

— ONWARD —

**FY2022**

(March 2022 – February 2023)

# Results Presentation Material



April 6, 2023

**ONWARD HOLDINGS CO., LTD.**

## 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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**Consolidated Financial Results and  
Performance Forecasts Highlights**

# FY2022 Consolidated Financial Results Highlights



- Consolidated net sales for FY2022 increased 7.6 billion yen from the previous fiscal year, due to a clear recovery of our key brands business centered on Onward Kashiya, and strong sales at stores that implemented the “Click & Try” OMO service.
- Along with the global business reforms, thorough inventory control and discount sales reduction measures, etc. contributed to improving gross profit margin (from 52.0% to 54.9%) and the SG&A expenses ratio steadily (52.7% to 52.0%).
- As a result, profits at all levels including operating profit returned to profitability. Net profit decreased owing to the specific factor of recording a massive gain from the sale of real estate in FY2021.

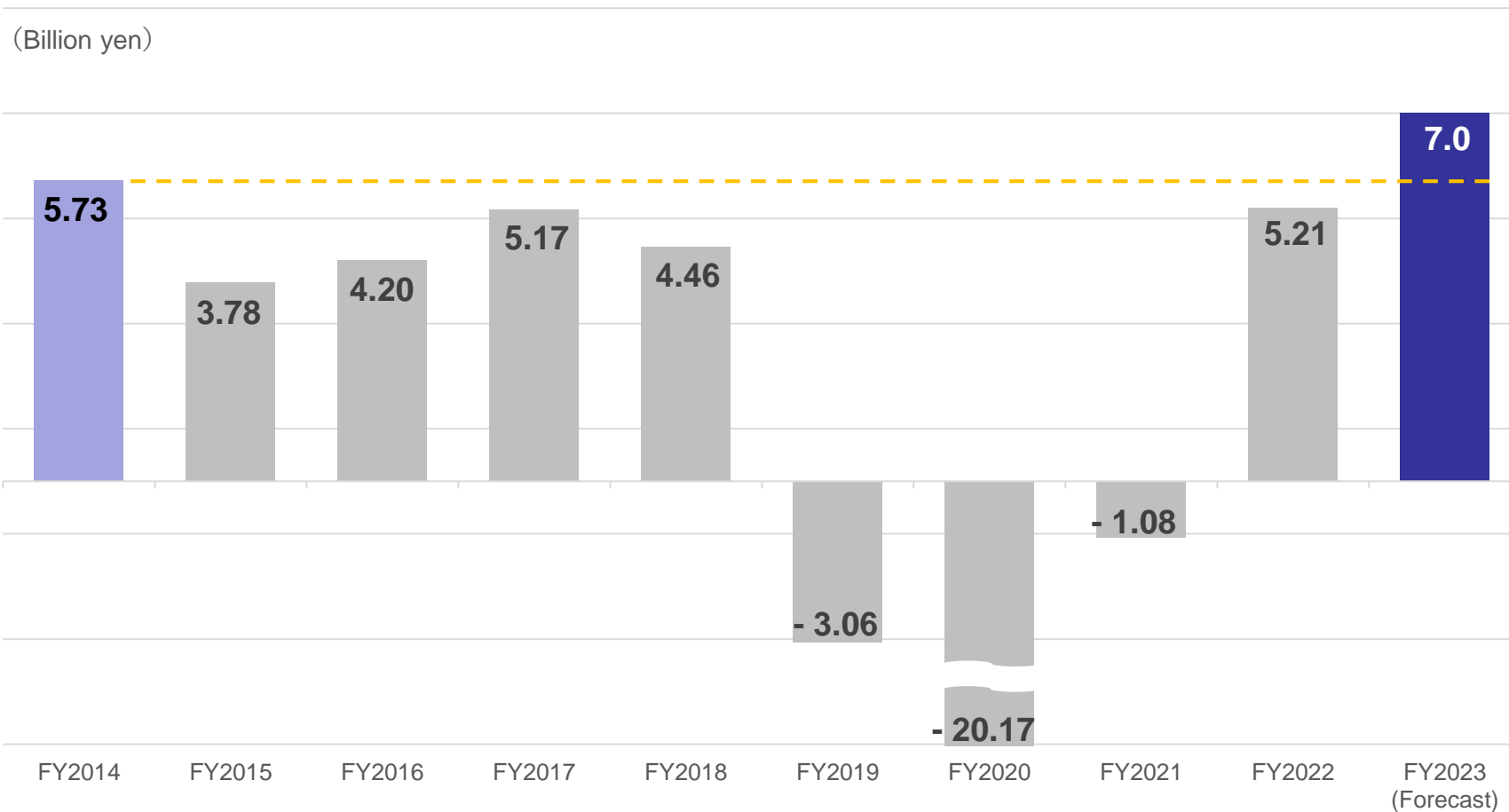
# FY2023 Performance Forecasts Highlights



- For FY2023, we expect to achieve consolidated net sales of 185.0 billion yen, up 8.9 billion yen year on year due to favorable outlook for domestic apparel, domestic lifestyle and overseas businesses.
- Gross profit margin is forecast to further improve from 54.9% to 55.4% and the SG&A ratio is expected to decline from 52.0% to 51.6%, thanks to discount sales reduction measures, as well as increased net sales. Thus, operating profit is forecast to reach 7.0 billion yen, up 1.8 billion yen year on year, and net profit is estimated to increase to 4.0 billion yen, up 0.9 billion yen year on year.
- As a result, operating profit for FY2023 is expected to be the highest in the last 10 years including FY2023 since FY2014.

# Operating Profit Trend (Last 10 Fiscal Years)

- Operating profit for FY2023 is expected to be the highest in the last 10 years including FY2023 since FY2014.





02

**FY2022 Consolidated Financial Results**



# FY2022 Consolidated Financial Results

- Net sales increased to 176.1 billion yen, up 7.6 billion yen from the previous fiscal year.
- Operating profit was a positive 5.2 billion yen, up 6.3 billion yen from the previous fiscal year.
- EBITDA reached 10.4 billion yen, up 6.5 billion yen from the previous fiscal year.

		FY2021		FY2022		YoY		
		Full-Year	% of Sales	Full-Year	% of Sales	Change	% of Change	Change in % of Sales
(Million yen)								
1	<b>Net Sales</b>	168,453	-	<b>176,072</b>	-	+ 7,619	+4.5%	-
2	<b>Gross Profit</b>	87,612	52.0%	<b>96,751</b>	<b>54.9%</b>	+ 9,139	+10.4%	+2.9%
3	<b>SG&amp;A Expenses</b>	88,691	52.7%	<b>91,537</b>	<b>52.0%</b>	+ 2,846	+3.2%	-0.7%
4	<b>Operating Profit</b>	-1,079	-	<b>5,214</b>	<b>3.0%</b>	+ 6,293		
5	<b>Recurring Profit</b>	507	0.3%	<b>5,319</b>	<b>3.0%</b>	+ 4,812	+949.1%	+2.7%
6	<b>Net Profit</b>	8,566	5.1%	<b>3,061</b>	<b>1.7%</b>	-5,505	-64.3%	-3.4%
7	<b>EBITDA*</b>	3,915	2.3%	<b>10,373</b>	<b>5.9%</b>	+6,458	+164.9%	+3.6%

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

# FY2022 Net Sales & Operating Profit by Segment

- The domestic apparel business posted higher sales, and operating profit entered the black. The lifestyle business recorded growth in net sales and operating profit.
- For overseas businesses, though net sales decreased due to the withdrawal from the Italian business, operating profit/loss improved.

			FY2021	FY2022	YoY	
					Change	% of Change
(Million yen)						
1	Apparel	Net Sales	120,516	128,672	+8,156	+6.8%
		Operating Profit	-1,254	5,014	+6,268	↗
2	Lifestyle	Net Sales	37,905	38,779	+874	+2.3%
		Operating Profit	2,598	2,727	+129	+5.0%
3	Domestic Total	Net Sales	158,421	167,451	+9,030	+5.7%
		Operating Profit	1,344	7,741	+6,397	+476.0%
4	Apparel	Net Sales	17,838	15,254	-2,584	-14.5%
		Operating Profit	-679	-876	-197	↘
5	Lifestyle	Net Sales	1,750	1,996	+246	+14.1%
		Operating Profit	-814	-214	+600	↗
6	Overseas Total	Net Sales	19,588	17,250	-2,338	-11.9%
		Operating Profit	-1,493	-1,090	+403	↗
7	Consolidated Total	Net Sales	168,453	176,072	+7,619	+4.5%
		Operating Profit	-1,079	5,214	+6,293	↗

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)

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

# FY2022 Net Sales & Operating Profit by Company

- Net sales increased by 7.6 billion yen YoY, contributed by a 9.7 billion yen increase at Onward Kashiya and other factors.
- Operating profit/loss returned to the black due to factors such as 6.4 billion yen in operating profit/loss improvement at Onward Kashiya.

(Million yen)		FY2021	FY2022	YoY		
				Change	% of Change	
1	<b>Onward Kashiya + HD</b>	Net Sales	91,395	101,109	+9,714	+10.6%
		Operating Profit	-1,857	4,524	+6,381	↗
2	<b>Onward Trading</b>	Net Sales	14,760	13,650	-1,110	-7.5%
		Operating Profit	1,788	1,021	-767	-42.9%
3	<b>Island</b>	Net Sales	5,753	6,285	+532	+9.2%
		Operating Profit	-124	80	+204	↗
4	<b>Chacott</b>	Net Sales	8,311	8,849	+538	+6.5%
		Operating Profit	332	342	+10	+3.0%
5	<b>Creative Yoko</b>	Net Sales	5,194	5,801	+607	+11.7%
		Operating Profit	319	419	+100	+31.3%
6	<b>Yamato</b>	Net Sales	20,326	20,629	+303	+1.5%
		Operating Profit	1,280	1,489	+209	+16.3%
7	<b>Domestic Subtotal (Excl. Onward Kashiya + HD)</b>	Net Sales	67,026	66,342	-684	-1.0%
		Operating Profit	3,201	3,217	+16	+0.5%
8	<b>Europe</b>	Net Sales	13,182	9,960	-3,222	-24.4%
		Operating Profit	-156	-136	+20	↗
9	<b>America</b>	Net Sales	1,202	1,636	+434	+36.1%
		Operating Profit	-1,155	-576	+579	↗
10	<b>Asia</b>	Net Sales	5,204	5,654	+450	+8.6%
		Operating Profit	-182	-378	-196	↘
11	<b>Overseas Subtotal</b>	Net Sales	19,588	17,250	-2,338	-11.9%
		Operating Profit	-1,493	-1,090	+403	↗
12	<b>Consolidated Total</b>	Net Sales	168,453	176,072	+7,619	+4.5%
		Operating Profit	-1,079	5,214	+6,293	↗

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

# FY2022 Net Sales by Channel

- Net sales at physical stores total (department stores, shopping centers and other) increased by 8.4% YoY.
- E-commerce sales increased by 9.5% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 30% and 85.9%, 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	<b>Onward Kashiyama</b>	<b>39,832</b>	<b>32,404</b>	<b>72,236</b>	<b>25,175</b>	<b>3,698</b>	<b>28,873</b>	<b>101,109</b>	<b>28.6%</b>	<b>87.2%</b>
2	% of sales	39.4%	32.0%	71.4%	24.9%	3.7%	28.6%	100.0%		
3	YoY	+17.9%	+6.0%	+12.3%	+4.5%	+24.9%	+6.8%	+10.6%	-1.0%	-1.9%
4	<b>Eight Domestic Subsidiaries Using E-Commerce*</b>	9,797	22,604	32,401	13,320	2,605	15,925	48,326	33.0%	83.6%
5	<b>Total Domestic Subsidiaries Using E-Commerce</b>	<b>46,629</b>	<b>55,008</b>	<b>104,637</b>	<b>38,495</b>	<b>6,303</b>	<b>44,798</b>	<b>149,435</b>	<b>30.0%</b>	<b>85.9%</b>
6	% of sales	33.2%	36.8%	70.0%	25.8%	4.2%	30.0%	100.0%		
7	YoY	+16.4%	+2.1%	+8.4%	+8.8%	+14.1%	+9.5%	+8.7%	+0.2%	-0.6%

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



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## **FY2023 Consolidated Performance Forecast**

# FY2023 Consolidated Performance Forecasts


- Gross profit margin is expected to improve by 0.5 pp from FY2022 to 55.4%.
- SG&A expense ratio is forecast to lower 0.4 pp from FY2022 to 51.6%.
- EBITDA is estimated to increase 1.7 billion yen from FY2022 to 12.1 billion yen.

(Million yen)	FY2022		FY2023		YoY			
	Full-Year	% of Sales	Full-Year	% of Sales	Change	% of Change	Change in % of Sales	
1	<b>Net Sales</b>	176,072	-	<b>185,000</b>	-	+ 8,928	+5.1%	-
2	<b>Gross Profit</b>	96,751	54.9%	<b>102,400</b>	<b>55.4%</b>	+ 5,649	+5.8%	+0.5%
3	<b>SG&amp;A Expenses</b>	91,537	52.0%	<b>95,400</b>	<b>51.6%</b>	+ 3,863	+4.2%	-0.4%
4	<b>Operating Profit</b>	5,214	3.0%	<b>7,000</b>	<b>3.8%</b>	+ 1,786	+34.3%	+0.8%
5	<b>Recurring Profit</b>	5,319	3.0%	<b>6,300</b>	<b>3.4%</b>	+ 981	+18.4%	+0.4%
6	<b>Net Profit</b>	3,061	1.7%	<b>4,000</b>	<b>2.2%</b>	+939	+30.7%	+0.5%
7	<b>EBITDA*</b>	10,373	5.9%	<b>12,100</b>	<b>6.5%</b>	+1,727	+16.6%	+0.6%

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

# FY2023 Forecast of Net Sales and Operating Profit by Segment ONWARD

- For domestic business, the apparel business is expected to increase net sales by 4.9% and operating profit by 36.1%. Lifestyle business is forecast to expand net sales by 7.0% and operating profit by 8.3%.
- Overseas business is estimated to improve net sales by 8.0% and operating profit/loss by 0.7 billion yen.

			FY2022	FY2023	YoY	
					Change	% of Change
(Million yen)						
1	<b>Apparel</b>	Net Sales	128,672	134,967	+6,295	+4.9%
		Operating Profit	5,014	6,824	+1,810	+36.1%
2	<b>Lifestyle</b>	Net Sales	38,779	41,501	+2,722	+7.0%
		Operating Profit	2,727	2,952	+225	+8.3%
3	<b>Domestic Total</b>	Net Sales	<b>167,451</b>	<b>176,468</b>	<b>+9,017</b>	<b>+5.4%</b>
		Operating Profit	<b>7,741</b>	<b>9,776</b>	<b>+2,035</b>	<b>+26.3%</b>
4	<b>Overseas Total</b>	Net Sales	<b>17,250</b>	<b>18,631</b>	<b>+1,381</b>	<b>+8.0%</b>
		Operating Profit	<b>-1,090</b>	<b>-382</b>	<b>+708</b>	
5	<b>Consolidated Total</b>	Net Sales	<b>176,072</b>	<b>185,000</b>	<b>+8,928</b>	<b>+5.1%</b>
		Operating Profit	<b>5,214</b>	<b>7,000</b>	<b>+1,786</b>	<b>+34.3%</b>

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 6 other companies; 9 companies in total)

Overseas (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 12 other companies; 22 companies in total)

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

# FY2023 Forecast of Net Sales and Operating Profit by Company ONWARD

- Although overseas businesses as a whole will remain in the red, the European business is expected to return to the black as a result of the JOSEPH Group's turnaround.

(Million yen)			FY2022	FY2023	YoY	
					Change	% of Change
1	<b>Onward Kashiyama + HD</b>	Net Sales	<b>101,109</b>	<b>105,179</b>	<b>+4,070</b>	<b>+4.0%</b>
		Operating Profit	<b>4,524</b>	<b>4,961</b>	<b>+437</b>	<b>+9.7%</b>
2	<b>Onward Trading</b>	Net Sales	13,650	14,676	+1,026	+7.5%
		Operating Profit	1,021	1,137	+116	+11.4%
3	<b>Island</b>	Net Sales	6,285	6,565	+280	+4.5%
		Operating Profit	80	207	+127	+158.8%
4	<b>Chacott</b>	Net Sales	8,849	9,410	+561	+6.3%
		Operating Profit	342	435	+93	+27.2%
5	<b>Creative Yoko</b>	Net Sales	5,801	6,028	+227	+3.9%
		Operating Profit	419	476	+57	+13.6%
6	<b>Yamato</b>	Net Sales	20,629	21,721	+1,092	+5.3%
		Operating Profit	1,489	1,650	+161	+10.8%
7	<b>Domestic Subtotal</b>	Net Sales	<b>66,342</b>	<b>71,289</b>	<b>+4,947</b>	<b>+7.5%</b>
	<b>(Excl. Onward Kashiyama + HD)</b>	Operating Profit	3,217	<b>4,815</b>	<b>+1,598</b>	<b>+49.7%</b>
8	<b>Europe</b>	Net Sales	9,960	10,476	+516	+5.2%
		Operating Profit	-136	97	+233	
9	<b>America</b>	Net Sales	1,636	1,459	-177	-10.8%
		Operating Profit	-576	-237	+339	
10	<b>Asia</b>	Net Sales	5,654	6,696	+1,042	+18.4%
		Operating Profit	-378	-242	+136	
11	<b>Overseas Subtotal</b>	Net Sales	<b>17,250</b>	<b>18,631</b>	<b>+1,381</b>	<b>+8.0%</b>
		Operating Profit	<b>-1,090</b>	<b>-382</b>	<b>+708</b>	
12	<b>Consolidated Total</b>	Net Sales	<b>176,072</b>	<b>185,000</b>	<b>+8,928</b>	<b>+5.1%</b>
		Operating Profit	<b>5,214</b>	<b>7,000</b>	<b>+1,786</b>	<b>+34.3%</b>

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



- In line with the Company's policy of strengthening shareholder returns, the annual dividend per share is expected to be 14 yen, an increase of 2 yen from the previous fiscal year.

## Dividends Policy

The Company views the appropriate distribution of profits to shareholders as a key management issue, and sets a dividend payout ratio target of 35%, ensuring stable and appropriate distribution of profits in conjunction with its performance.

## Dividends

	FY2022	FY2023 (forecast)
Dividends per Share (yen)	12	14
Total Dividends (mil. yen)	1,628	1,900
Net Profit (mil. yen)	3,061	4,000
Payout Ratio	53.2%	47.5%

In light of the ever-increasing importance of human resources as a management resource, in FY02/23, we will improve salaries and establish a new shopmeister system .

## ■ Salary Improvements

Salary improvements for FY2023 are planned to be a 6.7% increase from the previous year.

## ■ Establishment of the Shopmeister System

A new system was established to allow highly skilled sales personnel who have reached the retirement age of 60 to continue working as 'shopmeisters' with appropriate compensation over the long term.



# 04

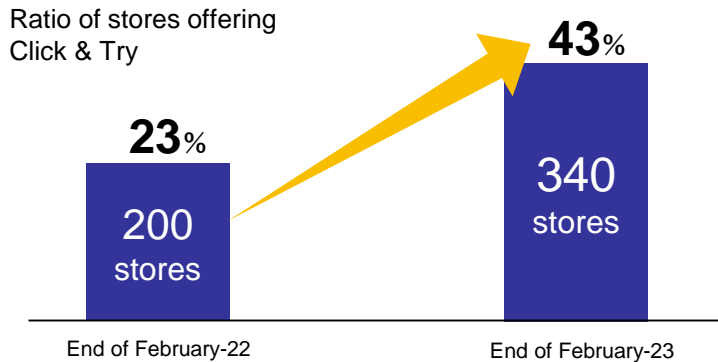
## Topics

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

# 1. OMO Strategy

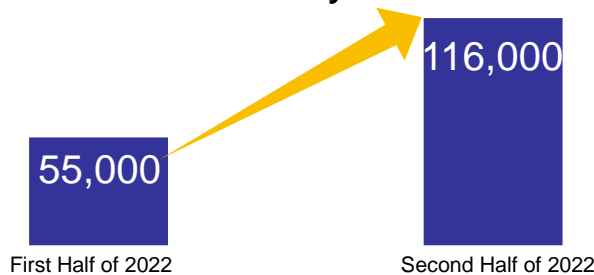
- Number of Onward Kashiyama stores implementing its “Click & Try” OMO service increased to **340**.
- Number of items reserved for “Click & Try” expanded from **55,000** in 1H to **116,000** in 2H, reaching **171,000** in FY2022.
- Net sales level of existing stores offering the OMO service recovered to the FY2019 level, **19 pp higher** than 81% of stores that don’t offer the service.

## Trends in number of stores offering Click & Try



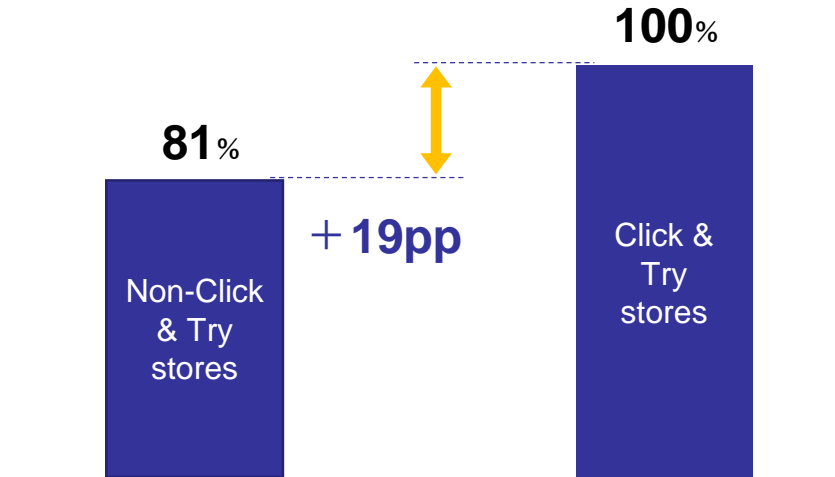
✓ Offered at 40%+ of Onward Kashiyama stores; Further expansion is planned

## Items reserved for Click & Try service



✓ The use of Click & Try spiked in 2H  
Reservations in 2H doubled from the 1H reaching 171 thousand on a full-year basis

## Net Sales: FY2022 versus FY2019



✓ Click & Try service boosted net sales significantly

### Nijyusanku 【Onward Kashiwama】

- A large increase in sales of Nijyusanku, Onward Kashiwama's biggest brand, led the recovery of the brand business.
- Expanded product lineup to meet demand of those who started working at offices or going out resulted in an increase in customer unit price.
- Expanded use of Click & Try increased sales opportunities.

Full-Year Sales  
(YoY)

+ **23.4%**

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### Jiyuku 【Onward Kashiwama】

- Sales increased at department stores and other real stores.
- Customer unit price increased, contributed by increased product types with sophisticated taste.



Full-Year Sales  
(YoY)

+ **13.3%**

自由区

### ICB 【Onward Kashiwama】

- Along with growth of physical stores, reserve & buy increased due to the expansion of EC sites.
- Net sales were stable due to the shift to increasing the types of lineups and variations.



Full-Year Sales  
(YoY)

+ **14.2%**

i c b

## 2. Apparel Business : D2C Brands Strategy

### UNFILO 【Onward Kashiyama】

- Sales increased significantly due to the launch of long-selling hit (Saiai jogging pants, Georgette Jersey gilet, etc.) Started men's and unisex line in full scale in the fall and winter of 2022.
- “steppi by UNFILO,” environmental-conscious, high functional and sustainable shoes made with recycled material to a maximum extent, received 2022 Good Design Award.



Full-Year Sales  
(YoY)

+ **96.3%**

UNFILO

### uncrave 【Onward Kashiyama】

- As for “uncrave,” a D2C brand that is mainly sold at the E-commerce market and has expanded its customer contacts with the use of POPUP and social media, sales are strong in top & bottom sets made from select materials, knitwear, shirts, and blouses.
- The follower counts largely increased due to the referrals spread by influencers via social media. Wholesale orders are also strong from in FY2022.



Full-Year Sales  
(YoY)

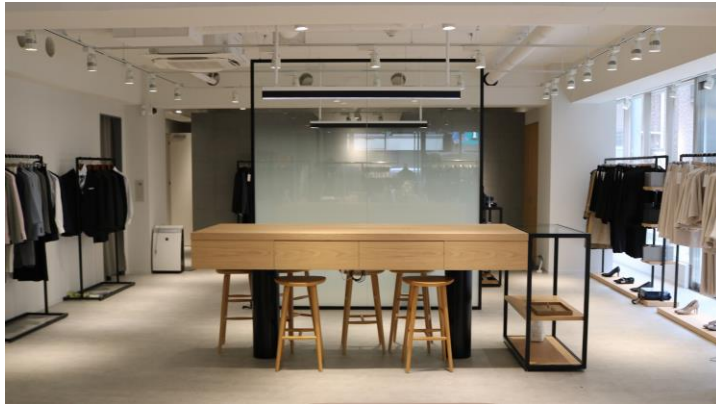
+ **17.0%**

uncrave

## 2. Apparel Business : Customized Products Strategy

### KASHIYAMA 【Onward Personal Style】

- Net sales of directly managed stores increased 17% from FY2021. Along with directly managed stores, the operation of FC stores has also been accelerated.
- Sales of formal wears released in 2H are strong. The lineup includes a truly black-dyed fabric sold at a reasonable price.
- The KASHIYAMA Kichijoji store will relocate to an area where many select shops and cafes are located (April 1, 2023). It will be revamped as one of the largest stores in Tokyo to present the brand's world view to a wide range of customers, including business people and students who visit the store.



Full-Year Sales  
(YoY)

+ 14.4%



KASHIYAMA

## Chacott



- Sales of mainstay ballet, fitness and “Chacott COSMETICS” products returned to the FY2019 level.
- Sales of “Chacott BALANCE,” a balance wear that straightens human body to the core both physically and mentally, rose sharply by 38% from FY2019.
- In March 2023, the Company launched a renewed “Photo Shooting” service, a photo art service that includes Chacott ballet costumes for stage and competition, a full-fledged ballet makeup by makeup artists, and photo shoot by professional photographers.



Full-Year Sales  
(YoY)

+ **6.5%**

Chacott



# 3. Lifestyle Business

## Creative Yoko

- Net sales of the pet business and the Sirotan business increased 14% and 8% year on year, respectively, contributed by the measures of opening physical stores.
- In January 2023, “Sirotan Friends Park,” a specialty shop of an original character Sirotan, opened at the Haneda Airport Garden.
- In February 2023, “PET PARADISE,” a shop specializing in pet goods, opened at Harajuku Takeshita Street.



Full-Year Sales  
(YoY)

+ 11.7%

CREATIVE YOKO CO., LTD.  
www.creativeyoko.co.jp





05



## Sustainable Management

## Onward Holdings / Onward Kashiwama

### Launched the “Green Onward” Project to Promote Evolved Sustainable Management



#### ■ Thoughts on the Green Onward logo

The initial letter “G” of “Green” is deformed into a rotating arrow, and when it overlaps with the “O” of “Onward,” the image of “infinite circulation” is created. It represents the forward-looking attitude and futuristic nature of the Onward Group’s sustainable management.

#### Overview of “Green Onward” Project

- Onward Green Campaign has focused on reusing collected clothing in producing blankets, work gloves and solid fuels.
- The next step is to launch "Upcycle Action" that aims to utilize unwanted clothing to create new value.
- Onward Kashiwama will start with “Upcycle Action,” another phase of Onward Green Campaign, which is evolved in both quality and quantity.



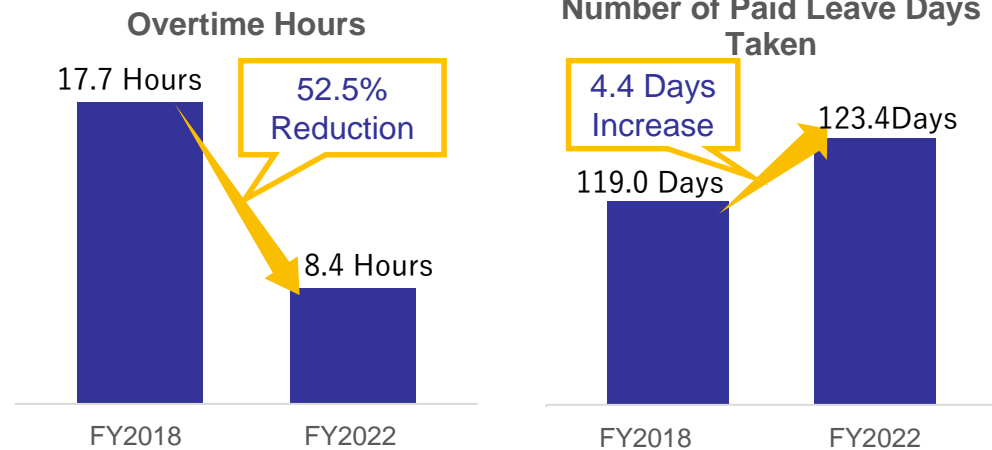
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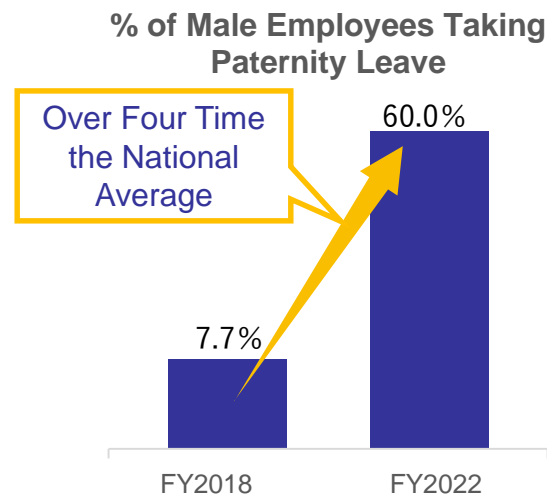
## Work Style Design Project

- Promoting Work Style Design, a project to improve our workstyles, with the aim of enhancing operational efficiency and productivity by achieving a better work-life balance.

- Through the promotion of activities centered around the so-called "Kaeru Kaigi" meetings, at which we consider what needs to be done to improve our work styles, we achieved a 52.5% reduction in average overtime hours per month in FY02/22 compared to FY02/18 and an increase of 4.4 days in holidays taken per year.



- In addition, training programs to encourage employees to take childcare leave and the establishment of the "Guidebook for Supporting Balance Between Work and Childcare" have been implemented, and as a result, the ratio of male employees taking childcare leave reached 60%, approximately four times the national average.



Comparison between the previous year (FY2018) when "Work Style Design" was launched and FY2022.

(Note) The national average "ratio of male employees taking childcare leave" in FY2021 was 13.97%.



# 07

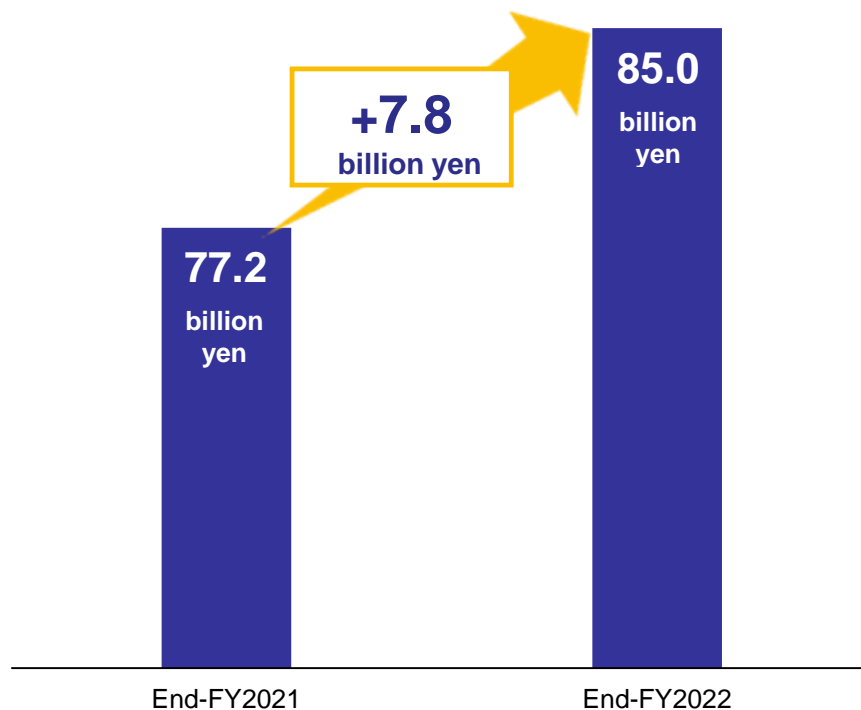


## Financial Situation

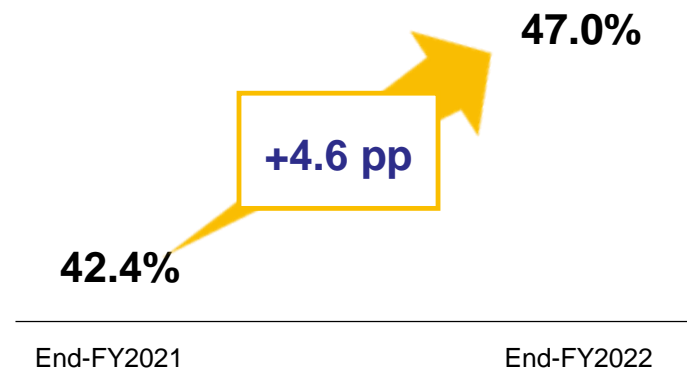
# Consolidated Balance Sheet

- Net assets increased to 85.0 billion yen, up 7.8 billion yen from the end of FY2021.
- Shareholders' equity ratio increased to 47.0% billion yen, up 4.6 pp from the end of FY2021.
- Current ratio increased to 117.2%, up 8.7 pp from the end of FY2021, further improving management stability.

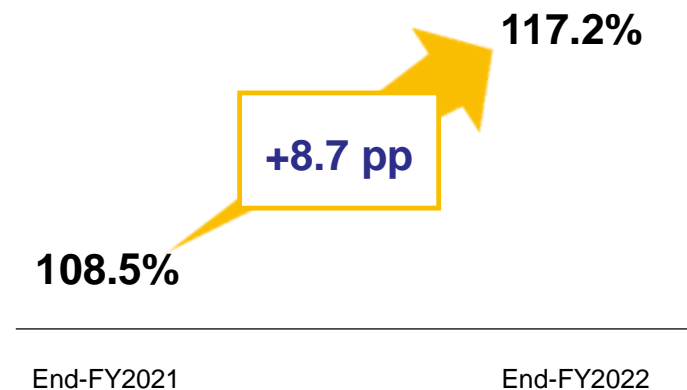
## Net Assets



## Shareholder's equity ratio

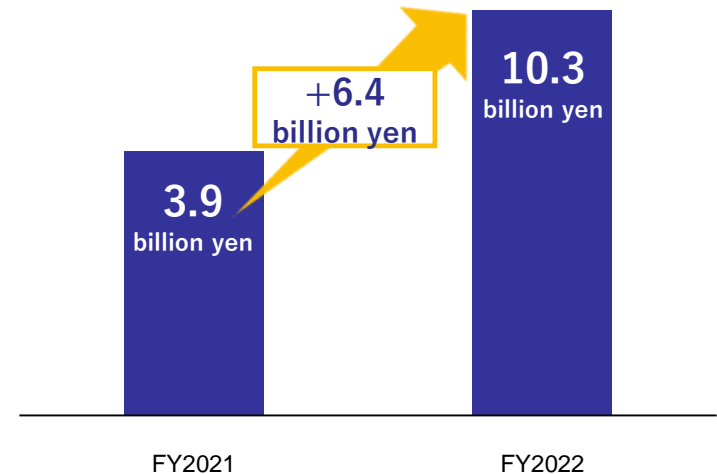


## Current ratio



## EBITDA

- EBITDA expanded significantly to 10.3 billion yen, up 6.4 billion yen from FY2021.



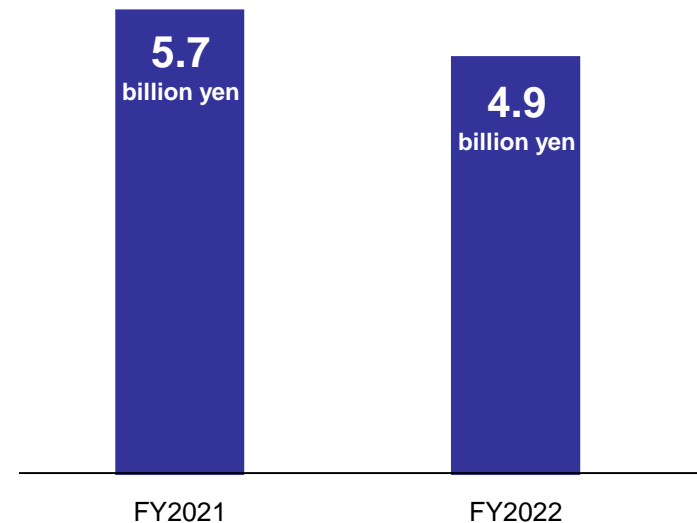
## Cash Flows

- Cash flows from operating activities amounted to 5.6 billion yen due to a return to the black for operating profit/loss.
- Cash flows from investing activities amounted to 4.3 billion yen due to the sale of the hotel business in Guam.
- Free cash flow (operating cash flow + investing cash flow) amounted to 10.0 billion yen.



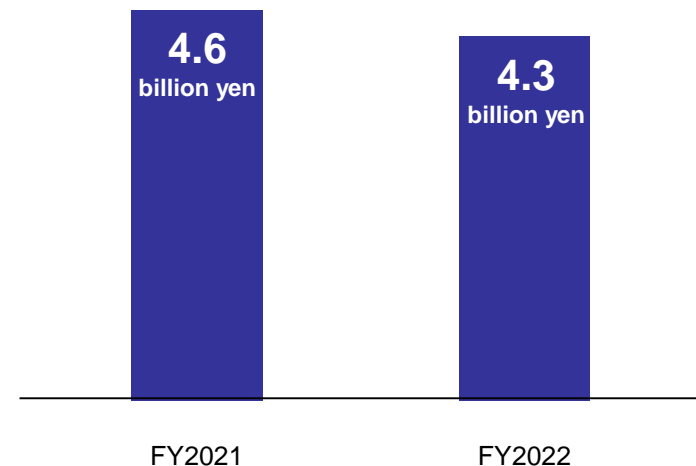
## Capital Expenditures

- Capital expenditures decreased by 0.8 billion yen from the previous fiscal year to 4.9 billion.
- Capital investments in factories in Dalian and other locations were completed in the previous FY2021.
- During the fiscal year under review, investments were carefully selected and effectively implemented, including DX, OMO and other areas.



## Depreciation and Amortization

- Depreciation and amortization were 4.3 billion yen, down 300 million from FY2021.





 GRACE CONTINENTAL

08

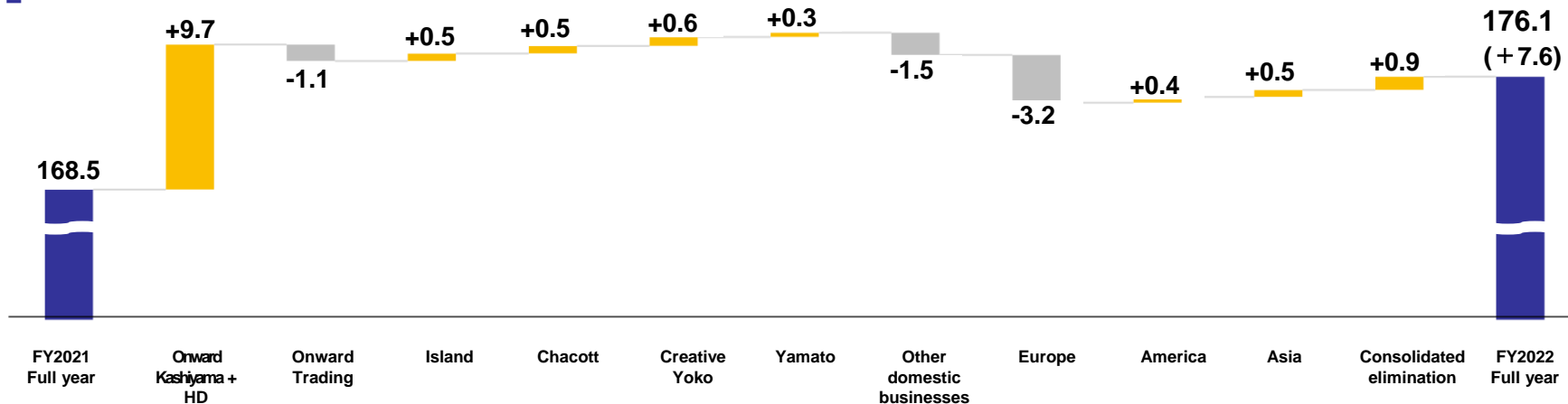


**Data Book**

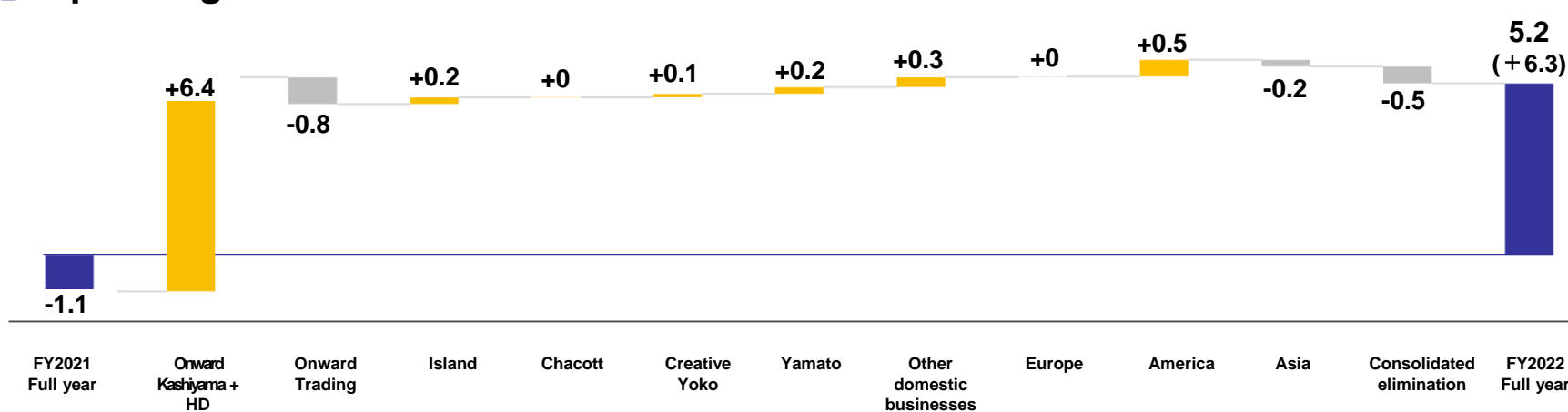
# FY2022 Full-Year Net Sales & Operating Profit Increases/Decreases by Company

(Billion yen)

## Net Sales



## Operating Profit



# FY2022 Full-Year: Breakdown of SG&A Expenses, Non-Operating Profit/Loss and Extraordinary Profit/Loss (Consolidated)

(Million yen)	FY2021	FY2022	YoY (% of Change)
1 Personnel	35,312	35,036	-0.8%
2 Rent	23,277	24,499	+5.3%
3 Transportation	6,195	6,238	+0.7%
4 Promotion and Advertising	4,778	5,505	+15.2%
5 Depreciation	3,461	3,595	+3.9%
6 Other	15,668	16,664	+6.4%
7 Total SG&A Expenses	88,691	91,537	+3.2%
8 Extraordinary Loss Adjustment	1,620	5	-99.7%
9 (Reference) Effective SG&A Expenses	90,311	91,542	+1.4%

(Million yen)	FY2021	FY2022	YoY (% of Change)
10 Non-Operating Profit	3,423	1,380	-59.7%
11 Interest income	1,392	233	-83.3%
12 Foreign exchange gains	99	789	+697.0%
13 Subsidy income	1,013	134	-86.8%
14 Other	917	220	-76.0%
15 Non-Operating Loss	1,836	1,274	-30.6%
16 Interest expenses	391	363	-7.2%
17 Share of loss of entities accounted for using equity method	73	46	-37.0%
18 Other	1,370	863	-37.0%
19 Total Non-Operating Profit/Loss	1,587	106	-93.3%
20 Extraordinary Profit	21,327	1,878	-91.2%
21 Gain on sales of non-current assets	17,921	21	-99.9%
22 Gain on sales of investment securities	105	527	+401.9%
23 Gain on sales of shares of subsidiaries and associates	2,944	1,300	-55.8%
24 Other	356	29	-91.9%
25 Extraordinary Loss	7,921	3,388	-57.2%
26 Loss due to closing and other	1,620	5	-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	1,741	2,906	-66.9%
30 Other	761	475	-37.6%
31 Extraordinary Profit/Loss	13,406	-1,510	-

# End-FY2022 Consolidated Balance Sheet

		FY2021	FY2022	Change	Reasons for change
(Billion yen)		End	End		
1	<b>Total Assets</b>	157.7	<b>159.1</b>	+1.4	
2	<b>Current Assets</b>	60.5	<b>62.2</b>	+1.7	
3	Cash and Deposits	15.2	<b>13.8</b>	-1.4	
4	Accounts Receivable-trade	14.2	<b>13.9</b>	-0.3	
5	Inventory	26.8	<b>30.7</b>	+3.9	Increase in purchases to expand sales
6	<b>Non-current Assets</b>	97.2	<b>96.9</b>	-0.3	
7	Property, Plant and Equipment	58.0	<b>53.1</b>	-4.9	Sale of Guam hotel
8	Intangible Assets	9.3	<b>9.1</b>	-0.2	
9	Investments and Other Assets	29.8	<b>34.7</b>	+4.9	Increase in investment securities due to revaluation
10	<b>Total Liabilities</b>	80.4	<b>74.1</b>	-6.3	
11	Accounts Payable-trade	18.2	<b>21.4</b>	+3.2	Increase in purchases to expand sales
12	Borrowings	35.1	<b>27.2</b>	-7.9	Repayment of debt
13	Other	27.1	<b>25.5</b>	-1.6	
14	<b>Total Net Assets</b>	77.2	<b>85.0</b>	+7.8	
15	<b>Shareholder's Equity Ratio</b>	42.4%	<b>47.0%</b>	+4.6%	
16	<b>Current Ratio</b>	108.5%	<b>117.2%</b>	+8.7%	

# FY2023 Consolidated Performance Forecast

(Million yen)		First Half				Second Half				Full-Year			
		FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change
1	<b>Net Sales</b>	82,166	86,200	+4,034	+4.9%	93,906	98,800	+4,894	+5.2%	<b>176,072</b>	<b>185,000</b>	<b>+8,928</b>	<b>+5.1%</b>
2	<b>Gross Profit</b>	44,735	47,600	+2,865	+6.4%	52,016	54,800	+2,784	+5.4%	<b>96,751</b>	<b>102,400</b>	<b>+5,649</b>	<b>+5.8%</b>
	(% of Sales)	(54.4%)	(55.2%)		(+0.8%)	(55.4%)	(55.5%)		(-0.1%)	<b>(54.9%)</b>	<b>(55.4%)</b>		<b>(+0.5%)</b>
3	<b>SG&amp;A Expenses</b>	44,542	46,600	+2,058	+4.6%	46,995	48,800	+1,805	+3.8%	<b>91,537</b>	<b>95,400</b>	<b>+3,863</b>	<b>+4.2%</b>
	(% of Sales)	(54.2%)	(54.1%)		(-0.1%)	(50.0%)	(49.4%)		(-0.6%)	<b>(52.0%)</b>	<b>(51.6%)</b>		<b>(-0.4%)</b>
4	<b>Operating Profit</b>	193	1,000	+807	+418.1%	5,021	6,000	+979	+19.5%	<b>5,214</b>	<b>7,000</b>	<b>+1,786</b>	<b>+34.3%</b>
	(% of Sales)	(0.2%)	(1.2%)		(+1.0%)	(5.3%)	(6.1%)		(+0.8%)	<b>(3.0%)</b>	<b>(3.8%)</b>		<b>(+0.8%)</b>
5	<b>Recurring Profit</b>	654	700	+46	+7.0%	4,665	5,600	+935	+20.0%	<b>5,319</b>	<b>6,300</b>	<b>+981</b>	<b>+18.4%</b>
6	<b>Net Profit</b>	476	1,400	+924	+194.1%	2,585	2,600	+15	+0.6%	<b>3,061</b>	<b>4,000</b>	<b>+939</b>	<b>+30.7%</b>
7	<b>EBITDA*</b>	2,838	3,600	+762	+26.8%	7,535	8,500	+965	+12.8%	<b>10,373</b>	<b>12,100</b>	<b>+1,727</b>	<b>+16.6%</b>

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

# FY2023 Forecast of Net Sales & Operating Profit by Segment ONWARD

(Million yen)		First Half				Second Half				Full-Year				
		FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	
1	Apparel	Net Sales	59,704	63,086	+3,382	+5.7%	68,968	71,881	+2,913	+4.2%	128,672	134,967	+6,295	+4.9%
		Operating Profit	484	1,179	+695	+143.6%	4,530	5,645	+1,115	+24.6%	5,014	6,824	+1,810	+36.1%
2	Lifestyle	Net Sales	19,155	20,267	+1,112	+5.8%	19,624	21,234	+1,610	+8.2%	38,779	41,501	+2,722	+7.0%
		Operating Profit	1,484	1,645	+161	+10.8%	1,243	1,307	+64	+5.1%	2,727	2,952	+225	+8.3%
3	Domestic Total	Net Sales	<b>78,859</b>	<b>83,353</b>	<b>+4,494</b>	<b>+5.7%</b>	<b>88,592</b>	<b>93,115</b>	<b>+4,523</b>	<b>+5.1%</b>	<b>167,451</b>	<b>176,468</b>	<b>+9,017</b>	<b>+5.4%</b>
		Operating Profit	1,968	2,824	+856	+43.5%	5,773	6,952	+1,179	+20.4%	7,741	9,776	+2,035	+26.3%
4	Overseas Total	Net Sales	<b>7,733</b>	<b>7,886</b>	<b>+153</b>	<b>+2.0%</b>	<b>9,517</b>	<b>10,745</b>	<b>+1,228</b>	<b>+12.9%</b>	<b>17,250</b>	<b>18,631</b>	<b>+1,381</b>	<b>+8.0%</b>
		Operating Profit	-1,132	-810	+322	↗	42	428	+386	+919.0%	-1,090	-382	+708	↗
5	Consolidated Total	Net Sales	<b>82,166</b>	<b>86,200</b>	<b>+4,034</b>	<b>+4.9%</b>	<b>93,906</b>	<b>98,800</b>	<b>+4,894</b>	<b>+5.2%</b>	<b>176,072</b>	<b>185,000</b>	<b>+8,928</b>	<b>+5.1%</b>
		Operating Profit	193	1,000	+807	+418.1%	5,021	6,000	+979	+19.5%	5,214	7,000	+1,786	+34.3%

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 6 other companies; 9 companies in total)

Overseas (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 12 other companies; 22 companies in total)

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

# FY2023 Forecast of Net Sales & Operating Profit by Company

(Million yen)		First Half				Second Half				Full-Year				
		FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	
1	Onward Kashiyama + HD	Net Sales	46,055	48,740	+2,685	+5.8%	55,054	56,439	+1,385	+2.5%	101,109	105,179	+4,070	+4.0%
		Operating Profit	332	475	+143	+43.1%	4,192	4,486	+294	+7.0%	4,524	4,961	+437	+9.7%
2	Onward Trading	Net Sales	6,865	6,935	+70	+1.0%	6,785	7,741	+956	+14.1%	13,650	14,676	+1,026	+7.5%
		Operating Profit	523	537	+14	+2.7%	498	600	+102	+20.5%	1,021	1,137	+116	+11.4%
3	Island	Net Sales	2,970	3,171	+201	+6.8%	3,315	3,394	+79	+2.4%	6,285	6,565	+280	+4.5%
		Operating Profit	22	89	+67	+304.5%	58	118	+60	+103.4%	80	207	+127	+158.8%
4	Chacott	Net Sales	4,714	4,913	+199	+4.2%	4,135	4,497	+362	+8.8%	8,849	9,410	+561	+6.3%
		Operating Profit	342	392	+50	+14.6%	0	43	+43	↗	342	435	+93	+27.2%
5	Creative Yoko	Net Sales	2,562	2,715	+153	+6.0%	3,239	3,313	+74	+2.3%	5,801	6,028	+227	+3.9%
		Operating Profit	108	115	+7	+6.5%	311	361	+50	+16.1%	419	476	+57	+13.6%
6	Yamato	Net Sales	10,106	10,722	+616	+6.1%	10,523	10,999	+476	+4.5%	20,629	21,721	+1,092	+5.3%
		Operating Profit	703	841	+138	+19.6%	786	809	+23	+2.9%	1,489	1,650	+161	+10.8%
7	Domestic Subtotal (Excl. Onward Kashiyama + HD)	Net Sales	32,804	34,613	+1,809	+5.5%	33,538	36,676	+3,138	+9.4%	66,342	71,289	+4,947	+7.5%
		Operating Profit	1,636	2,349	+713	+43.6%	1,581	2,466	+885	+56.0%	3,217	4,815	+1,598	+49.7%
8	Europe	Net Sales	4,244	4,419	+175	+4.1%	5,716	6,057	+341	+6.0%	9,960	10,476	+516	+5.2%
		Operating Profit	-514	-473	+41	↗	378	570	+192	+50.8%	-136	97	+233	↗
9	America	Net Sales	759	724	-35	-4.6%	877	735	-142	-16.2%	1,636	1,459	-177	-10.8%
		Operating Profit	-407	-206	+201	↗	-169	-31	+138	↗	-576	-237	+339	↗
10	Asia	Net Sales	2,730	2,743	+13	+0.5%	2,924	3,953	+1,029	+35.2%	5,654	6,696	+1,042	+18.4%
		Operating Profit	-211	-131	+80	↗	-167	-111	+56	↗	-378	-242	+136	↗
11	Overseas Subtotal	Net Sales	7,733	7,886	+153	+2.0%	9,517	10,745	+1,228	+12.9%	17,250	18,631	+1,381	+8.0%
		Operating Profit	-1,132	-810	+322	↗	42	428	+386	+919.0%	-1,090	-382	+708	↗
12	Consolidated Total	Net Sales	82,166	86,200	+4,034	+4.9%	93,906	98,800	+4,894	+5.2%	176,072	185,000	+8,928	+5.1%
		Operating Profit	193	1,000	+807	+418.1%	5,021	6,000	+979	+19.5%	5,214	7,000	+1,786	+34.3%

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



# FY2023 Performance Forecasts by Group

(Million yen)		First Half				Second Half				Full-Year				
		FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	FY2022	FY2023	Change	% of Change	
Onward Kashiyama + HD	1	<b>Net Sales</b>	46,055	48,740	+2,685	+5.8%	55,054	56,439	+1,385	+2.5%	101,109	105,179	+4,070	+4.0%
	2	<b>Gross Profit</b>	27,158	28,812	+1,654	+6.1%	32,910	33,991	+1,081	+3.3%	60,068	62,803	+2,735	+4.6%
		(% of Sales)	(59.0%)	(59.1%)		(+0.1%)	(59.8%)	(60.2%)		(+0.4%)	(59.4%)	(59.7%)		(+0.3%)
	3	<b>SG&amp;A Expenses</b>	26,826	28,337	+1,511	+5.6%	28,718	29,505	+787	+2.7%	55,544	57,842	+2,298	+4.1%
	(% of Sales)	(58.2%)	(58.1%)		(-0.1%)	(52.2%)	(52.3%)		(+0.1%)	(54.9%)	(55.0%)		(+0.1%)	
4	<b>Operating Profit</b>	332	475	+143	+43.1%	4,192	4,486	+294	+7.0%	4,524	4,961	+437	+9.7%	
	(% of Sales)	(0.7%)	(1.0%)		(+0.3%)	(7.6%)	(7.9%)		(+0.3%)	(4.5%)	(4.7%)		(+0.2%)	
Domestic Subtotal (Excl. Onward Kashiyama + HD)	1	<b>Net Sales</b>	32,804	34,613	+1,809	+5.5%	33,538	36,676	+3,138	+9.4%	66,342	71,289	+4,947	+7.5%
	2	<b>Gross Profit</b>	16,156	17,356	+1,200	+7.4%	16,360	18,436	+2,076	+12.7%	32,516	35,792	+3,276	+10.1%
		(% of Sales)	(49.3%)	(50.1%)		(+0.7%)	(48.8%)	(50.3%)		(+1.5%)	(49.0%)	(50.2%)		(+0.7%)
	3	<b>SG&amp;A Expenses</b>	14,520	15,007	+487	+3.4%	14,779	15,970	+1,191	+8.1%	29,299	30,977	+1,678	+5.7%
	(% of Sales)	(44.3%)	(43.4%)		(-0.9%)	(44.1%)	(43.5%)		(-0.6%)	(44.2%)	(43.5%)		(-0.7%)	
4	<b>Operating Profit</b>	1,636	2,349	+713	+43.6%	1,581	2,466	+885	+56.0%	3,217	4,815	+1,598	+49.7%	
	(% of Sales)	(5.0%)	(6.6%)		(+1.8%)	(4.7%)	(6.7%)		(+2.0%)	(4.8%)	(6.8%)		(+2.0%)	
Overseas Subtotal	1	<b>Net Sales</b>	7,733	7,886	+153	+2.0%	9,517	10,745	+1,228	+12.9%	17,250	18,631	+1,381	+8.0%
	2	<b>Gross Profit</b>	3,161	3,296	+135	+4.3%	4,391	4,616	+225	+5.1%	7,552	7,912	+360	+4.8%
		(% of Sales)	(40.9%)	(41.8%)		(+0.9%)	(46.1%)	(43.0%)		(-3.1%)	(43.8%)	(42.5%)		(-1.3%)
	3	<b>SG&amp;A Expenses</b>	4,293	4,106	-187	-4.4%	4,349	4,188	-161	-3.7%	8,642	8,294	-348	-4.0%
	(% of Sales)	(55.5%)	(52.1%)		(-3.4%)	(45.7%)	(39.0%)		(-6.7%)	(50.1%)	(44.5%)		(-5.6%)	
4	<b>Operating Profit</b>	-1,132	-810	+322	↗	42	428	+386	+919.0%	-1,090	-382	+708	↗	
	(% of Sales)	-	-			(0.4%)	(4.0%)		(+3.6%)	-	-			

Note: Calculated using simple sums.

The logo features the word "ONWARD" in a bold, blue, serif font. Two horizontal yellow bars cross through the letters "O" and "A".

# ONWARD

**ONWARD HOLDINGS CO., LTD.**

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