Consolidated Financial Results
for the Three Months Ended May 31, 2026
[Japanese GAAP]

July 9, 2026

Company name: Onward Holdings Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Securities code: 8016
URL: https://www.onward-hd.co.jp/en/
Representative: Michinobu Yasumoto, President and CEO
Contact: Shohei Yoshida, Director in charge of Finance, Accounting, Investor Relations
Phone: +81-3-4512-1030
Scheduled date of commencing dividend payments: –
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 Three Months Ended May 31, 2026 (March 1, 2026 – May 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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2026	63,466	5.5	5,647	5.5	5,621	7.8	5,043	18.1
May 31, 2025	60,158	17.1	5,353	5.5	5,217	0.4	4,271	6.3

(Note) Comprehensive income: Three months ended May 31, 2026: 3,025 million yen [(17.2)%]
Three months ended May 31, 2025: 3,654 million yen [(53.1)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	37.08	37.07
May 31, 2025	31.47	31.44

(Reference) EBITDA (operating profit + depreciation and amortization):
Three months ended May 31, 2026: 7,032 million yen [5.3%]
Three months ended May 31, 2025: 6,678 million yen [6.9%]

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of May 31, 2026	186,509	94,437	50.6
As of February 28, 2026	189,223	93,588	49.4

(Reference) Shareholders' equity: As of May 31, 2026: 94,415 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	–				
Fiscal year ending February 28, 2027 (Forecast)		16.00	–	17.00	33.00

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1H (cumulative)	117,500	4.3	6,400	11.6	6,200	12.3	5,600	16.1	41.17
Full year	247,000	4.3	12,800	10.3	12,300	10.0	11,200	10.9	82.34

(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 quarterly 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 May 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 May 31, 2026:	5,906,686 shares
As of February 28, 2026:	5,906,571 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2026:	136,015,008 shares
Three months ended May 31, 2025:	135,745,738 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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.

Table of Contents - Attachments

1. Overview of Operating Results, etc.

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

During the three months ended May 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 the impact of geopolitical tensions in the Middle East and U.S. trade policies on financial markets and corporate activity.

Under these business conditions, the Onward Group reported higher sales, owing to the success of promotional initiatives conducted primarily for its strategically enhanced brands. While the gross profit margin declined due to the early introduction of summer apparel and the strategic optimization of inventory levels, the SG&A expense ratio declined as the Group thoroughly worked to improve the efficiency of store operations, resulting in higher profit at all levels.

As a result, consolidated net sales amounted to 63,466 million yen (+5.5% year-on-year), operating profit to 5,647 million yen (+5.5% year-on-year), recurring profit to 5,621 million yen (+7.8% year-on-year), and profit attributable to owners of parent to 5,043 million yen (+18.1% 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 three months ended May 31, 2026, EBITDA was 7,032 million yen (+5.3% year-on-year).

Results by segment were as follows.

[Domestic Business]

Sales increased, supported by strong performance at Onward Kashiyama Co., Ltd., the core operating company, as well as Onward Personal Style Co., Ltd. and Chacott Co., Ltd. Strategically enhanced brands such as UNFILO, KASHIYAMA, Chacott COSMETICS, and WEGO 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, sales increased and profit improved, driven by growth in e-commerce sales at JOSEPH, a contemporary designer brand founded in London, U.K.

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

In Asia, sales 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 and improved profit.

(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 2,714 million yen compared with the end of the previous fiscal year to 186,509 million yen. This was primarily due to decreases in cash and deposits of 7,165 million yen and investment securities of 3,244 million yen, despite increases in notes and accounts receivable—trade, and contract assets of 2,282 million yen, other current assets of 2,071 million yen, and goodwill of 2,526 million yen.

Liabilities decreased by 3,563 million yen compared with the end of the previous fiscal year to 92,071 million yen. This was primarily due to decreases in notes and accounts payable—trade of 646 million yen, income taxes payable of 1,733 million yen, and electronically recorded obligations—operating of 1,345 million yen.

Net assets increased by 849 million yen compared with the end of the previous fiscal year to 94,437 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 5,043 million yen, a decrease of 2,176 million yen from dividends of surplus, and a decrease in valuation difference on available-for-sale securities of 2,040 million yen.

As a result, the shareholders' equity ratio was 50.6%.

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

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

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	19,715	12,549
Notes and accounts receivable—trade, and contract assets	18,756	21,038
Merchandise and finished goods	44,825	44,737
Work in process	580	530
Raw materials and supplies	4,305	4,356
Other	4,601	6,673
Allowance for doubtful accounts	(258)	(264)
Total current assets	92,525	89,621
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,683	19,000
Land	18,910	18,914
Other, net	5,824	5,925
Total property, plant and equipment	43,418	43,840
Intangible assets		
Goodwill	4,818	7,344
Other	6,763	6,778
Total intangible assets	11,581	14,122
Investments and other assets		
Investment securities	13,446	10,202
Retirement benefit asset	15,107	15,223
Deferred tax assets	2,717	2,693
Other	10,519	10,896
Allowance for doubtful accounts	(92)	(90)
Total investments and other assets	41,698	38,924
Total non-current assets	96,698	96,887
Total assets	189,223	186,509

(Million yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable—trade	11,385	10,738
Electronically recorded obligations—operating	7,170	5,824
Short-term borrowings	31,082	31,362
Income taxes payable	3,379	1,645
Provision for bonuses	1,091	1,507
Provision for bonuses for directors	145	28
Other	14,405	13,920
Total current liabilities	68,661	65,028
Non-current liabilities		
Long-term borrowings	15,250	15,922
Retirement benefit liability	2,546	2,513
Provision for retirement benefits for directors and corporate auditors	22	23
Asset retirement obligations	3,358	3,477
Other	5,796	5,106
Total non-current liabilities	26,974	27,043
Total liabilities	95,635	92,071
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	37,390	37,390
Retained earnings	26,224	29,092
Treasury shares	(4,694)	(4,694)
Total shareholders' equity	89,000	91,868
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,551	511
Deferred gains or losses on hedges	17	11
Revaluation reserve for land	(5,806)	(5,806)
Foreign currency translation adjustment	1,690	1,887
Remeasurements of defined benefit plans	6,112	5,942
Total accumulated other comprehensive income	4,565	2,547
Share acquisition rights	21	21
Total net assets	93,588	94,437
Total liabilities and net assets	189,223	186,509

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended May 31

(Million yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Net sales	60,158	63,466
Cost of sales	25,850	27,860
Gross profit	34,307	35,606
Selling, general and administrative expenses	28,954	29,959
Operating profit	5,353	5,647
Non-operating income		
Interest income	5	5
Dividend income	13	9
Share of profit of entities accounted for using equity method	3	11
Foreign exchange gains	–	41
Other	123	149
Total non-operating income	146	216
Non-operating expenses		
Interest expenses	127	141
Foreign exchange losses	73	–
Other	82	100
Total non-operating expenses	282	242
Recurring profit	5,217	5,621
Extraordinary income		
Gain on sales of investment securities	–	1,389
Total extraordinary income	–	1,389
Extraordinary losses		
Impairment loss	293	49
Other	15	1
Total extraordinary losses	309	50
Profit before income taxes	4,907	6,960
Total income taxes	636	1,917
Profit	4,271	5,043
Profit attributable to owners of parent	4,271	5,043

Quarterly Consolidated Statements of Comprehensive Income

Three months ended May 31

(Million yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Profit	4,271	5,043
Other comprehensive income		
Valuation difference on available-for-sale securities	(181)	(2,037)
Deferred gains or losses on hedges	(62)	(5)
Foreign currency translation adjustment	(336)	196
Remeasurements of defined benefit plans, net of tax	(30)	(169)
Share of other comprehensive income of entities accounted for using equity method	(7)	(1)
Total other comprehensive income	(617)	(2,017)
Comprehensive income	3,654	3,025
Comprehensive income attributable to:		
Owners of parent	3,654	3,025

(3) Notes to Quarterly Consolidated Financial Statements

(Segment information, etc.)

I Three months ended May 31, 2025 (from March 1, 2025 to May 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 Quarterly Consolidated Statements of Income (Note 2)
Net sales					
(1) Net sales to outside customers	56,657	3,501	60,158	－	60,158
(2) Intersegment sales or transfers	363	1,035	1,398	(1,398)	－
Total	57,020	4,536	61,557	(1,398)	60,158
Segment profit (loss)	5,804	(353)	5,451	(97)	5,353

(Notes) 1. The adjustment amount for segment profit (loss) of (97) million yen includes amortization of goodwill of (263) million yen, elimination of intersegment transactions of 1,085 million yen, and corporate expenses not allocated to reportable segments of (919) 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 Quarterly 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 Three months ended May 31, 2026 (from March 1, 2026 to May 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 Quarterly Consolidated Statements of Income (Note 2)
Net sales					
(1) Net sales to outside customers	59,510	3,955	63,466	－	63,466
(2) Intersegment sales or transfers	293	1,220	1,513	(1,513)	－
Total	59,804	5,175	64,980	(1,513)	63,466
Segment profit (loss)	6,134	(315)	5,818	(171)	5,647

(Notes) 1. The adjustment amount for segment profit (loss) of (171) million yen includes amortization of goodwill of (329) million yen, elimination of intersegment transactions of 1,098 million yen, and corporate expenses not allocated to reportable segments of (940) 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 Quarterly 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 quarter 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 quarter 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.

(Notes to quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the three months ended May 31, 2026 have not been created. Depreciation and amortization (including amortization pertaining to intangible assets, excluding goodwill) and amortization of goodwill for the three months ended May 31, 2026 are as follows:

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Depreciation and amortization	1,060 million yen	1,056 million yen
Amortization of goodwill	263 million yen	329 million yen