FY02/27 (FY2026)
Q1

Results Presentation Material

July 9, 2026
ONWARD HOLDINGS CO., LTD.

(Michinobu Yasumoto, the President and CEO)

I am Yasumoto. Thank you very much for joining today despite your busy schedule.

Contents

First, I would like to present the highlights of the consolidated financial results for the first quarter of FY2026 and the highlights of the consolidated performance forecast for the first half and the full year, followed by three topics as key updates.

FY2026 Q1 Highlights of Consolidated Financial Results

Net Sales	Operating Profit	Net Profit	EBITDA*
¥63.5 billion	**¥5.6 billion**	**¥5.0 billion**	**¥7.0 billion**
+5.5% YoY +¥3.3 billion YoY	+5.5% YoY +¥0.3 billion YoY	+18.1% YoY +¥0.8 billion YoY	+5.3% YoY +¥0.4 billion YoY

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

- Net sales increased 5.5% year on year to ¥63.5 billion. In particular, Onward Personal Style Co., Ltd. (+38.5% YoY), Chacott Co., Ltd. (+16.4%), the U.S. business (+82.5%), and the Asia business (+16.4%) delivered strong performance, achieving double-digit revenue growth. Onward Kashiyama Co., Ltd. (+2.0%) and WEGO Co., Ltd. (+7.2%) also delivered solid performance.
- By brand, strategically enhanced brands such as *UNFILO* (+25.7%), *KASHIYAMA* (+38.5%), and *Chacott Cosmetics* (+45.4%) achieved significant double-digit revenue growth, driven by enhanced digital marketing initiatives and promotional activities. *Nijusanku* (+1.0%) and *WEGO* (+7.2%) also remained solid.
- By sales channel, sales at department stores decreased 4.5%, mainly due to store closures, while directly operated stores and other channels posted strong growth of 11.7%, and e-commerce sales increased 5.2%.
- Operating profit increased 5.5% to ¥5.6 billion. The gross profit margin declined by 0.9 ppt to 56.1%, due to the early launch of summer products and inventory optimization efforts. The SG&A expense ratio declined 0.9 ppt to 47.2%, primarily due to thorough efforts to improve the efficiency of store operations.
- As a result, net profit increased 18.1% to ¥5.0 billion, and EBITDA rose 5.3% to ¥7.0 billion.

Regarding the highlights of the consolidated financial results, Q1 began just after the outbreak of the Middle East conflict at the end of February. This was widely covered in the news, and there were concerns about its potential impact on consumer sentiment as we entered the quarter. In addition, in May, we experienced unusually high temperatures with summer arriving earlier than in a typical year. Given these factors, Q1 started under challenging conditions. Nevertheless, we were able to achieve solid growth in net sales and profit. Net sales amounted to 63.5 billion yen, a 5.5% increase year-on-year. On page 4, there are five paragraphs and the first three points relate to net sales. Among the drivers of this revenue growth, one notable contributor was Onward Personal Style Co., Ltd., which operates the group's made-to-order suit business. The company delivered a significant 38.5% year-on-year increase in net sales. In addition, Chacott Co., Ltd. delivered strong results supported by the solid performance of its cosmetics business, which I will discuss later. As a result, Chacott Co., Ltd. as a whole, including the ballet business and the other operations, achieved double-digit revenue growth of 16.4%. In the overseas business, the U.S. business, which is essentially *J.PRESS*, achieved strong growth, driven mainly by its e-commerce operations, delivering a substantial 82.5% year-on-year increase, nearly doubling its net sales. In Asia, as well, both WEGO Co., Ltd. and the production business performed strongly. In particular, the made-to-order suit factory significantly improved its utilization rate, resulting in a notable increase in net sales. As a whole, the Asia business recorded year-on-year revenue growth of 16.4%. These businesses, all of which achieved double-digit growth, collectively contributed to driving the overall increase in consolidated net sales. Onward Kashyama Co., Ltd., our core operating company, also posted solid results with net sales up 2%. WEGO Co., Ltd. recorded a 7.2% increase in net sales, maintaining steady performance. Turning to net sales by brand, *UNFILO*, positioned as a strategically enhanced brand within Onward Kashiyama Co., Ltd., continued its strong momentum from the previous fiscal year, achieving 25.7% year-on-year growth. And as mentioned earlier, *KASHIYAMA*, our made-to-order suit business, delivered a significant 38.5% increase. Within Chacott Co., Ltd., the cosmetics business alone achieved a substantial 45.4% year-on-year increase. These results were driven by enhanced digital marketing initiatives and the promotional activities, which proved highly effective. Among our core brands, *Nijusanku* posted a 1% increase in net sales, and WEGO Co., Ltd. also achieved 7.2% growth, both delivering solid performance. Next, regarding net sales by sales channel. Sales through department stores declined 4.5% mainly due to store closures as well as the discontinuation of stores within the company. Meanwhile, directly operated stores and other channels achieved double-digit revenue growth of 11.7%, and e-commerce also posted solid growth of 5.2%. As a result, net sales increased 5.5% year-on-year. Next, turning to operating profit, the operating profit amounted to ¥5.6 billion, representing a 5.5% increase year-on-year. As shown in a fourth paragraph, the gross profit margin declined by 0.9 points to 56.1%. This was primarily due to the early launch of summer products, which typically carry a lower growth margin in response to the unusually high temperatures in May. In addition, inventory levels increased during the COVID-19 period, and that inventory deloading during Q1 also pushed down the gross margin. That was the main element. Meanwhile, the SG&A expense ratio improved by 0.9 points, declining to 47.2%. Initiatives have been implemented continuously since the previous fiscal year, including strengthening the operational capabilities of multi-brand stores and promoting the click-and-try. These measures further enhanced the efficiency of store operations, which was the primary factor behind the improvement in SG&A expense ratio. As a result, both gross margin and SG&A expense ratio declined by 0.9 points, leaving the OP margin essentially unchanged. As a result, net profit amounted to five billion yen, an 18.1% increase year-on-year. EBITDA also increased by 5.3% year-on-year to seven billion yen.

FY2026 First Half and Full-Year Highlights of Consolidated Performance Forecasts

	Net Sales	Operating Profit	Net Profit	EBITDA*
First Half	¥117.5 billion +4.3% YoY +¥4.9 billion YoY	¥6.4 billion +11.6% YoY +¥0.7 billion YoY	¥5.6 billion +16.1% YoY +¥0.8 billion YoY	¥9.3 billion +10.6% YoY +¥0.9 billion YoY
Full Year	¥247.0 billion +4.3% YoY +¥10.2 billion YoY	¥12.8 billion +10.3% YoY +¥1.2 billion YoY	¥11.2 billion +10.9% YoY +¥1.1 billion YoY	¥18.8 billion +9.3% YoY +¥1.6 billion YoY

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

- Considering the continued geopolitical risks and uncertainty surrounding the macroeconomic environment, the financial forecasts for both the first half and the full year remain unchanged.
- During the second quarter, the Company will implement marketing initiatives in response to changes in the business environment. As a result, for the first half, the Company forecasts net sales of ¥117.5 billion (+4.3% YoY), operating profit of ¥6.4 billion (+11.6%), net profit of ¥5.6 billion (+16.1%), and EBITDA of ¥9.3 billion (+10.6%).
- Accordingly, for the full year, the Company forecasts net sales of ¥247.0 billion (+4.3%), 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 page 5, the performance forecast highlights. To say the conclusion first, the financial forecast for both the first half and the full year remains unchanged from the initial projections. During the Q2, we will continue marketing activities in response to changes in the business environment. For the first half, net sales are forecast to increase 4.3% year-on-year to 117.5-billion-yen, operating profit to rise 11.6% to 6.4-billion-yen, net profit to grow 16.1% to 5.6 billion yen, and EBITDA to increase 10.6% to 9.3 billion yen, all in line with the initial forecast. For the full year as well, we remained with our initial forecast, net sales of 247 billion up by 4.3%, OP of 12.8 billion yen up by 10.3%, net profit of 11.2 billion yen up by 10.9%, and EBITDA of 18.8 billion yen up by 9.3%. These figures remain unchanged also from the original projections. This concludes with the highlights of the consolidated performance forecasts.

TOPICS 1

WEGO | First Store in Taiwan Achieved a Strong Start

- Starting in FY2026, WEGO Co., Ltd. will accelerate its overseas expansion. As the first step, the Company aims to establish a presence in the Taiwan and China markets.
- At the end of May, the Company launched its own e-commerce website in Taiwan and opened its first Taiwan store at Eslite Spectrum Wuchang Store in Taipei City. Sales (store + e-commerce) through the end of June reached approximately 4.4 times the initial forecast, marking a strong start.
- In Taiwan, the Company plans to open three additional stores during the current fiscal year, including a flagship street-level store in Taipei, and aims to expand its store network to approximately 20 stores by FY2030.
- In China, following the launch of e-commerce operations on Taobao and Tmall, the Company plans to open a flagship street-level store in Shanghai later this year.

Next, I would like to move on to pages six, seven, and eight.
Over these three pages, I will explain three recent topics that are closely linked to our future growth strategy.
The first topic concerns WEGO Co., Ltd., which is one of our strategically enhanced brands. WEGO Co., Ltd. became a wholly owned subsidiary in the fall of 2024, and about one and a half years have passed since then. During this period, the integration of its domestic business into the Onward group, including PMI, progressed steadily and smoothly. Accordingly, beginning in FY2026, we intend to move forward with overseas expansion, a major part of our vision since WEGO Co., Ltd. became a wholly owned subsidiary, focusing primarily on the Asian market. As the first step, we aim to establish a presence in Taiwan and China. In the final week of Q1, at the end of May, we launched our own e-commerce website in Taiwan and opened our first directly operated store there. Combined sales from the store and e-commerce for approximately one month through the end of June reached about 4.4 times the initial forecast, marking a significantly stronger than expected start. The initial plan was set at a level comparable to that of a typical domestic store, but the business had enjoyed a very strong response from the outset. The first store was opened inside Eslite Spectrum Wuchang Store, a major commercial facility in Taipei, operated by a leading developer with a large number of retail properties. During the current fiscal year, three more stores are planned to open in Taiwan, including a flagship street-level store, bringing the total to four stores. And looking ahead, we aim to expand our store network to approximately twenty stores in Taiwan by FY2030. Since the first store has performed strongly, we are now receiving a growing number of inquiries from various developers across Taiwan. We intend to move forward as quickly as possible so that we can hit the plan ahead of schedule. Meanwhile, in China, we have already launched EC operations in Taobao and Tmall. However, we are yet to have a permanent physical store in the market. So, the plan is to open a flagship street-level store in the center of Shanghai later this year, ideally in early October. Through this opening, we aim to generate synergy between the physical store and our EC operations. So, this concludes the topic regarding WEGO Co., Ltd., which has achieved a strong start in its overseas expansion initiatives.

TOPICS 2

Chacott Cosmetics | Expanding Brand Awareness Through Enhanced Promotions

- Enhanced TV and online marketing initiatives contributed to a strong 45.4% year-on-year increase in Q1 sales.
- Customer touchpoints expanded through promotional displays aligned with marketing campaigns at lifestyle stores and drugstores.
- Growing recognition of the high quality and functionality developed through many years of experience in the ballet industry supported strong sales of products such as “Complexion Creator” and the “Cool Series”.

The second topic is Chacott Cosmetics. Chacott Co., Ltd. originally began as a ballet-focused business, and until recently, we had not placed significant emphasis on strengthening promotions specifically for the cosmetics business. But starting in FY26, however, we launched our first ever TV commercial as for *Chacott* featuring Eliza Ikeda and expanded promotional activities across online channels as well. As a result, net sales for the first quarter increased significantly up by 45.4% year-on-year. The main sales channels are variety stores and drug stores, and by presenting our promotional plans to these partners, we were able to expand in-store displays. This led to broader nationwide customer reach and a substantial increase in consumer touch points. From a product standpoint, Chacott Co., Ltd. has long been confident in the high quality and high functionality cultivated through its ballet business. With strengthened promotions, the awareness of our core products, including the “Complexion Creator” and the “Cool Series,” which are our most established and trusted items, has increased, leading to strong and steady sales growth.

TOPICS 3

Sirotan | Accelerating Business Growth Through TV Anime Series

- Q1 sales of *Sirotan*, Creative Yoko Co., Ltd.'s character business, increased 4.9% year on year, primarily driven by its merchandise and licensing businesses.
- Anticipation surrounding the TV anime series scheduled to premiere on TV Asahi in October 2026 contributed to a nearly 40% year-on-year increase in the number of companies visiting the Company's booth at Licensing Japan, held in June. (Approximately 60 companies from more than 10 countries and regions visited the booth.)
- Also in June, *Sirotan* was ranked No.1 in the Partner Category of the Sanrio Character Ranking, hosted by Sanrio Co., Ltd., further expanding opportunities for future collaborations.

Ranked No.1 in the Partner Category of the Sanrio Character Ranking

Introduction to the TV Anime Characters (Source: Official Website of the TV Anime *Sirotan*)

Sirotan Booth at Licensing Japan

The third topic concerns the accelerated growth of the Sirotan character business operated by Creative Yoko Co., Ltd. Creative Yoko Co., Ltd.'s core business is fashion and related goods. In addition, since 1999, 27 years ago, it has steadily developed its own IP, *Sirotan*, a harp seal character. While broader awareness is still in the early stages, it has cultivated a very strong and loyal fan base over the past 27 years. Both the merchandise business and the licensing business, which began 10 years ago, have continued to perform steadily, and in the first quarter, net sales increased 4.9% year-on-year. Furthermore, following the spring release, it has been decided that a terrestrial TV anime series will be broadcast nationwide on the TV Asahi network starting in October this year. This is expected to significantly expand the general consumer awareness of the *Sirotan* IP. By generating synergy with the upcoming anime broadcast, we aim to significantly expand both the merchandise business and, in particular, the licensing business through collaborations with various partner companies. We intend this to serve as the first step toward accelerating the growth of the *Sirotan* business. As for recent developments, Licensing Japan, the annual exhibition that brings together licensors and the licensees, was held at Tokyo Big Sight in June. Creative Yoko Co., Ltd. and *Sirotan* participated as usual, and the number of visitors to the booth from both Japan and overseas increased by 40% year-on-year. More than sixty companies from over ten countries and regions visited the booth, reflecting strong expectations for the upcoming anime adaptation. We are receiving enthusiastic interest from potential licensee partners across a wide range of industries. And at present, together with TV Asahi, we are in the process of selecting partners, including overseas partners, to support the global expansion of this business. A full-scale rollout will begin this fall, so please stay watching the results and the development. In June, in addition, Sirotan won first place in the partner category of the Sanrio Character Award, a long-standing and highly prestigious competition hosted by Sanrio. This recognition is expected to further expand collaboration opportunities with a wide range of partner companies. Although full-scale development of the *Sirotan* business will begin in the fall, preparations are already progressing steadily. And furthermore, Creative Yoko Co., Ltd. is re-editing and reorganizing store layouts, including flagship, street-level stores, to ensure that *Sirotan*-related products are displayed in more prominent and visible locations. We believe these initiatives will further strengthen customer engagement with the *Sirotan* IP.
And that concludes my remarks.

02

FY2026 Q1
Consolidated Financial Results

(Shohei Yoshida, Director of Finance, Accounting, and Investor Relations)
Good morning, this is Yoshida from Finance, Accounting, and IR.

FY2026 Q1 Results by Major Business Companies

(Millions of yen)

			Q1 Results			
			FY2026	FY2025	Change	% Change
1	Onward Kashiyama Co., Ltd. + Onward Holdings Co., Ltd.	Net Sales	31,410	30,794	+616	+2.0%
		Operating Profit	3,397	3,098	+299	+9.7%
2	WEGO Co., Ltd.	Net Sales	8,188	7,665	+523	+6.8%
		Operating Profit	546	469	+77	+16.4%
3	Onward Personal Style Co., Ltd.	Net Sales	3,337	2,410	+927	+38.5%
		Operating Profit	276	177	+99	+55.9%
4	Subtotal: Domestic Fashion Segment	Net Sales	44,979	43,025	+1,954	+4.5%
		Operating Profit	4,382	3,810	+572	+15.0%
5	Europe	Net Sales	2,727	2,539	+188	+7.4%
		Operating Profit	-323	-329	+6	↗
6	United States	Net Sales	604	331	+273	+82.5%
		Operating Profit	8	-43	+51	↗
7	Asia	Net Sales	2,311	1,986	+325	+16.4%
		Operating Profit	40	89	-49	-55.1%
8	Subtotal: Overseas Fashion Segment	Net Sales	5,642	4,856	+786	+16.2%
		Operating Profit	-275	-283	+8	↗
9	Subtotal: Fashion Segment	Net Sales	50,621	47,881	+2,740	+5.7%
		Operating Profit	4,107	3,527	+580	+16.4%
10	Chacott Co., Ltd.	Net Sales	3,195	2,745	+450	+16.4%
		Operating Profit	390	389	+1	+0.3%
11	Creative Yoko Co., Ltd.	Net Sales	1,698	1,594	+104	+6.5%
		Operating Profit	197	178	+19	+10.7%
12	Yamato Co., Ltd.	Net Sales	6,038	5,996	+42	+0.7%
		Operating Profit	336	748	-412	-55.1%
13	Cosmé de Beauté Ltd.	Net Sales	465	-	-	-
		Operating Profit	146	-	-	-
14	Subtotal: Wellness Segment	Net Sales	11,858	10,820	+1,038	+9.6%
		Operating Profit	1,169	1,395	-226	-16.2%
15	Subtotal: Corporate Design Segment (Onward Corporate Design Co., Ltd.)	Net Sales	5,418	5,396	+22	+0.4%
		Operating Profit	744	729	+15	+2.1%
16	Consolidated Total	Net Sales	63,466	60,158	+3,308	+5.5%
		Operating Profit	5,647	5,353	+294	+5.5%

*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.

I would like to begin with page 11, which represents the Q1 results by major operating company. As mentioned in highlights, consolidated results for Q1 were as follows. Net sales totaled ¥63.5 billion, a 5.5% increase year-on-year, or up by 3.3 billion. OP amounted to 5.6 billion, also a 5.5% increase YOY, or up by 0.3 billion. Starting this fiscal year, the breakdown has been reorganized by business domain in line with our group vision. First, regarding item 4, the domestic fashion business domain. Net sales amounted to 45-billion-yen, 4.5% year-on-year increase, or up by approximately two billion yen. OP totaled about 4.4 billion yen, a 15% increase YOY, or up by about 0.6 billion yen. Within that domain, Onward Kashiyama posted a 2% increase in net sales. Although sales in department stores declined, sales at directly operated stores, including shopping centers and the EC grew. Store efficiency improved, leading to a better SG&A expense ratio, and the OP increased by approximately 9.7%. Item two, WEGO Co., Ltd.'s domestic business recorded higher revenue and profit. Existing store sales increased 6.9%, driven mainly by stronger performance in women's collaboration items. Item 3. Onward Personal Style Co., Ltd. The made-to-order business also posted significant growth. In addition to eleven newly opened stores, existing stores achieved a 12% increase in sales, resulting in a 38.5% rise in net sales and a 55.9% increase in OP. Item 8, the overseas fashion business domain recorded net sales of 5.6 billion yen or 16.2% year-on-year increase up by approximately 0.8 billion yen. This domain is yet to generate operating profit, but losses improved by eight million yen. Within this domain, item five, the *JOSEPH* business in Europe saw slower performance in physical stores due to impacts related to the war. However, EC and wholesale grew, resulting in higher revenue and profits. Item 6, the *J.PRESS* business in the US continued to see strong growth in the EC sales, resulting in a significant increase in revenue and a return to profitability. Item 7, in Asia, net sales increased 16.4%. This was driven by higher sales at the Dalian factory for made-to-order suits, as well as stronger performance in WEGO Co., Ltd.'s Shanghai EC operations, which began full-scale overseas expansion this fiscal year as mentioned earlier. Although profit declined due to front-loaded expenses related to the Taiwan store openings, we expect the Asia total to post higher profit for the full year. Item 14, the wellness business domain recorded net sales of 11.9 billion yen, an increase of one billion or 9.6% year-on-year. OP, however, declined by approximately two hundred million yen. Within this domain, item 10, Chacott Co., Ltd. saw significant growth in its cosmetics business, driven by increased promotional investments. Expenses were front-loaded, but we expect these initiatives to contribute to profit in the second half. Item 12, Yamato Co., Ltd., posted lower profit due to a one-off negative impact. Q1 of the previous fiscal year included transactions with exceptionally high gross margins. Item 13, Cosmé de Beauté Ltd., a nail care company acquired last fiscal year and newly consolidated from this first quarter, recorded net sales of nearly five hundred million yen and OP of 150 million yen. And lastly, item 15, the corporate design business domain also delivered steady results in the first quarter.

FY2026 Q1 Net Sales by Channel

(Millions of yen)	FY2026	FY2025	Change	% Change
Department Stores	13,598	14,235	-637	-4.5%
(Composition Ratio)	24.1%	26.7%		-2.6%
Shopping Centers and Other	27,526	24,634	+2,892	+11.7%
(Composition Ratio)	48.8%	46.2%		+2.7%
Physical Stores Total	41,124	38,869	+2,255	+5.8%
(Composition Ratio)	73.0%	72.9%		+0.1%
Directly Managed E-Commerce	11,926	11,408	+518	+4.5%
(Composition Ratio)	21.2%	21.4%		-0.2%
Other E-Commerce Platforms	3,307	3,075	+232	+7.5%
(Composition Ratio)	5.9%	5.8%		+0.1%
E-Commerce Total	15,233	14,483	+750	+5.2%
(Composition Ratio)	27.0%	27.1%		-0.1%
Directly Managed E-Commerce Ratio	78.3%	78.8%		-0.5%
Total Sales	56,357	53,352	+3,005	+5.6%

*Note: The following ten domestic group companies operate e-commerce businesses
Onward Kashiyama Co., Ltd., WEGO Co., Ltd., Onward Personal Style Co., Ltd., Island Co., Ltd., Tiaclasse Co., Ltd., Chacott Co., Ltd., Creative Yoko Co., Ltd., Yamato Co., Ltd., KOKOBUY Co., Ltd., Cosmé de Beauté Ltd.

Turning to page 12, sales by channel.
Department store sales declined 4.5%. Sales at directly operated stores, including shopping centers, increased 11.7%, resulting in a 5.8% increase across physical retail channels. In EC, our own EC grew 4.5%, while third-party EC increased 7.5%, leading to a 5.2% rise in total EC sales. The EC ratio was 27%, and our own self-operated EC ratio reached 78.3%.

FY2026 First Half and Full-Year Consolidated Performance Forecasts

	(Millions of yen)	First Half Forecast FY2026	First Half Forecast FY2025	First Half Forecast Change	First Half Forecast % Change	Full-Year Forecast FY2026	Full-Year Forecast FY2025	Full-Year Forecast Change	Full-Year Forecast % Change
1	**Net Sales**	117,500	112,636	+4,864	**+4.3%**	247,000	236,804	+10,196	**+4.3%**
2	**Gross Profit**	65,200	62,508	+2,692	**+4.3%**	135,100	129,415	+5,685	**+4.4%**
	(% of Net Sales)	55.5%	55.5%		+0.0%	54.7%	54.7%		+0.0%
3	**SG&A Expenses**	58,800	56,772	+2,028	**+3.6%**	122,300	117,811	+4,489	**+3.8%**
	(% of Net Sales)	50.0%	50.4%		-0.4%	49.5%	49.8%		-0.3%
4	**Operating Profit**	6,400	5,736	+664	**+11.6%**	12,800	11,604	+1,196	**+10.3%**
	(% of Net Sales)	5.4%	5.1%		+0.3%	5.2%	4.9%		+0.3%
5	**Recurring Profit**	6,200	5,521	+679	**+12.3%**	12,300	11,176	+1,124	**+10.1%**
	(% of Net Sales)	5.3%	4.9%		+0.4%	5.0%	4.7%		+0.3%
6	**Net Profit**	5,600	4,822	+778	**+16.1%**	11,200	10,094	+1,106	**+11.0%**
	(% of Net Sales)	4.8%	4.3%		+0.5%	4.5%	4.3%		+0.2%
7	**EBITDA***	9,300	8,408	+892	**+10.6%**	18,800	17,195	+1,605	**+9.3%**
	(% of Net Sales)	7.9%	7.5%		+0.4%	7.6%	7.3%		+0.3%

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

Moving to page 14 regarding the consolidated forecast for the first half and the full year.

Since first quarter results progressed largely in line with the plan, we have made no revisions to the consolidated forecast for either the first half or the full year. To recap, for the full year, we are planning a 4.3% increase in net sales, a 10.3% increase in OP, and 11% increase in net profits, and a 9.3% increase in EBITDA.

FY2026 Q1 Consolidated Balance Sheet

	(Billions of yen)	FY2026 Q1 End	FYE2025	Change
1	**Total Assets**	**186.5**	**189.2**	**-2.7**
2	**Current Assets**	**89.6**	**92.5**	**-2.9**
3	Cash and Deposits	12.5	19.7	-7.2
4	Accounts Receivable-Trade	21.0	18.7	+2.3
5	Inventory	49.6	49.7	-0.1
6	**Non-Current Assets**	**96.8**	**96.6**	**+0.2**
7	Property, Plant and Equipment	43.8	43.4	+0.4
8	Intangible Assets	14.1	11.5	+2.6
9	Investments and Other Assets	38.9	41.6	-2.7
10	**Total Liabilities**	**92.0**	**95.6**	**-3.6**
11	Accounts Payable-Trade	16.5	18.5	-2.0
12	Borrowings	47.2	46.3	+0.9
13	Other	28.3	30.8	-2.5
14	**Total Net Assets**	**94.4**	**93.5**	**+0.9**
15	**Shareholders' Equity Ratio**	**50.6%**	**49.4%**	**+1.2%**
16	**Current Ratio**	**137.8%**	**134.8%**	**+3.0%**

- **Cash and Deposits**

Cash and deposits decreased due to dividend payments, income tax payments and other factors.

- **Intangible Assets**

Goodwill increased following the consolidation of Cosmé de Beauté Ltd. as a subsidiary.

- **Investments and Other Assets**

Investments and other assets decreased due to sales of securities and changes in market value.

- **Accounts Payable-Trade**

Accounts payable-trade decreased due to inventory control and a shortened payment cycle following the enforcement of the Act on Proper Transactions with Subcontractors (effective January 2026).

- **Shareholders' Equity Ratio**

Shareholders' Equity Ratio stood at 50.6%, up 1.2 ppt from the end of the previous fiscal year.

Turning to page 17, the consolidated balance sheet.
There were no major fluctuations in the first quarter. However, two items are worth noting. Cash decreased due to the acquisition of shares in Cosmé de Beauté Ltd., and investment in other assets declined as a result of selling policy holding shares.

FY2026 Q1 Items Affecting Net Profit

	(Millions of yen)	FY2026 Q1	FY2025 Q1	% Change
1	**Operating Profit**	5,647	5,353	+5.5%
2	Non-Operating Income	216	146	+47.9%
3	Interest and dividend income	14	18	-22.2%
4	Share of profit of entities accounted for using equity method	11	3	+266.7%
5	Foreign exchange gains	41	-	-
6	Other	150	125	+20.0%
7	Non-Operating Expenses	242	282	-14.2%
8	Interest expenses	141	127	+11.0%
9	Foreign exchange losses	-	73	-
10	Other	101	82	+23.2%
11	Total Non-Operating Income/Expenses	-26	-136	-
12	**Recurring Profit**	5,621	5,217	+7.7%
13	Extraordinary Income	1,389	-	-
14	Gain on sales of investment securities	1,389	-	-
15	Extraordinary Losses	50	310	-83.9%
16	Impairment loss	49	293	-83.3%
17	Other	1	17	-94.1%
18	Extraordinary Income/Losses	1,339	-310	-
19	**Profit Before Income Taxes**	6,960	4,907	+41.8%
20	Income taxes - current	1,917	636	+201.4%
21	**Net Profit**	5,043	4,271	+18.1%

Items Affecting Net Profit

- Non-operating income increased by ¥70 million, despite a decrease in dividend income following the sale of strategic shareholdings, due to foreign exchange gains.
- Non-operating expenses decreased by ¥40 million, as higher interest expenses were offset by the foreign exchange gains.
- As a result, recurring profit increased 7.7% year on year to ¥5.6 billion.
- Extraordinary income/losses improved by approximately ¥1.6 billion year on year, driven by a ¥1.4 billion gain on the sale of investment securities by a subsidiary in the first quarter and lower impairment losses on underperforming stores.
- As a result, net profit increased 18.1% year on year to ¥5.0 billion.

And on page 18, items affecting net profit for the period.
Non-operating income increased slightly due to foreign exchange gains. Non-operating expenses improved, reflecting a decrease in foreign exchange losses compared with the previous year. In special gains and losses, we recorded 1.4 billion yen in gains on the sales of marketable securities, as mentioned earlier. Special losses declined due to lower impairment losses. Although corporate taxes increased year-on-year due to higher taxable income, net profit for the period ultimately rose 18.1%.

FY2026 Q1 Cash Flows, Capital Expenditures, Depreciation and Amortization

Cash Flows

- Cash flows from operating activities amounted to an outflow of ¥1.6 billion, mainly due to profit before income taxes and a decrease in trade payables.
- Cash flows from investing activities amounted to an outflow of ¥3.8 billion, primarily due to the acquisition of shares of Cosmé de Beauté Ltd. and purchases of property, plant and equipment.
- Cash flows from financing activities resulted in an outflow of ¥1.9 billion, mainly due to a decrease in borrowings and dividend payments.

Capital Expenditures

- Capital expenditures decreased by ¥0.3 billion year on year to ¥1.5 billion.
- Investments were carefully selected and executed efficiently, primarily in DX initiatives and store openings.

(Millions of yen)

FY2026 Q1	FY2025 Q1	Change	% Change
1,487	1,800	-313	-17.4%

Depreciation and Amortization

- Depreciation and amortization remained at the same level as in the same period of the previous year.

(Millions of yen)

FY2026 Q1	FY2025 Q1	Change	% Change
1,056	1,060	-4	-0.4%

And finally, turning to page 19 for cash flows.
Due to timing differences of book closing, more than 5-billion-yen variance was caused by the fiscal period and falling on the weekend. Operating cash flow or the cash outflow increased 7.8 billion yen year-on-year. Investment cash flow recorded an outflow of 3.8 billion yen mainly due to the share acquisition of Cosmé de Beauté Ltd. This represents a 2.9 billion yen increase in investment outflow year-on-year. Financing cash flow recorded an outflow of 1.9 billion yen, a 6.6 billion yen decrease in outflow year-on-year, mainly due to lower repayments of borrowings. In the lower section, CAPEX and the depreciation and amortization are shown as stated. Both are progressing generally in line with the plan.
That concludes my presentation.

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ONWARD HOLDINGS CO., LTD.