

# Enriching people’s lives

The starting point is the desire from our founding to make it possible for businesspersons 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.

## 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.

INDEX

**Profile**

- 01 Concept
- 03 Group Overview
- 07 Our Journey of Value Creation
- 09 Financial and Non-financial Highlights

**Growth Strategy**

- 11 Message from the Chairman
- 13 Message from the President
- 17 Initiatives to Reinforce the Governance and Compliance Framework
- 19 Value Creation Model

**Business Overview**

- 21 Highlights
- 23 Fashion Business
- 25 Anniversaire and Bridal Business
- 27 Entertainment Business

**Sustainability**

- 29 Sustainability Vision
- 30 AOKI Group Philosophy and Approach to Sustainability
- 31 Materiality and KPIs
- 33 Environment

- 35 Social
- 37 Governance
- 39 Directors and Audit and Supervisory Committee Members
- 41 Corporate Information

Editorial Policy

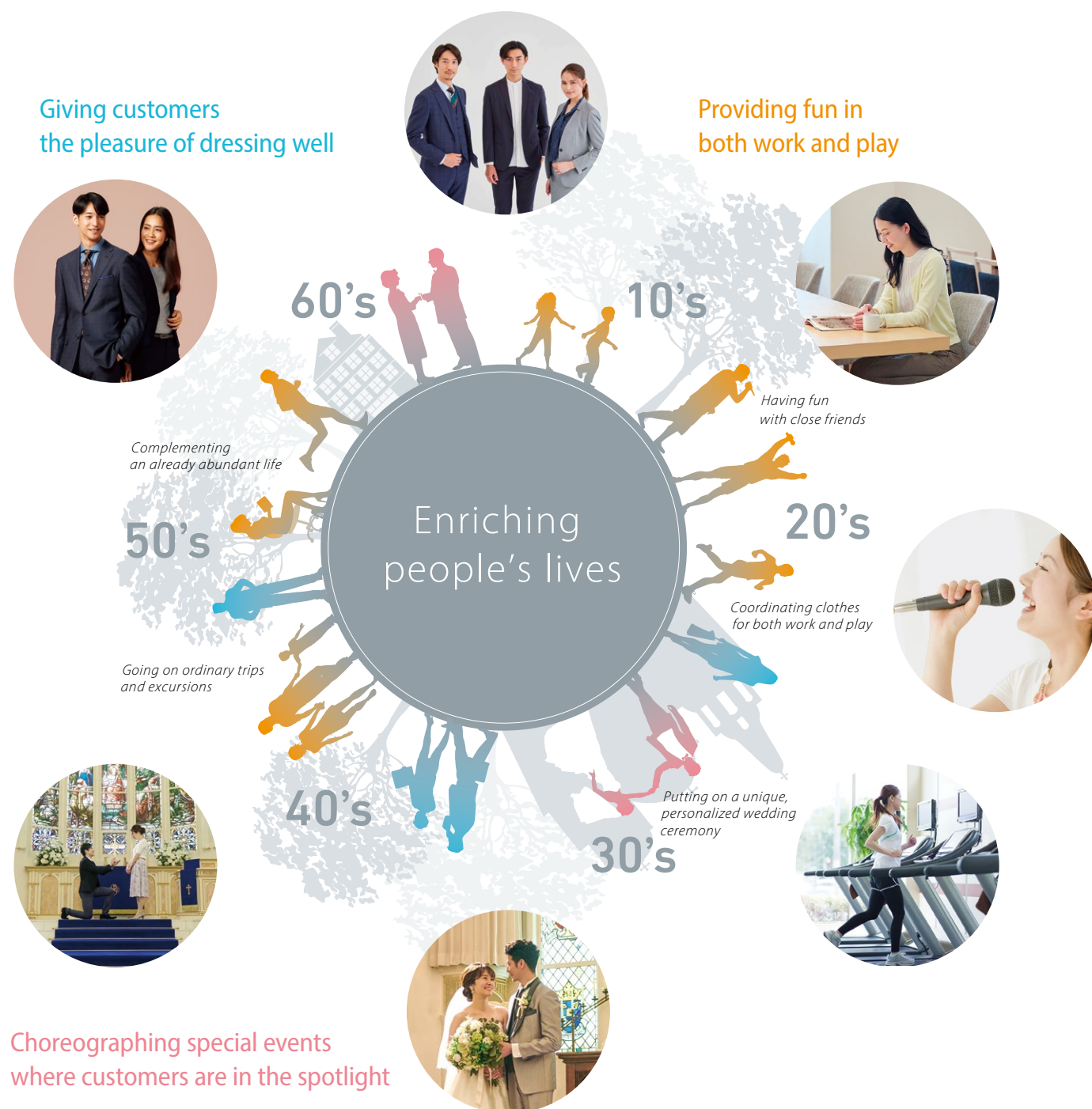
The Integrated Report 2023 provides business results and financial information for the AOKI Group and includes our approach to resolving social issues through business activities and achieving sustainable growth through environmental, social and governance (ESG) activities. We hope that our shareholders, investors and other stakeholders will use it to better understand the AOKI Group.  
Scope: AOKI Holdings and its six consolidated subsidiaries (RUNSYSTEM CO., LTD. became a subsidiary in June 2022)  
Period: April 1, 2022 to March 31, 2023  
Also includes some content from after April 1, 2023.

# Profile

## Group Overview

### Who is the AOKI Group?

## Enriching people's lives in a variety of occasions



## Fashion Business



We aim to have our business format evolve as "LIFE&WORK STYLE AOKI" to meet the needs of the new era.

### Characteristics of AOKI



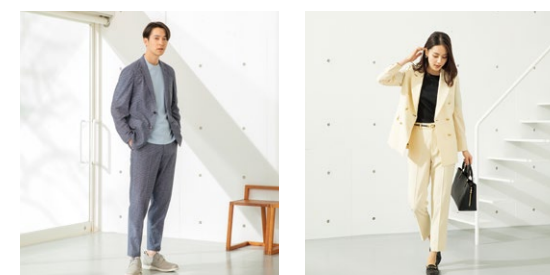
#### Customer service The first apparel retailer to introduce a stylist system

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 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 developing stores in city centers and near train stations, including shopping centers and malls, other buildings, and shopping streets. We are operating our Size MAX specialty stores for larger sizes both as stand-alone stores and within some AOKI stores.



#### Merchandise A large selection of products that encompass a broad spectrum of needs of customers and of the age

We develop products in line with the trends of the times, and based on customer feedback. We have created products that can be worn both at work and at play, such as "Pajamas Suit®" to suit new lifestyles, as well as "MeWORK" project products to support working women.

### Characteristics of 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. The customer service experience is shared company-wide with employees at each store, with this leading to higher customer satisfaction.



#### 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. Led by a British creative director, the brand has earned the loyalty of fashion-conscious customers.



# Anniversaire and Bridal Business

We offer proposals for weddings and receptions to meet increasingly diversified wedding styles and needs, and are developing our business based around “anniversaries.”

ANNIVERSAIRE

## Characteristics of Bridal Business



**Wedding halls** 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. We have 10 wedding halls, including ANNIVERSAIRE MINATO MIRAI YOKOHAMA, one of the largest wedding halls in Japan.

## 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** 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.



**Style** Complete services for that special day

Our anniversary business is designed to become a part of our customers’ lives. Along with producing the perfect proposal, we offer anniversary businesses to improve customers’ lives both before and after the wedding ceremony—this includes providing anniversary restaurant services for customers who used ANNIVERSAIRE wedding halls for their wedding, along with offering special discount coupons.

# Entertainment Business

We aim to improve the business in response to the times, and help our customers achieve a life of relaxation and vitality.



## Characteristics of KAIKATSU CLUB



**Characteristics** Providing time for both work and play

Nationwide members-only café complexes are where members can spend time as they wish. Their usage is expanding beyond just for relaxation during time off, to also include teleworking and study.

**Services** Diverse content suited to all kinds of situations

As well as fully private rooms with locks—popular for meetings due to their high confidentiality—these also feature a range of seating types and content such as booths, karaoke, and darts to satisfy a range of needs. Content here is constantly being updated, from comic books through to videos and study materials.

## Characteristics of Fit24



**Characteristics** A 24-hour fitness gym providing for every need

Staff are on hand to provide assistance whenever needed so even beginners feel at home. Easy-to-understand descriptions of how to use the machines and training menus for different objectives have also been prepared. The spacious settings allow better concentration on training and have proven popular among intermediate and advanced users.

**Services** An array of amenities

Shampoo and body wash are provided in the shower rooms, so users do not have to bring their own. Hair dryers are also available for use.

## Characteristics of 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.

## Features of RUNSYSTEM



**Characteristics** Operating the Space Create Jiyu Kukan café complex nationwide

In 2022, the AOKI Group including RUNSYSTEM worked together to operate the Space Create Jiyu Kukan café complex directly and through franchises nationwide. This is also achieving efficiencies in store operations by introducing systems for unmanned and remote customer services. Going forward, we believe that maximizing synergies through collaborations with KAIKATSU CLUB, COTE D’AZUR, and Fit24 will accelerate business development in evolved business categories such as new content development and improvements to store efficiencies.

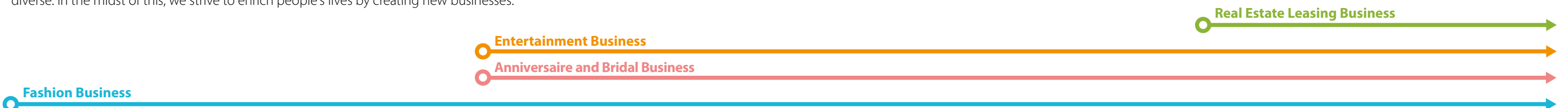
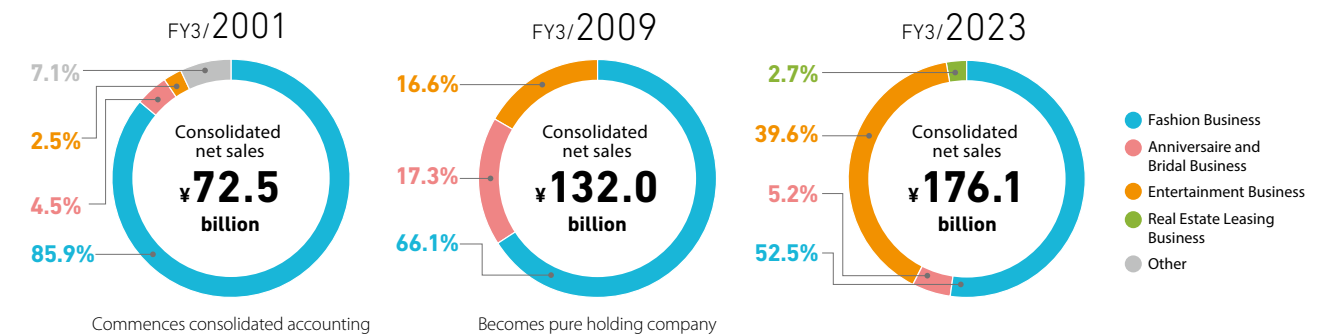


# Profile

## Our Journey of Value Creation

### 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 65 years that have passed, the times have changed, and values and lifestyles have grown more diverse. In the midst of this, we strive to enrich people's lives by creating new businesses.



**1958**  
Founding

**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



**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

**1996**  
Wool recycling system is developed



**1998**  
Anniversaire and Bridal Business is launched  
**ANNIVERSAIRE OMOTESANDO is opened**



**1998**  
Entertainment Business is launched  
**First COTE D'AZUR karaoke facility 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 Holdings transitions to a pure holding company structure

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




**2013**  
Group reaches 1,000 stores


**2014**  
Flagship ANNIVERSAIRE MINATO MIRAI YOKOHAMA is opened



**2018**  
Construction of new head office is completed



**2019**  
First FiT24 24/7 fitness gym is opened



**2019**  
Real Estate Leasing Business is launched

**2020**  
Pajamas Suit® is planned and designed



**2020**  
New wedding style is proposed

**2022**  
Transferred to Tokyo Stock Exchange Prime Market

**2022**  
Capital and business alliance is entered into with RUNSYSTEM CO., LTD., which becomes AOKI Holdings subsidiary



**2022**  
Indoor golf is fully launched



## 1958~

### Creating a manufacturing and retail model, and rolling out a 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, including bridal and entertainment, in the late 1990s when people's interests shifted from the tangible to the intangible.

## 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 changed, we pursued enhanced mobility and greater efficiency in order to provide valuable products and services.

## 2020~

### Creating new value according to the new normal

We will create new value according to the new normal. This will include planning and improving products corresponding to changes in business styles, strengthening online customer service, proposing new wedding styles, and introducing various content and new services.

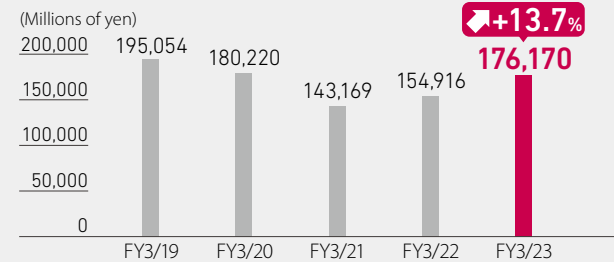


# Profile

## Financial and Non-financial Highlights

### Financial

#### Net sales

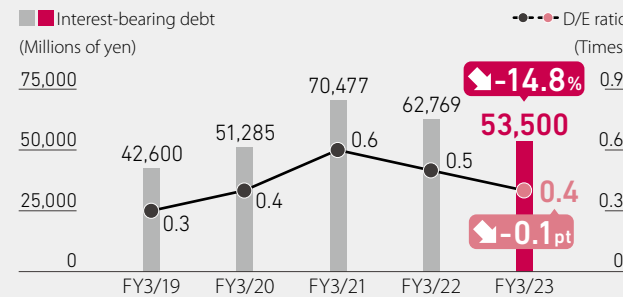


\*Starting in the fiscal year ended March 31, 2020, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Figures for the fiscal year ended March 31, 2019 reflect this reclassification.  
 \*The accounting standard for revenue recognition has not been retroactively applied to figures before the fiscal year ended March 31, 2021.  
 \*This figure includes results from the consolidated second quarter of fiscal 2022 due to the subsidiary acquisition of RUNSYSTEM CO., LTD. in June 2022.

#### Operating profit (loss) and operating margin

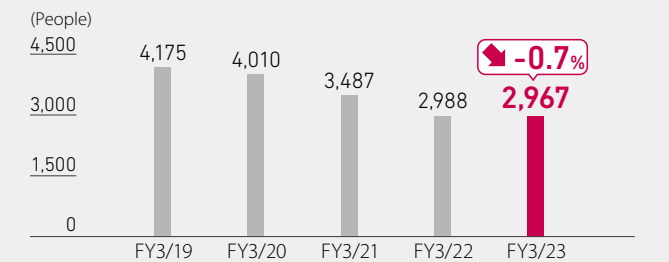


#### Interest-bearing debt and debt-to-equity ratio (D/E ratio)

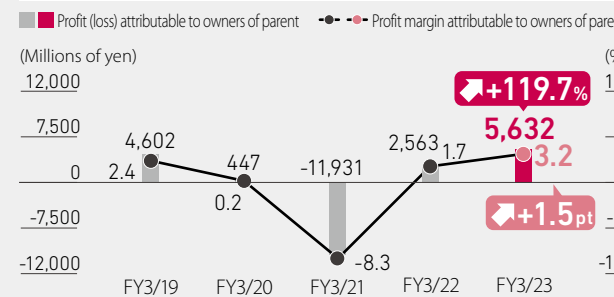


### Non-financial (results for fiscal year ended March 31, 2023 include RUNSYSTEM CO., LTD.)

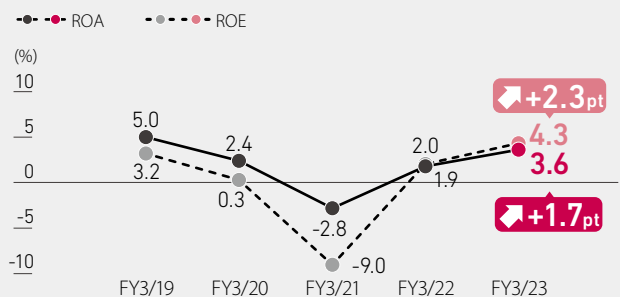
#### Number of full-time employees



#### Profit (loss) attributable to owners of parent and profit margin attributable to owners of parent



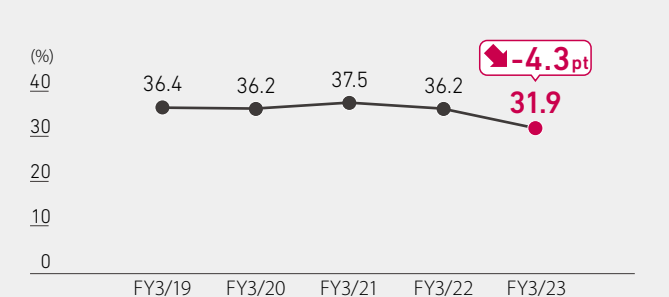
#### Return on assets (ROA) / Return on equity (ROE)



#### Net assets and equity ratio



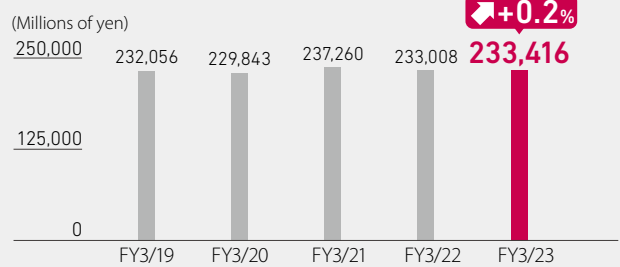
#### Ratio of female employees



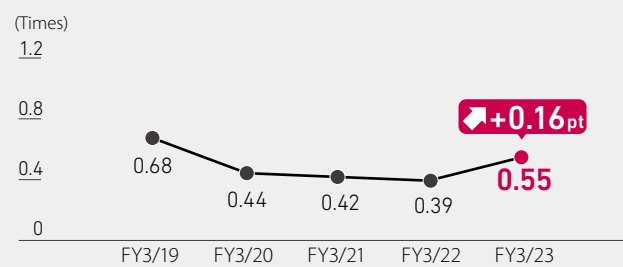
#### Return on invested capital (ROIC)



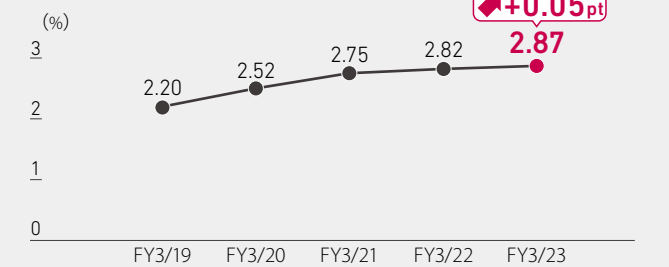
#### Total assets



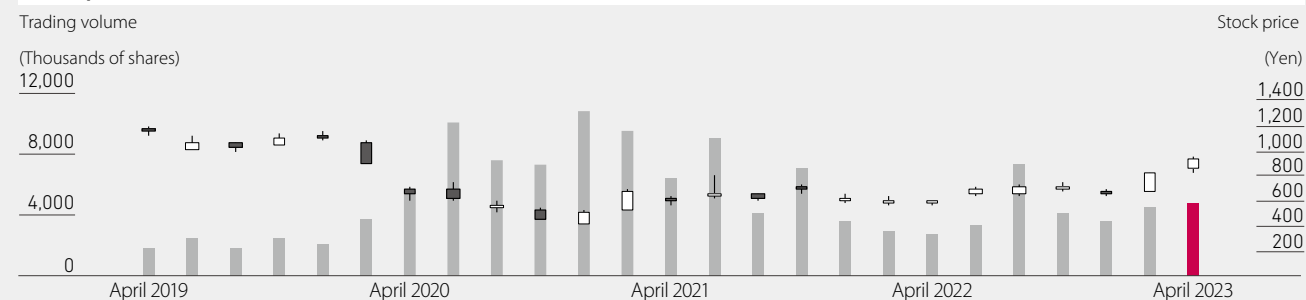
#### Price book-value ratio (PBR)



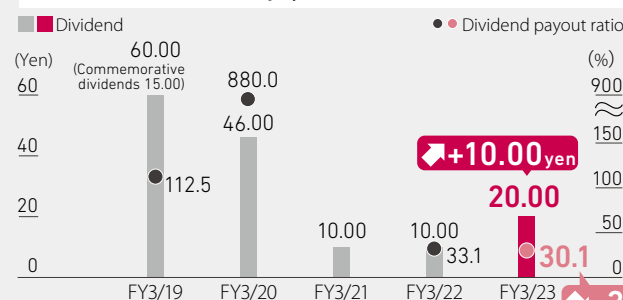
#### Percentage of employees with disabilities



#### Stock price transition



#### Dividends and dividend payout ratio



#### Number of stores / locations

