

—ONWARD—

FY2022

(March 2022 – February 2023)

Results Presentation Material



April 6, 2023

ONWARD HOLDINGS CO., LTD.

Today, I would like to explain the consolidated financial results for fiscal 2022, ended February 28, 2023, based on the PowerPoint material.

First, please look at slide 4 of the material.

Onward Group's Raison d'Être

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





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01

Consolidated Financial Results and Performance Forecasts Highlights

FY2022 Consolidated Financial Results Highlights

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- 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 Kashiwama, 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.

These are the highlights of the consolidated financial results for fiscal 2022. Net sales increased ¥7.6 billion or 4.5% year-on-year to ¥176.1 billion. Operating profit improved by ¥6.3 billion year-on-year, returning to the black at ¥5.2 billion. Recurring profit increased by ¥4.8 billion year-on-year to ¥5.3 billion, and net profit was ¥3.1 billion. Net profit decreased by ¥5.5 billion year-on-year due to the special factor of a gain on sale of real estate that was recorded in the previous fiscal year.

As for net sales in fiscal 2022, our mainstay brand business, particularly Onward Kashiwama, recovered, and this is the biggest factor in the sales increase. In addition, the newly developed “Click & Try” OMO service has been making steady progress, with the number of users reaching a record high in March, and this has been a major factor in the sales increase.

In terms of profits, gross profit margin rose by 2.9 pp from 52.0% in the previous fiscal year to 54.9%. This was thanks to the results of the global business reforms initiated in the second half of fiscal 2019, as well as strict inventory control and curbs on discount sales. The SG&A expense ratio also declined steadily from 52.7% in the previous fiscal year to 52.0%, mainly due to improved sales efficiency. As a result, we were able to achieve profitability at all profit levels, including operating profit. I mentioned net profit earlier.

FY2023 Performance Forecasts Highlights

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- 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.

Next, the highlights of our forecasts for fiscal 2023 are shown. Net sales are forecast to be ¥185 billion, an increase of 5.1% or ¥8.9 billion year-on-year. We expect operating profit to come in at ¥7 billion, an increase of 34.3% or about ¥1.8 billion year-on-year. Recurring profit is forecast to be ¥6.3 billion, an increase of 18.4% or ¥1 billion year-on-year. We expect net profit of ¥4 billion, an increase of 30.7% or ¥0.9 billion year-on-year, and forecast an increase in both sales and profits.

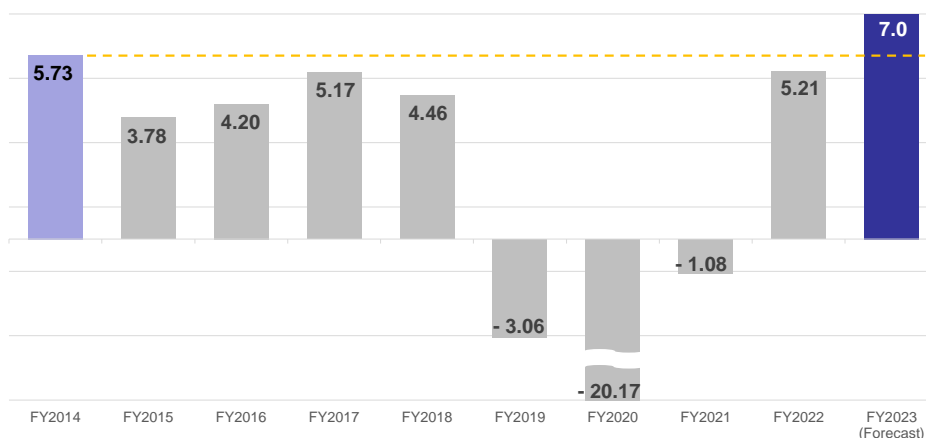
We expect net sales to increase in the domestic apparel business, the domestic lifestyle business and overseas businesses, all of which we think will remain strong or improve. In addition, we expect the gross profit margin to climb, and the SG&A expense ratio to decline due to the improvement of the efficiency of store operations, and also expect increased profits at each profit level.

Operating Profit Trend (Last 10 Fiscal Years)

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

(Billion yen)



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As a result, as described on slide 6, operating profit for fiscal 2023 is expected to be the highest in the last 10 fiscal years since fiscal 2014. Operating profit was ¥5.73 billion in fiscal 2014 and then exceeded ¥5 billion once in fiscal 2017, but the ¥5.21 billion in fiscal 2022 is higher than in fiscal 2017.

As you are aware, our Group began business reforms in fiscal 2019, and was hit by the COVID-19 pandemic in fiscal 2020. As a result, we have caused a lot of anxiety about the fact that we have had three consecutive fiscal years of operating losses since fiscal 2019, but we believe that we have taken the first step toward stabilization and normalization in fiscal 2022. We hope that fiscal 2023 will be a fiscal year in which we can ensure this trend. These are the highlights.

I would like to explain the consolidated financial results for fiscal 2022 in more detail. Please look at slide 8.



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02

FY2022 Consolidated Financial Results

FY2022 Consolidated Financial Results

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- 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.

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

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

First, as I have already mentioned, net sales increased by ¥7.6 billion year-on-year to ¥176.1 billion. Gross profit grew 10.4% or ¥9.1 billion year-on-year to ¥96.8 billion, and gross profit margin was 54.9%. SG&A expenses were ¥91.5 billion, and we limited their growth to ¥2.8 billion or 3.2% year-on-year, and the SG&A expense ratio was 52.0%. Operating profit improved by ¥6.3 billion year-on-year to ¥5.2 billion, and operating profit margin recovered to 3.0%, although still at a low level. Recurring profit increased by ¥4.8 billion year-on-year to ¥5.3 billion, and net profit fell ¥5.5 billion year-on-year to ¥3.1 billion. EBITDA increased by ¥6.5 billion from the previous fiscal year to ¥10.4 billion, crossing the ¥10 billion mark. In this way, we believe that a fairly stable foundation is forming.

FY2022 Net Sales & Operating Profit by Segment

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- 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 | |
| 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.

Slide 9 shows net sales and operating profit by segment.

In domestic businesses, the mainstay apparel business posted a significant sales increase. Net sales increased by ¥8.2 billion year-on-year to ¥128.7 billion. Operating profit increased by ¥6.3 billion year-on-year, returning to the black at ¥5.0 billion. The recovery of the core apparel business has contributed significantly to the recovery of consolidated performance. In addition, the lifestyle business, which had been performing well even during the COVID-19 pandemic, saw net sales increase by ¥0.87 billion year-on-year and operating profit grow ¥0.13 billion year-on-year, achieving growth in both net sales and operating profit.

On the other hand, total net sales of overseas businesses decreased by ¥2.3 billion year-on-year. This was due to the withdrawal from the Italian business and the fact that net sales from the Italian business had been recorded in the first quarter of the previous fiscal year. Operating profit/loss improved by ¥0.4 billion from the previous fiscal year, although an operating loss of about ¥1.1 billion remained. As for Europe, due to the situation in Ukraine, and as for Asia, due to the impact of China's zero COVID measures and other factors, overseas businesses in fiscal 2022 remained in a difficult operating environment and posted a loss. In fiscal 2023 and beyond, we consider returning overseas businesses to profitability to be an important management issue. Please look at slide 10.

FY2022 Net Sales & Operating Profit by Company

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- 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.

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

By company, a ¥9.7 billion increase year-on-year in net sales and a ¥6.4 billion increase year-on-year in operating profit at Onward Kashiya were the driving force behind the improvement in consolidated performance. The total operating profit of domestic group companies increased slightly and the total operating profit of overseas businesses improved by ¥0.4 billion year-on-year. However, most of the increase in the consolidated operating profit was supported by the recovery of Onward Kashiya's brand business and the strong performance of OMO measures.

Please look at net sales by channel on slide 11.

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 Onward Kashiwama | 39,832 | 32,404 | 72,236 | 25,175 | 3,698 | 28,873 | 101,109 | 28.6% | 87.2% |
| 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 Eight Domestic Subsidiaries Using E-Commerce* | 9,797 | 22,604 | 32,401 | 13,320 | 2,605 | 15,925 | 48,326 | 33.0% | 83.6% |
| 5 Total Domestic Subsidiaries Using E-Commerce | 46,629 | 55,008 | 104,637 | 38,495 | 6,303 | 44,798 | 149,435 | 30.0% | 85.9% |
| 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, Tiaclass, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY)

The yellow-framed areas are important, and net sales at “Physical stores total,” the sum of “Department stores” and “Shopping centers and other,” increased by 8.4% year-on-year, offsetting the impact of stores that closed due to the reforms. For like-for-like stores, a wide range of brands achieved double-digit sales increases.

E-commerce sales also increased by 9.5% year-on-year, and we believe that the balanced sales increase by both physical and online channels was a major achievement. At one point during the COVID-19 pandemic, e-commerce sales increased significantly, but that was inversely related to the decline in physical stores, and in a sense, it was an unbalanced situation for a few years. As a result, the e-commerce ratio rose to 30%, but we were able to maintain the e-commerce ratio at a high level of 30% while expanding both channels in fiscal 2022. Among others, net sales through “ONWARD CROSSET,” the directly managed e-commerce website, account for 85.9% of total net sales, which is the top level in the industry, and it formed the basis for new OMO services such as “Click & Try.” In this regard, we believe that we were able to lay a solid foundation in fiscal 2022. These are the financial results for fiscal 2022.

Slide 12 and the subsequent slides show forecasts of consolidated financial performance for fiscal 2023.



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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.

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


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

Net sales are expected to be ¥185 billion, an increase of 5.1% or ¥8.9 billion year-on-year. Gross profit is expected to be ¥102.4 billion, an increase of 5.8% or ¥5.6 billion year-on-year, and gross profit margin is expected to rise by 0.5 pp year-on-year to 55.4%. SG&A expenses are forecast to be ¥95.4 billion, and the SG&A expense ratio is forecast to improve by 0.4 pp year-on-year to 51.6%. As a result, we expect operating profit to be ¥7 billion, operating profit margin to record 3.8%, recurring profit to be ¥6.3 billion, recurring profit margin to come in at 3.4%, net profit to be ¥4 billion, net profit margin to be 2.2%, EBITDA to post ¥12.1 billion and EBITDA ratio to be 6.5%. For fiscal 2023, we expect increased sales and profits at all profit levels.

Slide 14 shows performance by segment.

FY2023 Forecast of Net Sales and Operating Profit by Segment

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

Domestic Apparel (Onward Kashiwama, 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.

In domestic businesses, both the apparel and lifestyle business segments are expected to record increased sales and profits. In the apparel business, net sales and operating profit are expected to increase by 4.9% and 36.1% year-on-year, respectively. In the lifestyle business, net sales and operating profit are expected to increase by 7.0% and 8.3% year-on-year, respectively.

Regarding the pending overseas businesses, we forecast net sales to be ¥18.6 billion, an increase of ¥1.4 billion or 8.0% year-on-year, and operating loss of ¥0.38 billion, an improvement of about ¥0.7 billion year-on-year. Although overseas businesses as a whole will still be in the red, we expect the European business to return to profitability, and we want to use this as a springboard to return overseas businesses to profitability in fiscal 2024 and beyond.

Please look at slide 15.

FY2023 Forecast of Net Sales and Operating Profit by Company

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

These are forecasts of net sales and operating profit by company.

As I just mentioned, we expect the European business, shown with yellow shading, to record net sales of ¥10.5 billion and return to profitability with operating profit of about ¥0.1 billion. In fiscal 2019, we embarked on global business reforms due to a significant operating loss in the European business, but after the COVID-19 pandemic, which brought considerable difficulties, we are eager to return the European business to profitability in fiscal 2023.

Other domestic companies are generally forecast to record increased sales and profits, and we want to make sure that they do so.

Next, I would like to explain how we return profits to our shareholders and invest in human resources based on the business plan described above.

Slide 16 shows shareholder returns.

- 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% |

Our company's dividend policy originally set a target dividend payout ratio of 35% or more, and positioned stable and performance-linked distribution of profits as one of the most important management measures. In line with this, we intend to pay a dividend of ¥12 per share for fiscal 2022 as originally planned. With a total dividend of just over ¥1.6 billion and net profit of just over ¥3 billion, the payout ratio is 53.2%.

In fiscal 2023, we plan to pay a year-end dividend of ¥14, an increase of ¥2, to be paid in May of next year on the premise of steadily increasing net profit. With a total dividend of ¥1.9 billion and a payout ratio of 47.5%, we intend to distribute profits appropriately in accordance with our dividend policy of 35% or more.

Investments in Personnel

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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.

In terms of investment in human resources, we will first improve overall salaries in light of the increasing importance of human resources as a management resource these days. We plan to increase the rate of salary improvement in fiscal 2023 by 6.7% from the previous fiscal year. While taking into account our generous support particularly for young personnel, we will make appropriate allocations and return profits to all types and all generations of employees.

Particularly in the sales field, behind the steady growth of Click & Try service which I mentioned earlier are the system and other mechanisms, but the ability of the sales representatives at stores to use these mechanisms has become a very important factor. Accordingly, we want to invest in ensuring that we have highly skilled sales representatives to build a solid customer base and trust with customers. Specifically, we want to certify highly skilled sales representatives who have reached the retirement age of 60 as "Shopmeisters" (excellent staff) internally, and establish a new system which allows them to continue working beyond the retirement age with appropriate treatment for a long period of time, making sure that this system will be in place from this spring.

These are my explanation of the financial results, shareholder returns and human resources investment.

Next, the topics are shown on slide 18 and the subsequent slides.



04

Topics

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

1. OMO Strategy

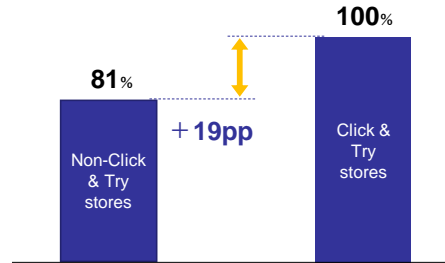
- Number of Onward Kashiyama stores implementing its “Click & Try” OMO service increased to **340**.
- Number of items reserved for “Click & Try” expanded from **55,000** in 1H to **116,000** in 2H, reaching **171,000** in FY2022
- Net sales level of existing stores offering the OMO service recovered 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



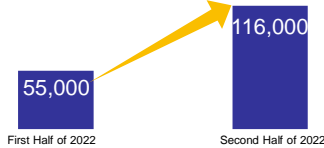
✓ Offered at 40%+ of Onward Kashiyama stores; Further expansion is planned

Net Sales: FY2022 versus FY2019



✓ Click & Try service boosted net sales significantly

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

Our OMO strategy, which I explain every quarter, has been a major pillar of the sales growth. As described here, the number of stores offering the Click & Try service has increased to 340 from 200 in the past year, and the offering rate has risen to 43% from 23%. While spending the next few years in close consultation with our business partners in the 57% stores not offering the service, we want to ultimately create an environment in which the service can be used at all stores.

The number of items reserved has doubled from the first half to the second half of the fiscal year. The growth rate of net sales at stores offering the service continues to be 19 pp higher than at stores not offering service, and net sales at stores offering the service have already recovered to the fiscal 2019 level. Even in fiscal 2023, the number of users in March reached a record high. As both customer recognition and the proficiency level of our store staff have improved, we expect the number of users of the Click & Try service to continue to increase steadily. To expand the number of stores offering the service in the future, we are currently planning a horizontal expansion while constantly negotiating with our business partners, and we believe that we will make further progress in our OMO strategy to increase sales.

Next, the brand strategy for the apparel business is shown on slide 20 and the subsequent slides.

2. Apparel Business : Key Brands Strategy

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%

23



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%

iCB

Slide 20 shows the key brand strategy.

Onward Kashiwama's "Nijyusanku," "Jiyuku" and "ICB" all achieved solid double-digit sales increases in the previous fiscal year. The ratio of sales of full-priced products is also rising. Most recently, in March 2023, net sales of key brands were also very strong. We feel that, for brands such as "J.PRESS" and "any SiS" in addition to key brands, customers for business clothes, suits and formal clothes are increasing coupled with the easing of COVID-19 restrictions.

2. Apparel Business : D2C Brands Strategy

UNFILO [Onward Kashiwama]

- 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 Kashiwama]

- 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

Slide 21 shows the D2C brand strategy.

The D2C brand is an online-focused one developed over the last few years. In fiscal 2022, net sales of both "UNFILO" and "uncrave" increased by double digits, while net sales of "UNFILO" nearly doubled. Net sales grew significantly in March as well, and we believe that these emerging brands will be the pillar of future sales growth and contribute to the expansion of e-commerce sales in fiscal 2023 and beyond.

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

Slide 22 shows our made-to-order suit “KASHIYAMA” brand as a customization strategy. Fiscal 2023 marks the fifth year since we developed this brand. Suit sales did not grow as expected for some time due to the COVID-19 pandemic, but since around New Year’s Day this year, sales growth has been noticeably accelerating. In fiscal 2022, net sales increased 14.4% year-on-year, with net sales particularly strong at our directly-managed stores and our franchise stores are expanding steadily. Most recently, on April 1, the store in the Kichijoji area was relocated and reopened with an increased floor space approximately three times larger. It’s only been a week since the renewed store opened, but net sales have more than doubled from the plan. We plan to accelerate our store strategy, including relocation and expansion to appropriate locations.

3. Lifestyle Business

— 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

In the non-apparel lifestyle business, Chacott’s net sales were up 6.5% year-on-year in the full fiscal year ended February 28, 2023. In addition to cosmetics, we are seeing steady growth in new areas other than classic ballet products, such as “BALANCE,” our brand proposal for wellness. We also offer “Photo Shooting,” a photo art service in which a customer dressed in a stage and competition-specific Chacott ballet costume and wearing authentic ballet makeup is photographed by a professional photographer, at our Daikanyama store. This service has been so popular that we renewed it in March of this year. We want to develop this service into a new business pillar.

Please look at slide 24.

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

The pet fashion business of Creative Yoko, one of the pillars of the lifestyle business, is being developed under the “PET PARADISE” brand. We also operate stores specializing in the original character “Sirotan,” “Sirotan Friends Park.” In fiscal 2022, net sales of the pet business and “Sirotan” increased by 14% and 8% year-on-year, respectively, both showing steady performance.

In addition, Creative Yoko actively promoted measures to open physical stores in fiscal 2022, and has been building new stores with great precision. Earlier this year, we opened “Sirotan Friends Park” in Haneda Airport Garden and “PET PARADISE” on Takeshita Street in Harajuku, primarily in anticipation of inbound demand. This has led to stores where the majority of net sales are for inbound tourists. We will continue to aggressively open new stores, including outlets, and including for inbound tourists, to accelerate our Creative Yoko business.



05

Sustainable Management

— Onward Holdings / Onward Kashiyama

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 Kashiyama will start with “Upcycle Action,” another phase of Onward Green Campaign, which is evolved in both quality and quantity.

Next, regarding sustainable management, as described on slide 26, a project called “Green Onward” has been launched mainly by Onward Holdings and Onward Kashiyama. This is the collective name for the various sustainable activities within the Group, and a movement to organically coordinate efforts across the entire Group. In particular, this year we will develop “Upcycle Action” as an evolution of the “Onward Green Campaign” launched in 2009, a project to collect, recycle and reuse our company brand clothing. In the past, collected clothing was recycled into work gloves, blankets and solid fuel, but in the future, we are considering creating new value by taking advantage of clothing that is no longer needed. We want to evolve the “Onward Green Campaign” with the help of our in-house creative personnel and by working with external personnel.



06

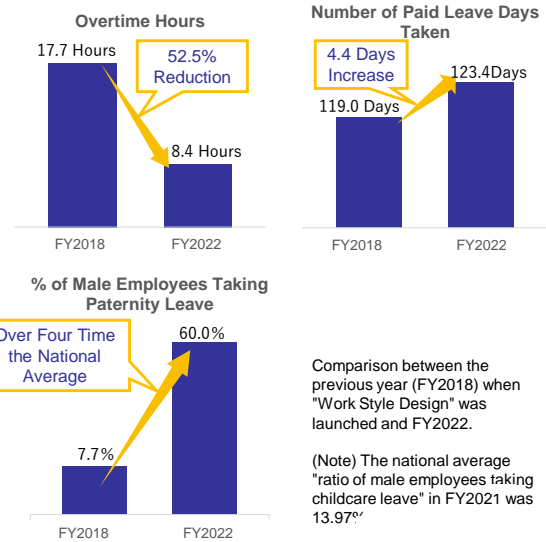
Work Style Design Project

Promotion of Work Style Design

—ONWARD—

- **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.



The Work Style Design is shown on slide 28.

With the aim of improving productivity through enhancing operational efficiency and achieving a work-life balance, we started promoting a work-style reform project, "Work Style Design," four years ago, and we want to accelerate it. As described here, overtime hours, the number of paid leave days taken and the percentage of male employees taking paternity leave all were good results, and we want to continue to develop the project even after the COVID-19 pandemic.

That concludes my explanation. Thank you very much.



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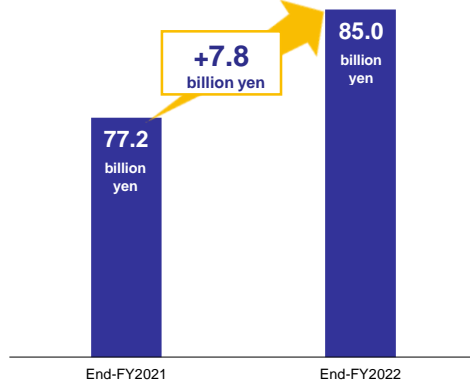
07

Financial Situation

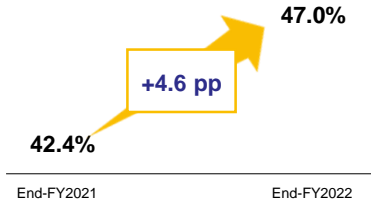
Consolidated Balance Sheet

- 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.

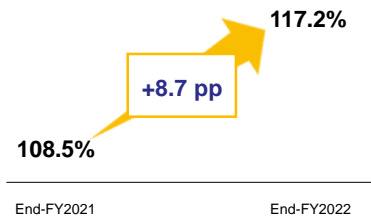
Net Assets



Shareholder's equity ratio



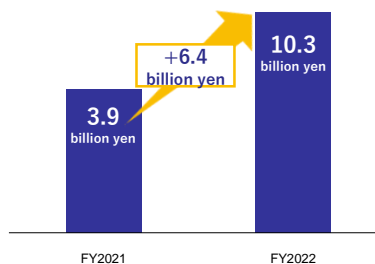
Current ratio



EBITDA/Cash Flows

EBITDA

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



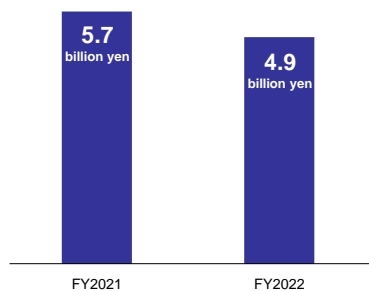
Cash Flows

- 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/Depreciation and Amortization

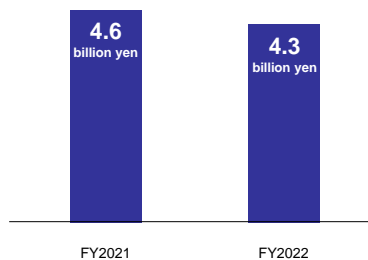
Capital Expenditures

- 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.





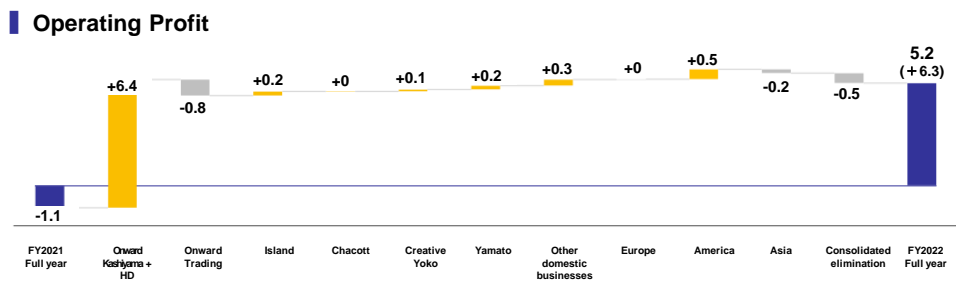
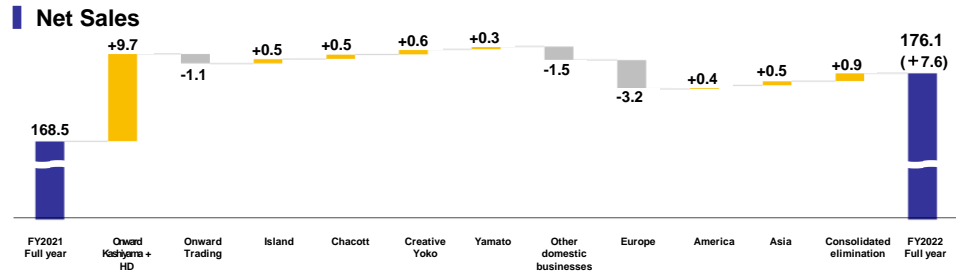
08

Data Book

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



(Billion yen)



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

—ONWARD—

| (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 (Reference) | 1,620 | 5 | -99.7% |
| 9 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 |
|--------------------------------------|--------|--------|--------|--|
| | End | End | | |
| (Billion yen) | | | | |
| 1 Total Assets | 157.7 | 159.1 | +1.4 | |
| 2 Current Assets | 60.5 | 62.2 | +1.7 | |
| 3 Cash and Deposits | 15.2 | 13.8 | -1.4 | |
| 4 Accounts Receivable-trade | 14.2 | 13.9 | -0.3 | |
| 5 Inventory | 26.8 | 30.7 | +3.9 | Increase in purchases to expand sales |
| 6 Non-current Assets | 97.2 | 96.9 | -0.3 | |
| 7 Property, Plant and Equipment | 58.0 | 53.1 | -4.9 | Sale of Guam hotel |
| 8 Intangible Assets | 9.3 | 9.1 | -0.2 | |
| 9 Investments and Other Assets | 29.8 | 34.7 | +4.9 | Increase in investment securities due to revaluation |
| 10 Total Liabilities | 80.4 | 74.1 | -6.3 | |
| 11 Accounts Payable-trade | 18.2 | 21.4 | +3.2 | Increase in purchases to expand sales |
| 12 Borrowings | 35.1 | 27.2 | -7.9 | Repayment of debt |
| 13 Other | 27.1 | 25.5 | -1.6 | |
| 14 Total Net Assets | 77.2 | 85.0 | +7.8 | |
| 15 Shareholder's Equity Ratio | 42.4% | 47.0% | +4.6% | |
| 16 Current Ratio | 108.5% | 117.2% | +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 | 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% |
| 2 | Gross Profit | 44,735 | 47,600 | +2,865 | +6.4% | 52,016 | 54,800 | +2,784 | +5.4% | 96,751 | 102,400 | +5,649 | +5.8% |
| | (% of Sales) | (54.4%) | (55.2%) | | (+0.8%) | (55.4%) | (55.5%) | | (-0.1%) | (54.9%) | (55.4%) | | (+0.5%) |
| 3 | SG&A Expenses | 44,542 | 46,600 | +2,058 | +4.6% | 46,995 | 48,800 | +1,805 | +3.8% | 91,537 | 95,400 | +3,863 | +4.2% |
| | (% of Sales) | (54.2%) | (54.1%) | | (-0.1%) | (50.0%) | (49.4%) | | (-0.6%) | (52.0%) | (51.6%) | | (-0.4%) |
| 4 | Operating Profit | 193 | 1,000 | +807 | +418.1% | 5,021 | 6,000 | +979 | +19.5% | 5,214 | 7,000 | +1,786 | +34.3% |
| | (% of Sales) | (0.2%) | (1.2%) | | (+1.0%) | (5.3%) | (6.1%) | | (+0.8%) | (3.0%) | (3.8%) | | (+0.8%) |
| 5 | Recurring Profit | 654 | 700 | +46 | +7.0% | 4,665 | 5,600 | +935 | +20.0% | 5,319 | 6,300 | +981 | +18.4% |
| 6 | Net Profit | 476 | 1,400 | +924 | +194.1% | 2,585 | 2,600 | +15 | +0.6% | 3,061 | 4,000 | +939 | +30.7% |
| 7 | EBITDA* | 2,838 | 3,600 | +762 | +26.8% | 7,535 | 8,500 | +965 | +12.8% | 10,373 | 12,100 | +1,727 | +16.6% |

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

FY2023 Forecast of Net Sales & Operating Profit by Segment

| | | 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 | 78,859 | 83,353 | +4,494 | +5.7% | 88,592 | 93,115 | +4,523 | +5.1% | 167,451 | 176,468 | +9,017 | +5.4% |
| | | 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 | 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 | ↗ |
| 5 | 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% |

Domestic Apparel (Onward Kashiwama, 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 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 | Onward Kashiyama + HD | Net Sales Operating Profit | 46,055 332 | 48,740 475 | +2,685 +143 | +5.8% +43.1% | 55,054 4,192 | 56,439 4,486 | +1,385 +294 | +2.5% +7.0% | 101,109 4,524 | 105,179 4,961 | +4,070 +437 | +4.0% +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 Operating Profit | 32,804 1,636 | 34,613 2,349 | +1,809 +713 | +5.5% +43.6% | 33,538 1,581 | 36,676 2,466 | +3,138 +885 | +9.4% +56.0% | 66,342 3,217 | 71,289 4,815 | +4,947 +1,598 | +7.5% +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 Operating Profit | 7,733 -1,132 | 7,886 -810 | +153 +322 | +2.0% ↗ | 9,517 42 | 10,745 428 | +1,228 +386 | +12.9% +919.0% | 17,250 -1,090 | 18,631 -382 | +1,381 +708 | +8.0% ↗ |
| 12 | Consolidated Total | Net Sales Operating Profit | 82,166 193 | 86,200 1,000 | +4,034 +807 | +4.9% +418.1% | 93,906 5,021 | 98,800 6,000 | +4,894 +979 | +5.2% +19.5% | 176,072 5,214 | 185,000 7,000 | +8,928 +1,786 | +5.1% +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 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% |
| | 2 Gross Profit | 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 SG&A Expenses | 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 Operating Profit | 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 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% |
| | 2 Gross Profit | 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 SG&A Expenses | 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 Operating Profit | 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 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% |
| | 2 Gross Profit | 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 SG&A Expenses | 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 Operating Profit | -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.



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