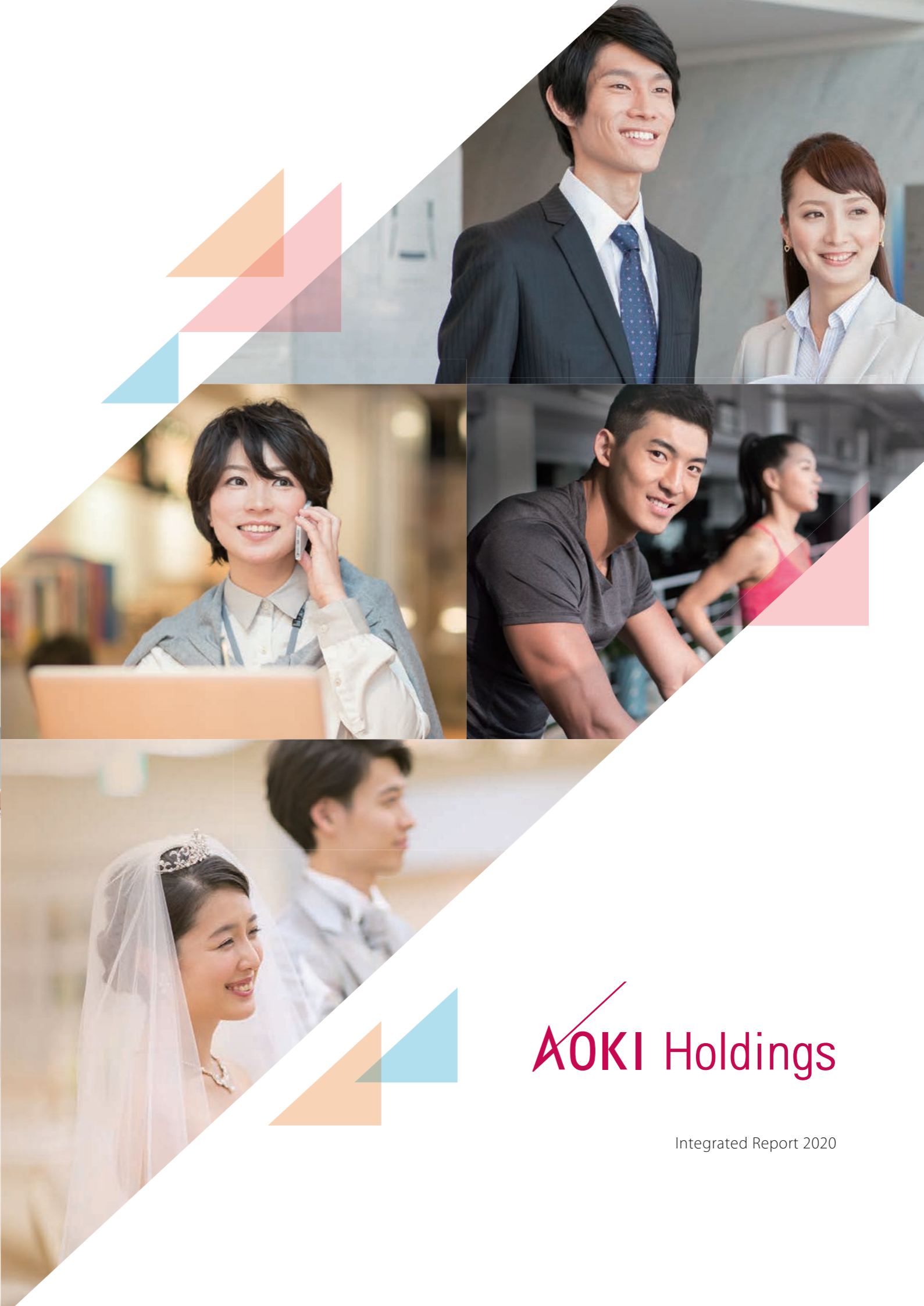


AOKI Holdings Inc.

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AOKI Holdings

Integrated Report 2020

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Editorial Policy

The Integrated Report 2020 covers four companies, namely AOKI Holdings Inc. and its three subsidiaries. This report provides business results and financial information and includes the Group's approach to solving social issues through business activities and achieving sustainable growth through environmental, social and governance (ESG) activities. We hope that our shareholders, investors, and other stakeholders will use it to understand the AOKI Group.

Positioning of Integrated Report 2020

Financial Information		Non-financial Information	
IR Website	Integrated Report 2020	CSR Website	
Securities Report/Quarterly Report		Corporate Governance Report	
Summary of Financial Results			
Business Report			

AOKI Group Philosophy

AOKI Group Philosophy

Business Integrity

Business integrity means contributing to society through our businesses. In other words, we make every effort to pursue customer satisfaction.

Social Responsibility

Social responsibility means, on top of pursuing business integrity, balancing realistic price and appropriate profit. In other words, we further contribute to society through paying taxes.

Community Service

Community service means contributing to society in non-commercial ways, for instance, by sponsoring charities, supporting cultural activities which is beneficial to local communities, and encouraging employees to volunteer.

Business Concept

Enriching people's lives



The starting point is the desire from our founding to make it possible for businessmen to afford to own a variety of suits. We will contribute to the happiness of all our stakeholders through diverse businesses designed to help people celebrate their lives in various settings.

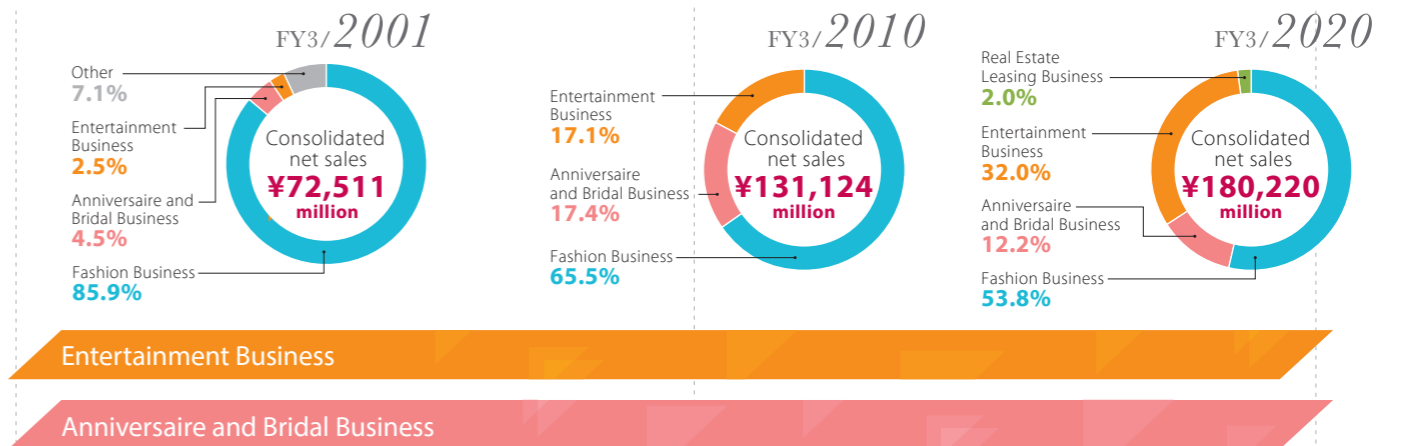
Group Logo



The Group logo employs the infinity symbol to represent our pursuit of "Business Integrity," "Social Responsibility," and "Community Service," which are the three pillars of the AOKI Group philosophy, and expresses the limitless capabilities and possibilities of the Group.

We are always creating new value in response to the times

The AOKI Group was founded in 1958 as a business dealing with out-of-store sales of men's clothing. Since that time, we have engaged in business activities to provide our customers with happiness and inspiration. Over the more than 60 years that have passed, the times have changed, and values and lifestyles have grown more diverse. In the midst of this, we strive to create happiness for people by creating new businesses.



Fashion Business

1958
AOKI Holdings is founded

1965
Shinonoi-Ekimae store is opened



1971
Nagano-Ekimae store is opened



1979
Full-scale chain store development is started
Nagano Minami Takada store is opened



1980
Full-scale operations are established in the Tokyo metropolitan area
Ebina store is opened

1981
Partnership is established with haute couture designer in Milan, Italy
Original brand is rolled out

1986
Yokohama Kohoku Main Store, one of the largest in the metropolitan area, is opened
Head office is relocated to Yokohama



1991
Listed on the First Section of the Tokyo Stock Exchange



1993
Products using materials jointly developed with major textile manufacturers are rolled out



1996
Wool recycling system is developed



1998
Entertainment Business is launched
First COTE D'AZUR karaoke facility is opened



1998
Anniversaire and Bridal Business is launched
ANNIVERSAIRE OMOTESANDO is opened



2002
Ladies' suits are rolled out at some stores (custom orders)

2003
First KAIKATSU CLUB café complex is opened



2003
Joint industry-academia R&D is launched

2003
First ORIHICA store is opened as a new line of fashion business



2008
AOKI transitions to a pure holding company structure

2009
Sales of washable suits (Premium Wash Suit) are launched



2013
Group reaches a total of 1,000 stores

2014
Flagship ANNIVERSAIRE MINATO MIRAI YOKOHAMA is opened



2018
60th anniversary of founding

2018
Construction of new head office is completed



2019
FIT24 24/7 fitness gym is opened



2019
Real Estate Leasing Business is launched

1958-

Creating manufacturing and retail model, and rolling out high-quality, reasonably-priced original brand

Chain stores were rolled out in earnest to expand the scale of the business. A proprietary vertical merchandising system, which integrates everything from manufacturing to retail, was established by securing the production volume, allowing AOKI Holdings to provide high-quality suits at reasonable prices. Furthermore, AOKI Holdings focused on developing a private brand, and actively developed new suit functions and proposed new styles.

1998-

Creating new businesses for various daily life scenes against a backdrop of lifestyle diversification

AOKI Holdings began promoting business diversification in the latter half of the 1990's when people's interests shifted from the tangible to the intangible. The company set up operations in new domains, including the bridal and entertainment businesses.

2008-

Delivering innovations for solving new social issues such as addressing the digital society and promoting women's advancement

AOKI Holdings transitioned to a pure holding company structure. As people's lives and environments change, we are pursuing enhanced mobility and greater efficiency in order to provide valuable products and services.

Material wealth

Spiritual happiness

Rapid economic growth

Bubble economy

Progression of birthrate decline and aging of population

Our fields encompass a variety of occasions in people's lives.

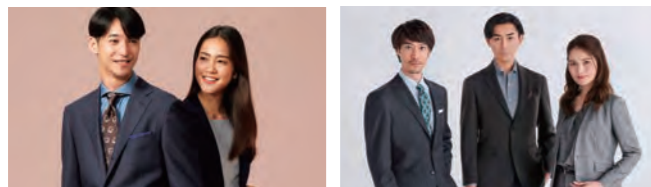
Giving your best at work every day, giving an important presentation, studying or having fun in sharing spaces, enjoying karaoke with family or friends, maintaining your health with moderate exercise, going out on a date with that special someone, throwing the happiest of weddings...

The AOKI Group is engaged in a wide range of businesses, from fashion and bridal to entertainment, ensuring that these various occasions of people's lives shine brightly and overflow with joy.

Fashion Business

Giving customers the pleasure of dressing well

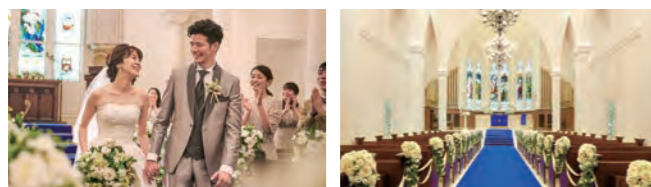
Making our customers' lives bright and full of joy through fashion... Guided by this passion, AOKI creates and develops products that encompass a broad range of preferences and needs with an emphasis on high-quality manufacturing. We offer customers fashion that embodies fun and value for any situation.



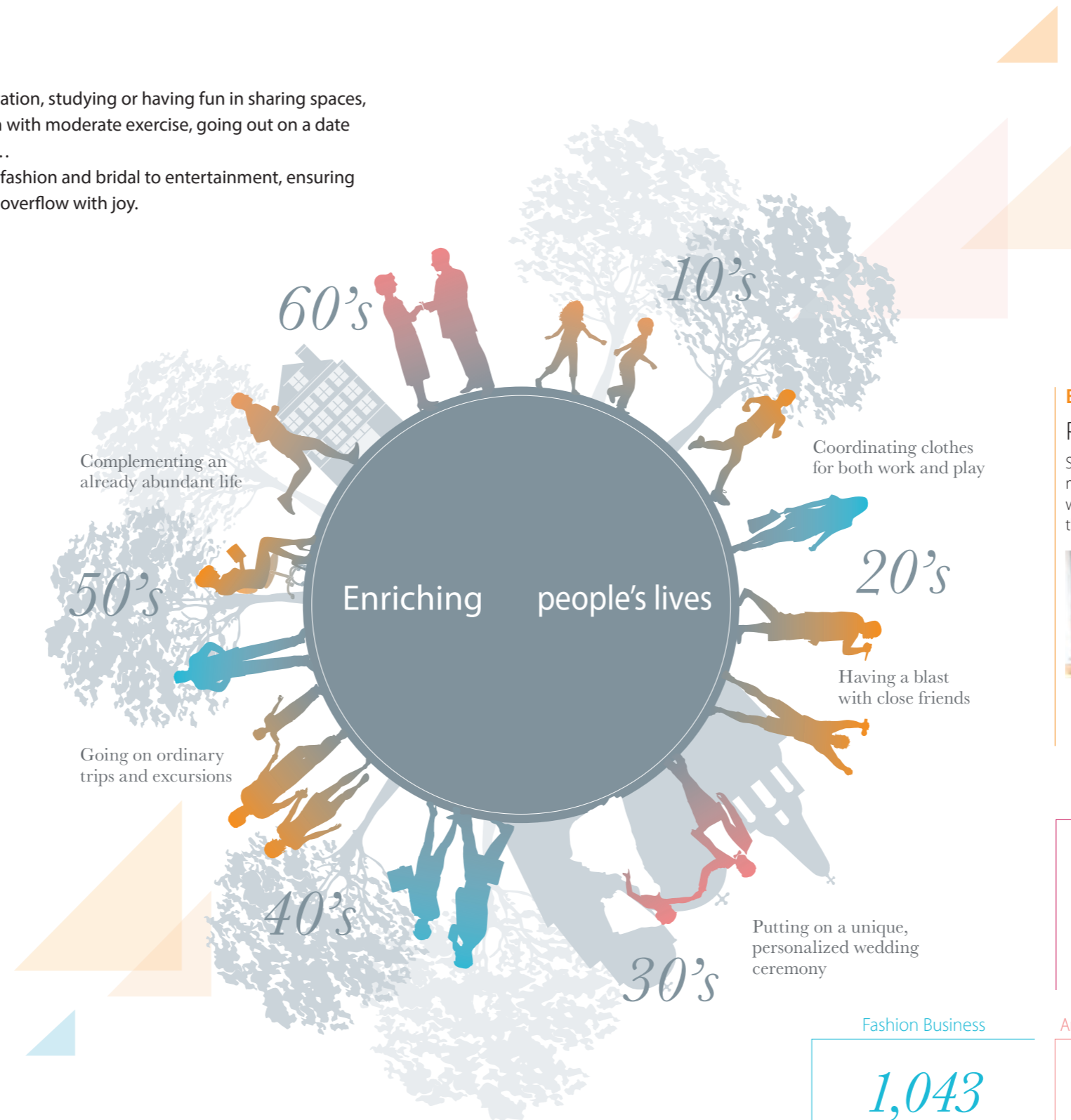
Anniversaire and Bridal Business

Choreographing special events where customers are in the spotlight.

An unforgettable day for a bride and groom, a memorable anniversary celebration for a family member, a birthday party for a friend, and many other special occasions... We are a partner in creating the happiest of weddings as well as celebrations for special occasions of all kinds.



ANNIVERSAIRE



Entertainment Business

Providing fun in both work and play

Special places that can make our customers' lives more enjoyable and fulfilling... We provide customers with quality time and space at affordable prices through KAIKATSU CLUB, COTE D'AZUR, and FIT24.



1,253
Number of group stores/
locations

4,010
(6,056)
Number of group employees
The number in parenthesis indicates the number of contract and part-time workers (yearly average), calculated based on an eight-hour workday for each employee.

Fashion Business
1,043
thousand
Number of suits sold

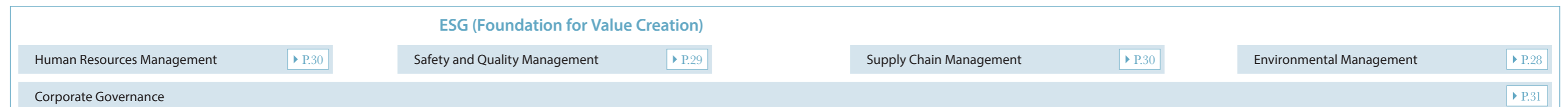
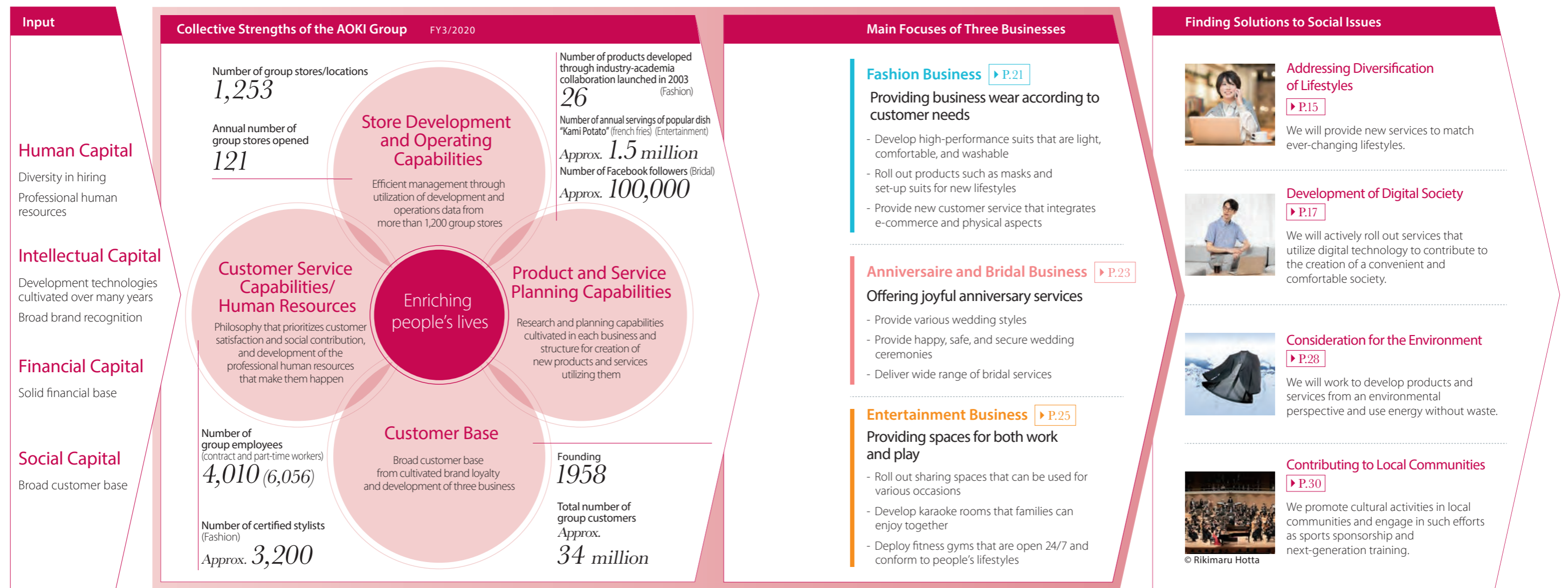
Anniversaire and Bridal Business
5,031
Number of couples married per year

Entertainment Business
38.75
million
Annual number of visiting customers
(FY3/2020)

Creating innovation to address social issues based on the concept of enriching people's lives.

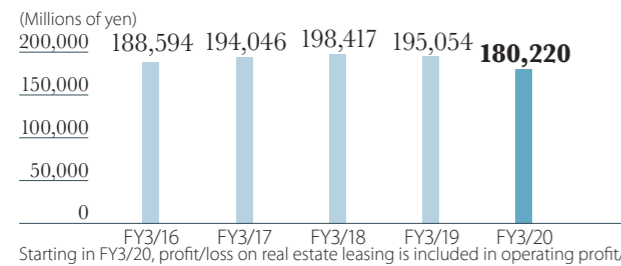
The AOKI Group is engaged in the three businesses of fashion, bridal, and entertainment leveraging our four strengths.

We continue to contribute to resolving social issues by creating new products and services, working on quality, environment, human resources development, supply chain management, and other areas as the foundation of our business activities.



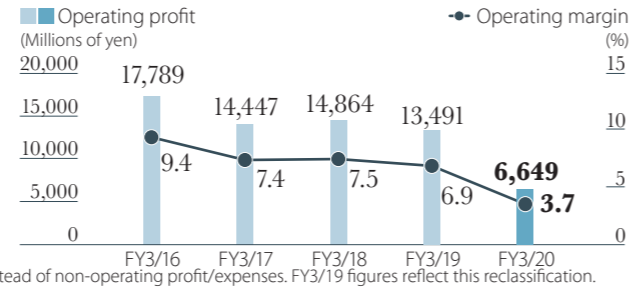
Financial

Net sales

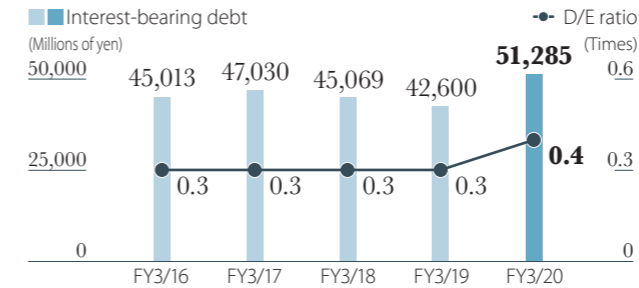


Starting in FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. FY3/19 figures reflect this reclassification.

Operating profit and operating margin

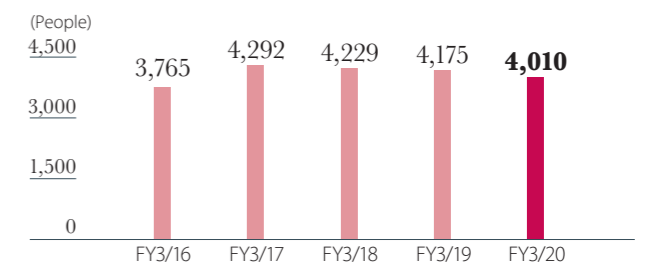


Interest-bearing debt and debt-to-equity ratio (D/E ratio)

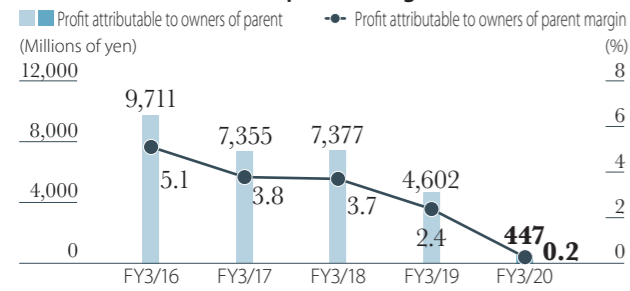


Non-financial

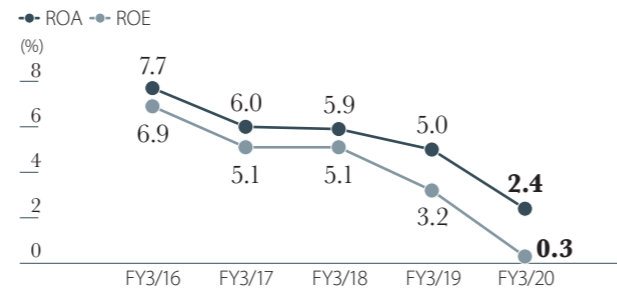
Number of full-time employees



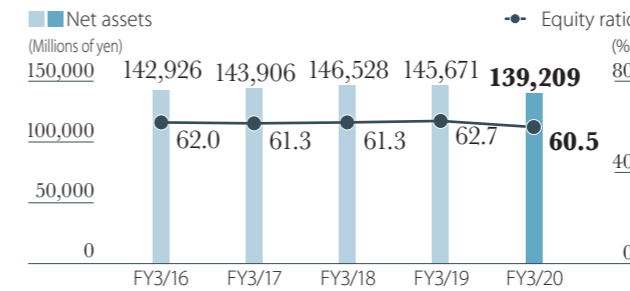
Profit attributable to owners of parent and profit attributable to owners of parent margin



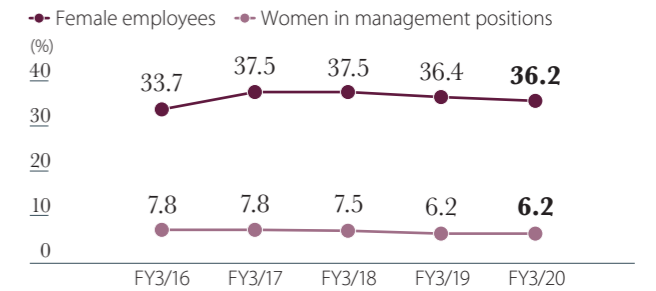
Return on assets (ROA) / Return on equity (ROE)



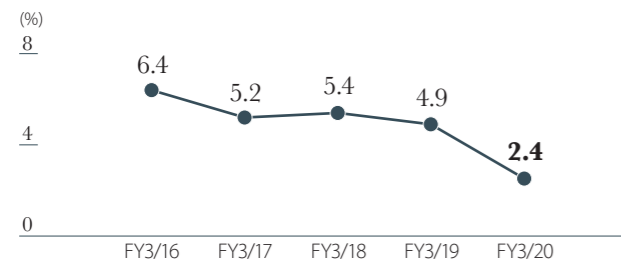
Net assets and equity ratio



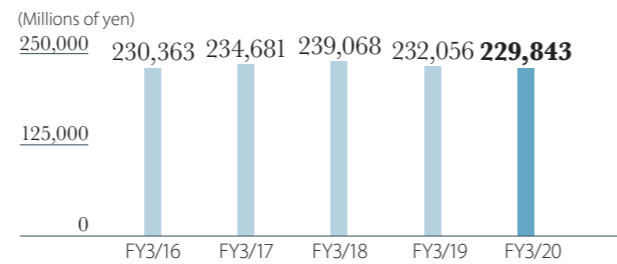
Female employees and women in management positions



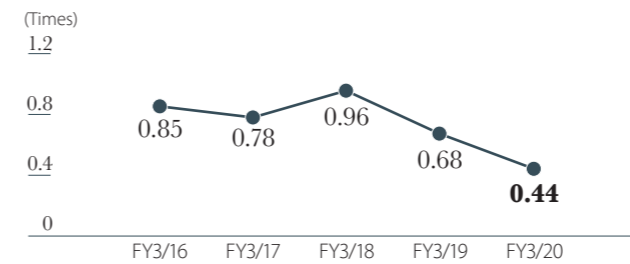
Return on invested capital (ROIC)



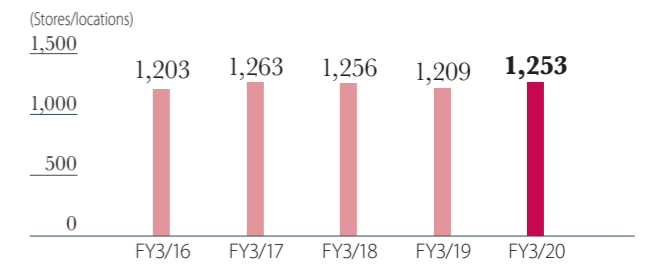
Total assets



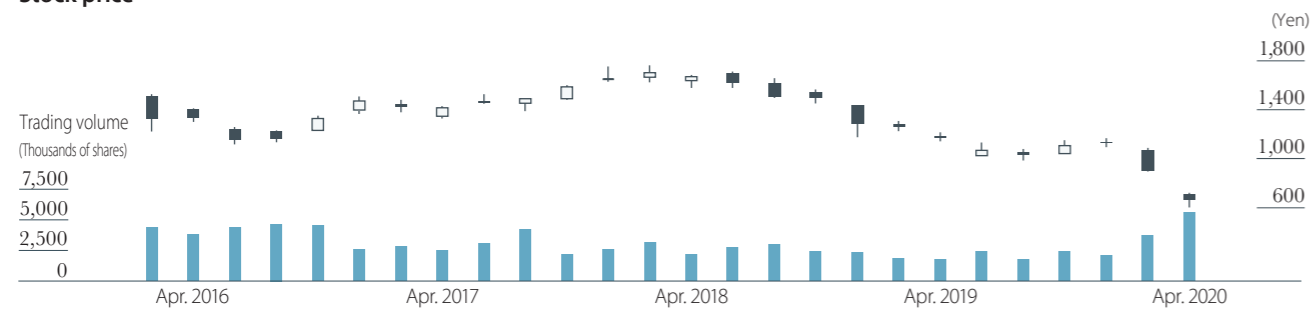
Price book-value ratio (PBR)



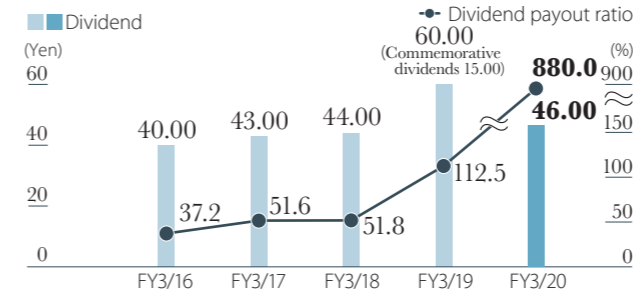
Number of stores/locations



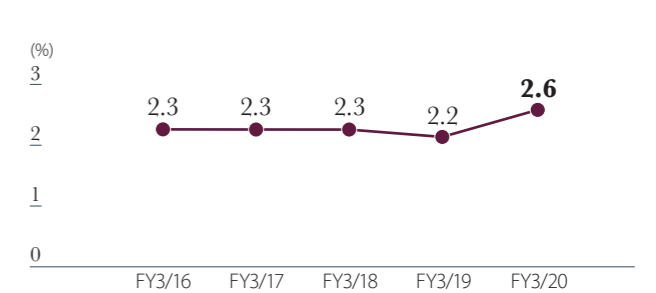
Stock price

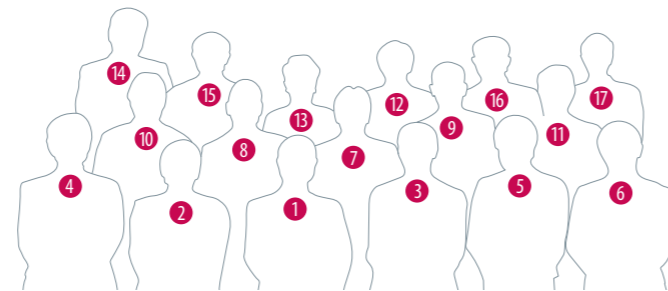


Dividends and dividend payout ratio



Employees with disabilities





Directors

1 Chairman and Representative Director

Hironori Aoki

Aug. 1976 Established the Company President and Representative Director
June 2010 Chairman and Representative Director (present position)

2 Vice Chairman and Representative Director

Takahisa Aoki

Aug. 1976 Established the Company Managing Director
June 1981 Executive Vice President
June 2010 Vice Chairman and Representative Director (present position)

3 President and Representative Director

Akihiro Aoki

Apr. 1994 Joined the Company
May 2003 Founding of ORIHICA business
June 2005 Executive Officer
Apr. 2008 President and Representative Director, ORIHICA
June 2009 Managing Director of the Company
June 2010 President and Representative Director (present position)
Oct. 2018 Chairman and Representative Director, AOKI Inc. (present position)

4 Executive Vice President
In charge of group management and finance

Haruo Tamura

Apr. 1980 Joined The Bank of Yokohama, Ltd.
Apr. 2003 Joined ANNIVERSAIRE Inc.
Oct. 2004 Executive Managing Director
June 2006 Joined the Company Executive Officer
June 2007 Director
Apr. 2008 Managing Director
Apr. 2010 In charge of group management and finance (present position)
June 2010 Executive Vice President (present position)

5 Executive Vice President
In charge of group store development

Akira Shimizu

Apr. 1977 Joined the Company
June 1990 Director
June 2003 Executive Managing Director
Apr. 2008 Director President and Representative Director, AOKI Inc.
Jan. 2014 Managing Director of the Company
June 2017 Executive Vice President (present position) In charge of group store development (present position)
June 2020 Chairman and Representative Director, KAIKATSU FRONTIER Inc. (present position)

6 Managing Director
In charge of group branding

Masamitsu Aoki

Apr. 1993 Joined the Company
June 2004 Executive Vice President, ANNIVERSAIRE Inc.
Mar. 2010 Vice Chairman and Director
June 2010 Managing Director of the Company (present position) President and Representative Director, ANNIVERSAIRE HOLDINGS Inc. (present position)
June 2020 In charge of group branding (present position)

7 Managing Director
In charge of group human resources

Wataru Araki

Mar. 1979 Joined TORII (now AOKI Holdings Inc.)
June 2007 Executive Officer
Apr. 2008 Managing Director, AOKI Inc.
Oct. 2010 Executive Managing Director
June 2015 Managing Director of the Company (present position)
Apr. 2016 Executive Vice President, AOKI Inc.
Oct. 2018 In charge of group general affairs and human resources
June 2019 In charge of group human resources and General Manager of General Affairs Dept.
June 2020 In charge of group human resources (present position)

8 Managing Director
In charge of group information systems

Norio Terui

Apr. 1980 Joined Skylark Co., Ltd.
May 1996 Joined McDonald's Company (Japan), Ltd.
Feb. 2003 Joined Starbucks Coffee Japan, Ltd.
Apr. 2008 Vice President and General Manager of Information Systems Division
Nov. 2015 Joined the Company Executive Officer
June 2018 Managing Director (present position)
June 2019 In charge of group information systems (present position)

9 Managing Director
In charge of group strategy and General Manager of President's Office

Keita Nagemoto

Apr. 1985 Joined the Company
Oct. 2000 General Manager of Anniversaire Villa Yokohama, ANNIVERSAIRE Business Unit
Apr. 2010 Director, ANNIVERSAIRE Inc.
Sept. 2016 Executive Officer of the Company
June 2019 Managing Director (present position) In charge of group strategy and General Manager of President's Office (present position)
June 2020 Chairman and Representative Director, ANNIVERSAIRE Inc. (present position)

10 Managing Director
In charge of group cost management

Terumitsu Noguchi

Apr. 1985 Joined the Company
Aug. 1993 General Manager of Product Strategy and Planning Office
June 2003 Executive Officer
June 2006 In charge of group products
Apr. 2008 Managing Director
June 2015 In charge of group product strategy
June 2018 Managing Executive Officer In charge of group cost management (present position)
June 2019 Managing Director (present position)

11 Managing Director
In charge of group improvement activities

Hidekazu Azuma

Mar. 1988 Joined TORII (now AOKI Holdings Inc.)
Apr. 2008 Executive Officer, AOKI Inc.
June 2012 Executive Managing Director
Apr. 2016 Manager of Management Strategy and Planning Office
Nov. 2018 Executive Officer, VALIC (now KAIKATSU FRONTIER Inc.)
Apr. 2019 Executive Vice President (present position)
June 2019 Managing Director of the Company (present position) In charge of group improvement activities (present position)

12 External Director

Minoru Inagaki

June 1979 Joined PricewaterhouseCoopers (PwC)
Aug. 1982 Registered as certified public accountant
Feb. 1986 Auditor of the Company
Oct. 1987 Standing Auditor
June 2014 Director (present position)

13 External Director

Yoko Ohara

Apr. 1962 Joined Asahi Chemical Industry Co., Ltd. (now Asahi Kasei Corporation)
Mar. 1999 President of the Institute for the Fashion Industries
May 2008 Director, Ryohin Keikaku Co., Ltd.
July 2013 Representative Director, Women's Empowerment in Fashion
June 2015 Director of the Company (present position)

Auditors

14 Standing Auditor

Hiroshi Kurita

Apr. 1977 Joined the Company
June 2005 Director, VALIC (now KAIKATSU FRONTIER Inc.)
June 2007 President and Representative Director
July 2010 Managing Executive Officer of the Company
June 2011 Managing Director
May 2015 Chairman and Representative Director, Kotobukihonpo Inc.
June 2020 Standing Auditor (present position)

15 Auditor

Kenji Nakamura

Aug. 1976 Joined the Company General Manager of Sales Dept.
July 1980 Director
Nov. 1982 Managing Director
Aug. 1985 General Manager of Administrative Div.
June 1996 Executive Managing Director
May 2003 In charge of group management
June 2010 Executive Vice President
July 2010 In charge of group management planning
June 2015 Auditor (present position)

16 External Auditor

Kazumasa Watanabe

Dec. 1980 President and Representative Director, Watanabe Syoji Inc.
Feb. 1991 Auditor of the Company (present position)
Aug. 2013 Chairman and Representative Director, Watanabe Syoji Inc. (present position)

17 External Auditor

Toshio Hotchi

Apr. 1974 Joined Tokyo Regional Taxation Bureau
Sept. 1982 Joined PricewaterhouseCoopers (PwC)
Feb. 1983 Registered as certified public accountant
June 2011 Advisor, PricewaterhouseCoopers (PwC)
June 2013 Opened accounting and tax office (present position)
June 2015 Auditor of the Company (present position)



Message from the President

Aiming for stable growth by managing our portfolio according to the environment.

Akihiro Aoki President and Representative Director, AOKI Holdings Inc.

Pursuing further innovation by enhancing our four strengths

The AOKI Group has four strengths that have been cultivated since our founding. The first of these is planning and development of products and services. For more than 60 years, we have worked on planning and developing products in the business fashion field that

reflect the wants and needs of our customers, accumulating an abundance of knowledge, information, technology, and know-how along the way. We have also produced many results in our development of new services, including the establishment of new sales methods. Moreover, we have rolled out the know-how that we have cultivated in the Fashion Business to the Bridal and Entertainment businesses as well and have

developed new products and services in each field.

Our second strength is customer service and human resources. Customer service plays an important role in actually providing to customers the products and services that are our first strength. We have established a comprehensive education system to develop professional human resources that pursue customer satisfaction, operating income, and social contribution. By giving them experience with the diverse businesses of fashion, bridal, and entertainment, we develop human resources that have a multifaceted way of looking at things and are capable of thinking outside the box.

Our third strength is store development and operations. The AOKI Group has a combined total of more than 1,200 stores across Japan. Effective utilization of our chain store know-how related to new store development and operational data in each business allows us to achieve efficient store operations, including format changes within the Group. In 2019, we launched our Real Estate Leasing Business and are working to streamline overall Group management by boosting rent of mainly closed stores in the Fashion Business and closed COTE D'AZUR karaoke facilities.

Our fourth strength is our broad customer base. We enjoy solid brand loyalty cultivated over our more than 60-year history and have a wide range of customers acquired through our three different businesses. In order to more effectively utilize this customer base, we switched to a Group-wide system of integrated management of customer data that had heretofore been managed separately according to business format. Membership perks to be based on the total amount of usage across Group companies, and mutual use of points and exchanging for prizes is already possible in the Fashion Business. We have prepared an environment that allows customers of each business format to make wide use of AOKI Group services.

Focus on streamlining of management utilizing Group synergy

In the fiscal year ended March 2020, the Japanese economy continued to show signs of improvement in

corporate earnings and the employment situation, but economic stagnation was growing as a result of the consumption tax hike when the global spread of COVID-19 hit and caused rapid deceleration of the economy, bringing about a harsh economic climate.

Under this environment, the AOKI Group continues to prioritize ensuring the safety and health of our customers, trading partners, local communities, and our employees and their families as well as preventing the spread of the virus while engaging in efforts to ensure business continuity in light of the ever-changing circumstances.

In the Entertainment Business, we aggressively opened a combined total of 113 KAIKATSU CLUB and FiT24 locations. On the other hand, in the Fashion Business, we reviewed the profitability of individual stores and our dominant areas. A total of 67 stores were closed, some of which were relocated to improve operational efficiency and others of which were converted into KAIKATSU CLUB locations.

Moreover, we implemented various measures in each business to address the changing times and diversification of customer needs and actively worked to revitalize existing stores. The Entertainment Business performed well as a result. Nevertheless, net sales dropped to ¥180,220 million (down 7.6% year on year), operating profit to ¥6,649 million (down 50.7%), and ordinary profit to ¥5,501 million (down 53.7%) due to a warm winter and changes in business style in the Fashion Business as well as the significant impact of the COVID-19 pandemic on each of our businesses starting in late February.

In regard to the outlook for the future, it is difficult at this time to reasonably calculate the timing of when the spread of COVID-19 will slow, when economic activity will return to pre-COVID-19 levels, the impact on the Group's net sales, and other factors, so our full-year consolidated earnings forecasts for the fiscal year ending March 2021 are to be determined. We will publish the earnings forecasts on our website (<https://www.aoki-hd.co.jp/en/>) as soon as it is possible to disclose them.

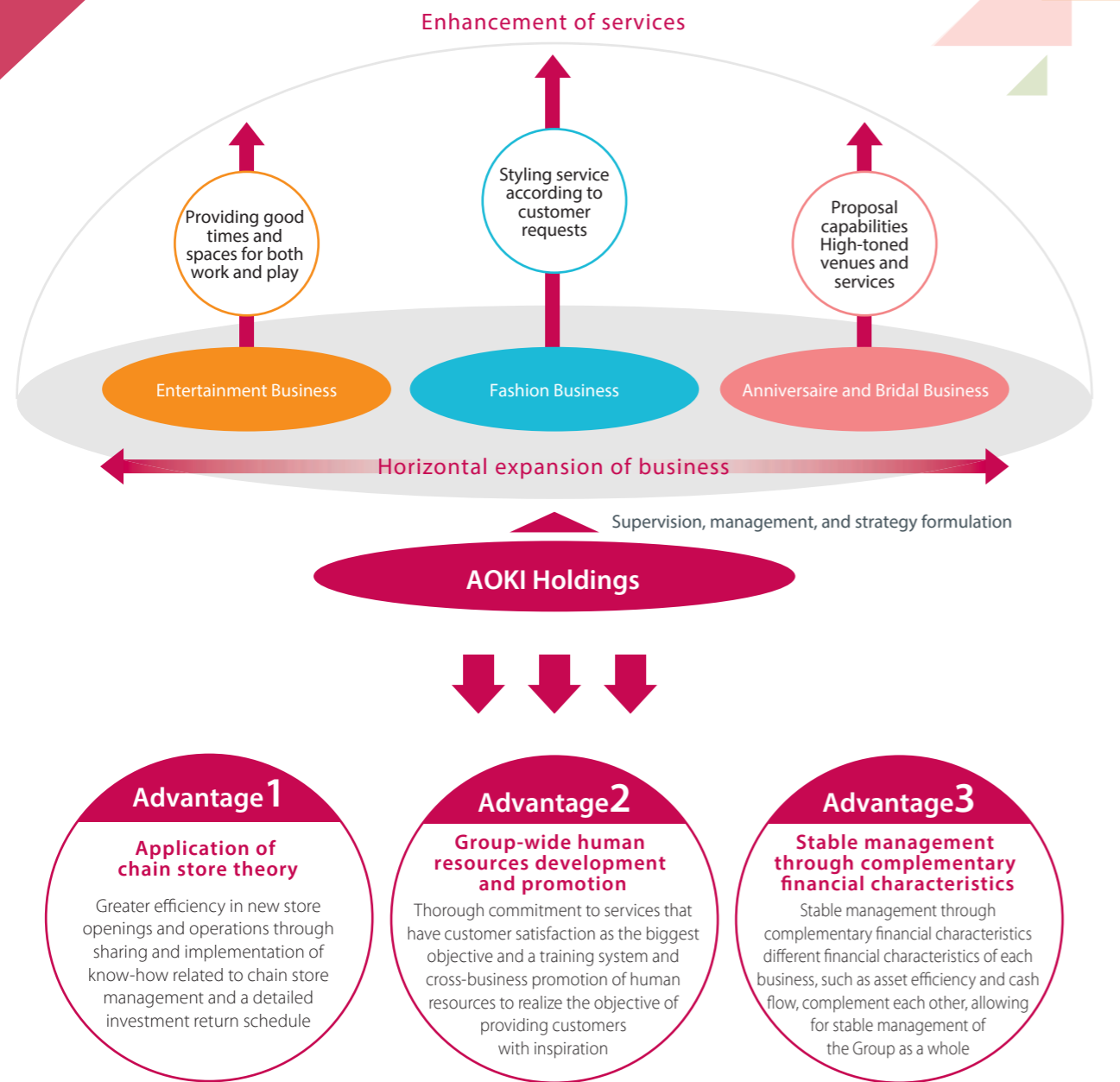
Thank you for your continued support and patronage.

Special Feature Our Initiatives for Value Creation

Creating new lifestyles through portfolio management that takes into account wide-ranging needs of society

The AOKI Group engages in diversified operations of three different businesses. Emphasizing the respective strengths of these businesses and allowing them to complement each other, we implement portfolio management that ensures stable profits. This has allowed us to build a foundation for continually creating value corresponding to the times, addressing a wide range of societal needs and ensuring that our Group is less susceptible to changes in the social climate and economy.

Portfolio management concept



Entertainment

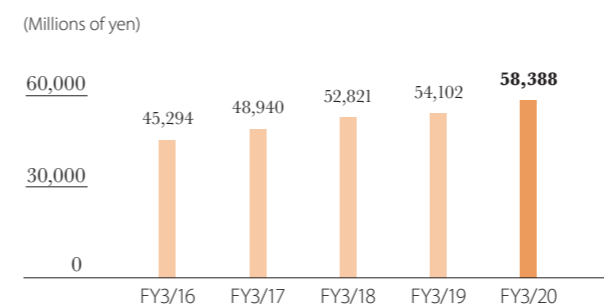
To create a worthwhile time for more people

Aggressive investment as a growth business

Carrying out business integration in anticipation of the future

In anticipation of the future potential of the Café Complex Operations Business and the Karaoke Facility Operations Business, the businesses were combined and renamed the Entertainment Business in the fiscal year ended March 2020. Over the past 10 years, the number of locations in the Entertainment Business has increased by about 350, and by the fiscal year ending March 2021, the number of locations will have exceeded that of the Fashion Business. In order to maintain and build on this rate of business growth, we will continue opening facilities and promote the securing of outstanding human resources, greater efficiency in facility operations, and improved business operations in the aim of further evolution of our business formats.

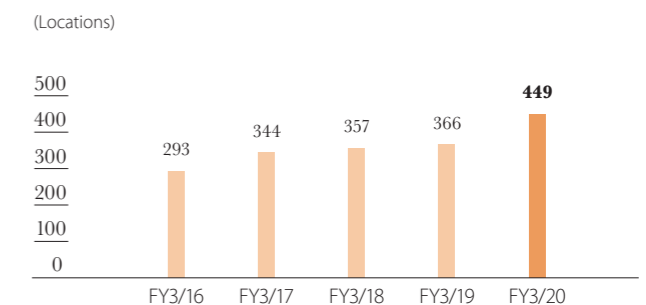
Entertainment Business net sales



Sharp increase in telecommuting/shared office demand

Demand for telecommuting and shared offices has increased due to the spread of COVID-19. KAIKATSU CLUB, which provides sharing spaces, is promoting use of the spaces for business needs as well, including work, learning, online meetings, and online interviews, by renting out web cameras and other such means. Various measures have been taken to ensure safe and secure use, including ventilation using a patented air ventilation system, partitions to prevent contact between those next to each other, and the introduction of an automated entry/exit system.

Number of KAIKATSU CLUB locations





Fashion

More comfortable, less constrained business settings

Rolling out new styles addressing needs

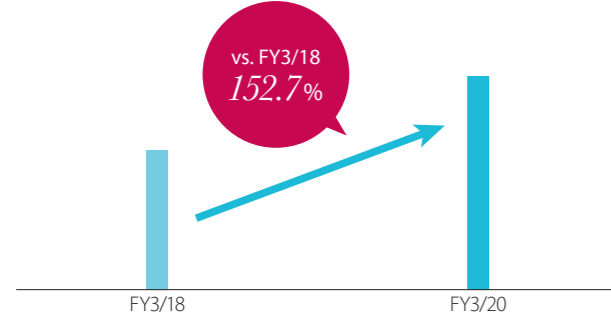
More comfortable, less constrained business settings

As workplace dress codes are liberalized and telecommuting becomes more common, more people are having troubles such as figuring out what to wear to work. In response, AOKI is rolling out "New Biz Style" according to changes in business dress codes and mix-and-match set-up suits perfect for working women. Rather than simply being worn as a suit, the jacket and pants can be paired with other items to create a mature wardrobe that can be worn not only to work as usual but also in private life.

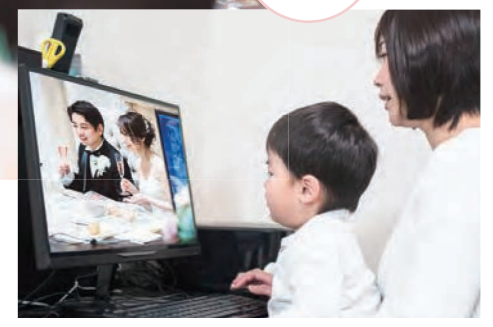
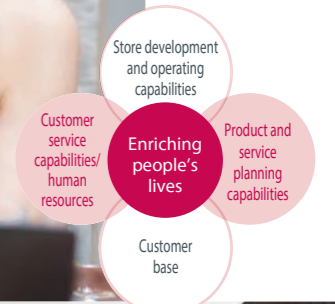
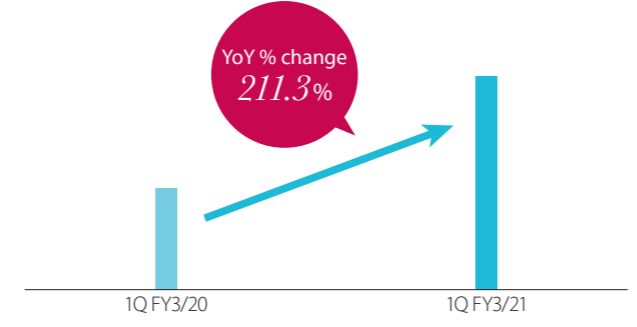
Enhancing the link between e-commerce and physical stores

As the number of users of AOKI and ORIHICA online shops increases, customer demand for checking sizes and the feel of the material and seeing different options for how suits can be coordinated has also increased. In response, we have launched a reservation service that allows customers to reserve products selected on the online shop at their nearest physical store as well as a "STAFF START" service where staff post their coordinated outfits on the official online shop, social media, and other platforms. These new services that bring together e-commerce and physical stores have been well-received by our customers.

Set-up suit sales



E-commerce sales



Bridal

Aiming to achieve world-class hospitality

Launching the "#will fun" project

Ensuring a happy wedding ceremony for the bride and groom

Some customers are considering postponing their weddings due to the spread of COVID-19. Anniversaire has launched a project called "#will fun" in response. Various experimental offerings have been developed, including online and telephone consultations allowing customers to engage in wedding preparations and consultations at home, a limited-time-only "YELL Plan" for smaller weddings offered out of a desire for people not to give up on their wedding plans, and a limited number of handmade flower kits and original puzzles that can be made at home and used to decorate the venue on the day of the wedding.

Celebrating together with remote guests

Many customers have asked us how they should hold their wedding, expressing concerns about inviting people that live far away and elderly guests or not being able to change the date of their wedding due to being pregnant. In response, we have launched online weddings that allow guests to participate in the wedding from home. It is a new wedding style that brings together offline and online services and allows remote guests to watch the ceremony taking place at the chapel live and enjoy conversation with the bride and groom as well as other guests.

Online consultations



Online weddings



Although we aggressively opened locations in the Entertainment Business, both sales and profit declined primarily due to the COVID-19 pandemic, changes in the market environment, and increased costs of opening locations.

Sales Revenue by Segment

Entertainment Business
Sales composition

32.0%

Net sales: ¥58.3 billion
Operating profit: ¥2.6 billion

Anniversaire and Bridal Business
Sales composition

12.2%

Net sales: ¥22.2 billion
Operating profit: ¥0.4 billion

Real Estate Leasing Business

Sales composition

2.0%

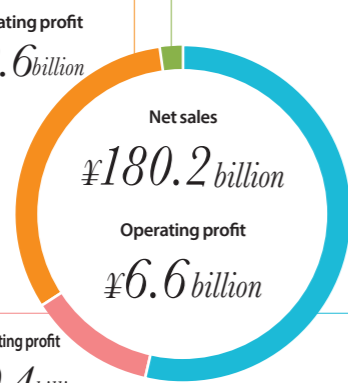
Starting in FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses.

Net sales: ¥3.6 billion
Operating profit: ¥0.6 billion

Fashion Business
Sales composition

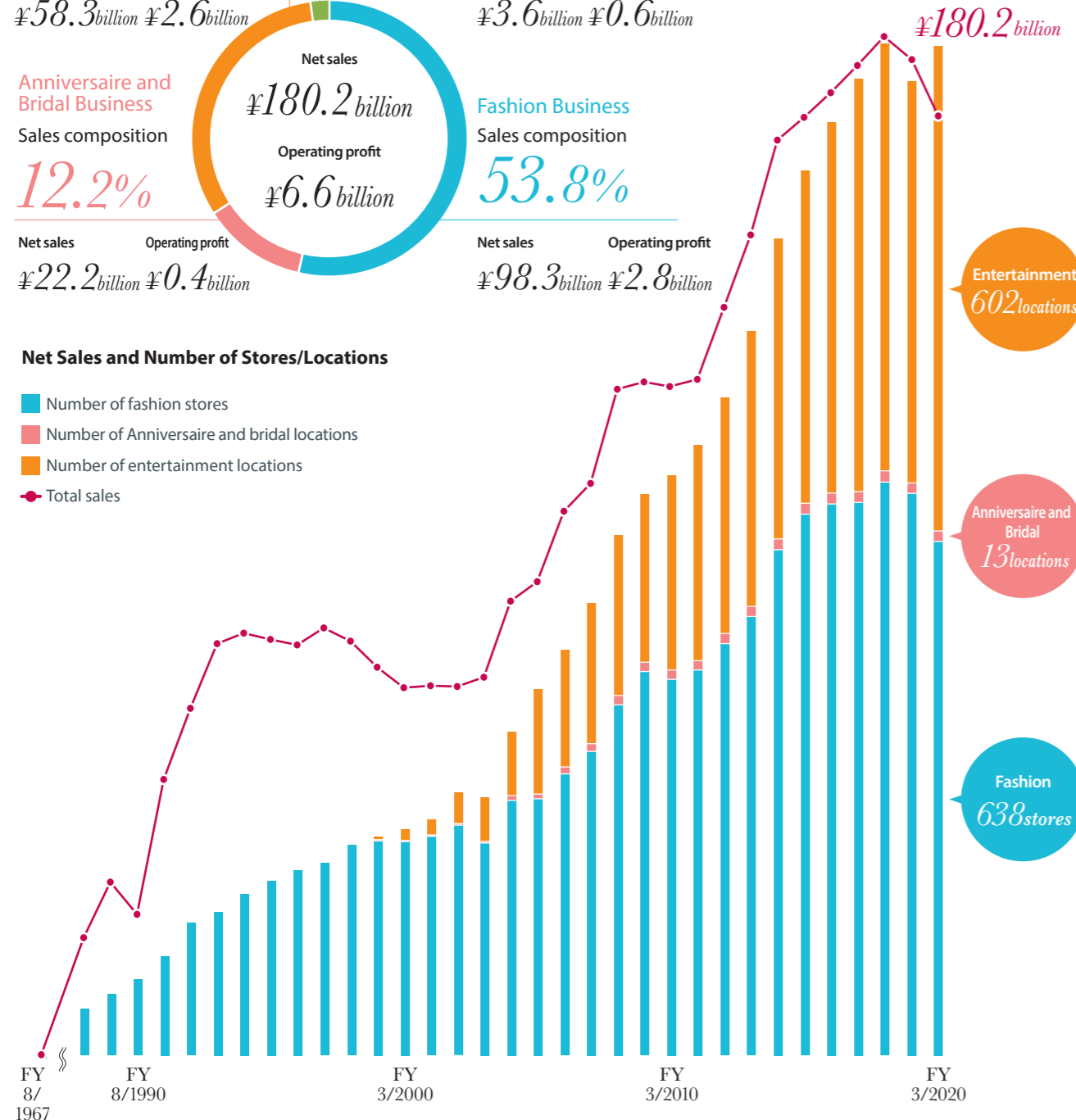
53.8%

Net sales: ¥98.3 billion
Operating profit: ¥2.8 billion



Net Sales and Number of Stores/Locations

- Number of fashion stores
- Number of Anniversaire and bridal locations
- Number of entertainment locations
- Total sales



Fashion Business



Risks and Opportunities

- Declining demand for suits due to diversification of business apparel styles and changes in work styles
- New demand associated with women advancing in society
- Necessity of developing comfortable store environment adapted to the Internet age

Measures and Policies

- Proposal of "New Biz Style" also suitable for telecommuting and other situations
- Enhancement of product lineup for working women including mix-and-match set-up suits in addition to clothing for new graduates and other new company recruits
- Strengthening of coordination between physical stores and e-commerce, including expansion of "STAFF START" online styling proposals and "Easy Web Shop"

Anniversaire and Bridal Business



Risks and Opportunities

- Shrinking bridal market, intensification of competition, and sudden change in style of wedding ceremonies and receptions
- New customer reception according to new lifestyles and changes in meeting methods
- Aging of existing facilities

Measures and Policies

- Roll-out of various plans according to the market environment, including small groups and photo-only plans, along with new services for members that have held their wedding ceremonies with Anniversaire
- Meetings utilizing online tools allowing smooth wedding preparations from home
- Facility maintenance and remodeling to reinforce the Anniversaire brand

Entertainment Business



Risks and Opportunities

- New consumer demand associated with diversification of lifestyles
- Increased awareness of safety and security
- Demonstration of strengths as competition intensifies

Measures and Policies

- Promotion of use as a "sharing space" for business needs
- Thorough measures to avoid the three C's (closed spaces with poor ventilation, crowded places with many people nearby, and close-contact settings), including ventilation using a patented air ventilation system
- New store openings and renovations based on business environment

Fashion Business

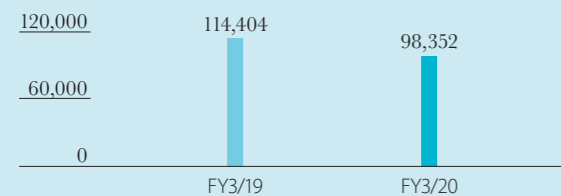
We will revitalize existing stores, addressing changes in business styles and lifestyles.

Performance and Main Initiatives

FY3/20 Results

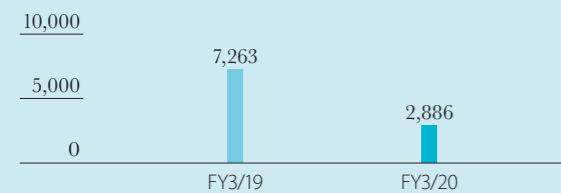
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



Initiatives in fiscal year ended March 31, 2020

In terms of products, we proposed "New Biz Style" for both men's and women's products corresponding to changes in business apparel styles. In terms of stores, we opened eight new stores while closing 67 stores, including relocations and format changes to KAIKATSU CLUB and other formats, after the review of individual store profitability and dominant areas to improve operational efficiency.

However, in addition to weather factors, changes in business apparel styles, and the impact of the consumption tax hike, the number of customers greatly decreased from late February to March, our biggest sales period of the year, due to the COVID-19 pandemic. As a result, net sales came in at ¥98,352 million (down 14.0% year on year) and operating profit at ¥2,886 million (down 60.3%).

Measures for fiscal year ending March 31, 2021

In addition to enhancing our set-up suits addressing changes in business styles such as telecommuting, and our product lineup for working women, we will strengthen coordination between physical stores and e-commerce to make it easier for customers to purchase products via either channel. We will also develop and sell products necessary for new lifestyles, including antibacterial/washable masks. Furthermore, we will reduce and streamline costs, focusing on advertising expenses, rent, and personnel expenses, and implement measures to optimize inventory.

Brand Characteristics: AOKI



Customer service The first apparel retailer to introduce a stylist system

AOKI established the stylist system in 2004. At stores, certified AOKI Customer Stylists offer customers ideas for apparel that best matches their preferences and lifestyles. Training gives stylists knowledge about fashion, styling, and communicating with customers.



Stores The nationwide network includes both suburban stores and stores in city centers

The AOKI strategy for opening stores draws on a powerful brand in the fashion market and knowledge gained from operating a growing network of stores. Currently, in addition to suburban locations, we are opening stores in city centers and near train stations, including shopping centers and malls, other buildings, and shopping streets. We are operating specialty stores for larger sizes both as stand-alone stores and within some AOKI stores.



Merchandise A large selection of products that encompass broad spectrum of customer needs

AOKI creates various products—from machine-washable suits to suits made with Japan's top technologies and business casual style apparel—using a vertical merchandising system that extends from the conception of products to their sale.

Brand Characteristics: ORIHICA



Customer service Style Navigators make shopping more fun

At ORIHICA stores, customers are assisted by Style Navigators who offer ideas about new ways to enjoy different fashions. Their customer service experience is shared company-wide with employees at each store.



Stores Numerous store formats that incorporate a London design theme

Different store types are used depending on the location and customer base. They include apartment-style stores, stores modeled after a high-end residence, and stores modeled after a Soho design studio, all of which are inspired by London—the birthplace of suits.



Merchandise A wide ranging product lineup including business casual style

ORIHICA was created in Omotesando, a district of Tokyo that is shaped by fashion ideas and trends from around the world. The brand includes business apparel, casual clothing, and women's fashions. Lead by a British creative director, the brand has earned the loyalty of fashion-conscious customers.

Topics



Launch of antibacterial/washable masks and double antibacterial/washable cool masks

In response to increasing demand for cloth masks as a result of extension of measures to prevent the spread of COVID-19, AOKI and ORIHICA have begun selling masks. One is an antibacterial/washable mask made with a three-layered, soft and stretchable jersey fabric, and the other is a UV protection double antibacterial/washable cool mask with better breathability. Through the end of July 2020, we sold a cumulative total of more than 4 million masks.



Sales of Super Non-Iron Shirt surpass the one million mark

ORIHICA launched the Super Non-Iron Shirt in response to customer demand for reducing the household work load, including reduced time and effort required for washing and prevention of staining so that the clothing will last longer. These shirts were well-received for their superior shape-holding performance and how they do not need to be ironed after washing despite being "smart silhouette" dress shirts. Since its launch in March 2016, total sales up to January 2020 had amounted to more than one million.

Anniversaire and Bridal Business

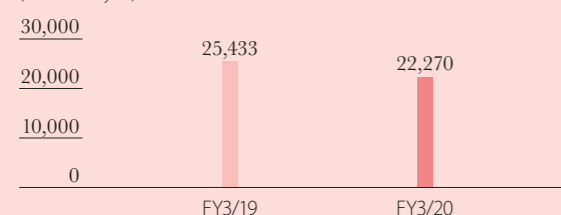
Rebuilding revenue base for stable growth

Performance and Main Initiatives

FY3/20 Results

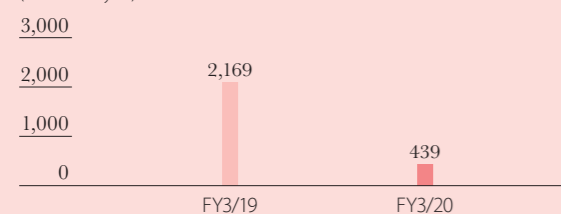
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



Initiatives in fiscal year ended March 31, 2020

We sought to increase customer attraction by offering "TREND COLLECTIONS" proposals for new, fashionable and gorgeous wedding styles that incorporate the latest trends and strengthening sales promotions that utilize social media. However, in addition to the decrease in the number of locations and changes in the market environment, the number of couples holding ceremonies decreased significantly due to postponements of ceremonies and receptions arising from the COVID-19 pandemic. As a result, net sales came in at ¥22,270 million (down 12.4% year on year) and operating profit at ¥439 million (down 79.7%).

Measures for fiscal year ending March 31, 2020

We will provide services in line with the guidelines of the Bridal Institutional Association to conduct wedding ceremonies that offer peace of mind. While taking into consideration the three C's when we meet with customers that visit our locations, we have also made it possible to engage in smooth wedding preparations at home utilizing online meetings. Moreover, we will develop and propose new plans such as online weddings and photo-only plans according to customer needs.

Characteristics of Bridal Business



Wedding halls A nationwide network of wedding halls that have designs based on mansions in Europe

An ANNIVERSAIRE wedding features a chapel that stages a moving ceremony and an elegant residence with a flower-filled garden for the reception. Guests feel as if they have been invited to a private home. The originality of these events and the spectacular cuisine with hospitality make the day even more memorable for everyone. There are 13 locations nationwide, including ANNIVERSAIRE MINATO MIRAI YOKOHAMA, one of the largest wedding halls in Japan.



Style Weddings that precisely reflect the wishes of each couple

A wedding producer is assigned to each ceremony, and there are specialists to assist with the menu, apparel, makeup, overall presentation, and other aspects to realize the happiest wedding. Additionally, whether your desire is for family focused, pageant-style or cozy lounge style, your wishes will be fulfilled at the venue you choose.

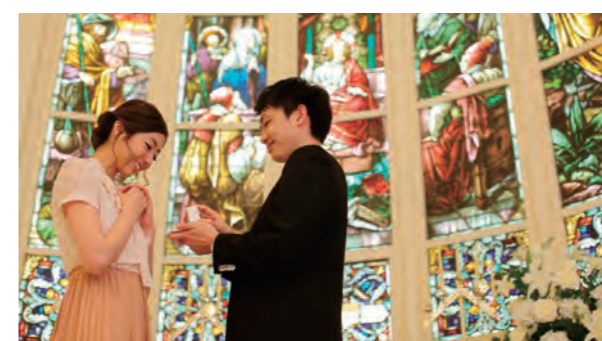
Characteristics of Café Business



Style Menus for anniversaries or other special days

ANNIVERSAIRE OMOTESANDO and ANNIVERSAIRE MINATO MIRAI YOKOHAMA have Parisian-style cafés. There are various special menus that make these places where customers can return anytime to celebrate special days and make new memories. Seasonal fairs are also held for holidays like Valentine's Day and Christmas.

Characteristics of Anniversary Business



Style Complete services for that special day

Our anniversary business is one that can become a part of our customers' lives. Along with producing the perfect proposal, we sell original jewelry, gifts for celebrations, and baby gifts, and offer anniversary restaurant services for customers who used our wedding halls for their wedding. We also hold premium parties and useful post-marital seminars, issue special discount coupons, and provide other products and services for before and after the wedding ceremony.

Topics



Four prizes, including a Gold Prize, received at a competition to determine the top service representative in Japan

On February 20, 2020, the 14th HRS Service Competition (sponsored by the Ministry of Health, Labour and Welfare and the government of Tokyo) was held at Makuhari Messe. The young professionals category included skilled service representatives from established hotels and restaurants, and as a Kanto wedding venue, Anniversaire received four prizes, including a Gold Prize for being number one in Japan for the first time.



"TREND COLLECTIONS" proposals of new wedding styles incorporating latest trends

Anniversaire has come up with "TREND COLLECTIONS" proposals to address the desire of some customers to put on more personalized weddings better tailored to their own lives and the times. This is an innovative effort incorporating latest trends from Japan and around the world into weddings, such as different table coordination depending on the season, including table cloths, flowers, and cutlery as well as trendy touches added to the dresses and tuxedos.

Entertainment Business

Aiming to improve the business in response to the times

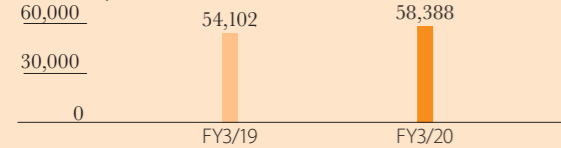
In the fiscal year ended March 2020, Café Complex Operations Business and the Karaoke Facility Operations Business were combined and renamed the Entertainment Business to evolve into a more future-ready format.

Performance and Main Initiatives

FY3/20 Results

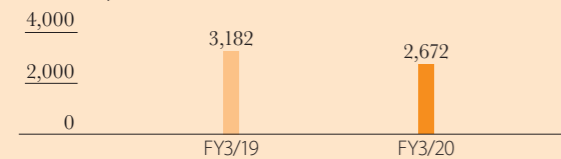
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



Initiatives in fiscal year ended March 31, 2020

At KAIKATSU CLUB, renovations were performed at 76 locations, primarily involving the introduction of fully private rooms with locks and the addition of karaoke rooms, non-smoking booths, and showers. We also opened 85 new locations. At COTE D'AZUR, we introduced the latest karaoke machines and held various events and campaigns. Our FIT24 24/7 self-service fitness gyms performed well, and we opened 28 new locations. As a result of the above, new locations contributed and existing locations performed well, bringing net sales to ¥58,388 million (up 7.9% year on year). On the other hand, the increase in costs associated with the opening of new locations and the spread of COVID-19 pushed operating profit down to ¥2,672 million (down 16.0%).

Measures for fiscal year ending March 2021

We will promote use as a "sharing space" for business needs, including work, learning, and online interviews as we work on improvements to the business format. Additionally, by introducing our patented air ventilation system and automated entry/exit system, we will implement thorough measures to avoid the three C's and respond to customers' heightened awareness of safety and security. Moreover, on top of reducing rent, personnel, and other expenses, we will review our capital investment plan to further reduce expenses and streamline costs.

Brand: KAIKATSU CLUB



Characteristics Providing fun spaces for enjoying work and play

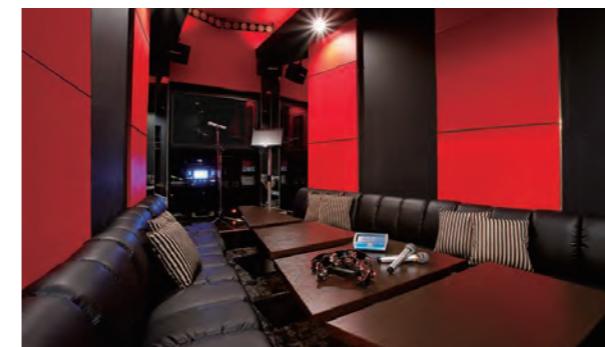
Various experiential content is provided at these cafés that are modeled after a luxury hotel on Bali, one of the leading resort islands in Asia. The comfortable and high-quality space is perfect for a wide range of uses, from work (study) to play.



Services Diverse content suited to all kinds of situations

We provide various experiential content sought by customers, from content that can be used for work, such as fully private rooms with locks that can be utilized for online meetings and interviews for telecommuting or as a shared office space, to content for play allowing users to enjoy reading their favorite comics, relax and watch a movie online or otherwise immerse themselves in a hobby.

Brand: COTE D'AZUR



Characteristics Enjoy karaoke in a Southern French resort-like atmosphere

This communication space is named after the Cote d'Azur in southern France, which is known worldwide for its breathtaking scenery and called a heaven on earth. Enjoy a quality space, the latest karaoke facilities, and authentic meals.

Services Various room types and delicious food

Choose from a variety of different rooms depending on the occasion, including family rooms and live rooms, and enjoy a carefully selected food and drink menu.

Brand: FIT24



Characteristics A fitness gym providing for every need

We have improved the convenience with 24/7 operations so that you can stick with exercise. We aim to be a fitness gym where it's easy to start your fitness journey and easy to stick with it by providing a comfortable workout environment and extensive services.

Services Carefully selected machines and extensive amenities

Machines that satisfy the needs of beginners and experienced gym-goers alike are arranged in a comfortable layout that allows you to concentrate on your workout. We also provide all the amenities you need like towels to use free of charge and shampoo and body wash in the shower rooms.

Topics



Creating a stir after being shown on TV: "KAIKATSU Kami Potato"

The thin-cut french fries (nicknamed "KAIKATSU Kami Potato") at KAIKATSU CLUB are a popular menu item for which more than a million orders are sold annually. The key point of the popularity, which was introduced on a popular New Year's TV program, is that only choice potatoes are used, and the fries are crispy on the outside and soft and flaky on the inside. Once you have tried the texture when they've just come out of the fryer, you will be hooked. From 6:00 a.m. to 10:30 a.m., in addition to plain french fries, you can get all-you-can-eat bread. (Not available at some locations.)



First independent location: FIT24 Hamamatsu-Barajima 24/7 fitness gym

FIT24 Hamamatsu-Barajima is the first independent location of our FIT24 24/7 self-service fitness gym. Hamamatsu City has established its second plan for promoting health in Hamamatsu City called "Healthy Hamamatsu 21." At our roughly 500 m² facility, we provide a comfortable environment for working out and extensive services 24/7 to residents of a health-conscious area.

Creating a better future for people and society

The AOKI Group has established a management philosophy based on the three pillars of business integrity, social responsibility, and community service in order to create a better future for people and society.

Through our business activities, we are promoting the creation of value shared with society and local communities so that we can realize a better, sustainable world. To that end, we are actively working on environmental, social, and governance (ESG) issues and focusing on the issues set forth in the United Nations Sustainable Development Goals (SDGs).

What are SDGs?
SDGs is the abbreviation for "Sustainable Development Goals." These are goals to be achieved by 2030 that were adopted at the United Nations Summit in September 2015 and shared by international society for bringing about a better, sustainable world.

Main ESG Initiatives and Future Challenges

	Initiatives	Contribution to Business and Management	Future Challenges	Related SDGs
Environment	<ul style="list-style-type: none"> - Reducing CO₂ by switching to LED lighting at stores/locations - Developing eco-friendly products to reduce environmental impact - Continuing wool recycling project - Reducing use of paper resources by converting to digital sales slips - Reducing use of cardboard material by delivering via hangers 	<ul style="list-style-type: none"> - Reducing costs - Streamlining of operations - Expanding profits by raising consumer awareness of eco-friendly products 	<ul style="list-style-type: none"> - Achieving further energy savings at stores/locations that have not yet taken action - Developing more eco-friendly products and services 	
	<p>Dialogue with shareholders and investors</p> <ul style="list-style-type: none"> - Holding performance briefings (twice a year) - Holding briefing sessions for individual investors - Holding one-on-one meetings (occasional) 	<ul style="list-style-type: none"> - Receiving appropriate evaluations from shareholders and investors 	<ul style="list-style-type: none"> - Increasing opportunities for dialogue with shareholders and investors 	
Social	<p>For customers</p> <ul style="list-style-type: none"> - Fashion Business: Implementing third-party inspections to ensure quality - Each business: Ascertaining wants and needs through customer research 	<ul style="list-style-type: none"> - Expanding profits by improving consumer satisfaction 	<ul style="list-style-type: none"> - Raising awareness of quality - Improving accuracy and systemization of customer research 	
	<p>With trading partners</p> <ul style="list-style-type: none"> - Fashion Business: Holding quality improvement meetings (two times a year) 	<ul style="list-style-type: none"> - Expanding profits by improving consumer satisfaction 	<ul style="list-style-type: none"> - Strengthening collaboration with suppliers 	
	<p>For employees</p> <ul style="list-style-type: none"> - Promoting work style reform - Supporting employee career plans - Improving work-life balance by introducing the Shift Gears Program - Establishing an internal qualification system for part-time employees, hiring them as full-time employees, and providing support - Expanding hiring of persons with disabilities 	<ul style="list-style-type: none"> - Improving employee motivation - Securing outstanding human resources 	<ul style="list-style-type: none"> - Further expanding career program and eligibility - Creating pleasant workplaces - Raising internal and external awareness of each program - Increasing percentage of women in management - Further promoting diversity 	
Governance	<p>With local communities</p> <ul style="list-style-type: none"> - Supporting local sports (sponsor of Nagano Marathon, official suit provider for KAWASAKI FRONTALE, etc.) - Promoting culture in local communities (AOKI Group Harmony Concert, sponsor of Best Father and Best Dresser Awards, endowed course at Waseda University, etc.) 	<ul style="list-style-type: none"> - Expanding profits by increasing the company's name recognition - Improving brand image 	<ul style="list-style-type: none"> - Supporting regional revitalization 	
	<ul style="list-style-type: none"> - Appointing external directors (two) and external auditors (two) - Establishing a Nomination and Remuneration Committee 	<ul style="list-style-type: none"> - Strengthening management oversight - Improving fairness and transparency 	<ul style="list-style-type: none"> - Verifying effectiveness of Board of Directors 	

Environment

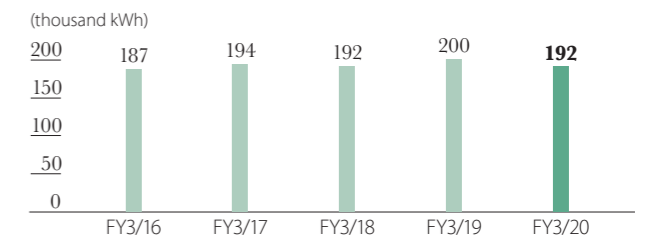
The AOKI Group recognizes its relationship with the global environment as a priority issue. We strive to create products, services, and commercial spaces with minimal environmental impact.

Reducing power consumption

Lighting accounts for the bulk of power consumption at locations. At the AOKI Group, we install LED lighting, which consumes less power than fluorescent lighting, when opening new locations or renovating existing ones.

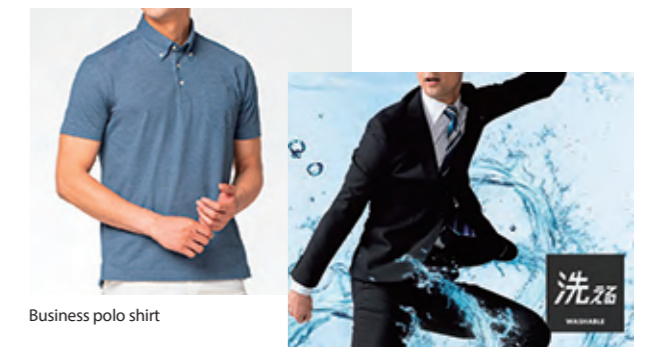
We have been actively switching to LED lighting at existing locations as a measure to conserve electricity, especially since the Great East Japan Earthquake. Up to this point, we have completed the switch at all AOKI, ANNIVERSAIRE, COTE D'AZUR, KAIKATSU CLUB, and FIT24 locations as well as about 60% of our ORIHICA stores. As a result, we have reduced power consumption at each store in the Fashion Business by around 40% compared to fiscal 2009, thereby reducing the environmental impact of our stores.

Power consumption per location



Developing eco-friendly products

AOKI is focused on the development of eco-friendly products in order to reduce environmental impact. For example, we have developed washable suits and dress shirts that provide comfort even in offices where air conditioning is used sparingly. We also offer suits, vests, and sweaters made with warm materials for "warm biz" that make it easy to adjust to different temperatures. In addition, we are developing other eco-friendly products such as suits featuring polyester linings that come from recycled plastic bottles (Teijin ECOPET®) and linings with low environmental impact (Asahi Kasei Bemberg™).



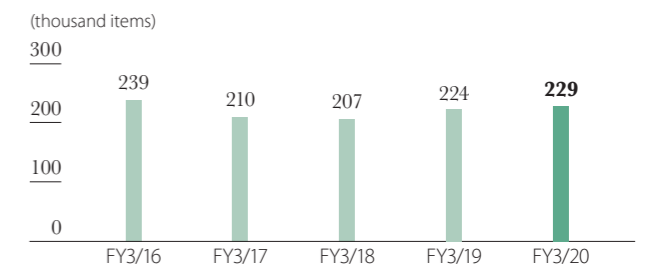
Business polo shirt

Washable stretch suit

Trend in recycling rate

In 1996, we launched Japan's first wool recycling project. In this project, customers trade in their used wool clothing, and our partner factories turn them into various recycled products. Wool is biodegradable and fire-resistant to begin with, so ultimately, the recycled products also break down naturally. We bear some of the costs associated with transporting and processing the wool within the recycling process as part of our environmental conservation efforts.

Number of wool clothing collected



As a public instrument of society, the AOKI Group contributes to social progress by building partnerships and relationships of trust in order to create happiness for all our stakeholders, including our customers, shareholders, investors, business partners, and employees.

Dialogue with shareholders and investors

The AOKI Group is engaged in activities based on our investor relations policy to notify our shareholders and investors promptly and accurately of management policies, business strategies, business results, and financial information. In the fiscal year ended March 2020, we held two performance briefings for institutional investors. We will continue to deepen dialogue through semiannual performance briefings and briefings for individual investors as well as communication of information via our website.



Briefing session for individual investors

For customers

The AOKI Group improves product development and location environments by listening to feedback from customers at each location, taking note of valuable opinions received over the phone and by e-mail, collecting postcards from customers who purchase our products, and conducting customer research at locations, in order to deliver products and services that exceed our customers' expectations. Our aim is to tie this into the creation of further customer happiness.

Ensuring customer satisfaction

As a fashion business, AOKI has established a customer hotline, which we use to develop high-quality products and stores by sharing the feedback and suggestions received with each department. Additionally, we have notebooks at each ORIHICA store in which staff members record the compliments given by customers and services that were positively received. The notes are shared between staff members, and the good examples are communicated to all stores.

In the Bridal Business, we conduct bride and groom questionnaire surveys after the wedding. Customer feedback on the staff's service, products, facilities, and other aspects of the event is shared company-wide and used in daily improvement activities. In the Entertainment Business, officers and other staff from headquarters gather information on customer complaints and requests through regular visits to business locations in which they talk to customers directly in an effort to improve our services.

Ensuring reliable quality and service

We are working to enhance education on product quality in the Fashion Business, including to obtain Textiles Evaluation Specialist certification, and seek to continually manage and improve quality enlisting the support of our Quality Control Department and outside agencies. We also inspect products after they are delivered to our distribution centers based on our in-house inspection standards. In the Bridal Business, four employees entered the Young Professionals category of the HRS Service Competition 2020. This competition is held by the Japan Hotel and Restaurant Service Development Association for professional service people who represent the next generation for the purpose of increasing awareness of skills and service. We won first place and the fighting-spirit award and were the first specialized wedding hall operator in the Kanto region to take the title of number one in Japan. Also, ANNIVERSAIRE Inc. won the most outstanding company award.



HRS Service Competition 2020

With trading partners

We believe that it is important to develop cooperative relationships with our business partners in order to deliver valuable products and services to our customers. For that reason, in the Fashion Business, we hold quality improvement meetings with our suppliers to share customer feedback and get them involved in product development.



Product development meeting

For employees

At the AOKI Group, we believe it's important to create happiness not only for our customers but also for everyone who works in the Group. We promote various initiatives for such objectives as diversity and work-life balance, including the introduction of the Shift Gears Program allowing employees to change their work style according to their life stage, in order to create an environment in which each employee can thrive and demonstrate their unique talents, thereby improving the experience of our customers. We also hold awards ceremonies to recognize long-time employees and outstanding employees who have contributed not only to sales but also in various other ways using indicators such as the number of positive reviews from customers.



AOKI Group awards ceremony

With local communities

One of the pillars of our management philosophy is pursuing community service. We believe that it is important to contribute to society in non-commercial ways as well. As such, we promote cultural activities in local communities and engage in such efforts as sports sponsorship and next-generation training.

Sports sponsorship

We have sponsored the Nagano Marathon ever since it was started in 1999. The marathon carries on the principles of the Nagano Winter Olympics, which were held in 1998 in Nagano Prefecture where the AOKI Group was founded. We also contribute to the promotion of sports through uniform sponsorship, including support for student sports and providing suits and polo shirts when KAWASAKI FRONTALE travels.



22nd AOKI Group Harmony Concert

© Rikimaru Hotta

AOKI Group Harmony Concert

In order to contribute to the local communities where we do business, the AOKI Group has been holding the AOKI Group Harmony Concert as part of our cultural promotion activities. It was started in 1973, and in January 2020, it was held for the 22nd time.

For details on our community contribution activities, see the CSR section of our website (in Japanese only).

 <https://ir.aoki-hd.co.jp/ja/csr/index.html>



We are reinforcing the functions of the Board of Directors and the Board of Auditors and coordination with the Internal Auditing Office, each committee, legal advisors, and the accounting auditor in pursuit of improving legal compliance and the transparency and efficiency of management in order to establish a healthy corporate governance structure.

Basic Approach

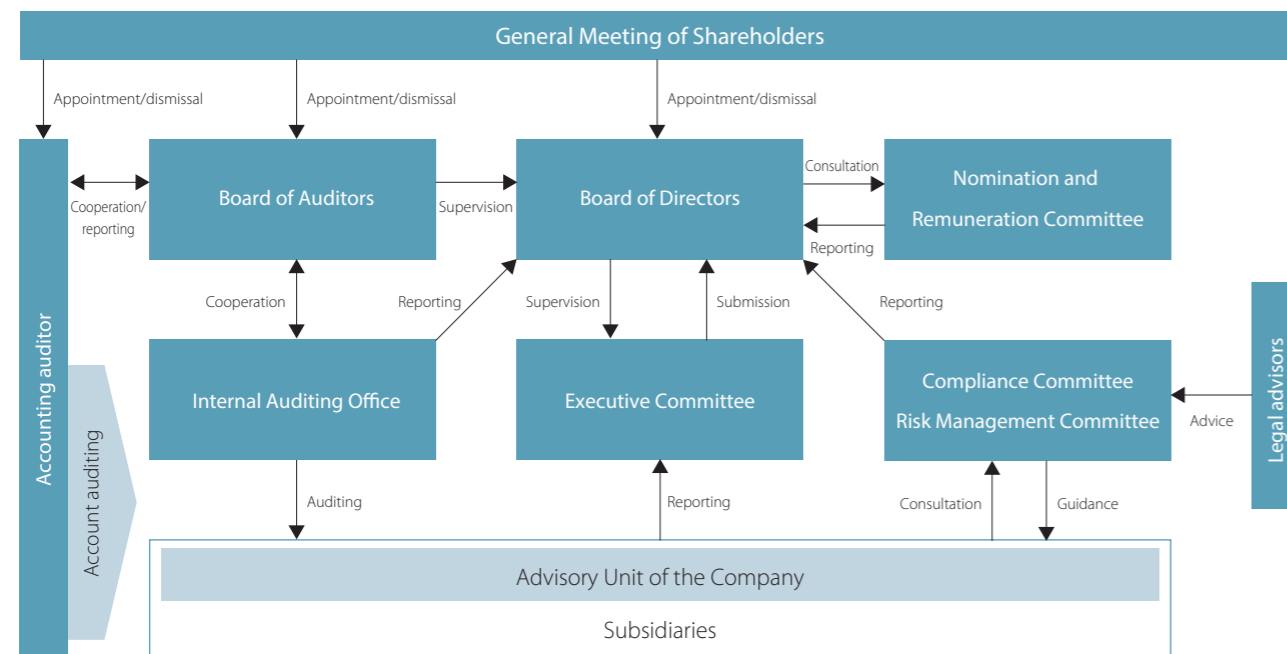
The AOKI Group Philosophy is based on the three pillars of business integrity, social responsibility, and community service. We recognize the importance of corporate governance in pursuing this philosophy and increasing medium- to long-term corporate value. Our basic approach is to strengthen the administrative organization to increase the transparency and fairness of management and put sound and efficient management into practice. We are also working to further enhance corporate governance by improving the internal control system, which includes reviewing the

organization and reinforcing the risk management structure, as well as by engaging in appropriate information disclosure, ensuring the rights of shareholders, engaging in dialogue with shareholders, and appropriately cooperating with other stakeholders. By increasing corporate value through the pursuit of the three pillars of the AOKI Group Philosophy, we will meet the expectations of our shareholders and other stakeholders.

Corporate Governance Structure

We are a company with a board of auditors. To ensure objectivity and neutrality, we elect auditors who are thoroughly familiar with finance and accounting as certified public accountants/certified tax accountants and experienced external auditors. We have adopted a system wherein they supervise the Board of Directors and manage legal compliance and risk by coordinating with the Internal Auditing Office, each committee, legal advisors, and the accounting auditor. Additionally, they supervise the execution of the directors' duties, with one standing auditor attending important meetings. The Board of Directors is comprised of 13 directors, including two external directors. They have monthly and extraordinary meetings,

while the Executive Committee, which includes presidents of subsidiaries and standing auditors, meets monthly. They decide important matters, report on management issues, and exchange information. We have also introduced an executive officer system to expedite management decision-making. In April 2019, we established a Nomination and Remuneration Committee to further increase the fairness and transparency of officer elections and determination of officer remuneration. The committee is chaired by an external director, and it consists of five members, including external directors, external auditors, and two directors.



The Compliance Committee reviews compliance-related issues, while a legal consultation is held monthly to discuss individual matters with legal advisors. Furthermore, rules and manuals are prepared as necessary to strengthen the Group's internal control system, and workshops and other training sessions are held for employees to raise awareness of the system.

The Risk Management Committee evaluates anticipated risks to the Group and deliberates measures to address them. It puts together Basic Risk Management Guidelines and regularly reviews the content.

External Director/Auditor Support Structure

Auditors may give orders to employees of the Administrative Office on important matters related to audit operations as necessary. Additionally, the external director who is a certified public accountant takes advantage of his specialist knowledge and many years of experience to provide advice, share opinions, and gather information at meetings of the Board of Directors and the Executive Committee as well as weekly group report meetings attended by presidents of subsidiaries and other important meetings. The other external director and an external auditor are directly provided with explanations of important agenda items prior to meetings of the Board of Directors and otherwise kept up to date.



Matters Concerning External Officers

Classification	Name	Attendance and Main Activities in the Fiscal Year Ended March 2020	
Director	Minoru Inagaki	Board of Directors meetings 91.7% (11 out of 12)	Minoru Inagaki attended Board of Directors meetings and other important meetings as necessary, supervising management and providing appropriate comments for sound management from his professional standpoint as a certified public accountant.
Director	Yoko Ohara	Board of Directors meetings 91.7% (11 out of 12)	Yoko Ohara attended Board of Directors meetings and other important meetings as necessary, supervising management and providing appropriate comments for sound management based on her extensive knowledge and experience related to the fashion industry and her experience in corporate management.
Auditor	Kazumasa Watanabe	Board of Directors meetings 91.7% (11 out of 12) Board of Auditors meetings 91.7% (11 out of 12)	Kazumasa Watanabe asked the necessary questions for discussing proposals and provided appropriate comments at meetings of the Board of Directors and Board of Auditors based on his extensive experience.
Auditor	Toshio Hotchi	Board of Directors meetings 100% (12 out of 12) Board of Auditors meetings 100% (12 out of 12)	Toshio Hotchi asked the necessary questions for discussing proposals and provided appropriate comments based on his extensive experience and from his professional standpoint as a certified public accountant at meetings of the Board of Directors and Board of Auditors.

For further details on our corporate governance, see the Corporate Governance page on our website.

<https://ir.aoki-hd.co.jp/en/corporate/governance.html>

Corporate Overview (As of March 31, 2020)

Company name
AOKI Holdings Inc.

Business description
Management and administration of group companies and related operations

Established
August 21, 1976

Capital
¥23,282 million

Number of employees (consolidated)
4,010 (6,056)
The number in parenthesis indicates the number of contract and part-time workers (yearly average), calculated based on an eight-hour workday for each employee.

Officers (As of June 26, 2020)

Chairman and Representative Director Hironori Aoki	Managing Director Terumitsu Noguchi	Senior Managing Executive Officer Hachiro Hasegawa
Vice Chairman and Representative Director Takahisa Aoki	Managing Director Hidekazu Azuma	Senior Managing Executive Officer Noriaki Shimaya
President and Representative Director Akihiro Aoki	External Director Minoru Inagaki	Senior Managing Executive Officer Michimasa Maki
Executive Vice President Haruo Tamura	External Director Yoko Ohara	Managing Executive Officer Tomoki Yanagi
Executive Vice President Akira Shimizu	Standing Auditor Hiroshi Kurita	Managing Executive Officer Kunihiko Tomita
Managing Director Masamitsu Aoki	Auditor Kenji Nakamura	Managing Executive Officer Kazuya Mitsuhashi
Managing Director Wataru Araki	External Auditor Kazumasa Watanabe	Executive Officer Michiaki Odagiri
Managing Director Norio Terui	External Auditor Toshio Hotchi	Executive Officer Noboru Tachihara
Managing Director Keita Nagemoto		Executive Officer Chinatsu Hatanaka

Stock Information (As of March 31, 2020)

Shares

Total number of authorized shares
133,679,900

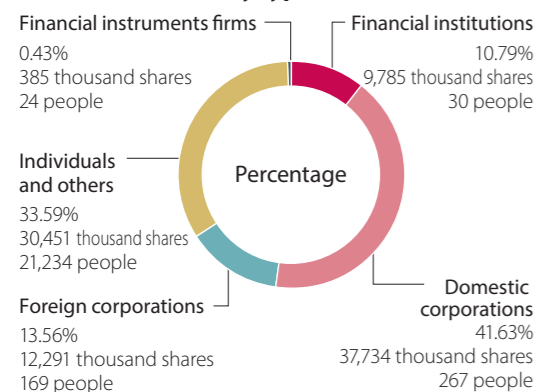
Total number of outstanding shares
90,649,504
(Including 5,974,058 treasury shares)

Number of shareholders
21,724

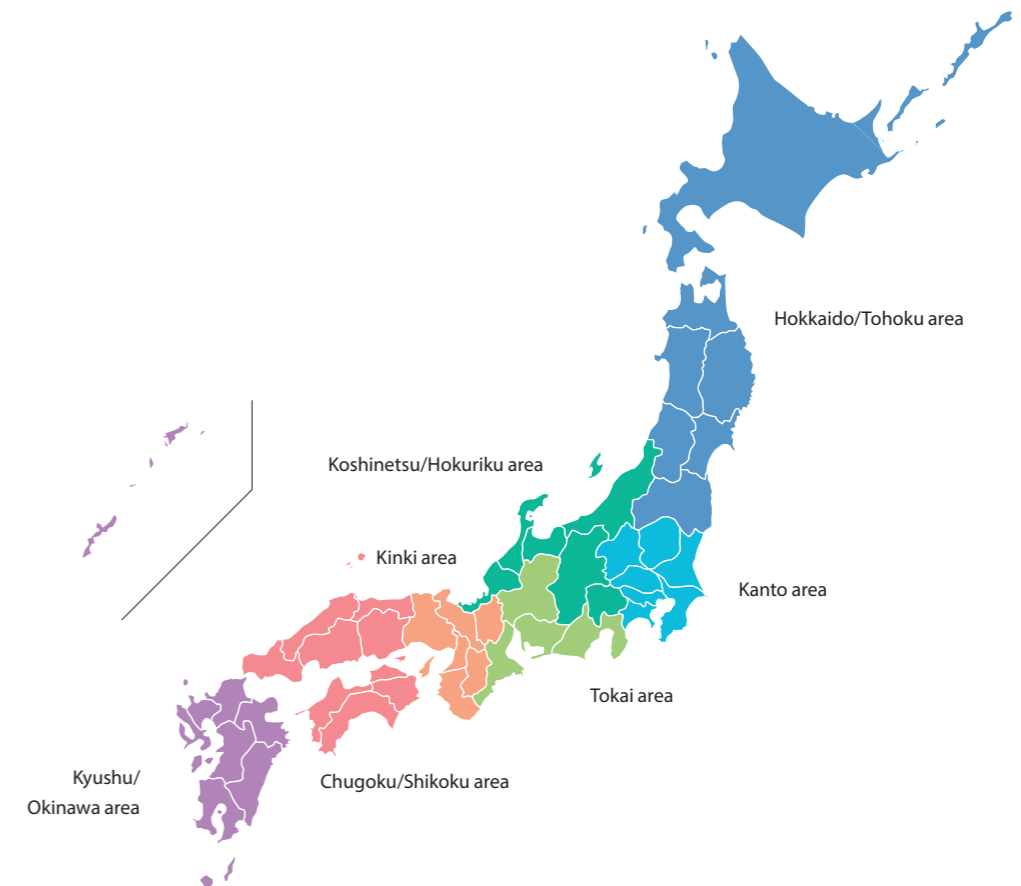
Major shareholders (top 10)

Shareholder name	Number of shares (thousands)	Percentage (%)
ANNIVERSAIRE HOLDINGS INC.	32,515	38.39
The Master Trust Bank of Japan, Ltd. (trust account)	2,632	3.10
Takahisa Aoki	2,574	3.04
Hironori Aoki	2,573	3.03
Akihiro Aoki	2,571	3.03
Masamitsu Aoki	2,564	3.02
AOKI Holdings Insurance Federation of Agricultural Cooperatives	2,304	2.72
Japan Trustee Services Bank, Ltd. (trust account 9)	1,885	2.22
Japan Trustee Services Bank, Ltd. (trust account)	1,772	2.09
AOKI Holdings Employee Stock Ownership Associations	1,642	1.93

Share distribution by type of shareholders



Number of stores/locations by area (As of March 31, 2020)



	Hokkaido/Tohoku	Kanto	Koshinetsu/Hokuriku	Tokai	Kinki	Chugoku/Shikoku	Kyushu/Okinawa	Total
Fashion	53	298	59	106	82	5	35	638
Anniversaire and Bridal	0	8	1	1	3	0	0	13
Entertainment	57	239	59	84	89	33	41	602
Total	110	545	119	191	174	38	76	1,253

Inquiries

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<https://www.aoki-hd.co.jp/en/>

Inquiry Form (in Japanese only)

<https://support.aoki-style.com/holdingscontact?company=holdings>