

YONDOSHI HOLDINGS INC.

April 14, 2023
(Securities Code: 8008, Prime Market, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for Fiscal 2022 (Ended February 28, 2023)

- **Increases in revenue and earnings on the back of firm trends in both Jewelry and Apparel Business consolidated results.**
- **While bridal jewelry struggled under difficult conditions, increases in revenue and earnings in the Jewelry Business. This was attributable to steady fashion jewelry sales growth on the back of successful efforts to expand female customers.**
- **Both sales and earnings increased in the Apparel Business. This largely reflected a fourth consecutive fiscal year of everyday fashion brand PALETTE existing store sales growth and successful efforts to take advantage of the foreign production infrastructure in the Apparel Manufacturing Business to strengthen business with mainstay trading partners.**
- **The Company plans to pay an annual cash dividend of ¥83 per common share for fiscal 2022.**
- **Consolidated revenue and earnings are projected to climb in fiscal 2023 (ending February 29, 2024).**

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

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2021	Fiscal 2022	YoY
Net Sales	38,123	39,508	+3.6%
Operating Income	1,788	1,979	+10.7%
Ordinary Income	2,293	2,342	+2.1%
Profit Attributable to Owners of Parent	1,490	1,149	(22.9)%

1. Net income per share for the fiscal year under review was ¥53.61 (¥69.56 for the previous fiscal year).
2. The average number of issued shares for the fiscal year under review was 21,441,448 on a consolidated basis.
3. Operating income before the amortization of goodwill: FY2022 ¥2,476 million FY2021 ¥2,284 million.

In the retail sector, despite indications of a partial recovery in consumption, the outlook

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
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remained uncertain owing to the growing number of people cutting back on their spending as a result of successive price hikes. Under these circumstances, the YONDOSHI HOLDINGS Group, in response to changes in the business environment, leveraged the strengths of the corporate group to the fullest extent in order to provide products and services that exceed customer expectations. Through these means, the Group has been working to enhance its enterprise value as it addresses priority issues in each business.

As a result, net sales for the fiscal year under review amounted to ¥39,508 million (up 3.6% YoY). From a profit perspective, operating income came to ¥1,979 million (up 10.7% YoY), ordinary income totaled ¥2,342 million (up 2.1% YoY), and profit attributable to owners of parent was ¥1,149 million (down 22.9% YoY).

Jewelry Business

Net Sales: ¥18,587 million (up 0.5% YoY)

Operating Income: ¥1,356 million (up 13.3% YoY)

The F.D.C. Products Group, which is largely responsible for the YONDOSHI HOLDINGS Group's Jewelry Business, reported firm trends in fashion jewelry on the back of successful measures to expand its female customer base and cultivate repeat customers. Sales in the e-commerce business also expanded steadily following the renewal of its website. Meanwhile, the F.D.C. Products Group undertook steps to increase efficiency through the integration of stores while also making large-scale investments in urban stores in the bridal jewelry business, which struggled under difficult conditions.

Apparel Business

Net Sales: ¥20,921 million (up 6.6% YoY)

Operating Income: ¥942 million (up 6.0% YoY)

Retailer age Co., Ltd., which operates the everyday fashion brand PALETTE, reported a 2.1% year-on-year increase in existing store sales. This represents a fourth consecutive fiscal year of growth. In addition, efforts to expand the Group's scale in the Apparel Business progressed steadily with the opening of 10 new stores, including four stores in the Kanto region for the first time.

The AS'TY Group recorded an expansion in sales. Despite confronting a harsh operating environment impacted in part by the weak yen and higher materials costs, this was mainly due to successful efforts to take advantage of the foreign production infrastructure to strengthen business with mainstay trading partners.

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2. Consolidated Earnings Forecasts for Fiscal 2023

(Millions of yen, %)

	Fiscal 2022 (Actual)	Fiscal 2023 (Forecasts)	YoY
Net Sales	39,508	40,000	+1.2%
Operating Income	1,979	2,100	+6.1%
Ordinary Income	2,342	2,500	+6.7%
Profit attributable to owners of parent	1,149	1,300	+13.1%

1. Forecast net income per share for FY2023: ¥60.63
2. The average number of issued shares for fiscal 2022 (consolidated basis): 21,441,448 shares
3. Operating income before the amortization of goodwill: FY2023 ¥2,596 million FY2022 ¥2,476 million.

The YONDOSHI HOLDINGS Group will make every effort to maximize the strengths of the Group to provide products and services that exceed customer expectations while targeting further growth against the backdrop of a changing operating environment.

In addition to further enhancing brand value and reforming the earnings structure and platform in the mainstay Jewelry Business segment, the YONDOSHI HOLDINGS Group will build a robust business portfolio by expanding store openings and promoting existing store growth in the Apparel Business segment.

Moreover, energies will be directed toward practicing sustainable management to establish a highly trusted corporate group, and further enhancing enterprise value by strengthening internal controls, providing shareholder returns, and making medium- to long-term investments linked to earnings growth.

3. Cash Dividends

(Yen)

Annual Cash Dividend					
	1Q-End	2Q-End	3Q-End	Period-End	Total
Actual for Fiscal 2021	—	41.50	—	41.50	83.00
Forecast for Fiscal 2022	—	41.50	—	41.50	83.00
Forecast for Fiscal 2023	—	41.50	—	41.50	83.00

Based on this policy, YONDOSHI HOLDINGS plans to pay a fiscal year-end cash dividend of ¥41.50 per common share. Together with the interim cash dividend paid of ¥41.50 per common share, the full fiscal year cash dividend for the fiscal year under review will therefore come in at ¥83 per common share. The Group has established a target DOE, a core indicator for measuring shareholder returns, of at least 4% and the Company will achieve its DOE target of 4.4% for fiscal 2022.

Turning to dividends for the fiscal year ending February 29, 2024, YONDOSHI HOLDINGS plans to pay an interim and fiscal year-end cash dividend of ¥41.50 per common share for a full fiscal year cash dividend of ¥83 per common share.

END

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