

Consolidated Financial Results for the Fiscal Year Ended February 28, 2021 [Japanese GAAP]



April 14, 2021

Company name: Takihiyo Co., Ltd.

Code number: 9982

URL: <https://www.takihiyo.co.jp>

Stock exchange listing: Tokyo Stock Exchange (First Section), Nagoya Stock Exchange (First Section)

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Scheduled date of Ordinary General Meeting of Shareholders: May 26, 2021

Scheduled date of commencing dividend payments: May 27, 2021

Scheduled date for filing of annual securities report: May 28 2021

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Not scheduled (The session is canceled from the view point of preventing spread of COVID-19 infection. Briefing materials will be posted on the Company's website and the questions and such will be taken through phone call and e-mail.)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2021 (March 1, 2020 to February 28, 2021)

(1) Consolidated Results of Operations

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended February 28, 2021	50,042	(17.0)	(1,018)	—	(770)	—	(1,121)	—
Fiscal year ended February 29, 2020	60,274	(7.0)	(103)	—	1	(99.3)	45	—

(Note) Comprehensive income: Fiscal year ended February 28, 2021: ¥(826) million [—%]

Fiscal year ended February 29, 2020: ¥(463) million [—%]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal year ended February 28, 2021	(120.36)	—	(3.5)	(1.7)	(2.0)
Fiscal year ended February 29, 2020	4.86	4.79	0.1	0.0	(0.2)

(Reference) Equity in earnings (losses) of associates: Fiscal year ended February 28, 2021: ¥— million

Fiscal year ended February 29, 2020: ¥— million

(Note) Though dilutive shares exist, diluted earnings per share for the fiscal year ended February 28, 2021 are not provided, as net loss per share was recorded.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of February 28, 2021	44,673	31,404	69.8	3,357.62
As of February 29, 2020	44,694	32,619	72.4	3,469.15

(Reference) Equity: As of February 28, 2021: ¥31,172 million

As of February 29, 2020: ¥32,359 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended February 28, 2021	(630)	(111)	1,215	3,877
Fiscal year ended February 29, 2020	875	423	(1,386)	3,406

2. Dividends

	Annual Dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended February 29, 2020	–	20.00	–	20.00	40.00	373	823.0	1.1
Fiscal year ended February 28, 2021	–	10.00	–	10.00	20.00	186	–	0.6
Fiscal year ending February 28, 2022 (Forecast)	–	10.00	–	10.00	20.00		91.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	55,000	9.9	220	–	320	–	200	–	21.79

***Notes**

(1) Significant changes of subsidiaries during the year under review (affecting specified subsidiaries resulting in changes in scope of consolidation): No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Any changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Restatements: No

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

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

February 28, 2021	9,600,000 shares
February 29, 2020	9,600,000 shares

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

February 28, 2021	315,891 shares
February 29, 2020	272,117 shares

3) Average number of shares during the period:

Fiscal year ended February 28, 2021	9,318,797 shares
Fiscal year ended February 29, 2020	9,327,497 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2021 (March 1, 2020 to February 28, 2021)

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended February 28, 2021	47,192	(13.0)	(1,354)	—	(1,147)	—	(909)	—
Fiscal year ended February 29, 2020	54,274	(7.0)	(334)	—	(256)	—	(203)	—

	Earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended February 28, 2021	(97.58)	—
Fiscal year ended February 29, 2020	(21.81)	—

* Though dilutive shares exist, diluted earnings per share are not provided, as net loss per share was recorded.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of February 28, 2021	41,917	28,082	66.4	2,999.80
As of February 29, 2020	41,182	29,137	70.1	3,095.79

(Reference) Equity: As of February 28, 2021: ¥27,850 million

As of February 29, 2020: ¥28,877 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period)

	Net sales		Ordinary profit		Profit		Earnings per share
	million yen	%	million yen	%	million yen	%	yen
Full year	53,400	13.2	140	—	100	—	10.90

* Summary of consolidated financial results is outside the scope of the audit of certified public accountant or audit firm

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

The earnings projections and other forward-looking statements herein are based on available information and certain assumptions deemed reasonable at the time of the release of this document, and do not constitute a promise by the Company to achieve those projections. In addition, actual results may differ significantly from the projections due to various factors.

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1. Results of Operations

(1) Results of Operations for the Current Fiscal Year and Outlook for the Next Fiscal Year

1) Analysis of Results of Operations

During the fiscal year ended February 28, 2021, consumer spending in Japan declined significantly from the previous fiscal year, mainly due to shorter operating hours of various facilities and self-restraint from going out following intermittent declarations of the state of emergency, with no end to the coronavirus disease (COVID-19) in sight.

In particular, spending on clothing as a whole saw a sharp decline, although some major specialist retailers that feature low prices and have expertise in regular items and functional products, remained robust.

The Company also faced harsh conditions throughout the year. Net sales were ¥50,042 million (17.0% decrease from the previous fiscal year), and the Company registered operating loss of ¥1,018 million (operating loss of ¥103 million in the previous fiscal year), ordinary loss of ¥770 million (ordinary profit of ¥1 million in the previous fiscal year) and loss attributable to owners of parent of ¥1,121 million (profit of ¥45 million in the previous fiscal year).

Under these circumstances, the Company understands that it is urgent for the recovery of earnings to enhance capabilities for planning products and making proposals, instead of just waiting for the improvement of the market environment. Specifically, the Company has been working to review the overall processes of work, engaging in efforts including planning of products that allow for an appeal of product characteristics and sense of values from consumers' point of view, pursuit of comfortableness and functionality by commitment to materials and patterns to that end, and diversification of sales promotion methods using social media.

To accelerate these initiatives, the Company restructured its organization on January 1. The Company reformed the existing divisional system into a flat organization to create a structure that facilitates the proposals of product groups across the organization regardless of the type of items or age groups.

At the same time, in order to develop retail business via e-commerce and at retail stores, the Company set up several projects and is working on them in cooperation with players that have track records in the industry, while concurrently planning new product groups and striving to recover the existing wholesale business.

On the other hand, the Company will further reduce fixed costs by promoting more efficient ways of working through establishment of work from home and teleconference as well as by reducing office space on a company-wide basis.

Performance by segment was as follows.

<Apparel & Textiles>

As wholesale of apparel and textile for mainstay customers, including volume retailers, specialist retailers, and apparel shops at department stores, and export sales to Europe and the U.S. faced a severe situation throughout the year, the segment registered ¥44,270 million net sales (17.7% decrease from the previous fiscal year).

<Rental Business>

As a result of reduction or exemption of some rents based on demand from tenants amid the COVID-19 pandemic, the segment registered ¥830 million net sales (3.6% decrease from the previous fiscal year).

<Others>

Primarily as a result of the decrease in product prices following declines in prices of raw materials

and charging for plastic shopping bags in the materials business, which is engaged in sales of resins and chemical products, and decreased revenues in the Komeda business (operation of “Komeda Coffee Shop” as a franchisee) due to shorter operating hours amid the COVID-19 pandemic, the segment registered ¥4,942 million net sales (11.9% decrease from the previous fiscal year).

2) Outlook for the Next Fiscal Year

For the fiscal year ending February 28, 2022, the Company forecasts ¥55,000 million in net sales, ¥220 million in operating profit, ¥320 million in ordinary profit, and ¥200 million in profit attributable to owners of parent.

(2) Financial Position as of the Current Fiscal Year

(Assets)

Current assets decreased by ¥10 million compared with the end of the previous fiscal year, to ¥18,830 million, due primarily to a decrease of ¥1,202 million in notes and accounts receivable – trade, despite increases of ¥471 million in cash and deposits and ¥415 million in merchandise and finished goods.

Non-current assets decreased by ¥10 million compared with the end of the previous fiscal year, to ¥25,843 million, due primarily to a decrease of ¥22 million in long-term loans receivable, despite an increase of ¥15 million in investment securities.

As a result, total assets decreased by ¥21 million compared with the end of the previous fiscal year, to ¥44,673 million.

(Liabilities)

Liabilities increased by ¥1,194 million compared with the end of the previous fiscal year, to ¥13,269 million, due primarily to an increase of ¥1,665 million in borrowings, despite a decrease of ¥297 million in accounts payable – other.

(Net assets)

Net assets decreased by ¥1,215 million compared with the end of the previous fiscal year, to ¥31,404 million, due primarily to a decrease of ¥1,406 million in retained earnings.

(3) Cash Flows for the Current Fiscal Year

Cash and cash equivalents as at the end of the current fiscal year (hereinafter referred to as “fund”) increased by ¥471 million (13.8%) compared with the end of the previous fiscal year, to ¥3,877 million.

(Cash flows from operating activities)

Net cash used in operating activities for the current fiscal year amounted to ¥630 million (¥875 million provided for the previous fiscal year), due primarily to loss before income taxes amounting to ¥988 million, ¥483 million increase in inventories, and ¥316 million decrease in other liabilities, despite ¥1,200 million decrease in notes and accounts receivable – trade.

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year amounted to ¥111 million (¥423 million provided for the previous fiscal year), due primarily to ¥358 million in purchase of property, plant and equipment, and ¥118 million in purchase of investment securities, despite ¥444 million in proceeds from sales of investment securities.

(Cash flows from financing activities)

Net cash provided by financing activities for the current fiscal year amounted to ¥1,215 million (¥1,386 million used for the previous fiscal year), due primarily to ¥3,000 million in proceeds from long-term loans payable, despite ¥1,375 million in repayments of long-term loans payable and ¥280 million in cash dividends paid.

(Reference) Indicators relative to cash flows

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Equity ratio (%)	72.4	69.8
Equity ratio on a market value basis (%)	29.5	36.4
Interest-bearing debt/cash flow ratio (years)	5.3	–
Interest coverage ratio (multiple)	12.6	–

Equity ratio: Equity/Total assets

Equity ratio on a market value basis: Total market capitalization/Total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest expenses paid

(Notes) 1. All indicators are calculated using consolidated financial results.

2. Total market capitalization is calculated by multiplying the final share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury shares).
3. Cash flows from operating activities refer to net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest expenses paid refer to interest expenses paid on the Consolidated Statements of Cash Flows.
4. Interest-bearing debt/cash flow ratio and interest coverage ratio for the fiscal year ended February 28, 2021 are not shown since the cash flow from operating activities was negative.

(4) Principles of Appropriation of Profits and Dividend Payment for the Current Fiscal Year and the Next Fiscal Year

The Company recognizes that returning profit to shareholders is an important management issue.

Our basic policy calls for continuing active and stable dividend payment by comprehensively taking into consideration trends in performance, payout ratio, dividend yield, and internal reserves required for investment in product development that meets market needs and implementation of businesses with an eye to the future.

Under this basic policy, as for the year-end dividend, we are planning to pay 10 yen per share. Therefore, together with the interim dividend of 10 yen, the total dividend per share for the current fiscal year will be 20 yen. In the next fiscal year, we plan to pay an interim dividend of 10 yen per share and a year-end dividend of 10 yen per share, for a total of 20 yen per share.

2. Consolidated Group

The Group comprises the Company and six consolidated subsidiaries mainly engaged in planning, manufacturing and sales of various apparel & textiles products, along with business activities including the real estate rental business, and sales of resins and chemical products.

The operational positioning of the Group in connection with each segment is as follows.

Apparel & Textiles The Company's main line of business is designing, manufacturing and

merchandising of clothing primarily for ladies, kids and babies along with textile products (cloths) primarily made of wool.

Each of the three overseas consolidated subsidiaries, Takihyo (SHANGHAI) Co., Ltd., Takihyo (HONG KONG) Co., Ltd. and Takihyo Korea Co., Ltd., primarily engages in local management of manufacturing process, delivery and quality control of the products to be shipped to the Company, as well as assistance in export to the Head Office.

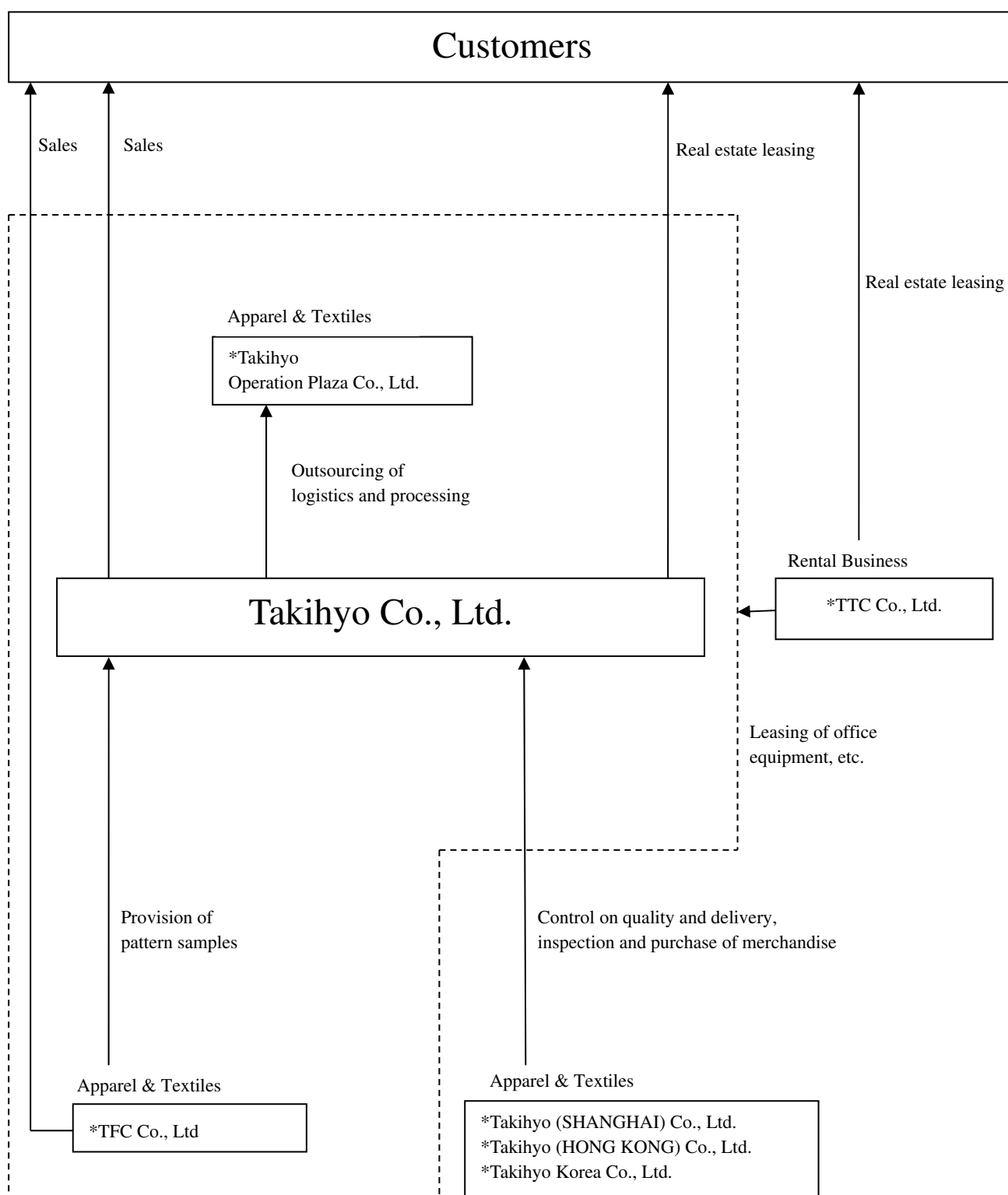
Of the domestic consolidated subsidiaries, TFC Co., Ltd. engages in production of pattern samples, knit shirts (cut-and-sew) and other sewing products, as well as designing and selling of uniforms, while Takihyo Operation Plaza Co., Ltd. engages in delivery-related businesses including sorting, packing and shipping of products primarily manufactured overseas for delivery to each retail premises of customers.

Rental Business	The Company engages in leasing and management of real estate and related activities. TTC Co., Ltd. primarily provides leasing of equipment along with leasing and management of real estate to the Group companies.
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Others	The Company engages in sales of products including resins and chemical products and the operation of “Komeda Coffee Shop” as a franchisee.
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(Note) The Company conducted an absorption-type merger of TLC Co., Ltd. as of June 1, 2020, in which the Company was the surviving company.

The following diagram illustrates how business within the Group is interrelated.



(Note) * indicates consolidated subsidiaries.

3. Management Policy

(1) Basic Management Policy of the Company

The Company's basic policy is to keep providing apparel products that keenly respond to the needs and lifestyles of our customers, based on the three constant management philosophies: "Pay more attention to customers' interest than your own," "Modesty generates profits," and "Good name always comes first."

(2) Targeted Management Benchmark

The Company is striving to enhance its corporate value, by maximizing operating profit and cash flows as the two critical management benchmarks that demonstrate the strength of its core businesses.

4. Basic Policy on Selection of Accounting Standards

The Group applies Japanese GAAP to ensure comparability with its domestic competitors.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	3,406	3,877
Notes and accounts receivable - trade	11,286	10,083
Merchandise and finished goods	3,452	3,868
Work in process	54	31
Raw materials and supplies	33	123
Other	621	857
Allowance for doubtful accounts	(13)	(11)
Total current assets	18,840	18,830
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,393	4,416
Accumulated depreciation	(1,935)	(2,061)
Buildings and structures, net	2,457	2,354
Machinery, equipment and vehicles	291	323
Accumulated depreciation	(197)	(216)
Machinery, equipment and vehicles, net	94	106
Tools, furniture and fixtures	1,771	1,754
Accumulated depreciation	(382)	(306)
Tools, furniture and fixtures, net	1,388	1,448
Land	16,772	16,803
Construction in progress	2	-
Total property, plant and equipment	20,715	20,713
Intangible assets	84	76
Investments and other assets		
Investment securities	3,721	3,736
Investments in capital	22	22
Long-term loans receivable	43	21
Long-term guarantee deposit	1,001	1,012
Insurance funds	122	124
Deferred tax assets	49	34
Other	171	180
Allowance for doubtful accounts	(79)	(78)
Total investments and other assets	5,053	5,053
Total non-current assets	25,853	25,843
Total assets	44,694	44,673

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,813	4,932
Short-term borrowings	-	40
Current portion of long-term borrowings	925	800
Lease obligations	54	31
Accounts payable-other	1,959	1,661
Income taxes payable	173	100
Provision for bonuses	98	94
Provision for sales returns	25	19
Other	461	315
Total current liabilities	8,511	7,994
Non-current liabilities		
Long-term borrowings	1,525	3,275
Lease obligations	16	4
Retirement benefit liability	192	29
Provision for retirement benefits for directors (and other officers)	176	157
Asset retirement obligations	187	207
Deferred tax liabilities	1,122	1,251
Deferred tax liabilities for land revaluation	61	61
Other	282	288
Total non-current liabilities	3,563	5,274
Total liabilities	12,074	13,269
Net assets		
Shareholders' equity		
Share capital	3,622	3,622
Capital surplus	4,148	4,148
Retained earnings	24,131	22,725
Treasury shares	(570)	(646)
Total shareholders' equity	31,332	29,849
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953	1,231
Deferred gains or losses on hedges	110	107
Revaluation reserve for land	0	0
Foreign currency translation adjustment	(43)	(50)
Remeasurements of defined benefit plans	6	34
Total accumulated other comprehensive income	1,027	1,323
Share acquisition rights	259	231
Total net assets	32,619	31,404
Total liabilities and net assets	44,694	44,673

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

	(Millions of yen)	
	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28, 2021
Net sales	60,274	50,042
Cost of sales	48,416	39,985
Gross profit	11,857	10,057
Provision for sales returns	(1)	(6)
Gross profit - net	11,858	10,063
Selling, general and administrative expenses		
Freight and incidental costs	2,596	2,296
Advertising and promotion expenses	325	282
Salaries and allowances	4,142	4,110
Bonuses	417	411
Welfare expenses	1,050	946
Provision for bonuses	93	92
Retirement benefit expenses	158	176
Travel and transportation expenses	625	255
Communication expenses	323	279
Rent expenses	783	781
Depreciation	125	127
Other	1,318	1,321
Total selling, general and administrative expenses	11,962	11,081
Operating loss	(103)	(1,018)
Non-operating income		
Interest income	12	9
Dividend income	107	106
Subsidies for employment adjustment	-	117
Other	90	110
Total non-operating income	210	343
Non-operating expenses		
Interest expenses	73	40
Foreign exchange losses	6	25
Commission expenses	19	19
Bad debts expenses	-	8
Other	5	2
Total non-operating expenses	105	95
Ordinary profit (loss)	1	(770)
Extraordinary income		
Gain on sales of non-current assets	116	3
Gain on sales of investment securities	133	57
Total extraordinary income	250	61

	(Millions of yen)	
	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28 2021
Extraordinary losses		
Impairment loss	95	205
Loss on valuation of investment securities	64	51
Other	4	22
Total extraordinary losses	164	278
Profit (loss) before income taxes	87	(988)
Income taxes-current	155	119
Income taxes-deferred	(113)	13
Total income taxes	42	133
Profit (loss)	45	(1,121)
Profit (loss) attributable to owners of parent	45	(1,121)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28, 2021
Profit (loss)	45	(1,121)
Other comprehensive income		
Valuation difference on available-for-sale securities	(448)	278
Deferred gains or losses on hedges	0	(3)
Foreign currency translation adjustment	(21)	(6)
Remeasurements of defined benefit plans, net of tax	(38)	27
Total other comprehensive income	(509)	295
Comprehensive income	(463)	(826)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(463)	(826)

(3) Consolidated Statements of Changes in Net Assets

For the previous fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,622	4,148	24,297	(571)	31,496
Changes during period					
Dividends of surplus			(373)		(373)
Profit attributable to owners of parent			45		45
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	1	1
Reversal of revaluation reserve for land			161		161
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(165)	1	(164)
Balance at end of period	3,622	4,148	24,131	(570)	31,332

(Millions of yen)

	Accumulated other comprehensive income						Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,402	110	162	(21)	45	1,698	261	33,456
Changes during period								
Dividends of surplus								(373)
Profit attributable to owners of parent								45
Purchase of treasury shares								(0)
Disposal of treasury shares								1
Reversal of revaluation reserve for land			(161)			(161)		-
Net changes in items other than shareholders' equity	(448)	0	-	(21)	(38)	(509)	(1)	(510)
Total changes during period	(448)	0	(161)	(21)	(38)	(670)	(1)	(836)
Balance at end of period	953	110	0	(43)	6	1,027	259	32,619

For the current fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,622	4,148	24,131	(570)	31,332
Changes during period					
Dividends of surplus			(279)		(279)
Profit attributable to owners of parent			(1,121)		(1,121)
Purchase of treasury shares				(109)	(109)
Disposal of treasury shares			(4)	32	27
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,406)	(76)	(1,482)
Balance at end of period	3,622	4,148	22,725	(646)	29,849

(Millions of yen)

	Accumulated other comprehensive income						Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	953	110	0	(43)	6	1,027	259	32,619
Changes during period								
Dividends of surplus								(279)
Profit attributable to owners of parent								(1,121)
Purchase of treasury shares								(109)
Disposal of treasury shares								27
Reversal of revaluation reserve for land								-
Net changes in items other than shareholders' equity	278	(3)	-	(6)	27	295	(27)	267
Total changes during period	278	(3)	-	(6)	27	295	(27)	(1,215)
Balance at end of period	1,231	107	0	(50)	34	1,323	231	31,404

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	87	(988)
Depreciation	276	277
Impairment loss	95	205
Increase (decrease) in allowance for doubtful accounts	52	(2)
Increase (decrease) in provision for bonuses	(0)	(4)
Increase (decrease) in provision for sales returns	(1)	(6)
Increase (decrease) in retirement benefit liability	(97)	(123)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(19)
Interest and dividend income	(119)	(116)
Interest expenses	73	40
Loss (gain) on sales of investment securities	(129)	(53)
Loss (gain) on valuation of investment securities	64	51
Loss (gain) on sales of property, plant and equipment	(116)	(3)
Loss on retirement of property, plant and equipment	0	13
Decrease (increase) in trade receivables	851	1,200
Decrease (increase) in inventories	590	(483)
Increase (decrease) in trade payables	(1,760)	119
Increase (decrease) in accrued consumption taxes	178	(181)
Decrease (increase) in other assets	95	(130)
Increase (decrease) in other liabilities	451	(316)
Other, net	(0)	9
Subtotal	591	(511)
Interest and dividends received	125	115
Interest paid	(69)	(42)
Income taxes (paid) refund	227	(193)
Net cash provided by (used in) operating activities	875	(630)

	(Millions of yen)	
	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(522)	(358)
Proceeds from sales of property, plant and equipment	627	4
Purchase of intangible assets	(76)	(59)
Purchase of investment securities	(144)	(118)
Proceeds from sales of investment securities	631	444
Loan advances	(10)	-
Collection of loans receivable	5	5
Proceeds from refund of guarantee deposits	14	9
Other, net	(102)	(38)
Net cash provided by (used in) investing activities	423	(111)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	40
Proceeds from long-term borrowings	-	3,000
Repayments of long-term borrowings	(950)	(1,375)
Dividends paid	(372)	(280)
Purchase of treasury shares	(0)	(109)
Other, net	(63)	(59)
Net cash provided by (used in) financing activities	(1,386)	1,215
Effect of exchange rate change on cash and cash equivalents	(16)	(2)
Net increase (decrease) in cash and cash equivalents	(104)	471
Cash and cash equivalents at beginning of period	3,510	3,406
Cash and cash equivalents at end of period	3,406	3,877

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Important Matters that Form the Basis for Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

6 companies

Names of the principal consolidated subsidiaries:

TTC Co., Ltd., Takihyo (HONG KONG) Co., Ltd., TFC Co., Ltd., Takihyo (SHANGHAI) Co., Ltd., Takihyo Operation Plaza Co., Ltd., Takihyo Korea Co., Ltd.

TLC Co., Ltd., which was included in the scope of consolidation in the previous fiscal year, is excluded from the scope of consolidation, since the Company conducted an absorption-type merger of TLC Co., Ltd. as of June 1, 2020, in which the Company was the surviving company.

(2) There are no non-consolidated subsidiaries.

2. Scope of application of the equity method

There is no application of equity method due to the absence of non-consolidated subsidiaries and associates.

3. Fiscal year, etc. of consolidated subsidiaries

Of all the consolidated subsidiaries, Takihyo (HONG KONG) Co., Ltd. and Takihyo (SHANGHAI) Co., Ltd. close accounts on December 31 of each year. Since the difference of closing dates does not exceed three months, financial statements of these two subsidiaries are consolidated as at their own closing date, while necessary adjustment is made for the purpose of consolidation in the event of significant transactions taking place between such closing date and the consolidation date. All other consolidated subsidiaries share the same closing date as the consolidation date.

4. Accounting policies

(1) Valuation standards and methods regarding significant assets

1) Securities

Other securities:

Securities with market quotations:

Market value method based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being reported directly as a component of shareholders' equity and the cost of securities sold is calculated using the moving-average method).

Securities without market quotations:

Cost method using the moving-average method.

2) Inventories

a. Merchandise:

Stated at cost primarily using the moving-average method (Amounts shown on the balance sheets take into account declines in book values based on reduced profitability.)

b. Finished goods, work in process, and raw materials:

Stated at cost primarily using the specific cost method (Amounts shown on the balance sheets take into account declines in book values based on reduced profitability.)

- c. Supplies:
 - Stated at cost using the last-purchase-price method (Amounts shown on the balance sheets take into account declines in book values based on reduced profitability)
- 3) Derivatives
 - Stated at market value
- (2) Depreciation method for significant depreciable assets
 - 1) Property, plant and equipment (excluding leased assets)
 - Stated at declining-balance method. Service life is determined using the same standard as set out in the Corporation Tax Law, provided however that buildings (excluding auxiliary equipment) acquired on and after April 1, 1998 and auxiliary equipment and structures acquired on and after April 1, 2016, are subject to the straight-line method.
 - (Petty sum depreciable assets)
 - Assets acquired at the cost of 100,000 yen or more but less than 200,000 yen are subject to equal depreciation over three years.
 - 2) Intangible assets (excluding leased assets)
 - Stated at straight-line method. Service life is determined using the same standard as set out in the Corporation Tax Law, provided however that software (for internal use) is subject to the straight-line method over the internally available period of five or 10 years.
 - 3) Leased assets
 - Leased assets concerning non-transfer ownership finance leases:
 - Straight-line method is applied, with useful lives being lease terms and assuming that residual values would be zero.
 - 4) Long-term prepaid expenses
 - Stated at straight-line method. Service life is determined using the same standard as set out in the Corporation Tax Law.
- (3) Accounting standards for significant allowances and provisions
 - 1) Allowance for doubtful accounts
 - The Group provides for possible credit losses stemming from trade receivables and loans receivable. Estimated amounts of irrecoverable debt are calculated based on historical write-off ratio for ordinary receivables, and on a consideration of feasibly recoverable amounts in individual cases of specific debts such as doubtful accounts.
 - 2) Provision for bonuses
 - The Group provides for payments of employee bonuses based on the portion of the estimated amount of bonus payment as attributable to the current fiscal year.
 - 3) Provision for sales returns
 - To provide for losses due to return of goods, Takihyo Co., Ltd. records estimated amounts of losses in consideration of the past return ratios actually experienced.
 - 4) Provision for directors' retirement benefits
 - Takihyo Co., Ltd. provides for the payment of retirement benefits to officers based on the aggregate amount of liabilities corresponding to each officer's period in office up to May 23, 2007 (the 96th Ordinary General Meeting of Shareholders) in accordance with the relevant internal rules.
- (4) Accounting methods for retirement benefits
 - 1) Method of attributing projected retirement benefits to periods
 - In calculating benefit obligations, straight-line attribution is adopted for the purpose of attributing the projected retirement benefits to the period up to the end of the current fiscal year.
 - 2) Calculation of actuarial differences and past service costs

Actuarial differences are amortized using the straight-line method over the determined number of years (10 years) not exceeding average remaining service years of the employees at the time of their accrual in each fiscal year, from the fiscal year following the year of their accrual.

3) Adoption of the simplified method in small businesses, etc.

Certain consolidated subsidiaries adopt the simplified method, where benefit obligations are estimated at the amount of retirement benefit payments required for voluntary retirements at the end of the fiscal year, to calculate net defined benefit liability and retirement benefit expenses.

(5) Translation of significant assets and liabilities denominated in foreign currencies into yen

Monetary claims and liabilities denominated in foreign currencies have been translated into yen at the rates of exchange in effect at the fiscal year end. Translation adjustments are treated as gains or losses. Assets and liabilities as well as revenues and expenses of overseas subsidiaries, etc. have been translated into yen using the spot exchange rates in effect as of the closing dates, and the resultant translation differences are included in foreign currency translation adjustment in net assets.

(6) Significant hedge accounting

1) Hedge accounting

Deferred hedge accounting is adopted. Designation transactions are applied to foreign exchange forward contracts which conform to the requirements for designation transactions.

2) Means of hedging and hedged items

<u>Means of hedging</u>	<u>Hedged items</u>
Foreign exchange	Foreign currency-denominated
Forward contracts	monetary claims and liabilities

3) Hedging policy

The Group is primarily hedging exchange risk according to the internal control rules of the Company.

4) Methods for evaluating the effectiveness of hedges

Since all foreign exchange forward contracts are carried out on the basis of the actual demand for future transactions, with a very high likelihood of being exercised, process to evaluate the hedging effectiveness is spared.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents as stated in the consolidated statements of cash flows consist of cash in hand, readily available deposits, and any short-term liquid investments with a maturity not exceeding three months at the time of purchase whose value is not subject to significant fluctuation risk.

(8) Other significant matters for preparing consolidated financial statements

Accounting method for consumption taxes
The tax exclusion method.

(Additional Information)

(Accounting estimates with regard to COVID-19)

As it is difficult to predict when the spread of COVID-19 infections will come to an end, the Group has given consideration to the estimates based on information available. However, even after the spread of infections has come to an end for the time being, in the event of prolonged stagnation of the global economy due to a resurgence of the spread of infections, etc., there may be a significant impact on the Group's financial position, results of operations, and status of cash flows.

The Group has made accounting estimates on the assumption that the impact of the disease may remain throughout the next period.

(Segment Information)

(Segment information)

1. Outline of reportable segments

The Group's reportable segments are those constituent units within the Group for which discrete financial information is available and are regularly reviewed by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group's main line of business, centered on the Company, is the planning, manufacture and sale of apparel and textile products. In addition, the Company and one subsidiary engage in real estate rental business. The Group draws up a comprehensive strategy for each business unit to carry out its business activities.

Therefore, the Group comprises segments classified according to products and services, with "Apparel & Textiles" and "Rental Business" as two reportable segments.

The "Apparel & Textiles" segment is engaged in planning, manufacturing and selling of ladies' apparel, baby and kids' apparel, homewear, and textiles.

The "Rental Business" segment is engaged in leasing and management of real estate, and leasing of office automation equipment, etc.

2. Calculation methods for net sales, income or loss, assets, and other items by reportable segment

The accounting methods for the business segments reported are mostly the same as those described in the "Important Matters that Form the Basis for Preparing Consolidated Financial Statements."

Income by reportable segment is based on operating profit, while inter-segment revenues and transfers are based on market price.

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

For the previous fiscal year (From March 1, 2019 to February 29, 2020)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Amounts on consolidated financial statements
	Apparel & Textiles	Rental Business	Subtotal				
Net sales							
Net sales to outside customers	53,800	861	54,662	5,612	60,274	-	60,274
Inter-segment sales and transfers	-	71	71	24	96	(96)	-
Total	53,800	933	54,734	5,637	60,371	(96)	60,274
Segment income (loss)	(641)	561	(79)	(28)	(108)	5	(103)
Segment assets	25,203	18,535	43,738	1,683	45,422	(727)	44,694
Other items							
Depreciation	129	144	273	3	276	-	276
Increase in property, plant and equipment and intangible assets	165	416	581	36	617	-	617

- (Notes)
1. "Others" refers to business segments not included in the reportable segments, including sales of synthetic resins and chemical products, etc.
 2. Depreciation includes the amortization of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

3. The -¥727 million adjustment to segment assets includes elimination of inter-segment of -¥1,021 million and corporate assets of ¥293 million not allocated among reportable segments. Corporate assets consist primarily of surplus funds (investment securities) not belonging to any reportable segments.
4. The ¥5 million adjustment to segment income (loss) represents elimination of inter-segment transactions of ¥5 million, etc.
5. Segment income (loss) is adjusted with operating loss in the consolidated statements of income.

For the current fiscal year (From March 1, 2020 to February 28, 2021)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Amounts on consolidated financial statements
	Apparel & Textiles	Rental Business	Subtotal				
Net sales							
Net sales to outside customers	44,270	830	45,100	4,942	50,042	-	50,042
Inter-segment sales and transfers	0	70	70	23	94	(94)	-
Total	44,270	900	45,171	4,965	50,136	(94)	50,042
Segment income (loss)	(1,475)	541	(933)	(89)	(1,023)	4	(1,018)
Segment assets	24,880	18,556	43,437	1,355	44,792	(119)	44,673
Other items							
Depreciation	130	137	268	9	277	-	277
Increase in property, plant and equipment and intangible assets	205	186	392	79	471	-	471

- (Notes)
1. "Others" refers to business segments not included in the reportable segments, including sales of synthetic resins and chemical products and retail business that is a new business model, etc.
 2. Depreciation includes the amortization of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.
 3. The -¥119 million adjustment to segment assets includes elimination of inter-segment of -¥460 million and corporate assets of ¥341 million not allocated among reportable segments. Corporate assets consist primarily of surplus funds (investment securities) not belonging to any reportable segments.
 4. The ¥4 million adjustment to segment income (loss) represents elimination of inter-segment transactions of ¥4 million, etc.
 5. Segment income (loss) is adjusted with operating loss in the consolidated statements of income.

(Related Information)

For the previous fiscal year (From March 1, 2019 to February 29, 2020)

1. Information by product or service

This information is omitted as the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment
SHIMAMURA Co., Ltd.	17,553	Apparel & Textiles and others

For the current fiscal year (From March 1, 2020 to February 28, 2021)

1. Information by product or service

This information is omitted as the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment
SHIMAMURA Co., Ltd.	16,948	Apparel & Textiles and others

(Information regarding impairment loss on non-current assets by reportable segment)

For the previous fiscal year (From March 1, 2019 to February 29, 2020)

(Millions of yen)

	Reportable segment			Others	Corporate / elimination	Total
	Apparel & Textiles	Rental Business	Subtotal			
Impairment loss	95	-	95	-	-	95

For the current fiscal year (From March 1, 2020 to February 28, 2021)

(Millions of yen)

	Reportable segment			Others	Corporate / elimination	Total
	Apparel & Textiles	Rental Business	Subtotal			
Impairment loss	131	-	131	74	-	205

(Note) Impairment losses on non-current assets are recognized in the Apparel & Textiles segment and Others (the retail business that is a new business model).

(Per Share Information)

(Yen)

For the previous fiscal year (From March 1, 2019 to February 29, 2020)		For the current fiscal year (From March 1, 2020 to February 28, 2021)	
Net assets per share	3,469.15	Net assets per share	3,357.62
Earnings per share	4.86	Net (loss) per share	(120.36)
Diluted earnings per share	4.79	Diluted earnings per share	-

- (Notes) 1. Though dilutive shares exist, diluted earnings per share for the current fiscal year are not provided, as net loss per share was recorded.
2. The basis for calculation of net assets per share is as follows:

(Millions of yen)

	For the previous fiscal year (As of February 29, 2020)	For the current fiscal year (As of February 28, 2021)
Total net assets	32,619	31,404
Amount deducted from the total net assets	259	231
(Share acquisition rights included in the above)	(259)	(231)
Amount of net assets related to common stock as of the end of the fiscal year	32,359	31,172
Number of shares of common stock used in the calculation of net assets per share as of the end of the fiscal year (Thousands shares)	9,327	9,284

3. The basis for calculation of earnings per share or net loss per share, and diluted earnings per share is as follows:

(Millions of yen)

	For the previous fiscal year (From March 1, 2019 to February 29, 2020)	For the current fiscal year (From March 1, 2020 to February 28, 2021)
Earnings per share or net (loss) per share		
Profit (loss) attributable to owners of parent	45	(1,121)
Profit (loss) not attributable to common shareholders	-	-
Profit (loss) attributable to owners of parent related to common stock	45	(1,121)
Average number of shares of common stock outstanding during the fiscal year (Thousands shares)	9,327	9,318
Diluted earnings per share		
Increase in number of shares of common stock (Thousands shares)	144	-
(Share acquisition rights included in the above) (Thousands shares)	(144)	(-)
Summary of potential stock that were not included in the computation of diluted earnings per share since there was no effect of dilution	-	-

(Significant Subsequent Events)

Not applicable.

6. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	2,379	2,875
Notes receivable - trade	1,161	1,198
Accounts receivable - trade	9,127	8,742
Merchandise	3,210	3,806
Advance payments - trade	168	243
Prepaid expenses	154	146
Lease receivables	47	15
Other	236	429
Allowance for doubtful accounts	(5)	(12)
Total current assets	16,481	17,445
Non-current assets		
Property, plant and equipment		
Buildings	1,360	1,279
Structures	18	15
Machinery and equipment	20	14
Vehicles	0	-
Tools, furniture and fixtures	1,331	1,336
Land	15,828	15,846
Construction in progress	2	-
Total property, plant and equipment	18,562	18,491
Intangible assets		
Leasehold interests in land	10	10
Software	6	35
Other	3	2
Total intangible assets	21	48
Investments and other assets		
Investment securities	3,681	3,655
Shares of subsidiaries and associates	1,216	1,016
Investments in capital	21	21
Long-term loans receivable	43	21
Long-term retaining claims	39	75
Long-term prepaid expenses	18	25
Long-term guarantee deposit	951	1,008
Insurance funds	122	124
Other	61	58
Allowance for doubtful accounts	(39)	(75)
Total investments and other assets	6,116	5,932
Total non-current assets	24,700	24,471
Total assets	41,182	41,917

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Notes payable - trade	2,123	2,633
Accounts payable - trade	2,050	2,305
Short-term borrowings	1,133	981
Current portion of long-term borrowings	925	800
Lease obligations	8	5
Accounts payable-other	1,963	1,679
Income taxes payable	45	-
Provision for bonuses	76	76
Provision for sales returns	25	19
Other	401	243
Total current liabilities	8,752	8,743
Non-current liabilities		
Long-term borrowings	1,525	3,275
Lease obligations	4	1
Provision for retirement benefits	87	14
Provision for retirement benefits for directors (and other officers)	176	157
Asset retirement obligations	156	178
Deferred tax liabilities	1,051	1,158
Deferred tax liabilities for land revaluation	61	61
Other	228	244
Total non-current liabilities	3,292	5,091
Total liabilities	12,045	13,835
Net assets		
Shareholders' equity		
Share capital	3,622	3,622
Capital surplus		
Legal capital surplus	4,148	4,148
Total capital surpluses	4,148	4,148
Retained earnings		
Legal retained earnings	806	806
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	1,382	1,380
General reserve	15,500	15,500
Retained earnings brought forward	2,914	1,722
Total other retained earnings	19,797	18,603
Total retained earnings	20,603	19,409
Treasury shares	(570)	(646)
Total shareholders' equity	27,803	26,533
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	964	1,209
Deferred gains or losses on hedges	108	107
Revaluation reserve for land	0	0
Total valuation and translation adjustments	1,073	1,317
Share acquisition rights	259	231
Total net assets	29,137	28,082
Total liabilities and net assets	41,182	41,917

(2) Non-consolidated Statements of Income

	(Millions of yen)	
	For the previous fiscal year ended February 29, 2020	For the current fiscal year ended February 28, 2021
Net sales	54,274	47,192
Cost of sales	43,076	37,705
Gross profit	11,198	9,487
Provision for sales returns	(1)	(6)
Gross profit-net	11,199	9,493
Selling, general and administrative expenses	11,534	10,848
Operating loss	(334)	(1,354)
Non-operating income		
Interest and dividend income	112	110
Subsidies for employment adjustment	-	109
Other	75	66
Total non-operating income	188	286
Non-operating expenses		
Interest expenses	74	42
Foreign exchange losses	9	6
Commission expenses	19	19
Bad debts expenses	-	8
Other	5	2
Total non-operating expenses	109	79
Ordinary loss	(256)	(1,147)
Extraordinary income		
Gain on extinguishment of tie-in shares	-	482
Gain on sales of non-current assets	9	0
Gain on sales of investment securities	133	57
Total extraordinary income	143	540
Extraordinary losses		
Impairment loss	95	205
Loss on valuation of investment securities	64	51
Other	4	14
Total extraordinary losses	164	271
Loss before income taxes	(276)	(878)
Income taxes-current	20	20
Income taxes-deferred	(93)	10
Total income taxes	(73)	31
Loss	(203)	(909)

(3) Non-consolidated Statements of Changes in Net Assets

For the previous fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	3,622	4,148	4,148	806
Changes during period				
Dividends of surplus				
Loss				
Purchase of treasury shares				
Disposal of treasury shares				
Reversal of revaluation reserve for land				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	3,622	4,148	4,148	806

(Millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Other retained earnings			Total retained earnings		
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	1,424	15,500	3,287	21,017	(571)	28,217
Changes during period						
Dividends of surplus			(373)	(373)		(373)
Loss			(203)	(203)		(203)
Purchase of treasury shares					(0)	(0)
Disposal of treasury shares			(0)	(0)	1	1
Reversal of revaluation reserve for land			161	161		161
Reversal of reserve for tax purpose reduction entry of non-current assets	(41)		41	-		-
Net changes in items other than shareholders' equity						
Total changes during period	(41)	-	(372)	(414)	1	(413)
Balance at end of period	1,382	15,500	2,914	20,603	(570)	27,803

(Millions of yen)

	Valuation and translation adjustments				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	1,403	113	162	1,680	261	30,158
Changes during period						
Dividends of surplus						(373)
Loss						(203)
Purchase of treasury shares						(0)
Disposal of treasury shares						1
Reversal of revaluation reserve for land			(161)	(161)		-
Reversal of reserve for tax purpose reduction entry of non-current assets						-
Net changes in items other than shareholders' equity	(439)	(5)	-	(444)	(1)	(446)
Total changes during period	(439)	(5)	(161)	(606)	(1)	(1,021)
Balance at end of period	964	108	0	1,073	259	29,137

For the current fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	3,622	4,148	4,148	806
Changes during period				
Dividends of surplus				
Loss				
Purchase of treasury shares				
Disposal of treasury shares				
Reversal of revaluation reserve for land				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	3,622	4,148	4,148	806

(Millions of yen)

(millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Other retained earnings			Total retained earnings		
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	1,382	15,500	2,914	20,603	(570)	27,803
Changes during period						
Dividends of surplus			(279)	(279)		(279)
Loss			(909)	(909)		(909)
Purchase of treasury shares					(109)	(109)
Disposal of treasury shares			(4)	(4)	32	27
Reversal of revaluation reserve for land				-		
Reversal of reserve for tax purpose reduction entry of non-current assets	(1)		1	-		-
Net changes in items other than shareholders' equity						
Total changes during period	(1)	-	(1,192)	(1,193)	(76)	(1,270)
Balance at end of period	1,380	15,500	1,722	19,409	(646)	26,533

(Millions of yen)

	Valuation and translation adjustments				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	964	108	0	1,073	259	29,137
Changes during period						
Dividends of surplus						(279)
Loss						(909)
Purchase of treasury shares						(109)
Disposal of treasury shares						27
Reversal of revaluation reserve for land						-
Reversal of reserve for tax purpose reduction entry of non-current assets						-
Net changes in items other than shareholders' equity	244	(1)	-	243	(27)	215
Total changes during period	244	(1)	-	243	(27)	(1,054)
Balance at end of period	1,209	107	0	1,317	231	28,082

(4) Notes to Non-consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

7. Others

(1) Change of Officers

Not applicable.

(2) Others

Net sales by product

(Millions of yen, all fractions are rounded down to the nearest 1 million yen)

Item	The 109th fiscal year (From March 1, 2019 to February 29, 2020)		The 110th fiscal year (From March 1, 2020 to February 28, 2021)		Increase (decrease) from the previous fiscal year
	Net sales	Composition ratio	Net sales	Composition ratio	
		%		%	%
Ladies' apparel	23,495	44.7	19,633	46.3	(16.4)
Baby/Kids' apparel	12,098	23.0	10,284	24.2	(15.0)
Textile/OEM	9,040	17.2	5,736	13.5	(36.5)
Homewear	3,928	7.5	3,500	8.2	(10.9)
Men's apparel	2,820	5.4	2,306	5.4	(18.2)
Others	1,179	2.2	1,021	2.4	(13.5)
Total	52,562	100.0	42,482	100.0	(19.2)

* Sales of businesses other than Apparel & Textiles are not included.