ONWARD

FY02/23 1H

# Results Presentation Material

October 6, 2022

ONWARD HOLDINGS CO., LTD.

Today I'd like to provide an overview of our financial results for the first half of the fiscal year ending February 28, 2023. I'll be using a PowerPoint presentation, but I'll also be referring to our consolidated financial results summary and our monthly net sales report for September.

The page number in the PowerPoint presentation can be found in the bottom left corner. I'll be referring to this page number during my presentation.

First, please turn to page 4.

Onward Group's Raison d'Être

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





## Contents

01 Financial Summary ........ P. 3
1. FY02/23 1H Consolidated Results ........ P. 3
2. FY02/23 Full-year Forecast ........ P.10

02 Overview of Group Management ........ P.13
1. Results of Global Business Reforms ........ P.13
2. Apparel Business Strategy ........ P.16
(1) Promote OMO Strategy ........ P.17
(2) Expand D2C Brands ........ P.19
(3) Promote Product Strategy, Including Customized Products ........ P.21
3. Lifestyle Business Strategy ........ P.24
4. Promotion of Sustainable Management ........ P.29
5. Promotion of Work Style Design ........ P.33
6. Rebuilding of Digital Platforms ........ P.36

03 Financial Situation ........ P.38

04 DATA BOOK ........ P.41

# 01

## Financial Summary

1. **FY02/23 1H Consolidated Results**
2. FY02/23 Full-year Forecast

## FY02/23 1H Highlights

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| Net Sales | Operating Profit | Recurring Profit | Net Profit |
|---|---|---|---|
| **82.2** billion yen | **0.2** billion yen | **0.7** billion yen | **0.5** billion yen |
| +1.4 billion yen YoY<br>+5.2 billion yen vs. initial forecast | +3.5 billion yen YoY<br>+2.0 billion yen vs. initial forecast | +3.5 billion yen YoY<br>+2.4 billion yen vs. initial forecast | -7.0 billion yen YoY<br>+1.7 billion yen vs. initial forecast |

- Sales in 1H, mainly at our core operating company Onward Kashiyama, exceeded our initial forecast, due to particularly brisk sales at stores that introduced the OMO service, and a recovery in our mainstay brands' business thanks to a customer-centric product strategy that includes made-to-order products.
- Our consolidated gross profit margin far exceeded our initial forecast as a result of global business reforms that started in FY02/20, and the SG&A expense ratio showed further improvement.
- As a result, in 1H the Group returned to profitability at all profit levels; operating profit, recurring profit, and net profit, for the first time in four fiscal years.
- Net profit fell YoY in 1H because of a one-time factor in FY02/22 1H, when the Company recorded substantial profit from the sale of real estate.




Here are the highlights of the financial results from the first half.

Net sales came to ¥82.2 billion, an increase of ¥1.4 billion year on year and ¥5.5 billion higher than our initial forecast. Earnings returned to the black at all profit levels in the first half for the first time in four years; operating profit was ¥200 million, recurring profit was ¥700 million, and profit attributable to owners of the parent was ¥500 million. On the net sales front, they topped our initial forecast thanks largely to a recovery in our mainstay brand businesses centering on the core operating company Onward Kashiyama.

As for services, sales were particularly brisk at stores where we have implemented the "Click & Try" OMO service, which is an initiative we have continued to focus on for quite some time now.

In terms of products, our customer-oriented measures, including made-to-order products, have been favorably received, and the combination of these products and services has led to the recovery in sales.

Also, in terms of the benefits generated by the global business reforms, our consolidated gross profit margin greatly exceeded our initial estimate. The SG&A ratio also improved.

As a result, profit returned to the black at all levels for the first time in four years. However, even though profit attributable to owners of the parent remained in the black in the first half, it actually declined on the absence of special factors; namely, the booking of considerable gains on the sale of real estate in the first half of last year. In other words, the decline in net profit attributable to owners of the parent is attributable to one-off factors.

## FY02/23 1H: Consolidated Results (YoY)

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- Net sales increased by 1.4 billion yen YoY to 82.2 billion yen.
- Operating profit/loss improved by 3.5 billion yen YoY, returning to the black for the first time in four fiscal years.

| (Million yen) | | FY02/22 Results | | FY02/23 Results | | YoY | | |
|---|---|---|---|---|---|---|---|---|
| | | 1H | % of Sales | 1H | % of Sales | Change | % of Change | % of Sales Change |
| 1 | Net Sales | 80,785 | - | 82,166 | - | +1,381 | +1.7% | - |
| 2 | Gross Profit | 41,018 | 50.8% | 44,735 | 54.4% | +3,717 | +9.1% | +3.6% |
| 3 | SG&A Expenses | 44,312 | 54.9% | 44,542 | 54.2% | +230 | +0.5% | -0.7% |
| 4 | Operating Profit | -3,294 | - | 193 | 0.2% | +3,487 | ↗ | ↗ |
| 5 | Recurring Profit | -2,862 | - | 654 | 0.8% | +3,516 | ↗ | ↗ |
| 6 | Net Profit | 7,448 | 9.2% | 476 | 0.6% | -6,972 | -93.6% | -8.6% |
| 7 | EBITDA* | -687 | - | 2,838 | 3.5% | +3,525 | ↗ | ↗ |

Note: EBITDA = operating profit + depreciation and amortization.



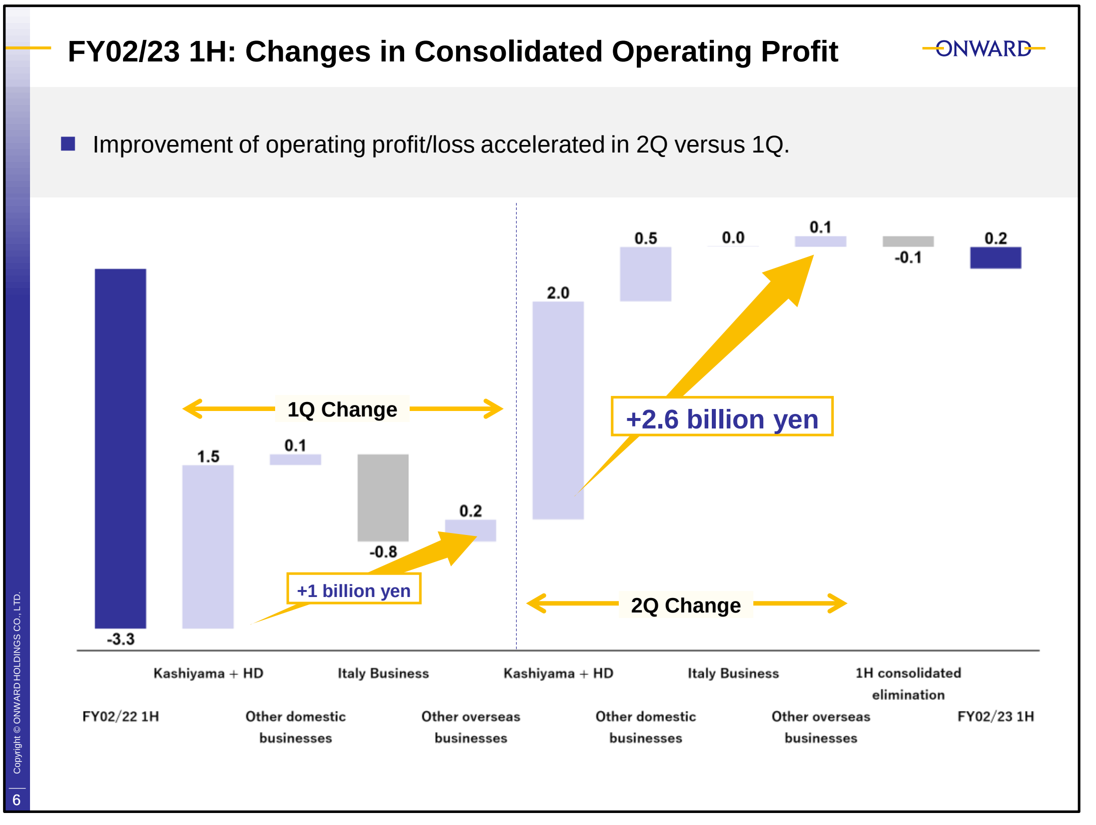


Turning to page 5, results for the first half are shaded in yellow in the middle of the table.

Row 2 shows gross profit. The gross profit margin improved 3.6 percentage points year on year to 54.4%. This is due to thoroughgoing sales initiatives aimed at limiting discounts and stringent inventory management measures.

Row 3 shows SG&A expenses. The SG&A ratio improved to 54.2%, dipping 0.7 percentage points from the same period last year.

As a result, operating profitability improved ¥3.5 billion, which represents a quick turnaround from the operating loss of ¥3.3 billion recorded in the first half of last year.




On page 6 you can see the trend in operating profit across the first and second quarters.

Of this operating surplus in the first half, operating profit improved by ¥1.0 billion year on year in the first quarter, and then by a further ¥2.6 billion year on year in the second quarter. The increasingly greater degree of improvement from the first to the second quarter clearly indicates a recovery.

In the first quarter there were lockdowns mainly in China, and production sites and distribution processes were significantly affected. In the second quarter, Japan was hit by a seventh wave of COVID-19 infections and even though no restrictions were enforced on people's movements, customer traffic to stores started to dwindle from the middle of July. What I especially want to say is, while it was definitely not smooth sailing in this kind of operating environment, we still managed to increase the breadth of improvement in operating profitability.

## FY02/23 1H: Results by Segment (YoY)

ONWARD

- The domestic apparel business posted higher sales and operating profit turned to the black. The lifestyle business recorded growth in net sales and operating profit.
- Net sales increased in the overseas lifestyle business, but turned down in the apparel business due to withdrawing from the Italian business.
- Operating loss increased temporarily YoY in the overseas business due to pent-up demand in FY02/22 1Q before withdrawing from the Italian business, but was cleared from 2Q onward.

(Million yen)

| | | | FY02/22 1H | FY02/23 1H | Change | YoY |
|---|---|---|---|---|---|---|
| 1 | Apparel | Net Sales | 55,920 | 59,704 | +3,784 | +6.8% |
| | | Operating Profit | -3,331 | 484 | +3,815 | ↗ |
| 2 | Lifestyle | Net Sales | 17,823 | 19,155 | +1,332 | +7.5% |
| | | Operating Profit | 1,191 | 1,484 | +293 | +24.6% |
| 3 | Domestic Total | Net Sales | 73,743 | 78,859 | +5,116 | +6.9% |
| | | Operating Profit | -2,140 | 1,968 | +4,108 | ↗ |
| 4 | Apparel | Net Sales | 10,750 | 6,771 | -3,979 | -37.0% |
| | | Operating Profit | -244 | -963 | -719 | ↘ |
| 5 | Lifestyle | Net Sales | 730 | 962 | +232 | +31.8% |
| | | Operating Profit | -424 | -169 | +255 | ↗ |
| 6 | Overseas Total | Net Sales | 11,480 | 7,733 | -3,747 | -32.6% |
| | | Operating Profit | -668 | -1.132 | -464 | ↘ |
| 7 | Consolidated Total | Net Sales | **80,785** | **82,166** | **+1,381** | **+1.7%** |
| | | Operating Profit | **-3,294** | **193** | **+3,487** | ↗ |

Note:
Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)
Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)
Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading and 8 other companies; 18 companies in total)
Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)
The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.




Page 7 shows results for our domestic and overseas operations and for our segments, the apparel business and lifestyle business.

Results for domestic operations were generally firm. Net sales increased in the domestic apparel business and operating profit returned to the black. Both net sales and operating profit rose in the domestic lifestyle business. The lifestyle business has continued to achieve net sales and profit growth even during the pandemic.

In overseas operations, however, the decrease in net sales stemming from our withdrawal from the Italian business last fiscal year still affected earnings in the first quarter of this fiscal year. There was no impact from the sale of the Italian business from the second quarter onwards, but it will be a factor in lower net sales for the full-year in the apparel business. As for operating profitability, in overseas operations, the Italian business recorded a profit on such special factors as rush demand ahead of the withdrawal in the first quarter of last fiscal year, which explains the profit decline in the first quarter of this fiscal year, but from the second-quarter, results have not been and will not be affected by the withdrawal.

## FY02/23 1H: Net Sales & Operating Profit Increases/Decreases by Company

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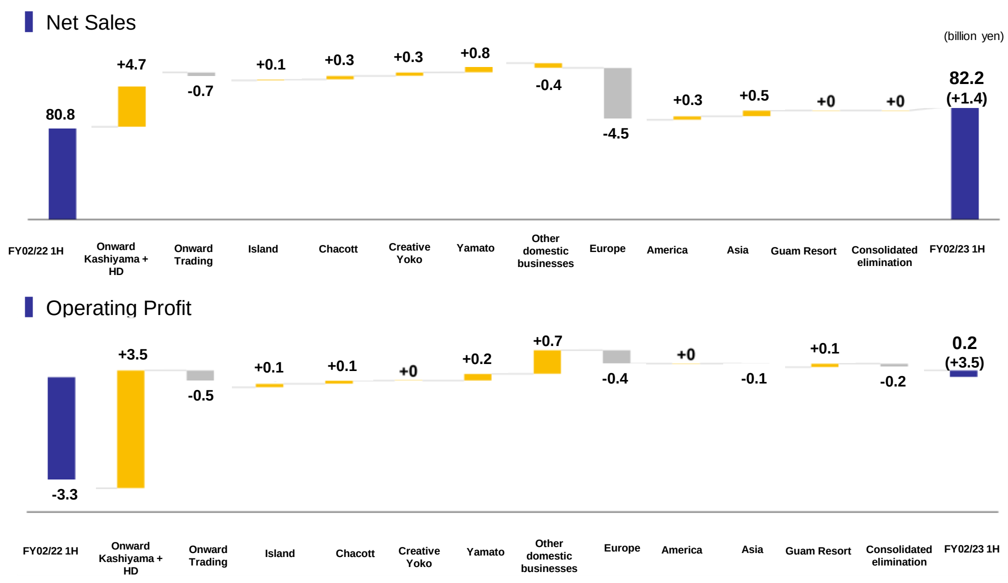
- Net sales increased by 1.4 billion yen YoY, with a 4.7 billion yen increase at Onward Kashiyama and other factors absorbing the 4.5 billion yen decline in Europe after withdrawing from the Italian business.
- Operating profit/loss returned into the black for the first time in four fiscal years due to factors such as 3.5 billion yen in operating profit/loss improvement at Onward Kashiyama.







Page 8 shows the changes in net sales and operating profit by group company in the first half.

I’d like to draw your attention to the ¥4.7 billion net sales increase and ¥3.5 billion improvement in operating profitability at Onward Kashiyama, which are indicated by the yellow columns on the left side of the graph. These results formed the crux of the group’s overall results in the first half. In Europe we booked net sales of ¥4.5 billion immediately prior to our withdrawal from the Italian business in the first quarter last year, which was a factor for a decrease in net sales by that same amount in the first half of this year, but this was offset by the strong performance of Onward Kashiyama, so the group’s overall net sales for the first half were up year on year.

## FY02/23 1H: Results Net Sales by Channel

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- Net sales at physical stores total (department stores, shopping centers and other) increased by 12% YoY (19% increase on a like-for-like store basis, excluding closed stores).
- E-commerce sales increased by 7% YoY. The e-commerce ratio and the directly managed e-commerce ratio remained at a high level at 30% and 86%, respectively.

| | (Million yen) | Department Stores | Shopping Centers and Other | Physical Stores Total | Directly Managed E-Commerce | Other E-Commerce Platforms | E-Commerce Total | Total Sales | E-Commerce Ratio | Directly Managed E-Commerce Ratio |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Onward Kashiyama** | **17,950** | **14,891** | **32,841** | **11,560** | **1,654** | **13,214** | **46,055** | **28.7%** | **87.5%** |
| 2 | % of sales | 39.0% | 32.3% | 71.3% | 25.1% | 3.6% | 28.7% | 100.0% | | |
| 3 | YoY | +16.4% | +13.8% | +15.2% | -0.7% | +32.7% | +2.5% | +11.3% | -2.4% | -2.8% |
| 4 | **Eight Domestic Subsidiaries Using E-Commerce*** | 4,931 | 11,121 | 16,052 | 6,517 | 1,243 | 7,760 | 23,812 | 32.6% | 84.0% |
| 5 | **Total Domestic Subsidiaries Using E-Commerce** | **22,881** | **26,012** | **48,893** | **18,077** | **2,897** | **20,974** | **69,867** | **30.0%** | **86.2%** |
| 6 | % of sales | 32.7% | 37.2% | 70.0% | 25.9% | 4.1% | 30.0% | 100.0% | | |
| 7 | YoY | +14.1% | +10.8% | +12.3% | +4.8% | +20.2% | +6.7% | +10.6% | -1.1% | -1.5% |

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




Page 9 shows first-half net sales by channel.

With the effects of the pandemic gradually easing in the first half, it has become clear that physical store sales are recovering. Sales of physical stores total, which combine sales for department stores and those for shopping centers and other, were up 12%.

The bottom row of the table shows the year-on-year change in sales by channel. Sales were up 14.1% at department stores, and up 10.8% at shopping centers and other, resulting in physical store's total sales gaining 12.3%.

From these figures, excluding stores discontinued because of global business reforms, net sales grew 19% on a like-for-like store basis, which paints a clear picture of recovery for the physical store channel.

Meanwhile, for e-commerce, combined net sales for directly managed e-commerce and other e-commerce platforms rose 6.7%, which is just shy of 7%. As a result, the e-commerce ratio of group sales is unchanged at around 30%. Even within the industry, we continue to maintain a very high directly managed e-commerce ratio of 86%. Physical store sales are recovering, and although some e-commerce customers are flowing to physical stores, the growth in e-commerce net sales maintained an upward trend.

This concludes my overview of first-half results. Next, I'd like to talk about our full-year performance forecasts.


# 01

## Financial Summary

1. FY02/23 1H Consolidated Results
2. **FY02/23 Full-year Forecast**

## FY02/23: Full-Year Forecast Revision

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- Although solid business performance is expected as a result of various sales initiatives, many uncertainties remain, such as concerns about another resurgence in COVID-19 cases, foreign exchange rates, and raw material price trends. Therefore, the financial results forecasts for 3Q onwards are unchanged, and the full-year forecast has been revised upward by adding the upswing of 1H to the initial full-year forecast.
- An increase in extraordinary losses is expected, assuming a loss on valuation of investment securities due to stock market price fluctuations.

| | (Million yen) | FY02/22 Initial Forecast (announced in Apr-2022) (A) | FY02/23 Revised Forecast (announced in Sep-2022) (B) | Change (B-A) |
|---|---|---|---|---|
| 1 | Net Sales | 168,700 | 173,800 | +5,100 |
| 2 | Gross Profit | 89,700 | 94,000 | +4,300 |
| 3 | SG&A Expenses | 87,600 | 89,900 | +2,300 |
| 4 | Operating Profit | 2,100 | 4,100 | +2,000 |
| 5 | Recurring Profit | 2,050 | 4,300 | +2,250 |
| 6 | Net Profit | 1,700 | 2,200 | +500 |
| 7 | EBITDA* | 7,080 | 9,080 | +2,000 |

Note: EBITDA = operating profit + depreciation and amortization.





Please take a look at page 11.

Our full-year performance forecasts remain largely unchanged from the revised estimates released on September 27. For net sales and operating profit, we have left our initial forecasts for the second-half intact, but we have raised our full-year forecasts by adding on the respective first-half overshoots.

Our estimates are conservative because there are various factors at play that are difficult to predict, such as the likelihood of an eighth wave of COVID-19 infections in Japan, foreign exchange rates, and sharp gains in raw material and energy prices. At the same time, we believe we must factor in additional extraordinary losses in the second half in connection with valuation losses on investment securities due to stock market volatility. We are therefore cautiously forecasting higher extraordinary losses.

To sum up, compared to our initial forecasts, we have raised our net sales forecast by ¥5.1 billion, operating profit by ¥2.0 billion, and profit attributable to owners of the parent by ¥500 million.

## FY02/23: Full-Year Forecast (YoY)

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- Net sales are forecast to increase by 5.3 billion yen YoY.
- Operating profit is expected to improve by 5.2 billion yen YoY to 4.1 billion yen.
- Net profit is forecast to decline YoY due to a large gain from sales of non-current assets in FY02/22.
- EBITDA is forecast to increase by 5.2 billion yen to 9.1 billion yen.

| | (Million yen) | FY02/22 Results (A) | FY02/23 Revised Forecast (announced in Sep-2022) (B) | Change (B-A) | % of Change (B/A) |
|---|---|---|---|---|---|
| 1 | Net Sales | 168,453 | 173,800 | +5,347 | +3.2% |
| 2 | Gross Profit | 87,612 | 94,000 | +6,388 | +7.3% |
| 3 | SG&A Expenses | 88,691 | 89,900 | +1,209 | +1.4% |
| 4 | Operating Profit | -1,079 | 4,100 | +5,179 | ↗ |
| 5 | Recurring Profit | 507 | 4,300 | +3,793 | 748.1% |
| 6 | Net Profit | 8,566 | 2,200 | -6,366 | -74.3% |
| 7 | EBITDA* | 3,915 | 9,080 | +5,165 | +131.9% |

Note: EBITDA = operating profit + depreciation and amortization.





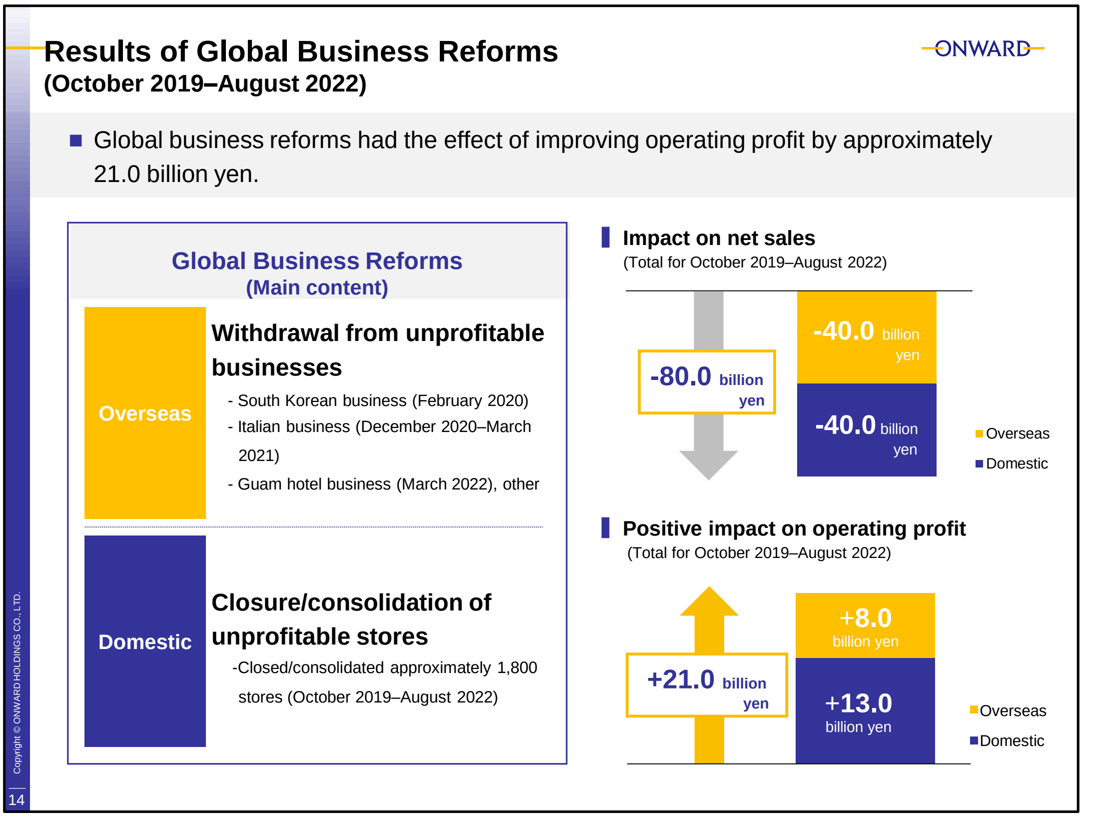
We are also forecasting EBITDA of at least ¥9.0 billion.

This concludes my discussion of our full-year performance forecasts.


# 02

## Overview of Group Management


1. **Results of Global Business Reforms**
2. Apparel Business Strategy
   (1)Promote OMO Strategy
   (2)Expand D2C Brands
   (3)Promote Product Strategy, Including Customized Products
3. Lifestyle Business Strategy
4. Promotion of Sustainable Management
5. Promotion of Work Style Design
6. Rebuilding of Digital Platform




Next, let’s look at the overview of the group’s management, starting on page 14.

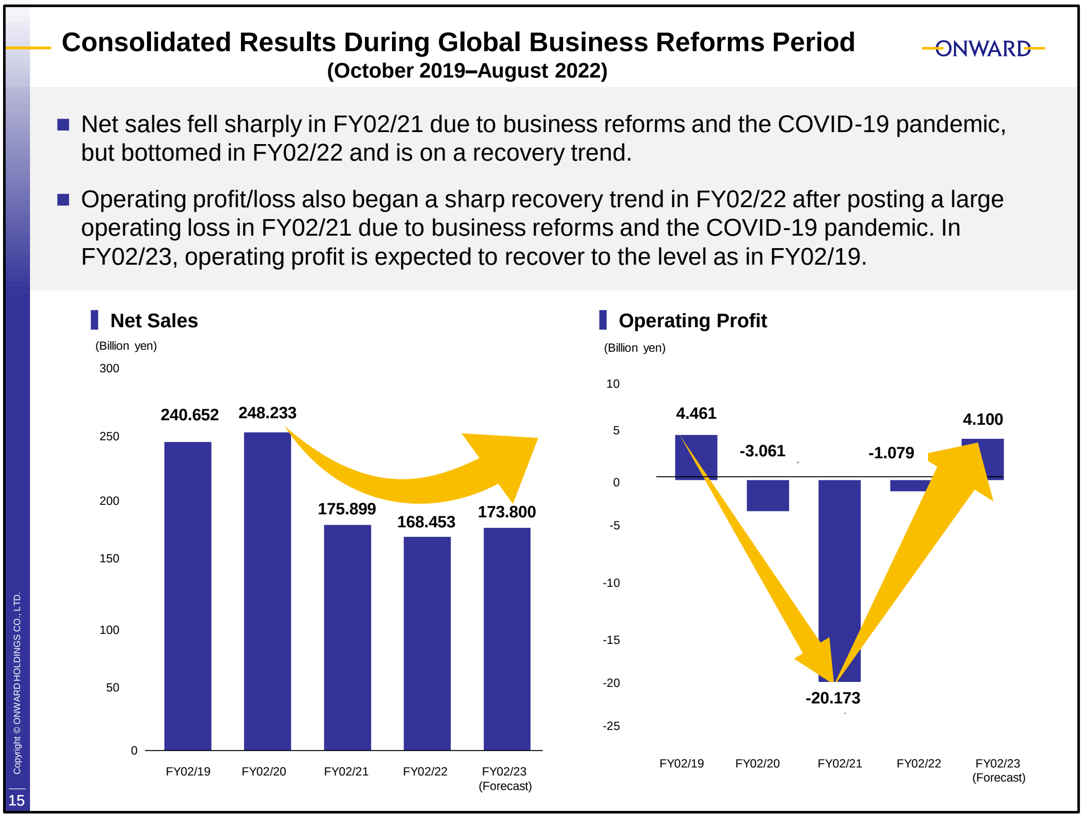
To begin with, over the past three years we have carried out global business reforms, the results of which are presented on pages 14 and 15. On the left side of the page you can see the key initiatives in both our overseas and domestic operations.

In overseas markets, we withdrew from unprofitable businesses. We divested three main businesses: the South Korean business in February 2020, the Italian business from December 2020 through March 2021, and then the Guam hotel business in March of this year.

In our domestic operations, over a period of three years we gradually discontinued or consolidated around 1,800 unprofitable stores.

This sums up our global business reforms.

The right side of the page shows the results: net sales decreased by ¥40 billion overseas and by ¥40 billion in Japan, for a total decrease of ¥80 billion. This corresponds to roughly 30% of the level of net sales before the implementation of the global business reforms, so net sales right now are only at 70% of the level before the structural reforms. However, we estimate a cumulative improvement of ¥21 billion in operating profitability, which breaks down to ¥8 billion overseas and ¥13 billion in Japan.




The next page shows trends in business performance as a result of the reforms.

First, let's look at net sales, which are shown on the left. We began the global business reforms in the second half of the fiscal year ended February 2020, and as a result of implementing various initiatives from that point in time onwards, net sales decreased by some 30%, as I mentioned just a moment ago, so for this fiscal year we are forecasting net sales in the range of ¥170 billion. Net sales last fiscal year came to just under ¥170 billion, partly because of the impacts of COVID-19, so with that level as a bottom, we intend to go on the counter-offensive and target a return to net sales growth this fiscal year.

From this fiscal year onwards, growth strategies geared towards boosting net sales through a variety of measures will be the most pressing issue for the company going forward.

Turning to operating profitability, we booked full-year operating profit of ¥4.5 billion in the fiscal year ended February 2019. In the following fiscal year that ended February 2020, we started undertaking global business reforms and recorded an operating loss of about ¥3 billion. Then in the fiscal year ended February 2021 we bore the full effects of the COVID-19 pandemic and we suffered a heavy operating loss of around ¥20 billion. In the fiscal year ended February 2022 we fell short of a return to operating profitability partly due to the impact of the sixth wave of COVID-19 infections in Japan, but we managed to narrow the operating loss to about ¥1 billion, so for this fiscal year we expect operating profit to rebound to a level mostly on par with the fiscal year ended February 2019.

As a result of implementing global business reforms, we have pared back our stores to only those turning a profit to create a leaner and more robust business structure. As such, I believe we can take operating profit higher in the future by first steadily boosting existing store sales with a whole host of measures.

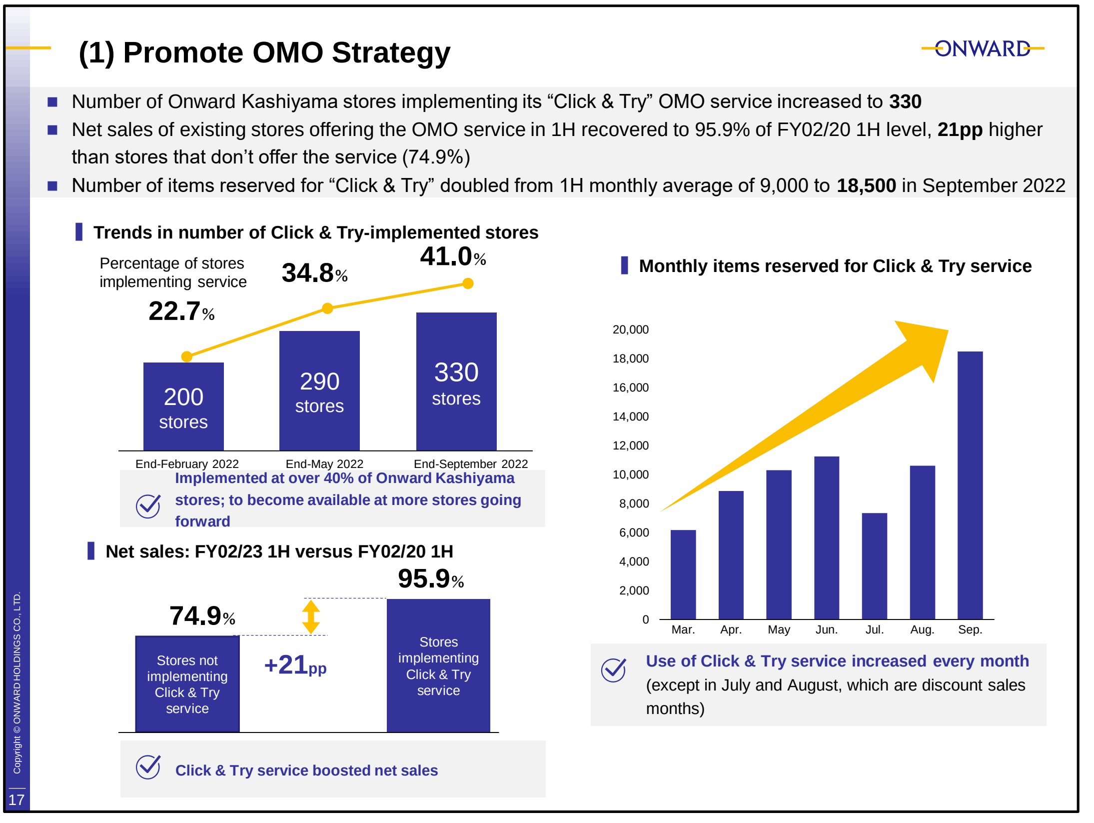
As for new store openings, we have so far been closing or consolidating stores more than anything else, but going forward we will turn our attention to opening new stores in Japan and overseas by closely examining high-quality properties.

# 02

## Overview of Group Management


1. Results of Global Business Reforms
2. **Apparel Business Strategy**
   **(1)Promote OMO Strategy**
   **(2)Expand D2C Brands**
   **(3)Promote Product Strategy, Including Customized Products**
3. Lifestyle Business Strategy
4. Promotion of Sustainable Management
5. Promotion of Work Style Design
6. Rebuilding of Digital Platform


自由区




Next, pages 17 and onwards present an overview of our growth strategies.

First, let's look at the strategy for the apparel business. We believe the most pivotal strategy is to pursue an OMO strategy that fuses together online and offline spaces.

Regarding this strategy, page 18 provides some information about the "Click & Try" service. This service allows customers to have almost all of Onward Kashiyama's products, regardless of brand, that are available for sale on the Onward group's online fashion shopping site ONWARD CROSSET, delivered to any store to be tried on and purchased.

The service has been implemented out from spring last year, and as of the end of September this year, it had been implemented in 330 Onward Kashiyama stores, which equates to 41% of all stores. Familiarity of the service and customer recognition has gradually increased, while productivity of store staff members is improving because they are now used to the service and can more readily recommend it to customers. In the first half of this fiscal year, there was a difference of 21 percentage points between "Click & Try" service-implemented stores and non-implemented stores when comparing sales figures to the first half of fiscal year 2019. In other words, this service is contributing to brisk sales growth.

The right-hand side of page 17 shows the monthly number of items reserved for a try-on under the "Click & Try" service. From March through August there was some variation due to sales periods and the like, but the monthly average in the first half was approximately 9,000 items. In the second half, the number of items reserved in September sharply rose to 18,500, which is more than double the monthly average in the first half. This indicates that customers are now firmly embracing the service.

# (1) Promote OMO Strategy

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## "Click & Try" service offers a new shopping format

**Overview of "Click & Try" Service**

An ordering service that allows customers, via the Onward Group's online store ONWARD CROSSET, to have delivered almost all of Onward Kashiyama's products, regardless of brand, to any store to be tried on and purchased.


■ Customer feedback

- It was great to check the fit, material, and color of a product I liked online. I will use the service more from now on.
- I like being able to try out sizes and items only sold online, and enjoy the process of choosing clothes that really suit me with sales staff I'm familiar with.
- I can try on clothes even when I'm pushed for time, because I make a reservation to visit a store. It's also good that cancelling is no problem.

■ Store stylist (sales staff) feedback

- The scope of customer service increased, because we began to have inquiries about brands that we don't display instore as well.
- I noticed that customers were really pleased with the service. It inspired me to provide an even better service that makes customers happy.

ONWARD

FASF

October 6, 2022

To whom it may concern

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Representative: Michinobu Yasumoto
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**Summary of Monthly Net Sales for September 2022**

Compared to the previous fiscal year

(Unit: %)

| | Sept. | Oct. | Nov. | 3Q | Dec. | Jan. | Feb. | 4Q | 2H | Full Year |
|---|---|---|---|---|---|---|---|---|---|---|
| Total | | | | | | | | | | |
| Like-for-like stores | 124.2 | | | | | | | | | |
| All stores | 117.8 | | | | | | | | | |
| Store net sales | | | | | | | | | | |
| Like-for-like stores | 133.9 | | | | | | | | | |
| All stores | 122.3 | | | | | | | | | |
| E-commerce net sales | | | | | | | | | | |
| Like-for-like stores | 110.1 | | | | | | | | | |
| All stores | 110.2 | | | | | | | | | |



As a result, net sales at like-for-like stores (total) in September were up 24.2% year on year, and up 17.8% for all stores (total). In particular, physical store net sales on a like-for-like basis rose 33.9% year on year, or approximately 34%. I think this figure strongly reflects a boost in sales from the use of Onward Kashiyama's "Click & Try" service. E-commerce sales growth also remained in double-digit territory in the month of September. I think the September sales results mark a solid start to the second-half sales battle.

## (2) Expand D2C Brands

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### UNFILO

【 Onward Kashiyama 】

- Created long-selling hit products like “Saiai jogging pants” and “Georgette Jersey Jilet,” with net sales doubling YoY.
- Brisk sales of “steppi,” a range of high-performance shoes with knitted uppers.
- Full-scale launch of menswear and unisex range to prepare for further business expansion.
- Began social media marketing in collaboration with leading influencers.

| Sales (YoY) | +109.4% |
|---|---|

(Doubled)


Saiai jogging pants






Next, we’ll look at page 19.

For some time now we have been focusing on expanding new brands and direct-to-consumer (D2C) brands mainly through online channels. Two years ago, we launched the UNFILO and uncrave brands.

First-half net sales increased more than twofold year on year for UNFILO,

## (2) Expand D2C Brands

ONWARD

uncrave

【 Onward Kashiyama 】



- Sales of sets made from select materials, and clothing items including cut and sew items and blouses have been brisk.
- The brand has recorded a sharp increase in the number of followers and attracted followers with high engagement thanks to influencer marketing

| Sales (YoY) | +25.7% |
|---|---|




and were up 26% for uncrave.

Even though the core focus of these brands is the online space, they have continued to grow at a very promising pace mainly because we have endeavored to create face-to-face customer touchpoints through popup OMO stores within physical stores, and we have also steadily developed hit products.

## (3) Promote Product Strategy, Including Customized Products

- Developed advanced business model that connects stores with directly-managed smart factories online to deliver quality, made-to-order suits in a week at the earliest

### Kashiyama Dalian Co., Ltd.

- Lean manufacturing as a result of thorough reforms of all processes
- Efficient logistics structure
- Environment-friendly and accommodates diverse work styles

Automated fabric management

Management using RFID and hanger system

Fast, neat, and careful sewing of customized orders

### Kashiyama Saga Co., Ltd.

- The Group’s flagship factory in Japan for production of value-added women’s apparel
- Flexible capability from small-lot, multiple variety orders to large lots, delivered with short lead times





From page 21 onwards you can read about how we are pressing ahead with a product strategy that includes creation and is centered on customized products.

We think it is one of the strategies that will require a lot of effort going forward. We have established directly operated smart factories in Dalian in China, and in Saga Prefecture in Japan, and we have already developed a sophisticated business model under which we can manufacture and deliver high-quality bespoke products to the customer in as little as one week. These factories are mainly being used for the “KASHIYAMA the Smart Tailor” brand, but we have plans to extend the use of their production platforms to various other brands in the group, including the mainstay brands of Onward Kashiyama.

Also, there is currently burgeoning demand for high-quality manufacturing plants in Japan given the recent depreciation of the yen, so the Saga plant has the potential to become a major strategic asset for us in the future. Considering that the logistical risks are quite low and there are few country risks, such as foreign exchange risks, we hope to make full utilization of our domestic production sites.

## (3) Promote Product Strategy, Including Customized Products

ONWARD

### KASHIYAMA 【 Onward Personal Style Co., Ltd. 】

KASHIYAMA

- New customers increased on sales growth of products for specific occasions, such as job hunting.
- For women's apparel, the EASY line has been popular, and together with customized shoes, sales have grown

Sales (YoY) +22.5%

### GOTAIRIKU 【 Onward Kashiyama】

GOTAIRIKU SINCE 1992

- Pattern-made suits sold well at Gotairiku, mainly sold through department store channels, whose sales grew sharply.


Sales (YoY) +27.0%

### Personal Order, made to order suits

RUBINACCI NAPOLI

HENRY POOLE

【Onward Kashiyama】

- Average spend per item increased sharply due to growing demand for higher-priced made-to-order suits.


Sales (YoY) +15.0%

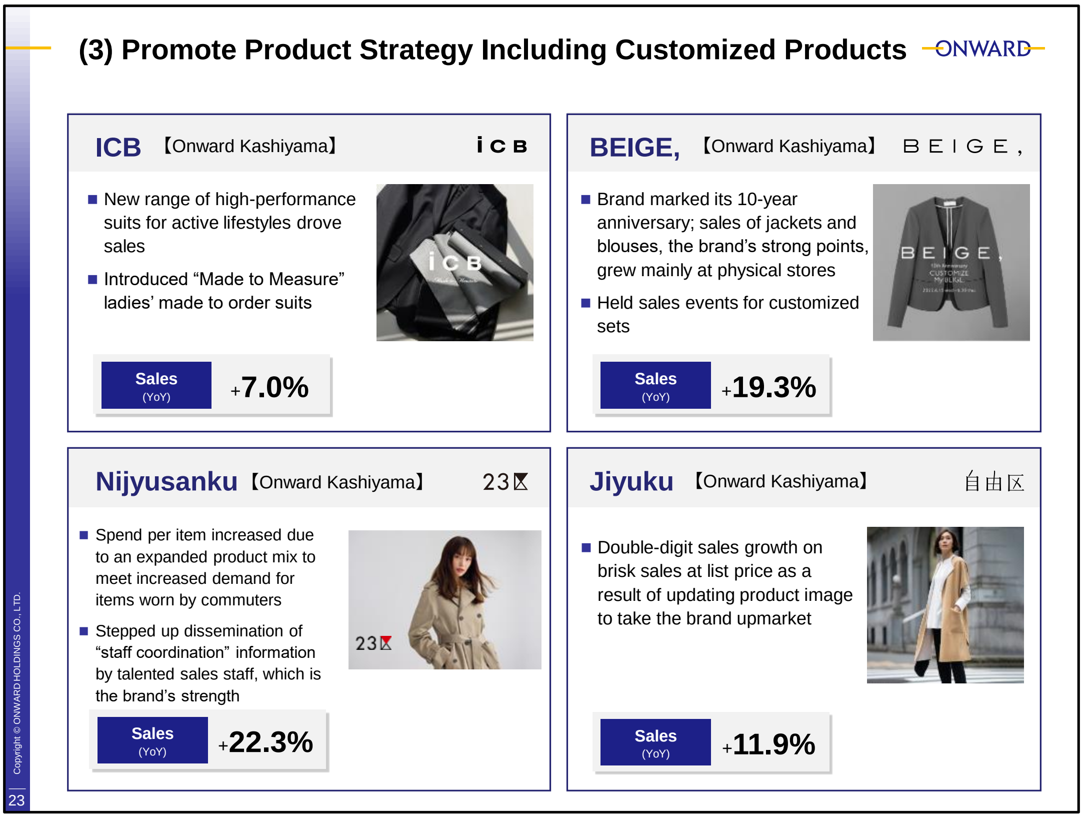




Information about our mainstay brands starts on page 22.

In the heavy apparel category, demand rose in the first half for the KASHIYAMA and Gotairiku brands, and even in the expensive tailor-made suits zone of HENRY POOLE.

People are saying that the suits market is struggling, but we still see firm demand for high-quality pieces. In fact, net sales increased by more than 22% for KASHIYAMA, by 27% for Gotairiku, and by 15% for Onward Personal Order, made to order suits.




Our core ladies’ brands are shown on page 23.

This is also an area in which we are leveraging our customization platform to bolster our product offerings. First-half net sales were up a brisk 22% for Nijyusanku, 19% for BEIGE, 12% for Jiyuku, and 7% for ICB. This recovery in the core brands is also sharply boosting group performance. The solid performance gained further momentum in September, and with cooler weather arriving we expect to see stronger demand for woven heavy apparel, an area in which we excel.

# 02

## Overview of Group Management


1. Results of Global Business Reforms
2. Apparel Business Strategy
   (1)Promote OMO Strategy
   (2)Expand D2C Brands
   (3)Promote Product Strategy, Including Customized Products
3. **Lifestyle Business Strategy**
4. Promotion of Sustainable Management
5. Promotion of Work Style Design
6. Rebuilding of Digital Platform

# Chacott

ONWARD

- Brisk sales of collaboration products and new products in mainstay ballet/fitness supplies.
- Chacott Balance offers a range of clothing for yoga, Pilates, and daily life.
- Chacott Cosmetics, originally a stage make-up brand, in addition to powders and base make-up items for daily use, has expanded its variation and color items.
- Chacott's Daikanyama Tokyo Main Store offers photo shoot services by professional make-up artists and photographers for customers wearing ballet costumes to create original photo art.

| Sales (YoY) | +6.1% |
|---|---|

Chacott





Details about our Lifestyle Business strategy is provided starting from page 25.

We sustained strong sales and profit growth in this domain even during the pandemic, and sales continued to expand briskly during the first half of this fiscal year as well: net sales rose approximately 6% for Chacott,

## Creative Yoko

ONWARD


- Sales of pet products and comfort goods continued to increase
- Launched Pet Paradise Cat range of products for cats
- Began selling MOLANG (a trending anime character) merchandise at Mother Garden online store
- Opened pop-up store “Shirotan Funwari Store” at Ichiban Plaza, Tokyo Character Street at Tokyo Station Ichibangai
- Promotes character merchandise licensing and pet products wholesale businesses in overseas markets

| Sales (YoY) | +15.2% |
|---|---|

CREATIVE YOKO CO., LTD.
www.creativeyoko.co.jp




15% for Creative Yoko,

# Yamato

ONWARD


- Strong sales growth continued, driven by robust bridal demand.
- In April 2022, launched new social gift service “dozo – Have fun with gifts” for sending gifts via social media
- Pop-up shop opened for a limited period at CHOOSEBASE SHIBUYA, a media type OMO store, and at the 5F stationery and variety goods area of Ginza Loft

| Sales (YoY) | +8.9% |
| --- | --- |

YAMATO





9% for Yamato,

## KOKOBUY

ONWARD


- In addition to mainstay hair wax, sales of dry shampoo, a seasonal product, grew steadily due to high utilization.
- Accelerated rollout of make-up products with the launch of "The Product Color Control", made from 100% natural ingredients.
- In FY02/23, started full-scale opening of stores in major e-commerce malls other than our own EC sites. Also began cross-border e-commerce and will promote sales expansion in Asia.

| Sales (YoY) | +22.9% |
|---|---|

kokobuy
advanced organics




and 23% for KOKOBUY organic hair care products.

I believe this is a result of each group company's proactive efforts to expand distribution, including e-commerce, and diversify product offerings.

# 02

## Overview of Group Management


1. Results of Global Business Reforms
2. Apparel Business Strategy
   (1)Promote OMO Strategy
   (2)Expand D2C Brands
   (3)Promote Product Strategy, Including Customized Products
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4. **Promotion of Sustainable Management**
5. Promotion of Work Style Design
6. Rebuilding of Digital Platform


Page 30 provides some information about our sustainable management activities and Work Style Design project.

Regarding the Onward group’s sustainable management, as you can see in the triangular diagram on page 30, our primary consideration is to first eliminate wasteful production, but at the same time, work together with customers to recycle and reuse the products we manufacture. Therefore, we intend to be more transparent about the traceability of the manufacturing process. We are pursuing a style of sustainable management based on these three pillars.

## FY02/23 1H: TOPICS

ONWARD

- Implemented initiatives for the realization of a low-carbon, recycling-based society.

### Expanded Onward Green Campaign, which aims for a recycling-based economy

- In FY02/23 1H, collected 351,109 apparel items (+6% YoY)
- Increase the number of collected items by devising new schemes
- Of the items collected so far, 82% has been recycled and 18% reused.


### Changed KASHIYAMA suit delivery packaging from cardboard boxes to paper bags

- Pack-runner compression packaging used to increase delivery loading efficiency
- Use of environment-friendly, compact paper packaging for delivery






On pages 31 and 32, you can see four key topics that we tackled in the first half.

The first one is the expansion of the Onward Green Campaign, which is now in its 13th year. In the first half we collected to reuse more than 350,000 Onward products, 6% more than in the same period last fiscal year. Even though this initiative has become quite well entrenched among customers, the collection rate is still less than 10%, so we are currently considering how best to enhance the Onward Green Campaign system so that we can set our sights on increasing the collection rate to 20% or 30% from next fiscal year.

You can also see on the page here that we started using paper bags instead of cardboard boxes when packaging and delivering “KASHIYAMA the Smart Tailor” products.

## FY02/23 1H: TOPICS

ONWARD

- Implemented initiatives for the realization of a low-carbon, recycling-based society.

### Reduce the number of samples made with remote measuring system

- Introduced 3D garment-fitting simulation system to achieve efficient sample making
- Attained remote measuring that covers process from size recommendations to order collection to minimize losses from sizing errors using optimal size recommendation feature

▲「CLO」で二次元のデータを三次元化している画面

### "Shibaura Repair Workshop" opens for alteration service to minimize clothing waste

- Workshop that offers clothing repair and alteration service
- Opened to help reduce the volume of clothing waste and to express the Company's wish that customers can wear their favorite items in comfort for a long time






On page 32 you can see an initiative undertaken by our product planning departments to reduce the number of samples they make with the introduction of an online size measurement system.

Also, in the first half we launched a service to help people repair or remake garments by setting up a repair workshop in the Shibaura district of Tokyo with the aim of minimizing the amount of clothing that is discarded.

# 02

## Overview of Group Management


1. Results of Global Business Reforms
2. Apparel Business Strategy
   (1) Promote OMO Strategy
   (2) Expand D2C Brands
   (3) Promote Product Strategy, Including Customized Products
3. Lifestyle Business Strategy
4. Promotion of Sustainable Management
5. **Promotion of Work Style Design**
6. Rebuilding of Digital Platforms

## Promotion of Work Style Design

ONWARD

- Promote “Work Style Design“, a reform project with the aim of increasing productivity by improving operational efficiency and achieving work-life balance.

### Major Initiatives

#### “Kaeru Kaigi“ Meetings

- Each team of co-workers holds a meeting once a week to consider "what they should do to improve their work styles”.
- All members, through proactive and repeated trial and error, don’t stop at just changing their work styles, but also aim to realize their “ideal state” beyond that.

An actual “Kaeru Kaigi” meeting - Post-it notes make it easier to convey things that may be difficult to say out loud.

#### Manager Training and Information-Sharing Sessions

- As a first step toward designing their work styles, managers continuously receive training conducted by outside consultants in order to raise their awareness.
- Directors and executive officers also participate in information-–sharing sessions where the results of the “Kaeru Kaigi“ meetings are reported, and to discuss future work styles beyond their positions.

"Information Sharing meeting on Work Style Design" held in February 2021.

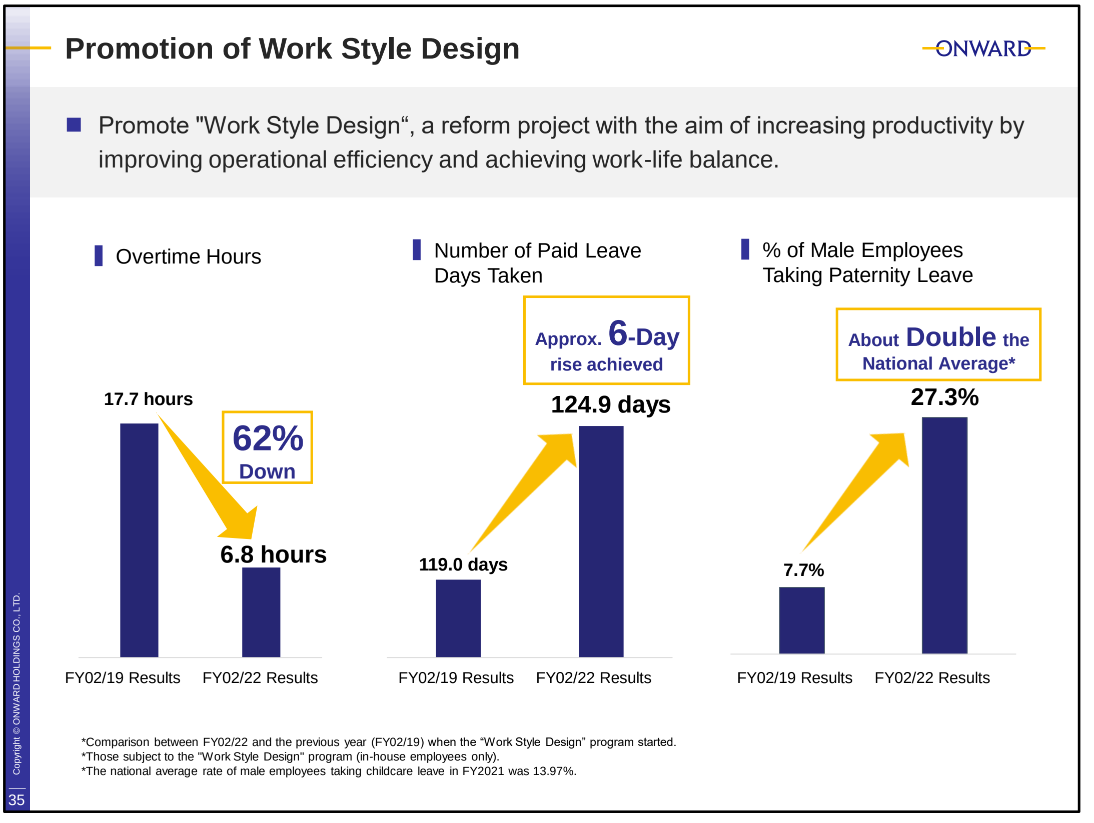




Page 34 presents an overview and key initiatives of the Work Style Design project, which as the name suggests, is the group’s work style reform project.

Through the Work Style Design project, we are endeavoring to improve employee satisfaction by achieving greater business efficiency and work-life balance.

We also hope to raise productivity. We have repeatedly held “Kaeru Kaigi” meetings for employees to discuss work style reforms, as well as held manager training and information-sharing sessions.




On page 35 you can see the results of the project in fiscal 2021 compared to fiscal 2018, the previous year when the Work Style Design project started.

Overtime hours were down 62%, the number of paid leave days being used increased by roughly six days, and the percentage of male employees taking childcare leave rose sharply to about double the national average.

We will continue to make every effort going forward to try and reach a paternity leave ratio of 100%.

# 02

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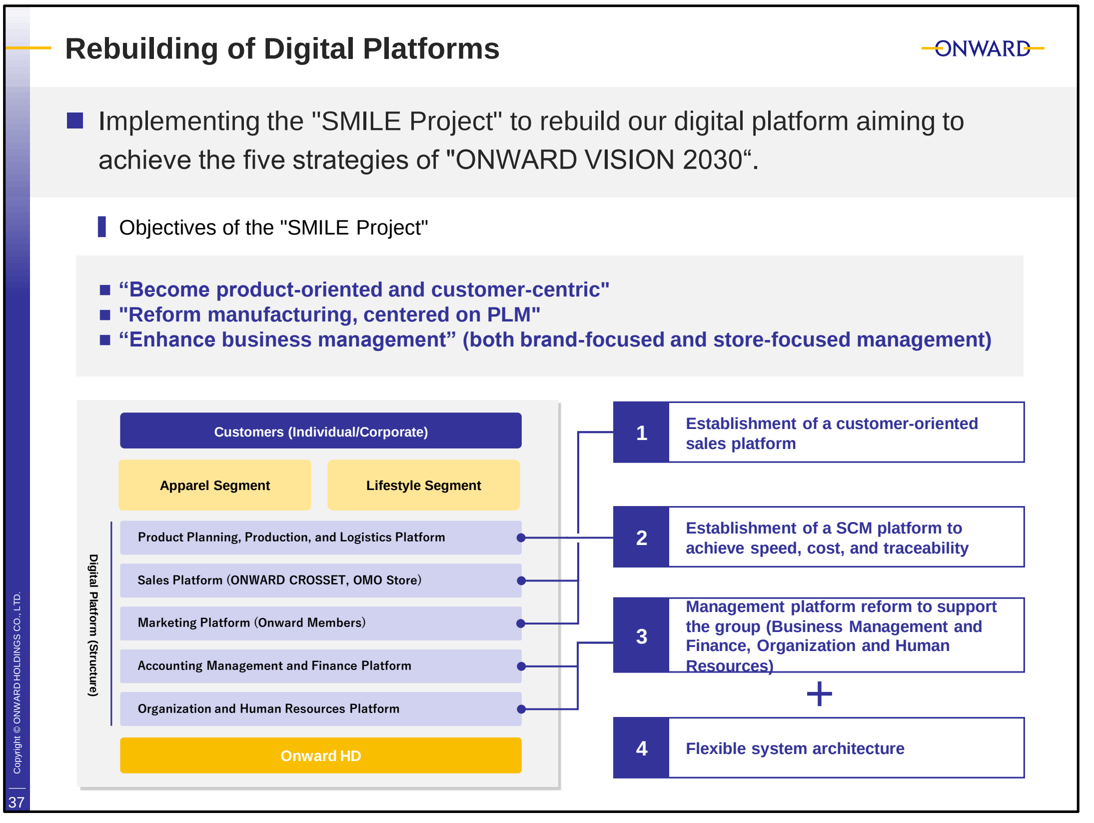
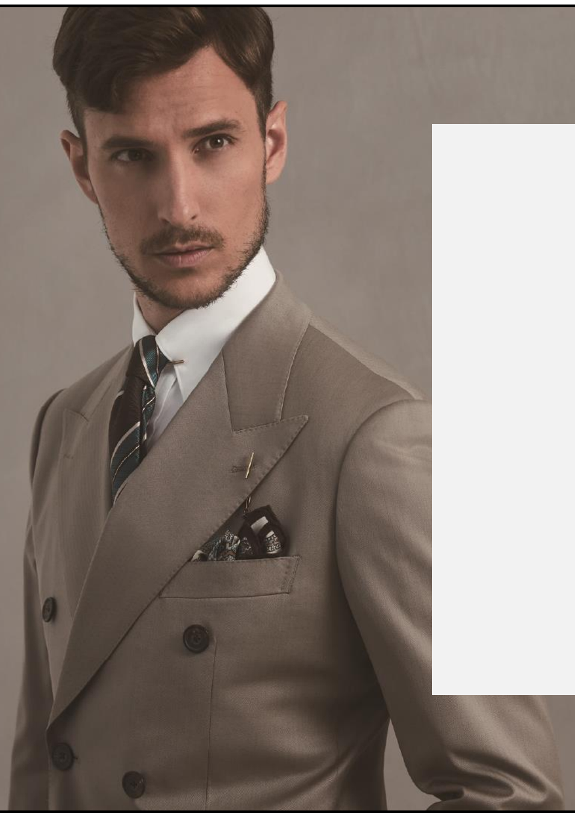



Lastly, in spring last year we unveiled the Onward Vision 2030, our medium-to-long term management vision targeting fiscal year 2030. In the first half of this fiscal year, we started to completely overhaul our backbone information system in order to give shape to that vision. We therefore kicked off the “SMILE Project” as an initiative to create an information system in order to bring smiles to the faces of our customers, our employees, and the world. During the project’s first stage, we will incorporate as many elements as possible for a launch in fiscal 2024, one year and a half from now, and then continue to evolve the system through to fiscal 2030.

The objectives of the “SMILE Project” are listed near the middle of page 37. One of those is to reflect our brand philosophy, or mission, which basically calls for the type of brand business that provides society with creations as a product-oriented organization. Another is a customer-centric business methodology that remains finely attuned to the needs of customers and provides them with familiar products. Because our purpose and mission differ depending on the brand, we intend to switch to a system that can give shape to both. Our existing system is based on a product-oriented brand business, so building a customer-centric business model will prove somewhat challenging, which is why we hope to develop a system under which we can make proper use of both of them.

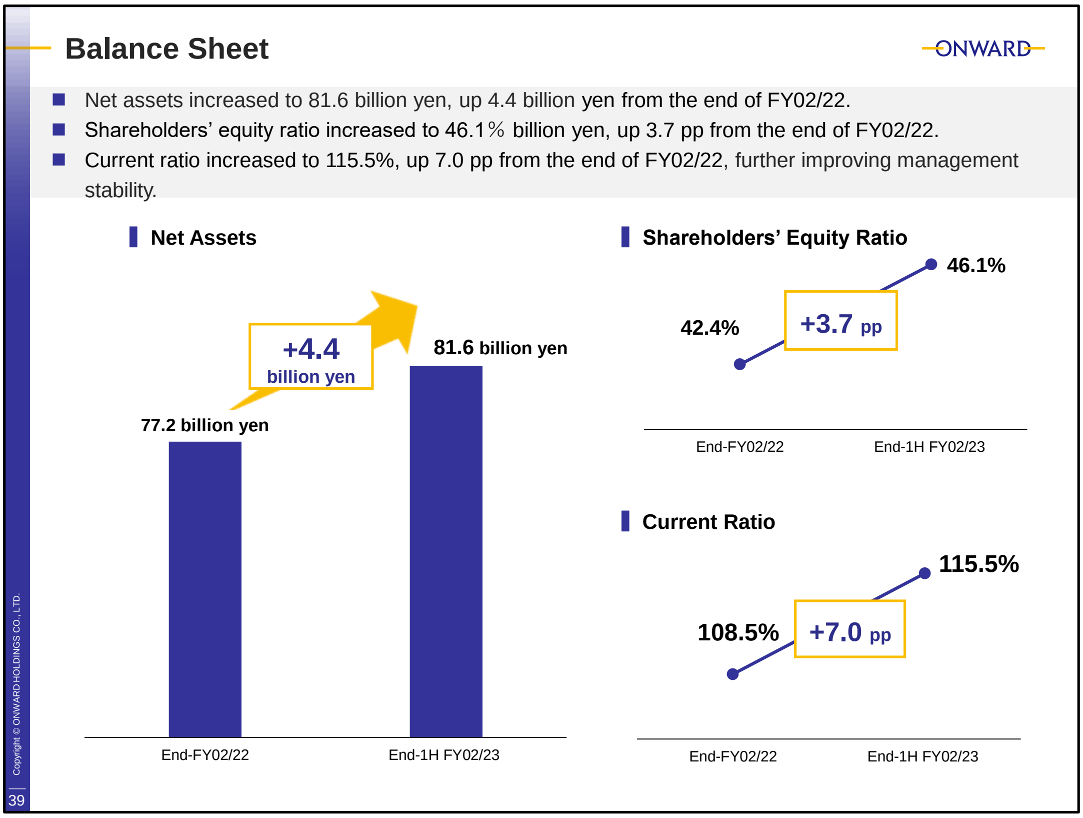
As for manufacturing, this is something we cannot achieve on our own. Sharing all kinds of information with various manufacturing partners, trading companies, and manufacturers will help cut down lead times, improve traceability, reduce production costs, and eliminate wasteful production. By implementing product lifecycle management, or PLM, we are considering the integration of a PLM system into this “SMILE Project”.

Turning now to the enhancement of business management, up until now our business management had been centered on brands. We also carried out profit and loss management for each brand. However, as I mentioned earlier, as we increase the number of stores that carry multiple brands under an OMO format, in addition to brand-focused business management, we want to develop an information system that also incorporates the concept of store-focused management so that we can easily gauge how stores that handle multiple brands are being managed. As this kind of system does not really exist, we have to build our own from scratch, which will take quite some time, but first we will incorporate whatever we can into it in fiscal 2024, and then gradually develop it further after that.



# 03

## Financial Situation

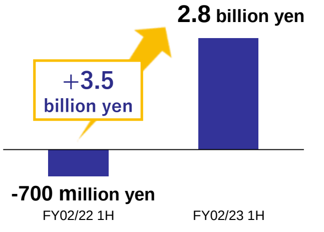



Finally, our financial situation. Please take a look at page 39.

Net assets increased ¥4.4 billion from the end of the last fiscal year to ¥81.6 billion. As a result, over the same period, the shareholders' equity ratio rose 3.7 percentage points to 46.1%. Also, the current ratio increased 7.0 percentage points to 115.5%. These indicators have recovered to pre-pandemic levels and we currently see no issues at all in terms of management safety and stability. We believe this is also an achievement of our global business reforms.

## EBITDA/Cash Flows/Capital Expenditures

| | |
|---|---|
| **EBITDA** | ■ EBITDA achieved a profit of 2.8 billion yen, improved by 3.5 billion yen YoY. (Expected to expand to 9.1 billion yen for the full year) |
| **Cash Flows** | ■ Cash flows from operating activities amounted to 1.4 billion yen due to a return to the black for operating profit and recurring profit.<br>■ Cash flows from investing activities amounted to 5.9 billion yen due to the sale of the hotel business in Guam.<br>■ Free cash flow (operating cash flow + investing cash flow) amounted to 7.3 billion yen. |
| **Capital Expenditures** | ■ Capital expenditures were 1.9 billion yen, down 500 million yen YoY.<br>■ Depreciation and amortization were 2.2 billion yen, down 100 million yen YoY. |








Page 40 shows EBITDA, cash flows, and capex. EBITDA improved ¥3.5 billion year on year to return to the black, finishing at ¥2.8 billion in the first half. We are forecasting full-year EBITDA of ¥9.1 billion.

As for cash flows, we recorded cash flows from operating activities of ¥1.4 billion and cash flows from investing activities of ¥5.9 billion, for a total free cash flow of ¥7.3 billion.

Capex declined ¥500 million from the same period last year to ¥1.9 billion. Depreciation declined ¥100 million to ¥2.2 billion. Our investments have been constrained somewhat by the COVID-19 pandemic, but we will be transitioning to a growth strategy, so we intend to resume making appropriate investments, including those that form part of the “SMILE Project” that I just discussed.


A data book section is provided for your reference starting on page 41.

That concludes my presentation.

# FY02/23 1H: Consolidated Financial Results
## (Comparison to Initial Forecast)

ONWARD

(Million yen)

| | | FY02/23 Initial Forecast | | FY02/23 Results | | Comparison to Initial Forecast | | |
|---|---|---|---|---|---|---|---|---|
| | | 1H | % of Sales | 1H | % of Sales | Change | % of Change | % of Sales Change |
| 1 | Net Sales | 77,000 | - | **82,166** | **-** | +5,166 | +6.7% | - |
| 2 | Gross Profit | 40,500 | 52.6% | **44,735** | **54.4%** | +4,235 | +10.5% | +1.8% |
| 3 | SG&A Expenses | 42,300 | 54.9% | **44,542** | **54.2%** | +2,242 | +5.3% | -0.7% |
| 4 | Operating Profit | -1,800 | - | **193** | **0.2%** | +1,993 | ↗ | ↗ |
| 5 | Recurring Profit | -1,750 | - | **654** | **0.8%** | +2,404 | ↗ | ↗ |
| 6 | Net Profit | -1,250 | - | **476** | **0.6%** | +1,726 | ↗ | ↗ |
| 7 | EBITDA* | 650 | 0.8% | **2,838** | **3.5%** | +2,188 | 336.6% | +2.7% |

Note: EBITDA = operating profit + depreciation and amortization.

# FY02/23 1H: Net Sales & Operating Profit by Segment (Comparison to Initial Forecast)

ONWARD

(Million yen)

| | | | FY02/23 1H Initial Forecast | FY02/23 1H Results | Change | % of Initial Forecast |
|---|---|---|---|---|---|---|
| 1 | Apparel | Net Sales | 55,406 | 59,704 | +4,298 | +7.8% |
| | | Operating Profit | -1,728 | 484 | +2,212 | ↗ |
| 2 | Lifestyle | Net Sales | 18,783 | 19,155 | +372 | +2.0% |
| | | Operating Profit | 1,370 | 1,484 | +114 | +8.3% |
| 3 | Domestic Total | Net Sales | 74,189 | 78,859 | +4,670 | +6.3% |
| | | Operating Profit | -358 | 1,968 | +2,326 | ↗ |
| 4 | Apparel | Net Sales | 6,270 | 6,771 | +501 | +8.0% |
| | | Operating Profit | -839 | -963 | -124 | ↘ |
| 5 | Lifestyle | Net Sales | 932 | 962 | +30 | +3.2% |
| | | Operating Profit | -192 | -169 | +23 | ↗ |
| 6 | Overseas Total | Net Sales | 7,202 | 7,733 | +531 | +7.4% |
| | | Operating Profit | -1,031 | -1,132 | -101 | ↘ |
| 7 | Consolidated Total | Net Sales | **77,000** | **82,166** | **+5,166** | **+6.7%** |
| | | Operating Profit | **-1,800** | **193** | **+1,993** | ↗ |

* Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)
* Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)
* Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 8 other companies; 18 companies in total)
* Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)
Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

# FY02/23 1H: Net Sales & Operating Profit by Company (YoY)

ONWARD

(Million yen)

| | | | FY02/22 1H | FY02/23 1H | Change | YoY |
|---|---|---|---|---|---|---|
| 1 | **Onward Kashiyama + HD** | Net Sales | **41,392** | **46,055** | **+4,663** | **+11.3%** |
| | | Operating Profit | **-3,238** | **332** | **+3,570** | ↗ |
| 2 | **Onward Trading** | Net Sales | 7,578 | 6,865 | -713 | -9.4% |
| | | Operating Profit | 1,067 | 523 | -544 | -51.0% |
| 3 | **Island** | Net Sales | 2,813 | 2,970 | +157 | +5.6% |
| | | Operating Profit | -124 | 22 | +146 | ↗ |
| 4 | **Chacott** | Net Sales | 4,445 | 4,714 | +269 | +6.1% |
| | | Operating Profit | 283 | 342 | +59 | +20.8% |
| 5 | **Creative Yoko** | Net Sales | 2,223 | 2,562 | +339 | +15.2% |
| | | Operating Profit | 68 | 108 | +40 | +58.8% |
| 6 | **Yamato** | Net Sales | 9,282 | 10,106 | +824 | +8.9% |
| | | Operating Profit | 548 | 703 | +155 | +28.3% |
| 7 | **Domestic Subtotal** (Excl. Onward Kashiyama + HD) | Net Sales | **32,351** | **32,804** | **+453** | **+1.4%** |
| | | Operating Profit | **1,098** | **1,636** | **+538** | **+49.0%** |
| 8 | **Europe** | Net Sales | 8,822 | 4,244 | -4,578 | -51.9% |
| | | Operating Profit | -47 | -514 | -467 | ↘ |
| 9 | **America** | Net Sales | 297 | 587 | +290 | +97.6% |
| | | Operating Profit | -231 | -251 | -20 | ↘ |
| 10 | **Asia** | Net Sales | 2,211 | 2,730 | +519 | +23.5% |
| | | Operating Profit | -78 | -211 | -133 | ↘ |
| 11 | **Guam Resort** | Net Sales | 150 | 172 | +22 | +14.7% |
| | | Operating Profit | -312 | -156 | +156 | ↗ |
| 12 | **Overseas Subtotal** | Net Sales | **11,480** | **7,733** | **-3,747** | **-32.6%** |
| | | Operating Profit | **- 668** | **- 1,132** | **-464** | ↘ |
| 13 | **Consolidated Total** | Net Sales | **80,785** | **82,166** | **+1,381** | **+1.7%** |
| | | Operating Profit | **- 3,294** | **193** | **+3,487** | ↗ |

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

# FY02/23 1H: Net Sales & Operating Profit by Company
## (Comparison to Initial Forecast)

ONWARD

(Million yen)

| | | | FY02/23 1H Initial Forecast | FY02/23 1H Results | Change | % of Initial Forecast |
|---|---|---|---|---|---|---|
| 1 | Onward Kashiyama + HD | Net Sales | 41,300 | 46,055 | +4,755 | +11.5% |
| | | Operating Profit | -1,955 | 332 | +2,287 | |
| 2 | Onward Trading | Net Sales | 7,190 | 6,865 | -325 | -4.5% |
| | | Operating Profit | 898 | 523 | -375 | -41.8% |
| 3 | Island | Net Sales | 2,973 | 2,970 | -3 | -0.1% |
| | | Operating Profit | -94 | 22 | +116 | |
| 4 | Chacott | Net Sales | 4,680 | 4,714 | +34 | 0.7% |
| | | Operating Profit | 289 | 342 | +53 | +18.3% |
| 5 | Creative Yoko | Net Sales | 2,343 | 2,562 | +219 | +9.3% |
| | | Operating Profit | 73 | 108 | +35 | +47.9% |
| 6 | Yamato | Net Sales | 9,755 | 10,106 | +351 | +3.6% |
| | | Operating Profit | 557 | 703 | +146 | +26.2% |
| 7 | Domestic Subtotal (Excl. Onward Kashiyama + HD) | Net Sales | 32,889 | 32,804 | -85 | -0.3% |
| | | Operating Profit | 1,597 | 1,636 | +39 | +2.4% |
| 8 | Europe | Net Sales | 3,969 | 4,244 | +275 | +6.9% |
| | | Operating Profit | -525 | -514 | +11 | |
| 9 | America | Net Sales | 543 | 587 | +44 | +8.1% |
| | | Operating Profit | -224 | -251 | -27 | |
| 10 | Asia | Net Sales | 2,544 | 2,730 | +186 | +7.3% |
| | | Operating Profit | -164 | -211 | -47 | |
| 11 | Guam Resort | Net Sales | 146 | 172 | +26 | +17.8% |
| | | Operating Profit | -118 | -156 | -38 | |
| 12 | Overseas Subtotal | Net Sales | 7,202 | 7,733 | +531 | +7.4% |
| | | Operating Profit | -1,031 | -1,132 | -101 | |
| 13 | Consolidated Total | Net Sales | 77,000 | 82,166 | +5,166 | +6.7% |
| | | Operating Profit | -1,800 | 193 | +1,993 | |

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

# FY02/23 Full Year: Outlook by Segment (Comparison to Initial Forecast)

ONWARD

(Million yen)

| | | | FY02/23 Initial Forecast (announced in Apr-2022) (A) | FY02/23 Revised Forecast (announced in Sep-2022) (B) | Change (B-A) |
|---|---|---|---|---|---|
| 1 | Apparel | Net Sales | 121,045 | 128,070 | +7,025 |
| | | Operating Profit | 1,072 | 3,614 | +2,542 |
| 2 | Lifestyle | Net Sales | 38,583 | 39,068 | +485 |
| | | Operating Profit | 2,924 | 2,868 | -56 |
| 3 | Domestic Total | Net Sales | 159,628 | 167,138 | +7,510 |
| | | Operating Profit | 3,996 | 6,482 | +2,486 |
| 4 | Apparel | Net Sales | 16,296 | 16,319 | +23 |
| | | Operating Profit | -416 | -1,022 | -606 |
| 5 | Lifestyle | Net Sales | 2,179 | 2,214 | +35 |
| | | Operating Profit | -295 | -146 | +149 |
| 6 | Overseas Total | Net Sales | 18,475 | 18,533 | +58 |
| | | Operating Profit | -711 | -1,168 | -457 |
| 7 | Consolidated Total | Net Sales | 168,700 | 173,800 | +5,100 |
| | | Operating Profit | 2,100 | 4,100 | +2,000 |

* Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)
* Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)
* Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading, and 8 other companies; 18 companies in total)
* Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)
Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

# FY02/23 Full Year: Outlook by Segment (YoY)

ONWARD

(Million yen)

| | | | | FY02/22 Results (A) | FY02/23 Revised Forecast (announced in Sep-2022) (B) | Change (B-A) | % of Change (B/A) |
|---|---|---|---|---|---|---|---|
| 1 | | Apparel | Net Sales | 120,516 | 128,070 | +7,554 | +6.3% |
| | | | Operating Profit | -1,254 | 3,614 | +4,868 | ↗ |
| 2 | | Lifestyle | Net Sales | 37,905 | 39,068 | +1,163 | +3.1% |
| | | | Operating Profit | 2,598 | 2,868 | +270 | +10.4% |
| 3 | Domestic Total | | Net Sales | 158,421 | 167,138 | +8,717 | +5.5% |
| | | | Operating Profit | 1,344 | 6,482 | +5,138 | +382.3% |
| 4 | | Apparel | Net Sales | 17,838 | 16,319 | -1,519 | -8.5% |
| | | | Operating Profit | -679 | -1,022 | -343 | ↘ |
| 5 | | Lifestyle | Net Sales | 1,750 | 2,214 | +464 | +26.5% |
| | | | Operating Profit | -814 | -146 | +668 | ↗ |
| 6 | Overseas Total | | Net Sales | 19,588 | 18,533 | -1,055 | -5.4% |
| | | | Operating Profit | -1,493 | -1,168 | +325 | ↗ |
| 7 | Consolidated Total | | Net Sales | 168,453 | 173,800 | +5,347 | +3.2% |
| | | | Operating Profit | -1,079 | 4,100 | +5,179 | ↗ |

* Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 7 other companies; 11 companies in total)
* Domestic Lifestyle (Chacott, Creative Yoko, Yamato, and 7 other companies; 10 companies in total)
* Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading and 8 other companies; 18 companies in total)
* Overseas Lifestyle (FREED OF LONDON and 3 other companies; 4 companies in total)

Note: The segment breakdown is calculated using simple sums of all companies. Consolidated totals are after eliminating intergroup transactions.

# FY02/23 Full Year: Outlook by Company (Comparison to Initial Forecast)

ONWARD

(Million yen)

| No. | Company | Item | FY02/23 Initial Forecast (announced in Apr-2022) (A) | FY02/23 Revised Forecast (announced in Sep-2022) (B) | Change (B-A) |
|---|---|---|---|---|---|
| 1 | **Onward Kashiyama + HD** | Net Sales | **91,406** | **98,914** | **+7,508** |
| | | Operating Profit | **79** | **2,643** | **+2,564** |
| 2 | Onward Trading | Net Sales | 15,220 | 14,625 | -595 |
| | | Operating Profit | 1,811 | 1,216 | -595 |
| 3 | Island | Net Sales | 6,158 | 6,214 | +56 |
| | | Operating Profit | -108 | 73 | +181 |
| 4 | Chacott | Net Sales | 8,930 | 8,924 | -6 |
| | | Operating Profit | 343 | 346 | +3 |
| 5 | Creative Yoko | Net Sales | 5,339 | 5,674 | +335 |
| | | Operating Profit | 353 | 381 | +28 |
| 6 | Yamato | Net Sales | 20,003 | 20,383 | +380 |
| | | Operating Profit | 1,320 | 1,368 | +48 |
| 7 | **Domestic Subtotal** (Excl. Onward Kashiyama + HD) | Net Sales | **68,222** | **68,224** | **+2** |
| | | Operating Profit | **3,917** | **3,839** | **-78** |
| 8 | Europe | Net Sales | 9,733 | 10,074 | +341 |
| | | Operating Profit | -151 | -154 | -3 |
| 9 | America | Net Sales | 1,682 | 1,420 | -262 |
| | | Operating Profit | -270 | -542 | -272 |
| 10 | Asia | Net Sales | 6,663 | 6,541 | -122 |
| | | Operating Profit | 6 | -234 | -240 |
| 11 | Guam Resort | Net Sales | 397 | 498 | +101 |
| | | Operating Profit | - 296 | - 238 | +58 |
| 12 | **Overseas Subtotal** | Net Sales | **18,475** | **18,533** | **+58** |
| | | Operating Profit | **-711** | **-1,168** | **-457** |
| 13 | **Consolidated Total** | Net Sales | **168,700** | **173,800** | **+5,100** |
| | | Operating Profit | **2,100** | **4,100** | **+2,000** |

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

# FY02/23 Full Year: Outlook by Company (YoY)

ONWARD

(Million yen)

| | | | FY02/22 | FY02/23 | Change | % of Change |
|---|---|---|---|---|---|---|
| | | | Results (A) | Revised Forecast (announced in Sep-2022) (B) | (B-A) | (B/A) |
| 1 | **Onward Kashiyama + HD** | Net Sales | **91,395** | **98,914** | **+7,519** | **+8.2%** |
| | | Operating Profit | **-1,857** | **2,643** | **+4,500** | ↗ |
| 2 | Onward Trading | Net Sales | 14,760 | 14,625 | -135 | -0.9% |
| | | Operating Profit | 1,788 | 1,216 | -572 | -32.0% |
| 3 | Island | Net Sales | 5,753 | 6,214 | +461 | +8.0% |
| | | Operating Profit | -124 | 73 | +197 | ↗ |
| 4 | Chacott | Net Sales | 8,311 | 8,924 | +613 | +7.4% |
| | | Operating Profit | 332 | 346 | +14 | +4.2% |
| 5 | Creative Yoko | Net Sales | 5,194 | 5,674 | +480 | +9.2% |
| | | Operating Profit | 319 | 381 | +62 | +19.4% |
| 6 | Yamato | Net Sales | 20,326 | 20,383 | +57 | +0.3% |
| | | Operating Profit | 1,280 | 1,368 | +88 | +6.9% |
| 7 | **Domestic Subtotal** (Excl. Onward Kashiyama + HD) | Net Sales | **67,026** | **68,224** | **+1,198** | **+1.8%** |
| | | Operating Profit | **3,201** | **3,839** | **+638** | **+19.9%** |
| 8 | Europe | Net Sales | 13,182 | 10,074 | -3,108 | -23.6% |
| | | Operating Profit | -156 | -154 | +2 | ↗ |
| 9 | America | Net Sales | 803 | 1,420 | +617 | +76.8% |
| | | Operating Profit | -451 | -542 | -91 | ↘ |
| 10 | Asia | Net Sales | 5,204 | 6,541 | +1,337 | +25.7% |
| | | Operating Profit | -182 | -234 | -52 | ↘ |
| 11 | Guam Resort | Net Sales | 399 | 498 | +99 | +24.8% |
| | | Operating Profit | -704 | -238 | +446 | ↗ |
| 12 | **Overseas Subtotal** | Net Sales | **19,588** | **18,533** | **-1,055** | **-5.4%** |
| | | Operating Profit | **-1,493** | **-1,168** | **+325** | ↗ |
| 13 | **Consolidated Total** | Net Sales | **168,453** | **173,800** | **+5,347** | **+3.2%** |
| | | Operating Profit | **-1,079** | **4,100** | **+5,179** | ↗ |

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

# End-1H FY02/23: Balance Sheet

ONWARD

| (Billion yen) | | FY02/22 End | FY02/23 End-1H | Change | Reasons for change |
|---|---|---|---|---|---|
| 1 | **Total Assets** | 157.7 | **154.5** | **-3.2** | |
| 2 | **Current Assets** | 60.5 | **58.0** | **-2.5** | |
| 3 | Cash and Deposits | 15.2 | **14.7** | **-0.5** | |
| 4 | Accounts Receivable-trade | 14.2 | **11.3** | **-2.9** | Seasonal factors |
| 5 | Inventory | 26.8 | **27.5** | **+0.7** | |
| 6 | **Non-current Assets** | 97.2 | **96.4** | **-0.8** | |
| 7 | Property, Plant and Equipment | 58.0 | **56.2** | **-1.8** | Sale of Guam hotel |
| 8 | Intangible Assets | 9.3 | **8.5** | **-0.8** | |
| 9 | Investments and Other Assets | 29.8 | **31.7** | **+1.9** | Increase in investment securities due to revaluation |
| 10 | **Total Liabilities** | 80.4 | **72.8** | **-7.6** | |
| 11 | Accounts Payable-trade | 18.2 | **18.0** | **-0.2** | |
| 12 | Borrowings | 35.1 | **30.5** | **-4.6** | Repayment of debt |
| 13 | Other | 27.1 | **24.2** | **-2.9** | |
| 14 | **Total Net Assets** | 77.2 | **81.6** | **+4.4** | |
| 15 | **Shareholders' Equity Ratio** | 42.4% | **46.1%** | **+3.7%** | |
| 16 | **Current Ratio** | 108.5% | **115.5%** | **+7.0%** | |

# FY02/23 1H: Cash Flows/Capital Expenditures

ONWARD

## Consolidated Cash Flows

| | (Million yen) | FY02/22 1H | FY02/23 1H | Change |
|---|---|---|---|---|
| 1 | Cash flows from operating activities | 962 | 1,399 | +437 |
| 2 | Cash flows from investing activities | 20,022 | 5,935 | -14,087 |
| 3 | Cash flows from financing activities | -23,966 | -8,332 | +15,634 |
| 4 | Cash and cash equivalents | 19,261 | 14,739 | -4,522 |

## Capital Expenditures

| | (Million yen) | FY02/22 1H | FY02/23 1H | Change |
|---|---|---|---|---|
| 5 | Capex | 2,385 | 1,918 | -467 |
| 6 | Depreciation and Amortization | 2,392 | 2,243 | -149 |

# FY02/23 1H: Breakdown of SG&A Expenses, Non-Operating Profit/Loss and Extraordinary Profit/Loss (Consolidated)

ONWARD

| | (Million yen) | FY02/22 Results 1H | FY02/23 Results 1H | YoY (% of Change) 1H |
|---|---|---|---|---|
| 1 | Personnel | 18,134 | 18,276 | 0.8% |
| 2 | Rent | 10,870 | 11,563 | 6.4% |
| 3 | Transportation | 3,083 | 3,083 | 0.0% |
| 4 | Promotion and Advertising | 2,810 | 1,844 | -34.4% |
| 5 | Depreciation | 1,843 | 1,870 | 1.5% |
| 6 | Other | 7,572 | 7,906 | 4.4% |
| 7 | Total SG&A Expenses | 44,312 | 44,542 | 0.5% |
| 8 | Extraordinary loss adjustment | 1,062 | 4 | -99.6% |
| 9 | (Reference) Effective SG&A Expenses | 45,374 | 44,538 | -1.8% |

| | (Million yen) | FY02/22 Results 1H | FY02/23 Results 1H | YoY (% of Change) 1H |
|---|---|---|---|---|
| 10 | Non-Operating Profit | 1,244 | 1,116 | -10.3% |
| 11 | Interest income | 111 | 119 | 7.2% |
| 12 | Foreign exchange gains | 109 | 708 | 549.5% |
| 13 | Subsidy income | 450 | 109 | -75.8% |
| 14 | Other | 573 | 178 | -68.9% |
| 15 | Non-Operating Loss | 812 | 655 | -19.3% |
| 16 | Interest expenses | 221 | 131 | -40.7% |
| 17 | Share of loss of entities accounted for using equity method | 42 | 34 | -19.0% |
| 18 | Other | 548 | 489 | -10.8% |
| 19 | Total Non-Operating Profit/Loss | 432 | 461 | 6.7% |
| 20 | Extraordinary Profit | 20,370 | 1,455 | -92.9% |
| 21 | Gain on sales of non-current assets | 17,089 | - | - |
| 22 | Gain on sales of investment securities | 92 | 120 | 30.4% |
| 23 | Gain on sales of shares of subsidiaries and associates | 2,944 | 1,306 | -55.6% |
| 24 | Other | 244 | 28 | -88.5% |
| 25 | Extraordinary Loss | 5,393 | 485 | -91.0% |
| 26 | Extraordinary loss due to closing and other | 1,062 | 4 | -99.6% |
| 27 | Loss on sales of shares of subsidiaries and associates | 1,829 | - | - |
| 28 | Loss on liquidation of subsidiaries and associates | 1,968 | - | - |
| 29 | Impairment loss | 222 | 470 | 111.7% |
| 30 | Other | 310 | 11 | -96.5% |
| 31 | Extraordinary Profit/Loss | 14,977 | 970 | -93.5% |

# FY02/23 1H: Results by Group

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| | | (Million yen) | FY02/22 Results | | | FY02/23 | | | YoY (% of Change) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1Q | 2Q | 1H | 1Q | 2Q | 1H | 1Q | 2Q | 1H |
| Onward Kashiyama + HD | 1 | **Net Sales** | 22,704 | 18,688 | 41,392 | **26,135** | **19,920** | **46,055** | 15.1% | 6.6% | 11.3% |
| | 2 | **Gross Profit** | 13,244 | 9,611 | 22,855 | **15,815** | **11,343** | **27,158** | 19.4% | 18.0% | 18.8% |
| | | (% of Sales) | (58.3%) | (51.4%) | (55.2%) | (60.5%) | (56.9%) | (59.0%) | (2.2%) | (5.5%) | (3.8%) |
| | 3 | **SG&A Expenses** | 13,047 | 13,046 | 26,093 | **14,063** | **12,763** | **26,826** | 7.8% | -2.2% | 2.8% |
| | | (% of Sales) | (57.5%) | (69.8%) | (63.0%) | (53.8%) | (64.1%) | (58.2%) | (-3.7%) | (-5.7%) | (-4.8%) |
| | 4 | **Operating Profit** | 197 | -3,435 | -3,238 | **1,752** | **-1,420** | **332** | 789.3% | | |
| | | (% of Sales) | (0.9%) | - | - | (6.7%) | - | (0.7%) | (5.8%) | - | |
| Domestic Subtotal (Excl. Onward Kashiyama + HD) | 5 | **Net Sales** | 17,202 | 15,149 | 32,351 | **17,116** | **15,688** | **32,804** | -0.5% | 3.6% | 1.4% |
| | 6 | **Gross Profit** | 8,439 | 7,749 | 16,188 | **8,346** | **7,810** | **16,156** | -1.1% | 0.8% | -0.2% |
| | | (% of Sales) | (49.1%) | (51.2%) | (50.0%) | (48.8%) | (49.8%) | (49.3%) | (-0.3%) | (-1.4%) | (-0.7%) |
| | 7 | **SG&A Expenses** | 7,379 | 7,711 | 15,090 | **7,217** | **7,303** | **14,520** | -2.2% | -5.3% | -3.8% |
| | | (% of Sales) | (42.9%) | (50.9%) | (46.6%) | (42.2%) | (46.6%) | (44.3%) | (-0.7%) | (-4.3%) | (-2.3%) |
| | 8 | **Operating Profit** | 1,060 | 38 | 1,098 | **1,129** | **507** | **1,636** | 6.5% | 1234.2% | 49.0% |
| | | (% of Sales) | (6.2%) | (0.3%) | (3.4%) | (6.6%) | (3.2%) | (5.0%) | (0.4%) | (2.9%) | (1.6%) |
| Overseas Subtotal | 9 | **Net Sales** | 8,643 | 2,837 | 11,480 | **3,732** | **4,001** | **7,733** | -56.8% | 41.0% | -32.6% |
| | 10 | **Gross Profit** | 3,352 | 1,032 | 4,384 | **1,437** | **1,724** | **3,161** | -57.1% | 67.1% | -27.9% |
| | | (% of Sales) | (38.8%) | (36.4%) | (38.2%) | (38.5%) | (43.1%) | (40.9%) | (- 0.3%) | (6.7%) | (2.7%) |
| | 11 | **SG&A Expenses** | 3,339 | 1,713 | 5,052 | **2,050** | **2,243** | **4,293** | -38.6% | 30.9% | -15.0% |
| | | (% of Sales) | (38.6%) | (60.4%) | (44.0%) | (54.9%) | (56.1%) | (55.5%) | (16.3%) | (-4.3%) | (11.5%) |
| | 12 | **Operating Profit** | 13 | -681 | -668 | **-613** | **-519** | **-1,132** | | | |
| | | (% of Sales) | (0.2%) | - | - | - | - | - | - | - | - |

Note: Calculated using simple sums.

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