

CONSOLIDATED FINANCIAL REPORT

FISCAL 2023 (Japanese GAAP)

(March 1, 2023 to February 29, 2024)



April 12, 2024

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

Representative: Hidetoshi Masuda, President and Representative Director
 Inquiries: Masahiko Nishimura, Managing Director, Managing Executive Officer responsible for Finan
 Tel: +81-3-5719-3295
 URL: [https:// yondoshi.co.jp/](https://yondoshi.co.jp/)

Annual General Meeting of Shareholders date (planned): May 30, 2024

Fiscal 2023 Securities Report filing date (planned): May 31, 2024

Dividend payment commencement date (planned): May 31, 2024

Supplemental materials prepared for financial results: Yes

Holding of financial results meeting: Yes (for analysts and institutional investors)

(Millions of yen rounded down)

1. Consolidated Performance for FY 2023 (March 1, 2023 to February 29, 2024)

(1) Consolidated Business Results

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2023	39,457	(0.1)	2,096	5.9	2,515	7.4	1,300	13.2
FY 2022	39,508	3.6	1,979	10.7	2,342	2.1	1,149	(22.9)

(Note) Comprehensive income: FY 2023: ¥2,168 million (—%) FY 2022: ¥(2,928) million (—%)

	Net Income Per Share	Net Income Per Share (Diluted)	ROE	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	Yen	%	%	%
FY 2023	60.65	—	3.4	5.0	5.3
FY 2022	53.61	—	2.8	4.4	5.0

(Reference) Operating income before the amortization of goodwill: FY 2023: ¥2,593 million FY 2022: ¥2,476 million

YONDOSHI HOLDINGS has positioned operating income before the amortization of goodwill as an important management indicator.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share of Common Stock
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	50,643	38,596	76.2	1,798.49
As of February 28, 2023	50,211	38,214	76.0	1,780.71

(Reference) Shareholders' equity: As of February 29, 2024: ¥38,577 million As of February 28, 2023: ¥38,183 million

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2023	2,666	(1,103)	(1,791)	1,570
FY 2022	3,103	(2,371)	(1,834)	1,799

2. Dividends

	Cash Dividends per Share of Common Stock					Cash Dividends Paid (Annual)	Dividend Payout Ratio (Consolidated)	Cash Dividends to Net Assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2022	—	41.50	—	41.50	83.00	1,787	154.8	4.4
FY 2023	—	41.50	—	41.50	83.00	1,791	136.8	4.6
FY 2024(planned)	—	41.50	—	41.50	83.00		111.2	

3. Forecast of Consolidated Results for FY 2024 (March 1, 2024 to February 28, 2025)

(% figures for the full fiscal year represent year-on-year increase or decrease, % figures for the interim period are the increase / (decrease) for the corresponding period of the previous fiscal year)

	Operating Revenues		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
Interim	20,000	4.7	1,000	(6.5)	1,200	(6.6)	750	7.7	34.97
Full Fiscal year	41,000	3.9	2,350	12.1	2,800	11.3	1,600	23.0	74.61

(Reference) Forecast EPS before the amortization of goodwill for the full FY 2024 is ¥97.77.

Notes

(1) **Changes in important subsidiaries during the period (changes in specified subsidiaries in accordance with changes in the scope of consolidation):** No

(2) **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

(3) **Number of shares issued and outstanding (common shares)**

1. Number of shares issued and outstanding as of the end of the period (including treasury stock)

As of February 29, 2024: 24,331,356 shares As of February 28, 2023: 24,331,356 shares

2. Number of treasury stock

As of February 29, 2024: 2,881,696 shares As of February 28, 2023: 2,888,198 shares

3. Average number of shares for the year

FY2023: 21,444,022 shares FY2022: 21,441,448 shares

Notes:

1. The number of recorded treasury stock includes 132,170 of the Company's shares held by the Shares Grant Trust for Officers as of the end of the subject consolidated fiscal year.

2. For additional information on the basic number of shares used to calculate consolidated net income per share, please refer to "Per Share Information" on page 22.

(Reference) Overview of Non-Consolidated Performance**1. Non-Consolidated Performance for FY 2023 (March 1, 2022 to February 29, 2024)****(1) Non-Consolidated Business Results**

(% figures represent year-on-year increase or decrease)

	Operating Revenues		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2023	2,349	54.6	1,895	77.2	2,010	76.4	1,935	84.8
FY 2022	1,519	(36.1)	1,069	(45.4)	1,139	(43.2)	1,047	(45.6)

	Net Income Per Share	Net Income Per Share (Diluted)
	Yen	Yen
FY 2023	90.28	—
FY 2022	48.86	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share of Common Stock
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	38,756	25,874	66.7	1,205.40
As of February 28, 2023	38,368	25,708	66.9	1,197.50

(Reference) Shareholders' equity: As of February 29, 2024: ¥25,855 million As of February 28, 2023: ¥25,678 million

* 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 the information from page 6.
2. The Company plans to hold a financial results briefing on April 12, 2024 (Friday) for institutional investors and analysts. Presentation materials used that day will be posted to the Company's website promptly after the briefing.

Contents

1. Overview of Business Results	5
(1) Overview of Business Results for Fiscal 2023	5
(2) Overview of Financial Condition for Fiscal 2023	5
(3) Overview of Cash Flows for Fiscal 2023	6
(4) Future Outlook	6
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	7
2. Basic Stance on Selection of Accounting Standards	7
3. Consolidated Financial Statements and Major Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(Consolidated Statements of Income)	10
(Consolidated Statements of Comprehensive Income)	11
(3) Consolidated Statements of Changes in Net Assets	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes to Consolidated Financial Statements	16
(Notes Regarding Going Concern Assumptions)	16
(Changes in Accounting Policies)	16
(Additional Information)	16
(Segment Information)	17
(Matters Related to Revenue Recognition)	20
(Per Share Information)	21
(Important Subsequent Events)	22

1. Overview of Business Results

(1) Overview of Business Results for Fiscal 2023

In fiscal 2023, the fiscal year ended February 29, 2024, the Japanese economy showed signs of a modest recovery with the easing of pandemic-related restrictions. Nevertheless, the outlook for the future remains uncertain, with concerns about the impacts from prolonged inflation, domestic and international monetary policy, and exchange rate fluctuations.

In the retail sector, sales of high-ticket items remained firm, and demand from inbound tourism continued to rise. However, wage increases have not kept pace with rising prices, and real wages have been on a downward trend. This has led to market polarization as consumers continue to focus on cost savings and lower prices.

Under such circumstances, YONDOSHI HOLDINGS Group, in response to changes in the business environment, fully leveraged the strengths of the corporate group to provide products and services that exceed customer expectations, with the aim of further growth. In addition, the Company practiced sustainable 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 subject fiscal year amounted to ¥39,457 million (down 0.1% from the previous fiscal year), with operating income of ¥2,096 million (up 5.9%), ordinary income of ¥2,515 million (up 7.4%), and profit attributable to owners of parent to ¥1,300 million (up 13.2%). Operating income before the amortization of goodwill, which the Company considers to be an important management indicator, amounted to ¥2,593 million (up 4.7%).

Operating results by business segment were as follows.

Jewelry Business

Jewelry business company The F.D.C. Products Group made steady progress with business restructuring. The consolidation of bridal jewelry specialty stores resulted in improved profitability. For fashion jewelry, the Company pursued measures aimed at broadening the base of female customers, expansion of e-commerce, and new customer development.

In terms of store openings and closings, 4 stores were opened, 17 stores were closed, and 11 stores were renovated, for a total of 138 stores at the end of the subject period.

As a result, although net sales in the Jewelry Business segment declined from the previous fiscal year, amounting to ¥16,995 million (down 8.6%), operating income rose for a second consecutive period to ¥1,426 million (up 5.1%).

Apparel Business

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, recorded a year-on-year increase in sales at existing stores, which along with a boost from opening new stores, resulted in revenue gains. In terms of store openings and closings, 10 stores were opened, and 4 stores were closed, for a total of 99 stores at the end of the subject period.

Apparel manufacturing and wholesaler The AS'TY Group expanded measures with major business partners against the backdrop of the overseas production bases that are its strength, with growth in both revenue and earnings.

As a result, net sales in the Apparel Business segment rose for a seventh consecutive period, amounting to ¥22,462 million (up 7.4% from the previous fiscal year), with operating income of ¥1,046 million (up 11.1%), for a second consecutive period of gains.

(2) Overview of Financial Condition for Fiscal 2023

(Current Assets)

Current assets as of the end of the fiscal year under review stood at ¥13,941 million, up ¥242 million compared with the end of the previous fiscal year. Major movements included an increase in merchandise of ¥433 million.

(Noncurrent Assets)

Noncurrent assets amounted to ¥36,701 million, an increase of ¥189 million from the end of the previous fiscal year. This was due mainly to an increase in investment securities of ¥1,122 million; against decreases in buildings and structures, net of ¥237 million; and goodwill of ¥496 million.

(Current Liabilities)

Current liabilities amounted to ¥5,605 million, a decrease of ¥267 million from the end of the previous fiscal year. This was due mainly to a decrease in income taxes payable of ¥279 million.

(Noncurrent Liabilities)

Noncurrent liabilities amounted to ¥6,441 million, an increase of ¥317 million from the end of the previous fiscal year. This was due mainly to an increase in deferred tax liabilities of ¥384 million.

(Net Assets)

Total net assets amounted to ¥38,596 million, an increase of ¥381 million from the end of the previous fiscal year. This was due mainly to an increase in valuation difference on available-for-sale securities of ¥805 million; against a decrease in retained earnings of ¥489 million.

(3) Overview of Cash Flows for Fiscal 2023

Cash and cash equivalents as of the end of the subject fiscal year amounted to ¥1,570 million, a decrease of ¥228 million from the end of the previous fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥2,666 million, a decrease of ¥436 million from the end of the previous fiscal year. The main factors were net income before income taxes of ¥2,229 million, and depreciation and amortization of ¥695 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥1,103 million, an increase of ¥1,267 million from the end of the previous fiscal year. The main factor was purchase of property, plant and equipment of ¥852 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥1,791 million, an increase of ¥42 million from the end of the previous fiscal year. The main factor was cash dividends paid of ¥1,789 million.

(4) Future Outlook

In the retail sector industry, consumption is expected to continue to expand on improvement in real wages due to pay increases, the wealth effect from a rising stock market, and an increase in inbound demand. However, concerns remain regarding the pressure on corporate earnings from higher labor costs due to a smaller working population, and rising logistics costs.

Under such circumstances, YONDOSHI HOLDINGS Group will launch its 7th Medium-Term Management Plan, “Challenge for Future – Toward 2030” from the fiscal year ending February 2025. Premised on responding to the business environment, the Group will enhance the value provided to customers, and build a foundation for growth to support future business development.

In the core Jewelry Business, the Company will change the segment name to the “Brand Business” in anticipation of expansion into new business domains. We will also pursue measures to establish a foundation for revising product and sales promotion strategies with the aim of increasing support among female customers. To achieve the vision of a “100-Year Brand,” the Company will pursue measures to rebuild the fashion jewelry business, expand department store and e-commerce sales channels, deepen new customer development, and implement OMO (Online-Merge-Offline) marketing strategies. We will lay a foundation for a new level of value provided by the 4°C brand, which will support a growth phase from the 8th Medium-Term Management Plan.

In the Apparel Business, the Company will continue its efforts for further market expansion. For the everyday fashion brand PALETTE, we will continue during the 7th Medium-Term Management Plan to open around 10 stores each fiscal year, including in the Kanto area, to increase sales. Apparel manufacturers will leverage the advantages from their production bases in Bangladesh to strengthen initiatives with main business partners, and develop new trading relationships.

In addition, to ensure YONDOSHI HOLDINGS remains a highly trustworthy corporate group, we will work to further enhance corporate value by practicing sustainable management, strengthening our internal control functions, providing returns to shareholders, and making longer-term investments that will lead to earnings growth.

As a result of the above, for the fiscal year ending February 28, 2025, the Company is forecasting an increase

in net sales to ¥41,000 million (up 3.9% year on year), and a third consecutive year of earnings gains, with operating income of ¥2,350 million (up 12.1%), ordinary income of ¥2,800 million (up 11.3%), and profit attributable to owners of parent to ¥1,600 million (up 23.0%). The forecast for operating income before the amortization of goodwill, which the Company considers to be an important management indicator, is ¥2,846 million (up 9.8%).

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

YONDOSHI HOLDINGS Group recognizes providing returns to shareholders is an important management issue. As the basic policy on profit distribution, the Company will work to enhance the level of total returns through the provision of stable and continuous dividends and flexible share buybacks, as well as reducing equity capital, aiming to reach ROE of 8% or higher in the future.

The Company has also set a target of DOE of 4% or higher as an important indicator of shareholder returns, and aims to achieve an annual dividend of 100 yen per share in the future.

In accordance with this policy, for the subject fiscal year, YONDOSHI HOLDINGS Group plans to pay a year-end dividend of 41.50 yen per share. Together with the interim dividend of 41.50 yen per share, this represents a full year dividend of 83 yen per share, for a DOE of 4.6%.

Of note, for the fiscal year ending February 2025, the Company plans to pay a dividend of 83 yen per share, comprising an interim dividend of 41.50 yen, and a year-end dividend of 41.50 yen.

2. Basic Stance on Selection of Accounting Standards

The YONDOSHI HOLDINGS Group prepares its consolidated financial statements in accordance with Japanese Generally Accepted Accounting Principles. With respect to International Financial Reporting Standards (IFRS), the YONDOSHI HOLDINGS Group will respond adequately with consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2023 (As of February 28, 2023)	End of the Fiscal Year Ended February 29, 2024 (As of February 29, 2024)
ASSETS		
Current assets:		
Cash and deposits	1,804	1,579
Notes and accounts receivable — trade	2,876	2,905
Merchandise and finished goods	7,647	8,080
Work in process	70	108
Raw materials and supplies	685	430
Advance payments-trade	87	1
Accounts receivable-other	267	579
Other	265	261
Allowance for doubtful accounts	(5)	(5)
Total current assets	13,699	13,941
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	4,265	4,027
Land	5,839	5,839
Lease assets, net	34	22
Other, net	399	427
Total property, plant and equipment	10,538	10,316
Intangible assets:		
Goodwill	1,737	1,241
Lease assets	2	0
Right of trademark	0	0
Other	366	482
Total intangible assets	2,107	1,724
Investments and other assets:		
Investment securities	19,408	20,530
Guarantee deposits	245	227
Long-term loans receivable	1	2
Deferred tax assets	1,735	1,518
Net defined benefit asset	349	443
Lease deposits	1,810	1,579
Claims provable in bankruptcy, claims provable in rehabilitation and other	21	20
Other	342	384
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	23,866	24,660
Total noncurrent assets	36,512	36,701
Total assets	50,211	50,643

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2023 (As of February 28, 2023)	End of the Fiscal Year Ended February 29, 2024 (As of February 29, 2024)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	2,089	2,369
Electronically recorded obligations – operating	692	699
Lease obligations	15	9
Income taxes payable	531	252
Provision for bonuses	240	271
Provision for directors' bonuses	33	48
Asset retirement obligations	208	86
Other	2,061	1,869
Total current liabilities	5,872	5,605
Noncurrent liabilities:		
Lease obligations	24	15
Long-term guarantee deposited	453	489
Deferred tax liabilities	3,596	3,981
Net defined benefit liability	501	494
Provision for directors' stock benefits	184	243
Asset retirement obligations	1,130	979
Other	234	237
Total noncurrent liabilities	6,124	6,441
Total liabilities	11,996	12,047
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486	2,486
Capital surplus	7,189	7,178
Retained earnings	31,056	30,567
Treasury stock	(6,148)	(6,123)
Total shareholders' equity	34,584	34,109
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	4,052	4,857
Deferred gains or losses on hedges	0	8
Revaluation reserve for land	(233)	(233)
Foreign currency translation adjustments	2	—
Remeasurements of defined benefit plans	(222)	(165)
Total accumulated other comprehensive income	3,599	4,467
Subscription rights to shares	30	18
Total net assets	38,214	38,596
Total liabilities and net assets	50,211	50,643

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

	(Millions of yen)	
	Fiscal 2022	Fiscal 2023
	(March 1, 2022 to February 28, 2023)	(March 1, 2023 to February 29, 2024)
Net sales	39,508	39,457
Cost of Sales	19,781	19,927
Gross profit	19,727	19,530
Selling, general and administrative expenses	17,748	17,433
Operating income	1,979	2,096
Non-operating income		
Interest income	102	145
Dividends received	207	228
Foreign exchange gains	13	15
Subsidy income	1	—
Other	40	32
Total non-operating income	366	421
Non-operating expenses		
Interest expenses	1	1
Loss on cancellation of insurance policies	1	0
Other	1	0
Total non-operating expenses	3	2
Ordinary income	2,342	2,515
Extraordinary income		
Gain on sales of investment securities	293	358
Total extraordinary income	293	358
Extraordinary loss		
Impairment loss	542	581
Loss on closing of stores	26	62
Building demolition expenses	9	—
Loss on liquidation of business	23	—
Loss on liquidation of subsidiaries	33	—
Total extraordinary losses	634	644
Net income before income taxes	2,000	2,229
Income taxes — current	946	775
Income taxes — deferred	(95)	152
Total income taxes	851	928
Net income	1,149	1,300
Profit attributable to owners of parent	1,149	1,300

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Income before minority interests	1,149	1,300
Other comprehensive income		
Other valuation difference on available-for-sale securities	(3,966)	805
Deferred gains or losses on hedges	(7)	8
Foreign currency translation adjustments	1	(2)
Remeasurements of defined benefit plans, net of tax	(105)	57
Total other comprehensive income	(4,078)	867
Comprehensive income	(2,928)	2,168
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,928)	2,168

(3) Consolidated Statements of Changes in Net Assets
Fiscal 2022 (March 1, 2022 to February 28, 2023)

(Millions of yen unless otherwise stated)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	2,486	7,196	31,707	(6,175)	35,215
Cumulative effects of changes in accounting policies			(13)		(13)
Restated balance	2,486	7,196	31,694	(6,175)	35,202
Changes of items during the period					
Dividends from surplus			(1,786)		(1,786)
Profit attributable to owners of parent			1,149		1,149
Purchase of treasury shares				(42)	(42)
Disposal of treasury shares		(7)		68	61
Net changes in items excluding shareholders' equity during the period					
Total	—	(7)	(637)	26	(617)
Balance at the end of current period	2,486	7,189	31,056	(6,148)	34,584

	Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the end of previous period	8,018	8	(233)	1	(117)	7,677	24	42,917
Cumulative effects of changes in accounting policies								(13)
Restated balance	8,018	8	(233)	1	(117)	7,677	24	42,904
Changes of items during the period								
Dividends from surplus								(1,786)
Profit attributable to owners of parent								1,149
Purchase of treasury shares								(42)
Disposal of treasury shares								61
Net changes in items excluding shareholders' equity during the period	(3,966)	(7)	—	1	(105)	(4,078)	5	(4,072)
Total	(3,966)	(7)	—	1	(105)	(4,078)	5	(4,690)
Balance at the end of current period	4,052	0	(233)	2	(222)	3,599	30	38,214

Fiscal 2023 (March 1, 2023 to February 29, 2024)

(Millions of yen unless otherwise stated)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	2,486	7,189	31,056	(6,148)	34,584
Changes of items during the period					
Dividends from surplus			(1,789)		(1,789)
Profit attributable to owners of parent			1,300		1,300
Purchase of treasury shares				(64)	(64)
Disposal of treasury shares		(10)		89	78
Net changes in items excluding shareholders' equity during the period					
Total	—	(10)	(488)	24	(474)
Balance at the end of current period	2,486	7,178	30,567	(6,123)	34,109

	Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the end of previous period	4,052	0	(233)	2	(222)	3,599	30	38,214
Changes of items during the period								
Dividends from surplus								(1,789)
Profit attributable to owners of parent								1,300
Purchase of treasury shares								(64)
Disposal of treasury shares								78
Net changes in items excluding shareholders' equity during the period	805	8	—	(2)	57	867	(11)	856
Total	805	8	—	(2)	57	867	(11)	381
Balance at the end of current period	4,857	8	(233)	—	(165)	4,467	18	38,596

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Cash Flows from Operating Activities:		
Net Income before income taxes	2,000	2,229
Depreciation and amortization	770	695
Impairment loss	542	581
Amortization of goodwill	496	496
Increase (decrease) in allowance for doubtful accounts	(2)	0
Increase (decrease) in provision for bonuses	43	30
Loss on liquidation of business	23	—
Subsidy income	(1)	—
Increase (decrease) in net defined benefit liability	(32)	(12)
Increase (decrease) in other provision	60	73
Interest and dividends income	(310)	(373)
Interest expenses	1	1
Foreign exchange losses (gains)	0	(0)
Loss (gain) on sales of investment securities	(293)	(358)
Decrease (increase) in notes and accounts receivable — trade	(427)	(29)
Decrease (increase) in inventories	340	(218)
Increase (decrease) in notes and accounts payable — trade	(137)	289
Increase (decrease) in accrued consumption taxes	100	(85)
Increase (decrease) in advances received	(101)	(187)
Increase (decrease) in accounts payable - other	70	126
Decrease (increase) in other assets	(74)	279
Increase (decrease) in other liabilities	157	(7)
Subtotal	3,226	3,530
Interest and dividends income received	310	377
Interest expenses paid	(1)	(1)
Proceeds from subsidy income	1	—
Income taxes paid	(782)	(1,365)
Income taxes refund	347	125
Net cash provided by (used in) operating activities	3,103	2,666

(Millions of yen)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(842)	(875)
Proceeds from sales of property, plant and equipment	2	—
Purchase of intangible assets	(176)	(208)
Purchase of investment securities	(2,007)	(1,527)
Proceeds from sales of investment securities	864	475
Proceeds from redemption of investment securities	—	1,500
Collection of long-term loans receivable	0	0
Long-term loan advances	—	(1)
Purchase of long-term prepaid expenses	(18)	(54)
Other payments	(311)	(547)
Other proceeds	118	134
Net cash provided by (used in) investing activities	(2,371)	(1,103)
Cash Flows from Financing Activities:		
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	—	12
Cash dividends paid	(1,786)	(1,789)
Other payments	(47)	(15)
Net cash provided by (used in) financing activities	(1,834)	(1,791)
Effect of exchange rate change on cash and cash equivalents	1	0
Net increase (decrease) in cash and cash equivalents	(1,100)	(228)
Cash and cash equivalents at beginning of period	2,900	1,799
Cash and cash equivalents at end of period	1,799	1,570

(5) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable

(Changes in Accounting Policies)

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

Effective from the beginning of the first quarter of the subject fiscal year, the Company adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter, “Implementation Guidance on Accounting Standard for Fair Value Measurement”). Under the transitional treatment stipulated in Paragraph 27-2 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement”, the Company decided to adopt the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Fair Value Measurement for the future. There is no impact on the quarterly consolidated financial statements.

(Additional Information)

(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 ¥255 million, for 132,170 shares at the end of the subject consolidated fiscal year.

(Segment Information)

1. Overview of Reporting Segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

Based on the major products handled, the YONDOSHI HOLDINGS Group has identified the Jewelry Business and the Apparel Business as its two reporting segments.

(1) Jewelry Business

F.D.C. Products Inc. and its subsidiary companies engage in the comprehensive development of brand businesses. This includes the design, manufacture and sale of various products focusing mainly on jewelry. The F.D.C. Products Group's principal brands include 4°C, Canal4°C, and EAUDOUCE4°C.

(2) Apparel Business

AS'TY Inc. and its subsidiary companies engage in apparel business development activities. Responsible for the manufacturing and apparel functions that draw on its design and marketing capabilities, the AS'TY Group maintains an overseas production network in such countries as China, Bangladesh and Vietnam while marketing products mainly through major apparel outlets, specialty stores and general merchandise stores. age Co., Ltd. is active in the retail business focusing mainly on women's clothes, fashion accessories and practical clothing. The company's is largely undertaken in Western Japan.

2. Calculation Methods for Net Sales, Profit and Loss, Assets, Liabilities and Other Items by Reporting Segment

The accounting treatment methods for reporting segments are generally the same as those adopted for preparing consolidated financial statements. Profits for reporting segments are operating income amounts. Intra-segment sales and transfers are based on current market prices.

3. Information Regarding Net Sales, Profit and Loss, Assets, Liabilities and Other Items by Reporting Segment

Fiscal 2022 the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

(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	18,514	20,084	38,598	—	38,598
Other revenue (Note 3)	73	837	910	—	910
Net sales to outside customers	18,587	20,921	39,508	—	39,508
Intra-segment net sales and transfers	0	150	150	(150)	—
Total	18,587	21,072	39,659	(150)	39,508
Segment income	1,356	942	2,298	(319)	1,979
Segment assets	23,617	27,833	51,451	1,239	50,211
Other items					
Depreciation	396	352	748	21	770
Increase in property, plant and equipment and intangible assets	559	394	954	14	968

Notes:

1. (1) The adjustment amount of minus ¥319 million for segment income mainly includes amortization of goodwill totaling minus ¥496 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥482 million and eliminations of inter-segment transactions of ¥659 million.

(2) The adjustment amount of minus ¥1,239 million for segment assets is mainly comprised of an inter-segment offset amount totaling minus ¥13,867 million, corporate assets of ¥10,890 million and the balance of unamortized goodwill of ¥1,737 million that are not allocated to each reporting segment. Meanwhile, corporate assets are primarily made up of surplus operating funds (cash and deposits) that are not attributable to individual reporting segments.

- (3) The adjustment amount of ¥21 million for depreciation and amortization relates to corporate assets that are not attributable to individual reporting segments.
- (4) The adjustment amount of tangible and intangible asset increase of ¥14 million relates to corporate assets that are not attributable to individual reporting segments.
2. Segment income matches operating income recorded on the consolidated statements of income.
3. “Other revenue” is real estate lease revenue.

Fiscal 2023 the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(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	16,922	21,598	38,520	—	38,520
Other revenue (Note 3)	73	864	937	—	937
Net sales to outside customers	16,995	22,462	39,457	—	39,457
Intrasegment net sales and transfers	0	122	122	(122)	—
Total	19,995	22,585	39,580	(122)	39,457
Segment income	1,426	1,046	2,472	(375)	2,096
Segment assets	23,092	29,491	52,583	(1,940)	50,643
Other items					
Depreciation	317	361	679	15	695
Increase in property, plant and equipment and intangible assets	606	516	1,123	0	1,124

Notes:

1. (1) The adjustment amount of minus ¥375 million for segment income mainly includes amortization of goodwill totaling minus ¥496 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥478 million and eliminations of inter-segment transactions of ¥598 million.
- (2) The adjustment amount of minus ¥1,940 million for segment assets is mainly comprised of an inter-segment offset amount totaling minus ¥14,463 million, corporate assets of ¥11,282 million and the balance of unamortized goodwill of ¥1,241 million that are not allocated to each reporting segment. Meanwhile, corporate assets are primarily made up of surplus operating funds (cash and deposits) that are not attributable to individual reporting segments.
- (3) The adjustment amount of ¥15 million for depreciation and amortization relates to corporate assets that are not attributable to individual reporting segments.
- (4) The adjustment amount of tangible and intangible asset increase of ¥0 million relates to corporate assets that are not attributable to individual reporting segments.
2. Segment income matches operating income recorded on the consolidated statements of income.
3. “Other revenue” is real estate lease revenue.

(Related Information)

Fiscal 2022, the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

1. Product and Service Information

As the same information is disclosed in the Segment Information, product and service information has been omitted.

2. Geographical Segment Information

i. Net sales

As the total of net sales to outside customers based in Japan of all business segments represented over 90% of the Company’s total net sales in the consolidated statements of income, geographical information has been omitted.

ii. Property, plant and equipment

As the total of property, plant and equipment based in Japan of all business segments represented over 90% of the Company’s property, plant and equipment in the consolidated balance sheets, geographical information has been omitted.

3. Information by Major Customer

This information has been omitted because there are no specific customers to whom sales exceed 10% or more of the total operating revenues posted in the consolidated statement of income.

Fiscal 2023, the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

1. Product and Service Information

As the same information is disclosed in the Segment Information, product and service information has been omitted.

2. Geographical Segment Information

i. Net sales

As the total of net sales to outside customers based in Japan of all business segments represented over 90% of the Company's total net sales in the consolidated statements of income, geographical information has been omitted.

ii. Property, plant and equipment

As the total of property, plant and equipment based in Japan of all business segments represented over 90% of the Company's property, plant and equipment in the consolidated balance sheets, geographical information has been omitted.

3. Information by Major Customer

This information has been omitted because there are no specific customers to whom sales exceed 10% or more of the total operating revenues posted in the consolidated statement of income.

(Information Concerning the Impairment loss of Noncurrent Assets by Reporting Segment)

Fiscal 2022, the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

(Millions of yen)

	Reporting Segments			Adjustment amount	Total
	Jewelry Business	Apparel Business	Total		
Impairment loss	392	149	542	—	542

Fiscal 2023, the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reporting Segments			Adjustment amount	Total
	Jewelry Business	Apparel Business	Total		
Impairment loss	239	341	581	—	581

(Information Concerning the Amount of Goodwill Amortized and the Balance of Unamortized Goodwill by Reporting Segment)

Fiscal 2022, the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

There were no amounts of goodwill amortized or balance of unamortized goodwill allocated to reporting segments. The amounts of goodwill amortized and balance of unamortized goodwill not allocated to reporting segments were ¥496 million and ¥1,737 million, respectively. The amounts of goodwill amortized and balance of unamortized goodwill related to goodwill that arose at the time of stock exchange.

Fiscal 2023, the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

There were no amounts of goodwill amortized or balance of unamortized goodwill allocated to reporting

segments. The amounts of goodwill amortized and balance of unamortized goodwill not allocated to reporting segments were ¥496 million and ¥1,241 million, respectively. The amounts of goodwill amortized and balance of unamortized goodwill related to goodwill that arose at the time of stock exchange.

(Information Concerning the Gain on Negative Goodwill by Reporting Segment)

Fiscal 2022, the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

Not applicable.

Fiscal 2023, the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

Not applicable.

(Matters Related to Revenue Recognition)

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

(Per Share Information)

(Yen)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Net assets per share	1,780.71	1,798.49
Earnings per share	53.61	60.65

Notes: 1. No statement is made regarding diluted per share net profit for the period because dilutive shares possessing a dilutive effect do not exist.

2. The basis for calculating earnings per share and net income per diluted share is presented as follows:

(Millions of yen unless otherwise stated)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Total earnings per share		
Profit attributable to owners of parent	1,149	1,300
Amounts not applicable to ordinary shareholders	—	—
Profit attributable to owners of parent applicable to common stock	1,149	1,300
Average number of common shares (Shares)	21,441,448	21,444,006

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Description of the diluted shares not included in the calculation of net income per share adjusted for diluted shares due to their non-dilutive effect from the previous fiscal year	November 22, 2018 Board resolution The 11th issuance of new share subscription rights Common stock:34,500 shares	July 8, 2020 Board resolution The 13th issuance of new share subscription rights Common stock:16,500 shares
	November 22, 2018 Board resolution The 12th issuance of new share subscription rights Common stock:28,200 shares	July 8, 2020 Board resolution The 14th issuance of new share subscription rights Common stock:29,500 shares
	July 8, 2020 Board resolution The 13th issuance of new share subscription rights Common stock:21,000 shares	July 7, 2022 Board resolution The 15th issuance of new share subscription rights Common stock:24,000 shares
	July 8, 2020 Board resolution The 14th issuance of new share subscription rights Common stock:31,500 shares	July 7, 2022 Board resolution The 16th issuance of new share subscription rights Common stock:28,900 shares
	July 7, 2022 Board resolution The 15th issuance of new share subscription rights Common stock:24,000 shares	
	July 7, 2022 Board resolution The 16th issuance of new share subscription rights Common stock:28,900 shares	

3. The basis for calculating net assets per share is presented as follows:

(Millions of yen unless otherwise stated)

	Fiscal 2022 (March 1, 2022 to February 28, 2023)	Fiscal 2023 (March 1, 2023 to February 29, 2024)
Total net asset recorded on consolidated balance sheets	38,214	38,596
Deduction amount of total net asset recorded on consolidated balance sheets	30	18
Subscription rights to shares	(30)	(18)
Net assets applicable to common stock	38,183	38,577
Number of common stock utilized for the calculation of net assets per share (Shares)	21,433,158	21,449,660

4. Company stock remaining in the Shares Grant Trust for Officers recorded as Treasury Stock in the Company's Shareholders' Equity is included in the number of treasury stock to be deducted when computing the average number of shares for the period for earnings per share calculation purposes as well as the number of treasury stock to be deducted from the total number of shares issued and outstanding as of the end of the period for net assets per share calculation purposes.

The number of treasury stock to be deducted when computing the average number of shares for the period for earnings per share calculation purposes was 89,308 shares for fiscal 2022 and 117,634 shares for fiscal 2023. The number of treasury stock to be deducted from the total number of shares issued and outstanding as of the end of the period for net assets per share calculation purposes was 97,170 shares for fiscal 2022 and 132,170 shares for fiscal 2023.

(Important Subsequent Events)

Not applicable