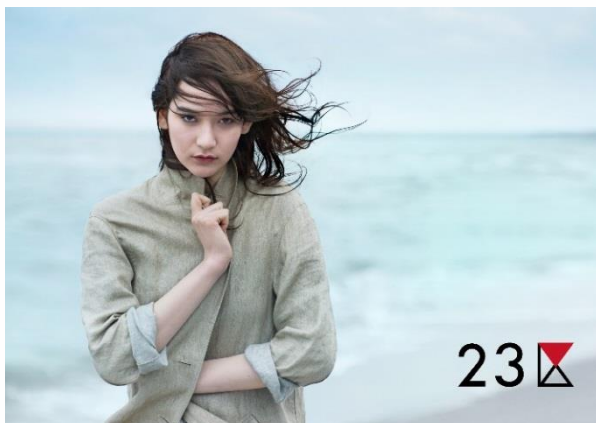




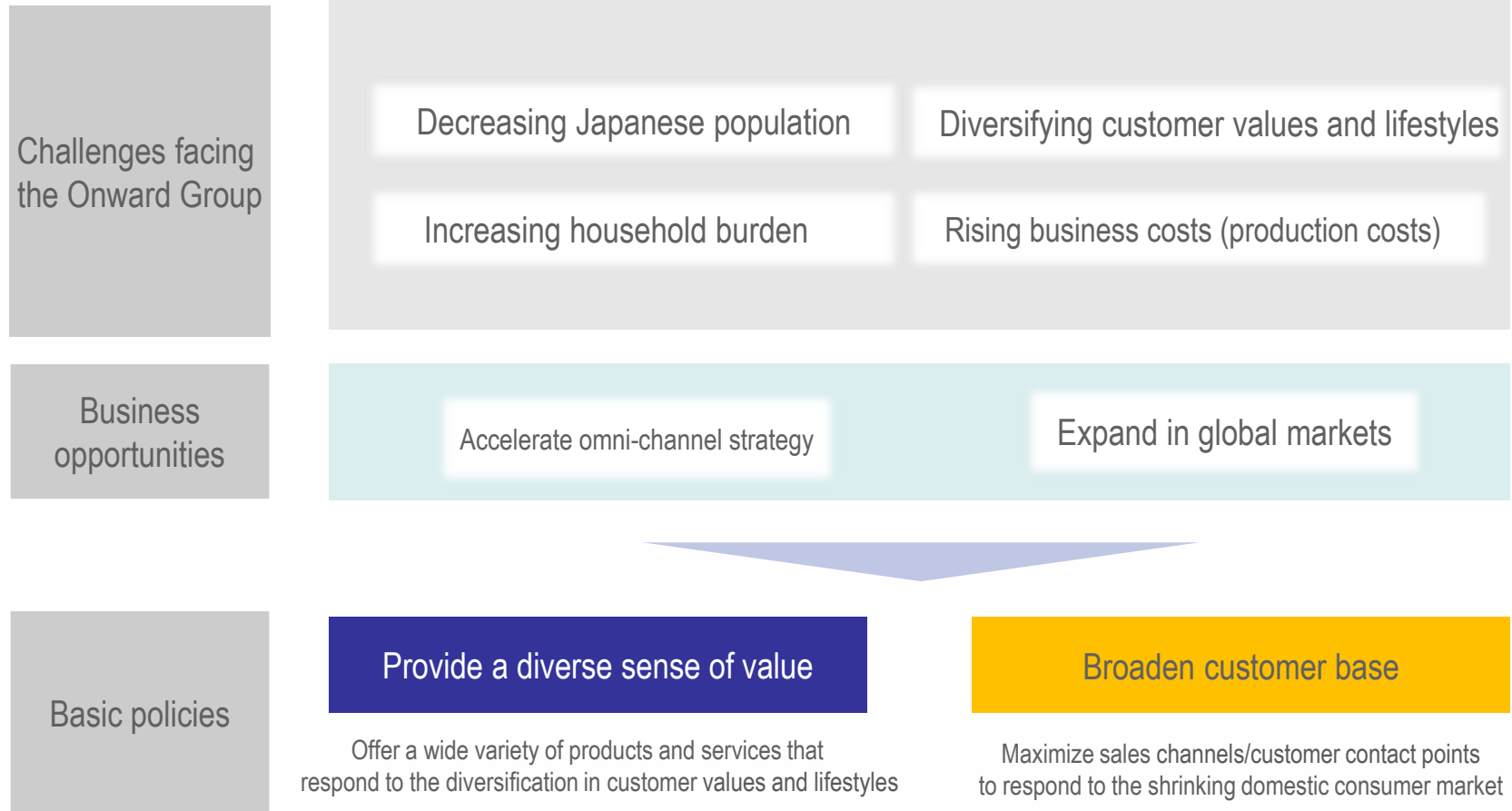
ONWARD

Medium-term Management Plan

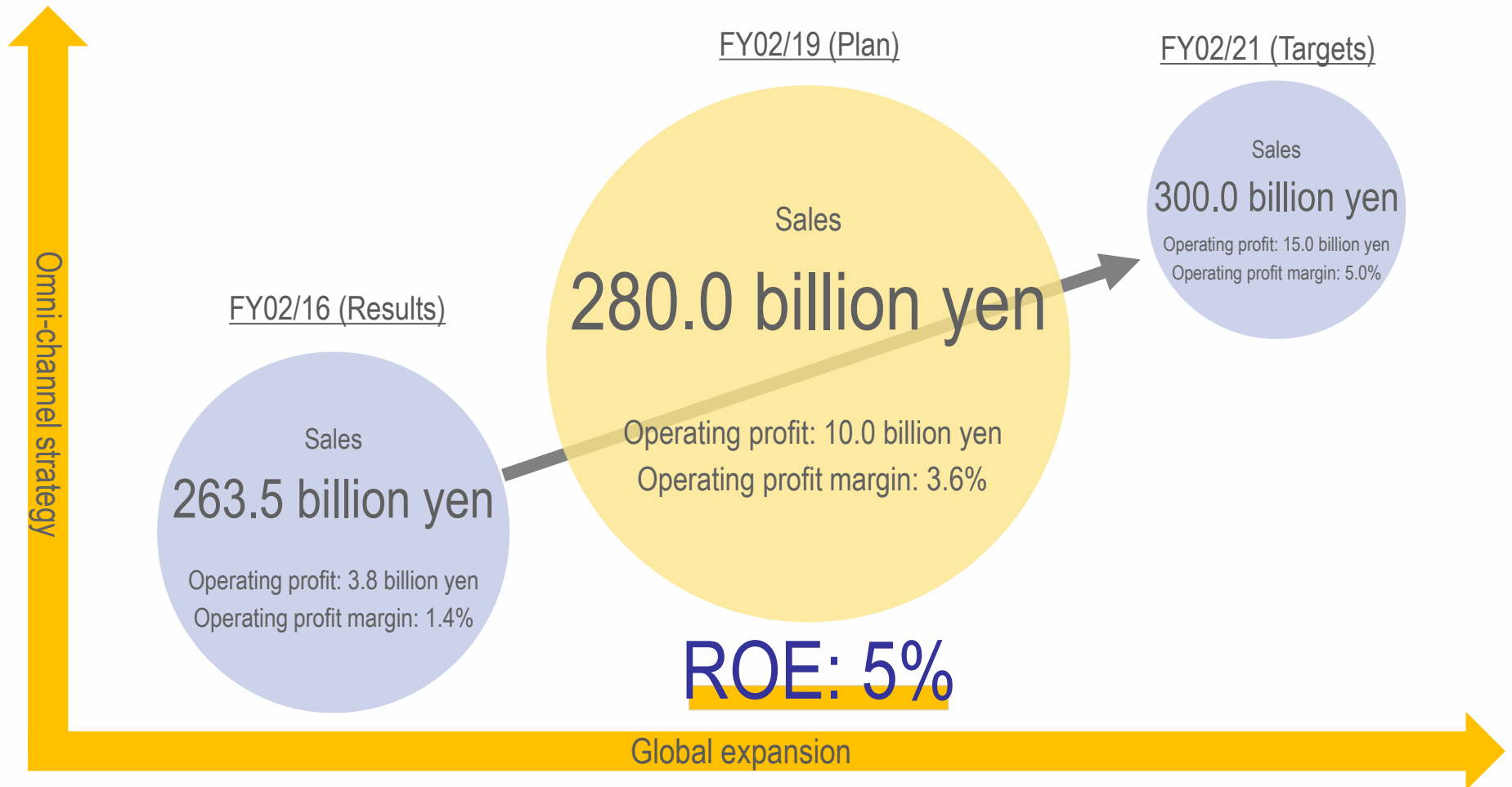


1. Current Environment
2. Performance Targets
3. Medium-term Three-year Sales Targets
4. Basic Policies of the Medium-term Plan
5. Key Strategies driven by Basic Policies
6. Investment to Support Key Strategies
7. Financial Strategy
8. Strengthening CSR

Provide a diverse sense of value and expand our customer base, confronting challenges and exploiting opportunities in Japan and overseas.



Through global expansion and our omni-channel strategy, we target sales of 280.0 billion yen, operating profit of 10.0 billion yen, and ROE of 5% in FY02/19.



E-commerce sales: 4%_(FY02/16) to 12%_(FY02/19) of total sales

Omni-channel strategy

	Domestic		Global		
E-commerce	FY02/16 (Results)	FY02/19 (Plan)	FY02/16 (Results)	FY02/19 (Plan)	E-commerce sales FY02/16 (Results) FY02/19 (Plan) 12.0 billion yen 36.0 billion yen Change: 300%; +24.0 billion yen
	11.4 billion yen	31.0 billion yen	0.6 billion yen	5.0 billion yen	
	Change: 272%; +19.6 billion yen		Change: 833%; +4.4 billion yen		
Physical stores	FY02/16 (Results)	FY02/19 (Plan)	FY02/16 (Results)	FY02/19 (Plan)	Physical store sales FY02/16 (Results) FY02/19 (Plan) 266.5 billion yen 256.0 billion yen Change: 96%; -10.5 billion yen
	212.0 billion yen	190.0 billion yen	54.5 billion yen	66.0 billion yen	
	Change: 90%; -22.0 billion yen		Change: 121%; +11.5 billion yen		
	Domestic sales FY02/16 (Results) FY02/19 (Plan) 223.4 billion yen 221.0 billion yen Change: 99%; -2.4 billion yen		Global sales FY02/16 (Results) FY02/19 (Plan) 55.1 billion yen 71.0 billion yen Change: 129%; +15.9 billion yen		Total (Simple aggregate) FY02/16 (Results) FY02/19 (Plan) 278.5 billion yen 292.0 billion yen Change: 105%; +13.5 billion yen

*Before consolidated eliminations

Global expansion

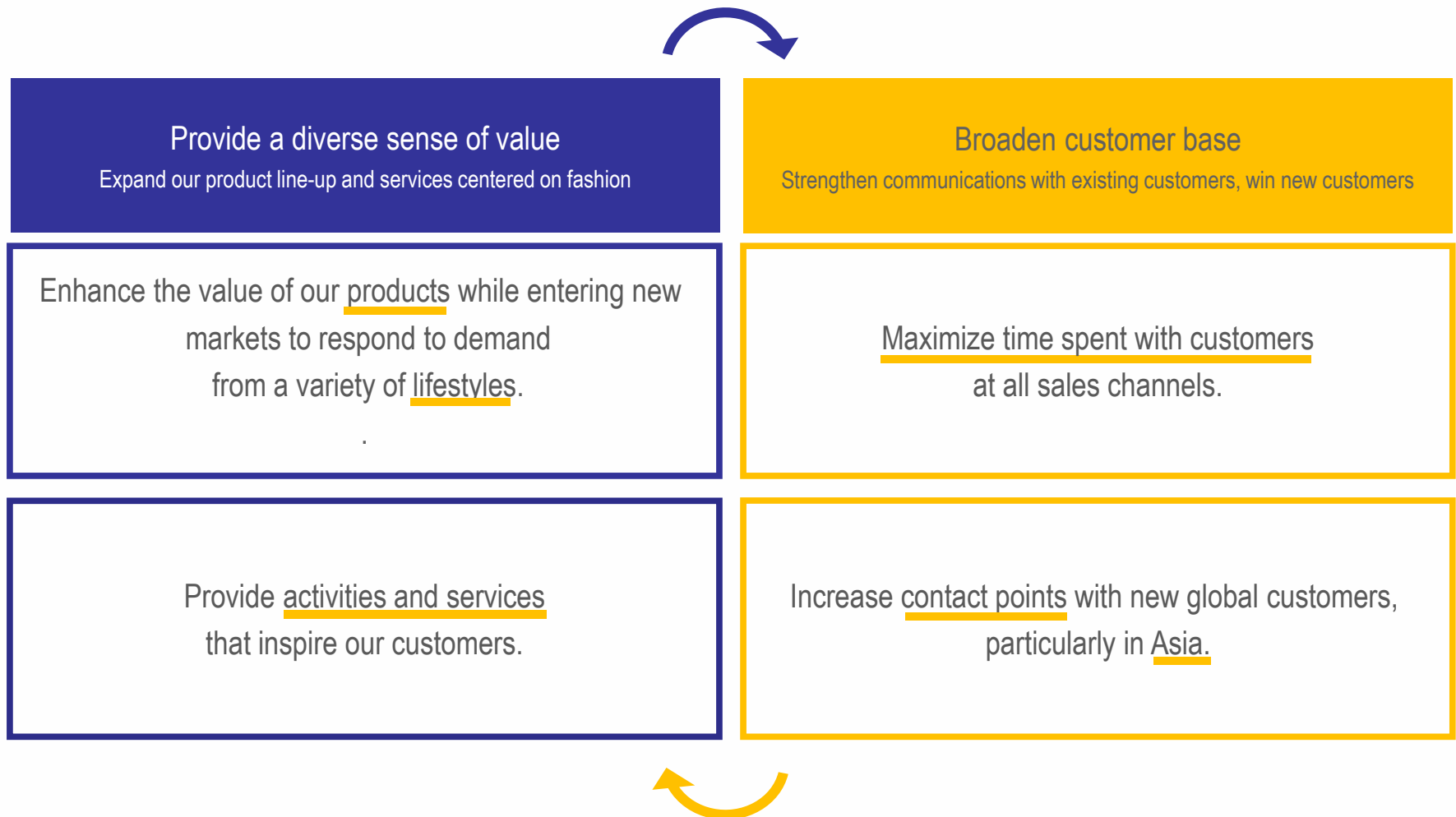
Global sales: 20%_(FY02/16) to 24%_(FY02/19) of total sales

3. Three-year Sales Targets: Physical Stores in Japan

<u>Sales (Billion Yen)</u>	FY02/16 (Results)	FY02/19 (Plan)	Vs. FY02/16	Change
Domestic: Physical stores	212.0	190.0	90%	-22.0
Onward Kashiwama	139.7	133.5	96%	-6.2
Nijyusanku (women's)	24.0	26.5	110%	2.5
Jiyuku (women's)	8.2	12.0	146%	3.8
Personal Order (men's)	5.4	6.0	111%	0.6
gotairiku (men's)	4.7	5.5	117%	0.8
JOSEPH (men's, women's)	4.8	6.0	125%	1.2
TOCCA (women's, children's)	3.0	4.0	133%	1.0
SHARE PARK (men's, women's, children's)	0.6	3.5	583%	2.9
any SiS (women's)	8.5	9.0	106%	0.5
any FAM (women's, children's)	7.4	8.0	108%	0.6
Other	73.1	53.0	73%	-20.1
Other domestic subsidiaries	72.3	56.5	78%	-15.8
Onward Trading	15.6	16.5	106%	0.9
Chacott	10.5	11.5	110%	1.0
Island	8.1	9.0	111%	0.9
Creative Yoko	5.9	6.5	110%	0.6
Across Transport	11.7	0.0	0%	-11.7
Other	20.5	13.0	63%	-7.5

3. Three-year Sales Targets: Physical Stores Overseas

<u>Sales (Billion Yen)</u>	FY02/16 (Results)	FY02/19 (Plan)	Vs. FY02/16	Change
Overseas: Physical stores	54.5	66.0	121%	11.5
Europe	41.6	47.5	114%	5.9
Brand	22.5	28.0	124%	5.5
JOSEPH	13.2	14.5	110%	1.3
JIL SANDER	7.3	10.0	137%	2.7
MOREAU PARIS	0.0	1.0	-	1.0
Freed of London	2.0	2.5	125%	0.5
Production (Onward Luxury Group *Excluding JIL SANDER)	19.1	19.5	102%	0.4
US	5.6	6.0	107%	0.4
Brand business	0.7	1.0	143%	0.3
Resorts business	4.9	5.0	102%	0.1
Asia	7.3	12.5	171%	5.2
Sales	6.8	12.0	176%	5.2
China (Excluding Hong Kong and Taiwan)	3.0	5.0	167%	2.0
Onward J Bridge	0.2	3.0	1,500%	2.8
Other	3.6	4.0	111%	0.4
Production	0.5	0.5	100%	0.0



Provide a diverse sense of value

Products

- Further expand products that provide value added, centering on apparel.
 - ◆ In addition to our strengths in planning, development, and manufacturing technology,
 - Expand high value-added production in Europe
 - Expand Made in Japan production, including J∞QUALITY certified products
 - Collaborate with creators outside the group
 - Balance production costs and quality
- Expand into the lifestyle field, including accessories.
 - ◆ Expand product offerings such as bags and jewelry.

- Create stores where customers enjoy spending time.
 - ◆ Implement Aurora Strategy, increasing stores with salon services
 - ◆ Create omni-stores primarily in regional department stores
 - ◆ Provide wellness activities and family entertainment
- Expand services to increase customer satisfaction.
 - ◆ More customized services to respond to individual needs
 - ◆ Strengthen services to remake, repair, and reuse
 - ◆ Provide storage services

Activities and services

Broaden customer base

Existing customers

- Increase functions and services to encourage customers to spend time in stores.
- Expand number of loyalty card members.
- Increase convenience by aggregating E-commerce inventory data.
- Deepen relationships via “Storeless” sales
(personal concierge services, proposal-based sales to corporate customers).

- Use new media to create more contact points with potential customers.
- Increase the market for Nijyusanku and JOSEPH overseas.
- Grow customer base (primarily in Asia) by tapping inbound tourist demand/cross-border E-commerce.
- Consider M&A as an option to win new customers.

New customers

5. Key Strategies driven by Basic Policies

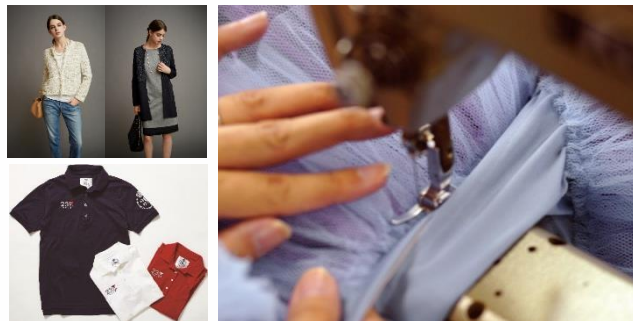


Further expand products that provide value added, centering on apparel.

Utilize our strengths in planning, development, and manufacturing technology.



Expand Made in Japan production, including J[∞]QUALITY certified products.



Expand high value-added production in Europe.



Collaborate with creators outside the group.



Partner with numerous creators from outside the group in FY02/17.

Balance production costs and quality.



Myanmar Cooperative Factory Cambodia Cooperative Factory

5. Key Strategies driven by Basic Policies

ONWARD

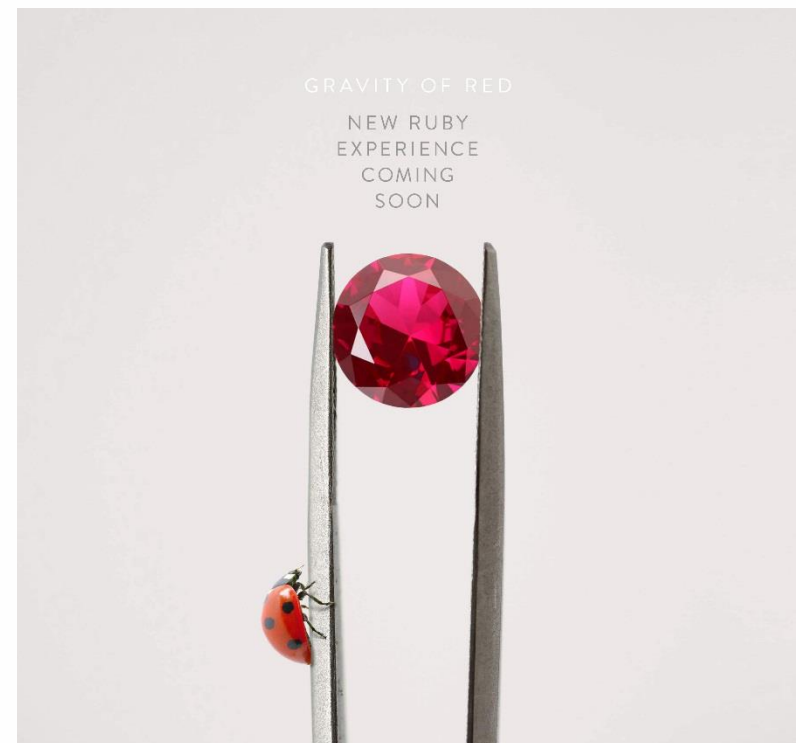
Expand into the lifestyle field, including accessories.

Island: CARVING TRIBES



Unique handmade bags produced by craftspeople in Mexico.

Onward Kashiwama: New jewelry brand



Jewelry created by Japanese artisans, utilizing rare and high-quality Myanmar rubies.

5. Key Strategies driven by Basic Policies

Expand into the lifestyle field, including accessories.

MOREAU PARIS



Founded in Paris in the 19th century.

Luxury leather goods utilizing traditional French leatherworking techniques and featuring thick, handmade stitches.

5. Key Strategies driven by Basic Policies

ONWARD

Increase functions and services to encourage customers to spend time in stores.

Implement Aurora Strategy, increasing stores with salon services.

Nijyusanku



Stores providing the atmosphere and shopping experience of Nijyusanku GINZA.

gotairiku



Stores catering to all aspects of personal appearance for men.

Jiyuku

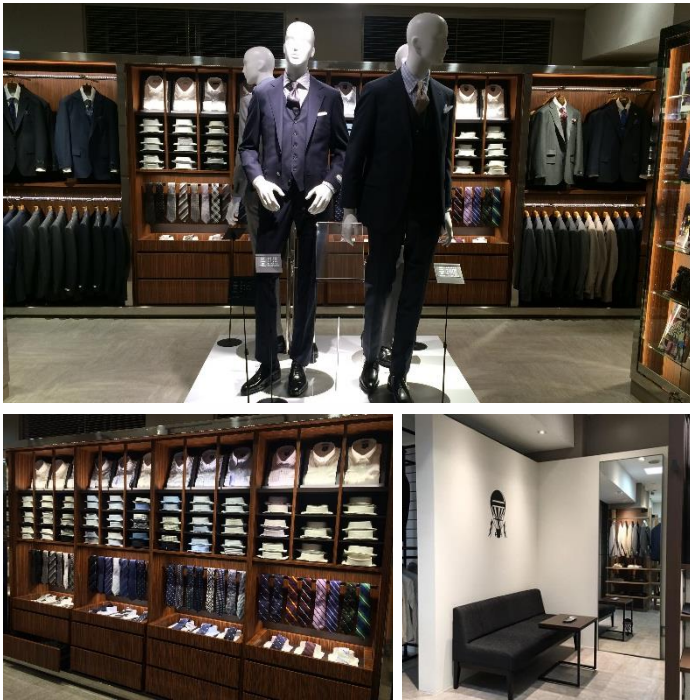


Stores providing more extensive brand labels (including customized services) to target a broader customer base.

5. Key Strategies driven by Basic Policies

Increase functions and services to encourage customers to spend time in stores.

Create omni-stores primarily in regional department stores.



Customer service using tablets



Store personnel offer customers the option of using tablets to browse out-of-stock items

5. Key Strategies driven by Basic Policies



Increase functions and services to encourage customers to spend time in stores.

Provide wellness activities and family entertainment.

Chacott

Dance Cube



Stores that promote wellness through ballet and dance.

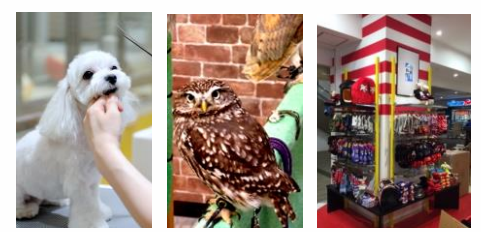
Creative Yoko

Shirotan Friends museum



Stores providing entertainment that can be enjoyed by the entire family.

Pet Paradise DX



Expand services to increase customer satisfaction.

More customized services to respond to individual customer needs.

Sebiro&co.,



Personal Order



Increase information sharing with domestic factories.



Through a stronger partnership with GOODHILL Co., Ltd., accelerate creation of a database with size information and order histories.

Promote shorter lead times and E-commerce via ICT.

Expand services to increase customer satisfaction.

More customized services to respond to individual needs.

Nijyusanku



Expand services to customize a variety of items,
including suits and shoes for working women.

5. Key Strategies driven by Basic Policies



Expand services to increase customer satisfaction.

Strengthen services to remake, repair, and reuse.

Expand remake and repair business for apparel.



Charity sales of secondhand items



Provide storage services.

Pick-up



Cleaning



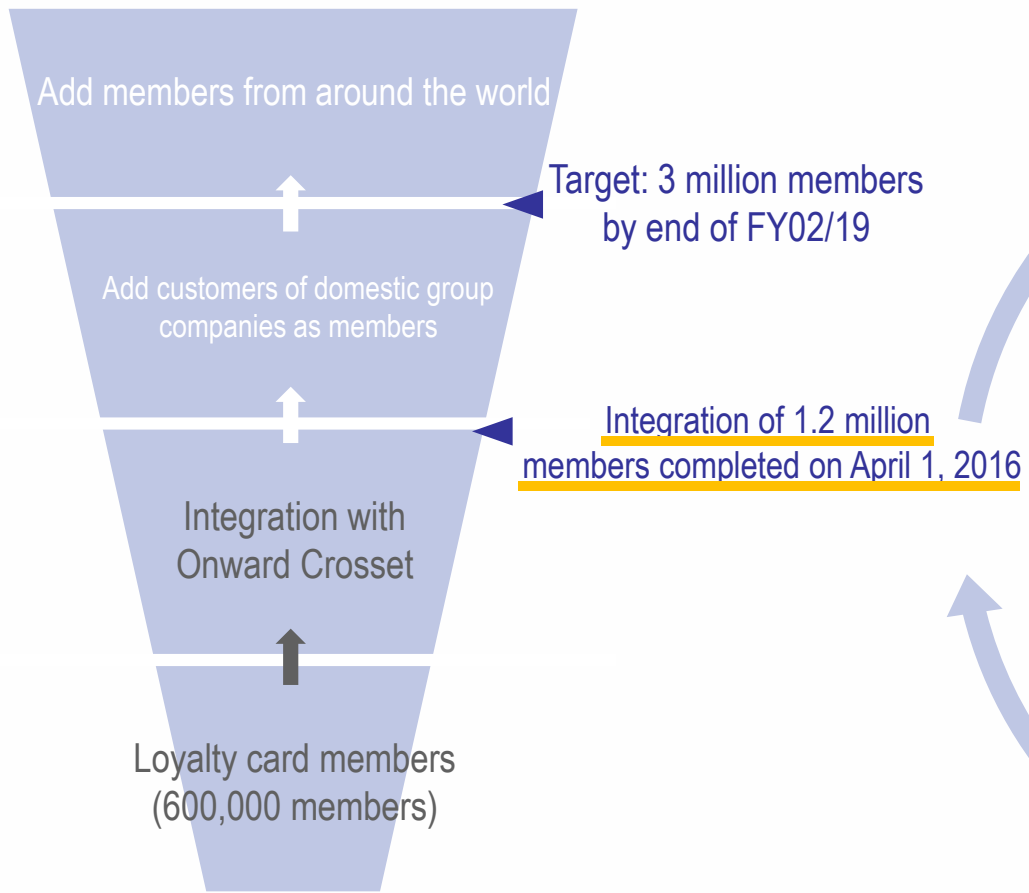
Storage

5. Key Strategies driven by Basic Policies



Expand number of loyalty card members.

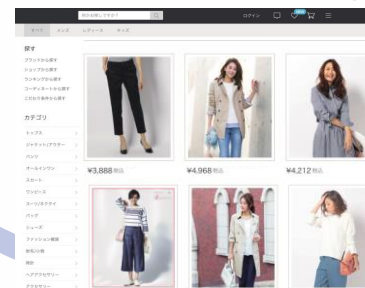
Increase convenience by aggregating E-commerce inventory data.



ONWARD CROSSET



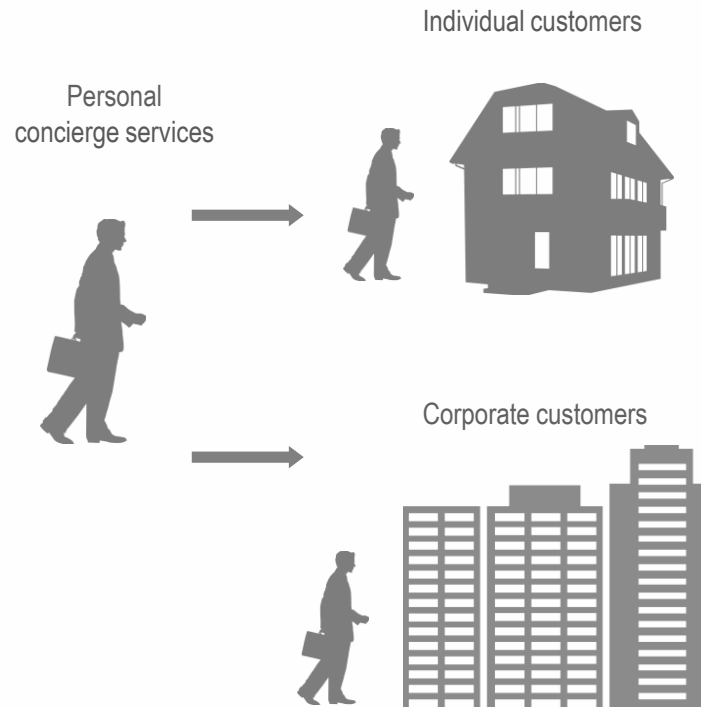
Link E-commerce inventory data from April 7, 2016. E-commerce websites at other Onward-affiliated companies



E-commerce websites of department stores and online-only malls.

5. Key Strategies driven by Basic Policies

Deepen relationships via “Storeless” sales (personal concierge services and corporate customers).



Respond to various requests from individual and corporate customers.

Provide uniforms in sectors such as education and medicine.

5. Key Strategies driven by Basic Policies



Use new media to create more contact points with potential customers.

Actively use SNS.

Collaborate with other industries including through affiliates.

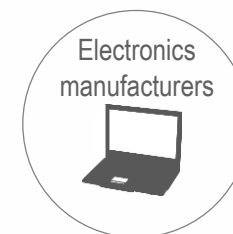
facebook



Instagram

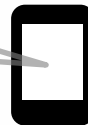


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LINE

New product stock information

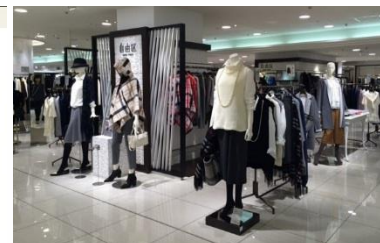


Onward group stores and E-commerce websites

Referred customers



Referred customers

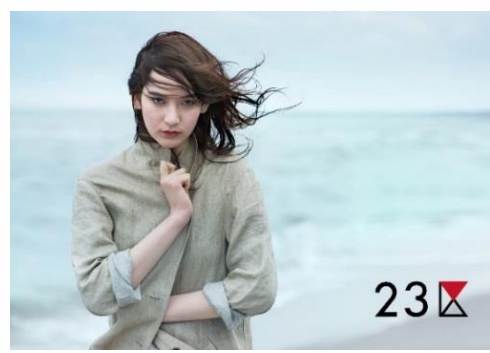


5. Key Strategies driven by Basic Policies



Increase the market for Nijyusanku and JOSEPH overseas.

Expand global advertising



Global flagship stores

Nijyusanku GINZA

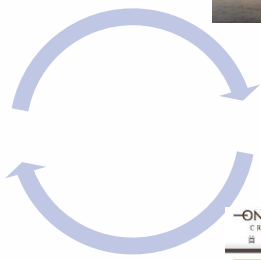


JOSEPH London



Global E-commerce websites

ONWARD CROSSET



Chinese website



Japanese website

5. Key Strategies driven by Basic Policies



Grow customer base (primarily in Asia) by tapping inbound tourist demand and cross-border E-commerce.

Provide high-quality customer service

Physical stores

Flagship stores

Overseas stores

Nijyusanku GINZA



ONWARD J BRIDGE

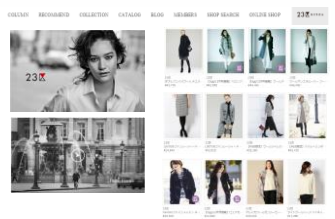


Chacott Shibuya



E-commerce websites

Cross-border E-commerce (ONWARD CROSSET, websites for each brand)



5. Key Strategies driven by Basic Policies



Consider M&A as an option to win new customers.

Acquired Tiaclasse, an apparel manufacturer specializing in E-commerce brands (acquired shares on April 1, 2016).



Creating synergies

Cooperation with ONWARD CROSSET



Websites share customers.

Cooperation with physical stores



Provide information on Tiaclasse brands through physical Onward group stores.

Personnel Strategy

Foster global personnel

- Strengthen global capabilities across the Onward Group.

Improve skills of fashion stylists (sales personnel)

- Provide training to deepen understanding of brands, materials, and products.
- Expand education on Onward's customer service principles.



ICT Strategy

Actively invest in ICT

- Improve supply chain efficiency and speed through ICT.
- Create new business models utilizing the latest ICT.



FY02/19 Financial Targets

1. Financial Situation

(1) Policy on Shareholder Returns

Returning profits to shareholders is one of our most important management objectives. Our basic policy is to maintain a consistent level of shareholder returns linked to performance, with a target dividend payout ratio of 35% or more.

(2) Financial indicators

We avoid financial risk and maintain a stable shareholders' equity ratio through substantial shareholders' equity and flexible financing.

2. Improving ROE

TARGET: 5% ROE in FY02/19

PLAN:

- (1) Share buyback
- (2) Sale of shares (including unwinding cross-shareholdings)
- (3) Effective use of assets (sale and use of assets)
- (4) Dividend policy (maintain stable dividends linked to performance)

ほし
この地球を想う。この服をまとおう。

ONWARD

Ecology

Onward Green Campaign
Forest protection activities at the Tosayama Onward Rainbow Forest
ONWARD Reuse Park store initiative



Ethics

Improve worker benefits and work environment at partner factories through thorough guidelines to comply with the plant certification system.



Diversity

Actively provide opportunities for women, handicapped workers, and non-Japanese workers.
Create motivating work environments.



— ONWARD —