

—ONWARD—
FY02/25 (FY2024) Q1
Results Presentation Material



July 4, 2024

ONWARD HOLDINGS CO., LTD.

I am Yoshida from Onward Holdings in charge of finance, accounting, and investor relations starting from this fiscal year.

I would like to express my appreciation for your interest in our business.

Today, I will present to you our Q1 results for the fiscal year ending February 2025.

The Onward Group's Mission Statement

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

**Keep moving forward as a “lifestyle and culture
creation company” that contributes to creating
lifestyles with richness and colors in harmony with
the planet through “customer-centric management
leveraging employees’ diverse strengths”**



01	Consolidated Financial Results and Performance Forecasts Highlights	4
02	FY2024 Q1 Consolidated Financial Results	7
03	FY2024 First Half and Full Year Consolidated Performance Forecasts	11
04	Topics	14
05	Appendix	20



01

Consolidated Financial Results and Performance Forecasts Highlights

FY2024 Q1 : Consolidated Financial Results Highlights

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Net Sales	Operating Profit	Recurring Profit	Net Profit
51.4 billion yen	5.1 billion yen	5.2 billion yen	4.0 billion yen
(+2.9% YoY +1.5 bn yen YoY)	(-5.7% YoY -0.3 bn yen YoY)	(+6.9% YoY +0.3 bn yen YoY)	(+20.1% YoY +0.7 bn yen YoY)







- Net sales for Q1 were up 2.9% YoY due to strong sales of newly planned products in response to climate change and continued growth in the use of the "Click & Try" OMO service.
- In particular, new brands businesses UNFILO, KASHIYAMA, and Chacott COSMETICS posted significant sales growth, with net sales up 74.2%, 37.4%, and 17.6%, respectively. Key brands businesses also continued to perform well, with net sales of Nijyusanku rising 2.6% and J.PRESS up 6.4%, and PET PARADISE up 10.3%.
- The gross profit margin for Q1 declined by 1.4 pp, reflecting the planned optimization of merchandise inventory levels. The SG&A ratio improved by 0.4 pp, as the streamlining of store operations through the expansion of multi-brand stores offset higher personnel costs accompanying wage hikes and increased promotion and advertising expenses.
- Operating profit for Q1 declined 5.7%, due in part to the temporary impact of the change in accounting standards of Yamato and the struggles of the European business' centered on the wholesale business. Despite this, recurring profit rose 6.9% and net profit climbed a substantial 20.1%, thanks mainly to the strong performance of equity-method affiliates.

Page 5. Highlights for the consolidated results.

Our net sales from March to May, 3 months during 2024, were 51.4 billion yen, an increase of 1.5 billion YOY, which is a 2.9% YOY increase. March saw impact of unusually low temperature. However, strong sales of newly planned products in response to climate change as well as continued growth in the use of OMO "Click & Try" service helped grow net sales.

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Brand Businesses

<p>UNFILO [Onward Kashiya]</p> <p>In addition to product lines using standard materials, newly developed products drove sales.</p> <p>Q1 Net Sales (YoY) + 74.2%</p> 	<p>Nijyusanku [Onward Kashiya]</p> <p>Highly trendy items are enjoying strong demand.</p> <p>Q1 Net Sales (YoY) + 2.6%</p> 
<p>KASHIYAMA [Onward Personal Style]</p> <p>Ongoing promotional measures through digital advertising have led to an increase in new customers, including the younger demographic and women.</p> <p>Q1 Net Sales (YoY) + 37.4%</p> 	<p>J.PRESS [Onward Kashiya]</p> <p>Both physical and online stores performed well due to strengthened introduction of key products.</p> <p>Q1 Net Sales (YoY) + 6.4%</p> 
<p>Chacott COSMETICS [Chacott]</p> <p>The Cool Series seasonal line is selling well.</p> <p>Q1 Net Sales (YoY) + 17.6%</p> 	<p>PET PARADISE [Creative Yoko]</p> <p>Pet carts and other newly developed products are seeing good turnover. Sales to inbound visitors were also strong.</p> <p>Q1 Net Sales (YoY) + 10.3%</p> 

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15

So, let me refer to page 15, brand by brand.

Onward Kashiya's UNFILO is a brand created 3 years ago. It uses functional materials that are easy to move around, lightweight, and cool. Its sales expanded by 1.7 times by creating greater variation in items during the Q1 growing into a larger scale.

Onward Personal Style that does one-week delivery of made-to-order suits under Kashiya brand strengthened their digital advertising to expand new customers with a net sales increase of 37.4%.

Nijyusanku, which is our core brand, did well with trendy items that suit the changing climate, such as sheer tops and new detailed bottoms, and they grew by 3% in net sales.

J. PRESS has 122 years of history, strengthened their introduction of key products at both in physical and online stores, performed well with a growth of 6.4% in net sales.

Outside of apparel, Chacott COSMETICS expanded into their Cool Series seasonal limited lines, and its sales grew by 17.6%.

Creative Yoko's Pet Paradise that has been doing very well for the last few years also with pet carts and items for senior dogs have been doing very well to meet customer demand. Additionally, growing sales into inbound visitors contributed to a net sales increase of 10%.

FY2024 Q1 : Consolidated Financial Results Highlights



Net Sales	Operating Profit	Recurring Profit	Net Profit
51.4 billion yen	5.1 billion yen	5.2 billion yen	4.0 billion yen
(+2.9% YoY +1.5 bn yen YoY)	(-5.7% YoY -0.3 bn yen YoY)	(+6.9% YoY +0.3 bn yen YoY)	(+20.1% YoY +0.7 bn yen YoY)

- Net sales for Q1 were up 2.9% YoY due to strong sales of newly planned products in response to climate change and continued growth in the use of the "Click & Try" OMO service.
- In particular, new brands businesses UNFILO, KASHIYAMA, and Chacott COSMETICS posted significant sales growth, with net sales up 74.2%, 37.4%, and 17.6%, respectively. Key brands businesses also continued to perform well, with net sales of Nijyusanku rising 2.6% and J.PRESS up 6.4%, and PET PARADISE up 10.3%.
- The gross profit margin for Q1 declined by 1.4 pp, reflecting the planned optimization of merchandise inventory levels. The SG&A ratio improved by 0.4 pp, as the streamlining of store operations through the expansion of multi-brand stores offset higher personnel costs accompanying wage hikes and increased promotion and advertising expenses.
- Operating profit for Q1 declined 5.7%, due in part to the temporary impact of the change in accounting standards of Yamato and the struggles of the European business' centered on the wholesale business. Despite this, recurring profit rose 6.9% and net profit climbed a substantial 20.1%, thanks mainly to the strong performance of equity-method affiliates.

Let me return back to page 5.

Third paragraph, I will explain gross profit margin and SG&A ratio.

Gross profit margin for Q1 declined by 1.4 percentage points, reflecting the planned optimization of merchandise inventory levels.

On the other hand, streamlining of store operations through expansion of multi-brand stores, such as Onward Crosset/Select, offset higher personnel costs accompanying wage hikes, and increased promotion and advertising expenses such as ads for Onward Personal Style and Nijyusanku using actress Anne. Consequently, the SG&A ratio improved by 0.4 percentage points. Operating profit for Q1 declined 5.7% due in part to the temporary impact of the change in accounting standards of Yamato and the struggles of the European business centered on the wholesale business. Despite this, recurring profit rose 6.9%, 300 million yen, and net profit climbed a substantial 20.1%, 700 million yen due to the stronger performance of equity method affiliate, WEGO.

FY2024 1H / Full-Year : Performance Forecasts Highlights

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	Net Sales	Operating Profit	Recurring Profit	Net Profit
First Half	94.9 billion yen (+5.0% YoY +4.5 bn yen YoY)	5.5 billion yen (+9.5% YoY +0.5 bn yen YoY)	5.5 billion yen (+24.7% YoY +1.1 bn yen YoY)	4.1 billion yen (+41.5% YoY +1.2 bn yen YoY)
Full Year	200.0 billion yen (+5.5% YoY +10.4 bn yen YoY)	12.5 billion yen (+11.0% YoY +1.2 bn yen YoY)	12.2 billion yen (+20.5% YoY +2.1 bn yen YoY)	8.3 billion yen (+24.8% YoY +1.6 bn yen YoY)

- For Q2, we forecast a YoY increase in net sales and a return to profitability at all levels of profit, mainly due to a flexible product strategy that responds to climate change and the continuation of a customer-oriented sales strategy leveraging OMO services. For 1H cumulative, we forecast a 5.0% increase in net sales and a 9.5% increase in operating profit. (The initial forecast remains unchanged.) We forecast recurring profit and net profit to increase significantly, by 24.7% and 41.5%, respectively. (Initial forecasts were revised up.)
- For the full year, combining the upwardly revised 1H forecast with the initial 2H forecast, we expect a 5.5% increase in net sales, an 11.0% rise in operating profit, a 20.5% growth in recurring profit, and a significant 24.8% increase in net profit.

Page 6. This is the first half and the full-year performance forecasts highlights.

For Q2 period, we forecast a year over year increase in net sales and return to profitability at all levels of profit through flexible product strategy that responds to Japan's long and hot summer climate change and the continuation of customer oriented sales strategy leveraging OMO services. And, we expect to return to profitability at all levels of profit in Q2, improving on 360 million yen operating loss in Q2 of the previous fiscal year.

As a result, we expect to see increase in net sales of 5% YOY, 4.5 billion yen increase, operating profit of 9.5% increase, 500 million yen increase for the first half, leaving initial forecast as is for net sales and operating profit. Recurring profit was adjusted upward by 200 million yen, a 24.7%, 1.1 billion yen YOY increase and net profit 41.5%, 1.2 billion yen increase YOY with 250 million yen upward revision.



02

FY2024 Q1 Consolidated Financial Results

FY2024 Q1 : Consolidated Financial Results



- Net sales increased to 51.4 billion yen, up 2.9% (+1.5 billion yen) YoY.
- Operating profit decreased to 5.1 billion, down 5.7% (-0.3 billion yen) YoY.
- Net profit increased to 4.0 billion yen, up 20.1% (+0.7 billion yen) YoY.
- EBITDA decreased to 6.2 billion yen, down 4.6% (-0.3 billion yen) YoY.

(Million yen)	Q1 Results			
	FY2024	FY2023	Change	% of Change
1 Net Sales	51,376	49,907	+1,469	+2.9%
2 Gross Profit	29,144	28,979	+165	+0.6%
(% of Net Sales)	(56.7%)	(58.1%)		(- 1.4%pt)
3 SG&A Expenses	24,070	23,599	+471	+2.0%
(% of Net Sales)	(46.9%)	(47.3%)		(- 0.4%pt)
4 Operating Profit	5,074	5,380	- 306	- 5.7%
(% of Net Sales)	(9.9%)	(10.8%)		(- 0.9%pt)
5 Recurring Profit	5,195	4,861	+334	+6.9%
(% of Net Sales)	(10.1%)	(9.7%)		(+0.4%pt)
6 Net Profit	4,019	3,348	+671	+20.1%
(% of Net Sales)	(7.8%)	(6.7%)		(+1.1%pt)
7 EBITDA**	6,247	6,545	- 298	- 4.6%
(% of Net Sales)	(12.2%)	(13.1%)		(- 0.9%pt)

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

Page 8 shows the Q1 consolidated financial results. The breakdown will be shared on page 9 in the Results by Company.

FY2024 Q1 : Results by Company



(Million yen)			Q1 Results			
			FY2024	FY2023	Change	% of Change
1	Onward Kashiya+HD	Net Sales	30,523	29,174	+1,349	+4.6%
		Operating Profit	3,387	3,696	-309	-8.4%
2	Onward	Net Sales	5,201	4,984	+217	+4.4%
		Operating Profit	710	744	-34	-4.6%
3	Island	Net Sales	1,432	1,521	-89	-5.9%
		Operating Profit	47	17	+30	+176.5%
4	Chacott	Net Sales	2,607	2,440	+167	+6.8%
		Operating Profit	290	279	+11	+3.9%
5	Creative Yoko	Net Sales	1,564	1,473	+91	+6.2%
		Operating Profit	172	121	+51	+42.1%
6	Yamato	Net Sales	5,356	5,628	-272	-4.8%
		Operating Profit	554	698	-144	-20.6%
7	Domestic Subtotal	Net Sales	19,433	18,925	+508	+2.7%
		Operating Profit	2,173	2,164	+9	+0.4%
8	Europe	Net Sales	2,638	2,615	+23	+0.9%
		Operating Profit	-313	-164	-149	↘
9	America	Net Sales	535	441	+94	+21.3%
		Operating Profit	-62	-92	+30	↗
10	Asia	Net Sales	1,622	1,440	+182	+12.6%
		Operating Profit	11	5	+6	+120.0%
11	Overseas Subtotal	Net Sales	4,795	4,496	+299	+6.7%
		Operating Profit	-364	-251	-113	↘
12	Consolidated Total	Net Sales	51,376	49,907	+1,469	+2.9%
		Operating Profit	5,074	5,380	-306	-5.7%

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

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

Number 1, Onward Kashiya saw strong newly planned products with an increase of 5% YOY in net sales. However, the planned optimization of merchandise inventory levels caused operating profit decrease temporarily by 300 million yen.

Japan domestic B2B business, number 6, gift catalog Yamato, with a change in accounting standards, saw a temporary negative impact, and some of the new orders were slipped to Q2, but number 4, Chacott COSMETICS grew significantly, both domestic and overseas. And number 5, Creative Yoko's launching into expansion of pet goods with the help of inbound visitors was strong and gave a 3% increase in net sales, and operating profit slightly improved for Domestic Subtotal.

Overseas Subtotal, e-commerce sales at U.S. J.PRESS and Asia's production business were strong, and net sales grew 7% YOY with 300 million yen. However, wholesale business in Europe struggled and resulted in a loss of 100 million yen for Overseas Subtotal. As a result, Consolidated Total net sales was 2.9%, 1.5 billion yen increase YOY and operating profit declined 5.7% YOY, 300 million yen.

FY2024 Q1 : Net Sales by Channel

- Net sales at physical stores total (department stores, shopping centers and other) increased by 3.6% YoY.
- E-commerce net sales increased by 5.2% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 28.0% and 85.3%, respectively.

(Million yen)	(1) Onward Kashiwama				(2) Seven Domestic Subsidiaries Using E-Commerce*				Total ((1) + (2))				
	FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	
1	Department Stores (Composition Ratio)	11,915 (39.0%)	12,009 (41.2%)	-94 (- 2.1%pt)	-0.8% (20.8%)	2,801 (19.2%)	2,504 (19.2%)	+297 (+1.7%pt)	+11.9% (33.5%)	14,716 (33.5%)	14,513 (34.4%)	+203 (- 0.9%pt)	+1.4% (- 0.9%pt)
2	Shopping Centers and Other (Composition Ratio)	10,393 (34.0%)	9,642 (33.0%)	+751 (+1.0%pt)	+7.8% (48.5%)	6,519 (48.7%)	6,364 (48.7%)	+155 (- 0.2%pt)	+2.4% (38.5%)	16,912 (38.5%)	16,006 (37.9%)	+906 (+0.6%pt)	+5.7% (+0.6%pt)
3	Physical Stores Total (Composition Ratio)	22,308 (73.1%)	21,651 (74.2%)	+657 (+ 3.0%pt)	+3.0% (69.4%)	9,320 (67.9%)	8,868 (67.9%)	+452 (+1.5%pt)	+5.1% (72.0%)	31,628 (72.0%)	30,519 (72.3%)	+1,109 (- 0.3%pt)	+3.6% (- 0.3%pt)
4	Directly Managed E-Commerce (Composition Ratio)	7,019 (23.0%)	6,525 (22.4%)	+494 (+0.6%pt)	+7.6% (26.1%)	3,501 (26.1%)	3,581 (27.4%)	-80 (- 1.4%pt)	-2.2% (23.9%)	10,520 (23.9%)	10,106 (23.9%)	+414 (+0.0%pt)	+4.1% (+0.0%pt)
5	Directly Managed E-Commerce Ratio	85.4%	86.7%	-1.3%	-1.3%	85.1%	85.4%	-0.3%	-0.3%	85.3%	86.3%	-0.9%	-0.9%
6	Other E-Commerce Platforms (Composition Ratio)	1,196 (3.9%)	998 (3.4%)	+198 (+0.5%pt)	+19.8% (4.6%)	614 (4.6%)	611 (4.7%)	+3 (- 0.1%pt)	+0.5% (4.1%)	1,810 (4.1%)	1,609 (3.8%)	+201 (+0.3%pt)	+12.5% (+0.3%pt)
7	E-Commerce Total (Composition Ratio)	8,215 (26.9%)	7,523 (25.8%)	+692 (+1.1%pt)	+9.2% (30.6%)	4,115 (30.6%)	4,192 (32.1%)	-77 (- 1.5%pt)	-1.8% (28.0%)	12,330 (28.0%)	11,715 (27.7%)	+615 (+0.3%pt)	+5.2% (+0.3%pt)
8	Total Sales (Composition Ratio)	30,523 (100.0%)	29,174 (100.0%)	+1,349 (+4.6%pt)	+4.6% (100.0%)	13,435 (100.0%)	13,060 (100.0%)	+375 (+2.9%pt)	+2.9% (100.0%)	43,958 (100.0%)	42,234 (100.0%)	+1,724 (+4.1%pt)	+4.1% (+4.1%pt)

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

Page 10. Net sales at Physical Stores Total increased by 3.6% or 1.1 billion yen YOY for Q1. E-commerce net sales increased by 5.2%, 600 million yen.

The sales ratios of physical and e-commerce stores remained at 70:30 and directly managed e-commerce ratio was at 85.3%. We plan to keep these ratios and grow the sales in a very balanced manner.



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03

FY2024 First Half and Full Year Consolidated Performance Forecasts

FY2024 1H / Full-Year : Consolidated Performance Forecast

- 1H net sales and operating profit forecasts remain unchanged from the initial forecasts, while the recurring profit and net profit forecasts have been revised up, reflecting improved performance of equity-method affiliates.
- Recurring profit is expected to increase 24.7% (+1.1 billion yen) to 5.5 billion yen, up 0.2 billion yen from the initial forecast. Net profit is expected to increase 41.5% (+1.2 billion yen) to 4.1 billion yen, up 0.25 billion yen from the initial forecast.
- The full-year forecast is the sum of the upwardly revised 1H forecast and the 2H forecast set at the beginning of the fiscal year.

(Million yen)	First Half				Full-Year				
	FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	
1	Net Sales	94,900	90,411	+4,489	+5.0%	200,000	189,629	+10,371	+5.5%
2	Gross Profit	52,950	51,152	+1,798	+3.5%	111,150	105,782	+5,368	+5.1%
	(% of Net Sales)	(55.8%)	(56.6%)		(- 0.8%pt)	(55.6%)	(55.8%)		(- 0.2%pt)
3	SG&A Expenses	47,450	46,130	+1,320	+2.9%	98,650	94,522	+4,128	+4.4%
	(% of Net Sales)	(50.0%)	(51.0%)		(- 1.0%pt)	(49.3%)	(49.8%)		(- 0.5%pt)
4	Operating Profit	5,500	5,022	+478	+9.5%	12,500	11,260	+1,240	+11.0%
	(% of Net Sales)	(5.8%)	(5.6%)		(+0.2%pt)	(6.3%)	(5.9%)		(+0.4%pt)
5	Recurring Profit	5,500	4,412	+1,088	+24.7%	12,200	10,126	+2,074	+20.5%
	(% of Net Sales)	(5.8%)	(4.9%)		(+0.9%pt)	(6.1%)	(5.3%)		(+0.8%pt)
6	Net Profit	4,050	2,862	+1,188	+41.5%	8,250	6,611	+1,639	+24.8%
	(% of Net Sales)	(4.3%)	(3.2%)		(+1.1%pt)	(4.1%)	(3.5%)		(+0.6%pt)
7	EBITDA*	8,000	7,390	+610	+8.3%	17,700	16,052	+1,648	+10.3%
	(% of Net Sales)	(8.4%)	(8.2%)		(+0.2%pt)	(8.9%)	(8.5%)		(+0.4%pt)

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

Page 12, the first half and the full-year consolidated performance forecast.

Net sales and operating profit forecasts for the first half remain unchanged from the initial forecast. Recurring profit and net profit forecasts have been revised up reflecting improved performance by 200 million yen and 250 million yen, respectively.

For the full year performance forecasts, the second half forecast remains unchanged with net sales and operating profit staying the same for the full year, and recurring profit and net profit forecast have been revised upward with the same revision as the first half.

FY2024 1H / Full-Year : Performance Forecast by Segment ONWARD

- In the domestic business, 1H net sales are forecast to increase 5.4% YoY (+4.6 billion yen), and operating profit is forecast to increase 6.9% (+0.4 billion yen). For the full year, net sales are forecast to increase 5.7% YoY (+10.3 billion yen), and operating profit is expected to increase 9.5% YoY (+1.3 billion yen).
- In the overseas business, 1H net sales are forecast to increase 12.8% YoY (+1.2 billion yen), and operating profit / loss is expected to improve by 0.6 billion yen. For the full year, net sales are forecast to increase 10.2% YoY (+2.0 billion yen) and operating profit / loss to improve by 0.5 billion yen YoY, returning to positive territory.

(Million yen)		First Half				Full-Year				
		FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	
1	Domestic Total	Net Sales	90,934	86,311	+4,623	+5.4%	190,332	180,058	+10,274	+5.7%
	Operating Profit	6,402	5,990	+412	+6.9%	14,410	13,159	+1,251	+9.5%	
2	Overseas Total	Net Sales	10,158	9,002	+1,156	+12.8%	21,966	19,927	+2,039	+10.2%
	Operating Profit	-78	-640	+562	↗	321	-211	+532	↗	
3	Consolidated Total	Net Sales	94,900	90,411	+4,489	+5.0%	200,000	189,629	+10,371	+5.5%
	Operating Profit	5,500	5,022	+478	+9.5%	12,500	11,260	+1,240	+11.0%	

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

Page 13, the first half and the full-year performance forecast by segment.

In the Domestic Total, the first half net sales are forecast to increase 5.4% YOY with 4.6 billion yen, and operating profit is expected to increase 6.9%, 400 million yen. Full-year net sales are forecast to increase 5.7%, 10.3 billion yen, and operating profit is expected to increase 9.5% YOY with 1.3 billion yen.

On the other hand, in the Overseas Total, the first half net sales are forecast to increase 12.8%, 1.2 billion yen, and operating profit and loss is expected to improve by 600 million yen. For the full year, 10.2%, 2 billion yen increase for net sales are expected. Operating profit and loss is forecast to improve by 500 million yen. Overseas Total, is supposed to return to positive territory this year.

These were the management performance results.



04

TOPICS

Brand Businesses

—ONWARD—

UNFILO [Onward Kashiya]

In addition to product lines using standard materials, newly developed products drove sales.



Q1 Net Sales
(YoY) + **74.2%**

Nijusanku [Onward Kashiya]

Highly trendy items are enjoying strong demand.



Q1 Net Sales
(YoY) + **2.6%**

KASHIYAMA [Onward Personal Style]

Ongoing promotional measures through digital advertising have led to an increase in new customers, including the younger demographic and women.



Q1 Net Sales
(YoY) + **37.4%**

J.PRESS [Onward Kashiya]

Both physical and online stores performed well due to strengthened introduction of key products.



Q1 Net Sales
(YoY) + **6.4%**

Chacott COSMETICS [Chacott]

The Cool Series seasonal line is selling well.



Q1 Net Sales
(YoY) + **17.6%**

PET PARADISE [Creative Yoko]

Pet carts and other newly developed products are seeing good turnover. Sales to inbound visitors were also strong.



Q1 Net Sales
(YoY) + **10.3%**

OMO Service “Click & Try”

- The number of stores offering the "Click & Try" service increased by 44 stores from the end of the same period of the previous fiscal year to 404 stores, and the adoption rate increased to 60%.
- The number of items reserved increased 15% YoY to 82,000.
- The net sales growth rate (YoY) at existing stores that introduced the service was 17%pt higher than that at the stores not offering the service.

Changes in the number of stores that offered and the number of items reserved

	FY2024 Q1	FY2023 Q1	Change
Number of Stores	404	360	+44
Adoption rate	60%	51%	+9%pt
The number of items reserved (in thousands)	82	71	+11

Comparison of net sales between stores that offered and have not offered (Q1 YoY)

	FY2024/FY2023 Q1	FY2024/FY2022 Q1	FY2024/FY2021 Q1
Stores that introduced the service	112%	146%	202%
Stores that have not introduced the service	95%	115%	165%
Difference	+17%pt	+31%pt	+37%pt

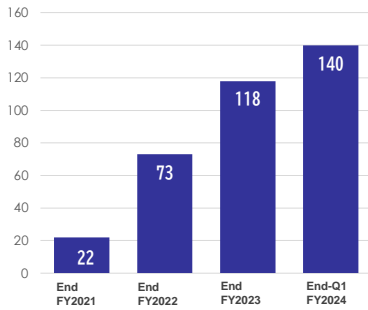
Page 16. Regarding OMO "Click & Try" service, we continue to increase the number of stores offering the service with 44 stores increased from the end of Q1 of the previous fiscal year to 404 stores at the end of Q1 this year. And the adoption rate increased to 60%. The number of items reserved increased by 15% YOY to 82,000. If you compare net sales growth rates of stores that introduced the service with those have not, the former grew stronger by 17 percentage points than the latter. And we will continue to increase the adoption rate to expand net sales.

“ONWARD CROSSET / SELECT (OCS) ”



- Implemented the "Click & Try" OMO service, offering an assortment of Onward Kashiya's multiple brands across their boundaries.
- The YoY growth of Q1 sales at OCS stores was 13%pt higher than that of existing stores excluding OCS stores.
- 140 OCS stores nationwide were opened within 3 years from 2021 (at Q1 FY2024).

■ Number of OCS stores



■ OCS sales YoY comparison

	Q1 FY2024
ONWARD CROSSET / SELECT (OCS)	114%
Stores excluding OCS	101%
Difference	+13%pt



Parc Avenue Kawatoku, which opened on March 20, 2024, surpassed 0.1 billion yen in sales within one month of its opening.

Page 17, Onward Crosset/Select.

It is an Onward Kashiya's store with multi brands across their boundaries and "Click & Try" service. The number of Onward Crosset/Select stores has increased to reach 140 at the end of Q1. The YOY growth rate of Q1 net sales at OCS stores was 13 percentage points higher than that of non-OCS stores. We will continue to expand OCS stores and drive sales, at the same time streamlining SG&A expenses.

Page 18 and Onwards, there are news topics and appendix, so please refer to them at your leisure.

This is all from my side. Thank you.

steppi Knit Shoes Brand

—ONWARD—

New Multifunctional Knit Shoes for Medical Professionals

(Onward Kashiya, May 2024)

About two years have passed since the release of the knit shoe steppi, which won the Good Design Award for 2022.

We have developed “steppi medical” for medical professionals in collaboration with orthopedic surgeons. Augmenting the original features of lightweight, fatigue-resistant, water-repellent (repels dirt), breathable, and machine washable, these are knit shoes that can be put on and taken off without using one's hands. They also feature a strong-grip sole that does not slip even on wet floors.



<https://steppi.jp/steppimedical/>

Creation of New Uniforms for FANCL and Upcycling of Previous Model Uniforms "Supporting the Creation of Stores that People Want to Visit"

—ONWARD—

(Onward Corporate Design, May 2024)

We have produced new uniforms that are worn by staff at all directly-managed FANCL stores starting from May 2024. Furthermore, some of the previous model uniforms that are no longer in use will be collected and upcycled into store fixtures. We also produce gifts for in-store campaigns to support FANCL's goal of creating stores that people want to visit.



<https://onward-cd.co.jp/news/1266/>

steppi

ニットだから、
サンダルがもっと
気持ちよく。



05

Appendix

FY2024 1H / Full-Year : Performance Forecast by Company

(Million yen)		First Half				Full-Year				
		FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	
1	Onward Kashiyama+HD	Net Sales	54,144	51,566	+2,578	+5.0%	114,966	109,491	+5,475	+5.0%
		Operating Profit	3,412	3,210	+202	+6.3%	8,741	8,189	+552	+6.7%
2	Onward	Net Sales	8,634	8,209	+425	+5.2%	18,346	17,188	+1,158	+6.7%
		Operating Profit	858	825	+33	+4.0%	1,593	1,485	+108	+7.3%
3	Island	Net Sales	2,922	2,844	+78	-2.7%	6,002	5,716	+286	+5.0%
		Operating Profit	57	-23	+80	↗	99	-83	+182	↗
4	Chacott	Net Sales	5,460	5,059	+401	+7.9%	10,500	9,613	+887	+9.2%
		Operating Profit	591	565	+26	+4.6%	719	649	+70	+10.8%
5	Creative Yoko	Net Sales	3,201	2,969	+232	+7.8%	6,902	6,486	+416	+6.4%
		Operating Profit	283	235	+48	+20.4%	706	660	+46	+7.0%
6	Yamato	Net Sales	11,429	10,592	+837	+7.9%	22,583	21,037	+1,546	+7.3%
		Operating Profit	843	999	-156	-15.6%	1,756	1,728	+28	+1.6%
7	Domestic Subtotal	Net Sales	36,790	34,745	+2,045	+5.9%	75,366	70,567	+4,799	+6.8%
		Operating Profit	2,990	2,780	+210	+7.6%	5,669	4,970	+699	+14.1%
8	Europe	Net Sales	5,632	4,832	+800	+16.6%	12,499	11,355	+1,144	+10.1%
		Operating Profit	4	-449	+453	↗	366	156	+210	+134.6%
9	America	Net Sales	1,179	936	+243	+26.0%	2,330	1,890	+440	+23.3%
		Operating Profit	-126	-231	+105	↗	-145	-414	+269	↗
10	Asia	Net Sales	3,347	3,234	+113	+3.5%	7,137	6,682	+455	+6.8%
		Operating Profit	44	40	+4	+10.0%	100	47	+53	+112.8%
11	Overseas Subtotal	Net Sales	10,158	9,002	+1,156	+12.8%	21,966	19,927	+2,039	+10.2%
		Operating Profit	-78	-640	+562	↗	321	-211	+532	↗
12	Consolidated Total	Net Sales	94,900	90,411	+4,489	+5.0%	200,000	189,629	+10,371	+5.5%
		Operating Profit	5,500	5,022	+478	+9.5%	12,500	11,260	+1,240	+11.0%

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

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

FY2024 Q1 : SG&A Expenses / Items that Affect Net Profit ONWARD

(Million yen)	FY2024 Q1	FY2023 Q1	YoY (% of Change)	(Million yen)	FY2024 Q1	FY2023 Q1	YoY (% of Change)
1 Personnel	8,775	8,637	+1.6%	8 Operating Profit	5,074	5,380	- 5.7%
(% of Net Sales)	(17.1%)	(17.3%)	(-0.2%pt)	9 Non-Operating Profit	302	120	151.7%
2 Rent	6,998	6,881	+1.7%	Interest income	66	35	88.6%
(% of Net Sales)	(13.6%)	(13.8%)	(-0.2%pt)	11 Foreign exchange gains	71		-
3 Transportation	1,618	1,621	- 0.2%	12 Share of profit of entities accounted for using equity	131		-
(% of Net Sales)	(3.1%)	(3.2%)	(-0.1%pt)	13 Other	34	85	-60.0%
4 Promotion and Advertising	1,667	1,482	+12.5%	14 Non-Operating Loss	181	639	-71.7%
(% of Net Sales)	(3.2%)	(3.0%)	(+0.3%pt)	15 Interest expenses	83	176	-52.8%
5 Depreciation	779	770	+1.2%	16 Foreign exchange loss		352	-
(% of Net Sales)	(1.5%)	(1.5%)	(-0.0%pt)	17 Share of loss of entities accounted for using equity method		2	-
6 Other	4,233	4,208	+0.6%	18 Other	98	109	-10.1%
(% of Net Sales)	(8.2%)	(8.4%)	(-0.2%pt)	19 Total Non-Operating Profit/Loss	121	-519	-
7 Total SG&A Expenses	24,070	23,599	+2.0%	20 Recurring Profit	5,195	4,861	+6.9%
(% of Net Sales)	(46.9%)	(47.3%)	(-0.4%pt)	21 Extraordinary Profit	944		-
				22 Gain on sales of non-current assets	944		-
				23 Extraordinary Loss	1,482	152	875.0%
				24 Impairment loss	31	152	-79.6%
				25 Loss on liquidation of subsidiaries and associates	1,445		-
				26 Other	6		-
				27 Extraordinary Profit/Loss	-538	-152	-
				28 Profit Before Income Taxes	4,657	4,709	- 1.1%
				29 Income Taxes - Current	576	1,278	- 54.9%
				30 Profit (loss) attributable to non-controlling interests	62	83	- 25.3%
				31 Net Profit	4,019	3,348	+20.0%

[Items that Affect Net Profit]

- Non-operating income of 0.3 billion yen due to share of profit of entities accounted for using equity method, foreign exchange gains, etc.
- Non-operating expenses of 0.2 billion yen due to interest expenses, etc.
- Extraordinary loss of 1.5 billion yen due to loss on liquidation of subsidiaries and associates.
- 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 4.0 billion yen.

FY2024 Q1 : Consolidated Balance Sheet

(Billion yen)		End-FY2024 Q1	End-FY2023	Change	
1	Total Assets	172.8	171.3	+1.5	■ Inventory
2	Current Assets	72.3	73.4	-1.1	Decreased by 0.9 billion yen (-2.5%) from the end of the previous fiscal year due to the planned optimization of inventory levels
3	Cash and Deposits	13.3	14.1	-0.8	
4	Accounts Receivable-trade	16.2	15.9	+0.3	
5	Inventory	38.0	38.9	-0.9	■ Intangible Assets
6	Non-current Assets	100.6	97.9	+2.7	Increase in software due to system investment
7	Property, Plant and Equipment	50.4	50.4	+0	
8	Intangible Assets	9.3	8.8	+0.5	■ Borrowings
9	Investments and Other Assets	40.8	38.6	+2.2	Increase due to new borrowings
10	Total Liabilities	90.4	86.3	+4.1	■ Shareholder's Equity Ratio
11	Accounts Payable-trade	20.7	22.6	-1.9	Shareholder's Equity Ratio 47.7% 1.1 pp increase from the end of the previous fiscal year
12	Borrowings	44.1	37.6	+6.5	
13	Other	25.6	26.1	-0.5	■ Current ratio
14	Total Net Assets	82.4	84.9	-2.5	Current Ratio 117.1% Maintained above 100%, the benchmark level for safety
15	Shareholder's Equity Ratio	47.7%	46.6%	+1.1%	
16	Current Ratio	117.1%	117.7%	-0.6%	

FY2024 Q1 : Cash Flows, Capital Expenditures, Depreciation and Amortization

Cash Flows

- Cash flows provided by operating activities amounted to 1.4 billion yen mainly due to a profit before income taxes and an increase in inventories.
- Net cash used in investing activities amounted to 0.3 billion yen, mainly due to the purchase of property, plant, and equipment.
- Cash flows provided by financing activities came to 0.2 billion yen mainly due to an increase in borrowings and the payment of dividends.

Capital Expenditures

- Capital expenditures were 1.8 billion yen, up 0.8 billion yen YoY.
- Carefully select investments such as those related to DX and OMO to make efficient investments.

(Million yen)

FY2024 Q1	FY203 Q1	Change	% of Change
1,848	1,075	+773	+71.9%

Depreciation and Amortization

- Depreciation and Amortization were 1.0 billion yen, the same level as the previous year.

(Million yen)

FY2024 Q1	FY203 Q1	Change	% of Change
964	966	- 2	- 0.0%

FY2024 Q1 : Results by Group

		(Million yen)	Q1 Results			
			FY2024	FY2023	Change	% of Change
Onward Kashiyama + HD	1	Net Sales	30,523	29,174	+1,349	+4.6%
	2	Gross Profit	18,134	18,324	- 190	- 1.0%
		(% of Net Sales)	(59.4%)	(62.8%)		(- 3.4%pt)
	3	SG&A Expenses	14,747	14,628	+119	+0.8%
	(% of Net Sales)	(48.3%)	(50.1%)		(- 1.8%pt)	
	4	Operating Profit	3,387	3,696	- 309	- 8.4%
	(% of Net Sales)	(11.1%)	(12.7%)		(- 1.6%pt)	
Domestic Subtotal	5	Net Sales	19,433	18,925	+508	+2.7%
	6	Gross Profit	9,711	9,573	+138	+1.4%
		(% of Net Sales)	(50.0%)	(50.6%)		(- 0.6%pt)
	7	SG&A Expenses	7,538	7,409	+129	+1.7%
	(% of Net Sales)	(38.8%)	(39.1%)		(- 0.3%pt)	
	8	Operating Profit	2,173	2,164	+9	+0.4%
	(% of Net Sales)	(11.2%)	(11.4%)		(- 0.2%pt)	
Overseas Subtotal	9	Net Sales	4,795	4,496	+299	+6.7%
	10	Gross Profit	2,150	1,984	+166	+8.4%
		(% of Net Sales)	(44.8%)	(44.1%)		(+0.7%pt)
	11	SG&A Expenses	2,514	2,235	+279	+12.5%
	(% of Net Sales)	(52.4%)	(49.7%)		(+2.7%pt)	
	12	Operating Profit	- 364	- 251	- 113	
	(% of Net Sales)	-	-			

Note: Calculated using simple sums.

FY2024 1H / Full-Year : Performance Forecasts by Group



		First Half				Full-Year				
		FY2024	FY2023	Change	% of Change	FY2024	FY2023	Change	% of Change	
(Million yen)										
Onward Kashiya + HD	1	Net Sales	54,144	51,566	+2,578	+5.0%	114,966	109,491	+5,475	+5.0%
	2	Gross Profit	32,002	31,245	+757	+2.4%	68,859	65,428	+3,431	+5.2%
		(% of Net Sales)	(59.1%)	(60.6%)		(- 1.5%pt)	(59.9%)	(59.8%)		(+0.1%pt)
	3	SG&A Expenses	28,590	28,035	+555	+2.0%	60,118	57,239	+2,879	+5.0%
	(% of Net Sales)	(52.8%)	(54.4%)		(- 1.6%pt)	(52.3%)	(52.3%)		(+0.0%pt)	
4	Operating Profit	3,412	3,210	+202	+6.3%	8,741	8,189	+552	+6.7%	
	(% of Net Sales)	(6.3%)	(6.2%)		(+0.1%pt)	(7.6%)	(7.5%)		(+0.1%pt)	
Domestic Subtotal	5	Net Sales	36,790	34,745	+2,045	+5.9%	75,366	70,567	+4,799	+6.8%
	6	Gross Profit	18,528	17,626	+902	+5.1%	37,351	35,076	+2,275	+6.5%
		(% of Net Sales)	(50.4%)	(50.7%)		(- 0.4%pt)	(49.6%)	(49.7%)		(- 0.1%pt)
	7	SG&A Expenses	15,538	14,846	+692	+4.7%	31,682	30,106	+1,576	+5.2%
	(% of Net Sales)	(42.2%)	(42.7%)		(- 0.5%pt)	(42.0%)	(42.7%)		(- 0.7%pt)	
8	Operating Profit	2,990	2,780	+210	+7.6%	5,669	4,970	+699	+14.1%	
	(% of Net Sales)	(8.1%)	(8.0%)		(+0.1%pt)	(7.5%)	(7.0%)		(+0.5%pt)	
Overseas Subtotal	9	Net Sales	10,158	9,002	+1,156	+12.8%	21,966	19,927	+2,039	+10.2%
	10	Gross Profit	4,678	4,047	+631	+15.6%	10,174	9,158	+1,016	+11.1%
		(% of Net Sales)	(46.1%)	(45.0%)		(+1.1%pt)	(46.3%)	(46.0%)		(+0.3%pt)
	11	SG&A Expenses	4,756	4,687	+69	+1.5%	9,853	9,369	+484	+5.2%
	(% of Net Sales)	(46.8%)	(52.1%)		(- 5.3%pt)	(44.9%)	(47.0%)		(- 2.1%pt)	
12	Operating Profit	- 78	- 640	+562	↗	321	- 211	+532	↗	
	(% of Net Sales)	-	-			(1.5%)	-			

Note: Calculated using simple sums.

The logo for Onward Holdings features the word "ONWARD" in a bold, blue, sans-serif font. Two horizontal yellow lines cross through the letters "O" and "A".

ONWARD
ONWARD HOLDINGS CO., LTD.

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