



August 28, 2024

To whom it may concern

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Representative: Michinobu Yasumoto
President and CEO
(Securities code: 8016 Prime Market of Tokyo
Stock Exchange)
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**Notice Concerning Additional Acquisition of Shares in Equity-Method Affiliate
(Conversion to Consolidated Subsidiary)**

Onward Holdings, Co., Ltd. (Headquarters: Chuo-ku, Tokyo; President and CEO: Michinobu Yasumoto; hereinafter referred to as the "Company") is pleased to announce that its Board of Directors has resolved at a meeting held today to acquire all outstanding shares of WEGO Co., Ltd. (Headquarters: Shibuya-ku, Tokyo; President and Representative Director: Kyosuke Sonoda; hereinafter referred to as "WEGO") and make it a subsidiary.

1. Reason for share acquisition

Under its mission statement, "Enriching and Adding Color to People's Lives while Caring for the Planet," the Company provides customers with valuable products and services in the fashion, wellness, and corporate design fields. Meanwhile, WEGO is a fashion company that aims to create new value by combining fashion, culture, and lifestyle under the corporate identity of "YOUR FAN."

In May 2023, the Company entered into a capital and business alliance and became WEGO's shareholder with 20.27% of the total number of its shares issued. Through this alliance, we have aimed to revitalize WEGO's business by utilizing the Company's management know-how and other resources. As a result, WEGO is expected to return to profitability at the operating level in fiscal 2024 for the first time in five fiscal years.

By acquiring the remaining 79.73% of WEGO's shares and making it a wholly owned subsidiary, we will accelerate in DX and human capital investments to further enhance the corporate value of WEGO.

2. Overview of equity-method affiliate

(1)	Name	WEGO Co., Ltd.		
(2)	Location	Shibaura Shimizu Building 5F/7F, 4-15-33 Shibaura, Minato-ku, Tokyo		
(3)	Title and name of representative	Kyosuke Sonoda, President and Representative Director		
(4)	Main business	Planning, manufacturing and sale of clothing, sundries, etc.		
(5)	Paid-in capital	50 million yen		
(6)	Date of Establishment	June 4, 2018 (Foundation: August 1994)		
(7)	Major shareholders and shareholding ratio	J-STAR Limited Liability Partnership 2016 2,555 shares (1.73%) J-STAR No.3 SS, LP 48,655 shares(32.87%) J-STAR No.3 GF, LP 20,744 shares(14.01%) J-STAR No.3 JC, LP 20,844 shares(14.08%) J-STAR No.3 JF, LP 25,202 shares(17.02%)		
(8)	Relationship of the listed company with the subject company	Capital relationship	The company holds 20.27% of shares outstanding	
		Personal relationship	1 officer is seconded to the company	
		Business relationship	Not applicable.	
(9)	Operating results and financial condition of the subject company for the past three years			
	Fiscal year ended	February 28, 2022	February 28, 2023	February 29, 2024
	Net assets	659 million yen	56 million yen	531 million yen
	Total assets	16,908 million yen	15,046 million yen	13,356 million yen
	Interest-bearing debt	10,570 million yen	9,843 million yen	8,489 million yen
	Net assets per share	4,457.0 yen	382.2 yen	3,590.2 yen
	Net sales	27,413 million yen	29,876 million yen	28,307 million yen
	Operating profit	(771) million yen	(3) million yen	(44) million yen
	Recurring profit	(949) million yen	(413) million yen	(587) million yen
	Net profit	(1,083) million yen	(603) million yen	(1,525) million yen
	Net profit per share	(7,322.2) yen	(4,074.8) yen	(10,302.7) yen
	Dividends per share	- yen	- yen	- yen

3. Outline of the counterparty of the share acquisition

(1) J-STAR Limited Liability Partnership 2016

(1)	Name	J-STAR Limited Liability Partnership 2016	
(2)	Location	Dai-ichi Life Hibiya First 18F, 1-13-2 Yurakucho, Chiyoda-ku, Tokyo	
(3)	Basis of establishment, etc.	Investment Limited Partnership Act	
(4)	Purpose of formation	Private equity investment	
(5)	Date of formation	December 15, 2016	
(6)	Total amount of investment	653 million yen	
(7)	Investors, investment ratio and overview of investors	Domestic institutional investors	
(8)	Outline of partner in charge of general affairs	Name	J-STAR Co., Ltd.
		Location	1-13-2 Yurakucho, Chiyoda-ku, Tokyo Dai-ichi Life Hibiya First 18F
		Title and name of representative	Gregory Rokuro Hara, Representative Director
		Main business	Operation and management of private equity funds and outsourcing of operation and management services Investment advisory business based on the Financial Instruments and Exchange Act
		Paid-in capital	50 million yen
(9)	Relationship between the listed company and the subject fund	Relationship between the listed company and the subject fund	Not applicable.
		Relationship between the listed company and the operating partners	Not applicable.

(2) J-STAR No3 SS, LP

(1)	Name	J-STAR No3 SS, LP	
(2)	Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands	
(3)	Basis of establishment, etc.	The law of the Cayman Islands	
(4)	Purpose of formation	Private equity investment	
(5)	Date of formation	June 28, 2016	
(6)	Total amount of investment	14,936 million yen	

(7)	Investors, investment ratio and overview of investors	Domestic and foreign institutional investors, individuals, etc.	
(8)	Outline of unlimited liability partner	Name	J-STAR No.3 SS GP, Ltd.
		Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands
		Title and name of representative	Director, Samon Suwannarat
		Main business	Operation and management of private equity funds
		Paid-in capital	USD 50,000.00-
(9)	Relationship between the listed company and the subject fund	Relationship between the listed company and the subject fund	Not applicable.
		Relationship between the listed company and the operating partners	Not applicable.

(3) J-STAR No3 GF, LP

(1)	Name	J-STAR No3 GP, LP	
(2)	Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands	
(3)	Basis of establishment, etc.	The law of the Cayman Islands	
(4)	Purpose of formation	Private equity investment	
(5)	Date of formation	August 8, 2016	
(6)	Total amount of investment	6,403 million yen	
(7)	Investors, investment ratio and overview of investors	Foreign institutional investors, etc.	
(8)	Outline of unlimited liability partner	Name	J-STAR No.3 GF GP, Ltd.
		Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands
		Title and name of representative	Director, Grant E. Filayson
		Main business	Operation and management of private equity funds
		Paid-in capital	USD 50,000.00-

(9)	Relationship between the listed company and the subject fund	Relationship between the listed company and the subject fund	Not applicable.
		Relationship between the listed company and the operating partners	Not applicable.

(4) J-STAR No3 JC, LP

(1)	Name	J-STAR No3 JC, LP	
(2)	Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands	
(3)	Basis of establishment, etc.	The law of the Cayman Islands	
(4)	Purpose of formation	Private equity investment	
(5)	Date of formation	October 4, 2016	
(6)	Total amount of investment	6,432 million yen	
(7)	Investors, investment ratio and overview of investors	Foreign institutional investors, etc.	
(8)	Outline of unlimited liability partner	Name	J-STAR No.3 JC GP, Ltd.
		Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands
		Title and name of representative	Director, Owen J. Collett
		Main business	Operation and management of private equity funds
		Paid-in capital	USD 50,000.00-
(9)	Relationship between the listed company and the subject fund	Relationship between the listed company and the subject fund	Not applicable.
		Relationship between the listed company and the operating partners	Not applicable.

(5) J-STAR No3 JF, LP

(1)	Name	J-STAR No3 JF, LP	
(2)	Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands	
(3)	Basis of establishment, etc.	The law of the Cayman Islands	
(4)	Purpose of formation	Private equity investment	

(5)	Date of formation	October 4, 2016	
(6)	Total amount of investment	7,773 million yen	
(7)	Investors, investment ratio and overview of investors	Foreign institutional investors, etc.	
(8)	Outline of unlimited liability partner	Name	J-STAR No.3 JF GP, Ltd.
		Location	P. O. Box 1350, Windward 3, Regatta Office Park Grand Cayman, KY1-1108, Cayman Islands
		Title and name of representative	Director, John Finlayson
		Main business	Operation and management of private equity funds
		Paid-in capital	USD 50,000.00-
(9)	Relationship between the listed company and the subject fund	Relationship between the listed company and the subject fund	Not applicable.
		Relationship between the listed company and the operating partners	Not applicable.

(6) Individuals

(1)	Name	(1) Kyosuke Sonoda (2) Daisuke Mochizuki (3) Yoshinori Shikii
(2)	Address	(1) Nara City, Nara Prefecture (2) Minato-ku, Tokyo (3) Inabe City, Mie Prefecture
(3)	Relationship between the listed company and the subject individuals concerned	There are no capital, personal, business, or related party relationships.

4. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

(1)	Number of shares held before the change	30,000 shares (ownership ratio: 20.27%; number of voting rights: 30,000)
(2)	Number of shares acquired	118,030 shares (Number of voting rights: 118,030)
(3)	Acquisition price	500 million yen
(4)	Number of shares held after the change	148,030 shares (ownership ratio: 100%; number of voting rights: 148,030)

5. Schedule

(1)	Date of resolution by the Board of Directors	August 28, 2024
(2)	Date of contract conclusion	September 6, 2024 (scheduled)
(3)	Date of execution of stock transfer	September 27, 2024 (scheduled)

* The date of the share transfer is scheduled to be September 27, 2024, as mentioned above, but this may change as the share transfer must be carried out after completing the procedures stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act).

6. Future Outlook

The impact of these shares acquisition on the Company's consolidated financial results for the fiscal year ending February 2025, is currently under review. We will make disclosure promptly should any matters requiring disclosure arise in the future.

End of document

Making WEGO a 100% Subsidiary

August 28, 2024

ONWARD HOLDINGS CO., LTD.

About WEGO Co. Ltd.

ONWARD



Name:	WEGO Co.,Ltd.
Founded:	August 1994
Net sales:	28.3 billion yen (Non-consolidated) * End-Feb 2024
Main business:	Planning, manufacturing and sale of clothing, sundries, etc.
Number of employees:	Approx. 2,200 (including contract and part-time employees) * End-Feb 2024
Major business partners:	AEON MALL Co., Ltd. / LUMINE Co., Ltd. / PARCO CO.,LTD. / MARUI CO., LTD. / Mitsui Fudosan Co., Ltd. * Honorifics omitted, in no particular order
Number of stores:	Approx. 170 * End-Feb 2024



Results for FY2/2024

Net sales	28.3 billion yen (Non-consolidated)
Operating profit	(0.04) billion yen

Forecast for FY2/2025

Net sales	Approx. 30 billion yen (+6% YoY)
Operating profit	Projected to turn profitable

After the start of the capital and business alliance (began in June 2023), WEGO expects to return to profitability at the operating level (for the first time in five fiscal years) through the reform of its product merchandizing, pricing, supply chain, etc.

YOUR FAN

フケンさん、人数だけが多い、そういうお客様、WEGOは目指します。

このお客様を大切に、このお客様を大切に、その「AID」が、
かっこいいと思うこと、楽しみたいと思うこと、そしてワクワクしたい。
そのために必要なWEGOがあります。そう、最高のファンでいたいと思う。

WEGOのお客様、ファンさんへ、そしてそのファンさんへ。
いかにお客様から、いかにお客様へのサービスが、
最高のサービス、もっとお客様から、もっとお客様になること。
そのために、最高のサービスを目指します。

遊びも仕事も同じ、この世界を自分らしく楽しむこと、
時代が変わるから、変わることを第一に考えよう。
WE. 抱えたい気持ち、GO. 踏み出す。

最高の思い出を残し、いつまでも最高の思い出にあってほしい。



キーワードは「編集力」。

そこにウィゴの未来があります。

消費者の価値観から、
カルチャーやライフスタイルを大切にする価値観へ、
商品開発、イベント運営、商品開発などすべての活動を、
「お客様が楽しいこと」を第一に考え、その価値を高めること。
それがWEGOの未来です。

WEGOは、お客様から、お客様へのサービスが、
最高のサービス、もっとお客様から、もっとお客様になること。
そのために、最高のサービスを目指します。

遊びも仕事も同じ、この世界を自分らしく楽しむこと、
時代が変わるから、変わることを第一に考えよう。
WE. 抱えたい気持ち、GO. 踏み出す。

最高の思い出を残し、いつまでも最高の思い出にあってほしい。

Purpose of Making WEGO a 100% Subsidiary

WEGO Co., Ltd. mainly targets Generation Z, or young people in their teens and 20s, and operates businesses in shopping centers, fashion buildings, and e-commerce. Meanwhile, the Onward Group's main customers are in a wide age range from their 30s to 60s, and it mainly operates in department stores, shopping centers, and e-commerce.

Based on the above, WEGO and the Onward Group have a complementary relationship in terms of customer bases and main sales channels, and the two companies will collaborate to further expand their businesses by leveraging their respective strengths.

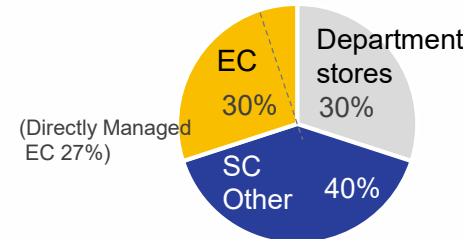
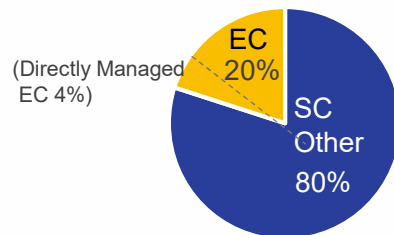


Number of main customer members

Approx. 3.4 million

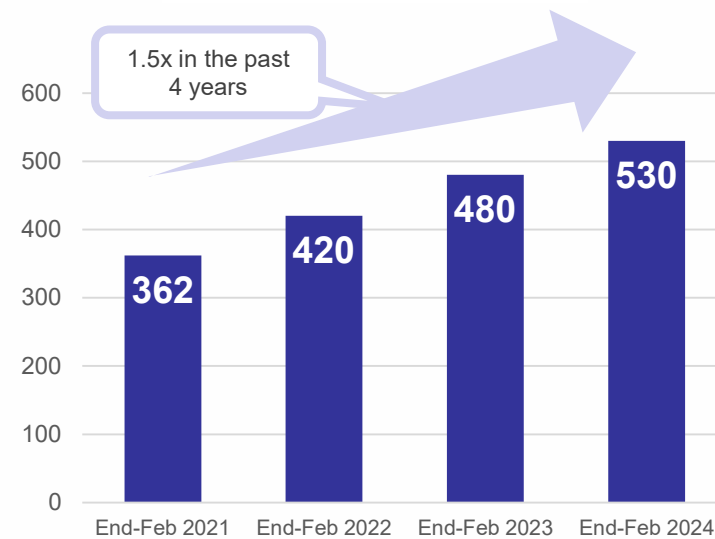
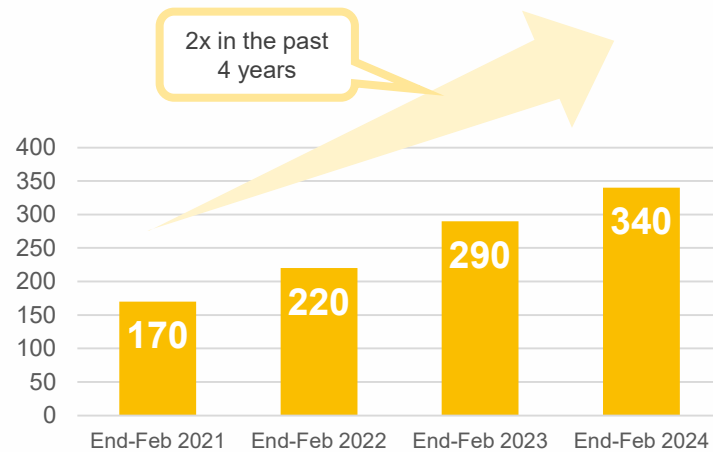
Approx. 5.3 million

Sales ratio by channel



[Expansion of total membership]

■ Number of registered members Unit: 10,000 members

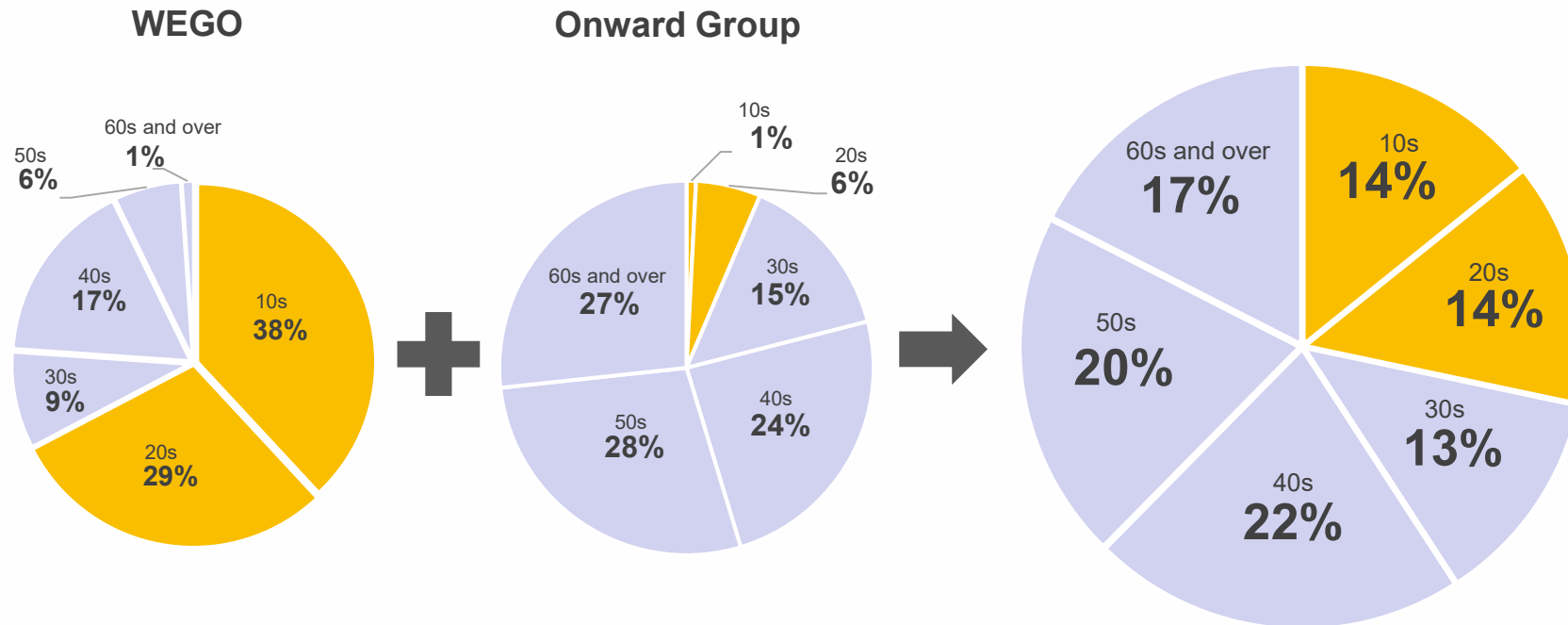


The total number of members has grown to approximately 8.7 million,
 by combining the number of registered members of both companies.
 (as of end-February 2024: simple sum)

[Formation of a generationally balanced customer base]

■ Customer generation ratio *Based on purchasing customers in FY2/2024

30s and over Under 20s



A feature of WEGO is that approx. 70% of its customers are in their 10s and 20s. Complementing the Onward Group's main demographic in the 30s to 60s, the alliance has resulted in **a generationally well-balanced customer base.**

[Strengthening content for the Asian market]

■ WEGO's inbound sales ratio at street-front stores in urban centers

Harajuku
Main Store

46%



Shinsaibashi
Store

56%



Shinsaibashi
Store No. 3

68%



■ Examples of hit products



PUNYUS
All-over
Pattern T-shirt
¥4,400

The illustration covering the entire front cover creates an eye-catching piece. There is a wide range of sizes available, so couples and friends can coordinate with each other.



WEGO
Lace-up
Ita-bag
¥4,399

Includes a cushioned divider pocket to help protect the items carried inside. There is plenty of storage, including a cold drink pocket and a penlight band.



WEGO
Bead Strap
Key Chain
¥550

It is also recommended to arrange it in your own style by combining it with other key chains you have as well as your smartphone.

The synergies created by WEGO's content, which is powerful in the Asian market, and the Onward Group's Asian sales network **will accelerate expansion into the Asian market.**

[Other envisioned synergies]



Cost efficiency

- Reduction of manufacturing and logistics costs
- Strengthened price competitiveness



Human resource development

- Human resource exchange within the Group
- Talent development for the next generation



Strengthened finances

- Stabilization of financial base
- Enhanced investment efficiency

Appendix



WEGO

WEGO's signature label. It has won fans as a "fashion entrance store," selling low-priced, high-quality products. The company started out selling secondhand clothing, but has now transcended the boundaries of apparel to develop a wide range of products and events built on street culture. The brand has approximately 170 shops nationwide.



PUNYUS

With comedian Naomi Watanabe as producer, the brand offers a broad range of sizes from one size to 6L such that everyone can enjoy fashion without stress. Unbound by any specific style, the brand offers a variety of genre-less items, from chic to pop.



W♥C/Double C

The brand proposes "cute" items and styling for all women who enjoy fashion unlimited by any boundaries and incorporating the feeling of "I want to wear it now!"



Figments

A unisex brand that breaks the existing reality and proposes a completely new world. The brand name means "fiction" or "unrealistic". It was created in 2020 for young people who enjoy being on the leading edge while in tune with the changing times, both in fashion and music. The collection is being developed around two axes, "INSIDE" and "OUTSIDE," embodying the two sides of emotions.



THE STANDARD

WEGO's standard line "THE STANDARD" started from spring/summer of 2022. The brand offers a variety of items under the theme of "simple, easy to match, yet stylishly up-to-date, standard" apparel.



Manhattan Records

Started in 1980 in Shibuya, the brand specializes in club music. The brand continues to introduce the razor edge of the music scene, including R&B and hip-hop. In addition to the sales business, the brand also manages and releases works by domestic and international artists, mainly in the hip-hop/R&B genre, under the Manhattan Recordings label.

WEGO VINTAGE
古着

WEGO VINTAGE Secondhand Clothing

The label specializes in vintage clothing, the roots of WEGO. A portfolio of items collected and selected from around the world, making full use of the routes built up since the brand's founding. The brand offers not only trendy vintage clothing, but also collectible vintage items. In addition to Shimokitazawa in Tokyo and America-mura in Osaka, the brand is expanding its operations with large-format secondhand apparel stores in eight cities nationwide.

WEGO
OUTLETS

WEGO OUTLETS

Some of WEGO's new items each season are kept in warehouses without selling them out. But by changing the point of view, there should be many items that can still be worn. The label was created as a way to enjoy these items as if they were rare finds.

Easy to see, and easy to find, with attractive uniform pricing.



LEXINGTON

A label that handles the "talent" of artists and celebrities. The music division and the division specializing in talent are each being developed.

The music division is a one-stop shop for everything from releasing music to organizing music events, while also managing artists affiliated with Manhattan Records. The talent division is home to celebrities who attract followers with their strong personalities.

WEGO Co., Ltd.'s Main Stores

ONWARD

WEGO
Harajuku Main Store



WEGO
1.3.5... Harajuku Store



WEGO
Shimokitazawa Store



WEGO
Shinsaibashi Store



WEGO
VINTAGE America-mura Store



WEGO
Shinsaibashi Store No. 3





ONWARD

ONWARD HOLDINGS CO., LTD.

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