

Financial Results Briefing for FY02/26 Q3

– Q&A Summary –

Date: January 8, 2026, Thursday 16:30-17:30

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Q1. Based on the situation in the first half, it appears that “Nijyusanku” showed significant growth in the third quarter alone. Could you explain the reasons for this?

A1. Since around fiscal year 2024, dealing with climate change and the transition period have been major themes. Our team has focused on extensive trial and errors in product planning. This quarter, outerwear performed well. Popular products such as the "Jacot," which combines the functionality of a jacket and a coat, and the recycled wool Reversible Sewing Coat emerged because of these efforts. Additionally, appointing new ambassadors in their 20s has impacted on our customer base, as there are signs that it is expanding to younger age groups, including through online channels.

Q2. What about the trends for brands other than “Nijyusanku” and “UNFILO”?

A2. Trends vary from month to month for each brand.

We are currently expanding our multi-brand concept store, Onward Crosset Select. Due to inventory allocation within these stores, periods when "Nijyusanku" performs well can sometimes result in trade-offs with other brands. However, brands like 'Jiyuku' and 'ICB' showed solid growth of over 100% year-on-year in the third quarter alone.

Q3. Order made suite brand “KASHIYAMA” 's strength lies in its affordable pricing and fast delivery system, from order placement to shipment of the finished product. Although competitors also use Japanese manufactures, Kashiya Premium targets the high-price segment and is expanding into department stores. What is Kashiya Premium's plan for leveraging “KASHIYAMA” system's strengths?

A3. No company can achieve short lead times with Japanese manufactures. We understand that competitors generally require almost a month. Our goal is to develop the "Kashiya Premium" system by combining Dalian's expertise and digital platform. This enables us to offer high-quality "Made in Japan" products with an impressively short lead time of "minimum one week."

Q4. What are the key points for Onward group, a company with a strong apparel business, to succeed in cosmetics?

A4. First, we will leverage our full expertise in e-commerce. Cosmé de Beauté Ltd. currently has a limited e-commerce presence, and they have requested our assistance in developing their digital strategy. We believe that expanding their e-commerce operations using the customer base of Onward Members and dispatching our skilled e-commerce personnel can significantly accelerate Cosme de Beauté's growth. Additionally, Cosme de Beauté has requested our assistance with product development, and we are eager to take on the challenge of creating high-end products by leveraging our brands.

Through these initiatives, we expect to achieve substantial growth by fiscal year 2030. Additionally, although various regulations and constraints must be considered, we are thinking of starting with experimental sales through at some Onward Crosset Select stores since the products themselves don't take up space.