

**First Quarter Financial Results  
for the Fiscal Ending March 31, 2019  
Supplementary Materials**

---

**August 3, 2018**

**AOKI Holdings Inc.**

# FY3/19 1Q Consolidated Financial Highlights

**Decrease in sales at existing stores in the Fashion Business, Bridal Business, and Karaoke Facility Operations Business, resulting in lower sales and profits**

## ■ Fashion Business

- ◆ Decrease in existing-store sales : -3.3% YoY
- ◆ AOKI: closed 2 stores
- ◆ ORIHICA: opened 2 stores and closed 1 store

## ■ Anniversaire and Bridal Business

- ◆ Decrease in the number of couples married: -4.0% YoY
- ◆ Decrease in sales per couple: -1.3% YoY

## ■ Karaoke Facility Operations Business

- ◆ Decrease in existing-store sales : -0.7% YoY
- ◆ 7 karaoke facilities were closed for conversion into a café complex

## ■ Café Complex Operations Business

- ◆ Increase in existing-store sales : +3.1% YoY
- ◆ New-store openings : 1

# Consolidated Profit and Loss

(Millions of yen)

Account/Period	Three months of FY3/18	Three months of FY3/19	Change	YoY %	Major Components
Sales	46,254	44,834	-1,420	96.9	Mainly decrease in existing-store sales at the Fashion Businesses
Gross profit Gross profit margin	19,316 41.8%	18,360 41.0%	-956 -0.8pt	95.1	Lower in Fashion Business by 0.4pt
Selling, general and administrative expenses	18,402	17,720	-681	96.3	Fashion Business:-3.3% YoY
Operating profit Operating margin	914 2.0%	640 1.4%	-274 -0.6pt	70.0	Decrease Sales and Lower Gross Profit margin
Non-operating profit	239	231	-7	97.0	
Non-operating expenses	291	706	415	142.5	Mainly loss on disposal of fixed assets
Ordinary income	862	165	-696	19.2	
Extraordinary gains	-	7	7	-	
Extraordinary losses	197	643	445	225.2	Mainly impairment losses
Profit attributable to owners of parent	325	-296	-622	-	

◆ Depreciation: ¥2,056 million (including lease assets of ¥441 million)

◆ First quarter YoY existing-store sales: -3.3% for Fashion, -0.7% for Karaoke, +3.1% for Café Complex

# Sales and Operating Profit by Business Segment

[Sales by business segment]

(Millions of yen)

Business Segment	Three months of FY3/18	Three months of FY3/19	Change	YoY %	Major Components
<b>Total</b>	46,254	44,834	-1,420	96.9	
Fashion	27,169	25,852	-1,317	95.2	Lower sales at existing stores
Anniversaire and Bridal	6,902	6,553	-349	94.9	Decrease in the number of couples married
Entertainment (Total)	12,186	12,440	253	102.1	
(of which) Karaoke	4,203	3,973	-229	94.5	Lower sales at existing facilities
(of which) Café Complex	7,983	8,466	482	106.1	Higher sales at existing facilities

[Operating profit by business segment]

(Millions of yen)

Business Segment	Three months of FY3/18	Three months of FY3/19	Change	YoY %	Major Components
<b>Total</b>	914	640	-274	70.0	
Fashion	157	-215	-372	-	Lower sales at existing stores
Anniversaire and Bridal	640	417	-223	65.1	Decrease in the number of couples married
Entertainment (Total)	-102	185	287	-	
(of which) Karaoke	-192	-202	-9	-	
(of which) Café Complex	89	387	297	432.3	Higher sales at existing facilities

# Number of Stores Opened/Closed

(Millions of yen excluding number of stores)

Business Segment	Stores/Facilities	Three months of FY3/18			Three months of FY3/19		
		Number of Stores	Opened	Closed	Number of Stores	Opened	Closed
Fashion	AOKI	575	7	5	573	-	1
	ORIHICA	147	2	-	137	2	2
Anniversaire and Bridal	ANNIVERSAIRE	14	-	-	14	-	-
Karaoke	COTE D'AZUR	184	2	3	165	-	7
Café Complex	KAIKATSU CLUB, other*	355	10	1	359	1	1
<b>Total</b>		<b>1,275</b>	<b>21</b>	<b>9</b>	<b>1,248</b>	<b>3</b>	<b>11</b>
<b>Capital Expenditures</b>		<b>3,069</b>			<b>2,497</b>		

\*Includes KAIKATSU FITNESS CLUB

(Millions of yen)

Capital Expenditures	Three months of FY3/18	Three months of FY3/19
Fashion	569	370
Anniversaire and Bridal	46	40
Karaoke	523	127
Café Complex	1,929	995
<b>Consolidated Total</b>	<b>3,069</b>	<b>2,497</b>

# Reference:First Quarter of FY3/19 Consolidated Business Results

(Millions of yen unless otherwise stated)

	Three months of FY3/18 Results	%	Three months of FY3/19 Results	%	YoY change	YoY %
<b>Sales</b>	46,254	100.0	44,834	100.0	-1,420	96.9
Fashion	27,169	100.0	25,852	100.0	-1,317	95.2
Anniversaire/Bridal	6,902	100.0	6,553	100.0	-349	94.9
Karaoke	4,203	100.0	3,973	100.0	-229	94.5
Café Complex	7,983	100.0	8,466	100.0	482	106.1
<b>Gross profit</b>	19,316	41.8	18,360	41.0	-956	95.1
Fashion	15,986	58.8	15,098	58.4	-887	94.4
Anniversaire/Bridal	1,986	28.8	1,806	27.6	-179	91.0
Karaoke	324	7.7	259	6.5	-64	80.2
Café Complex	923	11.6	1,091	12.9	168	118.2
<b>SG&amp;A expenses</b>	18,402	39.8	17,720	39.5	-681	96.3
Fashion	15,828	58.3	15,313	59.2	-515	96.7
Anniversaire/Bridal	1,345	19.5	1,389	21.2	44	103.3
Karaoke	516	12.3	462	11.6	-54	89.5
Café Complex	833	10.4	703	8.3	-129	84.4
<b>Operating profit</b>	914	2.0	640	1.4	-274	70.0
Fashion	157	0.6	-215	-	-372	-
Anniversaire/Bridal	640	9.3	417	6.4	-223	65.1
Karaoke	-192	-	-202	-	-9	-
Café Complex	89	1.1	387	4.6	297	432.3
<b>Ordinary income</b>	862	1.9	165	0.4	-696	19.2
<b>Profit(loss) attributable to owners of parent</b>	325	0.7	-296	-	-622	-

# Reference: First Quarter of FY3/19 Major Expenses

## SG&A expenses

(Millions of yen unless otherwise stated)

	Three months of FY3/18 Results					Three months of FY3/19 Results									
	Total	Fashion	Anniversaire/ Bridal	Karaoke	Café Complex	Total	Fashion		Anniversaire/ Bridal		Karaoke		Café Complex		
							YoY %	YoY %	YoY %	YoY %	YoY %	YoY %			
<b>Advertising expenses</b>	3,489	2,779	448	149	77	3,479	99.7	2,815	101.3	457	102.2	114	76.6	59	76.8
<b>Personnel expenses</b>	6,786	5,414	364	212	463	6,540	96.4	5,228	96.6	360	98.9	196	92.7	396	85.4
<b>Rents</b>	3,836	3,895	5	7	15	3,706	96.6	3,758	96.5	5	103.4	7	97.0	16	103.7
<b>Depreciation</b>	857	675	26	13	12	844	98.5	695	102.9	25	99.1	10	73.6	12	97.9

Note: The sum of the business segment items does not match the total because the total includes expenses of AOKI Holdings Inc. and inter-segment eliminations.

## Major expenses included in cost of sales

(Millions of yen unless otherwise stated)

	Three months of FY3/18 Results			Three months of FY3/19 Results					
	Anniversaire/ Bridal	Karaoke	Café Complex	Anniversaire/ Bridal		Karaoke		Café Complex	
				YoY %	YoY %	YoY %	YoY %		
<b>Personnel expenses</b>	1,212	1,219	2,361	1,205	99.4	1,180	96.8	2,470	104.6
<b>Rents</b>	496	1,085	1,519	512	103.2	982	90.5	1,323	87.1
<b>Depreciation</b>	372	281	536	333	89.5	272	97.1	572	106.8

Note: The ANNIVERSAIRE/Bridal, Karaoke, and Cafe Complex businesses include the above-stated expenses in cost of sales, in addition to the SG&A expenses in the upper table.

## Reference: First Quarter of FY3/19 Fashion Business Performance

### (1) Change in existing-store sales, number of customers and sales per customer at existing stores

(%)

		1Q Results	1Q Forecast	2Q Forecast	First half Forecast	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/19	-3.3	0.5	1.6	0.9	1.0	1.9	1.5	1.3
	FY3/18 (Results)	-4.9	-	3.4	-1.8	-0.5	0.1	-0.2	-0.8
Number of customers	FY3/19	-5.9	-3.3	-2.1	-2.9	-1.1	-0.4	-0.8	-1.8
	FY3/18 (Results)	-10.9	-	-0.4	-7.1	-7.9	-1.2	-4.5	-5.7
Sales per customer	FY3/19	2.7	3.9	3.8	3.9	2.2	2.3	2.3	3.1
	FY3/18 (Results)	6.7	-	3.8	5.7	8.0	1.3	4.5	5.2

### (2) Number of units sold and unit prices of suits

		1Q	YoY %	First half	YoY %	Second half	YoY %	Full year	YoY %
Number of units sold (in ten thousands)	FY3/19	25.9	92.4						
	FY3/18	28.0	91.5	44.6	97.1	85.0	97.3	129.6	97.2
Unit price (thousands of yen)	FY3/19	26.0	100.4						
	FY3/18	25.9	104.0	25.8	102.0	26.1	99.6	26.1	100.0



# Reference: First Quarter of FY3/19 Fashion Business Performance

## (3) Sales by category

(Millions of yen unless otherwise stated)

	Three months of FY3/18 Results	%	Three months of FY3/19 Results	%	YoY change	YoY %
Heavy clothing	10,108	37.2	9,571	37.0	-537	94.7
Medium clothing	3,336	12.3	3,105	12.0	-231	93.1
Light clothing	8,846	32.5	8,368	32.3	-478	94.6
Ladies' clothing	4,147	15.3	4,097	15.9	-50	98.8
Other	730	2.7	711	2.8	-19	97.4
<b>Total</b>	<b>27,169</b>	<b>100.0</b>	<b>25,852</b>	<b>100.0</b>	<b>-1,317</b>	<b>95.2</b>

Definition:

Heavy clothing:	Suit, formal wear, coat
Medium clothing:	Jacket, slacks
Light clothing:	Shirt, tie, casual wear, clothing accessories, etc.
Other:	Alteration, etc.

## Reference: First Quarter of FY3/19 Entertainment Business Performance

### (1) Karaoke facility operations:

Change in existing-store sales, number of customers and sales per customer at existing stores

(%)

		1Q Results	1Q Forecast	2Q Forecast	First half Forecast	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/19	-0.7	-0.3	0.2	0.0	0.1	3.2	1.6	0.8
	FY3/18 (Results)	-1.6	-	0.4	-0.5	0.5	-2.0	-0.7	-0.6
Number of customers	FY3/19	3.9	0.0	0.2	0.1	0.1	2.2	1.1	0.6
	FY3/18 (Results)	0.8	-	4.0	2.5	1.7	-1.2	0.3	1.4
Sales per customer	FY3/19	-4.5	-0.3	0.0	-0.1	0.0	1.0	0.4	0.2
	FY3/18 (Results)	-2.4	-	-3.5	-2.9	-1.2	-0.7	-0.9	-1.9

### (2) Café complex operations:

Change in existing-store sales, number of customers and sales per customer at existing stores

(%)

		1Q Results	1Q Forecast	2Q Forecast	First half Forecast	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/19	3.1	0.0	0.4	0.2	0.2	2.8	1.5	0.8
	FY3/18 (Results)	0.4	-	2.7	1.6	0.9	-1.8	-0.4	0.6
Number of customers	FY3/19	2.5	-0.4	-0.2	-0.3	0.1	2.8	1.5	0.6
	FY3/18 (Results)	-0.7	-	0.8	0.1	-1.2	-3.9	-2.5	-1.2
Sales per customer	FY3/19	0.7	0.4	0.6	0.5	0.0	0.1	0.0	0.3
	FY3/18 (Results)	1.0	-	1.9	1.5	2.1	2.2	2.1	1.8