
A Letter to Our Shareholders



Takeshi Hirouchi
Representative Director, Chairman

Dear Shareholders,

In this modern world of technology, everything links through the Internet and the Internet of Things (IoT) has been called the fourth industrial revolution; IoT has the potential to impact all businesses and industries, and the “border” between each industry will likely fade further.

Amid such great change, the apparel business continues to face a harsh operating environment. In the domestic market, for example, we are witnessing an ongoing trend toward frugal purchasing habits centered on middle-to-high-end womenswear in the so-called moderate zone.

Such factors have created a situation in which overcoming current challenges and grasping hold of the successes that lie beyond will be more important than ever. In March 2015, Michinobu Yasumoto became president and representative director of Onward Holdings, joining Onward Kashiyama President Akinori Baba as a leader of management. With this new leadership, we are now poised to tackle challenges focused on both physical stores and e-commerce.

Furthermore, April 2016 saw the launch of our new medium-term management plan, under which we will implement growth strategies guided by the basic policies of providing a diverse sense of value and broadening our customer base. Among the measures described in the plan, we will accelerate our Omni-channel retailing strategy, which combines the strengths of our e-commerce and store operations, and forge ahead with our expansion in global markets, with our eyes turned, in particular, to the future growth of the Asian market. These measures will be advanced as we boost managerial efficiency in accordance with capital measures, thereby targeting improvements in corporate value and shareholder value.

I would like to express my gratitude to all our shareholders for their continuing support, cooperation, and trust.

August 2016

A handwritten signature in black ink that reads "Takeshi Hirouchi". The signature is written in a cursive, flowing style.

Takeshi Hirouchi
Representative Director, Chairman