



(Michinobu Yasumoto, the President and CEO)

Good morning. My name is Yasumoto from Onward Holdings. Thank you very much for taking time despite your busy schedules.

Before I begin my presentation on our financial results, I would like to make a brief statement.

Due to the deeply tragic accident caused by the Kumamoto earthquake, which occurred on July 28th, midway through the second quarter, our group lost the previous lives of three of our colleagues.

Although this was an accident we could never have anticipated, our profound grief will never fade. I would like to once again offer my heartfelt condolences to our three colleagues.

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Now I will begin my explanation of the financial results for the second quarter and the first half of the fiscal year. Let me take you through the results presentation material.

First, I will explain the highlights of our consolidated financial results for the second quarter and the first half of fiscal year 2026.

Highlights of FY2026 Q2/1H Consolidated Financial Results

	Net Sales	Operating Profit	Net Profit	EBITDA*
Q2	¥54.1 billion +3.0% YoY +¥1.58 billion YoY	¥0.5 billion +28.5% YoY +¥0.11 billion YoY	¥0.6 billion +5.6% YoY +¥30.00 million YoY	¥1.9 billion +11.5% YoY +¥0.20 billion YoY
1H	¥117.5 billion +4.3% YoY +¥4.89 billion YoY	¥6.1 billion +7.0% YoY +¥0.40 billion YoY	¥5.6 billion +16.6% YoY +¥0.80 billion YoY	¥9.0 billion +6.6% YoY +¥0.55 billion YoY

*Note: EBITDA = operating profit + depreciation and amortization.

- Despite a challenging business environment in 2Q due to unfavorable weather conditions and other factors, the Company secured a 3.0% YoY increase in sales. As a result, 1H net sales reached ¥117.5 billion, up 4.3%. Growth was driven by strategic focus brands, including *KASHIYAMA* (+42.5%), *UNFILO* (+13.5%), *J.PRESS* (+15.2%), and *Chacott Cosmetics* (+23.9%).
- Operating profit increased 28.5% YoY to ¥0.5 billion in Q2 and 7.0% to ¥6.1 billion in 1H. Gross profit margin declined 1.0 ppt to 54.5% in 1H, reflecting higher raw material costs and inventory optimization efforts. Meanwhile, the SG&A ratio improved by 1.2 ppt to 49.2% in 1H, driven by rigorous efficiency initiatives in store operations and promotional activities.
- As a result, 1H net profit increased 16.6% YoY to ¥5.6 billion, while 1H EBITDA grew 6.6% to ¥9.0 billion.

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As shown in the PowerPoint, for the second quarter, net sales totaled 54.1 billion yen, a 3% increase year-on-year. Operating profit was 0.5 billion yen, a 28.5% increase year-on-year. Net profit was 0.6 billion yen, a 5.6% increase year-on-year. And EBITDA was 1.9 billion yen, an 11.5% increase year-on-year. We also experienced unfavorable weather conditions during the second quarter. As you are aware, the entire industry faced significant challenges, particularly in June. The second quarter was marked by a series of natural disasters and other events. Overall, the business environment was extremely challenging, particularly in Japan. Turning to overseas markets, the situation in Iran became extremely tense just before the start of fiscal year 2026, and this tension continues to this day. The Ukraine war and the tension in the Middle East is an issue that has protracted for some time. Political instability in Europe and the Middle East continues to weigh on our business. Despite the challenging business environment, we made various sales efforts during the second quarter and, as I mentioned earlier, secured a 3% increase in sales. Furthermore, regarding operating profit, while we historically experienced a very long period of losses in the second quarter, we have managed to return to profitability recently. And in the second quarter of this fiscal year, we were able to achieve modest increase in operating profit. There are several factors behind this, but as we have consistently stated, we believe the most significant factor is that our decision to clearly identify strategic focus brands and concentrate on our management resources to such brands has paid off. In particular, the *KASHIYAMA* brand, which focuses on made-to-order suits, achieved a 42.5% increase in sales in the second quarter. This is due not only to the efforts by our sales division, but also to the fact that our manufacturing operations in Asia have become highly profitable. As a result, the brand is increasingly playing a leading role in driving our Group's performance from both production and sales. We have very high expectations for *UNFILO* as a new strategic brand focused primarily on casual wear that emphasizes functional beauty. However, in the second quarter, the weather was cooler than last year. It was not as hot as last year. It was a bit chilly and relatively low temperature, making it difficult for *UNFILO* to fully leverage its strengths. As a result, growth in the second quarter slowed slightly compared to the first quarter. *J.PRESS* saw a 15.2% increase in sales, not only in Japan but also in the United States, the brand's home market. The business is currently experiencing rapid growth. I will explain this in more detail later, but with the US leading the way, we believe this brand, which has a very long history as a strategic brand and is our oldest, celebrating its 125th anniversary next year, holds promise for future growth. Finally, in the wellness segment, *Chacott Cosmetics* continued to post a 23.9% increase in sales. As this brand traditionally performs well in summer, a season where it has a strong presence, it was able to capitalize on its strength. As a result, for the first half of the fiscal year, net sales increased by 4.3% to 117.5 billion yen. Operating profit rose by 7% to 6.1 billion yen. Net profit increased by 16.6% to 5.6 billion yen, and EBITDA grew by 6.6% to 9.0 billion yen. We were thus able to achieve growth in all profit metrics, including sales and profit in the first half. Gross profit margin, however, decreased by 1ppt to 54.5%. This was due in part to rising raw material costs and other factors, as well as our efforts to optimize inventory levels, which had remained relatively high since the onset of COVID-19 pandemic. Consequently, the gross profit margin declined slightly during the first half. On the other hand, we were able to reduce the SG&A ratio by 1.2%. As a result, we were able to increase the operating profit margin. We believe this was achieved by thoroughly implementing cost efficiencies, particularly by enhancing the operational capabilities of our multi-brand stores and improving the effectiveness of our advertising and sales promotion activities. Operating profit totaled 6.1 billion yen, representing a 7% increase. However, we fell short of the initially announced target by 300 million yen. The primary factor behind this, which I will explain in detail later, is our European business. The *JOSEPH* brand, based in London, typically operates on a model where it posts a loss in the first half of the fiscal year and recovers in the second half. However, the loss in the first half widened, causing profits to fall 400 million yen short of the announced figure. We believe this is the primary reason for falling short of our operating profit target, and it remains one of the major challenges we face for the second half of the fiscal year and beyond. That concludes with the highlights for the second quarter.

Highlights of FY2026 Full-Year Consolidated Performance Forecasts

	Net Sales	Operating Profit	Net Profit	EBITDA*
2H	¥129.5 billion +4.3% YoY +¥5.31 billion YoY	¥6.7 billion +13.5% YoY +¥0.79 billion YoY	¥5.6 billion +5.7% YoY +¥0.30 billion YoY	¥9.8 billion +12.0% YoY +¥1.05 billion YoY
Full Year	¥247.0 billion +4.3% YoY +¥10.20 billion YoY	¥12.8 billion +10.3% YoY +¥1.20 billion YoY	¥11.2 billion +10.9% YoY +¥1.11 billion YoY	¥18.8 billion +9.3% YoY +¥1.61 billion YoY

*Note: EBITDA = operating profit + depreciation and amortization.

- As 1H results progressed largely in line with plan, the full-year earnings forecast remains unchanged.
- The Company will continue to implement flexible marketing initiatives in response to changes in the business environment and expects 2H net sales of ¥129.5 billion (+4.3% YoY), operating profit of ¥6.7 billion (+13.5%), net profit of ¥5.6 billion (+5.7%), and EBITDA of ¥9.8 billion (+12.0%).
- For the full-year, the Company forecasts net sales of ¥247.0 billion (+4.3% YoY), operating profit of ¥12.8 billion (+10.3%), net profit of ¥11.2 billion (+10.9%), and EBITDA of ¥18.8 billion (+9.3%).

Next, I would like to move on to the highlights of our full year forecast. As I just mentioned, since our first half results are generally progressing as planned, our full year earnings forecast will remain unchanged. On the other hand, several challenges have become apparent, particularly in our European operations. While steadily addressing these issues, we will do our best to report results that exceed our targets for the second half of the fiscal year. Fortunately, in September and the first week of October, temperatures have dropped, and the weather has improved in our favor. Product sales are picking up significantly. While this is a trend across the entire industry, we are already sensing positive momentum at the start of the second half and believe we can fully leverage our group's strengths going forward. As you can see in the presentation material, we aim to firmly achieve the targets we initially announced this spring and ensure both sales and profit growth. Furthermore, as our group will celebrate its 100th anniversary next year, we intend to make solid progress on preparations for the next century.

Dividend Policy and 100th Anniversary Commemorative Dividend

- To express its appreciation to shareholders in celebration of the Company's 100th anniversary in 2027, the Company plans to add a commemorative dividend of ¥3 per share to the ordinary year-end dividend of ¥17 per share for the fiscal year ending February 2027.
- As a result, the year-end dividend is expected to be ¥20 per share. Combined with the interim dividend of ¥16 per share, the Company plans to pay a total annual dividend of ¥36 per share for the fiscal year ending February 2027.

	Interim Dividend	Year-End Dividend	Total
Previous Forecast (Announced on April 9, 2026)	¥16	¥17	¥33
Current Revised Forecast	¥16	¥20 (Ordinary Dividend ¥17) (Commemorative Dividend ¥3)	¥36
FY2025 Results	¥14	¥16	¥30

Next topic is our dividend policy. As mentioned, as we approach our 100th anniversary next year, we wish to express our gratitude to our shareholders for their long-standing support. Therefore, for the year-end dividend for the fiscal year ending February 2027, which will be paid following the shareholders' meeting next May, we had originally planned a regular dividend of 17 yen at the start of the fiscal year. However, in addition to this, we intend to pay a 3-yen dividend as a 100th anniversary commemorative dividend. As a result, the year-end dividend next spring, in May of next year, will total 20 yen. Combined with the interim dividend of 16 yen scheduled for next month, we plan to pay a total dividend of 36 yen for the full fiscal year 2026. Since the dividend for the previous fiscal year was 30 yen, this will mean a 20% increase in dividend. That concludes my explanation of the highlights and our dividend policy.

FY2026 1H Results by Major Business Companies

		1H Results			
(Millions of yen)		FY2026	FY2025	Change	% Change
1	Onward Kashiwama Co., Ltd. + Onward Holdings Co., Ltd.	Net Sales 3,029	54,724 2,516	-480 +513	-0.9% +20.4%
2	WEGO Co., Ltd.	Net Sales 1,040	16,357 15,715	+642 -59	+4.1% -5.4%
3	Onward Personal Style Co., Ltd.	Net Sales 243	5,463 21	+1,629 +222	+42.5% +1057.1%
4	Subtotal: Domestic Fashion Segment	Net Sales 4,361	79,915 78,431	+1,484 +774	+1.9% +21.6%
5	Europe	Net Sales -571	6,000 5,996	+4 -360	+0.1% ↘
6	United States	Net Sales 4	1,385 728	+657 +45	+90.2% ↗
7	Asia	Net Sales 274	4,531 3,871	+660 +10	+17.0% +3.8%
8	Subtotal: Overseas Fashion Segment	Net Sales -293	11,916 10,595	+1,321 -305	+12.5% ↘
9	Subtotal: Fashion Segment	Net Sales 4,068	91,831 89,026	+2,805 +469	+3.2% +13.0%
10	Chacott Co., Ltd.	Net Sales 763	6,381 5,754	+627 +14	+10.9% +1.9%
11	Creative Yoko Co., Ltd.	Net Sales 230	3,337 3,199	+138 +26	+4.3% +12.7%
12	Yamato Co., Ltd.	Net Sales 753	12,511 11,531	+980 -220	+8.5% -22.6%
13	Cosmé de Beauté Ltd.	Net Sales 251	916 -	- -	- -
14	Subtotal: Wellness Segment	Net Sales 2,127	24,029 21,400	+2,629 +73	+12.3% +3.6%
15	Subtotal: Corporate Design Segment (Onward Corporate Design Co., Ltd.)	Net Sales 954	9,492 9,004	+488 +46	+5.4% +5.1%
16	Consolidated Total	Net Sales 6,139	117,625 112,636	+4,989 +403	+4.3% +7.0%

*Note: The group breakdown is based on simple sums. Consolidated totals are after eliminating intergroup transactions.
WEGO Co., Ltd. is presented separately for domestic and overseas operations, with overseas included within Asia.

(Shohei Yoshida, Director of Finance, Accounting, and Investor Relations)

My name is Yoshida, Director in charge of Finance, Accounting, and Investor Relations.

I'd like to start by explaining the results by major business companies for the first half of fiscal year 2026. Please turn to page 9. Let me start with the Domestic Fashion segment. Onward Kashiwama on Holdings saw a slight decline in sales, primarily due to factors such as the closure of department stores. However, improvements in the efficiency of the SG&A ratio led to an increase in profit of 500 million yen or 20%. Next is WEGO's domestic business. Here, sales increased by 4% due to aggressive store expansion. However, because expenses such as initial store opening costs were incurred upfront, operating profit declined slightly in the first half. Nevertheless, we plan to achieve a solid increase in operating profit for the full fiscal year. The made-to-order business, Onward Personal Style, has maintained its focus on strengthening digital marketing and accelerating store openings, and has achieved a 42.5% increase in sales and an approximately 11x increase in operating profit. As a result, the domestic fashion segment as a whole posted a 1.9% increase in sales and a 21.6% increase in profit. Next, let me explain the overseas operations. As mentioned earlier, in Europe, while sales remained flat, partly due to exchange rate fluctuations, this resulted in a 360 million yen decrease in profit despite flat sales. This was primarily due to the impact of JOSEPH. Although sales through e-commerce and other channels grew, the deterioration of the situation in Iran and the Middle East had significant impact, leading to a rise in costs, including discounts. The U.S. business will be covered in detail later in the topics section, but both J. PRESS' brick-and-mortar stores and e-commerce performed very well, resulting in a 90% increase in sales and has turned to surplus. In Asia, the Dalian plant, Onward Personal Style's main manufacturing facility, has continued to post increases in both sales and profit as efficiency has improved alongside growing suit sales. As a result of the above, the overseas fashion segment saw a 12.5% increase in sales, but a 300 million yen decrease in profit. For the fashion segment as a whole, we achieved a 3.2% increase in sales and a 13% increase in profit. Next is the wellness segment. In the first half, Chacott saw increased sales and profit for both its ballet and yoga lines, as well as Chacott Balance, its fitness apparel line. However, the cosmetics business had a particularly significant impact, driving a 10.9% increase in sales. While operating profit rose by only about 2%, partially due to the upfront investments in advertising and promotional expenses for cosmetics, we anticipate that we will be able to gain back the benefits of these investments starting in the second half of the year. Creative Yoko saw a 4.3% increase in sales and a 12.7% increase in operating profit, largely driven by the recovery in inbound tourism. With the start of Sirotan television broadcasts, we will strengthen our efforts to generate licensing sales and merchandise sales going forward. Yamato experienced a profit decline of approximately 400 million yen in the first quarter. However, we were able to recover to a year-on-year profit decline of approximately 200 million yen for the first half of the fiscal year by regaining a certain level of business from new large-scale projects during the first quarter. Cosmé de Beauté, a company newly consolidated that handles self-nail care products, posted sales of 900 million yen and operating profit of 250 million yen, and we are making steady progress with its own PMI. Based on these results, the wellness segment saw a 12.3% increase in sales and a 3.6% increase in profit. Finally, the corporate design segment, particularly the insight in business which handles promotional items and giveaways. We made progress in securing major corporate accounts, resulting in a 5.4% increase in sales and a 5.1% increase in operating profit. When we look at the first half as a whole, we believe that these results were achieved due to our success in focusing our investment in strategic focus brands.

FY2026 1H Net Sales by Channel

		1H Net Sales by Channel			
(Millions of yen)		FY2026	FY2025	Change	% Change
1	Department Stores	24,174	24,895	-721	-2.9%
	(Composition Ratio)	23.4%	25.2%		-1.7%
2	Directly Operated Stores and Other	50,424	46,596	+3,828	+8.2%
	(Composition Ratio)	48.9%	47.1%		+1.8%
3	Physical Stores Total	74,598	71,491	+3,107	+4.3%
	(Composition Ratio)	72.4%	72.3%		+0.1%
4	Directly Managed E-Commerce	22,507	21,581	+926	+4.3%
	(Composition Ratio)	21.8%	21.8%		0.0%
5	Other E-Commerce Platforms	6,001	5,807	+194	+3.3%
	(Composition Ratio)	5.8%	5.9%		-0.1%
6	E-Commerce Total	28,508	27,388	+1,120	+4.1%
	(Composition Ratio)	27.6%	27.7%		-0.1%
7	Directly Managed E-Commerce Ratio	78.9%	78.8%		+0.1%
8	Total Sales	103,106	98,879	+4,227	+4.3%

*Note: The following ten domestic group companies operate e-commerce businesses

Onward Kashiwama Co., Ltd., WEGO Co., Ltd., Onward Personal Style Co., Ltd., Island Co., Ltd., Tiaclass Co., Ltd., Chacott Co., Ltd., Creative Yoko Co., Ltd., Yamato Co., Ltd., KOKOBUY Co., Ltd., Cosmé de Beauté Ltd.

On the next page, I will explain the net sales by distribution channel. Starting from the top is department stores, which fall under physical stores.

As I mentioned earlier, due to factors such as the closure of department stores or their transition to shopping centers, sales decreased by 2.9% at 700 million yen, and its overall share of total sales fell by 1.7 ppt. On the other hand, sales from other channels, including directly operating stores and others, increased by 8.2%, a 3.8 billion yen increase, and its shares of total sales rose by 1.8 ppt. As a result, sales from the physical stores channel increased by 4.3% at 3.1 billion yen, while the share of total sales remained flat. Total sales of e-commerce increased by 4.1% and increased by 1.1 billion yen, resulting in an e-commerce share of 27.6% and a share of our own e-commerce platform at 78.9%.

FY2026 Full-Year Performance Forecasts by Major Business Companies

		Full-Year Forecast			
(Millions of yen)		FY2026	FY2025	Change	% Change
1	Onward Kashiyama Co., Ltd. + Onward Holdings Co., Ltd.	Net Sales 116,730 Operating Profit 7,750	115,850 7,240	+880 +510	+0.8% +7.0%
2	WEGO Co., Ltd.	Net Sales 31,547 Operating Profit 1,415	31,310 1,297	+237 +118	+0.8% +9.1%
3	Onward Personal Style Co., Ltd.	Net Sales 11,310 Operating Profit 420	8,283 258	+3,027 +162	+36.5% +62.8%
4	Subtotal: Domestic Fashion Segment	Net Sales 167,367 Operating Profit 9,775	163,809 8,704	+3,558 +1,071	+2.2% +12.3%
5	Europe	Net Sales 14,730 Operating Profit 180	13,562 124	+1,168 +56	+8.6% +45.2%
6	United States	Net Sales 3,200 Operating Profit 10	2,257 -47	+943 +57	+41.8% -
7	Asia	Net Sales 10,533 Operating Profit 425	8,435 365	+2,098 +60	+24.9% +16.4%
8	Subtotal: Overseas Fashion Segment	Net Sales 28,463 Operating Profit 615	24,254 442	+4,209 +173	+17.4% +39.1%
9	Subtotal: Fashion Segment	Net Sales 195,830 Operating Profit 10,390	188,063 9,146	+7,767 +1,244	+4.1% +13.6%
10	Chacott Co., Ltd.	Net Sales 12,200 Operating Profit 1,050	10,669 991	+1,531 +59	+14.3% +6.0%
11	Creative Yoko Co., Ltd.	Net Sales 7,000 Operating Profit 730	6,875 670	+125 +60	+1.8% +9.0%
12	Yamato Co., Ltd.	Net Sales 24,530 Operating Profit 1,230	24,085 1,461	+445 -231	+1.8% -15.8%
13	Cosmé de Beauté Ltd.	Net Sales 1,670 Operating Profit 380	- -	- -	- -
14	Subtotal: Wellness Segment	Net Sales 47,260 Operating Profit 3,610	43,428 3,329	+3,832 +281	+8.8% +8.4%
15	Subtotal: Corporate Design Segment (Onward Corporate Design Co., Ltd.)	Net Sales 19,370 Operating Profit 2,000	19,121 1,822	+249 +178	+1.3% +9.8%
16	Consolidated Total	Net Sales 247,000 Operating Profit 12,800	236,804 11,604	+10,196 +1,196	+4.3% +10.3%

*Note: The group breakdown is based on simple sums. Consolidated totals are after eliminating intergroup transactions.
WEGO Co., Ltd. is presented separately for domestic and overseas operations, with overseas included within Asia.

Finally, please turn to page 13. This slide shows our full-year performance forecast by major business companies.

As mentioned earlier, we have not revised the overall full-year forecast after taking into account the progress of our first half results. Therefore, I will omit explanations for individual companies. However, to reiterate, we forecast a 2.2% increase in sales and a 12.3% increase in profit for the total Domestic Fashion segment.

For the Overseas Fashion segment, we plan for a 17.4% increase in sales and a 39% increase in profit. The total Fashion segment is planned for a 4.1% increase in sales and a 13.6% increase in profit. Meanwhile, the total Wellness segment is planned for a 8.8% increase in sales and an 8.4% increase in profit. The B2B Corporate Design segment is planned to grow 1.3% in sales and 9.8% in profit. When we total all of what I mentioned, we plan to achieve a 4.3% increase in consolidated sales and a double-digit increase in profit of 10.3%. Given the situation in Middle East regarding JOSEPH, I anticipate some minor fluctuations between companies, but I do not believe that there will be any cross-segment impact on the overall total, and I am confident we can fully achieve these targets. That concludes my presentation. Thank you very much.

TOPICS 1

KASHIYAMA | Strong Sales and Profit Growth Driven by Expanded Various Customer Touchpoints and a Broader Product Lineup

- Onward Personal Style Co., Ltd., which operates the made-to-order suit brand KASHIYAMA, delivered strong 1H results, with net sales increasing 42.5% YoY and operating profit rising 10.6x YoY.
- In addition to its existing flagship stores in major urban areas and shopping center locations in suburban and regional markets, the Company launched *KASHIYAMA Premium* this spring, taking over the department store made-to-order suit business from Onward Kashiyama Co., Ltd. Average spending per customer is approximately 3x that of KASHIYAMA, with a strategy to further expand the executive and affluent customer segments. Trial stores opened in outlet malls this summer have also performed well. The Company will continue to expand various customer touchpoints, including online channels.
- On the product side, enhanced production capabilities for made-to-order shirts doubled sales YoY. The Company also launched a range of ready-to-wear business apparel, including cut-and-sewn tops, shirts, blouses, and pants. Going forward, coats and knitwear will be added to the lineup to address business needs that cannot be met through made-to-order products alone.



KASHIYAMA Urban Dock LaLaport Toyosu



(Michinobu Yasumoto, the President and CEO)

Next, I'd like to discuss 3 key topics. The first topic is the current status of our KASHIYAMA business, one of our strategic brands that we are focusing on strengthening. As I mentioned earlier, sales increased significantly by 42.5% year on year in the first half. The business had already returned to profitability during the first half, and profit increased more than 10x. It has now moved beyond its break-even point, which means that further sales growth should translate directly into higher profits. That is particularly important given that the business operates factories requiring substantial fixed cost investment. We have high expectations for KASHIYAMA as a strategic brand that will drive profit growth for the group going forward. First, we intend to further diversify our sales channels. The business originally started with KASHIYAMA, The Smart Tailor, a brand built around the concept of providing high quality made-to-order suits at very competitive prices with a short delivery time. Until now, our main channels have been directly operated flagship stores in central urban areas to raise brand awareness, as well as stores in the shopping centers in suburban and regional locations. However, starting this fiscal year, our made-to-order suit business, which Onward Kashiyama had operated for many years through department stores and which we referred to internally as our easy order business, has been transferred to Onward Personal Style. Now we have a new brand, KASHIYAMA Premium. Since this spring, with a new production system in place, we have been operating this brand. The average spending per customer is approximately 3x that of Smart Tailor. We plan to expand our customer base to include segments such as executives that Smart Tailor alone cannot fully serve. Our aim is to offer products to a broad range of customers, from senior executives to students preparing for job interviews. In addition, since this summer, we have been testing a new sales channel at outlet malls. These stores are not intended to serve as outlets for clearing excess inventory. Instead, products are sold at their regular prices, leveraging the strong customer traffic that outlet malls attract. The initial trial at an outlet mall in Sano, Tochigi Prefecture, has been performing extremely well. We plan to roll out this model to outlet facilities across Japan. We have also offered online sales from the outset, and we expect further growth in repeat purchases, particularly as customers place additional orders for their second and subsequent made-to-order suits online. In this way, we aim to expand customer touchpoints across all sales channels, standalone stores, shopping centers, department stores, outlet malls, and online channel. The strong results in the first half have given us considerable confidence that this strategy is working, contributing to the substantial increase in both sales and profit. Turning to our product offering, sales have traditionally been heavily concentrated in made-to-order suits. We have therefore been strengthening our production capacity for made-to-order dress shirts. And since the beginning of this fiscal year, sales of these shirts have doubled year on year. Previously, delivery times for dress shirts were two to three times longer than those for suits, making it difficult for customers to purchase both at the same time. From this fiscal year, we have finally established a system that allows shirts and suits to be shipped together within the same delivery timeframe. Naturally, purchasing a suit and dress shirt together increases the average transaction value while also improving customer satisfaction. We also plan to expand our range of ready-to-wear products, including cut-and-sewn tops, shirts, blouses, and trousers. Rather than insisting that every item to be made to order, we will listen to customer feedback and introduce a carefully selected range of ready-to-wear apparel that complements our suits and aligns with the KASHIYAMA brand concept. To support this broader product lineup, we will also be expanding the size of our stores. We intend to extend our offering to products such as coats and knitwear, allowing us to capture business wear demand that cannot be fully met by made-to-order products alone. By expanding customer touchpoints, increasing the number of stores, and raising average sales per store and average spending per customer, we aim to accelerate the growth of the KASHIYAMA business in the second half and beyond. That concludes the first topic.

TOPICS 2

J.PRESS INC. | Enhanced Brand Value of J.PRESS Drove a Return to Operating Profitability in the U.S. Business in 1H

- Driven by enhanced digital marketing initiatives, J.PRESS business in the U.S. delivered strong 1H performance, with sales increasing approximately 1.9x YoY and achieving a return to operating profitability. Increased demand for premium suits and blazers, together with expanded inventory of core products, supported the growth.
- The Company held a runway show during New York Fashion Week in early September. On September 18, it relocated and reopened its New York flagship store, further strengthening the brand's presence. Sales increased approximately 65% YoY (Sep.18 - Oct.4), exceeding the initial plan by 30% and delivering a strong start.
- The Company is also evaluating opportunities for new store openings in major U.S. cities, including Los Angeles, San Francisco, Chicago, and Boston etc.



New York Flagship Store



Fall/Winter 2026 Collection

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The second topic is our overseas business, specifically J. PRESS. J. PRESS will celebrate its 125th anniversary next year. Founded in 1902, it is a traditional American-style apparel brand with a long and distinguished history. Last year, we welcomed Jack Carlson as CEO and creative director to reinvigorate the brand. His digital marketing expertise has already begun to deliver tangible results. Even though he has been with us for only about a year and a half, in the first half, sales of J. PRESS in the United States increased approximately 1.9x year on year, representing nearly a doubling of sales. At the same time, we have streamlined the product range, concentrating on our strongest core items, classic J. PRESS blazers, button-down shirts, trousers, and other timeless basics. These products are attracting a substantial number of customers, particularly through online channels and improving business efficiency. We believe that J. PRESS is returning to its roots in a very positive way. The business also returned to profitability in the first half, something that had not happened in the United States for many years. We see J. PRESS as a strategic brand with significant potential to lead the group's overseas business going forward. After entering into the second half, we held a runway show in early September to coincide with New York Fashion Week. On September 18, we also reopened our New York flagship store on Madison Avenue. The store had previously been located on the first floor of the Yale Club. The move to Madison Avenue brings the brand back to a street where J. PRESS originally had a store, making this another example of a return to our roots.

Although the new store has opened for only about half a month, sales from September 18 through October 4 were 65% higher than sales at the former Yale Club location over the comparable period. Sales also exceeded our initial plan by 30%, giving the store a very strong start. As shown in the materials, the new store is becoming a landmark that attracts not only existing customers but also new ones. We therefore have high expectations for its future performance. Using the New York store as a model, we plan to relocate and reopen our Washington, D.C. store before the end of this year. Our flagship store in New Haven, near Yale University, where the brand was founded, was already renovated and reopened four years ago. With Washington, D.C. project, we will have completed the renewal of all three of our key stores by the end of this year. From next year onward, we are initially considering opening approximately 10 additional stores across the United States. Potential locations include Los Angeles, San Francisco, Chicago, Boston, Texas, and a second location in Manhattan. Our intention is not to simply increase the number of stores indiscriminately. Rather, we want to open stores in highly visible locations that will maximize synergies with our online store. Naturally, the availability of suitable properties will determine the timing. We will proceed in no particular order as appropriate locations that fit J. PRESS brand become available. For now, our priority is to establish an effective new model for operating physical stores at our existing three locations, while also developing the techniques and capabilities needed to maximize synergies with our online store in a way that is true to the J. PRESS brand. That concludes with the second topic.

TOPICS 3

Sirotan | Accelerating Business Growth Through the Launch of a Short-Form TV Anime Series

■ The short-form animated series premiered on TV Asahi's terrestrial broadcasting network on October 3 and was simultaneously released on major video streaming platforms. The launch has generated responses exceeding initial expectations. Building on this momentum, the Company is accelerating product lineup expansion and enhancing marketing and promotional activities.

■ 1H sales of the *Sirotan* licensing business remained solid, increasing 10% YoY. Since this spring, inquiries regarding licensing agreements from major companies across a wide range of industries have increased significantly.

■ As a new sales channel for *Sirotan* merchandise, the Company plans to open the Sirotan Funwari Store at LUCUA Osaka in November. The Company also plans to expand *Sirotan* merchandise sales locations nationwide by utilizing existing *Pet Paradise* stores and converting selected store formats.



TV Anime Sirotan Key Visual



Sirotan x Sanrio Characters
Limited-Edition Collection



Sirotan Funwari Store
Ikebukuro Sunshine 60 Street Store
Popup Space in Pet Paradise Store

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The third topic is our intellectual property or IP business. Creative Yoko, which has long operated business in pet products and heartwarming lifestyle goods, owns the Sirotan character, a harp seal character created in 1999. The character has been developed over the past 27 years and already has a large and devoted fan base throughout Japan known as Sirotanists. We now want to raise its profile and broaden public awareness, and we have launched a collaboration with TV Asahi to achieve this. The collaboration began with a one-minute short, animated program broadcast at 4:29 P.M. on Saturday, October 3. The second episode will air tomorrow, and the response so far has exceeded our expectations. The videos are also available on platforms such as YouTube. Although less than a week had passed since the first episode was released, the videos had already been viewed approximately 240,000 times. We cannot directly compare these figures with those of other anime productions, but people involved in the anime business have told us that reaching this level of viewership is less than a week represents a very strong initial response. This is why we describe the response as exceeding our expectations. As we continue to raise awareness of the character, we intend to expand sales focusing primarily on Creative Yoko's brand stores, where product development and retailing are among our core strengths. We will broaden our product lineup through collaborations with the anime production committee, while also strengthening promotional activities that go beyond what the Onward Group could achieve on its own. Licensing will be another key pillar of the IP business. Through TV Asahi's various networks, we have been receiving inquiries and establishing arrangements with master licenses in individual countries for global expansion. Our goal is for Sirotan to build brand awareness worldwide, not just in Japan, and ultimately to generate sales of merchandise and other related products. Working together with the anime production committee, we intend to expand the licensing business. In addition to our directly operated business in Japan, we want overseas licensing to become a major pillar of our IP business. We have already received inquiries from a variety of potential partners. Sales in the first half increased by 10% year on year. The impact of the anime collaboration has not yet been reflected in these results, but we expect growth to accelerate from here. In Japan, we plan to expand our network of Sirotan merchandise sales locations, beginning with Lucua Osaka and subsequently rolling out the concept to other locations. We are receiving considerable interest in the character, and we are excited about the opportunities ahead. To summarize, I have discussed three business that we expect could drive the group's growth in the second half and beyond. Our domestic fashion and apparel business, our overseas business, and our anime character business within the wellness segment. Thank you.



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