



**[Delayed] FY02/22 Q3
Results
Presentation Supplement**

ONWARD HOLDINGS CO., LTD.

January 13, 2022

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Q3 results

- Since the state of emergency was lifted at the beginning of October 2021, customer traffic at physical stores has gradually increased, boosting performance of the mainstay domestic apparel business. OPM was up 4.1pp YoY due to thorough inventory management and streamlining of SG&A expenses. As a result, all profit categories increased YoY in Q3, with operating profit at 2.3 billion yen, recurring profit at 2.1 billion yen, and net profit at 0.6 billion yen.
- Net sales fell 9.8 billion yen YoY to 43.6 billion yen due to the impact of global business reforms centered on Italy operations. However, in existing businesses, sales were up 2.3 billion yen.
- E-commerce sales grew 11% YoY to 10.7 billion yen, driven by steady growth of the new D2C brand business and a decline in losses associated with out-of-stock items owing to full-fledged operation of the centralized inventory management system for online and physical stores.

Q4 and full-year outlook

- The domestic apparel business is continuing on a recovery track, backed by robust sales of winter clothing due in part to a fall in temperatures in the beginning of Q4 and strong sales at OMO stores which began full-scale operations.
- The Company expects profits to improve significantly in the overseas business in Q4 as the effects of global business reforms, primarily for Italy operations, are emerging across the business. For the full year, the Company maintains its expectation to turn a profit at all profit levels for the first time in three fiscal years.

Previous year's figures adjusted to reflect changes in revenue recognition standard*1

(Million yen)

	1H				Q3				Cumulative Q3				Unadjusted ²
	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/21
1 Net Sales	80,785	84,897	-4,112	95.2%	43,570	53,388	-9,818	81.6%	124,355	138,285	-13,930	89.9%	132,227
2 Gross Profit	41,018	38,713	+2,305	106.0%	24,441	25,846	-1,405	94.6%	65,459	64,559	+900	101.4%	57,226
(% of Sales)	50.8%	45.6%	+5.2%		56.1%	48.4%	+7.7%		52.6%	46.7%	+5.9%		43.3%
3 SG&A Expenses	44,312	49,692	-5,380	89.2%	22,095	25,129	-3,034	87.9%	66,407	74,821	-8,414	88.8%	67,488
(% of Sales)	54.9%	58.5%	-3.6%		50.7%	47.1%	+3.6%		53.4%	54.1%	-0.7%		51.0%
4 Operating Profit	-3,294	-10,979	+7,685	-	2,346	717	+1,629	327.2%	-948	-10,262	+9,314	-	-10,262
(% of Sales)	-	-			5.4%	1.3%	+4.1%		-	-			-
5 Recurring Profit	-2,862	-11,454	+8,592	-	2,103	1,209	+894	173.9%	-759	-10,245	+9,486	-	-10,245
6 Profit	7,448	-15,188	+22,636	-	634	592	+42	107.1%	8,082	-14,596	+22,678	-	-14,596
7 EBITDA ^{*3}	-687	-7,989	+7,302	-	3,519	2,203	+1,316	159.7%	2,832	-5,786	+8,618	-	-5,786

1. Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Figures for cumulative Q3 FY02/21 have been adjusted to reflect the new revenue recognition standard. Adjustments: +6,058 million yen for sales, +7,333 million yen for gross profit and SG&A expenses.

2. Unadjusted figures for FY02/21 correspond to the Q3 FY02/21 figures as shown in Consolidated Financial Results for the Nine Months Ended November 30, 2021.

3. EBITDA = operating profit + depreciation and amortization.

Segment Results

(Million yen)

			1H				Q3				Cumulative Q3				
			FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	
1 2 3 4 5 6	D o m e s t i c	Apparel	Net Sales	52,182	52,868	-686	98.7%	31,452	32,467	-1,015	96.9%	83,634	85,335	-1,701	98.0%
			Operating Profit	-3,637	-8,269	+4,632	-	1,688	-444	+2,132	-	-1,949	-8,713	+6,764	-
	Lifestyle	Net Sales	17,848	15,649	+2,199	114.1%	9,341	9,218	+123	101.3%	27,189	24,867	+2,322	109.3%	
		Operating Profit	1,493	738	+755	202.3%	1,226	1,185	+41	103.5%	2,719	1,923	+796	141.4%	
	Domestic Total	Net Sales	70,030	68,517	+1,513	102.2%	40,793	41,685	-892	97.9%	110,823	110,202	+621	100.6%	
		Operating Profit	-2,144	-7,531	+5,387	-	2,914	741	+2,173	393.3%	770	-6,790	+7,560	-	
7 8 9 10 11 12	O v e r s e a s	Apparel	Net Sales	10,047	14,897	-4,850	67.4%	2,360	11,449	-9,089	20.6%	12,407	26,346	-13,939	47.1%
			Operating Profit	-487	-2,831	+2,344	-	-292	37	-329	-	-779	-2,794	+2,015	-
	Lifestyle	Net Sales	708	1,483	-775	47.7%	417	254	+163	164.2%	1,125	1,737	-612	64.8%	
		Operating Profit	-431	-267	-164	-	-417	-233	-184	-	-848	-500	-348	-	
	Overseas Total	Net Sales	10,755	16,380	-5,625	65.7%	2,777	11,703	-8,926	23.7%	13,532	28,083	-14,551	48.2%	
		Operating Profit	-918	-3,098	+2,180	-	-709	-196	-513	-	-1,627	-3,294	+1,667	-	
13 14	Consolidated Total	Net Sales	80,785	84,897	-4,112	95.2%	43,570	53,388	-9,818	81.6%	124,355	138,285	-13,930	89.9%	
		Operating Profit	-3,294	-10,979	+7,685	-	2,346	717	+1,629	327.2%	-948	-10,262	+9,314	-	

Note: Cumulative Q3: December–August for Europe, and January–September for Asia and North America

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Note: Domestic Apparel (Onward Kashiyama, Onward Trading, Island, Onward Personal Style, and 10 other companies; 14 companies in total)

Overseas Apparel (8 companies in the JOSEPH Group, J.PRESS, Onward Fashion Trading and 8 other companies; 18 companies in total)

Domestic Lifestyle (Chacott, Creative Yoko, Yamato, KASHIYAMA DAIKANYAMA, and 6 other companies; 10 companies in total)

Overseas Lifestyle (Onward Beach Resort Guam and 9 other companies; 10 companies in total)

FY02/22 Q3 Results by Group Company



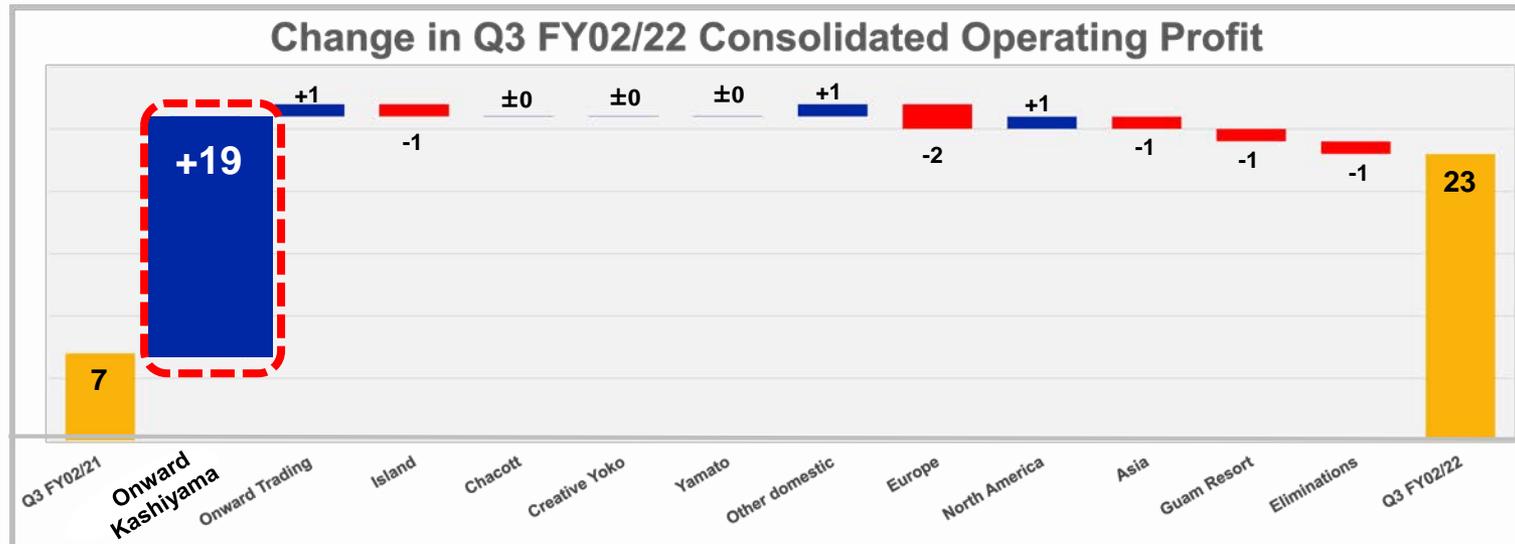
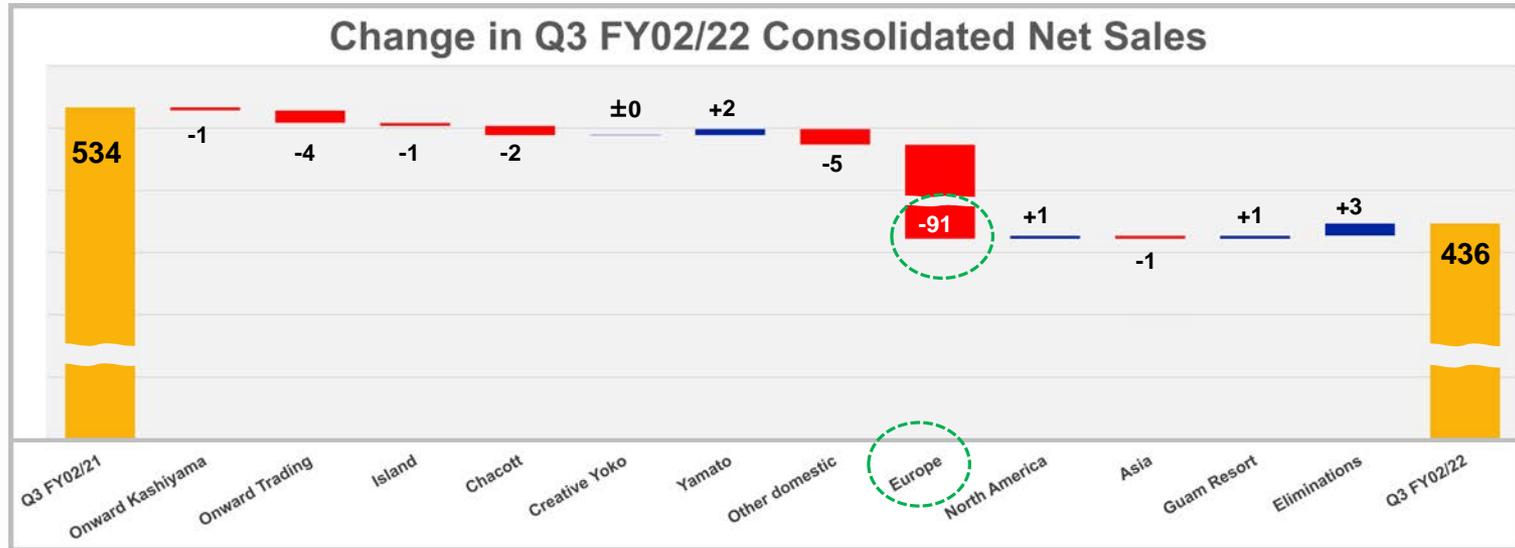
(Million yen)

		1H						Q3						Cumulative Q3					
		Net Sales			Operating Profit			Net Sales			Operating Profit			Net Sales			Operating Profit		
		FY02/22	FY02/21	Change	FY02/22	FY02/21	Change	FY02/22	FY02/21	Change	FY02/22	FY02/21	Change	FY02/22	FY02/21	Change	FY02/22	FY02/21	Change
1	Onward Kashiyama (Non-consolidated)	40,784	40,784	±0	-1,977	-6,301	+4,324	26,098	26,205	-107	2,373	497	+1,876	66,882	66,989	-107	396	-5,804	+6,200
2	Onward Trading	7,578	8,635	-1,057	1,067	1,454	-387	3,295	3,720	-425	203	177	+26	10,873	12,355	-1,482	1,270	1,631	-361
3	Island	2,813	2,425	+388	-124	-413	+289	1,516	1,600	-84	7	58	-51	4,329	4,025	+304	-117	-355	+238
4	Chacott	4,445	2,961	+1,484	283	-632	+915	2,058	2,323	-265	192	171	+21	6,503	5,284	+1,219	475	-461	+936
5	Creative Yoko	2,223	2,123	+100	68	-17	+85	1,357	1,371	-14	145	121	+24	3,580	3,494	+86	213	104	+109
6	Yamato	9,282	8,956	+326	548	484	+64	4,931	4,706	+225	325	365	-40	14,213	13,662	+551	873	849	+24
7	Other	6,010	6,727	-717	-744	-627	-117	3,557	4,065	-508	103	1	+102	9,567	10,792	-1,225	-641	-626	-15
8	Domestic Subtotal (Excl. Onward Kashiyama)	32,351	31,827	+524	1,098	249	+849	16,714	17,785	-1,071	975	893	+82	49,065	49,612	-547	2,073	1,142	+931
9	Europe	8,822	13,815	-4,993	-47	-2,808	+2,761	1,877	10,943	-9,066	-73	91	-164	10,699	24,758	-14,059	-120	-2,717	+2,597
10	North America	297	189	+108	-231	-259	+28	181	83	+98	-89	-152	+63	478	272	+206	-320	-411	+91
11	Asia	2,211	2,181	+30	-78	170	-248	982	1,089	-107	-95	-39	-56	3,193	3,270	-77	-173	131	-304
12	Guam Resort	150	1,033	-883	-312	115	-427	90	8	+82	-163	-82	-81	240	1,041	-801	-475	33	-508
13	Overseas Subtotal	11,480	17,218	-5,738	-668	-2,782	+2,114	3,130	12,123	-8,993	-420	-182	-238	14,610	29,341	-14,731	-1,088	-2,964	+1,876
14	Consolidated Total	80,785	84,897	-4,112	-3,294	-10,979	+7,685	43,570	53,388	-9,818	2,346	717	+1,629	124,355	138,285	-13,930	-948	-10,262	+9,314

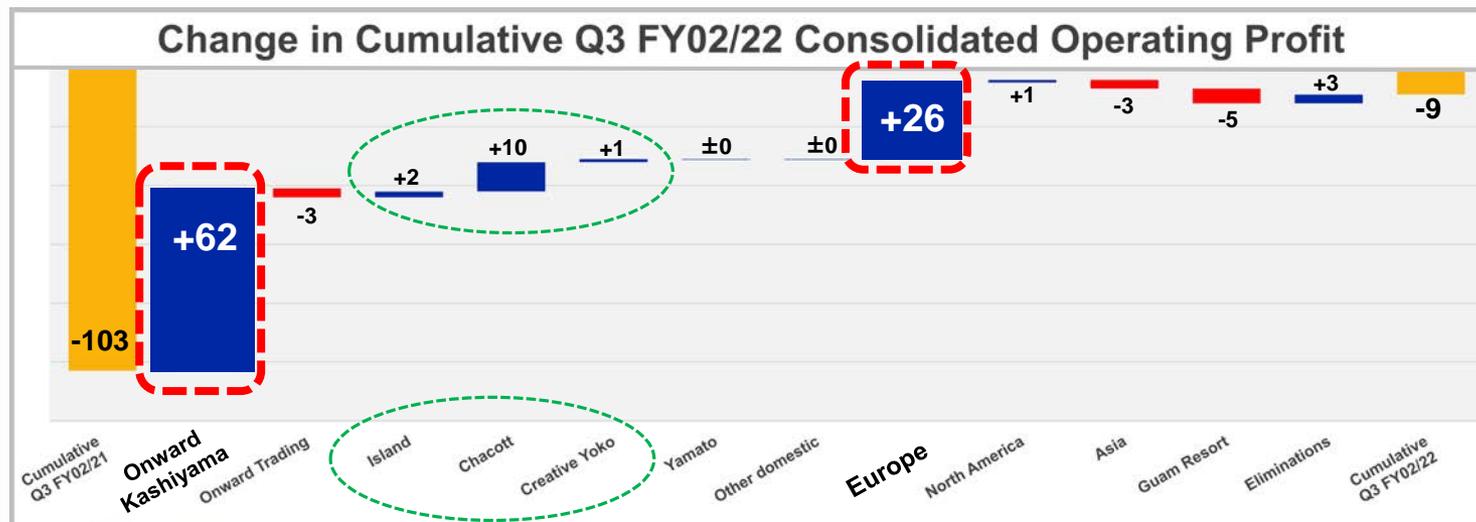
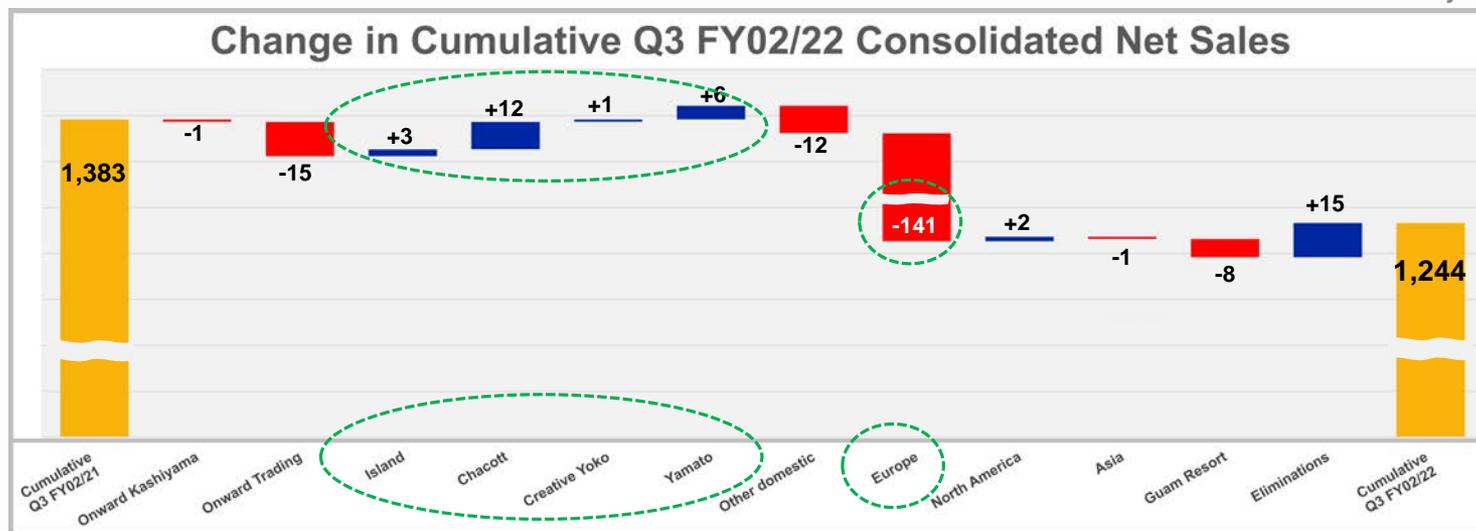
Note: The group breakdown is calculated using simple sums. Consolidated totals are after eliminating intergroup transactions.

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

(100 million yen)



(100 million yen)



The new revenue recognition standard will be applied to companies starting a new fiscal year beginning on or after April 1, 2021. The Group will adopt the new revenue recognition standard early starting in FY02/22.

Key impact of the new revenue recognition standard on the Group

For transactions with department stores, **retail sales will be recorded as sales and rent equivalents will be recorded as SG&A expenses**, whereas previously the net amount after deducting rent equivalents was recorded as sales.

Loyalty point usage fees, which were previously included in SG&A expenses, **will instead be deducted from sales**.

The above changes will **not affect operating profit**.

The adoption of the new revenue recognition standard will unify the sales recognition standards that previously differed by sales channel.

Financial Situation

■ Consolidated Balance Sheet

(100 million yen)

	End-Q3 FY02/22	End-FY02/21	Change
1 Current Assets	698	804	-106
2 Cash and Deposits	176	213	-37
3 Accounts Receivable	178	182	-4
4 Inventory	303	343	-40
5 Non-current Assets	976	1,155	-179
6 Property, Plant and Equipment	590	718	-128
7 Intangible Assets	94	106	-12
8 Investments and Other Assets	290	330	-40
9 Total Assets	1,674	1,960	-286
10 Liabilities	1,017	1,365	-348
11 Accounts Payable	207	219	-12
12 Borrowings	509	780	-271
13 Net Assets	656	595	61

■ Metrics

	End-Q3 FY02/22	End-FY02/21	Change
14 Shareholders' Equity Ratio	39.0%	28.9%	+10.1%
15 Total number of issued shares (in thousands)	157,921	157,921	-
16 Average number of shares outstanding during the period (in thousands)	135,614	Cumulative Q3 135,374	+240

■ Capital expenditures

(Million yen)

	Cumulative Q3 FY02/22	Cumulative Q3 FY02/21	Change
17 Capex	3,738	5,556	-1,818
18 Depreciation and amortization	3,501	4,211	-710

DATA BOOK

Sales by Channel

Total consolidated e-commerce sales (incl. overseas sales) were 10.7 billion yen (up 11% YoY). The e-commerce ratio for domestic businesses was 27.0%. The directly managed e-commerce ratio was 86.6%.

(Million yen)

	Department Stores	Shopping Centers and Other	Physical Stores Total	Directly Managed E-Commerce	Other E-Commerce Platforms	E-Commerce Total	Total Net Sales	E-Commerce Ratio	Directly Managed E-Commerce Ratio
1 Onward Kashiwama	10,570	8,608	19,178	6,102	818	6,920	26,098	26.5%	88.2%
2 % of sales	40.5%	33.0%	73.5%	23.4%	3.1%	26.5%	100.0%		
3 YoY	92.6%	104.6%	97.6%	101.8%	143.3%	105.4%	99.6%	1.5%	-3.1%
4 Eight Domestic Subsidiaries Using E-Commerce *	2,305	6,070	8,375	2,701	546	3,247	11,622	27.9%	83.2%
5 Total of Domestic Group Companies Using E-Commerce	12,875	14,678	27,553	8,803	1,364	10,167	37,720	27.0%	86.6%
6 % of sales	34.1%	38.9%	73.0%	23.3%	3.6%	27.0%	100.0%		
7 YoY	94.3%	98.8%	96.7%	108.6%	131.4%	111.2%	100.2%	2.7%	-2.1%

*Domestic subsidiaries using e-commerce (Island, Tiaclasse, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY)

Sales by Channel

Total consolidated e-commerce sales (incl. overseas sales) were 31.5 billion yen (up 7% YoY). The e-commerce ratio for domestic businesses was 29.7%. The directly managed e-commerce ratio was 87.3%.

(Million yen)

	Department Stores	Shopping Centers and Other	Physical Stores Total	Directly Managed E-Commerce	Other E-Commerce Platforms	E-Commerce Total	Total Net Sales	E-Commerce Ratio	Directly Managed E-Commerce Ratio
1 Onward Kashiwama	25,990	21,084	47,074	17,744	2,064	19,808	66,882	29.6%	89.6%
2 % of sales	38.9%	31.5%	70.4%	26.5%	3.1%	29.6%	100.0%		
3 YoY	88.8%	121.0%	100.8%	93.6%	153.8%	97.6%	99.8%	-0.7%	-3.8%
4 Eight Domestic Subsidiaries Using E-Commerce *	6,935	16,470	23,405	8,301	1,710	10,011	33,416	30.0%	82.9%
5 Total of Domestic Group Companies Using E-Commerce	32,925	37,554	70,479	26,045	3,774	29,819	100,298	29.7%	87.3%
6 % of sales	32.8%	37.4%	70.3%	26.0%	3.8%	29.7%	100.0%		
7 YoY	92.8%	111.3%	101.8%	102.7%	136.7%	106.0%	103.0%	0.8%	-2.8%

*Domestic subsidiaries using e-commerce (Island, Tiaclasse, Onward Personal Style, Chacott, Creative Yoko, Yamato, Intimates, KOKOBUY)

(Million yen)

SG&A expenses		1H				Q3				Cumulative Q3			
		FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY
1	Personnel	18,134	22,069	-3,935	82.2%	8,641	10,023	-1,382	86.2%	26,775	32,092	-5,317	83.4%
2	Rent	10,870	11,056	-186	98.3%	6,461	7,122	-661	90.7%	17,331	18,178	-847	95.3%
3	Transportation	3,083	3,125	-42	98.7%	1,502	1,633	-131	92.0%	4,585	4,758	-173	96.4%
4	Promotion and Advertising	2,810	3,475	-665	80.9%	987	1,622	-635	60.9%	3,797	5,097	-1,300	74.5%
5	Depreciation	1,843	1,966	-123	93.7%	791	977	-186	81.0%	2,634	2,943	-309	89.5%
6	Other	7,572	8,001	-429	94.6%	3,713	3,752	-39	99.0%	11,285	11,753	-468	96.0%
7	Total SG&A expenses	44,312	49,692	-5,380	89.2%	22,095	25,129	-3,034	87.9%	66,407	74,821	-8,414	88.8%
8	Extraordinary loss adjustment	1,062	3,118	-2,056	34.1%	249	354	-105	70.3%	1,311	3,472	-2,161	37.8%
9	(Reference) Effective SG&A expenses	45,374	52,810	-7,436	85.9%	22,344	25,483	-3,139	87.7%	67,718	78,293	-10,575	86.5%

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Non-Operating Profit/Loss

(Million yen)

		Cumulative Q3			
		FY02/22	FY02/21	Change	YoY
10	Interest income	45	44	+1	102.3%
11	Dividend income	92	117	-25	78.6%
12	Foreign exchange gains	-24	-512	+488	-
13	Subsidy income	804	703	+101	114.4%
14	Other non-operating income	648	551	+97	117.6%
15	Interest expenses	-304	-361	+57	84.2%
16	Share of loss of entities accounted for using equity method	-66	-51	-15	129.4%
17	Other non-operating expenses	-1,005	-475	-530	211.6%
18	Non-operating profit/loss	190	16	+174	1187.5%

Extraordinary Profit/Loss

(Million yen)

		Cumulative Q3			
		FY02/22	FY02/21	Change	YoY
19	Gain on sales of non-current assets	17,924	2,592	+15,332	691.5%
20	Gain on sales of investment securities	103	8	+95	1287.5%
21	Gain on sales of shares of subsidiaries and associates	2,944	-	+2,944	-
22	Subsidies for employment adjustment	269	1,697	-1,428	15.9%
23	Loss due to closing and other	-1,311	-3,722	+2,411	35.2%
24	Loss on sales of shares of subsidiaries and associates	-1,829	-	-1,829	-
25	Loss on liquidation of subsidiaries and associates	-1,968	-	-1,968	-
26	Impairment loss	-728	-1,827	+1,099	39.8%
27	Loss on valuation of investment securities	-	-1,657	+1,657	-
28	Loss on liquidation of businesses	-	-953	+953	-
29	Other	-321	-334	+13	96.1%
30	Extraordinary profit/loss	15,083	-4,196	+19,279	-

(Million yen)

Onward Kashiyama (Non-consolidated)

	1H				Q3				Cumulative Q3			
	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY	FY02/22	FY02/21	Change	YoY
1 Net Sales	40,784	40,784	±0	100.0%	26,098	26,205	-107	99.6%	66,882	66,989	-107	99.8%
2 Gross Profit	22,468	21,351	+1,117	105.2%	15,911	14,408	+1,503	110.4%	38,379	35,759	+2,620	107.3%
% of sales	55.1%	52.4%	+2.7%		61.0%	55.0%	+6.0%		57.4%	53.4%	+4.0%	
3 SG&A Expenses	24,445	27,652	-3,207	88.4%	13,538	13,911	-373	97.3%	37,983	41,563	-3,580	91.4%
% of sales	59.9%	67.8%	-7.9%		51.9%	53.1%	-1.2%		56.8%	62.0%	-5.2%	
4 Operating Profit	-1,977	-6,301	+4,324	-	2,373	497	+1,876	477.5%	396	-5,804	+6,200	-
% of sales	-	-			9.1%	1.9%	+7.2%		0.6%	-		

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Domestic Subtotal (Excl. Onward Kashiyama)

5 Net Sales	32,351	31,827	+524	101.6%	16,714	17,785	-1,071	94.0%	49,065	49,612	-547	98.9%
6 Gross Profit	16,188	14,710	+1,478	110.0%	8,393	8,593	-200	97.7%	24,581	23,303	+1,278	105.5%
% of sales	50.0%	46.2%	+3.8%		50.2%	48.3%	+1.9%		50.1%	47.0%	+3.1%	
7 SG&A Expenses	15,090	14,461	+629	104.3%	7,418	7,700	-282	96.3%	22,508	22,161	+347	101.6%
% of sales	46.6%	45.4%	+1.2%		44.4%	43.3%	+1.1%		45.9%	44.7%	+1.2%	
8 Operating Profit	1,098	249	+849	441.0%	975	893	+82	109.2%	2,073	1,142	+931	181.5%
% of sales	3.4%	0.8%	+2.6%		5.8%	5.0%	+0.8%		4.2%	2.3%	+1.9%	

Note: Calculated using simple sums for the domestic group companies excluding Onward Kashiyama.

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

Overseas Subtotal

9 Net Sales	11,480	17,218	-5,738	66.7%	3,130	12,123	-8,993	25.8%	14,610	29,341	-14,731	49.8%
10 Gross Profit	4,384	5,114	-730	85.7%	1,323	3,710	-2,387	35.7%	5,707	8,824	-3,117	64.7%
% of sales	38.2%	29.7%	+8.5%		42.3%	30.6%	+11.7%		39.1%	30.1%	+9.0%	
11 SG&A Expenses	5,052	7,896	-2,844	64.0%	1,743	3,892	-2,149	44.8%	6,795	11,788	-4,993	57.6%
% of sales	44.0%	45.9%	-1.9%		55.7%	32.1%	+23.6%		46.5%	40.2%	+6.3%	
12 Operating Profit	-668	-2,782	+2,114	-	-420	-182	-238	-	-1,088	-2,964	+1,876	-
% of sales	-	-			-	-			-	-		

Note: Calculated using simple sums.

Note: Figures for FY02/21 have been adjusted to reflect the new revenue recognition standard used in FY02/22.

The logo for Onward Holdings Co., Ltd. features the word "ONWARD" in a large, blue, serif font. A yellow horizontal line passes through the center of the letter "O". Below "ONWARD" is the text "ONWARD HOLDINGS CO., LTD." in a smaller, black, sans-serif font.

ONWARD

ONWARD HOLDINGS CO., LTD.

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