

世界に、
愛を着せる。

MISSION STATEMENT

The Onward Group's Mission Statement

Enriching and Adding Color to People's Lives While Caring for the Planet

Keep moving forward as a

“lifestyle and culture creation company”

that contributes to creating lifestyles with richness and colors

in harmony with the planet through “customer-centric

management leveraging employees' diverse strengths”



ONWARD INTEGRATED REPORT 2025

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Editorial Policy

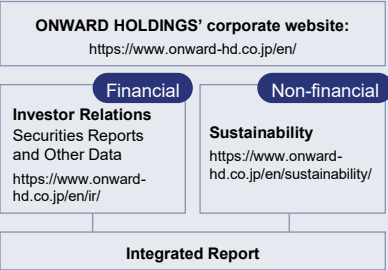
This Integrated Report comprehensively summarizes financial and ESG-related information, including the desired image of the Onward Group and value that it provides to society, and strategies and management base to realize them, in order to communicate Onward Holdings' value-creation story to stakeholders in an easy-to-understand manner. This year it provides an explanation on the direction and details of various initiatives we are pursuing to enhance our corporate value along the theme of the strategies of ONWARD VISION 2030 which was revised in April 2024. In compiling the Integrated Report, we have referred to the "Guidance for Collaborative Value Creation 2.0" by the Ministry of Economy, Trade and Industry and the "Integrated Reporting Framework" recommended by the IFRS Foundation.

Period covered	FY02/25 (March 2024 to February 2025)
Scope of coverage	Onward Holdings Co., Ltd. and its subsidiaries (Some include activities, etc. before FY02/25 and after FY02/26)
Date of issue	October 31, 2025

Disclaimer

The forward-looking statements contained in this Integrated Report are based on information available to the Company up to the issuance of this report and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be achieved.

Information Disclosure System

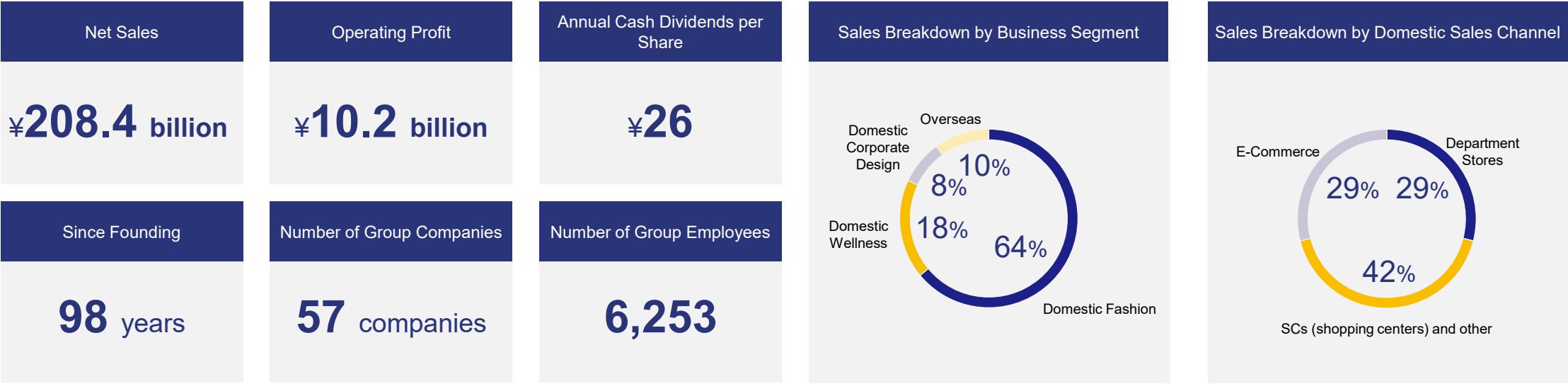


Introduction

Sources of Strengths

Overall Picture of the Business

Consolidated Financial Results for FY02/25



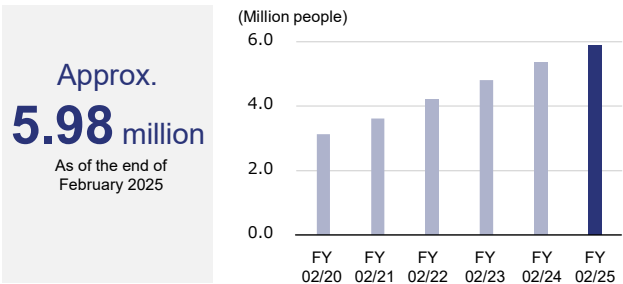
Apparel Business Main Brands



Wellness Business Main Brands



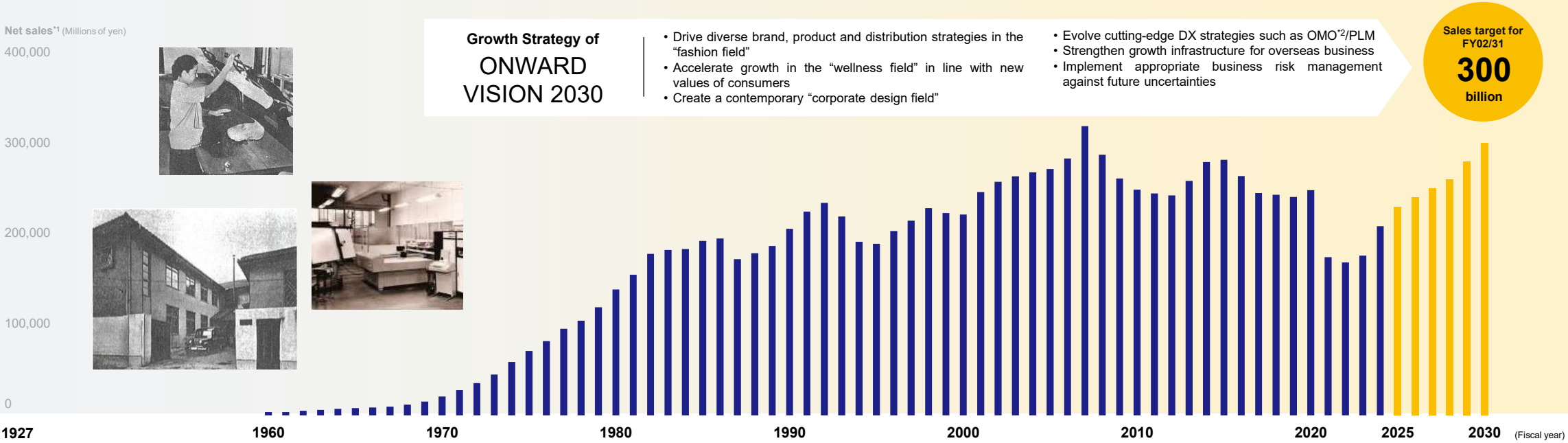
Number of Onward Members



History of Value Creation

Our History

The Group has been developing a wide range of original brands such as Nijyusanku and Kumikyoku as well as global brands such as “J.PRESS” and “JOSEPH” since its founding in 1927. Over the course of its history, it has developed four key strengths (see page 06), including a broad brand portfolio, fusion of physical and digital, and a unique value chain.

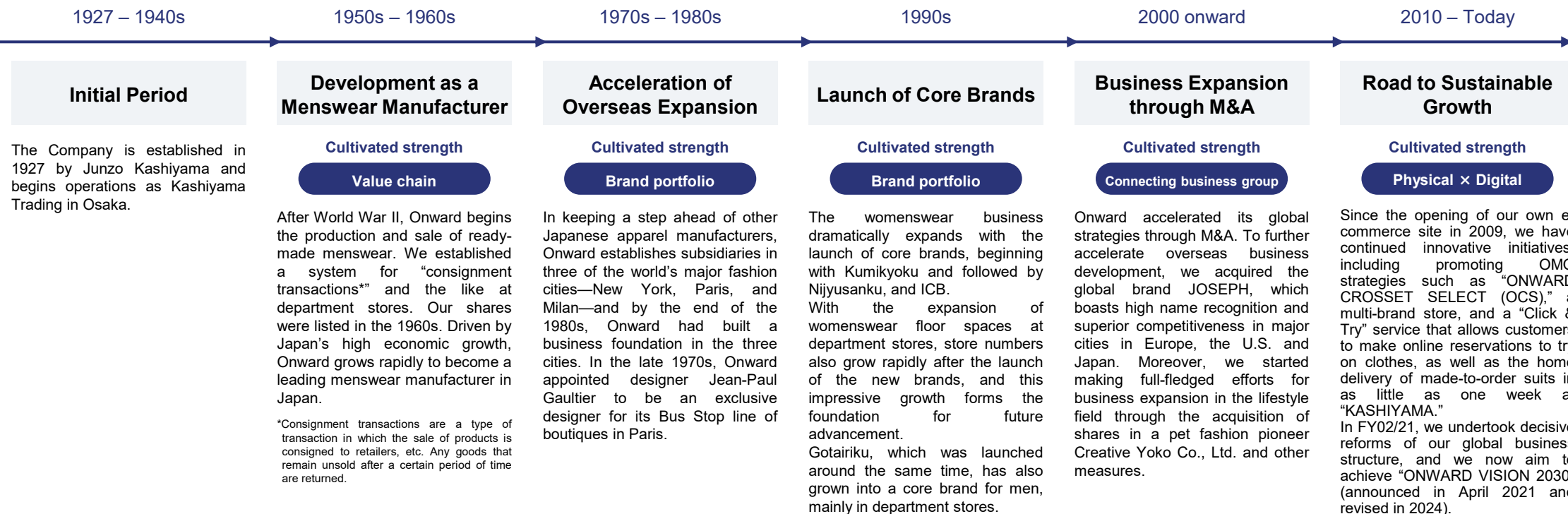


Initial Period	Development as a Menswear Manufacturer	Acceleration of Overseas Expansion	Launch of Core Brands	Business Expansion through M&A	Business Structure Transformation	Growth/Accelerated Growth
1927 KASHIYAMA TRADING established by Junzo Kashiya 1947 KASHIYAMA CO., LTD. established (currently, ONWARD HOLDINGS CO., LTD.)	1960 Company stock listed on the second sections of the Tokyo, Osaka, and Nagoya stock exchanges	1986 J. PRESS INC. acquired	1990 CHACOTT CO., LTD. acquired	2005 PROJECT SLOANE LTD. (Joseph Group) acquired 2007 Name changed to ONWARD HOLDINGS CO., LTD. (transitioned to holding company structure) 2008 CREATIVE YOKO CO., LTD. acquired 2009 ISLAND CO., LTD. acquired	2016 Tiaclasse Co., Ltd. acquired 2017 KOKOBUY INC. acquired 2019 YAMATO CO., LTD. acquired	

*1 Net sales from FY02/26 onward are our concept. *2 Online Merges with Offline

History of Value Creation

Four Strengths



1. 1972 ONWARD KASHIYAMA U.S.A. INC. established
2. 1981 Contracts with fashion leader Jean-Paul Gaultier
3. Fall 1992 Debut of Kumikyoku, an “evolving staples” casual brand
4. Fall 1993 Debut of Nijyusanku, a brand proposing a single-item clothing line for adult women
5. 2005 Acquired JOSEPH, a UK brand that moderately incorporates trends under Slick & Chic
6. 2008 Made Creative Yoko Co., Ltd., which proposes merchandise and services that make people feel at ease, peaceful, and positive, a subsidiary
7. 2009 Opened ONWARD CROSSET, the Group’s official fashion direct shopping site
8. 2019 Established Smart Factory with proprietary factory innovation, KASHIYAMA DALIAN (“Dalian Factory”)
9. 2021 Rolled out ONWARD CROSSET SELECT, an OMO-type store that fuses the advantages of physical and online stores

Interview with the President



Becoming a “Lifestyle and Culture Creation Company” that “enriches and adds color” to people’s lives

The Onward Group is steadily expanding its new brands and the wellness business, as we look to achieve the goals set forth in our medium- to long-term management plan, ONWARD VISION 2030. We asked President Mr. Yasumoto about efforts to further enhance corporate value ahead of the 100th anniversary of our founding.

Onward Holdings Co., Ltd.
President and CEO

Michinobu Yasumoto

01 Please review FY02/25.

I was reminded of the impact of climate change, in particular, the fact that the “four seasons” have changed significantly from the past. This is an industry-wide issue, but the Company must also address it.

I feel that now spring and fall have disappeared from the calendar, four seasons have become two, and in spring and fall, consumers will adjust what they wear by putting on and taking off layers. With the summer heat becoming so severe, functionality such as water absorption and quick drying, contact cooling, anti-bacterial and deodorant properties, and wrinkle-proofing are required even for outer wear to stay comfortable, and demand for carefully coordinated layering is increasing as it seems there can be four seasons in a single day, such as the temperature difference between the air-conditioned indoors and outdoors, and between morning and evening and daytime.

Onward Holdings is proud of its highly fashionable style, and I believe that our added value is to provide a lifestyle culture where people enjoy richness and color, while maintaining not only functionality but also a fashionable style. Aiming to strengthen and expand our non-apparel businesses, which are less affected by climate change, we are also actively pursuing M&A, in addition to in-house development.

02 Why did Chacott Cosmetics make rapid progress?

The Chacott Group celebrated the 75th anniversary of its founding. It boasts a dominant position in ballet supplies, and its cosmetics business is now growing rapidly. Following the COVID-19 pandemic, we became keenly aware of the risks involved in focusing solely on the ballet business, and have been promoting new business development as a result.

Interview with the President

Chacott Cosmetics is popular and rated highly by ballet dancers because these products do not run when dancing or sweating from the heat of spotlights. Taking advantage of this characteristic, products developed for the general public have been a huge hit, and are on track to surpass the ballet business in FY02/27.

03 What businesses do you have particularly high hopes for in priority areas?

I look forward to the growth of Onward Corporate Design. This was established through a spinoff from Onward Kashiya and merger with several companies. With more than 60 years of business-to-business experience, it has more than 2,000 clients, which it helps maintain great corporate style, including designing corporate uniforms, office interiors, and planning promotional novelties.

In recent years, with labor shortages, there is a need to increase employee motivation. We hope that our clients' staff will enjoy spending time in their offices, with cool and comfortable uniforms.



Original uniforms created by Onward Corporate Design

In particular, I want to provide a comfortable working environment for those working in frontline operations who have few opportunities to directly experience the appreciation of customers, and I believe that Onward Corporate Design's strength lies in its ability to make such comprehensive proposals. It was featured on a TV program in July 2025, and I was pleased to receive many comments from viewers who were surprised to learn about this company working behind the scenes.

In addition to the fashion and wellness businesses, we intend to grow the corporate design business as our three pillars.

04 What measures are you implementing in the fashion business?

We made WEGO a wholly-owned subsidiary in the fall of FY02/25. Of the approximately 6 million Onward Members, 80% are in their 40s or older, and 7% are in their 20s or younger. We originally built relationships with customers mainly through department store distribution, but deflation has contributed to department stores becoming less popular among young people, resulting in an uneven generational balance among our customers. Therefore, developing a younger customer base was a major challenge.

"WEGO's" customers are mainly teenagers who care about fashion, and we are working steadily to build our customer base by encouraging such customers to move onto "KASHIYAMA" made-to-order suits for job-hunting and entrance ceremonies after they leave "WEGO" behind, then switch between each Onward brand.

05 What are the Company's sales channel strategies?

We would like to maintain a well-balanced sales mix, with one third of sales from department stores, shopping centers and fashion buildings, and e-commerce, respectively. It will be important to promote the creation of a system for this, based on purchasing in each of these three channels. We expect to build stronger ties with customers through marketing that encourages them to use different channels depending on their diverse needs, and the situation.

06 What are the future strategies for the wellness business?

I already mentioned Chacott, and I also have high hopes for Yamato and Creative Yoko.

Yamato operates a gift business. While ceremonial occasions, mid-year gifts, and year-end gifts are on the decline, I believe we will see an increase in the exchange of gifts between individuals to enrich relationships.

Yamato offers casual gifts called "dōzo," featuring four or five items carefully selected according to each of over 100 very diverse themes. Givers consider what kind of theme for their present will make the receiver happy, and send a thoughtful gift that lets the receiver know they understand them well. Givers can choose to send the gift in real life or online, but online means that it will be delivered quickly no matter where the other person is. The cultivation of this new gift culture is also of great value with regard to the Company's aim to "enrich and add color."

In September 2025, we opened a store called "PRESENTERS ROOM" in NEWoMan TAKANAWA, and we hope to foster a community by enabling customers to choose gifts in consultation with staff in a casual manner.

Interview with the President

Creative Yoko operates Pet Paradise, which sells pet goods. These stores create communities where pet lovers among both staff and customers gather and exchange information. We envision stores where customers can regularly take part in the community and deepen friendships, while also using e-commerce as part of everyday life. Pets are also a growing market overseas, so we would like to consider overseas expansion.

07 What are your views on shareholder returns?

While maintaining stable growth and dividends, we will strengthen shareholder returns in line with the trends of the times. Brand businesses, however, require time to refine their value. We are currently fostering some new brands, so I hope that our shareholders will look forward to long-term growth.

In May 2025, we introduced a restricted stock compensation plan for officers. In the future, I hope that we will expand this plan to include employees, and an awareness will spread of the fact that stock prices will rise if our customers increase as a result of their own hard work.

I think various share price indicators are at low levels across the industry as a whole. I think there are concerns about the industry due to the COVID-19 pandemic and worries about industries that are easily affected by climate change, but we must demonstrate through our results that we have the ability to overcome these concerns. We also intend to enhance our ability to share information globally to ensure that we can attract attention.

08 What sustainability initiatives will you prioritize?

With the spread of social media and various other media, customer values have become extremely diverse. Also, unlike in the past, customers now have a lot of information. As a result, we are in an era where the industry and customers will work together to create trends, rather than the industry leading trends. Therefore, we will not be able to respond sufficiently unless we leverage the diverse unique characteristics of our employees as an industry in line with the needs of customers.

We hope that new ideas will be born by integrating the perspectives and expertise of people who have joined us from different industries and overseas, which did not exist in Onward before, with the culture of the Group.

With WEGO joining the Onward Group, we intend to become even more competitive as the Group becomes more diverse. We have also established a system to offer a diverse range of workstyles, to ensure a variety of human resources can work.

09 Please describe your commitment to the medium- to long-term management plan.

In the spring of 2021, we announced our medium- to long-term management plan, ONWARD VISION 2030, and we are now at the halfway point. Our progress toward numerical targets is as expected, and we aim to return to profitability in the overseas business for the first time in 11 fiscal years in FY02/26. Looking ahead to 2030 and beyond, global expansion will be essential. At this halfway point, I would like to sketch out our future vision. Our domestic foundations are also extremely important, and I believe that no global strategy will be possible without a certain reliable level of business on our home turf.

Geopolitical risks are becoming apparent around the world, and the impact of climate change is also growing. The anti-globalization trend seen around the world is also visible in Japan. In such an uncertain environment, it is important to be able to respond flexibly, and I think it will be good to take small actions and evolve while checking their effect.

IR will also be important precisely because of this uncertainty. I feel that we must respect both institutional investors and individual shareholders, and strive to engage in investor relations that can be understood by all shareholders.

10 What is your message to shareholders and stakeholders?

Thanks to our shareholders and stakeholders, we have managed to reach the halfway point of ONWARD VISION 2030. We will continue to do our absolute best to meet your expectations.

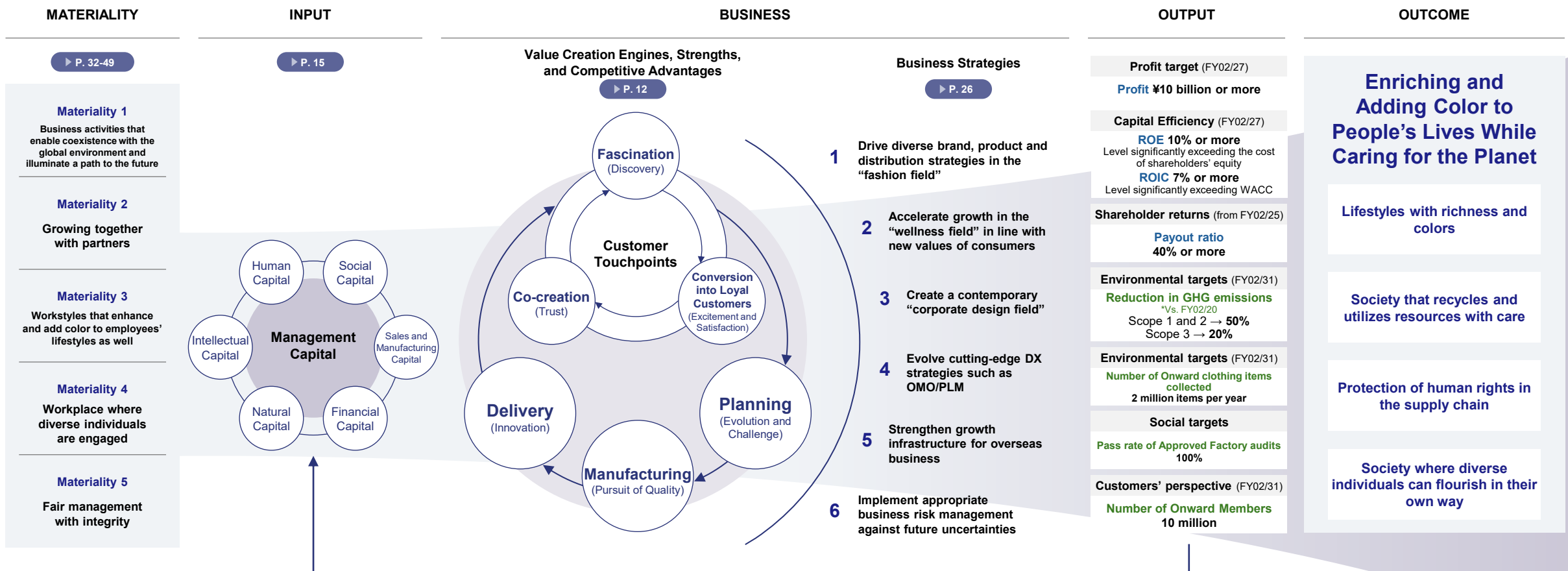
2027 will mark the 100th anniversary of our founding, and we will do everything we can to convey to our shareholders and stakeholders in a positive way our gratitude for the support we have received over the past century, and our best wishes for the next century.



Value Creation

Value Creation Story

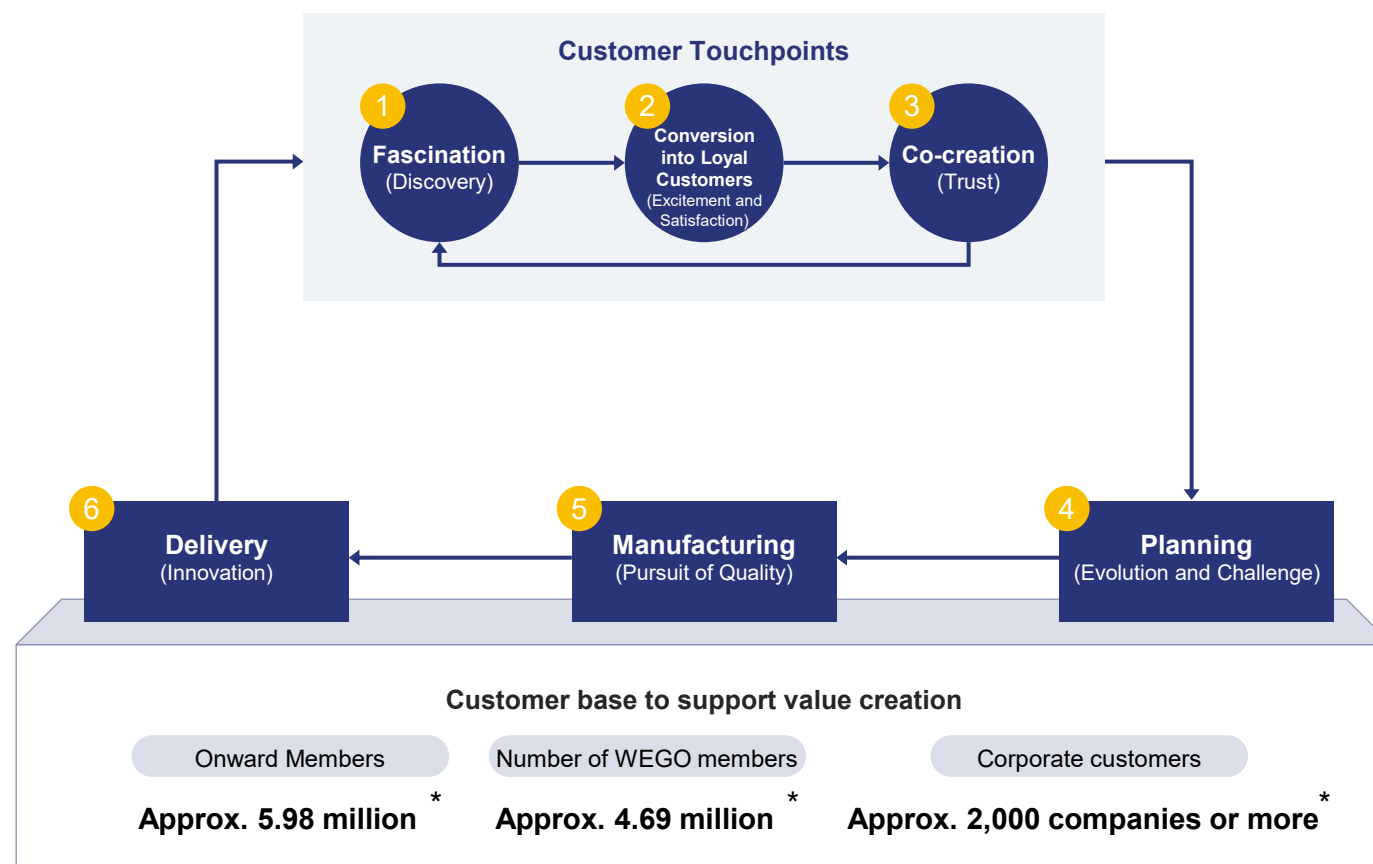
The Group aims to contribute to creating lifestyles with richness and colors through the promotion of business strategies in each field of fashion, wellness and corporate design, in order to increase corporate value.
This is achieved through the value creation process, where we use capital accumulated through business activities to date as a foundation (INPUT) in business activities (BUSINESS) to create corporate value (OUTPUT and OUTCOME).



Source of Value Creation

Unique Strengths and Growth Engines

The Group has built a solid customer base through “connections through direct human-to-human interaction,” which no other company can easily imitate as they have been developed over nearly a century, resulting the creation of unique strengths and focus.
We will further refine this strength with digital technology to strengthen our customer base and achieve discontinuous growth.



*As of the end of February 2025

1 **Fascination** (Discovery)

We stimulate interest in the Group's products through our e-commerce site, advertisements, sales promotion activities, etc.

2 **Conversion to Loyal Customers** (Excitement and Satisfaction)

Excitement in customer services and satisfaction with quality lead to ongoing purchases of the Group's products

3 **Co-creation** (Trust)

We build relationships of trust with customers through long-lasting connections based on empathy with them and co-create value for customers

4 **Planning** (Evolution and Challenge)

Sustained evolution of staple brands, the creation of new products and brands that capture the trends of the times (challenge)

5 **Manufacturing** (Pursuit of Quality)

We pursue the grade and quality sought by the Group through strong relationships with many people involved in manufacturing

6 **Delivery** (Innovation)

Innovative fusion of physical and digital, including rapid delivery of products using digital technology and the provision of a new purchasing experience through Click & Try

Column Production

Aiming for the Grade that the Onward Group Wants to Reach



It is the “grade” beyond quality that the Group pursues. Quality can be achieved with technology; however, grade cannot be achieved with technology, rather with “passion.” It can only be created when everyone’s thoughts are united.

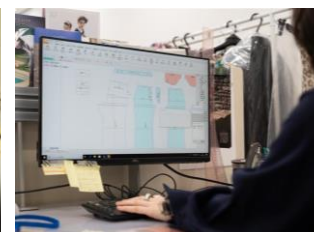
We have group factories in Dalian, China and Saga, and their pattern-makers and other professional human resources are Group employees. Human resources required for the “grade” we seek are developed in-house.

People

Onward Grade created by the “bond” between technicians and factory employees

It is our technical staff and employees at sewing factories who create and manufacture products that make people eager to buy and feel “this is amazing” at a glance. It is why the “bond” among people becomes so important. The most important thing is to discuss something properly. It may sound like an exaggeration, but you have to build something like a family bond to get to where you want to get to.

The Group also has technicians present at “manufacturing scenes (factories).” Persons who know what manufacturing is about will be present at a factory and give instructions with particular focus to each and every process to produce at a grade they want to reach. We believe that the accumulation of small details, such as direct dialogue between people at work sites, creates the grade. Our own factories in Dalian and Saga are staffed by many veterans who have created the Onward grade, enabling us to achieve a grade that no other company can imitate.



Technique/ Technology

Sources and succession of Onward’s proprietary technologies

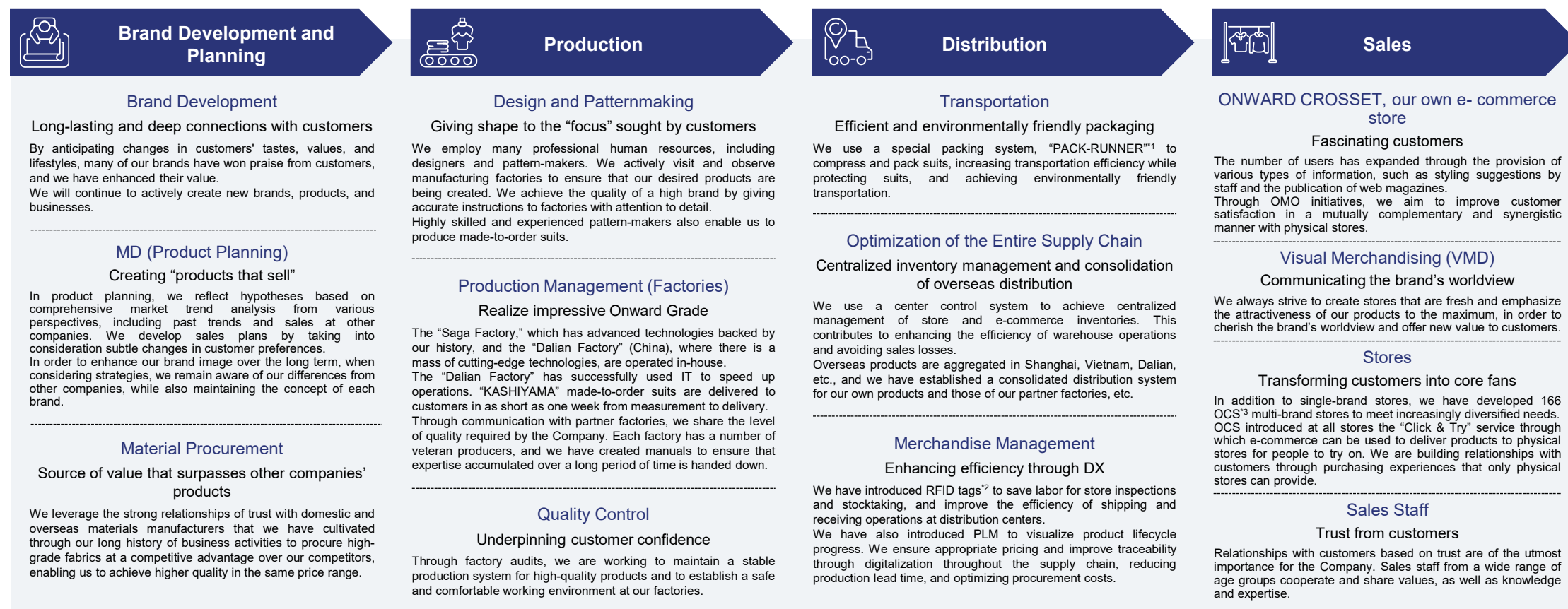
We strive to constantly update our technologies by, for example, compiling the techniques we have cultivated over our nearly 100-year history into manuals to pass them on, and we have been incorporating 3D digital technology from a few years ago. In particular, suits require an aggregation of detailed techniques, and if you cannot make a suit pattern properly, it is not easy to make patterns for other items well, either. It can be said that the accumulation of advanced technologies over nearly 100 years of work in menswear has produced a high grade that cannot be easily followed by other companies.



Value Chain

The Group has developed a unique value chain (VC) in the course of nearly 100 years of its history. Its strength lies in the fact that each process is closely intertwined and that a system has been established in which employees work together across divisions, enabling us to offer products of the highest quality, as well as the fact that it has taken root as our culture. This mutual understanding across divisions and deeper product knowledge enable us to achieve both quality and more efficient production.

Products made with great attention to detail are provided to customers through experienced store staff and information-packed e-commerce websites, and customers enjoy using them for a long time, which builds trust that contributes to customers' next purchases.



*1 Operated by Onward Personal Style Co., Ltd. *2 See page 33 *3 ONWARD CROSSET SELECT (OCS)

Source of Value Creation **Capital**

The capital that the Onward Group has accumulated over our long history provides stable support for our business activities and is a source of corporate value creation. We will achieve our mission statement, “Enriching and adding color to people’s lives while caring for the planet,” by utilizing capital to focus on each materiality.

Human Capital	Social Capital	Intellectual Capital	Sales and Manufacturing Capital	Natural Capital	Financial Capital
Number of Group Employees 6,253 Designers Approx. 170 Pattern-makers Approx. 160 Store sales staff Approx. 2,900 MD Approx. 190 Sales Approx. 450	Onward Members Membership Approx. 5.98 million ONWARD CROSSET Participating stores Approx. 176	<ul style="list-style-type: none"> Brand development and planning ability Technical capabilities to achieve high quality Smart factories DX in the supply chain OC* × Click & Try × OCS 	Sales bases Approx. 890 stores OCS (multi-brand type) 166 stores Stores that introduced Click & Try 413 stores Manufacturing sites Approx. 300	Water consumption 100,000 m³ Resources internally recycled 930 tons Major material inputs 4,890 tons	Total assets ¥179.2 billion Interest-bearing debt ¥52.1 billion Operating cash flow ¥3.1 billion
Related materiality Materiality 3 Workstyles that enhance and add color to employees' lifestyles as well Materiality 4 Workplace where diverse individuals are engaged	Related materiality Materiality 4 Workplace where diverse individuals are engaged Materiality 2 Growing together with partners	Related materiality Materiality 2 Growing together with partners Materiality 3 Workstyles that enhance and add color to employees' lifestyles as well Materiality 4 Workplace where diverse individuals are engaged	Related materiality Materiality 2 Growing together with partners Materiality 3 Workstyles that enhance and add color to employees' lifestyles as well	Related materiality Materiality 1 Business activities that enable coexistence with the global environment and illuminate a path to the future	Related materiality Materiality 5 Fair management with integrity

*ONWARD CROSSET Actual data as of February 28, 2025
See pages 32-49 for information on materialities

Human Capital Management | Promoting Organizational and HR Platform Reform

Customers' values are becoming more diverse, and consumer behavior in the pursuit of "individuality" is becoming widespread. In order to respond to the needs of each and every customer, we must evolve into a company that is formed of diverse and unique personnel members, while also allowing each of them to flourish. The Group will continuously revise our organization and HR platform to become a "customer-centric company and make the best use of its employees' diverse strengths."



01 Realize attractive and competitive wage levels

In order to strengthen its sales capabilities through increased motivation of its sales staff, the Group substantially revised its personnel system from FY02/25. Onward Kashiya raised the salary levels and starting salaries of approximately 2,500 sales staff for two years in a row. We will work to ensure industry-leading salaries across all job types within the Company.

02 Initiatives for human resource development that supports growth in each career

We are implementing various initiatives to support the growth of our employees.

We have been recognizing the "BEST STORE" as part of the "BEST STORE AWARD" held every month since FY02/23, and we share these stores' know-how with other stores nationwide.

We work to improve the skills of our employees and develop management personnel through the introduction of e-learning for employees, sending them to business schools, and other measures.

We have also introduced the "Meister System" to pass on the skills of highly skilled personnel who have reached retirement age to the next generation, by certifying them as "Meisters/Store Meisters," and ensuring that those who perform this role are treated appropriately.



03 Promote creation of a diverse organization that is easy to work in

The Group aims to be an enterprise where diverse and unique personnel can exhibit their strengths.

In recognition of these initiatives, the Group was awarded "Best Workplace," the highest honor of the "D&I Awards 2024," which evaluate diversity and inclusion (D&I), for the second year in a row. We will continue to promote the creation of a diverse organization that is easy to work in.



04~06 Creating an organization in which each individual can make the most of his or her strengths

Onward Kashiya's "ratio of female leaders"^{*1} increased to approximately 32.4%^{*2} thanks to the active participation of female employees, including the appointment of two female Executive Officers in FY02/25. We will support the active participation of women, as we aim to achieve 50% for this ratio by FY02/31.

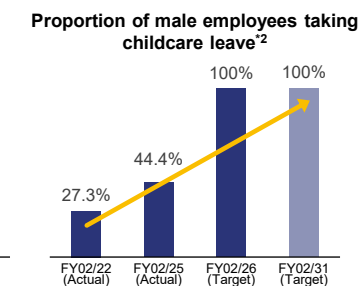
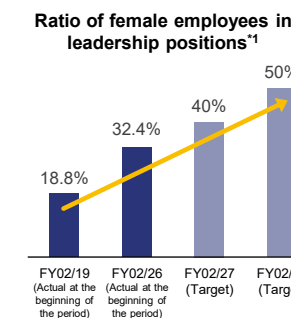
In addition, we have introduced the "work interval system," thereby promoting an initiative for our members to secure 11 hours between the end of their working hours on the previous day and the beginning of working hours on the next day.

Furthermore, we also conduct training for psychological security to the management on an ongoing basis, to develop a flat organizational climate and communication.

In addition, in order to support childcare, we are promoting the taking of childcare leave by male employees. In FY02/25, the take-up rate was 44.4%^{*3}, and the average period taken was 20 days.

We will continue to create an organization in which each individual can make the most of his or her strengths.

Changes in KPIs



^{*1} Assistant managers, section managers and general managers who are in career-track positions at Onward Kashiya Co., Ltd.

^{*2} As of the beginning of FY02/26

^{*3} Onward Holdings, Onward Kashiya, and Onward Digital Lab; office workers only

“Connecting” Business Group toward Realization of Mission Statement

With “enriching and adding color to people’s lives while caring for the planet” set out in its mission statement, the Group declares that it will continue to evolve as a “lifestyle and culture creation company” that contributes to creating lifestyles with “richness and colors” in harmony with the planet. As values become increasingly diverse, the Onward Group is pursuing “richness and color” for each of its stakeholders.

All of our businesses* are connected toward the realization of our mission statement, and as a lifestyle and culture creation company, we will fill our customers’ daily lives with “richness and color.”

*Below are the main operating companies in the three business fields.

Onward Kashiya Co., Ltd.

Comprehensive apparel manufacturer of men’s, women’s, and children’s clothing

By offering fashion as an integral part of consumer culture, this company aims to create new lifestyles and values that contribute to the enrichment of life for all people.



Onward Personal Style Co., Ltd.

Provision of the made-to-order brand “KASHIYAMA”

Aiming to “democratize made-to-order,” meaning gaining support from many customers, it offers good quality, genuine made-to-order suits produced by using experience from nearly 100 years of our history at a reasonable price.



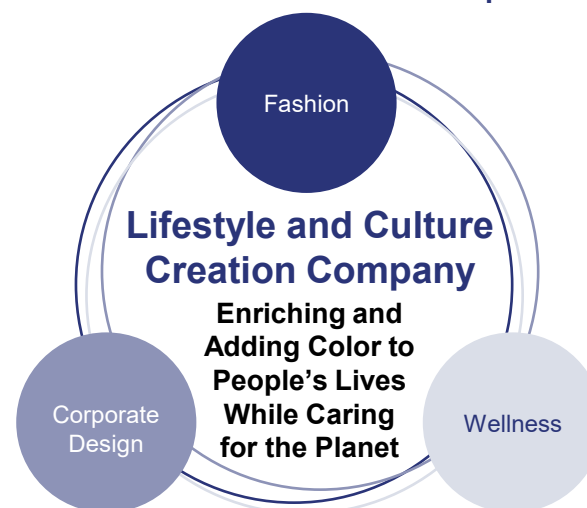
WEGO CO., LTD.

Clothing, miscellaneous goods, and other products for young people

Under the slogan “YOUR FAN,” this company has gained tremendous support from young people through product development, store events, and other measures covering a wide range of topics including fashion, culture, and lifestyle.



Potential for Further Business Expansion



Onward Corporate Design Co., Ltd.

Provision of uniforms, promotional items, etc., and corporate branding support business

We will continue to bring smiles to our customers by providing new value, leveraging our capability to propose customer-oriented solutions, know-how as a comprehensive apparel group, and planning and development capabilities.



Chacott Co., Ltd.

Development of the ballet and dance-related business and cosmetics business

Leveraging our expertise from supporting “art and culture,” particularly in relation to ballet and dance, this company aims to further contribute to society for people who wish to “be beautiful,” under the brand philosophy of “Make life beautiful from the inside out.”



Creative Yoko Co., Ltd.

Pet-related products and comfort goods

This company operates stores such as “Pet Paradise,” which sells pet-related goods, and “Mother Garden,” which sells comfort goods, nationwide. It aims to be a LOHAS company with grace that all employees can be proud of, by constantly polishing their human nature.



Yamato Co., Ltd.

Gift solutions featuring gift catalogs

We aim to give shape to the numerous thoughts and feelings of gift givers and create a world of peace brought about by the power of gifts, through our commitment to providing “gifts that make you feel eager to give them” and a “solid promise to deliver them securely.”



Brand Groups Leading to Long-Lasting and Deep Connections with Customers

The brand groups that fascinate customers of various ages and values and lead to long-lasting and deep connections provide a basis for the Group's sustainable growth.

Long-selling brands

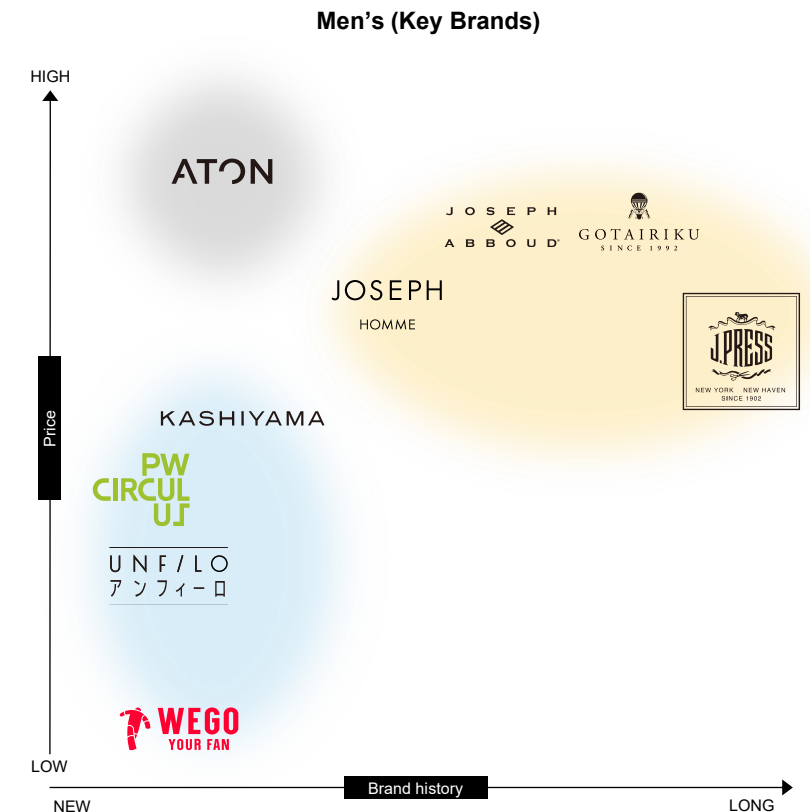
A group of core brands that the Group proudly offers. Basic and high-quality products that will never fade away are worn for many years.

High-grade brands

Customers who have their own style and want to express themselves with a higher sense of class and elegance enjoy products with the brands' own individuality.

Entry brands

A group of brands to act as the first touch point with the Group. These brands aim to gain the support of customers who are not familiar with the Company's products as well and be worn for many years.



Physical × Digital

Through OMO-type stores that combine services offered physically (at stores) and digitally (e-commerce), the Group will expand venues where both customers and the Group can enjoy maximum benefits. We aim to improve customer convenience and satisfaction while expanding the Group's profits further.

We will build trust based on long-lasting, deep connections with each and every customer. We always listen to our customers and strive to improve the value of customer experience through various proposals.

Physical (Store) Strategy

ONWARD CROSSET SELECT (OCS)

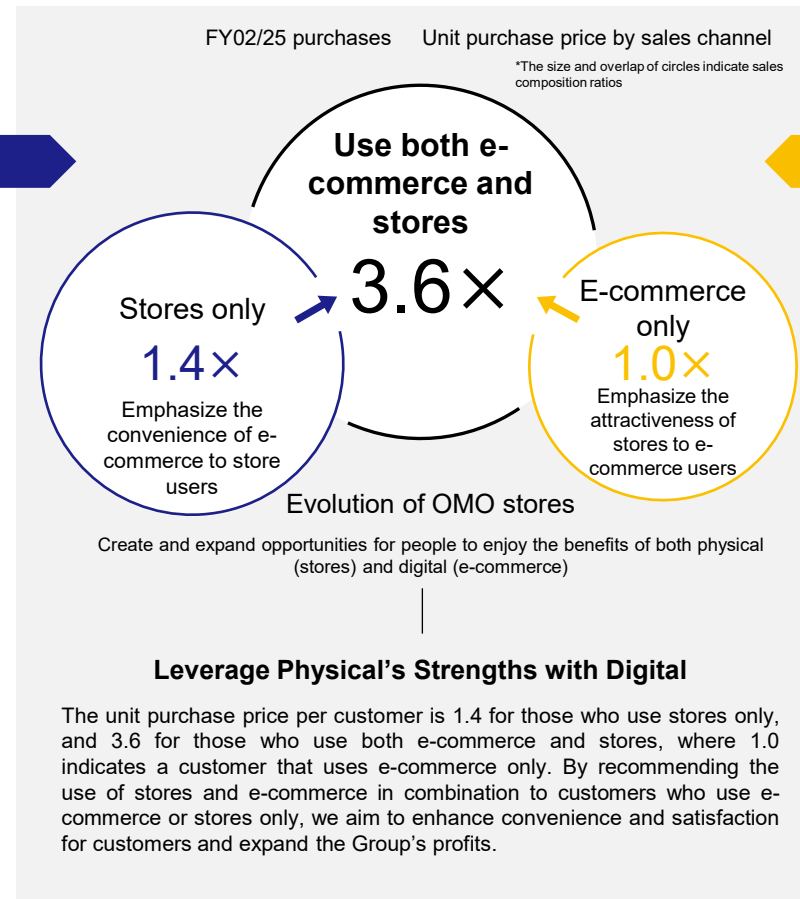
Multi-brand stores that offer a diverse line-up of Onward Kashiwayama products, beyond brand boundaries. This enables us to strengthen our ability to make proposals to customers, while also making store operations more efficient (floor space efficiency and headcount efficiency). The number of stores is gradually expanding, with a nationwide network of 166 stores*.



*As of the end of February 2025

Proposals Tailored to the Needs of Each and Every Customer

We make proposals suited to customer preferences, based on purchasing history and communication. At OCS, we aim to further improve customer satisfaction by offering various types of styling from multiple brands.

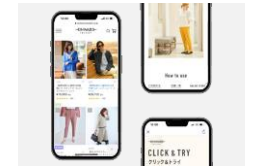


We develop our e-commerce strategy with as many as approx. 5.98 million Onward Members as the basis. Thanks to various inventive measures, our website enables first-time customers to fully experience the appeal of Onward Group products.

Digital (E-Commerce) Strategy

ONWARD CROSSET

Our own e-commerce site, where customers can purchase Onward Group products in one stop. We aim to ensure that this website is easy to use, even for people new to e-commerce, through measures such as the web magazine "ONWARD CROSSET MAG" and styling suggestions by our staff.



Click & Try

A service that allows customers to order and try on products from ONWARD CROSSET at stores. Customers can purchase clothes after they check the size, color, etc., in real life, including exclusive e-commerce products. We have introduced Click & Try at approximately 430 stores nationwide (as of the end of May 2025), and we will gradually expand its adoption.



Multi-Platform

In addition to Group products other than fashion, ONWARD CROSSET also offers products from outside the Onward Group, making it a multi-platform store.



Column ONWARD CROSSET SELECT (OCS)

OCS's Appeal: Combining the Group's Fundamental Strengths, and Making Multi-Faceted Contributions to Product Sales, Marketing and Brand Development

Asset that Leverages the Group's Strengths

● Customer Touchpoints Start with Stores

Stores

Customer touchpoints start with stores. We believe it is very important to build solid relationships with our customers. We strive to serve customers in ways that make them "feel eager to see this person again," including appropriate suggestions and product knowledge concerning how customers can look great in their clothes, in ways suited to each customer.

It is "dialogue" that is important. Stores are staffed by people of a wide range of ages, and we will pass on our unique Onward way of interacting with customers and values to younger staff through various opportunities, including role-playing using actual products.

Instead of a passive stance in which stores are a venue that welcomes customers, we are constantly trying to keep our stores fresh to ensure that customers visit stores, while also having store staff make use of social media and other means to actively communicate the appeal of Onward.



● Support Customers' Purchasing Activities by Mutually Complementing with Physical Stores

EC

"ONWARD CROSSET," our in-house e-commerce site, offers a one-stop multi-brand shopping experience, under the philosophy of "DX for CX." Products by other brands are also available on this website.

Our stores and e-commerce site complement each other to support customers, such as "purchasing products not available in stores on the e-commerce site" and "getting items from the e-commerce site delivered to a store to try on."

As part of our aim to create an appealing e-commerce site for customers, a web magazine is used to draw consumers interest to "products," and staff coordination examples facilitate a purchasing experience similar to that at a physical store.



The new store format, which combines (OMO) the respective strengths of the stores and e-commerce site operated by the Group, offers a wide variety of functions. It is used for marketing and brand development by taking advantage of OCS' feature of being able to flexibly change the product composition.

Fusion, Creation of New Strengths

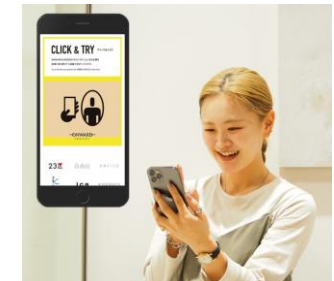
● "Click & Try" Service, OMO's True Value, Introduced as Default

Fusion

OCS is a new multi-brand store format that embodies OMO. As of the end of May 2025, the number of OCS stores had grown to 182.

OCS provides a highly satisfying purchasing experience, with the "Click & Try" service, which enables customers to order and try on products they are interested in on the e-commerce site, as a default.

Customers who use both our stores and e-commerce site express high levels of satisfaction toward the Company's OMO and purchase more items, making it a desirable service format for both customers and the Group.



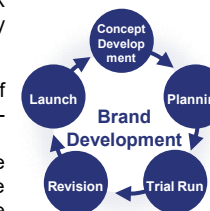
● Brand Development through Successful Use of the OCS Mechanism

Fusion

At OCS stores, we can also expand and scale back brands at will, so it is possible to try out a new brand by "starting small while creating a realistic touch point."

An example of successful trial operation of this initiative is the rollout of physical stores for "UNFILO," which was established as an exclusive e-commerce brand in 2021.

By repeating the cycle of reflecting revisions to products based on the actual reactions of customers at stores and the opinions of stylists, we have been able to develop the products that customers want, and have achieved rapid growth.



Column Planning and Brand Development**It has been 30 years since the brand was born; why has Nijyusanku been supported by customers for many years?**

The core brand of Onward Kashiya Co., Ltd. The fact that Nijyusanku products are of high quality has also led to a sense of trust in other brands. Nijyusanku celebrated its 30th anniversary in 2023. Supported by many customers, the brand has grown to an overwhelming scale in sales with a total of 360,000 customers purchasing its products in FY02/25 and a ratio of repeat customers of 60% or more.

Brand Group**● Customer Touchpoints Start with Stores**

The brand debuted in 1993 as a brand proposing a single-item clothing line for adult women, and now offers high-quality comfortable fashion that originated in Japan and that transcends generations and eras and is widely and long-loved by women who live dignified and flexible lives.

● Strengths and Unique Appeal Points**Constantly Evolving Brand**

While maintaining the brand purpose as Nijyusanku, it continues to evolve, always incorporating new elements.

Sustainable Clothes

The times favor clothing that is flexible in coordination and of high quality, and can be worn for many years, rather than fashion novelties. Nijyusanku is a sustainable brand in line with the values sought by the current era.

Focus on Fabrics

High-grade fabrics from Japan and abroad are used. In our nearly 100-year history, we have built a strong pipeline with fabric producers to procure the desired fabrics at special prices available only to Nijyusanku. This is why we are able to offer the highest quality in the same price range.

Realize the Grade We Pursue

The sewing technology for men's suits that the Group has been refining for decades is applied to the sewing of women's brands as well. We have many designers and pattern-makers who specialize in brand products within the Company. They are involved in improving product perfection through guidance on sewing techniques, etc., enabling us to produce products that align with brand concepts.

**UNFILO, a new brand that captures the trends of the time in pursuit of functional beauty**

The brand was launched based on the existence value for customers (what customers want from their clothes) with the brand purpose of "On the go. Offering functional beauty for all." It particularly focuses on the potential need for "on-the-go" scenes in daily life and the "functional beauty" of its products. Since its launch in the fall of 2021, it has been well accepted by all generations and is expanding steadily.

Brand Concept

On the go. Offering functional beauty for all.

We are on the go.
For today, for someone else.
And for the future.

UNFILO offers unprecedented comfort for everyone who is on the go.

Offering comfortable and beautiful design for those who are not satisfied with functionality alone.

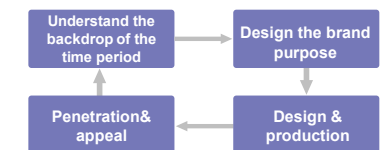
UNFILO will continue to update functional beauty.

**● Why Successful in "Fascinating" Customers?**

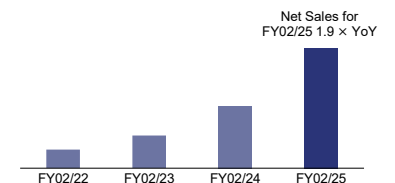
It is mainly attributed to the fact that we started with a clear "brand purpose," in other words, the value that customers seek in their clothes. We also chose materials and production factories that are in line with its purpose. We started it small, and chose to roll out 100% through e-commerce to quickly capture customer responses and reflect them in the products. As a result, we were able to create "clothes that are seen positively and praised by others."

● Story Behind the Birth of the Brand

From the beginning, the brand was developed with the aim of creating a brand that would grow in size. Accordingly, its target was set to be "all people." However, we focused on the function of "helping people on the move" as its purpose, and added "beauty" to differentiate the brand from the competition, to make functional beauty the brand's purpose.

**● Nurturing Customers' Sense of Satisfaction, and Expectation for Converting Them into Loyal Customers**

The Group's strength lies in its high percentage of repeat customers. One of the reasons is our high quality. UNFILO prides itself on the highest quality for the price. It pursues the development of functional materials and works closely with production sites to provide products that satisfy our customers. In addition, its highly fashionable style is also a strong point. UNFILO places importance on "how it looks in the eyes of a third party." Its basic value is being clothes that are not embarrassing as "clothes for going out" and that will be praised by others.



Growth Strategies

Interview with the CFO



With business foundations laid, we are entering a growth phase. Continuing our steady evolution toward FY02/31

Onward Holdings Co., Ltd.
Finance, Accounting, Investor Relations
Director

Shohei Yoshida

01 Looking back on FY02/25, how was the year?

In FY02/25, we were greatly affected by the temperature, including an extremely hot and long summer, followed by a late winter, with cold weather lasting until April. In particular, this fiscal year, I felt strongly aware of the need to take measures to respond to the long and hot summer as a given.

On the other hand, WEGO, which was consolidated in October, had originally a strong first half before trending toward the red in the second half, but it returned to profitability in the second half of FY02/25. I feel there are many areas where the Company must learn more, such as marketing using social media.

Looking at FY02/25 from the perspective of the medium- to long-term management plan through 2030 announced in FY02/22, we completed the business transformation phase and moved into the growth phase this fiscal year. With the sale of the golf business in Guam at the end of February, we have completed the restructuring of the global business for the time being, and I think we are ready to step on the accelerator to accelerate growth.

On the other hand, in addition to brands such as UNFILO, WEGO, and KASHIYAMA, non-apparel businesses such as Yamato, Creative Yoko, and Chacott Cosmetics are expanding steadily, and we have strongly felt the potential of many businesses that could become growth drivers for the Group.

We have also established a policy of utilizing ¥70 billion for growth investment over the medium term, and we have been able to prepare for aggressive expansion in terms of our balance sheet.

In addition to further enhancing existing established brands, M&A is also an important option for us in non-apparel domains. This year, I strongly felt that we must keep these two wheels in motion to ensure the further growth of the Onward Group.

02 Please tell us about business plans for FY02/26 and related progress.

For FY02/26, we have set forth efforts across five companies as priority measures.

Interview with the CFO

At Onward Kashiyama, we have set forth the following efforts: the development of new sales channels and customer bases for the core Nijyusanku brand, the opening of new stores and an increase in the number of square meters to further expand the UNFILO brand as it continues to grow, the development of new materials, and initiatives that look toward the overseas expansion of ATON.

At Onward Personal Style, which operates the made-to-order brand KASHIYAMA, we plan to open large stores mainly in major cities to address the need for measuring for first-time buyers.

For WEGO, we aim to attract more customers by developing products tailored to regional characteristics, while appealing to inbound demand, which will contribute to future overseas expansion. We have also begun efforts to improve the rate of e-commerce adoption.

At Yamato, which operates a catalog gift business, we will expand the scope of operations to include retail, starting with a new store format in NEWoMan TAKANAWA in fall 2025.



In the overseas business, we have also completed the liquidation of unprofitable businesses that began in 2019, and we have created a structure that will enable us to aim for growth. In Europe and the U.S., we will use the opportunity of the participation of new local members as an opportunity to target expansion.

We must invest for growth in order to execute these priority measures, so we will need to invest in a differentiated manner. Collaboration with the business side will be important, and we will determine an order of priority for addressing these tasks.

In e-commerce, the Onward Group's strength, we will continue to expand Click & Try and ONWARD CROSSET SELECT multi-brand stores. In addition to combining members across Group companies, we will also invest in DX to strengthen shopping between e-commerce, physical stores, and Group companies, as well as investment in logistics centers and other areas to support e-commerce development.

03 What is your funding plan to support various investments?

As outlined in our medium- to long-term management plan, ONWARD VISION 2030, we plan to invest up to ¥70 billion in growth investments, including M&A and DX, of which we plan to fund ¥40 billion from operating cash flow. For the remainder, we will proceed with the steady sale of cross-shareholdings and the sale of idle assets.

In terms of fundraising, since interest rates have not yet risen in earnest, we are basically considering raising funds through debt, but we will consider various funding methods depending on economic and financial circumstances.

We have also heard concerns from investors concerning the Company's inventory levels. Certainly, we actively invested in inventory during the period of recovery from the COVID-19 pandemic, but I believe that we have optimized inventory levels over the last fiscal year. Our required inventory has increased because of our efforts to centralize inventory management for the expansion of e-commerce and to smoothly proceed with the "Click & Try" service, but we will continue to streamline our operations through repeated trial and error. In addition, since SCs have become a large enough sales channel, I believe that we will begin to see the effect of PLM, which we are currently promoting.

04 What is your message to shareholders, investors, and other stakeholders?

First, I would like to re-express our gratitude to our shareholders, investors, and many stakeholders for their support of our business operations.

With regard to the Company's share price, we recognize that we have not sufficiently communicated the Company's corporate value to the market from the perspective of various stock indices, and we are aware that this is an issue. From a medium- to long-term perspective, I think in terms of investor relations, it will be extremely important for the Group to continuously endeavor to enhance corporate value and properly convey to the market our various business initiatives and potential. We also successfully updated this Integrated Report for the second year as part of these efforts. We will continue our activities to provide more useful information to shareholders, investors, and stakeholders through touchpoints. In terms of stable dividends and other shareholder return measures, we will continue dialogue with the market while making appropriate decisions to enhance our valuation by the market. I hope we can continue to count on the support of all stakeholders.

ONWARD VISION 2030

“ONWARD VISION 2030,” the Group’s medium- to long-term management plan, positions the period from FY02/25 to FY02/27 as the “Growth phase” and the period from FY02/28 to FY02/31 as the “Growth acceleration phase.”

In light of changes in the external environment, including the increasing diversification of the market, we have formulated six business strategies and set financial targets as our “growth phase.”

External environment

- Changes to the lifestyles and values of consumers
- Increasing attention to engagement between companies and people
- Evolution in digital technology utilization
- Progress in a declining birthrate and aging population in Japan
- Revival and diversification of the market of foreigners visiting Japan

Diversifying Market

- 1 Drive diverse brand, product and distribution strategies in the “fashion field”
- 2 Accelerate growth in the “wellness field” in line with new values of consumers
- 3 Create a contemporary “corporate design field”
- 4 Evolve cutting-edge DX strategies such as OMO/PLM
- 5 Strengthen growth infrastructure for overseas business
- 6 Implement appropriate business risk management against future uncertainties

ONWARD VISION 2030

FY02/25 Result

Net Sales
¥208.4 billion
Operating Profit
¥10.2 billion

2024

FY02/27 Target

Net Sales
¥220 billion
Operating Profit
¥16 billion

2026

FY02/31 Target

Net Sales
¥300 billion
Operating Profit
¥25 billion

2030

Growth phase

Growth acceleration phase

Business Strategies

The Onward Group has formulated six business strategies based on our medium- to long-term management plan for FY02/31, ONWARD VISION 2030. By steadily implementing these strategies, we aim to achieve sustainable growth and achieve our targets as a company, without fail.

1

Drive diverse brand, product, and distribution strategies in the “fashion field”



Develop new brands and products to respond to market diversification and expand our diverse range of customer touchpoints by integrating online and offline services.

Onward Kashiyama Co., Ltd.

Onward Personal Style Co., Ltd. ...And others

2

Accelerate growth in the “wellness field” in line with new values of consumers



Accelerate growth in business domains that support the realization of physically and mentally rich and fulfilling lives, such as gifts, pets, and beauty.

Yamato Co., Ltd. Chacott Co., Ltd.

Creative Yoko Co., Ltd.

KOKOBUY Co., Ltd. ...And others

3

Create a contemporary “corporate design field”

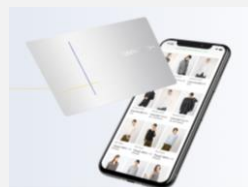


Expand the scope of our business proposing total designs for corporate activities, to support the creation of new engagement between companies and people.

Onward Corporate Design Co., Ltd. ...And others

4

Evolve cutting-edge DX strategies such as OMO/PLM



Thoroughly implement DX strategies in all fields of the Group businesses to build a highly productive corporate organization that quickly responds to the market.

5

Strengthen growth infrastructure for overseas business



In the overseas business, we will work to move out of the red and shift to a profit-oriented strategy in the future. We will promote the global expansion of JOSEPH in Europe, and expand J.PRESS in the U.S. We will also expand production and sales operations in Asia, including the ASEAN region, where growth is expected.

6

Implement appropriate business risk management against future uncertainties

There are various risks that may affect the Group's businesses. Risks associated with changing consumer needs, risks due to weather conditions, risks related to business partners, risks related to intellectual property rights, risks related to overseas operations, etc. Recognizing the possibility of the occurrence of such risks, we conduct our business while making efforts to avoid their occurrence and minimize their impact.

*See also: [WEB](#) Securities Report for the 78th Fiscal Term (Japanese only)

Priority Measures in FY02/26

Throughout FY02/26, we will devote resources across the entire organization to tackle priority measures that require particular focus within our business strategies, in a concentrated manner. We intend to continue and develop these efforts in the future.

Priority measure 1

UNFILO
アンフィロ

UNFILO
(Onward Kashiya)

Growth into a next-generation core brand with e-commerce and shopping centers as the main distribution channels

- Development of “functional beauty” products that combine functionality and design



- BREEZEMOVE, a material jointly developed with Toray Industries and others



1H FY02/26

Sales growth rate **+46.8%**

Priority measure 2

KASHIYAMA

KASHIYAMA
(Onward Personal Style)

Leveraging DX to create a “factory to customer” next-generation made-to-order suits business model

- High-quality made-to-order suits available in as little as a week
- Accelerating the development of large street-level stores, mainly in major cities
- Strengthen womenswear



1H FY02/26

Sales growth rate **+27.2%**

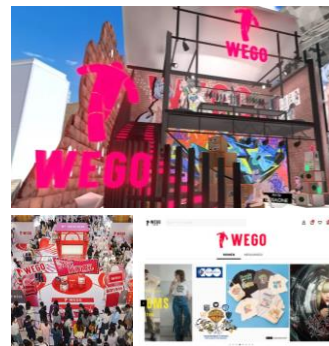
Priority measure 3

WEGO
YOUR FAN

WEGO
(WEGO)

Utilizing digital technology for aggressive expansion to global customers with a strong awareness of trends

- Domestic measures... Increase the in-house e-commerce ratio
- Overseas measures... Expansion through e-commerce, pop-up stores, etc.



1H FY02/26

Increase in sales **¥16.4 billion**

Priority measure 4

Chacott
COSMETICS

Chacott Cosmetics
(Chacott)

Development of cosmetics products that are “sweat resistant and do not run” cultivated through the ballet business

- COMPLEXION CREATOR



- COOL SERIES



1H FY02/26

Sales growth rate **+34.8%**

Priority measure 5

ONWARD
株式会社 オンワードコーポレートデザイン

Onward Corporate Design

Roll out of comprehensive corporate design services that will enhance loyalty among over 2,000 corporate clients

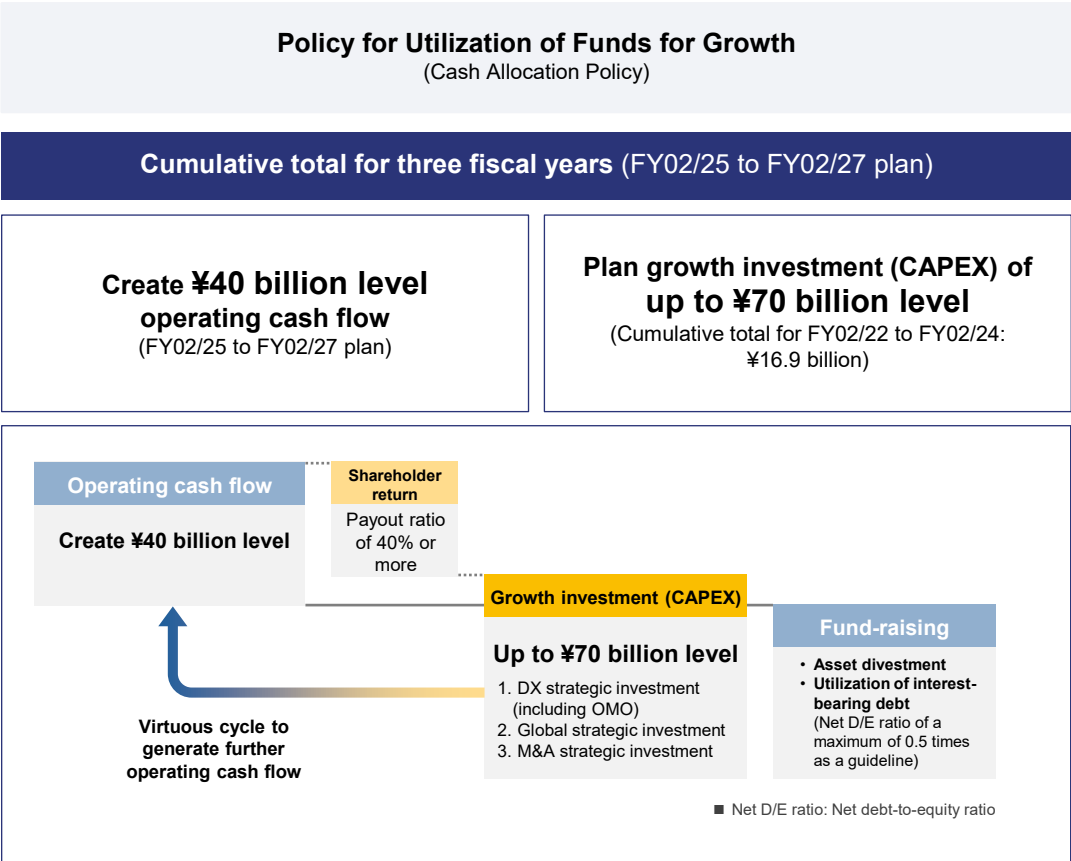


Financial Targets and Cash Allocation Policy for Growth

In order to achieve ONWARD VISION 2030, the Onward Group plans to execute growth investment totaling up to ¥70 billion by FY02/27. We will make strategic investments for sustainable growth, while working to ensure a balance with shareholder returns.

Target Financial Indicators			
Actions for Realizing Management Conscious of Cost of Capital and Share Prices			
Profit target FY02/27	Profit	¥10 billion or more	Promote growth strategies including active growth investment (DX strategy, global strategy and M&A strategy)
Capital efficiency FY02/27	ROE	10% or more	Carry out the financial strategy with emphasis placed on capital efficiency through utilization of financial leverage and others
		Level significantly exceeding the cost of shareholders' equity	
	ROIC	7% or more	
		Level significantly exceeding WACC	
Shareholder return FY02/27	Payout ratio	35% or more	Further step up shareholder return through measures such as raising payout ratio
		▼ 40% or more	

■ ROE: Return on equity ■ ROIC: Return on invested capital ■ WACC: Weighted average cost of capital



Sustainability



“Enriching and Adding Color to People’s Lives While Caring for the Planet”

We will aim for sustainable growth with sustainability
as our management core

Onward Holdings Co., Ltd.
General Manager of Sustainable Management Promotion Office
Executive Officer

Hirofumi Nishimori

01 What is the Onward Group’s approach to sustainability?

The Onward Group places the promotion of sustainability at the core of management, under our mission statement, “enriching and adding color to people’s lives while caring for the planet.” We believe that fulfilling our environmental and social responsibilities through fashion and lifestyle proposals and sustainable corporate growth are inseparable.

In our medium- to long-term management plan, sustainability is also part of our growth strategy. In particular, we have positioned “promotion of human capital management” and “promotion of apparel circulation activities” as priority areas. We have established the “Sustainability Committee,” headed by the President and CEO of Onward Holdings, as a structure to promote initiatives across the Group as a whole.



02 Five materialities have been identified in line with the mission statement. Can you describe the desired image and status of progress in relation to each of these materialities?

The Onward Group has defined the following five materialities, and we have set specific targets for our efforts related to each of them.

Materiality 1: Business activities that enable coexistence with the global environment and illuminate a path to the future

Desired image: We aim to contribute to the realization of a low-carbon, recycling-based society in order to pass on a rich and vivid planet to future generations.

Progress: Since 2009, we have been conducting the Onward Green Campaign as part of our apparel circulation efforts. In FY02/25, we collected and reused more than one million items of clothing over the year, bringing the cumulative total to more than 8.84 million items, thereby contributing to a zero-waste society.

Interview with General Manager of Sustainable Management Promotion Office

In the past, we used to recycle or reuse collected clothing, but in 2023, we launched Green Onward, a project to promote more advanced sustainable management that includes the use of upcycling. We are also endeavoring to reduce excess inventory and waste of materials by expanding the made-to-order business. In FY02/25, we also reduced Scope 1 and 2 CO₂ emissions by approximately 49% from the FY02/20 level, and we are making steady progress toward our interim target for 2030.

Materiality 2: Growing together with partners

Desired image: We aim to be a company capable of sharing values and growing together with our business partners, local societies, and other members of the community.

Progress: We have shared the “Suppliers’ Code of Conduct” with our suppliers, and we place importance on protecting human rights and ensuring occupational health and safety in the supply chain in Japan and overseas. In addition, we are engaging in co-creation with various communities, including local community cooperation with Kochi Prefecture, Komoro City in Nagano Prefecture, and others, social contribution activities with the Japanese Red Cross Society, cultural, artistic and educational initiatives with the New National Theatre, Japan Educational Foundation, and others, and cooperation with craftsmen from various regions.



Materiality 3: Workstyles that enhance and add color to employees’ lifestyles as well

Desired image: We aim to achieve work-life synergy by cultivating an environment where every employee can work cheerfully and freely.

Progress: Since 2019, we have been promoting the Work Style Design Project for workstyle reform, and we have introduced the My Golden Week system, side job system, work interval system, etc. This has resulted in a reduction in overtime work and an increase in the number of vacation days taken, helping us promote diverse working styles.

Materiality 4: Workplace where diverse individuals are engaged

Desired image: The Group aims to be an enterprise where diverse and unique personnel can exhibit their strengths.

Progress: In order to respond to increasingly diversified customer needs and values, we believe that it is essential for a diverse range of human resources to play an active role, and we have developed a system to support a balance between childcare and work, as well as diverse workstyles. Aiming to increase the percentage of both male and female employees taking childcare leave to 100%, we are promoting the creation of an environment in which it is easy for employees to take childcare leave, such as through “Father-to-be & Mother-to-be seminar,” where participants learn about the necessity of childcare leave, and management training for managers. We also support the active participation of employees in ways suited to various career plans and lifestyles, through such measures as “diversity training” and the “mentor system.”

Materiality 5: Fair management with integrity

Desired image: We aim to establish sound management foundations that enable us to be trusted and continuously needed by society.

Progress: Based on our Corporate Governance Policy, we are endeavoring to strengthen our corporate governance structure, improve management efficiency and improve the soundness of management, and thus earn a high level of trust from customers and shareholders, as well as society as a whole. We have also established the Onward Group Compliance Committee as an organization for overseeing the Company’s compliance structure, through which we enhance and check the properly functioning compliance structure.

03 What do you consider to be the challenges and how will you take measures to achieve the “desired image” set out for each materiality?

The challenge is to create more specific initiatives, and visualize the structure and details. To this end, we will promote projects with participation by employees, such as “Green Onward” and “Work Style Design,” and take steps to enhance the various initiatives and systems that result from these projects.

We also believe that we can contribute to society as a sustainable company that is needed by all stakeholders by appropriately disclosing and sharing information about these activities and being evaluated by both internal and external parties.

04 What is the key to putting sustainability management into practice?

Growth is the most important aspect for a company when engaging in business activities. To become a sustainable company over the long term, we believe that promoting such growth together with society and customers will be essential. Therefore, it will be essential that we improve the environment for our partners, including employees, and promote the creation of lifestyles that coexist with the global environment. We believe this will contribute to building trust, and act as the foundation for building a sustainable company that can contribute to society.

Materiality 1

Business activities that enable coexistence with the global environment and illuminate a path to the future

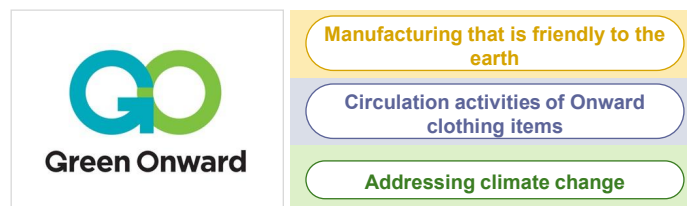


Policy

We aim to contribute to the realization of a low-carbon, recycling-based society in order to pass on a rich and vivid planet to future generations. We will promote manufacturing that is friendly to the earth, expand made-to-order production, and conduct sustainable procurement. Aiming to realize a circular economy, we will promote collection, recycling, and reuse of products, and actively work to reduce plastic waste. Each of us will actively take action to mitigate climate change and promote business activities that pursues coexistence with the global environment.

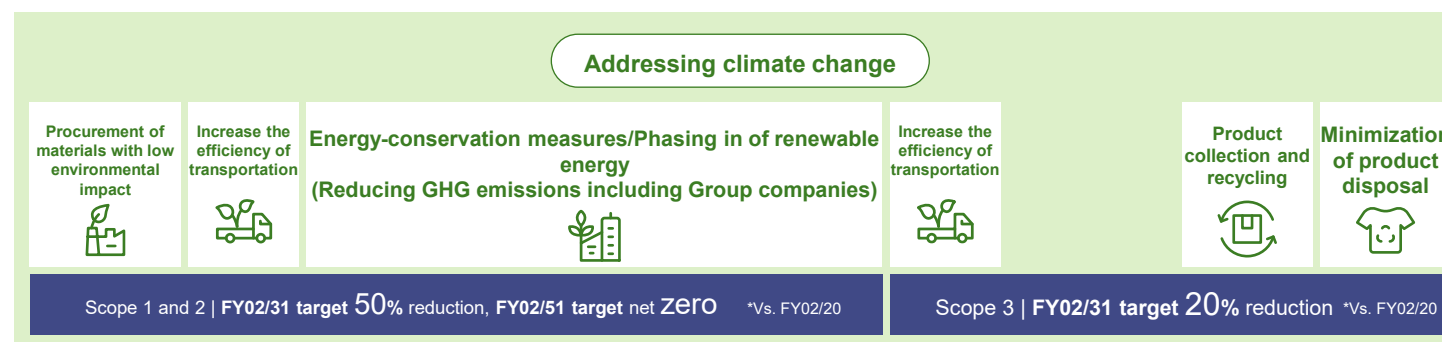
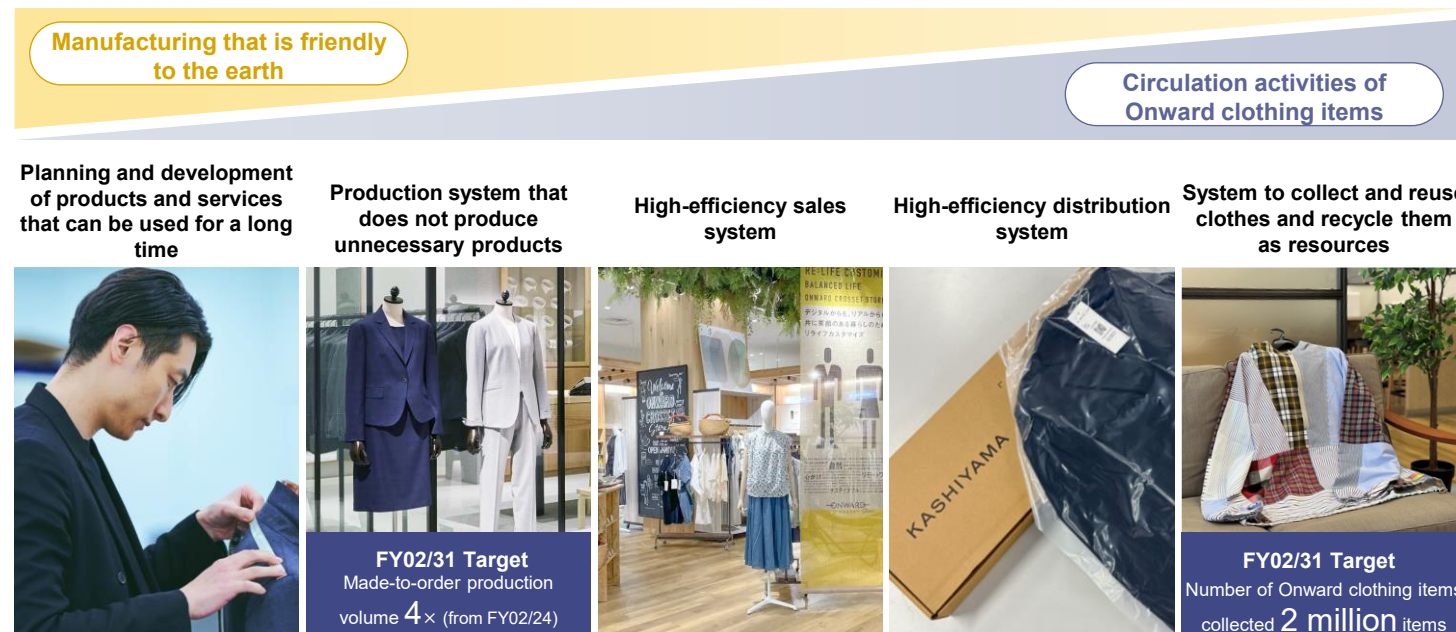
Green Onward

This project promotes more advanced sustainable management throughout the Onward Group as a whole. We aim to realize a recycling-based society (circular economy) by promoting business activities that coexist with the global environment under the "Green Onward" project.



We aim to realize a sustainable society by promoting various initiatives, including the Onward Green Campaign to build an apparel circulation system, as well as the recycling of protective vinyl used during product transportation, the reduction of CO₂ emissions through transportation efficiency improvements, and forest conservation activities.

Overall view of Green Onward



Materiality 1

Business activities that enable coexistence with the global environment and illuminate a path to the future | Manufacturing that is friendly to the earth

The Onward Group is promoting manufacturing and OMO services that combine consideration for the global environment with improved customer satisfaction and convenience, such as the expansion of made-to-order production in which products are created after receiving orders from customers, efficient product inventory management that eliminates barriers between physical stores and e-commerce through the integration of inventory data, and the development of sustainable products.

Planning and development of products and services that can be used by customers for a long time

Product development using sustainable materials

In the spring of 2022, we launched “steppi,” a new line of environmentally conscious, high-performance sustainable shoes. As a brand that meets the needs of the times in terms of both functionality and fashion, this brand offers shoes that are “washable, light, and painless,” making them suitable for everyday wear.



Production system that does not create unnecessary products (Onward Personal Style Co., Ltd.)

Use of smart factories to expand customizable Make-to-Order production

After accepting the customer's desired order, we carefully and speedily create clothes with the perfect fit. We have made waste-free manufacturing a reality through Smart Factories, which combine the latest technology with skilled manual.

Smart factories link data from orders with computer-aided manufacturing processes and use automatic cutting machines to cut cloth more precisely and thereby reduce the portions of cloth that cannot be used. In addition, these factories utilize automatic ordering systems for incidental items (buttons, lining, etc.) to ensure appropriate inventory levels.

We manage products with RFID tags and hanger systems while using tablets for process management to swiftly produce items customized based on customers' requests.



High-efficiency sales system

Sales system that utilizes OMO stores to eliminate losses

We aim to promote OMO services, including integrating inventory data between physical stores, e-commerce, and warehouses, and thus efficiently managing product inventory without barriers, thereby improving the value of customer experience and further improving customer satisfaction.

At OMO stores, we offer the “Click & Try” service, which enables customers to order, try on, and purchase online products in addition to store inventory. We are also focusing on sales that do not incur loss, through the movement of product inventory between physical stores and warehouses.



Efficient distribution system (Onward Personal Style Co., Ltd.)

We take warehouses out of the equation and deliver products directly from factories to customers

In our made-to-order businesses, we take warehouses out of the equation and deliver products directly from factories to customers. We use PACK-RUNNER compressed and sealed packages to help substantially save space in logistics vehicles.



F2C — Factory to Customer — system that drastically reforms all manufacturing processes

KASHIYAMA delivers high quality and comfortable suit set-ups directly from our own factory to customers' homes at low prices starting from ¥53,000 and with short delivery times.



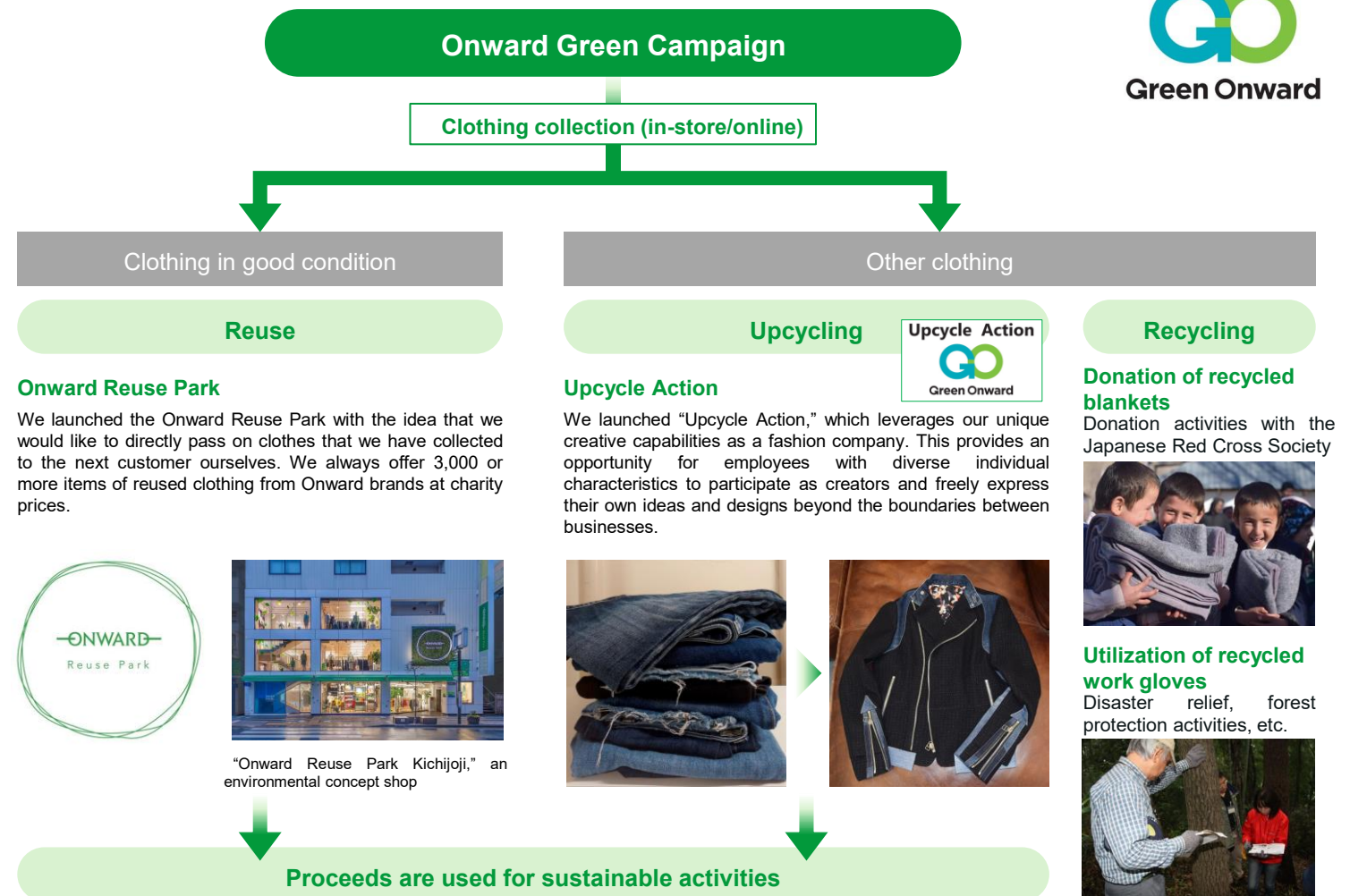
Materiality 1

Business activities that enable coexistence with the global environment and illuminate a path to the future | Circulation activities of Onward clothing items

● Onward Green Campaign

The Onward Green Campaign is a concrete initiative that promotes apparel circulation. Since 2009, we have been continuing these activities to ensure our precious global environment still exists for future generations, by taking responsibility as a manufacturer for the collection and reuse of clothes, instead of just wasting or disposing of clothes that were worn and treated with care by customers. This initiative provides customers with more opportunities to visit stores and talk with staff, making them a more enjoyable location for shopping. By FY02/25, we had collected approximately 8.84 million items of clothing from a cumulative total of approximately 1.7 million customers. Currently, we have been collecting approximately one million items per year, and we aim to increase this to two million items annually by 2030. We have introduced systems such as online collection, which make it easier for customers to participate in apparel circulation activities.

In addition, we are promoting initiatives to make greater use of collected clothing, including the operation of directly-managed stores for second-hand clothes to enable us to pass clothes onto the next customers ourselves as an apparel manufacturer, and upcycling to create new value.



Materiality 1

Business activities that enable coexistence with the global environment and illuminate a path to the future | Addressing climate change

● Support for TCFD Recommendations and Information Disclosure




The Onward Group realizes that sustainable management is an important theme that forms the foundation for its corporate activities. Accordingly, we are practicing management that pursues coexistence with the global environment based on our mission statement of “enriching and adding color to people’s lives while caring for the planet.”

Recognizing that environmental issues, particularly climate change, have become increasingly serious around the world in recent years, they are top priority in the Group’s business activities, and in 2022 we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will continue to proactively address climate change and disclose information in order to coexist with the earth and promote business activities that are connected with the future.

WEB Support for TCFD Recommendations and information disclosure

● Material Risks Associated with Climate Change

Risk and opportunity classification	Factor	Onward Group’s risks and opportunities		Countermeasures	Business impact	
		Risks	Opportunities		Less than 2°C	4°C
Transition Risks	Policy measures Regulations Technologies	<ul style="list-style-type: none"> Introduction of carbon tax (carbon pricing) Fines for failure to respond to climate change Expanded use of renewable energy Stricter plastic regulations Introduction of clothing recycling law and waste disposal law 	<ul style="list-style-type: none"> Reduced profit due to carbon tax (carbon pricing) Increased costs due to the introduction of renewable energy Increased logistics costs due to stronger GHG emissions controls Decrease in sales of plastic products 	<ul style="list-style-type: none"> Reduction of energy consumption through introduction of new technologies Progress in improving the efficiency of logistics Increasing demand for recycled plastic products Reduction of inventories through appropriate production Creating new businesses through increased collection of clothing items 	<ul style="list-style-type: none"> Reducing GHG emissions by promoting sustainable management Introduction of energy-saving equipment (LEDs, etc.) at stores and business sites Strengthening measures in cooperation with government and industry groups Phasing in of renewable energy Increasing the efficiency of transportation by expanding bulk distribution Switching to and development of products using recycled plastics Manufacturing without waste by strengthening Make-to-Order production Expansion of collection of clothing items through the Onward Green Campaign 	 
	Reputation	<ul style="list-style-type: none"> More investors are caring about sustainable management Stricter disclosure of sustainable indicators Solutions to environmental and social issues 	<ul style="list-style-type: none"> Negative impact on investments and loans due to a decline in ESG ratings Changes in consumer preferences and reduced demand for products and services Impacts on corporate image and human resource recruitment due to inadequate response 	<ul style="list-style-type: none"> Strengthen management structure by incorporating ESG investments Increasing demand for environmentally conscious products and services Enhancing corporate image and securing human resources through sustainable management 	<ul style="list-style-type: none"> Strengthening the dissemination of sustainable management Ensure appropriate and timely disclosure of information Thorough factory audits and quality control 	 
	Market	<ul style="list-style-type: none"> Sympathy with environmentally conscious products and services Growing interest in the circular economy 	<ul style="list-style-type: none"> Decreased willingness to purchase products other than environmentally conscious products Refraining from buying due to growing awareness of circular economy 	<ul style="list-style-type: none"> Improve profitability through development of environmentally conscious product/brands Expanding the 3Rs (reduce, reuse, and recycle) of clothing recycling for a circular economy Creating services in response to the circular economy Increasing demand for high-value-added products that can be worn for a long time 	<ul style="list-style-type: none"> Expansion of environmentally conscious products and brands Expansion of collection of clothing items through the Onward Green Campaign Strengthen proposals for new services (3R/upcycle, etc.) 	 
Physical Risks	Acute Chronic	<ul style="list-style-type: none"> Increase in natural disasters due to climate change Sea level rise and changes in rainfall due to climate change Average temperature increase due to climate change 	<ul style="list-style-type: none"> Damage due to suspension of store operation and store closures due to natural disasters Rising raw material costs due to bad weather Disruption of production plants and distribution routes due to natural disasters Decrease in demand for products other than climate change-responsive products 	<ul style="list-style-type: none"> Increasing demand for disaster prevention and protective apparel Increasing demand for climate change-responsive products and services 	<ul style="list-style-type: none"> Establishing a system to disperse production bases in preparation for disasters Formulation of disaster-prevention manuals and reinforcement of supply chain coordination Strengthening climate change-responsive products and services, and expansion of product lines using functional materials 	 

The impact on the business is shown in three levels (the slope of the arrow represents the trajectory). The impact on the Onward Group’s business is expected to be **significantly large**  expected to be **rather large**  expected to be **immaterial** 

Materiality 2

Growing together with partners



Policy

Our businesses are supported by collaboration with partners with whom we have built trust over our long history. Over many years, we have built sincere and strong relationships in the fields of manufacturing, logistics, and sales, and have shared our feelings and responsibilities toward manufacturing. We will continue to deepen our consideration for environmental and social factors throughout the supply chain as a whole, and take on new challenges with partners to achieve sustainable, high-value-added manufacturing.

● Guidance-Type Audits

Audits at the Company are “guidance-type audits.” The purpose of audits is to “ensure that we can continue to do business by ensuring that the quality standards required by the Company are met,” through cooperation with the factories subject to audits and the promotion of corrective measures while sharing issues based on the audit results.

While maintaining an awareness of smooth connections across the manufacturing supply chain, we will prioritize items to be corrected and make improvements. We will prioritize audits of particularly important factories and raise them to the standards required by the Company.

We do not criticize bad points, but instead “focus on good points to grow together with factories,” by reflecting Onward's unique basic principles on manufacturing in audits.

By having Onward Kashiya Co., Ltd., oversee audit operations, we aim to ensure that local overseas staff and pattern-makers who are in regular contact with factories participate in the audits, and thus narrow the distance from factories.



Comments from employees | Actual status of factory audits

■ ■ We discuss the purpose and stance of factory audits, and strive for constructive dialogue based on understanding and agreement ■ ■



Onward Kashiya Co., Ltd.
Section Manager, Audit Sec., Supply Chain Management Div.,
Product Group

Hidekazu Sato

We do not give directions from above just because it is an audit. Instead, we endeavor to improve the quality of work by sharing and improving the same problems as members of the supply chain on an equal footing. Although audits are based on Onward's fundamental approach, we pay close attention to the quality of audits to ensure that the results of audits do not vary depending on the auditors, while firmly observing global standards.

In most cases, audits begin with some tension. First, we properly discuss the purpose and stance of factory audits, and endeavor to facilitate constructive dialogue based on shared understanding and agreement. When an audit ends with smiles and handshakes, we feel a sense of mutual understanding and accomplishment.

The target is 100% audit execution. While improving audit quality, I intend to also focus on matters related to product workmanship, grade, and production costs. In order to achieve a better supply chain, we will engage in audits and corrective measures while coming up with inventive ideas together with production factories.



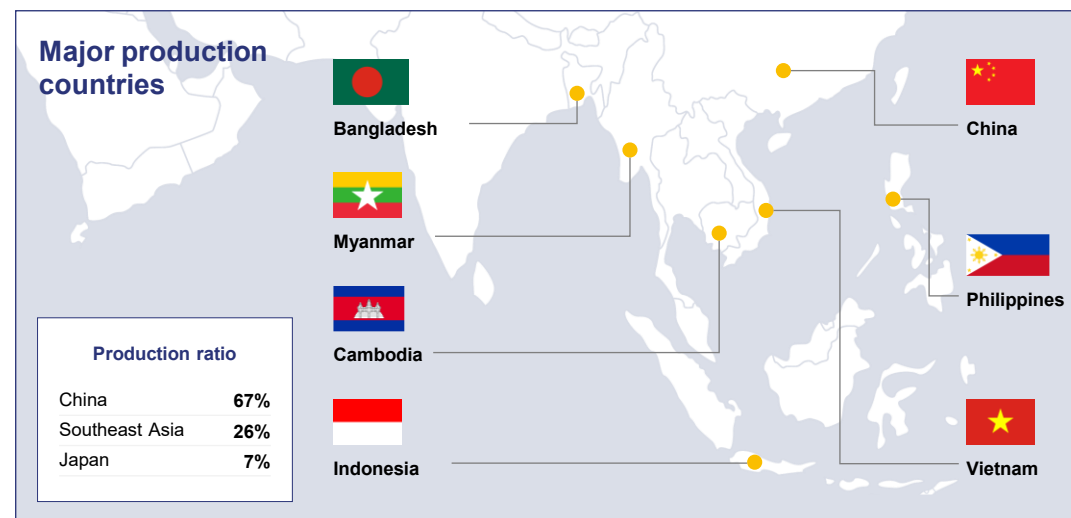
Materiality 2

Growing together with partners | Co-prosperity with suppliers

The Onward Grade is the strength of the Group that we are most proud of. The Company has built relationships of trust with supply chain partners, while sharing values such as product quality and initiatives related to ethical business practices, and we have developed these relationships through teamwork over many years. We believe that the basic principle of supply chain management is “respect for human rights.” The Company focuses on the status of coexistence with partners in Onward’s unique style through “guidance-type audits.”

Recognition of issues in the supply chain

The Onward Group has established a system that facilitates production at many factories in China, Southeast Asia, and elsewhere. Through audits, we identify and address issues specific to each region.



Matters requiring confirmation or correction based on audits

Buildings and equipment	Failure to obtain building and business permits, locking of emergency exits, improper management of hazardous materials, improper evacuation routes, fire alarm malfunctions, etc.
Labor and human resources	Unconcluded labor contracts, insufficient calculation of overtime, insufficient take-up of annual leave, no enrollment in social insurance, continuous labor, etc.

QC audits to contribute to fundamental solutions

After launching QC audits in 2007, we established a division within the Company dedicated to supplier audits in 2015. Since 2016, we have been conducting full-scale CSR and QC audits, mainly at in-house production factories. As of the end of FY02/25, the cumulative total number of audits has reached 592, and 534 factories (90% of the total) have passed the audits.

CSR and QC audits

CSR stands for corporate social responsibility. We believe that as a brand holder, social responsibility in its true sense means pointing out problems that may lead to human rights issues and bringing up the level while obtaining understanding from the other party. We attend all audits together with local auditors, and we thoroughly explain the purpose of the audit and the reasons for the requirements to the management of the factory being audited. Moreover, in light of the factory’s unique circumstances, we conduct audits while providing guidance for improvement action plans.

We also conduct unique Onward Group quality control (QC) audits at the same time.

Onward Kashiyama unique QC audits

While CSR audits focus on protecting human rights and the working environments of suppliers, QC audits protect product quality and are unique to Onward. We do not simply point out quality defects, but instead work together with partner factories to co-create a supply chain capable of stably supplying safer, higher-quality products through continuous improvement. We use specific numerical standards to evaluate and clarify points for improvement concerning areas such as material management, sewing lines, inspections, and needle inspections and management, while also working with factories on processes from the formulation of corrective action plans (CAPs) to the implementation and prevention of recurrence. In this way, we achieve sustainable quality improvement.

Results of audits

Number of Factories Audited

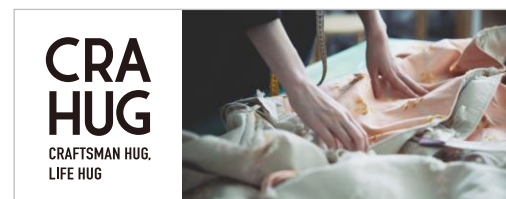
FY02/17	20	FY02/22	56
FY02/18	49	FY02/23	34
FY02/19	118	FY02/24	51
FY02/20	173	FY02/25	54
FY02/21	37	Total	592

Materiality 2

Growing together with partners | Co-prosperity with communities

The Onward Group aims to be a company that can grow and coexist with various communities through co-creation with local communities, social contribution activities, and cultural, artistic, and educational initiatives.

Through the “CRAHUG” initiative operated by Onward Digital Lab, which is responsible for the Group's digital strategy, the Group supports manufacturing by producers and factories throughout Japan who aim to create sustainable business models through self-sales and independence.



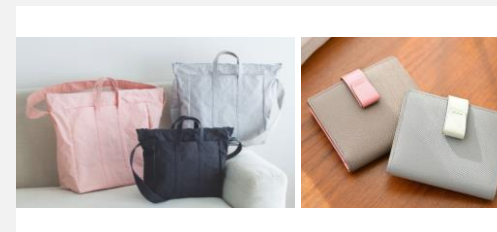
The name “CRAHUG” is a portmanteau of CRAFTSMAN, LIFE (*kurashi* in Japanese), and HUG. This project aims to promote sustainable manufacturing in cooperation with factories and producers throughout Japan, and to share information about considerate and kind lifestyles globally.

● Broadening the “Circle” of Activities

As of the end of FY02/25, 40 producers were participating, selling a total of 1,500 products across 42 brands.

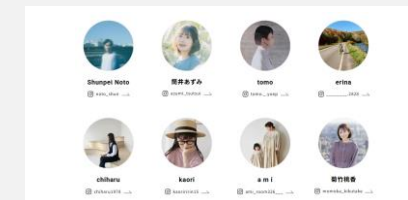
Collaboration with famous influencers

Since 2023, we have developed products based on collaboration between influencers and CRAHUG brands, with the aim of strengthening the communication of information to the world. This has contributed greatly to sales and attracting customers.



Launched CRAHUG Ambassadors

In 2023, we launched the CRAHUG Ambassadors initiative. Currently, about 20 influencers who “want to support Japanese products” are sharing information about CRAHUG on their Instagram accounts.



● Future Initiatives

When we launched this program, the participating brands were limited to factories, but now we are expanding it to include planning companies, individual creators, and others who work with “Made in Japan” products. We are also actively working to raise awareness of CRAHUG through social media.

Through the Onward platform, we intend to supply products “made in Japan” and “using Japanese materials” to a broad range of users overseas.

Column

Recovering from the COVID-19 pandemic by energizing Japanese manufacturing

- CRAHUG started in 2021 with the concept of aiming to stabilize producers' management foundations by having creators and factories that were severely affected by the COVID-19 pandemic sell original products directly to consumers.
- By having customers purchase products that are “made in Japan” or “made with Japanese materials,” we aimed to energize Japanese creators and producers and provide new value to Onward customers. This is an attempt to deliver “enrichment and color” to both creators and buyers. We hope that the continuation of these activities will contribute to the recovery of Japan's manufacturing industry, regional revitalization, the development of the next generation of successors, etc.

Comments from participants

Although Japanese creators and producers are good at making products, they are often not good at promoting them, meaning that this initiative is contributing to enhancing their promotion and recognition as brands.



Materiality 3

Workstyles that enhance and add color to employees' lifestyles as well



Policy

The source of our value creation lies in the sensitivity and sincerity of each and every employee. By respecting diverse workstyles and providing opportunities for growth, we support employees to ensure that working at the Company adds color to their life. In addition to consideration for health and work-life balance, we will also support the sustainable growth of the Company and our employees by fostering a culture that embraces new challenges and creating a workplace environment where everyone can actively participate.

● Onward's Human Capital Management Filled with Diverse Human Resources

The Onward Group is deepening human capital management based on many years of experience and innovation in the fashion industry. At the heart of these efforts is our philosophy of "customer-centric management leveraging employees' diverse strengths."

At the Company, human resources from various backgrounds actively participate, including gender, nationality, and age. In addition to a workplace environment with a high proportion of women, Onward has established a culture in which non-Japanese employees and LGBTQ people are also naturally accepted. In order to support this diversity of values, we are also working to enhance systems, including support for balancing child-rearing and work, and the "Store Meister System," which enables people aged 60 and older to play an active role.

This cultural diversity is a source of creativity and flexibility in the fashion industry, which depends on people's sensibilities.



Interview with female Executive Officers of Onward Kashiya Co., Ltd.

We spoke with two female Executive Officers who assumed their positions at Onward Kashiya in 2024.



Keiko Yamazaki, Executive Officer

Q. What do you consider to be issues for achieving workstyle reform and work-life balance, and what initiatives would you like to focus on in the future in this regard?

I feel that there is still lots of room for improvement in terms of enhancing operational efficiency. I believe that there has been a significant change in employee awareness following the COVID-19 pandemic, but in order to further accelerate reforms, I believe it is necessary for us to share good practices across divisions and review the division of roles. I think it may become more and more important in the future to improve operational efficiency by sharing knowledge within a broader framework, instead of learning solely within the bounds of one's own organization.

Kayoko Hirano, Executive Officer

Q: Please tell us about the changes you feel in your leadership role as an Executive Officer, as well as what you are particularly aware of and areas where you are coming up with new measures as a female leader.

I have become more aware than ever, not only of what I myself want to do and what I think, but also of the future of the Company, its value as a company that cannot be measured only by sales and profits, and the perspective of consumers. As a female leader, I strive to pursue new ideas and workstyles from a woman's unique perspective. I also want to place importance on communication as a female leader, and maintaining my own style of management as a firm core.



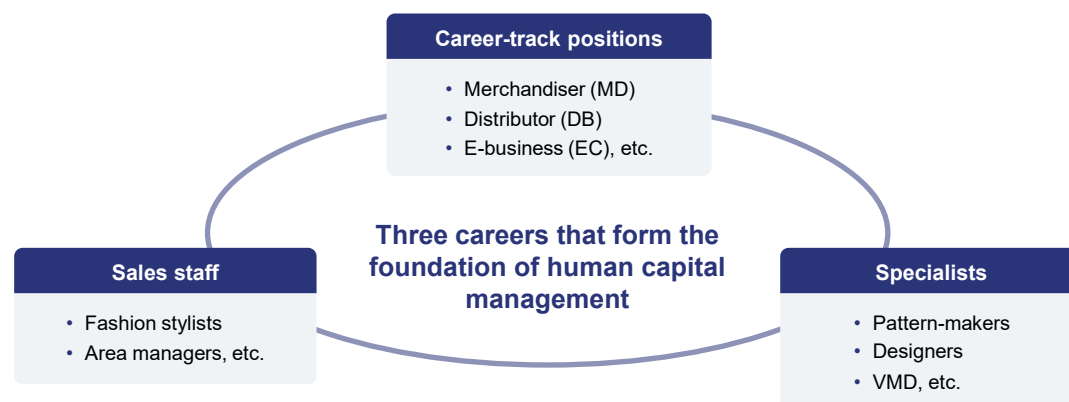
Materiality 3

Workstyles that enhance and add color to employees' lifestyles as well | Initiatives for human capital management

The Onward Group has a unique value chain that covers everything from brand development to production, sales, and recycling, and a diverse range of human resources are active within this value chain. The Company supports growth through the establishment of various career paths and training programs, ensuring that each and every employee can take advantage of his or her individuality and strengths and take the initiative in expanding the scope of their active participation.

● Overview of Career Paths

The Group hires and develops human resources based on classification into three employment categories, with appropriate systems in place for each category: career-track staff, sales staff, and specialists. We have established career paths and training systems for each employment category to provide support to enable every employee to grow in line with their own aspirations and aptitudes.



Illustrative image of career-track position career



● Training System | Sales Staff (Fashion Stylists)

The development of sales staff is essential for Onward, as we aim to achieve a high level of customer service capabilities.

The core aspect of development is “sales skills.” Employees are assigned to positions (store managers, area managers, influencers, etc.) as their role, and they can also aim to master their skills as a customer service professional or aim for management.

Through learning and sharing accumulated sales expertise with various methods, including role-playing, e-learning, on-the-job training, and classroom training, we are passing on the unique characteristics of Onward in the form of “Onward hospitality.”

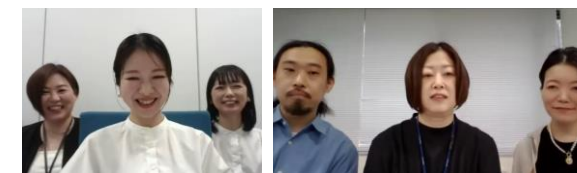


● Efforts to Discover and Share Expertise | ONWARD BEST STORE AWARDS

The BEST STORE AWARDS are an opportunity to honor outstanding stores by sharing knowledge and examples of success. These awards were created through trial and error to find an initiative that we could perform online, when we became unable to hold the existing store manager meetings as a result of the COVID-19 pandemic.

As a result of this initiative, we have seen operational improvements and improvements to motivation at each store. Many stores have commented that the incorporation of shared success stories into their own practices has been successful, and this initiative has thus led to synergies within the company as a whole.

President Mr. Yasumoto participates in these activities every time, and actively engages in communication with store managers. A culture of aggregating and sharing expertise led by frontline operations is taking root.



Materiality 3

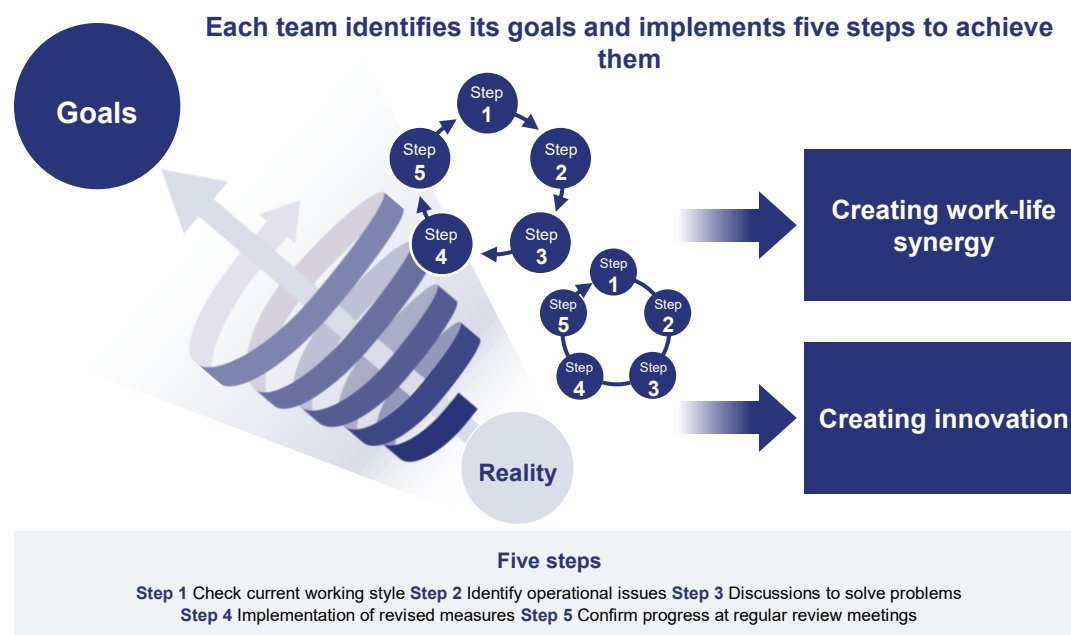
Workstyles that enhance and add color to employees' lifestyles as well | Work Style Design initiative

At the Onward Group, we think of work styles not as something dictated unilaterally by the Company, but as something that can be designed and reformed by employees who think and act independently. Kaeru Kaigi meetings are an initiative that has played a central role in these efforts since FY02/20. Through these meetings, improvement activities led by frontline operations are promoted, resulting in various innovations.

● Work Style Design Project

The Group is executing the Work Style Design Project to enhance operational efficiency and productivity by achieving work-life balance. This workstyle reform project aims to encourage employees to consider their own work styles and make them a reality.

The goal is not only to reduce overtime, encourage the taking of leave, and improve work efficiency, but also to enable employees to enjoy more private time through workstyle reform. We also anticipate synergies between “work” and “life,” in which the experience gained through leisure will generate new ideas and lead to innovation.



● Employee-Led Work Style Reform (Kaeu Kaigi Meetings)

Kaeu Kaigi meetings are a core initiative of the Work Style Design project introduced by Onward Kashiya Co., Ltd. in FY02/20.

At these meetings, the sharing of opinions is prioritized, regardless of position or age, and there are also rules in place, such as “don't deny others' opinions.” When these meetings were first introduced, the Human Resources Division took the lead in holding information sharing meetings and training throughout Japan. Today, however, all sites voluntarily engage in these initiatives in various ways, and they have become established as a part of our day-to-day operations.



● Innovation Created by Work Style Design

Active participation by mid-career employees

As a brand, UNFILO has grown through the involvement of many mid-career hires, and is an example of success achieved through a different approach than Onward's previous methods. It could be said that the success of this brand was brought about by diversity, consisting of the combined strengths of human resources from diverse backgrounds.

Eliminating insufficient communication

Kaeu Kaigi meetings marked the start of the transfer of skills from experienced pattern-makers. In such ways, we have promoted communication among employees and provided opportunities for them to share their concerns and issues, which has contributed to improving operational efficiency.

Dissemination and expansion of the system

Onward Kashiya pioneered the implementation of the Work Style Design initiative. As a result of this success, starting in FY02/25, we have expanded this initiative to Onward Corporate Design, and expanded the concept and practice of workstyle reform to the entire Group.

Materiality 4

Workplace where diverse individuals are engaged

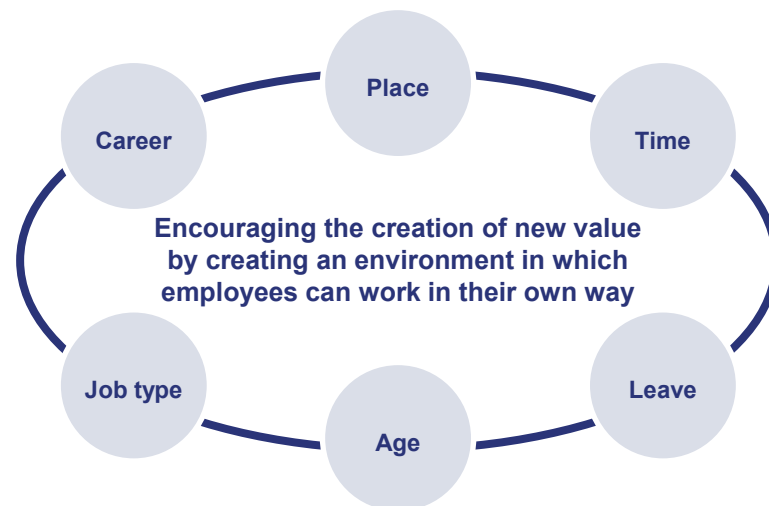


Policy

Respecting and utilizing diverse individuality will be a driving force for sustainable corporate value creation in today's rapidly changing times. By accepting each other's differences in gender, age, nationality, values, and other factors, and by creating an environment where everyone can work in their own way with peace of mind, we will draw out creativity and create new value. We view diversity as a type of abundance, and will work to foster an organizational culture based on empathy and trust.

● Onward's Unique System for Utilizing Diverse Individuality

The Onward Group respects diversity and works to create an environment where all employees can work in their own way with peace of mind. For this reason, we have developed flexible systems to ensure that employees can express their individuality to the maximum possible extent, beyond the various boundaries of time, place, job type, career, and other factors. We will continue to promote the creation of an organization that creates new value by utilizing the diverse individuality of each and every individual.



Comments from employees

Utilizing in-house systems to achieve personalized workstyles.
Creating new challenges with an environment that utilizes diverse individuality.

“I hope junior employees and students who want to work in the apparel industry will realize that these workstyles exist”

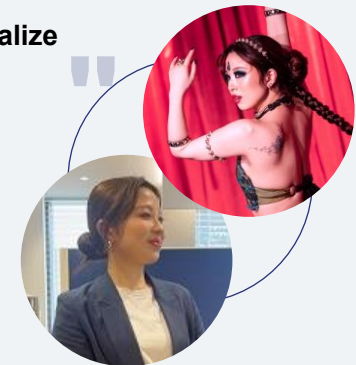
Onward Holdings Co., Ltd.

Secretary, Public Relations Office, Public Relations Div.

Wakako Takahashi

Taking on a new challenge: “PR × professional belly dancer”

In the daytime, she works in public relations, mainly focusing on internal communications and social media operations, and at night, she performs on stage as a professional belly dancer. Wearing two hats in this way, Ms. Takahashi is a true role model for “new workstyles.”



Utilizing the side job system to achieve a personalized workstyle

In July 2022, the prohibition on side jobs was officially lifted across the entire Group. Ms. Takahashi received internal approval to work as a professional dancer in April 2023. She accumulated achievements, including winning a national championship in June of the same year, and now she is paid to appear at events and teach lessons.

In order to support flexible workstyles among employees, the Group has also introduced a “shift selection system,” which enables individuals to determine their own working hours. Taking advantage of this system, on days when she has lessons or events in the evening, Ms. Takahashi goes to work early, completes her work, and goes straight to the dance studio or venue. In this way, she flexibly balances two jobs.

Leveraging experience from her personal life to create new value

Within the Company, Ms. Takahashi is also responsible for creating video content that highlights the diverse workstyles of employees and their hidden talents. She utilizes her own experience in editing dance videos in her public relations work.

“I hope junior employees and students who want to work in the apparel industry will realize that these workstyles exist. As I continue my activities, I would like to support others however I can as a role model for new workstyles.”

Materiality 4

Workplace where diverse individuals are engaged | Desired image

The Group has developed various systems to enable diverse human resources with an abundance of individuality to actively participate. Recently, we introduced the Store Meister System to enable highly skilled sales human resources who have reached the retirement age of 60 to continue to play an active role over the long term. In addition, in order to continue to be a company where such diverse human resources can exercise their capabilities, we have established various KPIs and conduct regular monitoring. Through monitoring, we aim to check whether there are any issues and operate these systems flexibly and effectively.

● Various Systems to Encourage the Active Participation of Diverse and Unique Human Resources

Working from home system	In March 2020, we created a working from home system in order to make diverse workstyles a reality. Upon the creation of this system, we distributed laptop computers and smartphones to all office workers in the Company, to ensure the appropriate environment was in place.
Influencer system	In May 2022, we established the influencer system to support new workstyles for fashion stylists (sales staff) that transcend the barriers between stores and online activities. We pay a monthly allowance to influencers.
My Golden Week system	We launched the “My Golden Week system” in March 2020 to encourage employees to take 10 consecutive days off. This has led to a review of operational dependency on specific people, contributing to more efficient work and the development of multiple skills among employees.
Shift selection system	Aiming to create an environment in which employees can work with a sense of fulfilment while maintaining work-life balance, we have introduced a shift selection system that allows individual employees to choose their working hours from 13 types of shifts.
Side job system	In order to help employees advance their careers by acquiring new knowledge and skills, we introduced the “side job system” in July 2022. We also provide information on side jobs, etc., within the Group, contributing to the exchange of human resources within the Group.
Store Meister system	We launched the “Store Meister System,” which allows highly skilled sales personnel who have reached the retirement age of 60 to continue to work as “Store Meisters” with appropriate treatment over the long term, in FY02/24.

● Various KPIs

Empowerment of women (Onward Kashiya, beginning of FY02/26)

	Result	Year-on-year
Ratio of female employees	78.4%	+0.1%
Ratio of female employees in leadership positions	32.1%	+2.7%

Balancing work and childcare (Onward Kashiya, result for FY02/25)

	Result	Year-on-year
Proportion of employees taking childcare leave	83.1%	-9.8%*

*Decreased owing to differences between the year of childbirth and the year when paternity leave was taken, and other factors

Diversity (results for FY02/25 at Onward Holdings, Onward Kashiya, and Onward Digital Lab; office workers only)

	Result	Year-on-year
Average overtime hours per month	10 hours	-0.7 hours
Days of leave taken	129.7 days	+1.3 days

Materiality 5

Fair management with integrity | Policies and systems



Policy

Since its foundation, the Company has built a relationship of trust with society by valuing “sincerity” and “attention to detail.” In addition to compliance with laws and regulations, we endeavor to practice fair management based on high ethical standards and transparency. We will endeavor to build a sound governance system and enhance the quality of our corporate activities, in order to continue to be trusted by society even in today’s rapidly changing times.

● Group Governance

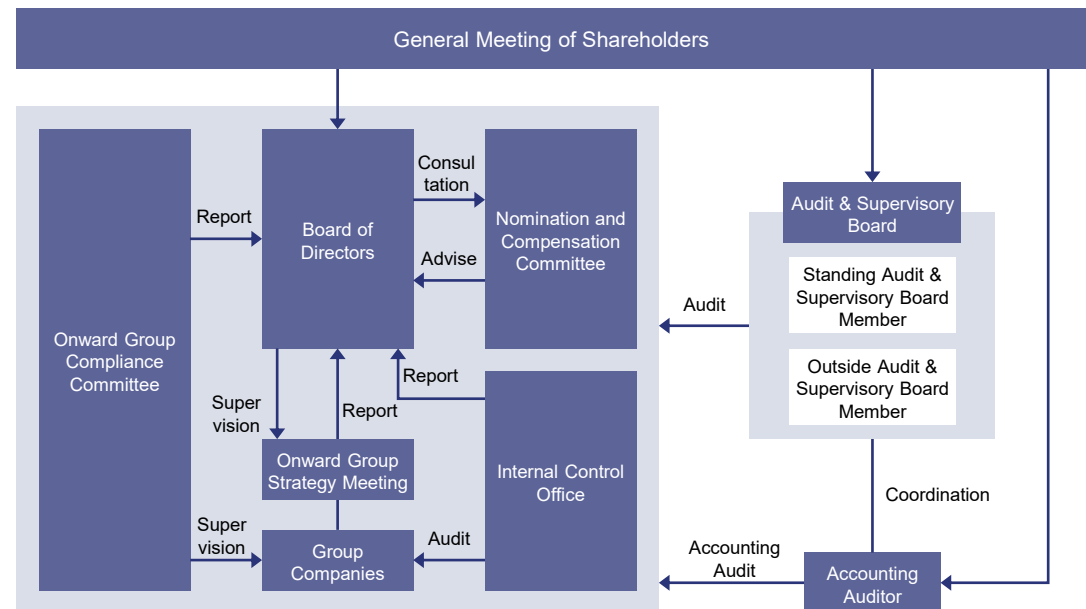
In addition to separating the supervisory and executive functions of management and strengthening our governance structure under the holding company structure, we also strive for speedy management and flexible business execution by clarifying responsibilities and authorities to accelerate strategic decision-making at each operating company.

Furthermore, with a view to maximizing corporate value, we are promoting reorganization among operating companies, the integration and elimination of common functions, and the optimal allocation of management resources. At the same time, we are working to strengthen competitiveness and promote growth across the Group as a whole through business expansion based on the creation of synergies.

In addition to the Management Promotion Committee, which meets twice a year, we have established a meeting body to gather opinions from each operating company in a timely and appropriate manner, and we are working to foster a culture that facilitates the creation of new businesses by realizing flexible and efficient management.

We believe that the holding company structure is the optimal organizational structure based on our understanding that it is important to promote growth strategies that integrate the entire Group through the enhancement of our brand portfolio, including acquisitions and alliances with attractive companies in Japan and overseas, as well as growth by strengthening existing brands and developing new businesses.

● Corporate Governance Structure



Organizational structure	Company with board of company auditors
Chair of the Board of Directors	President and CEO
Director	6 (of which, 2 Outside Directors)
Audit & Supervisory Board Members	4 (of which, 2 Outside Audit & Supervisory Board Members)
Independent officers	2 Outside Directors (of which, 1 woman)
Number of meetings of the Board of Directors held in FY02/25	12
Number of meetings of the Nomination and Compensation Committee held in FY02/25	3

Materiality 5

Fair management with integrity | Organization and structure

● Directors and the Board of Directors

In order to further clarify the management responsibilities of Directors, to increase opportunities to gain the confidence of shareholders, and to put in place an optimal and flexible management framework that is capable of responding to changes in the business environment in a timely manner, the Company has set the term of directors at one year. In addition, two of the six members of the Board of Directors are appointed from outside the Company and selected on the basis of their high level of independence. This initiative is aimed at reinforcing the supervisory function of the Board.

In FY02/25, the Board of Directors met 12 times.

● Reasons for the Appointment of Outside Directors

Name	Reasons for Appointment as an Outside Director and Status of Attendance in FY02/25
Akira Kawamoto	We have elected Mr. Kawamoto as an Outside Director because we are expecting him to use his extensive experience gained while working for the government for many years and diverse knowledge and insight from his academic experience to enhance the Company's management. He attended 12 out of 12 (100%) Board of Directors' meetings.
Yoshie Komuro	We have elected Ms. Komuro as an Outside Director because we are expecting her to use her expertise as a corporate manager and experience and insight developed through serving as an expert sitting on various government-affiliated councils to enhance the Company's management. She attended 12 out of 12 (100%) Board of Directors' meetings.

● Skill Matrix of the Board of Directors

Name	Outside Directors and Outside Audit & Supervisory Board Members	Expertise and Experience Expected by the Company					
		Company Management Business Operation	International Experience Overseas Business	Financial Accounting M&A	Legal Compliance Risk Management	IT Digital	Human Resources Diversity Environment Social Contribution
Michinobu Yasumoto		●	●		●	●	●
Daisuke Ikeda		●			●		●
Yoshihiro Higuchi		●	●			●	
Shohei Yoshida		●	●	●			
Akira Kawamoto	●	●	●	●		●	
Yoshie Komuro	●	●				●	●

● Audit & Supervisory Board Members and the Audit & Supervisory Board

The Company has adopted a corporate auditor system. Of the four Audit & Supervisory Board Members, two are highly independent Outside Audit & Supervisory Board Members, and we have also appointed staff for Audit & Supervisory Board Members to assist Audit & Supervisory Board Members in their duties, thereby strengthening management oversight functions. Each member audits and monitors the performance of directors. Responsibilities include reviewing the documentation of important decisions and attending important meetings, such as Board of Directors' meetings, Group financial account settlement meetings, and budget committee meetings, in accordance with audit policies and the roles established by the Audit & Supervisory Board. In addition, the Internal Control Office and business divisions conduct periodic monitoring in an effort to establish an effective and lawful corporate structure. The Audit & Supervisory Board meets with the representative directors and the accounting auditor on a regular basis to share and exchange information and opinions. This initiative is also designed to ensure a structure is in place that is capable of conducting audits in an effective and lawful manner. Moreover, the Audit & Supervisory Board receives reports from each member in accordance with audit policies and the roles. Deliberations are undertaken and resolutions are made based on this information as required.

In FY02/25, the Audit & Supervisory Board met 15 times.

● Reasons for the Appointment of Outside Audit & Supervisory Board Members

Name	Reasons for Appointment as an Outside Audit & Supervisory Board Member and Status of Attendance in FY02/25
Ryu Umezu	We have elected Mr. Umezu as an Outside Audit & Supervisory Board Member because we are expecting him to use his wealth of knowledge, insight, and specialties from his experience as an attorney, particularly his robust insight and experience pertaining to capital market transactions and financial transactions, in audits of the Company. He attended 12 out of 12 (100%) Board of Directors' meetings and 15 out of 15 (100%) Audit & Supervisory Board meetings.
Mitsuyo Kusano	We have elected Ms. Kusano as an Outside Audit & Supervisory Board Member because we are expecting her to use her wide-ranging experience and robust insight from her years of experience in the media industry and her time on expert panels of government committees in audits of the Company. She attended 12 out of 12 (100%) Board of Directors' meetings and 15 out of 15 (100%) Audit & Supervisory Board meetings.

● Nomination and Compensation Committee

The Nomination and Compensation Committee, the majority of the members of which are Outside Directors, was established as a voluntary advisory body to the Board of Directors. The Nomination and Compensation Committee responds to consultations from the Board of Directors by discussing matters pertaining to the nomination and compensation of Directors. The results of these discussions are reported to the Board of Directors.

Materiality 5**Fair management with integrity | Directors' and Audit & Supervisory Board Members' compensation****● Basic Policies for Deciding Amounts of Directors' and Audit & Supervisory Board Members' Compensation**

Compensation paid to Directors and Audit & Supervisory Board Members of the Company comprises basic compensation and restricted stock compensation, which are fixed compensation, and bonuses, which are performance-linked compensation. Outside Directors and Audit & Supervisory Board Members only receive basic compensation from the standpoint of maintaining independence.

Additionally, the Nomination and Compensation Committee, the majority of the members of which are Outside Directors, was established on February 26, 2021, as a voluntary advisory body to the Board of Directors. Since March 2021, the amount allocated to individual Directors is determined by the Board of Directors, upon discussion of the matters relating to the nomination and compensation of Directors by the Nomination and Compensation Committee and reports to the Board of Directors.

● Resolutions by the General Meeting of Shareholders with Regard to Directors' and Audit & Supervisory Board Members' Compensation

The amount of compensation, etc., for Directors of the Company is up to ¥500 million per year (including up to ¥50 million per year for Outside Directors). Separately, restricted stock compensation totaling up to ¥100 million per year* is also paid.

Compensation, etc., for Audit & Supervisory Board Members of the Company is determined within a range of up to ¥60 million per year.

*As a result, the Company has abolished provisions concerning stock options with compensation for the purpose of acquiring Company stock and compensation for the purpose of acquiring Company stock (up to ¥69 million per year), and the unexercised portion will be waived and replaced with restricted stock compensation (separate amount of up to ¥40 million per year, limited to FY02/26)

● Outline of Compensation Plans for Directors and Audit & Supervisory Board Members

	Type	Outline	Timing of Payment
Fixed Compensation	Basic Compensation	<ul style="list-style-type: none"> Basic compensation is paid to Directors and Audit & Supervisory Board Members based on predefined standards that take into account factors such as full-time or part-time status, role, rank, years of service, and performance evaluations Specific amounts of compensation paid to Directors are determined by the Board of Directors while amounts of compensation paid to Audit & Supervisory Board Members are determined through discussions among Audit & Supervisory Board Members 	Payment of a fixed amount every month
	Restricted Stock Compensation	<ul style="list-style-type: none"> The Company has been paying this compensation to Directors (excluding Outside Directors) since June 2025, replacing the prior compensation for the purpose of acquiring Company stock, with the aim of improving the motivation of Directors to pursue stock price increases and business performance Transfer restrictions are in place until retirement as a Director of the Group 	When elected at an Annual General Meeting of Shareholders
Performance-Linked Compensation	Bonuses	<ul style="list-style-type: none"> Bonuses are paid to Directors (excluding Outside Directors) based on the Company's consolidated performance, etc. for the given fiscal year The authority to determine the amount of compensation, etc. for Directors of the Company and the policy for determining the calculation method is held by the Board of Directors. The amount of compensation, etc. is determined within the total amount approved by the general meeting of shareholders by comprehensively taking into account factors such as the Director's duties, the business performance of each fiscal year, and the degree of the Director's contribution The compensation, etc. for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members within the compensation amount approved by the general meeting of shareholders upon taking into account factors such as full-time or part-time status and the division of duties 	Paid within a certain period after the last day of the fiscal year, subject to a resolution of the Board of Directors

● Total Amount of Compensation Paid by Classification of Directors and Audit & Supervisory Board Members, Total Amount of Compensation Paid by Type of Compensation, and Number of Eligible Directors and Audit & Supervisory Board Members

Classification	Total Amount of Compensation Paid (Millions of yen)	Total Amount of Compensation Paid by Type of Compensation (Millions of yen)			Number of Eligible Directors and Audit & Supervisory Board Members
		Fixed Compensation		Performance-Linked Compensation	
		Basic Compensation	Compensation for the Purpose of Acquiring Company Stock	Bonuses	
Directors (excluding Outside Directors)	284	147	50	86	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	36	36	-	-	2
Outside Directors and Outside Audit & Supervisory Board Members	40	40	-	-	4

Materiality 5

Fair management with integrity | Evaluation of effectiveness

● Evaluation of the Effectiveness of the Board of Directors

The Company's Directors conduct annual self-evaluations to assess the effectiveness and appropriateness of the Board of Directors' management oversight function as well as the degree of accomplishment of their own duties. The results of these evaluations are reported to the Board of Directors. Based on these self-evaluations, the Board of Directors analyzes and evaluates its overall effectiveness, disclosing an overview of the results.

Scope of evaluations

- All Directors and Audit & Supervisory Board Members

Procedures for evaluations

- Self-evaluation via questionnaire
- Support for evaluations provided by external advisory firm

Overview of results of analysis and evaluation of Board of Directors' effectiveness in FY02/25

- Board of Directors effectively exercising functions for establishing management strategies and targets, resolving management issues, and overseeing business execution in accordance with Onward's Corporate Governance Basic Policy
- Current composition, discussion quality, and operation methods of Board of Directors generally appropriate
- Ongoing examination of efficient operation, as well as digital transformation (DX) in particular, as required in FY02/26 for further improvements to the effectiveness of the Board of Directors

● Officer Training

The Company offers opportunities for Directors, Audit & Supervisory Board Members, and executive officers to acquire the knowledge necessary for performing their duties along with opportunities for ongoing self-study to ensure that they are able to fulfill their roles and responsibilities.

Discussions are held with new directors, Audit & Supervisory Board members, and executive officers upon their appointment regarding the Company's management, business, and financial strategies; important relevant matters; and identification of issues faced by the Onward Group and their solutions. Outside Directors and Outside Audit & Supervisory Board Members, meanwhile, are provided with explanations of the Company's business and organizational structures when they are appointed, and necessary information pertaining to issues faced in business activities and other matters is supplied regularly.

● Dialogues with Shareholders

At the Company, the officer responsible for IR information disclosure plays a central role in holding periodic briefings for analysts and institutional investors, as well as extensive information disclosure on the Company's website, etc. The IR Division has been established as a dedicated body for ensuring the effective functionality of these activities. This division maintains close coordination with Corporate Planning, Accounting, Legal Affairs, and other relevant divisions. It also reports the opinions and requests obtained through IR activities to the Onward Group Strategy Meeting and the Board of Directors for use in discussions regarding measures for improving corporate value.

[WEB](#) Status of Dialogue with Shareholders and Investors

Status of dialogue with shareholders, investors, etc. (March 2024 to February 2025)

Main parties engaging in dialogue	Financial Results Briefing (semi-annually)	April and October	President and CEO/Director in charge of Finance, Accounting, and Investor Relations
	Financial Results Briefing (quarterly)	July and January	Director in charge of Finance, Accounting, Investor Relations
	Small Meetings	As appropriate	President and CEO/Director in charge of Finance, Accounting, and Investor Relations
	Individual interviews with institutional investors	As appropriate	Director in charge of Finance, Accounting, Investor Relations/General Manager, Investor Relations Division
	Individual interviews with securities analysts	As appropriate	President and CEO/Director in charge of Finance, Accounting, and Investor Relations/General Manager, Investor Relations Division
Overview of shareholders, investors, etc., engaged in dialogue	Domestic institutional investors	40 times	
	Overseas institutional investors	45 times	
	Securities analysts	16 times	

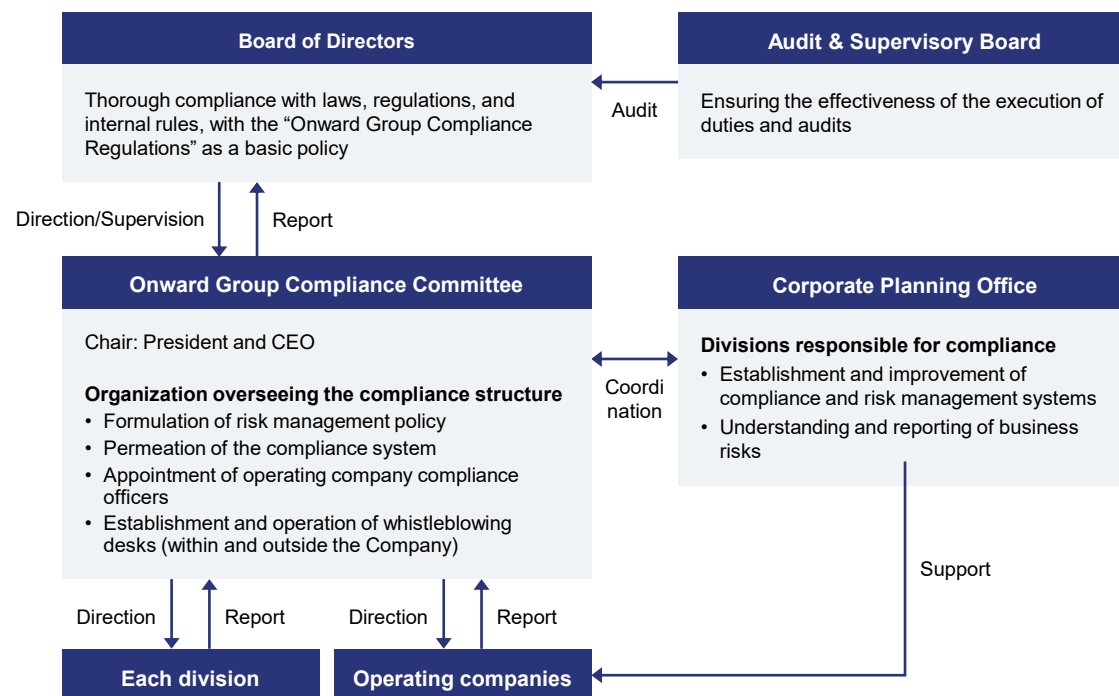
Communication with individual investors

We strive to provide individual investors with detailed reports on the Company's business performance, special topics, and other matters through our website. We also ask individual investors to submit a questionnaire at the end of the shareholder report, and we take the opinions we receive seriously and use them as a reference for future activities. As a benefit to shareholders, we encourage shareholders to purchase Onward products at discounted prices, enabling them to experience firsthand the quality of products that the Company is proud of.

[WEB](#) Shareholder report (Japanese only)

Materiality 5**Fair management with integrity | Evaluation of effectiveness****Internal Control**

The Company has established the following systems in relation to “the development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a stock company and operations of group of enterprises consisting of the stock company and its subsidiary companies” pursuant to the provisions of the Companies Act and the Regulations for Enforcement of the Companies Act. We have also established an internal control system and an efficient and legal corporate structure based on this policy (Basic Policy on the Development of an Internal Control System).

Risk management structure**Compliance System**

Recognizing that society as a whole increasingly expects it to improve its compliance systems, the Onward Group has positioned compliance as an important issue for management. Furthermore, by enhancing its corporate governance systems, the Company aims to earn high levels of trust among its customers and shareholders and from society as a whole.

The Company has established the Onward Group Compliance Committee as an organization for overseeing the Company’s compliance structure.

Initiatives for Compliance

As for initiatives for compliance, the Group created the Compliance Manual to clearly outline the direction of compliance activities and define standards for adhering to ethical concerns and social norms. The Onward Group Compliance Committee takes the lead in conducting continuous educational activities, including in-house training, as a part of efforts to ensure widespread awareness and understanding.

Also, in terms of the Act on the Protection of Personal Information, the Company has established Guidelines on the Protection of Personal Information and continuously carries out training by conducting seminars for all officers and employees.

Whistleblowing System

As part of the Group’s whistleblowing system, we have established the “Onward Group Whistle Line,” which can be contacted internally or through an external law firm. For this system, we have created the “Onward Group Whistleblowing Regulations,” which stipulate matters such as the division in charge of operation, procedures for consultation and reporting, responses to consultation and reporting, and protection of the persons engaging in consultation and reporting.

Anti-corruption Efforts

In accordance with the “Basic Stance toward Business Partners” set forth in the Guidelines for Action, we will maintain and continue transactions with business partners under the basic principle of “fairness and transparency,” while valuing “relationships of trust” as equal partners. We strictly refrain from excessive entertainment and gifts, and work to prevent bribery and other violations of laws and regulations, as well as unfair and unethical practices.

Materiality 5**Fair management with integrity | Policies for cross-shareholdings, etc.****● Policies for Cross-Shareholdings and Exercise of Related Voting Rights**

The Company's basic policy is not to acquire cross-shareholdings, in principle, unless it is deemed that the cross-shareholdings will contribute to the enhancement of the Company's corporate value. The Company will gradually reduce existing cross-shareholdings, after considering the rationality of continuing to hold them and other factors.

Holdings that have been deemed appropriate may also be sold in light of the market environment, management and financial strategies.

With respect to the exercise of voting rights related to cross-shareholdings, in order to ensure appropriate responses, the Company makes an appropriate decision after deliberating on each agenda item in accordance with the following criteria from the perspective of the medium- to long-term improvement of the corporate value of the business partner in question and medium- to long-term increases to the economic benefits for the Company and Group companies.

- 1. Whether the counterparty has been suffering from a significant and ongoing deterioration in business performance**
- 2. Whether the counterparty has engaged in any antisocial activities or otherwise lost the trust of society**
- 3. Whether there are any proposals submitted that may harm the interests of shareholders**
- 4. Are there any serious corporate governance concerns?**

In the event that a company that holds the Company's shares as cross-shareholdings (cross-shareholdings shareholder) indicates that it intends to sell these shares, etc., the Company will not take any action to prevent the sale of such shares.

Dialogue with Outside Audit & Supervisory Board Members

Utilizing our independent position to contribute to the sustainable enhancement of Onward Holdings' corporate value through audits

We interviewed Mr. Ryu Umezu, who has extensive knowledge and insight concerning capital markets, as well as expertise as a lawyer, and Ms. Mitsuyo Kusano, who has been active in the media industry for many years and has a high level of expertise, including serving as a member of various government-related committees.

Please tell us about your role and specific activities as Outside Audit & Supervisory Board Members.

Umezu The three main duties of Audit & Supervisory Board Members are “business audits,” “confirmation of the appropriate status of internal controls,” and “confirmation of the process for preparing financial statements.” Personally, for a listed company, I think “confirmation of the process for preparing financial statements” is particularly important. I place particular emphasis on communication with the audit firm, and hold regular meetings to receive detailed explanations on matters such as the preparation process and the priority audit content. I am very satisfied with the content of these explanations, including the audit results.



Kusano In addition to the three themes mentioned by Mr. Umezu, it is also important to check the importance of agenda items presented at meetings of the Board of Directors from an outside perspective. I endeavor to contribute at meetings of the Board of Directors while making use of my external position, as there are some matters that may be difficult for people with an internal standpoint to express their views on, but that can be pointed out from an external standpoint, such as M&A deals, the appropriateness of growth strategies after the implementation of the global business transformation announced in 2019, the status of the promotion of women's empowerment, and the performance of the audit firm. In terms of the timing of when we speak, etc., there is absolutely no atmosphere that would make us hesitate to speak, with the President sometimes skillfully encouraging us to speak.

Did your image of the Company change before and after your appointment as Audit & Supervisory Board Members?

Umezu My first impression of the Company was that it is a large company that has many operating companies and operates various businesses other than apparel. A major strength of the Company is the fact that it has been able to develop its own e-commerce platform, having focused on in-house e-commerce from an early stage. The Company embarked on a bold structural transformation in 2019, one year before I took office, and I am very impressed that this large an organization was able to achieve the transformation as planned.

Kusano I have often worn Onward clothes since when I was an NHK anchor. Since that time, I have had the impression that Onward is a company that manufactures products with a certain level of class. I felt it was conservative or a “proper company,” and this impression has not changed since I took office. As a company with a somewhat conservative impression, I think Onward has done a great job of transforming its global business structure. I also think that in order to achieve further progress in the future, it will be very important for the Company to maintain its existing sense of class even after undergoing these reforms.

Dialogue with Outside Audit & Supervisory Board Members

What is your overall impression of the Board of Directors, including its operation and the status of discussions?

Umezu After meetings of the Board of Directors, the Audit & Supervisory Board meets to evaluate the content of the meetings. Going back to the basics of corporate governance, Directors and Audit & Supervisory Board Members are elected by shareholders, and it is my conviction that we must put shareholders first. We make appropriate proposals to the Board of Directors regarding how to proceed with agenda items, and I believe that President Mr. Yasumoto's excellent leadership and sense of balance between offense and defense contribute to improving the effectiveness of the Board of Directors. While many Japanese companies have begun gradually changing following the publication of Japan's Corporate Governance Code, I feel that it is important for listed companies as a whole to continue to be aware of emphasizing shareholder value.



What are your views on the governance of the Group, which is comprised of various operating companies, as a lifestyle and culture creation company?

Umezu First, the fact that the Company has many operating companies alone increases the burden of governance. As Audit & Supervisory Board Members of the holding company, we receive full explanations concerning the Group's M&A projects, and we also actively interview people concerning matters such as the management status of Group companies and acquired companies. As far as I have checked, I believe that knowledge and human resources have been well integrated, and appropriate governance is in place. In addition, we strictly examine the appropriateness of acquisition prices, etc., and maintain close communication with the audit firm.

Kusano I have acutely felt the difficulty of integrating companies with different corporate cultures into the same group. For the Company, M&A will be vital to growth, but there are failures behind every success. I believe that it is vital not to end one's efforts after a failure, but instead, to thoroughly examine what happened and ensure it contributes to the next investment. At present, many of the candidates proposed for acquisition are companies that can provide missing pieces that will contribute to the growth of the entire Group in the future, and I feel that the lessons learned in the past are being applied.

What do you think is necessary for the sustainable value enhancement of the Company, and what are your views on the Company's sustainability initiatives?

Umezu At least for domestic companies, I feel relieved that the Company is able to provide a sustainable working environment. On the other hand, I think there is room for further enhancements in areas such as disclosure regarding overseas suppliers. In Europe, sustainability disclosure standards are rapidly becoming stricter, so we must properly follow these developments, and ensure Onward implements the required measures as a company.



Kusano Every year, the standards required of companies become more advanced, including the approach to sustainability, required initiatives, and the degree of importance for corporate value. The management team also shares the recognition that, in addition to following the ups and downs of the share price, there is also close attention on "what kind of company Onward is" and "what contribution it can make to society." The Company has been focusing on recycling and reuse from an early stage, but I think it may be required to reach even higher levels in the future.

What are your future aspirations as Outside Audit & Supervisory Board Members?

Umezu First, it is important that we properly perform the role assigned to us. On top of that, I would like to continue making recommendations and contributing, to enable the management team as a whole to further enhance its awareness of emphasizing shareholder value, in line with my conviction.

Kusano In the future, as the Company enters a phase of accelerated growth, I believe my role will be to provide proper supervision, to ensure the organization does not fall into a state of recklessness in its pursuit of growth. Well-being is a recent keyword, and I hope that I can convey the fact that happiness — not only for ourselves but also for the people around us and society — will increase corporate value and contribute to sustainable growth to the management team from a constructive perspective.

Management Team (as of May 22, 2025)



May 2006	Joined the Company
Mar. 2007	Executive Officer of the Company
Sept. 2007	Executive Officer of Onward Kashiyama Co., Ltd.
Mar. 2011	Managing Executive Officer of the Company Managing Executive Officer of Onward Kashiyama Co., Ltd.
May 2014	Director of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd.
Sept. 2014	Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd.
Mar. 2015	Representative Director, President and CEO of the Company (current position) Director of Onward Kashiyama Co., Ltd.
Nov. 2019	Representative Director and President of Onward Digital Lab Co., Ltd.
Sept. 2021	Director of Onward Kashiyama Co., Ltd.
Mar. 2022	Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd. (current position)

Attendance at meetings of the Board of Directors
(attendance rate) 12/12 (100%)



Apr. 1991	Joined the Company
Mar. 2018	Executive Officer in charge of Corporate Planning, Legal Affairs of the Company
Mar. 2020	Executive Officer in charge of Corporate Planning, Secretary Office, Corporate Communications, Human Resources, General Affairs of the Company
May 2020	Director in charge of Corporate Planning, Human Resources, General Affairs of the Company
Mar. 2021	Director in charge of Corporate Planning, Human Resources, General Affairs, Corporate Sustainability of the Company
Sept. 2021	Director of Onward Kashiyama Co., Ltd.
Mar. 2022	Director in charge of Corporate Planning, Human Resources, General Affairs of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd. (current position)
Mar. 2023	Managing Director in charge of Human Resources, General Affairs of the Company (current position)

Attendance at meetings of the Board of Directors
(attendance rate) 12/12 (100%)



Apr. 1990	Joined the Company
Mar. 2013	Executive Officer of Onward Kashiyama Co., Ltd.
Sept. 2016	Executive Officer in charge of Marketing, Advertising of the Company
Mar. 2019	Managing Executive Officer of Onward Kashiyama Co., Ltd.
Mar. 2020	Managing Executive Officer in charge of Advertising, Marketing of the Company
Mar. 2021	Managing Executive Officer in charge of Planning, Production, as well as Advertising, Marketing of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd. (current position)
Mar. 2024	Managing Executive Officer in charge of Marketing, Technology, Product of the Company
May 2025	Managing Director in charge of Marketing, Technology, Product of the Company (current position)

New appointment

Management Team (as of May 22, 2025)



Apr. 2001	Joined ACTY21 Co., Ltd.
Mar. 2015	Joined Onward Global Fashion Co., Ltd. General Manager of Administrative Division of Onward Global Fashion Co., Ltd.
Mar. 2017	General Manager of Accounting and Investor Relations Division of the Company
Mar. 2020	General Manager of Accounting Shared Services Division of the Company
Mar. 2024	Executive Officer and General Manager of Finance, Accounting, Investor Relations Office of the Company Executive Officer of Onward Kashiyama Co., Ltd.
May 2024	Director in charge of Finance, Accounting, Investor Relations of the Company (current position) Director and Executive Officer of Onward Kashiyama Co., Ltd. (current position)

Attendance at meetings of the Board of Directors
(attendance rate) 9/9 (100%)



Apr. 1981	Joined Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
Aug. 1995	Organization for Economic Co-operation and Development (OECD) (Paris)
Jan. 2001	Manager of Electricity Market Division, Electricity and Gas Industry Department, Agency for Natural Resources and Energy
July 2009	Deputy Director-General of Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
Oct. 2012	Senior Partner of Aspirant Group Inc.
Apr. 2013	Professor of Faculty of Economics of Keio University (current position)
Mar. 2014	Outside Director (Audit and Supervisory Committee Member) of Future Corporation (current position)
May 2018	Director (part-time) of the Company (current position)
Jan. 2023	Founding Partner of Aspirant Group Inc.
July 2023	Vice Chairman and Founding Partner of Aspirant Group Inc. (current position)

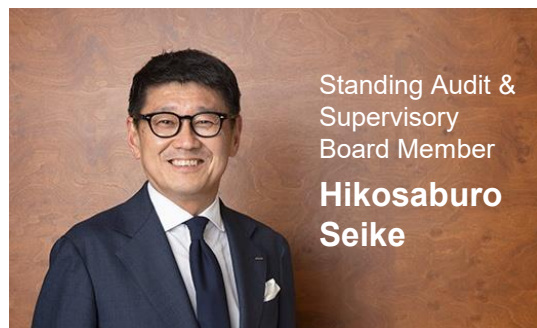
Attendance at meetings of the Board of Directors
(attendance rate) 12/12 (100%)



Apr. 1999	Joined Shiseido Company, Limited
July 2006	President of Work-Life Balance Co., Ltd. (current position)
Apr. 2008	Member of the Evaluation Working Group, Work-Life Balance Promotion and Evaluation Council, Cabinet Office
Oct. 2009	Visiting Professor of Kanazawa Institute of Technology Graduate School (current position)
Apr. 2013	Member of the Children and Childcare Support Council, Cabinet Office
Sept. 2014	Civil Member of the Industrial Competitiveness Council
Feb. 2015	Member of the Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology
June 2017	Outside Director of JAPAN POST INSURANCE Co., Ltd.
May 2019	Director (part-time) of the Company (current position)
Apr. 2020	Outside Director of redfox, inc.
Sept. 2020	Member of the Expert Committee on Accelerating Work Style Reform, Ministry of the Environment (current position)
Nov. 2020	Outside Director of ClipLine, Inc. (current position)
Dec. 2020	Director (Outside) of PACIFIC CONSULTANTS CO., LTD.
June 2022	Outside Director of LITALICO Inc. (current position)
Jan. 2023	Councilor of Japan Women's University (current position)
May 2023	Member of the Working Interval Review Committee, Ministry of Health, Labour and Welfare

Attendance at meetings of the Board of Directors
(attendance rate) 12/12 (100%)

Management Team (as of May 22, 2025)



Apr. 1983 Joined the Company

Mar. 2015 Executive Officer of the Company
Executive Officer of Onward Kashiya Co., Ltd.

Mar. 2021 Managing Executive Officer of Onward Kashiya Co., Ltd.

Mar. 2022 Adviser of the Company

May 2022 Audit & Supervisory Board Member of the Company (current position)
Audit & Supervisory Board Member of Onward Kashiya Co., Ltd. (current position)

Attendance at meetings of the Board of Directors (attendance rate) 12/12 (100%)
Attendance at meetings of the Audit & Supervisory Board (attendance rate) 15/15 (100%)



Apr. 1992 Joined Onward Marine Co., Ltd.

Mar. 2018 General Manager of Administrative Division of Onward Resort & Golf Co., Ltd.

Sept. 2019 General Manager of Internal Control Office of the Company

May 2022 Audit & Supervisory Board Member of the Company (current position)
Audit & Supervisory Board Member of Onward Kashiya Co., Ltd. (current position)

Attendance at meetings of the Board of Directors (attendance rate) 12/12 (100%)
Attendance at meetings of the Audit & Supervisory Board (attendance rate) 15/15 (100%)



Apr. 1991 Registered as Attorney at Law (Daini Tokyo Bar Association)
Joined Anderson Mori

Jan. 2000 Partner of Anderson Mori (currently Anderson Mori & Tomotsune)

Sept. 2017 Director of Lawyers for LGBTQ & Allies Network (LLAN) (current position)

May 2020 Audit & Supervisory Board Member (part-time) of the Company (current position)

Apr. 2023 Managing Partner of Anderson Mori & Tomotsune (current position)

Attendance at meetings of the Board of Directors (attendance rate) 12/12 (100%)
Attendance at meetings of the Audit & Supervisory Board (attendance rate) 15/15 (100%)



Apr. 1989 Joined Japan Broadcasting Corporation

July 1997 Representative Director of Kusano Office Ltd. (current position)

Apr. 2019 Member of the Panel on Infrastructure Development, Ministry of Land, Infrastructure, Transport and Tourism

June 2019 Vice President of Japan Sport Association

Apr. 2020 Director of Jin-Bun-Chi forum (current position)

May 2020 Audit & Supervisory Board Member (part-time) of the Company (current position)

June 2023 Auditor of Japan Sport Association (current position)

June 2024 Councilor of The AED Foundation of Japan (current position)
Outside Auditor of The Gifu Shinkin Bank (current position)

Attendance at meetings of the Board of Directors (attendance rate) 12/12 (100%)
Attendance at meetings of the Audit & Supervisory Board (attendance rate) 15/15 (100%)

Data

11-Year Key Financial Data

	(Millions of yen)										
	FY02/15	FY02/16	FY02/17	FY02/18	FY02/19	FY02/20	FY02/21	FY02/22	FY02/23	FY02/24	FY02/25
Net sales	281,501	263,516	244,900	243,075	240,652	248,233	175,899	168,453	176,072	189,629	208,393
Cost of sales	152,438	144,063	131,638	129,498	129,019	135,550	105,196	80,841	79,320	83,847	94,818
Selling, general and administrative expenses	123,332	115,674	109,059	108,409	107,171	115,744	90,876	88,691	91,537	94,521	103,422
Operating profit	5,731	3,778	4,203	5,167	4,461	(3,061)	(20,173)	(1,079)	5,214	11,260	10,153
Recurring profit	7,162	5,504	5,577	5,928	5,161	(3,835)	(20,174)	507	5,319	10,126	10,084
Income taxes – current	5,033	8,679	1,533	3,305	1,244	1,653	814	2,695	1,387	1,263	1,018
Profit attributable to owners of parent	4,204	4,278	4,744	5,366	4,948	(52,135)	(23,181)	8,566	3,061	6,611	8,516
Cash flows from operating activities	16,490	3,632	6,844	13,228	4,635	8,003	(19,614)	7,814	5,685	3,999	3,123
Cash flows from investing activities	(15,656)	1,782	25,270	(7,299)	(10,305)	(10,758)	6,091	21,685	4,390	(4,321)	(5,390)
Cash flows from financing activities	757	(6,357)	(32,856)	(6,593)	11,542	(1,595)	5,860	(36,173)	(11,955)	263	3,612
Free cash flow	834	5,414	32,114	5,929	(5,670)	(2,755)	(13,523)	29,499	10,075	(322)	(2,267)
Capital expenditures	26,884	15,955	10,599	12,058	13,472	9,533	6,501	5,657	4,921	4,613	5,564
Depreciation and amortization	7,218	7,799	6,662	6,334	6,510	6,392	5,659	4,605	4,366	3,978	4,357
Cash and deposits	31,122	29,407	26,096	26,334	31,284	28,795	21,301	15,209	13,805	14,133	13,505
Current assets	117,051	121,468	103,572	105,977	114,324	106,782	80,460	60,508	62,255	73,400	80,101
Property, plant and equipment	109,658	106,695	92,268	93,714	96,717	83,231	71,825	58,042	53,130	50,468	47,693
Total assets	340,854	313,454	273,226	278,133	287,554	234,316	196,052	157,727	159,198	171,362	179,218
Current liabilities	109,619	106,109	85,684	86,384	105,405	108,743	99,549	55,761	53,124	62,350	62,728
Shareholders' equity	179,879	176,263	169,027	168,341	167,429	105,023	68,926	75,030	75,721	80,849	84,206
Net assets	185,315	172,337	165,670	168,152	162,210	94,036	59,509	77,257	85,073	84,995	84,287
Basic earnings per share (EPS) (yen)	26.78	28.27	31.47	36.97	35.24	(383.97)	(171.18)	63.17	22.57	48.72	62.74
Net assets per share (yen)	1,166.89	1,101.21	1,116.47	1,155.04	1,148.30	665.17	418.32	493.14	550.76	587.92	620.43
Cash dividends (yen)	24.00	24.00	24.00	24.00	24.00	24.00	12.00	12.00	12.00	20.00	26.00
Payout ratio (%)	89.6	86.5	74.0	63.7	66.9	–	–	19.0	53.2	41.1	41.4
ROE (%)	2.4	2.4	2.8	3.3	3.1	(42.0)	(31.6)	13.9	4.3	8.6	10.4
ROA (%)	2.2	1.7	1.9	2.2	1.8	(1.5)	(9.4)	0.3	3.4	6.1	5.8
Operating profit margin (%)	2.0	1.4	1.7	2.1	1.9	(1.2)	(11.5)	(0.6)	3.0	5.9	4.9
Gross profit margin (%)	45.8	45.3	46.2	46.7	46.4	45.4	40.2	52.0	54.9	55.8	54.5
SG&A expenses / Net sales (%)	43.8	43.9	44.5	44.6	44.5	46.6	51.7	52.7	52.0	49.8	49.6
Shareholders' equity ratio (%)	53.8	54.2	59.8	59.2	55.1	38.3	28.9	42.4	47.0	46.6	47.0
Number of full-time employees (consolidated)	4,973	5,119	4,456	4,530	4,643	5,153	7,498	6,377	6,061	5,750	6,253

Notes: 1. The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) early, from the beginning of FY02/22.
2. The presentation method has been changed from FY02/22, and therefore, with regard to net sales and operating profit for the previous fiscal year, the Company states figures after reclassification that reflect this change in the presentation method.
3. The increase in the number of employees (consolidated) in and after FY02/21, is mainly due to the changes in the employment categories of the Company and Onward Kashiya Co., Ltd.
4. ROA = Recurring profit to total assets ratio

Analysis of Financial Position, Operating Results and Cash Flows

● Overview of Operating Results, etc.

In the fiscal year ended February 28, 2025, the Japanese economy continued to recover gradually, supported by improvements in employment and income conditions, as well as growth in inbound demand. However, the outlook remained uncertain due to protracted geopolitical risks, soaring raw material and energy prices, foreign exchange rate volatility, political uncertainties in the US, and concerns over the Chinese economy. Under this business environment, the Onward Group reported substantial sales growth, driven by a continued increase in the use of the OMO service Click & Try and contributions from WEGO Co., Ltd., which was included in the scope of consolidation from the fiscal year under review. Despite the sales growth, responding to climate change remains a challenge. The gross profit margin declined, as the Group worked to reduce the inventory of prior-year products, which had accumulated during the recovery phase from the COVID-19 pandemic. The SG&A ratio decreased, as higher personnel and advertising expenses, the former due to wage increases, were offset by improved store management efficiency resulting from an expansion of multi-brand stores.

As a result, consolidated net sales amounted to ¥208,393 million (+9.9% year on year), operating profit ¥10,153 million (-9.8% year on year), recurring profit ¥10,084 million (-0.4% year on year), and profit attributable to owners of parent ¥8,516 million (+28.8% year on year).

● Status by Business Segment

Domestic Business

The core operating company Onward Kashiyama Co., Ltd. expanded stores offering the OMO service Click & Try nationwide, developed functional products in response to climate change, and actively rolled out digital promotions. As a result, sales of the mainstay brands Nijyusanku and Jiyuku, as well as the new brand UNFILO, were robust. Onward Personal Style Co., Ltd., which operates the KASHIYAMA brand, reported sales growth, driven by increases in customer count and average customer spend, attributed to the continued success of promotions utilizing digital advertising. At Chacott Co., Ltd., the newly developed Complexion Creator drove sales of Chacott COSMETICS.

At Creative Yoko Co., Ltd., apparel sales increased thanks to a fitting campaign, and sales of sundry items such as pet carts and dog harnesses were robust, leading to sales growth. WEGO Co., Ltd., which was included in the scope of consolidation from the fiscal year under review, turned a profit for the first time in five fiscal years, owing to strong sales of mainstay outerwear and accessories and the success of pop-up stores in Shanghai, China. The gross profit margin declined, as the Group worked to reduce the inventory of prior-year products, which had accumulated during the recovery phase from the COVID-19 pandemic. While improved store management efficiency, driven by an expansion of multi-brand stores, offset higher personnel expenses stemming from wage hikes, the operating profit margin declined. As a result, sales increased but profit declined in the Domestic Business.

Overseas Business

In Asia, sales increased due to increased utilization of the Dalian Factory. In the US, e-commerce sales of the traditional brand J.PRESS increased. In Europe, JOSEPH, a contemporary designer brand founded in London, UK, delivered strong results. As a result, both sales and profit improved in the Overseas Business.

● Cash Flows

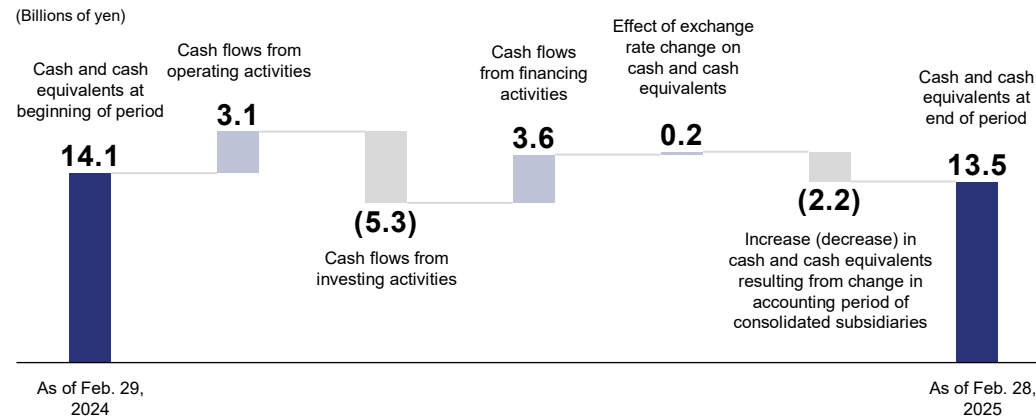
Cash flows provided by operating activities amounted to ¥3,123 million (an inflow of ¥3,999 million for the previous fiscal year) mainly due to a profit before income taxes, a decrease in trade receivables, an increase in inventories, and a decrease in trade payables.

Cash flows used in investing activities amounted to ¥5,390 million (an outflow of ¥4,321 million for the previous fiscal year) mainly due to purchase of property, plant and equipment, and long-term loan advances.

Cash flows provided by financing activities amounted to ¥3,612 million (an inflow of ¥263 million for the previous fiscal year), which primarily included proceeds from long-term borrowings and dividends paid.

As a result, cash and cash equivalents at the end of the fiscal year under review decreased by ¥628 million compared with the end of the previous fiscal year to ¥13,505 million.

Analysis of Financial Position, Operating Results and Cash Flows



● Production, Orders and Sales

a. Production

The results of production by segment during the fiscal year under review are as follows.

Segment	Amount (Millions of yen)	YoY Change (%)
Domestic Business	15,974	108.7
Overseas Business	3,505	102.3

*Figures represent manufacturing costs.

b. Orders

The Group engages in mostly Make-to-Stock production rather than Make-to-Order production.

Furthermore, items produced by Make-to-Order are also produced by Make-to-Stock for the same item, and it is difficult to calculate them separately. Therefore, descriptions are omitted.

c. Sales

The results of sales by segment during the fiscal year under review are as follows.

	Amount (Millions of yen)	YoY Change (%)
Domestic Business	189,858	110.4
Overseas Business	18,534	105.0
Total	208,393	109.9

*Inter-segment transactions have been eliminated.

● Analysis of Operating Results

a. Net Sales and Gross Profit

Net sales grew ¥18,763 million compared with the previous consolidated fiscal year to ¥208,393 million due to improvements to the management capabilities of OMO-type stores with the “Click & Try” service introduced, mainly by our core operating company Onward Kashiya Co., Ltd., the expanded roll-out of multi-brand ONWARD CROSSET SELECT stores, and the inclusion of WEGO Co., Ltd. in the scope of consolidation from the fiscal year under review.

Gross profit increased ¥7,793 million from the previous fiscal year to ¥113,575 million, while the gross profit margin declined, as the Group worked to reduce the inventory of prior-year products, which had accumulated during the recovery phase from the COVID-19 pandemic.

b. Operating Profit and Recurring Profit

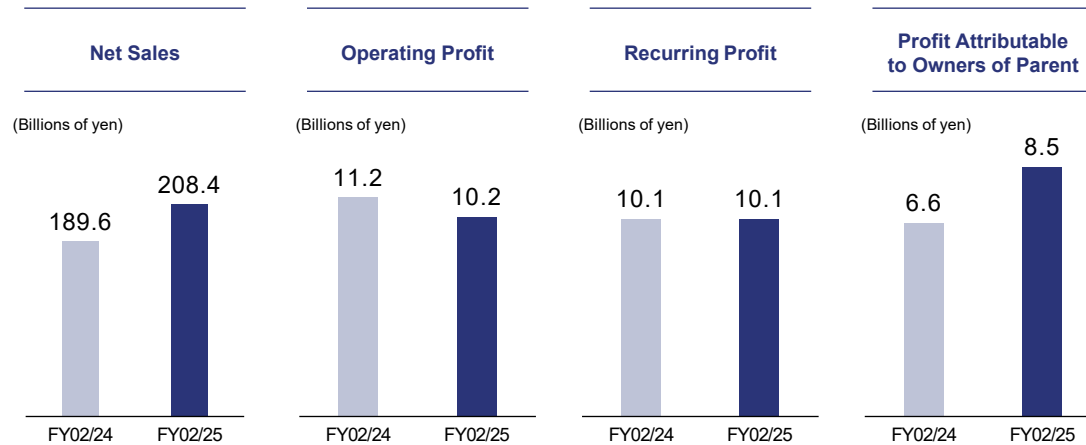
While selling, general and administrative expenses increased by ¥8,900 million from the previous fiscal year to ¥103,422 million, the SG&A ratio declined thanks to improved store management efficiency driven by an expansion of multi-brand stores, etc.

As a result, operating profit decreased ¥1,106 million from the previous fiscal year to ¥10,153 million and recurring profit decreased by ¥42 million from the previous fiscal year to ¥10,084 million.

Analysis of Financial Position, Operating Results and Cash Flows

c. Profit Before Income Taxes and Profit Attributable to Owners of Parent

Extraordinary income amounted to ¥4,885 million as a result of gain on sale of investment securities and gain on sale of non-current assets, etc. Extraordinary losses amounted to ¥4,162 million, mainly due to impairment losses on non-current assets. Profit before income taxes increased by ¥4,642 million from the previous fiscal year to ¥10,807 million and profit attributable to owners of parent increased by ¥1,904 million to ¥8,516 million.



● Analysis of Financial Position

a. Assets

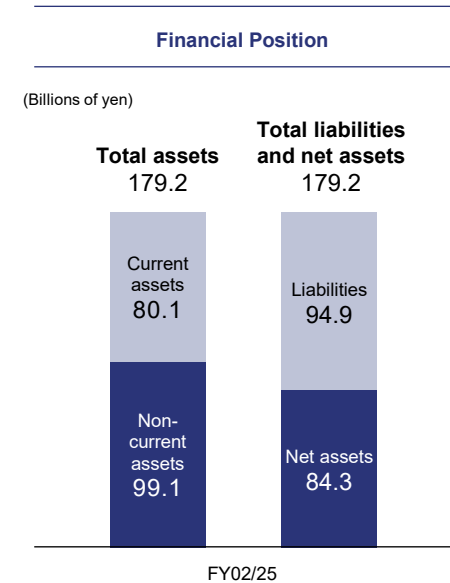
Total assets grew ¥7,856 million compared with the end of the previous fiscal year to ¥179,218 million. This was primarily due to increases in notes and accounts receivable—trade, and contract assets of ¥24 million, merchandise and finished goods of ¥6,115 million, and goodwill of ¥2,546 million.

b. Liabilities

Liabilities increased by ¥8,564 million compared with the end of the previous fiscal year to ¥94,931 million. This was primarily due to increases in notes and accounts payable—trade of ¥1,510 million, short-term borrowings of ¥2,319 million, and long-term borrowings of ¥9,013 million, and a decrease in electronically recorded obligations—operating of ¥4,344 million.

c. Net Assets

Net assets decreased by ¥708 million compared with the end of the previous fiscal year to ¥84,287 million. This was primarily due to profit attributable to owners of parent of ¥8,516 million, an increase in foreign currency translation adjustment of ¥948 million, a decrease in surplus of ¥2,451 million due to changes in the accounting period of consolidated subsidiaries, a decrease of ¥2,714 million from dividends of surplus, and a decrease in non-controlling interests of ¥5,122 million.



Consolidated Financial Statements

Consolidated Balance Sheets

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
▶ Assets		
Current assets		
Cash and deposits	14,133	13,505
Notes and accounts receivable-trade, and contract assets	15,933	15,957
Merchandise and finished goods	35,257	41,373
Work in process	456	666
Raw materials and supplies	3,244	3,823
Other, net	4,675	4,913
Allowance for doubtful accounts	(301)	(139)
Total current assets	73,400	80,101
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,039	42,113
Accumulated depreciation	(21,772)	(22,667)
Buildings and structures, net	19,267	19,445
Land	22,626	22,145
Leased assets	10,036	10,374
Accumulated depreciation	(7,215)	(7,609)
Leased assets, net	2,820	2,764
Other, net	17,513	12,478
Accumulated depreciation	(11,759)	(9,141)
Other, net	5,753	3,337
Total property, plant and equipment	50,468	47,693
Intangible fixed assets		
Goodwill	3,289	5,835
Other, net	5,533	7,010
Total intangible fixed assets	8,822	12,846

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
Investments and other assets		
Investment securities	16,600	13,789
Long-term loans receivable	2,566	2,564
Long-term prepaid expenses	347	518
Retirement benefit asset	7,774	9,496
Deferred tax assets	4,805	3,582
Other, net	6,671	8,725
Allowance for doubtful accounts	(93)	(98)
Total investments and other assets	38,671	38,577
Total non-current assets	97,962	99,117
Total assets	171,362	179,218
▶ Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,740	10,250
Electronically recorded obligations-operating	13,871	9,527
Short-term borrowings	20,198	22,518
Current portion of long-term borrowings	5,214	4,796
Lease obligations	858	831
Income taxes payable	965	1,129
Provision for bonuses	1,296	1,049
Provision for bonuses for directors	216	145
Other, net	10,988	12,479
Total current liabilities	62,350	62,728
Non-current liabilities		
Long-term borrowings	12,255	21,268
Lease obligations	3,420	2,661

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
Deferred tax liabilities for land revaluation	180	167
Retirement benefit liability	2,752	2,679
Provision for retirement benefits for directors and corporate auditors	290	28
Asset retirement obligations	2,629	3,090
Other, net	2,488	2,307
Total non-current liabilities	24,017	32,202
Total liabilities	86,367	94,931
▶ Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,342	50,335
Retained earnings	21,165	24,515
Treasury shares	(20,737)	(20,723)
Total shareholder s' equity	80,849	84,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,431	1,689
Deferred gains or losses on hedges	4	(2)
Revaluation reserve for land	(5,837)	(5,825)
Foreign currency translation adjustment	451	1,399
Remeasurements of defined benefit plans	1,896	2,751
Total accumulated other comprehensive income	(1,052)	12
Share acquisition rights	76	68
Non- controlling interests	5,122	-
Total net assets	84,995	84,287
Total liabilities and net assets	171,362	179,218

Consolidated Financial Statements

● Consolidated Statements of Income

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	189,629	208,393
Cost of sales	83,847	94,818
Gross profit	105,782	113,575
Selling, general and administrative expenses	94,521	103,422
Operating profit	11,260	10,153
Non-operating income		
Interest income	52	43
Dividend income	231	281
Share of profit of entities accounted for using equity method	-	180
Other, net	211	298
Total non-operating income	494	805
Non-operating expenses		
Interest expenses	896	414
Loss on disposal of salesfloor fixtures, etc.	16	31
Foreign exchange losses	109	109
Share of loss of entities accounted for using equity method	249	-
Other, net	356	318
Total non-operating expenses	1,628	874
Recurring profit	10,126	10,084
Extraordinary income		
Gain on sale of investment securities	363	2,131
Gain on sale of non-current assets	69	1,012
Gain on sale of shares of subsidiaries and associates	-	1,122
Gain on cancellation of leases	-	617
Total extraordinary income	433	4,885

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Extraordinary losses		
Impairment loss	3,586	906
Loss on liquidation of subsidiaries and associates	-	1,454
Losses due to disaster	195	-
Loss on step acquisitions	-	1,088
Other, net	614	713
Total extraordinary losses	4,395	4,162
Profit before income taxes	6,164	10,807
Income taxes – current	1,263	1,018
Income taxes – deferred	(1,976)	1,210
Total income taxes	(713)	2,228
Profit	6,878	8,578
Profit attributable to non-controlling interests	266	61
Profit attributable to owners of parent	6,611	8,516

● Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit	6,878	8,578
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	(746)
Deferred gains or losses on hedges	(25)	(7)
Revaluation reserve for land	-	12
Foreign currency translation adjustment	(990)	942
Remeasurements of defined benefit plans, net of tax	1,265	854
Share of other comprehensive income of affiliates accounted for by the equity method	7	9
Total other comprehensive income	60	1,065
Comprehensive income	6,938	9,643
Comprehensive income attributable to:		
Owners of parent	6,672	9,581
Non-controlling interests	266	61

Consolidated Financial Statements

● Consolidated Statements of Changes in Equity

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available- for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 1, 2023	30,079	50,347	16,042	(20,748)	75,721	2,620	30	(5,698)	1,441	631	(973)	82	10,243	85,073
Changes during period														
Dividends of surplus			(1,628)		(1,628)									(1,628)
Profit attributable to owners of parent			6,611		6,611									6,611
Purchase of treasury shares				(0)	(0)									(0)
Disposal of treasury shares		(5)		11	6									6
Reversal of revaluation reserve for land			139		139									139
Net changes in items other than shareholders' equity						(189)	(25)	(139)	(990)	1,265	(79)	(6)	(5,121)	(5,207)
Total changes in items during period	-	(5)	5,122	11	5,128	(189)	(25)	(139)	(990)	1,265	(79)	(6)	(5,121)	(78)
Balance as at February 29, 2024	30,079	50,342	21,165	(20,737)	80,849	2,431	4	(5,837)	451	1,896	(1,052)	76	5,122	84,995

Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available- for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 1, 2024	30,079	50,342	21,165	(20,737)	80,849	2,431	4	(5,837)	451	1,896	(1,052)	76	5,122	84,995
Changes during period														
Dividends of surplus			(2,714)		(2,714)									(2,714)
Profit attributable to owners of parent			8,516		8,516									8,516
Purchase of treasury shares				(0)	(0)									(0)
Disposal of treasury shares		(7)		14	7									7
Increase or decrease resulting from change in accounting period of consolidated subsidiaries			(2,451)		(2,451)									(2,451)
Net changes in items other than shareholders' equity						(742)	(7)	12	948	854	1,065	(7)	(5,122)	(4,064)
Total changes in items during period	-	(7)	3,349	13	3,356	(742)	(7)	12	948	854	1,065	(7)	(5,122)	(708)
Balance as at February 28, 2025	30,079	50,335	24,515	(20,723)	84,206	1,689	(2)	(5,825)	1,399	2,751	12	68	-	84,287

Consolidated Financial Statements

● Consolidated Statements of Cash Flows

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	6,164	10,807
Depreciation and amortization	3,978	4,357
Impairment loss	3,586	906
Amortization of goodwill	813	942
Increase (decrease) in allowance for doubtful accounts	(413)	(207)
Decrease (increase) in retirement benefit asset	(2,333)	(1,721)
Increase (decrease) in retirement benefit liability	(134)	(73)
Interest and dividend income	(283)	(325)
Interest expenses	896	414
Share of loss (profit) of entities accounted for using equity method	249	(180)
Loss (gain) on disposal of non-current assets	(21)	(979)
Loss on disposal of salesfloor fixtures, etc.	16	31
Loss (gain) on sales of investment securities	(363)	(2,131)
Loss (gain) on sales of shares of subsidiaries and associates	0	(1,122)
Decrease (increase) in trade receivables	(1,742)	1,001
Decrease (increase) in inventories	(7,848)	(4,128)
Increase (decrease) in trade payables	931	(5,640)
Other, net	1,793	631
Subtotal	5,289	2,580
Interest and dividends received	252	353
Interest paid	(766)	(357)
Income taxes paid	(2,373)	(1,077)
Income taxes refund	1,597	1,624
Net cash provided by (used in) operating activities	3,999	3,123

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	10	-
Purchase of property, plant and equipment	(1,967)	(2,555)
Proceeds from sales of property, plant and equipment	289	1,509
Purchase of investment securities	(2,022)	(5)
Proceeds from sales of investment securities	1,771	2,988
Long-term loan advances	(0)	(8,500)
Proceeds from collection of long-term loans receivable	227	1,019
Purchase of long-term prepaid expenses	(9)	(179)
Payments of guarantee deposits	(607)	(1,319)
Proceeds from refund of guarantee deposits	317	1,344
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	828
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	2,150
Other, net	(2,327)	(2,671)
Net cash provided by (used in) investing activities	(4,321)	(5,390)

	(Millions of yen)	
	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,202	4,017
Proceeds from long-term debt	9,000	14,131
Repayments of long-term borrowings	(3,907)	(5,535)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,628)	(2,714)
Payments to noncontrolling interests	(5,020)	(5,061)
Dividends paid to non-controlling interests	(366)	(122)
Other, net	(1,014)	(1,101)
Net cash provided by (used in) financing activities	263	3,612
Effect of exchange rate change on cash and cash equivalents	396	239
Net increase (decrease) in cash and cash equivalents	337	1,585
Cash and cash equivalents at beginning of period	13,795	14,133
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	-	(2,213)
Cash and cash equivalents at end of period	14,133	13,505

Company Profile

● Company Information

Name	Onward Holdings Co., Ltd.
Head office	Onward Park Building 10-5, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-8239, Japan Tel: (+81) 3-4512-1020 (General Affairs Division)
Founding	1927
Established	September 4, 1947
Representative	Michinobu Yasumoto, Representative Director, President and CEO
Lines of business	Management, as a pure holding company, of Group subsidiaries and affiliates in Japan and overseas engaged in the fashion, wellness, and corporate design fields as well as related business activities
Share capital	¥30,079 million (FY02/25)
Net sales	<Consolidated> ¥208,393 million (FY02/25)
Employees	<Consolidated> 6,253 (FY02/25)
Closing of accounts	February

● Major Shareholders (top 10) as of February 28, 2025

Name	Number of Shares Held (thousand shares)	Percentage of Total Shares Issued
The Master Trust Bank of Japan, Ltd. (Trust account)	16,581	12.2%
Kashiyama Scholarship Foundation	8,710	6.4%
Custody Bank of Japan, Ltd. (Trust account)	5,423	3.9%
Onward Holdings Business Partners' Shareholdings Association	5,385	3.9%
Nippon Life Insurance Company	4,671	3.4%
JPMorgan Securities Japan Co., Ltd.	2,529	1.8%
Sumitomo Mitsui Banking Corporation	1,954	1.4%

Name	Number of Shares Held (thousand shares)	Percentage of Total Shares Issued
Isetan Mitsukoshi Ltd.	1,799	1.3%
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	1,773	1.3%
GOVERNMENT OF NORWAY	1,750	1.2%

Notes: 1. The number of shares held is rounded down to the nearest thousand shares.
2. The Company holds 22,180 thousand shares of treasury stock.
3. The percentage of total shares issued is calculated after deducting 22,180 thousand shares of treasury stock.

● Main Group Companies

■ Apparel Business ■ Wellness Business				
Japan		UK	China	Vietnam
Tokyo		London	Shanghai	Ho Chi Minh City
■ Onward Kashiyama Co., Ltd.		■ Joseph Ltd.	■ Onward Fashion Trading (China) Co., Ltd.	■ Onward Kashiyama Vietnam Ltd.
■ Onward Corporate Design Co., Ltd.		■ Freed of London Ltd.	■ Shanghai Onward Fashion Co., Ltd.	
■ Island Co., Ltd.			■ Onward Trading (Shanghai) Co., Ltd.	
■ Onward Personal Style Co., Ltd.		USA	Dalian	
■ Onward Digital Lab Co., Ltd.		New York	■ Kashiyama (Dalian) Co., Ltd.	
■ WEGO Co., Ltd.		■ J. Press Inc.	Hong Kong	
■ Chacott Co., Ltd.			■ Onward Kashiyama Hong Kong Ltd.	
■ KOKOBUY Co., Ltd.				
■ Onward Resort & Golf Co., Ltd.				
Osaka				
■ Tiaclasse Co., Ltd.				
Nagano				
■ Creative Yoko Co., Ltd.				
■ Yamato Co., Ltd.				
Saga				
■ Kashiyama Saga Co., Ltd.				

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