ONWARD

FY02/24 (FY2023) 1H
Results Presentation Material

October 5, 2023

ONWARD HOLDINGS CO., LTD.

<u>Michinobu Yasumoto, President and CEO</u>

Thank you very much for coming today despite your busy schedule. Now, I would like to explain things in accordance with the Results Presentation Material.

Onward Group's Raison d'Être

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

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Consolidated Financial Results and Performance Forecast Highlights

FY2023 1H : Consolidated Financial Results Highlights

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Net Sales	Operating Profit	Recurring Profit	Net Profit
90.4 bn yen	5.0 bn yen	4.4 bn yen	2.9 bn yen
+10.0% YoY +8.2 bn yen YoY	26.0 x YoY +4.8 bn yen YoY	6.7 x YoY +3.8 bn yen YoY	6.0 x YoY +2.4 bn yen YoY

- In the first half of the year, as a result of our focus on strengthening customer-oriented product development and sales services, our key brands including Nijyusanku and PET PARADISE performed well, and new brands such as KASHIYAMA and UNFILO grew significantly.
- Customers visiting our physical and online stores increased steadily mainly due to the increased use of our “CLICK & TRY” OMO service and the improved accuracy of our marketing measures utilizing social media. As a result, net sales grew faster than the latest forecast.
- Gross profit margin continued to increase owing to the remarkable results of the global business reforms and improved efficiency in the product supply chain. Meanwhile, the SG&A ratio declined markedly partly thanks to increased sales efficiency through the development of multi-brand stores.
- As a result of the above, operating profit, recurring profit, and net profit all increased significantly.

First of all, on page 5 of the material, highlights of consolidated financial results for the first half of the current fiscal year are described. Net sales were 90.4 billion yen, an increase of 10%, or 8.2 billion yen year on year. Operating profit came to 5 billion yen, 26 times higher than in the same period of the previous fiscal year, or up 4.8 billion yen year on year. Recurring profit was 4.4 billion yen, 6.7 times higher than in the same period of the previous fiscal year, or an increase of 3.8 billion yen year on year. Net profit amounted to 2.9 billion yen, 6 times higher than in the same period of the previous fiscal year, or an increase of 2.4 billion yen year on year. Following the first quarter, major brands such as Nijyusanku and Pet Paradise continued to perform well through the first half of the year, while new brands such as KASHIYAMA and UNFILO expanded significantly.

Brand Business

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Nijyusanku 【Onward Kashiyama】

Onward Kashiyama's core brand "Nijyusanku" continued its strong sales growth. It enhanced sales promotion celebrating the 30th anniversary of the brand's debut and introduced a new high-grade line "estèta."

1H Sales (YoY) + **20.3**%

23区

UNFILO 【Onward Kashiyama】

It continued to expand due to the development of highly profitable and unique products and the effects of digital promotion such as the distribution of advertising videos for the hit product "Jog Pants." The number of OMO stores dealing in this brand also increased.

1H Sales (YoY) **1.7 x**

UNFILO

KASHIYAMA 【 Onward Personal Style 】

Sales at directly managed stores increased significantly. The Kichijoji store, revamped as one of the largest stores in Tokyo in April 2023, performed well. Customers increased, and the customer unit price also increased. Businesses for corporate clients also contributed to a sales increase by winning deals for company uniforms.

1H Sales (YoY) + **19.2**%

KASHIYAMA

PET PARADISE 【Creative Yoko】

Thanks to the success of opening new stores, all three stores that opened in 2023 performed better than planned. In addition, new hit products such as carts, leashes, and heat-protection goods contributed to the increase in sales.

1H Sales (YoY) + **15.9**%

PET PARADISE

On page 33, sales of the four key brands and new brands I just mentioned in the first half are described. Sales of Nijyusanku increased 20% or more. Sales of Pet Paradise grew 16%. Sales of the new brand UNFILO was 1.7 times higher, an increase of 70%. Sales of KASHIYAMA also increased by more than 19%. We have brands in various genres, all of which performed well.

FY2023 1H : Consolidated Financial Results Highlights

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Net Sales	Operating Profit	Recurring Profit	Net Profit
90.4 bn yen	**5.0** bn yen	**4.4** bn yen	**2.9** bn yen
+10.0% YoY +8.2 bn yen YoY	26.0 x YoY +4.8 bn yen YoY	6.7 x YoY +3.8 bn yen YoY	6.0 x YoY +2.4 bn yen YoY

- In the first half of the year, as a result of our focus on strengthening customer-oriented product development and sales services, our key brands including Nijyusanku and PET PARADISE performed well, and new brands such as KASHIYAMA and UNFILO grew significantly.
- Customers visiting our physical and online stores increased steadily mainly due to the increased use of our “CLICK & TRY” OMO service and the improved accuracy of our marketing measures utilizing social media. As a result, net sales grew faster than the latest forecast.
- Gross profit margin continued to increase owing to the remarkable results of the global business reforms and improved efficiency in the product supply chain. Meanwhile, the SG&A ratio declined markedly partly thanks to increased sales efficiency through the development of multi-brand stores.
- As a result of the above, operating profit, recurring profit, and net profit all increased significantly.

In addition, the use of our original OMO service “Click & Try” continued to expand in the second quarter. As a result, the number of customers visiting both physical stores and online stores has steadily increased, which has contributed to the growth of net sales over recent forecasts. The accuracy of marketing measures using social media is also improving.

As described in the third paragraph on the profit side, the gross profit margin increased while the SG&A expense ratio fell significantly. Gross profit margin has been raised as a result of the global business reforms, or more efficient supply chains in cooperation with business partners. In addition, the management of multi-brand stores such as ONWARD CROSSET SELECT has been operating smoothly. As a result, sales efficiency, such as sales per unit area and sales per sales staff, has increased, and this has led to a decline in the SG&A expense ratio and a substantial increase in operating profit.

OMO Service “Click & Try”
Multi-Brand Store “ONWARD CROSSET / SELECT”

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- “Click & Try” Service
  - The number of stores introduced increased to 360, up 50 from the end of the same period last year.
  - In the first half of FY2023, net sales at (existing) stores providing this service were 13% higher than those in FY2019, which was before the COVID-19 pandemic, and 22 pp higher than those at the stores not providing the service, which was 9% lower than in FY2019.
- ONWARD CROSSET / SELECT
  - In addition to “Click & Try,” the Company expanded the development of “ONWARD CROSSET / SELECT” (OCS), a multi-brand store.
  - With OMO services implemented, it provides a comprehensive selection of Onward Kashiyama brands. The year-on-year growth in sales for the first half of FY2023 was 21pp higher than the stores excluding OCS.

Changes in the number of stores that introduced Click & Try and the number of reservations

	FY2023 1H	FY2022 1H	Change	% of Change
Number of Stores	360	310	+50	-
Adoption rate	51%	38%	+13%	-
Number of reservations (in thousands)	58	29	+29	2 times

Comparison of net sales between stores that introduced and have not introduced Click & Try

Vs. FY2019 1H	FY2023 1H	FY2022 1H
Stores that introduced the service	113%	96%
Stores that have not introduced the service	91%	75%
Effect	+22% pt	+21% pt

ONWARD CROSSET / SELECT sales comparison

	FY2023 1H		
	Department Stores	Shopping Centers	Total
ONWARD CROSSET SELECT(OCS)	132%	139%	134%
Existing Stores Total excl. OCS	116%	106%	113%
Difference	+16% pt	+33% pt	+21% pt

Comparison excluding discontinued brands

AEON MALL Sapporo Hassamu

On page 31 of the material, you will find an explanation of our OMO service “Click & Try,” and the multi-brand store ONWARD CROSSET SELECT. The left side shows the trends in the number of stores that have introduced Click & Try and the number of reservations. At the end of this first half of the fiscal year, the number of stores that had introduced Click & Try reached 360, accounting for more than half of all stores with an introduction rate of 51%, and the number of backorder reservations was 58,000. Compared to the end of the first half of the previous fiscal year, the number of stores that have introduced Click & Try increased by 50, with an introduction rate up 13 percentage points, and the number of reservations doubled. Below that, there is a comparison of the sales of stores that have introduced Click & Try and those of ones that have not. The sales growth rate of stores, compared to the same period of fiscal 2019, that have introduced Click & Try is 22 percentage points higher than that of ones that have not.

Moreover, if you look at the right side, sales growth of the multi-brand ONWARD CROSSET SELECT stores was higher than that of other stores by 21 percentage points. In the case of ONWARD CROSSET SELECT stores over the same period of the previous fiscal year in shopping centers, the difference was 33 percentage points, and even in the case of those in department stores, the difference was 16 percentage points. Their average was 21 percentage points. In these multi-brand stores, it has become common practice for one sales staff member to sell products of various brands, and although sales are varied from high to low depending on the characteristics of each brand, an efficient sales system is being established in which sales are generated evenly per staff member every month by combining brands. In addition, since they can sell not only products initially distributed to stores, but also those that are ordered and delivered from the central distribution center in a timely manner while listening to customer requests, there are increases in sales efficiency and the frequency of customer visits. Our long-established skills in customer services and sales are combined successfully with DX, which, in our analysis, has double effects of improving the operational efficiency of our stores and enhancing the name recognition or usage of our online stores, leading to the factors for strong sales.

These are the highlights of the consolidated results for the first half of the year.

FY2023 Full-Year : Performance Forecasts Highlights

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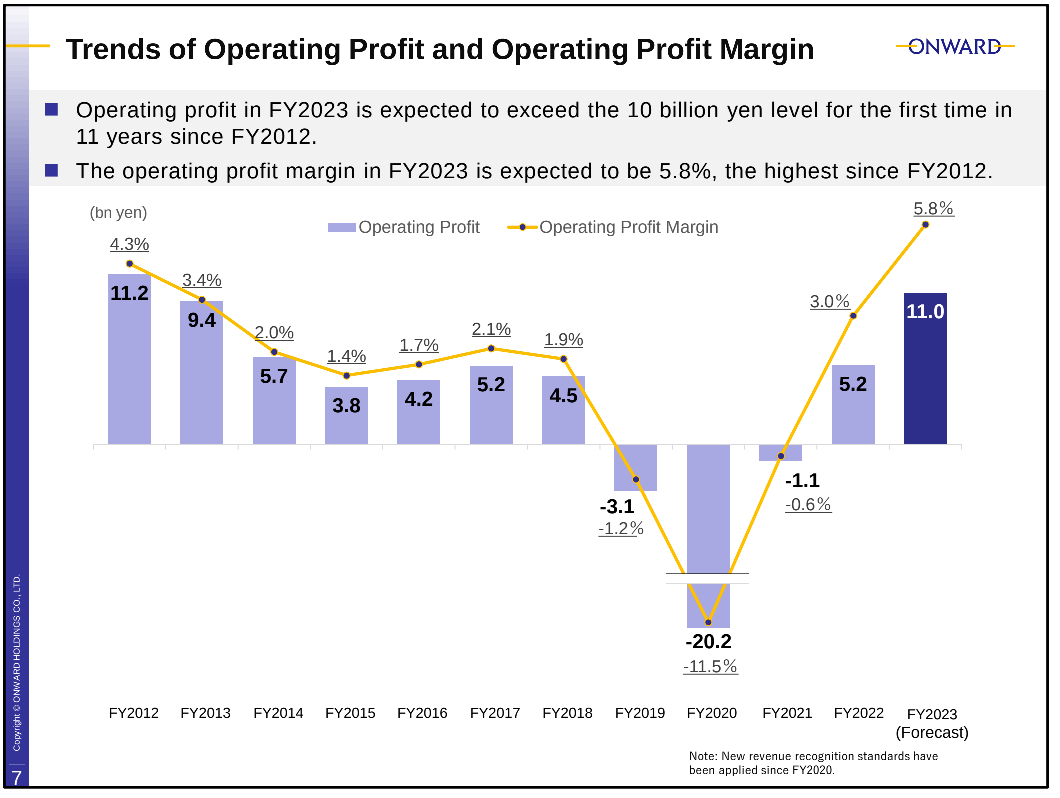
Net Sales	Operating Profit	Recurring Profit	Net Profit
189.2 bn yen	**11.0** bn yen	**10.0** bn yen	**5.5** bn yen
+7.5% YoY +13.1 bn yen YoY	2.1 x YoY +5.8 bn yen YoY	1.9 x YoY +4.7 bn yen YoY	1.8 x YoY +2.4 bn yen YoY

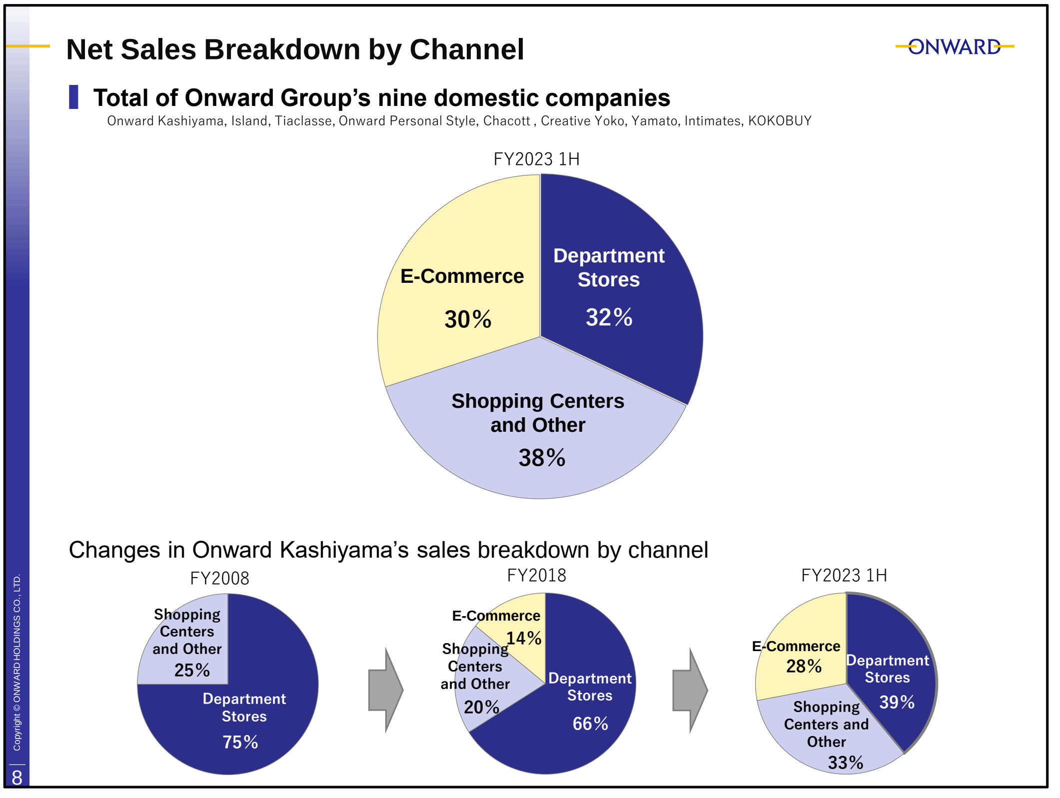
- As the results in the first-half of the year were better than the latest forecast, the Company revised its full-year forecast upward again following the announcement of the first quarter results, while maintaining its second-half forecast.
- As a result, full-year operating profit is expected to be 11 billion yen and exceed 10 billion yen for the first time in 11 years since FY2012.
- Recurring profit is forecast to be 10 billion yen, 1.9 times YoY, and net profit is expected to be 5.5 billion yen, 1.8 times YoY.

Next, on page 6, it shows the highlights of our full-year performance forecast. This full-year forecast is prepared by combining the results of the first half of the year and the forecast for the second half of the year announced in April this year. Our forecast for the second half remains unchanged. In terms of figures, we expect net sales to be 189.2 billion yen, an increase of 7.5% or 13.1 billion yen from the previous fiscal year. Operating profit is forecast to be 11 billion yen, 2.1 times higher than in the previous year, or an increase of 5.8 billion yen. We expect recurring profit to be 10 billion yen, 1.9 times higher than in the previous year, or an increase of 4.7 billion yen. Finally, net profit is forecast to be 5.5 billion yen, 1.8 times higher than in the previous year, or an increase of 2.4 billion yen.

This will be the first time in eleven fiscal years since fiscal 2012 that operating profit exceeds 10 billion yen for a full year.



Regarding this, page 7 shows the trends of operating profit and operating profit margin since fiscal 2012, when our group recorded operating profit of over 10 billion yen for the last time. We made operating losses for three consecutive years in fiscal 2019, fiscal 2020, and fiscal 2021, partly due to the global business reforms and the COVID-19 pandemic, giving rise to significant concerns. However, we returned to a surplus of 5.2 billion yen in the previous fiscal year, and forecast to more than double that amount to 11 billion yen in the current fiscal year. Moreover, operating profit margin is forecast to be 5.8%, exceeding that for fiscal 2012. We expect net sales to decrease from the level in fiscal 2012, mainly due to the withdrawal from unprofitable businesses and stores as a result of the business reforms and the COVID-19 pandemic. However, it has led to a leaner business structure and an increase in operating profit margin. Going forward, we recognize that expanding net sales through our growth strategy will be a major issue for the future. We believe that this will be a turning point for marking a break in restructuring and entering the promotion phase of our growth strategy.



Moreover, in order to promote our growth strategy in the future, we have listed the net sales breakdown by channel in Japan on page 8. The large pie chart shows the net sales breakdown by channel for the nine major Onward Group companies in Japan in the first half of fiscal 2023. The figure is 32% for department stores, 30% for e-commerce, and 38% for shopping centers and others.

In the bottom row, you can see sales breakdown by channel of Onward Kashiyama, our core operating company. It was fiscal 2009 when we launched "ONWARD CROSSET" online and made a major push into e-commerce. The previous fiscal year, fiscal 2008, was the year of the global financial crisis, and we had the structure of still 0% for e-commerce, 75% for department stores, and 25% for shopping centers and others. Since then, we have developed e-commerce in earnest and gradually increased the ratio of e-commerce. In fiscal 2018, about ten years later, just before the COVID-19 pandemic, the ratio of e-commerce increased to 14%. Department stores accounted for 66% of the total, down 10 percentage points from fiscal 2008, but department stores still accounted for two-thirds of the total, with shopping centers and others for 20%, which was the structure after about ten years. Over the next five years, the use of e-commerce increased dramatically due to the COVID-19 pandemic, and we worked on business reforms to abolish unprofitable stores and create multi-brand ones. As a result, the ratio of e-commerce at Onward Kashiyama was 28% in the first half of this fiscal year. While the e-commerce ratio in the previous fiscal year was 30%, it decreased slightly in the first half of this fiscal year due to the strong performance of physical stores. On the other hand, the ratio of department stores was 39%, falling under 40% for the first time. This is a 27-percentage-point reduction from five years ago. SC and others were 33%, or about one-third. Compared to the Group as a whole, Onward Kashiyama still has a slightly higher ratio of department stores, but there is no doubt that this substantial change in the Onward Kashiyama's sales breakdown by channel is significantly related to the change in the Group's net sales breakdown by channel in Japan.

We believe that the net sales breakdown by channel, which is approximately one-third each for the first half of the current fiscal year, is highly balanced and that it is easy to respond flexibly to various changes in the business environment. Of course, it is up to customers to decide which market to purchase from, but one of our future growth strategies is to expand the size of this pie chart while maintaining this balanced net sales breakdown by channel.

Department stores are very strong outlets for the wealthy, including the new rich. This is something that cannot be imitated by other sales channels, and therefore, we would like to fully understand the strengths of department store sales channels and develop a brand strategy that fits them. In addition, the development of shopping centers by various developers is expected to continue in the city center, not to mention in the suburbs. Therefore, we believe that the development of shopping centers in the city center, suburbs, and local regions is an area where we still have a lot of room to grow, and we would like to make it a major pillar of our growth strategy. As for e-commerce, it already accounts for 30% for the group as a whole. In particular, our own e-commerce ratio is very high at just under 90%, enabling e-commerce that is independent of other companies' malls. This is the background behind the development of the Click & Try service, and I believe that e-commerce is our group's strength. In order for e-commerce to expand steadily in the future, we will surely and steadily expand the contact points of this sales channel.

Shareholder Returns

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Dividend Policy

The Company views the distribution of profits to shareholders as one of the management's highest priority issues, and sets a dividend payout ratio target of 35% or more, ensuring stable and appropriate distribution of profits in conjunction with its performance.

Along with the further upward revision of the full-year forecast for net profit, the Company revised upward the year-end dividend to 17 yen this time, up 1 yen from the previous forecast. (up 5 yen from 12 yen in FY2022)

Dividends

	FY2023			FY2022 Actual
	Revised Forecast (October 2023)	Previous Forecast (July 2023)	Initial Forecast (April 2023)	
Dividends per Share (yen)	17	16	14	12
Total Dividends (mil. yen)	2,307	2,171	1,900	1,628
Net Profit (mil. yen)	5,462	5,000	4,000	3,061
Payout Ratio	42.2%	43.4%	47.5%	53.2%

Next, page 9 is about shareholder returns. As part of our group's dividend policy, we place one of our top management priorities on a dividend payout ratio of 35% or higher and a stable, performance-linked, and appropriate distribution of profits.

While the dividend was 12 yen per share in the previous fiscal year, we forecast a dividend of 14 yen per share and a dividend payout ratio of 47.5%, based on a net profit forecast of 4 billion yen in April of the current fiscal year. Subsequently, when we announced our financial results for the first quarter in July, we revised our net profit forecast to 5 billion yen, and as a result, raised the dividend per share forecast to 16 yen. We have now raised our net profit forecast from 5 billion yen to 5.462 billion yen, and in line with this, we revised our dividend per share forecast to 17 yen, an increase of 1 yen, with a dividend payout ratio of 42.2%. The dividend will be increased by 5 yen from the previous year. As the core of our shareholder return policy, we would like to continue steadily increasing net profit and strengthening shareholder returns.

Promote Management that is Conscious of Cost of Capital and Stock Price

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Approach to financial policies and target financial indicators

- Aim to realize returns (profits) in excess of the cost of capital for sustainable improvement of corporate value
- Set targets for return on equity (ROE) and return on invested capital (ROIC), keeping in mind the cost of shareholders' equity and weighted average cost of capital (WACC).
- Demonstrate specific measures (e.g., cash allocation) to achieve the targets

We plan to disclose the above information together with the updated version of “ONWARD VISION 2030” and the three-year mid-term management plan, when the full-year financial results for FY2023 are released in April 2024.

On page 10, the market’s demand for management that is conscious of the cost of capital and stock prices has been increasing, and we would like to respond appropriately to this demand. We are scheduled to announce our financial results for the current fiscal year in early April of next year, when we plan to update and announce the “ONWARD VISION 2030,” which we announced in April 2021, based on our actual performance since then. At the same time, we are scheduled to announce our medium-term management plan for three years from fiscal 2024 to fiscal 2026. In addition, we would like to announce our overall financial policies and financial strategy such as target financial indicators. The basic approach to that is described on page 10. First, we aim to achieve returns (profits) that exceed the cost of capital in order to achieve sustainable improvement in corporate value. As a matter of course, while strongly putting this as a main pillar, we intend to firmly set target values for return on equity (ROE) and return on invested capital (ROIC), while being conscious of the cost of shareholders’ equity and weighted average cost of capital (WACC). In addition, we would like to present concrete measures (such as cash allocation) to achieve these targets.

Going forward, as we shift gears from restructuring to promoting growth strategies, we would like to present our Onward group’s approach to financial strategies, such as how to use capital to promote strategies for various kinds of growth including expansion of store openings, development of products and brands, promotion of DX, and M&As.

This concludes my explanation on the highlights of consolidated financial results and the consolidated performance forecast.

02

FY2023 First Half Consolidated Financial Results

FY2023 1H : Consolidated Financial Results

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- Net sales increased to 90.4 billion yen (+10.0%) , up 8.2 billion yen YoY.
- Operating profit increased to 5.0 billion yen (26.0 times), up 4.8 billion YoY as a result of higher gross profit margin (+2.2pp) and a lower SG&A expense ratio (-3.2pp), and the operating profit margin was 5.6% (+5.4pp).
- Net profit increased to 2.9 billion yen (6.0 times), up 2.4 billion yen YoY.
- EBITDA increased to 7.4 billion yen (2.6 times), up 4.6 billion yen.

	(Million yen)	1H Results						
		FY2023	FY2022	Change	% of Change	Previous Forecasut	Change	% of Change
1	Net Sales	90,411	82,166	+8,245	+10.0%	90,000	+411	+0.5%
2	Gross Profit	51,152	44,735	+6,417	+14.3%	50,980	+172	+0.3%
	(% of Net Sales)	(56.6%)	(54.4%)		(+2.2%)	(56.6%)		(+0.0%)
3	SG&A Expanses	46,130	44,542	+1,588	+3.6%	46,980	- 850	- 1.8%
	(% of Net Sales)	(51.0%)	(54.2%)		(- 3.2%)	(52.2%)		(- 1.2%)
4	Operating Profit	5,022	193	+4,829	+2502.1%	4,000	+1,022	+25.6%
	(% of Net Sales)	(5.6%)	(0.2%)		(+5.4%)	(4.4%)		(+1.2%)
5	Recurring Profit	4,412	654	+3,758	+574.6%	3,400	+1,012	+29.8%
	(% of Net Sales)	(4.9%)	(0.8%)		(+4.1%)	(3.8%)		(+1.1%)
6	Net Profit	2,862	476	+2,386	+501.3%	2,400	+462	+19.3%
	(% of Net Sales)	(3.2%)	(0.6%)		(+2.6%)	(2.7%)		(+0.5%)
7	EBITDA※	7,390	2,838	+4,552	+160.4%	6,600	+790	+12.0%
	(% of Net Sales)	(8.2%)	(3.5%)		(+4.7%)	(7.3%)		(+0.9%)

*Note: EBITDA = operating profit + depreciation and amortization.

<u>Osamu Sato, Managing Director in charge of Finance, Accounting, Investor Relations</u>

I am Sato. I will explain the details of the financial results on page 12 and after.

The orange area indicates the actual figures for the first half of the current fiscal year. Some part may overlap with Yasumoto's explanation, but I will trace the numbers. Item No. 1 in the table below, net sales were 90.4 billion yen, an increase of 10% year on year, or 8.2 billion yen. No. 2 gross profit was 51.2 billion yen, up 14.3% year on year, or 6.4 billion yen. The gross profit margin improved by 2.2 percentage points from the same period of the previous year to 56.6%, due to the remarkable results of the global business reforms, the improvement in the efficiency of the product supply chain, and the suppression of discount sales. No. 3 SG&A expenses were 46.1 billion yen. Although the amount increased 1.6 billion yen year on year, the ratio to sales improved 3.2 percentage points. Fixed costs are compressed, and we are controlling expenses appropriately. As a result, No. 4 operating profit was 5 billion yen, 26 times higher than in the same period of the previous year, and the operating profit margin also improved by 5.4 percentage points. No. 5 recurring profit was 4.4 billion yen, 6.7 times higher than in the same period of the previous year. No. 6 net profit was 2.9 billion yen, 6 times higher than in the same period of the previous year. No. 7 EBITDA was 7.4 billion yen, an increase of 160.4% year on year.

FY2023 1H : Results by Segment

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- In the domestic business, both the apparel and lifestyle segments increased sales. Operating profit increased significantly to 8.2 times in the apparel segment, and by 36% in the lifestyle segment.
- In the overseas business, sales increased by 16% YoY, and operating profit/loss improved by 0.5 billion yen, although an operating loss remained.

(Million yen)

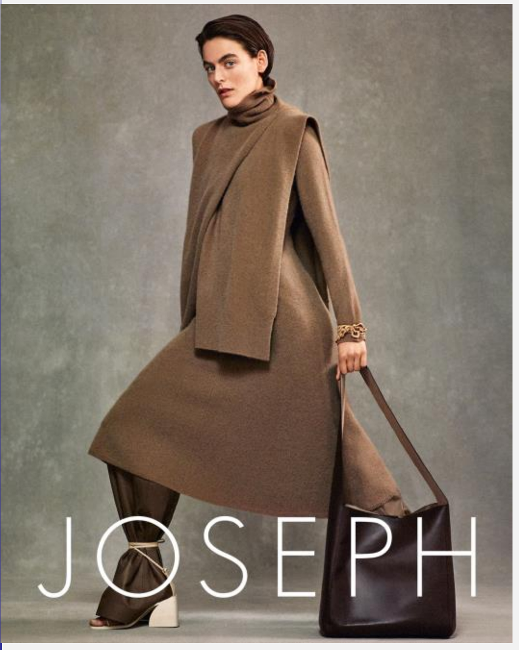
			1H Results						
			FY2023	FY2022	Change	% of Change	Previous Forecasut	Change	% of Change
1	Apparel	Net Sales	65,909	59,704	+6,205	+10.4%	65,922	- 13	- 0.0%
		Operating Profit	3,968	484	+3,484	+719.8%	3,279	+689	+21.0%
2	Lifestyle	Net Sales	20,402	19,155	+1,247	+6.5%	20,557	- 155	- 0.8%
		Operating Profit	2,022	1,484	+538	+36.3%	1,968	+54	+2.7%
3	**Domestic Total**	Net Sales	**86,311**	**78,859**	**+7,452**	**+9.4%**	**86,479**	**- 168**	**- 0.2%**
		Operating Profit	**5,990**	**1,968**	**+4,022**	**+204.4%**	**5,247**	**+743**	**+14.2%**
4	**Overseas Total**	Net Sales	**9,002**	**7,733**	**+1,269**	**+16.4%**	**8,613**	**+389**	**+4.5%**
		Operating Profit	**- 640**	**- 1,132**	**+492**	↗	**- 728**	**+88**	↗
5	**Consolidated Total**	Net Sales	**90,411**	**82,166**	**+8,245**	**+10.0%**	**90,000**	**+411**	**+0.5%**
		Operating Profit	**5,022**	**193**	**+4,829**	**+2502.1%**	**4,000**	**+1,022**	**+25.6%**

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

Page 13 shows the financial results by segment for the first half.

Here, the orange area also indicates actual figures. In Japan, sales increased in both the apparel and lifestyle segments. Operating profit for the apparel segment increased to 4 billion yen, 8.2 times higher than in the same period of the previous fiscal year and 36% year on year to 2 billion yen for the lifestyle segment, achieving a significant increase in profit. Moreover, overseas sales grew 16% year on year, improving the operating profitability by 500 million yen, despite the remaining operating losses.

These are the explanations for actual results of the first half.



03

FY2023 Full Year Consolidated Performance Forecast

FY2023 Full-Year : Consolidated Performance Forecast

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- Full-year performance forecasts are a combination of the first-half financial results and the previous second-half forecasts (announced in July 2023).
- Net sales are expected to be 189.2 billion yen (+7.5%), up 13.1 billion yen, operating profit is expected to be 11 billion yen (2.1 times), up 5.8 billion yen, and net profit is expected to be 5.5 billion yen (1.8 times), up 2.4 billion yen from the previous fiscal year.

	(Million yen)	Full-Year Forecast						
		FY2023	FY2022 Actual	Change	% of Change	Previous Forecasut	Change	% of Change
1	**Net Sales**	189,211	176,072	+13,139	+7.5%	188,800	+411	+0.2%
2	**Gross Profit**	105,952	96,751	+9,201	+9.5%	105,780	+172	+0.2%
	(% of Net Sales)	(56.0%)	(54.9%)		(+1.1%)	(56.0%)		(+0.0%)
3	**SG&A Expanses**	94,930	91,537	+3,393	+3.7%	95,780	- 850	- 0.9%
	(% of Net Sales)	(50.2%)	(52.0%)		(- 1.8%)	(50.7%)		(-0.5%)
4	**Operating Profit**	11,022	5,214	+5,808	+111.4%	10,000	+1,022	+10.2%
	(% of Net Sales)	(5.8%)	(3.0%)		(+2.8%)	(5.3%)		(+0.5%)
5	**Recurring Profit**	10,012	5,319	+4,693	+88.2%	9,000	+1,012	+11.2%
	(% of Net Sales)	(5.3%)	(3.0%)		(+2.3%)	(4.8%)		(+0.5%)
6	**Net Profit**	5,462	3,061	+2,401	+78.4%	5,000	+462	+9.2%
	(% of Net Sales)	(2.9%)	(1.7%)		(+1.2%)	(2.6%)		(+0.3%)
7	**EBITDA※**	16,100	10,373	+5,727	+55.2%	15,100	+1,000	+6.6%
	(% of Net Sales)	(8.5%)	(5.9%)		(+2.6%)	(8.0%)		(+0.5%)

*Note: EBITDA = operating profit + depreciation and amortization.

Next, on page 15, I will explain the full-year performance forecast.

As Yasumoto stated earlier, we have revised up our announced full-year forecast again due to these actual results for the first half exceeding the previous forecast. For the revised announced forecast, No. 1 net sales are 189.2 billion yen, up 7.5% year on year. As a result of gross profit margin and SG&A ratio improving 1.1 percentage points year on year to 56% and 1.8 percentage points to 50.2%, respectively, No. 4 operating profit is forecast to be 2.1 times higher than in the previous fiscal year at 11 billion yen, No. 6 net profit 1.8 times to 5.5 billion yen, and No. 7 EBITDA growing 55% to 16.1 billion yen.

FY2023 Full-Year : Performance Forecasts by Segment

ONWARD

- In the domestic business, in the apparel segment, net sales are expected to increase by 9.4 billion yen (+7.2%) and operating profit by 4.4 billion yen (1.9 times) from the previous fiscal year. In the lifestyle segment, net sales are expected to increase by 2.5 billion yen (+6.6%) and operating profit by 0.7 billion yen (+26.3%) from the previous fiscal year.
- In the overseas business, net sales are expected to increase by 2.5 billion yen (+14.5%). Although an operating loss remains, operating profit/loss is expected to improve by 0.7 billion yen.

	(Million yen)		Full-Year Forecast						
			FY2023	FY2022 Actual	Change	% of Change	Previous Forecasut	Change	% of Change
1	Apparel	Net Sales	138,877	129,525	+9,352	+7.2%	139,113	- 236	- 0.2%
		Operating Profit	9,421	5,000	+4,421	+88.4%	8,960	+461	+5.1%
2	Lifestyle	Net Sales	40,431	37,926	+2,505	+6.6%	40,481	- 50	- 0.1%
		Operating Profit	3,461	2,741	+720	+26.3%	3,239	+222	+6.9%
3	**Domestic Total**	Net Sales	**179,308**	**167,451**	**+11,857**	**+7.1%**	**179,594**	**- 286**	**- 0.2%**
		Operating Profit	**12,882**	**7,741**	**+5,141**	**+66.4%**	**12,199**	**+683**	**+5.6%**
4	**Overseas Total**	Net Sales	**19,743**	**17,250**	**+2,493**	**+14.5%**	**19,358**	**+385**	**+2.0%**
		Operating Profit	**- 407**	**- 1,090**	**+683**	↗	**- 300**	**- 107**	↗
5	**Consolidated Total**	Net Sales	**189,211**	**176,072**	**+13,139**	**+7.5%**	**188,800**	**+411**	**+0.2%**
		Operating Profit	**11,022**	**5,214**	**+5,808**	**+111.4%**	**10,000**	**+1,022**	**+10.2%**

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

Page 16 shows the full-year performance forecast by segment.

Net sales in the domestic apparel segment are forecast to increase by 9.4 billion yen year on year, while operating profit by 4.4 billion yen. Net sales in the domestic lifestyle segment are forecast to increase by 2.5 billion yen year on year, while operating profit by 700 million yen. For overseas, net sales are forecast to increase by 2.5 billion yen, improving the operating profitability by 700 million yen despite the remaining operating losses.

04

Financial Situation

FY2023 1H : EBITDA, Net Assets, Shareholder's Equity Ratio, Current Ratio

ONWARD

- EBITDA increased to 7.4 billion yen, up 4.6 billion yen YoY.
- Net assets decreased by 5.0 billion yen from the end of the previous fiscal year due to the decrease in minority interests.
- The shareholder's equity ratio was 46.5%, down 0.5 points from the end of the previous fiscal year.
- The current ratio remained above 100%. It was 15 points lower from the end of the previous fiscal year due to an increase in borrowings.

EBITDA

(Million yen)

FY2023 1H	FY2022 1H	Change	% of Change
7,390	2,838	+4,552	+160.4%

Shareholders' Equity Ratio

End-FY2023 1H	End-FY2022	Change
46.5%	47.0%	- 0.5%

Net Assets

(Million yen)

End-FY2023 1H	End-FY2022	Change	% of Change
80,029	85,073	-5,044	- 5.9%

Current Ratio

End-FY2023 1H	End-FY2022	Change
102.2%	117.2%	- 15.0%

On page 18, I would like to explain our financial situation in the first half of the current fiscal year.

As mentioned above, EBITDA was 7.4 billion yen, 2.6 times higher than in the same period of the previous year.

Net assets decreased by approximately 5 billion yen from the end of the previous fiscal year to 80 billion yen, mainly due to the payment of dividends.

The shareholders' equity ratio decreased by 0.5 percentage points to 46.5% from 47% at the end of the previous fiscal year, but remained at an appropriate level.

Although the current ratio temporarily decreased due to an increase in short-term borrowings, it remained at 100% or higher, which was the benchmark for safety.

FY2023 1H : Cash Flows, Capital Expenditures, Depreciation and Amortization

ONWARD

Cash flows

- Cash flows provided by operating activities amounted to 1.1 billion yen mainly due to an increase in profit before income taxes and an increase in inventories.
- Cash flows used in investing activities amounted to 1.9 billion yen mainly due to the acquisition of investment securities.
- Cash flows used in financing activities amounted to 1.0 billion yen mainly due to increase (decrease) in borrowings and the payment of dividends.

Capital Expenditures

- Capital expenditures were 1.6 billion yen, down 0.3 billion yen YoY.
- Carefully select investments such as those related to DX and OMO to make efficient investments.

(Million yen)	FY2023 1H	FY2022	Change	% of Change
Capex	1,641	1,918	- 277	- 14.4%

Depreciation and Amortization

- Depreciation and Amortization were 2.0 billion yen, down 0.3 billion yen YoY.

(Million yen)	FY2023 1H	FY2022	Change	% of Change
Depreciation and Amortization	1,957	2,243	- 286	- 12.8%

Page 19 shows cash flows.

Cash flows provided by operating activities were 1.1 billion yen mainly due to an increase in profit before income taxes despite expenses incurred in purchasing fall and winter clothes.

Cash flows used in investing activities were 1.9 billion yen, mainly due to the acquisition of investment securities of WEGO Co., Ltd., with which we announced a business alliance.

Cash flows used in financing activities were 1 billion yen due to changes in borrowings and dividends paid.

Capital expenditures were 1,641 million yen made in the first half of fiscal 2023. The breakdown is as follows: investment in ordinary sales facilities and distribution facilities amounted to approximately 800 million yen, and investment in IT approximately 600 million yen. For capital expenditures, we will continue to carefully select the content, assess the return on investment, and implement it efficiently.

That’s all for my explanation.

05

Initiative for Human Capital Management

Michinobu Yasumoto, President and CEO

Now, I will continue to explain our initiatives for human capital management and sustainable management from page 20 onwards.

Initiative for Human Capital Management

ONWARD

■ Commitment to Diversity

"Introduction of the Mentor System" to promote empowerment of female employees

In order to nurture female senior management candidates, certain executive officers (mentors) assist female managers (mentees) in solving career development issues and overcoming problems through interactive dialogue and support their personal growth.

Initiative to promote understanding of LGBTQ (Onward Corporate Design)

Onward Corporate Design Co., Ltd. holds LGBTQ seminars each for all employees and managers. They established a contact accessible for LGBTQ minorities.

Human capital management is regarded as one of the most important issues of our company's management, and we are promoting initiatives from various angles including the Board of Directors.

One of them is our commitment to diversity. In order to develop female candidates for senior management for the promotion of empowerment of female employees, we have introduced a mentor system in which executives act as mentors to assist female managers (mentees) in solving career development issues and overcoming problems through interactive dialogue. The executive in charge and, in some cases, I myself participate in this, and we are already working every month to develop future female executive candidates.

In addition, as an initiative for understanding LGBTQ, Onward Corporate Design, the core company of the corporate business established on September 1, has held LGBTQ seminars for all employees and managers, and has started activities such as the establishment of accessible contact points.

Initiative for Human Capital Management

ONWARD

Work Style Design

Promotion of childcare leave by male employees

The Company held Pre-Dad/Mom Seminars and individual interviews to encourage male employees to take childcare leave.
In FY2023, of male employees, who took child care leave, two took long-term leave of 10 months to 1 year.

Work interval system

In September 2022, the Company introduced the "Work Interval System" which ensures 11 hours between the finish time the previous day and the start time the next day. Ensuring that employees take an adequate rest and sleep, we aim to help them improve their workstyles while achieving work-life balance.

Page 22 shows our work style reform initiative "Work Style Design."

One of them is the promotion of childcare leave by male employees. It is steadily starting to take root, as two of the male employees who took childcare leave this fiscal year already took a very long one of ten months to one year.

In September of last year, moreover, we introduced the "work interval system," which allows employees to secure more than 11 hours between the finish time of the previous day and the starting time of the next day, leading to a better work-life balance for employees.

06

Initiative for Sustainable Management

Initiative for Sustainable Management

Expansion of Onward Green Campaign

The Onward Green Campaign aims to establish an apparel circulation system by recycling and reusing used apparel items. In the first half of FY2023, the number of apparel items collected increased 23% YoY. About 7.3 million items have been collected so far.

Collected clothing items are recycled into blankets and donated

Launched “Upcycle Action” for collected clothing

The Company started Upcycle Action to create new value by making use of collected clothing items.
It proposes a new circular economy through exhibitions and sales events.

• Upcycle Action •

Sustainable management is described on pages 24 and 25.

On the left side of page 24, we will steadily expand the “Onward Green Campaign,” which collects, recycles, and reuses clothing, through the continuous efforts since fiscal 2009. In the first half of this fiscal year, the number of clothing items collected increased by 23% year on year, and we have collected approximately 7.3 million items in total.

The collected clothing is recycled into blankets, work gloves, solid fuel, etc., and this fiscal year we started a new initiative called “Upcycle Action” to upcycle the collected clothing as fashion items and hold exhibition and sales events. We are now aiming for the evolution of sustainable management.

Initiative for Sustainable Management

ONWARD

Expansion of Made-to-Order Production

For the core men's brand "Gotairiku," the proportion of made-to-order suits in the sales of suits is now 80%, up from 32% in FY2019, contributing to the reduction of unnecessary inventory.

Utilization of Recycled Materials

The knit shoe brand "steppi" is produced by using recycled materials from used plastic bottles and plastic waste. A dedicated shopper, which serves as a laundry net for steppi, is also made of sustainable materials.

SUSTAINABLE

WASHABLE

In addition, as described on page 25, we are focusing on initiatives to reduce wasteful inventory by expanding our made-to-order business and production by order in our usual sales activities.

While the business model of creation after sales has been advanced by KASHIYAMA, the key men's brand "Gotairiku" sees the ratio of made-to-order in net sales of suits increasing to 80% from 32% in fiscal 2019. Gotairiku used to be a ready-to-wear brand, but recently it has been transformed into a made-to-order one.

Moreover, the knit shoe brand "steppi" is growing rapidly now. This steppi utilizes recycled materials as materials for products themselves. The shoes are produced by recycled materials derived from used plastic (PET) bottles and plastic waste and a dedicated shopper that serves as a laundry net for steppi is also made of sustainable materials. In this way, we would like to expand our activities to incorporate sustainable management ideas into our regular planning, production, and sales activities.

07

TOPICS

Finally, I would like to introduce three recent topics on page 26 and after.

Commitment to Further Growth of NIJYUSANKU, Celebrating Its 30th Anniversary

ONWARD

■ Strengthening sales promotion

NIJYUSANKU chose actress Anne as its brand ambassador to celebrate the 30th anniversary of its launch. The brand develops various sale promotional activities on a global scale.

■ Launch of a new brand “estèta”

"estèta," a new high-grade line debuted. We produce this brand mainly in garment factories in Japan by taking advantage of our material procurement capabilities and production networks.

Page 27 describes our initiatives to further grow Onward Kashiyama’s core brand “Nijyusanku,” which is celebrating its 30th anniversary.

We have started new growth initiatives for the next 10, 20 and 30 years. One of them is the enhancement of sales promotion, and on the occasion of our 30th anniversary, we have appointed actor Anne as our brand ambassador. Starting this fiscal year, we will promote the brand globally, not only in Japan but also in Asia, using various media including online and real media. We would like to increase our fan base, including the new generation of customers for “Nijyusanku.”

On the right is the start of “estèta.” In order to meet the diverse needs of customers for our group, including those for “Nijyusanku,” we have launched it as a new line even higher a grade than “Nijyusanku.” We are now starting to roll it out mainly to department stores with refined taste in the city center, and making good progress. Moreover, we would like to promote the development of the “Made in Japan” brands, focusing on domestic sewing factories.

Strengthening Corporate Business

ONWARD

On September 1, 2023, Onward Trading Co., Ltd. and Onward Creative Center Co., Ltd. merged to form a new company, Onward Corporate Design Co., Ltd., as a core business company responsible for corporate business.

It combines the extensive know-how in the uniform business and others and strong customer base of former Onward Trading and the apparel-based spatial design capabilities of former Onward Creative Center to provide comprehensive designs for clients.

Uniform Business : The first uniform of ANA Holdings Inc.'s new international brand "Air Japan"

Space Create Business : for Kurashiki Coffee Co., Ltd.

Sales promotion business : for FANCL CORPORATION

On page 28, we will strengthen our "corporate business," which is also described in "ONWARD VISION 2030."

We merged the former Onward Trading Company and the former Onward Creative Center on September 1 this year to form Onward Corporate Design Co., Ltd., a core operating company for corporate business. Former Onward Trading Company has a long history of corporate business, including uniforms and sales promotion goods, and has a wide sales base of corporate clients. By combining the know-how of the former Onward Trading Company with that of the former Onward Creative Center, which handles the spatial design of fashion shops, etc., we have established a new company with the aim of strengthening our services to support the total corporate branding of our clients.

Support of the Japan National Team in the Rugby World Cap France 2023

- Onward Personal Style Co., Ltd. signed an official supporter agreement with the Japan Rugby Football Union to support the 2023 Japan National Rugby Team.
- Through the made-to-order brand “KASHIYAMA”, we provide original model suits to all players of the Japan National Rugby Team.

Finally, on page 29, we are supporting Japan’s national team for Rugby World Cup 2023 in France through our made-to-order brand KASHIYAMA. As an official supporter, we have signed a contract with the Japan Rugby Football Union to provide all players of the Japan National Team with original model suits.

I have described three recent topics related to our group.

This concludes my explanation.

08

Appendix

OMO Service "Click & Try"
Multi-Brand Store "ONWARD CROSSET / SELECT"

ONWARD

- "Click & Try" Service
  - The number of stores introduced increased to 360, up 50 from the end of the same period last year.
  - In the first half of FY2023, net sales at (existing) stores providing this service were 13% higher than those in FY2019, which was before the COVID-19 pandemic, and 22 pp higher than those at the stores not providing the service, which was 9% lower than in FY2019.

- ONWARD CROSSET / SELECT
  - In addition to "Click & Try," the Company expanded the development of "ONWARD CROSSET / SELECT" (OCS), a multi-brand store.
  - With OMO services implemented, it provides a comprehensive selection of Onward Kashiyama brands. The year-on-year growth in sales for the first half of FY2023 was 21pp higher than the stores excluding OCS.

Changes in the number of stores that introduced Click & Try and the number of reservations

	FY2023 1H	FY2022 1H	Change	% of Change
Number of Stores	360	310	+50	-
Adoption rate	51%	38%	+13%	-
Number of reservations (in thousands)	58	29	+29	2 times

Comparison of net sales between stores that introduced and have not introduced Click & Try

Vs. FY2019 1H	FY2023 1H	FY2022 1H
Stores that introduced the service	113%	96%
Stores that have not introduced the service	91%	75%
Effect	+22% pt	+21% pt

ONWARD CROSSET / SELECT sales comparison

	FY2023 1H		
	Department Stores	Shopping Centers	Total
ONWARD CROSSET SELECT(OCS)	132%	139%	134%
Existing Stores Total excl. OCS	116%	106%	113%
Difference	+16% pt	+33% pt	+21% pt

Comparison excluding discontinued brands

AEON MALL Sapporo Hassamu

FY2023 1H : Net Sales by Channel

ONWARD

- Net sales at physical stores total (department stores + shopping centers and others) increased by 11% YoY.
- E-commerce sales increased by 8% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 30% and 86%, respectively.

(Million yen)	①Onward Kashiyama			②Eight Domestic Subsidiaries Using E-Commerce*			Total（①+②）		
	Net Sales	% of Sales	YoY	Net Sales	% of Sales	YoY	Net Sales	% of Sales	YoY
Department Stores	19,911	38.6%	+10.9%	4,894	19.5%	- 0.8%	24,805	32.4%	+8.4%
Shopping Centers and Other	17,171	33.3%	+15.3%	12,090	48.2%	+8.7%	29,261	38.2%	+12.5%
Physical Stores Total	**37,082**	**71.9%**	**+12.9%**	**16,984**	**67.7%**	**+5.8%**	**54,066**	**70.5%**	**+10.6%**
Directly Managed E-Commerce	12,670	24.6%	+9.6%	6,808	27.1%	+4.5%	19,478	25.4%	+7.8%
Directly Managed E-Commerce Ratio		87.5%			83.9%			86.2%	
Other E-Commerce Platforms	1,814	3.5%	+9.7%	1,305	5.2%	+5.0%	3,119	4.1%	+7.7%
E-Commerce Total	**14,484**	**28.1%**	**+9.6%**	**8,113**	**32.3%**	**+4.5%**	**22,597**	**29.5%**	**+7.7%**
Total Sales	**51,566**	**100.0%**	**+12.0%**	**25,097**	**100.0%**	**+5.4%**	**76,663**	**100.0%**	**+9.7%**

*Note: Total of eight domestic subsidiaries using e-commerce
(Island, Tiaclasse, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY)

Brand Business

ONWARD

Nijyusanku 【Onward Kashiyama】

Onward Kashiyama's core brand "Nijyusanku" continued its strong sales growth. It enhanced sales promotion celebrating the 30th anniversary of the brand's debut and introduced a new high-grade line "estèta."

1H Sales (YoY) + **20.3**%

UNFILO 【Onward Kashiyama】

It continued to expand due to the development of highly profitable and unique products and the effects of digital promotion such as the distribution of advertising videos for the hit product "Jog Pants." The number of OMO stores dealing in this brand also increased.

1H Sales (YoY) **1.7 x**

KASHIYAMA 【 Onward Personal Style 】

Sales at directly managed stores increased significantly. The Kichijoji store, revamped as one of the largest stores in Tokyo in April 2023, performed well. Customers increased, and the customer unit price also increased. Businesses for corporate clients also contributed to a sales increase by winning deals for company uniforms.

1H Sales (YoY) + **19.2**%

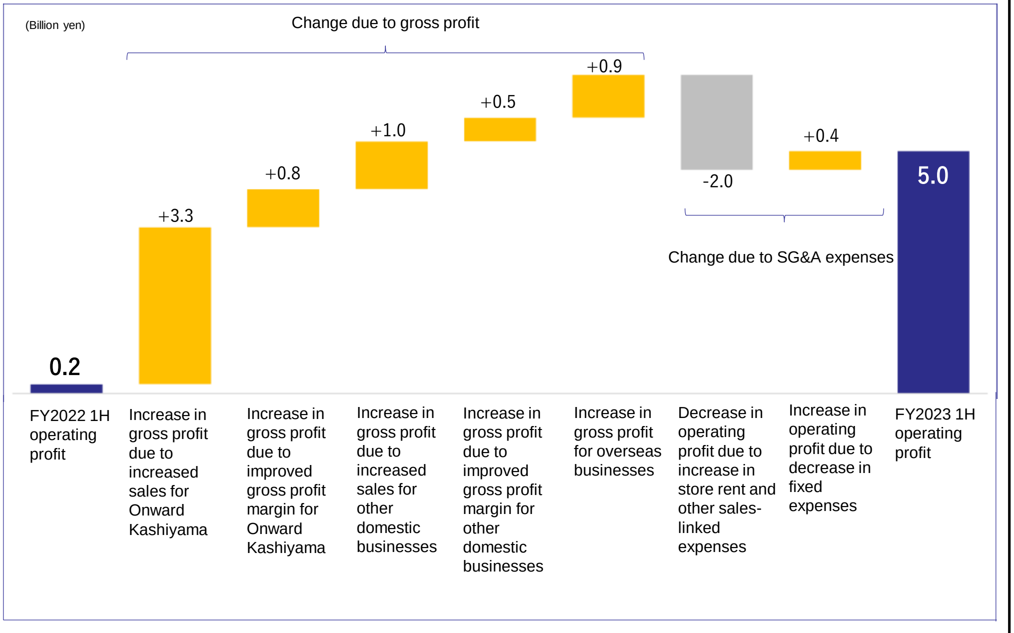
PET PARADISE 【Creative Yoko】

Thanks to the success of opening new stores, all three stores that opened in 2023 performed better than planned. In addition, new hit products such as carts, leashes, and heat-protection goods contributed to the increase in sales.

1H Sales (YoY) + **15.9**%

FY2023 1H : Operating Profit Change Analysis (YoY)

ONWARD



FY2023 1H : Results by Company

ONWARD

(Million yen)

No.	Company		1H Results FY2023	FY2022	Change	% of Change	Previous Forecasut	Change	% of Change
1	**Onward Kashiyama+HD**	Net Sales	**51,566**	**46,055**	**+5,511**	**+12.0%**	**51,419**	**+147**	**+0.3%**
		Operating Profit	**3,210**	**332**	**+2,878**	**+866.9%**	**2,401**	**+809**	**+33.7%**
2	**Onward Corporate Design**	Net Sales	7,353	6,865	+488	+7.1%	7,228	+125	+1.7%
		Operating Profit	822	523	+299	+57.2%	750	+72	+9.6%
3	**Island**	Net Sales	2,844	2,970	- 126	-4.2%	2,947	- 103	- 3.5%
		Operating Profit	- 23	22	- 45	↘	34	- 57	↘
5	**Domestic Apparel Total**	Net Sales	**65,909**	**59,704**	**+6,205**	**+10.4%**	**65,922**	**- 13**	**- 0.0%**
		Operating Profit	**3,968**	**484**	**+3,484**	**+719.8%**	**3,279**	**+689**	**+21.0%**
6	**Chacott**	Net Sales	5,059	4,714	+345	+7.3%	4,976	+83	+1.7%
		Operating Profit	565	342	+223	+65.2%	530	+35	+6.6%
7	**Creative Yoko**	Net Sales	2,969	2,562	+407	+15.9%	2,933	+36	+1.2%
		Operating Profit	235	108	+127	+117.6%	184	+51	+27.7%
8	**Yamato**	Net Sales	10,592	10,106	+486	+4.8%	10,837	- 245	- 2.3%
		Operating Profit	999	703	+296	+42.1%	1,018	- 19	- 1.9%
9	**Domestic Lifestyle Total**	Net Sales	**20,402**	**19,155**	**+1,247**	**+6.5%**	**20,557**	**- 155**	**- 0.8%**
		Operating Profit	**2,022**	**1,484**	**+538**	**+36.3%**	**1,968**	**+54**	**+2.7%**
10	**Domestic Subtotal**	Net Sales	**86,311**	**78,859**	**+7,452**	**+9.4%**	**86,479**	**- 168**	**- 0.2%**
		Operating Profit	**5,990**	**1,968**	**+4,022**	**+204.4%**	**5,247**	**+743**	**+14.2%**
11	**Europe**	Net Sales	4,832	4,244	+588	+13.9%	4,637	+195	+4.2%
		Operating Profit	- 449	- 514	+65	↗	- 462	+13	↗
12	**America**	Net Sales	936	759	+177	+23.3%	880	+56	+6.4%
		Operating Profit	- 231	- 407	+176	↗	- 271	+40	↗
13	**Asia**	Net Sales	3,234	2,730	+504	+18.5%	3,096	+138	+4.5%
		Operating Profit	40	- 211	+251	↗	5	+35	+700.0%
14	**Overseas Subtotal**	Net Sales	**9,002**	**7,733**	**+1,269**	**+16.4%**	**8,613**	**+389**	**+4.5%**
		Operating Profit	**- 640**	**- 1,132**	**+492**	↗	**- 728**	**+88**	↗
15	**Consolidated Total**	Net Sales	**90,411**	**82,166**	**+8,245**	**+10.0%**	**90,000**	**+411**	**+0.5%**
		Operating Profit	**5,022**	**193**	**+4,829**	**+2502.1%**	**4,000**	**+1,022**	**+25.6%**

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

FY2023 Full-Year : Performance Forecasts by Company

ONWARD

(Million yen)			Full-Year Forecast						
			FY2023	FY2022 Actual	Change	% of Change	Previous Forecasut	Change	% of Change
1	**Onward Kashiyama+HD**	Net Sales	**107,964**	**101,109**	**+6,855**	**+6.8%**	**107,858**	**+106**	**+0.1%**
		Operating Profit	**7,801**	**4,524**	**+3,277**	**+72.4%**	**6,887**	**+914**	**+13.3%**
2	**Onward Corporate Design**	Net Sales	16,205	14,503	+1,702	+11.7%	16,279	- 74	- 0.5%
		Operating Profit	1,527	1,007	+520	+51.6%	1,386	+141	+10.2%
3	**Island**	Net Sales	6,235	6,285	- 50	- 0.8%	6,341	- 106	- 1.7%
		Operating Profit	35	80	- 45	- 56.3%	152	- 117	- 77.0%
5	**Domestic Apparel Total**	Net Sales	**138,877**	**129,525**	**+9,352**	**+7.2%**	**139,113**	**- 236**	**- 0.2%**
		Operating Profit	**9,421**	**5,000**	**+4,421**	**+88.4%**	**8,960**	**+461**	**+5.1%**
6	**Chacott**	Net Sales	9,573	8,849	+724	+8.2%	9,473	+100	+1.1%
		Operating Profit	631	342	+289	+84.5%	573	+58	+10.1%
7	**Creative Yoko**	Net Sales	6,307	5,801	+506	+8.7%	6,246	+61	+1.0%
		Operating Profit	582	419	+163	+38.9%	545	+37	+6.8%
8	**Yamato**	Net Sales	21,593	20,629	+964	+4.7%	21,836	- 243	- 1.1%
		Operating Profit	1,806	1,489	+317	+21.3%	1,827	- 21	- 1.1%
9	**Domestic Lifestyle Total**	Net Sales	**40,431**	**37,926**	**+2,505**	**+6.6%**	**40,481**	**- 50**	**- 0.1%**
		Operating Profit	**3,461**	**2,741**	**+720**	**+26.3%**	**3,239**	**+222**	**+6.9%**
10	**Domestic Subtotal**	Net Sales	**179,308**	**167,451**	**+11,857**	**+7.1%**	**179,594**	**- 286**	**- 0.2%**
		Operating Profit	**12,882**	**7,741**	**+5,141**	**+66.4%**	**12,199**	**+683**	**+5.6%**
11	**Europe**	Net Sales	10,965	9,960	+1,005	+10.1%	10,694	+271	+2.5%
		Operating Profit	69	- 136	+205	↗	108	- 39	- 36.1%
12	**America**	Net Sales	1,966	1,636	+330	+20.2%	1,615	+351	+21.7%
		Operating Profit	- 416	- 576	+160	↗	- 302	- 114	↘
13	**Asia**	Net Sales	6,812	5,654	+1,158	+20.5%	7,049	- 237	- 3.4%
		Operating Profit	- 60	- 378	+318	↗	- 106	+46	↗
14	**Overseas Subtotal**	Net Sales	**19,743**	**17,250**	**+2,493**	**+14.5%**	**19,358**	**+385**	**+2.0%**
		Operating Profit	**- 407**	**- 1,090**	**+683**	↗	**- 300**	**- 107**	↘
15	**Consolidated Total**	Net Sales	**189,211**	**176,072**	**+13,139**	**+7.5%**	**188,800**	**+411**	**+0.2%**
		Operating Profit	**11,022**	**5,214**	**+5,808**	**+111.4%**	**10,000**	**+1,022**	**+10.2%**

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.
Onward Corporate Design's previous year figures (2H) include Onward Creative Center's results in addition to Onward Trading results.

FY2023 1H : SG&A Expenses / Items that Affect Net Profit

ONWARD

	(Million yen)	FY2023 1H	FY2022 1H	YoY (% of Change)
1	**Presonnel**	18,103	18,276	- 0.9%
2	**Rent**	12,201	11,563	+5.5%
3	**Transportation**	3,162	3,083	+2.6%
4	**Promotion and Advertising**	2,935	1,844	+59.2%
5	**Depreciation**	1,565	1,870	- 16.3%
6	**Other**	8,164	7,906	+3.3%
7	**Total SG&A Expenses**	46,130	44,542	+3.6%

[Items that Affect Net Profit]

- Non-operating profit from interest income, dividends income, etc., was 0.3 billion yen.
- Non-operating expenses due to foreign exchange losses, interest expenses, etc. were 0.9 billion yen.
- Extraordinary profit due to sales of investment securities was 0.4 billion yen.
- Extraordinary loss was 0.4 billion yen due to impairment loss, etc.
- The income tax ratio decreased because taxable income is expected to increase in the future due to better performance and deferred tax assets were recorded.
- As a result, net profit was 2.9 billion yen.

	(Million yen)	FY2023 1H	FY2022 1H	YoY (% of Change)
8	**Operating Profit**	**5,022**	**193**	**+2502.1%**
9	Non-Operating Profit	317	1,116	- 71.6%
10	Interest income	150	119	
11	Foreign exchange gains		708	
12	Other	166	287	
13	Non-Operating Loss	927	655	+41.5%
14	Interest expenses	269	131	
15	Foreign exchange loss	473		
16	Share of loss of entities accounted for using equity		34	
17	Other	183	489	
18	Total Non-Operating Profit/Loss	-609	461	
19	**Recurring Profit**	**4,412**	**654**	**+574.6%**
20	Extraordinary Profit	362	1,455	
21	Gain on sales of investment securities	362	120	
22	Gain on sales of shares of subsidiaries and associates		1,306	
23	Other		28	
24	Extraordinary Loss	385	485	
25	Impairment loss	242	470	
26	Other	142	15	
27	Extraordinary Profit/Loss	-23	970	
28	**Profit Before Income Taxes**	**4,390**	**1,624**	**+170.3%**
29	Income Taxes - Current	1,382	1,342	
30	Profit (loss) attributable to non-controlling interests	144	-194	
31	**Net Profit**	**2,862**	**476**	**+501.2%**

FY2023 1H : Consolidated Balance Sheet

ONWARD

	(Billion yen)	End-FY2023 1H	End-FY2022	Change	Reasins for change
1	**Total Assets**	**160.7**	159.1	+1.6	
2	**Current Assets**	**64.1**	62.2	+1.9	
3	Cash and Deposits	**12.3**	13.8	-1.5	
4	Accounts Receivable-trade	**12.3**	13.9	-1.6	
5	Inventory	**34.9**	30.7	+4.2	Increase due to active purchase for sales expansion
6	**Non-current Assets**	**96.5**	96.9	-0.4	
7	Property, Plant and Equipment	**53.5**	53.1	+0.4	
8	Intangible Assets	**8.7**	9.1	-0.4	
9	Investments and Other Assets	**34.2**	34.7	-0.5	
10	**Total Liabilities**	**80.7**	74.1	+6.6	
11	Accounts Payable-trade	**21.1**	21.4	-0.3	
12	Borrowings	**35.5**	27.2	+8.3	Increase due to new borrowings
13	Other	**24.0**	25.5	-1.5	
14	**Total Net Assets**	**80.0**	85.0	-5.0	Decrease in minority interests
15	**Shareholders' Equity Ratio**	**46.5%**	47.0%	-0.5%	
16	**Current Ratio**	**102.2%**	117.2%	-15.0%	

FY2023 : 1H Results / Full-Year Forecasts by Group

ONWARD

			1H Results				Full-Year Forecast			
			FY2023	FY2022	Change	% of Change	FY2023	FY2022	Change	% of Change
Onward Kashiyama + HD	1	**Net Sales**	51,566	46,055	+5,511	+12.0%	107,964	101,109	+6,855	+6.8%
	2	**Gross Profit**	31,245	27,158	+4,087	+15.0%	64,969	60,068	+4,901	+8.2%
		(% of Net Sales)	(60.6%)	(59.0%)		(+1.6%)	(60.2%)	(59.4%)		(+0.8%)
	3	**SG&A Expenses**	28,035	26,826	+1,209	+4.5%	57,168	55,544	+1,624	+2.9%
		(% of Net Sales)	(54.4%)	(58.2%)		(- 3.9%)	(53.0%)	(54.9%)		(- 2.0%)
	4	**Operating Profit**	3,210	332	+2,878	+866.9%	7,801	4,524	+3,277	+72.4%
		(% of Net Sales)	(6.2%)	(0.7%)		(+5.5%)	(7.2%)	(4.5%)		(+2.8%)
Domestic Subtotal (Excl.Onward Kashiyama + HD)	1	**Net Sales**	34,745	32,804	+1,941	+5.9%	71,344	66,342	+5,002	+7.5%
	2	**Gross Profit**	17,626	16,156	+1,470	+9.1%	35,858	32,516	+3,342	+10.3%
		(% of Net Sales)	(50.7%)	(49.3%)		(+1.5%)	(50.3%)	(49.0%)		(+1.2%)
	3	**SG&A Expenses**	14,846	14,520	+326	+2.2%	30,777	29,299	+1,478	+5.0%
		(% of Net Sales)	(42.7%)	(44.3%)		(- 1.5%)	(43.1%)	(44.2%)		(- 1.0%)
	4	**Operating Profit**	2,780	1,636	+1,144	+69.9%	5,081	3,217	+1,864	+57.9%
		(% of Net Sales)	(8.0%)	(5.0%)		(+3.0%)	(7.1%)	(4.8%)		(+2.3%)
Overseas Subtotal	1	**Net Sales**	9,002	7,733	+1,269	+16.4%	19,743	17,250	+2,493	+14.5%
	2	**Gross Profit**	4,047	3,161	+886	+28.0%	9,147	7,552	+1,595	+21.1%
		(% of Net Sales)	(45.0%)	(40.9%)		(+4.1%)	(46.3%)	(43.8%)		(+2.6%)
	3	**SG&A Expenses**	4,687	4,293	+394	+9.2%	9,554	8,642	+912	+10.6%
		(% of Net Sales)	(52.1%)	(55.5%)		(- 3.4%)	(48.4%)	(50.1%)		(- 1.7%)
	4	**Operating Profit**	- 640	- 1,132	+492	↗	- 407	- 1,090	+683	↗
		(% of Net Sales)	-	-		-	-	-		-

ONWARD HOLDINGS CO., LTD.