

**YONDOSHI HOLDINGS INC.**

January 6, 2022  
(Securities Code: 8008, First Section, Tokyo Stock Exchange)

**Summary of the Consolidated Financial Report for the Third Quarter**  
**Cumulative Period of Fiscal 2021 (Ending February 28, 2022)**

- **Both net sales and operating income declined, mainly due to the prolonged state of emergency.**
- **Jewelry Business: Sales of fashion jewelry recovered following the lifting of the state of emergency in October.**
- **Apparel Business: Results were positive on opening of eight new PALETTE locations and sales growth at existing stores. Apparel manufacturing focused on strengthening product planning capabilities.**
- **Consolidated results forecasts for fiscal 2021 have been revised based on performance during the Christmas shopping season.**
- **No change in dividend forecast of two yen increase to ¥83 per share, for 11th consecutive year of dividend growth.**

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”; Headquarters: Shinagawa-ku, Tokyo; Chairman and Representative Director, CEO: Saishi Kimura) today announced its consolidated operating results for the third quarter cumulative period of fiscal 2021 (March 1 to November 30, 2021), the fiscal year ending February 28, 2022. A summary of these results is presented as follows.

**1. Consolidated Business Results**

(Millions of yen, %)

	Fiscal 2020 3Q	Fiscal 2021 3Q	YoY
Net Sales	28,323	<b>27,323</b>	<b>(3.5) %</b>
Operating Income	1,874	<b>695</b>	<b>(62.9) %</b>
Ordinary Income	2,210	<b>1,169</b>	<b>(47.1) %</b>
Profit Attributable to Owners of Parent	1,188	<b>600</b>	<b>(49.5) %</b>

1. Net income per share for the subject period was ¥28.04 (¥54.80 for the corresponding period of the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 21,428,376 shares.
3. Operating income before the amortization of goodwill was ¥1,068 million (¥2,246 million in the corresponding period of previous fiscal year).

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, even after the lifting of emergency measures, the employment and income situation failed to improve, leading to further cooling off in consumer sentiment and a slowdown in spending. Under these circumstances, during fiscal 2021, the initial year of the sixth medium-term management plan, YONDOSHI HOLDINGS Group pursued priority measures in each of its businesses,

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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aiming to enhance enterprise value.

As a result, net sales in the subject third quarter cumulative period amounted to ¥27,323 million (down 3.5% from the same period of the previous fiscal year), with operating income of ¥695 million (down 62.9%), ordinary income of ¥1,169 million (down 47.1%), and profit attributable to owners of parent of ¥600 million (down 49.5%).

### ***Jewelry Business***

Net Sales: ¥12,131 million (down 12.3% YoY)  
Operating Income: ¥116 million (down 90.5% YoY)

The F.D.C. Products Group, which operates the jewelry business, faced a harsh business environment stemming from the prolonged state of emergency in response to the spread of COVID-19. Sales of fashion jewelry recovered after the lifting of the emergency declaration in October, but a recovery in bridal jewelry will require more time. In addition, operating income decreased significantly due to a reactionary increase in personnel expenses, a portion of which was recorded as an extraordinary loss in the corresponding period of the previous fiscal year.

### ***Apparel Business***

Net Sales: ¥15,192 million (up 4.8% YoY)  
Operating Income: ¥872 million (down 6.2% YoY)

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, achieved record-high net sales and operating income as a result of opening eight new stores, along with the success of its sales promotion campaigns and 25th anniversary events.

The AS'TY Group experienced a temporary slowdown in demand due to the COVID-19 crisis, but continued with measures to strengthen its product planning capabilities.

## **2. Forecasts for Full-Year Period of Fiscal 2021**

(Millions of yen, %)

	Fiscal 2020 Actual	Fiscal 2021 Previous Forecast	Fiscal 2021 Revised Forecast	Variance from Previous Forecast	YoY
Net Sales	39,449	<b>40,500</b>	<b>38,300</b>	<b>(5.4) %</b>	<b>(2.9) %</b>
Operating Income	2,767	<b>2,800</b>	<b>1,700</b>	<b>(39.3) %</b>	<b>(38.6) %</b>
Ordinary Income	3,195	<b>3,300</b>	<b>2,250</b>	<b>(31.8) %</b>	<b>(29.6) %</b>
Profit attributable to owners of parent	1,622	<b>2,200</b>	<b>1,400</b>	<b>(36.4) %</b>	<b>(13.7) %</b>

1. Forecast net income per share for FY 2021: ¥65.33
2. Average number of issued shares during FY 2021 (consolidated basis): 21,428,376 shares
3. EPS before the amortization of goodwill: ¥88.53

Consolidated earnings forecasts for the fiscal year ending February 2022, announced on July 7, 2021, were premised on an expectation, for the mainstay jewelry business in particular, that as restrictions on movement were relaxed with the progress of vaccination against COVID-19, domestic consumption would gradually recover.

However, the loss of occasions and opportunities for encounters has led to a

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temporary contraction of demand for gifts from men as well as bridal jewelry, and sales during the Christmas shopping season, when demand generally peaks, fell below the Company's expectations. In light of these circumstances, the Company has revised its forecast for full-year earnings from the previous figures, as outlined above.

Of note, measures by the Company to enhance brand value have had a certain degree of success, such as firm demand from women for earrings and related merchandise purchased for themselves.

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 future economic conditions or a variety of other factors.

### 3. Cash Dividends for Fiscal 2021

(Yen)

Annual Cash Dividend					
	1Q-End	2Q-End	3Q-End	Period-End	Total
Actual for Fiscal 2020	—	40.50	—	40.50	81.00
Actual for Fiscal 2021	—	41.50	—		
Forecast for Fiscal 2021				41.50	83.00

YONDOSHI HOLDINGS 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 also maintains an adherence to continuous dividend increases, setting a medium to long-term target of 100 yen per share in the future.

YONDOSHI HOLDINGS uses the DOE ratio as an indicator for the shareholder returns policy of stable payment of dividends. The Group has set a DOE ratio target of 4% or higher.

In terms of dividends for fiscal 2021, because the impact on earnings due to the COVID-19 crisis is temporary in nature, the Company has not changed its plan to pay interim and year-end cash dividends of ¥41.50 per common share, for a full fiscal year cash dividend of ¥83 per share, for an eleventh consecutive fiscal year of dividend growth.

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