

—ONWARD—

FY02/24 (FY2023) 1H

Results Presentation Material

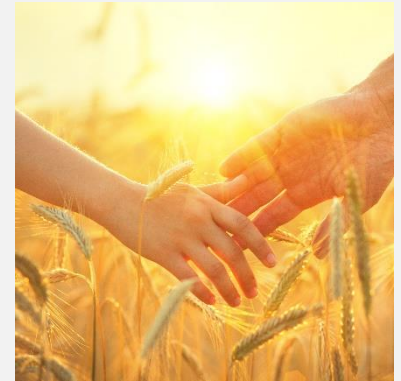


October 5, 2023

ONWARD HOLDINGS CO., LTD.

Onward Group's Raison d'Être

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

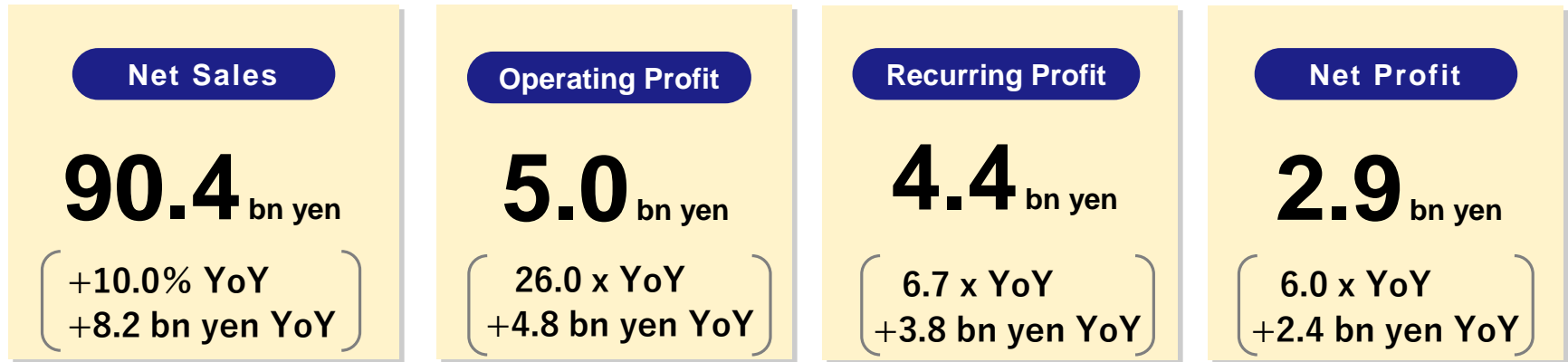


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01

Consolidated Financial Results and Performance Forecast Highlights



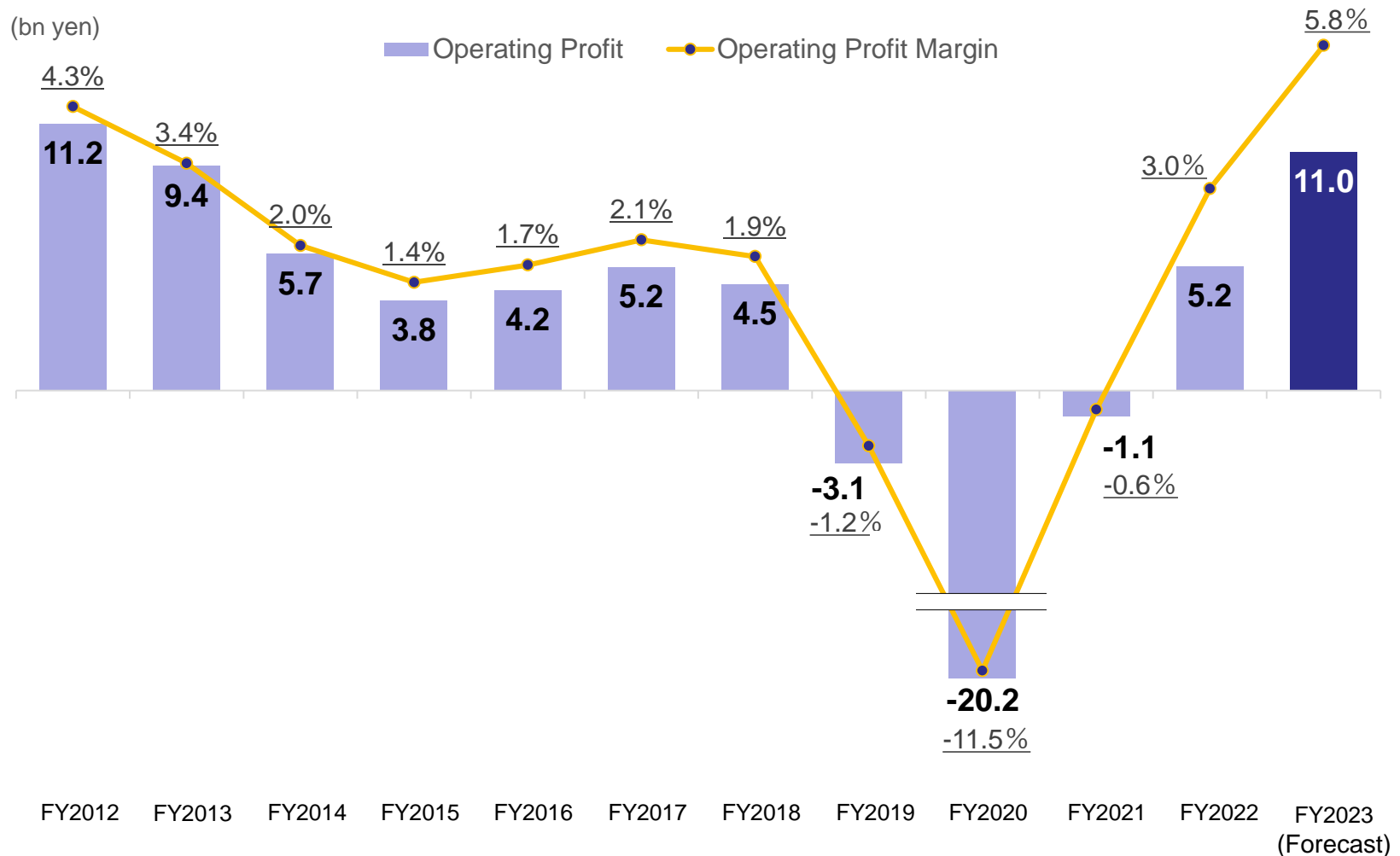
- In the first half of the year, as a result of our focus on strengthening customer-oriented product development and sales services, our key brands including Nijyusanku and PET PARADISE performed well, and new brands such as KASHIYAMA and UNFILO grew significantly.
- Customers visiting our physical and online stores increased steadily mainly due to the increased use of our “CLICK & TRY” OMO service and the improved accuracy of our marketing measures utilizing social media. As a result, net sales grew faster than the latest forecast.
- Gross profit margin continued to increase owing to the remarkable results of the global business reforms and improved efficiency in the product supply chain. Meanwhile, the SG&A ratio declined markedly partly thanks to increased sales efficiency through the development of multi-brand stores.
- As a result of the above, operating profit, recurring profit, and net profit all increased significantly.



- As the results in the first-half of the year were better than the latest forecast, the Company revised its full-year forecast upward again following the announcement of the first quarter results, while maintaining its second-half forecast.
- As a result, full-year operating profit is expected to be 11 billion yen and exceed 10 billion yen for the first time in 11 years since FY2012.
- Recurring profit is forecast to be 10 billion yen, 1.9 times YoY, and net profit is expected to be 5.5 billion yen, 1.8 times YoY.

Trends of Operating Profit and Operating Profit Margin

- Operating profit in FY2023 is expected to exceed the 10 billion yen level for the first time in 11 years since FY2012.
- The operating profit margin in FY2023 is expected to be 5.8%, the highest since FY2012.

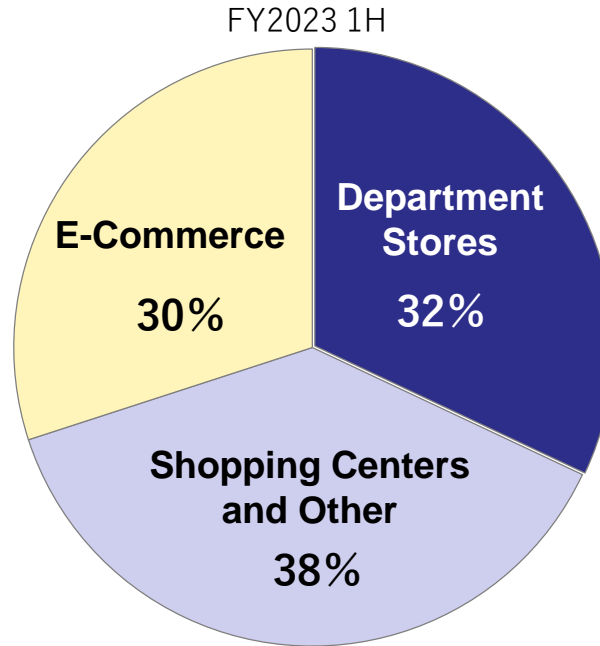


Note: New revenue recognition standards have been applied since FY2020.

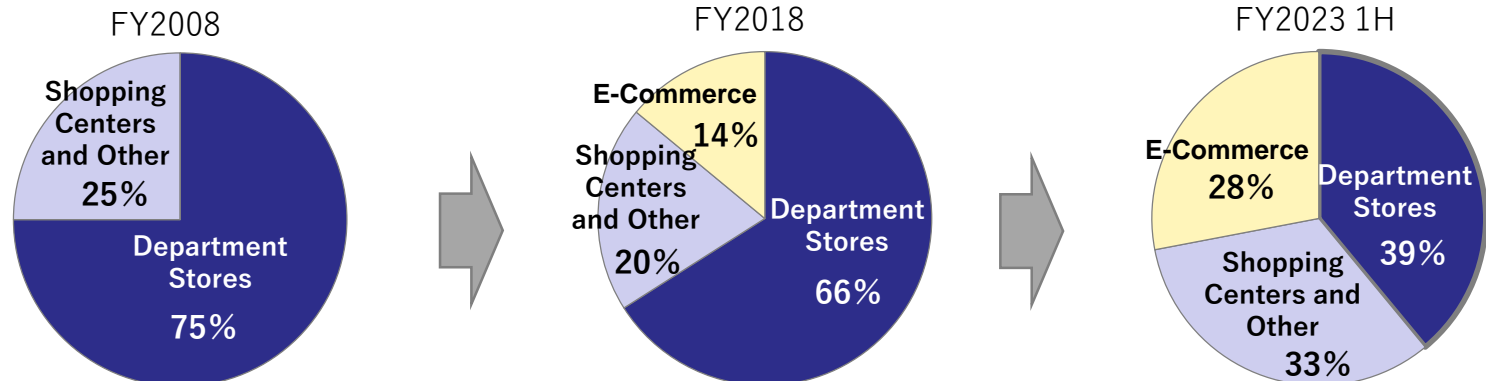
Net Sales Breakdown by Channel

Total of Onward Group's nine domestic companies

Onward Kashiyama, Island, Tiaclasse, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY



Changes in Onward Kashiyama's sales breakdown by channel



Dividend Policy

The Company views the distribution of profits to shareholders as one of the management's highest priority issues, and sets a dividend payout ratio target of 35% or more, ensuring stable and appropriate distribution of profits in conjunction with its performance.

Along with the further upward revision of the full-year forecast for net profit, the Company revised upward the year-end dividend to 17 yen this time, up 1 yen from the previous forecast. (up 5 yen from 12 yen in FY2022)

Dividends

	FY2023			FY2022 Actual
	Revised Forecast (October 2023)	Previous Forecast (July 2023)	Initial Forecast (April 2023)	
Dividends per Share (yen)	17	16	14	12
Total Dividends (mil. yen)	2,307	2,171	1,900	1,628
Net Profit (mil. yen)	5,462	5,000	4,000	3,061
Payout Ratio	42.2%	43.4%	47.5%	53.2%

Promote Management that is Conscious of Cost of Capital and Stock Price

■ Approach to financial policies and target financial indicators

- Aim to realize returns (profits) in excess of the cost of capital for sustainable improvement of corporate value
- Set targets for return on equity (ROE) and return on invested capital (ROIC), keeping in mind the cost of shareholders' equity and weighted average cost of capital (WACC).
- Demonstrate specific measures (e.g., cash allocation) to achieve the targets

We plan to disclose the above information together with the updated version of “ONWARD VISION 2030” and the three-year mid-term management plan, when the full-year financial results for FY2023 are released in April 2024.



02

FY2023 First Half Consolidated Financial Results

uncrave

FY2023 1H : Consolidated Financial Results

- Net sales increased to 90.4 billion yen (+10.0%) , up 8.2 billion yen YoY.
- Operating profit increased to 5.0 billion yen (26.0 times), up 4.8 billion YoY as a result of higher gross profit margin (+2.2pp) and a lower SG&A expense ratio (-3.2pp), and the operating profit margin was 5.6% (+5.4pp).
- Net profit increased to 2.9 billion yen (6.0 times), up 2.4 billion yen YoY.
- EBITDA increased to 7.4 billion yen (2.6 times), up 4.6 billion yen.

(Million yen)		1H Results						
		FY2023	FY2022	Change	% of Change	Previous Forecast	Change	% of Change
1	Net Sales	90,411	82,166	+8,245	+10.0%	90,000	+411	+0.5%
2	Gross Profit (% of Net Sales)	51,152 (56.6%)	44,735 (54.4%)	+6,417	+14.3% (+2.2%)	50,980 (56.6%)	+172	+0.3% (+0.0%)
3	SG&A Expenses (% of Net Sales)	46,130 (51.0%)	44,542 (54.2%)	+1,588	+3.6% (- 3.2%)	46,980 (52.2%)	- 850	- 1.8% (- 1.2%)
4	Operating Profit (% of Net Sales)	5,022 (5.6%)	193 (0.2%)	+4,829	+2502.1% (+5.4%)	4,000 (4.4%)	+1,022	+25.6% (+1.2%)
5	Recurring Profit (% of Net Sales)	4,412 (4.9%)	654 (0.8%)	+3,758	+574.6% (+4.1%)	3,400 (3.8%)	+1,012	+29.8% (+1.1%)
6	Net Profit (% of Net Sales)	2,862 (3.2%)	476 (0.6%)	+2,386	+501.3% (+2.6%)	2,400 (2.7%)	+462	+19.3% (+0.5%)
7	EBITDA ※ (% of Net Sales)	7,390 (8.2%)	2,838 (3.5%)	+4,552	+160.4% (+4.7%)	6,600 (7.3%)	+790	+12.0% (+0.9%)

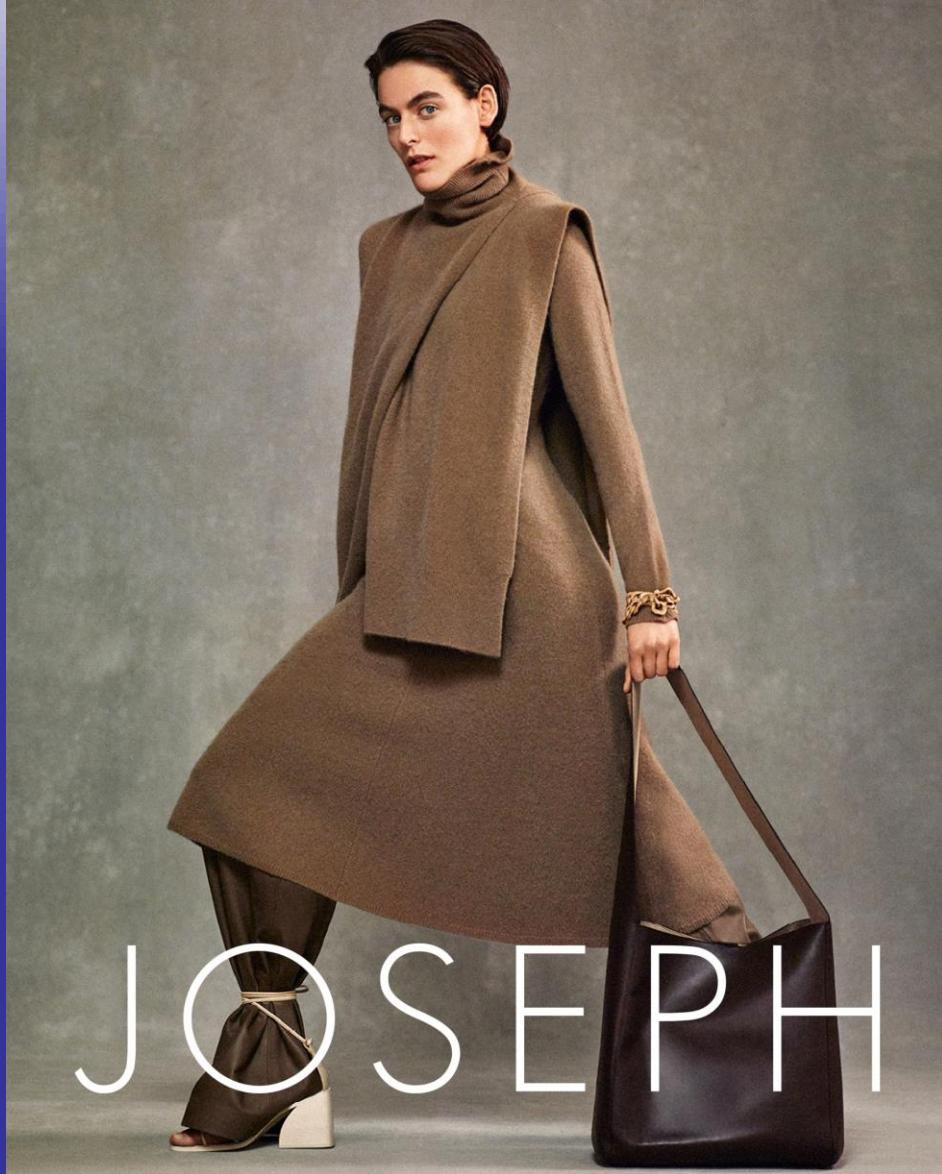
*Note: EBITDA = operating profit + depreciation and amortization.

FY2023 1H : Results by Segment

- In the domestic business, both the apparel and lifestyle segments increased sales. Operating profit increased significantly to 8.2 times in the apparel segment, and by 36% in the lifestyle segment.
- In the overseas business, sales increased by 16% YoY, and operating profit/loss improved by 0.5 billion yen, although an operating loss remained.

(Million yen)			1H Results						
			FY2023	FY2022	Change	% of Change	Previous Forecast	Change	% of Change
1	Apparel	Net Sales	65,909	59,704	+6,205	+10.4%	65,922	- 13	- 0.0%
		Operating Profit	3,968	484	+3,484	+719.8%	3,279	+689	+21.0%
2	Lifestyle	Net Sales	20,402	19,155	+1,247	+6.5%	20,557	- 155	- 0.8%
		Operating Profit	2,022	1,484	+538	+36.3%	1,968	+54	+2.7%
3	Domestic Total	Net Sales	86,311	78,859	+7,452	+9.4%	86,479	- 168	- 0.2%
		Operating Profit	5,990	1,968	+4,022	+204.4%	5,247	+743	+14.2%
4	Overseas Total	Net Sales	9,002	7,733	+1,269	+16.4%	8,613	+389	+4.5%
		Operating Profit	- 640	- 1,132	+492	↗	- 728	+88	↗
5	Consolidated Total	Net Sales	90,411	82,166	+8,245	+10.0%	90,000	+411	+0.5%
		Operating Profit	5,022	193	+4,829	+2502.1%	4,000	+1,022	+25.6%

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.



03

FY2023 Full Year Consolidated Performance Forecast

FY2023 Full-Year : Consolidated Performance Forecast

- Full-year performance forecasts are a combination of the first-half financial results and the previous second-half forecasts (announced in July 2023).
- Net sales are expected to be 189.2 billion yen (+7.5%), up 13.1 billion yen, operating profit is expected to be 11 billion yen (2.1 times), up 5.8 billion yen, and net profit is expected to be 5.5 billion yen (1.8 times), up 2.4 billion yen from the previous fiscal year.

(Million yen)		Full-Year Forecast						
		FY2023	FY2022 Actual	Change	% of Change	Previous Forecast	Change	% of Change
1	Net Sales	189,211	176,072	+13,139	+7.5%	188,800	+411	+0.2%
2	Gross Profit (% of Net Sales)	105,952 (56.0%)	96,751 (54.9%)	+9,201	+9.5%	105,780 (56.0%)	+172	+0.2%
3	SG&A Expenses (% of Net Sales)	94,930 (50.2%)	91,537 (52.0%)	+3,393	+3.7%	95,780 (50.7%)	- 850	- 0.9%
4	Operating Profit (% of Net Sales)	11,022 (5.8%)	5,214 (3.0%)	+5,808	+111.4%	10,000 (5.3%)	+1,022	+10.2%
5	Recurring Profit (% of Net Sales)	10,012 (5.3%)	5,319 (3.0%)	+4,693	+88.2%	9,000 (4.8%)	+1,012	+11.2%
6	Net Profit (% of Net Sales)	5,462 (2.9%)	3,061 (1.7%)	+2,401	+78.4%	5,000 (2.6%)	+462	+9.2%
7	EBITDA ※ (% of Net Sales)	16,100 (8.5%)	10,373 (5.9%)	+5,727	+55.2%	15,100 (8.0%)	+1,000	+6.6%

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

FY2023 Full-Year : Performance Forecasts by Segment

- In the domestic business, in the apparel segment, net sales are expected to increase by 9.4 billion yen (+7.2%) and operating profit by 4.4 billion yen (1.9 times) from the previous fiscal year. In the lifestyle segment, net sales are expected to increase by 2.5 billion yen (+6.6%) and operating profit by 0.7 billion yen (+26.3%) from the previous fiscal year.
- In the overseas business, net sales are expected to increase by 2.5 billion yen (+14.5%). Although an operating loss remains, operating profit/loss is expected to improve by 0.7 billion yen.

(Million yen)			Full-Year Forecast						
			FY2023	FY2022 Actual	Change	% of Change	Previous Forecast	Change	% of Change
1	Apparel	Net Sales	138,877	129,525	+9,352	+7.2%	139,113	- 236	- 0.2%
		Operating Profit	9,421	5,000	+4,421	+88.4%	8,960	+461	+5.1%
2	Lifestyle	Net Sales	40,431	37,926	+2,505	+6.6%	40,481	- 50	- 0.1%
		Operating Profit	3,461	2,741	+720	+26.3%	3,239	+222	+6.9%
3	Domestic Total	Net Sales	179,308	167,451	+11,857	+7.1%	179,594	- 286	- 0.2%
		Operating Profit	12,882	7,741	+5,141	+66.4%	12,199	+683	+5.6%
4	Overseas Total	Net Sales	19,743	17,250	+2,493	+14.5%	19,358	+385	+2.0%
		Operating Profit	- 407	- 1,090	+683	↗	- 300	- 107	↗
5	Consolidated Total	Net Sales	189,211	176,072	+13,139	+7.5%	188,800	+411	+0.2%
		Operating Profit	11,022	5,214	+5,808	+111.4%	10,000	+1,022	+10.2%

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.



04

Financial Situation

FY2023 1H : EBITDA, Net Assets, Shareholder's Equity Ratio, Current Ratio

- EBITDA increased to 7.4 billion yen, up 4.6 billion yen YoY.
- Net assets decreased by 5.0 billion yen from the end of the previous fiscal year due to the decrease in minority interests.
- The shareholder's equity ratio was 46.5%, down 0.5 points from the end of the previous fiscal year.
- The current ratio remained above 100%. It was 15 points lower from the end of the previous fiscal year due to an increase in borrowings.

EBITDA

(Million yen)

FY2023 1H	FY2022 1H	Change	% of Change
7,390	2,838	+4,552	+160.4%

Shareholders' Equity Ratio

End-FY2023 1H	End-FY2022	Change
46.5%	47.0%	- 0.5%

Net Assets

(Million yen)

End-FY2023 1H	End-FY2022	Change	% of Change
80,029	85,073	-5,044	- 5.9%

Current Ratio

End-FY2023 1H	End-FY2022	Change
102.2%	117.2%	- 15.0%

FY2023 1H : Cash Flows, Capital Expenditures, Depreciation and Amortization

Cash flows

- Cash flows provided by operating activities amounted to 1.1 billion yen mainly due to an increase in profit before income taxes and an increase in inventories.
- Cash flows used in investing activities amounted to 1.9 billion yen mainly due to the acquisition of investment securities.
- Cash flows used in financing activities amounted to 1.0 billion yen mainly due to increase (decrease) in borrowings and the payment of dividends.

Capital Expenditures

- Capital expenditures were 1.6 billion yen, down 0.3 billion yen YoY.
- Carefully select investments such as those related to DX and OMO to make efficient investments.

(Million yen)	FY2023 1H	FY2022	Change	% of Change
Capex	1,641	1,918	- 277	- 14.4%

Depreciation and Amortization

- Depreciation and Amortization were 2.0 billion yen, down 0.3 billion yen YoY.

(Million yen)	FY2023 1H	FY2022	Change	% of Change
Depreciation and Amortization	1,957	2,243	- 286	- 12.8%



05

Initiative for Human Capital Management

■ Commitment to Diversity

“Introduction of the Mentor System” to promote empowerment of female employees

In order to nurture female senior management candidates, certain executive officers (mentors) assist female managers (mentees) in solving career development issues and overcoming problems through interactive dialogue and support their personal growth.



Initiative to promote understanding of LGBTQ (Onward Corporate Design)

Onward Corporate Design Co., Ltd. holds LGBTQ seminars each for all employees and managers. They established a contact accessible for LGBTQ minorities.



■ Work Style Design

Promotion of childcare leave by male employees

The Company held Pre-Dad/Mom Seminars and individual interviews to encourage male employees to take childcare leave.

In FY2023, of male employees, who took child care leave, two took long-term leave of 10 months to 1 year.

Work interval system

In September 2022, the Company introduced the "Work Interval System" which ensures 11 hours between the finish time the previous day and the start time the next day. Ensuring that employees take an adequate rest and sleep, we aim to help them improve their workstyles while achieving work-life balance.





06

**Initiative for Sustainable
Management**

■ Expansion of Onward Green Campaign

The Onward Green Campaign aims to establish an apparel circulation system by recycling and reusing used apparel items. In the first half of FY2023, the number of apparel items collected increased 23% YoY. About 7.3 million items have been collected so far.

Collected clothing items are recycled into blankets and donated



■ Launched “Upcycle Action” for collected clothing

The Company started Upcycle Action to create new value by making use of collected clothing items. It proposes a new circular economy through exhibitions and sales events.

• Upcycle Action •



■ Expansion of Made-to-Order Production

For the core men's brand "Gotairiku," the proportion of made-to-order suits in the sales of suits is now 80%, up from 32% in FY2019, contributing to the reduction of unnecessary inventory.



■ Utilization of Recycled Materials

The knit shoe brand "steppi" is produced by using recycled materials from used plastic bottles and plastic waste. A dedicated shopper, which serves as a laundry net for steppi, is also made of sustainable materials.

SUSTAINABLE



WASHABLE



23 



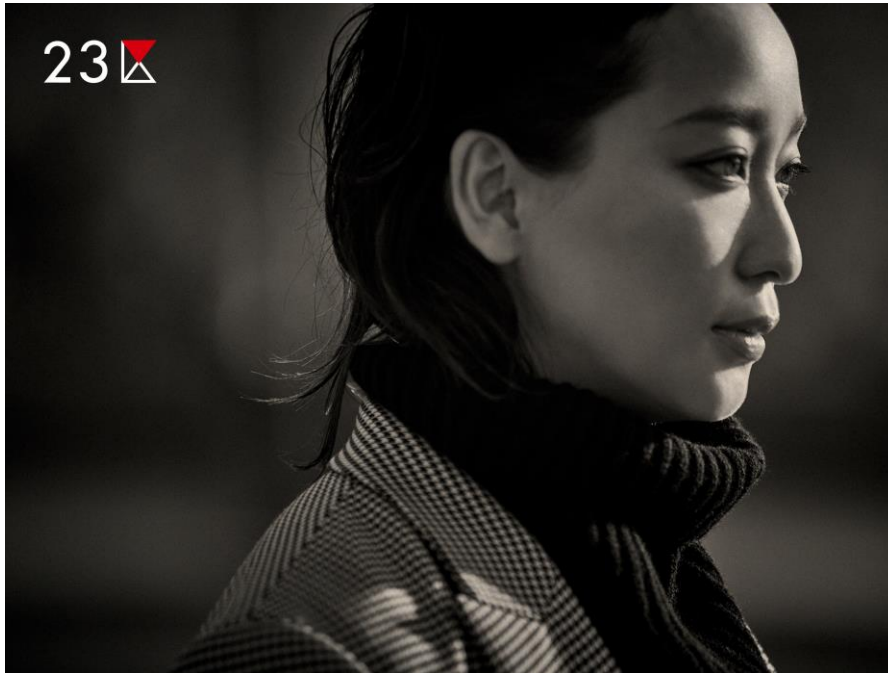
07

TOPICS

Commitment to Further Growth of NIJYUSANKU, Celebrating Its 30th Anniversary

■ Strengthening sales promotion

NIJYUSANKU chose actress Anne as its brand ambassador to celebrate the 30th anniversary of its launch. The brand develops various sale promotional activities on a global scale.



■ Launch of a new brand “estèta”

“**estèta**,” a new high-grade line debuted. We produce this brand mainly in garment factories in Japan by taking advantage of our material procurement capabilities and production networks.



Strengthening Corporate Business

On September 1, 2023, Onward Trading Co., Ltd. and Onward Creative Center Co., Ltd. merged to form a new company, Onward Corporate Design Co., Ltd., as a core business company responsible for corporate business.

It combines the extensive know-how in the uniform business and others and strong customer base of former Onward Trading and the apparel-based spatial design capabilities of former Onward Creative Center to provide comprehensive designs for clients.

Uniform Business : The first uniform of ANA Holdings Inc.'s new international brand "Air Japan"



Space Create Business : for Kurashiki Coffee Co., Ltd.



Sales promotion business : for FANCL CORPORATION



Support of the Japan National Team in the Rugby World Cup France 2023 ONWARD

- Onward Personal Style Co., Ltd. signed an official supporter agreement with the Japan Rugby Football Union to support the 2023 Japan National Rugby Team.
- Through the made-to-order brand “KASHIYAMA”, we provide original model suits to all players of the Japan National Rugby Team.





#newans

08

Appendix

OMO Service “Click & Try” Multi-Brand Store “ONWARD CROSSET / SELECT”

- “Click & Try” Service
 - The number of stores introduced increased to 360, up 50 from the end of the same period last year.
 - In the first half of FY2023, net sales at (existing) stores providing this service were 13% higher than those in FY2019, which was before the COVID-19 pandemic, and 22 pp higher than those at the stores not providing the service, which was 9% lower than in FY2019.
- ONWARD CROSSET / SELECT
 - In addition to “Click & Try,” the Company expanded the development of “ONWARD CROSSET / SELECT” (OCS), a multi-brand store.
 - With OMO services implemented, it provides a comprehensive selection of Onward Kashiyama brands. The year-on-year growth in sales for the first half of FY2023 was 21pp higher than the stores excluding OCS.

Changes in the number of stores that introduced Click & Try and the number of reservations

	FY2023 1H	FY2022 1H	Change	% of Change
Number of Stores	360	310	+50	-
Adoption rate	51%	38%	+13%	-
Number of reservations (in thousands)	58	29	+29	2 times

Comparison of net sales between stores that introduced and have not introduced Click & Try

Vs. FY2019 1H	FY2023 1H	FY2022 1H
Stores that introduced the service	113%	96%
Stores that have not introduced the service	91%	75%
Effect	+22% pt	+21% pt

ONWARD CROSSET / SELECT sales comparison

	FY2023 1H		
	Department Stores	Shopping Centers	Total
ONWARD CROSSET SELECT(OCS)	132%	139%	134%
Existing Stores Total excl. OCS	116%	106%	113%
Difference	+16% pt	+33% pt	+21% pt

Comparison excluding discontinued brands



FY2023 1H : Net Sales by Channel

- Net sales at physical stores total (department stores + shopping centers and others) increased by 11% YoY.
- E-commerce sales increased by 8% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 30% and 86%, respectively.

(Million yen)	① Onward Kashiyama			② Eight Domestic Subsidiaries Using E-Commerce*			Total (①+②)		
	Net Sales	% of Sales	YoY	Net Sales	% of Sales	YoY	Net Sales	% of Sales	YoY
Department Stores	19,911	38.6%	+10.9%	4,894	19.5%	- 0.8%	24,805	32.4%	+8.4%
Shopping Centers and Other	17,171	33.3%	+15.3%	12,090	48.2%	+8.7%	29,261	38.2%	+12.5%
Physical Stores Total	37,082	71.9%	+12.9%	16,984	67.7%	+5.8%	54,066	70.5%	+10.6%
Directly Managed E-Commerce	12,670	24.6%	+9.6%	6,808	27.1%	+4.5%	19,478	25.4%	+7.8%
Directly Managed E-Commerce Ratio		87.5%			83.9%			86.2%	
Other E-Commerce Platforms	1,814	3.5%	+9.7%	1,305	5.2%	+5.0%	3,119	4.1%	+7.7%
E-Commerce Total	14,484	28.1%	+9.6%	8,113	32.3%	+4.5%	22,597	29.5%	+7.7%
Total Sales	51,566	100.0%	+12.0%	25,097	100.0%	+5.4%	76,663	100.0%	+9.7%

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

Nijyusanku 【Onward Kashiya】

Onward Kashiya's core brand "Nijyusanku" continued its strong sales growth. It enhanced sales promotion celebrating the 30th anniversary of the brand's debut and introduced a new high-grade line "estèta."



1H Sales
(YoY)

+ **20.3%**

23

UNFILO 【Onward Kashiya】

It continued to expand due to the development of highly profitable and unique products and the effects of digital promotion such as the distribution of advertising videos for the hit product "Jog Pants." The number of OMO stores dealing in this brand also increased.



1H Sales
(YoY)

1.7 x

UNFILO

KASHIYAMA 【Onward Personal Style】

Sales at directly managed stores increased significantly. The Kichijoji store, revamped as one of the largest stores in Tokyo in April 2023, performed well. Customers increased, and the customer unit price also increased. Businesses for corporate clients also contributed to a sales increase by winning deals for company uniforms.



1H Sales
(YoY)

+ **19.2%**

KASHIYAMA

PET PARADISE 【Creative Yoko】

Thanks to the success of opening new stores, all three stores that opened in 2023 performed better than planned. In addition, new hit products such as carts, leashes, and heat-protection goods contributed to the increase in sales.

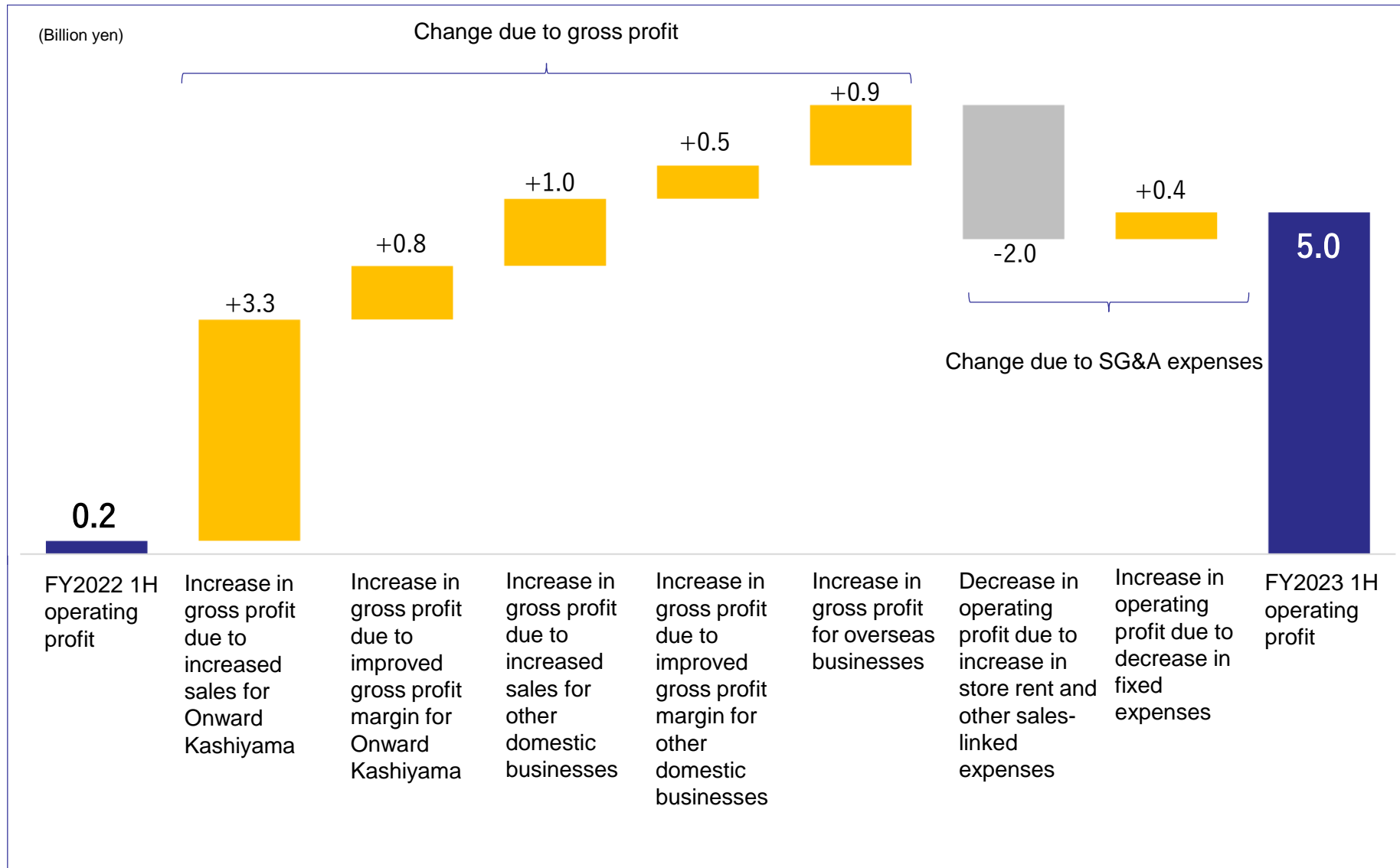


1H Sales
(YoY)

+ **15.9%**

PET PARADISE

FY2023 1H : Operating Profit Change Analysis (YoY)



FY2023 1H : Results by Company

(Million yen)			1H Results						
			FY2023	FY2022	Change	% of Change	Previous Forecast	Change	% of Change
1	Onward Kashiyama+HD	Net Sales	51,566	46,055	+5,511	+12.0%	51,419	+147	+0.3%
		Operating Profit	3,210	332	+2,878	+866.9%	2,401	+809	+33.7%
2	Onward	Net Sales	7,353	6,865	+488	+7.1%	7,228	+125	+1.7%
		Corporate Design	Operating Profit	822	523	+299	+57.2%	750	+72
3	Island	Net Sales	2,844	2,970	- 126	-4.2%	2,947	- 103	- 3.5%
		Operating Profit	- 23	22	- 45	↘	34	- 57	↘
5	Domestic Apparel Total	Net Sales	65,909	59,704	+6,205	+10.4%	65,922	- 13	- 0.0%
		Operating Profit	3,968	484	+3,484	+719.8%	3,279	+689	+21.0%
6	Chacott	Net Sales	5,059	4,714	+345	+7.3%	4,976	+83	+1.7%
		Operating Profit	565	342	+223	+65.2%	530	+35	+6.6%
7	Creative Yoko	Net Sales	2,969	2,562	+407	+15.9%	2,933	+36	+1.2%
		Operating Profit	235	108	+127	+117.6%	184	+51	+27.7%
8	Yamato	Net Sales	10,592	10,106	+486	+4.8%	10,837	- 245	- 2.3%
		Operating Profit	999	703	+296	+42.1%	1,018	- 19	- 1.9%
9	Domestic Lifestyle Total	Net Sales	20,402	19,155	+1,247	+6.5%	20,557	- 155	- 0.8%
		Operating Profit	2,022	1,484	+538	+36.3%	1,968	+54	+2.7%
10	Domestic Subtotal	Net Sales	86,311	78,859	+7,452	+9.4%	86,479	- 168	- 0.2%
		Operating Profit	5,990	1,968	+4,022	+204.4%	5,247	+743	+14.2%
11	Europe	Net Sales	4,832	4,244	+588	+13.9%	4,637	+195	+4.2%
		Operating Profit	- 449	- 514	+65	↗	- 462	+13	↗
12	America	Net Sales	936	759	+177	+23.3%	880	+56	+6.4%
		Operating Profit	- 231	- 407	+176	↗	- 271	+40	↗
13	Asia	Net Sales	3,234	2,730	+504	+18.5%	3,096	+138	+4.5%
		Operating Profit	40	- 211	+251	↗	5	+35	+700.0%
14	Overseas Subtotal	Net Sales	9,002	7,733	+1,269	+16.4%	8,613	+389	+4.5%
		Operating Profit	- 640	- 1,132	+492	↗	- 728	+88	↗
15	Consolidated Total	Net Sales	90,411	82,166	+8,245	+10.0%	90,000	+411	+0.5%
		Operating Profit	5,022	193	+4,829	+2502.1%	4,000	+1,022	+25.6%

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

FY2023 Full-Year : Performance Forecasts by Company

(Million yen)			Full-Year Forecast						
			FY2023	FY2022 Actual	Change	% of Change	Previous Forecast	Change	% of Change
1	Onward Kashiya+HD	Net Sales	107,964	101,109	+6,855	+6.8%	107,858	+106	+0.1%
		Operating Profit	7,801	4,524	+3,277	+72.4%	6,887	+914	+13.3%
2	Onward	Net Sales	16,205	14,503	+1,702	+11.7%	16,279	- 74	- 0.5%
		Corporate Design	Operating Profit	1,527	1,007	+520	+51.6%	1,386	+141
3	Island	Net Sales	6,235	6,285	- 50	- 0.8%	6,341	- 106	- 1.7%
		Operating Profit	35	80	- 45	- 56.3%	152	- 117	- 77.0%
5	Domestic Apparel Total	Net Sales	138,877	129,525	+9,352	+7.2%	139,113	- 236	- 0.2%
		Operating Profit	9,421	5,000	+4,421	+88.4%	8,960	+461	+5.1%
6	Chacott	Net Sales	9,573	8,849	+724	+8.2%	9,473	+100	+1.1%
		Operating Profit	631	342	+289	+84.5%	573	+58	+10.1%
7	Creative Yoko	Net Sales	6,307	5,801	+506	+8.7%	6,246	+61	+1.0%
		Operating Profit	582	419	+163	+38.9%	545	+37	+6.8%
8	Yamato	Net Sales	21,593	20,629	+964	+4.7%	21,836	- 243	- 1.1%
		Operating Profit	1,806	1,489	+317	+21.3%	1,827	- 21	- 1.1%
9	Domestic Lifestyle Total	Net Sales	40,431	37,926	+2,505	+6.6%	40,481	- 50	- 0.1%
		Operating Profit	3,461	2,741	+720	+26.3%	3,239	+222	+6.9%
10	Domestic Subtotal	Net Sales	179,308	167,451	+11,857	+7.1%	179,594	- 286	- 0.2%
		Operating Profit	12,882	7,741	+5,141	+66.4%	12,199	+683	+5.6%
11	Europe	Net Sales	10,965	9,960	+1,005	+10.1%	10,694	+271	+2.5%
		Operating Profit	69	- 136	+205	↗	108	- 39	- 36.1%
12	America	Net Sales	1,966	1,636	+330	+20.2%	1,615	+351	+21.7%
		Operating Profit	- 416	- 576	+160	↗	- 302	- 114	↘
13	Asia	Net Sales	6,812	5,654	+1,158	+20.5%	7,049	- 237	- 3.4%
		Operating Profit	- 60	- 378	+318	↗	- 106	+46	↗
14	Overseas Subtotal	Net Sales	19,743	17,250	+2,493	+14.5%	19,358	+385	+2.0%
		Operating Profit	- 407	- 1,090	+683	↗	- 300	- 107	↘
15	Consolidated Total	Net Sales	189,211	176,072	+13,139	+7.5%	188,800	+411	+0.2%
		Operating Profit	11,022	5,214	+5,808	+111.4%	10,000	+1,022	+10.2%

Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

Onward Corporate Design's previous year figures (2H) include Onward Creative Center's results in addition to Onward Trading results.

FY2023 1H : SG&A Expenses / Items that Affect Net Profit ONWARD

(Million yen)	FY2023 1H	FY2022 1H	YoY (% of Change)
1 Personnel	18,103	18,276	- 0.9%
2 Rent	12,201	11,563	+5.5%
3 Transportation	3,162	3,083	+2.6%
4 Promotion and Advertising	2,935	1,844	+59.2%
5 Depreciation	1,565	1,870	- 16.3%
6 Other	8,164	7,906	+3.3%
7 Total SG&A Expenses	46,130	44,542	+3.6%

[Items that Affect Net Profit]

- Non-operating profit from interest income, dividends income, etc., was 0.3 billion yen.
- Non-operating expenses due to foreign exchange losses, interest expenses, etc. were 0.9 billion yen.
- Extraordinary profit due to sales of investment securities was 0.4 billion yen.
- Extraordinary loss was 0.4 billion yen due to impairment loss, etc.
- The income tax ratio decreased because taxable income is expected to increase in the future due to better performance and deferred tax assets were recorded.
- As a result, net profit was 2.9 billion yen.

(Million yen)	FY2023 1H	FY2022 1H	YoY (% of Change)
8 Operating Profit	5,022	193	+2502.1%
9 Non-Operating Profit	317	1,116	- 71.6%
10 Interest income	150	119	
11 Foreign exchange gains		708	
12 Other	166	287	
13 Non-Operating Loss	927	655	+41.5%
14 Interest expenses	269	131	
15 Foreign exchange loss	473		
16 Share of loss of entities accounted for using equity		34	
17 Other	183	489	
18 Total Non-Operating Profit/Loss	-609	461	
19 Recurring Profit	4,412	654	+574.6%
20 Extraordinary Profit	362	1,455	
21 Gain on sales of investment securities	362	120	
22 Gain on sales of shares of subsidiaries and associates		1,306	
23 Other		28	
24 Extraordinary Loss	385	485	
25 Impairment loss	242	470	
26 Other	142	15	
27 Extraordinary Profit/Loss	-23	970	
28 Profit Before Income Taxes	4,390	1,624	+170.3%
29 Income Taxes - Current	1,382	1,342	
30 Profit (loss) attributable to non-controlling interests	144	-194	
31 Net Profit	2,862	476	+501.2%

FY2023 1H : Consolidated Balance Sheet

(Billion yen)	End-FY2023 1H	End-FY2022	Change	Reasons for change
1 Total Assets	160.7	159.1	+1.6	
2 Current Assets	64.1	62.2	+1.9	
3 Cash and Deposits	12.3	13.8	-1.5	
4 Accounts Receivable-trade	12.3	13.9	-1.6	
5 Inventory	34.9	30.7	+4.2	Increase due to active purchase for sales expansion
6 Non-current Assets	96.5	96.9	-0.4	
7 Property, Plant and Equipment	53.5	53.1	+0.4	
8 Intangible Assets	8.7	9.1	-0.4	
9 Investments and Other Assets	34.2	34.7	-0.5	
10 Total Liabilities	80.7	74.1	+6.6	
11 Accounts Payable-trade	21.1	21.4	-0.3	
12 Borrowings	35.5	27.2	+8.3	Increase due to new borrowings
13 Other	24.0	25.5	-1.5	
14 Total Net Assets	80.0	85.0	-5.0	Decrease in minority interests
15 Shareholders' Equity Ratio	46.5%	47.0%	-0.5%	
16 Current Ratio	102.2%	117.2%	-15.0%	

FY2023 : 1H Results / Full-Year Forecasts by Group

		1H Results				Full-Year Forecast				
		FY2023	FY2022	Change	% of Change	FY2023	FY2022	Change	% of Change	
Onward Kashiyama + HD	1	Net Sales	51,566	46,055	+5,511	+12.0%	107,964	101,109	+6,855	+6.8%
	2	Gross Profit (% of Net Sales)	31,245 (60.6%)	27,158 (59.0%)	+4,087	+15.0% (+1.6%)	64,969 (60.2%)	60,068 (59.4%)	+4,901	+8.2% (+0.8%)
	3	SG&A Expenses (% of Net Sales)	28,035 (54.4%)	26,826 (58.2%)	+1,209	+4.5% (- 3.9%)	57,168 (53.0%)	55,544 (54.9%)	+1,624	+2.9% (- 2.0%)
	4	Operating Profit (% of Net Sales)	3,210 (6.2%)	332 (0.7%)	+2,878	+866.9% (+5.5%)	7,801 (7.2%)	4,524 (4.5%)	+3,277	+72.4% (+2.8%)
Domestic Subtotal (Excl. Onward Kashiyama + HD)	1	Net Sales	34,745	32,804	+1,941	+5.9%	71,344	66,342	+5,002	+7.5%
	2	Gross Profit (% of Net Sales)	17,626 (50.7%)	16,156 (49.3%)	+1,470	+9.1% (+1.5%)	35,858 (50.3%)	32,516 (49.0%)	+3,342	+10.3% (+1.2%)
	3	SG&A Expenses (% of Net Sales)	14,846 (42.7%)	14,520 (44.3%)	+326	+2.2% (- 1.5%)	30,777 (43.1%)	29,299 (44.2%)	+1,478	+5.0% (- 1.0%)
	4	Operating Profit (% of Net Sales)	2,780 (8.0%)	1,636 (5.0%)	+1,144	+69.9% (+3.0%)	5,081 (7.1%)	3,217 (4.8%)	+1,864	+57.9% (+2.3%)
Overseas Subtotal	1	Net Sales	9,002	7,733	+1,269	+16.4%	19,743	17,250	+2,493	+14.5%
	2	Gross Profit (% of Net Sales)	4,047 (45.0%)	3,161 (40.9%)	+886	+28.0% (+4.1%)	9,147 (46.3%)	7,552 (43.8%)	+1,595	+21.1% (+2.6%)
	3	SG&A Expenses (% of Net Sales)	4,687 (52.1%)	4,293 (55.5%)	+394	+9.2% (- 3.4%)	9,554 (48.4%)	8,642 (50.1%)	+912	+10.6% (- 1.7%)
	4	Operating Profit (% of Net Sales)	- 640 -	- 1,132 -	+492	↗ -	- 407 -	- 1,090 -	+683	↗ -

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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