

YONDOSHI HOLDINGS INC.

July 7, 2021
(Securities Code: 8008, First Section, Tokyo Stock Exchange)

Summary of the Consolidated Financial Report for the First Quarter of Fiscal 2021 (Ending February 28, 2022)

- Consolidated revenue and earnings rose significantly on positive performance in the Apparel Business.
- The Jewelry Business had a revenue gain, as the areas subject to a state of emergency during the period were limited. However, earnings decreased significantly on a rebound increase in personnel costs, a portion of which had been subject to an extraordinary loss in the same period of the previous fiscal year.
- The Apparel Business recorded gains in revenue and earnings on positive performance for the everyday fashion brand PALETTE, along with measures including business efficiency improvements at the apparel manufacturing business.
- Results forecasts for the second quarter cumulative and full year periods of Fiscal 2021 have been revised to reflect the effects of the third State of Emergency declaration. Year-on-year gains in revenue and earnings are expected for the full-year period.
- The forecast dividend for Fiscal 2021 is an increase of two yen to 83 yen per share. The Company maintains its commitment to continued dividend growth, and plans to increase the cash dividend amount for an eleventh consecutive period.

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”; Headquarters: Shinagawa-ku, Tokyo; Chairman and Representative Director, CEO: Saishi Kimura) announced today its business results for the first quarter period of fiscal 2021 (March 1, 2021 to May 31, 2021), the fiscal year ending February 28, 2022. The summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2020 1Q	Fiscal 2021 1Q	YoY
Net Sales	7,850	8,717	+11.0%
Operating Income	225	321	+42.6%
Ordinary Income	356	499	+40.2%
Profit Attributable to Owners of Parent	132	258	+95.3%

1. Net income per share for the subject period was ¥12.08 (¥6.11 for the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 21,420,267 shares.
3. Operating income before the amortization of goodwill was ¥445 million (¥349 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. Finance Department
 TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp

In the retail industry, the outlook remains unclear, with business conditions overall affected by the government's call for people to remain at home, as well as business suspensions and shortened operating hours at stores. In addition, consumer spending has slowed as a result of further cooling off in consumer sentiment amid the worsening employment and income situation. Under such circumstances, during fiscal 2021, the initial year of the sixth medium-term management plan, YONDOSHI HOLDINGS Group 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 ¥8,717 million (up 11.0% from the same period of the previous fiscal year), with operating income of ¥321 million (up 42.6%), ordinary income of ¥499 million (up 40.2%) and profit attributable to owners of parent to ¥258 million (up 95.3%).

Operating Results by Business Segment

Jewelry Business

Net Sales: ¥3,764 million (up 10.3% YoY)
 Operating Income: ¥85 million (down 43.6% YoY)

The F.D.C. Products Group, in response to the state of emergency that continued during the subject first quarter period, implemented wide-ranging store closures and shortened operating hours. However, compared to the same period of the previous fiscal year the area subject to these measures were limited, resulting in a year-on-year rise in sales.

Apparel Business

Net Sales: ¥4,953 million (up 11.6% YoY)
 Operating Income: ¥349 million (up 80.4% YoY)

Retailer age Co., Ltd., operator of the everyday fashion brand PALETTE, achieved increases in net sales and operating income on the effect of new store openings, an expanded product range, and strengthening of sales promotion strategies. The AS'TY Group continued efforts to improve operational efficiency amid scaled back events and sluggish demand due to the COVID-19 situation, achieving results that exceeded plan.

2. Forecasts for Second Quarter Cumulative and Full Year Periods of Fiscal 2021

Second Quarter Cumulative

(Millions of yen, %)

	Fiscal 2020 2Q Cumulative (Actual)	Fiscal 2021 2Q Cumulative (Initial Forecast)	Fiscal 2021 2Q Cumulative (Revised Forecast)	vs. Plan	YoY
Net Sales	17,980	19,500	18,000	(7.7)%	+0.1%
Operating Income	1,043	1,250	500	(60.0)%	(52.1)%
Ordinary Income	1,283	1,500	800	(46.7)%	(37.7)%
Profit Attributable to Owners of Parent	603	950	300	(68.4)%	(50.3)%

- Forecast net income per share for the FY 2021 2Q cumulative period: ¥14.01
- Average number of issued shares (consolidated basis): 21,420,267 shares

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. Finance Department
 TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp

Full Year

(Millions of yen, %)

	Fiscal 2020 (Actual)	Fiscal 2021 (Initial Forecast)	Fiscal 2021 (Revised Forecast)	vs. Plan	YoY
Net Sales	39,449	42,000	40,500	(3.5)%	+2.7%
Operating Income	2,767	3,350	2,800	(16.4)%	+1.2%
Ordinary Income	3,195	3,700	3,300	(10.8)%	+3.3%
Profit Attributable to Owners of Parent	1,622	2,500	2,200	(12.0)%	+35.6%

1. Forecast net income per share for FY 2021: ¥102.71
2. Average number of issued shares during FY 2021 (consolidated basis): 21,420,267 shares
3. EPS before the amortization of goodwill: ¥125.89

Results forecasts for FY2/22 announced on April 12, 2021, were premised on the assumption that since the second State of Emergency issued on January 7, 2021, was lifted on March 21, 2021, that for the present business conditions would gradually improve, despite still being subject to the effects of the COVID-19 crisis.

However, a renewed outbreak in mid-April led to a sudden increase in reported coronavirus cases, and on April 25, 2021, Japan's government issued a third State of Emergency in areas where infections were rising. As a result, the mainstay Jewelry Business suffered a sharp decline in customer traffic, with operations suspended at up to 65 stores.

In consideration of these factors, the Company has revised its results forecast for the second quarter cumulative and full year periods of Fiscal 2/22.

Of note, the revised full-year forecasts are for year-on-year gains in revenue and earnings.

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 2021

(Yen)

Annual Cash Dividend					
	1Q-End	2Q-End	3Q-End	Period-End	Total
Fiscal 2020 (Actual)	—	40.50	—	40.50	81.00
Fiscal 2021 (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 also maintains an adherence to continuous dividend increases, aiming to reach 100 yen per share in the future.

Regarding the dividend forecast for fiscal 2021, in order to realize an increase in the

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. Finance Department
TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp

level of shareholder returns as per the above policy, the Company plans to pay a full year dividend of 83 yen per share, comprising an interim dividend of 41.5 yen, and a year-end dividend of 41.5 yen. This represents an eleventh consecutive fiscal year of dividend increase.

END

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. Finance Department
TEL: +81-3-5719-3295; FAX: +81-3-5719-3296; e-mail: ir-yondoshi@yondoshi.co.jp