

ONWARD

『ONWARD VISION 2030』



April 4, 2024

ONWARD HOLDINGS CO., LTD.

I would like to explain ONWARD VISION 2030.

ONWARD VISION 2030 was announced in April 2021, exactly three years ago. At that time, the first three years of ONWARD VISION 2030 were designated as the phase of “living with COVID-19,” characterized by the ongoing impact of the pandemic, while also building the growth infrastructure. The following seven years leading up to fiscal 2030 were designated as the growth phase. As we acknowledge the passage of three years since the announcement of the previous ONWARD VISION 2030, we have conducted a review, considering the evolving business environment afterward.

Please look at slide 1.

The Onward Group's Mission Statement

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

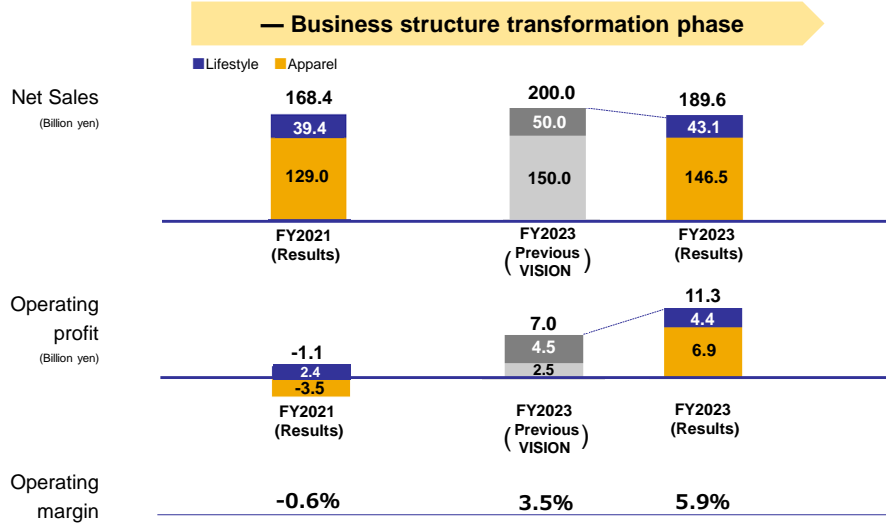
Keep moving forward as a “culture of life creating company” that contributes to creating lifestyles with richness and colors in harmony with the planet through “customer-centric management leveraging employees’ diverse strengths”



This is our Group's Mission Statement. While we have conventionally articulated the statement, “Enriching and adding color to people's lives while caring for the planet,” we have now further clarified its meaning. We have defined ourselves as a “culture of life creating company” and expressed our intention to continue existing and evolving as such. We aim to contribute to creating lifestyles with richness and colors in harmony with the planet through our current management policy of “customer-centric management leveraging employees’ diverse strengths” as part of realizing our aspirations.

Keeping that in mind, please refer to slide 2.

Results up to the present



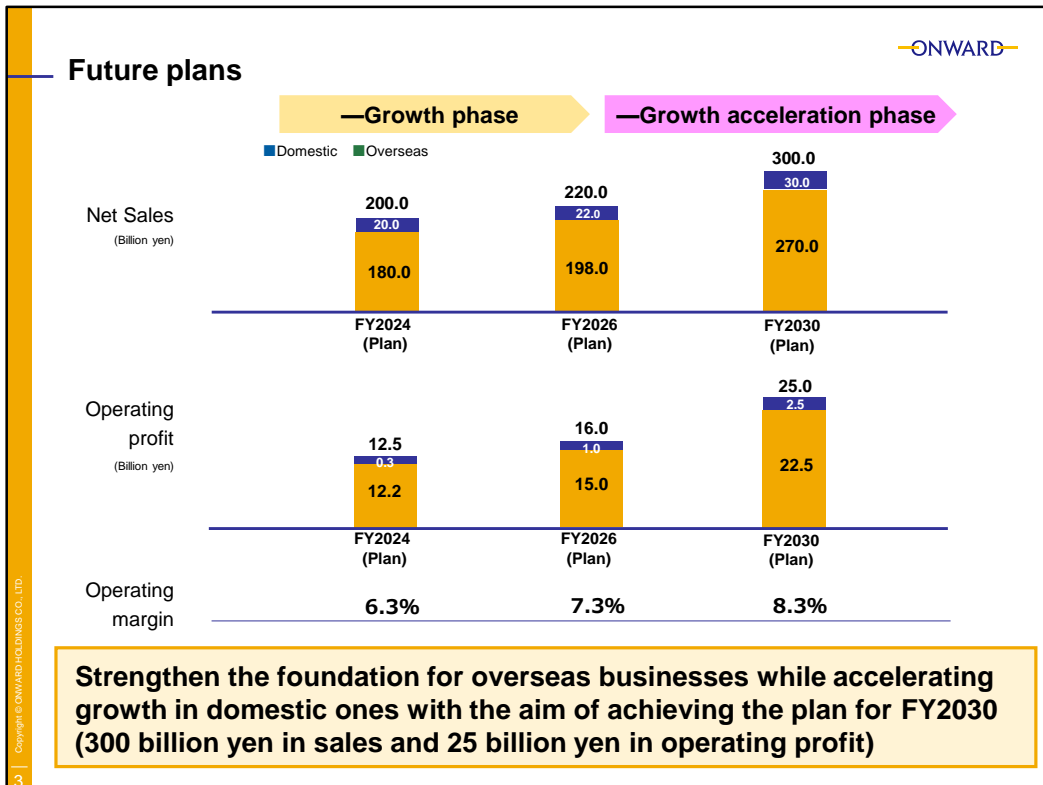
As a result of promoting the global business reforms and OMO strategy, operating profit in FY2023 was significantly higher than planned in the previous vision.

Shows the results for the last three years.

Having designated these three years as the business structure transformation phase, we have aligned our operations accordingly. As a result of promoting global business reforms or growth strategies, particularly the OMO strategy, operating profit for fiscal 2023, the final year of the phase, reached 11.3 billion yen, significantly surpassing the previous ONWARD VISION 2030 forecast of 7 billion yen. Operating profit margin targeted in the previous ONWARD VISION 2030 was 3.5%, yet the actual result surged to 5.9%, representing a remarkable increase.

Net sales fell approximately 10 billion yen short of the 200 billion yen target set in the previous ONWARD VISION 2030 due to the advancement of global business reforms over the last three years, including the withdrawal from unprofitable businesses and stores. Nevertheless, profit exceeded the set target. Net sales are expected to reach 200 billion yen in fiscal 2024.

With that in mind, please see the “Future plans” presented on slide 3.



The seven fiscal years spanning from fiscal 2024 to fiscal 2030 are once again segmented into two phases. These phases include the growth phase from fiscal 2024 to fiscal 2026 and the growth acceleration phase from fiscal 2027 onward. While the fiscal 2030 business plan retains the target announced in the previous vision to achieve net sales of 300 billion yen and operating profit of 25 billion yen, we have introduced a timeline now divided into these two phases and incorporated an additional business plan for fiscal 2026. For fiscal 2024, we forecast net sales of 200 billion yen, operating profit of 12.5 billion yen, and an operating profit margin of 6.3%.

For fiscal 2026, we aim to achieve net sales of 220 billion yen, operating profit of 16 billion yen, and an operating profit margin of 7.3%. We aim to accelerate growth over the subsequent four years, reaching net sales of 300 billion yen and operating profit of 25 billion yen in fiscal 2030.

Additionally, the bars on the graph are divided into yellow and blue sections, where yellow represents the domestic business and blue represents the overseas business. In the domestic business, as we near completion of our business reforms, we intend to increase investment in our growth strategy. With respect to the overseas business, we incurred operating losses exceeding 200 million yen in fiscal 2023. Consequently, we will align our business reforms with our growth strategy for the time being. Hence, we anticipate that solidifying the growth infrastructure in the overseas business will take some time compared with the domestic business. As presented above, we have reviewed our operations for the last three years and outlined our plans for the next seven years.

Next, the financial strategy is shown on slide 4 and after.



1

Financial Strategy

Financial Strategy

—ONWARD—

Financial Indicators Set as Targets

Action to implement management that is conscious of cost of capital and stock price

- 1. Profit target (FY2026)**

<p>Current net profit</p> <p>10.0 billion yen or more</p>	<p>Promotion of growth strategy including active growth investment</p> <p>(DX Strategy, Global Strategy, and M&A Strategy)</p>
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- 2. Capital efficiency (FY2026)**

<p>ROE</p> <p>10% or more</p> <p><small>Level considerably above the cost of equity</small></p>	<p>Carry out the financial strategy with importance placed on capital efficiency through utilization of financial leverage and others</p>
<p>ROIC</p> <p>7% or more</p> <p><small>Level broadly surpassing WACC</small></p>	
- 3. Shareholder return (From FY2024 onwards)**

<p>Dividend payout ratio</p> <p>35% or more → 40% or more</p>	<p>Step up shareholder return by measures including raising the dividend payout ratio</p>
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■ ROE: Return on Equity ■ ROIC: Return on Invested Capital ■ WACC: Weighted Average Cost of Capital

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In the vision formulated three years ago, no reference was made to a financial strategy. Recently, listed companies have been required to articulate action to implement management that is conscious of cost of capital and stock price. In response to this requirement, the details are provided on slides 5 and 6.

As one of the financial indicators set as targets, our profit target for fiscal 2026 is to achieve a net profit of 10 billion yen or more. The net profit forecast for fiscal 2024 stands at 8 billion yen. Building on this projection, we aim to surpass 10 billion yen in fiscal 2026 through continued profit growth. We will implement active growth investment in the future, with detailed explanations provided on slide 10.

As the second financial indicator, there are two metrics pertaining to capital efficiency. The first is ROE, or return on equity. The second is ROIC, or return on invested capital. The targets for ROE and ROIC are set at 10% or more and 7% or more, respectively, significantly exceeding the cost of equity or the weighted average cost of capital (WACC). In particular, ROE increased to 8.6% in fiscal 2023, and we aim to achieve a level above 10% by fiscal 2026. To this end, we will carry out the financial strategy with importance placed on capital efficiency through the utilization of financial leverage and others.

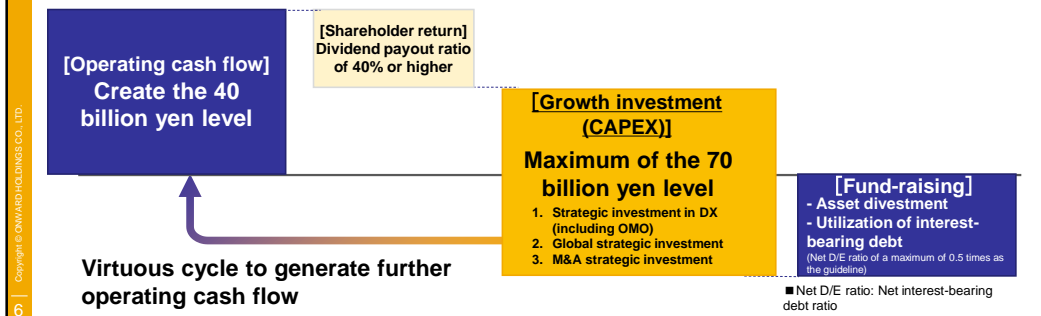
Third, we aim to step up shareholder return. Our Group aims to prioritize raising the dividend payout ratio and strengthening dividends as the primary means of enhancing shareholder returns. Therefore, we intend to achieve enhanced shareholder returns by raising the dividend payout ratio from 35% or higher to 40% or higher.

Next, please look at slide 6.

Policy for Utilization of Funds for Growth (Cash Allocation Policy)

Three-financial year cumulative total (Plan for FY2024 to FY2026)

- Create **the 40 billion yen level** operating cash flow (Cumulative results for FY2021 to FY2023: 17.5 billion yen)
- Plan growth investment (CAPEX) of a maximum of **the 70 billion yen level** (Cumulative results for FY2021 to FY2023: 16.9 billion yen)



I would like to explain our policy for fund utilization for growth or cash allocation policy.

This involves two major points. We plan to make growth investment of a maximum of the 70 billion yen level while aiming to create operating cash flow at the 40 billion yen level over the next three fiscal years.

The total net cash provided by operating activities over the last three fiscal years, from fiscal 2021 to fiscal 2023, amounted to 17.5 billion yen. Therefore, our objective for the next three fiscal years is to generate over twice the amount of cash through our own sales efforts compared with the last three fiscal years.

Meanwhile, we believe that without proactive investment for growth, sustaining growth in this complex and uncertain business environment will prove to be a challenge. For this reason, we plan to make growth investment (CAPEX) of a maximum of the 70 billion yen level over the next three fiscal years. Despite the cumulative investment results totaling 16.9 billion yen over the last three fiscal years, we plan to boldly scale up our growth investments on a four-fold scale. Regarding investment priorities, the key investment items are presented within the yellow box in the diagram below.

The first investment is directed toward DX, or digital transformation, in a broad sense. This encompasses a wide range of sales, planning, production, or productivity enhancements within corporate organizations, including the OMO strategy, which fuses online and offline operations. We are also advancing the development of “ONWARD CROSSET / SELECT” and digitally augmented physical stores. We will strengthen our strategic investment in DX and further accelerate digital investments, expanding beyond online stores to include physical stores.

Global strategic investment is the subsequent focus. We believe that expanding our business overseas is essential for sustained growth. Due to the recent depreciation of the yen, foreign investment has become more costly than before. We intend to execute this type of investment over the current three fiscal years while monitoring foreign exchange trends. Additionally, we will also make investment in production. While our sales operations are primarily based in Japan, relying solely on domestic manufacturing is impractical. Therefore, we will further strengthen our global strategic investment, including the expansion and enhancement of our global production base, especially in the Asian region.

The third investment involves our M&A strategy. We have successfully executed several M&A's, such as Yamato Co., Ltd., KOKOBUY Co., Ltd., and Tiaclasse Co., Ltd. in recent years. Going further back, Creative Yoko Co., Ltd. and Chacott Co., Ltd., among others, were also integrated into our Group through M&A's. We intend to further promote M&A as an important means to accelerate our Group's growth rate.

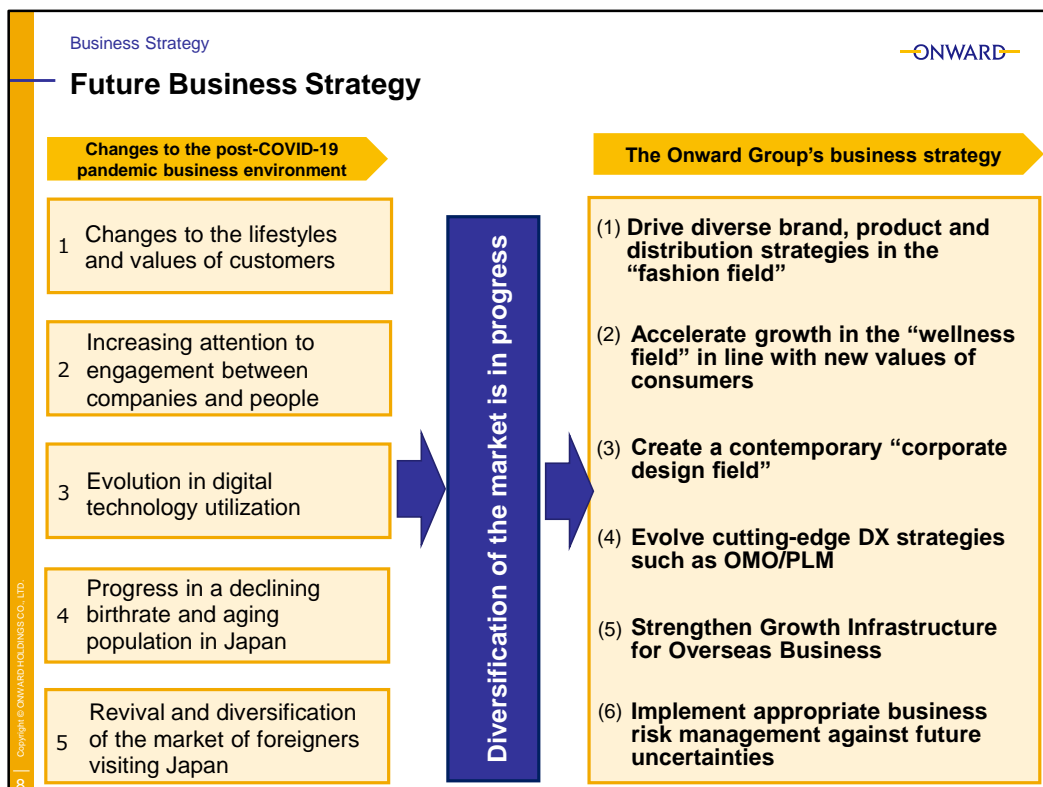
We will proactively invest a maximum of the 70 billion yen level in the above three key investment items. As a source of funds, we aim to explore options for raising funds, in addition to the 40 billion yen level operating cash flow through our own sales efforts. We intend to raise funds not only by selling assets such as real estate and securities, but also by leveraging interest-bearing debts to improve capital efficiency. In doing so, we have established a maximum guideline for the net D/E ratio or net interest-bearing debt ratio of 0.5 times.

To recap, I have provided an overview of the financial strategy that considers action to implement management that is conscious of the Onward Group's cost of capital and stock price. We will now move on to our business strategy.



2

Business Strategy



Regarding our business strategy, we have largely maintained the policy established three years ago without significant changes. In essence, we believe that the initiatives we have undertaken over the last three fiscal years have yielded positive results and are aligned with our strategic direction. Over the next three fiscal years, we aim to respond swiftly to the evolving business environment following the COVID-19 pandemic. Please refer to slide 8.

On the left are five items describing changes to the post-COVID-19 pandemic business environment.

First, there have been changes to the lifestyles and values of customers.

Second, we believe that the attention to engagement between companies and people has significantly increased over the last few years. Amid a human resource shortage, every company seeks to secure excellent and talented people. In an environment where job mobility, particularly among young individuals, is on the rise, all companies recognize the need to invest in enhancing employee engagement. These changes in the business environment will create business opportunities for our Group.

Third, digital technology utilization is evolving, with the expansion of remote work being a notable trend.

Fourth, due to the progress in a declining birthrate and aging population in Japan, expanding the domestic consumption market going forward poses challenges.

Regarding the fifth item, conversely, the inbound market for foreign visitors to Japan has experienced a revitalization in a more diversified manner. Before the COVID-19 pandemic, inbound tourism primarily originated from Asia. However, in the post-pandemic era, we are witnessing the emergence of a global market for foreign visitors from countries worldwide.

Reviewing the aforementioned five items, it is evident that market diversification is steadily advancing. While the term "market polarization" is frequently used, from our perspective, it is better described as multipolarization and diversification rather than polarization. Luxury markets and fast fashion may be prominent, but it is important to recognize the diverse range of markets that lie between them. While that concept is very complex and elusive, it is often easier to simplify by referring to polarization. Nonetheless, we believe that there are ample opportunities within the markets that exist between these extremes, and the Onward Group should take up the challenge presented by such diverse markets.

Six business strategies are outlined on the right.

Initially, we will drive diverse brand, product, and distribution strategies tailored to address the market diversification in the "fashion field," our core business.

Second, we will accelerate growth in the "wellness field" in line with the new values of consumers following the COVID-19 pandemic.

Third, we will create a "corporate design field" in response to the increasing attention to engagement between companies and people.

Fourth, we aim to further accelerate and evolve our cutting-edge DX strategies such as OMO/PLM.

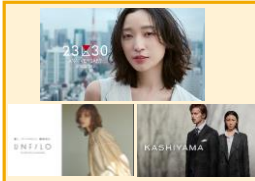
The fifth strategy focuses on overseas business. As explained earlier, there remains room for business reforms in our overseas business operations. We will strengthen our growth infrastructure while firmly implementing the necessary reform measures.

We have added the final strategy to ensure the appropriate implementation of business risk management against future uncertainties. In recent years, I have observed the emergence of large-scale risks that are difficult to avoid, including country risks, geopolitical risks, pandemic risks highlighted by the COVID-19 pandemic, weather disaster risks, and various other risks. We must proactively strengthen our risk management in light of these uncertainties.

Now please turn to slide 9.

Drive Business Strategy in Three Business Fields

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



Onward Kashiya Co., Ltd.
Onward Personal Style Co., Ltd., etc.

Develop new brands and products that meet market diversification and create a variety of customer touchpoints that fuse online and offline

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



Yamato Co., Ltd., Chacott Co., Ltd.,
Creative Yoko Co., Ltd., KOKOBUY Co., Ltd., etc.

Speed up growth in the business field that assists consumers in realizing a fulfilling life with mental and physical wellbeing such as gifts, pets and beauty

(3) Create a contemporary “corporate design field”



Onward Corporate Design Co., Ltd., etc.

Expand the business field that proposes total design for company activities, aimed at creating new engagement between companies and people

I would like to explain the implementation of business strategies in the three fields I mentioned earlier.

First is the promotion of diverse brands, products, and distribution strategies in the “fashion field.” Group companies Onward Kashiya Co., Ltd., the core operating company, and Onward Personal Style Co., Ltd. fall in this category. Regarding the development of new brands and products that respond to the diversification of the market, we recognize the need to diversify merchandising of various products within existing brands. In terms of distribution, the growth of online sales has been remarkable, but we believe it would be extremely effective to develop customer contact points by successfully integrating physical stores with online stores. Currently, our customers who use both online and offline channels, spend three times as much per year on purchases as those who use only one of these channels. For this reason, we will focus on expanding our diverse customer contact points, as expanding our base of customers using both online and offline channels will enable us to grow, even without increasing the number of customers.

Second is to accelerate growth in the “wellness field.” The “wellness field” is a very broad field that includes gifts, pets, and beauty, etc., and the key domains of focus are listed accordingly. As for operating companies, we expect companies such as Yamato Co., Ltd., Chacott Co., Ltd., Creative Yoko Co., Ltd., and KOKOBUY Co., Ltd. will play a leading role in driving growth in this field. We believe that consumers’ needs for mental enrichment, a healthy body and a fulfilling lifestyle are increasing immensely, and have created a category called the “wellness field” as a concept that encompasses these needs, separating it from fashion. In order to accelerate growth in this field, we would like to make it an axis alongside the “fashion field,” through methods including M&A.

Third is the “corporate design field.” This is a business targeting corporations to support the creation of corporate engagement, with Onward Corporate Design Co., Ltd. as the core business company. Onward Corporate Design was established last October through the consolidation of the former Onward Trading Company and former Onward Creative Center. We recognize that this is an area for extremely large growth, and aim to create a business that collectively offers proposals for corporate uniforms, sales promotion support, and space creation, among other services.

Please turn to slide 10.

(4) Evolve cutting-edge DX strategies such as OMO/PLM

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

Customer strategy

Broaden the customer base of Onward Members and strengthen communication

Improvement in sales and service

Evolve Online Merges with Offline (OMO) Store

Higher efficiency in planning and production

Adopt and utilize Product Lifecycle Management (PLM) System

Higher efficiency in corporate operations

Update backbone core, business processing, and information systems continuously

ONWARD membership target

FY2023 results: 5.3 million members

⇒ FY2030 plan: 10 million members

EC sales target

FY2023 results: 48 billion yen ⇒ FY2030 plan: 100 billion yen

(Maintain Group's own EC ratio of 90%)

We are committed to leading the way in cutting-edge DX strategies as the Onward Group, including the evolution of OMO stores and the introduction and utilization of Product Lifecycle Management (PLM) systems.

As for specific numerical targets, we will first expand our customer base, including DX. The number of “Onward Members” reached 5.3 million over the 10 years through fiscal 2023, and we hope to expand this number to 10 million by fiscal 2030. In terms of e-commerce, over the approximately 14 years since it launched in fiscal 2009, sales have reached ¥48 billion, and the ratio of sales through e-commerce has increased to 30%. We hope to increase this to ¥100 billion by fiscal 2030. In addition, the ratio of sales via our own EC platform, which is a unique feature of our company, has reached 90% of total EC sales, and we intend to maintain this level.

Please turn to slide 11.

(5) Strengthen Growth Infrastructure for Overseas Business**European region**

Speed up growth in the JOSEPH business, a contemporary designer brand from London, the U.K.

**American region**

Speed up growth in the J.PRESS business, a traditional brand from the East Coast of the U.S. with more than 120 years of history

**Asian region**

Expand business in both production and sales in the Asian market, including rapidly growing ASEAN

Overseas business sales targets

FY2023 results: **20 billion yen** ⇒ FY2030 plan: **30 billion yen or more**

Next is about strengthening the growth infrastructure for overseas businesses.

Net sales of overseas businesses were ¥20 billion in fiscal 2023, and we aim to boost this to ¥30 billion in fiscal 2030. Many of our overseas businesses have been in the red in the past, but we will develop a profit-oriented overseas business strategy while steadily expanding sales, with the goal of promoting businesses with solid profits in the future.

In Europe, we intend to expand the JOSEPH business, a contemporary designer brand from London, from its current European focus to a global brand business in Japan, Asia, or the U.S., including wholesale and e-commerce, in addition to retail.

In the U.S., we plan to further accelerate the growth of J. PRESS, which has a history of more than 120 years and originated in New Haven on the east coast of the U.S., with a focus on Japan and the U.S.

In Asia, we will focus on the rapidly growing ASEAN region and expand our business in both production and sales in the broader Asian market, including the ASEAN region, not limiting ourselves to the traditional Greater China region such as mainland China, Taiwan, and Hong Kong. Regarding brands, we have been working with local partners on brands that originated in Tokyo, such as “Nijyusanku,” and we intend to further accelerate this process.

That was an explanation of our business strategy.



3

Human Capital Management Strategy

Promotion of Organizational and Human Resource Platform Transformation



Carry out organization and HR platform transformation with the aim of driving the business strategy that responds to diversifying market changes and realize “customer-centric management leveraging employees’ diverse strengths”

Third, I would like to touch on our human capital management strategy. In the previously announced “ONWARD VISION 2030,” we described six organizational and human resource platform transformation, and have made considerable progress over the past three years in line with these transformations. The specific items can be found on slides 14 and 15.

Promotion of Organizational and Human Resource Platform Transformation

1

Fair, multi-faceted evaluations and performance-based compensation

Realize attractive and competitive wage levels

- Achieve and sustain the industry's highest level in all of the job descriptions (career track, sales job, and technical job). The average salary hike rate by the new personnel system of FY2024 [Sales job] 10% (2,451 employees are eligible)

2

Offer multiple career paths and personnel development

Engage in human resource development that supports employee growth in each career path

- BEST SHOP AWARD has been held monthly since 2022, where an effort is made to upgrade skills by sharing accomplishments with each other.
- Engage in the reskilling of employees through measures including sending them to an outside business school, thereby driving the development of human resources for corporate management.
- Introduce e-learning that all employees can take
- Introduce a "Meister System" in which employees who reach retirement age receive appropriate treatment, continue to work over the long term and pass down their skills



3

Diversify workstyles

Promote the creation of an employee-friendly organization full of diversity

- Onward Holdings was recognized for its initiatives such as women empowerment and support in balancing work, child-rearing and nursing-care, and was certified as the "Best Workplace," the highest rank, in the "D&I AWARD 2023."



First is to "realize attractive and competitive wage levels." We recently announced a 10% average salary increase for our approximately 2,500 sales employees at Onward Kashiya, and a ¥33,000, or 16%, increase in starting salaries to ¥240,000 in fiscal 2024. We intend to continue to achieve and maintain the highest level of salaries in the industry, not only for sales positions, but also for all job categories, including career-track and professional-track positions.

Second, we will promote "human resource development initiatives that support growth in each career path." Since fiscal 2022, the "BEST SHOP AWARD" has been held online monthly for 24 consecutive months with all Onward Kashiya store managers participating. We praise the "BEST SHOP" and share its know-how with all stores. We will also reskill employees and promote the development of managerial human resources by sending them to external business schools. In addition, we have introduced and are promoting the use of e-learning, which is available to all employees. We have also introduced the "Meister System" in which employees who reach retirement age receive appropriate treatment, continue to work over the long term and pass down their skills. This was applied to sales positions and has been expanded to various other job types. In this way, we will provide growth support in all aspects in order to promote growth strategies in times of human resource shortages.

The third is to "Promote the creation of an employee-friendly organization full of diversity." Onward Holdings was recognized for its initiatives such as women empowerment and support in balancing work, childrearing and nursing-care, and was certified as the "Best Workplace," the highest rank, in the "D&I AWARD 2023."

Please turn to slide 15.

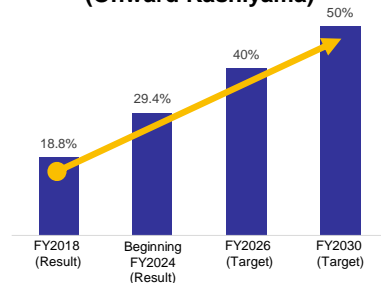
Promotion of Organizational and Human Resource Platform Transformation

Advance the creation of an organization that enables each individual to play an active role by using their uniqueness in response to various changes to the market



- Hold education and seminars for the management team, superiors, and particular employees (a mentor system, etc.) in order to aim at having 50% of leadership positions held by women by FY2030
- * Appoint two female executive officers during FY2024
- The Group adopted an interval system that incorporates a certain interval between work days in FY2022 to help employees secure enough time for rest and continue working while maintaining a work-life balance. *Interval system: Secures a break of 11 hours before employees start working again on the following day.
- Hold seminars for psychological safety for the management team in order to advance a flat organizational culture and communication
- Encourage male employees to take childcare leave in order to facilitate their effort for child-rearing
- * Results in FY2023: The ratio of the leave taken was 66.7%. The average duration of the leave taken was over four months.

Ratio of women in leadership positions (Onward Kashiwama)



We are promoting the “activities of diverse personnel,” a “flat organization,” and the “transfer of authority to the job site.” With regard to the “Promote the activities of diverse personnel,” the ratio of women in leadership positions at Onward Kashiwama has risen to approximately 30% at the beginning of fiscal 2024, including the appointment of two female executive officers in fiscal 2024. This ratio has steadily increased from less than 20% in fiscal 2018, and we aim to raise it to 50% by fiscal 2030.

Also, in fiscal 2022, we introduced an interval system that incorporates a certain interval between work days to help employees secure a break of 11 hours before starting work the next day. In addition, we continuously provide psychological safety training for management in order to advance a flat organizational culture and communication.

Furthermore, to support childcare efforts, we encourage male employees to take childcare leave. The ratio of male employees taking childcare leave in fiscal 2023 was 66.7%, with an average duration of more than four months of leave, showing steady results.



4

**Sustainable
Management Strategy**

(1) Recycling activity of the Group's own clothing

Extend the activities of reuse, recycling and remaking through the "Onward Green Campaign" launched in FY2009

- ※ Target rate of recycling the Group's own clothing for FY2030: 20% (Result for FY2023: 9.2%)
- ※ Through more than 10 years of engagement with the Japanese Red Cross Society, blankets and work gloves produced from some of the collected clothing are used to support developing countries and disaster-stricken areas.



(2) Advance a production system that avoids excessive production

Further reduce overproduction through the expansion of made-to-order production

- ※ Increase volumes of made-to-order production for FY2030 fourfold (from FY2023)

(3) Enhance traceability

Evolve traceability in the supply chain through the visualization of PLM system-assisted production.

- ※ Partners collaborating in PLM that is centered on ONWARD : 25 companies will start adopting the system in May 2024.

Finally, I would like to explain our sustainable management strategy. The Onward Group refers to sustainable management as "Green Onward," and we would like to move this forward by using the acronym "GO."

There are three major components to "Green Onward." The first is the recycling activity of the Group's own clothing, the second is the promotion of a production system that avoids excessive production, and the third is the enhancement of traceability.

For the "recycling activity of the Group's own clothing," we have been working on the three R's of Reuse, Recycle, and Remake for about 15 years since fiscal 2009, and since 2011, we have been developing initiatives with the Japanese Red Cross Society. As for the recycling ratio of Group's own clothing, the target is to more than double the ratio from 9.2% in fiscal 2023 to 20% in fiscal 2030. We will also expand our efforts to regenerate fashion items into one-of-a-kind fashionable clothing through upcycling actions and other initiatives.

With respect to the second "promotion of a production system that avoids excessive production," sales of the made-to-order brand "KASHIYAMA," which is handled by Onward Personal Style Co., Ltd., have recently been very strong. Made-to-order products are attracting increasing attention from various generations, especially the younger generation Z, as they reduce production losses. We have set a target to increase the volume of made-to-order production by four times the fiscal 2023 level by fiscal 2030. To achieve this target, we will also need to strengthen our production base. Our Dalian factory in China, the core of our made-to-order production base, is operating at a very high utilization rate, and we believe that we need to further advance our various production bases in the future.

Finally, about "enhancement of traceability." As a company engages in the brand business, we believe that we need to be accountable to our customers by visualizing the process by which products are produced, starting with threads. We are looking to achieve visualization of manufacturing and deepen traceability in the supply chain by introducing the PLM system-assisted production I mentioned earlier. Starting this May, this PLM system will be introduced to our 25 partners on a full-scale basis, and be utilized to enhance traceability.

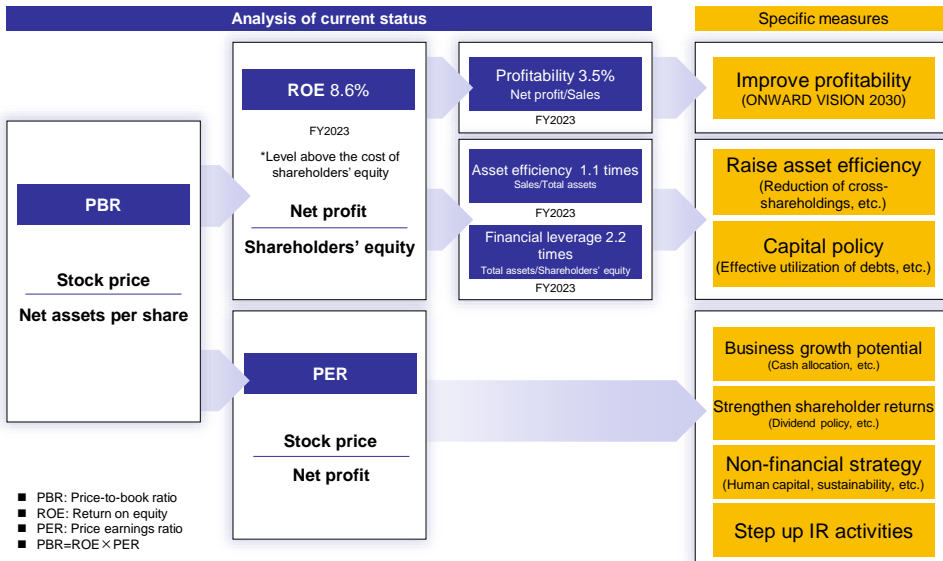
That concludes my explanation of "ONWARD VISION 2030." Thank you very much.



Appendix

Toward Enhancing Corporate Value (Analysis of Current Status and Specific Measures)

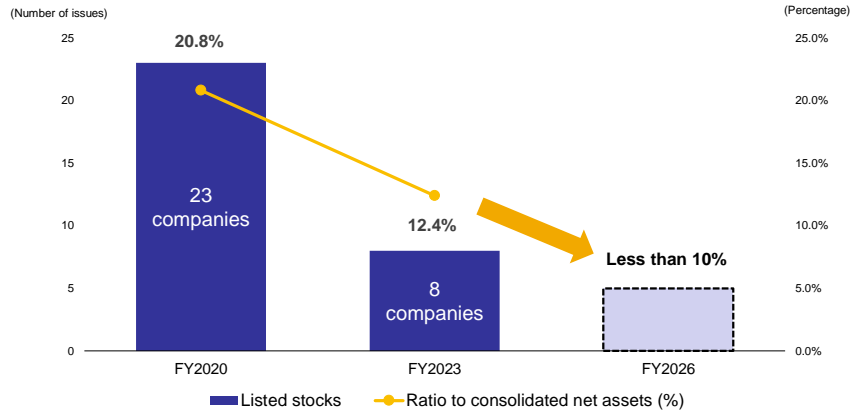
Aim at improving ROE and PER primarily by improving profitability, raising asset efficiency, utilizing financial leverage, and strengthening shareholder returns



Cross-Shareholdings Policy

Divest holdings unless the rationale of holding such stocks is recognized from the perspective of capital efficiency and others

Reduce the ratio of the amount of cross-shareholdings to consolidated net assets to less than 10% within three years



Balance Sheet Strategic Policy

- Make effective use of interest-bearing debt with the aim of aggressive growth investment and capital structure optimization
- Further seek higher asset efficiency, including reduction of cross-shareholdings

