

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
FIRST HALF OF THE FISCAL YEAR ENDING
FEBRUARY 28, 2021
(March 1, 2020 to August 31, 2020)

October 12, 2020

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

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Quarterly Securities Report filing date (planned): October 13, 2020
 Supplemental materials prepared for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)
 Dividend payment commencement date (planned): November 13, 2020

(Millions of yen rounded down)

1. Consolidated Operating Results for the First Half of Fiscal 2020
(March 1, 2020 to August 31, 2020)

(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	%
FY2020 First Half	17,980	(18.0)	1,043	(52.5)	1,283	(45.8)	603	(59.4)
FY2019 First Half	21,925	(0.8)	2,195	10.1	2,370	(8.0)	1,484	(18.3)

Note: Comprehensive income FY2020 First Half: 1,375 million yen (51.7%)
 FY2019 First Half: 906 million yen (-37.9%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2020 First Half	27.79	—
FY2019 First Half	66.10	66.10

(Reference) Operating income before the amortization of goodwill:
 FY 2020 First Half: ¥1,291 million FY 2019 First Half: ¥2,443 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
August 31, 2020	53,626	40,136	74.8	1,846.76
February 29, 2020	53,737	39,588	73.5	1,822.10

(Reference) Shareholders' equity: August 31, 2020: 40,112 million yen February 29, 2020: 39,514 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 2019	—	40.00	—	40.00	80.00
Fiscal 2020	—	40.50	—	—	—
Fiscal 2020 (Forecast)	—	—	—	40.50	81.00

Note: Revision to dividend forecast for the second quarter of the fiscal year ending February 28, 2021: No

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending February 28, 2021 (March 1, 2020 to February 28, 2021)

(% 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, 2021	39,000	(13.3)	2,900	(27.1)	3,300	(23.5)	2,000	(19.2)	92.15

Note: Revisions to consolidated operating forecasts for the second quarter of the fiscal year ending February 28, 2021: No (Reference) EPS before the amortization of goodwill, taking into account the upper limit for share buy-backs in FY 2019, is ¥115.03.

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: No
 - 2) Changes of accounting principles other than 1) above: Yes
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Number of Shares Issued and Outstanding (Common Stock)
 1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:
August 31, 2020: 24,331,356 shares Feb. 29, 2020: 24,331,356 shares
 2. Total number of treasury stock as of the period-end:
August 31, 2020: 2,611,109 shares Feb. 29, 2020: 2,645,286 shares
 3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)
FY2020 First Half: 21,703,709 shares FY2019 First Half: 22,455,182 shares

Note: The number of recorded treasury stock includes 41,000 of the Company's shares held by the YONDOSHI HOLDINGS Group Employees' Shareholding Association Trust (hereinafter referred to the "the Trust") and 67,136 of the Company's shares held by the Shares Grant Trust for Officers as of the end of the second 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 5.
2. The Company plans to hold a financial results briefing on October 12, 2020 (Monday) for institutional investors and analysts. Presentation materials used that day will be posted to the Company's website promptly after the briefing.

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1. Qualitative Information on Business and Financial Results

(1) Explanation of Business Results

During the first half of the period under review (March 1, 2020 to August 31, 2020) of fiscal 2020, the fiscal year ending February 28, 2021 (March 1, 2020 to February 28, 2021), conditions in the Japanese economy were extremely severe, with a slump in business results and a drop in personal consumption amid the restrictions placed on economic activity due to the COVID-19 emergency.

In the retail industry, in addition to the impact of the government's call for people to remain at home, as well as business suspensions and shortened operating hours at stores, the worsening employment and income environments that continued to emerge after the end of the state of emergency led to fears of a further cooling off in consumer sentiment. Therefore, the outlook for the economy remained extremely severe and clouded.

Under these circumstances, during fiscal 2020, the second year of the fifth medium-term management plan, the YONDOSHI HOLDINGS Group continued to cultivate human resources, bolster product capabilities, and assess market trends, with the aim of becoming a century-old company and brand. Further, we practiced CSR-based management to establish a highly trusted corporate group, and worked to enhance enterprise value by strengthening internal controls, providing shareholder returns, and making medium to long-term investments linked to earnings growth.

As a result, for the first half of the period under review, net sales amounted to ¥17,980 million (down 18.0% from the same period of the previous fiscal year), operating income amounted to ¥1,043 million (down 52.5%), ordinary income amounted to ¥1,283 million (down 45.8%), and profit attributable to owners of parent amounted to ¥603 million (down 59.4%). Positioned as an important management indicator, operating income before the amortization of goodwill amounted to ¥1,291 million (down 47.1%).

Operating results by business segment were as follows.

Jewelry Business

The F.D.C. Products Group fully implemented measures to help prevent the spread of COVID-19, including suspending business operations and shortening operating hours at stores from March. Although the government continued to call for people to remain at home even after the end of the state of emergency, net sales from stores underwent a recovery as the Group transitioned to regular operations in stages.

As a result, net sales in the Jewelry Business segment amounted to ¥8,534 million (down 32.6% from the same period of the previous fiscal year), with operating income of ¥686 million (down 62.2%).

Apparel Business

The AS'TY Group made efforts to maintain the supply chain by increasing the number of local staff at overseas production sites. The Group also improved operating income over the same period of the previous fiscal year by focusing on cost reductions. Retailer age Co., Ltd. focused on business operations for the mainstay everyday fashion brand PALETTE to fulfill its role as part of the social infrastructure supporting the lives of local customers. Due to these efforts, existing stores underwent substantial growth while stores that were newly opened in line with the current medium-term management plan also trended positively, leading both net sales and operating income to achieve their highest levels in history.

As a result, net sales in the Apparel Business segment amounted to ¥9,445 million (up 2.1% from the same period of the previous fiscal year), with operating income of ¥567 million (up 15.8%).

(2) Explanation of Financial Condition

Assets, Liabilities and Net Assets

Total assets at the end of the second quarter (August 31, 2020) of the fiscal year ending February 28, 2021 amounted to ¥53,626, a decrease of ¥110 million from the end of the previous fiscal year (February 29, 2020). This was mainly due to a decrease of ¥558 million in merchandise and finished goods. Total liabilities amounted to ¥13,490 million, a decrease of ¥658 million from the end of the previous fiscal year. This was mainly due to a decline of ¥1,300 million in notes and accounts payable — trade. Total net assets amounted to ¥40,136 million, an increase of ¥548 million from the end of the previous fiscal year. This was mainly due to an increase of ¥755 million in the valuation difference on available-for-sale securities.

Cash Flows

Cash and cash equivalents as of the end of the second quarter of the fiscal year under review stood at ¥1,555 million, an increase of ¥769 million compared with the end of the previous fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥2,813 million, up ¥2,407 million compared with the corresponding period of the previous fiscal year. This increase was mainly due to income before income taxes and an income tax refund.

(Cash Flows from Investing Activities)

Net cash used by investing activities totaled ¥1,815 million, a decrease of ¥1,838 million compared with the corresponding period of the previous fiscal year. This decrease was mainly due to cash outflows attributable to purchases of investment securities.

(Cash Flows from Financing Activities)

Net cash used in financing activities came to ¥227 million, down ¥3,412 million compared with the corresponding period of the previous fiscal year. This decline was mainly due to outflows attributable to dividend payments.

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

Regarding consolidated results forecasts for fiscal 2020 (ending February 28, 2021), although the COVID-19 situation is not worsening, and restrictions on domestic and international travel are gradually being relaxed, the Company's forecasts assume that the impact of the pandemic will continue during the subject period.

Of note, because the timing of return to normal activity following COVID-19 remains uncertain, the future status of the pandemic and extent to which it is controlled could have a significant impact on consolidated earnings.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	End of the Fiscal Year Ended February 29, 2020 (As of February 29, 2020)	End of the Second Quarter of the Fiscal Year Ending February 28, 2021 (As of August 31, 2020)
ASSETS		
Current assets:		
Cash and deposits	785	2,055
Notes and accounts receivable — trade	2,975	2,995
Merchandise and finished goods	8,356	7,797
Work in process	469	550
Raw materials and supplies	1,262	1,237
Other current assets	3,128	684
Allowance for doubtful accounts	(2)	(3)
Total current assets	16,976	15,317
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	5,307	5,211
Land	5,492	5,492
Other, net	698	619
Total property, plant and equipment	11,498	11,323
Intangible assets:		
Goodwill	3,227	2,979
Other intangible assets	214	230
Total intangible assets	3,441	3,209
Investments and other assets:		
Investment securities	16,507	18,544
Net defined benefit asset	582	601
Other	4,782	4,686
Allowance for doubtful accounts	(51)	(55)
Total investments and other assets	21,820	23,776
Total noncurrent assets	36,760	38,309
Total assets	53,737	53,626

(Millions of yen)

	End of the Fiscal Year Ended February 29, 2020 (As of February 29, 2020)	End of the Second Quarter of the Fiscal Year Ending February 28, 2021 (As of August 31, 2020)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	3,902	2,601
Short-term loans payable	—	800
Current portion of long-term loans payable	82	—
Income taxes payable	434	439
Provision for bonuses	227	205
Provision for directors' bonuses	24	26
Asset retirement obligations	70	36
Other	3,109	2,724
Total current liabilities	7,851	6,834
Noncurrent liabilities:		
Provision for share-based remuneration for directors (and other officers)	79	91
Retirement benefit liability	500	496
Asset retirement obligations	1,358	1,375
Other	4,358	4,692
Total noncurrent liabilities	6,297	6,655
Total liabilities	14,149	13,490
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486	2,486
Capital surplus	7,223	7,208
Retained earnings	32,108	31,841
Treasury stock	(5,751)	(5,644)
Total shareholders' equity	36,066	35,891
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	3,594	4,349
Deferred gains or losses on hedges	2	(5)
Revaluation reserve for land	(161)	(161)
Foreign currency translation adjustments	56	78
Remeasurements of defined benefit plans	(43)	(40)
Total other accumulated comprehensive income	3,447	4,220
Subscription rights to shares	74	24
Total net assets	39,588	40,136
Total liabilities and net assets	53,737	53,626

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

(Millions of yen)

	First Half of the Fiscal Year Ended February 29, 2020 (March 1, 2019 to August 31, 2019)	First Half of the Fiscal Year Ending February 28, 2021 (March 1, 2020 to August 31, 2020)
Net sales	21,925	17,980
Cost of Sales	9,517	8,505
Gross profit	12,408	9,474
Selling, general and administrative expenses	10,213	8,431
Operating income	2,195	1,043
Non-operating income		
Interest income	23	86
Dividends received	92	92
Rent of real estate for investment	36	36
Other	46	42
Total non-operating income	199	258
Non-operating expenses		
Interest expenses	0	1
Depreciation of real estate for investment	2	2
Management cost for real estate for investment	0	0
Foreign exchange losses	6	6
Commission for purchase of treasury shares	7	—
Provision of allowance for doubtful accounts	—	2
Loss on cancellation of insurance policies	—	4
Other	5	0
Total non-operating expenses	24	17
Ordinary income	2,370	1,283
Extraordinary income		
Gain on sales of investment securities	99	22
Gain on reversal of share acquisition rights	—	52
Subsidies for employment adjustment	—	394
Reversal of loss on liquidation of subsidiaries	—	27
Total extraordinary income	99	497
Extraordinary loss		
Impairment loss	86	106
Loss on closing of stores	16	27
Allowance for absence from work	—	405
Loss on liquidation of subsidiaries	—	6
Loss on liquidation of brands	—	121
Loss on valuation of investment securities	159	63
Total extraordinary losses	262	730
Net income before income taxes	2,208	1,050
Total income taxes	724	447
Net income	1,484	603
Profit attributable to owners of parent	1,484	603

Consolidated Quarterly Statements of Comprehensive Income
Second Quarter Cumulative

(Millions of yen)

	First Half of the Fiscal Year Ended February 29, 2020 (March 1, 2019 to August 31, 2019)	First Half of the Fiscal Year Ending February 28, 2021 (March 1, 2020 to August 31, 2020)
Income before minority interests	1,484	603
Other comprehensive income		
Other valuation difference on available-for-sale securities	(573)	755
Deferred gains or losses on hedges	(8)	(8)
Foreign currency translation adjustments	5	21
Remeasurements of defined benefit plans, net of tax	(1)	3
Total other comprehensive income	(577)	772
Comprehensive income	906	1,375
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	906	1,375

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	First Half of the Fiscal Year Ended February 29, 2020 (March 1, 2019 to August 31, 2019)	First Half of the Fiscal Year Ending February 28, 2021 (March 1, 2020 to August 31, 2020)
Cash flows from operating activities:		
Income before income taxes	2,208	1,050
Depreciation	477	483
Impairment loss	86	106
Amortization of goodwill	248	248
Increase (decrease) in allowance for doubtful accounts	(47)	5
Increase (decrease) in provision for bonuses	(0)	(21)
Gain on reversal of share acquisition rights	—	(52)
Subsidies for employment adjustment	—	(394)
Allowance for absence from work	—	405
Increase (decrease) in net defined benefit liability	(32)	(18)
Increase (decrease) in other provision	42	14
Interest and dividends income	(116)	(179)
Interest expenses	0	1
Foreign exchange losses (gains)	12	8
Loss (gain) on valuation of investment securities	159	63
Decrease (increase) in notes and accounts receivable — trade	(816)	(24)
Decrease (increase) in inventories	67	501
Increase (decrease) in notes and accounts payable — trade	32	(1,300)
Loss (gain) on sales of investment securities	(99)	(22)
Increase (decrease) in accounts payable—other	86	239
Increase (decrease) in advances received	(118)	(160)
Increase (decrease) in accounts payable — other	397	(318)
Decrease (increase) in other assets	(536)	75
Increase (decrease) in other liabilities	164	(126)
Subtotal	2,215	584
Interest and dividends income received	116	173
Interest expenses paid	(0)	(1)
Subsidies for employment adjustment received	—	394
Allowance for absence from work paid	—	(405)
Income taxes paid	(4,787)	(642)
Income taxes refund	2,861	2,709
Net cash provided by (used in) operating activities	405	2,813

(Millions of yen)

	First Half of the Fiscal Year Ended February 29, 2020 (March 1, 2019 to August 31, 2019)	First Half of the Fiscal Year Ending February 28, 2021 (March 1, 2020 to August 31, 2020)
Cash flows from investing activities:		
Payments into time deposits	—	(500)
Purchase of noncurrent assets	(345)	(367)
Purchase of intangible assets	(36)	(54)
Purchase of investment securities	(6)	(1,006)
Proceeds from sales of investment securities	345	88
Payments of long-term loans receivable	—	(0)
Collection of long-term loans receivable	1	0
Purchase of long-term prepaid expenses	(29)	(13)
Other payments	(89)	(95)
Other proceeds	183	133
Net cash provided by (used in) investing activities	23	(1,815)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	400	800
Repayment of long-term loans payable	(52)	(82)
Purchase of treasury stock	(3,103)	(50)
Proceeds from sales of treasury stock	33	14
Cash dividends paid	(870)	(870)
Other, net	(48)	(38)
Net cash provided by (used in) financing activities	(3,640)	(227)
Effect of exchange rate changes on cash and cash equivalents	(2)	(1)
Net increase (decrease) in cash and cash equivalents	(3,214)	769
Cash and cash equivalents at beginning of period	3,749	785
Cash and cash equivalents at end of period	535	1,555

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

(Changes in Accounting Policy)

(Change in Calculation Method for Tax Expense)

Up to now, the Company and its consolidated subsidiaries have calculated tax expense using principal methods. However, following the organizational changes to strengthen management functions and enhance operational efficiency, in order to further enhance the efficiency of account settlement for the Company and its consolidated subsidiaries, from the subject fiscal year the Company is switching to a method of rationally estimating the effective tax rate after the application of tax effect accounting for profit before income taxes, and multiplying this estimated effective tax rate by profit before income taxes.

Of note, the impact of this change is negligible, and so has not been applied retroactively.

(Additional Information)

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

The Company has introduced an employee stock ownership plan trust ("ESOP trust") as an incentive to employees to increase medium- to long-term corporate value, conducting transactions to provide Company stock to employees' shareholding association through a trust. During the second quarter of the subject consolidated fiscal year, however, the Trust completed the sale of shares in the Company held by The Nomura Trust and Banking Co., Ltd. With the expiration of the trust period on July 2, 2020, this transaction came to a conclusion.

i. Transaction summary

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

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

Company stock remaining in the trust is recorded as treasury shares under net assets at book value to the trust (excluding ancillary expenses). The book value and number of shares of such treasury stock is not applicable due to the completion of sale of all remaining shares in the Trust during the second quarter of the subject consolidated fiscal year.

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

Not applicable due to the completion of repayment during the second quarter of the subject consolidated fiscal year.

(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 ¥114 million, for 45,353 shares at the end of the previous consolidated fiscal year, and ¥144 million, for 67,136 shares at the end of the second quarter of the subject consolidated fiscal year.

(Accounting Estimates)

In light of the heightened awareness of the need to prevent the spread of COVID-19, even as of the date of this document, the Company expects the current trend of refraining from going out in public to continue, and recognizes that this will have a certain degree of impact on demand. Based on the assumption that the situation will gradually improve over the course of the subject fiscal year, the Company has estimated impairment for its fixed assets.

Of note, these assumptions have a high degree of uncertainty, and should a return to normal lifestyles be delayed and the impact prolonged, there is a possibility of future losses.

(Segment Information)**I The first half of the fiscal year ended February 29, 2020 (March 1, 2019 to August 31, 2019)****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	12,671	9,254	21,925	—	21,925
Intrasegment net sales and transfers	—	327	327	(327)	—
Total	12,671	9,581	22,253	(327)	21,925
Segment income	1,815	490	2,305	(110)	2,195

Notes:

1. The adjustment amount of minus ¥110 million for segment income mainly includes amortization of goodwill totaling minus ¥248 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥274 million and elimination of inter-segment transactions of ¥412 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

(Major Impairment Loss Relating to Fixed Assets)

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

II The first half of the fiscal year ending February 28, 2021 (March 1, 2020 to August 31, 2020)**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	8,534	9,445	17,980	—	17,980
Intrasegment net sales and transfers	—	111	111	(111)	—
Total	8,534	9,557	18,092	(111)	17,980
Segment income	686	567	1,254	(210)	1,043

Notes:

1. The adjustment amount of minus ¥210 million for segment income mainly includes amortization of goodwill totaling minus ¥248 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥301 million and elimination of inter-segment transactions of ¥339 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

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

(Important Subsequent Events)

Not applicable