

## YONDOSHI HOLDINGS INC.

April 10, 2019  
(Securities Code: 8008, First Section, Tokyo Stock Exchange)

### Summary of the Consolidated Financial Report for Fiscal 2018 (Ended February 28, 2019)

- Revenue and earnings in fiscal 2018 declined compared with the previous fiscal year due to a variety of factors. This included a delay in the recovery of existing store sales in the Jewelry Business.
- YONDOSHI HOLDINGS posted a temporary tax expense stemming from the transfer of a part of its shares held in equity-method affiliated Fuji Co., Ltd. as a part of the Company's business reorganization.
- The Jewelry Business reported declines in both revenue and earnings. The Apparel Business recorded gains in both revenue and earnings on the back of robust trends.
- YONDOSHI HOLDINGS is targeting increases in revenue and earnings on a consolidated basis for fiscal 2019 (ending February 29, 2020).
- The Company plans to pay an annual cash dividend of ¥75 per share, up ¥10 per share for the fiscal year under review. This represents an eighth consecutive fiscal year of dividend increase. Plans are also in place to again declare an increase in the annual cash dividend to ¥80 per share, up ¥5 per share for fiscal 2019.

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 fiscal 2018, the fiscal year from March 1, 2018 to February 28, 2019. Brief details are presented as follows.

#### 1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2017	Fiscal 2018	YoY
Net Sales	48,060	<b>47,118</b>	<b>(2.0)%</b>
Operating Income	6,102	<b>4,984</b>	<b>(18.3)%</b>
Ordinary Income	7,562	<b>6,804</b>	<b>(10.0)%</b>
Profit Attributable to Owners of Parent	5,293	<b>2,440</b>	<b>(53.9)%</b>

1. Net income per share for the fiscal year under review was ¥96.03 (¥207.09 in the previous fiscal year).
2. The average number of issued shares for the fiscal year under review was 25,415,080 on a consolidated basis.
3. Operating income before the amortization of goodwill: FY 2018: ¥5,481 million FY 2017: ¥6,599 million

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/eng/>  
 Inquiries: YONDOSHI HOLDINGS INC. Corporate Planning Department  
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Despite signs of an improvement in personal consumption, business conditions remained difficult in the retail industry. In addition to persistent budget-consciousness arising from uncertainty about the future, this largely reflected the impact of a succession of natural disasters and other factors. Under these circumstances, during the fiscal year ended February 2019, the first year of the fifth medium-term management plan, the YONDOSHI HOLDINGS Group worked diligently to enhance enterprise value while addressing priority issues by business.

As a result, net sales for the fiscal year under review amounted to ¥47,118 million (down 2.0% YoY). From a profit perspective, operating income came to ¥4,984 million (down 18.3% YoY) and ordinary income was ¥6,804 million (down 10.0% YoY). Profit attributable to owners of parent fell to ¥2,440 million (down 53.9% YoY), due mainly to the recording of temporary tax expenses stemming from the transfer of shares of an affiliated company.

## Operating Results by Business Segment

### *Jewelry Business*

Net Sales: ¥29,295 million (down 5.4% YoY)  
 Operating Income: ¥4,465 million (down 18.4% YoY)

In the F.D.C. Products Group, which is largely responsible for the YONDOSHI HOLDINGS Group's Jewelry Business, results were impacted by the time required to bring about a recovery in bridal jewelry. At the same time, sales fell below plans over the December Christmas peak period of demand. Meanwhile, signs of a positive turnaround are beginning to emerge on the back of the Group's vigorous efforts to promote a variety of measures in the bridal jewelry business.

### *Apparel Business*

Net Sales: ¥17,822 million (up 4.3% YoY)  
 Operating Income: ¥603 million (up 6.5% YoY)

In the Apparel Business, the AS'TY Group achieved positive returns through its successful efforts to strengthen measures with major clients utilizing its product proposal capabilities and overseas production framework. Retailer age Co., Ltd. also achieved revenue gains from expanded openings of new locations for its mainstay everyday fashion brand PALETTE and measures aimed at strengthening sales promotions.

## 2. Consolidated Earnings Forecasts for Fiscal 2019

(Millions of yen, %)

	Fiscal 2018 (Actual)	Fiscal 2019 (Forecast)	YoY
Net Sales	47,118	47,300	+0.4%
Operating Income	4,984	5,100	+2.3%
Ordinary Income	6,804	5,400	(20.6)%
Profit Attributable to Owners of Parent	2,440	3,400	+39.3%

1. Forecast net income per share for FY2019 (full fiscal year period) is ¥133.78.
2. The average number of issued shares for the fiscal year is 25,415,080 on a consolidated basis.
3. Forecast EPS before the amortization of goodwill after taking into account repurchase of the

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Company's own shares to the maximum amount identified in the fiscal year ending February 29, 2020 is ¥174.10.

As a part of efforts to become a century-old company and brand, the YONDOSHI HOLDINGS Group recognizes the critical need to further increase the value of its corporate 4°C brand.

YONDOSHI HOLDINGS has identified “Challenge and Change” as the key slogan under its Fifth three-year “Challenge and Change” Medium-Term Management Plan, which began from the fiscal year ended February 28, 2019. Guided by this plan, the YONDOSHI HOLDINGS Group will actively reinforce human resources in the mainstay Jewelry Business and enhance the quality of management. In addition, to increasing the value of the 4°C brand, the YONDOSHI HOLDINGS Group will also look to develop and nurture new business pillars that will help to secure renewed growth.

In the future, the YONDOSHI HOLDINGS Group will continue to cultivate human resources, bolster product capabilities, and assess market trends. Every effort will also be made to practice CSR-based management to establish a highly trusted corporate group, while endeavoring to enhance corporate value by strengthening internal controls, providing shareholder returns, and making medium- to long-term investments linked to earnings growth.

Taking each of these factors into consideration, net sales are projected to come in at ¥47,300 million, operating income to total ¥5,100 million, ordinary income to come to ¥5,400 million, and profit attributable to owners of parent to amount to ¥3,400 million on a consolidated basis in the fiscal year ending February 29, 2020.

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.

#### 4. Cash Dividends

(Yen)

Annual Cash Dividend					
	1Q-End	2Q-End	3Q-End	Period-End	Total
Actual for Fiscal 2017	—	32.50	—	32.50	65.00
Actual for Fiscal 2018	—	37.50	—	37.50	75.00
Forecast for Fiscal 2019	—	40.00	—	40.00	80.00

YONDOSHI HOLDINGS intends to pay a period-end cash dividend of ¥37.50 per share. As a result, the annual cash dividend, which includes the interim cash dividend, will be ¥75.00 per share, an increase of ¥10.00 per share for the fiscal year ended February 28, 2019. This represents an eighth consecutive fiscal year of dividend increase. Looking at the next fiscal year, the Company plans to pay an interim and period-end cash dividend of ¥40.00 per share, respectively, for an annual cash dividend of ¥80.00 per share, an increase of ¥5.00 per share, for fiscal 2019. Accordingly, we are aiming to increase the annual cash dividend for a ninth consecutive year in the fiscal year ending February 29, 2020.

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