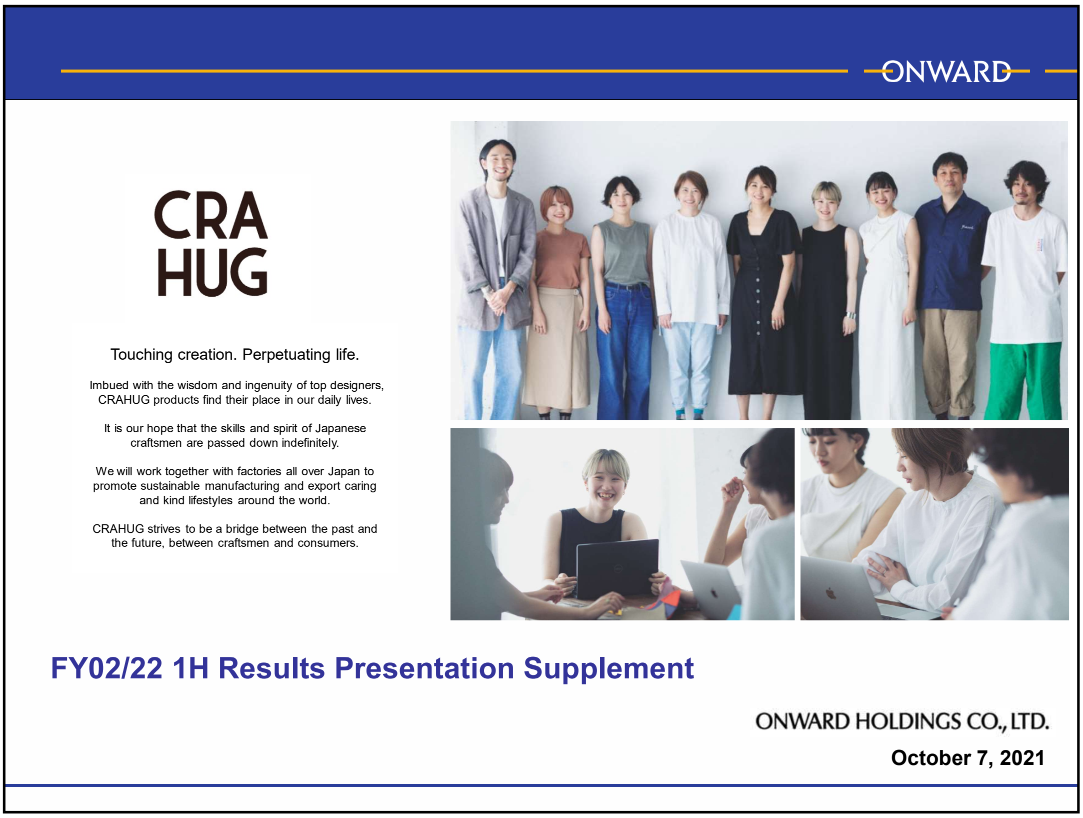


Hello, I'm Michinobu Yasumoto, president and CEO of Onward Holdings Co., Ltd.

I would like to take this opportunity to express my sincere gratitude to you all for your continued support of the Onward Group.

Today I'll be using the presentation supplement to provide an overview of our financial results for the first half of the fiscal year ending February 28, 2022.

First, please look at slide 2 of the supplement.

Contents

FY02/22 1H Consolidated Results

ONWARD

Previous year's figures adjusted to reflect changes in revenue recognition standard*1

(Million yen)

		Q1				Q2				1H				1H (unadjusted)*2
		FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/21
1	Sales	46,022	43,719	+2,303	105.3%	34,763	41,178	-6,415	84.4%	80,785	84,897	-4,112	95.2%	81,353
2	Gross Profit	23,780	21,082	+2,698	112.8%	17,238	17,631	-393	97.8%	41,018	38,713	+2,305	106.0%	34,349
	(% of Sales)	51.7%	48.2%	+3.5%		49.6%	42.8%	+6.8%		50.8%	45.6%	+5.2%		42.2%
3	SG&A Expenses	22,632	22,933	-301	98.7%	21,680	26,759	-5,079	81.0%	44,312	49,692	-5,380	89.2%	45,328
	(% of Sales)	49.2%	52.5%	-3.3%		62.4%	65.0%	-2.6%		54.9%	58.5%	-3.6%		55.7%
4	**Operating Profit**	**1,147**	**-1,851**	**+2,998**	-	**-4,441**	**-9,128**	**+4,687**	-	**-3,294**	**-10,979**	**+7,685**	-	**-10,979**
	(% of Sales)	2.5%	-			-	-			-	-			-
5	**Recurring Profit**	**1,976**	**-1,746**	**+3,722**	-	**-4,838**	**-9,708**	**+4,870**	-	**-2,862**	**-11,454**	**+8,592**	-	**-11,454**
6	**Net Income**	**2,060**	**-2,417**	**+4,477**	-	**5,388**	**-12,771**	**+18,159**	-	**7,448**	**-15,188**	**+22,636**	-	**-15,188**
7	EBITDA*3	2,447	-304	+2,751	-	-3,134	-7,685	+4,551	-	-687	-7,989	+7,302	-	-7,989

***1. Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.**
Adjustments: +3,544 million yen for sales, +4,364 million yen for gross profit and SG&A expenses.
*2. Unadjusted figures for 1H FY02/21 correspond to the 1H FY02/21 figures as shown in the Summary of Financial Results for Q2 FY02/22.
*3. EBITDA = operating profit + depreciation and amortization.

This slide shows our consolidated total results for the first half of the fiscal year. The first-half figures are listed on the right. First, sales were ¥80,800 million, down ¥4,100 million, or 4.8%, year on year.

Impacts from the COVID-19 pandemic continued through the first half of the fiscal year. The fourth and fifth waves of infections hit during the first half, and two separate states of emergency were declared in response. This meant that, despite a relatively favorable start to the fiscal year, there were significant impacts from the pandemic from slightly before Japan's "Golden Week" holiday period through most of the remainder of the first half. This resulted in a very difficult market environment. It was under these circumstances that we reported the sales result I have just mentioned. Having said that, in the first half there was a negative impact on sales of ¥16,700 million due to the closing down of unprofitable businesses as part of the global business reforms that we have been pursuing over the last two years. When excluding this factor, sales increased by ¥12,600 million, or 19% year on year, for the continuing existing businesses.

A breakdown of sales by sales channel can be found on slide 13 of the presentation supplement, and the results for e-commerce, which we are focusing our efforts on, shows that total consolidated e-commerce sales including overseas sales increased to ¥20,800 million, up 6% year on year. This indicates that we have been able to achieve steady growth in e-commerce sales.

Going back to slide 2, gross profit increased by ¥2,300 million to ¥41,000 million, a 6% year-on-year increase, which we believe to be a positive result of the business reforms that we have been pursuing over the last two years. The gross profit margin has improved by 5.2 percentage points.

Next, let's look at SG&A expenses. SG&A expenses were ¥44,300 million, down ¥5,400 million, or 10.8%, year on year. In addition, the SG&A ratio decreased by 3.6 percentage points, and we believe this was also a positive result of our business reforms.

Regarding operating loss, since, as I just mentioned, the gross profit margin increased by 5.2 percentage points year on year, and the SG&A ratio was down by 3.6 percentage points, we were able to improve profitability by ¥7,700 million. As a result, operating loss was ¥3,300 million, which was close to our initial estimate.

Next, let's look at the recurring profit column. Partly due to foreign exchange gains, subsidy income, and other factors, we managed to narrow loss more than we had initially estimated, resulting in a recurring loss of about ¥2,900 million.

In addition, with regard to net income, we booked gains on sales in the first half of the year, which were part of our efforts over the past few years to streamline our assets, such as the Company's non-current assets and shares of subsidiaries and associates. As a result, net income was ¥7,400 million, exceeding our initial estimate of ¥2,200 million.

This concludes my overview of consolidated totals for the first half.

Next, please look at slide 7 of the presentation supplement.

FY02/22 1H Consolidated Results

- Sales declined 5% or 4.1 billion yen YoY to 80.8 billion yen as the market environment remained severe due to the fact that the COVID-19 pandemic lasted longer than initially expected. (Sales would have increased by 19% or 12.6 billion yen YoY excluding the decline in sales due to the discontinuation of unprofitable businesses, etc. as a result of business reforms.) E-commerce sales amounted to 20.8 billion yen (up 6% YoY) of this amount.

- Operating profit/loss improved by 7.7 billion yen YoY due to a 5.2pp YoY improvement in gross profit margin and a 3.6pp YoY decline in the SG&A expense ratio, mainly as a result of the business reforms undertaken since FY2019. As a result, the Company ended the first half with an operating loss of 3.3 billion yen, almost in line with the initial plan.

- Net income was 7.4 billion yen, exceeding the initial plan of 2.2 billion yen, mainly due to the recording of gains on sales of non-current assets and affiliated companies' shares.

FY02/22 Full-Year Consolidated Forecast

ONWARD

Previous year's figures are adjusted to reflect changes in revenue recognition standard*1

(Million yen)

		1H				2H				Full Year				Full Year (unadjusted)*2
		FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/21
1	Sales	80,785	84,897	-4,112	95.2%	93,815	99,154	-5,339	94.6%	174,600	184,051	-9,451	94.9%	175,899
2	Gross Profit	41,018	38,713	+2,305	106.0%	48,882	41,816	+7,066	116.9%	89,900	80,529	+9,371	111.6%	70,702
	(% of Sales)	50.8%	45.6%	+5.2%		52.1%	42.2%	+9.9%		51.5%	43.8%	+7.7%		40.2%
3	SG&A Expenses	44,312	49,692	-5,380	89.2%	44,588	51,010	-6,422	87.4%	88,900	100,702	-11,802	88.3%	90,876
	(% of Sales)	54.9%	58.5%	-3.6%		47.5%	51.4%	-3.9%		50.9%	54.7%	-3.8%		51.7%
4	**Operating Profit**	**-3,294**	**-10,979**	**+7,685**	-	**4,294**	**-9,194**	**+13,488**	-	**1,000**	**-20,173**	**+21,173**	-	**-20,173**
	(% of Sales)	-	-			4.6%	-			0.6%	-			
5	**Recurring Profit**	**-2,862**	**-11,454**	**+8,592**	-	**4,062**	**-8,720**	**+12,782**	-	**1,200**	**-20,174**	**+21,374**	-	**-20,174**
6	**Net Income**	**7,448**	**-15,188**	**+22,636**	-	**752**	**-7,993**	**+8,745**	-	**8,200**	**-23,181**	**+31,381**	-	**-23,181**
7	EBITDA*1	-687	-7,989	+7,302	-	7,627	-6,144	+13,771	-	6,940	-14,133	+21,073	-	-14,133

***1. Figures for FY 02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.**
Adjustments: +8,152 million yen for sales, +9,826 million for gross profit and SG&A expenses.
*2. Unadjusted figures for the full year FY02/21 will be shown in the Summary of Financial Results for the full year FY02/22.
*3. EBITDA = operating profit + depreciation and amortization.

Firstly, our full-year forecast for sales is ¥174,600 million, down 5.1% year on year. In monetary terms, this will be a decrease of about ¥9,500 million. Sales for like-for-like stores were down about 2% in September, as difficult conditions continued throughout the month. We're only about a week into October, but the state of emergency was lifted on October 1, and partly as a result of that, the situation at stores and a variety of special events that we've held indicate that, compared to September, vigor is starting to return. There are of course, however, still some concerns about how the COVID-19 pandemic will develop, including the possibility of a sixth wave of infection, and our forecast figures were calculated based on the assumption that impacts from the pandemic will continue through the second half as they did during the first half.

For the full-year forecast, we expect the negative impact on sales of the withdrawal from unprofitable businesses as part of our business reforms to be ¥38,100 million. It's an extremely large impact and it will be an automatic result of the reforms. Excluding this, however, we expect sales to increase by 20% or ¥28,600 million year on year for continuing existing operations.

To provide a breakdown, we expect full-year e-commerce sales to increase to reach ¥46,000 million, a 10% increase year on year. On the subject of e-commerce, at the end of February we completely renewed our e-commerce site platform for the first time in five years, and we refrained from sales promotions and other such activities as we worked on stabilizing this new system, so for the first half of this fiscal year we'd expected to keep sales at the same level as the previous year. However, we're planning to move ahead with promotional activities during the second half of the fiscal year, and we believe that we'll be better able to achieve year-on-year e-commerce sales growth than we were during the first half.

Next we come to gross profit. We're forecasting full-year gross profit of ¥89,900 million, up 11.6% year on year. In monetary terms this means we're expecting profits to increase by about ¥9,400 million and expect the gross profit margin to improve by 7.7 percentage points. We believe that this also reflects the positive results of the business reforms that we've been working on over the past two years.

Next is SG&A expenses. We're forecasting SG&A expenses of ¥88,900 million, down 11.7%, or ¥11,800 million year on year. We expect the SG&A ratio to improve by 3.8 percentage points. With regard to operating loss, as a result of the gross profit margin increasing by 7.7 percentage points and the SG&A ratio decreasing by 3.8 percentage points, we're predicting a significant profitability improvement of ¥21,200 million year on year. As a result, we're expecting to return to the black with an operating profit of ¥1,000 million.

Next, we're forecasting recurring profit of ¥1,200 million. And lastly, we're forecasting ¥8,200 million in net income, exceeding our initial estimate of ¥6,300 million, thanks to the booking of gains on sales of non-current assets and sales of shares of subsidiaries and associates during the first half.

Please now look at slide 9 of the presentation supplement.

FY02/22 Full-Year Consolidated Forecast

ONWARD

- ☐ We expect sales to decrease by 5% or 9.5 billion yen YoY to 174.6 billion yen, assuming that the impact of the COVID-19 pandemic will continue throughout the fiscal year. (Sales would have been expected to increase by 20% or 28.6 billion yen YoY excluding sales decline due to the discontinuation of unprofitable businesses, etc. as a result of business reforms.) We forecast e-commerce sales to be 46.0 billion yen (up 10% YoY) of this amount.

- ☐ As for operating profit/loss, we forecast a significant improvement of 21.2 billion yen YoY due to a 7.7pp YoY improvement in gross profit margin and a 3.8pp YoY decline in the SG&A expense ratio, mainly as a result of the effects of business reforms that have been implemented since FY2019. As a result, we expect to return to profitability with operating profit of 1.0 billion yen.

- ☐ We forecast net income at 8.2 billion yen, exceeding the initial plan of 6.3 billion yen, mainly due to the recording of gains on sales of non-current assets and affiliated companies' shares.

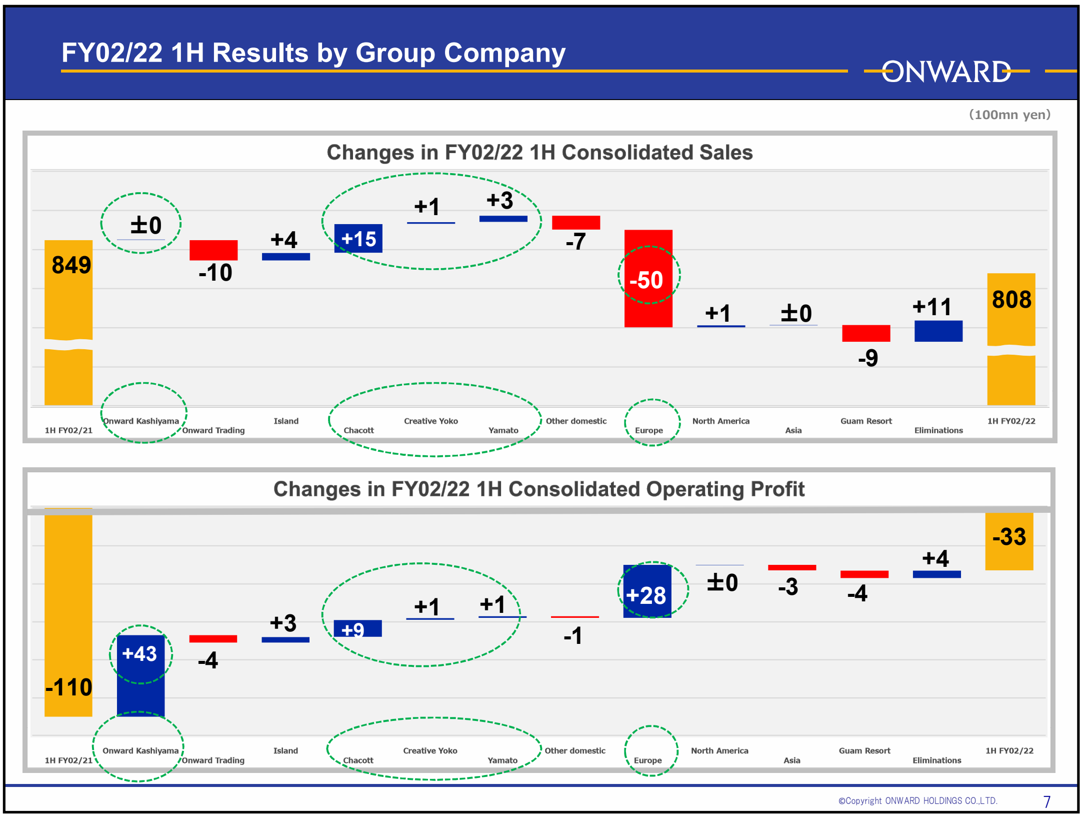
FY02/22 1H Results by Group Company

ONWARD

(Million yen)

No.			Q1						Q2						1H					
			Sales			Operating Profit			Sales			Operating Profit			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	Domestic	**Onward Kashiyama (Nonconsolidated)**	**22,435**	**17,560**	**+4,875**	**770**	**-1,573**	**+2,343**	**18,349**	**23,224**	**-4,875**	**-2,747**	**-4,728**	**+1,981**	**40,784**	**40,784**	**±0**	**-1,977**	**-6,301**	**+4,324**
2	Domestic	Onward Trading	4,568	5,466	-898	875	1,215	-340	3,010	3,169	-159	192	239	-47	7,578	8,635	-1,057	1,067	1,454	-387
3	Domestic	Island	1,344	964	+380	-70	-305	+235	1,469	1,461	+8	-54	-108	+54	2,813	2,425	+388	-124	-413	+289
4	Domestic	Chacott	2,148	1,062	+1,086	59	-404	+463	2,297	1,899	+398	224	-228	+452	4,445	2,961	+1,484	283	-632	+915
5	Domestic	Creative Yoko	1,090	833	+257	48	-29	+77	1,133	1,290	-157	20	12	+8	2,223	2,123	+100	68	-17	+85
6	Domestic	Yamato	4,714	4,476	+238	292	346	-54	4,568	4,480	+88	256	138	+118	9,282	8,956	+326	548	484	+64
7	Domestic	Other	3,338	3,235	+103	-144	-25	-119	2,672	3,492	-820	-600	-602	+2	6,010	6,727	-717	-744	-627	-117
8	Domestic	**Domestic Subtotal (Excl. Onward Kashiyama)**	**17,202**	**16,036**	**+1,166**	**1,060**	**798**	**+262**	**15,149**	**15,791**	**-642**	**38**	**-549**	**+587**	**32,351**	**31,827**	**+524**	**1,098**	**249**	**+849**
9	Overseas	Europe	7,301	10,468	-3,167	286	-389	+675	1,521	3,347	-1,826	-333	-2,419	+2,086	8,822	13,815	-4,993	-47	-2,808	+2,761
10	Overseas	North America	125	131	-6	-132	-166	+34	172	58	+114	-99	-93	-6	297	189	+108	-231	-259	+28
11	Overseas	Asia	1,146	1,085	+61	50	121	-71	1,065	1,096	-31	-128	49	-177	2,211	2,181	+30	-78	170	-248
12	Overseas	Guam Resort	71	1,029	-958	-191	116	-307	79	4	+75	-121	-1	-120	150	1,033	-883	-312	115	-427
13	Overseas	**Overseas Subtotal**	**8,643**	**12,713**	**-4,070**	**13**	**-318**	**+331**	**2,837**	**4,505**	**-1,668**	**-681**	**-2,464**	**+1,783**	**11,480**	**17,218**	**-5,738**	**-668**	**-2,782**	**+2,114**
14	**Consolidated Total**		**46,022**	**43,719**	**+2,303**	**1,147**	**-1,851**	**+2,998**	**34,763**	**41,178**	**-6,415**	**-4,441**	**-9,128**	**+4,687**	**80,785**	**84,897**	**-4,112**	**-3,294**	**-10,979**	**+7,685**

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.



This slide shows the breakdown of figures for the consolidated totals by group company.

First, the upper graph of slide 7 shows the changes in consolidated sales by group company. The yellow bar on the left shows sales for the first half of the previous fiscal year, which totaled ¥84,900 million. The yellow bar on the right shows sales for the first half of this fiscal year, which came to ¥80,800 million. As I mentioned earlier, sales decreased by ¥4,100 million year on year. There were a number of factors that caused this. The most significant of these was our withdrawal from unprofitable businesses during the previous fiscal year in Europe, and particularly in Italy, as part of our business reforms. That resulted in a negative impact on first-half sales of ¥5,000 million. The red “Europe” bar slightly to the right of the middle of the graph shows the ¥5,000 million decline in sales from European operations due to withdrawal from businesses. I think that this accounts for most of the overall ¥4,100 million decrease in sales.

Meanwhile, as shown on the left, sales for Onward Kashiyama, the core company in the apparel business, were unchanged year on year. Due to business reforms, Onward Kashiyama closed down a considerable number of its unprofitable stores and withdrew from unprofitable brand businesses during the previous fiscal year, and sales decreased by about ¥8,500 million due to these reforms. I think it can be understood from this that Onward Kashiyama’s sales from its continuing existing businesses therefore increased by ¥8,500 million year-on-year, thereby entirely offsetting the loss resulting from the reforms.

The third group of sales figures is for Lifestyle Business. In our "Onward Vision 2030" unveiled in April we declared that we will focus on the growth of the business, and all three of the companies that are at the core of promoting this vision: Chacott, Creative Yoko, and Yamato, achieved increases in sales in spite of the difficult business environment created by the COVID-19 pandemic. In total, we believe that we've already been able to draw on the fruits of the business reforms, even though overall sales have decreased by ¥4,100 million.

To see how the fruits of the reforms have been contributing, please take a look at the lower bar graph, which provides a breakdown of changes in consolidated operating profit by group company. The first half of the previous fiscal year saw very unfavorable results, with an operating loss of ¥11,000 million, but we’ve been able to reduce this loss by 70% and reach an operating loss for the first half of this fiscal year of ¥3,300 million. This represents a profitability improvement of ¥7,700 million, and I think that we can explain the breakdown of this improvement with the three factors marked with circles. The first one, on the left, is Onward Kashiyama, our core apparel group company. Sales for Onward Kashiyama remained at the same level year on year, as I just mentioned, but their profitability improved by ¥4,300 million as a result of withdrawing from unprofitable businesses and closing down unprofitable stores while focusing on more profitable businesses and stores. Second, as shown slightly to the right of the center, sales at European operations have decreased by ¥5,000 million due to withdrawing from businesses and other factors, but withdrawing from businesses that were in the red has actually made it possible to reduce the operating loss of European operations by ¥2,800 million. Third, the lifestyle business-related companies, Chacott, Creative Yoko, and Yamato, have each increased their profits, and we managed to steadily increase sales and profits in the Lifestyle Business in the first half.

Adding up the figures above gives us the aforementioned consolidated totals.

Next, I'd like to move on to our full-year forecasts.

Please look at slide 4 of the presentation supplement.

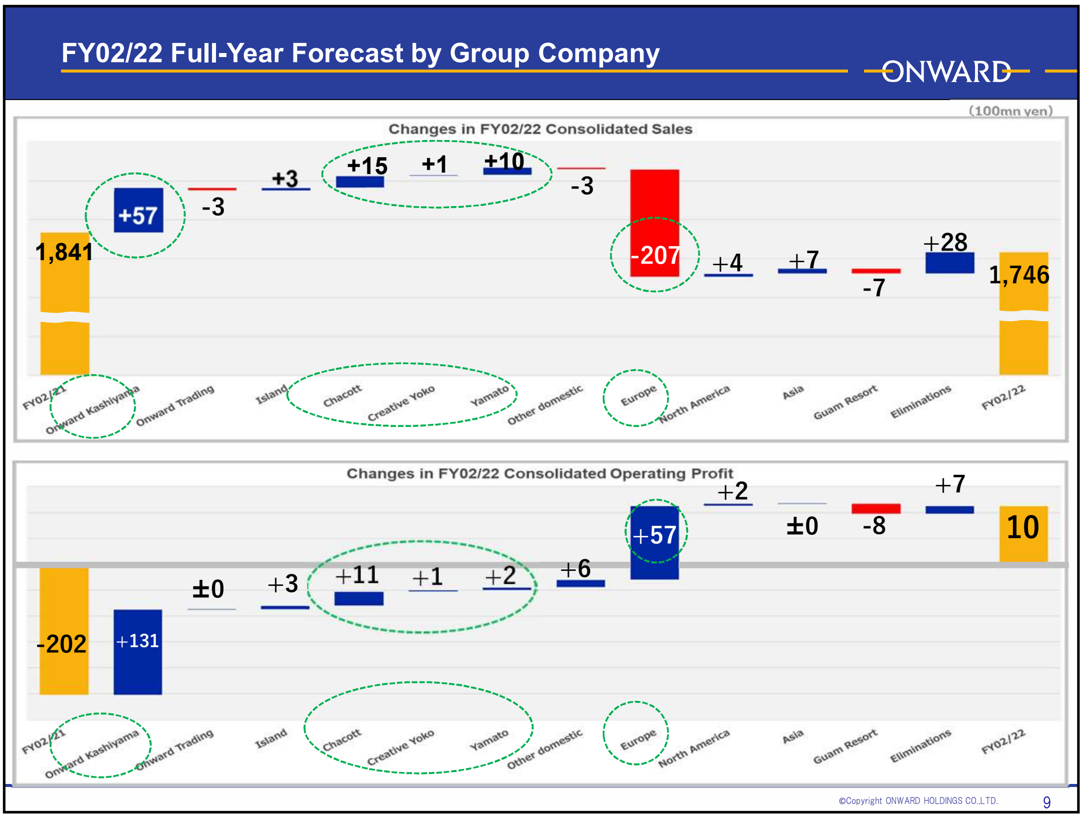
FY02/22 Full-Year Forecast by Group Company

ONWARD

(Million yen)

			1H						2H						Full Year					
			Sales			Operating Profit			Sales			Operating Profit			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 Kashiyama (Nonconsolidated)**	**40,784**	**40,784**	**±0**	**-1,977**	**-6,301**	**+4,324**	**53,216**	**47,487**	**+5,729**	**5,577**	**-3,248**	**+8,825**	**94,000**	**88,271**	**+5,729**	**3,600**	**-9,549**	**+13,149**
2	Domestic	Onward Trading	7,578	8,635	-1,057	1,067	1,454	-387	7,663	6,956	+707	600	191	+409	15,241	15,591	-350	1,667	1,645	+22
3	Domestic	Island	2,813	2,425	+388	-124	-413	+289	3,230	3,291	-61	171	169	+2	6,043	5,716	+327	47	-244	+291
4	Domestic	Chacott	4,445	2,961	+1,484	283	-632	+915	4,254	4,214	+40	16	-216	+232	8,699	7,175	+1,524	299	-848	+1,147
5	Domestic	Creative Yoko	2,223	2,123	+100	68	-17	+85	2,971	2,951	+20	289	287	+2	5,194	5,074	+120	357	270	+87
6	Domestic	Yamato	9,282	8,956	+326	548	484	+64	10,002	9,353	+649	403	313	+90	19,284	18,309	+975	951	797	+154
7	Domestic	Other	6,010	6,727	-717	-744	-627	-117	8,329	7,872	+457	123	-592	+715	14,339	14,599	-260	-621	-1,219	+598
8	Domestic	**Domestic Subtotal (Excl. Onward Kashiyama)**	**32,351**	**31,827**	**+524**	**1,098**	**249**	**+849**	**36,449**	**34,637**	**+1,812**	**1,602**	**152**	**+1,450**	**68,800**	**66,464**	**+2,336**	**2,700**	**401**	**+2,299**
9	Overseas	Europe	8,822	13,815	-4,993	-47	-2,808	+2,761	4,283	20,011	-15,728	-110	-3,071	+2,961	13,105	33,826	-20,721	-157	-5,879	+5,722
10	Overseas	North America	297	189	+108	-231	-259	+28	533	227	+306	-170	-330	+160	830	416	+414	-401	-589	+188
11	Overseas	Asia	2,211	2,181	+30	-78	170	-248	2,751	2,085	+666	-30	-308	+278	4,962	4,266	+696	-108	-138	+30
12	Overseas	Guam Resort	150	1,033	-883	-312	115	-427	253	37	+216	-622	-226	-396	403	1,070	-667	-934	-111	-823
13	Overseas	**Overseas Subtotal**	**11,480**	**17,218**	**-5,738**	**-668**	**-2,782**	**+2,114**	**7,820**	**22,360**	**-14,540**	**-932**	**-3,935**	**+3,003**	**19,300**	**39,578**	**-20,278**	**-1,600**	**-6,717**	**+5,117**
14	**Consolidated Total**		**80,785**	**84,897**	**-4,112**	**-3,294**	**-10,979**	**+7,685**	**93,815**	**99,154**	**-5,339**	**4,294**	**-9,194**	**+13,488**	**174,600**	**184,051**	**-9,451**	**1,000**	**-20,173**	**+21,173**

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.



This slide shows a breakdown of our full-year forecast by group company.

First of all, with regard to change in consolidated sales, we expect a decrease of ¥9,500 million in total, from ¥184,100 million for the previous fiscal year to ¥174,600 million. However, this includes the ¥20,700 million negative impact from the withdrawal from unprofitable stores in Europe, as shown just to the right of the middle of the graph. This is a significant negative factor contributing to the decrease for the full year. On the other hand, as far as areas aside from European operations go, Onward Kashiyama, the core group company for apparel, is targeting a ¥5,700 million increase in sales, and the core companies of the lifestyle area, Chacott, Creative Yoko, and Yamato, are estimating a sales increase of ¥2,600 million in total. Sales for the entire group will decrease by ¥9,500 million because the decrease in sales in Europe will be significant, but we believe that this will ultimately serve to make the entire group's consolidated operations leaner and more robust.

Changes in consolidated operating profit are shown on the lower part of this slide. The breakdown of the operating loss improvement of ¥21,200 million is an improvement of ¥13,100 million for Onward Kashiyama, shown on the left, followed by an improvement of ¥5,700 million for European operations, and then an improvement of ¥1,400 million for the three core lifestyle-related companies. These areas are the main pillars supporting our operating profitability improvement.

This ends my explanation of the consolidated totals and the breakdown by major group company for the first half results and the full-year forecast figures.

Please now look at slide 10 of the presentation supplement.

Early Adoption of the New Revenue Recognition Standard

ONWARD

The new revenue recognition standard will be applied 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 impact of the new revenue recognition standard on the Group

For 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**.

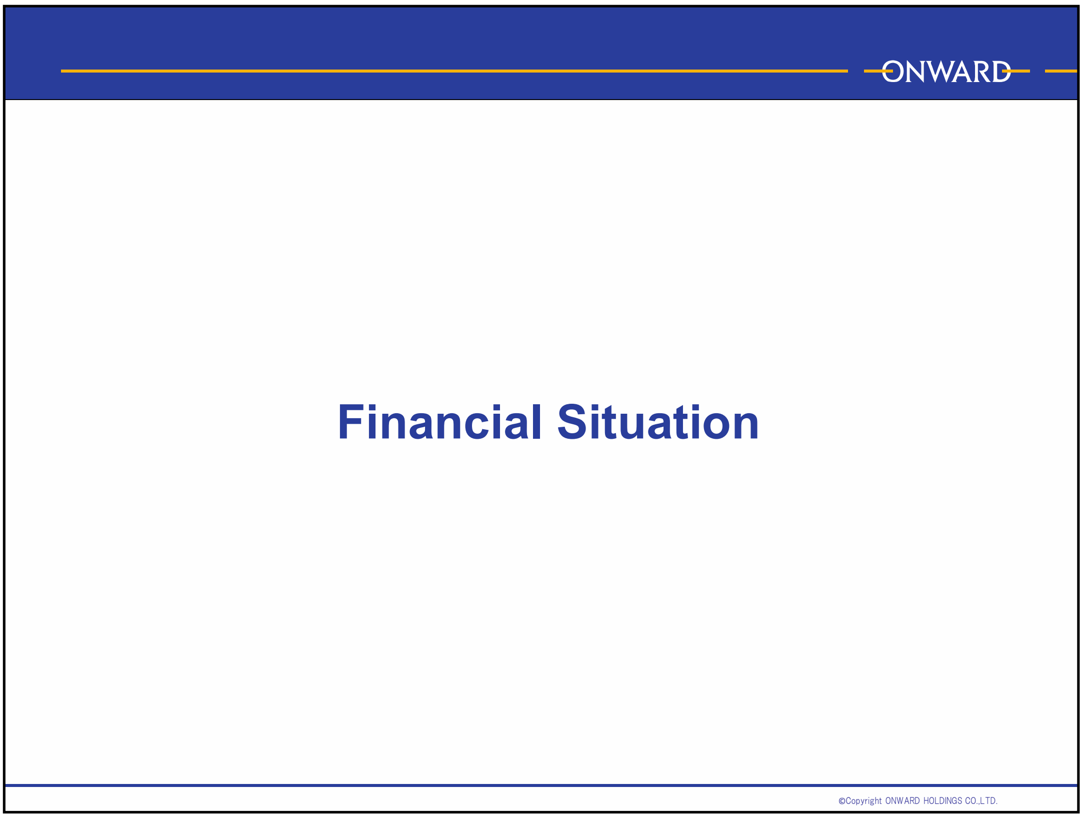
The adoption of the new revenue recognition standard will unify the sales recognition standards that previously differed by sales channel.

Here you will find an explanation of our company's policy of moving as soon as possible toward application of the new accounting standards for revenue recognition.

We explained this at the time of the announcement of the first-quarter financial results, so I won’t go into the details again now, but please refer to this page for more information.

With regard to the figures I went over earlier, all the figures for the previous fiscal year have been converted to conform to the new standards.

This concludes my presentation. Thank you very much for your attention.



Hello, I'm Osamu Sato, director in charge of finance, accounting, and investor relations at Onward Holdings.

I'll now go over our current financial situation.

Please look at slide 11 of the presentation supplement.

FY02/22 1H Financial Situation

ONWARD

■ Consolidated Balance Sheet

(Billion yen)

		End-1H FY02/22	End-FY02/21	Change
1	Current Assets	62.4	80.4	-18.0
2	Cash and Deposits	19.2	21.3	-2.1
3	Accounts Receivable	10.9	18.2	-7.3
4	Inventory	28.6	34.3	-5.7
5	Non-current Assets	102.7	115.5	-12.8
6	Property, Plant and Equipment	61.2	71.8	-10.6
7	Intangible Assets	10.1	10.6	-0.5
8	Investments and Other Assets	31.3	33.0	-1.7
9	Total Assets	165.1	196.0	-30.9
10	Liabilities	99.7	136.5	-36.8
11	Accounts Payable	15.8	21.9	-6.1
12	Loans Payable	56.7	78.0	-21.3
13	Net Assets	65.4	59.5	+5.9

With regard to the consolidated balance sheets, in line with our direction on asset streamlining and inventory control, total assets decreased by ¥30,900 million compared with the end of the previous fiscal year, while liabilities decreased by ¥36,800 million. As a result, net assets increased by ¥5,900 million.

Total assets at the end of the second quarter, No. 9 on the slide, were ¥165,100 million, a decrease of ¥30,900 million compared with the end of the previous fiscal year, as a result of initiatives such as sales of non-currents assets and inventory streamlining.

Cash and deposits, No. 2 on the slide, decreased ¥2,100 million, to ¥19,200 million, and notes and accounts receivable—trade, No. 3, was down ¥7,300 million, to ¥10,900 million. This was due to improvements in capital efficiency following withdrawal from businesses in Europe.

Inventories, No. 4, decreased ¥5,700 million to ¥28,600 million due to the withdrawal from businesses in Europe and the curbing of procurement as part of inventory control measures.

As a result, total current assets, No. 1, decreased ¥18,000 million to ¥62,400 million.

Property, plant and equipment, No. 6, declined ¥10,600 million to ¥61,200 million compared with the end of the previous fiscal year, as a result of sales of land and buildings based on our policy of pursuing more efficient management of assets.

Non-current assets, No. 5, decreased ¥12,800 million to ¥102,700 million.

Liabilities, No. 10, totaled ¥99,700 million, a decrease of ¥36,800 million compared with the end of the previous fiscal year.

Notes and accounts payable—trade, No. 11, decreased ¥6,100 million, to ¥15,800 million, as a result of withdrawal from businesses in Europe and the curbing of procurement at Onward Kashiyama.

Borrowings, No. 12, declined by ¥21,300 million, to ¥56,700 million, as gain on sales of non-current assets was used for repayment of borrowings.

Net assets, No. 13, increased by ¥5,900 million from the previous fiscal year-end, reaching ¥65,400 million.

Next, please look at Slide 12 of the presentation.

FY02/22 1H Financial Situation

ONWARD

(Million yen)

■ Consolidated Cash Flows

		1H		
		FY02/22	FY02/21	Change
1	CF from Operating Activities	962	-22,914	+23,876
2	CF from Investing Activities	20,022	4,500	+15,522
3	CF from Financing Activities	-23,966	16,025	-39,991
4	Balance of Cash and Equivalents	19,261	26,265	-7,004

■ Capex

		1H		
		FY02/22	FY02/21	Change
5	Capex	2,385	3,229	-844
6	Depreciation	2,392	2,804	-412

■ Metrics

		1H		
		FY02/22	FY02/21	Change
7	Shareholders' Equity Ratio (versus end-FY02/21)	39.4%	28.9%	+10.5%
8	Shares Issued (versus end-FY02/21)	157,922	157,922	-
9	Average number of shares issued during the period (excl. treasury shares, YoY)	135,607	135,298	+309

I'd now like to go over our consolidated cash flows.

Net cash provided by operating activities, No. 1 on this slide, was ¥962 million, compared with net cash used in operating activities of ¥22,900 million in the first half of the previous fiscal year. This significant increase in cash was mainly the result of profit growth coupled with the positive impact of decreases in inventory. Despite the difficult conditions, we were able to return to a positive operating cash flow.

Net cash provided by investing activities, No. 2, was ¥20,022 million. Cash inflow from ongoing sales of property, plant and equipment in line with our policy of asset streamlining contributed to this.

Net cash used in financing activities, No. 3, was ¥23,966 million due to using the inflow of cash from operating activities and asset sales for the repayment of borrowings.

Cash and cash equivalents, No. 4, totaled ¥19,261 million, a decrease of ¥7,000 million from the end of the previous fiscal year. The withdrawal from businesses in Europe will contribute to our ability to more efficiently utilize capital that had previously been dispersed among subsidiaries.

Given the total of ¥50,000 million in commitment line agreements concluded with a group of banks centered on three megabanks, we have secured a sufficient amount of cash and deposits.

Capital investment, No. 5, totaled ¥2,385 million. Investments were minimized and limited to only those deemed completely necessary, and primarily consisted of investments in our new Dalian factory as well as digital transformation-related investments in systems and so on.

Depreciation and amortization, No. 6, was ¥2,400 million, a year-on-year decrease.

The shareholders' equity ratio, No. 7, recovered from 28.9% on February 28, 2021 to 39.4% as of the end of the first half of the fiscal year. We've nearly reached 40%, which we consider to be the level that the group as a whole should attain.

This ends my review of our financial situation for the first half of the fiscal year ending February 28, 2022.

Please refer to Slide 13 onward for the Data Book.

This concludes my presentation. Thank you very much.

DATA BOOK

Sales by Channel

Total consolidated e-commerce sales (incl. overseas sales) were 20.8 billion yen (up 6% YoY). The e-commerce ratio for domestic businesses was 31.4%. The directly managed e-commerce ratio was 87.7%.

(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**	**15,420**	**12,476**	**27,896**	**11,642**	**1,246**	**12,888**	**40,784**	**31.6%**	**90.3%**
2	% of sales	37.8%	30.6%	68.4%	28.5%	3.1%	31.6%	100.0%		
3	YoY	86.4%	135.7%	103.2%	89.8%	161.6%	93.8%	100.0%	**-2.1%**	**-4.1%**
4	Eight Domestic Subsidiaries Using E-Commerce *1	4,630	10,400	15,030	5,600	1,164	6,764	21,794	31.0%	82.8%
5	**Total of Domestic Group Companies Using E-Commerce**	**20,050**	**22,876**	**42,926**	**17,242**	**2,410**	**19,652**	**62,578**	**31.4%**	**87.7%**
6	% of sales	32.0%	36.6%	68.6%	27.6%	3.9%	31.4%	100.0%		
7	YoY	91.8%	121.1%	105.4%	99.9%	140.0%	103.5%	104.8%	**-0.4%**	**-3.2%**

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

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(Million yen)

SG&A Expenses

		Q1				Q2				1H			
		FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY
1	Personnel	8,905	9,842	-937	90.5%	9,229	12,227	-2,998	75.5%	18,134	22,069	-3,935	82.2%
2	Rent	5,987	4,672	+1,315	128.1%	4,883	6,384	-1,501	76.5%	10,870	11,056	-186	98.3%
3	Transportation	1,602	1,587	+15	100.9%	1,481	1,538	-57	96.3%	3,083	3,125	-42	98.7%
4	Promotion and Advertising	1,501	1,715	-214	87.5%	1,309	1,760	-451	74.4%	2,810	3,475	-665	80.9%
5	Depreciation	902	999	-97	90.3%	941	967	-26	97.3%	1,843	1,966	-123	93.7%
6	Other	3,735	4,118	-383	90.7%	3,837	3,883	-46	98.8%	7,572	8,001	-429	94.6%
7	Total SG&A expenses	22,632	22,933	-301	98.7%	21,680	26,759	-5,079	81.0%	44,312	49,692	-5,380	89.2%
8	Extraordinary loss adjustment	779	2,409	-1,630	32.3%	283	709	-426	39.9%	1,062	3,118	-2,056	34.1%
9	(Reference) Effective SG&A expenses	23,411	25,342	-1,931	92.4%	21,963	27,468	-5,505	80.0%	45,374	52,810	-7,436	85.9%

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)

		1H			
		FY02/22	FY02/21	Change	YoY
10	Interest income	20	23	-3	87.0%
11	Dividend income	91	116	-25	78.4%
12	Foreign exchange gains	109	-648	+757	-
13	Subsidy income	450	108	+342	416.7%
14	Other non-operating income	573	438	+135	130.8%
15	Interest paid	-221	-242	+21	91.3%
16	Loss on equity method investments	-42	-38	-4	110.5%
17	Other non-operating expenses	-548	-232	-316	236.2%
18	Non-operating profit/loss	432	-475	+907	-

Extraordinary Profit/Loss

(Million yen)

		1H			
		FY02/22	FY02/21	Change	YoY
19	Gain on sales of non-current assets	17,089	2,013	+15,076	848.9%
20	Gain on sales of investment securities	92	8	+84	1150.0%
21	Gain on sales of affiliated companies' shares	2,944	-	+2,944	-
22	Subsidies for employment adjustment	244	1,811	-1,567	13.5%
23	Loss related to temporary closures	-1,062	-3,254	+2,192	32.6%
24	Loss on sales of affiliated companies' shares	-1,829	-	-1,829	-
25	Loss on liquidation of affiliated companies	-1,968	-	-1,968	-
26	Impairment loss	-222	-904	+682	24.6%
27	Loss on valuation of investment securities	-	-1,657	+1,657	-
28	Loss on liquidation of businesses	-	-953	+953	-
29	Other	-310	-430	+120	72.1%
30	Extraordinary profit/loss	14,978	-3,366	+18,344	-

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Results by segment

(Million yen)

#				Q1				Q2				1H			
				FY02/22	FY02/21	Change	YoY	FY02/21	FY02/20	Change	YoY	FY02/21	FY02/20	Change	YoY
1	Domestic	Apparel	Sales	28,926	24,245	+4,681	119.3%	23,256	28,623	-5,367	81.2%	52,182	52,868	-686	98.7%
2			Operating Profit	495	-1,691	+2,186	-	-4,132	-6,578	+2,446	-	-3,637	-8,269	+4,632	-
3		Lifestyle	Sales	8,875	7,383	+1,492	120.2%	8,973	8,266	+707	108.6%	17,848	15,649	+2,199	114.1%
4			Operating Profit	723	329	+394	219.8%	770	409	+361	188.3%	1,493	738	+755	202.3%
5		**Domestic Total**	Sales	37,801	31,628	+6,173	119.5%	32,229	36,889	-4,660	87.4%	70,030	68,517	+1,513	102.2%
6			Operating Profit	1,218	-1,362	+2,580	-	-3,362	-6,169	+2,807	-	-2,144	-7,531	+5,387	-
7	Overseas	Apparel	Sales	7,878	10,713	-2,835	73.5%	2,169	4,184	-2,015	51.8%	10,047	14,897	-4,850	67.4%
8			Operating Profit	220	-527	+747	-	-707	-2,304	+1,597	-	-487	-2,831	+2,344	-
9		Lifestyle	Sales	343	1,378	-1,035	24.9%	365	105	+260	347.6%	708	1,483	-775	47.7%
10			Operating Profit	-251	42	-293	-	-180	-309	+129	-	-431	-267	-164	-
11		**Overseas Total**	Sales	8,221	12,091	-3,870	68.0%	2,534	4,289	-1,755	59.1%	10,755	16,380	-5,625	65.7%
12			Operating Profit	-31	-485	+454	-	-887	-2,613	+1,726	-	-918	-3,098	+2,180	-
13	**Consoldiated Total**		**Sales**	**46,022**	**43,719**	**+2,303**	**105.3%**	**34,763**	**41,178**	**-6,415**	**84.4%**	**80,785**	**84,897**	**-4,112**	**95.2%**
14			**Operating Profit**	**1,147**	**-1,851**	**+2,998**	-	**-4,441**	**-9,128**	**+4,687**	-	**-3,294**	**-10,979**	**+7,685**	-

Note: 1H represents December through May for European companies and January through June for Asian companies.
Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.
Note: Domestic Apparel (Onward Kashiyama, 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)

DATA BOOK: FY02/22 1H Results

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Onward Kashiyama (Non-consolidated)

(Million yen)

		Q1				Q2				1H			
		FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY
1	Sales	22,435	17,560	+4,875	127.8%	18,349	23,224	-4,875	79.0%	40,784	40,784	±0	100.0%
2	Gross Profit	13,076	10,119	+2,957	129.2%	9,392	11,232	-1,840	83.6%	22,468	21,351	+1,117	105.2%
	% of sales	58.3%	57.6%	+0.7%		51.2%	48.4%	+2.8%		55.1%	52.4%	+2.7%	
3	SG&A Expenses	12,306	11,692	+614	105.3%	12,139	15,960	-3,821	76.1%	24,445	27,652	-3,207	88.4%
	% of sales	54.9%	66.6%	-11.7%		66.2%	68.7%	-2.5%		59.9%	67.8%	-7.9%	
4	**Operating Profit**	**770**	**-1,573**	**+2,343**	**-**	**-2,747**	**-4,728**	**+1,981**	**-**	**-1,977**	**-6,301**	**+4,324**	**-**
	% of sales	3.4%	-			-	-			-	-		

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

Domestic Subtotal (Excl. Onward Kashiyama)

		Q1 FY02/22	Q1 FY02/21	Q1 Change	Q1 YoY	Q2 FY02/22	Q2 FY02/21	Q2 Change	Q2 YoY	1H FY02/22	1H FY02/21	1H Change	1H YoY
5	Sales	17,202	16,036	+1,166	107.3%	15,149	15,791	-642	95.9%	32,351	31,827	+524	101.6%
6	Gross Profit	8,439	7,564	+875	111.6%	7,749	7,146	+603	108.4%	16,188	14,710	+1,478	110.0%
	% of sales	49.1%	47.2%	+1.9%		51.2%	45.3%	+5.9%		50.0%	46.2%	+3.8%	
7	SG&A Expenses	7,379	6,766	+613	109.1%	7,711	7,695	+16	100.2%	15,090	14,461	+629	104.3%
	% of sales	42.9%	42.2%	+0.7%		50.9%	48.7%	+2.2%		46.6%	45.4%	+1.2%	
8	**Operating Profit**	**1,060**	**798**	**+262**	**132.8%**	**38**	**-549**	**+587**	**-**	**1,098**	**249**	**+849**	**441.0%**
	% of sales	6.2%	5.0%	+1.2%		0.3%	-			3.4%	0.8%	+2.6%	

Note: Calculated using simple sums for the domestic group excluding Onward Kashiyama.
Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Overseas Subtotal

		Q1 FY02/22	Q1 FY02/21	Q1 Change	Q1 YoY	Q2 FY02/22	Q2 FY02/21	Q2 Change	Q2 YoY	1H FY02/22	1H FY02/21	1H Change	1H YoY
9	Sales	8,643	12,713	-4,070	68.0%	2,837	4,505	-1,668	63.0%	11,480	17,218	-5,738	66.7%
10	Gross Profit	3,352	4,914	-1,562	68.2%	1,032	200	+832	516.0%	4,384	5,114	-730	85.7%
	% of sales	38.8%	38.7%	+0.1%		36.4%	4.4%	+32.0%		38.2%	29.7%	+8.5%	
11	SG&A Expenses	3,339	5,232	-1,893	63.8%	1,713	2,664	-951	64.3%	5,052	7,896	-2,844	64.0%
	% of sales	38.6%	41.2%	-2.6%		60.4%	59.1%	+1.3%		44.0%	45.9%	-1.9%	
12	**Operating Profit**	**13**	**-318**	**+331**	**-**	**-681**	**-2,464**	**+1,783**	**-**	**-668**	**-2,782**	**+2,114**	**-**
	% of sales	0.2%	-			-	-			-	-		

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

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