

Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 [Japanese GAAP]



April 4, 2024

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 23, 2024

Scheduled date of commencing dividend payments: May 24, 2024

Scheduled date of filing annual securities report: May 24, 2024

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 29, 2024 (March 1, 2023 – February 29, 2024)

(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 29, 2024	189,629	7.7	11,260	115.9	10,126	90.4	6,611	116.0
February 28, 2023	176,072	4.5	5,214	–	5,319	948.7	3,061	(64.3)

(Note) Comprehensive income: Fiscal year ended February 29, 2024: 6,938 million yen [(35.6)%]

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

	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 29, 2024	48.72	48.66	8.6	6.1	5.9
February 28, 2023	22.57	22.53	4.3	3.4	3.0

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

Fiscal year ended February 29, 2024: (249) million yen

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

EBITDA (operating profit + depreciation and amortization):

Fiscal year ended February 29, 2024: 16,052 million yen [54.7%]

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

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	171,362	84,995	46.6	587.92
As of February 28, 2023	159,198	85,073	47.0	550.76

(Reference) Shareholders' equity: As of February 29, 2024: 79,796 million yen

As of February 28, 2023: 74,747 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 29, 2024	Million yen 3,999	Million yen (4,321)	Million yen 263	Million yen 14,133
February 28, 2023	5,685	4,390	(11,955)	13,795

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, 2023	Yen –	Yen –	Yen –	Yen 12.00	Yen 12.00	Million yen 1,628	% 53.2	% 2.0
Fiscal year ended February 29, 2024	–	–	–	20.00	20.00	2,714	41.1	3.2
Fiscal year ending February 28, 2025 (Forecast)	–	–	–	24.00	24.00		40.7	

3. Consolidated Performance Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 – February 28, 2025)

(% 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)	94,900	5.0	5,500	9.5	5,300	20.1	3,800	32.7	28.00
Full year	200,000	5.5	12,500	11.0	12,000	18.5	8,000	21.0	58.94

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

Fiscal year ending February 28, 2025 (forecast): 17,700 million yen [10.3%]

Full year ended February 29, 2024: 16,052 million yen [54.7%]

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: – (Company name:)

Excluded: – (Company name:)

(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 29, 2024:	157,921,669 shares
As of February 28, 2023:	157,921,669 shares

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

As of February 29, 2024:	22,193,554 shares
As of February 28, 2023:	22,204,488 shares

3) Average number of shares outstanding during the period:

Fiscal year ended February 29, 2024:	135,719,792 shares
Fiscal year ended February 28, 2023:	135,655,390 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 – February 29, 2024)

(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 29, 2024	9,920	(10.5)	5,555	(20.8)	4,848	123.1	7,115	179.8
February 28, 2023	11,082	(23.5)	7,012	(35.1)	2,173	(59.3)	2,542	(70.2)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended February 29, 2024	Yen 52.43	Yen 52.37
February 28, 2023	18.74	18.71

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	140,428	87,891	62.5	646.99
As of February 28, 2023	136,058	83,502	61.3	614.66

(Reference) Shareholders' equity: As of February 29, 2024: 87,815 million yen
As of February 28, 2023: 83,419 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 Ended February 29, 2024

In the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024), the Japanese economy continued to recover at a moderate pace as socioeconomic activities gradually returned to normal propelled by the lifting of various COVID-related restrictions. However, soaring energy and raw materials prices owing to geopolitical tensions and rising domestic prices caused by foreign exchange rate fluctuations among other factors dampened consumer sentiment and corporate activities, rendering the economic outlook persistently uncertain.

Under these circumstances, at the Onward Group, improvement in the operation of OMO (Online Merges with Offline) stores offering “Click & Try” services and greater accuracy of the marketing measures using social media have boosted traffic to both physical and online stores, thus substantially contributing to overall sales growth. Operating profit margin also increased year-on-year due to the achievements of global business reforms and progress in streamlining the product supply chain. Thanks to these factors, the Group achieved higher sales, along with significant increases in all profit categories, year-on-year. Operating profit reached a record high for the first time since the fiscal year ended February 28, 2009.

As a result of the above, in the fiscal year ended February 29, 2024, consolidated net sales came to 189,629 million yen (+7.7% year-on-year), consolidated operating profit was 11,260 million yen (+115.9% year-on-year), consolidated recurring profit was 10,126 million yen (+90.4% year-on-year), and profit attributable to owners of parent was 6,611 million yen (+116.0% year-on-year).

The Onward Group is accelerating growth by reinforcing and expanding its business base through the development of new businesses and M&As. In doing so, the Group has adopted EBITDA (operating profit + depreciation and amortization) as a key performance indicator to facilitate earnings comparisons between companies regardless of differences in accounting standards.

In the fiscal year ended February 29, 2024, EBITDA amounted to 16,052 million yen (+54.7% year-on-year).

Results by segment were as follows.

[Apparel Business]

In Japan, sales grew thanks to the strong performance of “Nijyusanku” and other mainstay brands of the core operating company Onward Kashiya Co., Ltd. The development and launch of popular products in “UNFILO” also contributed to substantial sales growth. At Onward Personal Style Co., Ltd., which operates the “KASHIYAMA” brand, sales at directly managed stores and B2B sales were robust as advertising efforts had a marked effect.

Overseas, sales increased in Europe, America, and Asia, with the profitability sharply improving.

As a result, the Apparel Business posted higher sales and profit.

[Lifestyle Business]

Chacott Co., Ltd., which runs the wellness business, posted higher sales owing to enhanced marketing strategies utilizing social media and the development and launch of popular products in the Chacott Cosmetics line. At Creative Yoko Co., Ltd., a subsidiary engaged in a pet and home life business, sales remained favorable backed by the success of aggressive store opening measures. Performance at Yamato Co., Ltd., which operates a gift catalog business, also held firm.

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

(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 12,163 million yen compared with the end of the previous fiscal year to 171,362 million yen. This was primarily due to increases in notes and accounts receivable—trade, and contract assets of 1,952 million yen, merchandise and finished goods of 7,959 million yen, and retirement benefit asset of 2,333 million yen.

Liabilities increased by 12,242 million yen compared with the end of the previous fiscal year to 86,367 million yen. This was primarily due to increases in short-term borrowings of 5,318 million yen and long-term borrowings of 3,598 million yen.

Net assets decreased by 78 million yen compared with the end of the previous fiscal year to 84,995 million yen. This was primarily due to profit attributable to owners of parent of 6,611 million yen, dividends of surplus of 1,628 million yen, a decrease in foreign currency translation adjustment of 990 million yen, an increase in remeasurements of defined benefit plans of 1,265 million yen, and a decrease in non-controlling interests of 5,121 million yen.

As a result, the shareholders' equity ratio was 46.6%.

(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 3,999 million yen (an inflow of 5,685 million yen for the previous fiscal year) mainly due to a profit before income taxes, an impairment loss, an increase in trade receivables, and an increase in inventories.

Cash flows used in investing activities amounted to 4,321 million yen (an inflow of 4,390 million yen for the previous fiscal year) mainly due to purchase of property, plant and equipment, and purchase of investment securities.

Cash flows provided by financing activities amounted to 263 million yen (an outflow of 11,955 million yen for the previous fiscal year), which primarily included a net increase (decrease) in short-term borrowings and proceeds from long-term borrowings.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by 337 million yen compared with the end of the previous fiscal year to 14,133 million yen.

2) Indicators related to cash flows

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Shareholders' equity ratio (%)	38.3	28.9	42.4	47.0	46.6
Shareholders' equity ratio based on fair value (%)	30.1	17.4	23.8	29.1	40.6
Ratio of interest-bearing debt to cash flow (%)	875.8	(461.1)	492.3	532.9	1,012.4
Interest coverage ratio (times)	17.4	(46.5)	18.3	13.7	5.2

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 40% or more, raised from previous 35% or more.

With regard to dividends for the fiscal year under review, the Company plans to pay out a dividend of 20 yen per share. For the next fiscal year, the Company plans to raise the annual dividend forecast per share by 4 yen from the previous year to 24 yen.

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 "FY2023 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, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	13,805	14,133
Notes and accounts receivable—trade, and contract assets	13,981	15,933
Merchandise and finished goods	27,297	35,257
Work in process	486	456
Raw materials and supplies	2,935	3,244
Other	4,185	4,675
Allowance for doubtful accounts	(437)	(301)
Total current assets	62,255	73,400
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,719	41,039
Accumulated depreciation	(21,220)	(21,772)
Buildings and structures, net	19,498	19,267
Land	23,328	22,626
Leased assets	9,988	10,036
Accumulated depreciation	(6,784)	(7,215)
Leased assets, net	3,204	2,820
Other	18,548	17,513
Accumulated depreciation	(11,449)	(11,759)
Other, net	7,099	5,753
Total property, plant and equipment	53,130	50,468
Intangible assets		
Goodwill	4,025	3,289
Other	5,081	5,533
Total intangible assets	9,106	8,822
Investments and other assets		
Investment securities	16,433	16,600
Long-term loans receivable	2,882	2,566
Long-term prepaid expenses	383	347
Retirement benefit asset	5,441	7,774
Deferred tax assets	3,454	4,805
Other	6,442	6,671
Allowance for doubtful accounts	(331)	(93)
Total investments and other assets	34,706	38,671
Total non-current assets	96,943	97,962
Total assets	159,198	171,362

(Million yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable—trade	8,154	8,740
Electronically recorded obligations—operating	13,236	13,871
Short-term borrowings	14,880	20,198
Current portion of long-term borrowings	3,720	5,214
Lease obligations	887	858
Income taxes payable	1,129	965
Provision for bonuses	914	1,296
Provision for bonuses for directors	179	216
Other	10,021	10,988
Total current liabilities	53,124	62,350
Non-current liabilities		
Long-term borrowings	8,657	12,255
Lease obligations	3,902	3,420
Deferred tax liabilities for land revaluation	241	180
Retirement benefit liability	2,886	2,752
Provision for retirement benefits for directors and corporate auditors	262	290
Asset retirement obligations	2,563	2,629
Other	2,485	2,488
Total non-current liabilities	21,000	24,017
Total liabilities	74,125	86,367
Net assets		
Shareholders' equity		
Share capital	30,079	30,079
Capital surplus	50,347	50,342
Retained earnings	16,042	21,165
Treasury shares	(20,748)	(20,737)
Total shareholders' equity	75,721	80,849
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,620	2,431
Deferred gains or losses on hedges	30	4
Revaluation reserve for land	(5,698)	(5,837)
Foreign currency translation adjustment	1,441	451
Remeasurements of defined benefit plans	631	1,896
Total accumulated other comprehensive income	(973)	(1,052)
Share acquisition rights	82	76
Non-controlling interests	10,243	5,122
Total net assets	85,073	84,995
Total liabilities and net assets	159,198	171,362

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

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	176,072	189,629
Cost of sales	79,320	83,847
Gross profit	96,751	105,782
Selling, general and administrative expenses	91,537	94,521
Operating profit	5,214	11,260
Non-operating income		
Interest income	28	52
Dividend income	205	231
Foreign exchange gains	789	–
Subsidy income	136	–
Other	219	211
Total non-operating income	1,380	494
Non-operating expenses		
Interest expenses	363	896
Loss on disposal of salesfloor fixtures, etc.	45	16
Foreign exchange losses	–	109
Share of loss of entities accounted for using equity method	46	249
Other	819	356
Total non-operating expenses	1,274	1,628
Recurring profit	5,319	10,126
Extraordinary income		
Gain on sales of investment securities	527	363
Gain on sales of non-current assets	21	69
Gain on sales of shares of subsidiaries and associates	1,300	–
Other	29	–
Total extraordinary income	1,878	433
Extraordinary losses		
Impairment loss	2,906	3,586
Extraordinary loss due to closing and other	5	–
Loss on disaster	–	195
Other	475	614
Total extraordinary losses	3,388	4,395
Profit before income taxes	3,809	6,164
Income taxes - current	1,387	1,263
Income taxes - deferred	(688)	(1,976)
Total income taxes	698	(713)
Profit	3,111	6,878
Profit attributable to non-controlling interests	49	266
Profit attributable to owners of parent	3,061	6,611

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Profit	3,111	6,878
Other comprehensive income		
Valuation difference on available-for-sale securities	4,267	(197)
Deferred gains or losses on hedges	29	(25)
Foreign currency translation adjustment	2,256	(990)
Remeasurements of defined benefit plans, net of tax	1,103	1,265
Share of other comprehensive income of entities accounted for using equity method	—	7
Total other comprehensive income	*7,656	*60
Comprehensive income	10,767	6,938
Comprehensive income attributable to:		
Owners of parent	10,231	6,672
Non-controlling interests	535	266

(3) Consolidated Statements of Changes in Equity

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	—	(43)	1,433	82	1,473	4,267	29
Balance as at February 28, 2023	30,079	50,347	16,042	(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

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(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, 2023	30,079	50,347	16,042	(20,748)	75,721	2,620	30
Changes during period							
Dividends of surplus			(1,628)		(1,628)		
Profit attributable to owners of parent			6,611		6,611		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares		(5)		11	6		
Reversal of revaluation reserve for land			139		139		
Net changes in items other than shareholders' equity						(189)	(25)
Total changes in items during period	—	(5)	5,122	11	5,128	(189)	(25)
Balance as at February 29, 2024	30,079	50,342	21,165	(20,737)	80,849	2,431	4

	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, 2023	(5,698)	1,441	631	(973)	82	10,243	85,073
Changes during period							
Dividends of surplus							(1,628)
Profit attributable to owners of parent							6,611
Purchase of treasury shares							(0)
Disposal of treasury shares							6
Reversal of revaluation reserve for land							139
Net changes in items other than shareholders' equity	(139)	(990)	1,265	(79)	(6)	(5,121)	(5,207)
Total changes in items during period	(139)	(990)	1,265	(79)	(6)	(5,121)	(78)
Balance as at February 29, 2024	(5,837)	451	1,896	(1,052)	76	5,122	84,995

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	3,809	6,164
Depreciation and amortization	4,366	3,978
Impairment loss	2,906	3,586
Amortization of goodwill	794	813
Increase (decrease) in allowance for doubtful accounts	330	(413)
Decrease (increase) in retirement benefit asset	(2,192)	(2,333)
Increase (decrease) in retirement benefit liability	26	(134)
Interest and dividend income	(234)	(283)
Interest expenses	363	896
Share of loss (profit) of entities accounted for using equity method	46	249
Loss (gain) on disposal of non-current assets	4	(21)
Loss on disposal of salesfloor fixtures, etc.	45	16
Loss (gain) on sales of investment securities	(505)	(363)
Loss (gain) on valuation of investment securities	166	–
Loss (gain) on sales of shares of subsidiaries and associates	(1,300)	0
Decrease (increase) in trade receivables	358	(1,742)
Decrease (increase) in inventories	(3,653)	(7,848)
Increase (decrease) in trade payables	3,077	931
Other, net	(1,032)	1,793
Subtotal	7,377	5,289
Interest and dividends received	1,414	252
Interest paid	(414)	(766)
Income taxes paid	(2,726)	(2,373)
Income taxes refund	35	1,597
Net cash provided by (used in) operating activities	5,685	3,999
Cash flows from investing activities		
Payments into time deposits	(11)	–
Proceeds from withdrawal of time deposits	11	10
Purchase of property, plant and equipment	(2,164)	(1,967)
Proceeds from sales of property, plant and equipment	0	289
Purchase of investment securities	(3)	(2,022)
Proceeds from sales of investment securities	3,238	1,771
Purchase of long-term prepaid expenses	(69)	(9)
Payments of guarantee deposits	(878)	(607)
Proceeds from refund of guarantee deposits	474	317
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	7,644	–
Other, net	(3,851)	(2,101)
Net cash provided by (used in) investing activities	4,390	(4,321)

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,796)	3,202
Proceeds from long-term borrowings	–	9,000
Repayments of long-term borrowings	(4,053)	(3,907)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,627)	(1,628)
Repayments to non-controlling shareholders	(190)	(5,020)
Dividends paid to non-controlling interests	(248)	(366)
Other, net	(1,038)	(1,014)
Net cash provided by (used in) financing activities	(11,955)	263
Effect of exchange rate change on cash and cash equivalents	475	396
Net increase (decrease) in cash and cash equivalents	(1,403)	337
Cash and cash equivalents at beginning of period	15,199	13,795
Cash and cash equivalents at end of period	*13,795	*14,133

(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: 39

Names of major consolidated subsidiaries

Onward Kashiya Co., Ltd.
Onward Corporate Design 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 Creative Center Co., Ltd. has been excluded from the scope of consolidation due to an absorption merger with Onward Corporate Design Co., Ltd., which changed its name from Onward Trading Co., Ltd. on September 1, 2023, as the surviving company. FREED U.S.A. LLC. was liquidated and therefore has been excluded from the scope of consolidation. JOSEPH JAPAN CO., LTD. was established and is now included in 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

12

Names of major associates accounted for using equity method

WEGO Co., Ltd.
SANMARINO Ltd.

In the fiscal year under review, we acquired shares of WEGO Co., Ltd. and four of its subsidiaries and associates, and SANMARINO Ltd. and six of its subsidiaries and associates, and these associates are included in the scope of equity method application.

We transferred our shares of Mulberry Japan Co., Ltd., and the company is excluded from the scope of equity method application.

(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 SANMARINO Ltd. is June 30, and their 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.

11 other companies

4. 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 Statements of Cash Flows

Funds (cash and cash equivalents) in the Consolidated Statements 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

Application of group tax sharing system

The Company and certain of its domestic consolidated subsidiaries apply the group tax sharing system.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, July 17, 2021; hereinafter referred to as the “Fair Value Measurement Guidance”) from the beginning of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in paragraph 27-2 of the Fair Value Measurement Guidance.

This does not affect the consolidated financial statements.

(Changes in the presentation method)

(Consolidated Statements of Income)

“Commission expenses” under “Non-operating expenses” presented separately in the previous fiscal year, is included in “Other” as of the fiscal year under review, since it was no more than 10% of total 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 186 million yen that was presented in “Commission expenses” and the 632 million yen in “Other” under “Non-operating expenses” in the Consolidated Statements of Income for the previous fiscal year have been reclassified as “Other” of 819 million yen.

(Consolidated Statements of Cash Flows)

“Repayments to non-controlling shareholders” included in “Other” under “Cash flows from financing activities” in the previous fiscal year, is presented separately as of the fiscal year under review, since it has become more significant. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the (1,229) million yen that was presented in “Other” under “Cash flows from financing activities” in the Consolidated Statements of Cash Flows for the previous fiscal year has been reclassified as “Repayments to non-controlling shareholders” of (190) million yen and “Other” of (1,038) million yen.

(Additional information)

(Application of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and consolidated subsidiaries in Japan have transitioned from a consolidated taxation system to the group tax sharing system from the fiscal year under review. In accordance with this, the accounting and disclosure of corporate taxes, local corporate taxes, and tax effect accounting are in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021; hereinafter referred to as “PITF No. 42”).

Furthermore, based on paragraph 32 (1) of PITF No. 42, it is deemed that there are no effects due to changes in accounting policies accompanying the application of PITF No. 42.

(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, 2023	For the fiscal year ended February 29, 2024
Valuation difference on available-for-sale securities:		
Amount arising during period	5,638	159
Reclassification adjustment for gain and loss	(384)	(366)
Amount before income tax effect	5,253	(206)
Income tax effect	(986)	9
Valuation difference on available-for-sale securities	4,267	(197)
Deferred gains or losses on hedges:		
Amount arising during period	39	10
Reclassification adjustment for gain and loss	(1)	(43)
Amount before income tax effect	38	(32)
Income tax effect	(8)	6
Deferred gains or losses on hedges	29	(25)
Foreign currency translation adjustment:		
Amount arising during period	(784)	(995)
Reclassification adjustment for gain and loss	3,041	5
Foreign currency translation adjustment	2,256	(990)
Remeasurements of defined benefit plans, net of tax:		
Amount arising during period	1,759	2,073
Reclassification adjustment for gain and loss	(71)	(142)
Amount before income tax effect	1,688	1,930
Income tax effect	(585)	(665)
Remeasurements of defined benefit plans, net of tax	1,103	1,265
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during period	-	7
Total other comprehensive income	7,656	60

(Notes to Consolidated Statements of Changes in Equity)
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 components 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

For the fiscal year ended February 29, 2024

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)	22,204,488	1,068	12,002	22,193,554

(Outline of reasons for changes)

Major component of the increase are as follows.

Increase due to the purchase of shares less than one unit: 1,068 shares

Major component of the decrease are as follows.

Sale due to purchase requests for shares less than one unit: 2 shares

Decrease due to the exercise of stock options: 12,000 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	—	—	—	—	—	76
Total			—	—	—	—	76

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 25, 2023 Annual General Meeting of Shareholders	Ordinary shares	1,628	12.00	February 28, 2023	May 26, 2023

(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 23, 2024 Annual General Meeting of Shareholders	Ordinary shares	2,714	Retained earnings	20.00	February 29, 2024	May 24, 2024

(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, 2023	For the fiscal year ended February 29, 2024
Cash and deposits	13,805	14,133
Time deposits with maturities of more than three months	(10)	—
Cash and cash equivalents	13,795	14,133

(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, 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.

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(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	131,256	15,265	146,522	43,107	189,629	—	189,629
Intersegment sales or transfers	1,003	1,985	2,989	931	3,921	(3,921)	—
Total	132,260	17,251	149,511	44,038	193,550	(3,921)	189,629
Segment profit (loss)	7,572	(58)	7,513	4,364	11,878	(617)	11,260
Segment assets	93,340	16,229	109,569	39,249	148,818	22,543	171,362
Other items							
Depreciation and amortization (Note 2)	2,346	347	2,693	860	3,554	424	3,978
Investments in equity-method entities	1,775	—	1,775	—	1,775	—	1,775
Increases in property, plant and equipment, and intangible assets (Note 2)	3,329	271	3,600	929	4,530	82	4,613

(Notes) 1. Adjustments consist of the following:

- (1) The adjustment amount for segment profit (loss) of (617) million yen includes amortization of goodwill of (813) million yen, elimination of intersegment transactions of 4,069 million yen, and corporate expenses not allocated to reportable segments of (3,873) 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 22,543 million yen includes the unamortized balance of goodwill of 3,289 million yen, elimination of intersegment transactions of (116,597) million yen, and corporate assets not allocated to reportable segments of 135,852 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, 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.

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

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
171,696	9,196	8,737	189,629

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Europe	Other	Total
42,591	3,852	1,375	2,647	50,468

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.

[Information on impairment loss on non-current assets by reportable segment]

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

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Million yen)

	Apparel Business			Lifestyle Business	Unallocated amounts and elimination	Total
	(Domestic)	(Overseas)	Total			
Impairment loss	445	206	652	2,903	31	3,586

[Amortization and unamortized balance of goodwill by 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, 2023	For the fiscal year ended February 29, 2024
Net assets per share (Yen)	550.76	587.92
Basic earnings per share (Yen)	22.57	48.72
Diluted earnings per share (Yen)	22.53	48.66

(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, 2023	For the fiscal year ended February 29, 2024
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	3,061	6,611
Components not pertaining to ordinary shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to ordinary shares (Million yen)	3,061	6,611
Average number of ordinary shares during the period (Thousand shares)	135,655	135,719
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Million yen)	—	—
Increase in number of ordinary shares (Thousand shares)	229	164
[Of which, share acquisition rights (Thousand shares)]	[229]	[164]
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, 2023	For the fiscal year ended February 29, 2024
Total net assets (Million yen)	85,073	84,995
Amount deducted from total net assets (Million yen)	10,326	5,198
[Of which, share acquisition rights (Million yen)]	[82]	[76]
[Of which, non-controlling interests (Million yen)]	[10,243]	[5,122]
Net assets relating to ordinary shares at end of period (Million yen)	74,747	79,796
Number of ordinary shares at end of period used for the calculation of net assets per share (Thousand shares)	135,717	135,728

(Significant events after reporting period)

Not applicable.

4. Others

Changes in Directors

Other changes in Directors (as of May 23, 2024)

1) Director to be retired

Name		Position and responsibility
Osamu Sato	Current	-Managing Director of the Company in charge of Finance, Accounting, Investor Relations -Director and Managing Executive Officer of Onward Kashiyama Co., Ltd

2) Candidates for new Director

Name		Position and responsibility
Shohei Yoshida	Current	-Executive Officer of the Company Finance, Accounting, Investor Relations -Executive Officer of Onward Kashiyama Co., Ltd
	New	-Director of the Company in charge of Finance, Accounting, Investor Relations -Director and Executive Officer of Onward Kashiyama Co., Ltd