

Onward Group

New Medium-Term Three-Year Plan

(FY02/13 through FY02/15)

Onward's Vision of Growth

- Strengthen both domestic and overseas businesses. Aim to achieve all-time high financial results by growing recurring profit by 30% p.a. on average, driven by aggressive sales expansion
- At the overseas business, move to a global growth stage with a starting point in Europe, with overseas operations delivering 25% of the Group's sales and profits
- At the domestic business, improve profitability through structural reform of existing businesses and enhance growth potential via new businesses and M&A



Enter a growth stage with "fashion" at its base
Aiming to become the "World Wide Onward"

Consolidated Performance Targets

Targeting sales of 350 billion yen and recurring of 28 billion yen

	(Billion Yen)			
	FY02/15 Targets	Vs. FY02/12	FY02/13 Forecast	Vs. FY02/12
Sales	350.0	1.4 times	270.0	1.1 times
Operating Profit	26.5	2.4 times	13.8	1.3 times
Recurring Profit	28.0	2.1 times	15.4	1.2 times
ROE	8.0%		(FY02/12)	2.3%

Sales Targets

Sales

	(Billion Yen)			(Reference)
	FY02/15 Target	Vs. FY02/12	FY02/15 % of Total	FY02/12 % of Total
Onward Kashiyama	180	+20%	52%	
Other Domestic	81	+27%	23%	
Domestic Total	261	+22%	75%	83%
Europe	59	+73%	17%	
Asia	21	+205%	6%	
US	5	+73%	2%	
Overseas Total	85	+93%	25%	17%
Existing Business Total	346	+34%	100%	100%
New Business + M&A	35			
Intercompany Eliminations	-31			
Sum Total	350	+43%		

Recurring Profit Targets

Recurring Profit

	(Billion Yen)			(Reference)
	FY02/15 Target	Vs. FY02/12	FY02/15 % of Total	FY02/12 % of Total
Onward Kashiyama	16.0	+42%	55%	
Other Domestic	6.0	+74%	20%	
Domestic Total	22.0	+49%	75%	92%
Europe	5.0	+350%	17%	
Asia	1.7	+343%	6%	
US	5.0	↗	2%	
Overseas Total	7.2	+433%	25%	8%
Existing Business Total	29.2	+81%	100%	100%
New Business + M&A	2.8			
Intercompany Eliminations	-4.0			
Sum Total	28.0	+110%		

Core Growth Strategies (Domestic)

Onward Kashiwama

- Improve cost efficiency of existing and new operations by shifting staff from existing businesses to new businesses and growth areas.
- Expand the growth base by developing new customer-centric retail business that goes beyond our traditional business channels
- In order to elevate the precision of brand-driven management, accelerate growth of existing brands and development of new brands, all the while reviewing brands with poor growth prospects

Other Domestic

- Along with ensuring the growth strategy for each company, build the retail business as a part of the group-level strategy going beyond each individual company's boundaries (e.g., a new store type with fashion apparel, dance-related items, and pet clothing – all in a single store setting)

Core Growth Strategies (Overseas)

Europe

- GIBO'CO: Strengthen the manufacturing base. Work to achieve stable earnings growth by pursuing new business opportunities (acquiring new licenses, retailing, etc.) while improving the effectiveness of the company as the group's manufacturing platform in Europe.
- Jil Sander: With the brand founder(Ms. Jil Sander) on board, expand both wholesale and retail sides of the business by boosting the Collection line, establishing Jil Sander Navy line as an independent brand, and opening flagship stores in New York and Tokyo.
- JOSEPH: Increase the pace of global expansion and grow direct retail and franchise operations in key regions (North America, Russia, Germany, and Asia). Increase the brand's cachet by participating in the 2013 Spring/Summer London Fashion Week.

Core Growth (Overseas)

US

- J. Press: Establish a new USA line in 2013, and launch both in retail and wholesale channels.
- ICB New Line: Establish design and development base in New York. Open retail spaces in Barneys New York department stores and specialty stores in the US, while also planning to open a flagship store in New York.

Asia

- Manufacturing business: Build a highly profitable manufacturing base by continuing to focus on low cost operations and gaining own independent production capability, with sights on expansion of manufacturing operations into the ASEAN region.
- Sales business: Aggressively expand store network, both geographically and developing new brands. Grow sales per store by increasing average store size.
- Aim to grow earnings through new businesses (wholesale and e-commerce)



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