

ONWARD

FY02/23 Q3

## Results Presentation Material



January 12, 2023

ONWARD HOLDINGS CO., LTD.

Today, I would like to provide an overview of our Group's financial results for the third quarter of the fiscal year ending February 28, 2023 using the Results Presentation Material.

This overview has two main points. One is that net sales and profit at all levels exceeded the full-year forecast in the nine months ended November 30, 2022 due to the continuous strong performance. The other is that the full-year forecast was revised upward in light of the current situation.

First, please take a look at slide 4 of the Results Presentation Material.

Onward Group's Raison d'Être

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





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ICB



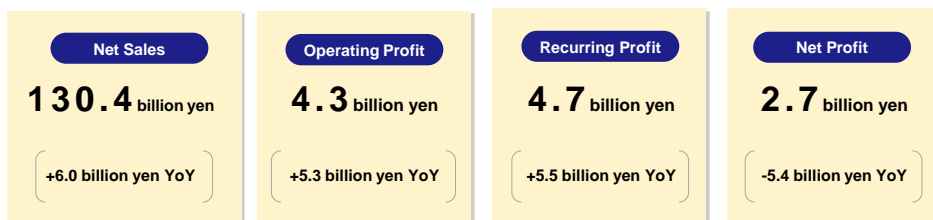
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# 01

## Financial Summary

1. Financial Highlights
2. FY02/23 Q3 Consolidated Results
3. FY02/23 Full-Year Forecast Revision

## Financial Highlights: FY02/23 Cumulative Q3 Consolidated Results



- Cumulative Q3 net sales increased by 6 billion yen (+5%) YoY due to a clear recovery mainly at our mainstay Onward Kashiyama brand business, and strong sales at stores that introduced the “Click & Try” OMO service.
- In addition to the success of the global business reforms, inventory reduction and discount sales reduction measures improved the gross profit margin (52.6%→55.7%), while the SG&A expense ratio also steadily declined (53.4%→52.4%).
- As a result, cumulative Q3 operating profit and recurring profit returned to profitability.
- Cumulative Q3 net profit fell because of a one-time factor in FY02/22, when the Company recorded substantial profit from the sale of real estate.

Here the key points of the consolidated financial results for the nine months ended November 30, 2022 are stated as financial highlights.

For the consolidated performance of the nine-month period, net sales came to ¥130.4 billion, an increase of ¥6.0 billion year on year, due to the recovery of the brand businesses and acceleration of the OMO strategy, mainly led by Onward Kashiyama. As for profit, operating profit grew ¥5.3 billion to ¥4.3 billion and recurring profit increased ¥5.5 billion to ¥4.7 billion, both returning to the black. This was due to the improved gross profit margin resulting from reductions of both inventory and discount sales and lower SG&A expense ratio.

Net profit fell in reaction to the one-time factor of a gain on sales of real estate recorded in the same period of last fiscal year.

Next, please look at slide 5.

## Financial Highlights: FY02/23 Full-Year Forecast Revision



- Net sales for both the consolidated cumulative Q3 period and the current period have been strong as customer-centric product measures which include customization were supported and sales remained brisk at stores that introduced OMO services, while both the Apparel and Lifestyle businesses have trended steadily.
- Also, our gross profit margin exceeded the previous forecast due to the thorough implementation of sales measures to reduce price discounting as much as possible, and the progress of global business reforms are continuing to contribute to the efficient use of SG&A expenses.
- As a result, the operating profit, recurring profit, and net profit for the consolidated cumulative Q3 period were all higher than the previous full-year forecast.
- We have revised the full-year forecast upward based on the above.

On September 27 last year, we announced a revision of our full-year forecast. Yesterday, we announced our second upward revision to our full-year performance forecast for the current fiscal year.

The revised forecast is for net sales to be up ¥1.2 billion to ¥175.0 billion, operating profit to increase ¥900 million to ¥5.0 billion, recurring profit to increase ¥900 million to ¥5.2 billion, and net profit to increase ¥400 million to ¥2.6 billion, compared to the previous forecast. This revision was made because operating profit, recurring profit, and net profit for the nine-month period have all exceeded the full-year forecast announced in September of last year, and under the current situation, sales continue to be strong.

These are the highlights for the current financial results.

Now, I would like to explain the details of the financial results for the third quarter of the fiscal year ending February 28, 2023.

Please refer to slide 7.



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# 01

## Financial Summary

1. Financial Highlights
2. **FY02/23 Q3 Consolidated Results**
3. FY02/23 Full-Year Forecast Revision

## FY02/23 Cumulative Q3: Consolidated Results



- Net sales increased by 6 billion yen (5%) YoY to 130.4 billion yen.
- Operating profit/loss improved by 5.3 billion yen YoY, achieving operating profit of 4.3 billion yen.

	FY02/22		FY02/23		YoY			
	Cumulative Q3	% of Sales	Cumulative Q3	% of Sales	Change	% of Change	% of Sales Change	
1	Net Sales	124,355	-	130,397	-	+6,042	+4.9%	-
2	Gross Profit	65,459	52.6%	72,625	55.7%	+7,166	+10.9%	+3.1%
3	SG&A Expenses	66,407	53.4%	68,310	52.4%	+1,903	+2.9%	-1.0%
4	Operating Profit	-948	-	4,315	3.3%	+5,263	↗	↗
5	Recurring Profit	-759	-	4,698	3.6%	+5,457	↗	↗
6	Net Profit	8,082	6.5%	2,723	2.1%	-5,359	-66.3%	-4.4%
7	EBITDA*	2,832	2.3%	8,244	6.3%	+5,412	+191.0%	+4.0%

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

Here, the results of consolidated totals are shown. The orange-framed part in the middle shows the results for the nine months ended November 30, 2022.

Net sales in row 1 increased 4.9% year on year. Led by Onward Kashiyama, which is accelerating its OMO strategy, domestic lifestyle businesses such as Yamato and Creative Yoko also performed well, resulting in an increase in net sales mainly from domestic operations.

Gross profit in row 2 was up 10.9% year on year to ¥72.625 billion. Gross profit margin improved 3.1 percentage points from the same period last fiscal year to 55.7%. Continuing from the first half, Onward Kashiyama contributed to this result by curbing discount sales and improving efficiency through centralized inventory management.

SG&A expenses in row 3 grew 2.9% year on year to ¥68.31 billion. Rent and other expenses were up with the increase in net sales, but expenses were appropriately controlled based on the global business reforms. Furthermore, if excluding the impact of the temporary closings from COVID-19 which resulted in the transfer of ¥1.3 billion of fixed costs to extraordinary losses in the same period the previous fiscal year, the level of SG&A expenses will practically be the same year on year.

As a result, operating profit in row 4 was ¥4.315 billion, up ¥5.3 billion from the same period of the previous fiscal year, and returned to the black.

Although it is not shown in the table on slide 7, in non-operating profit/loss, which falls between operating profit in row 4 and recurring profit in row 5, foreign exchange gains increased due to the sharp depreciation of the yen, and recurring profit increased ¥400 million on top of operating profit due to such factors and reached ¥4.698 billion, an increase of ¥5.5 billion from the same period of the previous year.

Net profit in row 6 was ¥2.723 billion. Although also not shown in the table, extraordinary income included a ¥1.2 billion gain on the sale of a hotel in Guam in the first quarter and a ¥100 million gain on the sale of investment securities due to the dissolution of cross-holdings, and extraordinary losses included a ¥700 million impairment loss on fixed assets. As a result of the above and the payment of income taxes, profit decreased 66.3% year on year.

EBITDA in row 7 increased ¥5.4 billion year on year to ¥8.244 billion.

Next, please look at slide 8.



## FY02/23 Cumulative Q3: Net Sales & Operating Profit by Segment ONWARD

- The domestic apparel business posted higher sales, and operating profit turned to the black. The lifestyle business recorded growth in net sales and operating profit.
- For overseas businesses, the apparel business posted lower net sales due to the withdrawal from the Italian business, and net sales and operating profit improved in the lifestyle business.
- Operating loss increased temporarily YoY in the overseas business due to pent-up demand in FY02/22 Q1 before withdrawing from the Italian business, but was cleared from Q2 onward.

			FY02/22	FY02/23	YoY	
			Cumulative Q3	Cumulative Q3	Change	% of Change
1	Apparel	Net Sales	89,518	95,403	+5,885	+6.6%
		Operating Profit	-1,268	4,069	+5,337	↑
2	Lifestyle	Net Sales	27,372	29,200	+1,828	+6.7%
		Operating Profit	2,070	2,433	+363	+17.5%
3		<b>Domestic Total</b>	<b>116,890</b>	<b>124,603</b>	<b>+7,713</b>	<b>+6.6%</b>
		Operating Profit	802	6,502	+5,700	+710.7%
4	Apparel	Net Sales	13,424	10,946	-2,478	-18.5%
		Operating Profit	-531	-1,035	-504	↓
5	Lifestyle	Net Sales	1,186	1,488	+302	+25.5%
		Operating Profit	-557	-240	+317	↑
6		<b>Overseas Total</b>	<b>14,610</b>	<b>12,434</b>	<b>-2,176</b>	<b>-14.9%</b>
		Operating Profit	-1,088	-1,275	-187	↓
7		<b>Consolidated Total</b>	<b>124,355</b>	<b>130,397</b>	<b>+6,042</b>	<b>+4.9%</b>
		Operating Profit	-948	4,315	+5,263	↑

Domestic Apparel (Onward Kashiya, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)  
 Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)  
 Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 8 other companies; 18 companies in total)  
 Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)  
 The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

Here, net sales and operating profit by segment are shown.

As shown in the orange-framed area, in domestic operations, net sales in the apparel business increased and returned to the black. Both net sales and operating profit grew in the lifestyle business. As a result, total net sales in the domestic operations increased 6.6% year on year, or ¥7.7 billion in value. Operating profit was up ¥5.7 billion year on year.

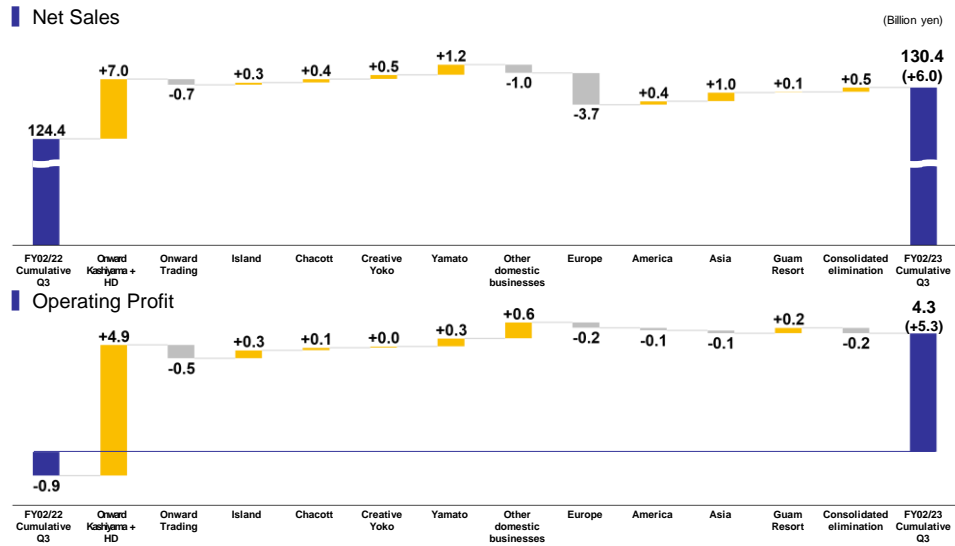
In overseas operations, net sales in the apparel business fell due to withdrawing from the Italian business, and profit decreased due to temporary factors such as special demand that rose before the withdrawal. For the lifestyle business, net sales grew and operating profitability improved. Total net sales in the overseas operations decreased 14.9% year on year, or ¥2.2 billion in value. Operating loss increased ¥200 million year on year.

Overseas operations continue to be an issue due to the impact from COVID-19, the Russia-Ukraine crisis, and others.

Next, please refer to slide 9.

## FY02/23 Cumulative Q3: Net Sales & Operating Profit Increases/Decreases by Company

- Net sales increased by 6 billion yen YoY, with a 7 billion yen increase at Onward Kashiya and other factors absorbing the 3.7 billion yen decline in Europe after withdrawing from the Italian business.
- Operating profit/loss returned to the black due to factors such as 4.9 billion yen in operating profit/loss improvement at Onward Kashiya.



Here, changes in net sales and operating profit by Group company for the nine months ended November 30, 2022 are organized in a waterfall chart.

The trend remains largely unchanged from the first half. The major fluctuating factors common in net sales and operating profit are the impact from increased net sales and operating profit of Onward Kashiya and lower net sales following the withdrawal of businesses in Europe, namely Italy.

Next, please look at slide 10.

## FY02/23 Cumulative Q3: Net Sales by Channel

- Net sales at physical stores total (department stores, shopping centers and other) increased by 10% YoY. (16% increase on a like-for-like store basis, excluding closed stores).
- E-commerce sales increased by 10% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 29% and 86%, respectively.

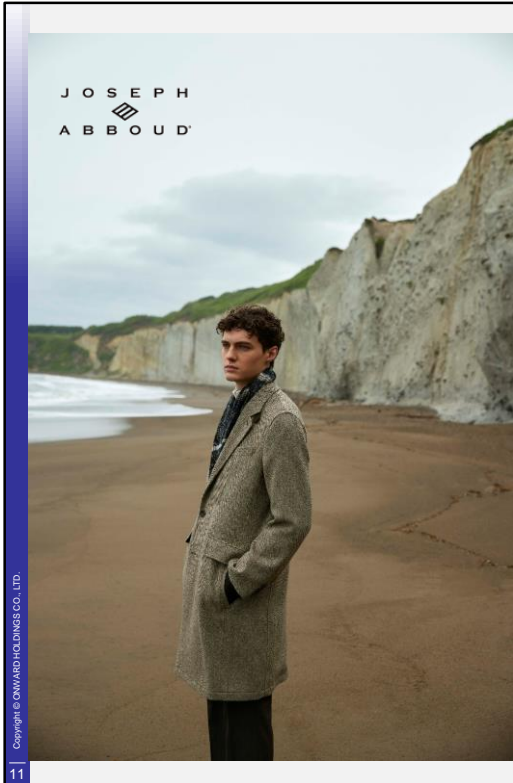
(Million yen)	Department Stores	Shopping Centers and Other	Physical Stores Total	Directly Managed E-Commerce	Other E-Commerce Platforms	E-Commerce Total	Total Sales	E-Commerce Ratio	Directly Managed E-Commerce Ratio
1 Onward Kashiyama	29,951	24,148	54,099	18,218	2,553	20,771	74,870	27.7%	87.7%
2 % of sales	40.0%	32.3%	72.3%	24.3%	3.4%	27.7%	100.0%		
3 YoY	+15.2%	+9.6%	+12.7%	+2.7%	+23.7%	+4.9%	+10.4%	-1.5%	-1.9%
4 Eight Domestic Subsidiaries Using E-Commerce*	7,056	17,221	24,277	9,981	1,907	11,888	36,165	32.9%	84.0%
5 Total Domestic Subsidiaries Using E-Commerce	37,007	41,369	78,376	28,199	4,460	32,659	111,035	29.4%	86.3%
6 % of sales	33.3%	37.3%	70.6%	25.4%	4.0%	29.4%	100.0%		
7 YoY	+12.4%	+7.5%	+9.7%	+8.3%	+18.2%	+9.5%	+9.7%	±0.0%	-1.0%

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

Here, net sales by channel for the nine months ended November 30, 2022 are shown.

Net sales of subsidiaries by channel for the nine-month period were up 9.7% year on year in the physical store channel, and up 9.5% in the e-commerce channel. Also, the e-commerce ratio was 29%. The directly managed e-commerce ratio continues to be high at a level of 86%.

Next, please look at slide 12.




# 01

## Financial Summary

1. Financial Highlights
2. FY02/23 Q3 Consolidated Results
- 3. FY02/23 Full-Year Forecast Revision**

## FY02/23: Full-Year Forecast Revision

- Net sales were revised upward by 1.2 billion yen from the previous forecast, and are forecast to increase 6.5 billion yen YoY to 175 billion yen.
- Operating profit/loss was revised upward by 900 million yen from the previous forecast, a 6.1 billion yen improvement YoY, with expected operating profit of 5 billion yen.

(Million yen)		FY02/23	FY02/23	Change (A-B)	% of Change (A/B)	FY02/22	Change (A-C)	% of Change (A/C)
		Revised Forecast (announced in Jan-2023) (A)	Previous Forecast (announced in Sep-2022) (B)			Previous year's results (C)		
1	Net Sales	175,000	173,800	+1,200	+0.7%	168,453	+6,547	+3.9%
2	Gross Profit	96,700	94,000	+2,700	+2.9%	87,612	+9,088	+10.4%
3	SG&A Expenses	91,700	89,900	+1,800	+2.0%	88,691	+3,009	+3.4%
4	Operating Profit	5,000	4,100	+900	+22.0%	-1,079	+6,079	
5	Recurring Profit	5,200	4,300	+900	+20.9%	507	+4,693	+925.6%
6	Net Profit	2,600	2,200	+400	+18.2%	8,566	-5,966	-69.6%
7	EBITDA*	10,000	9,080	+920	+10.1%	3,915	+6,085	+155.4%

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

Here, I would like to explain the revised full-year forecast.

As I mentioned in the beginning, yesterday, we again revised our full-year forecast for the fiscal year ending February 28, 2023.

The orange column refers to the revised forecast figures.

The figures are as presented in the beginning, but once again, the revised forecast figures for the fiscal year ending February 28, 2023 are; net sales up ¥1.2 billion to ¥175.0 billion, gross profit up ¥2.7 billion to ¥96.7 billion, operating profit up ¥900 million to ¥5.0 billion, recurring profit up ¥900 million to ¥5.2 billion, and net profit up ¥400 million to ¥2.6 billion, compared to the previous forecast.

Slides 13 and thereafter present topics.



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# 02

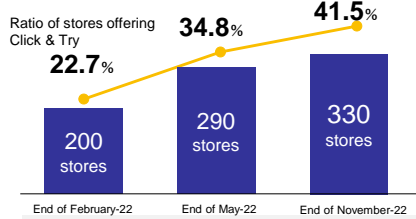
## TOPICS

1. OMO Strategy
2. Apparel Business
3. Lifestyle Business

# 1. OMO Strategy

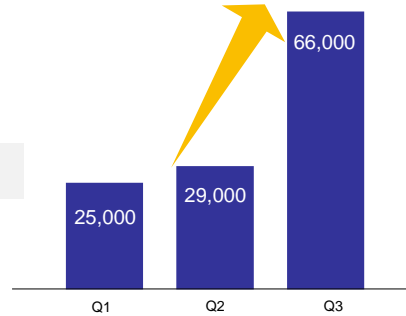
- Number of Onward Kashiwama stores implementing its “Click & Try” OMO service increased to **330**.
- Net sales level of existing stores offering the OMO service recovered to 100% of FY02/20 Q3 level, **19 pp** higher than stores that don't offer the service (81%).
- Number of items reserved for “Click & Try” rapidly increased from 29,000 in Q2 to **66,000** in Q3.

## Trends in number of stores offering Click & Try



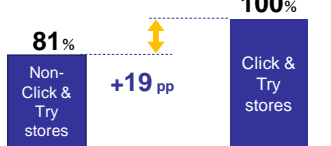
Offered at 40%+ of Onward Kashiwama stores; Further expansion is planned

## Items reserved for Click & Try service



“Click & Try” usage increased rapidly in Q3

## Net Sales: FY02/23 Cumulative Q3 versus FY02/20 Cumulative Q3



Click & Try service boosted net sales

Slide 14 shows Onward Kashiwama’s OMO strategy.

As of the end of the third quarter of the fiscal year ending February 28, 2023, more than 40% of Onward Kashiwama stores are offering “Click & Try”, an OMO service which is greatly contributing to Onward Kashiwama’s performance improvement.

There is a difference of 19 percentage points between stores where the Click & Try service is implemented and stores where it is not implemented when comparing net sales for the nine months ended November 30, 2022 to the same period of the fiscal year 2019. Net sales of the stores with the service recovered to the pre-COVID-19 fiscal 2019 level. This service is contributing to brisk sales growth.

The right-hand side of slide 14 shows the quarterly number of items reserved for Click & Try. In the third quarter, the number of items sharply rose from the second quarter, from approximately 29,000 to 66,000.



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## 02

### TOPICS

1. OMO Strategy
- 2. Apparel Business**
3. Lifestyle Business



## 2. Apparel Business

### Nijyusanku [Onward Kashiyama] 23

- Cumulative Q3 like-for-like store sales significantly increased by **+32%** YoY.
- Average customer spend increased due to product value improvement and price revisions for some products.
- Sales of skirts and dresses more than doubled in response to increased demand for going out.

Cumulative Q3 Sales (YoY) **+23.4%**



### Jiyuku [Onward Kashiyama] 自由区

- Cumulative Q3 like-for-like store sales significantly increased by **+29%** YoY.
- Average customer spend increased due to a higher number of product types with a high-quality feel.
- Sales significantly increased after strengthening mainstay knitwear and dresses.

Cumulative Q3 Sales (YoY) **+12.6%**



### ICB [Onward Kashiyama] i c b

- Cumulative Q3 like-for-like store sales grew by **+24%** YoY.
- Sales increased by expanding the product variations of light outerwear suitable for various occasions and temperatures.

Cumulative Q3 Sales (YoY) **+12.3%**



Slide 16 shows the favorable trend of our core ladies' brands.

Net sales for the nine months ended November 30, 2022 increased mainly in the like-for-like stores; up 23% year on year for Nijyusanku, 13% for Jiyuku, and 12% for ICB. All recorded strong growth. Such recovery in the core brands is sharply boosting the Group's performance.



## 02

### TOPICS

1. OMO Strategy
2. Apparel Business
3. **Lifestyle Business**

### 3. Lifestyle Business

#### — Creative Yoko

■ A collaboration store “PET PARADISE X Ueshima Coffee Company” has opened. Sales started off strong.

- A pet-friendly collaboration shop/café “PET PARADISE X Ueshima Coffee Company” opened on Thursday, October 20<sup>th</sup>, 2022 at Fukaya-Hanazono Premium Outlet.
- By offering a wide selection of products and collaborating with a different type of business, we responded to the needs of those wanting to go out and eat out with their pets as part of their family.



Cumulative Q3  
Sales  
(YoY) +13.6%

CREATIVE YOKO CO., LTD.  
[www.creativeyoko.co.jp](http://www.creativeyoko.co.jp)

Slide 18 introduces the topic of Creative Yoko, which operates the pet/home life business in the lifestyle business.

In October last year, we opened a collaboration store of Creative Yoko’s PET PARADISE and Ueshima Coffee Company in the city of Fukaya in Saitama Prefecture. Meeting people’s needs to go out and enjoy eating out together with their pets as part of their family, the store’s sales have remained favorable since its opening.



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# 03

## Sustainable Management

## Onward Kashiwama

- "steppi by UNFILO", launched in the spring of 2022, won the Good Design Award 2022 (sponsored by the Japan Institute of Design Promotion).
- To use recycled materials whenever possible, polyester yarn made from used plastic bottles and plastic waste was incorporated.
- Both the outsole and insole contain recycled materials. Furthermore, shoeboxes and shopping bags were discontinued to reduce CO2 emissions.
- 10,000 pairs are expected to be sold in the first year.



## Onward Trading

- As part of joint upcycling\* initiatives, Onward Trading and ANA jointly developed "ANA Special Slippers" made from airplane seat covers subject to disposal.
- Each pair is handmade by craftsmen in Kahoku Town, Yamagata Prefecture, Japan's largest production site of slippers. As a result, the product also contributes to regional development through revitalizing traditional industries.
- There were about 4,000 applications for the first and second rounds of pre-order lottery sales, and a total of 120 pairs were sold. It was so popular only 3% of applicants could buy it.

\*Upcycling: An initiative to promote sustainable manufacturing by adding values to items that would otherwise be discarded by upgrading and transforming them into a completely new product.



Slide 20 introduces examples of sustainable management.

As shown on the left-hand side of the slide, in spring 2022, Onward Kashiwama launched the "steppi by UNFILO" shoe brand made from recycled materials such as used plastic bottles. "steppi" shoes are both environment- and foot-friendly knit pumps which we independently developed over approximately two years and which won the Good Design Award 2022. Sales are also very strong, with sales volume for the initial fiscal year expected to reach 10,000 pairs.

As shown on the right-hand side of the slide, Onward Trading has developed room shoes (slippers) using discarded airplane seat covers in a joint effort with ANA.

They are a popular product and the first and second preliminary lottery sales received about 4,000 applications for sales of a total of 120 pairs.

Continuing, I would like explain the financial situation.

Please take a look at slide 22.



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# 04

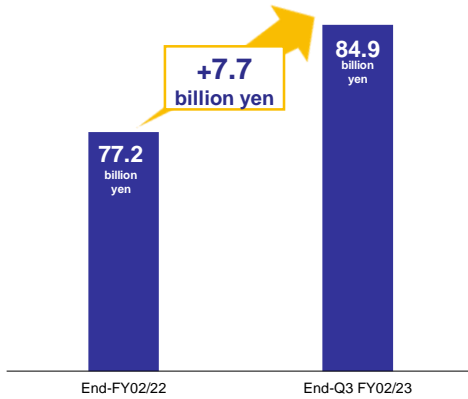
## Financial Situation

## Consolidated Balance Sheet

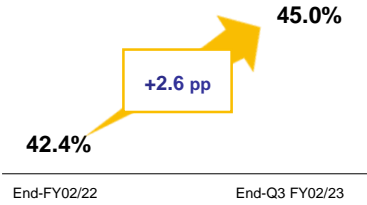
—ONWARD—

- Net assets increased to 84.9 billion yen, up 7.7 billion yen from the end of FY02/22.
- Shareholder's equity ratio increased to 45.0%, up 2.6 pp from the end of FY 02/22.
- Current ratio increased to 113.8%, up 5.3 pp from the end of FY02/22, further improving management stability.

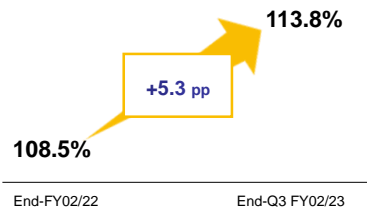
### Net Assets



### Shareholder's equity ratio



### Current ratio

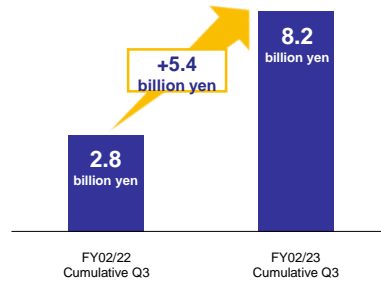


Net assets as of the end of the third quarter of the fiscal year ending February 28, 2023 increased ¥7.7 billion from the end of the previous fiscal year to ¥84.9 billion. As a result, shareholders' equity ratio rose 2.6 percentage points over the same period to 45.0% and is maintaining an appropriate level. The current ratio also rose 5.3 percentage points to 113.8%, maintaining the safety standard of 100% or more.

## EBITDA/Cash Flows

### EBITDA

- EBITDA increased 5.4 billion yen YoY to 8.2 billion yen. (Expected to increase to 10 billion yen for the full year)



### Cash Flows

- Cash flows from operating activities amounted to 1.4 billion yen due to a return to the black for operating profit and recurring profit.
- Cash flows from investing activities amounted to 3.9 billion yen due to the sale of the hotel business in Guam.
- Free cash flow (operating cash flow + investing cash flow) amounted to 5.3 billion yen.

Slide 23 shows EBITDA and cash flows.

EBITDA increased ¥5.4 billion from the same period of the last fiscal year to ¥8.2 billion.

Cash flows from operating activities were ¥1.4 billion and cash flows from investing activities were ¥3.9 billion for a total free cash flow of ¥5.3 billion.

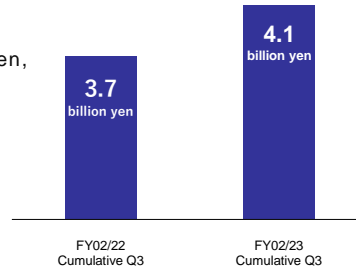


## Capital Expenditures/Depreciation and Amortization



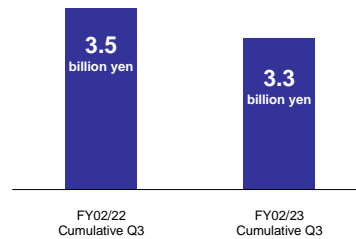
### Capital Expenditures

- Capital expenditures were 4.1 billion yen, up 400 million yen YoY.



### Depreciation and Amortization

- Depreciation and amortization were 3.3 billion yen, down 200 million yen YoY.



Slide 24 shows capex, depreciation and amortization.

Capex increased ¥400 million to ¥4.1 billion, while depreciation and amortization fell ¥200 million to ¥3.3 billion from the same period of the previous fiscal year.

Additional information related to the financial results for the third quarter of the fiscal year ending February 28, 2023 is provided for your reference as a data book section starting on slide 25.

This ends my presentation on the financial results for the third quarter.

Thank you very much for your kind attention.



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# 05

## DATA BOOK

## FY02/23 Q3: Consolidated Financial Results

(Million yen)	FY02/22		FY02/23		YoY			
	Q3	% of Sales	Q3	% of Sales	Change	% of Change	% of Sales Change	
1	Net Sales	43,570	-	<b>48,231</b>	-	+4,661	+10.7%	-
2	Gross Profit	24,441	56.1%	<b>27,890</b>	<b>57.8%</b>	+3,449	+14.1%	+1.7%
3	SG&A Expenses	22,095	50.7%	<b>23,768</b>	<b>49.3%</b>	+1,673	+7.6%	-1.4%
4	Operating Profit	2,346	5.4%	<b>4,122</b>	<b>8.5%</b>	+1,776	+75.7%	+3.1%
5	Recurring Profit	2,103	4.8%	<b>4,044</b>	<b>8.4%</b>	+1,941	+92.3%	+3.6%
6	Net Profit	634	1.5%	<b>2,247</b>	<b>4.7%</b>	+1,613	+254.4%	+3.2%
7	EBITDA*	3,519	8.1%	<b>5,406</b>	<b>11.2%</b>	+1,887	+53.6%	+3.1%

Note: EBITDA = operating profit + depreciation and amortization.

## FY02/23 Q3: Net Sales and Operating Profit by Segment



(Million yen)			FY02/22 Q3	FY02/23 Q3	YoY	
					Change	% of Change
1	Apparel	Net Sales	33,598	35,699	+2,101	+6.3%
		Operating Profit	2,063	3,585	+1,522	+73.8%
2	Lifestyle	Net Sales	9,549	10,045	+496	+5.2%
		Operating Profit	879	949	+70	+8.0%
3	Domestic Total	Net Sales	43,147	45,744	+2,597	+6.0%
		Operating Profit	2,942	4,534	+1,592	+54.1%
4	Apparel	Net Sales	2,674	4,175	+1,501	+56.1%
		Operating Profit	-287	-72	+215	↗
5	Lifestyle	Net Sales	456	526	+70	+15.4%
		Operating Profit	-133	-71	+62	↗
6	Overseas Total	Net Sales	3,130	4,701	+1,571	+50.2%
		Operating Profit	-420	-143	+277	↗
7	Consolidated Total	Net Sales	43,570	48,231	+4,661	+10.7%
		Operating Profit	2,346	4,122	+1,776	+75.7%

Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)  
 Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)  
 Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 8 other companies; 18 companies in total)  
 Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)  
 Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

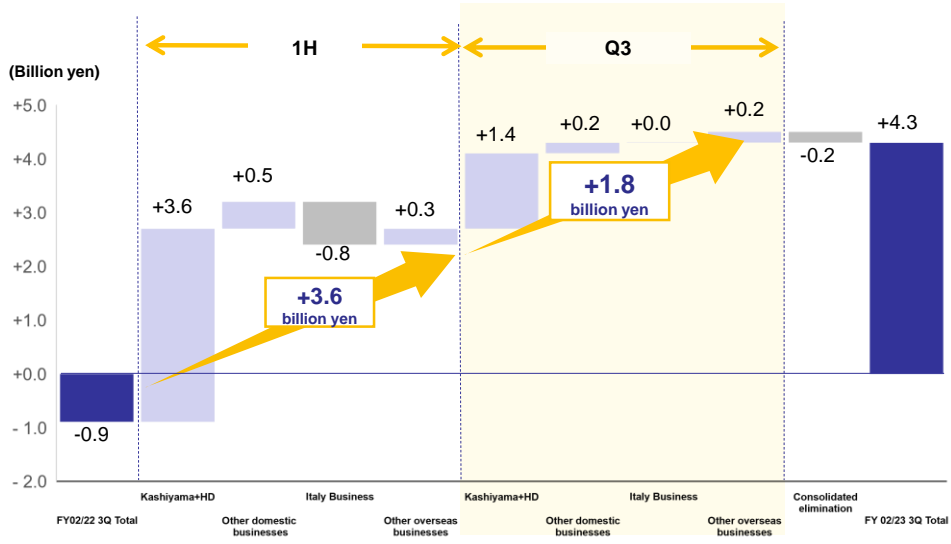
## FY02/23 Q3: Net Sales and Operating Profit by Company



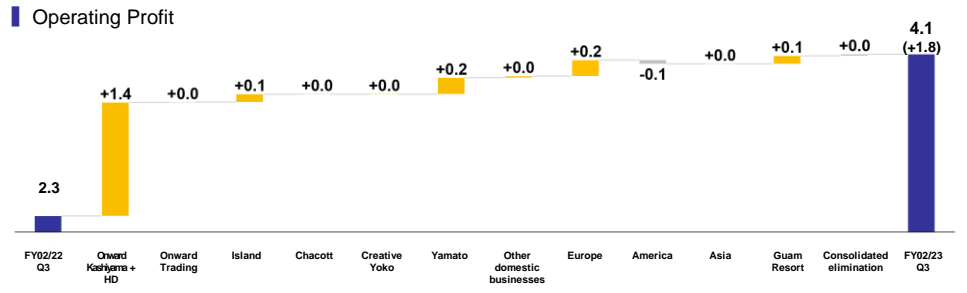
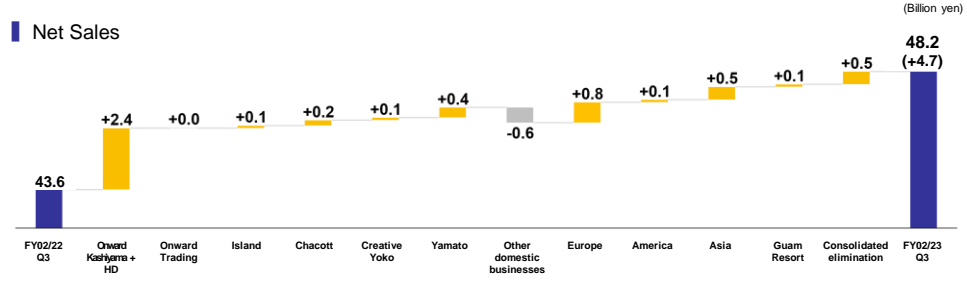
(Million yen)		FY02/22 Q3	FY02/23 Q3	YoY	
				Change	% of Change
1	<b>Onward Kashiyama + HD</b>	Net Sales <b>26,433</b>	<b>28,815</b>	<b>+2,382</b>	<b>+9.0%</b>
		Operating Profit <b>1,967</b>	<b>3,336</b>	<b>+1,369</b>	<b>+69.6%</b>
2	<b>Onward Trading</b>	Net Sales 3,295	3,319	+24	+0.7%
		Operating Profit 203	205	+2	+1.0%
3	<b>Island</b>	Net Sales 1,516	1,649	+133	+8.8%
		Operating Profit 7	120	+113	+1614.3%
4	<b>Chacott</b>	Net Sales 2,058	2,223	+165	+8.0%
		Operating Profit 192	199	+7	+3.6%
5	<b>Creative Yoko</b>	Net Sales 1,357	1,504	+147	+10.8%
		Operating Profit 145	146	+1	+0.7%
6	<b>Yamato</b>	Net Sales 4,931	5,330	+399	+8.1%
		Operating Profit 325	495	+170	+52.3%
7	<b>Domestic Subtotal (Excl. Onward Kashiyama + HD)</b>	Net Sales <b>16,714</b>	<b>16,929</b>	<b>+215</b>	<b>+1.3%</b>
		Operating Profit <b>975</b>	<b>1,198</b>	<b>+223</b>	<b>+22.9%</b>
8	<b>Europe</b>	Net Sales 1,877	2,720	+843	+44.9%
		Operating Profit -73	171	+244	↗
9	<b>America</b>	Net Sales 181	321	+140	+77.3%
		Operating Profit -89	-158	-69	↘
10	<b>Asia</b>	Net Sales 982	1,516	+534	+54.4%
		Operating Profit -95	-91	+4	↗
11	<b>Guam Resort</b>	Net Sales 90	144	+54	+60.0%
		Operating Profit -163	-65	+98	↗
12	<b>Overseas Subtotal</b>	Net Sales <b>3,130</b>	<b>4,701</b>	<b>+1,571</b>	<b>+50.2%</b>
		Operating Profit <b>-420</b>	<b>-143</b>	<b>+277</b>	↗
13	<b>Consolidated Total</b>	Net Sales <b>43,570</b>	<b>48,231</b>	<b>+4,661</b>	<b>+10.7%</b>
		Operating Profit <b>2,346</b>	<b>4,122</b>	<b>+1,776</b>	<b>+75.7%</b>

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

# FY02/23 Q3: Changes in Consolidated Operating Profit



FY02/23 Q3: Net Sales & Operating Profit Increases/Decreases by Company **ONWARD**



## FY02/23 Q3: Net Sales by Channel



(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	12,001	9,257	21,258	6,658	899	7,557	28,815	26.2%	88.1%
2 % of sales	41.6%	32.1%	73.8%	23.1%	3.1%	26.2%	100.0%		
3 YoY	+13.5%	+3.5%	+8.9%	+9.1%	+9.9%	+9.2%	+9.0%	± 0.0%	-0.1%
4 Eight Domestic Subsidiaries Using E-Commerce*	2,125	6,100	8,225	3,464	664	4,128	12,353	33.4%	83.9%
5 Total Domestic Subsidiaries Using E-Commerce	14,126	15,357	29,483	10,122	1,563	11,685	41,168	28.4%	86.6%
6 % of sales	34.3%	37.3%	71.6%	24.6%	3.8%	28.4%	100.0%		
7 YoY	+9.7%	+2.3%	+5.7%	+15.0%	+14.6%	+14.9%	+8.2%	+1.7%	± 0.0%

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








## FY02/23 Cumulative Q3: Net Sales & Operating Profit by Company

(Million yen)		FY02/22	FY02/23	YoY		
		Cumulative Q3	Cumulative Q3	Change	% of Change	
1	<b>Onward Kashiyama + HD</b>	Net Sales	67,825	74,870	+7,045	+10.4%
		Operating Profit	-1,271	3,668	+4,939	↗
2	<b>Onward Trading</b>	Net Sales	10,873	10,184	-689	-6.3%
		Operating Profit	1,270	728	-542	-42.7%
3	<b>Island</b>	Net Sales	4,329	4,619	+290	+6.7%
		Operating Profit	-117	142	+259	↗
4	<b>Chacott</b>	Net Sales	6,503	6,937	+434	+6.7%
		Operating Profit	475	541	+66	+13.9%
5	<b>Creative Yoko</b>	Net Sales	3,580	4,066	+486	+13.6%
		Operating Profit	213	254	+41	+19.2%
6	<b>Yamato</b>	Net Sales	14,213	15,436	+1,223	+8.6%
		Operating Profit	873	1,198	+325	+37.2%
7	<b>Domestic Subtotal (Excl. Onward Kashiyama + HD)</b>	Net Sales	49,065	49,733	+668	+1.4%
		Operating Profit	2,073	2,834	+761	+36.7%
8	<b>Europe</b>	Net Sales	10,699	6,964	-3,735	-34.9%
		Operating Profit	-120	-343	-223	↘
9	<b>America</b>	Net Sales	478	908	+430	+90.0%
		Operating Profit	-320	-409	-89	↘
10	<b>Asia</b>	Net Sales	3,193	4,246	+1,053	+33.0%
		Operating Profit	-173	-302	-129	↘
11	<b>Guam Resort</b>	Net Sales	240	316	+76	+31.7%
		Operating Profit	-475	-221	+254	↗
12	<b>Overseas Subtotal</b>	Net Sales	14,610	12,434	-2,176	-14.9%
		Operating Profit	-1,088	-1,275	-187	↘
13	<b>Consolidated Total</b>	Net Sales	124,355	130,397	+6,042	+4.9%
		Operating Profit	-948	4,315	+5,263	↗









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

## FY02/23 Full-Year: Performance Forecast by Segment (YoY)

		FY02/22	FY02/23	Change	% of Change	
		Results (A)	Current Forecast (announced in Jan-2023) (B)	(B-A)	(B/A)	
(Million yen)						
1	<b>Apparel</b>	Net Sales	120,516	127,246	+6,730	+5.6%
		Operating Profit	-1,254	5,213	+6,467	
2	<b>Lifestyle</b>	Net Sales	37,905	38,891	+986	+2.6%
		Operating Profit	2,598	2,713	+115	+4.4%
3	<b>Domestic Total</b>	Net Sales	158,421	166,137	+7,716	+4.9%
		Operating Profit	1,344	7,926	+6,582	+489.7%
4	<b>Apparel</b>	Net Sales	17,838	15,627	-2,211	-12.4%
		Operating Profit	-679	-1,206	-527	
5	<b>Lifestyle</b>	Net Sales	1,750	2,069	+319	+18.2%
		Operating Profit	-814	-237	+577	
6	<b>Overseas Total</b>	Net Sales	19,588	17,696	-1,892	-9.7%
		Operating Profit	-1,493	-1,443	+50	
7	<b>Consolidated Total</b>	Net Sales	168,453	175,000	+6,547	+3.9%
		Operating Profit	-1,079	5,000	+6,079	

Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)  
 Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)  
 Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 8 other companies; 18 companies in total)  
 Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)  
 Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

## FY02/23 Full-Year: Performance Forecast by Company (YoY)

		FY02/22	FY02/23	Change (B-A)	% of Change (B/A)
		Results (A)	Current Forecast (announced in Jan-2023) (B)		
(Million yen)					
1	<b>Onward Kashiya + HD</b>	Net Sales <b>91,395</b>	<b>99,590</b>	<b>+8,195</b>	<b>+9.0%</b>
		Operating Profit <b>-1,857</b>	<b>4,366</b>	<b>+6,223</b>	
2	<b>Onward Trading</b>	Net Sales 14,760	13,768	-992	-6.7%
		Operating Profit 1,788	1,104	-684	-38.3%
3	<b>Island</b>	Net Sales 5,753	6,259	+506	+8.8%
		Operating Profit -124	175	+299	
4	<b>Chacott</b>	Net Sales 8,311	8,946	+635	+7.6%
		Operating Profit 332	399	+67	+20.2%
5	<b>Creative Yoko</b>	Net Sales 5,194	5,747	+553	+10.6%
		Operating Profit 319	411	+92	+28.8%
6	<b>Yamato</b>	Net Sales 20,326	20,637	+311	+1.5%
		Operating Profit 1,280	1,353	+73	+5.7%
7	<b>Domestic Subtotal (Excl. Onward Kashiya + HD)</b>	Net Sales <b>67,026</b>	<b>66,547</b>	<b>-479</b>	<b>-0.7%</b>
		Operating Profit <b>3,201</b>	<b>3,560</b>	<b>+359</b>	<b>+11.2%</b>
8	<b>Europe</b>	Net Sales 13,182	10,029	-3,153	-23.9%
		Operating Profit -156	-207	-51	
9	<b>America</b>	Net Sales 803	1,232	+429	+53.4%
		Operating Profit -451	-572	-121	
10	<b>Asia</b>	Net Sales 5,204	6,015	+811	+15.6%
		Operating Profit -182	-394	-212	
11	<b>Guam Resort</b>	Net Sales 399	420	+21	+5.3%
		Operating Profit -704	-270	+434	
12	<b>Overseas Total</b>	Net Sales <b>19,588</b>	<b>17,696</b>	<b>-1,892</b>	<b>-9.7%</b>
		Operating Profit <b>-1,493</b>	<b>-1,443</b>	<b>+50</b>	
13	<b>Consolidated Total</b>	Net Sales <b>168,453</b>	<b>175,000</b>	<b>+6,547</b>	<b>+3.9%</b>
		Operating Profit <b>-1,079</b>	<b>5,000</b>	<b>+6,079</b>	

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

## End-Q3 FY02/23: Consolidated Balance Sheet



		FY02/22	FY02/23	Change	Reasons for change
(Billion yen)		End	End-Q3		
1	<b>Total Assets</b>	157.7	166.0	+8.3	
2	<b>Current Assets</b>	60.5	67.7	+7.2	
3	Cash and Deposits	15.2	13.0	-2.2	
4	Accounts Receivable-trade	14.2	17.6	+3.4	Seasonal factors and increased net sales
5	Inventory	26.8	32.7	+5.9	Seasonal factors and added procurement for increased net sales
6	<b>Non-current Assets</b>	97.2	98.2	+1.0	
7	Property, Plant and Equipment	58.0	56.1	-1.9	Sale of Guam hotel
8	Intangible Assets	9.3	9.6	+0.3	
9	Investments and Other Assets	29.8	32.4	+2.6	Increase in investment securities due to revaluation
10	<b>Total Liabilities</b>	80.4	81.0	+0.6	
11	Accounts Payable-trade	18.2	23.6	+5.4	Seasonal factors and added procurement for increased net sales
12	Borrowings	35.1	31.2	-3.9	Repayment of debt
13	Other	27.1	26.1	-1.0	
14	<b>Total Net Assets</b>	77.2	84.9	+7.7	
15	<b>Shareholder's Equity Ratio</b>	42.4%	45.0%	+2.6%	
16	<b>Current Ratio</b>	108.5%	113.8%	+5.3%	

## FY02/23 Q3: Breakdown of SG&A Expenses, Non-Operating Profit/Loss and ~~ONWARD~~ Extraordinary Profit/Loss (Consolidated)

(Million yen)	FY02/22 Q3	FY02/23 Q3	YoY (% of Change)
1 Personnel	8,641	8,058	-6.7%
2 Rent	6,461	6,874	+6.4%
3 Transportation	1,502	1,564	+4.1%
4 Promotion and Advertising	987	2,118	+114.6%
5 Depreciation	791	884	+11.8%
6 Other	3,713	4,270	+15.0%
7 Total SG&A Expenses	22,095	23,769	+7.6%
8 Extraordinary Loss Adjustment (Reference)	249	-	-
9 Effective SG&A Expenses	22,344	23,769	+6.4%

(Million yen)	FY02/22 Q3	FY02/23 Q3	YoY (% of Change)
10 Non-Operating Profit	347	139	-59.9%
11 Interest income	26	8	-69.2%
12 Foreign exchange gains	-109	80	-
13 Subsidy income	354	24	-93.2%
14 Other	77	27	-64.9%
15 Non-Operating Loss	589	219	-62.8%
16 Interest expenses	83	103	+24.1%
17 Share of loss of entities accounted for using equity method	24	8	-66.7%
18 Other	483	108	-77.6%
19 Total Non-Operating Profit/Loss	-242	-80	-
20 Extraordinary Profit	938	1	-99.9%
21 Gain on sales of non-current assets	835	0	-99.9%
22 Gain on sales of investment securities	11	3	-72.7%
23 Gain on sales of shares of subsidiaries and associates	-	-3	-
24 Other	93	1	-98.9%
25 Extraordinary Loss	832	395	-52.5%
26 Loss due to closing and other	249	-	-
27 Loss on sales of shares of subsidiaries and associates	-	-	-
28 Loss on liquidation of subsidiaries and associates	-	-	-
29 Impairment loss	506	253	-50.0%
30 Other	79	142	+79.7%
31 Extraordinary Profit/Loss	106	-394	-

## FY02/23 Cumulative Q3: Breakdown of SG&A Expenses, Non-Operating Profit/Loss and Extraordinary Profit/Loss (Consolidated)



(Million yen)	FY02/22 Cumulative Q3	FY02/23 Cumulative Q3	YoY (% of Change)
1 Personnel	26,775	26,334	-1.6%
2 Rent	17,331	18,437	+6.4%
3 Transportation	4,585	4,647	+1.4%
4 Promotion and Advertising	3,797	3,963	+4.4%
5 Depreciation	2,634	2,754	+4.6%
6 Other	11,285	12,175	+7.9%
7 Total SG&A Expenses	66,407	68,310	+2.9%
8 Extraordinary Loss Adjustment	1,311	4	-99.7%
9 (Reference) Effective SG&A Expenses	67,718	68,314	+0.9%

(Million yen)	FY02/22 Cumulative Q3	FY02/23 Cumulative Q3	YoY (% of Change)
10 Non-Operating Profit	1,591	1,255	-21.1%
11 Interest income	137	127	-7.3%
12 Foreign exchange gains	-	788	-
13 Subsidy income	804	133	-83.4%
14 Other	650	205	-68.5%
15 Non-Operating Loss	1,401	873	-37.7%
16 Interest expenses	304	234	-23.0%
17 Share of loss of entities accounted for using equity method	66	42	-36.4%
18 Other	1,031	595	-42.2%
19 Total Non-Operating Profit/Loss	190	382	+101.1%
20 Extraordinary Profit	21,308	1,456	-93.2%
21 Gain on sales of non-current assets	17,924	0	-99.9%
22 Gain on sales of investment securities	103	123	+19.4%
23 Gain on sales of shares of subsidiaries and associates	2,944	1,303	-55.7%
24 Other	337	29	-91.4%
25 Extraordinary Loss	6,225	880	-85.9%
26 Loss due to closing and other	1,311	4	-99.7%
27 Loss on sales of shares of subsidiaries and associates	1,829	-	-
28 Loss on liquidation of subsidiaries and associates	1,968	-	-
29 Impairment loss	728	723	-0.7%
30 Other	389	153	-60.7%
31 Extraordinary Profit/Loss	15,083	576	-96.2%

## FY02/23 Q3 / Cumulative Q3: Results by Groups

	(Million yen)	FY02/22		FY02/23		YoY (Change)		YoY (% of Change)		
		Q3	Cumulative Q3	Q3	Cumulative Q3	Q3	Cumulative Q3	Q3	Cumulative Q3	
<b>Onward Kashiyama + HD</b>	1	<b>Net Sales</b>	26,433	67,825	<b>28,815</b>	<b>74,870</b>	+2,382	+7,045	+9.0%	+10.4%
	2	<b>Gross Profit</b>	16,122	38,977	<b>18,177</b>	<b>45,335</b>	+2,055	+6,358	+12.7%	+16.3%
		(% of Sales)	(61.0%)	(57.5%)	(63.1%)	(60.6%)			(+2.1%)	(+3.1%)
	3	<b>SG&amp;A Expenses</b>	14,155	40,248	<b>14,841</b>	<b>41,667</b>	+686	+1,419	+4.8%	+3.5%
	(% of Sales)	(53.6%)	(59.3%)	(51.5%)	(55.7%)			(-2.1%)	(-3.6%)	
4	<b>Operating Profit</b>	1,967	-1,271	<b>3,336</b>	<b>3,668</b>	+1,369	+4,939	+69.6%	↗	
	(% of Sales)	(7.4%)	-	(11.6%)	(4.9%)			(+4.2%)		
<b>Domestic Subtotal (Excl. Onward Kashiyama + HD)</b>	5	<b>Net Sales</b>	16,714	49,065	<b>16,929</b>	<b>49,733</b>	+215	+668	+1.3%	+1.4%
	6	<b>Gross Profit</b>	8,393	24,581	<b>8,490</b>	<b>24,646</b>	+97	+65	+1.2%	+0.3%
		(% of Sales)	(50.2%)	(50.1%)	(50.2%)	(49.6%)			(± 0.0%)	(-0.5%)
	7	<b>SG&amp;A Expenses</b>	7,418	22,508	<b>7,292</b>	<b>21,812</b>	-126	-696	-1.7%	-3.1%
	(% of Sales)	(44.4%)	(45.9%)	(43.0%)	(43.9%)			(-1.4%)	(-2.0%)	
8	<b>Operating Profit</b>	975	2,073	<b>1,198</b>	<b>2,834</b>	+223	+761	+22.9%	+36.7%	
	(% of Sales)	(5.8%)	(4.2%)	(7.1%)	(5.7%)			(+1.3%)	(+1.5%)	
<b>Overseas Subtotal</b>	9	<b>Net Sales</b>	3,130	14,610	<b>4,701</b>	<b>12,434</b>	+1,571	-2,176	+50.2%	-14.9%
	10	<b>Gross Profit</b>	1,323	5,707	<b>2,016</b>	<b>5,177</b>	+693	-530	+52.4%	-9.3%
		(% of Sales)	(42.3%)	(39.1%)	(42.9%)	(41.6%)			(+0.6%)	(+2.5%)
	11	<b>SG&amp;A Expenses</b>	1,743	6,795	<b>2,159</b>	<b>6,452</b>	+416	-343	+23.9%	-5.0%
	(% of Sales)	(55.7%)	(46.5%)	(45.9%)	(51.9%)			(-9.8%)	(+5.4%)	
12	<b>Operating Profit</b>	-420	-1,088	<b>-143</b>	<b>-1,275</b>	+277	-187	↗	↘	
	(% of Sales)	-	-	-	-					

Note: Calculated using simple sums.

The logo for Onward Holdings Co., Ltd. features the word "ONWARD" in a bold, blue, serif font. Two horizontal yellow bars cross the "O" and "D" respectively. Below this, the text "ONWARD HOLDINGS CO., LTD." is written in a smaller, black, sans-serif font.

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ONWARD HOLDINGS CO., LTD.

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