

YONDOSHI HOLDINGS INC.

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

Summary of the Consolidated Financial Report for the First Quarter of Fiscal 2019 (Ending February 29, 2020)

- Net sales was on a par with the same period of the previous fiscal year, but operating income rose for the first time in three fiscal periods.
- Ordinary income and net income declined due to the lack of equity in earnings of affiliates in the subject fiscal year, but results were mostly in line with plan.
- The Jewelry Business posted a revenue decline but an earnings gain, due mainly to improved store earning capacity from a scrap-and-build program, along with an increase in the bridal jewelry business.
- 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 second quarter cumulative and full-year periods of fiscal 2019 are unchanged from the initial plan. We anticipate increases in net sales and operating income for the full-year period.

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 first quarter period of fiscal 2019 (March 1, 2019 to May 31, 2019), the fiscal year ending February 29, 2020. The summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2018 1Q	Fiscal 2019 1Q	YoY
Net Sales	11,216	11,143	(0.6)%
Operating Income	1,196	1,243	+3.9%
Ordinary Income	1,512	1,341	(11.4)%
Profit Attributable to Owners of Parent	1,043	805	(22.9)%

1. Net income per share for the period was ¥35.35 (¥40.66 for the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 22,773,543 shares.
3. Operating income before the amortization of goodwill was ¥1,367 million (¥1,321 million in the previous fiscal year).

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/>
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In the retail industry, despite signs of an improvement in personal consumption, business conditions remained difficult, with continued budget-consciousness arising from uncertainty about the future. Under these circumstances, during fiscal 2019, the second 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 subject first quarter period amounted to ¥11,143 million (down 0.6% from the same period of the previous fiscal year), with operating income of ¥1,243 million (up 3.9%). Because of the lack of equity in earnings of affiliates in the subject fiscal year, ordinary income declined to ¥1,341 million (down 11.4%) and profit attributable to owners of parent to ¥805 million (down 22.9%), but were mostly in line with plan.

Operating Results by Business Segment

Jewelry Business

Net Sales: ¥6,420 million (down 3.8% YoY)
 Operating Income: ¥1,031 million (up 1.9% YoY)

The F.D.C. Products Group implemented various successful measures, with an increase in bridal jewelry. Store earning capacity also increased as a result of the ongoing scrap-and-build program.

Apparel Business

Net Sales: ¥4,723 million (up 4.0% YoY)
 Operating Income: ¥284 million (up 27.4% YoY)

The AS'TY Group achieved positive results from successful efforts to strengthen measures with major clients, utilizing its product proposal capabilities and overseas production framework. Retailer age Co., Ltd. also achieved gains from expanded openings of new locations for its mainstay everyday fashion brand PALETTE, and efforts to strengthen sales promotion measures.

2. Forecasts for Second Quarter Cumulative and Full Year Periods of Fiscal 2019

Second Quarter Cumulative

(Millions of yen, %)

	Fiscal 2018 2Q Cumulative (Actual)	Fiscal 2019 2Q Cumulative (Forecast)	YoY
Net Sales	22,094	22,400	+1.4%
Operating Income	1,994	2,100	+5.3%
Ordinary Income	2,578	2,250	(12.7)%
Profit Attributable to Owners of Parent	1,817	1,500	(17.5)%

- Forecast net income per share for the FY 2019 2Q cumulative period: ¥65.87
- Average number of issued shares (consolidated basis): 22,773,543 shares

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Full Year

(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 FY 2019: ¥149.30
2. Average number of issued shares during FY 2019 (consolidated basis): 22,773,543 shares

Consolidated results forecasts for the second quarter cumulative and full year periods of fiscal 2019 are unchanged from those announced on April 10, 2019.

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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