Consolidated Financial Results
for the Fiscal Year Ended February 28, 2015
[Japanese GAAP]

March 30, 2015

Company name: Takihyo Co., Ltd.
Code number: 9982
URL: http://www.takihyo.co.jp
Stock exchange listing: Tokyo Stock Exchange (First Section), Nagoya Stock Exchange (First Section)
Representative: Kazuo Taki, CEO
Contact: Atsushi Muto, Senior Managing Director
Phone: +81-52-587-7111
Scheduled date of Ordinary General Meeting of Shareholders: May 20, 2015
Scheduled date of commencing dividend payments: May 21, 2015
Scheduled date for filing of annual securities report: May 22, 2015
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Available (for institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended February 28, 2015	77,656	(2.2)	2,247	17.0	2,402	19.5	1,060	(8.0)
Fiscal year ended February 28, 2014	79,370	6.5	1,921	(30.0)	2,010	(30.1)	1,152	(20.2)

(Note) Comprehensive income: Fiscal year ended February 28, 2015: ¥4,287 million [795.6%]
Fiscal year ended February 28, 2014: ¥478 million [(85.4)%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended February 28, 2015	22.75	22.52	3.2	4.2	2.9
Fiscal year ended February 28, 2014	24.73	24.52	3.7	3.8	2.4

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended February 28, 2015: ¥ – million
Fiscal year ended February 28, 2014: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of February 28, 2015	61,041	35,660	58.1	761.52
As of February 28, 2014	53,193	31,744	59.4	677.68

(Reference) Equity: As of February 28, 2015: ¥35,483 million
As of February 28, 2014: ¥31,595 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, 2015	3,507	(1,986)	(1,324)	3,035
Fiscal year ended February 28, 2014	(837)	446	123	2,800

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 28, 2014	–	4.00	–	4.00	8.00	372	32.3	1.2
Fiscal year ended February 28, 2015	–	4.00	–	4.00	8.00	372	35.2	1.1
Fiscal year ending February 29, 2016 (Forecast)	–	4.00	–	4.00	8.00		21.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First six months	36,800	2.1	700	21.0	800	20.1	500	12.4	10.73
Full year	79,500	2.4	2,700	20.1	2,850	18.6	1,700	60.3	36.48

***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: Yes

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 stock):

February 28, 2015	48,000,000 shares
February 28, 2014	48,000,000 shares

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

February 28, 2015	1,404,808 shares
February 28, 2014	1,377,035 shares

3) Average number of shares during the period:

Fiscal year ended February 28, 2015	46,614,678 shares
Fiscal year ended February 28, 2014	46,616,198 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended February 28, 2015	71,246	(2.0)	2,176	26.3	2,276	28.3	651	(37.1)
Fiscal year ended February 28, 2014	72,726	6.3	1,722	(26.2)	1,774	(28.6)	1,036	(18.7)

	Net income per share	Diluted net income per share
	yen	yen
Fiscal year ended February 28, 2015	13.98	13.84
Fiscal year ended February 28, 2014	22.24	22.05

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of February 28, 2015	57,292	32,264	56.0	688.66
As of February 28, 2014	49,831	28,894	57.7	616.57

(Reference) Equity: As of February 28, 2015: ¥ 32,088 million
As of February 28, 2014: ¥ 28,746 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First six months	33,900	3.2	600	13.3	670	11.8	400	25.5	8.58
Full year	73,500	3.2	2,400	10.3	2,500	9.8	1,500	130.1	32.19

* Presentation regarding the implementation status of the audit process

This summary of consolidated financial results is not subject to the audit process procedures provided by the Japanese Financial Instruments and Exchange Act. Therefore, at the time of the disclosure of these financial results, the financial statement audit process procedures based on the Act have not been completed.

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

The projections above were prepared based on available information 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 be different from the projections due to various factors.

Furthermore, for the items on the forecast of the financial results above, please refer to page 3.

1. Analyses of Results of Operations and Financial Position

(1) Analysis of Results of Operations

(Results of Operations for the current fiscal year)

During the fiscal year ended February 28, 2015, positive signs were seen in the Japanese economy, including recovery in corporate performance and rising stock prices due to monetary easing measures by the Bank of Japan, in addition to strong sales for high-priced products, an increase in so-called inbound demand from overseas tourists associated with the depreciation of yen, and a curb on infrastructure costs resulting from the lower price of crude oil in the second half of the fiscal year. Nevertheless, personal consumption, which accounts for about 60% of the economic growth rate, has not reached a full-fledged recovery, and, as a result, the real economic growth rate is expected to be negative for the fiscal 2014.

In the clothing industry, stores continued to have difficulties due to factors including the longer-than-expected impact of the consumption tax rate revision, in addition to a budget-minded tendency among consumers associated with the continued negative year-on-year status of the real wages index since July 2013, unseasonal weather conditions such as torrential rains and major typhoons, and a lack of leading trends in the market.

Furthermore, depreciation of yen progressed throughout the year, and the yen reached a seven-year low in the range of 120 yen to the U.S. dollar during the second half of the fiscal year, putting upward pressure on costs for the fiber and textile industry, which depends on overseas production for the majority of its products.

Under these circumstances, the Company made efforts to develop new production settings within inland areas of China and ASEAN countries, carry out negotiations to review sales prices, reduce distribution-related costs, and enhance the earnings structure through effective utilization of property it owns, as well as to raise the added value of products in terms of material, design, performance, etc.

As a result, consolidated performance in the fiscal year ended February 28, 2015 registered 77,656 million yen net sales (2.2% decrease from the previous fiscal year), 2,247 million yen consolidated operating income (17.0% increase from the previous fiscal year) and 2,402 million yen consolidated ordinary income (19.5% increase from the previous fiscal year).

Meanwhile, with regard to Max & Growing Co., Ltd., developer of the golf-wear brand “ZOY” that has become a subsidiary in February 2012, the Company decided to implement an absorption-type merger on December 1, 2014, after reviewing the efficiency of the management structure and the financial position from a conservative perspective. In association with this, 340 million yen was recognized on a consolidated basis through impairment accounting and recorded as an extraordinary loss. (On a non-consolidated basis, the Company recorded an extraordinary loss of 629 million yen in association with impairment accounting of the subsidiary’s shares.) As a result, consolidated net income amounted to 1,060 million yen (8.0% decrease from the previous fiscal year).

Performance by segment for the fiscal year ended February 28, 2015 was as follows.

From the fiscal year ended February 28, 2015, the Group has included the logistics business in the “Apparel & Textiles” segment. This is because the Group has adopted a policy of evaluating the performance of the logistics business as part of “Apparel & Textiles,” given that the logistics business is mainly dedicated to handling of product management, delivery operations, etc. for the Company’s apparel products. Segment information disclosed for the previous fiscal year was prepared based on the classification of reportable segments after the change.

1) Apparel & Textiles

In the Apparel & Textiles segment, babies’ and kids’ items such as Disney character products performed strongly, and there was growth in exports of cloth for famous brands in Europe and the United States, and in the OEM and ODM business for department store apparel. However, products for young ladies faced difficult conditions and, as a result, the segment registered 72,394 million yen net sales (2.9% decrease from the previous fiscal year).

2) Rental Business

The segment registered 512 million yen net sales (87.5% increase from the previous fiscal year), following effective utilization of property owned by the Company such as commencing the lease of property owned at Sakae 3-Chome, Nagoya City, to PARCO CO., LTD.

3) Others

Revenue increased in the chemical products business due to sales expansion of new products and cultivation of new customers, and sales were steady at the Komeda Coffee Shops operated by the Company as a franchisee. As a result, the segment registered 4,749 million yen net sales (5.1% increase from the previous fiscal year).

(Outlook for the next fiscal year and issues to be addressed)

Regarding the future outlook, the Japanese economy as a whole is predicted to pick up, due to expectations that the real economic growth rate will turn positive in the fiscal 2015 primarily because of robust corporate performance in addition to wage hikes and higher bonuses mainly at large companies.

Meanwhile, we believe that conditions in the clothing industry continue to make it difficult to raise the unit price of products, as clothing becomes a lower priority for consumer spending and fashions shift toward casual and basic styles. In addition, upward pressure on costs is expected to increase further as a result of the persistent trend for depreciation of yen and rising wages in emerging countries.

In light of these circumstances, the Group will work on the following five points.

The first is expanding our share of sales. As of March 1, 2015, we reorganized the sales division, setting up sales departments by sales channel in our core business of ladies' apparel, in addition to the original organization by item and by age range. In this way, the Group will apply its comprehensive capabilities to cultivating new customers and developing relationships with them in each sales channel, including department store apparel, leading specialist retailers, specialist retailers for the youth market, and mail-order businesses.

Secondly, we will increase the added value of our products. We will engage in efforts with customers starting from the materials stage of thread, cloth, etc., and work on developing products that can appeal to customers based on originality, unique features and values that go beyond prices. The Ichinomiya factory that began operations in March 2014 is also aimed at developing original materials for the Company using English model spinning machines and looms.

Thirdly, we will further enhance quality. As the first step towards that, we have launched a QC center in Dalian City, China, and will raise the stability of quality by increasing the accuracy of product inspection at a location close to the production setting and providing technical stitching guidance.

The fourth is cost-reduction initiatives. While continuing to develop a new production setting within inland areas of China and ASEAN countries, we will work on promoting efficiency of shipping from overseas and further enhancing the productivity of distribution centers.

The fifth is to bolster sales for overseas. While net sales have been firm mainly for luxury brands in Europe and the United States due to depreciation of yen, we will not limit our business to exports, but will start creating a sales base not susceptible to exchange rates by moving ahead with OEM and ODM efforts with customers overseas.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

(Assets)

Current assets increased by 5,415 million yen compared with the end of the previous fiscal year, to 31,861 million yen, due primarily to 797 million yen increase in notes and accounts receivable-trade, 849 million yen increase in merchandise and finished goods and 3,681 million yen increase in derivatives.

Non-current assets increased by 2,432 million yen compared with the end of the previous fiscal year, to 29,180 million yen, due primarily to increases of 787 million yen in buildings, 1,094 million yen in land, and

738 million yen in investment securities.

As a result, total assets increased by 7,848 million yen compared with the end of the previous fiscal year, to 61,041 million yen.

(Liabilities)

Liabilities increased by 3,932 million yen compared with the end of the previous fiscal year, to 25,381 million yen, due primarily to 1,381 million yen increase in notes and accounts payable-trade, 1,196 million yen increase in accounts payable-other and 1,584 million yen increase in deferred tax liabilities.

(Net assets)

Net assets increased by 3,915 million yen compared with the end of the previous fiscal year, to 35,660 million yen, due primarily to 687 million yen increase in retained earnings and 3,211 million yen increase in accumulated other comprehensive income.

2) Cash Flows

Cash and cash equivalents as at the end of the current fiscal year (hereinafter referred to as “fund”) increased 234 million yen (8.4%) compared with the end of the previous fiscal year, to 3,035 million yen.

(Net cash provided by operating activities)

Net cash provided by operating activities for the current fiscal year amounted to 3,507 million yen (a decrease of 837 million yen for the previous fiscal year), mainly as a result of income before income taxes and minority interests standing at 2,197 million yen along with 1,380 million yen increase in notes and accounts payable-trade.

(Net cash used in investment activities)

Net cash used in investment activities for the current fiscal year amounted to 1,986 million yen (an increase of 446 million yen for the previous fiscal year), mainly as a result of 2,953 million yen in purchase of property, plant and equipment, despite of 799 million yen proceeds from sales of property, plant and equipment.

(Net cash used in financing activities)

Net cash used in financing activities for the current fiscal year amounted to 1,324 million yen (an increase of 123 million yen for the previous fiscal year), mainly as a result of cash dividends paid and repayment of loans payable.

(Reference) Indicators relative to cash flows

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Equity ratio (%)	59.4	58.1
Equity ratio on a market value basis (%)	35.6	34.3
Interest-bearing debt/cash flow ratio (years)	—	3.6
Interest coverage ratio (multiple)	—	31.3

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 stock).
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 fiscal year ended February 28, 2014 are left blank because cash flows from operating activities are negative.

(3) 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, we are planning to pay a dividend of 4 yen per share at the end of the current fiscal year. Therefore, when combined with an interim dividend of 4 yen per share, the annual dividend becomes 8 yen per share for the current fiscal year. In the next fiscal year, we plan to pay an interim dividend of 4 yen per share and a year-end dividend of 4 yen per share, making the annual dividend 8 yen per share.

(4) Risks Related to Business

The following is information regarding risks associated with the Group’s business activities.

Forward-looking statements contained herein are based on the Group’s best judgment as of the end of the current fiscal year.

1) Risks associated with changes in consumers’ taste

Clothing provided by the Group are prone to be influenced by external factors including changes in fashion trends, impact on consumer confidence from economic conditions and pressure on sales prices due to competition. Under these circumstances, the Group is striving to develop well-marketable products by enhancing the effectiveness of the planning process through more relevant analysis and accurate information, while reducing the manufacturing cycle. However, the Group’s performance could still be affected by tougher competition or by the Group’s failure to implement adequate merchandise policies to meet unexpected changes in market trends.

2) Risks associated with foreign exchange

Products manufactured overseas represent a high proportion of the Group’s purchase amount, which is settled largely in USD. For the purpose of hedging exchange risk, we use forward exchange contracts on the scale not beyond actual demand based on quarterly estimations of purchase amounts. However, the Group’s performance could be affected by unexpected fluctuations in the exchange rate.

3) Risks associated with places of production

The Group is highly dependent on production facilities in Asia, including China and South Korea. Thus, the Group’s performance could be affected in the event of disruption in the procurement of merchandise due to developments in those countries including unexpected change in laws and regulations, unforeseen turnaround in political regime or economic policy, national or regional disturbance due to acts of terrorism, war, natural disasters and other developments, and epidemic breakout with significant impact.

4) Risks associated with customers

i) Sales dependency

The group's five largest customers account for roughly 41% of the Group's sales. Our major sales policy is to attract new distribution customers while taking care at all times to reinforce close relationships with the main existing customers. However, the Group's performance could be affected by interruptions or disturbances to the continuing business transactions with existing customers due to unforeseen developments including changes in their management policies.

ii) Creditworthiness

The Group is selling its products to a range of customers including retailers such as volume retailers, specialist retailers, mail-order businesses, department stores and wholesale distributors of clothing products. Although the Group is making the best efforts to ensure protection of its receivables accounts by exercising thoroughgoing credit control over these customers according to relevant internal rules, its performance could be affected by bad debt losses or decline in sales due to unforeseen business failures of customers.

5) Risks associated with weather

The Group's main products, such as ladies' clothes, are composed predominantly of seasonal products. Thus the Group's performance could be affected by disappointing sales of them due to undesirable weather such as a cold summer and mild winter.

6) Risks associated with personal data

The Group has arranged an internal security control system for the protection of personal data involving use and control thereof. However, the Group's performance could be affected by external leakage of such protected data due to unexpected circumstances, resulting in deterioration of the Group's social credibility or give rise to liability in damages.

7) Risks associated with new businesses

To enhance its corporate value, the Group engages in business investment such as development of new business models and brands, flexibly adapting to customers' situations and changes in the market, on the basis of adequate research and development activities beforehand. However, the Group's performance could be affected if business activities in line with such investments would not make progress as originally scheduled due to changes in the market environment.

8) Risks associated with quality control

The Group is enforcing quality control over its products according to rigorous quality standards established under its control system. However, the Group's performance could be affected, in the event of an accident involving its products due to unexpected circumstances originating from the Group or its suppliers, consequently degrading the Group's corporate/brand image, or giving rise to liability in damages.

The Group's performance could also be affected, in the event of an interruption to business transactions with its main customers due to quality issues of the products supplied.

9) Risks associated with licensing agreements

As the Group benefits from licensing from various companies, its performance could be affected in the event of termination or cancellation of the licensing agreements or major changes in the terms and conditions thereof.

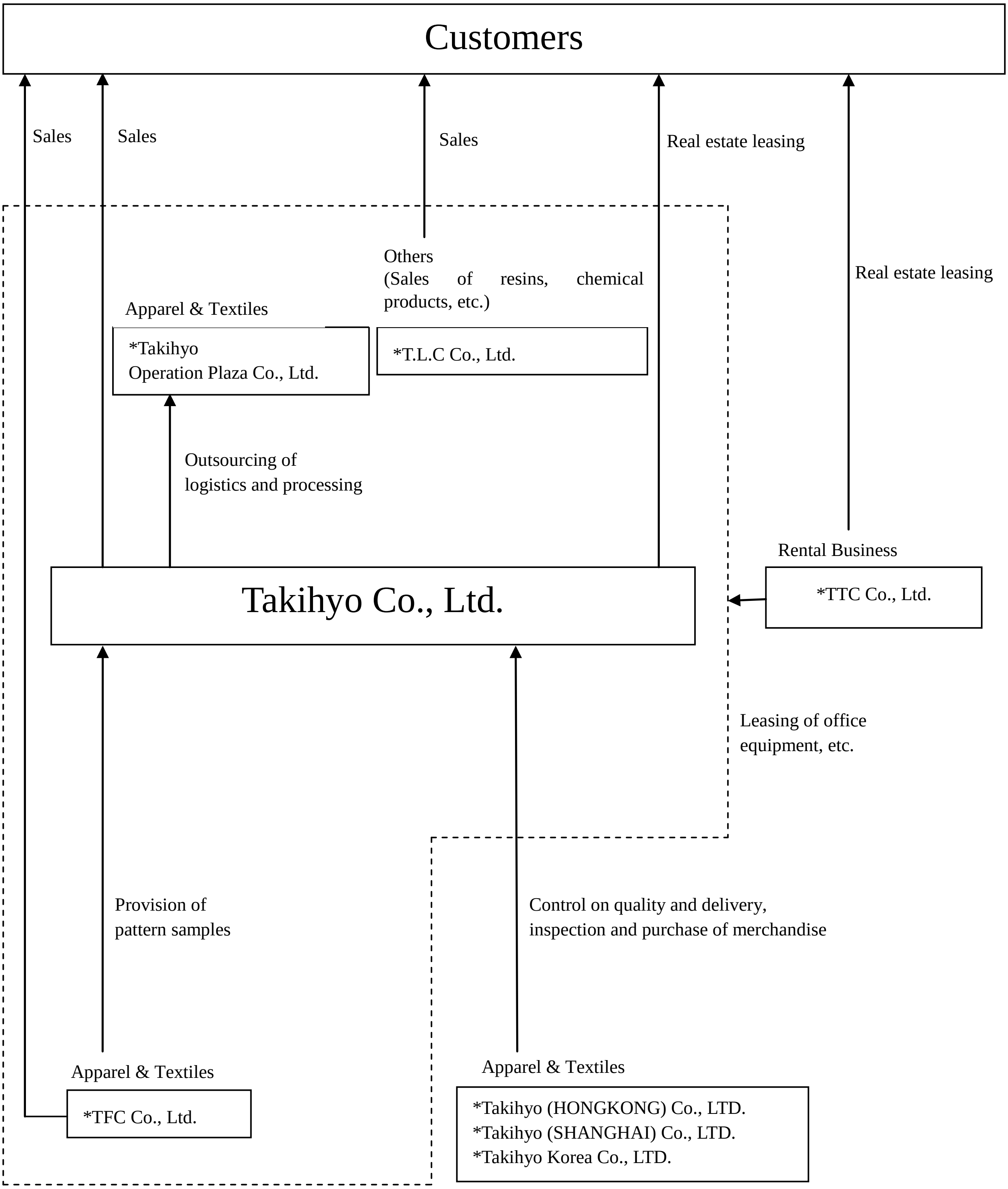
2. Consolidated Group

The Group comprises the Company and seven 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' 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 Apparel 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.
Others	T.L.C Co., Ltd. engages in sales of products including resins and chemical products, and in the operation of "Komeda Coffee Shop" as a franchisee.

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



(Notes) 1. * indicates consolidated subsidiaries.
2. Max & Growing Co., Ltd. conducted an absorption-type merger on December 1, 2014, whereby the Company is the surviving company.

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 income and cash flows as the two critical management benchmarks that demonstrate the strength of its core businesses.

(3) Medium- to long-term Management Strategy

A new company-wide policy called "Global Challenge ~Change and Advance~" was developed and presented on the occasion of the Company's 260th anniversary.

As part of an implementation of this strategy, as of March 1, 2015, we reorganized the sales division, setting up sales departments by sales channel in our core business of ladies' apparel, in addition to the original organization by item and by age range with a view to appropriately adapt to changes of the times and market. In this way, the Group will apply its comprehensive capabilities to cultivating new customers and developing relationships with them in each sales channel. Additionally, we are going to explore opportunities to provide universally marketable merchandise to the global markets i.e. Asia, Europe, and the United States, while reflecting on our current status which excessively depends on the domestic market.

(4) Issues to be Addressed of the Company

As stated in 1. Analyses of Results of Operations and Financial Position (1) Analysis of Results of Operations (Outlook for the next fiscal year and issues to be addressed) by the Company on page 7.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	2,917	3,167
Notes and accounts receivable-trade	17,334	18,131
Merchandise and finished goods	4,099	4,948
Work in process	37	25
Raw materials and supplies	14	27
Deferred tax assets	22	42
Derivatives	1,222	4,904
Other	810	626
Allowance for doubtful accounts	(13)	(12)
Total current assets	26,445	31,861
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,669	4,539
Accumulated depreciation	(1,953)	(2,007)
Buildings and structures, net	1,715	2,531
Machinery, equipment and vehicles	176	201
Accumulated depreciation	(108)	(132)
Machinery, equipment and vehicles, net	67	69
Tools, equipment and fixtures	1,692	1,834
Accumulated depreciation	(377)	(423)
Tools, equipment and fixtures, net	1,315	1,411
Land	17,656	18,751
Lease assets	86	83
Accumulated depreciation	(53)	(68)
Lease assets, net	32	15
Construction in progress	1	-
Total property, plant and equipment	20,788	22,779
Intangible assets	441	97
Investments and other assets		
Investment securities	4,269	5,008
Investments in capital	22	22
Long-term loans receivable	52	60
Long-term guarantee deposit	798	783
Deferred tax assets	85	76
Insurance funds	122	118
Other	273	280
Allowance for doubtful accounts	(106)	(47)
Total investments and other assets	5,518	6,303
Total non-current assets	26,748	29,180
Total assets	53,193	61,041

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,974	11,356
Short-term loans payable	1,780	1,740
Current portion of long-term loans payable	900	2,025
Lease obligations	29	26
Accounts payable-other	1,982	3,179
Income taxes payable	205	708
Deferred tax liabilities	371	1,631
Provision for bonuses	117	112
Provision for sales returns	37	38
Other	318	417
Total current liabilities	15,717	21,235
Non-current liabilities		
Long-term loans payable	3,825	1,800
Long-term accounts payable-other	7	4
Lease obligations	38	11
Deferred tax liabilities	758	1,084
Long-term guarantee deposited	224	335
Provision for retirement benefits	433	-
Provision for directors' retirement benefits	176	176
Net defined benefit liability	-	450
Asset retirement obligations	114	130
Deferred tax liabilities for land revaluation	153	153
Total non-current liabilities	5,732	4,146
Total liabilities	21,449	25,381
Net assets		
Shareholders' equity		
Capital stock	3,622	3,622
Capital surplus	4,148	4,148
Retained earnings	22,727	23,414
Treasury stock	(577)	(588)
Total shareholders' equity	29,921	30,597
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	751	1,449
Deferred gains or losses on hedges	763	3,210
Revaluation reserve for land	142	141
Foreign currency translation adjustment	16	99
Remeasurements of defined benefit plans	-	(14)
Total accumulated other comprehensive income	1,674	4,886
Subscription rights to shares	148	176
Total net assets	31,744	35,660
Total liabilities and net assets	53,193	61,041

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Net sales	79,370	77,656
Cost of sales	63,362	61,750
Gross profit	16,008	15,905
Provision for sales returns	(7)	1
Gross profit-net	16,015	15,904
Selling, general and administrative expenses		
Freightage related expenses	3,693	3,343
Advertising and promotion expenses	478	404
Salaries and allowances	4,660	4,560
Bonuses	580	506
Share-based compensation expenses	33	27
Welfare expenses	1,036	1,065
Provision for bonuses	110	105
Retirement benefit expenses	432	459
Traveling and transportation expenses	650	649
Communication expenses	352	352
Rent expenses	757	749
Depreciation	187	196
Other	1,119	1,236
Total selling, general and administrative expenses	14,093	13,657
Operating income	1,921	2,247
Non-operating income		
Interest income	38	38
Dividends income	75	78
Boarding fee income	29	31
Subsidy income	53	53
Other	72	108
Total non-operating income	270	310
Non-operating expenses		
Interest expenses paid	137	113
Commission fee	21	26
Other	23	14
Total non-operating expenses	182	154
Ordinary income	2,010	2,402
Extraordinary income		
Gain on sales of investment securities	101	-
Gain on sales of non-current assets	0	183
Total extraordinary income	102	183

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Extraordinary loss		
Loss on valuation of investment securities	26	0
Loss on sales of non-current assets	37	14
Loss on retirement of non-current assets	23	23
Impairment Loss	-	340
Other	16	9
Total extraordinary loss	104	389
Income before income taxes	2,007	2,197
Income taxes-current	704	1,022
Income taxes-deferred	150	113
Total income taxes	854	1,136
Income before minority interests	1,152	1,060
Net income	1,152	1,060

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Income before minority interests	1,152	1,060
Other comprehensive income		
Valuation difference on available-for-sale securities	293	697
Deferred gains or losses on hedges	(1,067)	2,446
Revaluation reserve for land	-	(0)
Foreign currency translation adjustment	99	83
Total other comprehensive income	(674)	3,226
Comprehensive income	478	4,287
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	478	4,287

(3) Consolidated Statements of Changes in Net Assets

For the previous fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	3,622	4,148	21,911	(601)	29,080
Changes of items during the period					
Dividends from surplus			(372)		(372)
Net income			1,152		1,152
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock			(3)	26	23
Reversal of revaluation reserve for land			39		39
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	815	24	840
Balance at the end of the current period	3,622	4,148	22,727	(577)	29,921

(Millions of yen)

	Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Differed gains or losses on hedges	Revaluation reserve for land	Foreign currency transaction adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the current period	457	1,831	181	(83)	—	2,387	137	31,606
Changes of items during the period								
Dividends from surplus								(372)
Net income								1,152
Purchase of treasury stock								(2)
Disposal of treasury stock								23
Reversal of revaluation reserve for land			(39)			(39)		—
Net changes of items other than shareholders' equity	293	(1,067)		99	—	(674)	10	(663)
Total changes of items during the period	293	(1,067)	(39)	99	—	(713)	10	137
Balance at the end of the current period	751	763	142	16	—	1,674	148	31,744

For the current fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	3,622	4,148	22,727	(577)	29,921
Changes of items during the period					
Dividends from surplus			(372)		(372)
Net income			1,060		1,060
Purchase of treasury stock				(11)	(11)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	687	(11)	676
Balance at the end of the current period	3,622	4,148	23,414	(588)	30,597

(Millions of yen)

	Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Differed gains or losses on hedges	Revaluation reserve for land	Foreign currency transaction adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the current period	751	763	142	16	—	1,674	148	31,744
Changes of items during the period								
Dividends from surplus								(372)
Net income								1,060
Purchase of treasury stock								(11)
Net changes of items other than shareholders' equity	697	2,446	(0)	83	(14)	3,211	27	3,239
Total changes of items during the period	697	2,446	(0)	83	(14)	3,211	27	3,915
Balance at the end of the current period	1,449	3,210	141	99	(14)	4,886	176	35,660

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	2,007	2,197
Depreciation and amortization	296	348
Impairment loss	-	340
Amortization of goodwill	43	32
Increase (decrease) in allowance for doubtful accounts	(38)	(59)
Increase (decrease) in provision for bonuses	(9)	(5)
Increase (decrease) in provision for sales returns	(7)	1
Increase (decrease) in provision for retirement benefits	(25)	(434)
Increase (decrease) in provision for directors' retirement benefits	(14)	-
Increase (decrease) in defined benefit liability	-	427
Interest and dividends income	(114)	(116)
Interest expenses paid	137	113
Loss (gain) on sales of investment securities	(99)	-
Loss (gain) on valuation of investment securities	26	0
Loss (gain) on redemption of investment securities	-	7
Loss (gain) on sales of property, plant and equipment	37	(168)
Loss on retirement of property, plant and equipment	23	23
Decrease (increase) in notes and accounts receivable-trade	(1,682)	(778)
Decrease (increase) in inventories	(200)	(848)
Increase (decrease) in notes and accounts payable-trade	286	1,380
Increase (decrease) in accrued consumption taxes	(8)	145
Decrease (increase) in other assets	(287)	188
Increase (decrease) in other liabilities	125	1,237
Other, net	33	7
Subtotal	528	4,038
Interest and dividends income received	123	102
Interest expenses paid	(136)	(111)
Income taxes paid	(1,352)	(521)
Net cash provided by (used in) operating activities	(837)	3,507

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Net cash provided by (used in) investment activities		
Payments into time deposits	(136)	(132)
Proceeds from withdrawal of time deposits	156	132
Purchase of property, plant and equipment	(407)	(2,953)
Proceeds from sales of property, plant and equipment	69	799
Purchase of investment securities	(114)	(2)
Proceeds from sales of investment securities	271	-
Proceeds from redemption of investment securities	512	124
Payments of loans receivable	(12)	(30)
Collection of loans receivable	34	34
Collection of investments in capital	0	-
Proceeds from collection of guarantee deposits	76	43
Other, net	(4)	(2)
Net cash provided by (used in) investment activities	446	(1,986)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,500	(40)
Repayment of long-term loans payable	(1,000)	(900)
Cash dividends paid	(373)	(373)
Purchase of treasury stock	(2)	(11)
Other, net	0	-
Net cash provided by (used in) financing activities	123	(1,324)
Effect of exchange rate change on cash and cash equivalents	48	39
Net increase (decrease) in cash and cash equivalents	(218)	234
Cash and cash equivalents at beginning of period	3,018	2,800
Cash and cash equivalents at end of period	2,800	3,035

(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:

7 companies

Names of the principal consolidated subsidiaries:

TTC Co., Ltd., T.L.C. Co., Ltd., Max & Growing Co., Ltd., Takihyo (HONGKONG) Co., LTD., TFC Co., Ltd., Takihyo (SHANGHAI) Co., LTD., Takihyo Operation Plaza Co., Ltd., Takihyo Korea Co., LTD.

Max & Growing Co., Ltd., which was included in the scope of consolidation during the previous fiscal year, is excluded from the scope of consolidation as it conducted an absorption-type merger on December 1, 2014 whereby the Company is 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 affiliates.

3. Fiscal year, etc. of consolidated subsidiaries

Of all the consolidated subsidiaries, Takihyo (HONGKONG) 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 standards

(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

(2) Depreciation method for significant depreciable assets

1) Property, plant and equipment (excluding lease 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, 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 lease 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 years.

3) Lease assets

Lease 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 notes and accounts receivable-trade 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

Past service costs are charged to expenses, 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.

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 hedging items

Means of hedging	Hedging items
Foreign exchange forward contracts	Foreign currency-denominated 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) Amortization method and amortization period of goodwill

Goodwill is subject to equal amortization over ten years.

(8) 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.

(9) Other significant matters for preparing consolidated financial statements

Accounting method for consumption taxes

The tax exclusion method.

(Changes in Accounting Policies)

Effective from the end of the current fiscal year, the Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; hereinafter refer to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter refer to as the “Guidance on Retirement Benefits”). (However, provisions stated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Guidance on Retirement Benefits are excluded.) Under the new standards, the Company has changed to a new method in which plan assets are deducted from benefit obligations and the resultant amount is stated as net defined benefit liability, and unrecognized actuarial differences and unrecognized past service costs were recorded as net defined benefit liability.

The Retirement Benefits Accounting Standard, etc. are applied transitionally as prescribed in Paragraph 37 of the Retirement Benefits Accounting Standard. As of the end of the current fiscal year, the effect of the change in accounting policies is added to or deducted from remeasurements of defined benefit plans under accumulated other comprehensive income.

As a result, 450 million yen in net defined benefit liability was recorded at the end of the current fiscal year. In addition, accumulated other comprehensive income decreased by 14 million yen.

The effect on per share information is stated in the relevant section.

(Segment Information)

1. Outline of reportable segments

The Company’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 Company 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, homeware, 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 income, 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, 2013 to February 28, 2014)

(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	74,579	273	74,853	4,517	79,370	—	79,370
Inter-segment sales and transfers	10	111	122	85	208	(208)	—
Total	74,590	385	74,975	4,603	79,578	(208)	79,370
Segment income	1,802	131	1,934	(19)	1,915	6	1,921
Segment assets	35,645	16,117	51,762	1,567	53,330	(136)	53,193
Other items							
Depreciation	177	100	278	17	295	1	296
Amortized goodwill	43	—	43	—	43	—	43
Increase in property, plant and equipment and intangible assets	218	102	320	60	380	—	380

(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 -136 million yen adjustment to segment assets includes elimination of inter-segment of -1,228 million yen and corporate assets of 1,091 million yen not allocated among reportable segments. Corporate assets consist primarily of surplus funds (investment securities) not belonging to any reportable segment.
4. The 6 million yen adjustment to segment income represents elimination of inter-segment transactions of 6 million yen, etc.
5. Segment income is adjusted with operating income in the consolidated statements of income.

For the current fiscal year (From March 1, 2014 to February 28, 2015)

(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	72,394	512	72,906	4,749	77,656	—	77,656
Inter-segment sales and transfers	19	115	135	60	195	(195)	—
Total	72,414	627	73,041	4,810	77,852	(195)	77,656
Segment income	1,980	278	2,258	(15)	2,243	3	2,247
Segment assets	41,706	17,854	59,560	1,519	61,080	(38)	61,041
Other items							
Depreciation	187	138	326	20	347	1	348
Amortized goodwill	32	—	32	—	—	—	32
Increase in property, plant and equipment and intangible assets	423	2,622	3,045	32	3,078	—	3,078

(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 -38 million yen adjustment to segment assets includes elimination of inter-segment of -1,173 million yen and corporate assets of 1,134 million yen not allocated among reportable segments. Corporate assets consist primarily of surplus funds (investment securities) not belonging to any reportable segment.
4. The 3 million yen adjustment to segment income represents elimination of inter-segment transactions of 3 million yen, etc.
5. Segment income is adjusted with operating income in the consolidated statements of income.

4. Changes in reportable segments, etc.

From the fiscal year ended February 28, 2015, the Group has included the logistics business in the "Apparel & Textiles" segment. This is because the Group has adopted a policy of evaluating the performance of the logistics business as part of "Apparel & Textiles," given that the logistics business is mainly dedicated to handling of product management, delivery operations, etc. for the Company's apparel products.

Segment information disclosed for the previous fiscal year was prepared based on the classification of reportable segments after the change.

(Related Information)

For the previous fiscal year (From March 1, 2013 to February 28, 2014)

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.	21,319	Apparel & Textiles and others

For the current fiscal year (From March 1, 2014 to February 28, 2015)

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.	20,341	Apparel & Textiles and others

(Information regarding impairment loss on noncurrent assets by reportable segment)
For the previous fiscal year (From March 1, 2013 to February 28, 2014)
Not applicable.

For the current fiscal year (From March 1, 2014 to February 28, 2015)
(Significant impairment loss concerning non-current assets)
In the Apparel & Textiles segment, impairment loss on non-current assets was recorded. The amount of this impairment loss recorded for the current fiscal year was 340 million yen (including 312 million yen of impairment loss on goodwill).

(Information regarding amortized goodwill and the balance of unamortized goodwill by reportable segment)
For the previous fiscal year (From March 1, 2013 to February 28, 2014)

(Millions of yen)

	Reportable segment			Others	Corporate / elimination	Total
	Apparel & Textiles	Rental Business	Subtotal			
Balance at the end of the current fiscal year	344	–	344	–	–	344

(Note) Amortized goodwill is omitted as same information is disclosed in the segment information.

For the current fiscal year (From March 1, 2014 to February 28, 2015)
Amortized goodwill is omitted as same information is disclosed in the segment information. In addition, there is no balance of unamortized goodwill.

(Per Share Information)

For the previous fiscal year (From March 1, 2013 to February 28, 2014)		For the current fiscal year (From March 1, 2014 to February 28, 2015)	
Net assets per share	677.68 yen	Net assets per share	761.52 yen
Net income per share	24.73 yen	Net income per share	22.75 yen
Diluted net income per share	24.52 yen	Diluted net income per share	22.52 yen

(Notes) 1. As stated in "Changes in Accounting Policies," the Retirement Benefits Accounting Standard, etc. are applied transitionally as prescribed in Paragraph 37 of the Retirement Benefits Accounting Standard.
As a result, net assets per share for the current fiscal year decreased by 0.32 yen.
2. The basis for calculation of net assets per share is as follows:

(Millions of yen)

	For the previous fiscal year (As of February 28, 2014)	For the current fiscal year (As of February 28, 2015)
Total net assets	31,744	35,660
Amount deducted from the total net assets	148	176
(Subscription rights to shares included in the above)	(148)	(176)
Amount of net assets related to common stock as of the end of the fiscal year	31,595	35,483
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)	46,622	46,595

3. The basis for calculation of net income per share and diluted net income per share is as follows:

(Millions of yen)	For the previous fiscal year (From March 1, 2013 to February 28, 2014)	For the current fiscal year (From March 1, 2014 to February 28, 2015)
Net income per share		
Net income	1,152	1,060
Net income not attributable to common shareholders	—	—
Net income related to common stock	1,152	1,060
Average number of shares of common stock outstanding during the fiscal year (Thousands shares)	46,616	46,614
Diluted net income per share		
Increase in number of shares of common stock (Thousands shares)	402	483
(Subscription rights to shares included in the above) (Thousands shares)	(402)	(483)
Summary of diluted securities that were not included in the computation of net income per share since there was no effect of dilution	—	—

(Significant Subsequent Events)

Not applicable.

(Omission of Disclosure)

Disclosure of notes relating to the following items is omitted, as considered to be no great necessity for disclosing such items for Consolidated Financial Results: Notes to consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows, and notes to lease transactions, transactions with relevant parties, tax effect accountings, financial instruments, investment securities, derivatives transactions, retirement benefits, asset retirement obligations, real estate properties, stock options and business combinations.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	2,132	2,190
Notes receivable-trade	1,174	1,006
Accounts receivable-trade	14,731	15,993
Merchandise	3,799	4,761
Advance payments-trade	102	132
Prepaid expenses	119	124
Derivatives	1,219	4,894
Other	614	237
Allowance for doubtful accounts	(12)	(11)
Total current assets	23,881	29,328
Non-current assets		
Property, plant and equipment		
Buildings	1,054	1,584
Structures	13	44
Machinery and equipment	25	20
Vehicles	2	1
Tools, equipment and fixtures	1,097	1,190
Land	16,992	18,095
Lease assets	101	68
Construction in progress	1	-
Total property, plant and equipment	19,288	21,006
Intangible assets		
Leasehold right	10	10
Right of trademark	38	22
Software	20	25
Lease assets	23	14
Other	15	19
Total intangible assets	109	92

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Investments and other assets		
Investment securities	3,764	4,532
Stocks of subsidiaries and affiliates	1,758	1,216
Investments in capital	22	22
Long-term loans receivable	52	60
Long-term retaining claims	19	42
Long-term prepaid expenses	15	23
Long-term guarantee deposit	682	693
Insurance funds	122	118
Other	129	192
Allowance for doubtful accounts	(14)	(37)
Total investments and other assets	6,552	6,865
Total non-current assets	25,949	27,964
Total assets	49,831	57,292
Liabilities		
Current liabilities		
Foreign notes payable-trade	6,958	6,960
Accounts payable-trade	2,379	3,769
Short-term loans payable	2,133	2,362
Current portion of long-term loans payable	900	2,025
Lease obligations	34	32
Accounts payable-other	1,984	3,214
Income taxes payable	179	584
Deferred tax liabilities	373	1,631
Provision for bonuses	89	86
Provision for sales returns	37	38
Other	250	326
Total current liabilities	15,319	21,031
Non-current liabilities		
Long-term loans payable	3,975	1,950
Long-term accounts payable-other	7	4
Lease obligations	62	30
Deferred tax liabilities	725	1,042
Long-term guarantee deposited	208	303
Provision for retirement benefits	252	257
Provision for directors' retirement benefits	176	176
Asset retirement obligations	55	78
Deferred tax liabilities for land revaluation	153	153
Total non-current liabilities	5,617	3,996
Total liabilities	20,936	25,027

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Net assets		
Shareholders' equity		
Capital stock	3,622	3,622
Capital surplus		
Legal capital surplus	4,148	4,148
Total capital surplus	4,148	4,148
Retained earnings		
Legal retained earnings	806	806
Other retained earnings		
Reserve for advanced depreciation of non-current assets	999	993
General reserve	15,500	15,500
Retained earnings brought forward	2,542	2,826
Other retained earnings	19,041	19,320
Total retained earnings	19,847	20,126
Treasury stock	(577)	(588)
Total shareholders' equity	27,041	27,308
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	800	1,433
Deferred gains or losses on hedges	762	3,203
Revaluation reserve for land	142	141
Total valuation and translation adjustments	1,704	4,779
Subscription rights to shares	148	176
Total net assets	28,894	32,264
Total liabilities and net assets	49,831	57,292

(2) Non-consolidated Statements of Income

(Millions of yen)

	For the previous fiscal year ended February 28, 2014	For the current fiscal year ended February 28, 2015
Net sales	72,726	71,246
Cost of sales	57,882	56,312
Gross profit	14,844	14,933
Provision for sales returns	(7)	1
Gross profit-net	14,851	14,932
Selling, general and administrative expenses	13,128	12,756
Operating income	1,722	2,176
Non-operating income		
Interest and dividends income	85	89
Subsidy income	53	53
Other	85	111
Total non-operating income	224	255
Non-operating expenses		
Interest expenses paid	142	120
Other	30	34
Total non-operating expenses	173	155
Ordinary income	1,774	2,276
Extraordinary income		
Gain on sales of investment securities	101	-
Total extraordinary income	101	-
Extraordinary loss		
Loss on extinguishment of tie-in shares	-	629
Loss on sales of non-current assets	37	-
Loss on redemption of non-current assets	23	16
Other	43	8
Total extraordinary loss	104	654
Income before income taxes	1,771	1,621
Income taxes-current	603	853
Income taxes-deferred	131	116
Total income taxes	734	969
Net income	1,036	651

(3) Non-consolidated Statements of Changes in Net Assets
For the previous fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of the current period	3,622	4,148	4,148	806
Changes of items during the period				
Dividends from surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock				
Reversal of reserve for advanced depreciation of non-current assets				
Reversal of revaluation reserve for land				
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	—	—	—
Balance at the end of the current period	3,622	4,148	4,148	806

(Millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Other retained earnings			Total retained earnings		
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
Balance at the beginning of the current period	1,003	15,500	1,838	19,148	(601)	26,317
Changes of items during the period						
Dividends from surplus			(372)	(372)		(372)
Net income			1,036	1,036		1,036
Purchase of treasury stock					(2)	(2)
Disposal of treasury stock			(3)	(3)	26	23
Reversal of reserve for advanced depreciation of non-current assets	(4)		4	—		—
Reversal of revaluation reserve for land			39	39		39
Net changes of items other than shareholders' equity						
Total changes of items during the period	(4)	—	704	699	24	723
Balance at the end of the current period	999	15,500	2,542	19,847	(577)	27,041

(Millions of yen)

	Valuation and translation adjustments				Subscription rights to shares	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 the beginning of the current period	561	1,826	181	2,569	137	29,025
Changes of items during the period						
Dividends from surplus						(372)
Net income						1,036
Purchase of treasury stock						(2)
Disposal of treasury stock						23
Reversal of reserve for advanced depreciation of non-current assets						—
Reversal of revaluation reserve for land			(39)	(39)		—
Net changes of items other than shareholders' equity	238	(1,064)		(825)	10	(814)
Total changes of items during the period	238	(1,064)	(39)	(865)	10	(130)
Balance at the end of the current period	800	762	142	1,704	148	28,894

For the current fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at the beginning of the current period	3,622	4,148	4,148	806
Changes of items during the period				
Dividends from surplus				
Net income				
Purchase of treasury stock				
Reversal of reserve for advanced depreciation of non-current assets				
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	—	—	—
Balance at the end of the current period	3,622	4,148	4,148	806

(Millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Other retained earnings			Total retained earnings		
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
Balance at the beginning of the current period	999	15,500	2,542	19,847	(577)	27,041
Changes of items during the period						
Dividends from surplus			(372)	(372)		(372)
Net income			651	651		651
Purchase of treasury stock					(11)	(11)
Reversal of reserve for advanced depreciation of non-current assets	(5)		5	—		—
Net changes of items other than shareholders' equity						
Total changes of items during the period	(5)	—	284	278	(11)	267
Balance at the end of the current period	993	15,500	2,826	20,126	(588)	27,308

(Millions of yen)

	Valuation and translation adjustments				Subscription rights to shares	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 the beginning of the current period	800	762	142	1,704	148	28,894
Changes of items during the period						
Dividends from surplus						(372)
Net income						651
Purchase of treasury stock						(11)
Reversal of reserve for advanced depreciation of non-current assets						—
Net changes of items other than shareholders' equity	633	2,441	(0)	3,074	27	3,102
Total changes of items during the period	633	2,441	(0)	3,074	27	3,369
Balance at the end of the current period	1,433	3,203	141	4,779	176	32,264

(4) Notes to Non-consolidated Financial Statement
(Notes on Going Concern Assumption)
Not applicable.

6. Others
(1) Change of Officers
1) Change of representatives
Not applicable.

2) Change of other 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 103rd fiscal year (From March 1, 2013 to February 28, 2014)		The 104th fiscal year (From March 1, 2014 to February 28, 2015)		Increase (decrease) from the previous fiscal year
	Net sales	Composition ratio	Net sales	Composition ratio	
		%		%	%
Ladies' apparel	41,465	57.1	40,155	56.7	(3.2)
Baby/ Kids' apparel	11,684	16.1	12,088	17.1	3.5
Homeware	5,483	7.6	4,552	6.4	(17.0)
Textile/ OEM	10,942	15.1	11,242	15.9	2.7
Others	2,942	4.2	2,759	3.9	(6.2)
Total	72,516	100.0	70,796	100.0	(2.4)

* Sales of rental business are not included.