

YONDOSHI HOLDINGS INC.

July 7, 2022
(Securities Code: 8008, Prime Market, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for the First Quarter of Fiscal 2022 (Ending February 28, 2023)

- **Consolidated revenue and earnings increased second consecutive quarterly on positive performance in both the Jewelry Business and the Apparel Business.**
- **The Jewelry Business posted a revenue gain on recovery in customer traffic, and a considerable increase in earnings, due mainly to strengthened product measures, and a rebound increase following the temporary store closures in the previous fiscal year.**
- **The Apparel Business recorded gains in revenue on positive performance for the everyday fashion brand PALETTE, along with recovery in demand in the apparel manufacturing business. Earnings exceeded the business plan.**
- **For shareholder returns, the Company aims to provide a stable and continuous dividend with a DOE of 4% or higher. The forecast dividend for Fiscal 2022 is an interim and year-end cash dividend of 41.50 yen per share.**

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”; Headquarters: Shinagawa-ku, Tokyo; President and Representative Director: Hidetoshi Masuda) announced today its business results for the first quarter period of fiscal 2022 (March 1, 2022, to May 31, 2022), the fiscal year ending February 28, 2023. Brief details are presented as follows.

Note: Real estate lease revenue, and rental expenses on real estate, have up to now been recorded in “Non-operating income,” “Selling, general and administrative expenses,” and “Non-operating expenses,” but from the subject fiscal year, the accounting method has been changed to recording in “Net sales” and “Cost of sales.” Accordingly, the presentation method has been changed for both the previous and subject fiscal years. In addition, the Company applied “Accounting Standard for Revenue Recognition” from the subject fiscal year.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2021 1Q	Fiscal 2022 1Q	YoY
Net Sales	8,735	9,324	+6.7%
Operating Income	338	388	+14.8%
Ordinary Income	499	490	(1.8)%
Profit Attributable to Owners of Parent	258	401	+55.2%

1. Net income per share: ¥18.73 (¥12.08 in the previous fiscal year)
2. Average number of issued shares (consolidated basis): 21,436,381 shares
3. Operating income before amortization of goodwill: ¥512 million (¥462 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. Corporate Planning Department
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In the retail industry, occasions for people to go out increased with the lifting of pre-emergency COVID-19 mitigation measures, bringing signs of recovery in consumer spending. However, the fallout from successive price increases raised concerns of a cooling off in consumer sentiment, and the outlook remains unclear. Under such circumstances, YONDOSHI HOLDINGS Group, during fiscal 2022, the second year of the sixth medium-term management plan, pursued 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 ¥9,324 million (up 6.7% from the same period of the previous fiscal year), with operating income of ¥388 million (up 14.8%), ordinary income of ¥490 million (down 1.8%) and profit attributable to owners of parent to ¥401 million (up 55.2%).

Operating Results by Business Segment

Jewelry Business

Net Sales:	¥4,122 million	(up 9.0% YoY)
Operating Income:	¥193 million	(up 88.5% YoY)

The F.D.C. Products Group, which operates the jewelry business, recorded strong sales of fashion jewelry such as 50th anniversary limited-edition items, and an upturn in sales through the e-commerce site that was fully renewed in March. Results were further boosted by the rebound effect from temporary store closures in the previous fiscal year during the COVID -19 crisis, and a significant recovery in customer traffic.

Apparel Business

Net Sales:	¥5,201 million	(up 5.0% YoY)
Operating Income:	¥286 million	(down 18.1% YoY)

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, recorded an increase in sales at existing stores as a result of strengthened product planning capabilities and proactive efforts for sales promotion campaigns, with performance further boosted by openings of new locations.

The AS'TY Group was negatively impacted in part by the weak yen and higher material costs, but managed to achieve results mostly in line with plan due to expanded sales on the recovery in demand, and measures to reduce costs.

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2. Forecasts for Second Quarter Cumulative and Full Year Periods of Fiscal 2022

Second Quarter Cumulative

(Millions of yen, %)

	Fiscal 2021 2Q Cumulative (Actual)	Fiscal 2022 2Q Cumulative (Forecast)	YoY
Net Sales	17,806	19,500	+9.5%
Operating Income	429	850	+97.7%
Ordinary Income	715	1,000	+39.7%
Profit Attributable to Owners of Parent	280	650	+131.9%

1. Forecast net income per share for the FY 2022 2Q cumulative period: ¥30.32
2. Average number of issued shares (consolidated basis): 21,436,381 shares

Full Year

(Millions of yen, %)

	Fiscal 2021 (Actual)	Fiscal 2022 (Forecast)	YoY
Net Sales	38,123	41,500	+8.9%
Operating Income	1,788	2,700	+51.0%
Ordinary Income	2,293	3,000	+30.8%
Profit Attributable to Owners of Parent	1,490	1,800	+20.8%

1. Forecast net income per share for FY 2022: ¥83.97
2. Average number of issued shares (consolidated basis): 21,436,381 shares

3. Cash Dividends for Fiscal 2022

(Yen)

Annual Cash Dividend					
	1Q-End	2Q-End	3Q-End	Period-End	Total
Fiscal 2021 (Actual)	—	41.50	—	41.50	83.00
Fiscal 2022 (Forecast)	—	41.50	—	41.50	83.00

YONDOSHI HOLDINGS Group recognizes that providing returns to shareholders is an important management issue. The Company has set as its basic policy for profit sharing the raising of the level of shareholder returns through such means as a stable and continuous cash dividend payment, and flexible share buybacks. The Company has also established a target DOE, a key indicator of shareholder returns, of 4% or higher, and aims to reach a dividend payout of 100 yen per share in the future.

In accordance with this policy, for the fiscal year ending February 28, 2023, YONDOSHI HOLDINGS plans to pay an interim and year-end cash dividend of ¥41.50 per share, for an annual cash dividend of ¥83 per share.

END

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