

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
NINE-MONTH PERIOD OF THE FISCAL YEAR ENDING
FEBRUARY 28, 2025
(March 1, 2024 to November 30, 2024)

January 10, 2025

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

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Dividend payment commencement date (planned): —
 Supplemental materials prepared for quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Millions of yen rounded down)

1. Consolidated Operating Results for the Nine-Month Period of Fiscal 2024
(March 1, 2024 to November 30, 2024)

(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	%
FY2024 Nine-Month Period	29,193	1.7	1,152	(13.8)	1,468	(11.7)	1,008	9.5
FY2023 Nine-Month Period	28,697	1.0	1,337	28.0	1,663	25.2	921	24.5

Note: Comprehensive income FY2024 Nine-Month Period: 1,324 million yen (-13.2%)
 FY2023 Nine-Month Period: 1,526 million yen (-%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2024 Nine-Month Period	47.02	—
FY2023 Nine-Month Period	42.96	—

(Reference) Operating income before the amortization of goodwill:
 FY 2024 Nine-Month Period: ¥1,524 million FY 2023 Nine-Month Period: ¥1,709 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
November 30, 2024	52,664	38,162	72.4	1,776.87
February 29, 2024	50,643	38,596	76.2	1,798.49

(Reference) Shareholders' equity: November 30, 2024: 38,142 million yen February 29, 2024: 38,577 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 2023	—	41.50	—	41.50	83.00
Fiscal 2024	—	41.50	—	—	—
Fiscal 2024 (Forecast)	—	—	—	41.50	83.00

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

Contents

- 1. Qualitative Information on Quarterly Results 4
 - (1) Explanation of Business Results 4
 - (2) Explanation of Financial Condition 4
 - (3) Explanation of Consolidated Results Forecasts and Other Future Predictions 5
- 2. Consolidated Quarterly Financial Statements and Major Notes 5
 - (1) Consolidated Quarterly Balance Sheets 6
 - (2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income 8
 - Consolidated Quarterly Statements of Income Third Quarter Cumulative 8
 - Consolidated Quarterly Statements of Comprehensive Income Third Quarter Cumulative 9
 - (3) Notes to Consolidated Quarterly Financial Statements 10
 - (Notes Regarding Going Concern Assumptions) 10
 - (Notes Regarding Substantial Changes in Shareholders' Equity) 10
 - (Application of Special Accounting Treatment in the Preparation of the Consolidated Financial Statements)
 - (Changes in Accounting Policies) 10
 - (Additional Information) 10
 - (Notes to the Consolidated Quarterly Statements of Cash Flows) 10
 - (Segment Information) 11
 - (Matters Related to Revenue Recognition) 12
 - (Material Subsequent Events) 12

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Results

During the third quarter cumulative period (March 1, 2024, to November 30, 2024) of fiscal 2024 (ending February 2025), the Japanese economy trended toward moderate recovery, with improvement in corporate earnings, employment conditions and incomes. Nevertheless, the outlook for the future remains uncertain because of higher raw material costs, rising prices due to the depreciation of the yen, and heightened geopolitical risks.

In the retail sector, spending on high-ticket items remained firm, and demand from inbound tourism expanded. However, wage increases have not kept pace with the rise in commodity prices, and with improvement in real wages lagging, consumers continue to focus on saving money and lower prices, leading to more widespread polarization of consumption.

Under such circumstances, during the fiscal year ending February 2025, the initial year of the 7th Medium-Term Management Plan, YONDOSHI HOLDINGS Group, with a basis on responding to the business environment, is focusing on value provided to customers, and implementing various measures to establish a foundation for dynamic future 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 third quarter cumulative period amounted to ¥29,193 million (up 1.7% from the same period of the previous fiscal year), with operating income of ¥1,152 million (down 13.8%), ordinary income of ¥1,468 million (down 11.7%), and profit attributable to owners of parent to ¥1,008 million (up 9.5%). Operating income before the amortization of goodwill, which the Company considers to be an important management indicator, amounted to ¥1,524 million (down 10.8%).

Operating results by business segment were as follows. Of note, the segment name “Jewelry Business” was changed to “Brand Business” with a view to expansion into new business areas.

Brand Business

The F.D.C. Products Group, which handles the Brand Business, is working to strengthen its foundation by revising product and sales promotion strategies to expand support among female customers. Through merchandising reforms to expand product ranges by taste, and proactively taking steps for brand promotion, sales to female customers continued to expand, despite the overall revenue decline.

As a result, net sales in the Brand Business segment amounted to ¥10,594 million (down 9.3% from the same period of the previous fiscal year), with operating income of ¥500 million (down 16.8%), for declines in both revenue and earnings.

Apparel Business

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, continued to increase sales on proactive opening of new stores, five in the Kanto region and five in the Kansai region, along with growth at existing locations.

Apparel manufacturing and wholesaler The AS'TY Group, drawing on its strength in overseas production bases, expanded measures with major business partners, leading to positive performance in both revenue and earnings.

As a result, net sales in the Apparel Business segment amounted to ¥18,598 million (up 9.3% from the same period of the previous fiscal year), with operating income of ¥1,016 million (down 5.7%), for a revenue gain with earnings decline.

(2) Explanation of Financial Condition

Total assets at the end of the subject third quarter cumulative period (November 30, 2024) amounted to ¥52,664 million, an increase of ¥2,021 million from the end of the previous fiscal year (February 29, 2024). This was due mainly to an increase of ¥1,249 million in merchandise and finished goods, and an increase of ¥820 million in notes and accounts receivable – trade. Total liabilities amounted to ¥14,502 million, an increase of ¥2,454 million from the end of the previous fiscal year. This was due mainly to an increase of ¥1,083 million in notes and accounts payable – trade, an increase of ¥439 million in electronically recorded obligations – operating, and an increase of ¥600 million in short-term borrowings. Total net assets at the end of the subject period amounted to ¥38,162 million, a decrease of ¥433 million from the end of the previous fiscal year.

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

For matters related to the full-year consolidated results forecast for the fiscal year ending February 2025, please refer to “Notice of Revision of Results Forecast” released today (January 10, 2025).

2. Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	End of the Fiscal Year Ended February 29, 2024 (As of February 29, 2024)	End of the Third Quarter of the Fiscal Year Ending February 28, 2025 (As of November 30, 2024)
ASSETS		
Current assets:		
Cash and deposits	1,579	2,105
Notes and accounts receivable — trade	2,905	3,726
Merchandise and finished goods	8,080	9,330
Work in process	108	106
Raw materials and supplies	430	228
Other current assets	842	503
Allowance for doubtful accounts	(5)	(4)
Total current assets	13,941	15,996
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	4,027	4,031
Land	5,839	5,839
Other, net	449	407
Total property, plant and equipment	10,316	10,279
Intangible assets:		
Goodwill	1,241	868
Other intangible assets	483	460
Total intangible assets	1,724	1,329
Investments and other assets:		
Investment securities	20,530	20,842
Net defined benefit asset	443	468
Other	3,733	3,797
Allowance for doubtful accounts	(47)	(47)
Total investments and other assets	24,660	25,060
Total noncurrent assets	36,701	36,668
Total assets	50,643	52,664

	(Millions of yen)	
	End of the Fiscal Year Ended February 29, 2024 (As of February 29, 2024)	End of the Third Quarter of the Fiscal Year Ending February 28, 2025 (As of November 30, 2024)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	2,369	3,452
Electronically recorded obligations – operating	699	1,138
Short-term loans payable	—	600
Income taxes payable	252	442
Provision for bonuses	271	309
Provision for directors' bonuses	48	45
Asset retirement obligations	86	28
Other	1,878	1,965
Total current liabilities	5,605	7,981
Noncurrent liabilities:		
Provision for share-based remuneration for directors (and other officers)	243	268
Retirement benefit liability	494	474
Asset retirement obligations	979	927
Other	4,724	4,850
Total noncurrent liabilities	6,441	6,520
Total liabilities	12,047	14,502
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486	2,486
Capital surplus	7,178	7,178
Retained earnings	30,567	29,785
Treasury stock	(6,123)	(6,091)
Total shareholders' equity	34,109	33,359
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	4,857	5,171
Deferred gains or losses on hedges	8	(5)
Revaluation reserve for land	(233)	(233)
Remeasurements of defined benefit plans	(165)	(150)
Total other accumulated comprehensive income	4,467	4,782
Subscription rights to shares	18	20
Total net assets	38,596	38,162
Total liabilities and net assets	50,643	52,664

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

(Millions of yen)

	Nine-Month Period of the Fiscal Year Ended February 29, 2024 (March 1, 2023 to November 30, 2023)	Nine-Month Period of the Fiscal Year Ending February 28, 2025 (March 1, 2024 to November 30, 2024)
Net sales	28,697	29,193
Cost of Sales	14,530	15,307
Gross profit	14,167	13,885
Selling, general and administrative expenses	12,830	12,733
Operating income	1,337	1,152
Non-operating income		
Interest income	110	108
Dividends received	182	108
Foreign exchange gains	11	9
Other	24	19
Total non-operating income	329	325
Non-operating expenses		
Interest expenses	1	0
Commission expenses	—	7
Loss on cancellation of insurance policies	0	—
Other	0	1
Total non-operating expenses	2	9
Ordinary income	1,663	1,468
Extraordinary income		
Gain on sales of investment securities	152	541
Total extraordinary income	152	541
Extraordinary loss		
Impairment loss	148	128
Loss on closing of stores	60	11
Building demolition expenses	—	177
Other	—	0
Total extraordinary losses	208	318
Net income before income taxes	1,607	1,691
Total income taxes	686	682
Net income	921	1,008
Profit attributable to owners of parent	921	1,008

Consolidated Quarterly Statements of Comprehensive Income
Third Quarter Cumulative

(Millions of yen)

	Nine-Month Period of the Fiscal Year Ended February 29, 2024 (March 1, 2023 to November 30, 2023)	Nine-Month Period of the Fiscal Year Ending February 28, 2025 (March 1, 2024 to November 30, 2024)
Income before minority interests	921	1,008
Other comprehensive income		
Other valuation difference on available-for-sale securities	607	314
Deferred gains or losses on hedges	(11)	(14)
Foreign currency translation adjustments	(2)	—
Remeasurements of defined benefit plans, net of tax	12	15
Total other comprehensive income	605	315
Comprehensive income	1,526	1,324
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,526	1,324

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

(Changes in Accounting Policies)

Not applicable

(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 previous consolidated fiscal year, and ¥234 million, for 121,688 shares at the end of the third quarter of the subject consolidated fiscal year.

(Notes to the Consolidated Quarterly Statements of Cash Flow)

Consolidated quarterly statements of cash flows have not been prepared for the subject third quarter cumulative period. Depreciation expenses (including amortization expenses related to intangible assets excluding goodwill) and amortization of goodwill pertaining to the subject third quarter cumulative period are as follows.

	(Millions of yen)	
	Nine-Month Period of the Fiscal Year Ended February 29, 2024 (March 1, 2023 to November 30, 2023)	Nine-Month Period of the Fiscal Year Ending February 28, 2025 (March 1, 2024 to November 30, 2024)
Depreciation expenses	520	490
Amortization of goodwill	372	372

(Segment Information)**I The nine-month period of the fiscal year ended February 29, 2024
(March 1, 2023 to November 30, 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)
	Brand Business	Apparel Business	Total		
Net sales					
Revenue from contracts with customers	11,632	16,359	27,992	—	27,992
Other revenue (Note 3)	54	650	705	—	705
Net sales to outside customers	11,687	17,010	28,697	—	28,697
Intrasegment net sales and transfers	0	88	88	(88)	—
Total	11,687	17,098	28,785	(88)	28,697
Segment income	601	1,078	1,679	(342)	1,337

Notes:

- The adjustment amount of minus ¥324 million for segment income mainly includes amortization of goodwill totaling minus ¥372 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥385 million and elimination of inter-segment transactions of ¥415 million. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
- Segment income figures have been adjusted to operating income on the consolidated quarterly income statements.
- “Other revenue” is real estate lease revenue.

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

(Material loss on impairment of fixed assets)

The Company recorded a loss on impairment of fixed assets in the Brand Business segment. The amount recorded for this impairment loss was ¥124 million.

**II The nine-month period of the fiscal year ending February 28, 2025
(March 1, 2024 to November 30, 2024)****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)
	Brand Business	Apparel Business	Total		
Net sales					
Revenue from contracts with customers	10,539	17,979	28,518	—	28,518
Other revenue (Note 3)	54	619	674	—	674
Net sales to outside customers	10,594	18,598	29,193	—	29,193
Intrasegment net sales and transfers	0	101	102	(102)	—
Total	10,594	18,700	29,295	(102)	29,193
Segment income	500	1,016	1,517	(365)	1,152

Notes:

- The adjustment amount of minus ¥365 million for segment income mainly includes amortization of goodwill totaling minus ¥372 million, general administrative expenses that are not attributable to individual reporting segments amounting to minus ¥374 million and elimination of inter-segment transactions of ¥381 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. Changes to Reportable Segments, etc.

From the subject fiscal year, the name of the “Jewelry Business” segment was changed to “Brand Business.” The change in segment name does not affect the segment information. Of note, the reportable segments for the corresponding period of the previous fiscal year are also shown under the changed name.

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

(Material loss on impairment of fixed assets)

The Company recorded a loss on impairment of fixed assets in the Apparel Business segment. The amount recorded for this impairment loss was ¥92 million.

(Matters Related to Revenue Recognition)

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

(Material Subsequent Events)

(Business combination through share acquisition)

The Company, at a meeting of its Board of Directors held on October 11, 2024, resolved to acquire shares of RASIN Co., Ltd. (hereinafter, “RASIN”) and make it a subsidiary. A share purchase agreement was concluded on October 11, 2024.

Based on this agreement, the Company acquired 97.2% of RASIN shares on December 2, 2024.

1. Overview of the Business Combination

(1) Name of the acquired company and details of its business

Name of the acquired company: RASIN Co., Ltd.

Details of business : Sale and purchase of watches, and corporate sales of watches

(2) Purpose of the share acquisition

RASIN is a company with a wealth of experience and proven performance in the reuse industry. It operates a reuse business that specializes in the handling of luxury brand watches, with three stores in Japan, as well as a salon in Ginza specializing in purchasing.

The reuse industry is expected to continue to grow steadily in the future due to shifting consumer values toward the realization of a sustainable world. The addition of RASIN to YONDOSHI HOLDINGS Group will create new levels of value that transcend the Group’s existing business domains, and establish a structure more responsive to diverse needs.

The Company decided to acquire the shares of RASIN to expand its business domains and increase added value in the Brand Business, as well as achieve substantial earnings growth for the Group, and secure a stable and robust business portfolio.

(3) Date of the business combination

December 2, 2024

(4) Legal form of the business combination

Share acquisition

(5) Name of the combined company

The name is unchanged.

(6) Percentage of voting rights acquired

97.2%

(7) Main rationale for the acquisition

The main rationale stemmed from the acquisition of shares by the Company in consideration of cash.

2. Breakdown of acquisition costs and types of consideration
Consideration for acquisition: Cash 10,492 million yen
Acquisition cost: 10,492 million yen
3. Details and amount of main acquisition-related expenses
Remuneration and fees for advisory services: 37 million yen
4. Amount of goodwill accrued, cause of accrual, amortization method, and amortization period
Not confirmed at this time.
5. Amount of assets and liabilities accepted on the date of the business combination, and the main breakdown
Not confirmed at this time.