

YONDOSHI HOLDINGS INC.
Prime Market, Tokyo Stock Exchange (8008)

Investors' Presentation
First Half (Interim Period) of Fiscal 2024
(The Fiscal Year Ending February 28, 2025)

October 11, 2024

Contents

- I. Consolidated Results for the First Half of FY2/25**
- II. Forecasts for FY2/25 and Second Half Priority Measures**
- III. Realization of Sustainable Management**
- IV. Acquisition of RASIN Co., Ltd.**
- V. Appendix**

Hidetoshi Masuda. President and Representative Director

YONDOSHI HOLDINGS INC.

Note: Amounts identified in this report are presented in millions of yen rounded down. Percentage figures are calculated from raw data.

Disclaimer: Operating forecasts and forward-looking statements that are not of historic fact are based on information available to management as of the date of this report. Subject to a variety of risks and uncertainties, these forecasts and forward-looking statements may differ substantially from actual results due to a diversity of factors including changes in the Company's operating environment, market trends and fluctuations in foreign currency exchange rates. As a result, readers are advised not to rely solely on the information provided as the basis for investment decisions.

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- ❑ Revenue increase with earnings decline, as expenses preceded sales growth
- ❑ Net income was on a par with the same period of the previous fiscal year, due in part to the sale of share holdings

- **Net sales: Up 1.8% YoY**
 - Same-store sales growth in the Apparel Business, and expanded new store openings
 - Same-store sales (compared to the same period of the previous fiscal year)
Brand Business: Down 2.2%; Apparel Business: Up 0.9%
- **Operating income: Down 21.9% YoY**
 - Brand Business: Conducting of sales promotions**
 - Apparel Business: Impact from store openings and closings**
- **Profit attributable to owners of parent: Down 3.5% YoY**

Summary of Consolidated Results for the First Half of FY2/25

(Millions of yen, %)	FY2/24 1H (2023/8)		FY2/25 1H (2024/8)			YoY	vs. Forecasts
	Actual Results	Share	Forecasts	Actual Results	Share		
Net sales	19,110	100.0	20,000	19,460	100.0	+ 1.8	- 2.7
Gross profit	9,373	49.0	9,500	9,256	47.6	- 1.2	- 2.0
Gross profit margin	49.0		47.5	47.6		- 1.4	+ 0.1
Selling, general and administrative expenses	8,303	43.4	8,500	8,421	43.3	+ 1.4	- 0.9
Amortization of goodwill	248	1.3	248	248	1.3	± 0.0	± 0.0
Operating income	1,069	5.6	1,000	835	4.3	- 21.9	- 16.4
Ordinary income	1,284	6.7	1,200	1,048	5.4	- 18.4	- 12.6
Net income	696	3.6	750	671	3.5	- 3.5	- 10.4
Operating income before the amortization of goodwill	1,317	6.9	1,248	1,083	5.6	- 17.7	- 13.2
Net income before the amortization of goodwill	944	4.9	988	920	4.7	- 2.6	- 7.8

* Operating income before the amortization of goodwill = operating income + goodwill amortization;
net income before the amortization of goodwill = profit attributable to owners of parent + goodwill amortization

Brand Business (formerly Jewelry Business)

Net sales of ¥7,168 million with operating income of ¥382 million, for revenue and earnings decline

- ❑ Same-store sales improving due to merchandising reforms for “4°C,” an expanded lineup of fashion jewelry and variations, and promotional measures
 - Sales to female customers up 7.8% YoY
 - Per-customer sales up 10.8% YoY

- ❑ Increase in unit sales price from systematic organization of the product line unit price
 - Product line unit price¹ Up 4.8% YoY
 - Sales unit price² Up 5.3% YoY

(Units: ¥mn, %)

	FY2/24 1H	FY2/25 1H	Variance	% Change
Net sales	7,873	7,168	(704)	−9.0
Operating income	533	382	(150)	−28.2

Notes: 1. Total inventory value ÷ No. of inventory items 2. Average retail price per item

Apparel Business

Net sales of ¥12,291 million with operating income of ¥705 million, for revenue gain with earnings decline

- **Openings of PALETTE stores drove top-line growth**
 - Revenue boost from store openings in FY2/24 2H and FY2/25 1H
 - Seven new stores opened in 1H (Kanto 4 stores, Kansai 3 stores)
 - Impact from store openings and closing led to earnings decline for the period

- **Apparel manufacturers maintained positive performance, with gains in both sales and earnings**
 - Increase in orders by exploiting advantage of overseas production bases
 - New orders from existing business partners, and development of new business partners
 - Continued stable operation centered on Bangladesh, local staff

(Units: ¥mn, %)

	FY2/24 1H	FY2/25 1H	Variance	% Change
Net sales	11,237	12,291	1,054	+9.4
Operating income	777	705	(72)	-9.3

Status and Plan of Store Openings and Closures

- ❑ **First half: In the Apparel Business, new PALETTE store openings are proceeding at a faster pace than planned**
- ❑ **Full year: Aim to open 10 new stores during the fiscal year by opening three new PALETTE locations**

		Brand Business (formerly Jewelry Business)					Apparel Business	Total
		Roadside boutique	Department store	Bridal Shop	Fashion Building	Total	PALETTE	
FY2023 (2024/2)	Fiscal year-end	2	69	14	53	138	99	237
FY2024 1H Actual Results (2024/8)	Stores opened	0	0	0	0	0	7	7
	Stores closed	0	3	1	2	6	2	8
	1H-end	2	66	13	51	132	104	236
FY2024 2H Plan (2025/2)	Stores opened	0	0	0	0	0	3	3
	Stores closed	0	0	0	0	0	0	0
	Fiscal year-end	2	66	13	51	132	107	239

Overview of Financial Position and Cash Flows (Consolidated)

- ❑ Total assets ¥50.6 billion, liabilities ¥12.1 billion, net assets ¥38.4 billion
- ❑ CF from investing activities improved by ¥2.0 billion on repayment of loans
- ❑ Free CF improved significantly, up ¥2.7 billion from the corresponding period of the previous fiscal year

Financial Position

As of August 31, 2024

Total assets ¥50.6 billion	¥12.1 billion	Total liabilities
	¥38.4 billion	Total net assets

Cash Flows

Millions of yen)	1H FY2023 (2023/8)	1H FY2024 (2024/8)	Increase (Decrease)
Operating cash flows	1,356	1,958	+599
Investing cash flows	(2,340)	(156)	+2,183
Financing cash flows	1,197	(890)	(2,086)
Free cash flows	(984)	1,802	+2,783

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- ❑ **Correction of yen depreciation due to narrowing of interest rate differential between Japan and the U.S., and expectations for an improvement trend in real wages**
- ❑ **Further “polarization of consumption” between a desire to save money in response to rising prices, against a focus on value and satisfaction, and willingness to pay for added value**

Brand Business (formerly Jewelry Business)

- **Increase in disposable income of young people is expected to boost their buying intention**
- **Gap between urban and rural areas will continue to widen**

Apparel Business

- **The risk of rising cost ratios due to the rapid depreciation of the yen is on a correcting trend**
- **Desire to save money on daily necessities expected to continue**

- ❑ **First half priority measures progressing as planned, contributing to second half performance**
- ❑ **No change to forecast figures announced in April 2024**

Brand Business (formerly Jewelry Business)

- **Same-store sales are recovering
(Q1 95.2%, Q2 100.6%, 2H 103.0%)**
- **4°C merchandising reforms**
 - 1) **Expand the range of consumer tastes for a more multifaceted 4°C, gaining support from female customers**
 - 2) **Improvement of unit sales and sales growth in 10 major cities**

Apparel Business

- **Plan to open three PALETTE stores in 2H, for a total of 10 stores for the year**
- **Maintain and enhance advantage of stable operation, utilizing coordination with Bangladesh production bases and local staff**

Consolidated Business Results Forecasts for Fiscal 2024

Earnings growth expected for a third consecutive year

(Millions of yen, %)	FY2023 (2024/2)		FY2024 (2025/2)		YoY	Increase (Decrease)
	Actual Results	Share	Forecasts	Share		
Net sales	39,457	100.0	41,000	100.0	+ 3.9	+ 1,542
Gross profit	19,530	49.5	19,950	48.7	+ 2.2	+420
Gross profit margin	49.5		48.7		- 0.8	
Selling, general and administrative expenses	17,433	44.2	17,600	42.9	+ 1.0	+ 166
Amortization of goodwill	496	1.3	496	1.2	± 0.0	± 0.0
Operating income	2,096	5.3	2,350	5.7	+ 12.1	+ 253
Ordinary income	2,515	6.4	2,800	6.8	+ 11.3	+284
Net income	1,300	3.3	1,600	3.9	+ 23.1	+ 300
Operating income before the amortization of goodwill	2,593	6.6	2,846	6.9	+9.8	+ 253
Net income before the amortization of goodwill	1,796	4.6	2,096	5.1	+16.6	+ 299

* Operating income before the amortization of goodwill = operating income + goodwill amortization;
net income before the amortization of goodwill = profit attributable to owners of parent + goodwill amortization

FY2/25 Results Forecast by Segment

Brand Business (formerly Jewelry Business)

Net sales of ¥16,500 million, with operating income of ¥1,520 million

- ❑ Implement merchandising reforms, focusing on the four themes of products, presentation, sales promotions, and customer service, ahead of the Christmas season, the biggest commercial season of the year

Apparel Business

Net sales of ¥23,900 million, with operating income of ¥1,180 million

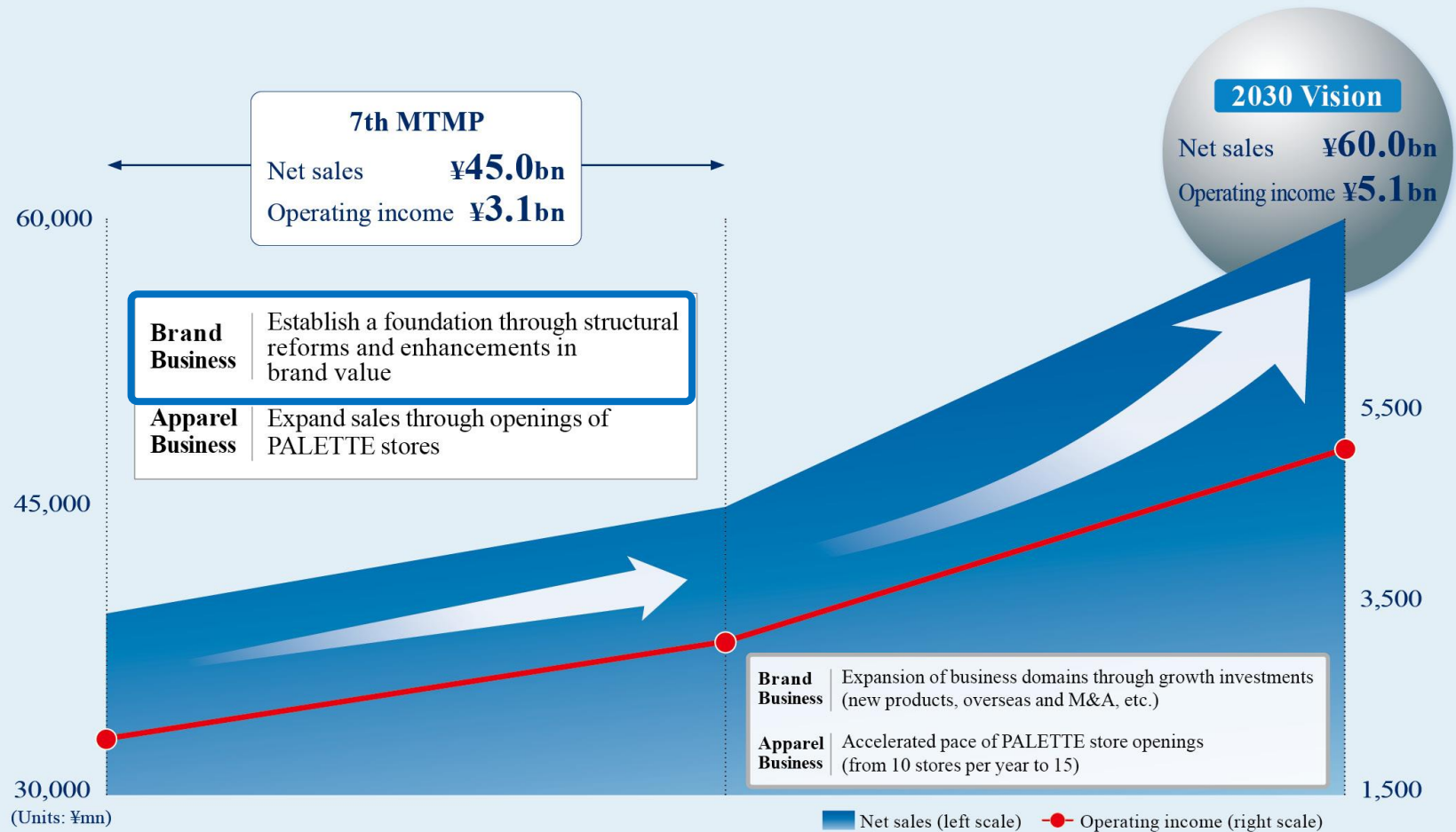
- ❑ Continue to expand openings of PALETTE stores, and further increase top-line growth
- ❑ Apparel manufacturers expected to maintain strong performance in the second half, with improvement in profit margins from correction to the yen's depreciation

(Millions of yen, %)		FY2023 (2024/2) Results	FY2024 (2025/2) Forecasts	YoY	Increase (Decrease)
Brand Business	Net sales	16,995	16,500	-2.9	(495)
	Operating income	1,426	1,524	+6.9	+97
Apparel Business	Net sales	22,462	23,900	+6.4	+1,437
	Operating income	1,046	1,180	+12.8	+133

7th Medium-Term Management Plan and 2030 Vision

2030 Vision – Consolidated Results Numerical Vision

Establish a foundation over the three years of the 7th MTMP
Aim for dynamic profit growth through subsequent growth investments



- ❑ Set key management indicators to achieve profit growth
- ❑ Assess the progress of each indicator at regular intervals, and establish a solid foundation for growth

Key management indicators as the foundation for growth

**Sales to female
customers
(YoY)**

+11.1%
(4°C fashion jewelry total)

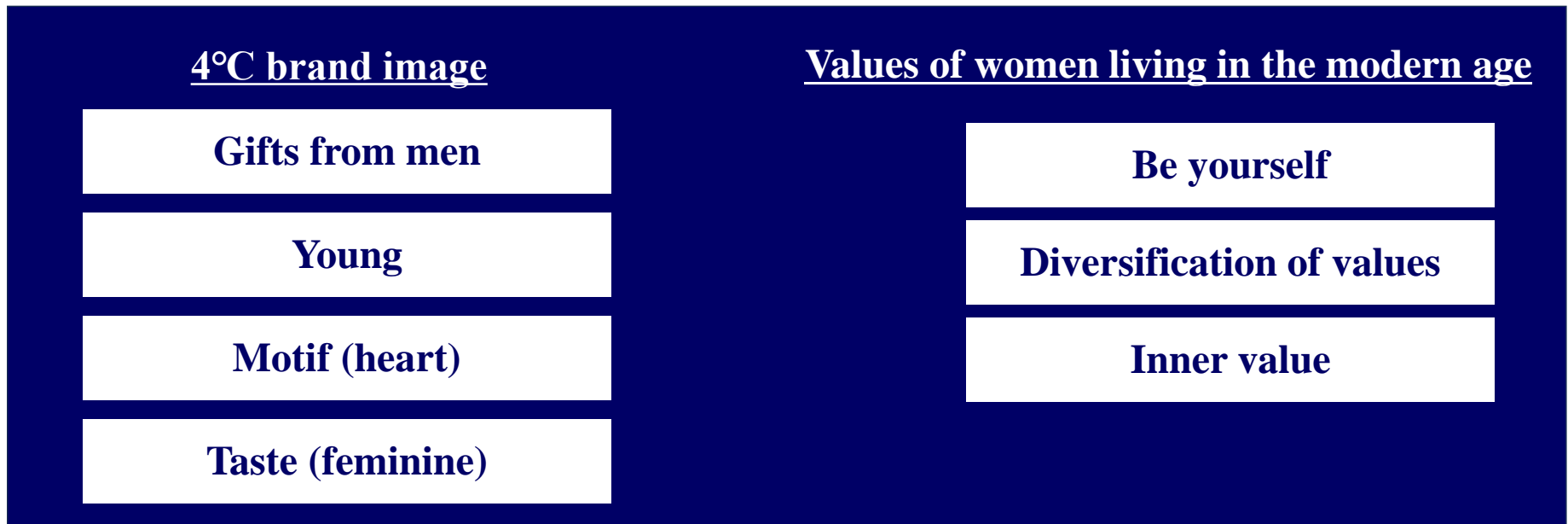
**Unit price
(YoY)**

+7.1%
(4°C fashion jewelry total)

**10 Major Cities
(YoY)**

+2.6%
(4°C brand department store sales)

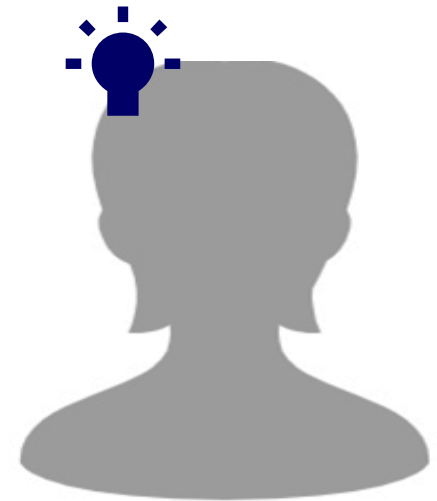
- While women's values are broadening, the image of 4°C remains limited
Merchandising reforms initiated to address this intrinsic issue



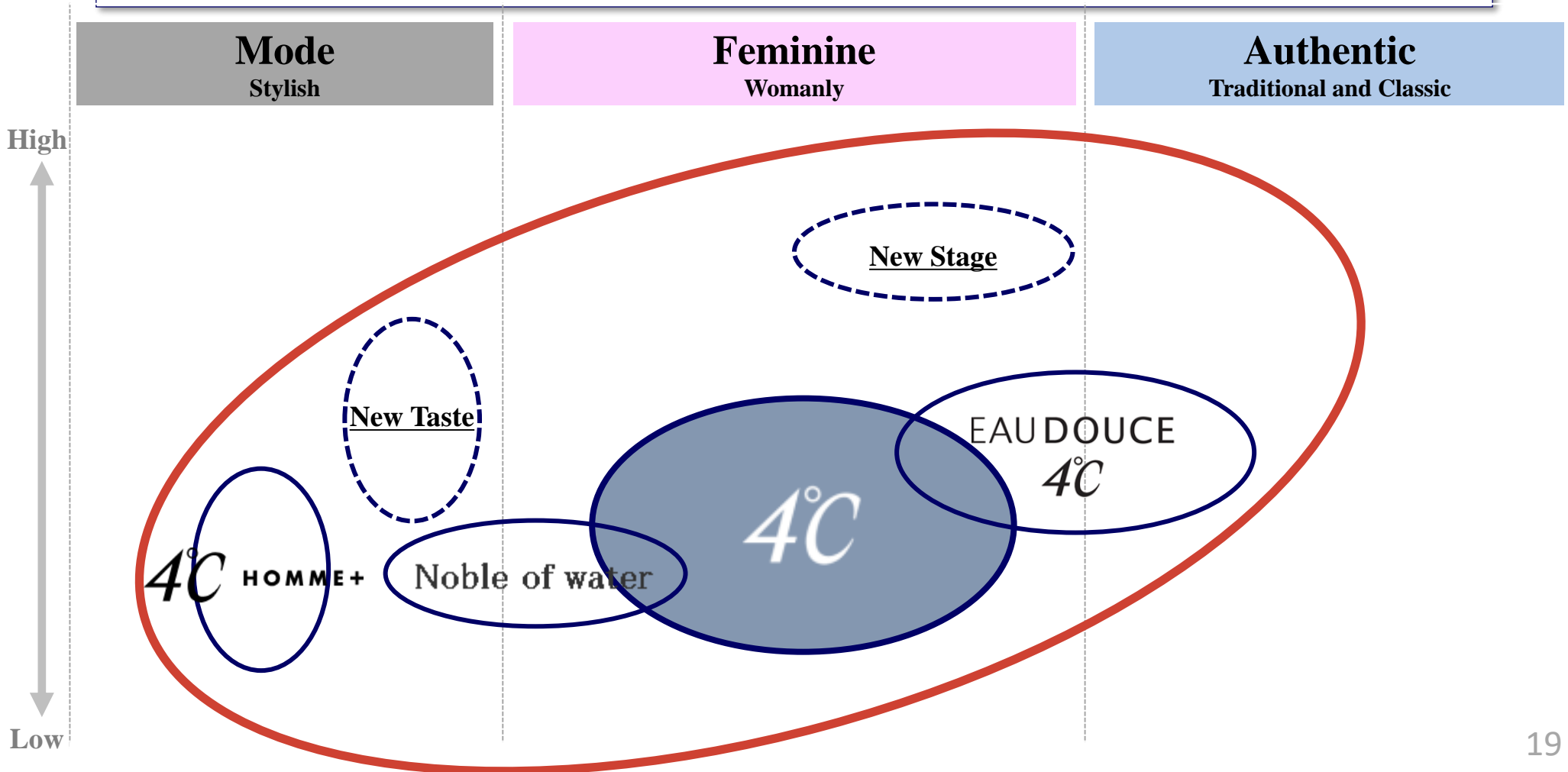
Intrinsic issue: Gap between the 4°C brand image and diversifying women's values

- ❑ To expand support from women, link products, presentation, and sales promotions, and implement reforms

Communicate changes to 4°C at brand touchpoints



- **Product aspects: Product development by taste**
Add “Mode” and “Authentic” to the mainstay “Feminine” taste to present a multifaceted 4°C



4°C MD Reform (Feminine NEW Stage)

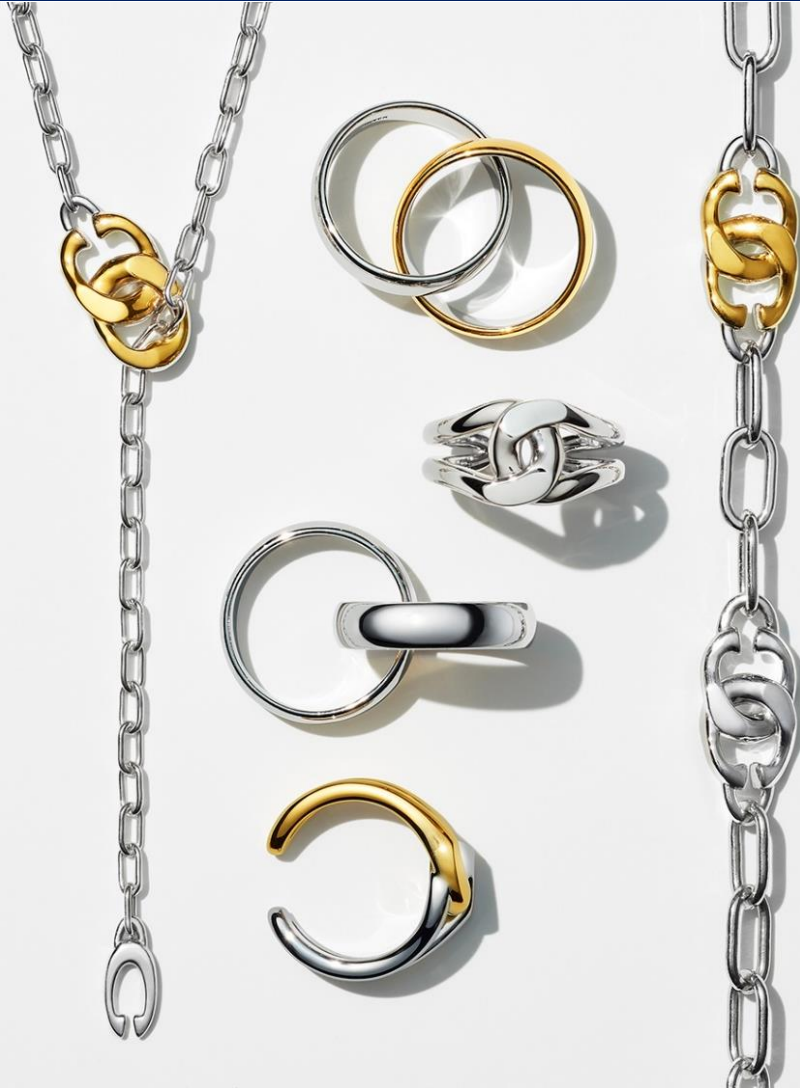


FEMININE



- ❑ For Feminine, offer “high-priced products” as a new stage

4°C MD Reform (Mode NEW Taste)



MODE



- ❑ For Mode, offer 4°C HOMME+, and the “The Tidal” as a new taste, released on October 4th

4°C MD Reform (Authentic)



AUTHENTIC



❑ For Authentic, revise EAU DOUCE 4°C

- ❑ **Presentation aspects: Fundamental revamping of VMD**
Gradually revamp sales floors to allow women to more easily pick their favorite item, and better convey the appeal of products, starting with major stores



Main Points of Revision

1	Reduction in the number of items	2	Flat → Three-dimensional (Remove stages / New tools)
3	Item display → Coordinate ideas	4	Worldview presentation by taste

- ❑ **Sales promotion aspects: Brand promotion**
Christmas sales promotions targeting self-demand from women, promotions that appeal to women's self-esteem

- ❑ For the Christmas shopping season, keep in mind lessons learned from previous large-scale measures
- ❑ Emphasize experience value of encountering new products, and allowing easier handling of items



【Nameless Jewelry Shop】

- Encounter new products
- Easy to pick up and try on

Enhance store experience value



【Sales Promotions from June】

- Signage and train sales channels stopped
- Unspecified number of places → Areas close to sales floors

Customer-centric value proposition

- Focus on “Value-added proposals” and “Strengthening the ten major cities,” and establish a solid foundation for growth in the next medium-term management plan

Key management indicators as the foundation for growth

**Sales to female
customers
(YoY)**

+11.1%
(4°C fashion jewelry total)

**Unit price
(YoY)**

+7.1%
(4°C fashion jewelry total)

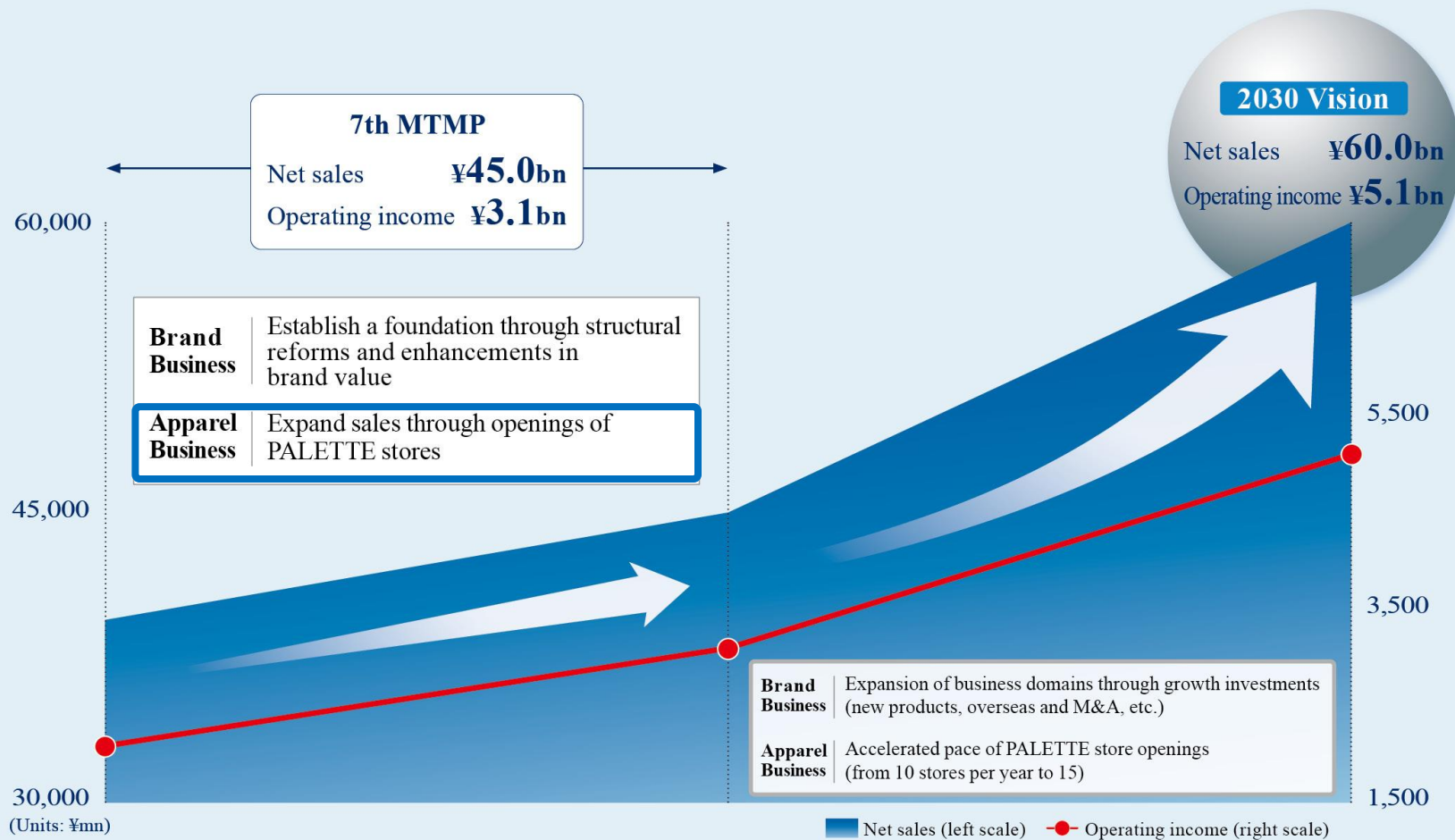
**10 Major Cities
(YoY)**

+2.6%
(4°C brand department store sales)

7th Medium-Term Management Plan and 2030 Vision

2030 Vision – Consolidated Results Numerical Vision

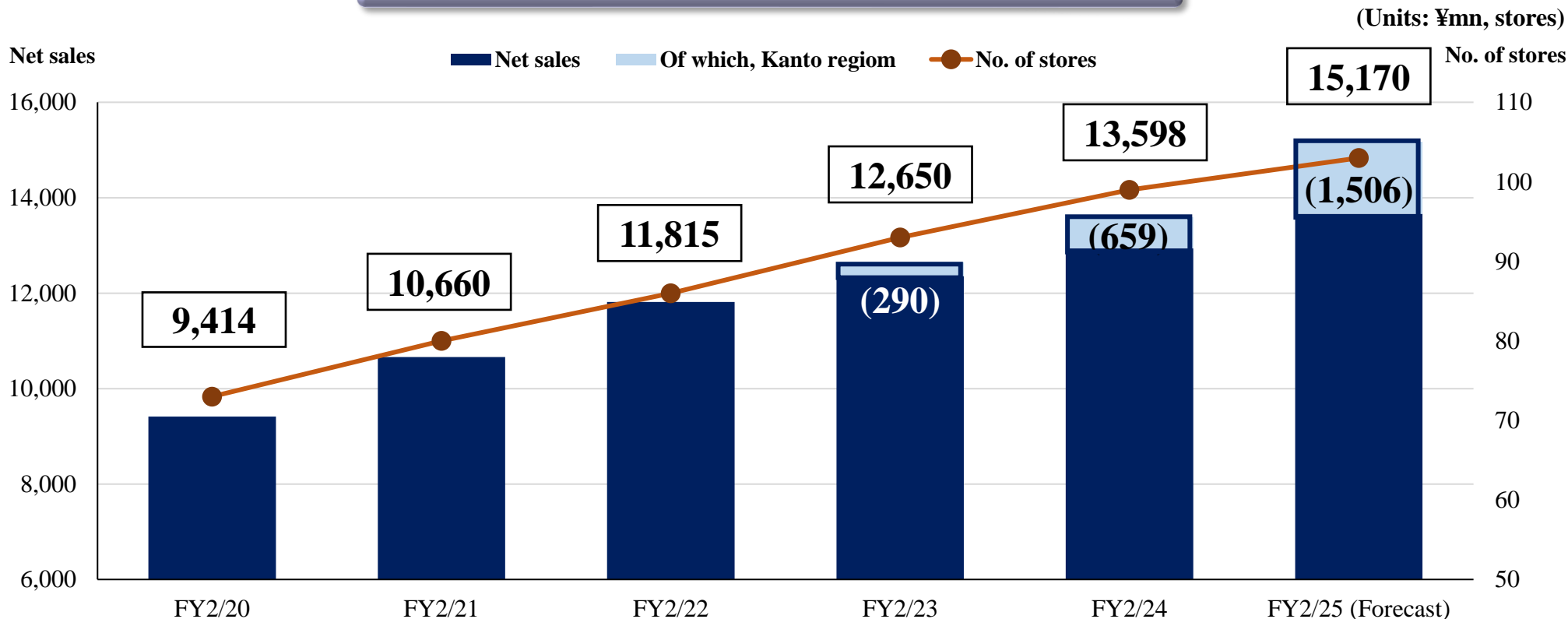
Establish a foundation over the three years of the 7th MTMP
Aim for dynamic profit growth through subsequent growth investments



FY2/25 2H – Apparel Business Initiatives

- Open three new PALETTE stores in 2H, for a total of 10 stores for the year
- New store openings and sales expansion in the Kanto region proceeding as planned, resulting in profitable growth

PALETTE net sales, operating profit margin, and number of stores



No. of stores	73	80	86	93	99	107
Of which, Kanto region	0	0	0	4	5	10

FY2/25 2H – Apparel Business Initiatives

- ❑ Expansion of new business partners by utilizing overseas production bases
- ❑ Strengthen capabilities for consumer-centric proposals and materials



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- Integrated report to communicate 4°C Group’s long-term value creation

統合レポート

4°Cレポート **2024**



***Published in Japanese only**

すべては、お客様の“笑顔”や“ときめき”のために

Sustainable Profit Growth and Shareholder Return

- ❑ Strive to achieve earnings growth through future-oriented growth investments, and raise the level of the total returns through stable and continuous dividends, and share buybacks
- ❑ Dividends maintained at a dividend on equity (DOE) ratio of 4% or higher
- ❑ Aim to reach a dividend of 100 yen per share in the future
 - FY2/25 full-year dividend forecast of 83 yen per share



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Subsidiary Acquisition of RASIN

- ❑ Decision made to acquire shares in RASIN Co., Ltd. to make it a subsidiary

【Business Activities】

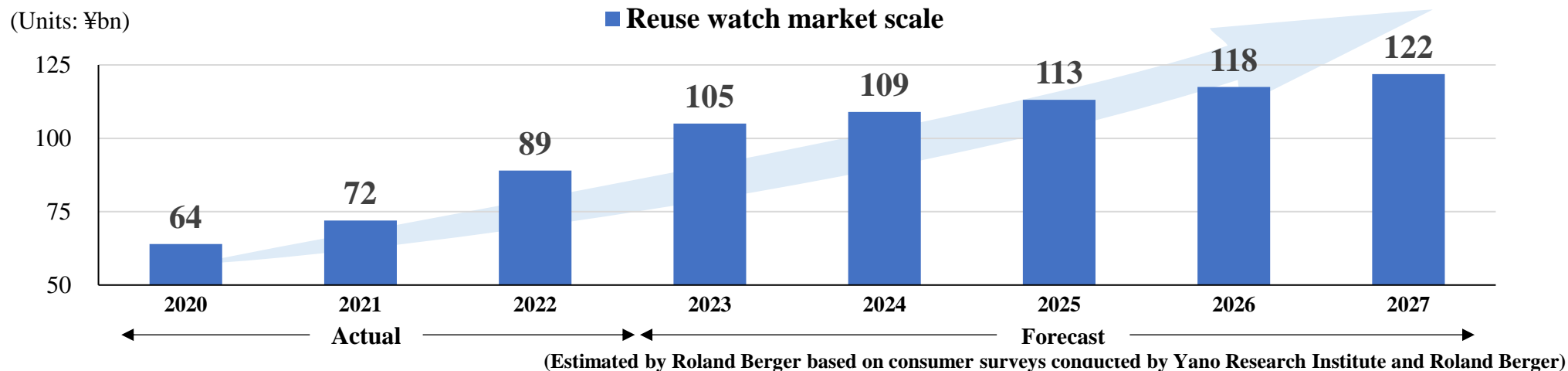
Reuse business specializing in luxury brand watches

RASIN operates three GINZA RASIN stores in Japan, building a relationship of trust with customers by establishing a purchasing and appraisal system, and boasting a wealth of business experience



Subsidiary Acquisition of RASIN

- ❑ Reuse market for watches expected to continue to grow in the future
- ❑ RASIN has demonstrated uniqueness in the reuse business specializing in luxury brand watches, and achieved steady growth



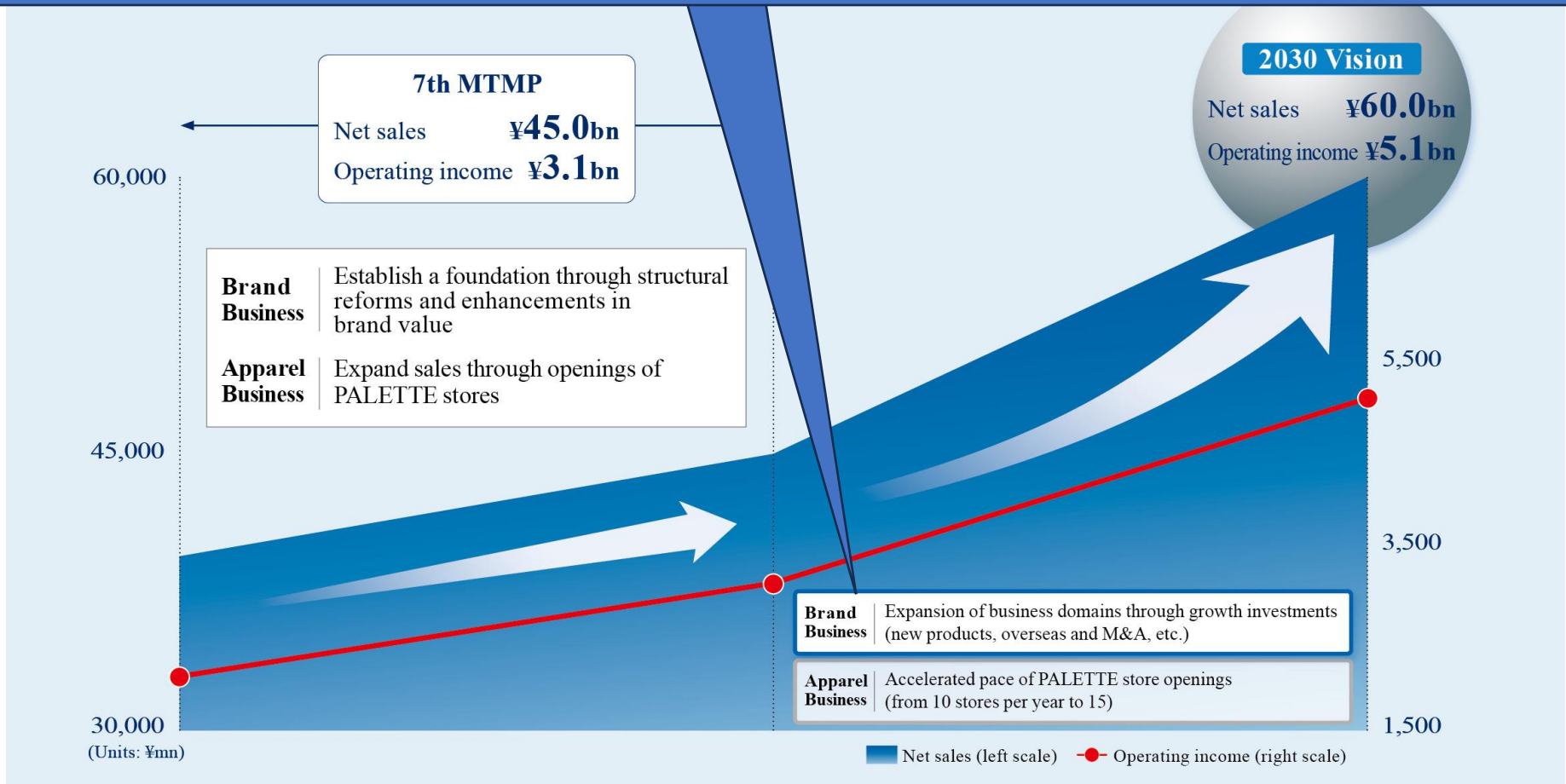
RASIN's business results for the last three years

(Millions of yen)

	FY2/22	FY2/23	FY2/24
Net sales	13,453	15,082	18,579
Operating income	1,340	995	1,555
Ordinary income	1,653	921	1,582
Net income	1,044	424	869

7th Medium-Term Management Plan and 2030 Vision

As stated in the 2030 Vision, implementation of “future-oriented growth investments” aimed at expanding the business domain of the Brand Business, and achieving substantial profit growth



Subsidiary Acquisition of RASIN

- ❑ Creating new value, and establishing a structure responsive to more diverse needs
- ❑ Addition of a highly profitable business further strengthens the portfolio
- ❑ Aim to increase growth potential and stability, and further enhance corporate value

Brand Business

4°C F.D.C. PRODUCTS INC.

Production, planning and sales
of jewelry

New



Reuse business specializing in
luxury brand watches

Apparel Business



Apparel OEM/ODM

âge

Operation of the everyday fashion
brand PALETTE retail chain

4°C

holdings group

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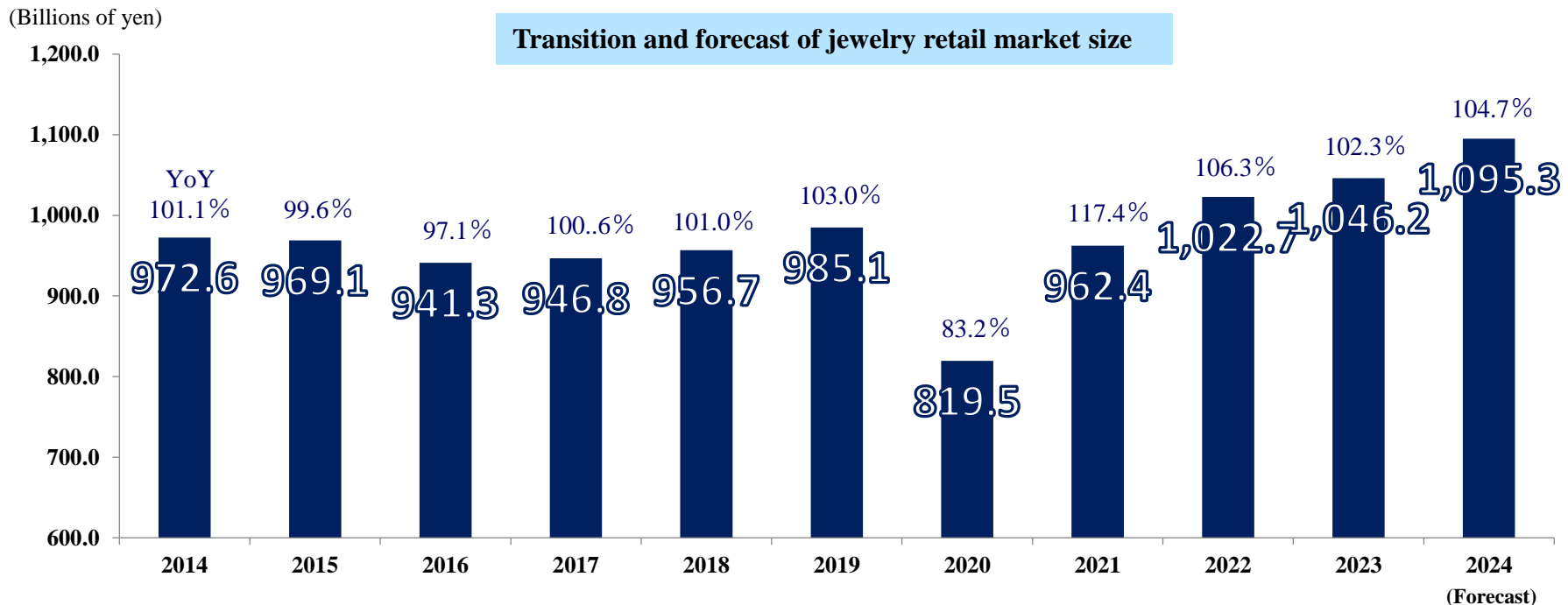
1. Jewelry Market Trends

The scale of the Japanese jewelry retail market in 2023 was ¥1,046.2 billion, an increase of 2.3% YoY

- ◆ Market scale holding at ¥1 trillion due to the strong economy
- ◆ The main factors for market expansion were a positive economic sentiment on the back of high stock prices, which boosted jewelry purchases mainly by the wealthy, along with the reclassification of COVID-19 to a Category 5 infectious disease in May 2023, which expanded opportunities for people to leave home, and an increase in customers at department stores and commercial facilities.

The Japanese domestic jewelry retail market is expected to grow further in 2024 to ¥1,095.3 billion, up 4.7% YoY

- ◆ Demand is forecast to continue to rise, mainly among the wealthy, due to rising stock prices in Japan.



Source: Summary of the “Jewelry Market in Japan: Key Research Findings 2024” posted on the Institute’s homepage.

2. Net Sales by Business (Consolidated)

(Millions of yen, %)	1H FY 2023 (2023/8)			1H FY 2024 (2024/8)		
	Actual results	Share (%)	YoY(%)	Actual results	Share (%)	YoY(%)
Brand Business (*1)	7,873	41.2	-5.2	7,168	36.8	-8.9
Apparel Business (*1)	11,237	58.8	+10.1	12,291	63.2	+9.4
(The AS'TY Group) (*2)	5,449	44.8	+10.4	5,803	44.0	+6.5
(age) (*2)	6,716	55.2	+10.3	7,384	56.0	+9.0
Total	19,110	100.0	+3.2	19,460	100.0	+1.8

(*1. Sales to external customers)

(*2. Figures before internal offset; Apparel Business composition ratio calculated as simple sum total)

3. Overview of Capital Investment as well as Depreciation and Amortization (Consolidated)

(Millions of yen, %)		1H FY 2023 (2023/8)	1H FY 2024 (2024/8)		(Reference) FY 2023 (2024/2)
		Actual results	Actual results	YoY	Actual results
Brand Business	Capital investment	396	80	20.2	606
	Depreciation and amortization	163	140	85.9	317
Apparel Business	Capital investment	138	256	185.5	516
	Depreciation and amortization	171	176	102.9	361

4. Brand Business: Sales by Brand and Product

(Millions of yen, %)	1H FY 2023 (2023/8)		1H FY 2024 (2024/8)		(Reference) FY 2023 (2024/2)	
	Actual results	YoY	Actual results	YoY	Actual results	YoY
4°C Total *	4,964	-10.1	4,540	-9.6	10,578	-14.9
(4°C fashion jewelry)	(3,322)	(+0.6)	(3,275)	(-1.4)	(7,405)	(-3.6)
(Bridal jewelry)	(1,642)	(-28.1)	(1,264)	(-23.0)	(3,173)	(-31.0)
Canal4°C	1,414	-5.8	1,329	-6.0	3,127	-7.3
EC Business	1,005	+19.1	996	-0.9	2,436	+8.7
Repair•Advance Sales• Other	488	+30.1	302	-38.1	852	+38.3
Total	7,873	-5.2	7,169	-8.9	16,995	-8.2

* 4°C Total is the sum total of 4°C fashion jewelry and bridal jewelry.

5. Brand Business: Number of Existing Store Customers and Average Spending per Customer by Brand and Product

Existing stores YoY (%)	1H FY 2023 (2023/8)		1H FY 2024 (2024/8)	
	Number of customers	Average spending per customer	Number of customers	Average spending per customer
4°C fashion jewelry	-3.2	+4.7	-6.6	+4.2
4°C bridal jewelry	-22.8	+8.1	-15.4	+5.1
Canal4°C	-5.9	+1.6	-3.2	+1.4

6. Brand Business : Sales by Store Channel

(Millions of yen, %)	1H FY 2023 (2023/8)	1H FY 2024 (2024/8)		
	Actual results	Actual results	YoY	Share
Roadside stores	85	85	+ 0.5	1.2
Bridal stores	818	479	-41.4	6.7
Fashion buildings	1,923	1,801	-6.3	25.1
Department stores	3,555	3,508	-1.3	48.9
EC Business	1,005	996	-0.9	13.9
Repair•Advance Sale•Other	485	297	-38.6	4.2
Total	7,873	7,169	-5.1	100.0

7. Status and Plan of the Number of Domestic Brand Stores in the Brand Business

		4°C	4°C BRIDAL	Canal 4 °C	Total
FY2023 (2024/2)	Fiscal year-end	83	14	41	138
FY2024 1H Actual Results (2024/8)	Stores opened	0	0	0	0
	Stores closed	3	1	2	6
	1H-end	80	13	39	132
FY2024 2H Plan (2025/2)	Stores opened	0	0	0	0
	Stores closed	0	0	0	0
	Fiscal year-end	80	13	39	132

* EAU DOUCE 4°C consolidated with the “4°C” brand from FY2/25

We kindly request that you direct all inquiries regarding this document and investor relations in general to the following point of contact:

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Note: Projections throughout these materials are based on forecasts, and shall not be regarded as pledges or guarantees. They shall be used on the full acknowledgment that actual results may differ from projections.