

Special Feature

Three Growth Strategies of the New Medium-Term Management Plan

The Onward Group launched its new three-year, medium-term management plan in March 2019. This new medium-term management plan prescribes three growth strategies as well as structural reforms through which we will improve profitability to develop business foundations for future growth. In this special feature, we will introduce some of the concrete initiatives being implemented to advance the three growth strategies of the new medium-term management plan in its first year.



Special Feature

Roll Out the “Creation First Business”

My Standard

—First Owned Media Strategy for Nijyusanku

The *My Standard* style magazine was launched for core brand Nijyusanku in March 2019. This magazine is part of the first owned media strategy for this brand.

My Standard features a robust assortment of information enabling it to function as a dedicated catalog for Nijyusanku, including details on the brand’s creative focus on standard items. It does not stop there, however, as this magazine goes beyond a simple catalog to provide snapshots of the latest trends in Paris and other topics of interest.

In conjunction with the publication of *My Standard*, we have also launched a special website that features a convenient search function for browsing for and making online purchases of items showcased in the catalog.

To complement the release of the inaugural issue of *My Standard*, Nijyusanku is taking steps to generate attention and thereby boost sales through visual advertisements utilizing a wide range of mediums. Venues employed include magazines, the Internet, social media, pop-up stores, events, digital signage at major train stations, and advertisements inside of transportation venues. We are also practicing mutual customer referral between physical and virtual stores through sales promotions coordinating catalogs, websites, stores, and the Onward Members’ loyalty point card system.



Concept of *My Standard*

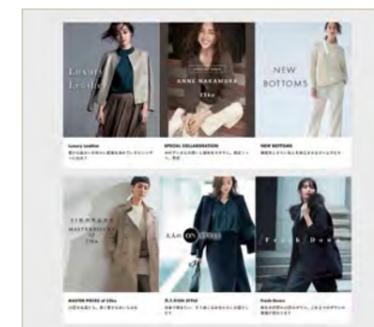
Everyone seeks to express their individuality, uninfluenced by trends and unbound by conventions.

Buying something new is easy; what we want is something that will be a constant presence in our lives. The standard for one’s individuality—this is *My Standard*.

We craft clothes that transcend ages and trends to earn the enduring support from wide-ranging customers, clothes that are simple yet sophisticated and comfortable, and clothes that make their quality known the second they are worn.

Let us help your individuality shine.

Sales Promotion through a Wide Range of Mediums



Special websites



Pop-up stores



Collaboration products

3

Develop a “High-Quality Lifestyle Business Generating Synergies with the Apparel Business”

Entry into the New Field of Gifts and Gift Catalogs through the Acquisition of Yamato

Two Major Strengths of Yamato

In March 2019, specialized gift and major gift catalog company Yamato Co., Ltd., was welcomed into the Onward Group.

Founded in Nagano Prefecture in 1940, Yamato got its start in the wholesale of glass products before fully leveraging the expertise and distribution functions it had cultivated in the gift field to integrate functions in the four areas of product planning, purchasing, catalog publication, and logistics. This company has thus established a distinctive gift solutions system capable of furnishing flexible responses to diverse and transforming gift needs.

Today, Yamato is advancing its business as a dedicated planner and producer of gifts and gift catalogs based on the goal of contributing to the development of more enriched communities through the ongoing transformation of the gift market.



Logistics

Located in the company's head office in Azumino City, Nagano Prefecture, Yamato's expansive logistics center houses a comprehensive range of gift logistics functions, including order processing, inventory management, packaging, shipping, and call center functions. This center makes it possible for catalogs and gifts to be delivered to customers on a one-stop basis. Yamato also provides proxy services pertaining to shareholder benefits, Japan's *furusato nozei* (hometown tax donation) program, and other schemes.

Logistics center floor space:

26,000 m²

Number of pallets:

7,000

Total stock keeping units:

20,000



Planning and Proposal Capabilities

Yamato produces 300 gift catalogs under 30 brands prepared based on various life events and applications.

This company combines its planning capabilities, which encompass purchasing products from Japan and other countries and developing original products, and its ability to produce catalogs that make it easy to search for products while communicating their appeal to make proposals in response to various gift needs.



Synergies with the Onward Group



The Onward Group aims to develop frameworks for collaboration with Yamato in sales activities targeting its primary business partners: department stores and prominent bridal companies throughout Japan. In addition, we see the potential for significant synergies to be generated between Yamato and the Onward Group through the introduction of Onward brand products into the gift catalog business and the utilization of the Onward Group's e-commerce and other digital platforms and global network. The introduction of the new field of gifts and gift catalogs into the Group's business scope is anticipated to accelerate progress in the growth strategies of Yamato and of the Onward Group as a whole.



Directly operated Artina Gift Studio store and inside Yamato's logistics center



In November 2019, we followed up KASHIYAMA the Smart Tailor with a second factory-to-customer business, our new line of made-to-order women's shoes.