

Consolidated Financial Results for the Six Months Ended August 31, 2026 [Japanese GAAP]



October 8, 2026

Company name: Onward Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 8016

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

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Scheduled date of filing semi-annual securities report: October 14, 2026

Scheduled date of commencing dividend payments: November 10, 2026

Availability of supplementary materials on financial results: Available

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

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

1. Consolidated Performance for the Six Months Ended August 31, 2026 (March 1, 2026 – August 31, 2026)

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

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2026	117,525	4.3	6,139	7.0	5,936	7.5	5,625	16.6
August 31, 2025	112,636	18.4	5,736	9.1	5,521	5.9	4,822	17.4

(Note) Comprehensive income: Six months ended August 31, 2026: 4,790 million yen [71.3%]

Six months ended August 31, 2025: 2,797 million yen [(58.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	41.33	41.32
August 31, 2025	35.50	35.47

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

Six months ended August 31, 2026: 8,961 million yen [6.6%]

Six months ended August 31, 2025: 8,408 million yen [9.3%]

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of August 31, 2026	183,505	96,398	52.5
As of February 28, 2026	189,223	93,588	49.4

(Reference) Shareholders' equity: As of August 31, 2026: 96,376 million yen

As of February 28, 2026: 93,566 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	—	14.00	—	16.00	30.00
Fiscal year ending February 28, 2027	—	16.00			
Fiscal year ending February 28, 2027 (Forecast)			—	20.00	36.00

(Note) Revision to the forecast for dividends announced most recently: Yes

Breakdown of the year-end dividend for the fiscal year ending February 28, 2027 (forecast):

Ordinary dividend 17.00 yen Commemorative dividend 3.00 yen

For details, please refer to the “Notice Regarding Revision to Dividend Forecast (Payment of a Commemorative Dividend for the 100th Anniversary of the Company’s Founding)” announced today (October 8, 2026).

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	247,000	4.3	12,800	10.3	12,300	10.0	11,200	10.9
								82.34

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

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

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

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

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 (Company name:) Cosmé de Beauté Ltd.
Excluded: - (Company name:)
- (2) Application of special accounting methods for the preparation of semi-annual consolidated financial statements:
None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatement: None
- (4) Total number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury shares):
As of August 31, 2026: 141,921,669 shares
As of February 28, 2026: 141,921,669 shares
2) Total number of treasury shares at the end of the period:
As of August 31, 2026: 5,641,462 shares
As of February 28, 2026: 5,906,571 shares
3) Average number of shares outstanding during the period:
Six months ended August 31, 2026: 136,111,632 shares
Six months ended August 31, 2025: 135,849,412 shares

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

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

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

Note:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Overview of Operating Results, etc.

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

During the six months ended August 31, 2026, the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions, as well as the effects of various government policies. However, the economic outlook remained uncertain due to factors including geopolitical tensions in the Middle East, the direction of U.S. trade policies, and the impact of natural disasters in various regions.

Under these business conditions, the Onward Group reported higher sales, owing to the success of promotional initiatives and other measures centered on its strategically enhanced brands. Meanwhile, the gross profit margin declined due to rising raw material and other costs, as well as sales initiatives undertaken to optimize inventory levels. However, as the Group thoroughly worked to improve the efficiency of store operations and sales promotions, among other measures, the SG&A expense ratio declined, resulting in higher profit at all levels.

As a result, consolidated net sales amounted to 117,525 million yen (+4.3% year-on-year), operating profit to 6,139 million yen (+7.0% year-on-year), recurring profit to 5,936 million yen (+7.5% year-on-year), and profit attributable to owners of parent to 5,625 million yen (+16.6% year-on-year).

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

In the six months ended August 31, 2026, EBITDA was 8,961 million yen (+6.6% year-on-year).

Results by segment were as follows.

[Domestic Business]

Sales increased, supported by strong performance at Onward Personal Style Co., Ltd. and Chacott Co., Ltd. Strategically enhanced brands such as KASHIYAMA, UNFILO, and Chacott COSMETICS performed well, driven by enhanced digital marketing and promotional activities.

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

[Overseas Business]

In Europe, the loss widened as JOSEPH, a contemporary designer brand founded in London, U.K., saw sluggish retail and wholesale performance despite growth in e-commerce sales.

In the U.S., sales increased substantially and the business returned to profitability, driven by growth in both store and e-commerce sales of the long-standing J.PRESS brand.

In Asia, sales and profit grew, reflecting higher utilization of the Dalian plant owing to an increase in orders for made-to-order suits.

As a result, the Overseas Business reported higher sales, but its loss widened.

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

(Status of assets, liabilities, and net assets)

Total assets as of the end of the period under review decreased by 5,718 million yen compared with the end of the previous fiscal year to 183,505 million yen. This was primarily due to a decrease in cash and deposits of 9,407 million yen, despite increases in merchandise and finished goods of 1,710 million yen and goodwill of 2,198 million yen.

Liabilities decreased by 8,528 million yen compared with the end of the previous fiscal year to 87,107 million yen. This was primarily due to decreases in electronically recorded obligations—operating of 5,296 million yen, income taxes payable of 1,653 million yen, and long-term borrowings of 1,156 million yen.

Net assets increased by 2,810 million yen compared with the end of the previous fiscal year to 96,398 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 5,625 million yen, an increase in foreign currency translation adjustment of 457 million yen, a decrease in valuation difference on available-for-sale securities of 942 million yen, and a decrease of 2,176 million yen from dividends of surplus.

As a result, the shareholders' equity ratio was 52.5%.

(Status of cash flows)

Cash flows used in operating activities amounted to 3,774 million yen (an inflow of 3,980 million yen for the same period of the previous fiscal year) mainly due to profit before income taxes, an increase in inventories, a decrease in trade receivables, and a decrease in trade payables.

Cash flows used in investing activities amounted to 3,959 million yen (an outflow of 1,169 million yen for the same period of the previous fiscal year) mainly due to purchase of property, plant and equipment, proceeds from sales of investment securities, and purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows used in financing activities amounted to 1,845 million yen (an outflow of 5,895 million yen for the same period of the previous fiscal year), which primarily included a net increase (decrease) in borrowings and dividends paid.

As a result, cash and cash equivalents as of the end of the period under review decreased by 9,414 million yen compared with the end of the previous fiscal year to 10,300 million yen.

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

There is no change to the consolidated performance forecast for the full fiscal year ending February 28, 2027, from the forecast announced on April 9, 2026.

For dividend forecasts, please refer to the “Notice Regarding Revision to Dividend Forecast (Payment of a Commemorative Dividend for the 100th Anniversary of the Company's Founding)” announced today.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	19,715	10,308
Notes and accounts receivable—trade, and contract assets	18,756	17,231
Merchandise and finished goods	44,825	46,536
Work in process	580	740
Raw materials and supplies	4,305	4,503
Other	4,601	5,799
Allowance for doubtful accounts	(258)	(263)
Total current assets	92,525	84,857
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,683	18,755
Land	18,910	18,920
Other, net	5,824	5,859
Total property, plant and equipment	43,418	43,534
Intangible assets		
Goodwill	4,818	7,016
Other	6,763	6,886
Total intangible assets	11,581	13,903
Investments and other assets		
Investment securities	13,446	11,824
Retirement benefit asset	15,107	15,352
Deferred tax assets	2,717	2,651
Other	10,519	11,467
Allowance for doubtful accounts	(92)	(85)
Total investments and other assets	41,698	41,209
Total non-current assets	96,698	98,648
Total assets	189,223	183,505

(Million yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable—trade	11,385	11,106
Electronically recorded obligations—operating	7,170	1,873
Short-term borrowings	31,082	33,496
Income taxes payable	3,379	1,726
Provision for bonuses	1,091	1,309
Provision for bonuses for directors	145	41
Other	14,405	12,647
Total current liabilities	68,661	62,201
Non-current liabilities		
Long-term borrowings	15,250	14,094
Retirement benefit liability	2,546	2,493
Provision for retirement benefits for directors and corporate auditors	22	24
Asset retirement obligations	3,358	3,491
Other	5,796	4,801
Total non-current liabilities	26,974	24,905
Total liabilities	95,635	87,107
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	37,390	37,390
Retained earnings	26,224	29,608
Treasury shares	(4,694)	(4,433)
Total shareholders' equity	89,000	92,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,551	1,609
Deferred gains or losses on hedges	17	6
Revaluation reserve for land	(5,806)	(5,806)
Foreign currency translation adjustment	1,690	2,147
Remeasurements of defined benefit plans	6,112	5,772
Total accumulated other comprehensive income	4,565	3,730
Share acquisition rights	21	21
Total net assets	93,588	96,398
Total liabilities and net assets	189,223	183,505

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Net sales	112,636	117,525
Cost of sales	50,127	53,518
Gross profit	62,508	64,006
Selling, general and administrative expenses	56,772	57,867
Operating profit	5,736	6,139
Non-operating income		
Interest income	22	19
Dividend income	134	107
Share of profit of entities accounted for using equity method	—	9
Foreign exchange gains	—	15
Other	168	202
Total non-operating income	325	353
Non-operating expenses		
Interest expenses	256	351
Share of loss of entities accounted for using equity method	66	—
Foreign exchange losses	84	—
Other	131	205
Total non-operating expenses	539	556
Recurring profit	5,521	5,936
Extraordinary income		
Gain on sales of investment securities	1,708	1,411
Total extraordinary income	1,708	1,411
Extraordinary losses		
Impairment loss	714	243
Other	15	1
Total extraordinary losses	730	244
Profit before income taxes	6,500	7,103
Total income taxes	1,677	1,477
Profit	4,822	5,625
Profit attributable to owners of parent	4,822	5,625

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Profit	4,822	5,625
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,456)	(935)
Deferred gains or losses on hedges	(14)	(10)
Foreign currency translation adjustment	(452)	449
Remeasurements of defined benefit plans, net of tax	(96)	(339)
Share of other comprehensive income of entities accounted for using equity method	(6)	0
Total other comprehensive income	(2,025)	(834)
Comprehensive income	2,797	4,790
Comprehensive income attributable to:		
Owners of parent	2,797	4,790

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,500	7,103
Depreciation and amortization	2,145	2,159
Impairment loss	714	243
Amortization of goodwill	526	662
Increase (decrease) in allowance for doubtful accounts	3	(4)
Decrease (increase) in retirement benefit asset	(261)	(244)
Increase (decrease) in retirement benefit liability	(84)	(61)
Increase (decrease) in remeasurements of defined benefit plans	(88)	(496)
Interest and dividend income	(156)	(126)
Interest expenses	256	351
Share of loss (profit) of entities accounted for using equity method	66	(9)
Loss (gain) on disposal of non-current assets	12	1
Loss on disposal of salesfloor fixtures, etc.	26	27
Loss (gain) on sales of investment securities	(1,708)	(1,411)
Decrease (increase) in trade receivables	(572)	1,766
Decrease (increase) in inventories	(3,871)	(1,601)
Increase (decrease) in trade payables	2,081	(5,734)
Other, net	(531)	(3,043)
Subtotal	5,058	(417)
Interest and dividends received	177	126
Interest paid	(298)	(315)
Income taxes paid	(1,055)	(3,178)
Income taxes refund	97	11
Net cash provided by (used in) operating activities	3,980	(3,774)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,850)	(1,476)
Proceeds from sales of property, plant and equipment	—	1
Purchase of investment securities	(3)	(4)
Proceeds from sales of investment securities	—	1,674
Purchase of intangible assets	(785)	(884)
Payments of guarantee deposits	(301)	(353)
Proceeds from refund of guarantee deposits	1,365	230
Purchase of long-term prepaid expenses	(2)	(3)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,485)
Other, net	406	(657)
Net cash provided by (used in) investing activities	(1,169)	(3,959)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(117)	1,400
Proceeds from long-term borrowings	1,000	4,000
Repayments of long-term borrowings	(2,794)	(4,672)
Dividends paid	(3,529)	(2,176)
Other, net	(453)	(397)
Net cash provided by (used in) financing activities	(5,895)	(1,845)
Effect of exchange rate change on cash and cash equivalents	(93)	164
Net increase (decrease) in cash and cash equivalents	(3,178)	(9,414)
Cash and cash equivalents at beginning of period	13,505	19,715
Cash and cash equivalents at end of period	10,327	10,300

(4) Notes to Semi-annual Consolidated Financial Statements
(Segment information, etc.)

I Six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

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

(Million yen)

	Domestic Business	Overseas Business	Total	Adjustments (Note 1)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 2)
Net sales					
(1) Net sales to outside customers	104,650	7,986	112,636	—	112,636
(2) Intersegment sales or transfers	566	1,793	2,360	(2,360)	—
Total	105,216	9,780	114,996	(2,360)	112,636
Segment profit (loss)	6,200	(130)	6,069	(333)	5,736

- (Notes) 1. The adjustment amount for segment profit (loss) of (333) million yen includes amortization of goodwill of (526) million yen, elimination of intersegment transactions of 2,171 million yen, and corporate expenses not allocated to reportable segments of (1,977) million yen.
Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
2. Segment profit (loss) coincides with the amount of operating profit in the Semi-annual Consolidated Statements of Income.

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

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

II Six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

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

(Million yen)

	Domestic Business	Overseas Business	Total	Adjustments (Note 1)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 2)
Net sales					
(1) Net sales to outside customers	108,810	8,715	117,525	—	117,525
(2) Intersegment sales or transfers	491	2,197	2,688	(2,688)	—
Total	109,302	10,912	120,214	(2,688)	117,525
Segment profit (loss)	7,066	(497)	6,568	(428)	6,139

(Notes) 1. The adjustment amount for segment profit (loss) of (428) million yen includes amortization of goodwill of (662) million yen, elimination of intersegment transactions of 2,205 million yen, and corporate expenses not allocated to reportable segments of (1,971) million yen.

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

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

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

(Significant changes in goodwill)

The Company acquired all shares of Cosmé de Beauté Ltd., and made it a consolidated subsidiary from the first six months of the current fiscal year. As a result, goodwill of 2,848 million yen is recorded. Since allocation of acquisition cost has not been completed as of the end of the first six months under review, the amount of goodwill was provisionally calculated.

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

Not applicable.

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

Not applicable.