

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)  
NINE-MONTH PERIOD OF THE FISCAL YEAR ENDING  
FEBRUARY 28, 2015  
(March 1, 2014 to November 30, 2014)**

January 7, 2015

YONDOSHI HOLDINGS INC. is listed on the First Section of the Tokyo Stock Exchange under the securities code number 8008.

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Dividend payment commencement date (planned): —

(Millions of yen rounded down)

**1. Consolidated Operating Results for Nine-Month Period of Fiscal 2014  
(March 1, 2014 to November 30, 2014)**

**(1) Consolidated Operating Results (Cumulative)**

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014 Nine-Month Period	35,910	4.2	3,304	10.6	3,810	8.1	2,288	14.2
FY2013 Nine-Month Period	35,459	0.3	2,987	5.3	3,525	9.3	2,004	36.9

Note: Comprehensive income 3Q FY2014: 2,712 million yen (8.7%) 3Q FY2013: 2,494 million yen (78.9%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2014 Nine-Month Period	84.39	84.24
FY2013 Nine-Month Period	73.33	73.23

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
November 30, 2014	59,666	44,015	73.7	1,655.73
February 28, 2014	58,478	44,136	75.4	1,609.45

(Reference)

Shareholders' equity: November 30, 2014: 43,981 million yen

February 28, 2014: 44,116 million yen

**2. Dividends**

(Record Date)	Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	—	12.50	—	17.50	30.00
Fiscal 2015	—	16.00	—	—	—
Fiscal 2015 (Forecast)	—	—	—	16.00	32.00

Note: Revision to dividend forecast for the second quarter of the fiscal year ending February 28, 2015: No



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## 1. Qualitative Information on Business and Financial Results

### (1) Explanation of Business Results

During the third quarter cumulative period of the fiscal year ending February 28, 2015 (March 1 to November 30, 2014), the Japanese economy was boosted by steady rises in share prices, and improved earnings among certain companies due to the weaker yen, but the slowdown in consumer spending has been prolonged in the face of such factors as a decline in real wages and rising prices, and the economic outlook remains unclear.

In the retail industry, business conditions remained harsh. Although there was a surge in demand ahead of the consumption tax rate hike from April, consumer spending declined afterward as a result of a growing trend toward frugality, inclement weather conditions, and other factors.

Under such conditions, in fiscal 2014, the final year of the third medium-term management plan, the YONDOSHI HOLDINGS Group took steps to enhance its corporate value by practicing CSR-based management to establish a highly trusted corporate group, strengthening internal controls, providing returns to shareholders, and making longer term investments linked to earnings growth.

As a result, for the subject third quarter cumulative period, operating revenues amounted to ¥35,910 million (up 4.2% from the same period of the previous fiscal year), with operating income of ¥3,304 million (up 10.6%), ordinary income of ¥3,810 million (up 8.1%), and net income of ¥2,288 million (up 14.2%).

Of note, operating income, ordinary income, and net income all reached record highs for the third quarter cumulative period.

Note: Operating revenues are the sum total of net sales and other operating revenues.

Operating results by business segment were as follows.

#### *The F.D.C. Products Group*

The F.D.C. Products Group posted record high figures for both sales and operating income, due mainly to strong sales at mainstay 4°C brand stores and canal 4°C stores, along with proactive efforts to expand openings of 4°C BRIDAL and canal 4°C locations.

As a result, segment operating revenues amounted to ¥19,080 million (up 11.0% from the same period of the previous fiscal year), with operating income of ¥3,005 million (up 14.6%).

#### *The AS'TY Group*

The AS'TY Group took steps to strengthen its project planning capabilities in the apparel manufacturing business, but sales and operating income were both down from the same period of the previous fiscal year, due mainly to difficult conditions at subsidiaries.

As a result, segment operating revenues amounted to ¥6,873 million (down 4.4% from the same period of the previous fiscal year), with segment operating income of ¥398 million (down 19.7%).

#### *MISUZU*

MISUZU Co., Ltd. posted lower sales as a result of such factors as the consumption tax hike, inclement weather conditions, and scaling back of unprofitable locations, but managed to improve earnings through reinvigoration of existing locations, and cost reductions.

As a result, segment operating revenues amounted to ¥3,872 million (down 10.4% from the same period of the previous fiscal year), with the company posting an operating loss of ¥31 million (compared to an operating loss of ¥69 million in the same period of the previous fiscal year).

#### *age*

age Co., Ltd. achieved a year-on-year increase in sales as a result of expanded store openings for the mainstay PALETTE brand everyday fashion business. Operating income, however, declined as the RAPPORT brand retail membership sale business struggled under the effects of the consumption tax rate hike.

As a result, segment operating revenues amounted to ¥6,083 million (up 5.6% from the same period of the previous fiscal year), with operating income of ¥40 million (down 65.5%).

### (2) Explanation of Financial Condition

Total assets at the end of the subject third quarter cumulative period (November 30, 2014) amounted to ¥59,666 million, an increase of ¥1,187 million from the end of the previous fiscal year (February 28, 2014). This was due mainly to increases of ¥2,137 million in merchandise and finished goods; and ¥1,773 million in notes and accounts receivable—trade; against a decrease of ¥4,050 million in short-term investment securities. Total liabilities amounted to ¥15,650 million, an increase of ¥1,308 million from the end of the previous fiscal year. This was due mainly to an increase of ¥1,110 million in notes and accounts payable—trade. Total net assets at the end of the subject period amounted to ¥44,015 million, a decrease of ¥120 million from the end of the previous fiscal year.

**(3) Explanation of Consolidated Results Forecasts and Other Future Predictions**

Earnings forecasts are unchanged from those announced on April 14, 2014.

**2. Summary Information (Notes)**

**(1) Changes in Important Subsidiaries during the Period**

Not applicable

**(2) Application of Special Accounting Practices in the Preparation of the Quarterly Consolidated Financial Statements**

Not applicable

**(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements**

Not applicable

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2014 (As of February 28, 2014)	End of the Third Quarter of the Fiscal Year Ending February 28, 2015 (As of November 30, 2014)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	643,415	696,547
Notes and accounts receivable — trade	2,952,219	4,725,239
Short-term investment securities	4,850,000	800,000
Merchandise and finished goods	6,819,273	8,956,884
Work in process	728,965	504,868
Raw materials and supplies	678,745	671,509
Other current assets	950,047	983,855
Allowance for doubtful accounts	(4,233)	(3,127)
Total current assets	17,618,434	17,335,776
<b>Noncurrent assets:</b>		
Property, plant and equipment:		
Buildings and structures, net	5,485,560	5,725,210
Land	5,549,208	5,541,605
Other, net	759,536	1,339,745
Total property, plant and equipment	11,794,305	12,606,561
Intangible assets:		
Goodwill	6,206,310	5,833,932
Other intangible assets	660,815	605,320
Total intangible assets	6,867,126	6,439,252
Investments and other assets:		
Investment securities	15,623,836	18,350,203
Prepaid pension cost	2,077,497	610,251
Other	5,078,118	4,440,255
Allowance for doubtful accounts	(580,756)	(115,989)
Total investments and other assets	22,198,696	23,284,720
Total noncurrent assets	40,860,128	42,330,534
<b>Total assets</b>	58,478,562	59,666,311

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2014 (As of February 28, 2014)	End of the Third Quarter of the Fiscal Year Ending February 28, 2015 (As of November 30, 2014)
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable — trade	4,515,638	5,625,912
Short-term loans payable	—	100,030
Income taxes payable	1,366,588	496,280
Provision for bonuses	425,726	451,577
Provision for directors' bonuses	44,250	47,532
Other	3,508,120	4,347,697
Total current liabilities	9,860,324	11,069,029
<b>Noncurrent liabilities:</b>		
Long-term loans payable	150,930	—
Provision for retirement benefits	537,167	559,944
Provision for directors' retirement benefits	339,728	372,619
Asset retirement obligations	942,180	1,008,102
Other	2,511,944	2,640,663
Total noncurrent liabilities	4,481,950	4,581,329
<b>Total liabilities</b>	<b>14,342,274</b>	<b>15,650,358</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	2,486,520	2,486,520
Capital surplus	18,322,104	18,226,906
Retained earnings	24,364,402	25,695,637
Treasury stock	(1,504,089)	(3,298,952)
Total shareholders' equity	43,668,937	43,110,111
<b>Other accumulated comprehensive income:</b>		
Valuation difference on available-for-sale securities	648,981	1,008,027
Deferred gains or losses on hedges	(10,415)	44,268
Revaluation reserve for land	(233,476)	(233,476)
Foreign currency translation adjustments	42,838	52,756
Total other accumulated comprehensive income	447,928	871,576
<b>Subscription rights to shares</b>	<b>19,421</b>	<b>34,264</b>
<b>Total net assets</b>	<b>44,136,288</b>	<b>44,015,952</b>
<b>Total liabilities and net assets</b>	<b>58,478,562</b>	<b>59,666,311</b>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income**  
**Third Quarter Cumulative**

(Thousands of yen)

	Nine-Month Period of the Fiscal Year Ended February 28, 2014 (March 1, 2013 to November 30, 2013)	Nine-Month Period of the Fiscal Year Ending February 28, 2015 (March 1, 2014 to November 30, 2014)
<b>Net sales</b>	33,812,711	35,268,002
<b>Cost of Sales</b>	15,220,378	15,672,387
Gross profit	18,592,332	19,595,615
Other operating revenue	646,989	642,757
Operating gross profit	19,239,322	20,238,372
<b>Selling, general and administrative expenses</b>	16,252,305	16,934,108
<b>Operating income</b>	2,987,016	3,304,264
<b>Non-operating income</b>		
Interest income	6,564	9,956
Dividends received	45,891	47,511
Equity in earnings of affiliates	371,168	329,918
Rent of real estate for investment	73,752	76,455
Foreign exchange gains	14,312	17,751
Other	39,462	69,957
Total non-operating income	551,152	551,549
<b>Non-operating expenses</b>		
Interest expenses	2,492	674
Loss on insurance cancellation	1,925	—
Depreciation of real estate for investment	4,576	4,476
Management cost for real estate for investment	1,551	1,534
Commission for purchase of treasury stock	—	35,364
Other	2,588	3,654
Total non-operating expenses	13,135	45,705
<b>Ordinary income</b>	3,525,033	3,810,109
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	12,163	47,797
Gain on sales of investments in real estates	21,974	—
Gain on sales of golf club membership	1,500	—
Gain on liquidation of stocks of subsidiaries and affiliates	—	104,118
Other	—	750
Total extraordinary income	35,638	152,665
<b>Extraordinary loss</b>		
Impairment loss	96,808	103,642
Loss on closing of stores	1,762	20,147
Other	—	8,880
Total extraordinary losses	98,571	132,671
<b>Net income before income taxes</b>	3,462,100	3,830,104
Income taxes — current	1,062,532	1,273,308
Income taxes — deferred	394,868	268,391
Total income taxes	1,457,401	1,541,700
Income before minority interests	2,004,699	2,288,403
Minority interests in income (loss)	(0)	—
<b>Net income</b>	2,004,700	2,288,403



**Consolidated Quarterly Statements of Comprehensive Income**  
**Third Quarter Cumulative**

(Thousands of yen)

	Nine-Month Period of the Fiscal Year Ended February 28, 2014 (March 1, 2013 to November 30, 2013)	Nine-Month Period of the Fiscal Year Ending February 28, 2015 (March 1, 2014 to November 30, 2014)
Income before minority interests	2,004,699	2,288,403
Other comprehensive income		
Other valuation difference on available-for-sale securities	381,903	230,748
Deferred gains or losses on hedges	(2,369)	54,566
Foreign currency translation adjustments	38,599	9,918
Share of other comprehensive income of associates accounted for using equity method	71,843	128,414
Total other comprehensive income	489,977	423,647
<b>Comprehensive income</b>	<b>2,494,676</b>	<b>2,712,051</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,494,677	2,712,051
Comprehensive income attributable to minority interests	(0)	—

**(3) Notes to Quarterly Consolidated Financial Statements**  
**(Notes Regarding Going Concern Assumptions)**

Not applicable

**(Notes Regarding Substantial Changes in Shareholders' Equity)**

Not applicable

**(Segment Information)**

**I The nine-month period of the fiscal year ended February 28, 2014**

**(March 1, 2013 to November 30, 2013)**

**1. Information Regarding Sales and Income or Loss by Reporting Segment**

(Thousands of yen)

	Reporting Segments					Adjustment amount (Note 1)	Amount recorded on consolidated quarterly statements of income (Note 2)
	F.D.C. Products group	AS'TY group	MISUZU	age	Total		
Operating revenues							
Operating revenues to outside customers	17,187,935	7,187,167	4,321,103	5,763,493	34,459,700	—	34,459,700
Intrasegment operating revenues and transfers	28,927	1,086,667	17,536	155,980	1,289,113	(1,289,113)	—
Total	17,216,863	8,273,835	4,338,640	5,919,474	35,748,813	(1,289,113)	34,459,700
Segment income or loss	2,622,456	495,836	(69,535)	116,529	3,165,287	(178,270)	2,987,016

Notes:

1. The adjustment amount of minus ¥178,270 thousand for segment income or loss mainly includes corporate expenses that are not allocated to individual reporting segments. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
2. Segment income or loss figures have been adjusted to operating income on the consolidated quarterly income statements.

**2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Related Items by Reporting Segment**

There was no major impairment loss recorded during the period under review.

**II The nine-month period of the fiscal year ending February 28, 2015**

**(March 1, 2014 to November 30, 2014)**

**1. Information Regarding Sales and Income or Loss by Reporting Segment**

(Thousands of yen)

	Reporting Segments					Adjustment amount (Note 1)	Amount recorded on consolidated quarterly statements of income (Note 2)
	F.D.C. Products group	AS'TY group	MISUZU	age	Total		
Operating revenues							
Operating revenues to outside customers	19,080,406	6,873,946	3,872,554	6,083,852	35,910,760	—	35,910,760
Intrasegment operating revenues and transfers	34,217	1,265,595	13,364	181,851	1,945,029	(1,495,029)	—
Total	19,114,624	8,139,542	3,885,918	6,265,704	37,405,789	(1,495,029)	35,910,760
Segment income or loss	3,005,069	398,287	(31,158)	40,206	3,412,404	(108,139)	3,304,264

Notes:

1. The adjustment amount of minus ¥108,139 thousand for segment income or loss mainly includes corporate expenses that are not allocated to individual reporting segments. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
2. Segment income or loss figures have been adjusted to operating income on the consolidated quarterly income statements.

**2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Related Items by Reporting Segment**

There was no major impairment loss recorded during the period under review.