

Consolidated Financial Results for the Fiscal Year Ended February 28, 2023 [Japanese GAAP]



April 6, 2023

Company name: Onward Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 8016

URL: <https://www.onward-hd.co.jp/en/>

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Scheduled date of Annual General Meeting of Shareholders: May 25, 2023

Scheduled date of commencing dividend payments: May 26, 2023

Scheduled date of filing annual securities report: May 26, 2023

Availability of supplementary materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors, securities analysts, and the press)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Performance for the Fiscal Year Ended February 28, 2023 (March 1, 2022 - February 28, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2023	176,072	4.5	5,214	–	5,319	948.7	3,061	(64.3)
February 28, 2022	168,453	(4.2)	(1,079)	–	507	–	8,566	–

(Note) Comprehensive income: Fiscal year ended February 28, 2023: 10,767 million yen [(7.6)%]

Fiscal year ended February 28, 2022: 11,657 million yen [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended February 28, 2023	22.57	22.53	4.3	3.4	3.0
February 28, 2022	63.17	63.04	13.9	0.3	(0.6)

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended February 28, 2023: (46) million yen

Fiscal year ended February 28, 2022: (73) million yen

EBITDA (operating profit + depreciation and amortization):

Fiscal year ended February 28, 2023: 10,373 million yen [165.0%]

Fiscal year ended February 28, 2022: 3,915 million yen [–%]

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2023	159,198	85,073	47.0	550.76
As of February 28, 2022	157,727	77,257	42.4	493.14

(Reference) Shareholders' equity: As of February 28, 2023: 74,747 million yen

As of February 28, 2022: 66,886 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended February 28, 2023	Million yen 5,685	Million yen 4,390	Million yen (11,955)	Million yen 13,795
February 28, 2022	7,814	21,685	(36,173)	15,199

2. Dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended February 28, 2022	Yen –	Yen –	Yen –	Yen 12.00	Yen 12.00	Million yen 1,627	% 19.0	% 2.4
Fiscal year ended February 28, 2023	–	–	–	12.00	12.00	1,628	53.2	2.0
Fiscal year ending February 29, 2024 (Forecast)	–	–	–	14.00	14.00		47.5	

3. Consolidated Performance Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 - February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1H (cumulative)	86,200	4.9	1,000	416.4	700	6.9	1,400	193.9	10.32
Full year	185,000	5.1	7,000	34.2	6,300	18.4	4,000	30.7	29.49

(Reference) EBITDA (operating profit + depreciation and amortization):

Full year ending February 29, 2024 (forecast): 12,100 million yen [16.6%]

Full year ended February 28, 2023: 10,373 million yen [165.0%]

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly included: – (Company name:)

Excluded: One company (Company name: Onward Beach Resort Guam, Inc.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

As of February 28, 2023:	157,921,669 shares
As of February 28, 2022:	157,921,669 shares

2) Total number of treasury shares at the end of the period:

As of February 28, 2023:	22,204,488 shares
As of February 28, 2022:	22,287,771 shares

3) Average number of shares outstanding during the period:

Fiscal year ended February 28, 2023:	135,655,390 shares
Fiscal year ended February 28, 2022:	135,619,330 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2023 (March 1, 2022 - February 28, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2023	11,082	(23.5)	7,012	(35.1)	2,173	(59.3)	2,542	(70.2)
February 28, 2022	14,478	27.5	10,799	54.5	5,345	–	8,525	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 28, 2023	18.74	18.71
February 28, 2022	62.87	62.74

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2023	136,058	83,502	61.3	614.66
As of February 28, 2022	134,198	78,861	58.6	580.53

(Reference) Shareholders' equity: As of February 28, 2023: 83,419 million yen
As of February 28, 2022: 78,739 million yen

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of performance forecast and other notes

The performance outlook and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that have been deemed reasonable. Actual performance may differ significantly from these forecasts due to a wide range of factors. For conditions used as the assumptions for the performance forecast and notes on the use of performance forecast, please refer to "1. Overview of Operating Results, etc." on page 2 of the Attachments.

Note:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (from March 1, 2022 to February 28, 2023), the Japanese economy showed signs of recovery as economic activities normalized due to the relaxation of restrictions on activities related to COVID-19. However, due to rising inflation on the back of soaring resource prices and raw material prices, the depreciation of the yen, and other factors, the outlook remains uncertain.

In these circumstances, the Group has been striving to evolve towards “customer-centric management that leverages the diverse individual qualities of our employees.” To achieve the medium- to long-term management vision ONWARD VISION 2030 established in April 2021, in our core Apparel Business, we have been actively pursuing e-commerce strategies through our group e-commerce site ONWARD CROSSET in addition to managing physical stores. In particular, we have bolstered the development of OMO (Online Merges with Offline)-type stores that integrate services offered in our physical stores and online store, leading to a high number of users and contributing to increased sales in our physical stores. Furthermore, as a result of our global business reforms and efforts to limit discount sales, our gross profit margin improved by 2.9 pp, and our SG&A ratio decreased by 0.7 pp. Consequently, we achieved profitability at all profit levels, including operating profit. It should be noted that profit attributable to owners of parent decreased compared to that of the previous fiscal year, which included gain on sale of real estate.

As a result of the above, consolidated net sales amounted to 176,072 million yen (a 4.5% increase year on year), a consolidated operating profit was recorded at 5,214 million yen (an operating loss of 1,079 million yen for the previous fiscal year), a consolidated recurring profit was recorded at 5,319 million yen (a 948.7% increase year on year), and profit attributable to owners of parent amounted to 3,061 million yen (a 64.3% decrease year on year).

Furthermore, the Group has adopted EBITDA (operating profit + depreciation and amortization) as a management indicator with the purpose of enabling convenient comparisons between companies regardless of differences in accounting standards, amid its efforts to accelerate growth through enhancement and expansion of business foundations that utilize creation of new businesses, M&As, etc.

EBITDA for the fiscal year under review was 10,373 million yen (a 165.0% increase year on year).

Status by segment is as follows.

[Apparel Business]

In the domestic business, the number of visitors to physical stores increased with the relaxation of restrictions on activities related to COVID-19, sales were favorable in the key brands of our core operating company, Onward Kashiya Co., Ltd., namely Nijyusanku, ICB, and Jiyuku, among others, and the D2C brand UNFILO created hit products, contributing to sales growth. Sales also increased at Onward Personal Style Co., Ltd., which develops the KASHIYAMA brand, as the company accelerated the development of franchise stores in addition to directly-managed stores.

In the overseas business, the profitability of existing businesses improved significantly, mainly due to the withdrawal from unprofitable businesses under global business reforms.

As a result, sales expanded, with a significant return to profitability in the Apparel Business as a whole.

[Lifestyle Business]

Chacott Co., Ltd., which operates a wellness business, saw strong performance of products in its mainstay ballet and fitness wear merchandise line, as well as Chacott COSMETICS and Chacott BALANCE, with sales recovering to pre-pandemic levels. Creative Yoko Co., Ltd., which operates a pet and home life business, posted strong sales as its strategy of opening physical stores proved successful.

As a result, both sales and profit increased in the Lifestyle Business as a whole.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets on a consolidated basis as of the end of the fiscal year under review increased by 1,471 million yen compared with the end of the previous fiscal year to 159,198 million yen. This was primarily due to increases in merchandise and finished goods of 3,389 million yen and investment securities of 2,316 million yen, and a decrease in buildings and structures, net of 3,509 million yen.

Liabilities decreased by 6,345 million yen compared with the end of the previous fiscal year to 74,125 million yen. This was primarily due to decreases in short-term borrowings of 3,825 million yen and long-term borrowings of 3,720 million yen.

Net assets increased by 7,816 million yen compared with the end of the previous fiscal year to 85,073 million yen. This was primarily due to profit attributable to owners of parent of 3,061 million yen, dividends of surplus of 1,627 million yen, a decrease in retained earnings at the beginning of the period due to changes in the accounting policies of 782 million yen, an increase in valuation difference on available-for-sale securities of 4,267 million yen, and foreign currency translation adjustment of 1,770 million yen.

As a result, the shareholders' equity ratio was 47.0%.

(3) Overview of Cash Flows for the Fiscal Year under Review

1) Status of cash flows as of the end of the fiscal year under review

Cash flows provided by operating activities amounted to 5,685 million yen (an inflow of 7,814 million yen for the previous fiscal year) mainly due to a profit before income taxes, an impairment loss, a decrease in trade receivables, and an increase in trade payables.

Cash flows provided by investing activities amounted to 4,390 million yen (an inflow of 21,685 million yen for the previous fiscal year) mainly due to proceeds from sales of investment securities and sales of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows used in financing activities amounted to 11,955 million yen (an outflow of 36,173 million yen for the previous fiscal year), which primarily included a net increase (decrease) in borrowings and repayment of long-term borrowings.

As a result, cash and cash equivalents at the end of the fiscal year under review decreased by 1,403 million yen compared with the end of the previous fiscal year to 13,795 million yen.

2) Indicators related to cash flows

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Shareholders' equity ratio (%)	55.1	38.3	28.9	42.4	47.0
Shareholders' equity ratio based on fair value (%)	30.1	30.1	17.4	23.8	29.1
Ratio of interest-bearing debt to cash flow (%)	1,409.8	875.8	(461.1)	492.3	532.9
Interest coverage ratio (times)	12.6	17.4	(46.5)	18.3	13.7

Shareholders' equity ratio:

Shareholders' equity / Total assets

Shareholders' equity ratio based on fair value:

Total market value of shares / Total assets

Ratio of interest-bearing debt to cash flow:

Interest-bearing debt / Cash flow

Interest coverage ratio:

Cash flow / Interest paid

(Note 1) All indicators were calculated using consolidated financial figures.

(Note 2) The total market value of shares was calculated based on the total number of issued shares excluding treasury shares.

(Note 3) Cash flows from operating activities are used.

(Note 4) Interest-bearing debt includes all debt recorded on the Consolidated Balance Sheets for which interest is paid.

(4) Basic Policy on Shareholder Returns and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company positions returning profits to its shareholders as one of the most important management measures. Its basic policy is to provide stable and appropriate shareholder returns linked to performance, with a target dividend payout ratio of 35% or more.

With regard to dividends for the fiscal year under review, the Company plans to pay out a dividend of 12 yen per share. For the next fiscal year, the Company plans to raise the annual dividend forecast per share by 2 yen from the previous year to 14 yen, as profit attributable to owners of parent is expected to increase steadily. The Company will determine whether to conduct a share buyback by taking into account factors such as its needs for funds.

The Company will flexibly utilize its internal reserve for strategic investments in the establishment of a robust business structure, enhancement of financial constitution, and other efforts while giving consideration to balancing its needs for funds.

(5) Future Outlook

For future outlook, please refer to "FY2022 Results Presentation Materials" announced today.

2. Basic Policy on Selection of Accounting Standards

In consideration of comparability between each reporting period of Consolidated Financial Statements and comparability between companies, the Group plans to prepare its Consolidated Financial Statements using the Japanese GAAP for the time being.

The Group plans to appropriately handle the adoption of IFRS (International Financial Reporting Standards) in consideration of various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of February 28, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	15,209	13,805
Notes and accounts receivable—trade, and contract assets	14,204	13,981
Merchandise and finished goods	23,908	27,297
Work in process	449	486
Raw materials and supplies	2,478	2,935
Other	4,509	4,185
Allowance for doubtful accounts	(252)	(437)
Total current assets	60,508	62,255
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,027	40,719
Accumulated depreciation	(35,019)	(21,220)
Buildings and structures, net	23,008	19,498
Land	23,371	23,328
Leased assets	9,998	9,988
Accumulated depreciation	(6,239)	(6,784)
Leased assets, net	3,759	3,204
Other	25,158	18,548
Accumulated depreciation	(17,254)	(11,449)
Other, net	7,903	7,099
Total property, plant and equipment	58,042	53,130
Intangible assets		
Goodwill	4,631	4,025
Other	4,717	5,081
Total intangible assets	9,349	9,106
Investments and other assets		
Investment securities	14,117	16,433
Long-term loans receivable	1,683	2,882
Long-term prepaid expenses	524	383
Retirement benefit asset	3,248	5,441
Deferred tax assets	4,338	3,454
Other	6,078	6,442
Allowance for doubtful accounts	(163)	(331)
Total investments and other assets	29,827	34,706
Total non-current assets	97,219	96,943
Total assets	157,727	159,198

(Million yen)

	As of February 28, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Notes and accounts payable—trade	6,361	8,154
Electronically recorded obligations—operating	11,860	13,236
Short-term borrowings	18,705	14,880
Current portion of long-term borrowings	4,053	3,720
Lease obligations	854	887
Income taxes payable	2,022	1,129
Provision for bonuses	626	914
Provision for bonuses for directors	50	179
Other	11,225	10,021
Total current liabilities	55,761	53,124
Non-current liabilities		
Long-term borrowings	12,377	8,657
Lease obligations	3,676	3,902
Deferred tax liabilities for land revaluation	241	241
Retirement benefit liability	2,858	2,886
Provision for retirement benefits for directors and corporate auditors	247	262
Asset retirement obligations	2,503	2,563
Other	2,804	2,485
Total non-current liabilities	24,709	21,000
Total liabilities	80,470	74,125
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,390	50,390
Retained earnings	15,391	15,999
Treasury shares	(20,831)	(20,748)
Total shareholders' equity	75,030	75,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,646)	2,620
Deferred gains or losses on hedges	1	30
Revaluation reserve for land	(5,698)	(5,698)
Foreign currency translation adjustment	(328)	1,441
Remeasurements of defined benefit plans	(472)	631
Total accumulated other comprehensive income	(8,144)	(973)
Share acquisition rights	122	82
Non-controlling interests	10,248	10,243
Total net assets	77,257	85,073
Total liabilities and net assets	157,727	159,198

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Net sales	168,453	176,072
Cost of sales	80,841	79,320
Gross profit	87,612	96,751
Selling, general and administrative expenses	88,691	91,537
Operating profit (loss)	(1,079)	5,214
Non-operating income		
Interest income	52	28
Dividend income	1,340	205
Foreign exchange gains	99	789
Subsidy income	1,013	136
Other	917	219
Total non-operating income	3,423	1,380
Non-operating expenses		
Interest expenses	391	363
Loss on disposal of salesfloor fixtures, etc.	96	45
Share of loss of entities accounted for using equity method	73	46
Financial expenses	176	186
Non-deductible consumption taxes	252	62
Other	846	570
Total non-operating expenses	1,836	1,274
Recurring profit	507	5,319
Extraordinary income		
Gain on sales of investment securities	105	527
Gain on sales of non-current assets	17,921	21
Gain on sales of shares of subsidiaries and associates	2,944	1,300
Subsidies for employment adjustment, etc.	289	–
Other	67	29
Total extraordinary income	21,327	1,878
Extraordinary losses		
Loss on sales of shares of subsidiaries and associates	1,829	–
Impairment loss	1,741	2,906
Loss on liquidation of subsidiaries and associates	1,968	–
Extraordinary loss due to closing and other	1,620	5
Other	761	475
Total extraordinary losses	7,921	3,388
Profit before income taxes	13,912	3,809
Income taxes - current	2,695	1,387
Income taxes - deferred	2,523	(688)
Total income taxes	5,218	698
Profit	8,693	3,111
Profit attributable to non-controlling interests	127	49
Profit attributable to owners of parent	8,566	3,061

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Profit	8,693	3,111
Other comprehensive income		
Valuation difference on available-for-sale securities	292	4,267
Deferred gains or losses on hedges	(13)	29
Revaluation reserve for land	1,042	–
Foreign currency translation adjustment	1,370	2,256
Remeasurements of defined benefit plans, net of tax	272	1,103
Total other comprehensive income	*2,963	*7,656
Comprehensive income	11,657	10,767
Comprehensive income attributable to:		
Owners of parent	11,501	10,231
Non-controlling interests	155	535

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as at March 1, 2021	30,079	50,390	9,321	(20,865)	68,926	(1,939)	15
Cumulative effects of changes in accounting policies			272		272		
Restated balance	30,079	50,390	9,594	(20,865)	69,198	(1,939)	15
Changes during period							
Dividends of surplus			(1,627)		(1,627)		
Profit attributable to owners of parent			8,566		8,566		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares			(18)	34	16		
Reversal of revaluation reserve for land			(1,124)		(1,124)		
Net changes in items other than shareholders' equity						292	(13)
Total changes in items during period	—	—	5,797	34	5,831	292	(13)
Balance as at February 28, 2022	30,079	50,390	15,391	(20,831)	75,030	(1,646)	1

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 1, 2021	(7,864)	(1,669)	(744)	(12,202)	138	2,646	59,509
Cumulative effects of changes in accounting policies							272
Restated balance	(7,864)	(1,669)	(744)	(12,202)	138	2,646	59,781
Changes during period							
Dividends of surplus							(1,627)
Profit attributable to owners of parent							8,566
Purchase of treasury shares							(0)
Disposal of treasury shares							16
Reversal of revaluation reserve for land							(1,124)
Net changes in items other than shareholders' equity	2,166	1,341	272	4,058	(16)	7,601	11,644
Total changes in items during period	2,166	1,341	272	4,058	(16)	7,601	17,475
Balance as at February 28, 2022	(5,698)	(328)	(472)	(8,144)	122	10,248	77,257

Fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance as at March 1, 2022	30,079	50,390	15,391	(20,831)	75,030	(1,646)	1
Cumulative effects of changes in accounting policies			(782)		(782)		
Restated balance	30,079	50,390	14,608	(20,831)	74,247	(1,646)	1
Changes during period							
Dividends of surplus			(1,627)		(1,627)		
Profit attributable to owners of parent			3,061		3,061		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares			(43)	82	39		
Net changes in items other than shareholders' equity						4,267	29
Total changes in items during period	—	—	1,390	82	1,473	4,267	29
Balance as at February 28, 2023	30,079	50,390	15,999	(20,748)	75,721	2,620	30

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 1, 2022	(5,698)	(328)	(472)	(8,144)	122	10,248	77,257
Cumulative effects of changes in accounting policies							(782)
Restated balance	(5,698)	(328)	(472)	(8,144)	122	10,248	76,474
Changes during period							
Dividends of surplus							(1,627)
Profit attributable to owners of parent							3,061
Purchase of treasury shares							(0)
Disposal of treasury shares							39
Net changes in items other than shareholders' equity	—	1,770	1,103	7,170	(39)	(5)	7,125
Total changes in items during period	—	1,770	1,103	7,170	(39)	(5)	8,598
Balance as at February 28, 2023	(5,698)	1,441	631	(973)	82	10,243	85,073

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	13,912	3,809
Depreciation and amortization	4,605	4,366
Impairment loss	1,741	2,906
Amortization of goodwill	766	794
Increase (decrease) in allowance for doubtful accounts	(123)	330
Decrease (increase) in retirement benefit asset	(434)	(2,192)
Increase (decrease) in retirement benefit liability	(217)	26
Interest and dividend income	(1,392)	(234)
Interest expenses	391	363
Share of loss (profit) of entities accounted for using equity method	73	46
Loss (gain) on disposal of non-current assets	(17,778)	4
Loss on disposal of salesfloor fixtures, etc.	96	45
Loss (gain) on sales of investment securities	(104)	(505)
Loss (gain) on valuation of investment securities	—	166
Loss (gain) on sales of shares of subsidiaries and associates	(1,114)	(1,300)
Decrease (increase) in trade receivables	1,004	358
Decrease (increase) in inventories	3,405	(3,653)
Increase (decrease) in trade payables	(1,013)	3,077
Other, net	3,703	(1,032)
Subtotal	7,523	7,377
Interest and dividends received	245	1,414
Interest paid	(425)	(414)
Income taxes paid	(2,064)	(2,726)
Income taxes refund	2,536	35
Net cash provided by (used in) operating activities	7,814	5,685
Cash flows from investing activities		
Payments into time deposits	(32)	(11)
Proceeds from withdrawal of time deposits	55	11
Purchase of property, plant and equipment	(2,929)	(2,164)
Proceeds from sales of property, plant and equipment	32,270	0
Purchase of investment securities	(10)	(3)
Proceeds from sales of investment securities	687	3,238
Purchase of long-term prepaid expenses	(27)	(69)
Payments of guarantee deposits	(662)	(878)
Proceeds from refund of guarantee deposits	1,099	474
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(8,286)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,620	7,644
Other, net	(2,098)	(3,851)
Net cash provided by (used in) investing activities	21,685	4,390

(Million yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(38,471)	(4,796)
Repayments of long-term borrowings	(5,052)	(4,053)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,627)	(1,627)
Proceeds from payments from non-controlling interests	10,000	—
Dividends paid to non-controlling interests	(2)	(248)
Other, net	(1,019)	(1,229)
Net cash provided by (used in) financing activities	(36,173)	(11,955)
Effect of exchange rate change on cash and cash equivalents	602	475
Net increase (decrease) in cash and cash equivalents	(6,070)	(1,403)
Cash and cash equivalents at beginning of period	21,270	15,199
Cash and cash equivalents at end of period	*15,199	*13,795

(5) Notes to Consolidated Financial Statements

(Uncertainties of entity's ability to continue as going concern)

Not applicable.

(Significant accounting policies for preparation of Consolidated Financial Statements)

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 40

Names of major consolidated subsidiaries

Onward Kashiya Co., Ltd.

Onward Trading Co., Ltd.

Chacott Co., Ltd.

Creative Yoko Co., Ltd.

Island Co., Ltd.

Onward Personal Style Co., Ltd.

Yamato Co., Ltd.

Kokobuy Co., Ltd.

Joseph Ltd.

Beginning in the fiscal year under review, Onward Beach Resort Guam, Inc., Onward Kashiya Guam, Inc., Agana Resort Club L.P.S., Horloge Saint Benoit S.A.S., and Horloge Saint Benoit UK Ltd. have been excluded from the scope of consolidation due to sale of their shares. Onward International Fashion Co., Ltd., Onward Fashion Lab Co., Ltd., and Onward Global Fashion Co., Ltd. were liquidated and therefore have been excluded from the scope of consolidation.

(2) Names of major unconsolidated subsidiaries

Bien Co., Ltd.

Reasons for exclusion from scope of consolidation

Unconsolidated subsidiaries have been excluded from the scope of consolidation because they are small in scale and the effects of their total assets, net sales, profit or loss (amount attributable to the Company's share), retained earnings (amount attributable to the Company's share), etc. on the Consolidated Financial Statements in the aggregate are not material.

2. Disclosure about application of equity method

(1) Number of unconsolidated subsidiaries and associates accounted for using equity method

1

Names of major associates accounted for using equity method

Mulberry Japan Co., Ltd.

(2) Names of major unconsolidated subsidiaries and associates not being accounted for using equity method

Bien Co., Ltd.

Reasons for not being accounted for using equity method

Companies not accounted for using equity method have been excluded from the scope of application of equity method because their effects on consolidated profit or loss, consolidated retained earnings, etc. are insignificant and immaterial individually or in the aggregate.

(3) The fiscal year-end of Mulberry Japan Co., Ltd. is March 31, and its financial statements prepared on a basis similar to that for the year-end closing as of December 31 have been used for consolidation purposes.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, companies whose fiscal year-end is different from the consolidated fiscal year-end are as follows.

(1) Companies with fiscal year-end on November 30

Joseph Ltd.

8 other companies

(2) Companies with fiscal year-end on December 31

J. Press, Inc.

Onward Fashion Trading (China) Co., Ltd.

12 other companies

4. Disclosure of accounting policies

(1) Accounting policy for measuring significant assets

1) Accounting policy for measuring securities

Available-for-sale securities

Securities other than shares, etc. that do not have a market value

Carried at the fair values prevailing at the fiscal year-end date (unrealized gains or losses are included as a component of net assets, and cost of sales is computed by the moving-average method).

Shares, etc. that do not have a market value

Stated at cost using the moving-average method.

2) Accounting policy for measuring derivatives

Stated at fair value.

3) Accounting policy for measuring inventories

Inventories are measured at cost determined principally by the specific identification method (the balance sheet value is calculated using the inventory write-down method based on decreased profitability).

(2) Accounting policy for depreciation of significant assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries principally provide depreciation by the declining-balance method, while overseas consolidated subsidiaries provide depreciation by the straight-line method. Provided, however, that certain buildings (other than facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.

The useful lives of property, plant and equipment are summarized as follows:

Buildings and structures	3 to 50 years
Other	2 to 20 years

2) Intangible assets (excluding leased assets)

Amortized by the straight-line method. Software costs for internal use are amortized over their expected useful lives (5 to 10 years) by the straight-line method.

3) Long-term prepaid expenses

Amortized by the straight-line method.

4) Leased assets

Leased assets pertaining to finance lease transactions without transfer of ownership
Depreciated by the straight-line method with the leasing period as the useful life and without residual value.

(3) Accounting policy for significant provisions

1) Allowance for doubtful accounts

In order to prepare for probable future losses on collection, estimated amount uncollectible is provided for in accordance with the historical average charge-off ratio in the case of ordinary receivables. In the case of certain accounts designated as highly doubtful accounts, a specific allowance is provided for based on individual detailed credit analysis.

2) Provision for bonuses

Provision for bonuses is recognized for the estimated amount to provide for payment of bonuses to employees.

3) Provision for bonuses for directors

The Company and certain of its domestic consolidated subsidiaries recognize provision for bonuses for directors in an estimated amount to provide for payment of bonuses to their directors.

4) Provision for retirement benefits for directors and corporate auditors

Certain domestic consolidated subsidiaries recognize provision for retirement benefits for directors and corporate auditors in an amount payable as of the end of the fiscal year based on internal regulations, to provide for payment of retirement benefits for Directors and Audit & Supervisory Board Members.

(4) Accounting policy for retirement benefits

1) Method of allocating estimated retirement benefits to each reporting period

In calculating retirement benefit liability, the method of allocating estimated retirement benefits to each reporting period up to the end of the fiscal year under review is based on the benefit formula basis.

2) Accounting policy for actuarial differences and prior service costs

Actuarial differences are accounted for as expenses over a certain number of years within the average remaining years of service of the employees at the time of occurrence during each fiscal year (5 to 10 years) using the straight-line method, commencing with the fiscal year following the one in which they were incurred. Prior service costs are accounted for as expenses over a certain number of years within the average remaining years of service of the employees at the

time of occurrence (5 to 10 years) using the straight-line method.

(5) Accounting policy for significant revenue and expenses

The main content of performance obligations and normal time when the performance obligations are satisfied (normal time when revenue is recognized) in core businesses related to revenue from contracts with customers of the Company and its consolidated subsidiaries are as follows.

1) Revenue related to wholesale sales

Revenue related to wholesale sales identifies the delivery and shipment of products as performance obligations. In wholesale sales, the performance obligation is satisfied when the inspection by the customer is complete, but as there is no material difference between this and when the product ships, revenue is recognized when the product ships. Furthermore, the consideration for transactions is generally received within approximately three months from the time when performance obligations are satisfied and does not include a significant financing component.

2) Revenue related to retail sales

Revenue related to retail sales identifies the delivery of products as a performance obligation. In retail sales, the performance obligation is normally satisfied when a product is delivered, so revenue is recognized when the product is delivered. Furthermore, the consideration for transactions is generally received within approximately one month from the time when performance obligations are satisfied and does not include a significant financing component.

3) Revenue related to service provision

Revenue related to the provision of services primarily includes royalties received for granting licenses, and these grants are identified as performance obligations. These are either sales or usage-based royalties, measured using the counterparty's sales, etc. as the calculation basis, and revenue is recognized when the license is used or when the performance obligation allocated to sales or usage-based royalties is satisfied, whichever is later. Furthermore, the consideration for transactions is generally received within approximately three months from the time when performance obligations are satisfied and does not include a significant financing component.

(6) Accounting policy for hedging

1) Accounting policy for hedging

Deferred hedging is applied. However, appropriation procedures are applied to trade payables and trade receivables denominated in foreign currencies with forward exchange contracts.

2) Hedging instruments and hedge items

The derivatives designated as hedging instruments are principally forward exchange contracts. The related hedged items are trade payables and trade receivables denominated in foreign currencies and scheduled transactions.

3) Hedging policy

For the purpose of fixing cash flows denominated in Japanese yen from payables and receivables denominated in foreign currencies by avoiding the risk of future foreign currency exchange rate fluctuation in relation to export and import transactions denominated in foreign currencies, the Company enters into forward exchange contracts based on settlement dates in response to orders received from and sent to business partners.

4) Evaluation of hedge effectiveness

By setting up forward exchange contracts denominated in the same currencies with the same amounts and the same due dates to the amounts of orders received and sent denominated in foreign currencies, the Company ensures that the correlation from fluctuations in foreign currency exchange rates after entering into forward exchange contracts is maintained.

(7) Accounting policy for goodwill

Goodwill is evaluated on an individual basis and amortized on a straight-line basis over a reasonable number of years within 20 years.

(8) Scope of cash and cash equivalents in Consolidated Statement of Cash Flows

Funds (cash and cash equivalents) in the Consolidated Statement of Cash Flows are composed of cash on hand, bank deposits that can be withdrawn on demand, and short-term investments, which are highly liquid and readily convertible into cash, with an original maturity of 3 months or less and insignificant risk of changes in value.

(9) Other significant information for preparation of consolidated financial statements

1) Application of consolidated taxation system

The Company and certain of its domestic consolidated subsidiaries apply the consolidated taxation system.

2) Treatment of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and certain consolidated subsidiaries in Japan will transition from a consolidated taxation system to the group tax sharing system from the following fiscal year. However, regarding the transition into the group tax sharing system established by the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 8 of 2020) and the items for which the single-entity taxation system has been revised in conjunction with the transition into the group tax sharing system, they have not applied the provisions of paragraph 44 of “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018), in accordance with the solution in paragraph 3 of “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (PITF No. 39, March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws prior to the amendment. Furthermore, effective from the beginning of the following fiscal year, the Company plans to apply the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021), which provides for the treatment of accounting and disclosure of corporate taxes, local corporate taxes, and tax effect accounting when applying the group tax sharing system.

(Changes in accounting policies)

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the “Fair Value Measurement Standard”) and other standards from the beginning of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in paragraph 19 of the Fair Value Measurement Standard and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This does not affect the consolidated financial statements.

(Application of US FASB Accounting Standards Codification (ASC) Topic 842, “Leases”)

The Company’s subsidiaries applying United States Generally Accepted Accounting Principles (US GAAP) have applied ASC Topic 842, “Leases,” from the fiscal year under review. As a result, lessees now generally recognize all leases as assets and liabilities on the consolidated balance sheet. In accordance with the transitional treatment of the application of the said accounting standard, the cumulative effect of the change in accounting policy is recorded in retained earnings at the beginning of the fiscal year under review.

As a result, in the consolidated balance sheets for the fiscal year under review, “Lease obligations” under current liabilities increased by 132 million yen and “Lease obligations” under non-current liabilities increased by 855 million yen. The impact of this change on the consolidated financial statements for the fiscal year under review is immaterial. In addition, the opening balance of retained earnings decreased by 782 million yen.

(Changes in the presentation method)

(Consolidated Statements of Income)

“Commission expenses” included in “Other” under “Non-operating expenses” in the previous fiscal year, is presented separately as of the fiscal year under review, since it exceeded 10% of non-operating expenses.

To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the 1,022 million yen that was presented in “Other” under “Non-operating expenses” in the Consolidated Statements of Income for the previous fiscal year has been reclassified as “Commission expenses” of 176 million yen and “Other” of 846 million yen.

(Notes to Consolidated Statements of Income)

Fixed expenses (including personnel expenses, depreciation, and rent expenses) on stores, resort facilities, and factories during periods of temporary closure in response to requests from governments and municipalities in relation to COVID-19 were recognized as “Extraordinary loss due to closing and other” in “Extraordinary losses.”

Fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)

Fixed expenses incurred during periods of closure of stores located in retail facilities, directly-managed stores, resort facilities, and other locations in regions including Japan, North America, and Europe were recorded in “Extraordinary losses.”

Fiscal year ended February 28, 2023 (March 1, 2022 to February 28, 2023)

Fixed expenses incurred during periods of closure of directly-managed stores and factories in China were recorded in “Extraordinary losses.”

(Notes to Consolidated Statements of Comprehensive Income)

* Notes regarding reclassification adjustments and tax effects relating to other comprehensive income

	(Million yen)	
	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Valuation difference on available-for-sale securities:		
Amount arising during period	506	5,638
Reclassification adjustment for gain and loss	(106)	(384)
Amount before income tax effect	399	5,253
Income tax effect	(107)	(986)
Valuation difference on available-for-sale securities	292	4,267
Deferred gains or losses on hedges:		
Amount arising during period	1	39
Reclassification adjustment for gain and loss	(22)	(1)
Amount before income tax effect	(20)	38
Income tax effect	7	(8)
Deferred gains or losses on hedges	(13)	29
Revaluation reserve for land:		
Income tax effect	1,042	—
Revaluation reserve for land	1,042	—
Foreign currency translation adjustment:		
Amount arising during period	1,277	(784)
Reclassification adjustment for gain and loss	92	3,041
Foreign currency translation adjustment	1,370	2,256
Remeasurements of defined benefit plans, net of tax:		
Amount arising during period	396	1,759
Reclassification adjustment for gain and loss	23	(71)
Amount before income tax effect	419	1,688
Income tax effect	(146)	(585)
Remeasurements of defined benefit plans, net of tax	272	1,103
Total other comprehensive income	2,963	7,656

(Notes to Consolidated Statements of Changes in Equity)

For the fiscal year ended February 28, 2022

1. Notes regarding issued shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	157,921,669	—	—	157,921,669

2. Notes regarding treasury shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	22,322,123	948	35,300	22,287,771

(Outline of reasons for changes)

Major component of the increase are as follows.

Increase due to the purchase of shares less than one unit: 948 shares

Major component of the decrease are as follows.

Decrease due to the exercise of stock options: 35,300 shares

3. Notes regarding share acquisition rights

Company name	Breakdown	Class of underlying shares	Number of underlying shares (Shares)				Balance at end of period (Million yen)
			At beginning of period	Increase	Decrease	At end of period	
Reporting company	Share acquisition rights as stock options	—	—	—	—	—	122
Total			—	—	—	—	122

4. Notes regarding dividends

(1) Cash dividends paid

Resolution	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
May 27, 2021 Annual General Meeting of Shareholders	Ordinary shares	1,627	12.00	February 28, 2021	May 28, 2021

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
May 26, 2022 Annual General Meeting of Shareholders	Ordinary shares	1,627	Retained earnings	12.00	February 28, 2022	May 27, 2022

For the fiscal year ended February 28, 2023

1. Notes regarding issued shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	157,921,669	—	—	157,921,669

2. Notes regarding treasury shares

Class of shares	Number of shares at beginning of period	Increase	Decrease	Number of shares at end of period
Ordinary shares (Shares)	22,287,771	763	84,046	22,204,488

(Outline of reasons for changes)

Major component of the increase are as follows.

Increase due to the purchase of shares less than one unit: 763 shares

Major component of the decrease are as follows.

Sale due to purchase requests for shares less than one unit: 46 shares

Decrease due to the exercise of stock options: 84,000 shares

3. Notes regarding share acquisition rights

Company name	Breakdown	Class of underlying shares	Number of underlying shares (Shares)				Balance at end of period (Million yen)
			At beginning of period	Increase	Decrease	At end of period	
Reporting company	Share acquisition rights as stock options	—	—	—	—	—	82
Total			—	—	—	—	82

4. Notes regarding dividends

(1) Cash dividends paid

Resolution	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
May 26, 2022 Annual General Meeting of Shareholders	Ordinary shares	1,627	12.00	February 28, 2022	May 27, 2022

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
May 25, 2023 Annual General Meeting of Shareholders	Ordinary shares	1,628	Retained earnings	12.00	February 28, 2023	May 26, 2023

(Notes to Consolidated Statements of Cash Flows)

* Reconciliation of ending balance of cash and cash equivalents with account balances per Consolidated Balance Sheets is as follows.

	(Million yen)	
	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Cash and deposits	15,209	13,805
Time deposits with maturities of more than three months	(10)	(10)
Cash and cash equivalents	15,199	13,795

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The Group's reportable segments are components for which separate financial information is available and regular evaluation by the Board of Directors is performed to decide how management resources are allocated and to assess performance.

The Group engages in the apparel business (planning, production, and sale of textile products, including men's and women's clothing) and the lifestyle business in Japan and overseas.

The reportable segments of the Group comprise the "Apparel Business," which is divided geographically into two categories, "Domestic" and "Overseas," and the "Lifestyle Business."

The "Apparel Business (Domestic)" operates the apparel business in Japan; the "Apparel Business (Overseas)" operates the apparel business overseas. The "Lifestyle Business" operates businesses including a cosmetic business, a wellness business related to ballet and dance and resorts, a pet supply and other business, a business related to gifts, and a real estate leasing business.

2. Method of calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

Accounting methods for reportable segments are mostly the same as the accounting methods described in "Significant accounting policies for preparation of Consolidated Financial Statements."

Profit by reportable segment refers to operating profit. Intersegment sales or transfers are based on market values.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

For the fiscal year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Million yen)

	Apparel Business			Lifestyle Business	Total	Adjustments (Note 1)	Amount recorded in Consolidated Financial Statements (Note 3)
	(Domestic)	(Overseas)	Total				
Net sales							
Net sales to outside customers	112,768	16,259	129,027	39,426	168,453	—	168,453
Intersegment sales or transfers	723	1,305	2,028	1,583	3,611	(3,611)	—
Total	113,491	17,564	131,055	41,009	172,065	(3,611)	168,453
Segment profit (loss)	(2,176)	(1,102)	(3,279)	2,403	(875)	(203)	(1,079)
Segment assets	82,615	12,339	94,954	45,310	140,265	17,462	157,727
Other items							
Depreciation and amortization (Note 2)	2,715	564	3,279	1,129	4,409	195	4,605
Investments in equity-method entities	—	—	—	—	—	—	—
Increases in property, plant and equipment, and intangible assets (Note 2)	1,904	1,634	3,538	1,166	4,705	952	5,657

(Notes) 1. Adjustments consist of the following:

- (1) The adjustment amount for segment profit (loss) of (203) million yen includes amortization of goodwill of (766) million yen, elimination of intersegment transactions of 3,766 million yen, and corporate expenses not allocated to reportable segments of (3,203) million yen. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment amount for segment assets of 17,462 million yen includes the unamortized balance of goodwill of 4,631 million yen, elimination of intersegment transactions of (118,564) million yen, and corporate assets not allocated to reportable segments of 131,395 million yen. Corporate assets are mainly assets held by the Company, a pure holding company.
2. Depreciation and amortization, and increases in property, plant and equipment and intangible assets include long-term prepaid expenses (furniture and fixtures).
3. Segment profit (loss) coincides with the amount of operating loss in the Consolidated Statements of Income.

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Million yen)

	Apparel Business			Lifestyle Business	Total	Adjustments (Note 1)	Amount recorded in Consolidated Financial Statements (Note 3)
	(Domestic)	(Overseas)	Total				
Net sales							
Net sales to outside customers	121,337	13,424	134,761	41,310	176,072	—	176,072
Intersegment sales or transfers	854	1,654	2,509	1,459	3,969	(3,969)	—
Total	122,192	15,079	137,271	42,770	180,041	(3,969)	176,072
Segment profit (loss)	3,359	(969)	2,389	3,756	6,145	(931)	5,214
Segment assets	84,537	12,210	96,748	45,952	142,700	16,497	159,198
Other items							
Depreciation and amortization (Note 2)	2,544	525	3,069	903	3,973	393	4,366
Investments in equity-method entities	—	—	—	—	—	—	—
Increases in property, plant and equipment, and intangible assets (Note 2)	1,645	871	2,517	754	3,272	1,649	4,921

(Notes) 1. Adjustments consist of the following:

- (1) The adjustment amount for segment profit (loss) of (931) million yen includes amortization of goodwill of (794) million yen, elimination of intersegment transactions of 3,433 million yen, and corporate expenses not allocated to reportable segments of (3,570) million yen. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment amount for segment assets of 16,497 million yen includes the unamortized balance of goodwill of 4,025 million yen, elimination of intersegment transactions of (120,851) million yen, and corporate assets not allocated to reportable segments of 133,324 million yen. Corporate assets are mainly assets held by the Company, a pure holding company.
2. Depreciation and amortization, and increases in property, plant and equipment and intangible assets include long-term prepaid expenses (furniture and fixtures).
3. Segment profit (loss) coincides with the amount of operating profit in the Consolidated Statements of Income.

[Information associated with reportable segments]

For the fiscal year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

1. Information for each product or service

Descriptions are omitted as similar information is disclosed in Segment information.

2. Information for each region

(1) Net sales

(Million yen)

Japan	Europe	Other	Total
151,228	9,904	7,320	168,453

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Europe	Other	Total
45,137	8,421	1,809	2,674	58,042

3. Information for each of main customers

Information is not stated as there are no parties whose net sales to outside customers comprise 10% or more of net sales in the Consolidated Statements of Income.

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

1. Information for each product or service

Descriptions are omitted as similar information is disclosed in Segment information.

2. Information for each region

(1) Net sales

(Million yen)

Japan	Europe	Other	Total
160,454	8,271	7,346	176,072

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Europe	Other	Total
43,088	6,205	1,245	2,591	53,130

3. Information for each of main customers

Information is not stated as there are no parties whose net sales to outside customers comprise 10% or more of net sales in the Consolidated Statements of Income.

(Disclosure of impairment loss on non-current assets for each reportable segment)

For the fiscal year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Million yen)

	Apparel Business			Lifestyle Business	Unallocated amounts and elimination	Total
	(Domestic)	(Overseas)	Total			
Impairment loss	998	289	1,287	22	430	1,741

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Million yen)

	Apparel Business			Lifestyle Business	Unallocated amounts and elimination	Total
	(Domestic)	(Overseas)	Total			
Impairment loss	1,197	1,418	2,615	291	—	2,906

(Amortization and unamortized balance of goodwill for each reportable segment)

Descriptions are omitted as similar information is disclosed in Segment information.

(Information about gain on bargain purchase for each reportable segment)

Not applicable.

(Per share information)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Net assets per share (Yen)	493.14	550.76
Basic earnings per share (Yen)	63.17	22.57
Diluted earnings per share (Yen)	63.04	22.53

(Notes) 1. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows:

Item	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	8,566	3,061
Components not pertaining to ordinary shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to ordinary shares (Million yen)	8,566	3,061
Average number of ordinary shares during the period (Thousand shares)	135,619	135,655
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Million yen)	—	—
Increase in number of ordinary shares (Thousand shares)	266	229
[Of which, share acquisition rights (Thousand shares)]	[266]	[229]
Outline of residual shares not included in the calculation of diluted earnings per share due to not having a dilutive effect	—	—

2. The basis for the calculation of net assets per share is as follows:

Item	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Total net assets (Million yen)	77,257	85,073
Amount deducted from total net assets (Million yen)	10,370	10,326
[Of which, share acquisition rights (Million yen)]	[122]	[82]
[Of which, non-controlling interests (Million yen)]	[10,248]	[10,243]
Net assets relating to ordinary shares at end of period (Million yen)	66,886	74,747
Number of ordinary shares at end of period used for the calculation of net assets per share (Thousand shares)	135,633	135,717

(Significant events after reporting period)

Not applicable.