

Consolidated Financial Results for the Six Months Ended August 31, 2025 [Japanese GAAP]



October 2, 2025

Company name: Onward Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 8016

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

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Scheduled date of filing semi-annual securities report: October 14, 2025

Scheduled date of commencing dividend payments: November 10, 2025

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, 2025 (March 1, 2025 – August 31, 2025)

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

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	112,636	18.4	5,736	9.1	5,521	5.9	4,822	17.4
August 31, 2024	95,102	5.2	5,255	4.6	5,213	18.1	4,108	43.5

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

Six months ended August 31, 2024: 6,703 million yen [262.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2025	35.50	35.47
August 31, 2024	30.27	30.24

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

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

Six months ended August 31, 2024: 7,690 million yen [4.1%]

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of August 31, 2025	179,025	83,658	46.7
As of February 28, 2025	179,218	84,287	47.0

(Reference) Shareholders' equity: As of August 31, 2025: 83,632 million yen

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

2. Dividends

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

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	230,000	10.4	11,500	13.3	11,000	9.1	10,000	17.4	73.67

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

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

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

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

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
Newly included: - (Company name:)
Excluded: - (Company name:)
- (2) Application of special accounting methods for the preparation of 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: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatement: None
- (4) Total number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury shares):
As of August 31, 2025: 157,921,669 shares
As of February 28, 2025: 157,921,669 shares

2) Total number of treasury shares at the end of the period:
As of August 31, 2025: 21,916,193 shares
As of February 28, 2025: 22,180,165 shares

3) Average number of shares outstanding during the period:
Six months ended August 31, 2025: 135,849,412 shares
Six months ended August 31, 2024: 135,736,626 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 4 of the Attachments.

Note:

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

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1. Overview of Operating Results, etc.

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

During the six months ended August 31, 2025, the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions as well as the effects of various government policies. However, the outlook remained uncertain due to factors such as US tariff policies, weakening consumer sentiment amid persistent inflation, and higher raw material and energy prices, with consumer purchasing behavior becoming increasingly selective.

In this environment, the Onward Group delivered strong results for the six-month period under review, driven by efforts to strengthen product lineups and marketing activities focused on strategically enhanced brands, while steadily opening new stores. WEGO Co., Ltd., which became a wholly owned subsidiary in the third quarter of the previous fiscal year, contributed to the Group's overall profitability through initiatives that highlighted the brand's appeal to younger consumers, particularly Gen Z, including SNS-linked promotions and the launch of collaboration items.

As a result, consolidated net sales were 112,636 million yen (+18.4% year-on-year), operating profit was 5,736 million yen (+9.1% year-on-year), recurring profit was 5,521 million yen (+5.9% year-on-year), and profit attributable to owners of parent was 4,822 million yen (+17.4% year-on-year).

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

EBITDA for the six months ended August 31, 2025 was 8,408 million yen (+9.3% year-on-year).

Results by segment were as follows.

[Domestic Business]

The core operating company Onward Kashiya Co., Ltd. continued to expand stores offering the Click & Try service. Sales of Nijyusanku remained solid, while sales of the UNFILO brand increased significantly.

Onward Personal Style Co., Ltd., which operates the KASHIYAMA made-to-order suits brand, reported substantial sales growth, driven by the continued success of digital advertising initiatives.

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

WEGO Co., Ltd., operator of the WEGO brand, reported a sharp increase in sales, owing to strong demand for collaboration products and summer apparel and goods.

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

[Overseas Business]

In Europe, JOSEPH, a contemporary designer brand founded in London, UK, posted lower sales but higher profit, as weak wholesale performance was offset by solid retail results.

In the US, sales declined following the transfer of shares in the subsidiary operating a golf business in Guam

at the end of the previous fiscal year. However, profitability improved on the back of e-commerce sales growth for the long-standing J.PRESS brand.

In Asia, higher utilization rate at the Dalian plant, supported by increased orders for made-to-order suits, drove sales growth. Meanwhile, retail sales in China and Hong Kong struggled amid a slowing Chinese economy, resulting in lower sales.

As a result, sales declined in the Overseas Business.

(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 193 million yen compared with the end of the previous fiscal year to 179,025 million yen. This was primarily due to decreases in cash and deposits of 3,178 million yen and investment securities of 3,620 million yen, despite increases in notes and accounts receivable—trade, and contract assets of 551 million yen, merchandise and finished goods of 3,763 million yen, and other current assets of 3,441 million yen.

Liabilities increased by 435 million yen compared with the end of the previous fiscal year to 95,367 million yen. This was primarily due to increases in notes and accounts payable—trade of 2,043 million yen and short-term borrowings of 907 million yen, despite a decrease in long-term borrowings of 2,827 million yen.

Net assets decreased by 629 million yen compared with the end of the previous fiscal year to 83,658 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 4,822 million yen, a decrease in valuation difference on available-for-sale securities of 1,456 million yen, a decrease in foreign currency translation adjustment of 458 million yen, and a decrease of 3,529 million yen from dividends of surplus.

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

(Status of cash flows)

Cash flows provided by operating activities amounted to 3,980 million yen (an inflow of 6,282 million yen for the same period of the previous fiscal year) mainly due to profit before income taxes, an increase in inventories, an increase in trade receivables, and an increase in trade payables.

Cash flows used in investing activities amounted to 1,169 million yen (an outflow of 27 million yen for the same period of the previous fiscal year) mainly due to purchase of property, plant and equipment and proceeds from refund of guarantee deposits.

Cash flows used in financing activities amounted to 5,895 million yen (an outflow of 4,772 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 3,178 million yen compared with the end of the previous fiscal year to 10,327 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, 2026, from the forecast announced on April 3, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	13,505	10,327
Notes and accounts receivable—trade, and contract assets	15,957	16,509
Merchandise and finished goods	41,373	45,136
Work in process	666	633
Raw materials and supplies	3,823	3,914
Other	4,913	8,355
Allowance for doubtful accounts	(139)	(150)
Total current assets	80,101	84,726
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,445	19,543
Land	22,145	21,881
Other, net	6,102	6,150
Total property, plant and equipment	47,693	47,575
Intangible assets		
Goodwill	5,835	5,318
Other	7,010	6,944
Total intangible assets	12,846	12,262
Investments and other assets		
Investment securities	13,789	10,169
Retirement benefit asset	9,496	9,757
Deferred tax assets	3,582	3,976
Other	11,808	10,651
Allowance for doubtful accounts	(98)	(94)
Total investments and other assets	38,577	34,461
Total non-current assets	99,117	94,299
Total assets	179,218	179,025

(Million yen)

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable—trade	10,250	12,293
Electronically recorded obligations—operating	9,527	9,448
Short-term borrowings	27,314	28,221
Income taxes payable	1,129	1,729
Provision for bonuses	1,049	1,233
Provision for bonuses for directors	145	39
Other	13,310	13,334
Total current liabilities	62,728	66,301
Non-current liabilities		
Long-term borrowings	21,268	18,440
Retirement benefit liability	2,679	2,594
Provision for retirement benefits for directors and corporate auditors	28	28
Asset retirement obligations	3,090	3,190
Other	5,136	4,811
Total non-current liabilities	32,202	29,066
Total liabilities	94,931	95,367
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,335	50,220
Retained earnings	24,515	25,808
Treasury shares	(20,723)	(20,463)
Total shareholders' equity	84,206	85,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,689	232
Deferred gains or losses on hedges	(2)	(16)
Revaluation reserve for land	(5,825)	(5,825)
Foreign currency translation adjustment	1,399	941
Remeasurements of defined benefit plans	2,751	2,654
Total accumulated other comprehensive income	12	(2,013)
Share acquisition rights	68	26
Total net assets	84,287	83,658
Total liabilities and net assets	179,218	179,025

(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, 2024	For the six months ended August 31, 2025
Net sales	95,102	112,636
Cost of sales	42,392	50,127
Gross profit	52,709	62,508
Selling, general and administrative expenses	47,454	56,772
Operating profit	5,255	5,736
Non-operating income		
Interest income	22	22
Dividend income	150	134
Share of profit of entities accounted for using equity method	65	—
Other	68	168
Total non-operating income	306	325
Non-operating expenses		
Interest expenses	173	256
Share of loss of entities accounted for using equity method	—	66
Foreign exchange losses	8	84
Other	166	131
Total non-operating expenses	349	539
Recurring profit	5,213	5,521
Extraordinary income		
Gain on sales of non-current assets	902	—
Gain on sales of investment securities	865	1,708
Total extraordinary income	1,767	1,708
Extraordinary losses		
Impairment loss	243	714
Loss on liquidation of subsidiaries and associates	1,445	—
Other	10	15
Total extraordinary losses	1,700	730
Profit before income taxes	5,280	6,500
Total income taxes	1,110	1,677
Profit	4,170	4,822
Profit attributable to non-controlling interests	61	—
Profit attributable to owners of parent	4,108	4,822

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Profit	4,170	4,822
Other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(1,456)
Deferred gains or losses on hedges	(82)	(14)
Revaluation reserve for land	12	—
Foreign currency translation adjustment	2,757	(452)
Remeasurements of defined benefit plans, net of tax	20	(96)
Share of other comprehensive income of entities accounted for using equity method	17	(6)
Total other comprehensive income	2,532	(2,025)
Comprehensive income	6,703	2,797
Comprehensive income attributable to:		
Owners of parent	6,641	2,797
Non-controlling interests	61	—

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,280	6,500
Depreciation and amortization	2,007	2,145
Impairment loss	243	714
Amortization of goodwill	427	526
Increase (decrease) in allowance for doubtful accounts	(37)	3
Decrease (increase) in retirement benefit asset	(110)	(261)
Increase (decrease) in retirement benefit liability	(46)	(84)
Interest and dividend income	(172)	(156)
Interest expenses	173	256
Decrease (increase) in trade receivables	1,215	(572)
Decrease (increase) in inventories	(2,315)	(3,871)
Increase (decrease) in trade payables	979	2,081
Loss (gain) on disposal of non-current assets	(896)	12
Other, net	(1,203)	(2,235)
Subtotal	5,547	5,058
Interest and dividends received	207	177
Interest paid	(175)	(298)
Income taxes paid	(853)	(1,055)
Income taxes refund	1,556	97
Net cash provided by (used in) operating activities	6,282	3,980
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,203)	(1,850)
Proceeds from sales of property, plant and equipment	1,526	—
Purchase of investment securities	(2)	(3)
Proceeds from sales of investment securities	1,254	—
Payments of guarantee deposits	(136)	(301)
Proceeds from refund of guarantee deposits	156	1,365
Purchase of long-term prepaid expenses	(131)	(2)
Other, net	(1,489)	(378)
Net cash provided by (used in) investing activities	(27)	(1,169)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	676	(117)
Proceeds from long-term borrowings	6,000	1,000
Repayments of long-term borrowings	(3,035)	(2,794)
Dividends paid	(2,714)	(3,529)
Repayments to non-controlling shareholders	(5,061)	—
Other, net	(637)	(453)
Net cash provided by (used in) financing activities	(4,772)	(5,895)
Effect of exchange rate change on cash and cash equivalents	257	(93)
Net increase (decrease) in cash and cash equivalents	1,739	(3,178)
Cash and cash equivalents at beginning of period	14,133	13,505
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	(2,213)	—
Cash and cash equivalents at end of period	13,660	10,327

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to changes in accounting policies)

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

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

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

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

(Segment information, etc.)

I Six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

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	86,049	9,052	95,102	—	95,102
(2) Intersegment sales or transfers	745	1,806	2,552	(2,552)	—
Total	86,795	10,859	97,655	(2,552)	95,102
Segment profit (loss)	5,613	(112)	5,500	(245)	5,255

(Notes) 1. The adjustment amount for segment profit (loss) of (245) million yen includes amortization of goodwill of (427) million yen, elimination of intersegment transactions of 2,078 million yen, and corporate expenses not allocated to reportable segments of (1,896) 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, 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.

(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.