is the peak season and the period when the most revenue is generated because of summer holidays. WEGO sold most of its products at a price that was appropriate for junior high and high school students, which helped to secure profit margins and could contribute to increasing Q2 profits. However, we are concerned about potential sales declines during the exam season in January and February, so we are considering measures to balance profit margins between the first and second halves of the fiscal year.