

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
FIRST HALF OF THE FISCAL YEAR ENDING
FEBRUARY 29, 2016
(March 1, 2015 to August 31, 2015)

October 5, 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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Quarterly Securities Report filing date (planned): October 15, 2015
 Supplemental materials prepared for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes
 Dividend payment commencement date (planned): November 13, 2015

(Millions of yen rounded down)

1. Consolidated Operating Results for the First Half of Fiscal 2015
(March 1, 2015 to August 31, 2015)

(1) Consolidated Operating Results (Cumulative)

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

	Net sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2015 First Half	24,048	1.0	2,203	(2.5)	2,382	(6.9)	1,383	(10.3)
FY2014 First Half	23,815	5.1	2,260	19.2	2,558	13.1	1,542	18.8

Note: Comprehensive income FY2015 First Half: 1,590 million yen ((9.7)%)
 FY2014 First Half: 1,761 million yen (12.8%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2015 First Half	52.03	51.91
FY2014 First Half	56.44	56.32

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
August 31, 2015	59,083	44,442	75.1	1,720.56
February 28, 2015	60,990	45,830	75.1	1,722.67

(Reference)

Shareholders' equity: August 31, 2015: 44,395 million yen
 February 28, 2015: 45,787 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	—	16.00	—	16.00	32.00
Fiscal 2015	—	20.00	—	—	—
Fiscal 2016 (Forecast)	—	—	—	20.00	40.00

Note: Revision to dividend forecast for the first quarter of the fiscal year ending February 29, 2016: No

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(% figures for the full fiscal year represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 29, 2016	52,500	3.5	5,800	6.1	6,700	7.8	4,100	12.6	154.23

Note: Revisions to consolidated operating forecasts for the first quarter of the fiscal year ending February 29, 2016: No

Notes

- (1) Changes in Important Subsidiaries during the Period:
(Changes in specified subsidiaries that caused changes in the scope of consolidation): No
- (2) Application of Special Accounting Practices in the Preparation of the Quarterly Consolidated Financial Statements: No
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements
 - 1) Changes of accounting principles in line with revisions to accounting and other standards: Yes
 - 2) Changes of accounting principles other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Number of Shares Issued and Outstanding (Common Stock)
 1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:
August 31, 2015: 29,331,356 shares Feb. 28, 2015: 29,331,356 shares
 2. Total number of treasury stock as of the period-end:
August 31, 2015: 3,528,072 shares Feb. 28, 2015: 2,752,078 shares
 3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)
FY2015 First Half: 26,583,683 shares FY2014 First Half: 27,330,036 shares

The number of recorded treasury stock is inclusive of 194,100 of the Company's shares held by the YONDOSHI HOLDINGS Group Employees' Shareholding Association Trust Account as of the end of the quarterly fiscal period.

Regarding the Status of Quarterly Review Procedure Implementation

This financial report for the first half of fiscal 2015 is not subject to the quarterly review procedures stipulated in the Financial Instruments and Exchange Act of Japan. As of the date of disclosure of this report, the review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act had not been completed.

Explanation concerning the Proper Use of Operating Results Forecasts and Other Relevant Specific Items

The forecasts of operating results and other items concerning the future contained in this document are based on management's assumptions and beliefs that are determined to be reasonable in light of currently available information. YONDOSHI HOLDINGS INC. cautions readers that due to a variety of factors actual results may differ materially from forecasts. For the assumptions that underpin operating results forecasts as well as cautionary notes on the use of operating results forecasts, please refer to "Explanation of Consolidated Results Forecasts and Other Future Predictions" on page 5.

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1. Qualitative Information on Business and Financial Results

(1) Explanation of Business Results

Despite signs of a recovery in the Japanese economy due mainly to higher earnings at certain companies and an improvement in employment conditions during the first half (March 1, 2015 to August 31, 2015) of fiscal 2015, the fiscal year ending February 2016 (March 1, 2015 to February 29, 2016), the outlook for future market conditions became increasingly uncertain. This uncertainty largely reflected such factors as the decline in real wages as well as prolonged sluggishness in consumer spending and concerns surrounding an increase in interest rates in the U.S. and the downside risks associated with overseas economies including China.

Turning to the retail industry, and despite signs of inbound demand in major metropolitan areas, conditions remained unstable on the back of a persistent trend toward frugality and the continued polarization of consumption.

Under these circumstances, during the fiscal year ending February 2016, the initial year of the fourth medium-term management plan, the YONDOSHI HOLDINGS Group will nurture human resources, bolster product capabilities, and assess market trends, with the aim of becoming a century-old company and brand. Further, we will practice CSR-based management to establish a highly trusted corporate group, and endeavor to enhance corporate value by strengthening internal controls, providing shareholder returns, and making medium to long-term investments linked to earnings growth.

As a result, net sales amounted to ¥24,048 million (up 1.0% YoY) for the second quarter cumulative period of fiscal 2015. From a profit perspective, operating income came to ¥2,203 million (down 2.5% YoY). Ordinary income was ¥2,382 million (down 6.9% YoY) and net income was ¥1,383 million (down 10.3% YoY). Against the forecast of an increase in revenue and decrease in earnings for the period under review reflecting the rush in demand that preceded the consumption tax rate hike in the previous year, results were steady with both sales and profits exceeding plans.

Operating results by business segment were as follows.

YONDOSHI HOLDINGS revised its business segment classifications from the first quarter of the subject fiscal year (ending February 2016). Year-on-year comparative data is after restating figures for the corresponding period of the previous fiscal year in accordance with revised business segment classifications.

Jewelry Business

At the F.D.C. Products Group, sales at mainstay 4°C brand jewelry stores were robust as a result of a variety of factors including successful efforts aimed at renovating existing locations, expanding the range of items, broadening operating zones, and rolling out composite stores. In addition, energies were channeled toward strengthening sales promotions at 4°C BRIDAL stores and to proactively maintain the group's focus on opening new canal4°C store locations. As a result, sales substantially exceeded the levels recorded in the previous year. Moreover, also exceeded plans at Luria 4°C, which handles mainly purses and other small leather goods.

Accounting for each of these factors, both net sales and operating income in the Jewelry Business segment reached record highs for a fourth and sixth consecutive fiscal period, respectively. In specific terms, net sales amounted to ¥13,555 million (up 6.7% YoY) and operating income was ¥2,270 million (up 4.7% YoY).

Apparel Business

In the Apparel Business segment, the AS'TY Group continued its plan to shift production to Bangladesh. Despite these efforts, the company struggled due to such factors as the slump in market conditions. While MISUZU Co., Ltd. made efforts to spur sales at existing stores by strengthening individual products and promotional activities, the company also encountered difficulties owing mainly to weak trends at stores in metropolitan areas. age Co., Ltd. reported an increase in revenue and earnings. This was largely attributable to strong operating trends and the year-on-year increase in sales at existing stores of the company's mainstay everyday fashion brand PALETTE.

As a result, net sales in the Apparel Business segment amounted to ¥10,492 million (down 5.6% YoY). The Group incurred an operating loss of ¥32 million compared with operating income of ¥188 million in the corresponding period of the previous fiscal year.

(2) Explanation of Financial Condition

Assets, Liabilities, and Net Assets

Looking at the Company's financial condition as of the end of the second quarter (August 31, 2015) of the fiscal year ending February 29, 2016, total assets stood at ¥59,083 million, a decrease of ¥1,906 million compared with the end of the previous fiscal year. The major movements during the period under review were a decrease in short-term investment securities of ¥2,000 million and an increase in investment securities of ¥585 million. Total liabilities amounted to ¥14,640 million, down ¥518 million compared with the previous fiscal year-end. Turning to the principal movements in liabilities, notes and accounts payable — trade grew ¥231 million while income taxes payable declined ¥625 million. Total net assets as of the end of period under review stood at ¥44,442 million, ¥1,387 million higher than the balance as of February 28, 2015.

Cash Flows

Cash and cash equivalents as of the end of the period under review stood at ¥847 million, a decrease of ¥3,105 million compared with the end of the previous fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥408 million compared with ¥538 million for the corresponding period of the previous fiscal year. The major cash inflow came from income before oncome taxes of ¥2,217 million. This was partially offset by the principal cash outflow arising from income taxes paid of ¥1,398 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥739 million compared with net cash provided by investing activities of ¥287 million for the corresponding period of the previous fiscal year. The primary cash outflow was for the purchase of noncurrent assets of ¥616 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities came to ¥2,775 million up from ¥590 million for the corresponding period of the previous fiscal year. This largely reflected purchase of treasury stock of ¥3,151 million.

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

Earnings forecasts are unchanged from those announced on April 13, 2015.

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

Changes in accounting policies

(Application of the accounting standard for retirement benefits)

We have adopted the Accounting Standard for Retirement Benefits (ASBJ Statement No.26 issued on May 17, 2012; hereinafter, the "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 issued on May 17, 2012; hereinafter, the "Guidance on Accounting Standard for Retirement Benefits") in accordance with the provisions of Article 35 of the Accounting Standard for Retirement Benefits and those of Article 67 of the Guidance on Accounting Standard for Retirement Benefits starting from the first quarter under review. We reviewed the calculation methods of retirement benefit obligations and service costs, and changed the method of attributing all contributions over all periods to periods of service based on the benefit formula instead of on a straight-line basis, as well as the method of determining a discount rate from the use of a discount rate based on the number of years similar to that of the average remaining service period of employees to

the use of a single weighted average discount rate that reflects the estimated payment period of retirement benefits and the amount per that period.

We adopt these accounting standard and guidance in accordance with the transitional treatment specified in Article 37 of the Accounting Standard for Retirement Benefits. Amounts occurred due to such changes in calculation methods are recognized by adding to or deducting from retained earnings at the beginning of the second quarter cumulative period under review.

As a result, net defined benefit asset at the beginning of the subject second quarter cumulative period increased ¥8,991 thousand, net defined benefit liability decreased ¥28,409 thousand, and retained earnings increased ¥24,928 thousand. The effect of this change on the Company's consolidated profit and loss in the subject second quarter cumulative period is negligible.

(Application of Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts)

The "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF No. 30, December 25, 2013) was applied effective the second quarter of fiscal 2015. With respect to the accounting treatment of trust contracts that were entered into before the beginning of the first year of the application of the above practical report, the method adopted in the past will continue to be applied. Accordingly, the application of the above practical report has no effect on the consolidated quarterly financial statements.

(4) Additional Information

(Change in Presentation Method)

Through the second quarter cumulative period of the previous fiscal year, "net sales" and "other operating revenue" was presented individually. However, because of a decline in the materiality of "other operating revenue" with regard to consolidated results, from the first quarter of the subject fiscal year, this item is presented included in "net sales."

Consolidated quarterly financial statements for the second quarter cumulative period of the previous fiscal year have been recombined to reflect this change in the presentation method. As a result, the ¥427,099 million presented as "other operating revenue" in the Consolidated Statements of Income for the second quarter cumulative period of the previous fiscal year has been recombined as "net sales."

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2015 (As of February 28, 2015)	End of the Second Quarter of the Fiscal Year Ending February 29, 2016 (As of August 31, 2015)
ASSETS		
Current assets:		
Cash and deposits	1,952,933	847,122
Notes and accounts receivable — trade	3,451,619	3,656,637
Short-term investment securities	2,000,000	—
Merchandise and finished goods	7,383,018	7,866,934
Work in process	871,733	801,765
Raw materials and supplies	723,203	760,552
Other current assets	928,872	844,327
Allowance for doubtful accounts	(7,625)	(10,241)
Total current assets	17,303,755	14,767,097
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	5,546,145	6,026,203
Land	5,528,465	5,528,465
Other, net	1,428,388	1,086,242
Total property, plant and equipment	12,502,999	12,640,911
Intangible assets:		
Goodwill	5,709,806	5,461,553
Other intangible assets	565,366	471,636
Total intangible assets	6,275,172	5,933,190
Investments and other assets:		
Investment securities	20,025,792	20,611,786
Prepaid pension cost	614,916	648,227
Other	4,384,391	4,595,194
Allowance for doubtful accounts	(116,688)	(112,778)
Total investments and other assets	24,908,410	25,742,429
Total noncurrent assets	43,686,583	44,316,530
Total assets	60,990,338	59,083,628

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2015 (As of February 28, 2015)	End of the Second Quarter of the Fiscal Year Ending February 29, 2016 (As of August 31, 2015)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	4,170,142	4,401,730
Short-term loans payable	48,310	300,000
Income taxes payable	1,399,367	774,306
Provision for bonuses	355,684	278,545
Provision for directors' bonuses	41,946	32,502
Other	4,371,894	3,508,708
Total current liabilities	10,387,344	9,295,792
Noncurrent liabilities:		
Long-term loans payable	—	536,920
Provision for directors' retirement benefits	385,296	403,874
Net defined benefit liability	614,881	597,056
Asset retirement obligations	1,002,570	1,026,160
Other	2,769,597	2,781,043
Total noncurrent liabilities	4,772,345	5,345,055
Total liabilities	15,159,689	14,640,848
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486,520	2,486,520
Capital surplus	18,226,705	18,142,413
Retained earnings	27,049,761	28,016,057
Treasury stock	(3,284,842)	(5,841,040)
Total shareholders' equity	44,478,145	42,803,951
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	1,481,751	1,691,763
Deferred gains or losses on hedges	13,339	(5,884)
Revaluation reserve for land	(233,476)	(158,063)
Foreign currency translation adjustments	85,054	91,700
Remeasurements of defined benefit plans	(37,476)	(27,471)
Total other accumulated comprehensive income	1,309,192	1,592,044
Subscription rights to shares	43,311	46,784
Total net assets	45,830,648	44,442,780
Total liabilities and net assets	60,990,338	59,083,628

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

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2015 (March 1, 2014 to August 31, 2014)	First Half of the Fiscal Year Ending February 29, 2016 (March 1, 2015 to August 31, 2015)
Net sales	23,815,042	24,048,617
Cost of Sales	10,520,947	10,414,905
Gross profit	13,294,095	13,633,711
Selling, general and administrative expenses	11,033,300	11,430,098
Operating income	2,260,794	2,203,613
Non-operating income		
Interest income	6,989	9,486
Dividends received	41,731	48,728
Equity in earnings of affiliates	177,661	46,676
Rent of real estate for investment	50,970	44,880
Foreign exchange gains	9,201	9,591
Other	54,258	53,937
Total non-operating income	340,811	213,300
Non-operating expenses		
Interest expenses	1,201	268
Depreciation of real estate for investment	2,984	2,940
Management cost for real estate for investment	1,023	1,023
Commission for purchase of treasury stock	35,364	25,006
Other	2,079	4,724
Total non-operating expenses	42,653	33,962
Ordinary income	2,558,952	2,382,950
Extraordinary income		
Gain on sales of noncurrent assets	47,797	—
Gain on liquidation of stocks of subsidiaries and affiliates	104,118	—
Other	750	—
Total extraordinary income	152,665	—
Extraordinary loss		
Impairment loss	70,350	134,948
Loss on closing of stores	20,147	6,359
Building demolition costs	—	24,372
Other	8,880	—
Total extraordinary losses	99,378	165,680
Net income before income taxes	2,612,239	2,217,270
Income taxes — current	870,957	777,946
Income taxes — deferred	198,790	56,279
Total income taxes	1,069,747	834,225
Income before minority interests	1,542,492	1,383,044
Net income	1,542,492	1,383,044

Consolidated Quarterly Statements of Comprehensive Income
Second Quarter Cumulative

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2015 (March 1, 2014 to August 31, 2014)	First Half of the Fiscal Year Ending February 29, 2016 (March 1, 2015 to August 31, 2015)
Income before minority interests	1,542,492	1,383,044
Other comprehensive income		
Other valuation difference on available-for-sale securities	143,464	188,123
Deferred gains or losses on hedges	16,394	(19,446)
Foreign currency translation adjustments	(16,436)	6,645
Remeasurements of defined benefit plans	—	10,005
Share of other comprehensive income of associates accounted for using equity method	76,053	22,111
Total other comprehensive income	219,476	207,439
Comprehensive income	1,761,968	1,590,483
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,761,968	1,590,483
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Quarterly Statements of Cash Flows

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2015 (March 1, 2014 to August 31, 2014)	First Half of the Fiscal Year Ending February 29, 2016 (March 1, 2015 to August 31, 2015)
Cash flows from operating activities:		
Income before income taxes	2,612,239	2,217,270
Impairment loss	70,350	134,948
Increase (decrease) in allowance for doubtful accounts	(464,205)	(1,294)
Increase (decrease) in provision for bonuses	(161,814)	(77,138)
Increase (decrease) in provision for retirement benefits	1,496,590	—
Increase (decrease) in net defined benefit liability	—	(3,729)
Increase (decrease) in other provision	7,664	9,134
Interest and dividends income	(48,721)	(58,215)
Interest expenses	1,201	268
Equity in (earnings) losses of affiliates	(177,661)	(46,676)
Foreign exchange losses (gains)	(988)	(2,245)
Loss (gain) on sales of noncurrent assets	(47,797)	—
Loss (gain) on liquidation of stocks of subsidiaries and affiliates	(104,118)	—
Decrease (increase) in notes and accounts receivable — trade	(1,138,335)	(201,126)
Decrease (increase) in inventories	(129,355)	(449,259)
Increase (decrease) in notes and accounts payable — trade	(108,250)	231,036
Increase (decrease) in accounts payable-other	318,757	(518,963)
Increase (decrease) in advances received	(175,796)	(3,072)
Other, net	(101,883)	456,618
Subtotal	1,847,874	1,687,553
Interest and dividends income received	103,102	119,157
Interest expenses paid	(1,201)	(268)
Income taxes paid	(1,411,701)	(1,398,324)
Net cash provided by (used in) operating activities	538,075	408,117
Cash flows from investing activities:		
Purchase of noncurrent assets	(624,186)	(616,020)
Proceeds from sales of noncurrent assets	57,000	190
Purchase of securities	(500,000)	—
Proceeds from redemption of securities	1,400,000	—
Purchase of investment securities	(209,124)	(9,667)
Proceeds from liquidation of stocks of subsidiaries and affiliates	104,118	—
Other	60,025	(114,442)
Net cash provided by (used in) investing activities	287,831	(739,940)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	—	300,000
Proceeds from long-term loans payable	—	549,800
Repayment of long-term loans payable	(50,900)	(61,190)
Purchase of treasury stock	(741)	(3,151,408)
Proceeds from sales of treasury stock	52,829	55,623
Cash dividends paid	(499,282)	(441,676)
Other, net	(92,671)	(26,457)
Net cash provided by (used in) financing activities	(590,766)	(2,775,310)
Effect of exchange rate changes on cash and cash equivalents	(6,418)	1,322
Net increase (decrease) in cash and cash equivalents	228,721	(3,105,810)
Cash and cash equivalents at beginning of period	4,093,415	3,952,933
Cash and cash equivalents at end of period	4,322,137	847,122

(4) 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 first half of the fiscal year ended February 28, 2015 (March 1, 2014 to August 31, 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)
	Jewelry Business	Apparel Business	Total		
Net sales					
Net sales to outside customers	12,704,682	11,110,359	23,815,042	—	23,815,042
Intrasegment net sales and transfers	22,290	383,443	405,734	(405,734)	—
Total	12,726,973	11,493,803	24,220,776	(405,734)	23,815,042
Segment income	2,167,840	188,282	2,356,123	(95,328)	2,260,794

Notes:

- The adjustment amount of minus ¥95,328 thousand for segment income mainly includes corporate expenses that are not allocated to individual reporting segments. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
- Segment income 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 first half of the fiscal year ending February 29, 2016 (March 1, 2015 to August 31, 2015)

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)
	Jewelry Business	Apparel Business	Total		
Net sales					
Net sales to outside customers	13,555,619	10,492,997	24,048,617	—	24,048,617
Intrasegment net sales and transfers	25,023	445,946	470,969	(470,969)	—
Total	13,580,643	10,938,943	24,519,586	(470,969)	24,048,617
Segment income or loss	2,270,500	(32,145)	2,238,354	(34,741)	2,203,613

Notes:

- The adjustment amount of minus ¥34,741 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.
- 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.

3. Information concerning changes to reporting segments, etc.

The YONDOSHI HOLDINGS Group had previously classified its reporting segments as “F.D.C. Products Group,” “AS’TY Group,” “MISUZU,” and “age,” based on the respective business companies. In recent years, the brand SPA (Specialty store retailer of Private label Apparel) business centered on 4°C brand jewelry has come to comprise a larger proportion of the corporate group, and with the idea of evolving into a company closer to customers, from the subject fiscal year we have changed the classifications to two segments, the “Jewelry Business” and “Apparel Business,” based on principle products handled.

Accordingly, the former “F.D.C. Products Group” has been changed to “Jewelry Business,” and “The AS’TY Group,” “MISUZU,” and “age” consolidated as “Apparel Business.”

Comparative segment information between the second quarter cumulative period of the fiscal year ending February 29, 2016 and the corresponding period of the previous fiscal year is provided on a revised reporting segment basis.