

YONDOSHI HOLDINGS INC.

January 6, 2021
(Securities Code: 8008, First Section, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for the Third Quarter Cumulative Period of Fiscal 2020 (Ending February 28, 2021)

- Revenue and earnings in the subject third quarter cumulative period declined year on year due to the impact from the coronavirus crisis, but the Company was able to firmly secure profitability.
- In the Jewelry Business, revenue and earnings declined as a result of stores suspending business operations. Since the lifting of the emergency declaration, however, sales at stores have been recovering.
- In the Apparel Business, revenue and earnings increased, including record high results at everyday fashion brand PALETTE.
- Full-year consolidated results forecasts for fiscal 2020 are unchanged.
- The Company plans to increase its dividend payment for a 10th consecutive year in Fiscal 2020, in line with its commitment to continuous dividend increases. The Company is also planning a share buyback for a third consecutive year.

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 third quarter cumulative period (March 1 to November 30, 2020) of fiscal 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 3Q	Fiscal 2020 3Q	YoY
Net Sales	32,776	28,323	(13.6)%
Operating Income	3,025	1,874	(38.0)%
Ordinary Income	3,289	2,210	(32.8)%
Profit Attributable to Owners of Parent	2,009	1,188	(40.8)%

1. Net income per share for the subject period was ¥54.80 (¥90.49 for the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 21,694,081 shares.
3. Operating income before the amortization of goodwill was ¥2,246 million (¥3,397 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, the outlook remained clouded as a result of the impact from the government's call for people to remain at home, along with business suspensions and shortened operating hours at stores. In addition, the worsening employment and income situation that continued after the state of emergency was lifted raised concerns of a further cooling off in consumer sentiment. Under these circumstances, during fiscal 2020, the final year of the fifth medium-term management plan, YONDOSHI HOLDINGS Group addressed priority issues in each business with the aim of enhancing enterprise value.

As a result, net sales for the subject third quarter cumulative period amounted to ¥28,323 million (down 13.6% from the same period of the previous fiscal year), with operating income of ¥1,874 million (down 38.0%), ordinary income of ¥2,210 million (down 32.8%), and profit attributable to owners of parent of ¥1,188 million (down 40.8%). Despite declines in both revenue and earnings, the Company managed to firmly secure profitability.

Jewelry Business

Net Sales:	¥13,824 million	(down 26.6% YoY)
Operating Income:	¥1,224 million	(down 49.2% YoY)

The F.D.C. Products Group implemented measures to help prevent the spread of COVID-19, including major suspending business operations and shortening operating hours at stores from late March through the end of May. People continued to refrain from going out even after the end of the state of emergency, but with the shift back to normal business operations, sales at stores have been recovering.

Apparel Business

Net Sales:	¥14,499 million	(up 4.1% YoY)
Operating Income:	¥929 million	(up 21.3% 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., which operates the everyday fashion brand PALETTE, recorded positive sales trends for items related to everyday life, fulfilling its role as part of the social infrastructure supporting the lives of local customers. Due to these efforts, existing stores posted substantial growth while stores that were newly opened in line with the current period plan also trended positively, leading to record-high results for both net sales and operating income.

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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 FY2020: ¥92.19
2. Average number of issued shares during FY 2020 (consolidated basis): 21,694,081 shares

Full-year consolidated results forecasts for fiscal 2020 are unchanged from those 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

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