

Presentation of Interim Results for the Fiscal Year Ending February 28, 2009

ONWARD HOLDINGS CO., LTD.

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Fiscal 2009 Consolidated Performance and Plan

First Half Results

Consolidated

	(¥ 100 million)		
	Fiscal 2009	Fiscal 2008	% change
Net sales	1,325	1,408	Δ83 (Δ5.9%)
Operating income (%)	60 (4.5%)	74 (5.3%)	Δ14 (Δ19.1%)
Ordinary income (%)	68 (5.2%)	109 (7.8%)	Δ41 (Δ37.7%)
Net income (%)	25 (1.9%)	64 (4.5%)	Δ39 (Δ60.7%)

Plans for Fiscal 2009

	(¥ 100 million)		
	Fiscal 2009	Fiscal 2008	% change
Net sales	2,790	2,870	Δ80 (Δ2.8%)
Operating income (%)	159 (5.7%)	186 (6.5%)	Δ27 (Δ 14.6%)
Ordinary income (%)	184 (6.6%)	241 (8.4%)	Δ57 (Δ 23.7%)
Net income (%)	65 (2.3%)	122 (4.3%)	Δ57 (Δ46.8%)

Second Half Plan

Consolidated

	(¥ 100 million)		
	Fiscal 2009	Fiscal 2008	% change
Net sales	1,465	1,462	+3 (0.2%)
Operating income (%)	99 (6.8%)	112 (7.7%)	Δ13 (Δ11.7%)
Ordinary income (%)	116 (7.9%)	132 (9.0%)	Δ16 (Δ12.2%)
Net income (%)	40 (2.7%)	58 (4.0%)	Δ18 (Δ31.6%)

Apparel Business (Domestic)

ONWARD KASHIYAMA

Department stores

- Sales down because of poor market conditions
- Gross margin ratio improved due to 'selection and concentration', including elimination of unprofitable brands
- Sales of the core NIJYUSANKU brand met the plan partly owing to benefits of TV commercials

New distribution channels (other than dept. stores)

- Operations are generally recovering
- Steady growth in earnings from the core anySiS brand

ONWARD TRADING

- Core uniform and sales promotion goods businesses performing as planned
- Lackluster performance of fashion business due to structural change in JA* distribution

*JA : Agricultural Cooperative Association

CHACOTT

- Lower sales due to products unfit for changing market
- Downturn in sales at major directly operated stores

BUS STOP

- Sales down because of slowdown in luxury market

Apparel Business (Overseas)

Europe

- Earnings down at GIBO' CO. Group and JOSEPH Group because of higher expenses for investments to support growth in the future

Asia

- Sales in line with plans, mainly at ONWARD FASHION TRADING (China)

Other Related Businesses

ACROSS TRANSPORT

- Earnings as planned by efficient use of expenses to offset the impact of the higher cost of crude oil

ONWARD CREATIVE CENTER

- Sales down sharply due to reduced investments in store facilities by group companies

ONWARD RESORT&GOLF

- Golf business earnings improved but the hotel business earnings declined with decrease in the number of vacationers caused by high fuel surcharges

Apparel Business(Domestic)

ONWARD KASHIYAMA

- ◆ Brand management with an even tightly concentrated use of resources
- ◆ Increase the gross margin and become more profitable by using expenses more efficiently

Core brands

- Aiming for higher earnings from the NIJYUSANKU and JIYUKU backed by more advanced merchandising and distinctive store designs, along with high-profile advertising campaigns

< NIJYUSANKU >

- Plan to reinforce the appeal of the brand's image by continuing to feature Miho Kanno in advertisements
- Expand store remodeling program

< JIYUKU >

- Start using Miho Nakayama in advertisements
- Use innovative merchandising and store relocation to achieve growth along with NIJYUSANKU

Existing brands

- Increase sales per store and improve operating efficiency
 - Upgrade planning and merchandising skills and sales skills

New brands

- Create new strategies for success in fiscal 2010
 - Develop brands and merchandise for department stores and other retail channels that reflect ongoing changes in the market



Apparel Business(Domestic)

ONWARD TRADING

◆ Improve operating efficiency in each business

- Concentrate resources on the core uniform and sales promotion goods businesses
 - Become more competitive by developing new products and distribution channels
 - Improve profitability by using the company's own overseas production bases and upgrading procurement capabilities
- Turn around unprofitable businesses
 - Reexamine the organization and use of human resources
 - Start operations targeting new business domains

CHACOTT

◆ Specialize in businesses associated with dancing and become more competitive

- Improve activities at directly operated stores
 - Link merchandising with sales promotion
 - Improve profitability by remodeling stores
- Reinforce strategies for each distribution channel
 - Strengthen online sales and out-of-store sales
- Improve store operations by using expenses more efficiently

BUS STOP

◆ Strengthen the development of imported luxury merchandise as the pioneer among group companies in this field

- Improve profitability of retail business
 - Raise accuracy of merchandise selections and lower the pct. of unsold merchandise
 - Increase earnings in the accessory business



Apparel Business(Overseas)

Europe

◆ Expand Business Scale of GIBO' CO. Group and JOSEPH Group

< GIBO' CO. Group >

- Improve profitability by boosting productivity at all group companies
- Determine initiatives for Jil Sander AG, a newly acquired company

< JOSEPH Group >

- Move forward with global strategy under leadership of new CEO Sara Ferrero
- Put into practice the merchandise strategy and store strategy

Asia

◆ Operate businesses in a manner that reflects characteristics of each region

- Open more stores while placing emphasis on profitability
- Introduce new brands to match shifts in consumer preferences

United States

◆ Further increase profitability

- Focus on the J. Press and JOSEPH retail businesses, increase sales of each store



JIL SANDER 09SS Collection

Other Related Businesses

ACROSS TRANSPORT

◆ Increase profitability as a logistics company specializing in fashion

- Build relationships with new customers
- Improve operating efficiency through rigorous expense management



ONWARD CREATIVE CENTER

◆ Strengthen design and planning skills to build a sound base for operations

- Outstanding design and construction in aspects of economics and fashionability
- Improve organization and systems to achieve low-cost operations

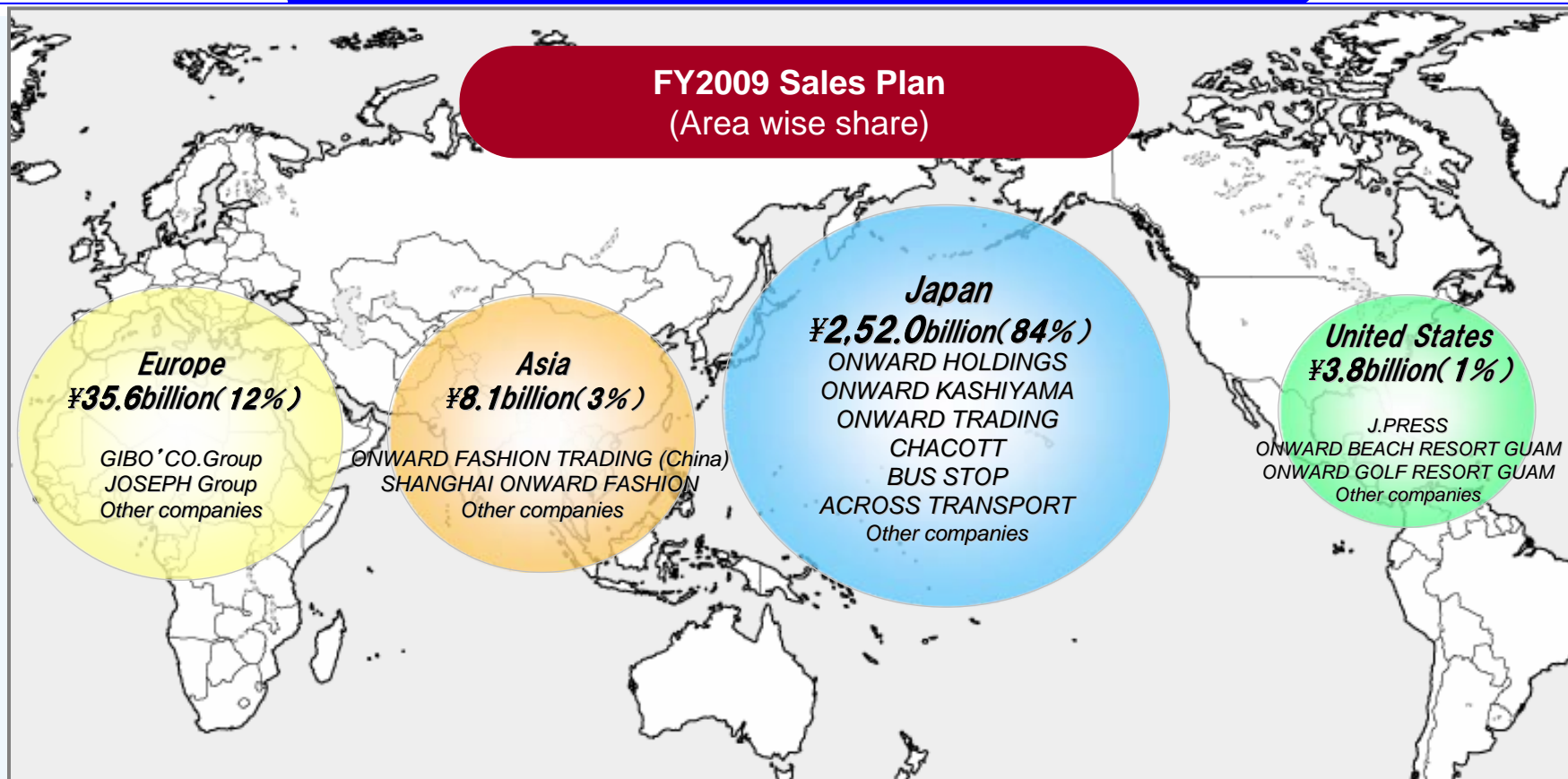
ONWARD RESORT&GOLF

◆ Build an earnings base as a comprehensive resort company

- Leverage synergies in the Guam hotel and golf businesses to attract more visitors
- Develop new markets for vacation, hotel and golf visitors



Performance and Plans by Geographic Area



(Unit: ¥ million)

	Fiscal 2009 First Half		Fiscal 2009 Second Half		Fiscal 2009 (Full Year)	
	Net Sales Amounts (Change)	Operating Income Amounts (Change)	Net Sales Amounts (Change)	Operating Income Amounts (Change)	Net Sales Amounts (Change)	Operating Income Amounts (Change)
Domestic businesses (%)	120,240 (Δ6.3%)	5,368 (Δ11.4%) (4.5%)	131,749 (Δ1.2%)	9,208 (Δ2.4%) (7.0%)	251,989 (Δ3.7%)	14,576 (Δ5.9%) (5.8%)
Overseas businesses (%)	21,369 (Δ3.0%)	511 (Δ47.5%) (2.4%)	26,166 (11.4%)	1,505 (Δ19.2%) (5.8%)	47,535 (4.4%)	2,016 (Δ28.9%) (4.2%)
Total before eliminations (%)	141,609 (Δ5.8%)	5,879 (Δ16.4%) (4.2%)	157,915 (0.7%)	10,713 (Δ5.1%) (6.8%)	299,524 (Δ2.5%)	16,592 (Δ9.5%) (5.5%)

Basic Group Strategy

【Group corporate expansion strategy】

Expansion of business scale
in each business domains

【Realize synergies among businesses】

Synergies among Group companies
in Japan and overseas

【Expansion of business domains】

M&A and overseas business strategy

【Contribute to stakeholder value】

Return to shareholders, contribution to society,
environmental preservation, high compliance standards



M&A in second half of FY2009



Higher earnings

<Jil Sander AG>

- A luxury brand recognized around the world
- Features innovativeness and pure, simple designs
- A strategic brand with global growth potential

<Creative Yoko Co., Ltd.>

- Soothing goods including pet fashion products
- The only company in this sector with integrated operation of planning, production and sales
- Takes the Onward Group into a new business domain

Plan to capture synergies with other group companies to contribute to growth in corporate value

Plan for Merging Two Companies

Jil Sander AG

Exchange rate: ¥150/euro (Unit: ¥ million)

	Planned for Fiscal 2011	Actual for Fiscal 2008	% change
Net sales	25,000	18,700	+6,300 (33.7%)
Operating income (Ratio)	1,650 (6.6%)	120 (0.6%)	+1,530 (↗)
Ordinary income (Ratio)	1,000 (4.0%)	Δ1,660 (-)	+2,660 (↗)
Net income (Ratio)	700 (2.8%)	Δ1,680 (-)	+2,380 (↗)

Creative Yoko Co., Ltd.

(Unit: ¥ million)

	Planned for Fiscal 2011	Prospects for Fiscal 2008	% change
Net sales	10,000	8,600	+1,400 (16.3%)
Operating income (Ratio)	1,100 (11.0%)	700 (8.1%)	+400 (57.1%)
Ordinary income (Ratio)	1,000 (10.0%)	700 (8.1%)	+300 (42.9%)
Net income (Ratio)	500 (5.0%)	350 (4.1%)	+150 (42.9%)

Highlights of the Three-year Management Plan

Targets	Net sales	Operating income	Ordinary income	Net income
Fiscal 2009 Total for 2 companies (Figures for applicable period)	6,740	Δ250	0	Δ510
Fiscal 2011 Total for 2 companies (Annual figures)	35,000	2,750	2,000	1,200
Increase	28,260	3,000	2,000	1,710

➤ Goodwill amortization for Jil Sander and Creative Yoko: About ¥1.6 billion (annual)

(Unit: ¥ million)

<for reference>

Three-year Management Plan Targets

Net sales	350,000
Operating income (Ratio)	30,000 (8.6%)
Ordinary income (Ratio)	35,000 (10.0%)
Net income (Ratio)	18,000 (5.1%)

<Reference materials> Principal Financial Indicators

Consolidated Results and Plan in Fiscal 2009

(Unit: ¥ million)

	First half (Actual)				Second half (Planned)				Full fiscal year (Planned)			
	Fiscal 2009	Fiscal 2008	Change	% change	Fiscal 2009	Fiscal 2008	Change	% change	Fiscal 2009	Fiscal 2008	Change	% change
Net sales	132,469	140,836	Δ8,367	(Δ5.9%)	146,531	146,196	335	(0.2%)	279,000	287,032	Δ8,032	(Δ2.8%)
Gross profit	59,916	63,252	Δ3,336	(Δ5.3%)	70,084	66,938	3,146	(4.7%)	130,000	130,190	Δ190	(Δ0.1%)
(Ratio)	(45.2%)	(44.9%)	(0.3%)		(47.8%)	(45.8%)	(2.0%)		(46.6%)	(45.4%)	(1.2%)	
Operating expenses	53,926	55,845	Δ1,919	(Δ3.4%)	60,174	55,717	4,457	(8.0%)	114,100	111,562	2,538	(2.3%)
(Ratio)	(40.7%)	(39.6%)	(1.0%)		(41.1%)	(38.1%)	(3.0%)		(40.9%)	(38.9%)	(2.0%)	
Operating income	5,990	7,407	Δ1,417	(Δ19.1%)	9,910	11,221	Δ1,311	(Δ11.7%)	15,900	18,628	Δ2,728	(Δ14.6%)
(Ratio)	(4.5%)	(5.3%)	(Δ0.8%)		(6.8%)	(7.7%)	(Δ0.9%)		(5.7%)	(6.5%)	(Δ0.8%)	
Ordinary income	6,825	10,948	Δ4,123	(Δ37.7%)	11,575	13,180	Δ1,605	(Δ12.2%)	18,400	24,128	Δ5,728	(Δ23.7%)
(Ratio)	(5.1%)	(7.8%)	(Δ2.6%)		(7.9%)	(9.0%)	(Δ1.1%)		(6.6%)	(8.4%)	(Δ1.8%)	
Net income	2,497	6,357	Δ3,860	(Δ60.7%)	4,003	5,856	Δ1,853	(Δ31.6%)	6,500	12,213	Δ5,713	(Δ46.8%)
(Ratio)	(1.9%)	(4.5%)	(Δ2.6%)		(2.7%)	(4.0%)	(Δ1.3%)		(2.3%)	(4.3%)	(Δ2.0%)	

Results of Principal Consolidated Subsidiaries

(Unit: ¥ million)

< Net sales >

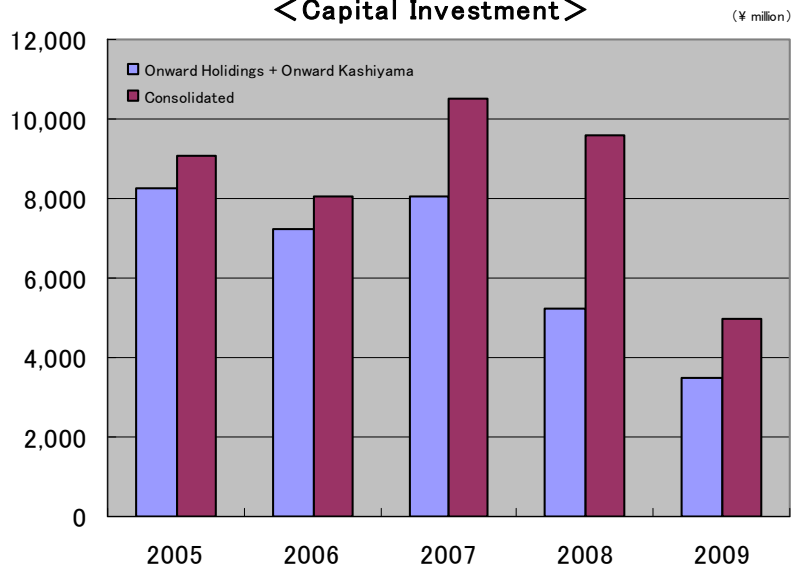
	First half of fiscal 2009 (Actual)			Second half of fiscal 2009 (Planned)			Plans for fiscal 2009		
	Amount	Change (Amount)	% Change	Amount	Change (Amount)	% Change	Amount	Change (Amount)	% Change
ONWARD HOLDINGS CO., LTD. + ONWARD KASHIYAMA CO., LTD.	90,502	△3,967	△4.2%	97,498	△5,573	△5.4 %	188,000	△9,540	△4.8 %
ONWARD TRADING CO., LTD.	10,294	△1,203	△10.5 %	9,955	△70	△0.7 %	20,249	△1,273	△5.9 %
CHACOTT CO., LTD.	5,574	△138	△2.4 %	5,420	+12	0.2 %	10,994	△126	△1.1 %
ACROSS TRANSPORT CO., LTD.	5,836	△130	△2.2 %	5,871	△54	△0.9 %	11,707	△184	△1.5 %
ONWARD CREATIVE CENTER CO., LTD.	1,744	△2,036	△53.9 %	2,830	+359	14.5 %	4,574	△1,677	△26.8 %
ONWARD RESORT Group	2,722	△514	△15.9 %	2,785	△22	△0.8 %	5,507	△536	△8.9 %
JOSEPH Group	6,110	△1,275	△17.3 %	6,081	△962	△13.7 %	12,191	△2,237	△15.5 %
GIBO' CO. Group	9,594	+1,006	11.7 %	9,583	△307	△3.1 %	19,177	+699	3.8 %

< Operating income >

	First half of fiscal 2009 (Actual)			Second half of fiscal 2009 (Planned)			Plans for fiscal 2009		
	Amount	Change (Amount)	% Change	Amount	Change (Amount)	% Change	Amount	Change (Amount)	% Change
ONWARD HOLDINGS CO., LTD. + ONWARD KASHIYAMA CO., LTD.	4,067	△681	△14.3 %	8,233	△795	△8.8 %	12,300	△1,476	△10.7 %
ONWARD TRADING CO., LTD.	822	△40	△4.6 %	304	△5	△1.6 %	1,126	△45	△3.8 %
CHACOTT CO., LTD.	401	△23	△5.4 %	353	+1	0.3 %	754	△22	△2.8 %
ACROSS TRANSPORT CO., LTD.	114	+46	67.6 %	116	+170	↗	230	+216	↗
ONWARD CREATIVE CENTER CO., LTD.	△49	△135	↘	63	+97	↗	14	△38	△73.1 %
ONWARD RESORT Group	△50	△52	↘	△108	△85	↘	△158	△137	↘
JOSEPH Group	△315	△167	↘	360	△8	△2.2 %	45	△175	△79.5 %
GIBO' CO. Group	1,107	△188	△14.5 %	1,340	△272	△16.9 %	2,447	△460	△15.8 %

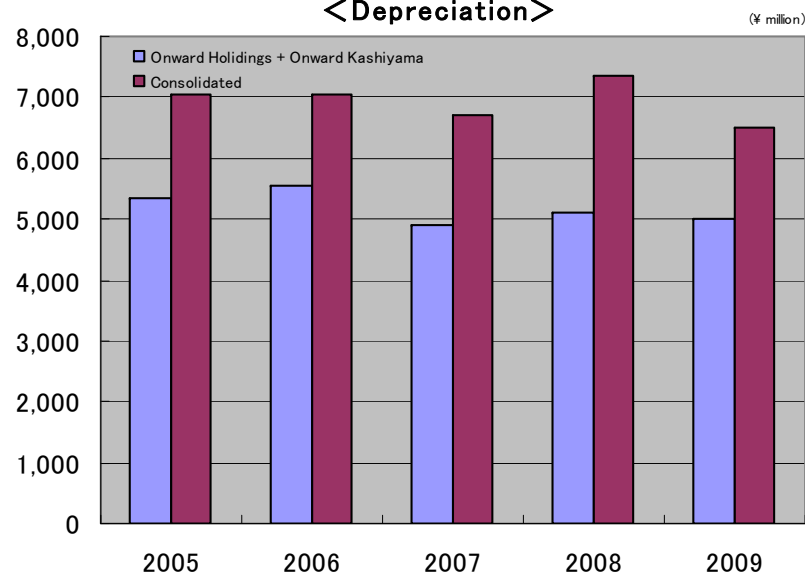
Trends in Capital Investment and Depreciation

< Capital Investment >



(Fiscal year)

< Depreciation >



(Fiscal year)

< Capital investment >

(¥ million)

	Fiscal 2005 (Actual)	Fiscal 2006 (Actual)	Fiscal 2007 (Actual)	Fiscal 2008 (Actual)	First half of fiscal 2009 (Actual)	Planned for fiscal 2009
Consolidated	9,076	8,053	10,506	9,566	1,239	5,000
Onward Holdings + Onward Kashiwama	8,280	7,238	8,046	5,255	1,181	3,500

< Depreciation >

(¥ million)

	Fiscal 2005 (Actual)	Fiscal 2006 (Actual)	Fiscal 2007 (Actual)	Fiscal 2008 (Actual)	First half of fiscal 2009 (Actual)	Planned for fiscal 2009
Consolidated	7,041	7,053	6,697	7,340	2,992	6,500
Onward Holdings + Onward Kashiwama	5,353	5,542	4,890	5,109	2,324	5,000

< Sales Floor Area >

		Fiscal 2005 (Actual)		Fiscal 2006 (Actual)		Fiscal 2007 (Actual)		Fiscal 2008 (Actual)		First half of fiscal 2009 (Actual)		Planned for fiscal 2009	
Department stores	Sales (¥ million)	133,973	6.3%	139,376	4.0%	148,911	6.8%	145,263	△2.4%	67,121	△4.6%	140,934	△5.2%
	Sales floor area (㎡)	175,000	10.8%	174,310	△0.4%	182,480	4.7%	175,200	△4.0%	176,340	△3.6%	173,800	△0.8%
New Distribution channels	Sales (¥ million)	29,318	14.0%	30,064	2.5%	32,138	6.9%	33,263	3.5%	16,077	1.3%	33,310	0.1%
	Sales floor area (㎡)	87,470	19.1%	92,190	5.4%	95,830	3.9%	93,060	△2.9%	93,800	△1.4%	92,090	△1.0%

< Trends in monthly sales >

(%)

Fiscal 2009	Mar	Apr	May	June	July	Aug	First half TOTAL
Men's	12	△5	△7	△13	△10	△10	△5
Women's	6	△5	△8	△13	△2	△1	△4
Children's	△2	△6	△8	△15	△4	△3	△6
Kimonos	△7	△21	14	△14	△17	2	△10
Other	△1	△5	2	△3	△7	8	△1
Total	6	△5	△7	△13	△5	△1	△4

< By Apparel Type >

(¥ million)

	First half of fiscal 2009		Planned for Second half of fiscal 2009		Planned for fiscal 2009	
	Amount	% Change	Amount	% Change	Amount	% Change
Men's	21,541	△5.4%	25,808	△7.2 %	47,349	△6.4 %
Women's	61,017	△3.6%	63,536	△4.7 %	124,553	△4.2 %
Children's	3,379	△6.3%	3,979	△2.7 %	7,358	△4.4 %
Kimonos	1,686	△10.2%	1,201	△11.2 %	2,887	△10.6 %
Other	2,879	△1.4%	2,974	△4.6 %	5,853	△3.0 %
Total	90,502	△4.2%	97,498	△5.4 %	188,000	△4.8 %

< By Distribution Channel >

(¥ million)

	First half of fiscal 2009		Planned for Second half of fiscal 2009		Planned for fiscal 2009	
	Amount	% Change	Amount	% Change	Amount	% Change
Department stores	67,121	△4.6%	73,813	△5.7 %	140,934	△ 5.2%
New distribution channels	16,077	1.3%	17,233	△0.9 %	33,310	0.1 %
Specialty stores	2,768	△9.1%	2,700	△9.2 %	5,468	△9.1 %
Chain stores	1,067	△15.7%	1,096	△17.7 %	2,163	△16.7 %
Other	3,469	△12.2%	2,656	△14.5 %	6,125	△13.2 %
Total	90,502	△4.2%	97,498	△5.4 %	188,000	△4.8 %



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