

YONDOSHI HOLDINGS INC.

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

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

- **Increase in consolidated revenue and earnings; robust trends in both the Jewelry and Apparel businesses**
- **In the Jewelry Business, increases in both revenue and earnings; robust trends in the fashion jewelry business on the back of efforts to strengthen product measures**
- **Increase in revenue and a decrease in earnings in the Apparel Business; existing store growth in the everyday fashion PALETTE brand and a recovery in apparel manufacturing business demand**
- **Revenue and earnings forecast to increase of the full fiscal year; despite a revision to net sales, each level of profit projected to come in line with plans; coupled with a decrease in overhead expenses, profit expected to expand over the peak Christmas period in the Jewelry Business**
- **Continue to provide stable dividends with the DOE ratio target of 4% or more; plans to pay an interim and period-end dividend of ¥41.50 per common share for an annual cash dividend of ¥83 per common share**

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 the first half period of fiscal 2022 (March 1, 2022, to August 31, 2022), the fiscal year ending February 28, 2023. A summary of these results is presented as follows.

1. Consolidated Operating Results

(Millions of yen, %)

	Fiscal 2021 1H	Fiscal 2022 1H	YoY
Net Sales	17,806	18,514	+4.0%
Operating Income	429	645	+50.1%
Ordinary Income	715	822	+14.9%
Profit Attributable to Owners of Parent	280	513	+83.2%

1. Net income per share for the subject period was ¥23.95 (¥13.08 for the corresponding period of the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 21,439,768 shares.
3. Operating income before the amortization of goodwill was ¥893 million for the subject period (¥678 million in the corresponding period of 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
 TEL: +81-3-5719-3295; FAX: +81-3-5719-4462; e-mail: ir-yondoshi@yondoshi.co.jp

While consumer spending exhibited a pickup owing to the relaxation of restrictions on people's movements, which triggered an increase in opportunities to go out, the outlook in the retail industry remains unclear amid concerns of a cooling off in consumer sentiment as a result of the series of price hikes. Under these circumstances, the YONDOSHI HOLDINGS Group has been working on the priority issues for each business with the aim of increasing enterprise value in fiscal 2022, the second year of its sixth medium-term management plan.

As a result, net sales for the first half of the fiscal year under review amounted to ¥18,514 million (up 4.0% from the same period of the previous fiscal year), operating income totaled ¥645 million (up 50.1%), ordinary income was ¥822 million (up 14.9%), and profit attributable to owners of parent came to ¥513 million (up 83.2%).

Jewelry Business

Net Sales: ¥8,306 million (up 4.7% YoY)
 Operating Income: ¥370 million (up 293.9% YoY)

The F.D.C. Products Group, which operates the jewelry business, recorded strong trends in 50th anniversary limited-edition products as well as fashion jewelry including earrings and bracelets. In addition, e-commerce business sales also expanded steadily on the back of the full renewal of the e-commerce site in March.

Apparel Business

Net Sales: ¥10,207 million (up 3.4% YoY)
 Operating Income: ¥490 million (down 10.3% YoY)

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, recorded an increase in sales. Operating income trends were also firm. In addition to the opening of two new stores, these results were attributable to existing store growth on the back of efforts to strengthen product proposal capabilities.

The AS'TY Group reported an upswing in sales. Despite the negative impact in part by the weak yen and higher material costs, this upswing in sales was largely attributable to the recovery in demand and efforts to strengthen activities with mainstay business partners.

2. Forecasts for Consolidated Operating Results for the Full-Year Period of Fiscal 2022

(Millions of yen, %)

	Fiscal 2021 (Actual)	Fiscal 2022 (Initial Forecast)	Fiscal 2022 (Revised Forecast)	Compared with Initial Forecast	YoY
Net Sales	38,123	41,500	40,500	(2.4)%	+6.2%
Operating Income	1,788	2,700	2,700	-	+51.0%
Ordinary Income	2,293	3,000	3,000	-	+30.8%
Profit Attributable to Owner of Parent	1,490	1,800	1,800	-	+20.8%

1. Forecast net income per share for FY 2022: ¥83.96
2. Average number of issued shares (consolidated basis): 21,439,768 shares

As far as consolidated operating results for the full fiscal year are concerned, forecasts

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previously announced on April 14, 2022 have been revised as outlined in the preceding table in light of operating results for the first half of the fiscal year ending February 2023 and our outlook for the future.

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.

3. Cash Dividends for Fiscal 2022

(Yen)

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