

YONDOSHI HOLDINGS INC.

First Section, Tokyo Stock Exchange (8008)

Investors' Presentation
Results for the First Half of Fiscal 2015
(The Fiscal Year Ending February 29, 2016)

October 5, 2015

4°C holdings group

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Hidenori Suzuki, President and Representative Director. YONDOSHI HOLDINGS INC.

Note: Amounts identified in this report are presented in millions of yen rounded down. Percentage figures are calculated from raw data.

Disclaimer: Operating forecasts and forward-looking statements that are not of historic fact are based on information available to management as of the date of this report. Subject to a variety of risks and uncertainties, these forecasts and forward-looking statements may differ substantially from actual results due to a diversity of factors including changes in the Company's operating environment, market trends and fluctuations in foreign currency exchange rates. As a result, readers are advised not to rely solely on the information provided as the basis for investment decisions.

Overview of Consolidated Operating Results

4°C
holdings group

Increase in revenues; trends in operating income, ordinary income, and net income in excess of plans

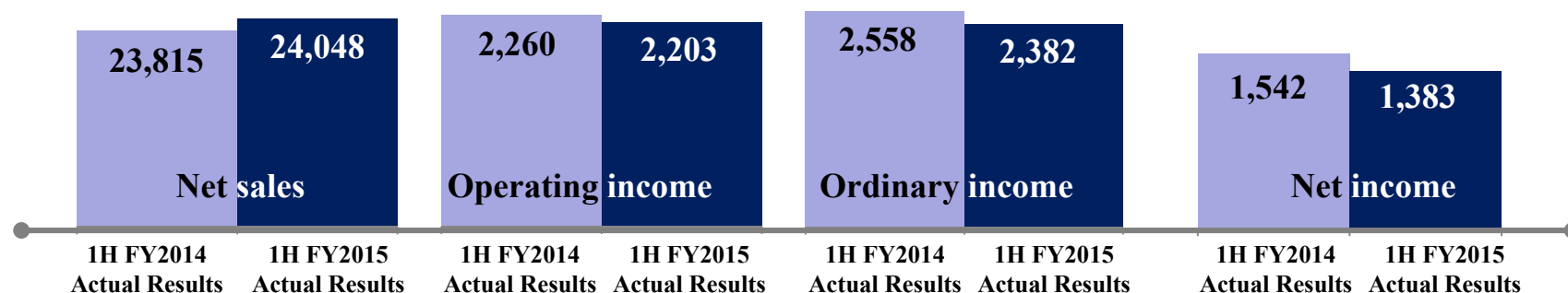
Net sales: ¥24,040 million (+1.0% YoY)

Operating income: ¥2,200 million (-2.5% YoY)

Ordinary income: ¥2,380 million (-6.9% YoY)

Net income: ¥1,380 million (-10.3% YoY)

(Millions of yen)

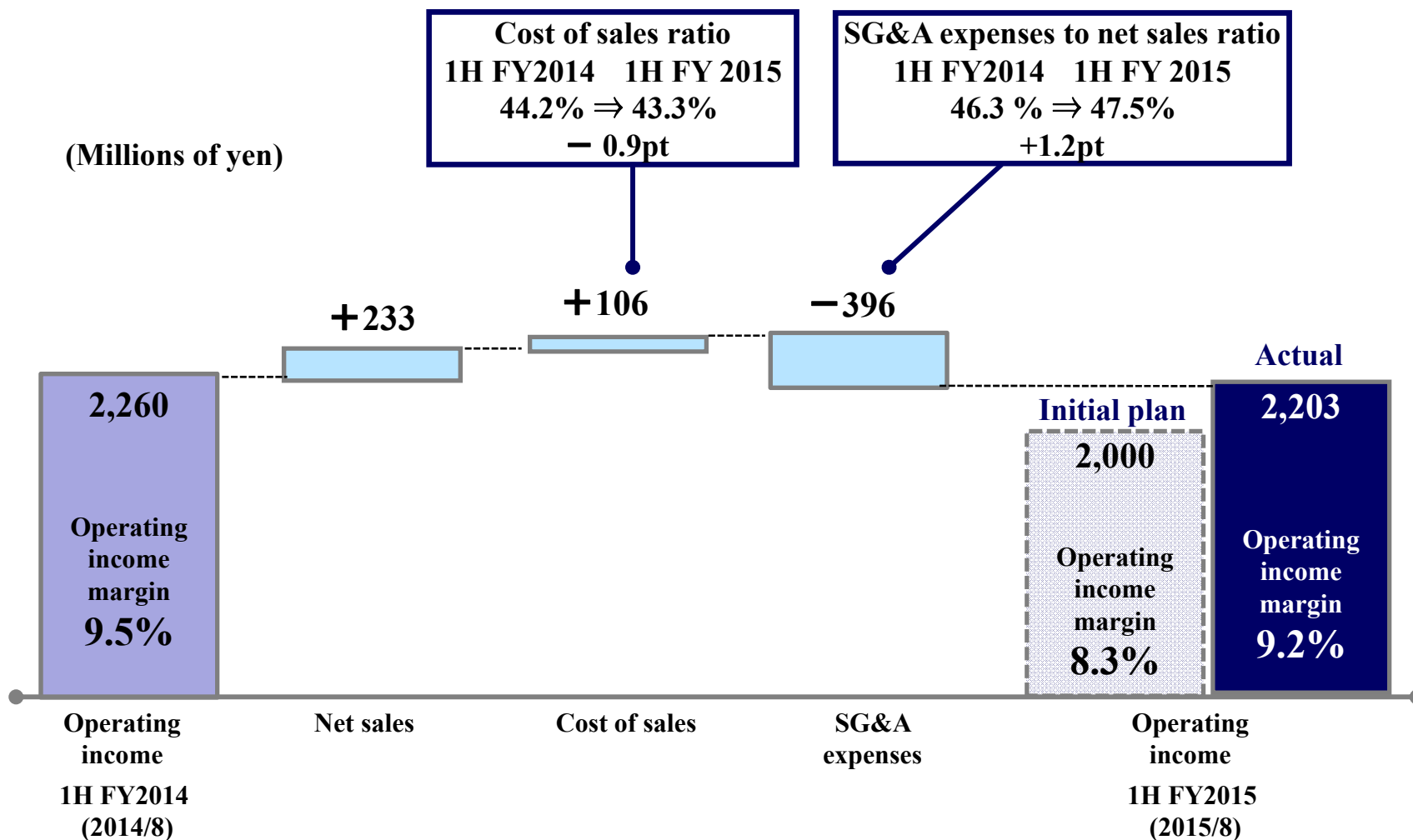


(Millions of yen, %)	1H FY2014(2014/8)		1H FY2015 (201458)		1H FY2015 (2015/8)		YoY Increase (Decrease) (%)	vs. Plan Increase (Decrease) (%)
	Actual Results	(%)	Plans	(%)	Actual Results	(%)		
Net sales	23,815	100.0	24,000	100.0	24,048	100.0	+1.0	+0.2
Gross profit	13,294	55.8	13,569	56.5	13,633	56.7	+2.6	+0.5
Gross profit margin (%)	55.8		56.5		56.7		+0.9pt	+0.2pt
Selling, general and administrative (SG&A) expenses	11,033	46.3	11,569	48.2	11,430	47.5	+3.6	-1.2
Operating income	2,260	9.5	2,000	8.3	2,203	9.2	-2.5	+10.2
Ordinary income	2,558	10.7	2,300	9.6	2,382	9.9	-6.9	+3.6
Net income	1,542	6.5	1,300	5.4	1,383	5.8	-10.3	+6.4

(Note: Amount equivalent to previous operating revenues posted as net sales, effective from the fiscal year ending February 29, 2016.)

Operating Income

Operating income: ¥2,200 million Operating income margin 9.2%



Trends in Operating Income, Ordinary Income, and Net Income

(Millions of yen/%)

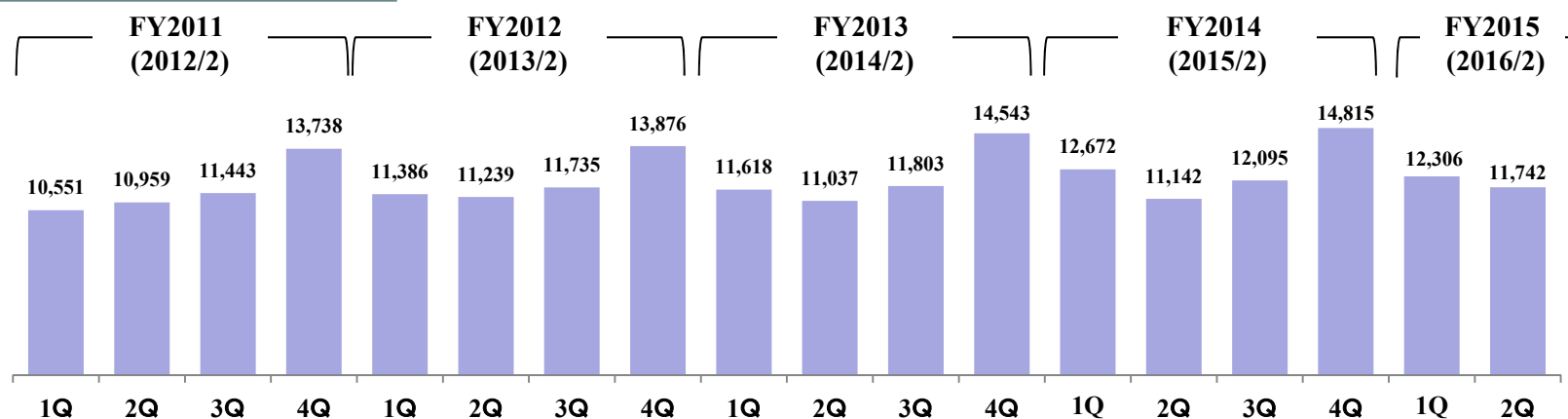
Levels of Revenues and Earnings	1Q FY2014	2Q FY2014	1H FY2014 (2014/8)	1Q FY2015	2Q FY2015	1H FY2015 (2015/8)	Increase / (Decrease)	YoY
Net sales	12,672	11,142	23,815	12,306	11,742	24,048	223	+1.0
Gross profit	7,162	5,913	12,866	7,083	6,549	13,633	767	+6.0
Operating income	1,560	700	2,260	1,348	855	2,203	(57)	-2.5
Non-operating income	299	41	340	342	(129)	213	(127)	-37.4
Non-operating expenses	3	39	42	5	28	33	(8)	-20.4
Ordinary income	1,856	702	2,558	1,685	697	2,382	(176)	-6.9
Ordinary income	47	104	152	—	—	—	(152)	—
Extraordinary loss	19	80	99	13	152	165	66	+66.7
Net income before taxes	1,884	727	2,612	1,672	545	2,217	(394)	-15.1
Net income	1,184	357	1,542	1,213	169	1,383	(159)	-10.3

Trends in Quarterly Business Results

Steady growth in net sales; continued leveling out of operating income

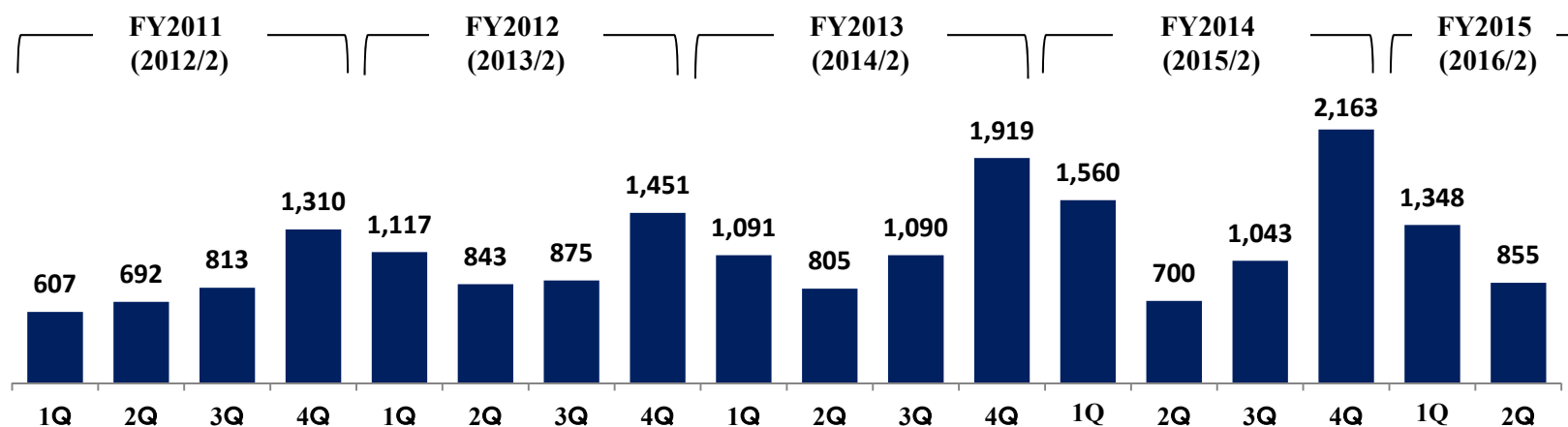
Trends in Net Sales by Quarter

(Millions of yen)



Trends in Operating Income by Quarter

(Millions of yen)



Change in Business Segments

Building on the growth trajectory established through to the fiscal year ended February 28, 2015, YONDOSHI HOLDINGS plans to change its business segments effective from the fiscal year ending February 29, 2016 in order to clarify operating management and to promote further growth.

Previous business segments

The F.D.C. Products Group

The AS'TY Group

MISUZU Co., Ltd.

age Co., Ltd.



New business segments

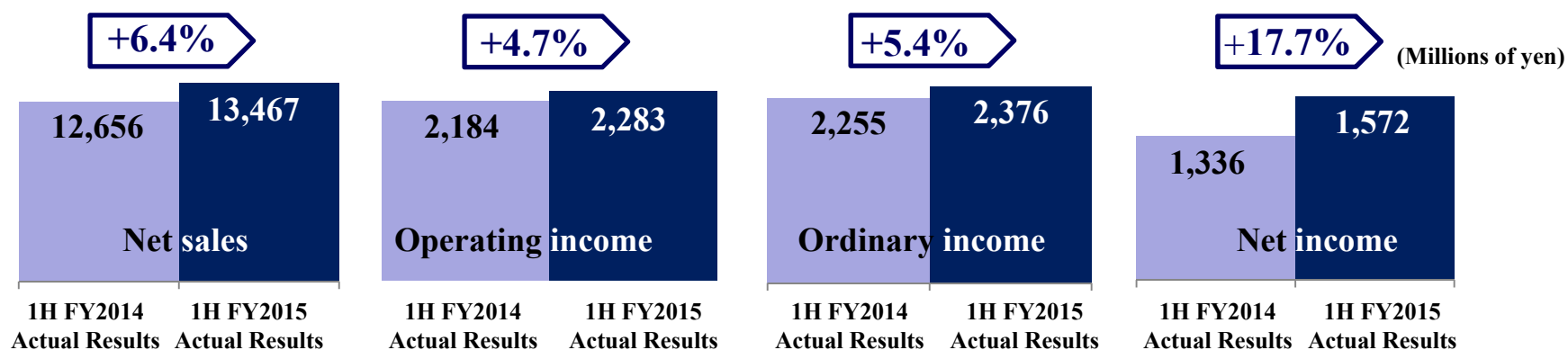
The Jewelry Business

The Apparel Business

Overview of Business Results by Segment

◆ The Jewelry Business

- Record high in both net sales and profits
- Successful measures implemented during fairs in the 4°C BRIDAL business; YoY increase in business results with trends in excess of plans
- Robust trends at both canal 4°C and Luria 4°C stores; results progressing in excess of plans due also to store network expansion



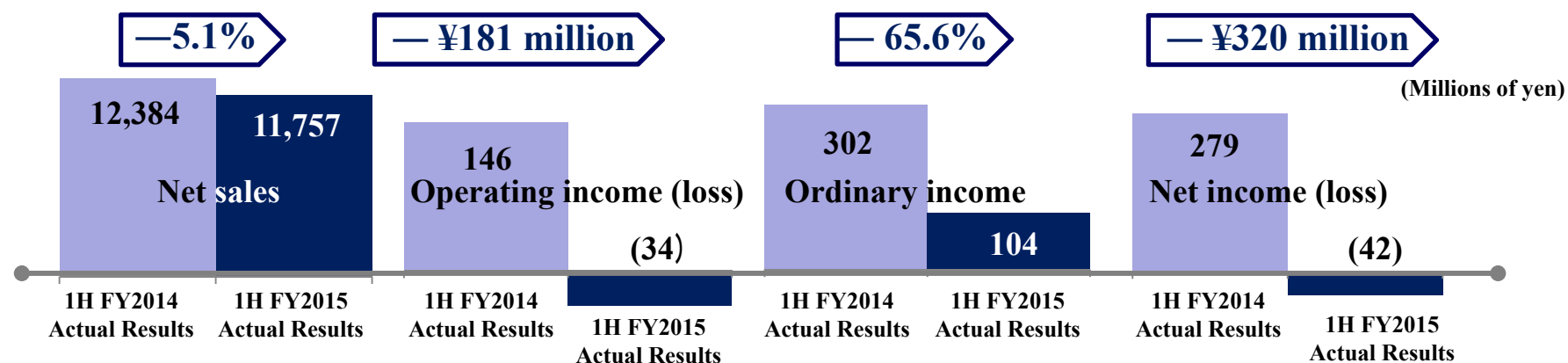
(Millions of yen, %)	1H FY2014 (2014/8)		1H FY2015 (2015/8)				YoY Increase (Decrease) (%)	vs. Plan Increase (Decrease) (%)
	Actual Results	(%)	Plans	(%)	Actual Results	(%)		
Net sales	12,656	100.0	12,996	100.0	13,467	100.0	+6.4	+3.6
Operating income	2,184	17.3	1,995	15.4	2,283	16.7	+4.7	+14.4
Ordinary income	2,255	17.8	2,063	15.9	2,376	17.6	+5.4	+15.1
Net income	1,336	10.6	1,273	9.8	1,572	11.7	+17.7	+23.5

(Note: Figures are before accounting for intrasegment net sales and transfers)

Overview of Business Results by Segment

◆ The Apparel Business

- Difficult trends in both net sales and profits
- Both net sales and profits in the apparel manufacturing and apparel SPA businesses struggled
- Steady trends in the daily fashion item business due mainly to robust results at new PALETTE stores



(Millions of yen, %)	1H FY2014 (2014/8)		1H FY2015 (2015/8)				YoY	vs. Plan
	Actual Results	(%)	Plans	(%)	Actual Results	(%)	Increase (Decrease) (%)	Increase (Decrease) (%)
Net sales	12,384	100.0	12,273	100.0	11,757	100.0	-5.1	-4.2
Operating income (loss)	146	1.2	97	0.8	(34)	—	-¥181 million	-¥131 million
Ordinary income	302	2.4	222	1.8	104	0.9	-65.6	-53.2
Net income (loss)	279	2.3	52	0.4	(42)	—	-¥320 million	-¥94 million

(Note: Figures are before accounting for intrasegment net sales and transfers)

Overview of Financial Position and Cash Flows (Consolidated)

- Total assets, liabilities, and net assets stood at ¥59.0 billion, ¥14.7 billion, and ¥44.4 billion, respectively
- Purchased one million shares of treasury stock at an acquisition cost of ¥2.6 billion; improved the ratio of net assets to total assets

Financial Position

As of August 31, 2015

Total assets ¥59.0 billion	¥14.6 billion	Total liabilities
	¥44.4 billion	Total net assets

Cash Flows

(Millions of yen)	1H FY2014 (2014/8)	1H FY2015 (2015/8)	Increase (Decrease)
Operating cash flows	538	408	(129)
Investing cash flows	287	(739)	(1,027)
Financing cash flows	(590)	(2,775)	(2,184)
Free cash flows	825	(331)	(1,156)

Trends at each level of profit in excess of plans due mainly to robust results in the Jewelry Business.

1. Jewelry Business

- **Continued growth as a result of a variety of factors including successful efforts to expand sales areas in line with the increase in 4°C items and the roll out of composite stores as well as other measures implemented at existing stores**
- **Robust trends largely on the back of successful 4°C BRIDAL initiatives**
- **Steady progress in opening new canal 4°C and Luria 4°C stores helping to increase sales**
- **Steady progress in priority measures aimed at increasing the number of customers**
- **Achieved an increase in revenues and record high earnings**

2. Apparel Business

- **Despite steady progress in the shift of production to Bangladesh by the AS'TY Group apparel manufacturing business, the Group encountered difficulties with a drop in orders received**
- **Also experienced a deterioration in the gross profit margin as a result of a drop in unit selling prices at MISUZU Co., Ltd.; difficult trends in market conditions**
- **Robust results at existing age PALETTE brand everyday fashion item stores; progress also in expanding the number of stores**

Status of Store Openings and Closures as well as Plans

- ❑ Undertook the opening of stores in accordance with plans in the Jewelry Business
- ❑ Rationalized unprofitable stores in the Apparel Business

		Jewelry Business						Apparel Business		Total*
		Jewelry business in Japan					Jewelry business overseas	MISUZU Co., Ltd.	age Co., Ltd.	
		Roadside boutique	Department store	Bridal Shop	Fashion Building	Total				
FY2014 (2015/2)	Fiscal year-beginning	6	90	37	60	193	6	76	77	336
FY2015 1H Actual Results (2015/8)	Stores opened	0	4	0	7	11	0	1	2	14
	Stores closed	0	5	0	0	5	0	8	5	18
	2H-end	6	89	37	67	199	6	69	74	332
FY2015 2H Plan (2016/2)	Stores opened	0	2	0	10	12	0	1	3	16
	Stores closed	0	1	0	3	4	0	3	0	7
	2H-end	6	90	37	74	207	6	67	77	341

(Note: Data after adjust for age Co., Ltd. sales agent stores)

Jewelry Business

— Status and Plans Regarding the Number of Domestic Brand Stores

4°C
holdings group

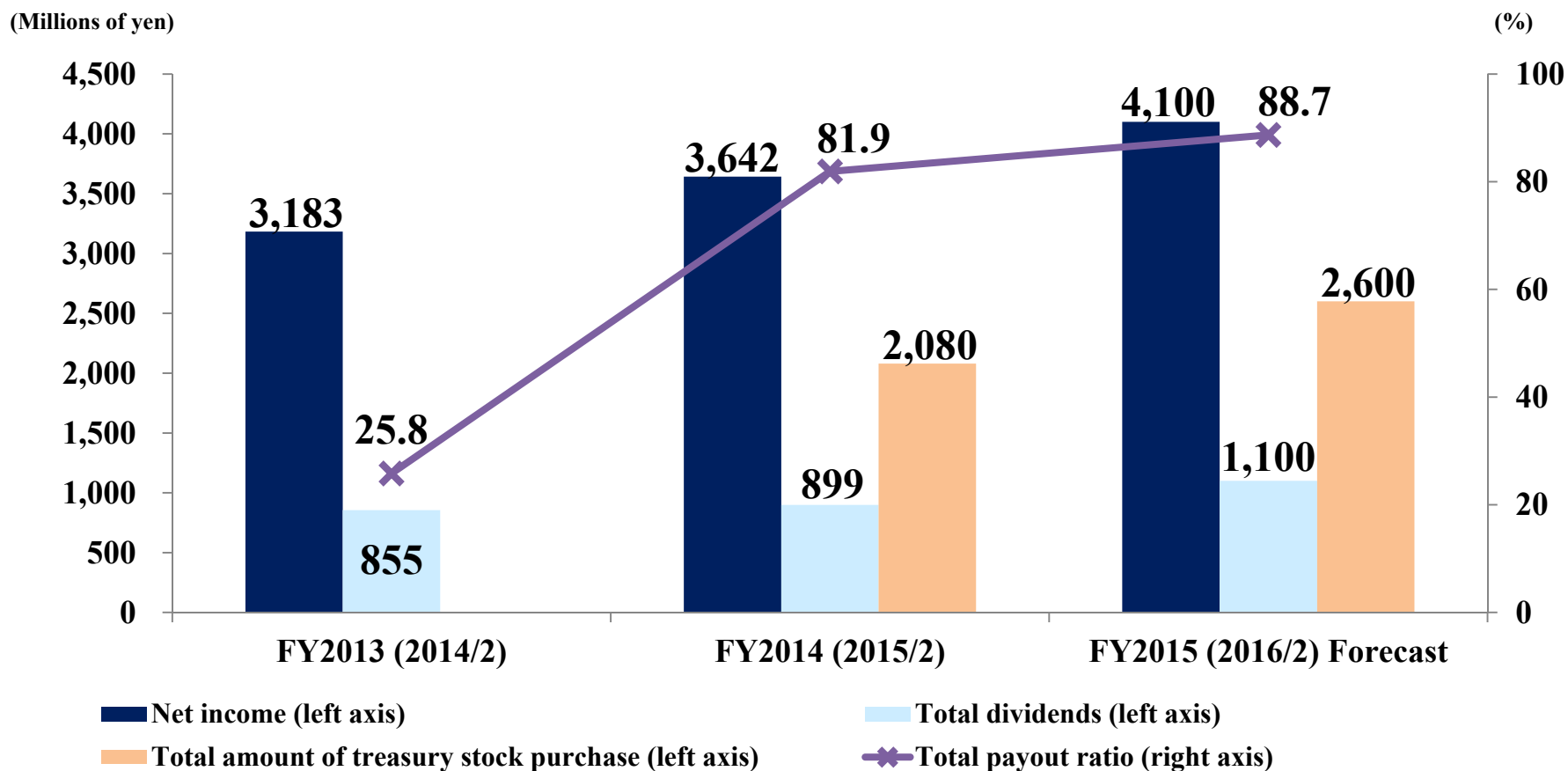
- ❑ Increase also in jewelry stores as well as the conversion to large composite stores
- ❑ Increase in the number of stores handling bags as well as sales area expansion on the back of an upgrade in items

		4°C	4°C BRIDAL	canal 4°C	Other*	Jewelry Total	4°C bags	Luria 4°C	Bag Total
FY2014 (2015/2)	Fiscal year-end	89	44	36	23	192	34	7	41
FY2015 1H Actual Results (2015/8)	Stores opened	5	2	4	7	18	13	5	18
	Stores closed	1	0	0	5	6	0	0	0
	2H-end	93	46	40	25	204	47	12	59
FY2015 2H Plan (2016/2)	Stores opened	1	1	6	2	10	6	6	12
	Stores closed	0	0	2	2	4	0	0	0
	2H-end	94	47	44	25	210	53	18	71

(*Other: EAUDOUCE4°C, RUGIADA, MASION JEWELL, deux et deux, other)

Policy regarding the Return of Profits to Shareholders (1)

- With a basic stance of providing stable and continuous dividends, YONDOSHI HOLDINGS also holds a flexible approach toward the acquisition of treasury stock
 - ⇒ YoY increase of ¥4 per share to ¥20 share in the interim dividend for the fiscal year ending February 29, 2016
 - ⇒ Undertook the purchase of one million share of treasury stock in August 2015



Policy regarding the Return of Profits to Shareholders (2)

- ❑ Plans to increase the annual dividend by ¥8 per share to ¥40 per share for the fiscal year ending February 29, 2016
- ❑ Plans to achieve a total payout ratio of 88.7% as of the end of the fiscal year under review through the large-scale acquisition of treasury stock

	FY2013 (2014/2)	FY2014 (2015/2)	FY2015 (2016/2) Forecast
Annual dividends per share (Yen)	30	32	40
Total amount of treasury stock purchased (Millions of yen)	—	2,080	2,600
Total payout ratio (%)	25.8	81.9	88.7
Net income per share (Yen)	116.40	134.99	154.23

I . Overview and Summary of the First Half of Fiscal 2015,
the Fiscal Year Ending February 29, 2016

**II . Business Results Forecasts for Fiscal 2015 as well as Priority
Issues and Measures for the Second**

III. Progress under the 4th Medium-Term Management Plan

Business Results Forecasts for Fiscal 2015

4°C
holdings group

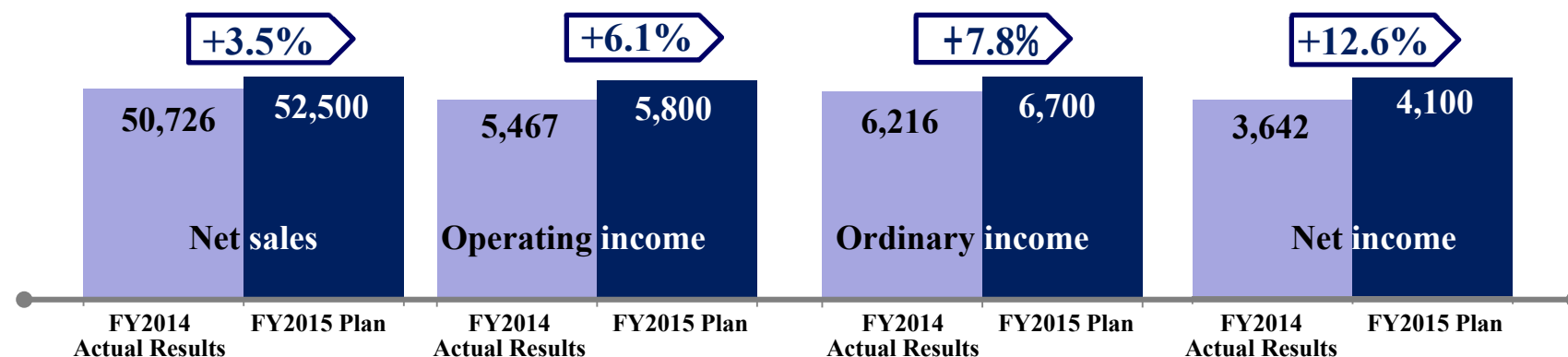
Increase in revenues and earnings; plant to record historic highs in each of operating income, ordinary income, and net income

Net sales: ¥52,500 million (+3.5% YoY)

Operating income: ¥5,800 million (+6.1% YoY)

Ordinary income: ¥6,700 million (+7.8% YoY)

Net income: ¥4,100 million (+12.6% YoY)



(Millions of yen, %)	FY2014 (2014/52)		FY2015 (2016/2)			YoY Increase (Decrease) (%)
	Results	(%)	Initial plan	(%)	Revised plan vs. Plan	
Net sales	50,726	100.0	52,500	100.0	52,500	+3.5
Gross profit	28,937	57.0	30,350	57.8	30,350	+4.9
Gross profit margin	57.0		57.8		57.8	+0.8Pt
Selling, general and administrative expenses	23,469	46.3	24,550	46.8	24,550	+4.6
Operating income	5,467	10.8	5,800	11.0	5,800	+6.1
Ordinary income	6,216	12.3	6,700	12.8	6,700	+7.8
Net income	3,642	7.2	4,100	7.8	4,100	+12.6

Full Fiscal Year Business Results Forecasts by Business Segment

(Figures are before accounting for intrasegment net sales and transfers)

- ❑ The Jewelry Business is projected to generate continued growth in revenues and Earnings
- ❑ Forecast of an increase in net sales as well as profit for the full fiscal year in the Apparel Business

(Millions of yen, %)		FY2014 (2015/2)	FY2015 (2016/2)		
		Results	1H Results	Full Fiscal Year	YoY
The Jewelry Business	Net sales	28,410	13,467	30,770	+8.3
	Operating income	5,026	2,282	5,589	+11.2
	Ordinary income	5,161	2,375	5,747	+11.4
	Net income	2,991	1,580	3,661	+22.4
The Apparel Business	Net sales	25,217	11,758	23,732	-5.9
	Operating income	523	(34)	270	-48.4
	Ordinary income	830	104	538	-35.2
	Net income	594	(43)	245	-58.8

*1 Numerical data for the fiscal year ended February 28, 2015 has been retroactively adjusted.

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Existing Store Measures (1)

- ❑ Expand sales areas and increase sales at existing stores by upgrading and expanding zones and items
- ❑ Upgrade and expand high zone fields through 4°C Pregence
- ❑ Upgrade and expand items through the introduction of bags, purses, small leather goods, and 4°C Watch products



(4°C Pregence)



(4°C Bag)



(4°C Ikebukuro Tobu Store)



(4°C Yokkaichi Kintetsu Store)

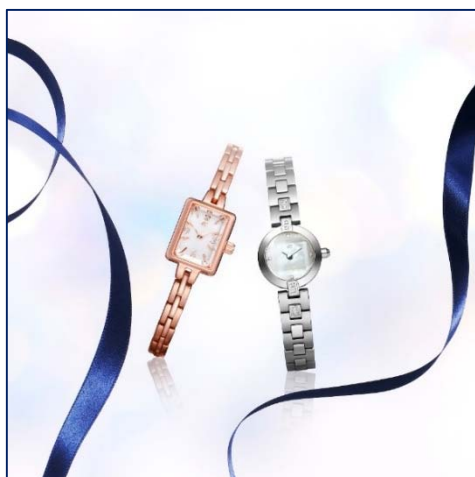
Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Existing Store Measures (2)

- ❑ Increase the number of stores that handle watches on a major scale from 35 as of the end of February 2015 to 51 as of the end of August 2015; plans to expand the number of stores that handle watches on a major scale to 55 as of the end of February 2016
- ❑ Target a YoY increase in existing store net sales in the Jewelry Business for the full fiscal year of 4.2%

(Millions of yen, %)

	1st Half				2nd Half		Full-year	
	Plan	Actual	vs. Plan	YoY	Plan	YoY	Plan	YoY
Jewelry Business existing store total	11,713	11,776	+0.5	+3.0	15,401	+5.7	27,104	+4.2



(4°C Watch)



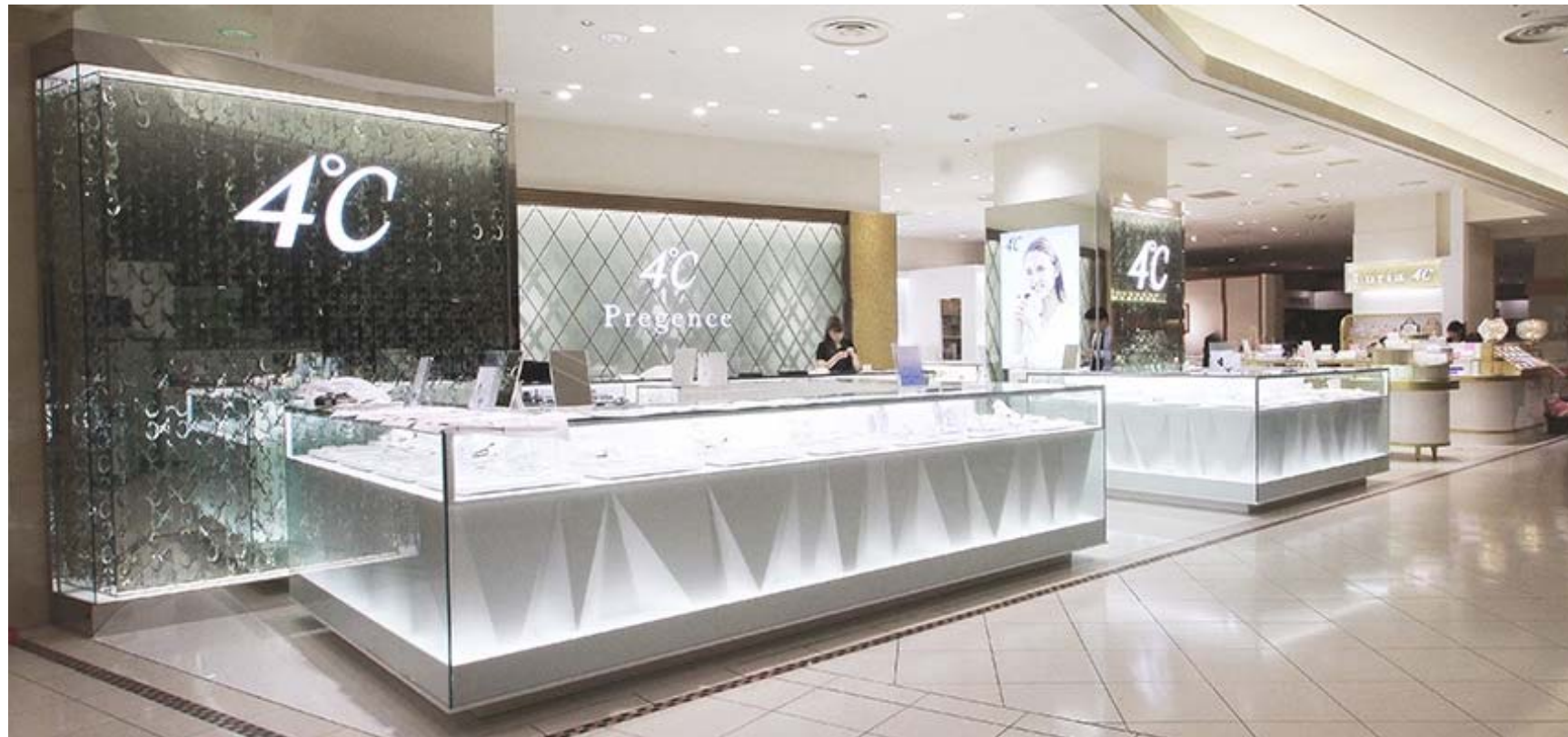
(4°C Kyoto Daimaru Store)

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Large-Scale Composite Stores

4°C
holdings group

- ❑ Building confidence in the roll out of large-scale composite stores on the back of the successful conversion of the 4°C GRANDUO Tachikawa Store through renovation last year
- ❑ Current roll out of five large-scale composite stores through the new opening of one stores during the fiscal year under review and the conversion of three



(4°C GRANDUO Tachikawa Store)

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Large-Scale Composite Stores

4°C
holdings group

- ❑ Undertake substantial expansion of composite stores through the introduction of 4°C products; also realize synergy effects with fashion jewelry



Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Store Opening Strategy

4°C
holdings group

- ❑ Continue to expand canal 4°C and Luria 4°C stores
- ❑ Open new 4°C BRIDAL stores



(canal4°C Sendai S-PAL Store)



(Luria 4°C LUMINE Ikebukuro Store)

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Increasing the number of customers

4°C
holdings group

◆ Product, EC, and in-store initiatives aimed at increasing the number of customers

- ❑ Respond to the growing polarization of consumption; continue to implement measures that address demand for own use
- ❑ Continue to invest in the robust e-commerce business, which recorded YoY growth of approximately 30% in the first half of the fiscal year ending February 29, 2016; verify operations aimed at handling bridal jewelry
- ❑ Recruit and assign sales staff who are capable of addressing inbound demand



(4°C Eternal Silver)



(e-commerce site: Jewelry Boutique)

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Measures directed toward the peak Christmas season

4°C
holdings group

- ❑ Also undertake TV commercials this year targeting the peak Christmas season
- ❑ Plans to undertake newspaper advertising that will help raise awareness among men and showcase the sophisticated appeal of the 4°C brand
- ❑ Develop products limited to the Christmas season; conduct Christmas fairs



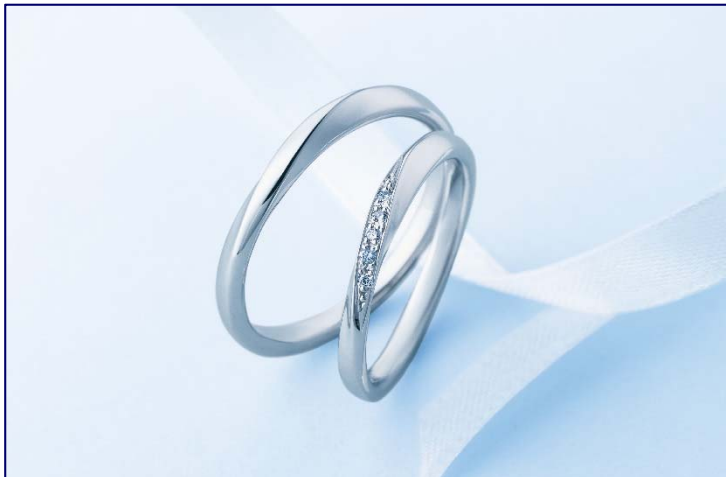
(4°C brand product limited to the Christmas season)

Fiscal 2015 Second Half Priority Measures

— Jewelry Business: 4°C BRIDAL

4°C
holdings group

- ❑ Continue to conduct fairs that proved successful during the first half
- ❑ Roll out products that are limited to the season through Christmas bridal fairs



Fiscal 2015 Second Half Priority Measures

— Jewelry Business: Fostering brands

- ◆ **Promote a sales channel strategy that focuses on efforts to foster the Maison Jewell brand targeting suburban shopping centers; upgrade and expand the brand portfolio**
- **Sound progress in capturing bridal demand through four Maison Jewell stores located in suburban shopping malls**
- **Work toward fostering brands that will help drive growth under the next medium-term management plan; fine tune the merchandising strategy based on successful business models; consider expanding the number of newly opened stores in the next fiscal period**



◆ **Apparel manufacturing: Continue the shift of production to Bangladesh; cultivate new business partners**

- ❑ **Establish competitive advantage through the ongoing shift of production to Bangladesh**
- ❑ **Promote marketing activities aimed at strengthening relationships with existing business partners and cultivating new business partners**

◆ **Apparel SPA: Promote product proposals that clearly identify target customers**

- ❑ **Revitalize existing stores by bolstering event proposal capabilities**
- ❑ **Improve the gross profit margin by reviewing the composition of products**

◆ **Daily fashion: Continue to open PALETTE stores that reinforce the Group's dominant position in the Kansai area**

- ❑ **Maintain robust results by revitalizing existing stores**
- ❑ **Undertake the opening of stores in accordance with plans; plans to open five stores for the full fiscal year by opening three stores during the second half**

I . Overview and Summary of the First Half of Fiscal 2015,
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III. Progress under the 4th Medium-Term Management Plan

Period of the plan: The three-year period from the fiscal year ending February 29, 2016 to the fiscal year ending February 28, 2018

◆ Slogan

Challenge and Evolution

Striving to become a century-old company and brand

◆ Toward achieving the Group's established vision

Develop human resources

Strengthen the competitiveness of products

Ascertain market trends

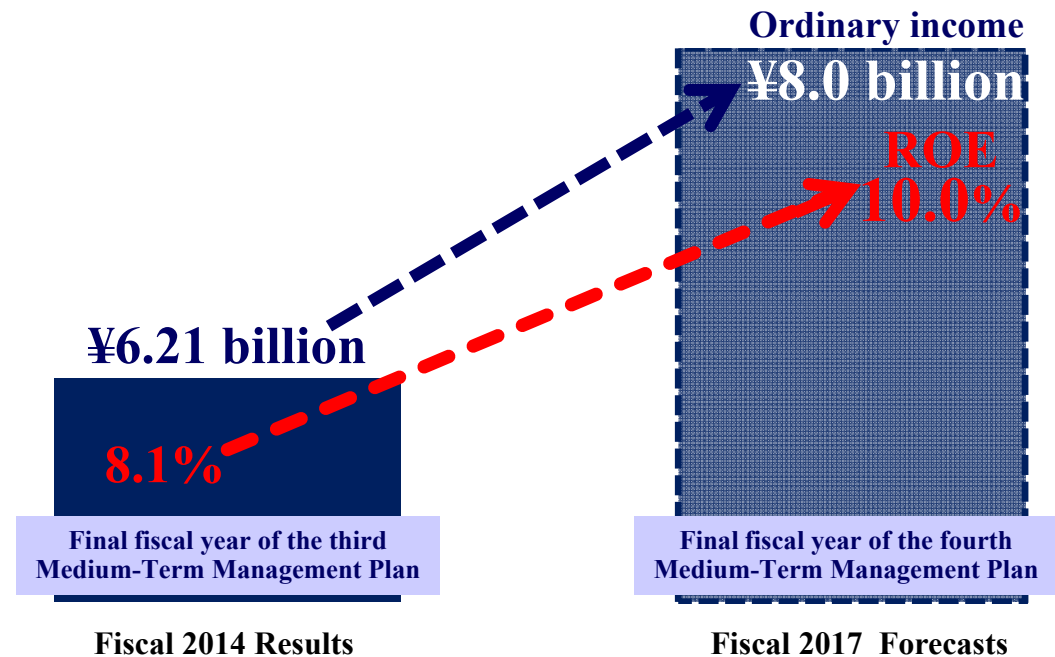
Basic Policies of the Fourth Medium-Term Management Plan — Numerical Vision

4C
holdings group

Numerical Visions (FY2017)

Consolidated net sales	¥60.0 billion or more
Ordinary income	¥8.0 billion or more
ROE	10.0% or more

Progressive Image of Numerical Vision Achievement — Ordinary Income and ROE Outlook



- **Pursue an aggressive store opening strategy**
 - ⇒ Continue to pursue an aggressive store opening strategy; plans to open 70 new stores over the three-year period to the fiscal year ending February 28, 2018

- **Develop businesses that will play an important role in the next set of growth strategies**
 - ⇒ Expand the Luria 4°C, e-commerce, and overseas businesses; focus on developing new brands and zones

- **Expand the scale of business by continuing to push forward the Group's six growth engine pillars**
 - ⇒ Continue to drive results through the six medium- to long-term growth engine pillars (4°C jewelry, 4°C BRIDAL, canal 4°C, apparel manufacturing, Apparel SPA, and daily fashion items) established under the third Medium-Term Management Plan

Steadfastly implementing priority measures

Priority Strategies

Progress in the first half of the first fiscal year of the plan

Pursue an aggressive store opening strategy; plans to open 70 new stores* over the three-year period



14 stores as of the end of August 2015

Develop businesses that will play an important role in the next set of growth strategies



- Opened five Luria 4°C stores
- Took steps to verify the e-commerce handling of bridal jewelry
- Continued to gather know-how utilizing local subsidiary in Shanghai with the aim of expanding stores in China

Expand the scale of business by continuing to push forward the Group's six growth engine pillars



- Continued strong performance by the 4°C jewelry and canal 4°C brands
- Experienced a positive turnaround on the back of successful 4°C BRIDAL fair initiatives
- Continued to expand daily fashion PALETTE stores

YONDOSHI HOLDINGS is looking to progressively increase its target **total payout ratio from 25% set under the 3rd Medium-Term Management Plan to 30%**



- **In addition to the stable and continuous payment of dividends, flexibly purchase treasury stock on an ongoing basis**
- **Cash after the return of profits to shareholders will be directed toward investments aimed at driving internal growth as well as M&As**

Toward Stable and Sustainable Growth

— Creating Sustainable Value

Work toward enhancing value in the four jewelry SPA, apparel OEM, apparel SPA, and retail businesses



Activities Aimed at Addressing ESG Issues

— Developing Human Resources

- ❑ Establish a corporate university as a way in which to promote sound business management (planned for November)
- ❑ Promote ongoing education through F.D.C. FRIENDS COLLEGE, a specialized education and training facility
- ❑ Launch a work-life balance consideration and review project
- ❑ Promote and environment in which women can excel by establishing the Diversity Promotion Committee



(Sales and marketing training at F.D.C. FRIENDS COLLEGE and sales counters)



Activities Aimed at Addressing ESG Issues

— Quality

- ❑ Strengthen and invest in a robust control structure with the aim of maintaining the value of the Group's brands designed to ensure the safety and peace of mind of customers
- ❑ Build a control structure that delivers unprecedented levels of quality assurance at the Sagamihara Jewelry Center
- ❑ Increase investment in x-ray inspection equipment, build a 100-strong quality inspection team, and undertake the inspection of all jewelry items



- **Trends in business result for the second quarter cumulative period of the fiscal year ending February 29, 2016 were extremely sound with both net sales and each level of profit in excess of plans**
- **Revenue and earnings forecast to increase for the full fiscal year ending February 29 2016, with record high results in operating income and net income as well as ordinary income for an eighth and seventh consecutive fiscal period, respectively**
- **ROE for the fiscal year ending February 29, 2016 projected to improve 0.9 of a percentage point to 9.0% on the back of sound business results and the acquisition of one million shares of treasury stock**
- **Focus on promote sales and promotional activities and developing limited products targeting the peak Christmas season as a key feature during the second half**
- **Steady trends and progress in the opening of stores, cultivation of businesses, and expansion of business scale under the 4th Medium-Term Management Plan**

We kindly request that you direct all inquiries regarding this document and investor relations in general to the following point of contact:

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