



FY02/14 Results Presentation

ONWARD HOLDINGS CO., LTD.



「JOSEPH 2014-2015 A/W」

Results Overview

- Consolidated Results Summary.....2
- Consolidated Income Statement.....3
- Segment Results.....4
- Domestic Business Summary.....5-6
- Overseas Business Summary.....7

Earnings Forecast

- Regarding changes to our subsidiaries...8
- Consolidated Forecast Summary.....9
- Consolidated Forecast.....10
- Segment Forecasts.....11
- Domestic Business Plan.....12-13
- Overseas Business Plan.....14

DATA BOOK



Sales

279.1 billion yen

(+8.0% YoY and +0.7% vs. forecast)

Operating Profit

9.4 billion yen

(-15.8% YoY and -27.0% vs. forecast)

Recurring Profit

12.2 billion yen

(-8.9% YoY and -17.5% vs. forecast)

Sales and profits were both up in 1H, but declining domestic sales from October onward led to lower profits in 2H.

FY02/14 Consolidated Income Statement

Profits fell in 2H, as sales lost pace and gross profit margin dropped

(Million Yen)

| | 1H Results | | | 2H Results | | Full-Year Results | | | Full-Year Forecasts | | |
|-----------------------------|------------|--------|---------|------------|---------|-------------------|--------|---------|---------------------|--------|---------|
| | 02/14 | Change | YoY (%) | 02/14 | YoY (%) | 02/14 | Change | YoY (%) | FY02/14 Forecasts | Change | YoY (%) |
| Sales | 132,319 | 11,433 | 9.5% | 146,754 | 6.7% | 279,073 | 20,704 | 8.0% | 277,000 | 2,073 | 0.7% |
| Gross Profit | 62,445 | 4,696 | 8.1% | 67,514 | 1.2% | 129,959 | 5,469 | 4.4% | 133,000 | -3,041 | -2.3% |
| Gross Profit Margin (%) | 47.2% | | -0.6% | 46.0% | -2.5% | 46.6% | | -1.6% | 48.0% | | -1.4% |
| SG&A Expenses | 59,114 | 4,522 | 8.3% | 61,423 | 4.6% | 120,537 | 7,239 | 6.4% | 120,100 | 437 | 0.4% |
| SG&A-to-Sales Ratio(%) | 44.7% | | -0.5% | 41.9% | -0.8% | 43.2% | | -0.7% | 43.4% | | -0.2% |
| Operating Profit | 3,331 | 174 | 5.5% | 6,091 | -24.2% | 9,422 | -1,770 | -15.8% | 12,900 | -3,478 | -27.0% |
| Operating Profit Margin (%) | 2.5% | | -0.1% | 4.2% | -1.6% | 3.4% | | -0.9% | 4.7% | | -1.3% |
| Recurring Profit | 4,771 | 1,049 | 28.2% | 7,440 | -23.2% | 12,211 | -1,194 | -8.9% | 14,800 | -2,589 | -17.5% |
| Recurring Profit Margin (%) | 3.6% | | 0.5% | 5.1% | -1.9% | 4.4% | | -0.8% | 5.3% | | -0.9% |
| Extraordinary Gains | 1,075 | 1,068 | | 54 | | 1,129 | -838 | -42.6% | 1,100 | 29 | 2.6% |
| Extraordinary Losses | 125 | -32 | | 3,741 | | 3,866 | -3,758 | -49.3% | 3,900 | -34 | -0.9% |
| Net Income | 1,651 | 1,129 | 216.3% | 3,007 | -24.5% | 4,658 | 155 | 3.4% | 5,000 | -342 | -6.8% |
| Net Profit Margin (%) | 1.2% | | 0.8% | 2.0% | -0.9% | 1.7% | | | 1.8% | | -0.1% |

FY02/14 Segment Results

(Million Yen)

| Sales | 1H Results | | 2H Results | | Full-Year Results | | | Full-Year Forecasts | |
|-----------------------|----------------|--------------|----------------|--------------|-------------------|--------------|--------------|---------------------|------------------|
| | FY02/14 | YoY (%) | FY02/14 | YoY (%) | FY02/14 | YoY (%) | % of Total | FY02/14 Forecasts | Vs. Forecast (%) |
| HD+Onward Kashiya | 75,492 | 3.1% | 84,231 | 1.4% | 159,723 | 2.2% | 54.0% | 162,000 | -1.4% |
| Other Domestic | 37,665 | 8.6% | 36,330 | 0.2% | 73,995 | 4.3% | 25.0% | 73,653 | 0.5% |
| Domestic Total | 113,157 | 4.9% | 120,561 | 1.0% | 233,718 | 2.9% | 79.1% | 235,653 | -0.8% |
| Europe | 21,276 | 39.3% | 26,781 | 33.7% | 48,057 | 36.1% | 16.3% | 40,847 | 17.7% |
| Asia | 3,916 | 25.8% | 4,781 | 7.1% | 8,697 | 14.7% | 2.9% | 8,777 | -0.9% |
| US | 2,383 | 35.6% | 2,772 | 24.4% | 5,155 | 29.3% | 1.7% | 4,795 | 7.5% |
| Overseas Total | 27,575 | 36.8% | 34,334 | 28.4% | 61,909 | 32.1% | 20.9% | 54,419 | 13.8% |
| Simple Aggregate | 140,732 | 9.9% | 154,895 | 6.0% | 295,627 | 7.9% | 100.0% | 290,072 | 1.9% |
| Eliminations | -8,413 | | -8,141 | | -16,554 | | | -13,072 | |
| Total Sales | 132,319 | 9.5% | 146,754 | 6.7% | 279,073 | 8.0% | | 277,000 | 0.7% |

| Operating Profit | 1H Results | | 2H Results | | Full-Year Results | | | Full-Year Forecasts | |
|-------------------------------|--------------|--------------|--------------|---------------|-------------------|---------------|---------------|---------------------|------------------|
| | FY02/14 | YoY (%) | FY02/14 | YoY (%) | FY02/14 | YoY (%) | % of Total | FY02/14 Forecasts | Vs. Forecast (%) |
| HD+Onward Kashiya | 4,128 | 38.3% | 7,415 | -8.0% | 11,543 | 4.5% | 89.4% | 12,400 | -6.9% |
| Other Domestic | 1,447 | -25.6% | 860 | -55.9% | 2,307 | -40.8% | 17.9% | 5,081 | -54.6% |
| Domestic Total | 5,575 | 13.1% | 8,275 | -17.4% | 13,850 | -7.3% | 107.3% | 17,481 | -20.8% |
| Europe | -685 | ↘ | 450 | -42.2% | -235 | ↘ | -1.8% | 1 | ↘ |
| Asia | 27 | -82.5% | -251 | ↗ | -224 | ↘ | -1.7% | 347 | ↘ |
| US | -169 | ↘ | -313 | ↘ | -482 | ↘ | -3.7% | -215 | ↘ |
| Overseas Total | -827 | ↘ | -114 | ↘ | -941 | ↘ | -7.3% | 133 | ↘ |
| Simple Aggregate | 4,748 | -3.8% | 8,161 | -20.5% | 12,909 | -15.1% | 100.0% | 17,614 | -26.7% |
| Eliminations | -1,417 | | -2,070 | | -3,487 | | | -4,714 | |
| Total Operating Profit | 3,331 | 5.5% | 6,091 | -24.2% | 9,422 | -15.8% | 100.0% | 12,900 | -27.0% |

Note: Figures shown for regions and subsidiaries are amounts prior to eliminations.
Operating profit figures for Europe include revenue from royalties.

Sales

- Onward Kashiya
 - .Sales grew in core brands; menswear recovering.
 - .Q3 results were down YoY, due to unpredictable consumer patterns caused by the decision to raise the consumption tax, and typhoons in 2H.
- Other Domestic
 - .Sales fell in apparel subsidiaries from October onward.
- Overseas
 - .Sales up 6% even in local currency terms; operations in Europe trending toward recovery.

Gross Profit

- Onward Kashiya
 - .Gross profits up thanks to robust sales of high-margin core brands and e-commerce.
 - .2H saw an increase in autumn/winter inventories, and a focus on sales activities. However, gross profit margin fell as losses on inventory valuation increased.
- Consolidated
 - .Gross profit margin dropped at domestic subsidiaries, due to a temporary rise in costs with sudden yen depreciation, and increased losses on inventory valuation when sales fell short of targets in 2H.

SG&A Expenses

- Onward Kashiya
 - .There were tight controls on expenses as we cut costs in light of 2H sales.

Domestic Business Summary: Onward Kashiya

Onward Kashiya

(Million Yen)

| | Sales | YoY (%) | Vs. Initial Forecasts (%) | Operating Profit | YoY (%) | Vs. Initial Forecasts (%) | Recurring Profit | YoY (%) | Vs. Initial Forecasts (%) |
|-------------------|---------|---------|---------------------------|------------------|---------|---------------------------|------------------|---------|---------------------------|
| HD+Onward Kashiya | 159,723 | 2.2% | -1.4% | 11,543 | 4.5% | -6.9% | 13,264 | 2.5% | -5.9% |

Quarterly performance trends (period totals vs. previous year)

| | Q1 | | Q2 | | 1H Totals | | | Q3 | | Q4 | | 2H Totals | | | Full-Year Totals | | |
|-------------------------|---------|---------------------|---------|---------------------|-----------|---------------------|-------|---------|---------------------|---------|---------------------|-----------|---------------------|------|------------------|---------------|-----|
| | Results | Change Vs. Previous | Results | Change Vs. Previous | Results | Change Vs. Previous | | Results | Change Vs. Previous | Results | Change Vs. Previous | Results | Change Vs. Previous | | Results | Previous Year | |
| | | | | | | | | | | | | | | | | Change | (%) |
| Sales | 42.1 | +1.2 | 33.4 | +1.1 | 75.5 | +2.3 | 44.0 | -0.5 | 40.2 | +1.6 | 84.2 | +1.1 | 159.7 | +3.4 | +2.2 | | |
| Gross Profit | 22.5 | +0.8 | 15.4 | +0.7 | 37.9 | +1.5 | 24.2 | -0.1 | 17.5 | -0.8 | 41.8 | -0.9 | 79.7 | +0.6 | +0.8 | | |
| Gross Profit Margin (%) | 53.5% | +0.5% | 46.1% | +0.5% | 50.2% | +0.5% | 55.1% | 0.4% | 43.6% | -3.8% | 49.6% | -1.7% | 49.9% | | -0.7% | | |
| SG&A Expenses | 16.7 | +0.04 | 17.1 | +0.3 | 33.8 | +0.3 | 17.4 | -0.2 | 17.0 | ±0 | 34.4 | -0.2 | 68.1 | +0.1 | 0.2% | | |
| Operating Profit | 5.8 | +0.8 | -1.7 | +0.3 | 4.1 | +1.1 | 6.9 | +0.1 | 0.6 | -0.7 | 7.4 | -0.6 | 11.5 | +0.5 | +4.5 | | |

Q1 Gross profit margin improved thanks to strong sales of full-price items at core brands such as Nijyusanku and Kumikyoku, and the sales of new distribution channels.

Q2 Extension of the period allotted for full price sales of summer items led to strong performance in June. However, the later start to summer bargain sales meant July sales decreased YoY. Momentum was regained in August, resulting in sales growth in Q2 overall.

Q3 Gross profit margin improved thanks to robust sales of high-margin core brands and menswear, particularly suits. However, sales slowed from October onward, particularly in key womenswear brands, due to unpredictable consumer patterns caused by the decision to raise the consumption tax.





Q4 Although December sales of winter coats and jackets met targets, gross profit margin dropped due to bargain sales of winter items in January, underperforming sales of spring items in February, and an increase in losses on inventory valuation.

■ E-commerce reported strong performance, with full-year sales of 5.4 billion yen (+42% YoY) and operating profit margin of 20%.

Increased full-year sales and profits, despite underperformance in 2H.

Domestic Business Summary: Other Domestic Subsidiaries

Domestic Subsidiaries

| | Sales | YoY (%) | Vs. Initial Forecasts (%) | Operating Profit | YoY (%) | Vs. Initial Forecasts (%) | Recurring Profit | (Million Yen) | |
|------------------------|--------|---------|---------------------------|------------------|---|---|------------------|---|---|
| | | | | | | | | YoY (%) | Vs. Initial Forecasts (%) |
| Onward Trading | 15,470 | 5.0% | 3.3% | 1,070 | 4.3% | -11.7% | 1,092 | 4.3% | -11.1% |
| Chacott | 10,715 | 1.7% | -0.8% | 573 | -23.1% | -30.7% | 579 | -23.5% | -30.5% |
| Creative Yoko | 7,005 | -5.2% | -8.6% | 307 | -55.9% | -59.0% | 316 | -54.2% | -56.9% |
| Island | 8,405 | -0.9% | -6.6% | 1,208 | -17.5% | -25.6% | 1,201 | -18.5% | -25.1% |
| Birz Group | 6,136 | 21.3% | -14.2% | -684 |  |  | -548 |  |  |
| Across Transport | 11,781 | 2.6% | 2.5% | 181 | -6.7% | 2.3% | 197 | -8.4% | 14.5% |
| Onward Creative Center | 4,783 | 20.5% | 12.5% | 12 | -60.0% | -84.4% | 13 | -56.7% | -83.1% |

● Onward Trading (uniforms, sales promotion goods, etc.)

- .Robust sales of uniforms thanks to large-scale orders.
- .Increased costs due to sudden yen depreciation were not completely passed through to prices, though there were signs of improvement in the latter half of 2H.

● Chacott (dancewear and related merchandise)

- .Sales struggled in Q3, due to lingering summer heat and typhoons.
- .There was a temporary dip in profitability due to high costs caused by yen depreciation and upfront investment with an eye to new business opportunities next year (multi-brand stores etc.).

● Creative Yoko (pet fashion etc.)

- .Newly opened large-scale stores performed well, though gross profit margin fell as a weakening yen increased costs and comparable store sales declined.

● Island (women's apparel and accessories)

- .Sales at newly opened and renewed stores were robust. However, comparable store sales underperformed forecasts, and gross profit margin dropped due to increased bargain sales.

● Birz Group (young, casual women's apparel and accessories)

- .Comparable store sales fell and gross profit margin decreased due to a delay in improvements to merchandising and a lack of production capacity at in-house factories.








● Across Transport (logistics and transport of apparel)

- .Sales and profits met targets as planned investment was carried out and new customers increased.

● Onward Creative Center (planning, design, and operation of commercial facilities)

- .Strong sales in the dental clinic design business outperformed targets. However, gross profit margin dropped when the price of construction materials rose following Tokyo's successful bid for the Olympic games.

Overseas Business Summary: Europe, Asia, and the US

| | Sales | YoY (%) | Vs. Initial Forecasts (%) | Operating Profit | YoY (%) | Vs. Initial Forecasts (%) | Recurring Profit | (Million Yen) | |
|------------|--------|---------|---------------------------|------------------|---|---|------------------|---|---|
| | | | | | | | | YoY (%) | Vs. Initial Forecasts (%) |
| GIBO'Co | 21,031 | 42.3% | 25.5% | 932 | 16.4% | -16.9% | 1,067 | 22.8% | -5.0% |
| Jil Sander | 13,521 | 29.6% | 4.7% | - 1,285 |  |  | - 1,383 |  |  |
| JOSEPH | 11,822 | 34.1% | 20.6% | 97 |  |  | 413 |  | 173.5% |

Note: For comparison with figures from FY02/15 and onward, operating profit figures for Jil Sander and JOSEPH include revenue from royalties.

Europe

Note: The European business uses an end-November financial year.

● GIBO' Co

- Full-year figures underperformed profit targets due to costs related to the expansion of manufacturing capacity and the launch of new businesses. However, sales and profits outperformed targets in 2H, thanks to an increase in contracts for new brands.

● Jil Sander

- Brand image was strengthened, but sales underperformed targets as sales of main line items were sluggish and the retail expansion of Jil Sander Navy was delayed. Losses grew due to increased costs for designers and investment for future growth.

● JOSEPH

- JOSEPH turned profitable thanks to improved sales of full-price items, the elimination of previous-year inventory, and lower expenses.
- Sales floor management became more efficient, thanks to the renewal of existing standalone stores, the expansion into department stores, and the closure of unprofitable stores.

Asia

Note: The Asian and US businesses use an end-December financial year.

- Sales and profits fell due to sluggish department store sales as consumer appetites for high-end items weakened in China.

US

- Sales underperformed targets at brands (ICB and the new J. Press line), due to a lack of recognition in North America.
- Customer satisfaction levels were high in the resort business (Guam) and the hotel business reported healthy sales.

Changes from FY02/15 onward

1. The luxury brand business of Onward Kashiya and the Japanese operations of Jil Sander will be combined to make a new domestic subsidiary, Onward Global Fashion, in order to expand the luxury brand business in Japan.

Note: The transfer of Jil Sander's Japanese operations will take place from March 1, 2014.

2. GIBO'Co and Jil Sander will be combined to make Onward Luxury Group. This will be the first step in the unification of our European operations.

Note: Q1 FY02/15 results will include the Japanese operations of Jil Sander.

■ Details of the changes to our subsidiaries and segments

The table below shows the details of the changes to our subsidiaries and segments.

The changes will be reflected in our financial results from FY02/15 onward; we will not adjust past figures.

| Domestic/ Overseas | Region | Subsidiaries | Changes from FY02/15 onward | Notes |
|-----------------------|--------|-----------------------------|--|---|
| Domestic | Japan | Onward Kashiya | The luxury brand business will be transferred to Onward Global Fashion | Sales of 2.6 billion yen in the luxury brand business in FY02/14 |
| | | Other domestic subsidiaries | Will include Onward Global Fashion | Onward Global Fashion will use an end-February financial year Unconsolidated figures will not be disclosed for Onward Global Fashion |
| Overseas | Europe | GIBO'Co | Name change to Onward Luxury Group | From FY02/15, unconsolidated figures for Onward Luxury Group will not be disclosed. |
| | | Jil Sander | Name change to Onward Luxury Group The Japanese operations will be transferred to Onward Global Fashion | Sales of Jil Sander products sold in Japan will remain with Jil Sander as wholesale sales to Onward Global Fashion From FY02/15, unconsolidated figures for Onward Luxury Group will not be disclosed. |
| | | JOSEPH | No change | To be combined with Onward Luxury Group at a later date |
| | Asia | - | No change | |
| | US | - | No change | |



Sales 290.7 billion yen
(+4.2% YoY)

Operating Profit 12.3 billion yen
(+30.5% YoY)

Recurring Profit 13.7 billion yen
(+12.2% YoY)



Drive up profits by selecting and concentrating management strategies and targets both in Japan and overseas

■ Consumption tax hike accounted for in domestic forecasts; profit growth projected in 2H

(Million Yen)

| | 1H Forecasts | | | 2H Forecasts | | | Full-Year Forecasts | | | |
|-----------------------------|--------------|---------|---------|--------------|---------|---------|---------------------|---------|--------|---------|
| | FY02/15 | FY02/14 | YoY (%) | FY02/15 | FY02/14 | YoY (%) | FY02/15 | FY02/14 | Change | YoY (%) |
| Sales | 136,500 | 132,319 | 3.2% | 154,200 | 146,754 | 5.1% | 290,700 | 279,073 | 11,627 | 4.2% |
| Gross Profit | 64,900 | 62,445 | 3.9% | 72,600 | 67,514 | 7.5% | 137,500 | 129,959 | 7,541 | 5.8% |
| Gross Profit Margin (%) | 47.5% | 47.2% | 0.3% | 47.1% | 46.0% | 1.1% | 47.3% | 46.6% | | 0.7% |
| SG&A Expenses | 60,900 | 59,114 | 3.0% | 64,300 | 61,423 | 4.7% | 125,200 | 120,537 | 4,663 | 3.9% |
| SG&A-to-Sales Ratio (%) | 44.6% | 44.7% | -0.1% | 41.7% | 41.9% | -0.2% | 43.1% | 43.2% | | -0.1% |
| Operating Profit | 4,000 | 3,331 | 20.1% | 8,300 | 6,091 | 36.3% | 12,300 | 9,422 | 2,878 | 30.5% |
| Operating Profit Margin (%) | 2.9% | 2.5% | 0.4% | 5.4% | 4.2% | 1.2% | 4.2% | 3.4% | | 0.8% |
| Recurring Profit | 4,800 | 4,771 | 0.6% | 8,900 | 7,440 | 19.6% | 13,700 | 12,211 | 1,489 | 12.2% |
| Recurring Profit Margin (%) | 3.5% | 3.6% | -0.1% | 5.8% | 5.1% | 0.7% | 4.7% | 4.4% | | 0.3% |
| Net Income | 1,700 | 1,651 | 3.0% | 3,700 | 3,007 | 23.0% | 5,400 | 4,658 | 742 | 15.9% |
| Net Profit Margin (%) | 1.2% | 1.2% | ±0 | 2.4% | 2.0% | 0.4% | 1.9% | 1.7% | | 0.2% |

FY02/15 Segment Forecasts

(Million Yen)

| Sales | 1H Forecasts | | 2H Forecasts | | Full-Year Forecasts | | |
|-----------------------|----------------|-------------|----------------|--------------|---------------------|----------------|--------------|
| | FY02/15 | YoY (%) | FY02/15 | YoY (%) | FY02/15 | FY02/14 | YoY (%) |
| HD+Onward Kashiyama | 76,800 | 1.7% | 86,700 | 2.9% | 163,500 | 159,723 | 2.4% |
| Other Domestic | 41,167 | 9.3% | 44,250 | 21.8% | 85,417 | 73,995 | 15.4% |
| Domestic Total | 117,967 | 4.3% | 130,950 | 8.6% | 248,917 | 233,718 | 6.5% |
| Europe | 22,752 | 6.9% | 26,071 | -2.7% | 48,823 | 48,057 | 1.6% |
| Asia | 3,490 | -10.9% | 3,887 | -18.7% | 7,377 | 8,697 | -15.2% |
| US | 2,371 | -0.5% | 2,417 | -12.8% | 4,788 | 5,155 | -7.1% |
| Overseas Total | 28,613 | 3.8% | 32,375 | -5.7% | 60,988 | 61,909 | -1.5% |
| Simple Aggregate | 146,580 | 4.2% | 163,325 | 5.4% | 309,905 | 295,627 | 4.8% |
| Eliminations | -10,080 | | -9,125 | | -19,205 | -16,554 | |
| Sales Total | 136,500 | 3.2% | 154,200 | 5.1% | 290,700 | 279,073 | 4.2% |

| Operating Profit | 1H Forecasts | | 2H Forecasts | | Full-Year Forecasts | | |
|-------------------------------|--------------|--------------|---------------|--------------|---------------------|---------------|--------------|
| | FY02/15 | YoY (%) | FY02/15 | YoY (%) | FY02/15 | FY02/14 | YoY (%) |
| HD+Onward Kashiyama | 4,300 | 4.2% | 8,500 | 14.6% | 12,800 | 11,543 | 10.9% |
| Other Domestic | 1,506 | 4.1% | 2,224 | 158.6% | 3,730 | 2,307 | 61.7% |
| Domestic Total | 5,806 | 4.1% | 10,724 | 29.6% | 16,530 | 13,850 | 19.4% |
| Europe | -478 | ↗ | 1,916 | 325.8% | 1,438 | -235 | ↗ |
| Asia | 98 | 263.0% | -30 | ↗ | 68 | -224 | ↗ |
| US | -9 | ↗ | -123 | ↗ | -132 | -482 | ↗ |
| Overseas Total | -389 | ↗ | 1,763 | ↗ | 1,374 | -941 | ↗ |
| Simple Aggregate | 5,417 | 14.1% | 12,487 | 53.0% | 17,904 | 12,909 | 38.7% |
| Eliminations | -1,417 | | -4,187 | | -5,604 | -3,487 | |
| Operating Profit Total | 4,000 | 20.1% | 8,300 | 36.3% | 12,300 | 9,422 | 30.5% |

Note: Figures shown for regions and subsidiaries are amounts prior to eliminations

Sales

Domestic

.Led by Onward Kashiyama, each subsidiary will solidify growth in 2H.

.Increase of 7.0 billion yen from a new subsidiary and newly consolidated subsidiaries.

Overseas

.Although growth is expected in Europe, efficiency improvements in existing business in Asia will cause a decline.

Gross Profit

Domestic

.Improvements from measures to respond to the weakening yen.

.Improved gross profit margin from increased full-price item sales and use of inventories carried forward.

Overseas

.Improvement from factors such as elimination of designer-related expenses at Jil Sander.

.Efficiency measures to provide improvement for Asia and North America as well.

SG&A Expenses

Domestic

.Advertising expenses and store refurbishment expenses expected for sales expansion.

.Increase from new subsidiaries.

Overseas

.Improve the efficiency of business expenses in all territories.

Operating Profit / Recurring Profit

Domestic

.Improve profitability both at Onward Kashiyama and main subsidiaries.

Overseas

.Efficiency improvements to improve profitability significantly in Europe in 2H.

Onward Kashiya

| | Sales | YoY (%) | Operating Profit | YoY (%) | Recurring Profit | YoY (%) |
|-------------------|---------|---------|------------------|---------|------------------|---------|
| HD+Onward Kashiya | 163,500 | 2.4% | 12,800 | 10.9% | 14,300 | 7.8% |

(Million Yen)

Select and concentrate strategies and targets to boost the profitability of core and global brands.
Expand new distribution channels for growth sectors.

Three growth factors

1. Strengthen key brands of Nijyusanku, Kimikyoku, Jiyuku, and Gotairiku.
Promote customer retention through developing original materials and strengthening brand promotions.
2. Growth in the Joseph, J.Press, and ICB businesses.
Utilize assets such as designs and brand identities from overseas businesses to secure growth as global brands.
3. Strengthen expansion of new distribution channels (shopping centers and e-commerce).
Expansion through restructuring of anyFAM, anySiS, and field/dream.
Opening of large-scale lifestyle stores of the new Share Park brand.
Plan for annual e-commerce sales of 7.0 billion yen (+30% YoY).

● Retail Space Openings, Refurbishments, and Closures (1H "Rainbow Strategy")

Openings: 43 stores

Refurbishments: 91 stores

Closures: 73 stores

Note: Includes 23 stores that will close due to department store and shopping center closures.

Domestic Subsidiaries

| | Sales | YoY (%) | Operating Profit | YoY (%) | (Million Yen) | |
|------------------------|--------|---------|------------------|---------|------------------|---------|
| | | | | | Recurring Profit | YoY (%) |
| Onward Trading | 15,770 | 1.9% | 1,251 | 16.9% | 1,271 | 16.4% |
| Chacott | 11,500 | 7.3% | 762 | 33.0% | 747 | 29.0% |
| Creative Yoko | 7,130 | 1.8% | 660 | 115.0% | 672 | 112.7% |
| Island | 9,000 | 7.1% | 1,385 | 14.7% | 1,379 | 14.8% |
| Birz Group | 5,730 | -6.6% | -213 | | -283 | |
| Across Transport | 11,874 | 0.8% | 187 | 3.3% | 181 | -8.1% |
| Onward Creative Center | 4,800 | 0.4% | 77 | 541.7% | 77 | 492.3% |

- **Onward Trading (uniforms, sales promotion goods, etc.)**

- .Expand new orders at both the uniform and sales promotion businesses through developing new customer relationships.
- .Pursue production and sourcing in the ASEAN region to improve the gross profit margin.

- **Chacott (dancewear and related merchandise)**

- .Open new types of stores (combined with food service / small-scale stores in the shopping areas of railway stations) and focus on products such as yoga wear and inner wear.

- **Creative Yoko (pet fashion, etc.)**

- .Expand large-scale combined pet shops (product sales and service), increase single store sales by strengthening collaboration product lineup.

- **Island (women's apparel and accessories)**

- .Increase sales by strengthening sales structure through improving the area manager system.
- .Implement new businesses (standalone stores specializing in accessories).

- **Birz Group (young casual women's apparel and accessories)**

- .Concentrate management resources on main brands and close unprofitable stores to advance improvement of profitability.

- **Across Transport (logistics and transport of apparel)**

- .Grow customers from outside of the group in both the logistics business and transport business.

- **Onward Creative Center (planning, design, and operation of commercial facilities)**

- .Promote expansion of orders received for high profitability areas such as large-scale projects and the dental business.

| | Sales | YoY (%) | Operating profit | YoY (%) | Recurring Profit | YoY (%) |
|---------------------|--------|---------|------------------|---------|------------------|---------|
| Onward Luxury Group | 33,779 | 2.2% | 1,069 | | 1,185 | |
| Joseph Group | 13,340 | 12.8% | 266 | | 568 | 37.5% |

(Million Yen)

Europe

Note: European business forecasts are for December 2013–November 2014.

Establish the Onward Luxury Group to restructure and unify the European business.

- Allow stable operation of factories by consolidating production management within the group.
- Integrate business management/planning and production/showroom functions to increase efficiency and profitability.
- In FY02/15, GIBO'Co and the Jil Sander Group will be merged, and the Joseph Group will also be merged in the future.

● GIBO'Co

- Expected increase in orders during FY02/15 from new brands.
- Improved profitability thanks to efficiencies from the new corporate structure.

● Jil Sander

- Expected improvement in 2H gross profit margin from factors such as reduced designer-related expenses.
- Expand retail storefronts for Jil Sander Navy in Europe and the US (standalone stores in Milan, London, North America and Germany, etc.).

● JOSEPH

- Expand sales through improved sales of full-price items and expansion of wholesaling and e-commerce.
- Aim to improve profitability by strengthening controls on expenses and closing unprofitable stores.

Asia

Note: Asian and US business forecasts are for January–December 2014.

- Improve profitability for existing businesses by closing unprofitable stores and reassessing transaction conditions.
- Develop businesses with strong local companies to develop large-scale stores.

US

- For the brand business (ICB, J.Press), work with the Japanese team to strengthen and streamline the planning and production structure in order to create global brands that can be expanded into Asia and Japan.
- Resort business (Guam): Strengthen facilities and operations to continue providing a stable revenue structure.

DATA BOOK

Results and Forecasts of Main Subsidiaries / Consolidated Capex and Depreciation Overview

Results and forecasts for main subsidiaries

* FY02/14 operating profits for Jil Sander and Joseph have been modified to include revenue from royalties.
(Million Yen)

| Business Results by Segment | | 1H FY02/14 | | | 2H FY02/14 | | | Full-Year FY02/14 Results | | | | | | % of Total Sales | Full-Year FY02/15 Forecasts | | | | | | |
|-----------------------------|------------------------------|------------------------|------------------|------------------|------------|------------------|------------------|---------------------------|------------|------------------|------------|------------------|------------|------------------|-----------------------------|------------|------------------|------------|------------------|------------|-------|
| | | Sales | Operating Profit | Recurring Profit | Sales | Operating Profit | Recurring Profit | Sales | | Operating Profit | | Recurring Profit | | | Sales | | Operating Profit | | Recurring Profit | | |
| | | 1H FY02/14 | 1H FY02/14 | 1H FY02/14 | 2H FY02/14 | 2H FY02/14 | 2H FY02/14 | FY02/14 | YoY Change | FY02/14 | YoY Change | FY02/14 | YoY Change | | FY02/15 | YoY Change | FY02/15 | YoY Change | FY02/15 | YoY Change | |
| Domestic | Onward HD + Onward Kashiyama | 75,492 | 4,128 | 5,100 | 84,231 | 7,415 | 8,164 | 159,723 | 3,443 | 11,543 | 494 | 13,264 | 325 | 54.0% | 163,500 | 3,777 | 12,800 | 1,257 | 14,300 | 1,036 | |
| | Domestic Subsidiaries | Onward Trading | 8,248 | 659 | 668 | 7,222 | 411 | 424 | 15,470 | 743 | 1,070 | 44 | 1,092 | 45 | 5.2% | 15,770 | 300 | 1,251 | 181 | 1,271 | 179 |
| | | Chacott | 5,546 | 479 | 475 | 5,169 | 94 | 104 | 10,715 | 174 | 573 | -172 | 579 | -178 | 3.6% | 11,500 | 785 | 762 | 189 | 747 | 168 |
| | | Creative Yoko | 3,046 | 30 | 63 | 3,959 | 277 | 253 | 7,005 | -387 | 307 | -389 | 316 | -374 | 2.4% | 7,130 | 125 | 660 | 353 | 672 | 356 |
| | | Island | 4,026 | 608 | 602 | 4,379 | 600 | 599 | 8,405 | -76 | 1,208 | -256 | 1,201 | -272 | 2.8% | 9,000 | 595 | 1,385 | 177 | 1,379 | 178 |
| | | Birz Group | 3,100 | -243 | -245 | 3,036 | -441 | -303 | 6,136 | 1,078 | -684 | -672 | -548 | -560 | 2.1% | 5,730 | -406 | -213 | 471 | -283 | 265 |
| | | Across Transport | 5,781 | 101 | 116 | 6,000 | 80 | 81 | 11,781 | 300 | 181 | -13 | 197 | -18 | 4.0% | 11,874 | 93 | 187 | 6 | 181 | -16 |
| | | Onward Creative Center | 2,655 | 24 | 24 | 2,128 | -12 | -11 | 4,783 | 813 | 12 | -18 | 13 | -17 | 1.6% | 4,800 | 17 | 77 | 65 | 77 | 64 |
| | | Other Domestic | 5,263 | -211 | -143 | 4,437 | -149 | -121 | 9,700 | 410 | -360 | -111 | -264 | -79 | 3.3% | 19,613 | 9,913 | -379 | -19 | -404 | -140 |
| Domestic Subsidiary Total | | 37,665 | 1,447 | 1,560 | 36,330 | 860 | 1,026 | 73,995 | 3,055 | 2,307 | -1,587 | 2,586 | -1,453 | 25.0% | 85,417 | 11,422 | 3,730 | 1,423 | 3,640 | 1,054 | |
| Domestic Total | | 113,157 | 5,575 | 6,660 | 120,561 | 8,275 | 9,190 | 233,718 | 6,498 | 13,850 | -1,093 | 15,850 | -1,128 | 79.1% | 248,917 | 15,199 | 16,530 | 2,680 | 17,940 | 2,090 | |
| Overseas | Europe | Joseph | 5,188 | -170 | -45 | 6,634 | 267 | 458 | 11,822 | 3,004 | 97 | 439 | 413 | 808 | 4.0% | 13,340 | 1,518 | 266 | 169 | 568 | 155 |
| | | GIBO'Co | 9,189 | 206 | 272 | 11,842 | 726 | 795 | 21,031 | 6,256 | 932 | 131 | 1,067 | 198 | 7.1% | 33,779 | -773 | 1,069 | 1,422 | 1,185 | 1,501 |
| | | Jil Sander | 6,195 | -724 | -767 | 7,326 | -561 | -616 | 13,521 | 3,086 | -1,285 | -1,426 | -1,383 | -1,195 | 4.6% | | | | | | |
| | | Other Europe | 704 | 3 | 42 | 979 | 18 | -1 | 1,683 | 395 | 21 | -7 | 41 | 24 | 0.6% | 1,704 | 21 | 103 | 82 | 31 | -10 |
| | Europe Total | | 21,276 | -685 | -498 | 26,781 | 450 | 636 | 48,057 | 12,741 | -235 | -863 | 138 | -165 | 16.3% | 48,823 | 766 | 1,438 | 1,673 | 1,784 | 1,646 |
| | Asia Total | | 3,916 | 27 | 58 | 4,781 | -251 | -179 | 8,697 | 1,117 | -224 | -40 | -121 | 26 | 2.9% | 7,377 | -1,320 | 68 | 292 | 40 | 161 |
| | US T total | | 2,383 | -169 | -100 | 2,772 | -313 | -323 | 5,155 | 1,169 | -482 | -291 | -423 | -269 | 1.7% | 4,788 | -367 | -132 | 350 | -98 | 325 |
| Overseas Total | | 27,575 | -827 | -540 | 34,334 | -114 | 134 | 61,909 | 15,027 | -941 | -1,194 | -406 | -408 | 20.9% | 60,988 | -921 | 1,374 | 2,315 | 1,726 | 2,132 | |
| Total (Simple Aggregate) | | 140,732 | 4,748 | 6,120 | 154,895 | 8,161 | 9,324 | 295,627 | 21,525 | 12,909 | -2,287 | 15,444 | -1,536 | 100.0% | 309,905 | 14,278 | 17,904 | 4,995 | 19,666 | 4,222 | |
| Eliminations | | -8,413 | -1,417 | -1,349 | -8,141 | -2,070 | -1,884 | -16,554 | -821 | -3,487 | 517 | -3,233 | 342 | | -19,205 | -2,651 | -5,604 | -2,117 | -5,966 | -2,733 | |
| Consolidated Total | | 132,319 | 3,331 | 4,771 | 146,754 | 6,091 | 7,440 | 279,073 | 20,704 | 9,422 | -1,770 | 12,211 | -1,194 | | 290,700 | 11,627 | 12,300 | 2,878 | 13,700 | 1,489 | |

Capital Expenditures

(Million Yen)

| | FY02/08 | FY02/09 | FY02/10 | FY02/11 | FY02/12 | FY02/13 | FY02/14 | FY02/15 Forecasts |
|----------------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| Cons. | 9,566 | 4,178 | 5,794 | 5,405 | 6,230 | 8,948 | 16,750 | 28,200 |
| HD + Kashiyama | 5,255 | 2,470 | 3,273 | 3,232 | 3,320 | 5,044 | 12,309 | 24,200 |

Depreciation

(Million Yen)

| | FY02/08 | FY02/09 | FY02/10 | FY02/11 | FY02/12 | FY02/13 | FY02/14 | FY02/15 Forecasts |
|----------------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| Cons. | 7,340 | 5,986 | 5,747 | 5,642 | 5,478 | 5,721 | 6,202 | 6,500 |
| HD + Kashiyama | 5,109 | 4,639 | 3,764 | 3,590 | 3,374 | 3,263 | 3,168 | 3,300 |

Onward Kashiyama: Sales and Floor Area by Apparel Type and Distribution Channel

*Full-year forecasts are compared to the previous year (reference figures) after elimination of the luxury brand business.

By Apparel Type

(Million Yen)

| | 1H FY02/14 Results | | | 2H FY02/14 Results | | | FY02/14 Full-Year Results | | | | FY02/15 Full-Year Forecasts | | |
|------------|--------------------|------------|---------|--------------------|------------|---------|---------------------------|---------|---------|------------|-----------------------------|---------|---------|
| | Amount | 1H FY02/13 | YoY (%) | Amount | 2H FY02/13 | YoY (%) | Amount | FY02/13 | YoY (%) | % of Total | Amount | FY02/14 | YoY (%) |
| Men's | 16,314 | 16,779 | -2.8% | 20,758 | 20,207 | 2.7% | 37,072 | 36,986 | 0.2% | 23.2% | 38,884 | 36,950 | 5.2% |
| Women's | 53,053 | 50,234 | 5.6% | 57,350 | 56,625 | 1.3% | 110,403 | 106,859 | 3.3% | 69.2% | 112,819 | 107,977 | 4.5% |
| Children's | 3,065 | 3,002 | 2.1% | 3,720 | 3,689 | 0.8% | 6,785 | 6,691 | 1.4% | 4.2% | 7,158 | 6,785 | 5.5% |
| Kimonos | 796 | 877 | -9.2% | 612 | 733 | -16.5% | 1,408 | 1,610 | -12.5% | 0.9% | 1,045 | 1,408 | -25.8% |
| Others | 2,264 | 2,309 | -1.9% | 1,791 | 1,825 | -1.9% | 4,055 | 4,134 | -1.9% | 2.5% | 3,594 | 3,919 | -8.3% |
| Total | 75,492 | 73,201 | 3.1% | 84,231 | 83,079 | 1.4% | 159,723 | 156,280 | 2.2% | 100.0% | 163,500 | 157,039 | 4.1% |

By Distribution Channel

| | 1H FY02/14 Results | | | 2H FY02/14 Results | | | FY02/14 Full-Year Results | | | | FY02/15 Full-Year Forecasts | | |
|---------------------------|--------------------|------------|---------|--------------------|------------|---------|---------------------------|---------|---------|------------|-----------------------------|---------|---------|
| | Amount | 1H FY02/13 | YoY (%) | Amount | 2H FY02/13 | YoY (%) | Amount | FY02/13 | YoY (%) | % of Total | Amount | FY02/14 | YoY (%) |
| Department Stores | 56,025 | 55,237 | 1.4% | 63,803 | 64,139 | -0.5% | 119,828 | 119,376 | 0.4% | 75.1% | 119,292 | 117,429 | 1.6% |
| New Distribution Channels | 16,124 | 14,084 | 14.5% | 17,271 | 15,480 | 11.6% | 33,395 | 29,564 | 13.0% | 20.9% | 37,878 | 33,167 | 14.2% |
| Specialty Stores | 1,684 | 2,119 | -20.5% | 1,869 | 2,128 | -12.2% | 3,553 | 4,247 | -16.3% | 2.2% | 3,983 | 3,496 | 13.9% |
| Chain Stores | 264 | 264 | ±0.0 | 378 | 377 | 0.3% | 642 | 641 | 0.2% | 0.4% | 552 | 642 | -14.0% |
| Others | 1,395 | 1,497 | -6.8% | 910 | 955 | -4.7% | 2,305 | 2,452 | -6.0% | 1.4% | 1,795 | 2,305 | -22.1% |
| Total | 75,492 | 73,201 | 3.1% | 84,231 | 83,079 | 1.4% | 159,723 | 156,280 | 2.2% | 100.0% | 163,500 | 157,039 | 4.1% |

Sales / Floor Area

| | | FY02/08 | | FY02/09 | | FY02/10 | | FY02/11 | | FY02/12 | | FY02/13 | | FY02/14 | | FY02/15 Forecasts | |
|---------------------------|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|---------|
| | | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) | Amount | YoY (%) |
| Department Stores | Sales (Million Yen) | 148,608 | -0.2% | 135,031 | -9.1% | 119,663 | -11.4% | 119,051 | -0.5% | 115,579 | -2.9% | 119,376 | 3.3% | 119,828 | 0.4% | 119,292 | 1.6% |
| | Sales Floor Area (sq. m) | 175,200 | -4.0% | 173,500 | -1.0% | 165,800 | -4.4% | 162,105 | -2.2% | 159,682 | -1.5% | 155,986 | -2.3% | 150,099 | -3.8% | 147,702 | 1.0% |
| New Distribution Channels | Sales (Million Yen) | 33,263 | 3.5% | 32,066 | -3.6% | 28,218 | -12.0% | 27,160 | -3.7% | 26,361 | -2.9% | 29,564 | 12.2% | 33,395 | 13.0% | 37,878 | 14.2% |
| | Sales Floor Area (sq. m) | 93,060 | -2.9% | 92,400 | -0.7% | 86,900 | -6.0% | 85,567 | -1.5% | 84,500 | -1.2% | 86,449 | 2.3% | 88,829 | 2.8% | 85,590 | 1.6% |

Onward Kashiya: Sales of Core Brands

Sales of Core Brands

(Million Yen)

| Brand | 1H FY02/14 Results | | 2H FY02/14 Results | | FY02/14 Full-Year Results | | | FY02/15 Full-Year Forecasts | | | % of Total |
|---|--------------------|-----------|--------------------|-----------|---------------------------|----------------|-----------|-----------------------------|----------------|------------|------------|
| | Amount | YoY (%) | Amount | YoY (%) | Amount | FY02/13 | YoY (%) | Amount | FY02/14 | YoY (%) | |
| Nijusanku (women's) | 12,872 | 4% | 14,412 | 1% | 27,284 | 26,609 | 3% | 28,596 | 27,284 | 5% | 36% |
| Kumikyoku (women's) | 5,526 | 11% | 6,019 | 8% | 11,545 | 10,553 | 9% | 11,968 | 11,545 | 4% | |
| ICB (women's) | 4,125 | 4% | 4,965 | -1% | 9,090 | 8,998 | 1% | 9,509 | 9,090 | 5% | |
| Jiyuku (women's) | 4,438 | 9% | 4,858 | -1% | 9,296 | 8,987 | 3% | 9,757 | 9,296 | 5% | |
| Core Brands: Total | 26,961 | 6% | 30,254 | 2% | 57,215 | 55,147 | 4% | 59,830 | 57,215 | 5% | |
| J.PRESS (men's, women's, children's) | 4,523 | 4% | 5,153 | 6% | 9,676 | 9,196 | 5% | 10,190 | 9,676 | 5% | 60% |
| Calvin Klein platinum label (men's, women's) | 2,370 | 18% | 2,987 | 18% | 5,357 | 4,537 | 18% | 5,410 | 5,357 | 1% | |
| gotairikku (men's) | 2,435 | -5% | 2,024 | 9% | 4,459 | 4,422 | 1% | 5,110 | 4,459 | 15% | |
| SONIARYKIEL COLLECTION (women's) | 1,925 | -1% | 2,098 | -4% | 4,023 | 4,129 | -3% | 4,277 | 4,023 | 6% | |
| DAKS (men's, golf) | 1,480 | -2% | 1,710 | -3% | 3,190 | 3,264 | -2% | 3,230 | 3,190 | 1% | |
| Paul Smith (women's) | 2,135 | 6% | 2,327 | 2% | 4,462 | 4,299 | 4% | 4,670 | 4,462 | 5% | |
| JOSEPH (men's, women's) | 2,036 | 10% | 2,506 | 9% | 4,542 | 4,157 | 9% | 5,070 | 4,542 | 12% | |
| JANE MORE (women's) | 1,445 | -2% | 1,490 | 1% | 2,935 | 2,955 | -1% | 3,060 | 2,935 | 4% | |
| Core Department Store Brands: Total | 45,310 | 5% | 50,549 | 3% | 95,859 | 92,106 | 4% | 100,847 | 95,859 | 5% | |
| anyFAM (women's, children's) | 4,118 | 6% | 4,430 | -3% | 8,548 | 8,435 | 1% | 9,170 | 8,548 | 7% | |
| anySiS (women's) | 4,058 | 11% | 4,479 | 12% | 8,537 | 7,668 | 11% | 9,620 | 8,537 | 13% | |
| field/dream (men's, women's) | 1,802 | ±0 | 1,875 | 8% | 3,677 | 3,540 | 4% | 4,250 | 3,677 | 16% | |
| New Distribution Channels Core Brands: Total | 9,978 | 7% | 10,784 | 5% | 20,762 | 19,643 | 6% | 23,040 | 20,762 | 11% | |
| Core Brands: Total | 55,288 | 6% | 61,333 | 3% | 116,621 | 111,749 | 4% | 123,887 | 116,621 | 6% | 73% |

Note: Only brands with over 3.0 billion yen in full-year sales are listed

* The following brand names have been changed from FY02/15:

ck Calvin Klein =>

Calvin Klein platinum label

SONIABY SONIARYKIEL =>

SONIARYKIEL COLLECTION

The logo for Onward Holdings Co., Ltd. features the word "ONWARD" in a large, bold, blue serif font. Two horizontal yellow bars cross the "O" and "D" respectively. Below "ONWARD" is the text "ONWARD HOLDINGS CO., LTD." in a smaller, bold, black sans-serif font.

ONWARD

ONWARD HOLDINGS CO., LTD.

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