

—ONWARD—

FY02/24 (FY2023) Q3  
**Results Presentation Material**



January 11, 2024

ONWARD HOLDINGS CO., LTD.

First of all, I would like to take this opportunity to express my heartfelt condolence for those who died in the Noto Peninsula Earthquake in 2024, which occurred on January 1, 2024, and extend my deepest sympathies to those who were affected by the earthquake. I also wish a speedy recovery to the affected areas.

Today, I would like to explain the details of our group's third quarter financial results using the Results Presentation 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 Forecast Highlights

## FY2023 Q3 : Consolidated Financial Results Highlights ONWARD

|  | Net Sales  | Operating Profit                                     | Recurring Profit                                     | Net Profit   |
|--|--|--|--|--|
| <b>Q3<br/>(Sep-Nov)</b>                | <b>51.0</b> bn yen<br>(+5.7% YoY<br>+2.7 bn yen YoY)   | <b>4.7</b> bn yen<br>(+13.5% YoY<br>+0.6 bn yen YoY) | <b>4.6</b> bn yen<br>(+14.8% YoY<br>+0.6 bn yen YoY) | <b>2.9</b> bn yen<br>(+28.3% YoY<br>+0.6 bn yen YoY) |
| <b>Cumulative<br/>Q3<br/>(Mar-Nov)</b> | <b>141.4</b> bn yen<br>(+8.4% YoY<br>+11.0 bn yen YoY) | <b>9.7</b> bn yen<br>(2.2 x YoY<br>+5.4 bn yen YoY)  | <b>9.1</b> bn yen<br>(1.9 x YoY<br>+4.4 bn yen YoY)  | <b>5.7</b> bn yen<br>(2.1 x YoY<br>+3.0 bn yen YoY)  |

- In the Q3 of the year (September–November), temperatures remained higher than in usual years, which caused a drastic change to customers' purchasing behavior. Sales in key brand businesses such as Nijyusanku, UNFILO, PET PARADISE, and Chacott remained strong mainly due to the successful development of flexible product merchandising in response to such situation, and a further improvement in the operation of OMO stores that had offered the "Click & Try" service.
- In addition, operating profit margin for the Q3 of the year rose by 0.7%pt from the same period of the previous year (8.5% to 9.2%) due in large part to the achievements of global business reforms and progress in streamlining the product supply chain.
- Thanks to the above, the Company was able to increase sales and all kinds of profits in the Q3 of the year. As a result of the above, during the first nine months of the fiscal year (March to November), the Company achieved significant increases in sales and all kinds of profits.

Please refer to slide 5 of the Material. Here is a summary of the consolidated financial results for the third quarter as consolidated financial results highlights. The upper row in the table shows the results for Q3, and the lower row shows the results for the first nine months of the fiscal year. For the consolidated financial results of Q3, net sales increased 5.7% YoY to 51.0 billion yen, an increase of 2.7 billion yen. Operating profit was 4.7 billion yen, up 13.5% or 600 million yen. Recurring profit was 4.6 billion yen, up 14.8% or 600 million yen. Net profit was 2.9 billion yen, up 28.3% or 600 million yen.

From September to November, the temperature remained higher than in usual years, which caused a drastic change to customers' purchasing behavior. In response to them, we were able to flexibly offer products, use of ONWARD Kashiya's OMO services continued to expand in the first half of the year, further improving our operational capabilities, and our key brands and new brands sold well, which enabled us to increase sales and all kinds of profits. As a result, for the first nine months of the fiscal year, net sales increased 8.4% YoY to 141.4 billion yen, an increase of 11.0 billion yen. Operating profit was 9.7 billion yen, 2.2 times higher or 5.4 billion yen. Recurring profit was 9.1 billion yen, 1.9 times higher or 4.4 billion yen. Net profit was 5.7 billion yen, 2.1 times higher or 3.0 billion yen.

## FY2023 Full-Year : Performance Forecasts Highlights

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- The full-year forecasts have remained unchanged from the latest ones for net sales, operating profit and recurring profit as the performance in first nine months has progressed as expected.
- The full-year forecast for net profit has been revised upward from the latest forecast (5.5 billion yen) to 5.9 billion yen. The reason is that because future taxable income is expected to increase resulting from the continued strong performance, tax expense will decrease due to the recording of deferred tax assets.

Slide 6 shows the full-year forecast. As the results for the first nine months of the fiscal year under review are progressing as expected, we leave the forecasts for net sales, operating profit and recurring profit unchanged from the latest forecasts announced in October last year. With regard to net profit, we have revised it upward to 5.9 billion yen from the latest forecast of 5.5 billion yen due to an expected increase in future taxable income with the continued strong business performance and a decrease in tax expense due to the recording of deferred tax assets.

## Shareholder Returns

### Dividend Policy

The Company regards the return of profits to shareholders as one of its most important management issues, and its dividend policy is to maintain the dividend payout ratio of at least 35% and to distribute profits in a stable, performance-linked, and appropriate manner.

Along with the further upward revision of the full-year forecast for net profit, the Company revised the year-end dividend forecast (scheduled for May 2024) to 18 yen per share, up 1 yen from the previous forecast (announced in October 2023).

(An increase of 6 yen from the 12 yen of FY2022)

### Dividends

|                            | FY2023           |                                     |                         |                                  | FY2022<br>Actual |
|----------------------------|------------------|-------------------------------------|-------------------------|----------------------------------|------------------|
|                            | Revised Forecast | Previous Forecast<br>(October 2023) | Forecast<br>(July 2023) | Initial Forecast<br>(April 2023) |                  |
| Dividends per Share (yen)  | 18               | 17                                  | 16                      | 14                               | 12               |
| Total Dividends (mil. yen) | 2,443            | 2,307                               | 2,171                   | 1,900                            | 1,628            |
| Net Profit (mil. yen)      | 5,911            | 5,462                               | 5,000                   | 4,000                            | 3,061            |
| Payout Ratio               | 41.3%            | 42.2%                               | 43.4%                   | 47.5%                            | 53.2%            |

Please see slide 7. Based on the revised performance forecast, the year-end dividend for FY2023 has been revised up by 1 yen to 18 yen from the latest forecast of 17 yen. The dividend will increase by 4 yen from the initial forecast. As a result, the dividend payout ratio is expected to be 41.3%.



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# 02

## FY2023 Q3 Consolidated Financial Results



## FY2023 Q3: Consolidated Financial Results

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- Net sales were up 5.7% YoY in Q3 and up 8.4% YoY in the first nine months.
- Operating profit was up 13.5% YoY in Q3 and 2.2 times YoY in the first nine months.
- Net profit was up 28.3% YoY in Q3 and 2.1 times YoY in the first nine months.
- EBITDA was up 9.0% YoY in Q3 and 1.6 times YoY in the first nine months.

| (Million yen)              | Q3 Results |         |        |             | Cumulative Q3 Results |         |         |             |
|----------------------------|------------|---------|--------|-------------|-----------------------|---------|---------|-------------|
|                            | FY2023     | FY2022  | Change | % of Change | FY2023                | FY2022  | Change  | % of Change |
| 1 <b>Net Sales</b>         | 50,972     | 48,231  | +2,741 | +5.7%       | 141,383               | 130,397 | +10,986 | +8.4%       |
| 2 <b>Gross Profit</b>      | 29,122     | 27,890  | +1,232 | +4.4%       | 80,274                | 72,625  | +7,649  | +10.5%      |
| (% of Net Sales)           | (57.1%)    | (57.8%) |        | (- 0.7%)    | (56.8%)               | (55.7%) |         | (+1.1%)     |
| 3 <b>SG&amp;A Expenses</b> | 24,444     | 23,768  | +676   | +2.8%       | 70,574                | 68,310  | +2,264  | +3.3%       |
| (% of Net Sales)           | (48.0%)    | (49.3%) |        | (- 1.3%)    | (49.9%)               | (52.4%) |         | (- 2.5%)    |
| 4 <b>Operating Profit</b>  | 4,678      | 4,122   | +556   | +13.5%      | 9,700                 | 4,315   | +5,385  | +124.8%     |
| (% of Net Sales)           | (9.2%)     | (8.5%)  |        | (+0.7%)     | (6.9%)                | (3.3%)  |         | (+3.6%)     |
| 5 <b>Recurring Profit</b>  | 4,643      | 4,044   | +599   | +14.8%      | 9,055                 | 4,698   | +4,357  | +92.7%      |
| (% of Net Sales)           | (9.1%)     | (8.4%)  |        | (+0.7%)     | (6.4%)                | (3.6%)  |         | (+2.8%)     |
| 6 <b>Net Profit</b>        | 2,884      | 2,247   | +637   | +28.3%      | 5,746                 | 2,723   | +3,023  | +111.0%     |
| (% of Net Sales)           | (5.7%)     | (4.7%)  |        | (+1.0%)     | (4.1%)                | (2.1%)  |         | (+2.0%)     |
| 7 <b>EBITDA*</b>           | 5,892      | 5,406   | +486   | +9.0%       | 13,282                | 8,244   | +5,038  | +61.1%      |
| (% of Net Sales)           | (11.6%)    | (11.2%) |        | (+0.4%)     | (9.4%)                | (6.3%)  |         | (+3.1%)     |

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

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Slide 9 shows the details of the consolidated income statement for the Q3 and the first nine months of the fiscal year. As mentioned in the highlights at the beginning, both the results for the Q3 and those for the first nine months of the fiscal year showed an increase in sales and profit.

While it overlaps with what I have already explained for some parts, I would like to explain the orange-framed results of the first nine months of the fiscal year on the right. Net sales in row 1 on the left were 141.4 billion yen, up 8.4% YoY or 11.0 billion yen YoY. Gross profit in row 2 was 80.3 billion yen, up 10.5% YoY. Gross profit margin improved by 1.1 percentage points YoY to 56.8%, due in large part to the achievements of global business reforms and progress in streamlining the product supply chain. SG&A expenses in row 3 were 70.6 billion yen, up 3.3% YoY, largely due to advertising expenses for sales promotion and rent related to sales. However, SG&A expenses ratio improved by 2.5 percentage points YOY as a result of appropriate control by reducing fixed costs such as depreciation and amortization through reduction by withdrawing unprofitable stores, etc. As a result, operating profit in row 4 was 9.7 billion yen, 2.2 times higher than the same period of the previous fiscal year, with operating profit margin improving by 3.6 percentage points. Recurring profit in row 5 was 9.1 billion yen, 1.9 times higher than the same period of the previous fiscal year, reflecting non-operating profit/loss such as a foreign exchange loss of 400 million yen. Net profit in row 6 was 5.7 billion yen, 2.1 times higher than the same period of the previous fiscal year, reflecting extraordinary profit/loss and income taxes-current. EBITDA in row 7 was 13.3 billion yen, 1.6 times higher than the same period of the previous fiscal year.

## FY2023 Q3: Results by Segment

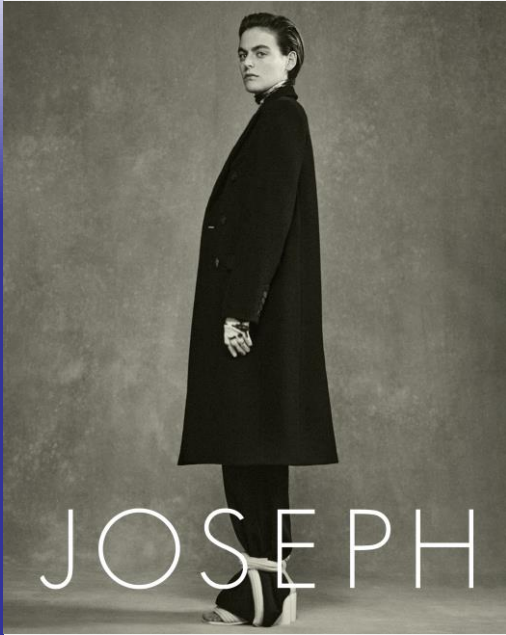
- In the domestic business, both the apparel and lifestyle segments saw higher sales and profit. The domestic apparel business continued performing well into Q3 with stronger sales and a double-digit profit increase.
- The overseas business posted a sales increase both in Q3 and the first nine months. Its operating profit (loss) improved by 0.1 billion yen in Q3 and 0.6 billion yen in the first nine months although an operating loss remained.

| (Million yen) |                    | Q3 Results       |        |        |             | Cumulative Q3 Results |         |         |             |         |
|---------------|--------------------|------------------|--------|--------|-------------|-----------------------|---------|---------|-------------|---------|
|               |                    | FY2023           | FY2022 | Change | % of Change | FY2023                | FY2022  | Change  | % of Change |         |
| 1             | Apparel            | Net Sales        | 38,030 | 36,247 | +1,783      | +4.9%                 | 103,939 | 95,951  | +7,988      | +8.3%   |
|               |                    | Operating Profit | 4,035  | 3,583  | +452        | +12.6%                | 8,003   | 4,067   | +3,936      | +96.8%  |
| 2             | Lifestyle          | Net Sales        | 9,736  | 9,497  | +239        | +2.5%                 | 30,138  | 28,652  | +1,486      | +5.2%   |
|               |                    | Operating Profit | 987    | 951    | +36         | +3.8%                 | 3,009   | 2,435   | +574        | +23.6%  |
| 3             | Domestic Total     | Net Sales        | 47,766 | 45,744 | +2,022      | +4.4%                 | 134,077 | 124,603 | +9,474      | +7.6%   |
|               |                    | Operating Profit | 5,022  | 4,534  | +488        | +10.8%                | 11,012  | 6,502   | +4,510      | +69.4%  |
| 4             | Overseas Total     | Net Sales        | 5,628  | 4,701  | +927        | +19.7%                | 14,630  | 12,434  | +2,196      | +17.7%  |
|               |                    | Operating Profit | -31    | -143   | +112        | ↗                     | -671    | -1,275  | +604        | ↗       |
| 5             | Consolidated Total | Net Sales        | 50,972 | 48,231 | +2,741      | +5.7%                 | 141,383 | 130,397 | +10,986     | +8.4%   |
|               |                    | Operating Profit | 4,678  | 4,122  | +556        | +13.5%                | 9,700   | 4,315   | +5,385      | +124.8% |

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

Slide 10 shows financial results by segment. The left side in the table shows the Q3, and the right side shows the first nine months of the fiscal year. I would like to explain the orange-framed figures for the first nine months on the right. In the domestic business, sales increased for both the apparel segment in row 1 and the lifestyle segment in row 2. Operating profit for the apparel segment nearly doubled YoY, while that for the lifestyle segment also increased by 23.6%. The Overseas business sales in row 4 increased 17.7% YoY, resulting in an improvement in operating profit/loss of 600 million yen, although an operating loss remained.

Please refer to slide 28 for the results by company.



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# 03

## FY2023 Full Year Consolidated Performance Forecast

## FY2023 Full-Year : Consolidated Performance Forecast ONWARD

- The Company revised the full-year forecast for net profit upward to 5.9 billion yen due to lower tax expenses.
- The forecasts for net sales, operating profit and recurring profit remain unchanged from the latest forecast as performance in the first nine months has progressed as planned.
- Net sales are expected to be 189.2 billion yen (+7.5%), up 13.1 billion yen, operating profit is forecast to come in at 11 billion yen (2.1 times), up 5.8 billion yen, and net profit is expected to be 5.9 billion yen (1.9 times), up 2.9 billion yen from the previous fiscal year.

| (Million yen)               | Full-Year Forecast |         |         |             |                   |        |             |
|-----------------------------|--------------------|---------|---------|-------------|-------------------|--------|-------------|
|                             | FY2023             | FY2022  | Change  | % of Change | Previous Forecast | Change | % of Change |
| 1 <b>Net Sales</b>          | 189,211            | 176,072 | +13,139 | +7.5%       | 189,211           | +0     | +0.0%       |
| 2 <b>Gross Profit</b>       | 105,952            | 96,751  | +9,201  | +9.5%       | 105,952           | +0     | +0.0%       |
| (% of Net Sales)            | (56.0%)            | (54.9%) |         | (+1.1%)     | (56.0%)           |        | 0.0%        |
| 3 <b>SG&amp;A Expenses</b>  | 94,930             | 91,537  | +3,393  | +3.7%       | 94,930            | +0     | +0.0%       |
| (% of Net Sales)            | (50.2%)            | (52.0%) |         | (- 1.8%)    | (50.2%)           |        | (+0.0%)     |
| 4 <b>Operating Profit</b>   | 11,022             | 5,214   | +5,808  | +111.4%     | 11,022            | +0     | +0.0%       |
| (% of Net Sales)            | (5.8%)             | (3.0%)  |         | (+2.8%)     | (5.8%)            |        | (+0.0%)     |
| 5 <b>Recurring Profit</b>   | 10,012             | 5,319   | +4,693  | +88.2%      | 10,012            | +0     | +0.0%       |
| (% of Net Sales)            | (5.3%)             | (3.0%)  |         | (+2.3%)     | (5.3%)            |        | (+0.0%)     |
| 6 <b>Net Profit</b>         | 5,911              | 3,061   | +2,850  | +93.1%      | 5,462             | +449   | +8.2%       |
| (% of Net Sales)            | (3.1%)             | (1.7%)  |         | (+1.4%)     | (2.9%)            |        | (+0.2%)     |
| 7 <b>EBITDA<sup>※</sup></b> | 16,100             | 10,373  | +5,727  | +55.2%      | 16,100            | +0     | +0.0%       |
| (% of Net Sales)            | (8.5%)             | (5.9%)  |         | (+2.6%)     | (8.5%)            |        | 0           |

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

Next, please refer to slide 12. As mentioned in Consolidated Performance Forecast Highlights on slide 6, since the results for the first nine months of the fiscal year progressed as expected, and tax expense decreases due to the recording of deferred tax assets, we have revised up net profit forecast in row 6 to 5.9 billion yen, up 400 million yen from the previous figure announced on October 5, 2023.

## FY2023 Full-Year : Performance Forecasts by Segment

- In the domestic business, in the apparel segment, net sales are expected to increase by 10.2 billion yen (+7.8%) and operating profit by 4.8 billion yen (1.9 times) from the previous fiscal year. In the lifestyle segment, net sales are expected to increase by 1.7 billion yen (+4.5%) and operating profit by 0.6 billion yen (+23.1%) from the previous fiscal year.
- In the overseas business, net sales are expected to increase by 3.1 billion yen (+18.0%). Although an operating loss will remain, operating profit/loss is expected to improve by 0.8 billion yen.

| (Million yen) |                    | Full-Year Forecast |         |         |             |                   |         |             |       |
|---------------|--------------------|--------------------|---------|---------|-------------|-------------------|---------|-------------|-------|
|               |                    | FY2023             | FY2022  | Change  | % of Change | Previous Forecast | Change  | % of Change |       |
| 1             | Apparel            | Net Sales          | 139,692 | 129,525 | +10,167     | +7.8%             | 138,877 | +815        | +0.6% |
|               |                    | Operating Profit   | 9,753   | 5,000   | +4,753      | +95.1%            | 9,421   | +332        | +3.5% |
| 2             | Lifestyle          | Net Sales          | 39,633  | 37,926  | +1,707      | +4.5%             | 40,431  | -798        | -2.0% |
|               |                    | Operating Profit   | 3,374   | 2,741   | +633        | +23.1%            | 3,461   | -87         | -2.5% |
| 3             | Domestic Total     | Net Sales          | 179,325 | 167,451 | +11,874     | +7.1%             | 179,308 | +17         | +0.0% |
|               |                    | Operating Profit   | 13,127  | 7,741   | +5,386      | +69.6%            | 12,882  | +245        | +1.9% |
| 4             | Overseas Total     | Net Sales          | 20,348  | 17,250  | +3,098      | +18.0%            | 19,743  | +605        | +3.1% |
|               |                    | Operating Profit   | -315    | -1,090  | +775        | ↗                 | -407    | +92         | ↗     |
| 5             | Consolidated Total | Net Sales          | 189,211 | 176,072 | +13,139     | +7.5%             | 189,211 | +0          | +0.0% |
|               |                    | Operating Profit   | 11,022  | 5,214   | +5,808      | +111.4%           | 11,022  | +0          | +0.0% |

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

Slide 13 shows full-year forecasts by segment. For the domestic apparel segment in row 1, we forecast net sales to increase 10.2 billion yen YoY and operating profit to grow 4.8 billion yen. For the domestic lifestyle segment in row 2, we forecast increases in both sales and profits with net sales to rise by 1.7 billion yen YoY and operating profit by 600 million yen. In the overseas business in row 4, net sales are expected to increase by 3.1 billion yen. Although operating loss will remain, operating profit/loss is expected to improve by 800 million yen.

Please see slide 29 for the full-year performance forecasts by major company.

Next, I would like to explain the financial situation.



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14

# 04

## Financial Situation

## FY2023 Cumulative Q3 : EBITDA, Net Assets, Shareholder's Equity Ratio, Current Ratio

- EBITDA increased to 13.3 billion yen, up 5.0 billion yen YoY.
- Net assets decreased by 2.4 billion yen from the end of the previous fiscal year due to the decrease in minority interests.
- The shareholders' equity ratio remained at about 45%, although it declined due to an increase in borrowings.
- The current ratio decreased 8.8%pt from the end of the previous fiscal year due to a temporary increase in short-term borrowings.

### EBITDA

(Million yen)

| FY2023<br>Cumulative Q3 | FY2022<br>Cumulative Q3 | Change | % of Change |
|-------------------------|-------------------------|--------|-------------|
| 13,282                  | 8,244                   | +5,038 | +61.1%      |

### Shareholders' Equity Ratio

| End-FY2023<br>Q3 | End-FY2022 | Change   |
|------------------|------------|----------|
| 44.9%            | 47.0%      | - 2.1%pt |

### Net Assets

(Million yen)

| End-FY2023<br>Q3 | End-FY2022 | Change | % of Change |
|------------------|------------|--------|-------------|
| 82,719           | 85,073     | -2,354 | - 2.8%      |

### Current Ratio

| End-FY2023<br>Q3 | End-FY2022 | Change   |
|------------------|------------|----------|
| 108.4%           | 117.2%     | - 8.8%pt |

Please look at slide 15. As already mentioned, EBITDA was 13.3 billion yen, 1.6 times higher than the same period of the previous fiscal year. Net assets decreased 2.4 billion yen from the end of the previous fiscal year to 82.7 billion yen due to an increase in net profit of 5.7 billion yen, a decrease in minority interests and payment of dividends. The shareholders' equity ratio declined 2.1 percentage points to 44.9% from 47.0% at the end of the previous fiscal year, but has maintained an appropriate level. The current ratio has also decreased due to a temporary increase in short-term borrowings, but has remained at higher than 100%, which is the standard for safety.

## FY2023 Cumulative Q3 : Cash Flows, Capital Expenditures, Depreciation and Amortization

### Cash Flows

- Cash flows provided by operating activities amounted to 0.4 billion yen mainly due to higher profit before income taxes and an increase in inventories.
- Cash flows used in investing activities amounted to 3.5 billion yen mainly due to the acquisition of investment securities.
- Cash flows provided by financing activities came to 1.3 billion yen mainly due to an increase in borrowings and the payment of dividends.

### Capital Expenditures

- Capital expenditures were 3.5 billion yen, down 0.6 billion yen YoY.
- Carefully select investments such as those related to DX and OMO to make efficient investments.

(Million yen)

| FY2023<br>Cumulative Q3 | FY2022<br>Cumulative Q3 | Change | % of Change |
|-------------------------|-------------------------|--------|-------------|
| 3,515                   | 4,091                   | -576   | - 14.1%     |

### Depreciation and Amortization

- Depreciation and Amortization were 3.0 billion yen, down 0.4 billion yen YoY.

(Million yen)

| FY2023<br>Cumulative Q3 | FY2022<br>Cumulative Q3 | Change | % of Change |
|-------------------------|-------------------------|--------|-------------|
| 2,959                   | 3,313                   | -354   | - 10.7%     |

On slide 16, cash flows provided by operating activities were 400 million yen due to an increase in profit before income taxes and higher expenses associated with an increase in purchases. Cash flows used in investing activities were 3.5 billion yen, mainly due to the acquisition of investment securities of WEGO Co., Ltd. and SANMARINO Ltd., both entities that we announced we would do capital and business alliances with. Cash flows provided by financing activities were 1.3 billion yen, mainly due to an increase in borrowings and payment of dividends. There were capital expenditures of 3.5 billion yen by the Q3 of the year. The main breakdowns are investments in stores and logistics facilities related to DX and OMO, and system investments. Areas for capital expenditure are carefully selected and it is implemented efficiently.





estèta

05

TOPICS

### Nijyusanku [Onward Kashiya]

- For Onward Kashiya's core brand "Nijyusanku," sales promotion was stepped up by the campaign to celebrate the 30th anniversary of its brand debut.
- Moreover, the Company launched the high-grade derivative brand "estèta" afresh with the aim of accommodating the diverse needs of customers.
- During the Q3 of the year, product measures that addressed high temperatures, including light and warm jackets for in-between seasons and proposals for knit-over-knit layered coordination, were carried out successfully.
- "estèta" garnered support due to its "high quality and high sensitivity strategy" and acquired new customers.
- Net sales increased in the Q3 of the year by 12% YoY and in the first nine months by 17% YoY.



Wool cashmere Aran pattern cardigan, etc.



Padded long coats, etc.

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

**Cumulative Q3**  
(Net Sales YoY) + **17.2%**

Slides 18 through 21 describe trends in the main brand businesses. As mentioned in the highlights at the beginning, apparel brands represented by "Nijyusanku" and "UNFILO" continued their strong performance by responding to the high temperatures in the Q3 with flexible product offering, such as the expansion of jackets for in-between seasons and proposals for layered coordination.

For "Nijyusanku," sales promotion was stepped up with the campaign to celebrate the 30th anniversary of its debut, accelerating its growth. Moreover, the Company launched the high-grade derivative brand "estèta," with a good response from new customers who are looking for high quality and high sensitivity.

**UNFILO** [Onward Kashiwama]

- Following the concept of "Move around. Functional beauty for everyone," UNFILO, which debuted in 2021, created popular products such as Saiai jogging pants that employ functional materials.
- The brand started as a D2C brand in e-commerce platforms and spread its name recognition through running the OMO service "Click & Try," which allows shoppers to backorder at physical stores, and developing the brand at the multi-brand store "ONWARD CROSSET / SELECT."
- In the Q3 of the year, linking functional beauty products for the winter, typified by four kinds of "WARM BEAUTY PANTS" with layering proposals that adjusted to the temperature, the brand drove purchases, backed by actual demand.
- As a result, amid sluggish growth in the entire market, "UNFILO" posted a significant sales increase of 2.1 times YoY in the quarter. The first nine months of the year saw sales expansion of 1.9 times YoY.



WARM BEAUTY PANTS "Saiai jogging pants"



Fluffy knit Cardigans with faux pearl buttons



|                              |              |   |              |
|------------------------------|--------------|---|--------------|
| <b>Q3</b><br>(Net Sales YoY) | <b>2.1 x</b> | <b>Cumulative Q3</b><br>(Net Sales YoY) | <b>1.9 x</b> |
|------------------------------|--------------|---|--------------|

Since its debut in 2021, UNFILO, centered on functional products, created popular products such as Saiai jogging pants and continues its expansion. In the Q3 of the year, net sales doubled YoY.

**PET PARADISE** [Creative Yoko]

- PET PARADISE, which was the main business of Creative Yoko, successfully advanced store-opening measures in which the brand had been actively engaged since the second half of FY2022.
- Stepping up the strategy for consumption from inbound tourism in FY2023, the brand carried out new store openings in selected areas that had attracted droves of domestic and foreign tourists.
- One "PET PARADISE" store each was opened in Takeshita Street, Harajuku, at the end of February 2023 and in Spain Zaka, Shibuya, at the end of September, and their sales remained very strong. A store that was opened in Komachi Street, Kamakura, on December 8, has also made a flying start. Net sales from inbound tourism contributed significantly to all of them.
- On the product side, new products such as the pet cart "smoooca" became hits and also contributed to the sales growth.
- Net sales increased in Q3 of the year by 15% YoY and in the first nine months by 19% YoY.



PET PARADISE Spain Slope, Shibuya store



smoooca Neo-compact carts



J.PRESS Faux leather jackets

|                              |                |   |                |
|------------------------------|----------------|---|----------------|
| <b>Q3</b><br>(Net Sales YoY) | <b>+ 14.8%</b> | <b>Cumulative Q3</b><br>(Net Sales YoY) | <b>+ 18.7%</b> |
|------------------------------|----------------|---|----------------|

PET PARADISE, which is the main business of Creative Yoko engaging in the pet/home life business, opened stores to expand sales from inbound tourism. Stores in Takeshita Street (Harajuku), Spain Zaka (Shibuya), and Komachi Street (Kamakura) saw very strong sales, significantly exceeding the initial plan.

**Chacott COSMETICS** 【 Chacott 】

- In 2021, the brand was given a broad facelift as “Chacott COSMETICS,” which consisted of items of an everyday-use version of the cosmetics that professional artists had loved for a long time as classic ballet stage makeup.
- As raw materials, the brand items have adopted sustainability-conscious products that are friendly to society and the environment in addition to the pursuit of gentleness on the skin.
- In FY2023, the brand launched the new product Double Multi Crayons and Multi Color Variations and pulled off successful campaigns including sales promotions to key targets and social media measures making better use of influencers.
- Sales grew 1.5 times YoY in Q3 of the year and 33% YoY in the first nine months of the year, driving the performance of Chacott.



|                              |              |   |               |
|------------------------------|--------------|---|---------------|
| <b>Q3</b><br>(Net Sales YoY) | <b>1.5 x</b> | <b>Cumulative Q3</b><br>(Net Sales YoY) | <b>+33.1%</b> |
|------------------------------|--------------|---|---------------|

Chacott, engaged in the wellness business such as classic ballet, gave a broad facelift to the cosmetics that had been loved as stage makeup as “Chacott COSMETICS,” which consisted of items for everyday use, increasing net sales. In the Q3 of the year, net sales grew 1.5 times YoY.



06

Appendix

Additional information is provided for your reference starting on slide 22.

Finally, while the temperature remained high in the Q3 and there was a change in the purchasing behavior of customers, the Group as a whole was able to increase sales and profit YoY. With one and a half months to go until the end of the current fiscal year, we hope to achieve our full-year forecast and move toward further growth in the next fiscal year and beyond.

This ends my presentation. Thank you very much.

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



## ■ “Click & Try” Service

- The number of stores offering the service increased to 388, up 58 from the end of the same period last year.
- In the first nine months of FY2023, net sales at (existing) stores offering this service were 17% higher than those in the same period of FY2019, which was before the COVID-19 pandemic, and 25%pt higher than those at the stores not offering the service.

## ■ 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, the store offers an assortment of Onward Kashiya’s multiple brands across their boundaries.  
The year-on-year growth in sales for the first nine months of FY2023 was 22%pt higher than the existing stores excluding OCS.

### ■ Changes in the number of stores that offered Click & Try and the number of reservations

|                                       | FY2023 Q3 | FY2022 Q3 | Change | % of Change |
|---------------------------------------|-----------|-----------|--------|-------------|
| Number of Stores                      | 388       | 330       | +58    | -           |
| Adoption rate                         | 56%       | 42%       | 15%pt  | -           |
| Number of reservations (in thousands) | 96        | 66        | +30    | +45%        |

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

| Vs. FY2019                                  | FY2023 Cumulative Q3 | FY2022 Cumulative Q3 |
|---|----------------------|----------------------|
| Stores that introduced the service          | 117%                 | 100%                 |
| Stores that have not introduced the service | 92%                  | 81%                  |
| Effect                                      | +25%pt               | +19%pt               |

### ■ ONWARD CROSSET / SELECT sales comparison

|                                 | FY2023 Q3              |                       |       |
|---------------------------------|------------------------|-----------------------|-------|
|                                 | Department Stores(YoY) | Shopping Centers(YoY) | Total |
| ONWARD CROSSET SELECT(OCS)      | 125%                   | 148%                  | 131%  |
| Existing Stores Total excl. OCS | 112%                   | 102%                  | 109%  |
| Difference                      | 13%pt                  | 46%pt                 | 22%pt |

Comparison excluding discontinued brands



ONWARD CROSSET SELECT AEON MALL Okazaki

## FY2023 Cumulative Q3: Net Sales by Channel



- Net sales at physical stores total (department stores + shopping centers and others) increased by 7% 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 29% and 89%, 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                 | 31,874             | 39.1%         | +6.4%        | 7,429   | 19.7%         | +5.3%        | 39,303         | 33.0%         | +6.2%        |
| Shopping Centers and Other        | 27,127             | 33.3%         | +12.3%       | 17,687  | 46.8%         | +2.7%        | 44,814         | 37.6%         | +8.3%        |
| <b>Physical Stores Total</b>      | <b>59,001</b>      | <b>72.4%</b>  | <b>+9.1%</b> | <b>25,116</b>                                   | <b>66.5%</b>  | <b>+3.5%</b> | <b>84,117</b>  | <b>70.5%</b>  | <b>+7.3%</b> |
| Directly Managed E-Commerce       | 20,515             | 25.2%         | +12.6%       | 10,608  | 28.1%         | +6.3%        | 31,123         | 26.1%         | +10.4%       |
| Directly Managed E-Commerce Ratio |                    | 91.2%         |              |   | 83.9%         |              |                | 88.6%         |              |
| Other E-Commerce Platforms        | 1,968              | 2.4%          | -22.9%       | 2,035   | 5.4%          | +6.7%        | 4,003          | 3.4%          | -10.2%       |
| <b>E-Commerce Total</b>           | <b>22,483</b>      | <b>27.6%</b>  | <b>+8.2%</b> | <b>12,643</b>                                   | <b>33.5%</b>  | <b>+6.4%</b> | <b>35,126</b>  | <b>29.5%</b>  | <b>+7.6%</b> |
| <b>Total Sales</b>                | <b>81,484</b>      | <b>100.0%</b> | <b>+8.8%</b> | <b>37,759</b>                                   | <b>100.0%</b> | <b>+4.4%</b> | <b>119,243</b> | <b>100.0%</b> | <b>+7.4%</b> |

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

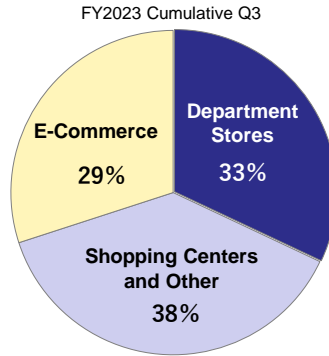


## FY2023 Cumulative Q3 : Net Sales Breakdown by Channel

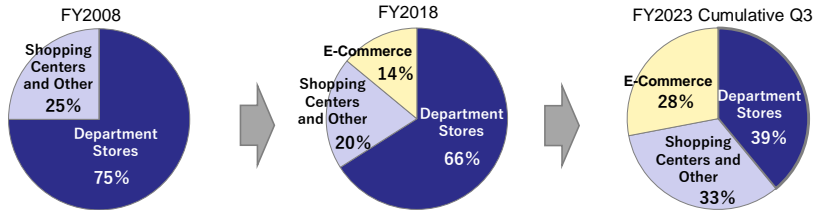


### Total of Onward Group's nine domestic companies

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

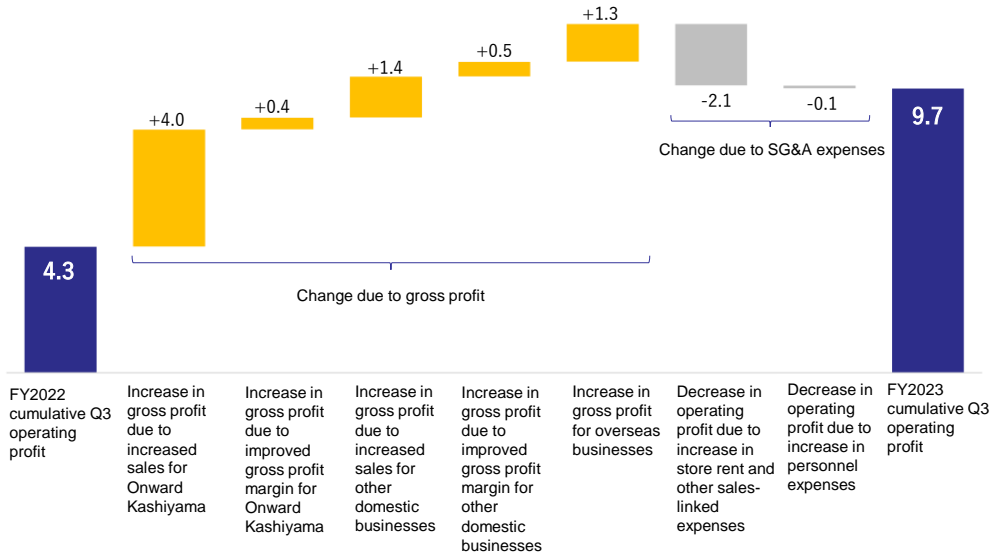


### Changes in Onward Kashiyama's sales breakdown by channel



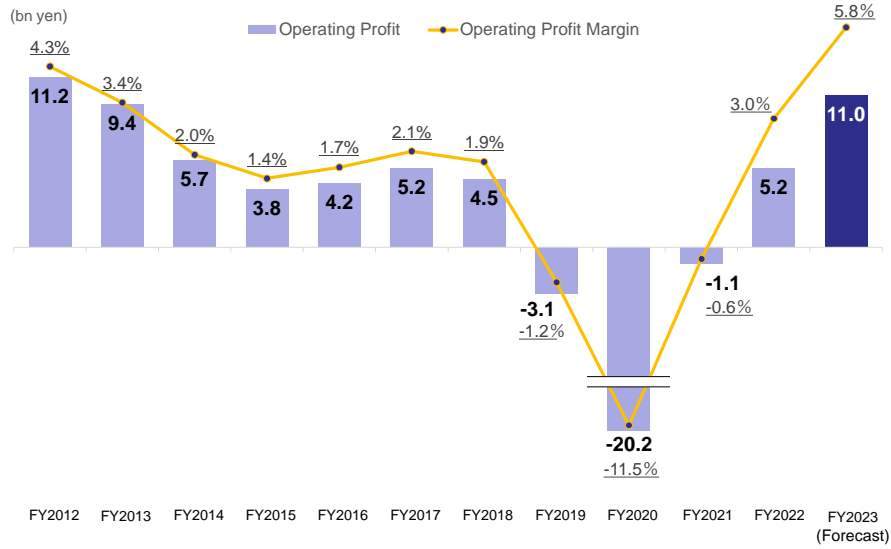
## FY2023 Cumulative Q3 : Operating Profit Change Analysis (YoY) ONWARD

(Billion yen)



## 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.



# FY2023 Q3 : Results by Company



|    |                                 | Cumulative Q3    |        |        |             | Q3     |         |         |             |         |
|----|---------------------------------|------------------|--------|--------|-------------|--------|---------|---------|-------------|---------|
|    |                                 | FY2023           | FY2022 | Change | % of Change | FY2023 | FY2022  | Change  | % of Change |         |
| 1  | <b>Onward Kashiya+HD</b>        | Net Sales        | 29,918 | 28,815 | +1,103      | +3.8%  | 81,484  | 74,870  | +6,614      | +8.8%   |
|    |                                 | Operating Profit | 3,571  | 3,336  | +235        | +7.0%  | 6,781   | 3,668   | +3,113      | +84.9%  |
| 2  | <b>Onward</b>                   | Net Sales        | 4,464  | 3,867  | +597        | +15.4% | 11,817  | 10,732  | +1,085      | +10.1%  |
|    |                                 | Operating Profit | 352    | 203    | +149        | +73.4% | 1,174   | 726     | +448        | +61.7%  |
| 3  | <b>Corporate Design</b>         | Net Sales        | 1,544  | 1,649  | -105        | -6.4%  | 4,388   | 4,619   | -231        | -5.0%   |
|    |                                 | Operating Profit | 28     | 120    | -92         | -76.7% | 5       | 142     | -137        | -96.5%  |
| 5  | <b>Domestic Apparel Total</b>   | Net Sales        | 38,030 | 36,247 | +1,783      | +4.9%  | 103,939 | 95,951  | +7,988      | +8.3%   |
|    |                                 | Operating Profit | 4,035  | 3,583  | +452        | +12.6% | 8,003   | 4,067   | +3,936      | +96.8%  |
| 6  | <b>Chacott</b>                  | Net Sales        | 2,388  | 2,223  | +165        | +7.4%  | 7,447   | 6,937   | +510        | +7.4%   |
|    |                                 | Operating Profit | 219    | 199    | +20         | +10.1% | 784     | 541     | +243        | +44.9%  |
| 7  | <b>Creative Yoko</b>            | Net Sales        | 1,664  | 1,504  | +160        | +10.6% | 4,633   | 4,066   | +567        | +13.9%  |
|    |                                 | Operating Profit | 221    | 146    | +75         | +51.4% | 456     | 254     | +202        | +79.5%  |
| 8  | <b>Yamato</b>                   | Net Sales        | 5,195  | 5,330  | -135        | -2.5%  | 15,787  | 15,436  | +351        | +2.3%   |
|    |                                 | Operating Profit | 468    | 495    | -27         | -5.5%  | 1,467   | 1,198   | +269        | +22.5%  |
| 9  | <b>Domestic Lifestyle Total</b> | Net Sales        | 9,736  | 9,497  | +239        | +2.5%  | 30,138  | 28,652  | +1,486      | +5.2%   |
|    |                                 | Operating Profit | 987    | 951    | +36         | +3.8%  | 3,009   | 2,435   | +574        | +23.6%  |
| 10 | <b>Domestic Subtotal</b>        | Net Sales        | 47,766 | 45,744 | +2,022      | +4.4%  | 134,077 | 124,603 | +9,474      | +7.6%   |
|    |                                 | Operating Profit | 5,022  | 4,534  | +488        | +10.8% | 11,012  | 6,502   | +4,510      | +69.4%  |
| 11 | <b>Europe</b>                   | Net Sales        | 3,438  | 2,720  | +718        | +26.4% | 8,270   | 6,964   | +1,306      | +18.8%  |
|    |                                 | Operating Profit | 126    | 171    | -45         | -26.3% | -323    | -343    | +20         | ↗       |
| 12 | <b>America</b>                  | Net Sales        | 430    | 465    | -35         | -7.5%  | 1,366   | 1,224   | +142        | +11.6%  |
|    |                                 | Operating Profit | -135   | -223   | +88         | ↗      | -366    | -630    | +264        | ↗       |
| 13 | <b>Asia</b>                     | Net Sales        | 1,760  | 1,516  | +244        | +16.1% | 4,994   | 4,246   | +748        | +17.6%  |
|    |                                 | Operating Profit | -22    | -91    | +69         | ↗      | 18      | -302    | +320        | ↗       |
| 14 | <b>Overseas Subtotal</b>        | Net Sales        | 5,628  | 4,701  | +927        | +19.7% | 14,630  | 12,434  | +2,196      | +17.7%  |
|    |                                 | Operating Profit | -31    | -143   | +112        | ↗      | -671    | -1,275  | +604        | ↗       |
| 15 | <b>Consolidated Total</b>       | Net Sales        | 50,972 | 48,231 | +2,741      | +5.7%  | 141,383 | 130,397 | +10,986     | +8.4%   |
|    |                                 | Operating Profit | 4,678  | 4,122  | +556        | +13.5% | 9,700   | 4,315   | +5,385      | +124.8% |

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             | <b>Onward Kashiya+HD</b>        | Net Sales          | 108,721       | 101,109 | +7,612      | +7.5%             | 107,964 | +757        | +0.7%  |
|               |                                 | Operating Profit   | 8,180         | 4,524   | +3,656      | +80.8%            | 7,801   | +379        | +4.9%  |
| 2             | <b>Onward</b>                   | Net Sales          | 16,549        | 14,503  | +2,046      | +14.1%            | 16,205  | +344        | +2.1%  |
|               |                                 | Operating Profit   | 1,513         | 1,007   | +506        | +50.2%            | 1,527   | -14         | -0.9%  |
| 3             | <b>Corporate Design</b>         | Net Sales          | 5,966         | 6,285   | -319        | -5.1%             | 6,235   | -269        | -4.3%  |
|               |                                 | Operating Profit   | 67            | 80      | -13         | -16.3%            | 35      | +32         | +91.4% |
| 5             | <b>Domestic Apparel Total</b>   | Net Sales          | 139,692       | 129,525 | +10,167     | +7.8%             | 138,877 | +815        | +0.6%  |
|               |                                 | Operating Profit   | 9,753         | 5,000   | +4,753      | +95.1%            | 9,421   | +332        | +3.5%  |
| 6             | <b>Chacott</b>                  | Net Sales          | 9,586         | 8,849   | +737        | +8.3%             | 9,573   | +13         | +0.1%  |
|               |                                 | Operating Profit   | 654           | 342     | +312        | +91.2%            | 631     | +23         | +3.6%  |
| 7             | <b>Creative Yoko</b>            | Net Sales          | 6,391         | 5,801   | +590        | +10.2%            | 6,307   | +84         | +1.3%  |
|               |                                 | Operating Profit   | 649           | 419     | +230        | +54.9%            | 582     | +67         | +11.5% |
| 8             | <b>Yamato</b>                   | Net Sales          | 20,889        | 20,629  | +260        | +1.3%             | 21,593  | -704        | -3.3%  |
|               |                                 | Operating Profit   | 1,729         | 1,489   | +240        | +16.1%            | 1,806   | -77         | -4.3%  |
| 9             | <b>Domestic Lifestyle Total</b> | Net Sales          | 39,633        | 37,926  | +1,707      | +4.5%             | 40,431  | -798        | -2.0%  |
|               |                                 | Operating Profit   | 3,374         | 2,741   | +633        | +23.1%            | 3,461   | -87         | -2.5%  |
| 10            | <b>Domestic Subtotal</b>        | Net Sales          | 179,325       | 167,451 | +11,874     | +7.1%             | 179,308 | +17         | +0.0%  |
|               |                                 | Operating Profit   | 13,127        | 7,741   | +5,386      | +69.6%            | 12,882  | +245        | +1.9%  |
| 11            | <b>Europe</b>                   | Net Sales          | 11,497        | 9,960   | +1,537      | +15.4%            | 10,965  | +532        | +4.9%  |
|               |                                 | Operating Profit   | 76            | -136    | +212        | ↗                 | 69      | +7          | +10.1% |
| 12            | <b>America</b>                  | Net Sales          | 2,036         | 1,636   | +400        | +24.4%            | 1,966   | +70         | +3.6%  |
|               |                                 | Operating Profit   | -321          | -576    | +255        | ↗                 | -416    | +95         | ↗      |
| 13            | <b>Asia</b>                     | Net Sales          | 6,815         | 5,654   | +1,161      | +20.5%            | 6,812   | +3          | +0.0%  |
|               |                                 | Operating Profit   | -70           | -378    | +308        | ↗                 | -60     | -10         | ↘      |
| 14            | <b>Overseas Subtotal</b>        | Net Sales          | 20,348        | 17,250  | +3,098      | +18.0%            | 19,743  | +605        | +3.1%  |
|               |                                 | Operating Profit   | -315          | -1,090  | +775        | ↗                 | -407    | +92         | ↗      |
| 15            | <b>Consolidated Total</b>       | Net Sales          | 189,211       | 176,072 | +13,139     | +7.5%             | 189,211 | +0          | +0.0%  |
|               |                                 | Operating Profit   | 11,022        | 5,214   | +5,808      | +111.4%           | 11,022  | +0          | +0.0%  |

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 Cumulative Q3 : SG&A Expenses / Items that Affect Net Profit

—ONWARD—

| (Million yen)                      | FY2023<br>Cumulative Q3 | FY2022<br>Cumulative Q3 | YoY<br>(% of Change) |
|------------------------------------|-------------------------|-------------------------|----------------------|
| 1 <b>Personnel</b>                 | 26,633                  | 26,334                  | +1.1%                |
| 2 <b>Rent</b>                      | 19,070                  | 18,437                  | +3.4%                |
| 3 <b>Transportation</b>            | 4,826                   | 4,647                   | +3.9%                |
| 4 <b>Promotion and Advertising</b> | 4,817                   | 3,963                   | +21.5%               |
| 5 <b>Depreciation</b>              | 2,367                   | 2,754                   | - 14.1%              |
| 6 <b>Other</b>                     | 13,043                  | 12,175                  | +7.1%                |
| 7 <b>Total SG&amp;A Expenses</b>   | <b>70,574</b>           | <b>68,310</b>           | <b>+3.3%</b>         |

### [Items that Affect Net Profit]

- Non-operating profit from interest income, dividends income, etc., was 0.4 billion yen.
- Non-operating expenses due to foreign exchange losses, interest expenses, etc. were 1.0 billion yen.
- Extraordinary profit due to sales of investment securities was 0.4 billion yen.
- Extraordinary loss was 0.6 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 5.7 billion yen.

| (Million yen)  | FY2023<br>Cumulative Q3 | FY2022<br>Cumulative Q3 | YoY<br>(% of Change) |
|--|-------------------------|-------------------------|----------------------|
| 8 <b>Operating Profit</b>                                  | <b>9,700</b>            | <b>4,315</b>            | <b>+124.8%</b>       |
| 9 <b>Non-Operating Profit</b>                              | 388                     | 1,255                   | - 69.1%              |
| 10 Interest income   | 169                     | 127                     | +33.1%               |
| 11 Foreign exchange gains                                  |                         | 788                     | -                    |
| 12 Subsidy income  |                         | 133                     | -                    |
| 13 Other   | 218                     | 205                     | +6.3%                |
| 14 <b>Non-Operating Loss</b>                               | <b>1,033</b>            | <b>873</b>              | <b>+18.3%</b>        |
| 15 Interest expenses                                       | 392                     | 234                     | +67.5%               |
| 16 Foreign exchange loss                                   | 380                     |                         | -                    |
| 17 Share of loss of entities accounted for using equity    |                         | 42                      | -                    |
| 18 Other   | 259                     | 595                     | - 56.5%              |
| 19 <b>Total Non-Operating Profit/Loss</b>                  | <b>-645</b>             | <b>382</b>              | <b>-</b>             |
| 20 <b>Recurring Profit</b>                                 | <b>9,055</b>            | <b>4,698</b>            | <b>+92.7%</b>        |
| 21 <b>Extraordinary Profit</b>                             | <b>415</b>              | <b>1,456</b>            | <b>- 71.5%</b>       |
| 22 Gain on sales of shares of subsidiaries and associates  |                         | 1,303                   | -                    |
| 23 Other   | 415                     | 153                     | +171.2%              |
| 24 <b>Extraordinary Loss</b>                               | <b>598</b>              | <b>880</b>              | <b>- 32.0%</b>       |
| 25 Impairment loss   | 362                     | 723                     | - 49.9%              |
| 26 Other   | 236                     | 157                     | +50.3%               |
| 27 <b>Extraordinary Profit/Loss</b>                        | <b>-183</b>             | <b>576</b>              | <b>-</b>             |
| 28 <b>Profit Before Income Taxes</b>                       | <b>8,872</b>            | <b>5,273</b>            | <b>+68.3%</b>        |
| 29 Income Taxes - Current                                  | 2,920                   | 2,621                   | +11.4%               |
| 30 Profit (loss) attributable to non-controlling interests | 205                     | -71                     | -                    |
| 31 <b>Net Profit</b>                                       | <b>5,746</b>            | <b>2,723</b>            | <b>+111.0%</b>       |

## FY2023 Cumulative Q3 : Consolidated Balance Sheet



| (Billion yen)                        | End-FY2023 Q3 | End-FY2022 | Change | Reasons for change              |
|--------------------------------------|---------------|------------|--------|---------------------------------|
| 1 <b>Total Assets</b>                | 172.8         | 159.1      | +13.7  |                                 |
| 2 <b>Current Assets</b>              | 76.7          | 62.2       | +14.5  |                                 |
| 3     Cash and Deposits              | 12.6          | 13.8       | -1.2   |                                 |
| 4     Accounts Receivable-trade      | 19.1          | 13.9       | +5.2   |                                 |
| 5     Inventory                      | 40.8          | 30.7       | +10.1  | Increase due to active purchase |
| 6 <b>Non-current Assets</b>          | 96.1          | 96.9       | -0.8   |                                 |
| 7     Property, Plant and Equipment  | 54.1          | 53.1       | +1.0   |                                 |
| 8     Intangible Assets              | 9.0           | 9.1        | -0.1   |                                 |
| 9     Investments and Other Assets   | 32.9          | 34.7       | -1.8   |                                 |
| 10 <b>Total Liabilities</b>          | 90.1          | 74.1       | +16.0  | Due to increase in borrowings   |
| 11     Accounts Payable-trade        | 25.0          | 21.4       | +3.6   |                                 |
| 12     Borrowings                    | 38.4          | 27.2       | +11.2  | Increase due to new borrowings  |
| 13     Other                         | 26.7          | 25.5       | +1.2   |                                 |
| 14 <b>Total Net Assets</b>           | 82.7          | 85.0       | -2.3   |                                 |
| 15 <b>Shareholders' Equity Ratio</b> | 44.9%         | 47.0%      | - 2.1% |                                 |
| 16 <b>Current Ratio</b>              | 108.4%        | 117.2%     | - 8.8% |                                 |

## FY2023 Q3 / Cumulative Q3: Results by Groups



|  |                         | Q3 Results               |         |         |             | Cumulative Q3 Results |         |         |             |         |
|--|-------------------------|--------------------------|---------|---------|-------------|-----------------------|---------|---------|-------------|---------|
|  |                         | FY2023                   | FY2022  | Change  | % of Change | FY2023                | FY2022  | Change  | % of Change |         |
| (Million yen)                                      |                         |                          |         |         |             |                       |         |         |             |         |
| Onward Kashiyama<br>+ HD                           | 1                       | <b>Net Sales</b>         | 29,918  | 28,815  | +1,103      | +3.8%                 | 81,484  | 74,870  | +6,614      | +8.8%   |
|  | 2                       | <b>Gross Profit</b>      | 18,605  | 18,177  | +428        | +2.4%                 | 49,850  | 45,335  | +4,515      | +10.0%  |
|  |                         | (% of Net Sales)         | (62.2%) | (63.1%) |             | (- 0.9%)              | (61.2%) | (60.6%) |             | (+0.6%) |
|  | 3                       | <b>SG&amp;A Expenses</b> | 15,034  | 14,841  | +193        | +1.3%                 | 43,069  | 41,667  | +1,402      | +3.4%   |
|  | (% of Net Sales)        | (50.3%)                  | (51.5%) |         | (- 1.2%)    | (52.9%)               | (55.7%) |         | (- 2.8%)    |         |
| 4  | <b>Operating Profit</b> | 3,571                    | 3,336   | +235    | +7.0%       | 6,781                 | 3,668   | +3,113  | +84.9%      |         |
|  | (% of Net Sales)        | (11.9%)                  | (11.6%) |         | (+0.3%)     | (8.3%)                | (4.9%)  |         | (+3.4%)     |         |
| Domestic Subtotal<br>(Excl. Onward Kashiyama + HD) | 1                       | <b>Net Sales</b>         | 17,848  | 16,929  | +919        | +5.4%                 | 52,593  | 49,733  | +2,860      | +5.8%   |
|  | 2                       | <b>Gross Profit</b>      | 8,948   | 8,490   | +458        | +5.4%                 | 26,574  | 24,646  | +1,928      | +7.8%   |
|  |                         | (% of Net Sales)         | (50.1%) | (50.2%) |             | (- 0.1%)              | (50.5%) | (49.6%) |             | (+0.9%) |
|  | 3                       | <b>SG&amp;A Expenses</b> | 7,497   | 7,292   | +205        | +2.8%                 | 22,343  | 21,812  | +531        | +2.4%   |
|  | (% of Net Sales)        | (42.0%)                  | (43.1%) |         | (- 1.1%)    | (42.5%)               | (43.9%) |         | (- 1.4%)    |         |
| 4  | <b>Operating Profit</b> | 1,451                    | 1,198   | +253    | +21.1%      | 4,231                 | 2,834   | +1,397  | +49.3%      |         |
|  | (% of Net Sales)        | (8.1%)                   | (7.1%)  |         | (+1.0%)     | (8.0%)                | (5.7%)  |         | (+2.3%)     |         |
| Overseas Subtotal                                  | 1                       | <b>Net Sales</b>         | 5,628   | 4,701   | +927        | +19.7%                | 14,630  | 12,434  | +2,196      | +17.7%  |
|  | 2                       | <b>Gross Profit</b>      | 2,467   | 2,016   | +451        | +22.4%                | 6,514   | 5,177   | +1,337      | +25.8%  |
|  |                         | (% of Net Sales)         | (43.8%) | (42.9%) |             | (+0.9%)               | (44.5%) | (41.6%) |             | (+2.9%) |
|  | 3                       | <b>SG&amp;A Expenses</b> | 2,498   | 2,159   | +339        | +15.7%                | 7,185   | 6,452   | +733        | +11.4%  |
|  | (% of Net Sales)        | (44.4%)                  | (45.9%) |         | (- 1.5%)    | (49.1%)               | (51.9%) |         | (- 2.8%)    |         |
| 4  | <b>Operating Profit</b> | - 31                     | - 143   | +112    | ↗           | - 671                 | - 1,275 | +604    | ↗           |         |
|  | (% of Net Sales)        | -                        | -       |         |             | -                     | -       |         |             |         |



## FY2023 Full-Year : Forecasts by Group

| (Million yen)                                      |                  | Full-Year Forecast       |         |         |             |         |
|--|------------------|--------------------------|---------|---------|-------------|---------|
|  |                  | FY2023                   | FY2022  | Change  | % of Change |         |
| Onward Kashiyama<br>+ HD                           | 1                | <b>Net Sales</b>         | 108,721 | 101,109 | +7,612      | +7.5%   |
|  | 2                | <b>Gross Profit</b>      | 65,584  | 60,068  | +5,516      | +9.2%   |
|  |                  | (% of Net Sales)         | (60.3%) | (59.4%) |             | (+0.9%) |
|  | 3                | <b>SG&amp;A Expenses</b> | 57,404  | 55,544  | +1,860      | +3.3%   |
|  | (% of Net Sales) | (52.8%)                  | (54.9%) |         | (- 2.1%)    |         |
|  | 4                | <b>Operating Profit</b>  | 8,180   | 4,524   | +3,656      | +80.8%  |
|  | (% of Net Sales) | (7.5%)                   | (4.5%)  |         | (+3.0%)     |         |
| Domestic Subtotal<br>(Excl. Onward Kashiyama + HD) | 1                | <b>Net Sales</b>         | 70,604  | 66,342  | +4,262      | +6.4%   |
|  | 2                | <b>Gross Profit</b>      | 35,093  | 32,516  | +2,577      | +7.9%   |
|  |                  | (% of Net Sales)         | (49.7%) | (49.0%) |             | (+0.7%) |
|  | 3                | <b>SG&amp;A Expenses</b> | 30,146  | 29,299  | +847        | +2.9%   |
|  | (% of Net Sales) | (42.7%)                  | (44.2%) |         | (- 1.5%)    |         |
|  | 4                | <b>Operating Profit</b>  | 4,947   | 3,217   | +1,730      | +53.8%  |
|  | (% of Net Sales) | (7.0%)                   | (4.8%)  |         | (+2.2%)     |         |
| Overseas Subtotal                                  | 1                | <b>Net Sales</b>         | 20,348  | 17,250  | +3,098      | +18.0%  |
|  | 2                | <b>Gross Profit</b>      | 9,501   | 7,552   | +1,949      | +25.8%  |
|  |                  | (% of Net Sales)         | (46.7%) | (43.8%) |             | (+2.9%) |
|  | 3                | <b>SG&amp;A Expenses</b> | 9,816   | 8,642   | +1,174      | +13.6%  |
|  | (% of Net Sales) | (48.2%)                  | (50.1%) |         | (- 1.9%)    |         |
|  | 4                | <b>Operating Profit</b>  | - 315   | - 1,090 | +775        | ↗       |
|  | (% of Net Sales) | -                        | -       |         |             |         |

## 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 such as for return on equity (ROE), 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.



**ONWARD**  
ONWARD HOLDINGS CO., LTD.

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