

YONDOSHI HOLDINGS INC.

January 7, 2020

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

**Summary of the Consolidated Financial Report for the Third Quarter
Cumulative Period of Fiscal 2019 (Ending February 29, 2020)**

- Net sales declined marginally during the subject period, while operating income increased slightly. Ordinary income decreased on the lack of equity in earnings of affiliates in the subject fiscal year, while net income rose sharply due to a fall in tax expense.
- The Jewelry Business posted declines in revenue and earnings, mainly as a result of the consumption tax hike. The Apparel Business was positive, with gains in both revenue and earnings.
- The Company canceled five million shares on October 15, 2019.
- The dividend forecast for fiscal 2019 is an increase of 5 yen from the previous fiscal year to 80 yen per share, the ninth consecutive annual increase.

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 third quarter cumulative period of fiscal 2019 (March 1, 2019 to November 30, 2019), the fiscal year ending February 29, 2020. A summary of these results is as follows.

1. Consolidated Business Results

(Millions of yen, %)

	Fiscal 2018 3Q	Fiscal 2019 3Q	YoY
Net Sales	33,237	32,776	(1.4)%
Operating Income	3,001	3,025	+0.8%
Ordinary Income	3,805	3,289	(13.6)%
Profit attributable to owners of parent	814	2,009	+146.7 %

1. Net income per share for the period was ¥90.49 (¥31.71 for the same period of the previous fiscal year).
2. The average number of issued shares for the period (consolidated basis) was 22,202,155 shares.

In the retail industry, business conditions remained difficult as a result of a falloff in consumption following the increase in the consumption tax and the impact from typhoons and other natural disasters, as well the continued budget-consciousness arising from uncertainty about the future.

Under these circumstances, during fiscal 2019, the second year of the fifth medium-term management plan, the YONDOSHI HOLDINGS Group aimed to enhance enterprise value, and addresses priority measures in each business.

As a result, net sales for the subject third quarter cumulative period amounted to

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: +81-3-5719-3274; FAX: +81-3-5719-4462; e-mail: ir-yondoshi@yondoshi.co.jp

¥32,776 million (down 1.4% from the same period of the previous fiscal year), with operating income of ¥3,025 million (up 0.8%). Ordinary income declined to ¥3,289 million (down 13.6%) because equity in earnings of affiliates was not recorded from the subject fiscal year, but tax expenses also decreased, resulting in a gain in profit attributable to owners of parent to ¥2,009 million (up 146.7%).

Operating Results by Business Segment

Jewelry Business

Net Sales: ¥18,846 million (down 3.8% YoY)
 Operating Income: ¥2,410 million (down 6.9% YoY)

The F.D.C. Products Group recorded declines in both net sales and operating income from the same period of the previous fiscal year, due in part to the impact from the consumption tax hike.

Apparel Business

Net Sales: ¥13,929 million (up 2.1% YoY)
 Operating Income: ¥766 million (up 37.4% YoY)

The AS'TY Group substantially improved its earning capacity by strengthening measures with major clients, and enhancing its production management capabilities. Retailer age Co., Ltd. posted gains from expanded openings of new locations for its everyday fashion brand PALETTE, and successful efforts to improve the gross margin by scaling back inventory of seasonal goods.

2. Forecasts for the Full Fiscal 2019 Period

(Millions of yen, %)

	Fiscal 2018 (Actual)	Fiscal 2019 (Forecast)	YoY
Net Sales	47,118	47,300	+0.4%
Operating Income	4,984	5,100	+2.3%
Ordinary Income	6,804	5,400	(20.6)%
Profit Attributable to Owners of Parent	2,440	3,400	+39.3%

1. Forecast net income per share for FY2019: ¥153.14
2. Average number of issued shares (consolidated basis): 22,202,155 shares

Consolidated results forecasts for the full fiscal 2019 period are unchanged from those announced on April 10, 2019.

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.

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