

YONDOSHI HOLDINGS INC.

October 12, 2020
(Securities Code: 8008, First Section, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for the First Half of Fiscal 2020 (Ending February 28, 2021)

- In the consolidated operating results for the first half of the fiscal year ending February 28, 2021, revenue and earnings declined due to the impact of novel coronavirus (COVID-19) infections but exceeded the forecast announced on July 8.
- In the Jewelry Business, revenue and earnings declined due to stores suspending their business operations, but the segment remained in the black. Following the lifting of the state of emergency, sales were on a recovery trend due to the resumption of store operations.
- In the Apparel Business, in addition to the mainstay everyday fashion brand PALETTE performing well, successful efforts to reduce costs led to the segment achieving the highest levels for net sales and operating income in its history.
- The consolidated operating results for the full fiscal year are expected to be in line with plans.
- With regard to the annual dividend for the fiscal year ending February 2021, YONDOSHI HOLDINGS is planning a 10th consecutive fiscal year of dividend growth, thereby adhering to its commitment to continuous dividend increases. Repurchase of the Company's own shares up to a maximum of 300,000 shares.

YONDOSHI HOLDINGS INC. ("YONDOSHI HOLDINGS" or "the Company"; Headquarters: Shinagawa-ku, Tokyo; Chairman and Representative Director, CEO: Saishi Kimura) announced today its consolidated operating results for the first half period of fiscal 2020 (March 1, 2020, to August 31, 2020), the fiscal year ending February 28, 2021. The summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2019 1H	Fiscal 2020 1H	YoY
Net Sales	21,925	17,980	(18.0)%
Operating Income	2,195	1,043	(52.5)%
Ordinary Income	2,370	1,283	(45.8)%
Profit Attributable to Owners of Parent	1,484	603	(59.4)%

1. Net income per share for the subject period was ¥27.79 (¥66.10 for the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 21,703,708 shares.
3. Operating income before the amortization of goodwill was ¥1,291 million (¥2,443 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/>
 Inquiries: YONDOSHI HOLDINGS INC. President Office
 TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp

In the retail industry, in addition to the impact of the government's call for people to remain at home, as well as business suspensions and shortened operating hours at stores, the worsening employment and income environments that continued to emerge after the end of the state of emergency led to fears of a further cooling off in consumer sentiment. Therefore, the outlook for the economy remained extremely severe and clouded. Under these circumstances, the YONDOSHI HOLDINGS Group has been working on the priority issues for each business with the aim of increasing corporate value in fiscal 2020, the final year of its fifth medium-term management plan.

As a result, net sales for the first half of the fiscal year under review amounted to ¥17,980 million (down 18.0% from the same period of the previous fiscal year), operating income amounted to ¥1,043 million (down 52.5%), ordinary income amounted to ¥1,283 million (down 45.8%), and profit attributable to owners of parent amounted to ¥603 million (down 59.4%). Even in a difficult business environment, the Group was able to secure profits in both its Jewelry Business and Apparel Business.

Jewelry Business

Net Sales: ¥8,534 million (down 32.6% YoY)
 Operating Income: ¥686 million (down 62.2% YoY)

The F.D.C. Products Group fully implemented measures to help prevent the spread of COVID-19, including suspending business operations and shortening operating hours at stores from late March. Although the government continued to call for people to remain at home even after the end of the state of emergency, net sales from stores underwent a recovery as the Group transitioned to regular operations in stages.

Apparel Business

Net Sales: ¥9,445 million (up 2.1% YoY)
 Operating Income: ¥567 million (up 15.8% YoY)

The Apparel Business recorded increased revenue and earnings. The AS'TY Group made efforts to maintain the supply chain by increasing the number of local staff at overseas production sites. The Group also improved operating income over the same period of the previous fiscal year by focusing on cost reductions. Retailer age Co., Ltd. focused on business operations for its mainstay everyday fashion brand PALETTE to fulfill its role as part of the social infrastructure supporting the lives of local customers. Due to these efforts, existing stores underwent substantial growth while stores that were newly opened in line with the current period plan also trended positively, leading both net sales and operating income to achieve their highest levels in history.

2. Forecasts for Full-Year Period of Fiscal 2020

(Millions of yen, %)

	Fiscal 2019 (Actual)	Fiscal 2020 (Forecast)	YoY
Net Sales	44,970	39,000	(13.3)%
Operating Income	3,975	2,900	(27.1)%
Ordinary Income	4,312	3,300	(23.5)%
Profit attributable to owners of parent	2,475	2,000	(19.2)%

1. Forecast net income per share for FY 2020: ¥92.15
2. Average number of issued shares during FY 2020 (consolidated basis): 21,703,709 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/eng/>
 Inquiries: YONDOSHI HOLDINGS INC. President Office
 TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp

The consolidated earnings forecast for the fiscal year ending February 2021 remains unchanged from the figures announced on July 8, 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.

END

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. President Office
TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp