CONSOLIDATED FINANCIAL REPORT（Japanese GAAP） NINE-MONTH PERIOD OF THE FISCAL YEAR ENDING FEBRUARY 28, 2023 (March 1, 2022 to November 30, 2022)

January 6, 2023

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

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Quarterly Securities Report filing date (planned): January 12, 2023
Supplemental materials prepared for quarterly financial results: No
Holding of quarterly financial results meeting: No
Dividend payment commencement date (planned): —

(Millions of yen rounded down)

1. Consolidated Operating Results for the Nine-Month Period of Fiscal 2022 (March 1, 2022 to November 30, 2022)

(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	%
FY2022 Nine-Month Period	28,402	3.7	1,044	40.1	1,328	13.6	739	23.2
FY2021 Nine-Month Period	27,378	(3.3)	745	(60.2)	1,169	(47.1)	600	(49.5)

Note: Comprehensive income FY2022 Nine-Month Period: (3,015) million yen (－%)
FY2021 Nine-Month Period: 769 million yen (－64.7%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2022 Nine-Month Period	34.51	—
FY2021 Nine-Month Period	28.04	—

(Reference) Operating income before the amortization of goodwill:
FY 2022 Nine-Month Period: ¥1,416 million FY 2021 Nine-Month Period: ¥1,118 million
The Company considers operating income before the amortization of goodwill to be an important management indicator.

Note: The Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. Figures for the third quarter of the fiscal year ending February 28, 2023, are after application of this accounting standard.

(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, 2022	54,544	38,036	69.7	1,772.46
February 28, 2022	56,884	42,917	75.4	2,001.22

(Reference)Shareholders’ equity: November 30, 2022: 38,007 million yen February 28, 2022: 42,893 million yen

Note: The Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. Figures for the third quarter of the fiscal year ending February 28, 2023, are after application of this accounting standard.

2. Dividends

	Dividends per Share				
(Record Date)	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2021	—	41.50	—	41.50	83.00
Fiscal 2022	—	41.50	—		
Fiscal 2022 (Forecast)				41.50	83.00

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

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending February 28, 2023 (March 1, 2022 to February 28, 2023)

(% 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, 2023	40,000	4.9	2,000	11.9	2,350	2.4	1,100	(26.2)	51.30

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

(Reference) Forecast EPS before the amortization of goodwill for the full FY 2022 is ¥74.46.

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: Yes

(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:
November 30, 2022: 24,331,356 shares Feb. 28, 2022: 24,331,356 shares
2. Total number of treasury stock as of the period-end:
November 30, 2022: 2,888,198 shares Feb. 28, 2022: 2,897,922 shares
3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)
FY2022 Nine-Month Period: 21,440,888 shares FY2021 Nine-Month Period: 21,428,376 shares

Note: The number of recorded treasury stock includes 97,170 of the Company' shares held by the Shares Grant Trust for Officers as of the end of the third quarter of the fiscal year.

The financial statement summary is not subject to auditing by certified public accountants or audit firms.

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 4.

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1. Qualitative Information on Business and Financial Results

(1) Explanation of Business Results

During the third quarter cumulative period (March 1, 2022, to November 30, 2022) of fiscal 2022 (ending February 28, 2023), the Japanese economy showed signs of gradual recovery as economic activity returned to normal with the easing of restrictions implemented in response to the COVID-19 pandemic. Meanwhile, rising resource and energy prices, along with depreciation in the value of the yen, continue to have an impact on corporate activity.

In the retail sector, although foot traffic has recovered as people have more opportunities to go out, the outlook remains unclear, as the recent series of price hikes has raised concerns over a greater tendency toward economizing.

Under such circumstances, YONDOSHI HOLDINGS Group, in response to the changes in the business environment, is leveraging the strengths of the corporate group to the fullest extent in order to provide products and services that exceed customer expectations, with the aim of further growth. In addition, the Company is practicing sustainable management to establish a highly trusted corporate group, and is working 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, for the subject third quarter cumulative period, net sales amounted to ¥28,402 million (up 3.7% from the same period of the previous fiscal year), with operating income of ¥1,044 million (up 40.1%), ordinary income of ¥1,328 million (up 13.6%), and profit attributable to owners of parent of ¥739 million (up 23.2%). Operating income before the amortization of goodwill, which the Company considers to be an important management indicator, amounted to ¥1,416 million (up 26.7%).

Operating results by business segment were as follows.

Jewelry Business

The F.D.C. Products Group, which operates the jewelry business, recorded positive trends for fashion jewelry such as earrings and bracelets, on successful measures to increase the number of female customers. Sales in the e-commerce business also expanded steadily following the website renewal.

As a result, net sales in the Jewelry Business amounted to ¥12,475 million (up 2.4% from the same period of the previous fiscal year), with operating income of ¥537 million (up 223.3%).

Of note, the Company is taking decisive action for structural reform in the Jewelry Business through a program of selection and concentration. Under this plan, bridal jewelry store locations will be consolidated, with major renovations conducted to establish urban flagship stores.

Apparel Business

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, recorded an increase in sales on the opening of 10 new stores, including four locations in the Kanto region for the first time.

The AS'TY Group, despite the negative impacts from the weak yen and higher material costs, recorded an expansion in sales on successful efforts to take advantage of the recovery in demand and the production environment to strengthen business with mainstay trading partners.

As a result, net sales in the Apparel Business segment amounted to ¥15,927 million (up 4.8% from the same period of the previous fiscal year), with operating income of ¥816 million (down 6.4%).

(2) Explanation of Financial Condition

Total assets at the end of the subject third quarter cumulative period (November 30, 2022) amounted to ¥54,544 million, a decrease of ¥2,339 million from the end of the previous fiscal year (February 28, 2022). This was due mainly to a decrease of ¥3,918 million in investment securities, against an increase of ¥1,049 million in notes and accounts receivable—trade. Total liabilities amounted to ¥16,508 million, an increase of ¥2,542 million from the end of the previous fiscal year. This was due mainly to an increase of ¥2,400 million in short-term loans payable. Total net assets at the end of the subject period amounted to ¥38,036 million, a decrease of ¥4,881 million from the end of the previous fiscal year. This was due mainly to a decrease of ¥3,828 million in valuation difference on available-for-sale securities.

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

For consolidated results forecasts for fiscal 2022 (ending February 28, 2023), see "Notice of Revision to Fiscal 2022 Forecasts" released today (January 6, 2023).

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2022 (As of February 28, 2022)	End of the Third Quarter of the Fiscal Year Ending February 28, 2023 (As of November 30, 2022)
ASSETS		
Current assets:		
Cash and deposits	2,900	2,270
Notes and accounts receivable — trade	2,445	3,494
Merchandise and finished goods	7,713	9,169
Work in process	293	254
Raw materials and supplies	736	544
Other current assets	813	800
Allowance for doubtful accounts	(4)	(5)
Total current assets	14,899	16,529
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	4,630	4,665
Land	5,839	5,839
Other, net	429	476
Total property, plant and equipment	10,899	10,981
Intangible assets:		
Goodwill	2,234	1,861
Other intangible assets	289	363
Total intangible assets	2,523	2,224
Investments and other assets:		
Investment securities	24,037	20,119
Net defined benefit asset	492	519
Other	4,083	4,219
Allowance for doubtful accounts	(51)	(47)
Total investments and other assets	28,562	24,809
Total noncurrent assets	41,985	38,015
Total assets	56,884	54,544

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2022 (As of February 28, 2022)	End of the Third Quarter of the Fiscal Year Ending February 28, 2023 (As of November 30, 2022)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	2,181	3,510
Electronically recorded obligations – operating	738	885
Short-term loans payable	—	2,400
Income taxes payable	353	379
Provision for bonuses	196	342
Provision for directors' bonuses	10	41
Asset retirement obligations	—	233
Other	1,966	2,437
Total current liabilities	5,447	10,230
Noncurrent liabilities:		
Provision for share-based remuneration for directors (and other officers)	146	169
Retirement benefit liability	514	525
Asset retirement obligations	1,400	1,144
Other	6,458	4,437
Total noncurrent liabilities	8,519	6,277
Total liabilities	13,966	16,508
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486	2,486
Capital surplus	7,196	7,189
Retained earnings	31,707	30,647
Treasury stock	(6,175)	(6,148)
Total shareholders' equity	35,215	34,174
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	8,018	4,189
Deferred gains or losses on hedges	8	(10)
Revaluation reserve for land	(233)	(233)
Foreign currency translation adjustments	1	3
Remeasurements of defined benefit plans	(117)	(117)
Total other accumulated comprehensive income	7,677	3,832
Subscription rights to shares	24	29
Total net assets	42,917	38,036
Total liabilities and net assets	56,884	54,544

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

Consolidated Quarterly Statements of Income

Third Quarter Cumulative

(Millions of yen)

	Nine-Month Period of the Fiscal Year Ended February 28, 2022 (March 1, 2021 to November 30, 2021)	Nine-Month Period of the Fiscal Year Ending February 28, 2023 (March 1, 2022 to November 30, 2022)
Net sales	27,378	28,402
Cost of Sales	13,426	14,319
Gross profit	13,951	14,082
Selling, general and administrative expenses	13,206	13,038
Operating income	745	1,044
Non-operating income		
Interest income	59	72
Dividends received	153	169
Foreign exchange gains	26	9
Reversal of allowance for doubtful accounts	0	—
Subsidy income	159	1
Other	41	34
Total non-operating income	440	287
Non-operating expenses		
Interest expenses	0	0
Loss on cancellation of insurance policies	2	1
Depreciation of inactive non-current assets	12	—
Other	1	1
Total non-operating expenses	17	2
Ordinary income	1,169	1,328
Extraordinary income		
Gain on sales of investment securities	—	293
Subsidies for employment adjustment	64	—
Gain on reversal of foreign currency translation adjustment	60	—
Total extraordinary income	125	293
Extraordinary loss		
Impairment loss	188	194
Loss on closing of stores	—	6
Building demolition expenses	—	9
Allowance for absence from work	61	—
Loss on liquidation of subsidiaries	—	29
Loss on valuation of investment securities	36	—
Total extraordinary losses	286	239
Net income before income taxes	1,008	1,382
Total income taxes	407	642
Net income	600	739
Profit attributable to owners of parent	600	739

Consolidated Quarterly Statements of Comprehensive Income
Third Quarter Cumulative

(Millions of yen)

	Nine-Month Period of the Fiscal Year Ended February 28, 2022 (March 1, 2021 to November 30, 2021)	Nine-Month Period of the Fiscal Year Ending February 28, 2023 (March 1, 2022 to November 30, 2022)
Income before minority interests	600	739
Other comprehensive income		
Other valuation difference on available-for-sale securities	230	(3,828)
Deferred gains or losses on hedges	0	(18)
Foreign currency translation adjustments	(74)	1
Remeasurements of defined benefit plans, net of tax	11	(0)
Total other comprehensive income	168	(3,845)
Comprehensive income	769	(3,105)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	769	(3,105)

(3) Notes to Consolidated Quarterly Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. Under this accounting standard, revenue is recognized when control over promised goods or services is transferred to customers, in an amount that the Company expects to receive in exchange for those goods or services. Of note, the Company also applies alternative treatment as stipulated in Paragraph 98 of "Implementation Guidance on Accounting Standard for Revenue Recognition," under which revenue from sales in Japan of merchandise or products is recognized at the time of shipment, when the period between shipment and the time at which control over the subject merchandise or products is transferred to customers is a normal period.

The main changes resulting from the application Accounting Standard for Revenue Recognition are as follows.

(1) Revenue recognition pertaining to fee payment transactions

Previously, articles supplied for a fee were derecognized as inventories. However, for fee payment transactions determined to be subject to a repurchase agreement, articles supplied for a fee that remain with the party that received them continue to be recognized as inventories.

(2) Revenue recognition pertaining to agent transactions

Previously, for certain transactions, the gross amount of consideration received from customers was recognized as revenue. However, for transactions in which the role of the Group in providing goods and services to customers corresponds to that of an agent, the net amount of the sum received from customers, excluding the amount paid to the supplier, is recognized as revenue.

(3) Revenue recognition pertaining to consideration paid to customers

Previously, logistics center fees and other types of consideration paid to customers were treated as selling, general and administrative expenses, but this has been changed to a method of reduction from the transaction price. Also, of the expenses treated as selling, general and administrative expenses, the transport cost for articles necessary to fulfill performance obligations has been changed to a method of recording as cost of sales.

(4) Sales with right of return

Sales with right of return have been changed to a method of recognizing the anticipated revenue from the returned article, less the corresponding amount of cost of sales, as revenue and cost of sales. The equivalent value of the article anticipated for return is presented in the "Other" item of current assets as repayment liability, while assets recognized as the rights to recover articles from customers at the time of settlement of the repayment liability, are presented in the "Other" item of current assets as returned goods assets.

In adopting the Accounting Standard for Revenue Recognition, the Company followed the transitional treatment stipulated in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retroactively applying the new accounting policy to periods before the beginning of the first quarter of the subject fiscal year was added to or deducted from retained earnings at the beginning of the first quarter of the subject fiscal year, and the new accounting policy was applied with effect from the opening balance of retained earnings.

As a result, net sales in the subject third quarter cumulative period decreased by ¥141 million, cost of sales increased by ¥118 million, and selling, general and administrative expenses decreased by ¥265 million. However, the impact on operating income, ordinary income, and profit before income taxes was negligible. The balance of retained earnings at the beginning of the subject fiscal year decreased by ¥13 million. Of note, in accordance with transitional treatment as stipulated in

Paragraph 28-15 of “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information analyzing the revenue resulting from contracts with customers related to the third quarter cumulative period of the previous fiscal year, is not presented.

(Adoption of Accounting Standard for Fair Value Measurement)

Effective from the beginning of the first quarter of the subject fiscal year, the Company adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter, “Accounting Standard for Fair Value Measurement”), etc. Under the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company decided to adopt the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement, etc. for the future. There is no impact on the quarterly consolidated financial statements.

(Application of Special Accounting Treatment in the Preparation of the Consolidated Financial Statements)

(Calculation of Tax Expense)

Tax expense has been calculated by rationally estimating the effective tax rate after the application of tax effect accounting for profit before income taxes in the consolidated fiscal year, including the subject third quarter period, and multiplying this estimated effective tax rate by profit before income taxes.

(Additional Information)

(Changes in Presentation Methods)

As a result of a revision in management practices implemented in conjunction with application of the Accounting Standard for Revenue Recognition, to more accurately reflect the actual state of the Group, for real estate lease revenue, which had previously been recorded in “Net sales” and “Non-operating income,” and rental expenses on real estate, which had previously been recorded in “Selling, general and administrative expenses” and “Non-operating expenses,” from the beginning of the first quarter of the subject fiscal year, the presentation of real estate lease revenue has been changed to recording in “Net sales,” and rental expenses on real estate to “Cost of sales.” Also, in the consolidated balance sheets, the presentation of noncurrent assets related to the real estate leasing business, which had been recorded in “Real estate for investment, net” in “Investments and other assets,” has been changed to recording in “Buildings and structures, net” and “Land.”

Consolidated financial statements from the previous fiscal year have been recombined to reflect this change in presentation method.

As a result, in the Consolidated Quarterly Statements of Income for the previous third quarter cumulative period, ¥54 million presented in “Rent of real estate for investment” in “Non-operating income” has been recombined in “Net sales,” while ¥345 million presented in “Selling, general and administrative expenses,” ¥3 million presented in “Depreciation on investments in real estate” in “Non-operating expenses,” and ¥1 million presented in “Management cost on real estate for investment” in “Non-operating expenses,” have been recombined in “Cost of sales.”

At the same time, in the Consolidated Balance Sheets for the previous fiscal year, ¥431 million presented in “Real estate for investment, net” in “Investments and other assets,” and ¥84 million in “Buildings and structures, net” in “Property, plant, and equipment,” have been recombined as ¥347 million in “Land.”

(Stock Compensation Plan for Directors)

Under its 68th annual shareholders meeting held on May 17, 2018, the Company introduced a stock compensation plan (hereinafter, the “Plan”), with eligible persons the Company’s directors (excluding directors who are audit and supervisory committee members) and directors who are audit and supervisory committee members (excluding outside directors), as well as directors and corporate auditors (excluding outside corporate auditors) of the Company’s major group companies from November 28, 2018.

i. Summary of the transaction

The Plan is a stock compensation plan to grant the Company’s shares to eligible directors of eligible companies in accordance with rules for granting trust-based stock compensation to corporate officers as determined by the eligible companies. The Company will contribute funds to the trust, and the trust will use these funds to acquire the Company’s shares, and grant them to eligible directors. In principle, directors and other officers will receive the Company’s shares at the time of retirement.

ii. The Company’s own shares held in the Trust
The Company’s own shares held in the Trust are recorded as treasury stock under net assets at their book value in the Trust (excluding the amount of ancillary expenses). The book value and number of shares of such treasury stock was ¥168 million, for 83,926 shares at the end of the previous consolidated fiscal year, and ¥191 million, for 97,170 shares at the end of the third quarter of the subject consolidated fiscal year.

(Segment Information)

Ⅰ The nine-month period of the fiscal year ended February 28, 2022 (March 1, 2021 to November 30, 2021)

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

(Millions 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	12,186	15,192	27,378	—	27,378
Intrasegment net sales and transfers	0	103	103	(103)	—
Total	12,186	15,295	27,481	(103)	27,378
Segment income	166	872	1,038	(292)	745

Notes:
1. The adjustment amount of minus ¥292 million for segment income mainly includes amortization of goodwill totaling minus ¥372 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥358 million and elimination of inter-segment transactions of ¥438 million. 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

(Material loss on impairment of fixed assets)
The Company recorded a loss on impairment of fixed assets in the Jewelry Business segment. The amount recorded for this impairment loss for the subject third quarter cumulative period was ¥153 million.

Ⅱ The nine-month period of the fiscal year ending February 28, 2023 (March 1, 2022 to November 30, 2022)

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

(Millions 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					
Revenue from contracts with customers	12,420	15,303	27,724	—	27,724
Other revenue (Note 3)	54	623	678	—	678
Net sales to outside customers	12,475	15,927	28,402	—	28,402
Intrasegment net sales and transfers	0	88	88	(88)	—
Total	12,475	16,015	28,491	(88)	28,402
Segment income	537	816	1,353	(309)	1,044

Notes:
1. The adjustment amount of minus ¥309 million for segment income mainly includes amortization of goodwill totaling minus ¥372 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥384 million and elimination of inter-segment transactions of ¥447 million. 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.
3. “Other revenue” is real estate lease revenue.

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

(Material loss on impairment of fixed assets)

The Company recorded a loss on impairment of fixed assets in the Jewelry Business segment. The amount recorded for this impairment loss for the subject third quarter cumulative period was ¥184 million.

3. Note regarding changes in reporting segments

As stated in (Additional Information) (Changes in Presentation Methods), for real estate lease revenue, which had previously been recorded in “Net sales” and “Non-operating income,” and rental expenses on real estate, which had previously been recorded in “Selling, general and administrative expenses” and “Non-operating expenses,” from the beginning of the first quarter of the subject fiscal year, the presentation of real estate lease revenue has been changed to recording in “Net sales,” and rental expenses on real estate to “Cost of sales.” Segment information for the previous third quarter cumulative period presents recombined figures. As a result of this change, compared to the figures prior to recombination, net sales in the Jewelry Business increased by ¥54 million, and segment operating income increased by ¥49 million.

(Matters Related to Revenue Recognition)

Information analyzing the revenue resulting from contracts with customers is presented in “Notes (Segment information)”.

(Important Subsequent Events)

Not applicable