

YONDOSHI HOLDINGS INC.

January 8, 2019

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

Summary of the Consolidated Financial Report for the Third Quarter Cumulative Period of Fiscal 2018 (Ending February 28, 2019)

- Revenue and earnings in the third quarter cumulative period of Fiscal 2018 declined in from the same period of the previous fiscal year.
- The Company recorded ¥1,895 million in tax expense stemming from the conclusion of a contract to transfer shares of an affiliated company.
- The Jewelry Business posted declines in both revenue and earnings due to a delay in the recovery of bridal jewelry.
- The Apparel Business recorded gains in both revenue and earnings owing to efforts to strengthen measures with major apparel manufacturing clients, along with expanded openings of new locations for the mainstay everyday fashion brand PALETTE.
- Forecasts for the full Fiscal 2018 period are unchanged from those announced on November 14, 2018.
- Consistent with the Company's focus on continually increasing returns to shareholders, YONDOSHI HOLDINGS plans to increase its full-year cash dividend by ¥10 to ¥75 per share, its eighth consecutive dividend rise.

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”; Headquarters: Shinagawa-ku, Tokyo; Chairman and Representative Director, CEO: Saishi Kimura) announced today its business results for the third quarter cumulative period (March 1, 2018 to November 30, 2018) of the fiscal year ending February 28, 2019. A summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2017 3Q Cumulative	Fiscal 2018 3Q Cumulative	YoY
Net Sales	33,834	33,237	-1.8%
Operating Income	3,487	3,001	-13.9%
Ordinary Income	4,445	3,805	-14.4%
Profit attributable to owners of parent	3,332	814	-75.6%

1. Net income per share for the period was ¥31.71 (¥130.53 for the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 25,687,725 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: <https://yondoshi.co.jp/>
 Inquiries: YONDOSHI HOLDINGS INC. Corporate Planning Department
 TEL: +81-3-5719-3429; FAX: +81-3-5719-4462; e-mail: ir-yondoshi@yondoshi.co.jp

In the retail industry, business conditions remained difficult as a result of a slowdown in consumer spending due to the impact from natural disasters, along with persistent budget-consciousness arising from uncertainty about the future. Under these circumstances, during the fiscal year ending February 2019, the first year of the fifth medium-term management plan, the YONDOSHI HOLDINGS Group is pursuing priority measures in each business, with the aim of enhancing its enterprise value.

As a result, net sales for the third quarter cumulative period amounted to ¥33,237 million (down 1.8% YoY), with operating income of ¥3,001 million (down 13.9% YoY), and ordinary income of ¥3,805 million (down 14.4% YoY). Profit attributable to owners of parent fell to ¥814 million (down 75.6% YoY), due mainly to the recording of ¥1,895 million in tax expense stemming from the conclusion of a contract to transfer shares of an affiliated company.

Operating Results by Business Segment

Jewelry Business

Net Sales: ¥19,599 million (down 5.9% YoY)
 Operating Income: ¥2,587 million (down 15.3% YoY)

The F.D.C. Products Group posted a net sales decline year on year due to the length of time required for the recovery in bridal jewelry.

Apparel Business

Net Sales: ¥13,638 million (up 4.9% YoY)
 Operating Income: ¥557 million (up 13.6% YoY)

The AS'TY Group achieved positive returns through its successful efforts to strengthen measures with major clients utilizing its planning capabilities and production framework. Retailer age Co., Ltd. achieved revenue gains over the same period of the previous fiscal year from expanded openings of new locations for its mainstay everyday fashion brand PALETTE, and measures to strengthen sales promotions.

2. Forecasts for the Full Fiscal 2018 Period

(Millions of yen, %)

	Fiscal 2017 (Actual)	Fiscal 2018 (Forecast)	YoY
Net Sales	48,060	48,000	-0.1%
Operating Income	6,102	5,300	-13.2%
Ordinary Income	7,562	6,850	-9.4%
Profit attributable to owners of parent	5,293	2,800	-47.1%

1. Forecast net income per share for FY 2018: ¥109.00

2. Average number of issued shares during FY 2018 (consolidated basis): 25,687,725 shares

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Consolidated results forecasts for the full fiscal 2018 period are unchanged from those announced on November 14, 2018.

Note: Forecasts are based on information available 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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