

Presentation of Results for the Fiscal Year

Ended on February 28, 2007

Onward Kashiwama Co., Ltd.



ONWARD

By
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President
April 16, 2007

Results for Fiscal 2007 and Plans for Fiscal 2008



Fiscal 2007

Fiscal 2007 (Consolidated)

- Net sales: ¥318.6 billion (12.6% increase)
- Operating income: ¥25.4 billion (2.9% increase)
- Ordinary income: ¥27.4 billion (0.9% increase)

Increase in sales and income

Principal Factors

- Performance was above target, as GIBO' CO Group and Joseph, newly consolidated subsidiaries in Europe, steadily expanded sales drawing on their brand power and contributed to consolidated income.

Fiscal 2007 (Non-Consolidated)

- Sales ¥215.7 billion (6.0% increase)
- Operating income ¥18.2 billion (3.0% decrease)
- Ordinary income ¥22.1 billion (1.0% increase)

Increase in sales and income

Principal Factors

- Sales performance was virtually on target with the initial forecast. Operating profit declined as valuation losses on increased inventories lowered the gross margin, but ordinary income rose.

Plans for Fiscal 2008

Fiscal 2008 (Consolidated)

- Net sales ¥296.0 billion (7.1% decrease)
- Operating income ¥23.7 billion (6.8% decrease)
- Ordinary income ¥28.0 billion (2.2% increase)

Decrease in sales, increase in income

Principal Policies

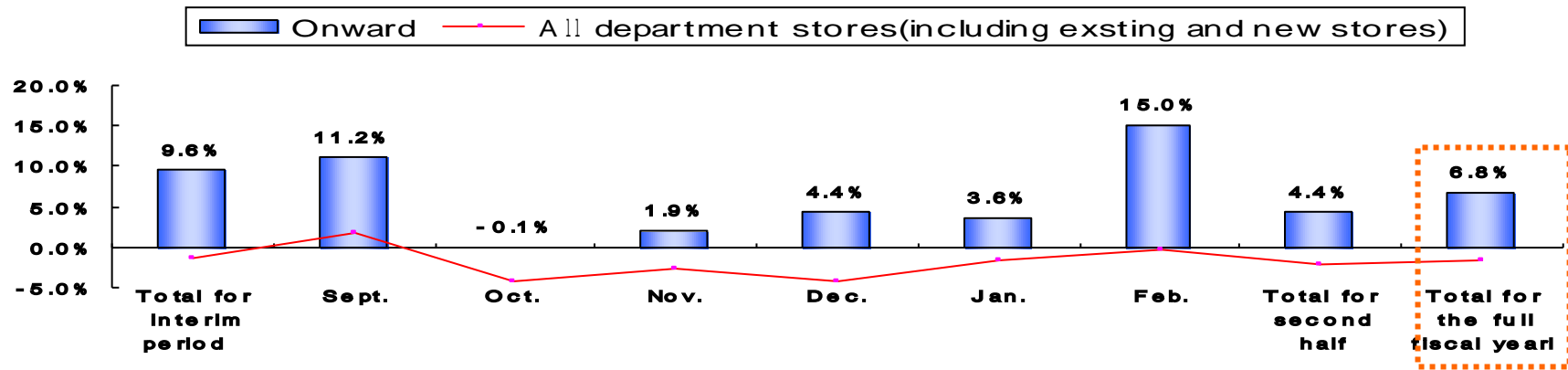
- Net sales and operating income will decline because of the sale of Impact 21, but ordinary income is forecast to increase as a portion of Polo business transactions continue and income of companies accounted for under the equity method contributes to non-operating income.

Sales by Sales Channel (Non-Consolidated)



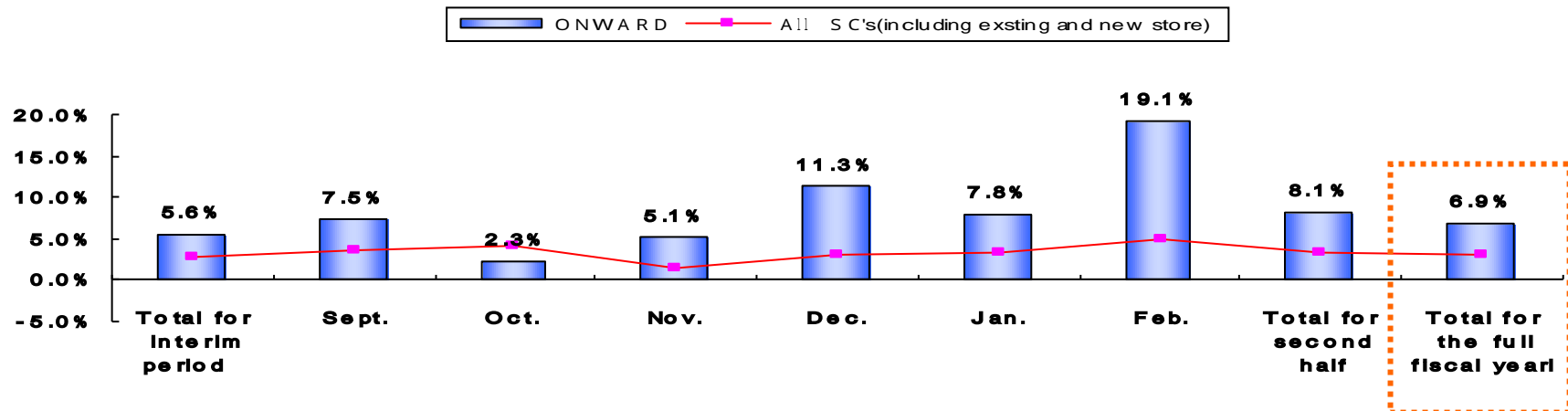
Clothing sales of all department stores were down 1.7%, but Onward sales grew 6.8% for the full fiscal year. Sales through new distribution channels grew 6.9%, as “anyFAM” recovered in the second half, and our core brands showed stable growth.

Comparison of all department store apparel sales and Onward sales(% change year on year, non-consolidated)



Source: Japan Department Store Association

Comparison of domestic shopping center(SC) sales through new distribution channels(% change year on year, non-consolidated)



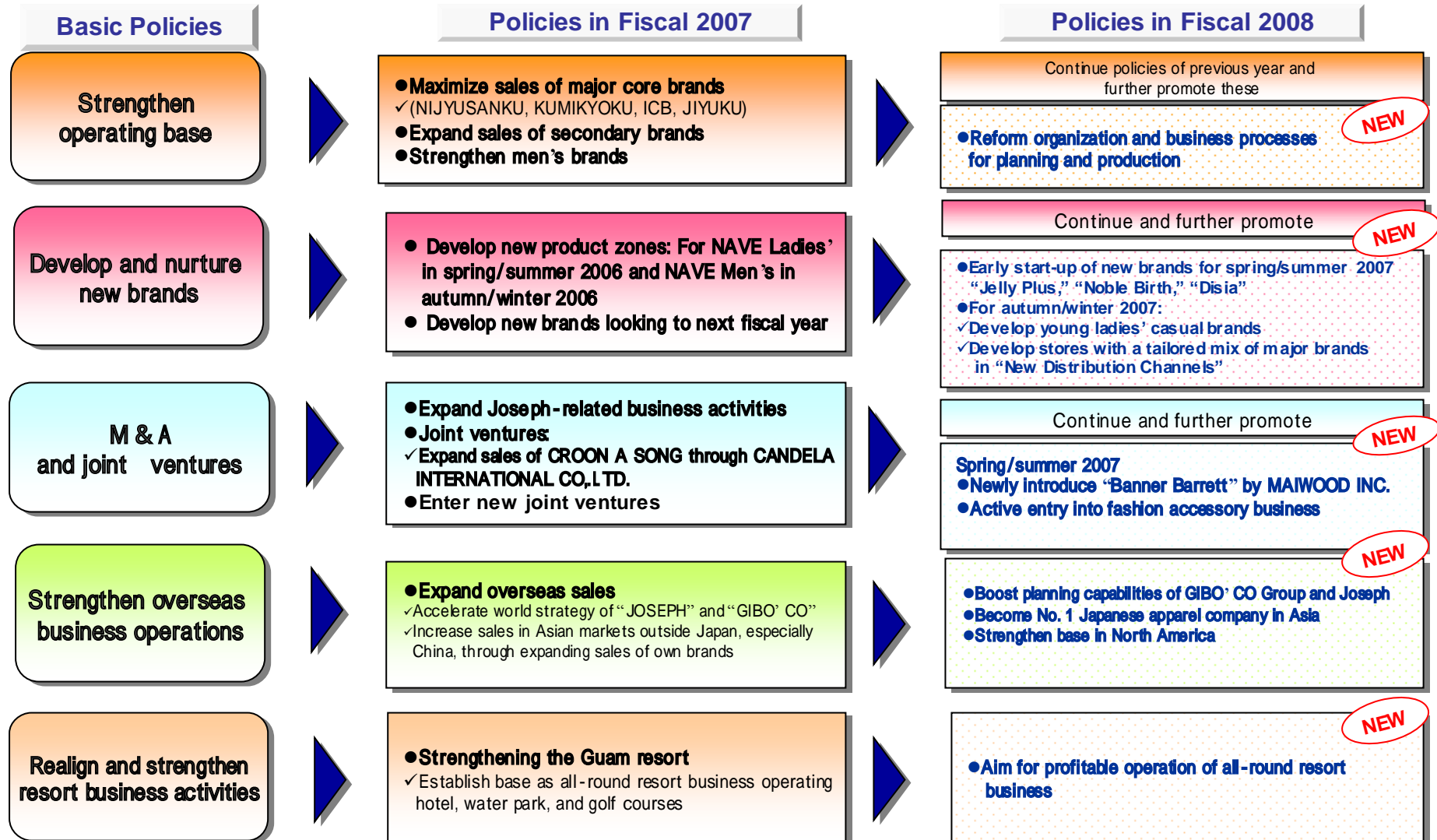
New distribution channels: Refers to “fashion buildings” (multi-story facilities housing boutiques and other retail outlets) and shopping centers.

Source: Japan Shopping Center Association

Outline of Policies in Fiscal 2007 and Fiscal 2008



Focus on boosting basic strengths.
Aim for expansion in sales and income again in fiscal 2008



Major core brands
 Secondary brands
 Core brand for new channels

Further Expansion in Sales of Major Core and Secondary Brands

(Unit: ¥ million, wholesale prices) Brands with planned sales of ¥3 billion or more

Brands

	Interim period (actual) Fiscal 2007		Second half (actual) Fiscal 2007		Full year (actual) Fiscal 2007		Fiscal 2008 (Planned)	
	Sales	% change	Sales	% change	Sales	% change	Sales	% change
NIJYUSANKU (women's)	12,810	3%	13,470	1%	26,280	2%	27,000	3%
KUMKYOKU (women's)	7,540	3%	8,450	2%	15,990	3%	16,420	3%
IC B (women's)	4,540	5%	5,680	5%	10,220	5%	10,680	5%
JİYUKU (women's)	4,550	6%	4,860	7%	9,410	6%	10,040	7%
J.PRESS (men's, women's, and children)	5,090	1%	5,270	3%	10,360	2%	10,400	± 0
CK Calvin Kleh (men's, women's, jeans, underwear)	3,570	4%	4,130	1%	7,700	3%	7,780	1%
GOTAIRKU (men's)	4,200	7%	3,010	± 0	7,210	4%	7,500	4%
SONA RYKIEL (women's)	3,100	10%	2,910	3%	6,010	3%	6,100	1%
DAKS (men's, golf)	2,540	8%	2,820	3%	5,360	5%	5,600	4%
Paul Smith (women's)	2,310	9%	2,430	9%	4,740	9%	4,960	5%
JANE MORE (women's)	2,300	9%	2,160	10%	4,460	10%	4,270	4%
pridegilde (women's)	1,720	33%	2,070	5%	3,790	16%	3,900	3%
Joseph (men's, women's)	1,490	122%	1,890	17%	3,380	48%	3,850	14%
MICHAEL KORS (women's)	1,610	8%	1,760	1%	3,370	4%	3,480	3%
anyFAM (women's and children's)	4,770	8%	5,030	4%	9,800	2%	10,300	5%
anySIS (women's)	3,850	3%	4,400	5%	8,250	4%	8,440	2%
field dream (men's, women's)	1,660	26%	1,710	23%	3,370	24%	3,940	17%
Feroux (women's)	1,540	32%	1,730	16%	3,270	23%	3,400	4%
Total	69,190	6%	73,780	3%	142,970	4%	148,060	4%

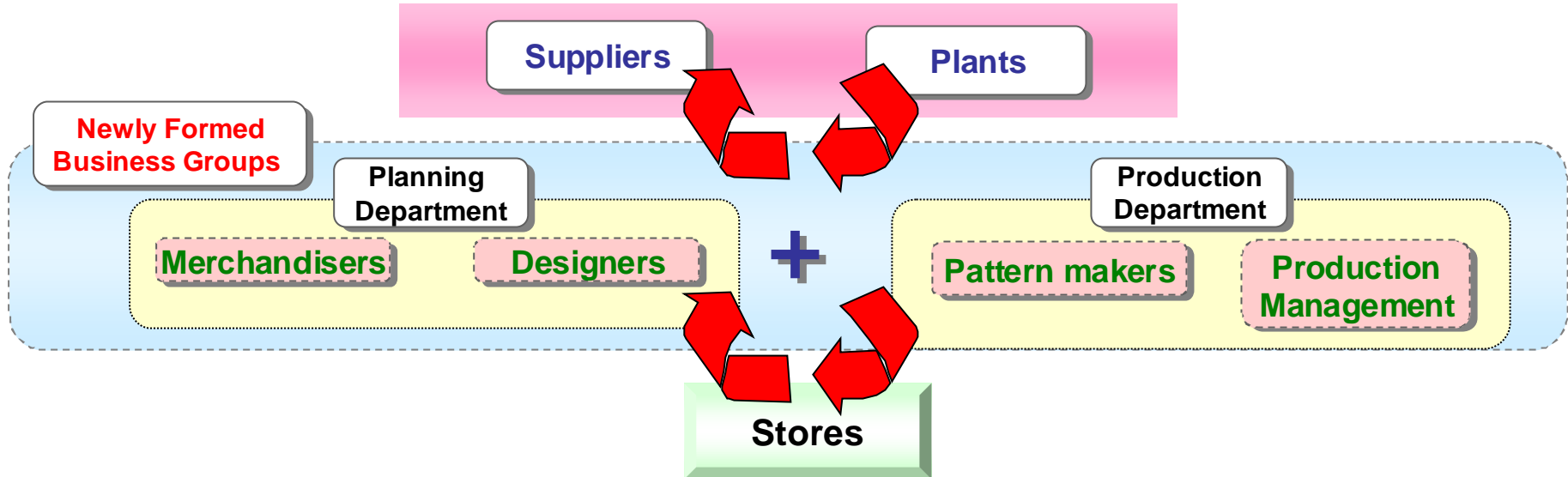
Combine planning and production divisions
Establish product supply capabilities that can respond quickly to market changes

Organizational Reforms

Reduce the 29 brand business groups to 13
 Shift the production functions to the business groups (planning department) and integrate the systems fully, from planning through production

Business Process Reforms

Through strategic use of overseas and domestic plans, speed up the supply of best-selling products
 Reform the warehouse distribution functions now subcontracted to distribution subsidiaries to improve efficiency of distribution and shorten lead time



Develop and Nurture New Brands



Early start-up of new brands, promote development of brands for second half of the fiscal year

Spring/ Summer of 2007



“Collaboration brand with Miyake Design Studio”
➤ Schedule: 18 stores for spring/summer of 2007 and 12 more stores for autumn/winter of 2007



“A real clothes brand for the new career generation”
➤ Schedule: 10 stores for the spring/summer of 2007 and 5 to 10 more stores for autumn/winter of 2007



“An elegant brand for adults= “prideglide” for the older sister age -group”
➤ Schedule: 10 stores for the spring/summer of 2007 and 8 more stores for the autumn/winter of 2007



Autumn/ Winter of 2007

Develop young adult casual brands for young women around 20

**“New Distribution Channels”
Develop stores with a tailored mix of major brands**

Accelerate opening of new stores in leading fashion buildings and free-standing stores

Work to expand sales in new zones

- Accelerate offensive through own brand and joint venture brand business
- Actively form joint ventures with newly emerging fashion companies



Plans for FY 2008
Add 3 new stores to the existing 15 for a total of 18.
Introduce new "rosebullet more" brand in March.



CROON A SONG

CANDELA INTERNATIONAL CO.,LTD.

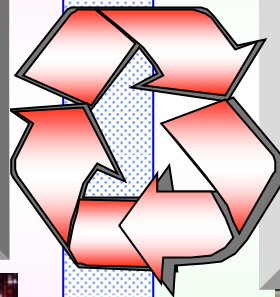
Plans for FY 2008
Add 4 new stores to the existing 15 for a total of 19.



Banner Barrett

MAIWOOD INC.

Plans for FY2008
Add 6 new stores to the existing 3 for a total of 9. Scheduled to open new flagship store in Aoyama in June.



Strengthen Overseas Operations: Raise Percentage of Overseas Sales



Europe

➤ GIBO'CO Group

- ✓ Expand sales through expansion of product planning for apparel accessories and development of new product lines

➤ JOSEPH

- ✓ Raise brand equity by strengthening and expanding integrated planning and production activities
- ✓ Expand sales in new areas.

'JOSEPH, Paris Store



Asia

➤ Become No. 1 Japanese apparel company in the Asian market

- ✓ Expand number of stores in China of KUMIKYOKU and SIZE SITE (large size clothing) and newly enter the children's market (KUMIKYOKU)
- ✓ Further expand number of NIJYUKU and ICB stores
- ✓ Enter JOSEPH in the Chinese, Korean, and Taiwanese markets

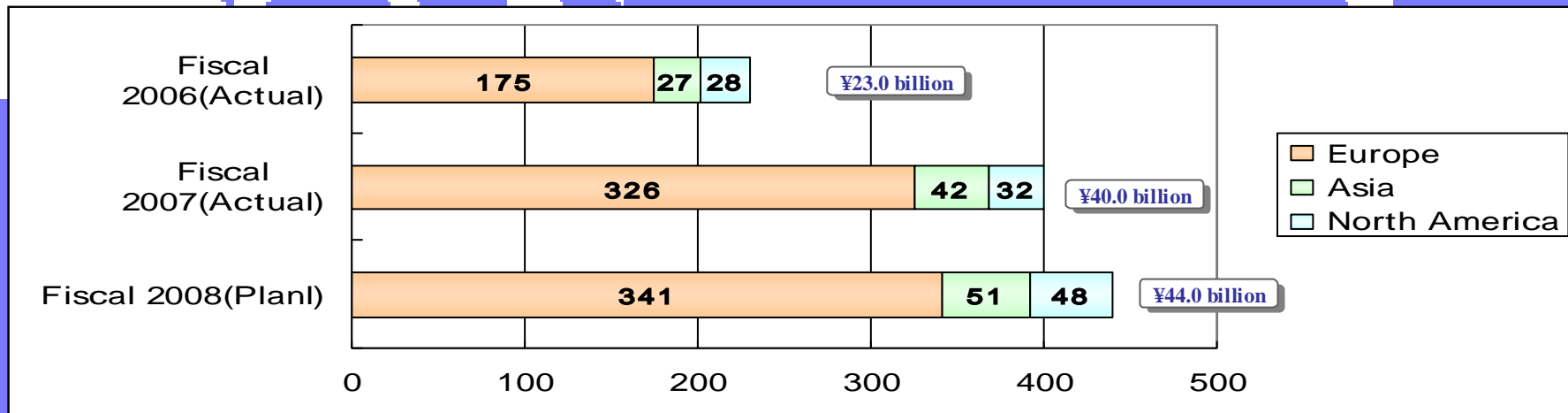
KUMIKYOKU (children's) in Isetan's Mei Long Zhen Shanghai Store



North America

- J.PRESS New York flagship store to move into new, fully redesigned location (in May)
- Build basis for JOSEPH business

'J.PRESS, New York Store



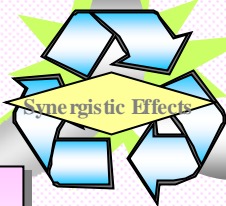
Aim for profitable operation by realizing synergies among the all-round hotel, water park, and golf facilities

ONWARD BEACH RESORT GUAM, INC.

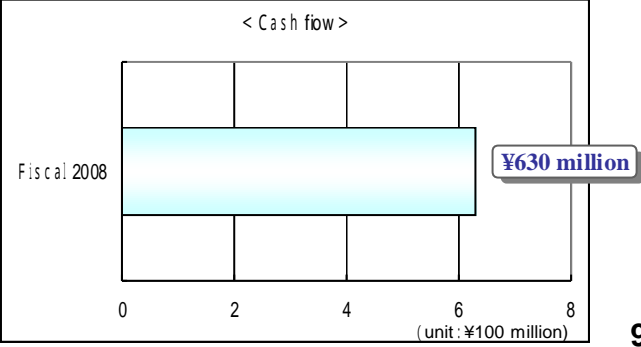
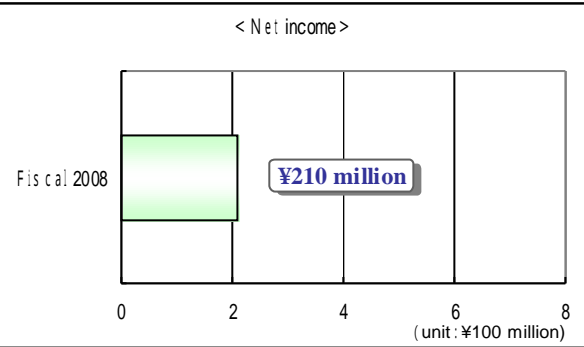
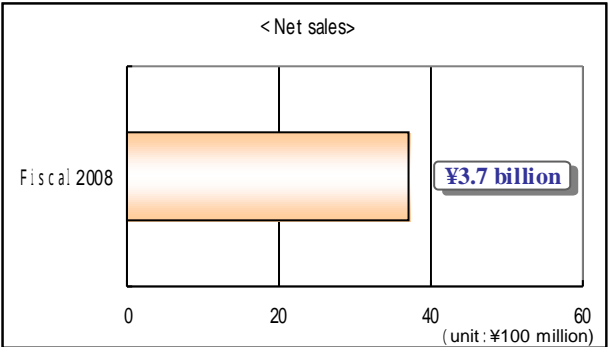
- Attract guests to hotel facilities by realizing maximum synergies from the ONWARD TALOFOFO GOLF CLUB and MANGILAO GOLF CLUB. Raise year-round occupancy by increase guest drawing power in the off season.

ONWARD BEACH RESORT GUAM, INC.

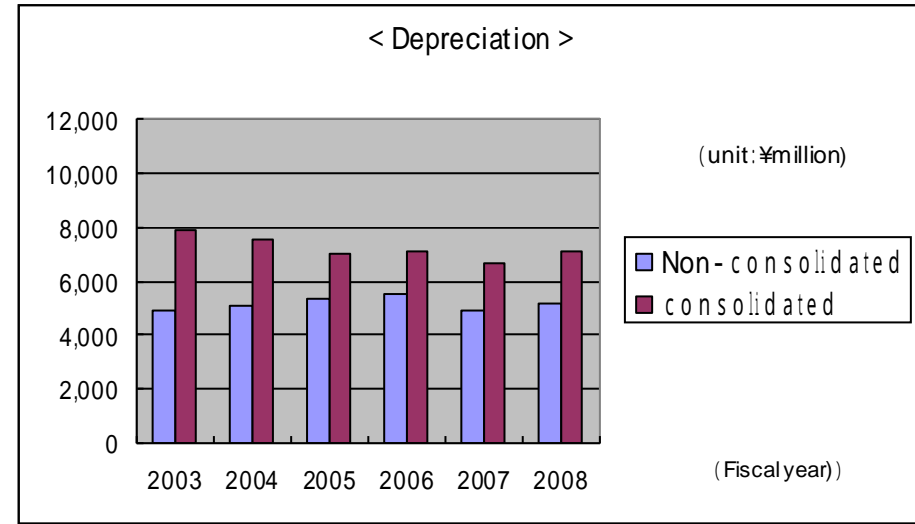
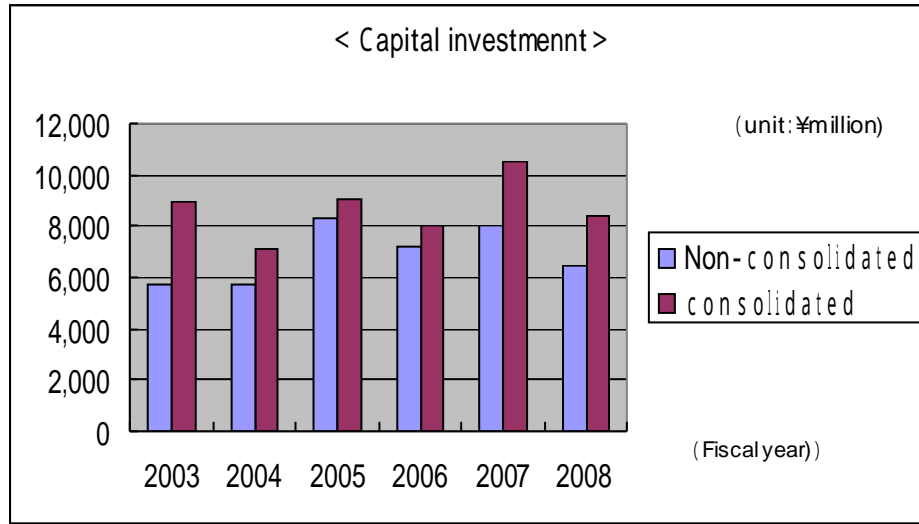
- Establish No. 1 brand in Guam and consolidate position as price leader among golf resorts in Guam
- Attract guests to hotel facilities by offering “hotel and golf” tour packages.



Trends in Performance



Trends in Capital Investment and Depreciation



[Capital investment]

(unit: ¥million)

	Fiscal 2003 (Actual)	Fiscal 2004 (Actual)	Fiscal 2005 (Actual)	Fiscal 2006 (Actual)	Fiscal 2007 (Actual)	Fiscal 2008 (Plan)
Consolidated	8,947	7,145	9,076	8,053	10,506	8,400
Non-consolidated	5,695	5,716	8,280	7,238	8,046	6,500

[Depreciation]

(unit: ¥million)

	Fiscal 2003 (Actual)	Fiscal 2004 (Actual)	Fiscal 2005 (Actual)	Fiscal 2006 (Actual)	Fiscal 2007 (Actual)	Fiscal 2008 (Plan)
Consolidated	7,889	7,530	7,041	7,053	6,697	7,100
Non-consolidated	4,905	5,057	5,353	5,542	4,890	5,200

Consolidated/Non-Consolidated Sales by Type



Consolidated

(Unit: ¥ million)

	Interim period of fiscal 2007		Second half of fiscal 2007		Full fiscal year 2007	
	Amount	% Change	Amount	% Change	Amount	% Change
Men's	39,249	9.3%	43,508	2.5%	82,757	5.6%
Women's	85,849	18.5%	90,698	9.9%	176,547	14.0%
Children's	3,969	5.2%	4,409	1.3%	8,378	3.2%
Kimono	1,990	2.8%	1,562	3.5%	3,552	3.1%
Other	22,040	21.7%	25,416	31.1%	47,456	26.6%
Total	153,097	15.4%	165,593	10.1%	318,690	12.6%

Non-Consolidated

(Unit: ¥ million)

	Interim period of fiscal 2007		Second half of fiscal 2007		Full fiscal year 2007	
	Amount	% Change	Amount	% Change	Amount	% Change
Men's	29,925	4.8%	32,390	0.3%	62,315	2.4%
Women's	66,062	11.9%	68,958	6.2%	135,020	8.9%
Children's	3,969	5.2%	4,409	1.3%	8,378	3.2%
Kimono	1,990	2.8%	1,562	3.5%	3,552	3.1%
Other	3,123	3.3%	3,347	0.2%	6,470	1.4%
Total	105,069	8.5%	110,666	3.7%	215,735	6.0%

Non-Consolidated Sales by Distribution Channel



(Unit: ¥ million)

	Interim of period fiscal 2007		Second half of fiscal 2007		Full fiscal Year 2007	
	Amount	Change	Amount	Change	Amount	Change
Department stores	70,588	9.6%	78,323	4.4%	148,911	6.8%
New Distribution Channels	15,411	5.6%	16,727	8.1%	32,138	6.9%
Chain stores	1,320	7.3%	1,606	4.9%	2,926	6.0%
Speciality stores	3,126	1.8%	3,164	2.1%	6,290	0.2%
Other	14,624	9.1%	10,846	3.9%	25,470	3.2%
Total	105,069	8.5%	110,666	3.7%	215,735	6.0%

Changes in Sales Floor Area and Monthly Sales (Non-Consolidated)



Sales Floor Area (Non-Consolidated)

		Fiscal 2003 (Actual)		Fiscal 2004 (Actual)		Fiscal 2005 (Actual)		Fiscal 2006 (Actual)		Fiscal 2007 (Actual)	
		Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Department stores	Sales (¥ million)	120,834	2.4%	126,016	4.3%	133,973	6.3%	139,376	4.0%	148,911	6.8%
	Sales floor area (㎡)	150,620	4.8%	157,970	4.9%	175,000	10.8%	174,310	0.4%	182,480	4.7%
New Distribution channels	Sales (¥ million)	18,418	39.6%	25,713	39.6%	29,318	14.0%	30,064	2.5%	32,138	6.9%
	Sales floor area (㎡)	56,820	38.8%	73,450	29.3%	87,470	19.1%	92,190	5.4%	95,830	3.9%

Trends in Monthly Sales (Non-Consolidated)

(unit: %)

Fiscal 2007	March	April	May	June	July	August	Interim period	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Second half	Total
Men's	7	2	19	11	7	7	5	1	3	3	2	3	10	0	2
Women's	16	7	23	1	14	15	12	8	0	4	7	7	17	6	9
Children's	1	8	3	14	4	5	5	7	1	2	2	7	3	1	3
Kimono	4	0	12	6	5	2	3	9	15	2	9	4	0	4	3
Other	0	5	19	15	1	146	3	3	1	3	4	4	26	0	1
Total	12	4	21	6	10	13	9	5	1	1	5	4	14	4	6