

Consolidated Balance Sheets

ONWARD HOLDINGS Co., Ltd. and Consolidated Subsidiaries
February 28, 2017 and 2018

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 2. (21))
	2017	2018	2018
Current assets:			
Cash and deposits (Notes 3 and 10)	¥ 26,097	¥ 26,335	\$ 245,273
Accounts and notes receivable (Note 3)	26,008	25,057	233,373
Inventories (Note 2. (4))	40,217	42,980	400,295
Deferred tax assets (Note 12)	3,271	4,130	38,466
Other current assets	8,477	7,827	72,890
Less: Allowance for bad debt	(497)	(351)	(3,266)
Total current assets	103,573	105,978	987,031
Property, plant and equipment:			
Buildings and structures	79,848	80,950	753,931
Leased assets	8,354	8,428	78,496
Other depreciable property	34,241	34,363	320,044
Less: Accumulated depreciation	(76,362)	(77,032)	(717,443)
	46,081	46,709	435,028
Land	46,188	47,005	437,789
Total property, plant and equipment	92,269	93,714	872,817
Intangible assets, net:			
Goodwill	18,523	16,228	151,142
Other	7,282	8,284	77,154
Total intangible assets, net	25,805	24,512	228,296
Investments and other assets:			
Investments in securities (Notes 3 and 4)	26,234	30,491	283,978
Long-term loans receivable	2,225	1,888	17,587
Long-term prepaid expenses	580	360	3,357
Net defined benefit asset (Note 8)	3,177	3,847	35,832
Deferred tax assets (Note 12)	8,593	6,971	64,925
Other investments	11,333	10,634	99,029
Less: Allowance for bad debt	(562)	(261)	(2,427)
Total investments and other assets	51,580	53,930	502,281
Total assets	¥273,227	¥278,134	\$2,590,425

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 2. (21))
	2017	2018	2018
Current liabilities:			
Accounts and notes payable (Note 3)	¥ 13,961	¥ 18,059	\$ 168,196
Electronically recorded obligations—operating (Note 3)	17,948	14,873	138,519
Short-term loans payable (Notes 3 and 13)	23,531	29,533	275,055
Current portion of long-term loans payable (Notes 3 and 13)	13,835	5,800	54,022
Accrued income taxes	1,096	2,085	19,415
Accrued bonuses to employees	967	1,052	9,795
Accrued bonuses to directors	182	196	1,829
Allowance for sales returns	304	272	2,531
Provision for point program	575	736	6,859
Other current liabilities (Notes 12 and 13)	13,285	13,778	128,327
Total current liabilities	85,684	86,384	804,548
Long-term liabilities:			
Long-term loans payable (Notes 3 and 13)	3,418	6,819	63,507
Deferred tax liabilities—revaluation of land (Note 12)	2,675	2,259	21,043
Net defined benefit liability (Note 8)	3,988	4,141	38,568
Lease obligations (Note 13)	4,870	4,384	40,834
Accrued retirement benefits for directors and corporate auditors	167	188	1,749
Other long-term liabilities (Note 12)	6,755	5,806	54,069
Total long-term liabilities	21,873	23,597	219,770
Total liabilities	107,557	109,981	1,024,318
Net assets:			
Shareholders' equity (Note 14):			
Common stock:			
Authorized—400,000,000 shares			
Issued—167,921,669 shares at February 28, 2017 and 2018, respectively	30,080	30,080	280,150
Capital surplus	50,043	50,043	466,082
Retained earnings	113,072	115,799	1,078,501
Less: Treasury stock, at cost, 21,609,228 shares and 25,406,796 shares at February 28, 2017 and 2018, respectively	(24,168)	(27,580)	(256,866)
Total shareholders' equity	169,027	168,342	1,567,867
Accumulated other comprehensive income:			
Net unrealized gain on available-for-sale securities (Note 4)	323	1,271	11,833
Deferred gain (loss) on hedging instruments	57	(74)	(689)
Net revaluation loss on land	(6,923)	(7,865)	(73,247)
Foreign currency translation adjustments	528	2,097	19,536
Remeasurements of defined benefit plans (Note 8)	341	838	7,807
Total accumulated other comprehensive income	(5,674)	(3,733)	(34,760)
Stock acquisition rights	780	730	6,796
Non-controlling interests	1,537	2,814	26,204
Total net assets	165,670	168,153	1,566,107
Total liabilities and net assets	¥273,227	¥278,134	\$2,590,425
Per share:		Yen	U.S. dollars (Note 2. (21))
Net assets per share	¥1,116.47	¥1,155.04	\$10.76

See accompanying notes to consolidated financial statements.