



holdings group

YONDOSHI HOLDINGS INC.

October 10, 2017

(Securities Code: 8008, First Section, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for the First Half of Fiscal 2017 (Ending February 28, 2018)

- Despite a decrease in revenue and earnings compared with the same period of the previous fiscal year, quarterly net income hit a record high for a second consecutive period.
- The Jewelry Business reported a downturn in revenue and earnings; while trends in 4°C brand fashion jewelry were essentially as anticipated due mainly to brisk sales of limited edition products launched to mark its 45th anniversary, this downturn largely reflected the drop in bridal jewelry results below plans.
- Trends in the Apparel Business were robust; this largely reflected successful efforts to strengthen measures with major clients in the apparel manufacturing business and to expand the number of stores in the everyday fashion business along with an increase in revenue at existing stores for an eighth consecutive period.
- With a view to ensuring a seventh consecutive period of dividend increase, plans are in place to pay a dividend of ¥65 per share for the fiscal year ending February 28, 2018, up ¥15 per share compared with the previous period
- In line with initial plans, revenue and earnings for the full-year period of fiscal 2017 are forecast to increase; operating income and net income are projected to reach record highs for a sixth consecutive period while ordinary income is expected to hit an historic high for a seventh consecutive period.

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”; Headquarters: Shinagawa-ku, Tokyo; President and Representative Director: Hidenori Suzuki) announced today its business results for the first half period of fiscal 2017 (March 1, 2017 to August 31, 2017), the fiscal year ending February 28, 2018. The summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2016 1H	Fiscal 2017 1H	YoY
Net Sales	22,935	22,427	-2.2%
Operating Income	2,704	2,408	-10.9%
Ordinary Income	3,273	3,046	-6.9%
Profit attributable to owners of parent	2,081	2,164	+4.0%

1. Net income per share for the period was ¥84.86 (¥80.55 for the previous period).
2. The average number of issued shares for the period (consolidated basis) was 25,511,393 shares.

Head Office: 2-19-10 Kami-Osaki, Shinagawa-ku, Tokyo
 Establishment: May 1950
 Paid-in Capital: ¥2,486.52 million
 Business Activities: Brand business focusing mainly on jewelry, Planning, manufacture and wholesale mainly of apparel and bags and retail business
 URL: <http://www.yondoshi.co.jp/>
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In the retail industry, business conditions remained unstable amid persistent budget-consciousness arising from uncertainty about the future, despite glimmers of improved personal consumption together with inbound demand. Under these circumstances, during the fiscal year ending February 2018, the final year of the fourth medium-term management plan, the YONDOSHI HOLDINGS Group is working to enhance enterprise value while addressing priority issues by business.

As a result, net sales for the subject first half period amounted to ¥22,427 million (down 2.2% YoY), with operating income of ¥2,408 million (down 10.9% YoY), ordinary income of ¥3,046 million (down 6.9% YoY), and net income of ¥2,164 million (up 4.0% YoY).

On this basis, net income for the first half of the fiscal year under review was a record high for the second consecutive period.

Operating Results by Business Segment

Jewelry Business

Net Sales: ¥13,957 million (down 4.0% YoY)
Operating Income: ¥2,193 million (down 9.8% YoY)

The F.D.C. Products Group posted a revenue decline year on year as bridal jewelry sales fell short of expectations, even as the mainstay 4°C brand jewelry performed essentially as anticipated, buoyed by brisk sales of the Aquanista COLLECTION, a limited edition launched to mark its 45th anniversary. In pursuit of independence as a specialty shop, the 4°C BRIDAL brand is expanding the scope of its promotional measures and moving forward with large-scale product development.

Apparel Business

Net Sales: ¥8,469 million (up 0.9% YoY)
Operating Income: ¥277 million (down 8.7% YoY)

The AS'TY Group was successful in its efforts to strengthen measures with major clients utilizing its planning capabilities and production framework. Retailer age Co., Ltd. achieved positive returns from expanded openings of new locations for its mainstay everyday fashion brand PALETTE, and measures to strengthen sales promotions. While earnings declined on an increase in revenue, operating income exceeded plans.

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2. Forecasts for Full Year Period of Fiscal 2017

Full Year

(Millions of yen, %)

	Fiscal 2016 (Actual)	Fiscal 2017 (Forecast)	YoY
Net Sales	49,797	51,000	+2.4%
Operating Income	6,529	6,850	+4.9%
Ordinary Income	7,796	8,250	+5.8%
Profit attributable to owners of parent	4,962	5,550	+11.8%

1. Forecast net income per share for FY 2017: ¥217.55
2. Average number of issued shares during FY 2017 (consolidated basis): 25,511,393 shares

Consolidated results forecasts for the full year period of fiscal 2017 are unchanged from those announced on April 10, 2017.

Note: Forecasts are based on available information as of the disclosure date for this material. Actual results may vary from forecast figures as a result of economic conditions or a variety of other factors.

END

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