

Chacott 

Chacott DAIKANYAMA, opened on March 12, 2022

FY02/22 Results Presentation Supplement

ONWARD HOLDINGS CO., LTD.

April 7, 2022

FY02/22 Results

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FY02/22 Results

- ① Consolidated net sales for FY02/22 were 168.5 billion yen, down 8.5% YoY. As a result of particularly solid performance in the Lifestyle business and Customization business, net sales of existing businesses increased 13.9% YoY, excluding discontinued businesses such as the Europe businesses.
- ② Consolidated e-commerce sales were 43.1 billion yen, a 6.3% increase YoY. Contributing to these results were the strong performance of the new D2C brand business, as well as a decline in losses associated with out-of-stock items, resulting from the full-fledged operation of the centralized inventory management system for e-commerce and physical stores.
- ③ Consolidated operating profitability improved 19.1 billion yen YoY, resulting in an overall operating loss of 1.1 billion yen. As a result of business reforms, the gross profit margin increased by 8.2% while the SG&A expense ratio decreased by 2.0%.
- ④ While overseas businesses such as the Guam Resort business posted a 1.5 billion yen operating loss, domestic businesses achieved a return to profitability with operating profit of 1.3 billion yen. The domestic lifestyle business in particular posted an operating profit of 2.6 billion yen, an almost threefold increase YoY.
- ⑤ However, factors such as the sharp drop in footfall resulting from the spread of the Omicron variant starting from mid-January this year caused net sales to be 6.1 billion yen lower and operating profit 2.1 billion yen lower than the 4Q forecast figures.
- ⑥ Recurring profit returned to the black at 0.5 billion yen, mainly due to an increase in subsidy income, and net profit was 8.6 billion yen, mainly due to the gain on sales of non-current assets. EBITDA returned to profitability with 3.9 billion yen.
- ⑦ Net assets increased by 17.7 billion yen YoY to 77.2 billion yen due to the liquidation of non-current assets and more efficient fund management. The shareholders' equity ratio also increased by 13.5% YoY to 42.4%, representing a significant improvement to the soundness of the balance sheet.

FY02/22 Consolidated Results



Previous fiscal year's figures adjusted to reflect changes in revenue recognition standard^{*1}

| | | 1H | | | | 2H | | | | Full year | | | | (Million yen) |
|---|----------------------|---------|---------|---------|--------|---------|---------|---------|--------|-----------|---------|---------|--------|--------------------------|
| | | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | Unadjusted ^{*2} |
| | | FY02/21 | | | | | | | | | | | | |
| 1 | Net sales | 80,785 | 84,897 | -4,112 | 95.2% | 87,668 | 99,154 | -11,486 | 88.4% | 168,453 | 184,051 | -15,598 | 91.5% | 175,899 |
| 2 | Gross Profit | 41,018 | 38,713 | +2,305 | 106.0% | 46,594 | 41,816 | +4,778 | 111.4% | 87,612 | 80,529 | +7,083 | 108.8% | 70,702 |
| | (% of Sales) | 50.8% | 45.6% | +5.2% | | 53.1% | 42.2% | +10.9% | | 52.0% | 43.8% | +8.2% | | 40.2% |
| 3 | SG&A Expenses | 44,312 | 49,692 | -5,380 | 89.2% | 44,379 | 51,010 | -6,631 | 87.0% | 88,691 | 100,702 | -12,011 | 88.1% | 90,876 |
| | (% of Sales) | 54.9% | 58.5% | -3.6% | | 50.6% | 51.4% | -0.8% | | 52.7% | 54.7% | -2.0% | | 51.7% |
| 4 | Operating Profit | -3,294 | -10,979 | +7,685 | - | 2,215 | -9,194 | +11,409 | - | -1,079 | -20,173 | +19,094 | - | -20,173 |
| | (% of Sales) | - | - | | | 2.5% | - | | | - | - | | | - |
| 5 | Recurring Profit | -2,862 | -11,454 | +8,592 | - | 3,369 | -8,720 | +12,089 | - | 507 | -20,174 | +20,681 | - | -20,174 |
| 6 | Net Profit | 7,448 | -15,188 | +22,636 | - | 1,118 | -7,993 | +9,111 | - | 8,566 | -23,181 | +31,747 | - | -23,181 |
| 7 | EBITDA ^{*3} | -687 | -7,989 | +7,302 | - | 4,602 | -6,144 | +10,746 | - | 3,915 | -14,133 | +18,048 | - | -14,133 |

1. Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard. Adjustments: +8,152 million yen for sales, +9,826 million yen for gross profit and SG&A expenses.

2. Unadjusted figures for FY02/21 correspond to the FY02/21 figures as shown in Consolidated Financial Results for the Fiscal Year Ended February 28, 2022.

3. EBITDA = operating profit + depreciation and amortization.

FY02/22 Results by Segment



(Million yen)

| | | | 1H | | | | 2H | | | | Full year | | | | |
|-------------------------------|--------------------------------------|------------------|-----------|---------|--------|--------|---------|---------|---------|---------|-----------|---------|---------|---------|-------|
| | | | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | |
| 1 2 3 4 5 6 | D o m e s t i c | Apparel | Net Sales | 55,920 | 57,039 | -1,119 | 98.0% | 64,596 | 63,861 | +735 | 101.2% | 120,516 | 120,900 | -384 | 99.7% |
| | | Operating Profit | -3,331 | -7,573 | +4,242 | - | 2,077 | -5,684 | +7,761 | - | -1,254 | -13,257 | +12,003 | - | |
| | Lifestyle | Net Sales | 17,823 | 16,094 | +1,729 | 110.7% | 20,082 | 18,780 | +1,302 | 106.9% | 37,905 | 34,874 | +3,031 | 108.7% | |
| | | Operating Profit | 1,191 | 144 | +1,047 | 827.1% | 1,407 | 753 | +654 | 186.9% | 2,598 | 897 | +1,701 | 289.6% | |
| | Domestic Total | Net Sales | 73,743 | 73,133 | +610 | 100.8% | 84,678 | 82,641 | +2,037 | 102.5% | 158,421 | 155,774 | +2,647 | 101.7% | |
| | Operating Profit | -2,140 | -7,429 | +5,289 | - | 3,484 | -4,931 | +8,415 | - | 1,344 | -12,360 | +13,704 | - | | |
| 7 8 9 10 11 12 | O v e r s e a s | Apparel | Net Sales | 10,750 | 15,732 | -4,982 | 68.3% | 7,088 | 21,741 | -14,653 | 32.6% | 17,838 | 37,473 | -19,635 | 47.6% |
| | | Operating Profit | -244 | -2,624 | +2,380 | - | -435 | -3,574 | +3,139 | - | -679 | -6,198 | +5,519 | - | |
| | Lifestyle | Net Sales | 730 | 1,486 | -756 | 49.1% | 1,020 | 619 | +401 | 164.8% | 1,750 | 2,105 | -355 | 83.1% | |
| | | Operating Profit | -424 | -158 | -266 | - | -390 | -361 | -29 | - | -814 | -519 | -295 | - | |
| | Overseas Total | Net Sales | 11,480 | 17,218 | -5,738 | 66.7% | 8,108 | 22,360 | -14,252 | 36.3% | 19,588 | 39,578 | -19,990 | 49.5% | |
| | Operating Profit | -668 | -2,782 | +2,114 | - | -825 | -3,935 | +3,110 | - | -1,493 | -6,717 | +5,224 | - | | |
| 13 14 | Consolidated Total | Net Sales | 80,785 | 84,897 | -4,112 | 95.2% | 87,668 | 99,154 | -11,486 | 88.4% | 168,453 | 184,051 | -15,598 | 91.5% | |
| | | Operating Profit | -3,294 | -10,979 | +7,685 | - | 2,215 | -9,194 | +11,409 | - | -1,079 | -20,173 | +19,094 | - | |

Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

Note: Full year: December – November for Europe, and January – December for Asia and North America

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Note: Domestic Apparel (Onward Kashiya, Onward Trading, Island, Onward Personal Style, and 10 other companies; 14 companies in total)

Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading and 8 other companies; 18 companies in total)

Domestic Lifestyle (Chacott, Creative Yoko, Yamato, KASHIYAMA DAIKANYAMA, and 6 other companies; 10 companies in total)

Overseas Lifestyle (Onward Beach Resort Guam and 9 other companies; 10 companies in total)

FY02/22 Results by Group Company



(Million yen)

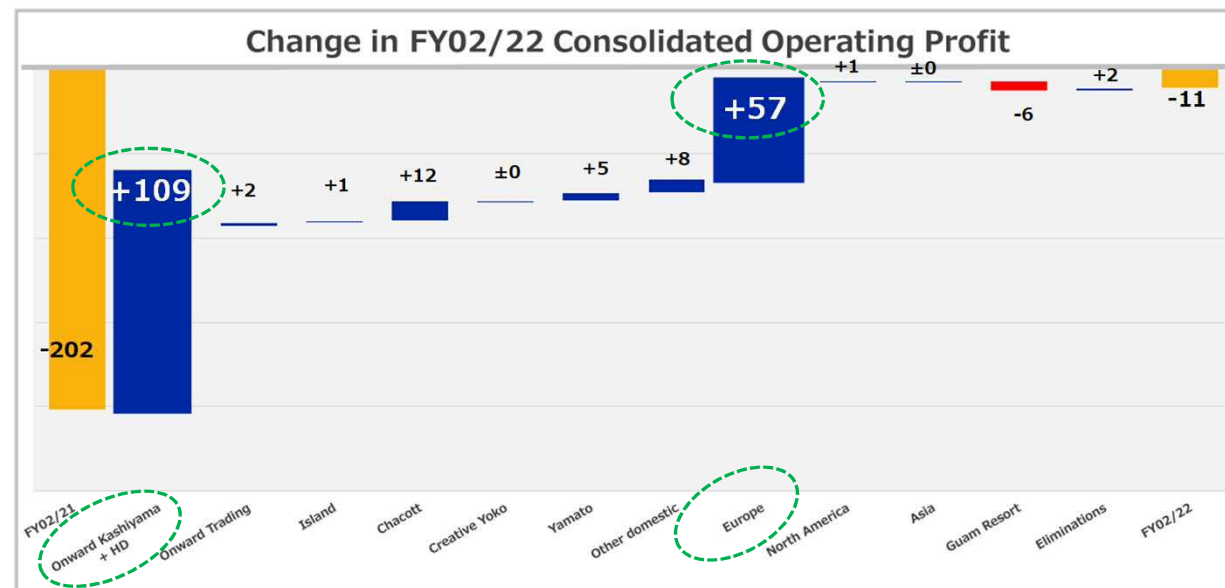
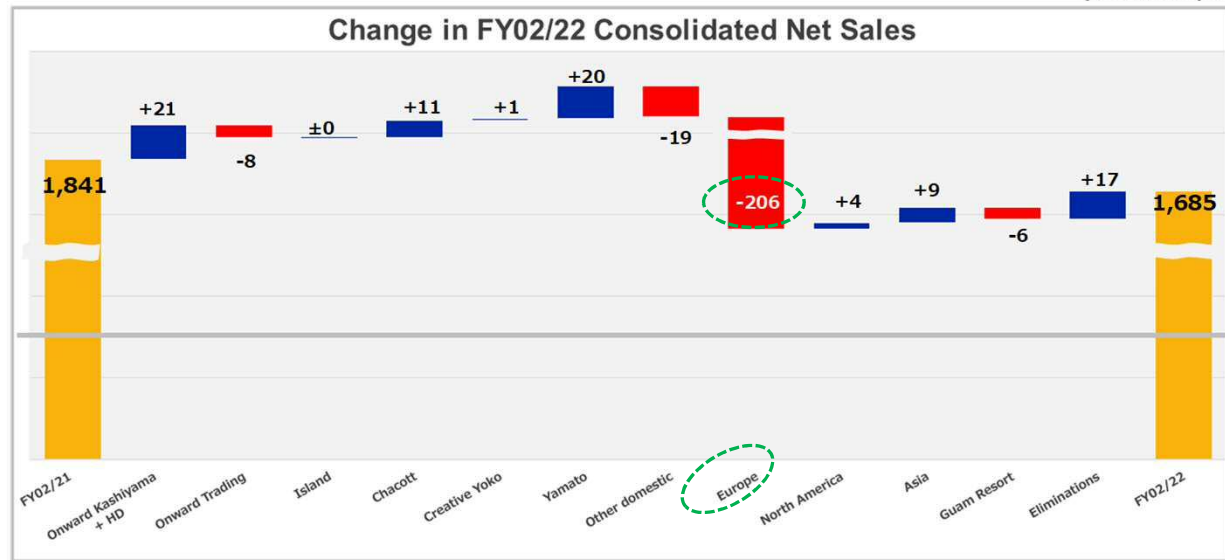
| | | 1H | | | | | | 2H | | | | | | Full year | | | | | |
|----|--|---------------|---------------|---------------|------------------|----------------|---------------|---------------|---------------|----------------|------------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|
| | | Net sales | | | Operating Profit | | | Net sales | | | Operating Profit | | | Net sales | | | Operating Profit | | |
| | | FY02/22 | FY02/21 | Change | FY02/22 | FY02/21 | Change | FY02/22 | FY02/21 | Change | FY02/22 | FY02/21 | Change | FY02/22 | FY02/21 | Change | FY02/22 | FY02/21 | Change |
| 1 | Onward Kashiya + HD | 41,392 | 41,306 | +86 | -3,238 | -7,678 | +4,440 | 50,003 | 48,004 | +1,999 | 1,381 | -5,083 | +6,464 | 91,395 | 89,310 | +2,085 | -1,857 | -12,761 | +10,904 |
| 2 | Onward Trading | 7,578 | 8,635 | -1,057 | 1,067 | 1,454 | -387 | 7,182 | 6,956 | +226 | 721 | 191 | +530 | 14,760 | 15,591 | -831 | 1,788 | 1,645 | +143 |
| 3 | Island | 2,813 | 2,425 | +388 | -124 | -413 | +289 | 2,940 | 3,291 | -351 | 0 | 169 | -169 | 5,753 | 5,716 | +37 | -124 | -244 | +120 |
| 4 | Chacott | 4,445 | 2,961 | +1,484 | 283 | -632 | +915 | 3,866 | 4,214 | -348 | 49 | -216 | +265 | 8,311 | 7,175 | +1,136 | 332 | -848 | +1,180 |
| 5 | Creative Yoko | 2,223 | 2,123 | +100 | 68 | -17 | +85 | 2,971 | 2,951 | +20 | 251 | 287 | -36 | 5,194 | 5,074 | +120 | 319 | 270 | +49 |
| 6 | Yamato | 9,282 | 8,956 | +326 | 548 | 484 | +64 | 11,044 | 9,353 | +1,691 | 732 | 313 | +419 | 20,326 | 18,309 | +2,017 | 1,280 | 797 | +483 |
| 7 | Other | 6,010 | 6,727 | -717 | -744 | -627 | -117 | 6,672 | 7,872 | -1,200 | 350 | -592 | +942 | 12,682 | 14,599 | -1,917 | -394 | -1,219 | +825 |
| 8 | Domestic Subtotal (Excl. Onward Kashiya + HD) | 32,351 | 31,827 | +524 | 1,098 | 249 | +849 | 34,675 | 34,637 | +38 | 2,103 | 152 | +1,951 | 67,026 | 66,464 | +562 | 3,201 | 401 | +2,800 |
| 9 | Europe | 8,822 | 13,815 | -4,993 | -47 | -2,808 | +2,761 | 4,360 | 20,011 | -15,651 | -109 | -3,071 | +2,962 | 13,182 | 33,826 | -20,644 | -156 | -5,879 | +5,723 |
| 10 | North America | 297 | 189 | +108 | -231 | -259 | +28 | 506 | 227 | +279 | -220 | -330 | +110 | 803 | 416 | +387 | -451 | -589 | +138 |
| 11 | Asia | 2,211 | 2,181 | +30 | -78 | 170 | -248 | 2,993 | 2,085 | +908 | -104 | -308 | +204 | 5,204 | 4,266 | +938 | -182 | -138 | -44 |
| 12 | Guam Resort | 150 | 1,033 | -883 | -312 | 115 | -427 | 249 | 37 | +212 | -392 | -226 | -166 | 399 | 1,070 | -671 | -704 | -111 | -593 |
| 13 | Overseas Subtotal | 11,480 | 17,218 | -5,738 | -668 | -2,782 | +2,114 | 8,108 | 22,360 | -14,252 | -825 | -3,935 | +3,110 | 19,588 | 39,578 | -19,990 | -1,493 | -6,717 | +5,224 |
| 14 | Consolidated Total | 80,785 | 84,897 | -4,112 | -3,294 | -10,979 | +7,685 | 87,668 | 99,154 | -11,486 | 2,215 | -9,194 | +11,409 | 168,453 | 184,051 | -15,598 | -1,079 | -20,173 | +19,094 |

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

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

FY02/22 Results by Group Company

(100 million yen)



FY02/23 Forecasts

- ① Forecasting consolidated net sales of 168.7 billion yen for FY02/23, up 0.1% YoY. Although the impact of the COVID-19 pandemic is expected to continue until the end of the current fiscal year, the Company forecasts a 4.2% YoY increase in net sales from existing businesses, excluding the Europe businesses and other discontinued businesses, due to the acceleration of the “OMO” strategy and the promotion of growth strategies for the Lifestyle business, Customization business, and other businesses.
- ② Forecasting consolidated e-commerce net sales of 48.0 billion, up 11.4% YoY, due to accelerated growth of the new D2C brand business and further promotion of the “OMO” strategy.
- ③ Forecasting consolidated operating profit of 2.1 billion yen, a 3.2 billion yen YoY improvement and a return to profitability. Onward Kashiyama + HD in particular are forecast to improve their operating profitability by 1.9 billion yen to post a profit of 100 million yen.
- ④ Forecasting a 1.2% YoY increase in gross profit margin and a 0.8% YoY decrease in the SG&A expense ratio by continuing to thoroughly implement business reforms.
- ⑤ Recurring profit is forecast to reach 2.1 billion yen (up 1.5 billion yen YoY), while net profit is forecast to amount to 1.7 billion yen (down 6.9 billion yen YoY), mainly due to a decrease in the gain on sales of non-current assets. EBITDA is forecast to increase by 3.2 billion yen to 7.1 billion yen.

FY02/23 Full-Year Consolidated Forecast

ONWARD

(Million yen)

| | 1H | | | | 2H | | | | Full year | | | |
|--------------------|---------|---------|--------|-------|---------|---------|--------|--------|-----------|---------|--------|--------|
| | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY |
| 1 Net sales | 77,000 | 80,785 | -3,785 | 95.3% | 91,700 | 87,668 | +4,032 | 104.6% | 168,700 | 168,453 | +247 | 100.1% |
| 2 Gross Profit | 40,500 | 41,018 | -518 | 98.7% | 49,200 | 46,594 | +2,606 | 105.6% | 89,700 | 87,612 | +2,088 | 102.4% |
| (% of Sales) | 52.6% | 50.8% | +1.8% | | 53.7% | 53.1% | +0.6% | | 53.2% | 52.0% | +1.2% | |
| 3 SG&A Expenses | 42,300 | 44,312 | -2,012 | 95.5% | 45,300 | 44,379 | +921 | 102.1% | 87,600 | 88,691 | -1,091 | 98.8% |
| (% of Sales) | 54.9% | 54.9% | ±0.0% | | 49.4% | 50.6% | -1.2% | | 51.9% | 52.7% | -0.8% | |
| 4 Operating Profit | -1,800 | -3,294 | +1,494 | - | 3,900 | 2,215 | +1,685 | 176.1% | 2,100 | -1,079 | +3,179 | - |
| (% of Sales) | - | - | | | 4.3% | 2.5% | | | 1.2% | - | | |
| 5 Recurring Profit | -1,750 | -2,862 | +1,112 | - | 3,800 | 3,369 | +431 | 112.8% | 2,050 | 507 | +1,543 | 404.3% |
| 6 Net Profit | -1,250 | 7,448 | -8,698 | - | 2,950 | 1,118 | +1,832 | 263.9% | 1,700 | 8,566 | -6,866 | 19.8% |
| 7 EBITDA* | 650 | -687 | +1,337 | - | 6,430 | 4,602 | +1,828 | 139.7% | 7,080 | 3,915 | +3,165 | 180.8% |

Note: EBITDA = operating profit + depreciation and amortization

FY02/23 Forecasts by Segment

ONWARD

(Million yen)

| | | | 1H | | | | 2H | | | | Full year | | | | |
|-------------------------------|--------------------------------------|------------------|-----------|---------|--------|--------|---------|---------|--------|--------|-----------|---------|---------|--------|--------|
| | | | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY | |
| 1 2 3 4 5 6 | D o m e s t i c | Apparel | Net Sales | 55,406 | 55,920 | -514 | 99.1% | 65,639 | 64,596 | +1,043 | 101.6% | 121,045 | 120,516 | +529 | 100.4% |
| | | Operating Profit | -1,728 | -3,331 | +1,603 | - | 2,800 | 2,077 | +723 | 134.8% | 1,072 | -1,254 | +2,326 | - | |
| | Lifestyle | Net Sales | 18,783 | 17,823 | +960 | 105.4% | 19,800 | 20,082 | -282 | 98.6% | 38,583 | 37,905 | +678 | 101.8% | |
| | | Operating Profit | 1,370 | 1,191 | +179 | 115.0% | 1,554 | 1,407 | +147 | 110.4% | 2,924 | 2,598 | +326 | 112.5% | |
| | Domestic Total | Net Sales | 74,189 | 73,743 | +446 | 100.6% | 85,439 | 84,678 | +761 | 100.9% | 159,628 | 158,421 | +1,207 | 100.8% | |
| | | Operating Profit | -358 | -2,140 | +1,782 | - | 4,354 | 3,484 | +870 | 125.0% | 3,996 | 1,344 | +2,652 | 297.3% | |
| 7 8 9 10 11 12 | O v e r s e a s | Apparel | Net Sales | 6,270 | 10,750 | -4,480 | 58.3% | 10,026 | 7,088 | +2,938 | 141.5% | 16,296 | 17,838 | -1,542 | 91.4% |
| | | Operating Profit | -839 | -244 | -595 | - | 423 | -435 | +858 | - | -416 | -679 | +263 | - | |
| | Lifestyle | Net Sales | 932 | 730 | +202 | 127.7% | 1,247 | 1,020 | +227 | 122.3% | 2,179 | 1,750 | +429 | 124.5% | |
| | | Operating Profit | -192 | -424 | +232 | - | -103 | -390 | +287 | - | -295 | -814 | +519 | - | |
| | Overseas Total | Net Sales | 7,202 | 11,480 | -4,278 | 62.7% | 11,273 | 8,108 | +3,165 | 139.0% | 18,475 | 19,588 | -1,113 | 94.3% | |
| | | Operating Profit | -1,031 | -668 | -363 | - | 320 | -825 | +1,145 | - | -711 | -1,493 | +782 | - | |
| 13 14 | Consolidated Total | Net Sales | 77,000 | 80,785 | -3,785 | 95.3% | 91,700 | 87,668 | +4,032 | 104.6% | 168,700 | 168,453 | +247 | 100.1% | |
| | | Operating Profit | -1,800 | -3,294 | +1,494 | - | 3,900 | 2,215 | +1,685 | 176.1% | 2,100 | -1,079 | +3,179 | - | |

Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

Note: Full year: December – November for Europe, and January – December for Asia and North America

Note: Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 4 other companies; 8 companies in total)

Note: Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading and 6 other companies; 16 companies in total)

Note: Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 4 other companies; 8 companies in total)

Note: Overseas Lifestyle (Golf Resort Guam and 2 other companies; 3 companies in total)

FY02/23 Forecasts by Group Company

ONWARD

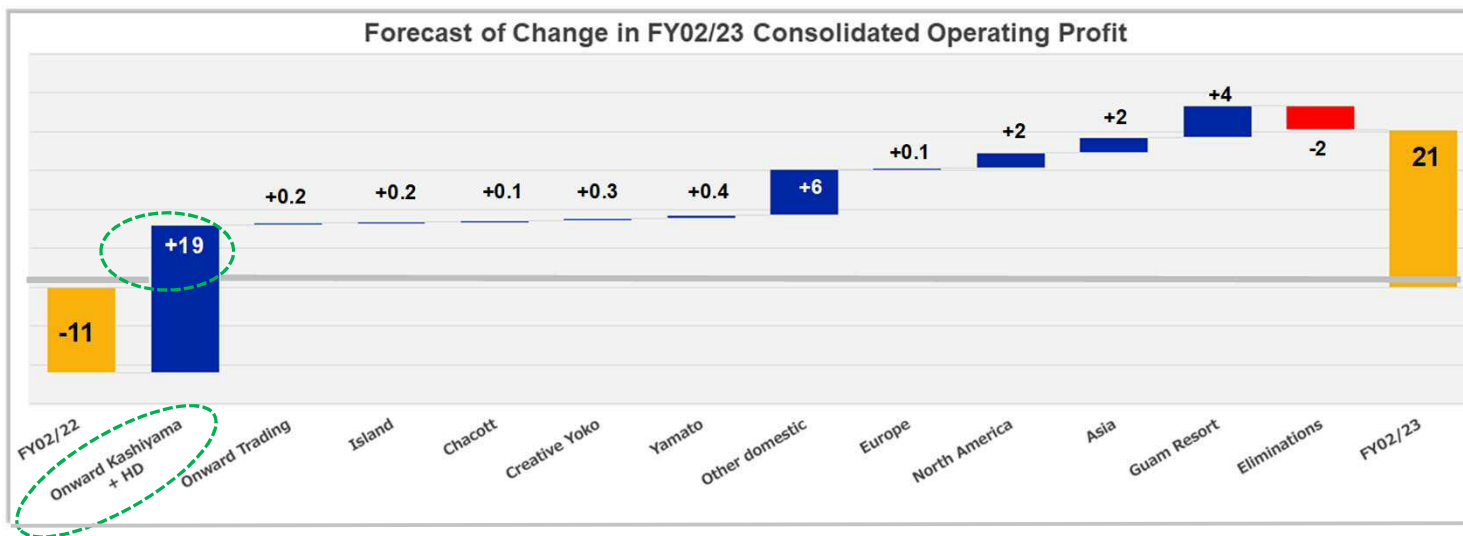
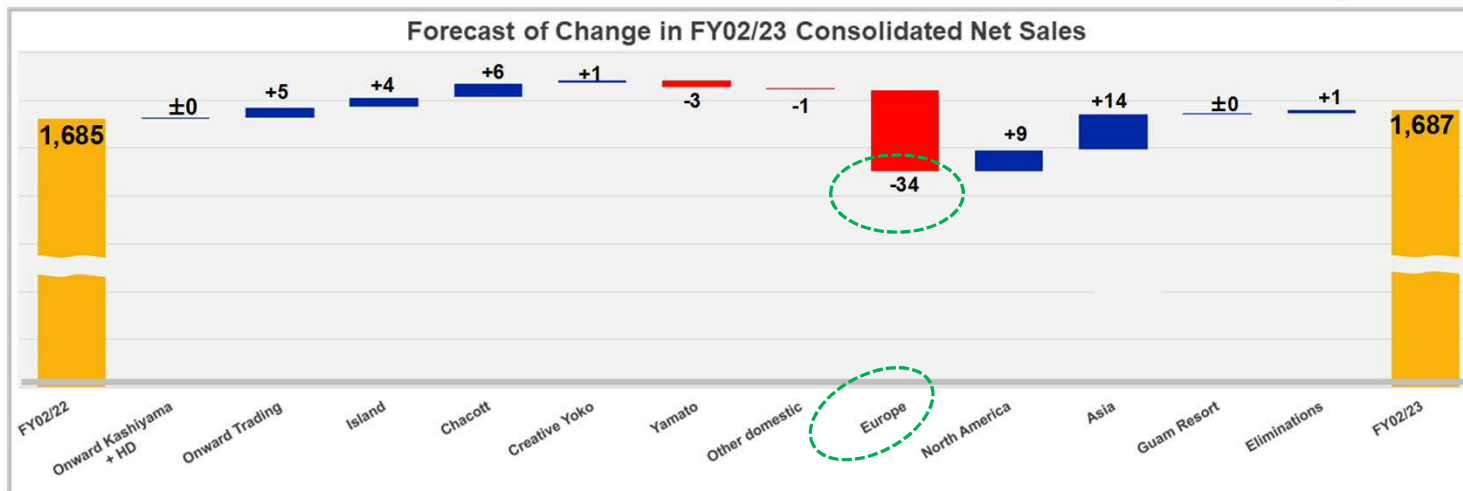
(Million yen)

| | | 1H | | | | | | 2H | | | | | | Full year | | | | | |
|----|--|---------------|---------------|---------------|------------------|---------------|---------------|---------------|---------------|---------------|------------------|--------------|---------------|----------------|----------------|---------------|------------------|---------------|---------------|
| | | Net Sales | | | Operating Profit | | | Net Sales | | | Operating Profit | | | Net Sales | | | Operating Profit | | |
| | | FY02/23 | FY02/22 | Change | FY02/23 | FY02/22 | Change | FY02/23 | FY02/22 | Change | FY02/23 | FY02/22 | Change | FY02/23 | FY02/22 | Change | FY02/23 | FY02/22 | Change |
| 1 | Onward Kashiyama + HD | 41,300 | 41,392 | -92 | -1,955 | -3,238 | +1,283 | 50,106 | 50,003 | +103 | 2,034 | 1,381 | +653 | 91,406 | 91,395 | +11 | 79 | -1,857 | +1,936 |
| 2 | Onward Trading | 7,190 | 7,578 | -388 | 898 | 1,067 | -169 | 8,030 | 7,182 | +848 | 913 | 721 | +192 | 15,220 | 14,760 | +460 | 1,811 | 1,788 | +23 |
| 3 | Island | 2,973 | 2,813 | +160 | -94 | -124 | +30 | 3,185 | 2,940 | +245 | -14 | 0 | -14 | 6,158 | 5,753 | +405 | -108 | -124 | +16 |
| 4 | Chacott | 4,680 | 4,445 | +235 | 289 | 283 | +6 | 4,250 | 3,866 | +384 | 54 | 49 | +5 | 8,930 | 8,311 | +619 | 343 | 332 | +11 |
| 5 | Creative Yoko | 2,343 | 2,223 | +120 | 73 | 68 | +5 | 2,996 | 2,971 | +25 | 280 | 251 | +29 | 5,339 | 5,194 | +145 | 353 | 319 | +34 |
| 6 | Yamato | 9,755 | 9,282 | +473 | 557 | 548 | +9 | 10,248 | 11,044 | -796 | 763 | 732 | +31 | 20,003 | 20,326 | -323 | 1,320 | 1,280 | +40 |
| 7 | Other | 5,948 | 6,010 | -62 | -126 | -744 | +618 | 6,624 | 6,672 | -48 | 324 | 350 | -26 | 12,572 | 12,682 | -110 | 198 | -394 | +592 |
| 8 | Domestic Subtotal (Excl. Onward Kashiyama + HD) | 32,889 | 32,351 | +538 | 1,597 | 1,098 | +499 | 35,333 | 34,675 | +658 | 2,320 | 2,103 | +217 | 68,222 | 67,026 | +1,196 | 3,917 | 3,201 | +716 |
| 9 | Europe | 3,969 | 8,822 | -4,853 | -525 | -47 | -478 | 5,764 | 4,360 | +1,404 | 374 | -109 | +483 | 9,733 | 13,182 | -3,449 | -151 | -156 | +5 |
| 10 | North America | 543 | 297 | +246 | -224 | -231 | +7 | 1,139 | 506 | +633 | -46 | -220 | +174 | 1,682 | 803 | +879 | -270 | -451 | +181 |
| 11 | Asia | 2,544 | 2,211 | +333 | -164 | -78 | -86 | 4,119 | 2,993 | +1,126 | 170 | -104 | +274 | 6,063 | 5,204 | +1,459 | 6 | -182 | +188 |
| 12 | Guam Resort | 146 | 150 | -4 | -118 | -312 | +194 | 251 | 249 | +2 | -178 | -392 | +214 | 397 | 399 | -2 | -296 | -704 | +408 |
| 13 | Overseas Subtotal | 7,202 | 11,480 | -4,278 | -1,031 | -668 | -363 | 11,273 | 8,108 | +3,165 | 320 | -825 | +1,145 | 18,475 | 19,588 | -1,113 | -711 | -1,493 | +782 |
| 14 | Consolidated Total | 77,000 | 80,785 | -3,785 | -1,800 | -3,294 | +1,494 | 91,700 | 87,668 | +4,032 | 3,900 | 2,215 | +1,685 | 168,700 | 168,453 | +247 | 2,100 | -1,079 | +3,179 |

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

FY02/23 Forecasts by Group Company

(100 million yen)



Financial Situation

■ Consolidated Balance Sheet

(100 million yen)

| | End-FY02/22 | End-FY02/21 | Change | Remarks |
|-------------------------------------|-------------|-------------|--------|--|
| 1 Current Assets | 605 | 804 | -199 | |
| 2 Cash and Deposits | 152 | 213 | -61 | Lower cash and deposits due to decrease in number of subsidiaries following business reforms |
| 3 Accounts Receivable | 142 | 182 | -40 | |
| 4 Inventory | 268 | 343 | -75 | Lower inventory due to inventory streamlining |
| 5 Non-current Assets | 972 | 1,155 | -183 | Pursuing liquidation of non-current assets |
| 6 Property, Plant and Equipment | 580 | 718 | -138 | Pursuing liquidation of non-current assets |
| 7 Intangible Assets | 93 | 106 | -13 | |
| 8 Investments and Other Assets | 298 | 330 | -32 | |
| 9 Total Assets | 1,577 | 1,960 | -383 | |
| 10 Liabilities | 804 | 1,365 | -561 | |
| 11 Accounts Payable | 182 | 219 | -37 | |
| 12 Borrowings | 351 | 780 | -429 | Lower borrowings due to improved cash management efficiency |
| 13 Net Assets | 772 | 595 | 177 | |

■ Metrics

| | End-FY02/22 | End-FY02/21 | End-FY02/20 | End-FY02/19 | Remarks |
|-------------------------------|-------------|-------------|-------------|-------------|---------------------------------------|
| 14 Shareholders' Equity Ratio | 42.4% | 28.9% | 38.3% | 55.1% | Improved significantly; up 13.4% YoY |
| 15 Current Ratio | 108.5% | 80.8% | 98.2% | 111.3% | Current ratio recovered to above 100% |

■ Consolidated Statements of Cash Flows

(Million yen)

| | FY02/22 | FY02/21 | Change | Remarks |
|---|---------|---------|---------|---|
| 16 Cash flows from operating activities | 7,814 | -19,614 | +27,428 | Improved significantly due to a return to profit before income taxes, inventory streamlining, and tax refunds |
| 17 Depreciation and amortization | 4,605 | 5,659 | -1,054 | Due to sales of non-current assets |
| 18 Cash flows from investing activities | 21,685 | 6,091 | +15,594 | Improved significantly due to sales of non-current assets and shares of subsidiaries and associates |
| 19 Cash flows from financing activities | -36,173 | 5,860 | -42,033 | Decreased due to liquidation of non-current assets and repayments associated with improved capital efficiency |
| 20 Cash and cash equivalents | 15,199 | 21,270 | -6,071 | Due to decrease in number of subsidiaries following business reforms |

■ Capital Expenditures

(Million yen)

| | FY02/23 Forecast | FY02/22 | FY02/21 |
|----------------------------------|------------------|---------|---------|
| 21 Capex | 5,382 | 5,657 | 6,501 |
| 22 Depreciation and Appreciation | 4,220 | 4,605 | 5,659 |

■ Shareholder Returns

| | FY02/22 | FY02/21 | FY02/20 |
|--|---------|---------|---------|
| 23 Dividend Per Share (Yen) | 12 | 12 | 24 |
| 24 Dividend Payout Ratio | 19.0% | - | - |
| 25 Dividend Yield (based on year-end stock price) | 4.3% | 4.8% | 4.6% |

Early Adoption of the New Revenue Recognition Standard

The new revenue recognition standard applies to companies starting a new fiscal year beginning on or after April 1, 2021. The Group will adopt the new revenue recognition standard early, starting in FY02/22.

Key impacts of the new revenue recognition standard on the Group

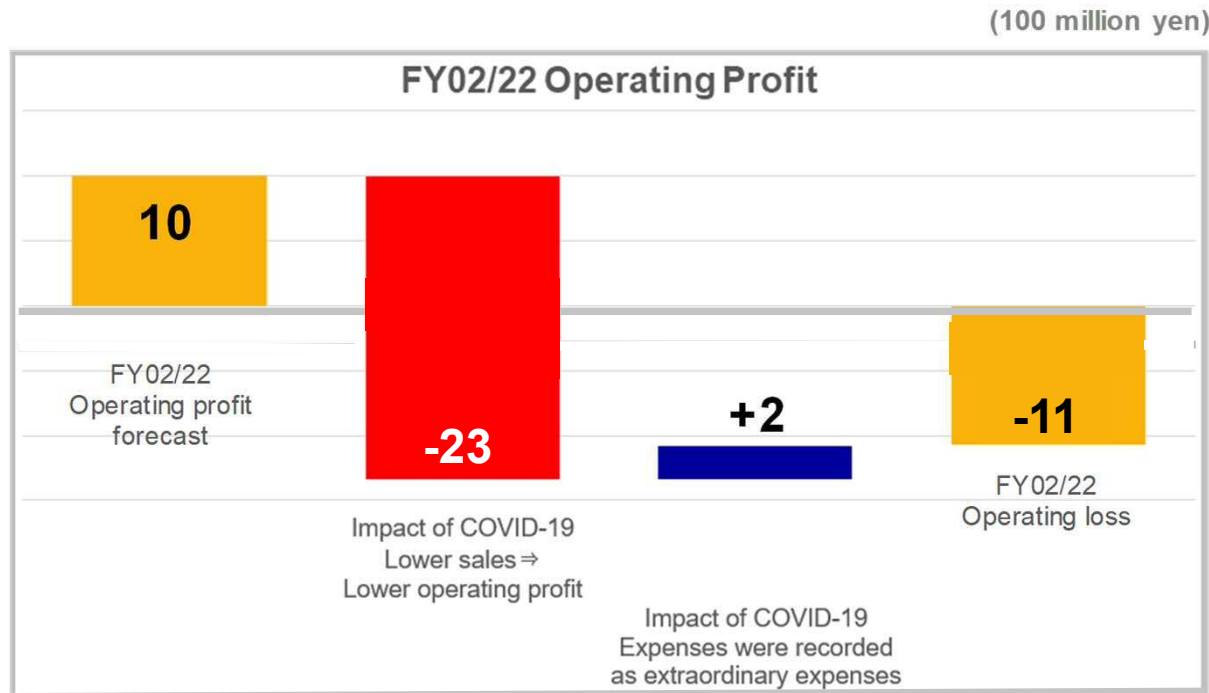
For consignment transactions with department stores, retail sales will be recorded as sales, and rent equivalents will be recorded as SG&A expenses, whereas previously the net amount after deducting rent equivalents was recorded as sales.

Loyalty point usage fees, which were previously included in SG&A expenses, will instead be deducted from sales.

The above changes will not affect operating profit.

The adoption of the new revenue recognition standard will unify the sales recognition standards that previously differed by sales channel.

DATA BOOK



In Q4, footfall at physical stores increased steadily until early January 2022. Winter clothing sales were strong, due in part to cooler temperatures. However, from mid-January, footfall declined sharply due to the spread of the Omicron variant and the accompanying implementation of priority measures to prevent the spread of COVID-19. As a result, Q4 net sales were 6.1 billion yen below the forecast. Despite efforts to reduce SG&A expenses in response to this, operating profit was 2.1 billion yen lower than forecast, resulting in a full-year operating loss of 1.1 billion yen, due to the significant impact of the reduced sales on gross profit.

Sales by Channel

Total consolidated e-commerce sales (incl. overseas sales) were 43.1 billion yen (up 6.3% YoY). The e-commerce ratio for domestic businesses was 30.0%. The directly managed e-commerce ratio was 86.5%.

(Million yen)

| | Department Stores | Shopping Centers and Other | Physical Stores Total | Directly Managed E-Commerce | Other E-Commerce Platforms | E-Commerce Total | Total Sales | E-Commerce Ratio | Directly Managed E-Commerce Ratio |
|--|-------------------|----------------------------|-----------------------|-----------------------------|----------------------------|------------------|-------------|------------------|-----------------------------------|
| 1 Onward Kashiyama | 33,774 | 29,308 | 63,082 | 24,087 | 2,960 | 27,047 | 90,129 | 30.0% | 89.1% |
| 2 % of sales | 37.5% | 32.5% | 70.0% | 26.7% | 3.3% | 30.0% | 100.0% | | |
| 3 YoY | 118.3% | 90.3% | 103.4% | 98.9% | 101.3% | 99.1% | 102.1% | -0.9% | -0.2% |
| 4 Eight Domestic Subsidiaries Using E-Commerce* | 8,856 | 23,324 | 32,180 | 11,285 | 2,565 | 13,850 | 46,030 | 30.1% | 81.5% |
| 5 Total of Domestic Group Companies Using E-Commerce | 42,630 | 52,632 | 95,262 | 35,372 | 5,525 | 40,897 | 136,159 | 30.0% | 86.5% |
| 6 % of sales | 31.3% | 38.7% | 70.0% | 26.0% | 4.1% | 30.0% | 100.0% | | |
| 7 YoY | 115.7% | 96.1% | 104.0% | #DIV/0! | 107.9% | 105.7% | 104.5% | 0.3% | -0.3% |

*Domestic subsidiaries using e-commerce (Island, Tiaclasse, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY)

DATA BOOK: FY02/22 Results



SG&A expenses

(Million yen)

| | 1H | | | | 2H | | | | Full year | | | |
|---------------------------------------|---------|---------|--------|-------|---------|---------|--------|-------|-----------|---------|---------|-------|
| | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY |
| 1 Personnel | 18,134 | 22,069 | -3,935 | 82.2% | 17,178 | 20,073 | -2,895 | 85.6% | 35,312 | 42,142 | -6,830 | 83.8% |
| 2 Rent | 10,870 | 11,056 | -186 | 98.3% | 12,407 | 13,167 | -760 | 94.2% | 23,277 | 24,223 | -946 | 96.1% |
| 3 Transportation | 3,083 | 3,125 | -42 | 98.7% | 3,112 | 3,288 | -176 | 94.6% | 6,195 | 6,413 | -218 | 96.6% |
| 4 Promotion and Advertising | 2,810 | 3,475 | -665 | 80.9% | 1,968 | 3,792 | -1,824 | 51.9% | 4,778 | 7,267 | -2,489 | 65.7% |
| 5 Depreciation | 1,843 | 1,966 | -123 | 93.7% | 1,618 | 2,044 | -426 | 79.2% | 3,461 | 4,010 | -549 | 86.3% |
| 6 Other | 7,572 | 8,001 | -429 | 94.6% | 8,096 | 8,646 | -550 | 93.6% | 15,668 | 16,647 | -979 | 94.1% |
| 7 Total SG&A expenses | 44,312 | 49,692 | -5,380 | 89.2% | 44,379 | 51,010 | -6,631 | 87.0% | 88,691 | 100,702 | -12,011 | 88.1% |
| 8 Extraordinary loss adjustment | 1,062 | 3,118 | -2,056 | 34.1% | 558 | 589 | -31 | 94.7% | 1,620 | 3,707 | -2,087 | 43.7% |
| 9 (Reference) Effective SG&A expenses | 45,374 | 52,810 | -7,436 | 85.9% | 44,937 | 51,599 | -6,662 | 87.1% | 90,311 | 104,409 | -14,098 | 86.5% |

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Non-Operating Profit/Loss

(Million yen)

| | FY02/22 | FY02/21 | Change | YoY |
|--|---------|---------|--------|--------|
| 10 Interest income | 52 | 55 | -3 | 94.5% |
| 11 Dividend income | 1,340 | 193 | +1,147 | 694.3% |
| 12 Foreign exchange gains | 99 | -443 | +542 | - |
| 13 Subsidy income | 1,013 | 884 | +129 | 114.6% |
| 14 Interest expenses | -391 | -595 | +204 | 65.7% |
| 15 Share of loss of entities accounted for using equity method | -73 | -70 | -3 | 104.3% |
| 16 Loss on disposal of salesfloor fixtures, etc. | -96 | -213 | +117 | 45.1% |
| 17 Non-deductible consumption tax, etc. | -252 | -166 | -86 | 151.8% |
| 18 Other non-operating income/expenses | -105 | 354 | -459 | -29.7% |
| 19 Non-operating profit/loss | 1,587 | -1 | +1,588 | - |

Extraordinary Profit/Loss

(Million yen)

| | FY02/22 | FY02/21 | Change | YoY |
|---|---------|---------|---------|---------|
| 20 Gain on sales of non-current assets | 17,921 | 8,416 | +9,505 | 212.9% |
| 21 Gain on sales of investment securities | 105 | 8 | +97 | 1312.5% |
| 22 Gain on sales of shares of subsidiaries and associates | 2,944 | 154 | +2,790 | - |
| 23 Subsidies for employment adjustment | 289 | 1,696 | -1,407 | 17.0% |
| 24 Loss due to closing and other | -1,620 | -3,893 | +2,273 | 41.6% |
| 25 Loss on sales of shares of subsidiaries and associates | -1,829 | - | -1,829 | - |
| 26 Loss on liquidation of subsidiaries and associates | -1,968 | -5,171 | +3,203 | - |
| 27 Impairment loss | -1,741 | -3,299 | +1,558 | 52.8% |
| 28 Loss on valuation of investment securities | - | -1,685 | +1,685 | - |
| 29 Loss on liquidation of businesses | - | -953 | +953 | - |
| 30 Other | -695 | -659 | -36 | 105.5% |
| 31 Extraordinary profit/loss | 13,406 | -5,386 | +18,792 | - |

DATA BOOK: FY02/22 Results



(Million yen)

Onward Kashiyama + HD

| | 1H | | | | 2H | | | | Full year | | | |
|--------------------|---------|---------|--------|--------|---------|---------|--------|--------|-----------|---------|---------|--------|
| | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY | FY02/22 | FY02/21 | Change | YoY |
| 1 Net sales | 41,392 | 41,306 | +86 | 100.2% | 50,003 | 48,004 | +1,999 | 104.2% | 91,395 | 89,310 | +2,085 | 102.3% |
| 2 Gross Profit | 22,855 | 21,720 | +1,135 | 105.2% | 28,711 | 24,108 | +4,603 | 119.1% | 51,566 | 45,828 | +5,738 | 112.5% |
| (% of Sales) | 55.2% | 52.6% | +2.6% | | 57.4% | 50.2% | +7.2% | | 56.4% | 51.3% | +5.1% | |
| 3 SG&A Expenses | 26,093 | 29,398 | -3,305 | 88.8% | 27,330 | 29,191 | -1,861 | 93.6% | 53,423 | 58,589 | -5,166 | 91.2% |
| (% of Sales) | 63.0% | 71.2% | -8.2% | | 54.7% | 60.8% | -6.1% | | 58.5% | 65.6% | -7.1% | |
| 4 Operating Profit | -3,238 | -7,678 | +4,440 | - | 1,381 | -5,083 | +6,464 | - | -1,857 | -12,761 | +10,904 | - |
| (% of Sales) | - | - | | | 2.8% | - | | | - | - | | |

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Domestic Subtotal

(Excl. Onward Kashiyama + HD)

| | | | | | | | | | | | | |
|--------------------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|
| 5 Net sales | 32,351 | 31,827 | +524 | 101.6% | 34,675 | 34,637 | +38 | 100.1% | 67,026 | 66,464 | +562 | 100.8% |
| 6 Gross Profit | 16,188 | 14,710 | +1,478 | 110.0% | 17,158 | 16,064 | +1,094 | 106.8% | 33,346 | 30,774 | +2,572 | 108.4% |
| (% of Sales) | 50.0% | 46.2% | +3.8% | | 49.5% | 46.4% | +3.1% | | 49.8% | 46.3% | +3.5% | |
| 7 SG&A Expenses | 15,090 | 14,461 | +629 | 104.3% | 15,055 | 15,912 | -857 | 94.6% | 30,145 | 30,373 | -228 | 99.2% |
| (% of Sales) | 46.6% | 45.4% | +1.2% | | 43.4% | 45.9% | -2.5% | | 45.0% | 45.7% | -0.7% | |
| 8 Operating Profit | 1,098 | 249 | +849 | 441.0% | 2,103 | 152 | +1,951 | 1383.6% | 3,201 | 401 | +2,800 | 798.3% |
| (% of Sales) | 3.4% | 0.8% | +2.6% | | 6.1% | 0.4% | +5.6% | | 4.8% | 0.6% | +4.2% | |

Note: Calculated using simple sums for the domestic group companies excluding Onward Kashiyama and HD.

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Overseas Subtotal

| | | | | | | | | | | | | |
|---------------------|--------|--------|--------|-------|-------|--------|---------|-------|--------|--------|---------|-------|
| 9 Net sales | 11,480 | 17,218 | -5,738 | 66.7% | 8,108 | 22,360 | -14,252 | 36.3% | 19,588 | 39,578 | -19,990 | 49.5% |
| 10 Gross Profit | 4,384 | 5,114 | -730 | 85.7% | 3,227 | 4,448 | -1,221 | 72.5% | 7,611 | 9,562 | -1,951 | 79.6% |
| (% of Sales) | 38.2% | 29.7% | +8.5% | | 39.8% | 19.9% | +19.9% | | 38.9% | 24.2% | +14.7% | |
| 11 SG&A Expenses | 5,052 | 7,896 | -2,844 | 64.0% | 4,052 | 8,383 | -4,331 | 48.3% | 9,104 | 16,279 | -7,175 | 55.9% |
| (% of Sales) | 44.0% | 45.9% | -1.9% | | 50.0% | 37.5% | +12.5% | | 46.5% | 41.1% | +5.4% | |
| 12 Operating Profit | -668 | -2,782 | +2,114 | - | -825 | -3,935 | +3,110 | - | -1,493 | -6,717 | +5,224 | - |
| (% of Sales) | - | - | | | - | - | | | - | - | | |

Note: Calculated using simple sums.

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

DATA BOOK FY02/23 Forecasts

ONWARD

(Million yen)

Onward Kashiwama + HD

| | 1H | | | | 2H | | | | Full year | | | |
|------------------------------------|-----------------|-----------------|---------------|--------|-----------------|-----------------|-----------------|--------|-----------------|-----------------|-----------------|--------|
| | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY | FY02/23 | FY02/22 | Change | YoY |
| 1 Net sales | 41,300 | 41,392 | -92 | 99.8% | 50,106 | 50,003 | +103 | 100.2% | 91,406 | 91,395 | +11 | 100.0% |
| 2 Gross Profit (% of Sales) | 23,800 57.6% | 22,855 55.2% | +945 +2.4% | 104.1% | 30,072 60.0% | 28,711 57.4% | +1,361 +2.6% | 104.7% | 53,872 58.9% | 51,566 56.4% | +2,306 +2.5% | 104.5% |
| 3 SG&A Expenses (% of Sales) | 25,755 62.4% | 26,093 63.0% | -338 -0.6% | 98.7% | 28,038 56.0% | 27,330 54.7% | +708 +1.3% | 102.6% | 53,793 58.9% | 53,423 58.5% | +370 +0.4% | 100.7% |
| 4 Operating Profit (% of Sales) | -1,955 - | -3,238 - | +1,283 - | - | 2,034 4.1% | 1,381 2.8% | +653 +1.3% | 147.3% | 79 0.1% | -1,857 - | +1,936 - | - |

Domestic Subtotal

(Excl. Onward Kashiwama + HD)

| | | | | | | | | | | | | |
|------------------------------------|-----------------|-----------------|---------------|--------|-----------------|-----------------|---------------|--------|-----------------|-----------------|---------------|--------|
| 5 Net sales | 32,889 | 32,351 | +538 | 101.7% | 35,333 | 34,675 | +658 | 101.9% | 68,222 | 67,026 | +1,196 | 101.8% |
| 6 Gross Profit (% of Sales) | 16,371 49.8% | 16,188 50.0% | +183 -0.2% | 101.1% | 17,178 48.6% | 17,158 49.5% | +20 -0.9% | 100.1% | 33,549 49.2% | 33,346 49.8% | +203 -0.6% | 100.6% |
| 7 SG&A Expenses (% of Sales) | 14,774 44.9% | 15,090 46.6% | -316 -1.7% | 97.9% | 14,858 42.1% | 15,055 43.4% | -197 -1.3% | 98.7% | 29,632 43.4% | 30,145 45.0% | -513 -1.6% | 98.3% |
| 8 Operating Profit (% of Sales) | 1,597 4.9% | 1,098 3.4% | +499 +1.5% | 145.4% | 2,320 6.6% | 2,103 6.1% | +217 +0.5% | 110.3% | 3,917 5.7% | 3,201 4.8% | +716 +1.0% | 122.4% |

Note: Calculated using simple sums for the domestic group companies excluding Onward Kashiwama.

Overseas Subtotal

| | | | | | | | | | | | | |
|-------------------------------------|----------------|----------------|-----------------|-------|----------------|----------------|-----------------|--------|----------------|----------------|---------------|--------|
| 9 Net sales | 7,202 | 11,480 | -4,278 | 62.7% | 11,273 | 8,108 | +3,165 | 139.0% | 18,475 | 19,588 | -1,113 | 94.3% |
| 10 Gross Profit (% of Sales) | 3,138 43.6% | 4,384 38.2% | -1,246 +5.4% | 71.6% | 5,163 45.8% | 3,227 39.8% | +1,936 +6.0% | 160.0% | 8,301 44.9% | 7,611 38.9% | +690 +6.0% | 109.1% |
| 11 SG&A Expenses (% of Sales) | 4,169 57.9% | 5,052 44.0% | -883 +13.9% | 82.5% | 4,843 43.0% | 4,052 50.0% | +791 -7.0% | 119.5% | 9,012 48.8% | 9,104 46.5% | -92 +2.3% | 99.0% |
| 12 Operating Profit (% of Sales) | -1,031 - | -668 - | -363 - | - | 320 2.8% | -825 - | +1,145 - | - | -711 - | -1,493 - | +782 - | - |

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