

Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]



July 3, 2025

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, 2025 (March 1, 2025 – May 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 31, 2025	60,158	17.1	5,353	5.5	5,217	0.4	4,271	6.3
May 31, 2024	51,376	2.9	5,074	(5.7)	5,195	6.9	4,019	20.1

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

Three months ended May 31, 2024: 7,799 million yen [188.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	31.47	31.44
May 31, 2024	29.61	29.58

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

Three months ended May 31, 2025: 6,678 million yen [6.9%]

Three months ended May 31, 2024: 6,247 million yen [(4.6)%]

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of May 31, 2025	180,794	84,412	46.7
As of February 28, 2025	179,218	84,287	47.0

(Reference) Shareholders' equity: As of May 31, 2025: 84,348 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	—				
Fiscal year ending February 28, 2026 (Forecast)		14.00	—	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
1H (cumulative)	110,400	16.1	5,700	8.5	5,500	5.5	4,500	33.15
Full year	230,000	10.4	11,500	13.3	11,000	9.1	10,000	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 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: 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 May 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 May 31, 2025: 22,170,321 shares

As of February 28, 2025: 22,180,165 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2025: 135,745,738 shares

Three months ended May 31, 2024: 135,735,253 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 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 three months ended May 31, 2025, the Japanese economy saw improvement in employment and income conditions as companies continued to raise wages. However, the outlook remains uncertain due to prolonged geopolitical risks, soaring raw material prices, higher interest rates and inflation, and potential economic slowdown stemming from US tariff policies. In the apparel industry, signs of a slowdown in inbound consumption have emerged, while consumers continued to demonstrate a strong tendency to curb spending amid rising living costs driven by inflation.

In this environment, the Onward Group's net sales rose significantly due to reinforcement of product lineups and acceleration of new store opening of the strategically enhanced brands, such as UNFILO, KASHIYAMA, Chacott COSMETICS and the consolidation of WEGO Co., Ltd., which became a wholly owned subsidiary in third quarter of the previous fiscal year. Gross profit margin improved, primarily owing to strengthened inventory management. Despite a higher expense ratio resulting from investments in human capital, including employee wage increases, and expanded DX-related initiatives, the Group achieved profit growth.

As a result, consolidated net sales totaled 60,158 million yen (+17.1% year-on-year), operating profit 5,353 million yen (+5.5% year-on-year), recurring profit 5,217 million yen (+0.4% year-on-year), and profit attributable to owners of parent 4,271 million yen (+6.3% 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 three months ended May 31, 2025 was 6,678 million yen (+6.9% year-on-year).

Results by segment were as follows.

[Domestic Business]

In the Domestic Business, the core operating company Onward Kashiya Co., Ltd. continued to expand the number of OMO stores offering the Click & Try service nationwide, while sales of the UNFILO brand remained firm.

Onward Personal Style Co., Ltd., which operates the KASHIYAMA brand, generated significant sales growth through the continued success of promotional measures utilizing digital advertising.

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

WEGO Co., Ltd., operator of the WEGO brand, made steady progress by enhancing marketing effectiveness, contributing to significant growth in the Onward Group's net sales.

In terms of profit, the expense ratio increased due to strategic investments for future growth. However, profit rose as an improvement in the gross profit margin more than offset the increase in expenses.

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

[Overseas Business]

In Europe, JOSEPH, a contemporary designer brand founded in London, UK, delivered solid retail performance. However, overall sales declined due to the brand's weak wholesale performance in China and the US.

In the US, sales declined primarily due to the transfer of shares related to the Guam-based golf business at the end of the previous fiscal year. However, profitability improved, driven by growth in e-commerce sales of the long-standing J.PRESS brand.

In Asia, increased orders for made-to-order suits led to a higher utilization rate at the Dalian plant, resulting in sales growth.

As a result, the loss in the Overseas Business narrowed despite lower sales.

(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 increased by 1,576 million yen compared with the end of the previous fiscal year to 180,794 million yen. This was primarily due to increases in notes and accounts receivable—trade, and contract assets of 2,245 million yen, and merchandise and finished goods of 1,879 million yen, despite a decrease in cash and deposits of 3,141 million yen.

Liabilities increased by 1,451 million yen compared with the end of the previous fiscal year to 96,382 million yen. This was primarily due to increases in notes and accounts payable—trade of 783 million yen, and electronically recorded obligations—operating of 4,457 million yen, despite a decrease in short-term borrowings of 3,973 million yen.

Net assets increased by 124 million yen compared with the end of the previous fiscal year to 84,412 million yen. This was primarily due to an increase resulting from recording of profit attributable to owners of parent of 4,271 million yen, a decrease in foreign currency translation adjustment of 337 million yen, and a decrease of 3,529 million yen from dividends of surplus.

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

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

There is no change to the consolidated performance forecasts for the first half and the full year of the fiscal year ending February 28, 2026, from the forecasts announced on April 3, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	13,505	10,363
Notes and accounts receivable—trade, and contract assets	15,957	18,203
Merchandise and finished goods	41,373	43,253
Work in process	666	431
Raw materials and supplies	3,823	3,914
Other	4,913	5,101
Allowance for doubtful accounts	(139)	(143)
Total current assets	80,101	81,125
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,445	19,689
Land	22,145	22,130
Other, net	6,102	6,166
Total property, plant and equipment	47,693	47,986
Intangible assets		
Goodwill	5,835	5,534
Other	7,010	6,977
Total intangible assets	12,846	12,512
Investments and other assets		
Investment securities	13,789	13,561
Retirement benefit asset	9,496	9,572
Deferred tax assets	3,582	4,404
Other	11,808	11,729
Allowance for doubtful accounts	(98)	(97)
Total investments and other assets	38,577	39,170
Total non-current assets	99,117	99,669
Total assets	179,218	180,794

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable—trade	10,250	11,033
Electronically recorded obligations—operating	9,527	13,985
Short-term borrowings	27,314	23,341
Income taxes payable	1,129	1,299
Provision for bonuses	1,049	1,335
Provision for bonuses for directors	145	23
Other	13,310	14,081
Total current liabilities	62,728	65,101
Non-current liabilities		
Long-term borrowings	21,268	20,399
Retirement benefit liability	2,679	2,658
Provision for retirement benefits for directors and corporate auditors	28	28
Asset retirement obligations	3,090	3,187
Other	5,136	5,008
Total non-current liabilities	32,202	31,281
Total liabilities	94,931	96,382
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,335	50,330
Retained earnings	24,515	25,257
Treasury shares	(20,723)	(20,714)
Total shareholders' equity	84,206	84,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,689	1,501
Deferred gains or losses on hedges	(2)	(64)
Revaluation reserve for land	(5,825)	(5,825)
Foreign currency translation adjustment	1,399	1,061
Remeasurements of defined benefit plans	2,751	2,721
Total accumulated other comprehensive income	12	(605)
Share acquisition rights	68	63
Total net assets	84,287	84,412
Total liabilities and net assets	179,218	180,794

(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, 2024	For the three months ended May 31, 2025
Net sales	51,376	60,158
Cost of sales	22,232	25,850
Gross profit	29,143	34,307
Selling, general and administrative expenses	24,069	28,954
Operating profit	5,074	5,353
Non-operating income		
Interest income	14	5
Dividend income	52	13
Share of profit of entities accounted for using equity method	131	3
Foreign exchange gains	71	—
Other	31	123
Total non-operating income	302	146
Non-operating expenses		
Interest expenses	83	127
Foreign exchange losses	—	73
Other	97	82
Total non-operating expenses	181	282
Recurring profit	5,195	5,217
Extraordinary income		
Gain on sales of non-current assets	944	—
Total extraordinary income	944	—
Extraordinary losses		
Impairment loss	31	293
Loss on liquidation of subsidiaries and associates	1,445	—
Other	5	15
Total extraordinary losses	1,482	309
Profit before income taxes	4,658	4,907
Total income taxes	576	636
Profit	4,081	4,271
Profit attributable to non-controlling interests	61	—
Profit attributable to owners of parent	4,019	4,271

Quarterly Consolidated Statements of Comprehensive Income

Three months ended May 31

(Million yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit	4,081	4,271
Other comprehensive income		
Valuation difference on available-for-sale securities	1,665	(181)
Deferred gains or losses on hedges	12	(62)
Foreign currency translation adjustment	1,959	(336)
Remeasurements of defined benefit plans, net of tax	66	(30)
Share of other comprehensive income of entities accounted for using equity method	13	(7)
Total other comprehensive income	3,717	(617)
Comprehensive income	7,799	3,654
Comprehensive income attributable to:		
Owners of parent	7,737	3,654
Non-controlling interests	61	—

(3) Notes to Quarterly 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 quarter 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 Quarterly 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 quarter of the fiscal year under review. These changes in accounting policies have been retrospectively applied, and the Quarterly 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 Quarterly Consolidated Financial Statements for the previous corresponding period and the Consolidated Financial Statements for the previous fiscal year.

(Segment information, etc.)

I Three months ended May 31, 2024 (from March 1, 2024 to May 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 Consolidated Financial Statements (Note 2)
Net sales					
(1) Net sales to outside customers	47,306	4,069	51,376	—	51,376
(2) Intersegment sales or transfers	326	707	1,033	(1,033)	—
Total	47,633	4,776	52,410	(1,033)	51,376
Segment profit (loss)	5,595	(402)	5,192	(117)	5,074

(Notes) 1. The adjustment amount for segment profit (loss) of (117) million yen includes amortization of goodwill of (208) million yen, elimination of intersegment transactions of 1,036 million yen, and corporate expenses not allocated to reportable segments of (945) 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, 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 Consolidated Financial Statements (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.

(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, 2025 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, 2025 are as follows:

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation and amortization	964 million yen	1,060 million yen
Amortization of goodwill	208 million yen	263 million yen