

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)**  
**FIRST HALF OF THE FISCAL YEAR ENDING**  
**FEBRUARY 28, 2019**  
**(March 1, 2018 to August 31, 2018)**

October 9, 2018

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 12, 2018  
 Supplemental materials prepared for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes  
 Dividend payment commencement date (planned): November 9, 2018

(Millions of yen rounded down)

**1. Consolidated Operating Results for the First Half of Fiscal 2018**  
**(March 1, 2018 to August 31, 2018)**

(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		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018 First Half	22,094	(1.5)	1,994	(17.2)	2,578	(15.4)	1,817	(16.0)
FY2017 First Half	22,427	(2.2)	2,408	(10.9)	3,046	(6.9)	2,164	4.0

Note: Comprehensive income FY2018 First Half: 1,459 million yen (-37.8%)  
 FY2017 First Half: 2,346 million yen (14.3%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2018 First Half	70.78	70.74
FY2017 First Half	84.86	84.74

(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, 2018	66,702	54,088	81.0	2,100.86
February 28, 2018	66,321	53,399	80.4	2,077.02

(Reference)

Shareholders' equity: August 31, 2018: 53,997 million yen  
 February 28, 2018: 53,299 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 2017	—	32.50	—	32.50	65.00
Fiscal 2018	—	37.50	—	—	—
Fiscal 2019 (Forecast)	—	—	—	37.50	75.00

Note: Revision to the most recently announced cash dividend forecast: No

Note: Plans are in place for the interim dividend (cash dividend as of the end of the second quarter of the fiscal year under review) of ¥37.50 per share to be formally determined in accordance with the dividend resolution following approval of the Company's provisional financial statement on October 29, 2018.

### 3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending February 28, 2019 (March 1, 2018 to February 28, 2019)

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

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2019	48,000	(0.1)	5,300	(13.2)	6,850	(9.4)	5,000	(5.5)	194.71

Note: Revision to the most recently announced operating results forecast: Yes

#### 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: No
  - 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, 2018: 29,331,356 shares                      Feb. 28, 2018: 29,331,356 shares
  2. Total number of treasury stock as of the period-end:  
August 31, 2018: 3,628,752 shares                      Feb. 28, 2018: 3,669,847 shares
  3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)  
FY2018 First Half: 25,679,174 shares                      FY2017 First Half: 25,511,393 shares

The number of recorded treasury stock is inclusive of 79,800 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.

This financial report for the second quarter of fiscal 2018 is not subject to the review procedures.

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

1. 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 "1. Qualitative Information on Business and Financial Results (3) Explanation of Consolidated Results Forecasts and Other Future Predictions" on page 5.
2. The Company plans to hold a results briefing on October 9, 2018, for institutional investors and analysts. The presentation materials used that day, will be made available on the Company's website promptly after the meeting.

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## 1. Qualitative Information on Business and Financial Results

### (1) Explanation of Business Results

During the first half (March 1, 2018 to August 31, 2018) of fiscal 2018, the fiscal year ending February 28, 2019 (March 1, 2018 to February 28, 2019), the Japanese economy recovered at a moderate pace owing to improvement in corporate earnings and employment conditions, while the outlook remained unclear as a result of many matters of concern, including the impact that movements in trade issues will have on the global economy.

In the retail industry, business conditions remained severe amid persistent budget-consciousness arising from uncertainty about the future, despite glimmers of improved personal consumption together with strength in consumption among inbound travelers.

Under these circumstances, during the fiscal year ending February 2019, the first year of the fifth medium-term management plan, the YONDOSHI HOLDINGS Group continued to cultivate human resources, bolster product capabilities, and assess market trends, with the aim of becoming a century-old company and brand. Further, we practiced CSR-based management to establish a highly trusted corporate group, and worked to enhance enterprise value by strengthening internal controls, providing shareholder returns, and making medium to long-term investments linked to earnings growth.

As a result, net sales for the first half of the period under review amounted to ¥22,094 million (down 1.5% YoY), with operating income of ¥1,994 million (down 17.2% YoY), ordinary income of ¥2,578 million (down 15.4% YoY), and profit attributable to owners of parent of ¥1,817 million (down 16.0% YoY).

Operating results by business segment were as follows.

#### *Jewelry Business*

The F.D.C. Products Group posted a net sales decline year on year due to the length of time being required for the recovery in bridal jewelry.

As a result, net sales in the Jewelry Business segment amounted to ¥13,108 million (down 6.1% YoY), with operating income of ¥1,731 million (down 21.1% YoY).

#### *Apparel Business*

The AS'TY Group achieved positive returns through its successful efforts to strengthen measures with major clients utilizing its planning capabilities and production framework. Retailer age Co., Ltd. achieved solid returns from expanded openings of new locations for its mainstay everyday fashion brand PALETTE, and measures to strengthen sales promotions.

As a result, net sales in the Apparel Business segment amounted to ¥8,985 million (up 6.1% YoY) and operating income reached ¥351 million (up 26.3% YoY).

### (2) Explanation of Financial Condition

#### *Assets, Liabilities, and Net Assets*

Total assets at the end of the second quarter (August 31, 2018) of the fiscal year ending February 28, 2019 stood at ¥66,702 million, an increase of ¥381 million compared with the end of the previous fiscal year (February 28, 2018). This was due mainly to an increase of ¥615 million in investment securities, and an increase of ¥363 million in notes and accounts receivable. Total liabilities amounted to ¥12,614 million, a decrease of ¥307 million compared with the end of the previous fiscal year. This was due mainly to a decrease of ¥56 million in notes and accounts payable, and a decrease of ¥57 million in long-term debts. Total net assets as of the end of the period under review came to ¥54,088 million, an increase of ¥689 million compared with the end of the previous fiscal year.

#### *Cash Flows*

Cash and cash equivalents as of the end of the period under review stood at ¥5,266 million, a decrease of ¥759 million compared with the end of the previous fiscal year.

#### *(Cash Flows from Operating Activities)*

Net cash provided by operating activities amounted to ¥1,230 million compared with ¥1,621 million for the corresponding period of the previous fiscal year. The major cash inflow came from income before income taxes of ¥2,639 million. This was partially offset by the principal cash outflow arising from

income taxes paid of ¥710 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥1,020 million compared with ¥659 million for the corresponding period of the previous fiscal year. The primary cash outflow was for the purchase of investment securities of ¥2,510 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities came to ¥967 million, up from ¥743 million for the corresponding period of the previous fiscal year. This largely reflected payment of dividends of ¥859 million.

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

As a result of taking the operating results during the first half of the period under review and the future outlook into consideration, we are revising the forecasted operating results for the fiscal year ending February 28, 2019 that were announced on April 9, 2018.

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per Share (Yen)
Previous Forecast (A)	49,000	6,150	7,650	5,350	208.44
Revised Forecast (B)	48,000	5,300	6,850	5,000	194.71
Net Change (B – A)	(1,000)	(850)	(800)	(350)	—
Percentage Change	(2.0)	(13.8)	(10.5)	(6.5)	—
(Reference) Results of the previous fiscal year ended February 2018	48,060	6,102	7,562	5,293	207.09

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2018 (As of February 28, 2018)	End of the Second Quarter of the Fiscal Year Ending February 28, 2019 (As of August 31, 2018)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	2,076,174	2,316,831
Notes and accounts receivable — trade	3,061,207	3,424,938
Short-term investment securities	3,950,000	2,950,000
Merchandise and finished goods	8,332,336	8,425,033
Work in process	507,681	723,330
Raw materials and supplies	633,136	884,664
Other current assets	988,864	965,986
Allowance for doubtful accounts	(2,686)	(4,621)
Total current assets	19,546,714	19,686,163
<b>Noncurrent assets:</b>		
Property, plant and equipment:		
Buildings and structures, net	5,918,332	5,723,483
Land	5,492,215	5,492,215
Other, net	806,838	744,828
Total property, plant and equipment	12,217,387	11,960,527
Intangible assets:		
Goodwill	4,220,291	3,972,039
Other intangible assets	122,038	235,837
Total intangible assets	4,342,329	4,207,876
Investments and other assets:		
Investment securities	25,768,779	26,383,879
Net defined benefit asset	656,629	678,307
Other	3,896,453	3,885,023
Allowance for doubtful accounts	(107,030)	(98,992)
Total investments and other assets	30,214,831	30,848,217
Total noncurrent assets	46,774,548	47,016,622
<b>Total assets</b>	66,321,262	66,702,785

	(Thousands of yen)	
	End of the Fiscal Year Ended February 28, 2018 (As of February 28, 2018)	End of the Second Quarter of the Fiscal Year Ending February 28, 2019 (As of August 31, 2018)
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable — trade	4,077,362	4,020,623
Income taxes payable	856,205	860,366
Provision for bonuses	251,351	245,149
Provision for directors' bonuses	13,300	29,035
Asset retirement obligations	34,406	7,827
Other	2,806,317	2,728,267
<b>Total current liabilities</b>	<b>8,038,943</b>	<b>7,891,269</b>
<b>Noncurrent liabilities:</b>		
Long-term loans payable	277,470	219,880
Provision for directors' retirement benefits	416,528	—
Provision for directors' stock benefits	—	13,894
Net defined benefit liability	568,010	548,441
Asset retirement obligations	1,012,744	1,026,516
Other	2,608,056	2,914,096
<b>Total noncurrent liabilities</b>	<b>4,882,809</b>	<b>4,722,828</b>
<b>Total liabilities</b>	<b>12,921,753</b>	<b>12,614,098</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	2,486,520	2,486,520
Capital surplus	18,182,008	18,181,495
Retained earnings	37,503,586	38,461,750
Treasury stock	(6,310,953)	(6,212,589)
<b>Total shareholders' equity</b>	<b>51,861,161</b>	<b>52,917,176</b>
<b>Other accumulated comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,425,917	1,031,926
Deferred gains or losses on hedges	(20,418)	1,120
Revaluation reserve for land	(161,985)	(161,985)
Foreign currency translation adjustments	78,638	64,253
Remeasurements of defined benefit plans	116,129	145,184
<b>Total other accumulated comprehensive income</b>	<b>1,438,281</b>	<b>1,080,498</b>
<b>Subscription rights to shares</b>	<b>100,066</b>	<b>91,011</b>
<b>Total net assets</b>	<b>53,399,509</b>	<b>54,088,686</b>
<b>Total liabilities and net assets</b>	<b>66,321,262</b>	<b>66,702,785</b>

**(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, 2018 (March 1, 2017 to August 31, 2017)	First Half of the Fiscal Year Ending February 28, 2019 (March 1, 2018 to August 31, 2018)
<b>Net sales</b>	22,427,504	22,094,575
<b>Cost of Sales</b>	9,443,888	9,511,879
<b>Gross profit</b>	12,983,615	12,582,695
<b>Selling, general and administrative expenses</b>	10,575,082	10,587,907
<b>Operating income</b>	2,408,533	1,994,788
<b>Non-operating income</b>		
Interest income	10,646	20,939
Dividends received	50,451	52,932
Equity in earnings of affiliates	517,540	423,731
Rent of real estate for investment	36,570	36,570
Foreign exchange gains	7,468	14,737
Other	19,873	38,983
Total non-operating income	642,550	587,893
<b>Non-operating expenses</b>		
Interest expenses	25	111
Depreciation of real estate for investment	2,342	2,339
Management cost for real estate for investment	1,023	993
Other	982	936
Total non-operating expenses	4,374	4,380
<b>Ordinary income</b>	3,046,710	2,578,301
<b>Extraordinary income</b>		
Gain on sales of investment securities	—	193,067
Total extraordinary income	—	193,067
<b>Extraordinary loss</b>		
Impairment loss	17,629	123,065
Loss on closing of stores	1,143	8,429
Total extraordinary losses	18,772	131,494
<b>Net income before income taxes</b>	3,027,937	2,639,873
Income taxes — current	687,690	845,533
Income taxes — deferred	175,393	(23,151)
Total income taxes	863,084	822,382
Net income	2,164,853	1,817,491
<b>Profit attributable to owners of parent</b>	2,164,853	1,817,491

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

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2018 (March 1, 2017 to August 31, 2017)	First Half of the Fiscal Year Ending February 28, 2019 (March 1, 2018 to August 31, 2018)
Income before minority interests	2,164,853	1,817,491
Other comprehensive income		
Other valuation difference on available-for-sale securities	69,652	(357,232)
Deferred gains or losses on hedges	(15,307)	21,538
Foreign currency translation adjustments	(5,638)	(14,385)
Remeasurements of defined benefit plans, net of tax	24,031	19,933
Share of other comprehensive income of entities accounted for using equity method	109,215	(27,636)
Total other comprehensive income	181,954	(357,782)
<b>Comprehensive income</b>	<b>2,346,807</b>	<b>1,459,708</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,346,807	1,459,708
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, 2018 (March 1, 2017 to August 31, 2017)	First Half of the Fiscal Year Ending February 28, 2019 (March 1, 2018 to August 31, 2018)
<b>Cash flows from operating activities:</b>		
Income before income taxes	3,027,937	2,639,873
Depreciation	548,930	530,377
Impairment loss	17,629	123,065
Amortization of goodwill	248,252	248,252
Increase (decrease) in allowance for doubtful accounts	404	(6,103)
Increase (decrease) in provision for bonuses	(59,377)	(6,201)
Increase (decrease) in net defined benefit liability	29,577	(11,369)
Increase (decrease) in other provision	(16,690)	(386,898)
Interest and dividends income	(61,098)	(73,871)
Interest expenses	25	111
Equity in (earnings) losses of affiliates	(517,540)	(423,731)
Foreign exchange losses (gains)	5,081	(9,261)
Decrease (increase) in notes and accounts receivable — trade	(467,697)	(357,555)
Decrease (increase) in inventories	(302,580)	(563,074)
Increase (decrease) in notes and accounts payable — trade	167,387	(56,273)
Loss (gain) on sales of investment securities	—	(193,067)
Increase (decrease) in accounts payable-other	(126,131)	(39,576)
Increase (decrease) in advances received	(127,525)	(141,921)
Increase (decrease) in accounts payable - other	14,506	117,359
Decrease (increase) in other assets	(109,881)	57,590
Increase (decrease) in other liabilities	42,703	339,439
Subtotal	2,313,914	1,787,164
Interest and dividends income received	120,928	153,645
Interest expenses paid	(25)	(111)
Income taxes paid	(813,683)	(710,371)
Net cash provided by (used in) operating activities	1,621,133	1,230,326

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2018 (March 1, 2017 to August 31, 2017)	First Half of the Fiscal Year Ending February 28, 2019 (March 1, 2018 to August 31, 2018)
<b>Cash flows from investing activities:</b>		
Purchase of noncurrent assets	(579,450)	(281,813)
Proceeds from sales of noncurrent assets	1,451	388
Purchase of intangible assets	(6,282)	(15,435)
Purchase of investment securities	(9,556)	(2,510,277)
Proceeds from sales of investment securities	—	1,865,703
Payments of long-term loans receivable	(700)	(915)
Collection of long-term loans receivable	2,052	4,211
Purchase of long-term prepaid expenses	(17,929)	(7,390)
Other payments	(78,331)	(114,552)
Other proceeds	29,584	39,900
Net cash provided by (used in) investing activities	(659,161)	1,020,181
<b>Cash flows from financing activities:</b>		
Repayment of long-term loans payable	(54,280)	(57,590)
Purchase of treasury stock	(170)	(154)
Proceeds from sales of treasury stock	96,362	33,804
Cash dividends paid	(659,062)	(859,327)
Other, net	(126,720)	(84,132)
Net cash provided by (used in) financing activities	(743,871)	(967,399)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,012)</b>	<b>(2,087)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>216,088</b>	<b>(759,342)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,288,219</b>	<b>6,026,174</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,504,307</b>	<b>5,266,831</b>

#### (4) Notes to Consolidated Quarterly Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable

(Additional Information)

(Transactions to Provide Company Stock to Employees through a Trust)

The Company has introduced an employee stock ownership plan trust ("ESOP trust") as an incentive to employees to increase medium- to long-term corporate value, conducting transactions to provide Company stock to employees' shareholding association through a trust.

##### i. Transaction summary

The Company established a trust with the beneficiaries as employees who participate in the YONDOSHI HOLDINGS Employees' Shareholding Association ("the Shareholding Association") and satisfy certain requirements. The trust acquires Company stock in an amount expected to be procured by the Shareholding Association over a five-year period, and sells the shares to the Shareholding Association on a fixed date each month. When the trust is concluded, if the trust has earned a profit from a rise in the share price, the funds are distributed to the employee beneficiaries in proportion to their contribution. If a loss is incurred due to a decline in the share price, and debt pertaining to the trust property remains, in accordance with the guarantee article in the loan agreement the Company will discharge the entire debt to the bank, with no additional burden placed on employees.

##### ii. Matters concerning the Company's stock held in the trust

Company stock remaining in the trust is recorded as treasury shares under net assets at book value to the trust (excluding ancillary expenses). At the end of the subject fiscal year, the book value of the subject treasury shares was ¥277,662 thousand, for 100,600 shares at the end of the previous consolidated fiscal year, and ¥220,253 thousand, for 79,800 shares at the end of the second quarter of the subject consolidated fiscal year.

##### iii. Book value of debt recorded through application of the gross method

At the end of the previous consolidated fiscal year: ¥277,470 thousand

At the end of the second quarter of the subject consolidated fiscal year: ¥219,880 thousand

(Elimination of the Retirement Bonuses for Directors Program)

The Company, at the 68th annual shareholders meeting held on May 17, 2018, decided to make a final payment of retirement bonuses associated with the elimination of the retirement bonuses for directors program. Accordingly, the entire amount of the "Provision for directors' retirement benefits" was reversed, and the ¥325,028,000 unpaid portion of the final payment shown in the "Other" item of noncurrent liabilities as "Long-term accounts payable – other."

(Segment Information)

#### I The first half of the fiscal year ended February 28, 2018 (March 1, 2017 to August 31, 2017)

##### 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	13,957,627	8,469,877	22,427,504	—	22,427,504
Intrasegment net sales and transfers	437	461,058	461,496	(461,496)	—
Total	13,958,065	8,930,935	22,889,001	(461,496)	22,427,504
Segment income or loss	2,193,387	277,995	2,471,382	(62,849)	2,408,533

Notes:

1. The adjustment amount of minus ¥62,849 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.
2. 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 28, 2019 (March 1, 2018 to August 31, 2018)

### 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	13,108,891	8,985,684	22,094,575	—	22,094,757
Intrasegment net sales and transfers	657	458,066	458,724	(458,724)	—
Total	13,109,548	9,443,751	22,553,299	(458,724)	22,094,575
Segment income	1,731,642	351,023	2,082,665	(87,877)	1,994,788

Notes:

1. The adjustment amount of minus ¥87,877 thousand for segment income mainly includes amortization of goodwill totaling minus ¥248,252 thousand, corporate expenses that are not attributable to individual reporting segments amounting to minus ¥268,314 thousand and elimination of inter-segment transactions of ¥428,689 thousand. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
2. 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

(Major Impairment Loss Relating to Fixed Assets)

An impairment loss relating to fixed assets was posted in the Jewelry Business segment. The posted value of this impairment loss during the second quarter of the fiscal year under review was ¥110,528 million.