



ONWARD

FY02/24 (FY2023) Q1

Results Presentation Material

July 6, 2023

ONWARD HOLDINGS CO., LTD.

Today, I would like to explain our group's financial results for the first quarter using the financial results presentation material.

There are two key points. First, we have achieved significant growth in both sales and profit in each stage of earnings, with the results exceeding our initial plans. Second, given the current circumstances, we are making upward revisions to our performance forecasts. First, please look at slide 5 of the material.

Onward Group's Raison d'Être

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



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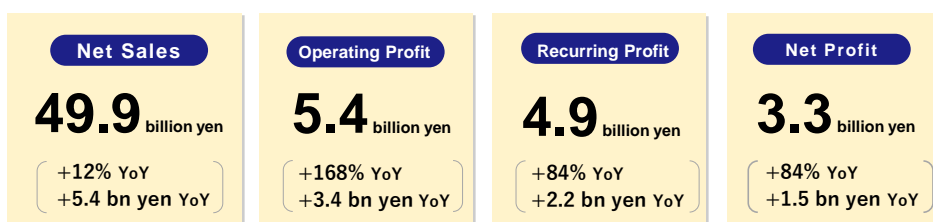
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01

Consolidated Financial Results and Performance Forecasts Highlights

FY2023 Q1 : Consolidated Financial Results Highlights

—ONWARD—



1. In Q1, our key brands including Nijyusanku, GOTAIRIKU, Chacott, and PET PARADISE, continued to perform well as a result of our focus on strengthening customer-oriented product development and sales services. In addition, new brands such as KASHIYAMA and UNFILO accelerated growth.
2. Customers visiting our physical and online stores increased steadily due to increased recognition of our “Click & Try” OMO service and the improved accuracy of our marketing measures utilizing social media. As a result, net sales grew faster than initially planned.
3. The global business reforms, which we have been working on over the past few years, have also clearly borne fruit. While gross profit margin continued to increase due partly to improvement in the efficiency of the product supply chain, the SG&A expenses ratio declined significantly partly due to improvement in sales efficiency through the operation of multi-brand stores.
4. As a result, operating profit, recurring profit and net profit all increased significantly.

This page outlines the highlights of the consolidated financial results for the first quarter of fiscal 2023.

Looking at the consolidated results for the first quarter, net sales were ¥49.9 billion, up 12% or ¥5.4 billion year on year. Our key brands including Nijyusanku, GOTAIRIKU, PET PARADISE, and Chacott continued to perform strongly. Also contributing to the results were the expansion of our new brands, such as the made-to-order suits of KASHIYAMA and UNFILO, with which we aim to achieve net sales of ¥5 billion, respectively, and the accelerated growth of our “Click & Try” OMO service.

Please see pages 20 and 21 for additional information on the brand business, and page 22 on the number of stores that introduced the OMO service.

In terms of profits, operating profit was ¥5.4 billion, up 168% or ¥3.4 billion year on year. While gross profit margin increased partly due to reducing discount sales and improving the efficiency of the supply chain, the SG&A expense ratio decreased mainly due to improving the sales efficiency through the operation of ONWARD CROSSET SELECT, multi-brand stores, among other factors.

Recurring profit was ¥4.9 billion, up 84% or ¥2.2 billion and net profit came to ¥3.3 billion, up 84% or ¥1.5 billion.

Next, please look at slide 6.

FY2023 1H / Full-Year : Performance Forecasts Highlights



	Net Sales	Operating Profit	Recurring Profit	Net Profit
First Half	90.0 billion yen (+10% YoY +7.8 bn yen YoY)	4.0 billion yen (+1973% YoY +3.8 bn yen YoY)	3.4 billion yen (+420% YoY +2.7 bn yen YoY)	2.4 billion yen (+404% YoY +1.9 bn yen YoY)
Full Year	188.8 billion yen (+7% YoY +12.7 bn yen YoY)	10.0 billion yen (+92% YoY +4.8 bn yen YoY)	9.0 billion yen (+69% YoY +3.7 bn yen YoY)	5.0 billion yen (+63% YoY +1.9 bn yen YoY)

1. Since the Q1 performance significantly exceeded the initial plans, the Company revised up its performance forecasts for the first half of the fiscal year.
2. The Company also revised up its full-year performance forecasts while maintaining its initial forecasts for the second half.
3. As a result, we forecast operating profit of 10 billion yen (for the first time in 11 fiscal years since FY2012), recurring profit of 9 billion yen and net profit of 5 billion yen for the full year.

In light of the recent strong performance, we are revising our first-half and full-year performance forecasts upward.

The revised performance forecasts for the first half are as follows. Net sales are expected to be ¥90 billion, an increase of 10% or ¥7.8 billion year on year. We expect operating profit to increase by about 20 times or ¥3.8 billion to ¥4 billion, recurring profit to increase by about fivefold or ¥2.7 billion to ¥3.4 billion, and net profit to also increase by about fivefold or ¥1.9 billion to ¥2.4 billion.

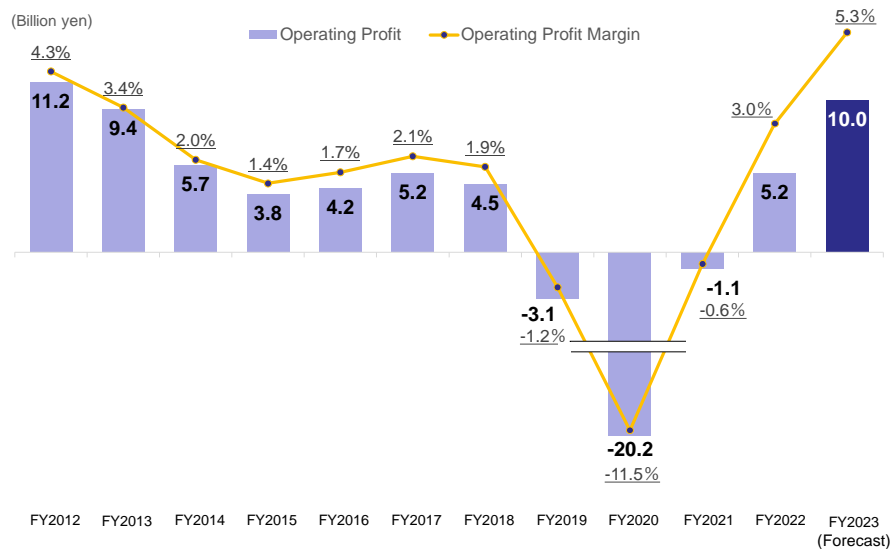
While we are maintaining our initial forecasts for the second half of the fiscal year, the full-year performance forecasts are revised to reflect the upward revisions for the first half. As such, we expect net sales to increase by 7%, or ¥12.7 billion year on year to ¥188.8 billion, and operating profit to roughly double or increase by ¥4.8 billion year on year to ¥10 billion. Recurring profit is expected to increase by 69% or ¥3.7 billion year on year to ¥9 billion and net profit is expected to increase by 63% or ¥1.9 billion year on year to ¥5 billion. For comparisons with the initial forecasts, please see the supplementary information on slide 26.

Please look at slide 7.

Trends of Operating Profit and Operating Profit Margin

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- Operating profit for FY2023 is expected to reach 10 billion yen for the first time in 11 fiscal years since FY2012.



Trends of operating profit and operating profit margin over the period from fiscal 2012 to the forecast of fiscal 2023 are indicated. Operating profit for fiscal 2023 is expected to reach ¥10 billion for the first time in 11 fiscal years. Since the collapse of Lehman Brothers in 2008, operating profit margin has remained low at around 1% to 2%, especially as the profitability of physical stores declined, bringing down the profitability of the overseas business as well. In response, we initiated global business reforms in 2019. However, we were hit by the COVID-19 pandemic right after and recorded a significant operating loss of over ¥20 billion in fiscal 2020. The Company started on a recovery track from fiscal 2021, returned to profitability in fiscal 2022 for the first time in four fiscal years, and is expected to achieve operating profit of ¥10 billion in fiscal 2023. We expect operating profit margin to exceed 5% due to structural reforms that have been transforming the Company and giving it a leaner business structure.

Next, please look at slide 8.

Shareholder Returns

Dividends Policy

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

- The Company plans a year-end dividend of 16 yen for FY2023 (scheduled for May 2024), up 2 yen from the initial plan of 14 yen (up 4 yen from 12 yen in FY2022), in line with the upward revision of the full-year forecast for net profit.

Dividends

	FY2023		FY2022
	Revised Forecast	Initial Forecast	
Dividends per Share (yen)	16	14	12
Total Dividends (mil. yen)	2,171	1,900	1,628
Net Profit (mil. yen)	5,000	4,000	3,061
Payout Ratio	43.4%	47.5%	53.2%

On shareholder returns. The Company maintains a basic policy to stably distribute profits to shareholders in conjunction with its performance and sets a dividend payout ratio target of 35% or more. Accordingly, with the upward revisions made to the full-year performance forecasts, we are also revising the year-end dividend forecast upward. The Company plans a year-end dividend per share of ¥16 for fiscal 2023, up ¥2 from the initial plan of ¥14 and up ¥4 from the year-end dividend for fiscal 2022. We expect total dividends to be ¥2,171 million with a payout ratio of 43.4%.

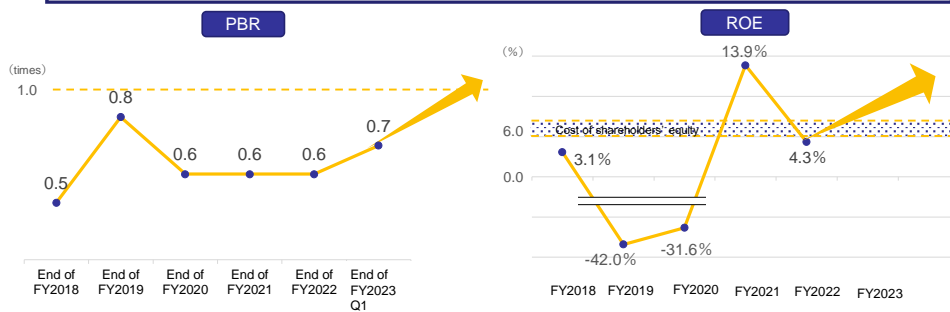
Next, please turn to slide 11.

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



Recognition of the current situation and future plans

Recognizing that improving PBR and ROE is a key management issue, we will announce a comprehensive financial strategy together with a revised version of "ONWARD VISION 2030" and a medium-term three-year management plan (FY2024-FY2026) scheduled for release next April, and promote it with speed.



*We recognize that the Company's cost of shareholders' equity is approximately 6%.

Future planned disclosure

As "Action to Implement Management that is Conscious of Cost of Capital and Stock Price", we plan the following disclosures.

- Announcement of FY2023 interim financial results (October 2023): Outline of financial policies and target financial indicators
- Announcement of FY2023 year-end financial results (April 2024): Specific measures for realization of financial policies and target financial indicators



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02

FY2023 Q1 Consolidated Financial Results

FY2023 Q1 : Consolidated Financial Results

—ONWARD—

- Net sales increased to 49.9 billion yen, up 5.4 billion yen (12.0%) YoY.
- Operating profit increased to 5.4 billion yen, up 3.4 billion yen (+168.3%) YoY as a result of higher gross profit margin (+2.6pp) and a lower SG&A expense ratio (-3.7pp), and the operating profit margin was 10.8% (+6.3pp).
- Net profit increased to 3.3 billion yen, up 1.5 billion yen (+83.6%).
- EBITDA increased to 6.5 billion yen, up 3.2 billion yen (+94.5%).

	(Million yen)	Q1 Results			
		FY2023	FY2022	Change	% of Change
1	Net Sales	49,907	44,551	+5,356	+12.0%
2	Gross Profit	28,979	24,718	+4,261	+17.2%
	(% of Sales)	(58.1%)	(55.5%)		(+2.6%)
3	SG&A Expenses	23,599	22,713	+886	+3.9%
	(% of Sales)	(47.3%)	(51.0%)		(- 3.7%)
4	Operating Profit	5,380	2,005	+3,375	+168.3%
	(% of Sales)	(10.8%)	(4.5%)		(+6.3%)
5	Recurring Profit	4,861	2,638	+2,223	+84.3%
	(% of Sales)	(9.7%)	(5.9%)		(+3.8%)
6	Net Profit	3,348	1,823	+1,525	+83.6%
	(% of Sales)	(6.7%)	(4.1%)		(+2.6%)
7	EBITDA*	6,545	3,365	+3,180	+94.5%
	(% of Sales)	(13.1%)	(7.6%)		(+5.5%)

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

I will explain the details of the consolidated financial results for the first quarter.

The figures enclosed in orange on the left indicate the actual results. Starting from item No. 1, net sales amounted to ¥49,907 million, up 12.0% year on year. Sales in the domestic apparel business increased significantly due to the expanded use of the OMO service of Onward Kashiya and the recovery of the uniforms business at Onward Trading. In the domestic lifestyle business, Chacott, which provides ballet goods and cosmetics, Creative Yoko, operating the pet business, and Yamato, engaging in the catalog gift business, all performed well. Also, in the overseas business, sales increased in all areas.

Item No. 2: Gross profit was ¥28,979 million, up 17.2% year on year. In addition to reducing discount sales as in the previous fiscal year, goods with high unit prices such as men's suits performed well. As a result, gross profit margin went up 2.6 pp year on year to 58.1%.

Item No. 3: SG&A expenses improved by 3.7 pp in terms of percentage of sales to ¥23,599 million. Although the amount increased by 3.9% year on year, this was due to sales-linked rent and other factors, and fixed expenses have been properly controlled through streamlining store operations and taking other measures.

As a result, item No. 4, operating profit came to ¥5,380 million, up 168.3% year on year, and operating profit margin also improved by 6.3 pp. Please see page 29 for additional information on the main breakdown of SG&A expenses.

Item No. 5: Recurring profit was ¥4,861 million, up 84.3% year on year after posting non-operating profit/loss such as interest income, interest expenses and foreign exchange losses.

Item No. 6: Net profit came to ¥3,348 million, up 83.6% year on year after recording minus items such as an impairment loss on non-current assets and income taxes.

Item No. 7: EBITDA was ¥6,545 million, up 94.5% year on year. Please see page 29 for additional information on breakdown details regarding non-operating profit and loss, extraordinary profit and loss, income taxes, etc.

Please look at slide 12.

FY2023 Q1 : Net Sales & Operating Profit by Segment —ONWARD—

- In the domestic business, both the apparel and lifestyle segments increased sales YoY. Operating profit increased significantly by +115.4% in the apparel segment and by +68.8% in the lifestyle segment.
- In the overseas business, sales increased by more than 20% YoY, and operating profit/loss improved by 0.4 billion yen, although an operating loss remained.

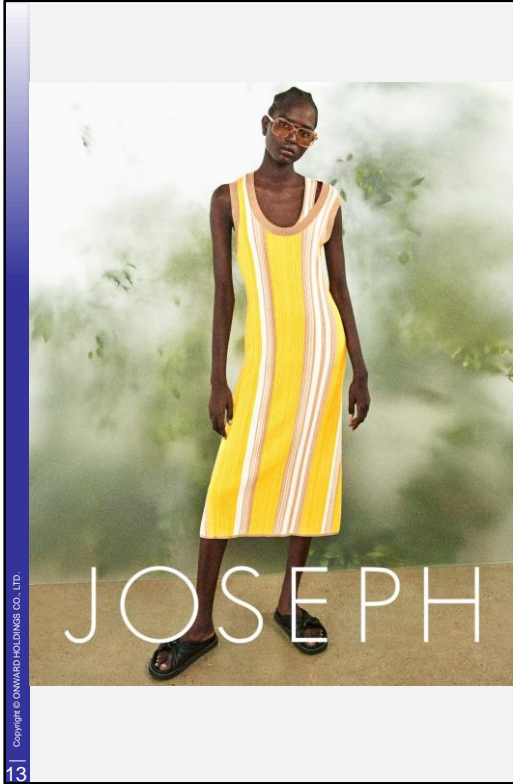
(Million yen)		Q1 Results				
		FY2023	FY2022	Change	% of Change	
1	Apparel	Net Sales	37,560	33,443	+4,117	+12.3%
		Operating Profit	4,604	2,137	+2,467	+115.4%
2	Lifestyle	Net Sales	10,539	9,808	+731	+7.5%
		Operating Profit	1,256	744	+512	+68.8%
3	Domestic Total	Net Sales	48,099	43,251	+4,848	+11.2%
		Operating Profit	5,860	2,881	+2,979	+103.4%
4	Overseas Total	Net Sales	4,496	3,732	+764	+20.5%
		Operating Profit	-251	-613	+362	↗
5	Consolidated Total	Net Sales	49,907	44,551	+5,356	+12.0%
		Operating Profit	5,380	2,005	+3,375	+168.3%

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

The results of net sales and operating profit by segment are shown here. In the domestic business, both the apparel and lifestyle segments achieved sales growth from a year earlier. Operating profit increased significantly, up 115.4% in the apparel segment and up 68.8% in the lifestyle segment.

In our overseas business, sales increased by more than 20% year on year. Operating profit/loss improved by ¥0.4 billion year on year, although an operating loss remains.

Please look at slide 14.



03

**FY2023 First Half and Full Year
Consolidated Performance Forecasts**

FY2023 1H / Full-Year : Consolidated Performance Forecast ONWARD

- First-half net sales are expected to be 90 billion yen, up 7.8 billion yen (+9.5%) YoY. Gross profit margin is expected to increase by 2.2pp YoY, and gross profit is expected to increase by 6.2 billion yen (+14.0%). The SG&A expenses ratio is expected to improve by 2.0pp YoY. As a result of the above, operating profit is expected to be 4 billion yen, up 3.8 billion yen (+1972.5%). Net profit is expected to be 2.4 billion yen, up 1.9 billion yen (+404.2%).
- Full-year performance forecasts are a combination of the upwardly revised first-half performance forecasts and the initial second-half forecasts, which remain unchanged.

(Million yen)	First Half				Full-Year			
	FY2023	FY2022	Change	% of hange	FY2023	FY2022	Change	% of Change
1 Net Sales	90,000	82,166	+7,834	+9.5%	188,800	176,072	+12,728	+7.2%
2 Gross Profit (% of Sales)	50,980 (56.6%)	44,735 (54.4%)	+6,245	+14.0% (+2.2%)	105,780 (56.0%)	96,751 (54.9%)	+9,029	+9.3% (+1.1%)
3 SG&A Expenses (% of Sales)	46,980 (52.2%)	44,542 (54.2%)	+2,438	+5.5% (- 2.0%)	95,780 (50.7%)	91,537 (52.0%)	+4,243	+4.6% (- 1.3%)
4 Operating Profit (% of Sales)	4,000 (4.4%)	193 (0.2%)	+3,807	+1972.5% (+4.2%)	10,000 (5.3%)	5,214 (3.0%)	+4,786	+91.8% (+2.3%)
5 Recurring Profit (% of Sales)	3,400 (3.8%)	654 (0.8%)	+2,746	+419.9% (+3.0%)	9,000 (4.8%)	5,319 (3.0%)	+3,681	+69.2% (+1.8%)
6 Net Profit (% of Sales)	2,400 (2.7%)	476 (0.6%)	+1,924	+404.2% (+2.1%)	5,000 (2.6%)	3,061 (1.7%)	+1,939	+63.3% (+0.9%)
7 EBITDA[※] (% of Sales)	6,600 (7.3%)	2,838 (3.5%)	+3,762	+132.6% (+3.8%)	15,100 (8.0%)	10,373 (5.9%)	+4,727	+45.6% (+2.1%)

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

Details of our first-half and full-year performance forecasts are presented here. As I mentioned under the performance highlights at the beginning of the presentation, in light of the results of the first quarter, the initial forecasts are revised upward.

The figures enclosed in orange are the revised forecasts. The forecasts for the second half of the fiscal year remain unchanged, while the full-year forecasts reflect the upward revisions made for the first half.

On a full-year basis, we expect net sales to increase by 7.2% year on year, and gross profit margin to go up by 1.1 pp to 56.0%. The SG&A expense ratio is expected to improve by 1.3 pp to 50.7%, and operating profit margin to improve by 2.3 pp to 5.3%, marking the highest figure since fiscal 2012.

FY2023 1H / Full-Year : Forecast of Net Sales & Operating Profit by Segment ONWARD

- In the domestic business, in the apparel segment for the full year, net sales are expected to increase by 9.1 billion yen (+7.1%) and operating profit by 3.9 billion yen (+78.0%). In the lifestyle segment for the full year, net sales are expected to increase by 3 billion yen (+7.8%) and operating profit by 0.5 billion yen (+20.1%) from the previous fiscal year, which are significant increase.
- In the overseas business for the full year, net sales are expected to increase by 2.1 billion yen (+12.2%) YoY. Although an operating loss remains, operating profit/loss is expected to improve by 0.8 billion yen.

(Million yen)			First Half				Full-Year			
			FY2023	FY2022	Change	% of Change	FY2023	FY2022	Change	% of Change
1	Apparel	Net Sales	65,922	59,704	+6,218	+10.4%	137,803	128,672	+9,131	+7.1%
		Operating Profit	3,279	484	+2,795	+577.5%	8,924	5,014	+3,910	+78.0%
2	Lifestyle	Net Sales	20,557	19,155	+1,402	+7.3%	41,791	38,779	+3,012	+7.8%
		Operating Profit	1,968	1,484	+484	+32.6%	3,275	2,727	+548	+20.1%
3	Domestic Total	Net Sales	86,479	78,859	+7,620	+9.7%	179,594	167,451	+12,143	+7.3%
		Operating Profit	5,247	1,968	+3,279	+166.6%	12,199	7,741	+4,458	+57.6%
4	Overseas Total	Net Sales	8,613	7,733	+880	+11.4%	19,358	17,250	+2,108	+12.2%
		Operating Profit	-728	-1,132	+404	↗	-300	-1,090	+790	↗
5	Consolidated Total	Net Sales	90,000	82,166	+7,834	+9.5%	188,800	176,072	+12,728	+7.2%
		Operating Profit	4,000	193	+3,807	+1972.5%	10,000	5,214	+4,786	+91.8%

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

In terms of the performance forecasts by segment shown on page 15, we expect the domestic business will perform strongly. Net sales are expected to increase by 7% in both apparel and lifestyle segments. Operating profit is expected to increase by 78% in apparel and 20% in lifestyle. In the overseas business, although we expect a significant improvement from the loss of ¥1.1 billion in the previous fiscal year, an operating loss of ¥0.3 billion will likely remain. We hope to return to the black in fiscal 2024.

This completes the explanation on the results of profit and loss for the first quarter and the forecasts for the first half and full year. For the balance sheet, please see the appendix on slide 30.

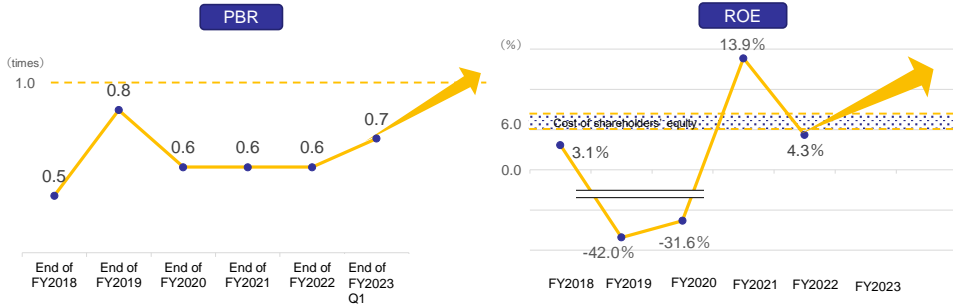
Please now go back to slide 9.

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



Recognition of the current situation and future plans

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*We recognize that the Company's cost of shareholders' equity is approximately 6%.

This page outlines our recognition of the current situation and future plans in preparation for the series of actions requested by the Tokyo Stock Exchange regarding the implementation of management that is conscious of capital cost and stock price (analysis of current situation → planning & disclosure → implementation of initiatives).

As of today, July 7, the share price is ¥502, with PBR of roughly 0.9. ROE was 14% in fiscal 2021, but was 4.3% in fiscal 2022, which did not exceed the cost of shareholders' equity of about 6%. We expect ROE to exceed 6% in fiscal 2023. In terms of "Action to Implement Management that is Conscious of Capital Cost and Stock Price", we plan to establish a framework of our financial policies, target indicators, etc. before the end of the first half of the fiscal year and disclose it at the time of announcing our financial results for the first half. We will also review ONWARD VISION 2030 by the time we announce our full-year financial results, while examining and announcing specific measures to implement such management.

Topics are shown on slides 17 and 18.



04

Topics



- Strategic partnership for mutual use of the two companies' platforms -

■ Overview of WEGO

- ✓ Company Profile :
WEGO is a fashion company that aims to create new value by combining fashion, culture, and lifestyle to add color to the town and the world with the theme of "YOUR FAN." WEGO's main customer base is Generation Z, who are in their teens and 20s.
- ✓ Net sales: Approximately 30 billion yen (fiscal year ended February 2023)
- ✓ Number of stores: Approximately 170 stores (as of February 2023)
- ✓ Number of employees: Approximately 2,200 employees (as of February 2023)
- ✓ Our stake: 20.27%

■ Purpose of the capital and business alliance

- ✓ The Company has started a capital and business alliance with WEGO through a third-party allotment of shares by WEGO Co., Ltd., a fashion company.
- ✓ The purpose of this capital and business alliance is to contribute to the business expansion of both the Company and WEGO by combining their respective strengths. The Company aims to acquire a new customer base by utilizing WEGO's strengths in marketing platforms for Generation Z.

Slide 17 provides information on the capital and business alliance with WEGO Co., Ltd., and page 18 is about the acquisition of additional shares of SanMarino Co., Ltd., with which the capital and business alliance began in 2021.

By combining WEGO's strength in marketing platforms for young generations with the Company's product production and digital platforms, we believe we can generate significant synergies for both companies, as well as expand and evolve our business, which will lead to providing new value to customers.

Deepening of Capital and Business Alliance with SanMarino Co., Ltd.

Onward Holdings Deepens Capital and Business Alliance with Textile Trading Company SanMarino Co., Ltd. Acquires Additional Portion of Outstanding Shares

- For Further Acceleration of Structural Reform in Areas of Planning and Production -

■ Overview of SanMarino

- ✓ **Company Profile :**
SanMarino is a trading company specialized in textiles that is engaged in the business of planning, proposal, and OEM (original equipment manufacturing) of women's clothing. SanMarino is the Company's main business partner with extensive information gathering and material procurement capabilities and a production network in Asia and Europe, SanMarino has long built a relationship of trust with the Company as its main customer.
- ✓ Net sales: 13.7 billion yen (fiscal year ended June 2022)
- ✓ Number of employees: 158 employees (including seconded employees, as of June 2022)
- ✓ Our stake: 34.0% (5.1% before change)

■ Purpose of the capital and business alliance

- ✓ Having formed a capital and business alliance with SanMarino in 2021, the Company has worked to further strengthen its planning and production bases, which serve as a source of competitiveness as an apparel maker.
- ✓ Through the acquisition of an additional portion of outstanding shares in SanMarino, we will further promote PLM (Product Lifecycle Management), which is a platform for product planning, production and distribution, and aim to strengthen its foundation for the kind of sustainable manufacturing that meets the needs of the times, which does not generate excess inventory, and serves to connect production, stores, e-commerce websites, and customers.

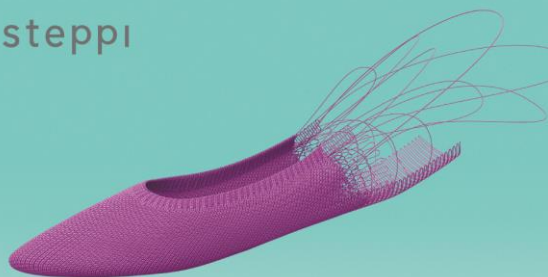
As for the capital and business alliance with SanMarino, through the acquisition of an additional portion of outstanding shares in SanMarino, we intend to further promote PLM (Product Lifecycle Management), which is a platform for product planning, production and distribution, and strengthen the foundation for sustainable manufacturing.

Slides 19 and thereafter are provided as appendix for your reference.

This completes my explanation. Thank you.

ニットだから、
ひたすら心地いい靴。

steppi



05

Appendix



Brand Business

—ONWARD—

Nijyusanku 【Onward Kashiya】

Onward Kashiya's core brand, Nijyusanku, continued its strong sales growth from the previous fiscal year due to the evolution of "standard items," which are the strengths of the brand.



Q1 Sales (YoY) + 19.5%

23

GOTAIRIKU 【Onward Kashiya】

For the men's suits brand GOTAIRIKU, net sales were driven by an increase in the share of high-priced pattern-made suits and an increase in the customer unit price. It also contributed to an increase in gross profit.



Q1 Sales (YoY) + 11.2%

GOTAIRIKU
SINCE 1992

PET PARADISE 【Creative Yoko】

Measures to open new stores were successful. PET PARADISE Harajuku Takeshita-Dori store and two outlet stores all exceeded forecasts significantly. The Harajuku Takeshita-Dori store was boosted by inbound sales.



Q1 Sales (YoY) + 16.4%

PET PARADISE

Chacott 【Chacott】

Sales of the Chacott COSMETICS business increased significantly. Ballet and fitness also remained strong. In cosmetics, Chacott strengthened its promotional efforts, focusing on its face color palettes.



Q1 Sales (YoY) + 6.0%

Chacott

Brand Business

ONWARD

UNFILO / Steppi [Onward Kashiyama]

UNFILO, which has created big hit products since its debut in 2021 and approximately doubled its net sales in FY2022, continued significant sales growth in Q1. Increased use of OMO services and the creation of hit products contributed to growth of net sales for both EC and stores.

"steppi," which made its debut as UNFILO's shoe line in 2022, became an independent brand in 2023. The brand has pursued comfort and functionality as knitted shoes, and received the Good Design Award.



Q1 Sales
(YoY)

+ 96.3%

UNFILO

KASHIYAMA [Onward Personal Style]

Sales of directly managed stores increased significantly. The Kichijoji store, revamped as one of the largest stores in Tokyo in April 2023, performed better than planned. Customers increased significantly, and the customer unit price also increased.

Businesses for corporate clients also contributed to a sales increase by winning deals for company uniforms, which have recovered after the COVID-19 pandemic.



Q1 Sales
(YoY)

+ 33.6%

KASHIYAMA

OMO Service “Click & Try”

- The number of stores that introduced the “Click & Try” service increased by 70 stores from the end of the same period of the previous fiscal year to 360 stores, and the adoption rate increased to 51%.
- The number of reservations increased by 184% to 37,000 reservations YoY.
- Net sales at existing stores that introduced the service exceeded those for 2019 before the COVID-19 pandemic by 13%, and exceeded those at 87% of stores that have not introduced the service by 26 pp.

Change in Number of Stores that Introduced Service and Number of Reservations

	FY2023 Q1	FY2022 Q1	Change	% of Change
Number of stores (stores)	360	290	+70	-
Adoption rate	51%	35%	+15%	-
Number of reservations (thousands of reservations)	37	13	+24	+184%

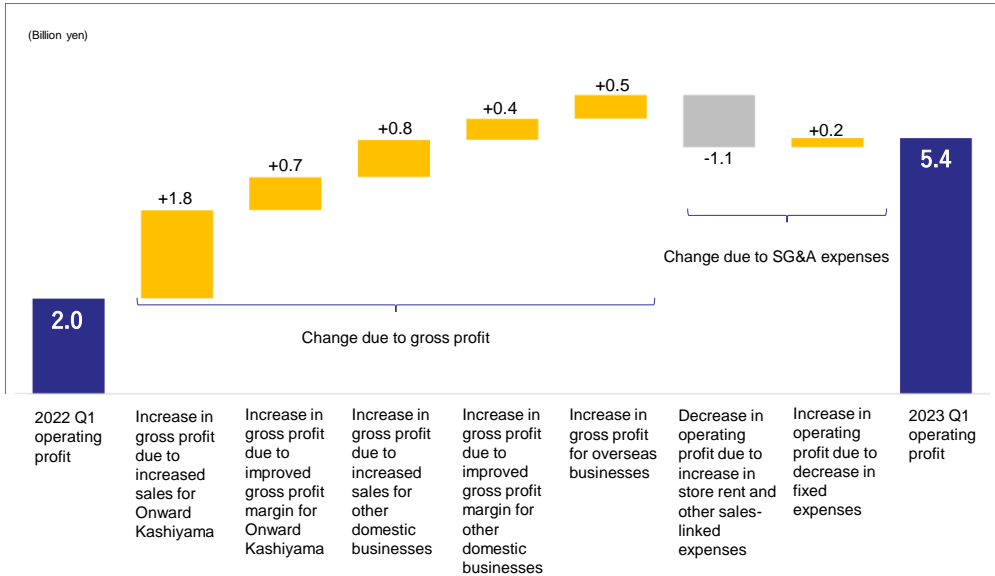
Comparison of net sales between stores that introduced and have not introduced the service (vs. 2019)

Vs. 2019	FY2023 Q1	FY2022 Q1
Stores that introduced the service	113%	97%
Stores that have not introduced the service	87%	77%
Effect (net)	+26%	+20%

FY2023 Q1 Operating Profit Change Analysis (YoY)



Operating Profit Change Waterfall



FY2023 Q1 : Net Sales & Operating Profit by Company



(Million yen)		Q1				
		FY2023	FY2022	Change	% of Change	
1	Onward Kashiya+HD	Net Sales	29,174	26,135	+3,039	+11.6%
		Operating Profit	3,696	1,752	+1,944	+111.0%
2	Onward Trading	Net Sales	4,465	3,822	+643	+16.8%
		Operating Profit	727	461	+266	+57.7%
3	Island	Net Sales	1,521	1,465	+56	+3.8%
		Operating Profit	17	40	-23	-57.5%
4	Domestic Apparel Total	Net Sales	37,560	33,443	+4,117	+12.3%
		Operating Profit	4,604	2,137	+2,467	+115.4%
5	Chacott	Net Sales	2,440	2,302	+138	+6.0%
		Operating Profit	279	133	+146	+109.8%
6	Creative Yoko	Net Sales	1,473	1,265	+208	+16.4%
		Operating Profit	121	70	+51	+72.9%
7	Yamato	Net Sales	5,628	5,153	+475	+9.2%
		Operating Profit	698	301	+397	+131.9%
8	Domestic Lifestyle Total	Net Sales	10,539	9,808	+731	+7.5%
		Operating Profit	1,256	744	+512	+68.8%
9	Domestic Subtotal	Net Sales	48,099	43,251	+4,848	+11.2%
		Operating Profit	5,860	2,881	+2,979	+103.4%
10	Europe	Net Sales	2,615	2,318	+297	+12.8%
		Operating Profit	-164	-280	+116	↗
11	America	Net Sales	441	286	+155	+54.2%
		Operating Profit	-92	-194	+102	↗
12	Asia	Net Sales	1,440	1,128	+312	+27.7%
		Operating Profit	5	-139	+144	↗
13	Overseas Subtotal	Net Sales	4,496	3,732	+764	+20.5%
		Operating Profit	-251	-613	+362	↗
14	Consolidated Total	Net Sales	49,907	44,551	+5,356	+12.0%
		Operating Profit	5,380	2,005	+3,375	+168.3%

Note: Figures for each segment are simple sums of the subject companies. Consolidated totals are after eliminating intergroup transactions.

FY2023 Q1 : Net Sales by Channel

- Net sales at physical stores total (department stores, shopping centers and other) increased by 12% 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 28% 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	12,009	9,642	21,651	6,525	998	7,523	29,174	25.8%	86.7%
2 % of Sales	41.2%	33.0%	74.2%	22.4%	3.4%	25.8%	100.0%		
3 YoY	+9.9%	+15.4%	+12.3%	+9.1%	+13.4%	+9.7%	+11.6%	-0.5%	-0.4%
4 Eight Domestic Subsidiaries Using E-Commerce*	2,504	6,418	8,922	3,646	645	4,291	13,213	32.5%	85.0%
5 Total Domestic Subsidiaries Using E-Commerce	14,513	16,060	30,573	10,171	1,643	11,814	42,387	27.9%	86.1%
6 % of Sales	34.2%	37.9%	72.1%	24.0%	3.9%	27.9%	100.0%		
7 YoY	+7.6%	+16.2%	+11.9%	+7.8%	+10.8%	+8.2%	+10.9%	-0.7%	-0.3%

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

FY2023 1H / Full-Year : Consolidated Performance Forecasts (Compared to Initial Forecast)



- Net sales in the first half are estimated to reach 90 billion yen, up 3.8 billion yen (+4.4%) from the initial forecast. Operating profit is forecast to be 4 billion yen, up 3 billion yen (+300.0%), while recurring profit is expected to be 3.4 billion yen, up 2.7 billion yen (+385.7%) and net profit at 2.4 billion yen, up 1 billion yen (+71.4%).
- The Company maintains its initial forecasts for the second half.

	First Half				Full-Year			
	FY2023	Initial Forecast	Change	% of Change	FY2023	Initial Forecast	Change	% of Change
1 Net Sales	90,000	86,200	+3,800	+4.4%	188,800	185,000	+3,800	+2.1%
2 Gross Profit	50,980	47,600	+3,380	+7.1%	105,780	102,400	+3,380	+3.3%
(% of Sales)	(56.6%)	(55.2%)		(+1.4%)	(56.0%)	(55.4%)		(+0.6%)
3 SG&A Expenses	46,980	46,600	+380	+0.8%	95,780	95,400	+380	+0.4%
(% of Sales)	(52.2%)	(54.1%)		(- 1.9%)	(50.7%)	(51.6%)		(- 0.9%)
4 Operating Profit	4,000	1,000	+3,000	+300.0%	10,000	7,000	+3,000	+42.9%
(% of Sales)	(4.4%)	(1.2%)		(+3.2%)	(5.3%)	(3.8%)		(+1.5%)
5 Recurring Profit	3,400	700	+2,700	+385.7%	9,000	6,300	+2,700	+42.9%
(% of Sales)	(3.8%)	(0.8%)		(+3.0%)	(4.8%)	(3.4%)		(+1.4%)
6 Net Profit	2,400	1,400	+1,000	+71.4%	5,000	4,000	+1,000	+25.0%
(% of Sales)	(2.7%)	(1.6%)		(+1.1%)	(2.6%)	(2.2%)		(+0.4%)
7 EBITDA[※]	6,600	3,600	+3,000	+83.3%	15,100	12,100	+3,000	+24.8%
(% of Sales)	(7.3%)	(4.2%)		(+3.1%)	(8.0%)	(6.5%)		(+1.5%)

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

FY2023 1H / Full-Year : Forecast of Net Sales & Operating Profit by Segment ~~ONWARD~~ (Compared to Initial Forecast)

- In the domestic apparel segment for the full year, net sales are expected to increase by 2.8 billion yen (+4.5%) and operating profit by 2.1 billion yen (+178.1%) from the initial forecasts.
- In the domestic lifestyle segment for the full year, net sales are expected to increase by 0.3 billion yen (+1.4%) and operating profit by 0.3 billion yen (+19.6%).
- In overseas businesses for the full year, net sales are expected to increase by 0.7 billion yen (+9.2%) and operating profit/loss is expected to improve by 0.1 billion.

(Million yen)			First Half				Full-Year			
			FY2023	Initial Forecast	Change	% of Change	FY2023	Initial Forecast	Change	% of Change
1	Apparel	Net Sales	65,922	63,086	+2,836	+4.5%	137,803	134,967	+2,836	+2.1%
		Operating Profit	3,279	1,179	+2,100	+178.1%	8,924	6,824	+2,100	+30.8%
2	Lifestyle	Net Sales	20,557	20,267	+290	+1.4%	41,791	41,501	+290	+0.7%
		Operating Profit	1,968	1,645	+323	+19.6%	3,275	2,952	+323	+10.9%
3	Domestic Total	Net Sales	86,479	83,353	+3,126	+3.8%	179,594	176,468	+3,126	+1.8%
		Operating Profit	5,247	2,824	+2,423	+85.8%	12,199	9,776	+2,423	+24.8%
4	Overseas Total	Net Sales	8,613	7,886	+727	+9.2%	19,358	18,631	+727	+3.9%
		Operating Profit	-728	-810	+82	↗	-300	-382	+82	↗
5	Consolidated Total	Net Sales	90,000	86,200	+3,800	+4.4%	188,800	185,000	+3,800	+2.1%
		Operating Profit	4,000	1,000	+3,000	+300.0%	10,000	7,000	+3,000	+42.9%

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

FY2023 1H / Full-Year : Forecast of Net Sales & Operating Profit by Company **ONWARD**

- In the domestic business for the full year, net sales are expected to increase by 12.1 billion yen (+7.3%) and operating profit by 4.5 billion yen (+57.6%) from the previous fiscal year.
- In the overseas business, net sales are expected to increase by 2.1 billion yen (+12.2%) and operating profit/loss is expected to improve by 0.8 billion yen from the previous fiscal year.

(Million yen)		First Half				Full-Year				
		FY2023	FY2022	Change	% of Change	FY2023	FY2022	Change	% of Change	
1	Onward Kashiyama + HD	Net Sales	51,419	46,055	+5,364	+11.6%	107,858	101,109	+6,749	+6.7%
		Operating Profit	2,401	332	+2,069	+623.2%	6,887	4,524	+2,363	+52.2%
2	Onward Trading	Net Sales	7,228	6,865	+363	+5.3%	14,969	13,650	+1,319	+9.7%
		Operating Profit	750	523	+227	+43.4%	1,350	1,021	+329	+32.2%
3	Island	Net Sales	2,947	2,970	-23	-0.8%	6,341	6,285	+56	+0.9%
		Operating Profit	34	22	+12	+54.5%	152	80	+72	+90.0%
4	Domestic Apparel Total	Net Sales	65,922	59,704	+6,218	+10.4%	137,803	128,672	+9,131	+7.1%
		Operating Profit	3,279	484	+2,795	+577.5%	8,954	5,014	+3,940	+78.0%
5	Chacott	Net Sales	4,976	4,714	+262	+5.6%	9,473	8,849	+624	+7.1%
		Operating Profit	530	342	+188	+55.0%	573	342	+231	+67.5%
6	Creative Yoko	Net Sales	2,933	2,562	+371	+14.5%	6,246	5,801	+445	+7.7%
		Operating Profit	184	108	+76	+70.4%	545	419	+126	+30.1%
7	Yamato	Net Sales	10,837	10,106	+731	+7.2%	21,836	20,629	+1,207	+5.9%
		Operating Profit	1,018	703	+315	+44.8%	1,827	1,489	+338	+22.7%
8	Domestic Lifestyle Total	Net Sales	20,557	19,155	+1,402	+7.3%	41,791	38,779	+3,012	+7.8%
		Operating Profit	1,968	1,484	+484	+32.6%	3,275	2,727	+548	+20.1%
9	Domestic Subtotal	Net Sales	86,479	78,859	+7,620	+9.7%	179,594	167,451	+12,143	+7.3%
		Operating Profit	5,247	1,968	+3,279	+166.6%	12,229	7,741	+4,488	+57.6%
10	Europe	Net Sales	4,637	4,244	+393	+9.3%	10,694	9,960	+734	+7.4%
		Operating Profit	-462	-514	+52	↗	108	-136	+244	↗
11	America	Net Sales	880	759	+121	+15.9%	1,615	1,636	-21	-1.3%
		Operating Profit	-271	-407	+136	↗	-302	-576	+274	↗
12	Asia	Net Sales	3,096	2,730	+366	+13.4%	7,049	5,654	+1,395	+24.7%
		Operating Profit	5	-211	+216	↗	-106	-378	+272	↗
13	Overseas Subtotal	Net Sales	8,613	7,733	+880	+11.4%	19,358	17,250	+2,108	+12.2%
		Operating Profit	-728	-1,132	+404	↗	-300	-1,090	+790	↗
14	Consolidated Total	Net Sales	90,000	82,166	+7,834	+9.5%	188,800	176,072	+12,728	+7.2%
		Operating Profit	4,000	193	+3,807	+1972.5%	10,000	5,214	+4,786	+91.8%

Note: Figures for each segment are simple sums of the subject companies. Consolidated totals are after eliminating intergroup transactions.

FY2023 Q1 : SG&A Expenses / Items that Affect Net Profit ONWARD

(Million yen)	FY2023 Q1	FY2022 Q1	YoY (% of Change)
1 Personnel	8,637	8,448	+2.2%
2 Rent	6,881	6,474	+6.3%
3 Transportation	1,621	1,561	+3.8%
4 Promotion and Advertising	1,482	926	+60.0%
5 Depreciation	770	982	-21.6%
6 Other	4,208	4,322	-2.6%
7 Total SG&A Expenses	23,599	22,713	+3.9%

[Items that Affect Net Profit]

- Non-operating profit from interest income, dividends income, etc., was 0.1 billion yen
- Non-operating expenses due to foreign exchange losses, interest expenses, etc. were 0.6 billion yen.
- Extraordinary loss was 0.2 billion yen due to impairment loss.
- 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 3.3 billion yen.

(Million yen)	FY2023 Q1	FY2022 Q1	YoY (% of Change)
8 Operating Profit	5,380	2,005	+168.3%
9 Non-Operating Profit	120	1,046	-88.5%
10 Interest income	35	6	483.3%
11 Foreign exchange gains		860	-
12 Subsidy income		84	-
13 Other	85	95	-10.5%
14 Non-Operating Loss	639	414	54.3%
15 Interest expenses	176	52	238.5%
16 Foreign exchange loss	352		-
17 Share of loss of entities accounted for using equity method	2	15	-86.7%
18 Other	109	346	-68.5%
19 Total Non-Operating Profit/Loss	-519	632	-
20 Recurring Profit	4,861	2,638	+84.3%
21 Extraordinary Profit		1,343	-
22 Gain on sales of shares of subsidiaries and associates		1,317	-
23 Other		25	-
24 Extraordinary Loss	152	459	-66.9%
25 Impairment loss	152	458	-66.8%
26 Other		1	-
27 Extraordinary Profit/Loss	-152	883	-
28 Profit Before Income Taxes	4,709	3,521	+33.7%
29 Income Taxes - Current	1,278	2,016	-36.6%
30 Profit (loss) attributable to non-controlling interests	82	-317	-
31 Net Profit	3,348	1,823	+83.6%

FY2023 Q1 : Consolidated Balance Sheet

(Billion yen)	End-FY2023 Q1	End-FY2022	Change	% of Change	Reasins for change
1 Total Assets	164.3	159.1	+5.2	+3.3%	
2 Current Assets	66.1	62.2	+3.9	+6.3%	
3 Cash and Deposits	13.5	13.8	-0.3	- 2.2%	
4 Accounts Receivable-trade	15.8	13.9	+1.9	+13.7%	Expanded net sales
5 Inventory	32.4	30.7	+1.7	+5.5%	Increased purchase to expand net sales
6 Non-current Assets	98.2	96.9	+1.3	+1.3%	
7 Property, Plant and Equipment	53.1	53.1	+0.0	+0.0%	
8 Intangible Assets	9.0	9.1	-0.1	- 1.1%	
9 Investments and Other Assets	36.0	34.7	+1.3	+3.7%	Increase in shares of affiliates
10 Total Liabilities	83.5	74.1	+9.4	+12.7%	
11 Accounts Payable-trade	22.1	21.4	+0.7	+3.3%	
12 Borrowings	35.3	27.2	+8.1	+29.8%	Short-term borrowings due to need for funds
13 Other	26.1	25.5	+0.6	+2.4%	
14 Total Net Assets	80.8	85.0	-4.2	- 4.9%	Decrease in minority interests
15 Shareholder's Equity Ratio	46.1%	47.0%	-	-0.9%	
16 Current Ratio	104.0%	117.2%	-	-13.2%	

FY2023 Q1 : Results by Group

		Q1 Results				
		FY2023	FY2022	Change	% of Change	
(Million yen)						
Onward Kashiya +HD	1	Net Sales	29,174	26,135	+3,039	+11.6%
	2	Gross Profit	18,324	15,815	+2,509	+15.9%
		(% of Sales)	(62.8%)	(60.5%)		(+2.3%)
	3	SG&A Expenses	14,628	14,063	+565	+4.0%
	(% of Sales)	(50.1%)	(53.8%)		(- 3.7%)	
4	Operating Profit	3,696	1,752	+1,944	+111.0%	
	(% of Sales)	(12.7%)	(6.7%)		(+6.0%)	
Domestic Subtotal (Excl. Onward Kashiya + HD)	5	Net Sales	18,925	17,116	+1,809	+10.6%
	6	Gross Profit	9,573	8,346	+1,227	+14.7%
		(% of Sales)	(50.6%)	(48.8%)		(+1.8%)
	7	SG&A Expenses	7,409	7,217	+192	+2.7%
	(% of Sales)	(39.1%)	(42.2%)		(- 3.0%)	
8	Operating Profit	2,164	1,129	+1,035	+91.7%	
	(% of Sales)	(11.4%)	(6.6%)		(+4.8%)	
Overseas Subtotal	9	Net Sales	4,496	3,732	+764	+20.5%
	10	Gross Profit	1,984	1,437	+547	+38.1%
		(% of Sales)	(44.1%)	(38.5%)		(+5.6%)
	11	SG&A Expenses	2,235	2,050	+185	+9.0%
	(% of Sales)	(49.7%)	(54.9%)		(- 5.2%)	
12	Operating Profit	- 251	- 613	+362	↗	
	(% of Sales)	-	-			

Note: Calculated using simple sums.

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



		First Half				Full-Year				
		FY2023	FY2022	Change	% of Change	FY2023	FY2022	Change	% of Change	
Onward Kashiwama + HD	1	Net Sales	51,419	48,740	+2,679	+5.5%	107,858	105,179	+2,679	+2.5%
	2	Gross Profit (% of Sales)	31,121 (60.5%)	28,812 (59.1%)	+2,309	+8.0% (+1.4%)	65,112 (60.4%)	62,803 (59.7%)	+2,309	+3.7% (+0.7%)
	3	SG&A Expenses (% of Sales)	28,720 (55.9%)	28,337 (58.1%)	+383	+1.4% (-2.2%)	58,225 (54.0%)	57,842 (55.0%)	+383	+0.7% (-1.0%)
	4	Operating Profit (% of Sales)	2,401 (4.7%)	475 (1.0%)	+1,926	+405.5% (+3.7%)	6,887 (6.4%)	4,961 (4.7%)	+1,926	+38.8% (+1.7%)
Domestic Subtotal (Excl. Onward Kashiwama + HD)	5	Net Sales	35,060	34,613	+447	+1.3%	71,736	71,289	+447	+0.6%
	6	Gross Profit (% of Sales)	17,757 (50.6%)	17,356 (50.1%)	+401	+2.3% (+0.5%)	36,193 (50.5%)	35,792 (50.2%)	+401	+1.1% (+0.3%)
	7	SG&A Expenses (% of Sales)	14,911 (42.5%)	15,007 (43.4%)	- 96	- 0.6% (-0.9%)	30,881 (43.0%)	30,977 (43.5%)	- 96	- 0.3% (-0.5%)
	8	Operating Profit (% of Sales)	2,846 (8.1%)	2,349 (6.8%)	+497	+21.2% (+1.3%)	5,312 (7.4%)	4,815 (6.8%)	+497	+10.3% (+0.6%)
Overseas Subtotal	9	Net Sales	8,613	7,886	+727	+9.2%	19,358	18,631	+727	+3.9%
	10	Gross Profit (% of Sales)	3,827 (44.4%)	3,296 (41.8%)	+531	+16.1% (+2.6%)	8,443 (43.6%)	7,912 (42.5%)	+531	+6.7% (+1.1%)
	11	SG&A Expenses (% of Sales)	4,555 (52.9%)	4,106 (52.1%)	+449	+10.9% (+0.8%)	8,743 (45.2%)	8,294 (44.5%)	+449	+5.4% (+0.7%)
	12	Operating Profit (% of Sales)	- 728 -	- 810 -	+82	↗	- 300 -	- 382 -	+82	↗

Note: Calculated using simple sums.

The logo for Onward Holdings Co., Ltd. features the word "ONWARD" in a bold, blue, sans-serif font. The letter "O" is stylized with a yellow horizontal bar passing through its center. Two additional yellow horizontal bars extend from the left and right sides of the "O" bar, passing behind the letters "N" and "D". Below the word "ONWARD" is the text "ONWARD HOLDINGS CO., LTD." in a smaller, black, sans-serif font.

ONWARD
ONWARD HOLDINGS CO., LTD.

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