

# Consolidated Balance Sheets

ONWARD HOLDINGS Co., Ltd. and Consolidated Subsidiaries  
February 28, 2018 and 2019

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 2. (21))
	2018	2019	2019
Current assets:			
Cash and deposits (Notes 3 and 10)	¥ 26,335	¥ 31,284	\$ 282,173
Accounts and notes receivable (Note 3)	25,057	25,508	230,072
Inventories (Note 2. (4))	42,980	46,766	421,808
Deferred tax assets (Note 12)	4,130	2,973	26,816
Other current assets	7,827	11,521	103,906
Less: Allowance for bad debt	(351)	(754)	(6,799)
Total current assets	105,978	117,298	1,057,976
Property, plant and equipment:			
Buildings and structures	80,950	84,325	760,577
Leased assets	8,428	9,071	81,818
Other depreciable property	34,363	35,410	319,381
Less: Accumulated depreciation	(77,032)	(78,354)	(706,721)
	46,709	50,452	455,055
Land	47,005	46,266	417,296
Total property, plant and equipment	93,714	96,718	872,351
Intangible assets, net:			
Goodwill	16,228	9,455	85,284
Other	8,284	7,570	68,281
Total intangible assets, net	24,512	17,025	153,565
Investments and other assets:			
Investments in securities (Notes 3 and 4)	30,491	27,846	251,155
Long-term loans receivable	1,888	2,469	22,272
Long-term prepaid expenses	360	447	4,031
Net defined benefit asset (Note 8)	3,847	2,919	26,327
Deferred tax assets (Note 12)	6,971	12,926	116,590
Other investments	10,634	10,344	93,295
Less: Allowance for bad debt	(261)	(437)	(3,941)
Total investments and other assets	53,930	56,514	509,729
Total assets	¥278,134	¥287,555	\$2,593,621

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 2. (21))
	2018	2019	2019
Current liabilities:			
Accounts and notes payable (Note 3)	¥ 18,059	¥ 17,557	\$ 158,355
Electronically recorded obligations—operating (Note 3)	14,873	14,183	127,922
Short-term loans payable (Notes 3 and 13)	29,533	53,886	486,028
Current portion of long-term loans payable (Notes 3 and 13)	5,800	2,800	25,257
Accrued income taxes	2,085	475	4,285
Accrued bonuses to employees	1,052	777	7,012
Accrued bonuses to directors	196	156	1,410
Allowance for sales returns	272	241	2,178
Provision for point program	736	765	6,897
Other current liabilities (Notes 12 and 13)	13,778	14,565	131,367
Total current liabilities	86,384	105,405	950,711
Long-term liabilities:			
Long-term loans payable (Notes 3 and 13)	6,819	4,707	42,452
Deferred tax liabilities—revaluation of land (Note 12)	2,259	1,747	15,753
Net defined benefit liability (Note 8)	4,141	3,993	36,018
Lease obligations (Note 13)	4,384	4,411	39,786
Accrued retirement benefits for directors and corporate auditors	188	203	1,827
Other long-term liabilities (Note 12)	5,806	4,878	44,000
Total long-term liabilities	23,597	19,939	179,836
Total liabilities	109,981	125,344	1,130,547
Net assets:			
Shareholders' equity (Note 14):			
Common stock:			
Authorized—400,000,000 shares			
Issued—167,921,669 shares and 157,921,669 shares at February 28, 2018 and 2019, respectively	30,080	30,080	271,306
Capital surplus	50,043	50,043	451,368
Retained earnings	115,799	107,140	966,357
Less: Treasury stock, at cost, 25,406,796 shares and 20,052,156 shares at February 28, 2018 and 2019, respectively	(27,580)	(19,834)	(178,892)
Total shareholders' equity	168,342	167,429	1,510,139
Accumulated other comprehensive income:			
Net unrealized gain (loss) on available-for-sale securities (Note 4)	1,271	(1,453)	(13,101)
Deferred gain (loss) on hedging instruments	(74)	80	717
Net revaluation loss on land	(7,865)	(8,957)	(80,787)
Foreign currency translation adjustments	2,097	1,134	10,231
Remeasurements of defined benefit plans (Note 8)	838	82	738
Total accumulated other comprehensive income	(3,733)	(9,114)	(82,202)
Stock acquisition rights	730	559	5,046
Non-controlling interests	2,814	3,337	30,091
Total net assets	168,153	162,211	1,463,074
Total liabilities and net assets	¥278,134	¥287,555	\$2,593,621
Per share:			
Net assets per share	¥1,155.04	¥1,148.30	\$10.36

See accompanying notes to consolidated financial statements.