

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)**  
**FIRST QUARTER OF THE FISCAL YEAR ENDING**  
**FEBRUARY 29, 2024**  
**(March 1, 2023 to May 31, 2023)**

July 6, 2023

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 Finance  
 Tel: +81-3-5719-3429  
 URL: <https://yondoshi.co.jp/>

Quarterly Securities Report filing date (planned): July 7, 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 First Quarter of Fiscal 2023**  
**(March 1, 2023 to May 31, 2023)**

(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	%
1Q FY2023	9,585	2.8	727	87.3	850	73.5	502	25.2
1Q FY2022	9,324	6.7	388	14.8	490	(1.8)	401	55.2

Note: Comprehensive income 1Q FY2023: 485 million yen (—%) 1Q FY2022: (2,369) million yen (—%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
1Q FY2023	23.45	—
1Q FY2022	18.73	—

(Reference) Operating income before the amortization of goodwill:

1Q FY 2023: ¥852 million 1Q FY 2022: ¥512 million

The Company considers operating income before the amortization of goodwill to be an important management indicator.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
May 31, 2023	52,994	37,807	71.3	1,761.67
February 28, 2023	50,211	38,214	76.0	1,780.71

(Reference) Shareholders' equity: May 31, 2023: 37,776 million yen February 28, 2023: 38,183 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 2022	—	41.50	—	41.50	83.00
Fiscal 2023	—	—	—	—	—
Fiscal 2023 (Forecast)	—	41.50	—	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 29, 2024 (March 1, 2023 to February 29, 2024)

(Percentages represent percentage changes as compared with the corresponding period in the previous fiscal year)

	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
Interim period Fiscal year ending February 29, 2024	19,000	2.6	800	24.0	1,000	21.6	550	7.1	25.65
	40,000	1.2	2,100	6.1	2,500	6.7	1,300	13.1	60.63

Note: Revision to the most recently announced operating results forecast: No  
(Reference) EPS before the amortization of goodwill is ¥83.78.

#### 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:  
May 31, 2023: 24,331,356 shares      Feb. 28, 2023: 24,331,356 shares
  2. Total number of treasury stock as of the period-end:  
May 31, 2023: 2,888,102 shares      Feb. 28, 2023: 2,888,198 shares
  3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)  
First quarter fiscal 2023: 21,443,216 shares      First quarter fiscal 2022: 21,436,381 shares

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

\* These quarterly consolidated financial results are 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  
Results forecasts are prepared based on information available at the time of disclosure of this document. Actual results may vary from forecast figures for a variety of reasons. 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.

**Contents**

- 1. Qualitative Information on Business and Financial Results 4
  - (1) Explanation of Business Results 4
  - (2) Explanation of Financial Condition 4
  - (3) Explanation of Consolidated Results Forecasts and Other Future Predictions 4
- 2. Consolidated Quarterly Financial Statements 5
  - (1) Consolidated Quarterly Balance Sheets 5
  - (2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income 7
    - Consolidated Quarterly Statements of Income First Quarter Cumulative 7
    - Consolidated Quarterly Statements of Comprehensive Income First Quarter Cumulative 8
  - (3) Notes to Consolidated Quarterly Financial Statements 9
    - (Notes Regarding Going Concern Assumptions) 9
    - (Notes Regarding Substantial Changes in Shareholders' Equity) 9
    - (Application of Special Accounting Treatment in the Preparation of the Consolidated Financial Statements) 9
    - (Changes in Accounting Policies) 9
    - (Additional Information) 9
    - (Segment Information) 10
    - (Matters related to Revenue Recognition) 11
    - (Important Subsequent Events) 11

## 1. Qualitative Information on Business and Financial Results

### (1) Explanation of Business Results

During the first quarter period (March 1, 2023, to May 31, 2023) of fiscal 2023 (ending February 2024), the Japanese economy showed signs of a modest recovery as economic activity returned to normal with the easing of restrictions implemented in response to the COVID-19 pandemic. Nevertheless, the outlook for the future remains uncertain, including concerns of a global recession due to price increases to meet soaring costs, and the impact of monetary policies in Europe and the United States.

In the retail sector, despite positive signs beginning to emerge in some areas, such as strong sales of high-ticket items and a gradual recovery in inbound tourism, the situation continues to be unpredictable, as successive price increases for daily necessities has heightened awareness of defensive measures to maintain current lifestyles.

Under such circumstances, YONDOSHI HOLDINGS Group, in response to changes in the business environment, is fully leveraging 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 first quarter period amounted to ¥9,585 million (up 2.8% from the same period of the previous fiscal year), with operating income of ¥727 million (up 87.3%), ordinary income of ¥850 million (up 73.5%) and profit attributable to owners of parent to ¥502 million (up 25.2%), for a third consecutive quarter of revenue and earnings gains. Operating income before the amortization of goodwill, which the Company considers to be an important management indicator, amounted to ¥852 million (up 66.2%).

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. For bridal jewelry, the business company pursued greater efficiency through consolidation of specialty stores, while making large-scale investments for store relocation and renovation. For fashion jewelry, F.D.C. focused on broadening the base of female customers, increasing sales in the e-commerce business, and developing new customers.

As a result, net sales in the Jewelry Business segment amounted to ¥3,911 million (down 5.1% from the same period of the previous fiscal year), with operating income of ¥382 million (up 97.6%).

#### *Apparel Business*

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, increased sales through opening of new stores.

Apparel manufacturing and wholesaler The AS'TY Group expanded measures with major business partners that increased profit margins.

As a result, net sales in the Apparel Business segment amounted to ¥5,674 million (up 9.1% from the same period of the previous fiscal year), with operating income of ¥451 million (up 57.6%), for gains in both revenue and earnings.

### (2) Explanation of Financial Condition

Total assets at the end of the subject first quarter period (May 31, 2023) amounted to ¥52,994 million, an increase of ¥2,782 million from the end of the previous fiscal year (February 28, 2023). This was due mainly to increases of ¥1,441 million in investment securities, and ¥733 million in merchandise and finished goods. Total liabilities amounted to ¥15,186 million, an increase of ¥3,189 million from the end of the previous fiscal year, due mainly to an increase of ¥2,700 million in short-term borrowings. Total net assets at the end of the subject period amounted to ¥37,807 million, a decrease of ¥406 million from the end of the previous fiscal year.

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

Consolidated results forecasts for fiscal 2023 are unchanged from those announced on April 14, 2023.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2023 (As of February 28, 2023)	End of the First Quarter of the Fiscal Year Ending February 29, 2024 (As of May 31, 2023)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	1,804	1,854
Notes and accounts receivable — trade	2,876	3,103
Merchandise and finished goods	7,647	8,381
Work in process	70	170
Raw materials and supplies	685	429
Other current assets	620	985
Allowance for doubtful accounts	(5)	(5)
Total current assets	13,699	14,918
<b>Noncurrent assets:</b>		
Property, plant and equipment:		
Buildings and structures, net	4,265	4,409
Land	5,839	5,839
Other, net	433	485
Total property, plant and equipment	10,538	10,734
Intangible assets:		
Goodwill	1,737	1,613
Other intangible assets	369	426
Total intangible assets	2,107	2,040
Investments and other assets:		
Investment securities	19,408	20,849
Net defined benefit asset	349	357
Other	4,156	4,141
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	23,866	25,300
Total noncurrent assets	36,512	38,075
<b>Total assets</b>	50,211	52,994

(Millions of yen)

	End of the Fiscal Year Ended February 28, 2023 (As of February 28, 2023)	End of the First Quarter of the Fiscal Year Ending February 29, 2024 (As of May 31, 2023)
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable — trade	2,089	2,935
Electronically recorded obligations – operating	692	542
Short-term borrowings	—	2,700
Income taxes payable	531	316
Provision for bonuses	240	230
Provision for directors' bonuses	33	18
Asset retirement obligations	208	35
Other	2,077	2,235
<b>Total current liabilities</b>	<b>5,872</b>	<b>9,015</b>
<b>Noncurrent liabilities:</b>		
Provision for share-based remuneration for directors (and other officers)	184	199
Retirement benefit liability	501	495
Asset retirement obligations	1,130	1,175
Other	4,308	4,300
<b>Total noncurrent liabilities</b>	<b>6,124</b>	<b>6,171</b>
<b>Total liabilities</b>	<b>11,996</b>	<b>15,186</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	2,486	2,486
Capital surplus	7,189	7,189
Retained earnings	31,056	30,665
Treasury stock	(6,148)	(6,148)
<b>Total shareholders' equity</b>	<b>34,584</b>	<b>34,193</b>
<b>Other accumulated comprehensive income:</b>		
Valuation difference on available-for-sale securities	4,052	4,000
Deferred gains or losses on hedges	0	33
Revaluation reserve for land	(233)	(233)
Foreign currency translation adjustments	2	—
Remeasurements of defined benefit plans	(222)	(218)
<b>Total other accumulated comprehensive income</b>	<b>3,599</b>	<b>3,582</b>
<b>Subscription rights to shares</b>	<b>30</b>	<b>31</b>
<b>Total net assets</b>	<b>38,214</b>	<b>37,807</b>
<b>Total liabilities and net assets</b>	<b>50,211</b>	<b>52,994</b>

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

(Millions of yen)

	First Quarter of the Fiscal Year Ended February 28, 2023 (March 1, 2022 to May 31, 2022)	First Quarter of the Fiscal Year Ending February 29, 2024 (March 1, 2023 to May 31, 2023)
<b>Net sales</b>	9,324	9,585
<b>Cost of Sales</b>	4,647	4,772
<b>Gross profit</b>	4,676	4,813
<b>Selling, general and administrative expenses</b>	4,288	4,085
<b>Operating income</b>	388	727
<b>Non-operating income</b>		
Interest income	19	34
Dividends received	59	69
Foreign exchange gains	2	5
Other	22	15
Total non-operating income	104	123
<b>Non-operating expenses</b>		
Interest expenses	0	0
Loss on insurance cancellation	1	0
Other	0	0
Total non-operating expenses	2	1
<b>Ordinary income</b>	490	850
<b>Extraordinary income</b>		
Gain on sales of investment securities	293	—
Total extraordinary income	293	—
<b>Extraordinary loss</b>		
Impairment loss	3	9
Loss on closing of stores	—	1
Building demolition expenses	9	—
Total extraordinary losses	12	10
<b>Net income before income taxes</b>	771	840
Total income taxes	369	337
Net income	401	502
<b>Profit attributable to owners of parent</b>	401	502

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

(Millions of yen)

	First Quarter of the Fiscal Year Ended February 28, 2023 (March 1, 2022 to May 31, 2022)	First Quarter of the Fiscal Year Ending February 29, 2024 (March 1, 2023 to May 31, 2023)
Income before minority interests	401	502
Other comprehensive income		
Other valuation difference on available-for-sale securities	(2,791)	(51)
Deferred gains or losses on hedges	20	33
Foreign currency translation adjustments	0	(2)
Remeasurements of defined benefit plans, net of tax	(0)	4
Total other comprehensive income	(2,770)	(16)
<b>Comprehensive income</b>	<b>(2,369)</b>	<b>485</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,369)	485

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

(Notes Regarding Going Concern Assumptions)

Not applicable

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable

(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 first quarter period, and multiplying this estimated effective tax rate by profit before income taxes.

(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 ¥191 million, for 97,170 shares at the end of the previous consolidated fiscal year, and ¥191 million, for 97,170 shares at the end of the first quarter of the subject consolidated fiscal year.

(Segment Information)

**I The first quarter of the fiscal year ended February 28, 2023 (March 1, 2022 to May 31, 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	4,104	4,995	9,100	—	9,100
Other revenue (Note 3)	18	205	224	—	224
Net sales to outside customers	4,122	5,201	9,324	—	9,324
Intrasegment net sales and transfers	—	26	26	(26)	—
Total	4,122	5,228	9,351	(26)	9,324
Segment income	193	286	479	(91)	388

Notes:

1. The adjustment amount of minus ¥91 million for segment income mainly includes amortization of goodwill totaling minus ¥124 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥114 million and elimination of inter-segment transactions of ¥147 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**

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

**II The first quarter of the fiscal year ending February 29, 2024 (March 1, 2023 to May 31, 2023)**

**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	3,893	5,457	9,350	—	9,350
Other revenue (Note 3)	18	217	235	—	235
Net sales to outside customers	3,911	5,674	9,585	—	9,585
Intrasegment net sales and transfers	0	25	25	(25)	—
Total	3,911	5,699	9,611	(25)	9,585
Segment income	382	451	833	(105)	727

Notes:

1. The adjustment amount of minus ¥105 million for segment income mainly includes amortization of goodwill totaling minus ¥124 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥120 million and elimination of inter-segment transactions of ¥139 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**

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

(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