

# Our Sales Channels

The Onward Group conducts its sales activities through a number of different sales channels. As we move forward, we will advance our Omni-channel retailing strategy that merges the strengths of both physical and online stores to further expand our customer base.

## Department Stores

Department stores are Onward Kashiya's main sales channel, accounting for 71% of its total sales. A diverse range of core and other brands are deployed through this channel.

We have been strategically relocating and redesigning our shops while developing large-scale shops to maximize individual shop sales and operational efficiency. Furthermore, sales representatives have recently been armed with tablets to enhance sales promotions and services linked to e-commerce operations as part of our Omni-channel retailing strategy.

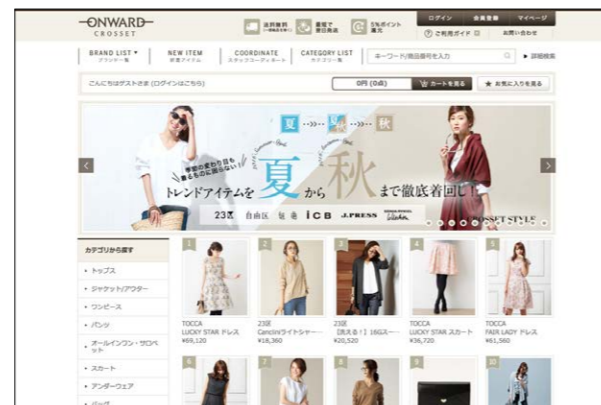


Nijyusanku JR Nagoya Takashimaya Store

## E-Commerce

Our directly managed e-commerce website, Onward Crosset, forms the central pillar of our e-commerce operations, and we also operate brand-specific online stores and list our products on domestic and overseas online shopping sites.

Growth of the e-commerce channel is anticipated to outstrip that of other channels going forward. We therefore plan to bolster communication and services through this channel to expand our customer base.



### Directly Managed Stores

These brand flagship stores double as brand billboards for our cutting-edge products.



### Train Station Complexes / Fashion Malls

We offer fashionable and trendy brands and products through this sales channel, which takes advantage of prime locations in train station complexes and in major urban centers.



### Shopping Centers

These centers serve as a sales channel for Onward Kashiya's brands, such as any FAM, any SiS, and SHARE PARK.

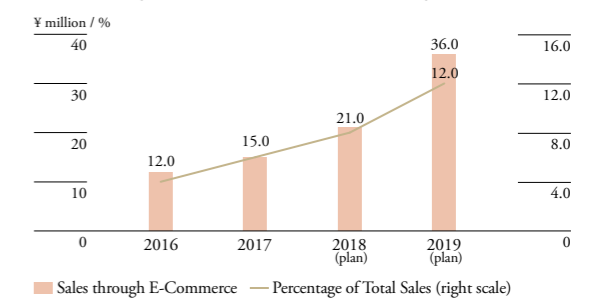
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## Onward's Omni-Channel Retailing Strategy

The advancement and evolution of information and communication technologies brings with it the potential to develop new customer contact points that have never been seen before.

The Onward Group's medium-term management plan, launched in March 2016, positions the acceleration of our Omni-channel retailing strategy as a priority measure and sets forth the target of generating net sales of about ¥36.0 billion, or 12% of total net sales, through e-commerce operations by fiscal year 2019.

Sales through E-Commerce and Percentage of Total Sales



## Recent Initiatives

### My Shop Registration System

The My Shop Registration system, launched in April 2017, is a new service for Onward Members users. Through this system, users are able to register their favorite brands and stores to create a "My Shop" portfolio. Upon completing this step, purchase histories through applicable e-commerce sites will be integrated under the My Shop Registration system, which will make it possible for comprehensive service to be received that encompasses both physical stores and e-commerce stores.



### Onward SHOP BLOG

Onward Kashiya has established the official Onward SHOP BLOG portal site, which provides a source of information on recommended outfits and the latest topics from various stores. An added degree of convenience came from the release of a dedicated smartphone application in March 2017. This application gives users easy access to all of our online shops and brand websites. Furthermore, the SHOP BLOG AWARD program has been established to recognize stores that actively utilize Onward SHOP BLOG to grow sales. The aim of this award is to encourage stores to act as originators of information.



### Onward Marche

The Onward Marche gourmet e-commerce site was launched in November 2016 to propose enriching lifestyles through food. This site serves to increase customer contact points through the venue of food, which is more easily accessible than fashion, while also acting as a tool for promoting e-commerce use. Looking ahead, we will advance our Omni-channel retailing strategy by expanding Onward Marche outside of Japan to cater to customers in Asia and other parts of the world so that we can promote e-commerce through gourmet foods as well as through fashion.

