



Greetings, my name is Michinobu Yasumoto, president and CEO of Onward Holdings Co., Ltd. Thank you for taking the time to watch this video. I would like to use this opportunity to tell you about ONWARD VISION 2030, the Onward Group's medium- to long-term management vision, which was announced on April 8, 2021.

First, let me begin by talking about the backdrop that shaped this vision. As you know, fiscal year 2020, ended February 28, 2021, was heavily impacted by the global COVID-19 pandemic. This pandemic dealt a devastating blow to the Group's domestic and overseas operations, the damages of which likely surpassed anything we have experienced since Onward's founding. Moreover, the impacts of the pandemic can be expected to continue on into foreseeable future, although these impacts may be slightly diminished by widespread vaccinations going forward.

The COVID-19 pandemic was not the only change, as the fashion industry to which the Onward Group caters was undergoing major structural changes since even before the pandemic. Specifically, factors such as the evolution of digital transformations have been greatly altering the landscape of the fashion industry. Amid this change, the Onward Group decided to undertake global business reforms to its operations at home and abroad in October 2019. The pandemic started shortly thereafter. Fortunately, a large portion of those reforms have since been completed as planned.

We recognize that formulating a long-term vision looking a decade into the future while rooted in our current situation, in a continuously changing operating environment, is no easy task. However, we also understand that this time of great upheaval has created a need to explain the Onward Group's policies and the course it will take based on these policies to stakeholders in a concise manner. ONWARD VISION 2030 was shaped based on this understanding.

The Onward Group's Raison D'etre



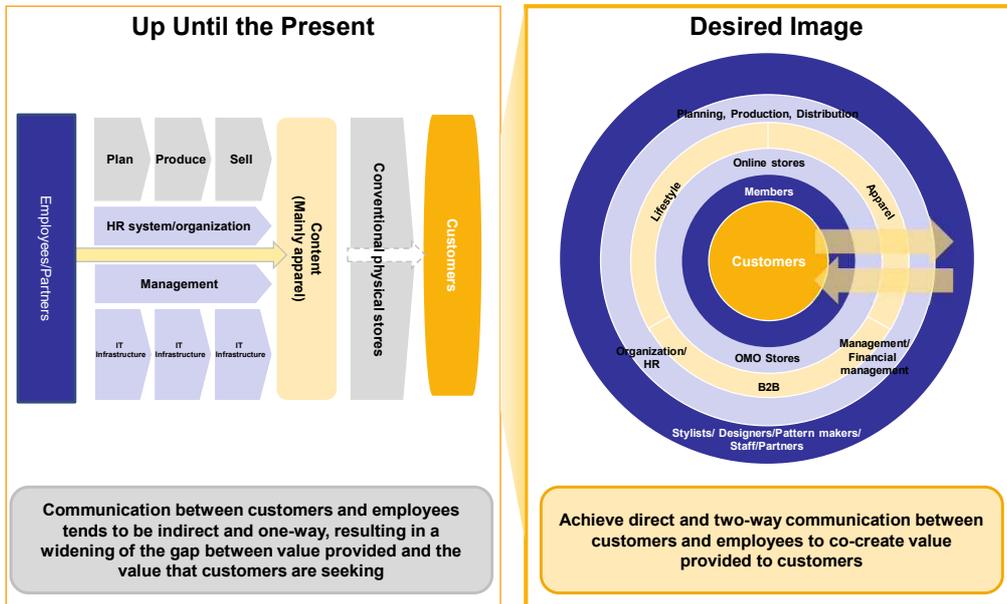
Enriching and adding color to people's lives while caring for the planet



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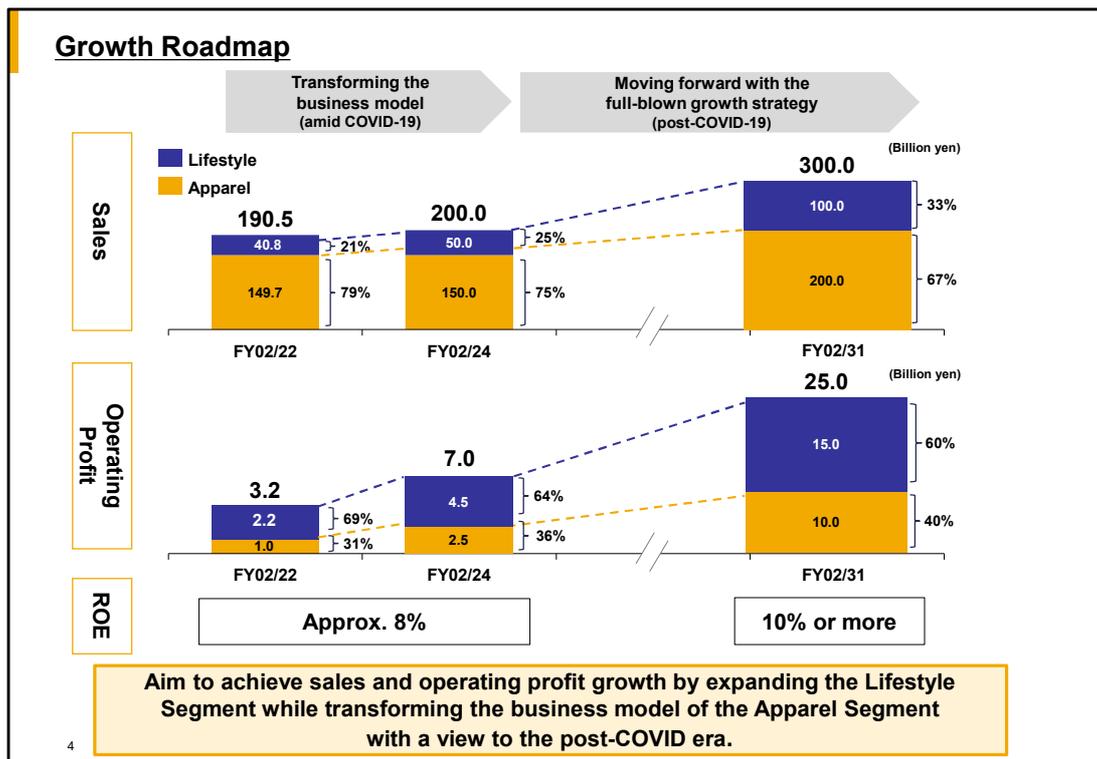
What you are looking at now is the presentation materials explaining ONWARD VISION 2030. We will begin with slide 2. On this slide, we present the Onward Group's *raison d'être* or its mission statement. The Onward Group traces its roots back to the establishment of the Kashiwama Trading in 1927, and 2021 is our 95th year of operation. Since its founding, the Onward Group has continued to act in accordance with its basic management policy, which is to enrich and add color to people's lives." The mission statement and corporate message put forth by ONWARD VISION 2030 inherit the philosophy of this policy. However, that does not mean nothing has changed. Quite the contrary, we have newly incorporated the Company's responsibility toward environmental issues, which are growing in importance in recent years, into our new mission statement. Specifically, we introduced the perspective of sustainability management. It is no longer sufficient to enrich and add color to people's lives alone; we must also enrich and preserve the color of the global environment in which we live. Going forward, it will be crucial to balance our management based on these concerns. Accordingly, we put forth the mission statement of "enriching and adding color to people's lives while caring for the planet."

Desired Image of the Onward Group: Evolving into a Customer-Centric Company, Making the Best Use of Employees' Diverse Strengths



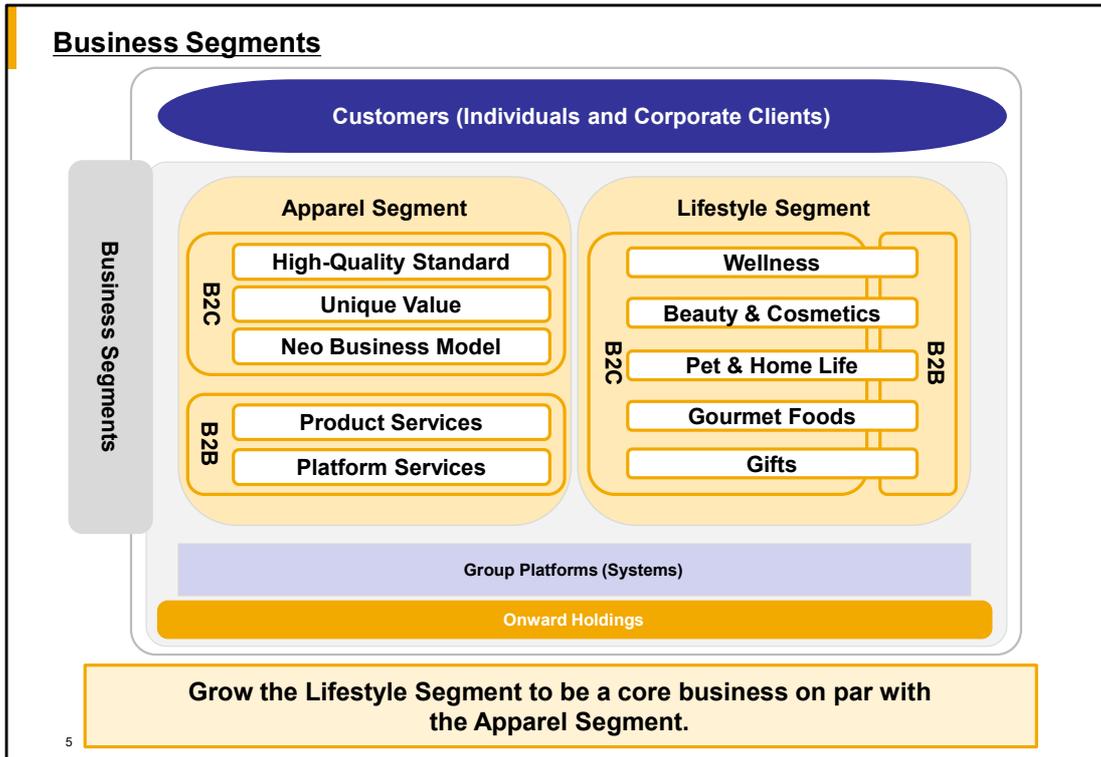
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Moving on to slide 3, we will now look at our desired image for the Onward Group: evolving into a customer-centric company and making the best use of employees' diverse strengths. On the left side of this slide, you will see the model used by the Group up until the present. On the right side, you will see our desired image going forward. The Onward Group has been around for nearly a century. Throughout this long history, the Group has been prone to setting up several organization levels, sometimes belonging to us, sometimes belonging to our business partners. These levels have placed distance between customers and employees. Furthermore, internal responsibilities have been divided among a wide range of organizations separated based on functions, such as product planning or sales; brands; and areas. This vertically-divided organization often proved to be disadvantageous. Looking ahead, we intend to take advantage of progress in digital technologies to reduce the distance between customers and the Onward Group employees that create value for them. We thereby aim operate our business in a manner that facilitates the co-creation of customer value together with customers.

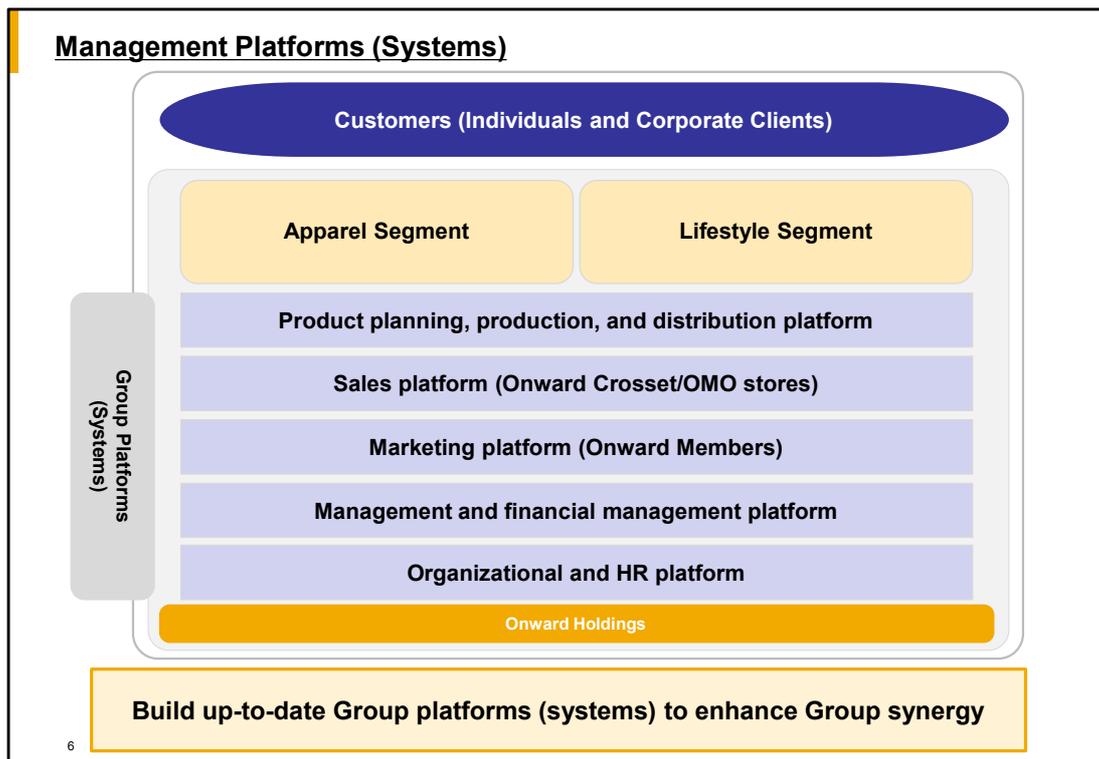


We will look next at slide 4, which details the roadmap for the Onward Group’s medium- to long-term growth. The roadmap encompasses an incredibly long period of 10 years leading up to fiscal year 2030, ending February 2031, and this period has been divided into the first three years and the last seven years. In the first three years, which includes fiscal year 2021, ending February 2022, we anticipate that widespread vaccination will help gradually alleviate the impacts of the global COVID-19 pandemic, although the impacts of the pandemic will no doubt continue to linger in one form or another. As we will have likely to endure the impacts of the pandemic over the coming three years, these years will be devoted to reconstructing and solidifying the operating foundations that will be utilized to pursue growth after the pandemic has concluded.

Numerically, we will target net sales and operating profit of just over ¥190.0 billion and ¥3.0 billion, respectively, in fiscal year 2021, ending February 2022, and around ¥200.0 billion and ¥7.0 billion in fiscal 2023, ending February 2024, at the end of the first three years. With regard to net sales, in light of the COVID-19 pandemic, we will focus on cementing our current position as opposed to pursuing substantial quantitative growth. Specifically, we look to achieve slight increases in net sales centered on the growth of the Lifestyle Business segment, which has been posting strong performance, having accomplished a position of profitability in fiscal year 2020, ended February 2021. Through this process, we aim to achieve net sales of around ¥300.0 billion and operating profit of about ¥25.0 billion in fiscal 2030, ending February 2031, which will represent a historically high level for the Onward Group. We envision a situation in this growth in the Group’s net sales and operating profit will be fueled by our core apparel business as well as by Lifestyle Business segment, which is comprised of numerous businesses that I will be touching on a little later. As for return on equity, we will target a level of around 8% during the pandemic and over 10% in fiscal 2030.



Turning to slide 5, here you will see a breakdown of the Onward Group’s business by segment. Put simply, we look to grow the Lifestyle Business segment to stand alongside the Apparel Business segment as a pillar of management. Both segments are developing various business-to-consumer and business-to-business operations. I will go into these operations in a little more detail later on.



Let us now take a look at slide 6. This slide details the management platforms (systems) on which significant emphasis will be placed over the next three years. Whether we are talking about the Apparel Business segment or the Lifestyle Business segment, we understand that there is a need to build up-to-date business and management platforms for the Onward Group if we are to achieve stable growth after the COVID-19 pandemic. The current Group platforms were built decades ago, and we have only made gradual improvements to them since. Given the current dramatic change seen in the operating environment and the progress of digitization, I believe it is necessary for us to completely rebuild these platforms, maybe even from the ground up.

The Group's platforms currently consist of our product planning, production, and distribution platform; our sales platform, which is comprised of online stores and the online merges with offline-style stores currently under development; our marketing platform, which includes the Onward Members' loyalty point card system, our customer bases currently consisting of nearly 4 million members; and our management and financial management platform and organizational and HR platform, which support the business and sales activities advanced through the other platforms. These platforms will be rebuilt in an integrated manner over the next three years.

Five Strategies toward FY02/31

Targeting sales of 300 billion yen and operating profit of 25 billion yen in FY02/31

Five Strategies

- 1 Transform the Apparel Segment business model**
- 2 Accelerate growth in the Lifestyle Segment**
- 3 Strengthen B2B business**
- 4 Evolve into a company where diverse and unique personnel can exhibit their strengths**
- 5 Promote sustainable management that pursues coexistence with the environment**

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I would now like to move on to slide 7, with which we will look at five strategies aimed at accomplishing the targets we have put forth for fiscal year 2030, ending February 2031. The first strategy is to transform the Apparel Business segment business model used to develop the Onward Group's traditional core business. The second strategy is to accelerate growth in the Lifestyle Business segment, which is expected to be a major proponent of growth going forward. The third strategy is to strengthen our business-to-business operations. The fourth strategy is to evolve into a company where diverse and unique personnel can exhibit their strengths. And, the fifth and final strategy is to promote sustainable management that pursues coexistence with the environment. These strategies are intimately intertwined, and each will be indispensable to the Group's growth over the next decade.

**1 Transform the Apparel Segment Business Model:
Three Main Policies**

(1) Transform communication with customers

Build a community that grows autonomously and co-create value with customers



(2) Transform product planning, production, and distribution

Digitalize the production process to improve speed, price optimization, and traceability



(3) Transform sales

***OMO = Online merges with offline**

Develop OMO* stores that combine the advantages of physical and online stores.



Next, on slide 8 you will see our three main policies for transforming the Apparel Business segment business model. These policies are (1) transform communication with customers; (2) transform product planning, production, and distribution; and (3) transform sales.

**1 Transform the Apparel Segment Business Model:
Brand Groups Developed under the Apparel Segment (B2C)**

High-Quality Standard Business	Unique Value Business	Neo-Business-Model Business
<p>A group of brands that create “evolving staples” by balancing quality and price, made possible by production expertise cultivated over many years</p> 	<p>A group of one and only brands that continue to attract customers by communicating a strong individuality and worldview</p> 	<p>A group of brands that provide innovative customer experiences through a new business model that utilizes the latest digital technologies. We aim to make these brands the core of our future business.</p> 

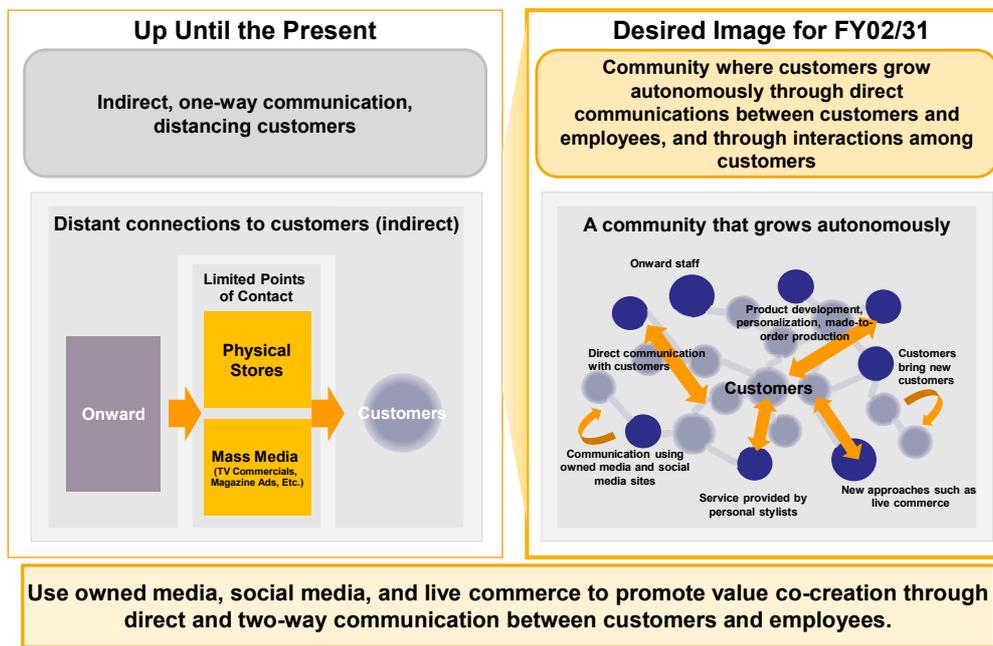
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We will now turn to slide 9. The Apparel Business segment has long been growing the Onward Group’s core business and has thereby developed a vast brand portfolio for the Group. This slide shows some of the major brands that have continued to support our core business. We have divided these brands into three categories, and we intend to define growth strategies and transformation policies for each of these categories. On the left side of the slide, you will see information on the high-quality standard business. The brands included in this business create evolving staples by balancing quality and price as made possible by the production expertise cultivated over our many years of operation. This business is centered on major brands with annual sales exceeding ¥10.0 billion, such as Nijyusanku.

In the center is information on the unique value business, a group of one and only brands that continue to attract customers by communicating strong individuality and a unique worldview. The scale of sales from these brands is smaller than that of the brands included in the high-quality standard business. However, we believe that the highly unique brands operated in this business will contribute to earnings with a certain degree of sales if we solicit their strong individuality through global, online venues going forward.

The right side of the slide displays information on the neo-business-model business. In this business, we develop a group of brands that provide innovative customer experiences through a new business model that utilizes the latest digital technologies. These brands include our KASHIYAMA brand of made-to-order clothing items and other brands that utilize business models unique to the Onward Group. We aim to make these brands the core of our future business by growing them to be suitable for inclusion in the high-quality standard business or the unique value business as we anticipate that they have the potential to become future growth drivers.

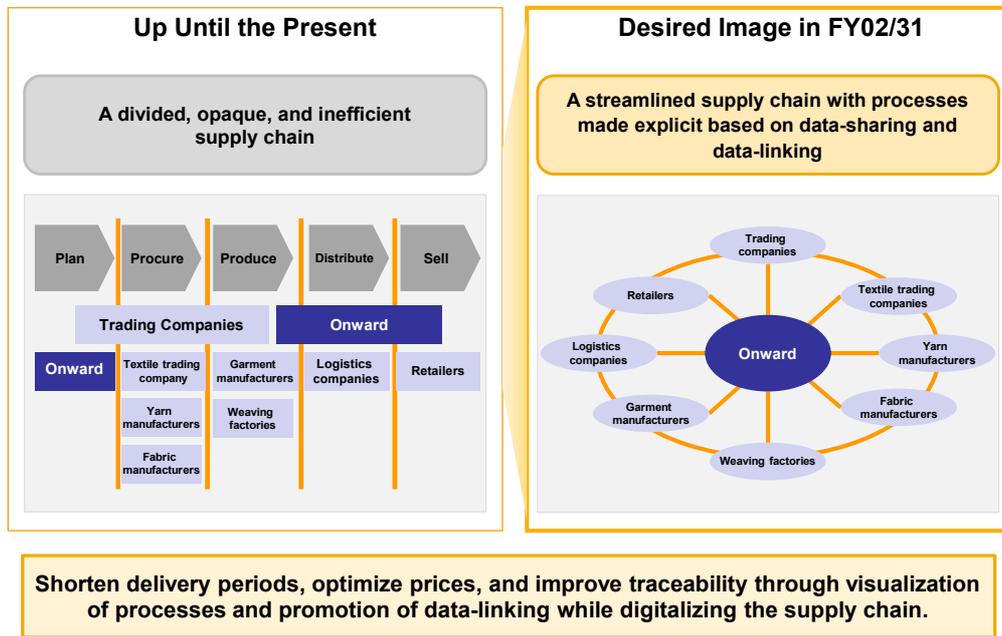
**1 Transform the Apparel Segment Business Model:
(1) Transforming Communication with Customers**



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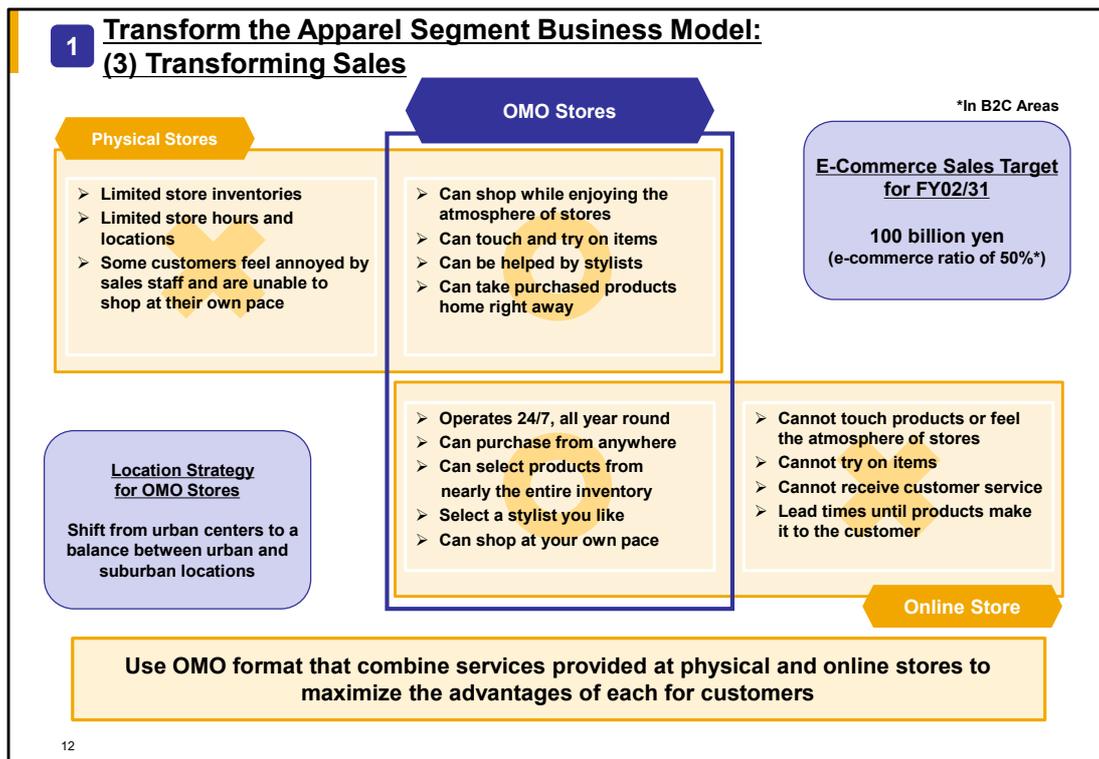
[We will now move on to slide 10.] The transformation of the Apparel Business segment will be advanced based on these three brand groups. Of our three transformation policies, the policy of transform communication with customers will be the most important with this regard. New communication venues, such as owned media, social media, and live commerce, have been advancing rapidly, due in part to the impacts of the COVID-19 pandemic. We will make full use of these venues going forward to create value through direct and two-way communication between customers and Onward Group employees. In the past, I feel that we have suffered from limited points of contact with customers, which were previously restricted to such venues as physical stores and mass media. In the future, I hope to promote communication that autonomously grows fans of our businesses and brands. This type of communication will include the fostering of communities through interactions among customers.

**1 Transform the Apparel Segment Business Model:
(2) Transforming Product Planning, Production, and Distribution**



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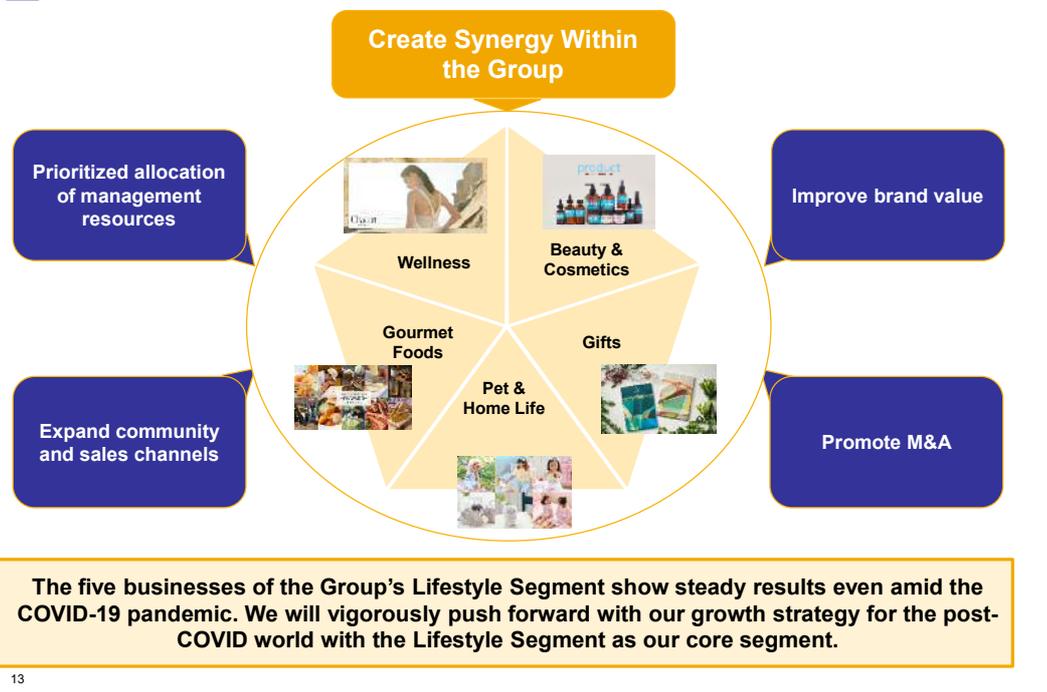
On slide 11, you will find information on our plans to transform product planning, production, and distribution. Textile and apparel industries have an incredibly long history, which has led to the creation of an extensive supply chain involving various companies and other parties in the series of processes leading up to the creation of end products. There are still a lot of cases in which communication between these various parties is conducted through conventional means such as telephone and fax. Installing digital communication methods throughout this supply chain will allow for better tracking of manufacturing processes and for increased data linking. We anticipate that such transformations will contribute to shorter deliver periods, optimized prices, and increased traceability.



Moving on, slide 12 displays information on efforts for transforming sales. Specifically, we look to develop new store types through online merges with offline-style stores, or OMO stores, that combine the benefits of both conventional physical stores and the online stores that have growing rapidly as of late. The benefits of physical and online stores shown on this slide are all indispensable to companies like Onward in the business of fashion. In April 2021, we began developing three stores that merge the benefits of physical and online stores in Hanyu, Nagoya, and Minami-Funabashi. We look to continue to evolve these stores as they are operated by incorporating customer feedback.

Our strategy for choosing OMO store locations will emphasize a balance of urban and suburban locations, rather than focusing predominately on urban locations. We will devote significant effort to promoting digital transformations in the area of sales going forward, targeting e-commerce sales of ¥50.0 billion in the current fiscal year, ending February 2022, and ¥100.0 billion in fiscal year 2030, ending February 2031 which is projected to account for roughly 50% of sales from business-to-consumer operations.

2 Accelerate Growth of the Lifestyle Segment



With slide 13, we will start looking at our initiatives for accelerating the growth of the Lifestyle Business segment. The five businesses contained in the Lifestyle Business segment, which are as shown on slide 13, have been performing well, even in the midst of the COVID-19 pandemic, and were thus able to post operating profit in fiscal year 2020, ended February 2021. Significant effort will be dedicated to advancing growth strategies that position this segment as a core area of operations for the period after the pandemic.

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Accelerate Growth of the Lifestyle Segment: Strategy of Leading Companies in Different Areas

Wellness business

Chacott



Business:
Comprehensive business development including the sale of ballet/dance goods and cosmetics, and the operation of ballet schools

- ✓ Continue to develop the traditional core ballet business, while strengthening brands appealing to wellness (Chacott Balance and Chacott Cosmetics) to express the worldview of the brand philosophy, "Make life beautiful from the inside out."
- ✓ Scheduled opening of a next-generation global flagship store in Daikanyama in spring 2022

Beauty & Cosmetics business

kokobuy



Business:
Dealing in the "product," an organic haircare and skincare brand

- ✓ Accelerate expansion of product categories in skincare and body care
- ✓ Expand physical and online sales channels (including global development) and increase brand recognition through PR including collaborations
- ✓ Quickly establish a status as an organic cosmetics brand

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On slides 14 and 15, you will find information on the five businesses contained in the Lifestyle Business segment. Onward is leader in each of these businesses. The wellness business is developed by Chacott Co., Ltd., while the beauty and cosmetics business is advanced by Kokobuy Co., Ltd. Both of these businesses are displayed on slide 14.

2

Accelerate Growth of the Lifestyle Segment: Strategy of Leading Companies in Different Areas

Pet & Home Life business

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



Business:
Development of comfort goods and pet-related products

- ✓ Expand selection of everyday goods to enhance people's lives as they spend more time at home
- ✓ Enhance the lineup of cat products in addition to mainstay dog products
- ✓ Launch "Hinami," a lifestyle brand for hygienic and safe living

Gourmet Foods business

美味しいをコーディネート
ONWARD
MARCHÉ



Business:
Operation of a high-quality e-commerce site for gourmet foods

- ✓ Contribute to enhancing customers' "home time" and expanding sales channels for producers
- ✓ Enhance the value and uniqueness of the site by expanding categories handled and developing original products
- ✓ Plan to begin cross-border e-commerce of delicious and safe Japanese gourmet foods

Gifts business

YAMATO



Business:
Development of a gift solutions featuring gift catalogues

- ✓ Strengthen direct online sales and enter the "social gift" market, which is expected to grow
- ✓ Provide new value to customers by developing new products and services

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Displayed on slide 15 are the pet and home life business of Creative Yoko Co., Ltd.; the gourmet foods business of Onward Marche; and the gifts business of Yamato Co., Ltd. All of these businesses are achieving incredibly strong performance by accommodating the demand emerging as people are increasingly prompted to stay at home in response to the COVID-19 pandemic. We will be concentrating resources on these businesses going forward as we anticipate that they have significant growth potential.

3 Strengthen B2B Businesses

Product Services business (for general corporate clients)

Provides uniforms, promotional products, and services to general corporate clients. Assets shared within the Group to maximize synergies.



Onward Trading's uniform business

Platform Services business (for retailers and the apparel industry)

OEM/ODM business for retailers and the apparel industry. Utilizes product planning, production, and distribution platforms that are visualized and streamlined through information sharing and data-linking.



Kashiyama Dalian

These businesses have been robust even amid the COVID-19 pandemic. We position them as stable growth businesses in the post-COVID era, and target sales of 60 billion yen (20% of total sales) in FY02/31.

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Slide 16 provides an overview of our policies for strengthening business-to-business operations. These operations can largely be divided into two categories. The first category is product services businesses, shown on the left side of the slide, which serve general corporate clients. A prime example of these businesses is the uniform business of Onward Trading Co., Ltd., a major member of the Onward Group. Shown on the right side of the slide, the second category is platform services businesses, which cater to our apparel industry peers. In these businesses, we look to create a new business area by making our production platform available for use by parties outside of the Onward Group. Through these efforts, we aim to grow businesses in these two categories to generate net sales of around ¥60.0 billion, on a combined basis, in fiscal year 2030, ending February 2031, which should represent about 20% of consolidated net sales.

4 Evolve into a Company Where Diverse and Unique Personnel Can Exhibit Their Strengths

Organizational and HR platform reform

- Achieve a flat organization
- Promote the activities of diverse personnel
(achieve 50% women in leadership positions by FY02/31, and other goals)
- Diversify workstyles
- Offer multiple career paths and personnel development
- Fair, multi-faceted evaluations and performance-based compensation
- Transfer authority to the job site

By training in-house personnel who will spearhead change, or recruiting personnel externally, and promoting organizational and HR platform reform, we will evolve into a company where diverse and unique personnel can play an active role.

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On slide 17, you will find information on our strategy to evolve into a company where diverse and unique personnel can exhibit their strengths. The value sought by customers can be expected to grow more diverse and unique in the future. Providing this diverse and unique value will require the Onward Group to foster a base of equally diverse and unique personnel. We will also need to develop an environment in which these personnel can exhibit their strengths and utilize diverse workstyles. One area we must address with this regard is the empowerment of female employees. From this perspective, it is vital for us to foster female leaders so that such leaders come to represent half of all Onward Group leaders 10 years from now. Over the past decade, more than half of new employees entering the Onward Group have been women. At the same time, we have vigorously promoted teleworking in response to the COVID-19 pandemic. Moving forward with these trends, we hope to develop workplace environments that allow women to continue working as long as they please while exercising their individuality. Furthermore, we will seek to create a truly diverse organizational and HR platform by fostering human resources capable of driving such reforms within the Group while also ramping up recruitment of external individuals. Such a platform will be vital to the realization of our medium- to long-term management vision.

5 Promote Sustainable Management that Pursues Coexistence with the Environment

Example: Find more ways to use recovered products (blanket donations in cooperation with the Japanese Red Cross Society, stepping up the Reuse Park initiative)



Example: Expand the made-to-order business centered on Kashiya Dalian



Eliminate wasteful production
(Expand made-to-order production)

Example: Increase awareness of factory audits at the Japan Apparel Quality Center



Recover and reuse products

Main initiatives toward sustainable management

Improve traceability

We will establish an organization dedicated to the promotion of sustainable management in FY02/22 and advance efforts in this direction based on the recognition that sustainable management is an important ideal that underpins our corporate activities.

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Lastly, we will look at slide 18. The Onward Group realizes that it has a responsibility toward society to promote sustainable management that pursues coexistence with the environment. This sentiment is apparent in our corporate message and mission statement, and this responsibility forms the bedrock for our corporate activities. Based on this recognition, Onward Holdings established a dedicated sustainability organization in fiscal year 2021, ending February 2022. On this front, we have been engaged in efforts to collect, recycle, and reuse our products for more than a decade through the Onward Green Campaign, a project advanced together with the Japan Red Cross Society. In addition, we have started developing made-to-order apparel businesses that eliminate the production of unnecessary products. The Onward Group is also promoting the activities of Japan Apparel Quality Center for the purpose of improving awareness regarding factory audits and, as a result, traceability. We will build upon these existing initiatives going forward while broadening our sustainable management efforts to include other activities.

With this, I conclude our look at ONWARD VISION 2030.



ONWARD
ONWARD HOLDINGS CO., LTD.

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In closing, please allow me to express my sincere appreciation for your constant understanding and support of the Onward Group's management. Some of the trends emerging in the current dramatic changes seen in the operating environment create cause for concern, and the impacts of the COVID-19 pandemic are expected to persist for the foreseeable future. Regardless of these issues, we at Onward Group will unite in our efforts to enact our mission statement in line with ONWARD VISION 2030 beginning with the current fiscal year, ending February 2022. I ask for your ongoing understanding and support as we tackle the challenges to come. Thank you for watching this video until the end.