



# Performance Briefing

for the First Half of the Fiscal Year Ending March 31, 2020

November 22, 2019  
AOKI Holdings Inc.



ANNIVERSAIRE



# Contents

<b>AOKI Group's Business Portfolio Management</b>	<b>3</b>	<b>Anniversaire and Bridal Business Performance and Forecast</b>	<b>28</b>
Business Portfolio Comprised of Three Segments	4	First Half of FY3/20 Review of Operations	29
First Half of FY3/20 Financial Highlights	5	FY3/20 Full-year Forecast	30
FY3/20 Earnings Forecast	7	FY3/20 Initiatives	31
A Business Portfolio Structured for Sustained Growth	8	<b>Entertainment Business Performance and Forecast</b>	<b>32</b>
Shareholder Returns: Basic Policy, Dividend Forecast and Stock Repurchases	10	FY3/20 Initiatives	33
ESG (Environmental, Social and Governance) Initiatives	11	First Half of FY3/20 Review of Operations	35
<b>First Half of FY3/20 Review of Operations</b>	<b>12</b>	FY3/20 Full-year Forecast	37
Major Changes in Consolidated Profit and Loss	13	Growth Initiatives	38
Major Changes in Sales and Operating Profit by Business Segment	14	<b>Supplementary Documents</b>	<b>39</b>
Major Changes in Consolidated Balance Sheet	15	First Half of FY3/20 Consolidated Business Results	40
Major Changes in Consolidated Statement of Cash Flows	16	First Half of FY3/20 Major Expenses	41
Number of Stores Opened/Closed	17	FY3/20 Consolidated Forecast	42
<b>FY3/20 Earnings Forecast</b>	<b>18</b>	FY3/20 Major Expenses Forecast	43
Consolidated Forecast	19	Reference: First Half of FY3/20 Fashion Business Performance	44
Forecast for Sales and Operating Profit by Business Segment	20	Reference: FY3/20 Fashion Business Outlook	47
Outlook for Store Openings/Closings	21	Reference: First Half of FY3/20 Entertainment Business Performance	48
<b>Fashion Business Performance and Forecast</b>	<b>22</b>	Reference: FY3/20 Entertainment Business Outlook	52
First Half of FY3/20 Review of Operations	23		
Second Half of FY3/20 Initiatives	26		
FY3/20 Full-year Forecast	27		

# **AOKI Group's Business Portfolio Management**

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# Business Portfolio Comprised of Three Segments

## Fashion Business

### "Pleasure of dressing well"

The AOKI Group's founding business. Suits are the key item in this business, but we also provide casual wear and women's wear to enrich the fashion lives of our customers both at work and outside of work.

#### AOKI



Chain of primarily roadside stores, although we have also recently begun to focus on opening stores in central Tokyo, shopping centers and malls. Features carefully planned products and stylists with highly-specialized knowledge that offer total coordination to customers.

#### ORIHICA



Chain of stores primarily in shopping centers. Offer new "business" and "business-to-casual" styles targeting men and women in their 20s to 40s.

#### Aoki Tokyo



Launched in March 2019, these urban stores specialize in order-made apparel mainly for men in their 20s to 30s.

*Fashion*

## Anniversaire and Bridal Business

### Choreographing special events where customers are in the spotlight

Choreographs weddings –and "guesthouse" weddings in particular– to ensure customers shine on the most important day of their lives.

#### ANNIVERSAIRE OMOTESANDO



Completed in 1998 based on the concept of "anniversary." Located in the center of the Omotesando district and has a chapel, space for parties, and a Paris-style café. Well-known for hosting the weddings of the famous, has become one of the top brands for weddings.

#### ANNIVERSAIRE



Guesthouse wedding facility with a European style chapel and garden filled with flowers and greenery. The Group operates 13 such facilities nationwide. These facilities are our answer to customers who want a unique wedding that reflects their individuality. In February 2014, flagship MINATO MIRAI YOKOHAMA was opened.

*Bridal*

## Entertainment Business

### Offering entertainment and relaxation

Provides customers opportunities for rest, relaxation and entertainment in a variety of welcoming environments. Café complex "KAIKATSU CLUB" boasts top sales in industry.

#### Café Complex: KAIKATSU CLUB



Café complex, modeled after the island of Bali, that provides a relaxing and rejuvenating environment for those who want to quietly rest or those who just want a change of pace.

#### Karaoke Facility: COTE D'AZUR



Karaoke party space, modeled after the luxury resort area COTE D'AZUR in south France, that provides a refreshing and relaxing atmosphere filled with song and conversation. It offers pleasurable moments for people's everyday lives.

#### Fitness: FiT24



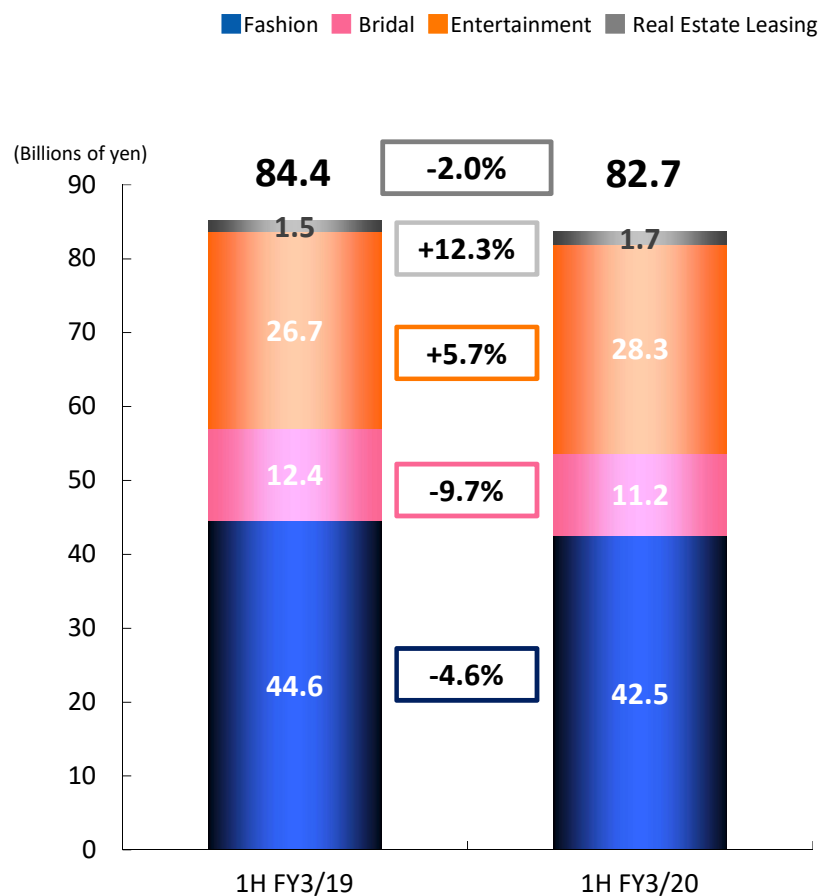
24-hour fitness centers featuring a pleasant environment for training activities and a diverse lineup of services

*Entertainment*

# First Half of FY3/20 Financial Highlights

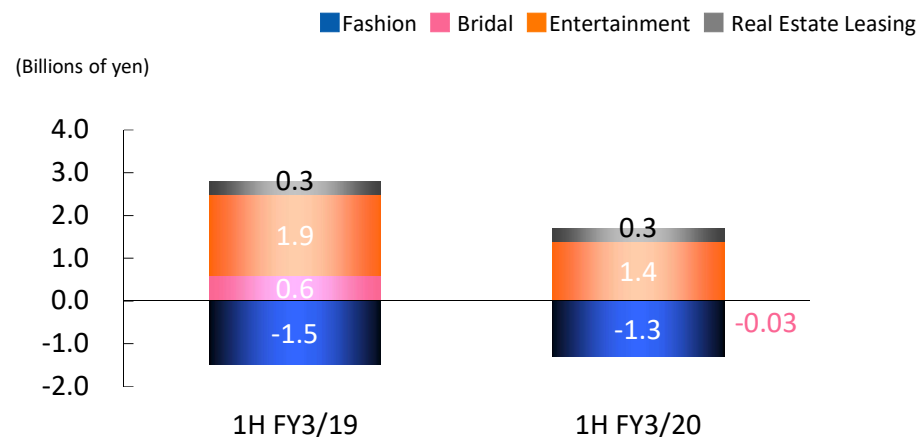
## Sales

- Sales increased in the Entertainment Business
- Sales down in the Fashion and ANNIVERSAIRE/Bridal Businesses

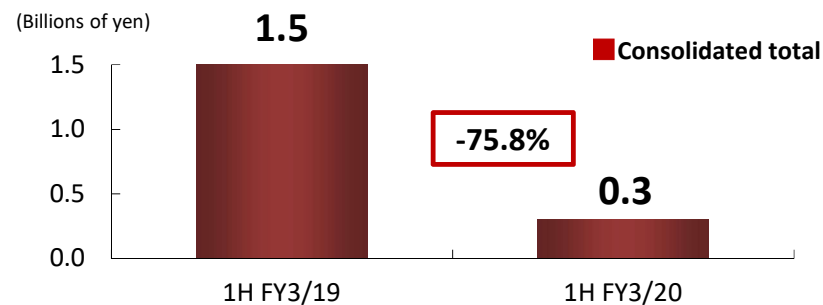


## Operating profit

- The Entertainment Business remained profitable
- There were losses in the Fashion and ANNIVERSAIRE/Bridal Businesses



- Consolidated operating profit down as Entertainment earnings decreased because of higher expenses for opening new locations for more growth

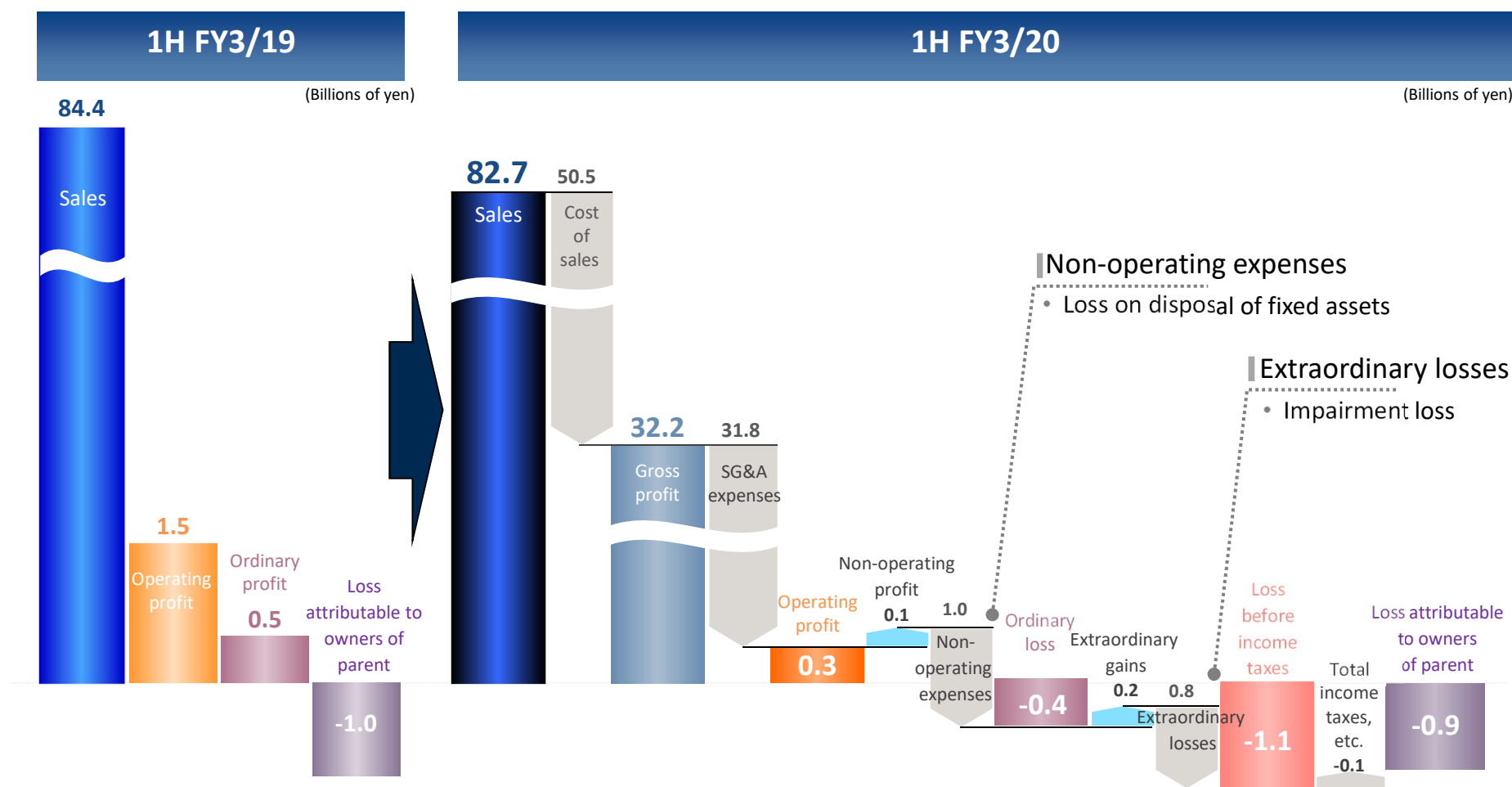


Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification.



# First Half of FY3/20 Financial Highlights

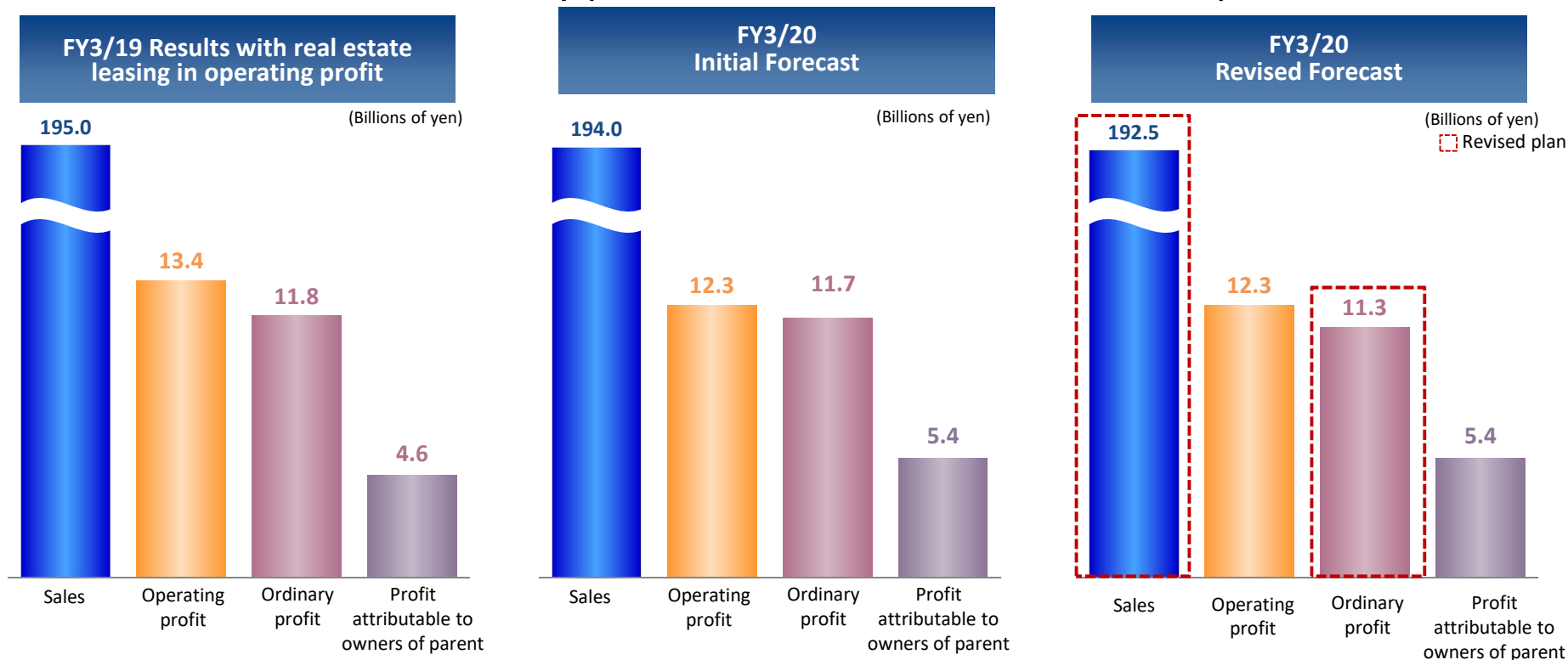
Sales and earnings were lower than one year earlier. Entertainment Business sales increased because of new facilities and other reasons but existing-store sales decreased in the Fashion Business, the number of couples married decreased in the ANNIVERSAIRE/Bridal Business, and Entertainment Business expenses were higher due to an increase in the number of openings of new locations.



Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification.

# FY3/20 Earnings Forecast

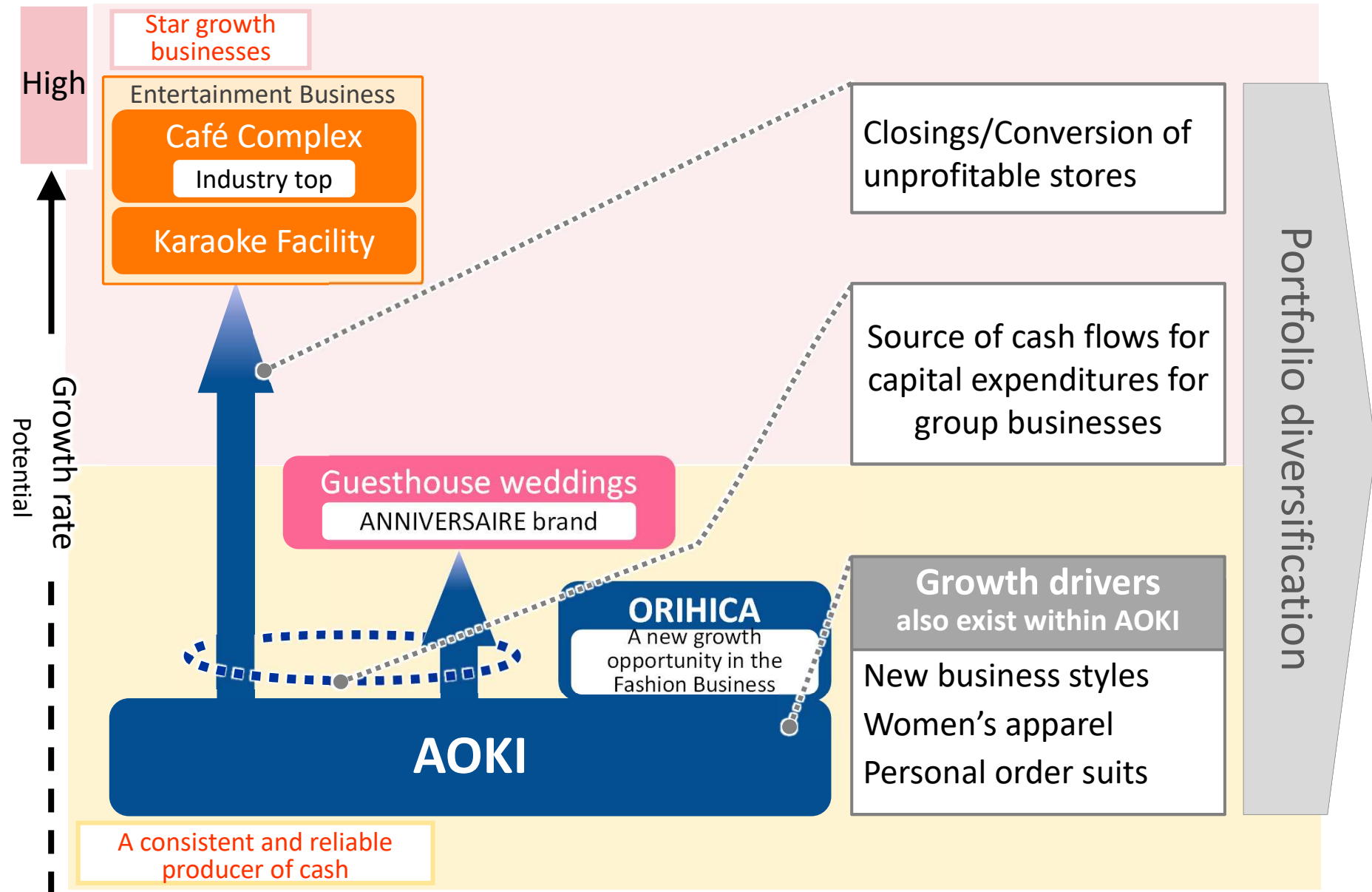
Revisions to sales and ordinary profit forecasts based on first half performance.



Sales	<ul style="list-style-type: none"> <li>The sales forecast has been reduced because of revisions to store opening and closing plans in all business units and based on the first half performance</li> <li>Downward revision in the Fashion and ANNIVERSAIRE/Bridal Businesses</li> <li>Upward revision in the Entertainment Business due to an increase in the number of openings of new locations</li> </ul>
Operating profit	<ul style="list-style-type: none"> <li>No change in forecast due to reexamination of SG&amp;A expenses</li> </ul>
Ordinary profit	<ul style="list-style-type: none"> <li>Downward revision based on first half non-operating profit/expenses</li> </ul>

Note: Starting in 1Q 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.

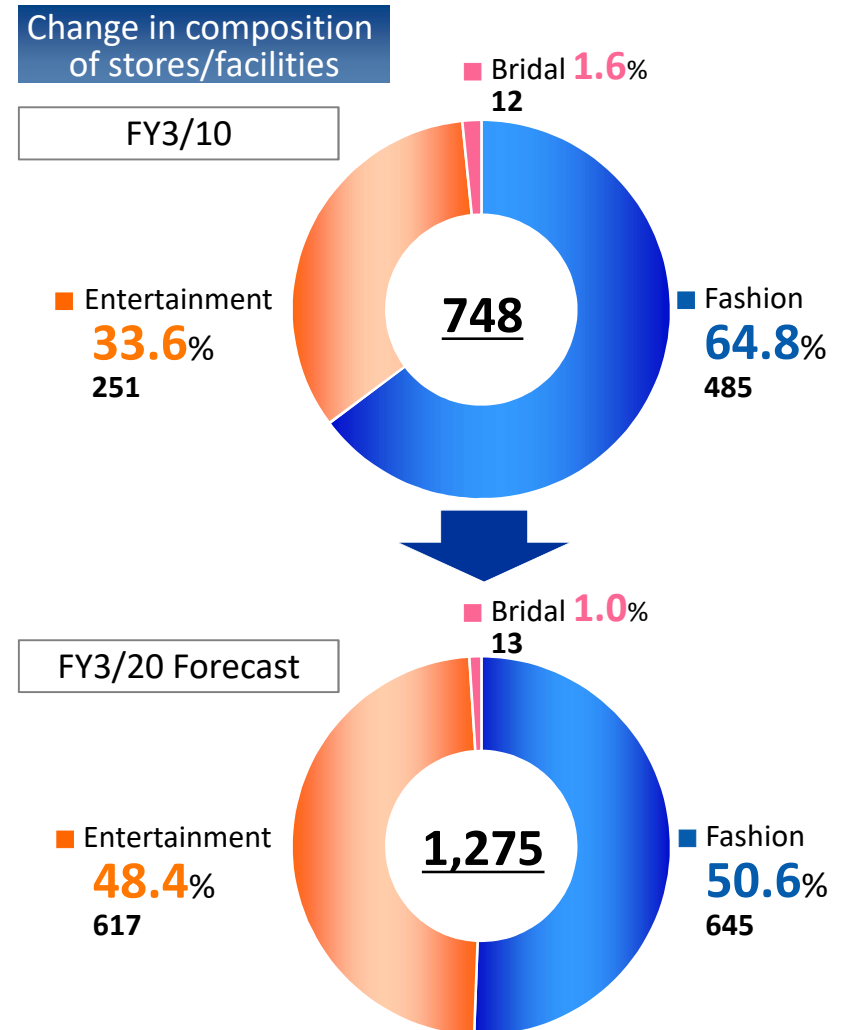
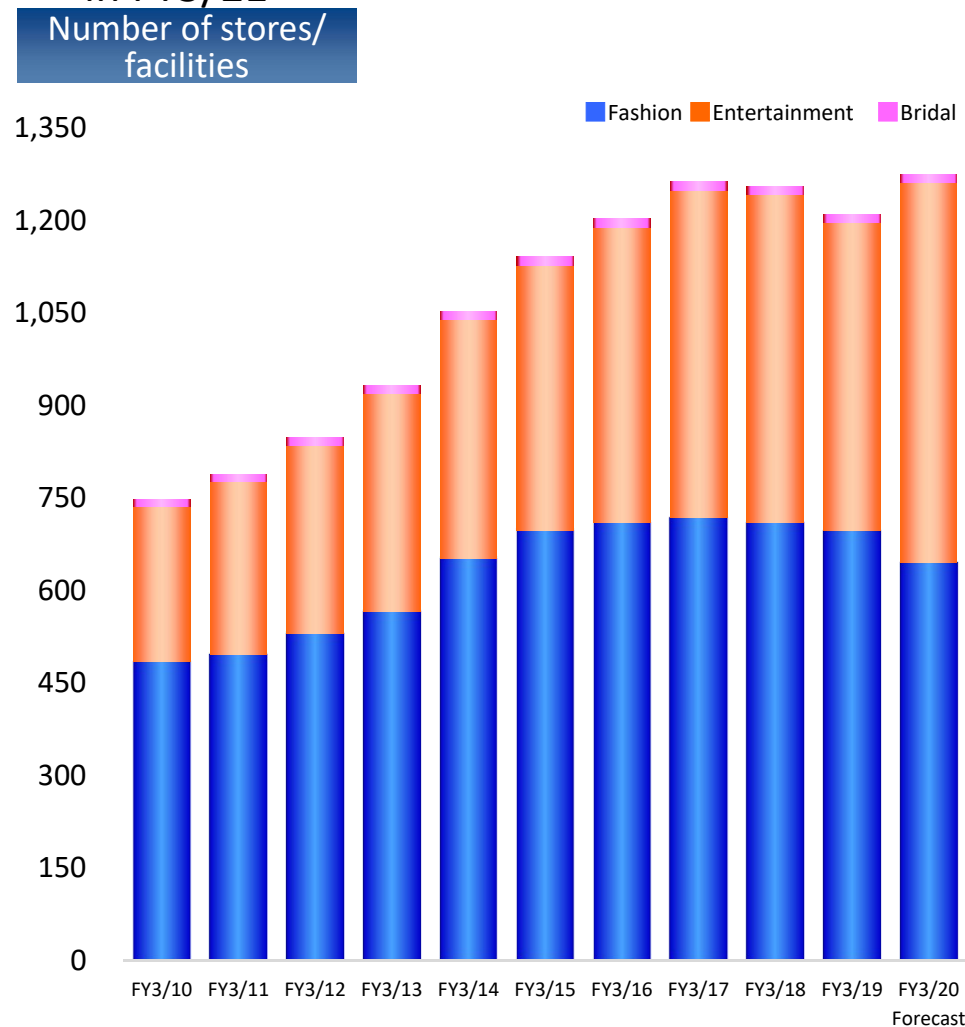
# A Business Portfolio Structured for Sustained Growth





# A Business Portfolio Structured for Sustained Growth

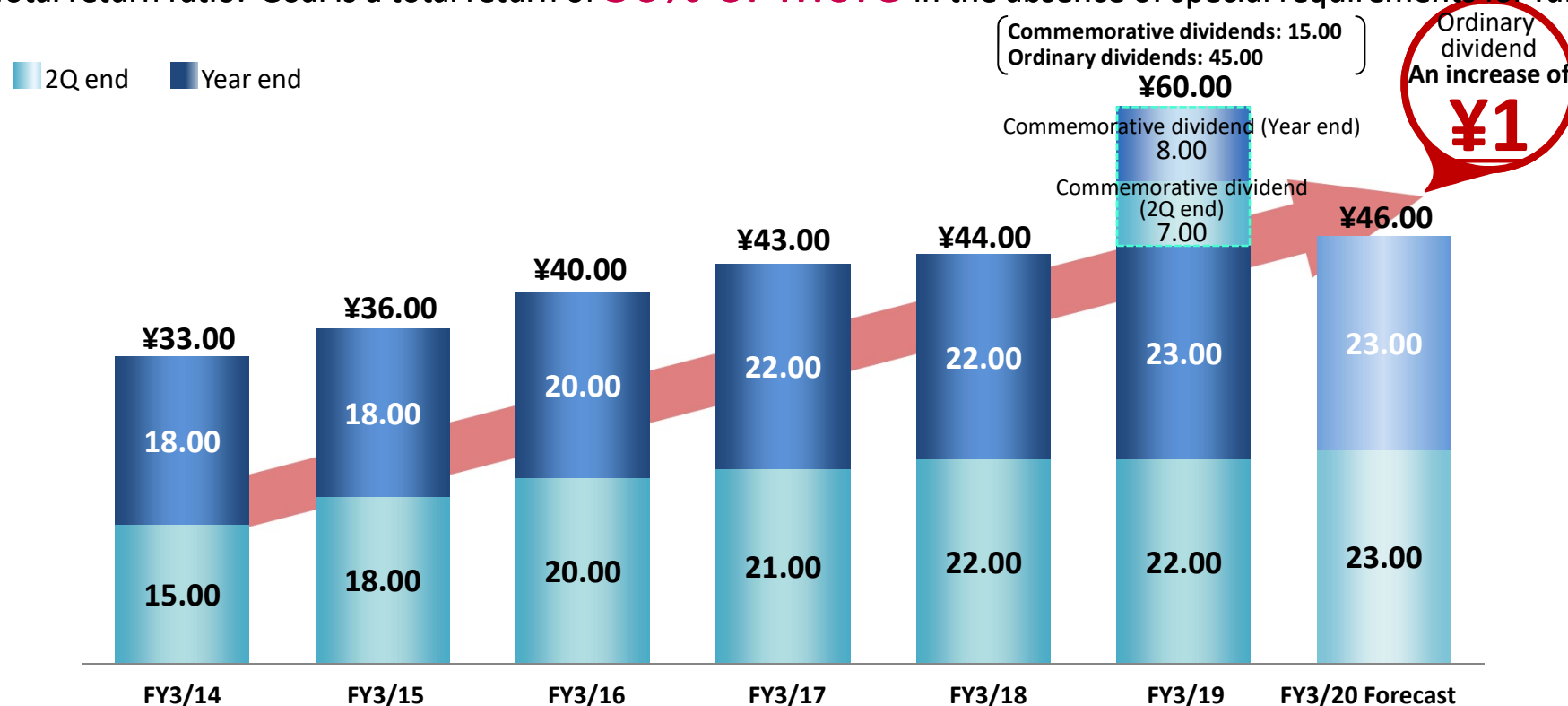
- Plan to continue adding about 100 locations every year, primarily in the Entertainment Business
- Expect the number of Entertainment Business locations to surpass the Fashion Business in FY3/21



# Shareholder Returns: Basic Policy, Dividend Forecast and Stock Repurchases

Dividend policy: Maintain a dividend payout ratio of **30% or more** while paying a dividend at least as high as in the previous year

Total return ratio: Goal is a total return of **50% or more** in the absence of special requirements for funds



Aug. 13, 2019: Resolution for stock repurchase

Acquisition period:	Aug. 27, 2019 - Mar. 31, 2020 (planned)
Total number of shares to be acquired:	Up to 1 million shares (0.38 million shares as of Oct. 31 )
Total value of shares to be acquired:	Up to ¥1.5 billion

# ESG (Environmental, Social and Governance) Initiatives

A strong commitment to using business activities for ESG progress in order to create value jointly with the communities where we operate for a better future

## Environment

### Reducing electricity use

- Switching to LED lights lowers CO<sub>2</sub> emissions
  - All AOKI, ANNIVERSAIRE, KAIKATSU CLUB and COTE D'AZUR locations use LED lights and 60% of ORIHICA stores have switched to LED lights

### Development of eco-products

- New products with a smaller environmental impact



### Recycling

- The Wool Ecocycle Project
  - Stores collect used wool apparel for recycling to make a variety of products. AOKI covers some of the expenses for recycling processes.

## Society

### For customers

- Fashion Business
  - Third-party inspections to verify merchandise quality
  - Improvement meetings held by the Quality Assurance Dept.
- All businesses
  - Customer research to determine their needs

### For employees

- Awards and other recognition for people with outstanding performance and people who have remained for many years



### For communities

- Support for cultural activities and sports



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## Corporate governance

### Stronger governance

- Two external directors and two external auditors
- More rigorous management oversight function
- Establishment of Nominations and Compensation Committee

### Compliance

- Establishment of rules, manuals and other measures as needed to strengthen the framework for internal controls
- Study groups and other educational activities for compliance

### Shareholder/investor dialogues

- Two earnings announcement information meetings every year
- Information meetings for individual investors
- One-on-one meetings with investors

Environment

Social

Governance

## **First Half of FY3/20 Review of Operations**

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# Major Changes in Consolidated Profit and Loss

(Millions of yen)

Account/Period	1H FY3/19	1H FY3/20	Change	YoY %	Major Components
Sales	84,476	82,795	-1,680	98.0	Decrease in the number of stores. Lower existing-store sales in the Fashion Business, and a decrease in the number of couples married in the ANNIVERSAIRE/Bridal Business
Gross profit Gross profit margin	34,192 40.5%	32,231 38.9%	-1,960 -1.6pt	94.3	Gross profit margin fell by 0.6pt in the Fashion Business
Selling, general and administrative expenses	32,628	31,854	-774	97.6	Higher expenses for opening new locations in the Entertainment Business. Cost control in the Fashion and ANNIVERSAIRE/Bridal business segments
Operating profit Operating margin	1,563 1.9%	377 0.5%	-1,185 -1.4pt	24.2	
Non-operating profit	193	173	-20	89.5	
Non-operating expenses	1,223	1,047	-176	85.6	
Ordinary profit (loss)	533	-496	-1,029	-	
Extraordinary gains	35	205	169	576.5	Increase in gain on sales of investment securities
Extraordinary losses	2,017	861	-1,155	42.7	Decrease in impairment loss
Loss attributable to owners of parent	-1,056	-988	68	-	

Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification. Figures prior to the reclassification are in the supplementary information section (starting on page 39)

- ◆ Depreciation: ¥4,246 million (including lease assets of ¥782 million)
- ◆ YoY existing-store sales: -2.1% for Fashion, +6.6% for Entertainment (+8.2% for Café Complex, +0.4% for Karaoke)

# Major Changes in Sales and Operating Profit by Business Segment

## Sales by business segment

(Millions of yen)

Business Segment	1H FY3/19	1H FY3/20	Change	YoY %	Major Components
<b>Total</b>	84,476	82,795	-1,680	98.0	
Fashion	44,644	42,580	-2,064	95.4	Decrease in the number of stores and lower existing-store sales
Anniversaire and Bridal	12,497	11,282	-1,215	90.3	Decrease in the number of couples married
Entertainment (Total)	26,788	28,327	1,538	105.7	
(of which) Café Complex	18,377	21,314	2,936	116.0	New cafés and higher existing-facility sales
(of which) Karaoke	8,411	7,013	-1,398	83.4	Decrease in the number of stores
Real estate leasing	1,538	1,727	188	112.3	Increase in leasing of closed stores

Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification. Figures prior to the reclassification are in the supplementary information section (starting on page 39).

## Operating profit by business segment

(Millions of yen)

Business Segment	1H FY3/19	1H FY3/20	Change	YoY %	Major Components
<b>Total</b>	1,563	377	-1,185	24.2	
Fashion	-1,558	-1,377	181	-	SG&A expense cuts
Anniversaire and Bridal	649	-34	-683	-	Decrease in the number of couples married
Entertainment (Total)	1,940	1,427	-513	73.5	
(of which) Café Complex	1,747	996	-751	57.0	Higher expenses for opening new cafés and renovations
(of which) Karaoke	192	430	238	223.8	Higher existing-facility sales
Real estate leasing	347	322	-25	92.7	
Inter-segment transactions	185	40	-144	21.9	Increase in subleasing expenses

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# Major Changes in Consolidated Balance Sheet

(Millions of yen)

Account/Period	FY3/19	1H FY3/20	Change	Major Components
Current assets	72,948	64,102	-8,846	
Cash in hand and in banks	26,558	26,298	-259	
Accounts receivable-trade	11,793	4,738	-7,054	Seasonal factors
Inventories	25,574	25,855	280	
Fixed assets	159,107	162,755	3,647	
Tangible fixed assets	109,958	113,893	3,935	New store openings, etc.
Intangible fixed assets	5,932	6,005	73	
Investments and other assets	43,216	42,856	-360	
Total assets	232,056	226,857	-5,198	
Current liabilities	37,177	35,352	-1,824	
Accounts payable-trade	18,162	12,161	-6,000	Seasonal factors
Short-term borrowings	-	5,000	5,000	Short-term borrowings
Current portion of long-term borrowings	2,650	3,650	1,000	
Long-term liabilities	49,208	49,745	537	
Long-term borrowings	34,825	34,500	-325	
Total liabilities	86,385	85,098	-1,287	
Share capital	23,282	23,282	-	
Capital surplus	27,846	27,823	-22	
Retained earnings	100,488	96,836	-3,652	Loss attributable to owners of parent and dividend from surplus
Treasury stock	-6,302	-6,387	-84	Repurchase of stock
Total accumulated other comprehensive income	280	92	-188	
Stock acquisition rights	75	110	35	
Total net assets	145,671	141,759	-3,911	
Total liabilities and net assets	232,056	226,857	-5,198	

# Major Changes in Consolidated Statement of Cash Flows

(Millions of yen)

Account/Period	1H FY3/19	1H FY3/20	Change	Major Components
Cash flows from operating activities	203	4,153	3,949	Decrease in income taxes paid
Cash flows from investing activities	-2,780	-5,996	-3,215	Increase in acquisition of tangible fixed assets related to new store openings and renovations
Cash flows from financing activities	-3,818	1,583	5,401	Short-term borrowings and long-term borrowings
Increase (decrease) in cash and cash equivalents	-6,395	-259	6,135	
Beginning balance	32,175	26,558	-5,617	
Ending balance	25,780	26,298	518	

# Number of Stores Opened/Closed

		(Number of stores)					
Business Segment	Stores/Facilities	1H FY3/19			1H FY3/20		
		Number of Stores	Opened	Closed	Number of Stores	Opened	Closed
Fashion	AOKI	571	-	3	523	6	49
	ORIHICA	136	2	3	125	-	6
Anniversaire and Bridal	ANNIVERSAIRE	14	-	-	13	-	-
Entertainment	KAIKATSU CLUB	357	7	7	412	46	-
	COTE D'AZUR	161	-	11	130	-	1
	FiT24/KAIKATSU Fitness CLUB	2	-	-	22	20	-
Total		1,241	9	24	1,225	72	56
Capital Expenditures (Millions of yen)		4,928			9,360		

(Millions of yen)		
Capital Expenditures	1H FY3/19	1H FY3/20
Fashion	1,167	598
Anniversaire and Bridal	309	91
Entertainment	2,473	8,599
(of which) Café Complex	2,271	8,497
(of which) Karaoke	202	102
Consolidated Total	4,928	9,360

## **FY3/20 Earnings Forecast**

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# Consolidated Forecast

(Millions of yen)

Account/Period	FY3/19	FY3/20 (Forecast)	Change	YoY %	Major Components
Sales	195,054	192,500	-2,554	98.7	Decrease in the number of stores. Lower existing-store sales in the Fashion Business, and a decrease in the number of couples marrying in the ANNIVERSAIRE/Bridal Business
Gross profit Gross profit margin	83,673 42.9%	80,800 42.0%	-2,873 -0.9pt	96.6	Increase in gross profit margin by 0.2pt in the Fashion Business
Selling, general and administrative expenses	70,182	68,500	-1,682	97.6	Higher expenses due to an increase in new facilities in the Entertainment Business Implement cost controls in the Fashion Business
Operating profit Operating margin	13,491 6.9%	12,300 6.4%	-1,191 -0.5pt	91.2	
Non-operating profit	388	400	11	103.0	
Non-operating expenses	1,988	1,400	-588	70.4	
Ordinary profit	11,890	11,300	-590	95.0	
Extraordinary gains	215	205	-10	95.1	
Extraordinary losses	4,669	2,705	-1,964	57.9	Decrease in impairment loss
Profit attributable to owners of parent	4,602	5,400	797	117.3	

Note: Starting in 1Q 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. Figures prior to the reclassification are in the supplementary information section (starting on page 39).

## Assumptions

- ◆ Depreciation: ¥8,940 million (including lease assets of ¥1,945 million)
- ◆ YoY existing-store sales: -1.5% for Fashion, 3.2% for Entertainment (+4.6% for Café Complex, -1.2% for Karaoke)

# Forecast for Sales and Operating Profit by Business Segment

## Sales by business segment

(Millions of yen)

Business Segment	FY3/19	FY3/20 (Forecast)	Change	YoY %
Total	195,054	192,500	-2,554	98.7
Fashion	114,404	108,000	-6,404	94.4
Anniversaire and Bridal	25,433	24,700	-733	97.1
Entertainment	54,102	58,500	4,397	108.1
(of which) Café Complex	36,797	44,000	7,202	119.6
(of which) Karaoke	17,305	14,500	-2,805	83.8
Real estate leasing	3,116	3,530	413	113.3
Inter-segment transactions	-2,002	-2,230	-227	-

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 Figures prior to the reclassification are in the supplementary information section (starting on page 39).

## Operating profit by business segment

(Millions of yen)

Business Segment	FY3/19	FY3/20 (Forecast)	Change	YoY %
Total	13,491	12,300	-1,191	91.2
Fashion	7,263	7,500	236	103.3
Anniversaire and Bridal	2,169	1,500	-669	69.1
Entertainment	3,182	2,800	-382	88.0
(of which) Café Complex	2,159	1,600	-559	74.1
(of which) Karaoke	1,023	1,200	176	117.3
Real estate leasing	638	790	151	123.8
Inter-segment transactions	237	-290	-527	-

Note: Starting in 1Q 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.  
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# Outlook for Store Openings/Closings

(Number of stores)

Business Segment	Stores/Facilities	FY3/19			FY3/20 (Forecast)		
		Number of Stores	Opened	Closed	Number of Stores	To be Opened	To be Closed
Fashion	AOKI	566	7	15	523	7	50
	ORIHICA	131	2	8	122	2	11
Anniversaire and Bridal	ANNIVERSAIRE	13	-	1	13	-	-
Entertainment	KAIKATSU CLUB	366	20	11	463	100	3
	COTE D'AZUR	131	1	42	122	-	9
	FIT24/KAIKATSU Fitness CLUB	2	-	-	32	30	-
Total		1,209	30	77	1,275	139	73
Capital Expenditures (Millions of yen)		10,477			17,300		

(Millions of yen)

Capital Expenditures	FY3/19	FY3/20 (Forecast)
Fashion	2,348	1,080
Anniversaire and Bridal	480	500
Entertainment	5,429	15,190
(of which) Café Complex	5,095	14,972
(of which) Karaoke	333	218
Consolidated Total	10,477	17,300

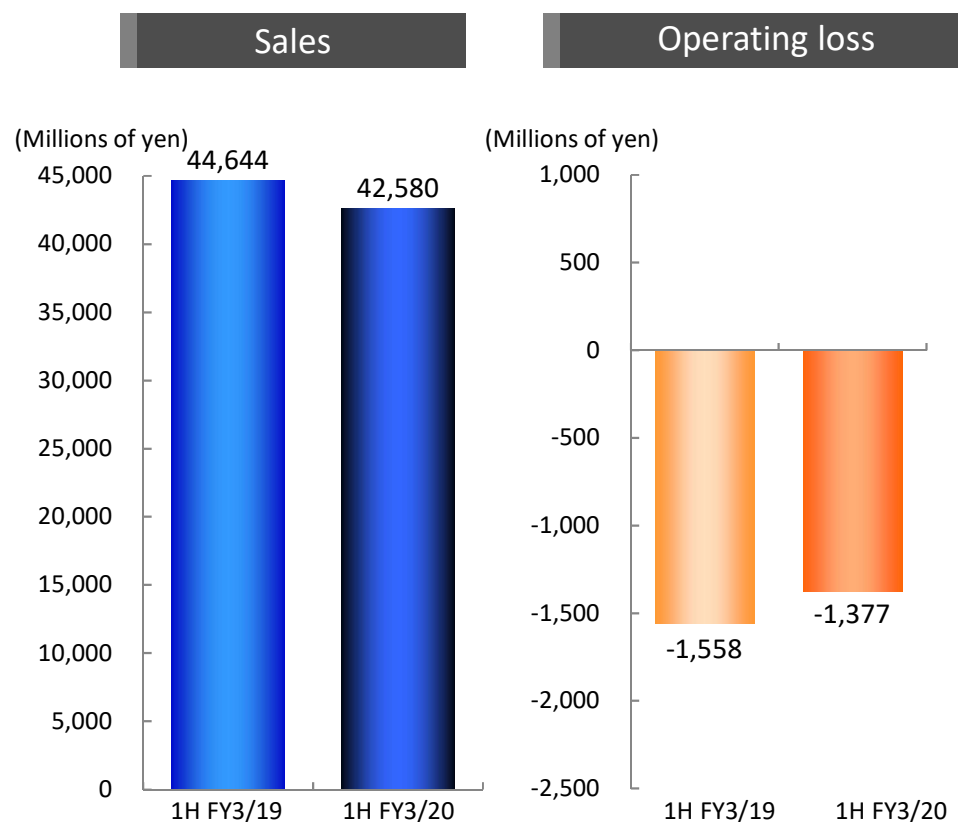
**Fashion Business**

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**FY3/20 First-half Performance and Full-year Forecast**

## Fashion Business: First Half of FY3/20 Review of Operations

**Sales decreased because of decreases in the number of stores and existing-store sales, but the operating loss was smaller due to measures to hold down expenses**



	1H FY3/20		
		YoY %	% to sales
Sales	42,580	95.4	100.0
Gross profit	24,896	94.4	58.5
SG&A expenses	26,273	94.1	61.7
Operating loss	-1,377	-	-

■ Sales down 4.6% YoY

■ Operating loss decreased compared with a loss of 1,558 million yen in 1H FY3/19

◆ Decrease in the number of stores: (-59 vs. 1H FY3/19)

◆ Existing-store sales down 2.1% YoY

- A shift in business apparel fashion trends and the diversification of sales channels for suits caused the sales volume of business suits to decrease
- Customer traffic decreased mainly due to unfavorable weather

◆ Gross profit margin down 0.6pt YoY

- Lower demand for suits, formal wear and other heavy clothing

◆ SG&A expenses down 5.9% YoY

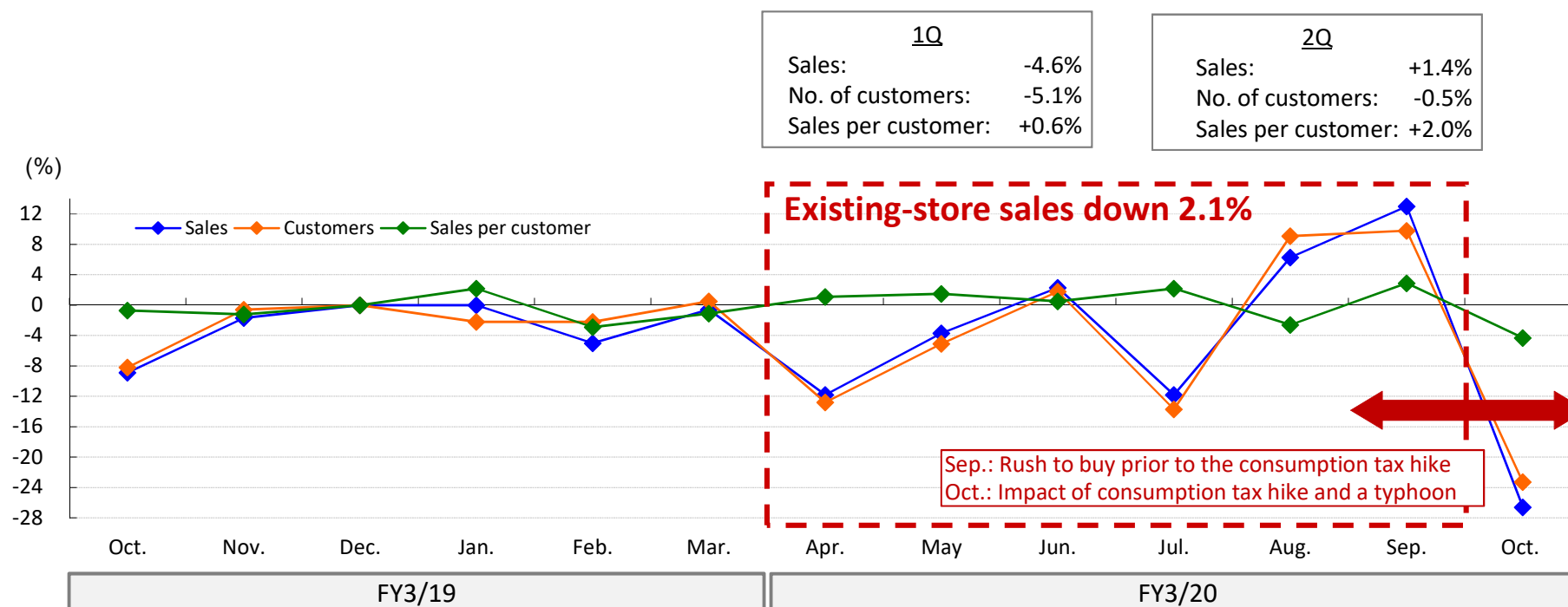
- Smaller number of stores brought down expenses
- More efficient use of advertising expenses
- Moving personnel among AOKI Group companies reduced personnel expenses

Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification. Figures prior to the reclassification are in the supplementary information section (starting on page 39).

## Fashion Business: First Half of FY3/20 Review of Operations - Existing Stores

**Sales per customer increased, but customer traffic decreased due to a shift in business apparel styles and unfavorable weather**

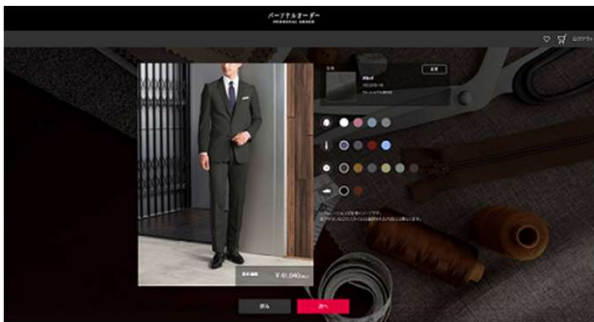
Monthly performance vs. prior fiscal year



	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019	May 2019	Jun. 2019	Jul. 2019	Aug. 2019	Sep. 2019	First-half	Oct. 2019
Existing-store sales (%)	-8.9	-1.7	0.0	0.0	-5.0	-0.6	-11.8	-3.7	2.3	-11.8	6.3	13.0	-2.1	-26.6
No. of customers (%)	-8.2	-0.6	0.0	-2.2	-2.2	0.5	-12.8	-5.1	1.8	-13.7	9.1	9.8	-3.2	-23.3
Sales per customer (%)	-0.7	-1.2	0.0	2.2	-2.9	-1.1	1.1	1.5	0.5	2.2	-2.6	2.9	1.2	-4.3
Deviation from average temperature (°C) (Tokyo)	+1.6	+1.9	+0.7	+0.4	+1.5	+1.9	-0.3	+1.8	+0.4	-0.9	+2.0	+2.3	-	+1.9

## Initiatives and results

	Initiatives	Results
Merchandise/ Marketing Activities	<ul style="list-style-type: none"> <li>● Larger lineup of AOKI men's personal order suits                             <ul style="list-style-type: none"> <li>• Launch of website for purchasing personal order suits</li> </ul> </li> <li>● Apparel for women                             <ul style="list-style-type: none"> <li>• Increase sales of mix-and-match apparel sets</li> <li>• Expansion of The Summer Formal Line</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Sales of men's personal order suits were about 60% higher than in 1H FY3/19</li> <li>● Women's apparel sales increased from 15.9% to 16.3% of total sales</li> </ul>
Store environment	<ul style="list-style-type: none"> <li>● Opened the third Aoki Tokyo, an urban store specializing in order-made suits</li> <li>● Closing/renovating existing stores                             <ul style="list-style-type: none"> <li>• Reexaminations of stores from the standpoint of profitability and AOKI's dominant areas</li> <li>• Consider store relocations and conversions to SizeMAX and KAIKATSU CLUB</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Store openings                             <ul style="list-style-type: none"> <li>• AOKI opened 6 stores (including two SizeMAX stores and one Aoki Tokyo store)</li> </ul> </li> <li>● Store closings                             <ul style="list-style-type: none"> <li>• AOKI closed 49 stores                                     <div>                     Conversions to SizeMAX: 2 stores                      Conversions to KAIKATSU CLUB: 18 stores                 </div> </li> <li>• ORIHICA closed 6 stores</li> </ul> </li> </ul>

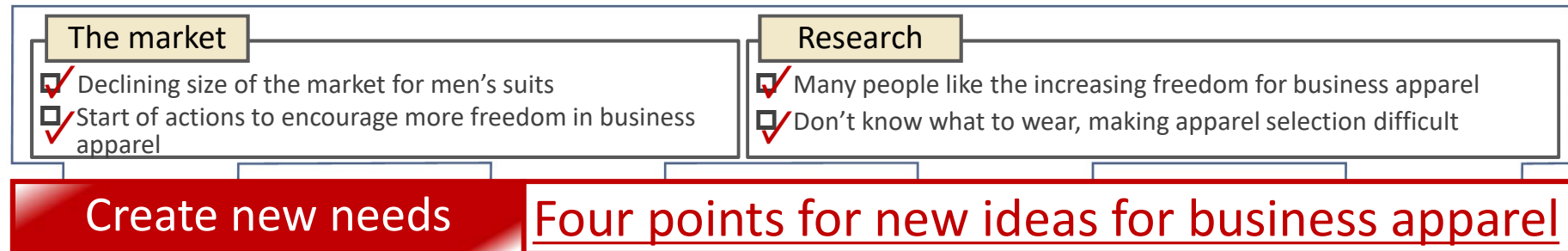


Website for men's personal order suits



Aoki Tokyo Shinjuku Higashiguchi Store

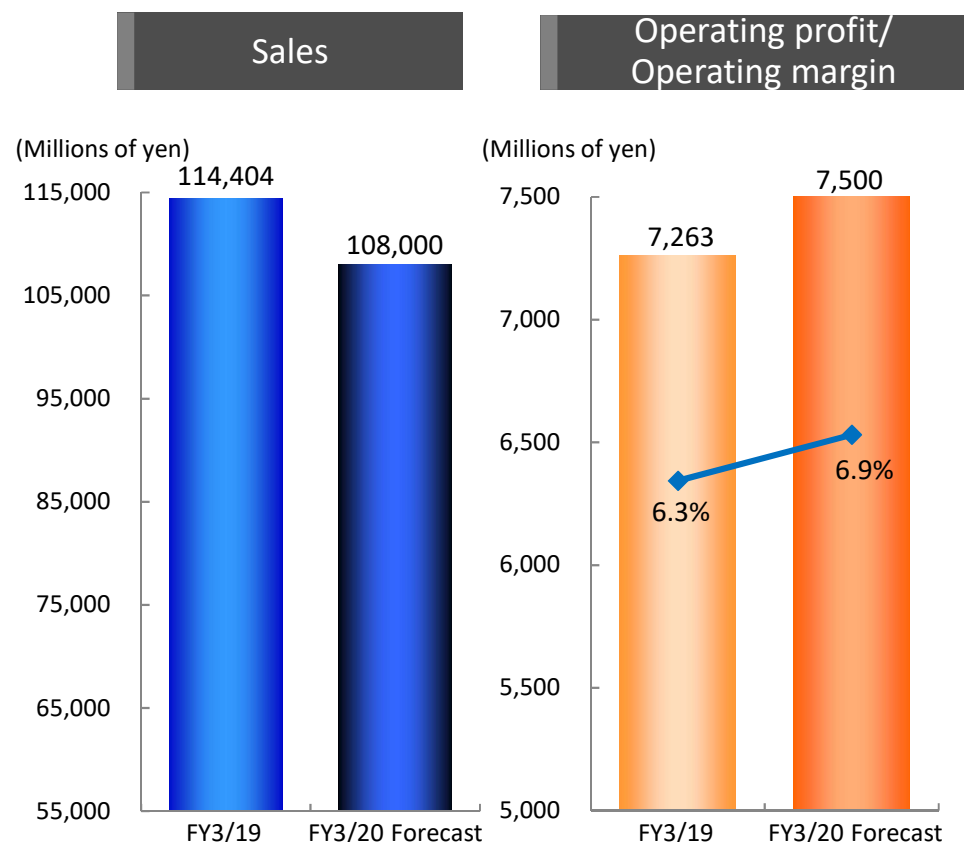
## Invigorate existing stores with new ideas for business apparel





## Fashion Business: FY3/20 Full-year Forecast

**Forecast lower sales as the number of stores declines and existing-store sales fall, but profits to improve due to a decrease in SG&A expenses**



	FY3/20 Forecast		
		YoY %	% to sales
Sales	108,000	94.4	100.0
Gross profit	64,200	94.8	59.4
SG&A expenses	56,700	93.7	52.5
Operating profit	7,500	103.3	6.9

Note: Starting in 1Q 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. Figures prior to the reclassification are in the supplementary information section (starting on page 39).

### ■ Sales down 5.6% YoY

- ◆ Decrease in the number of stores
  - Number of stores at period-end (forecast) 645 (-52 vs. FY3/19)
- ◆ Change in existing-store sales (forecast)

3Q	4Q	2H	Full year
-5.0%	1.6%	-1.1%	-1.5%

### ■ Operating profit up 3.3% YoY

- ◆ Improve profitability by closure of unprofitable stores
- ◆ Gross profit margin up 0.2pt YoY
- ◆ SG&A expenses down 6.3% YoY
  - Rent down due to smaller number of stores
  - Advertising expenses down due to revisions to these activities
  - Personnel expenses down due to measures to carefully control the use of people

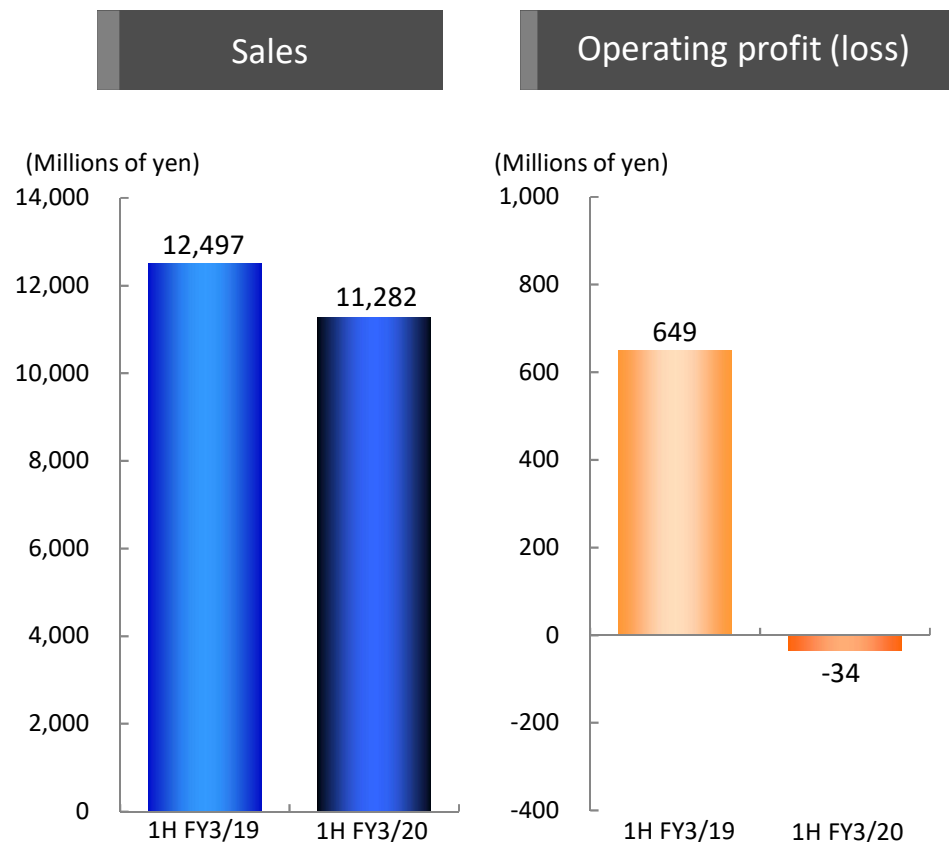
## **Anniversaire and Bridal Business**

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### **FY3/20 First-half Performance and Full-year Forecast**

## Anniversaire and Bridal Business: First Half of FY3/20 Review of Operations

**Sales and earnings decreased as the number of locations declined and number of couples married decreased**



	1H FY3/20		
		YoY %	% to sales
Sales	11,282	90.3	100.0
Gross profit	2,598	78.5	23.0
SG&A expenses	2,632	98.9	23.3
Operating loss	-34	-	-

■ Sales down 9.7% YoY

■ Operating loss turned from a profit of 649 million yen in 1H FY3/19

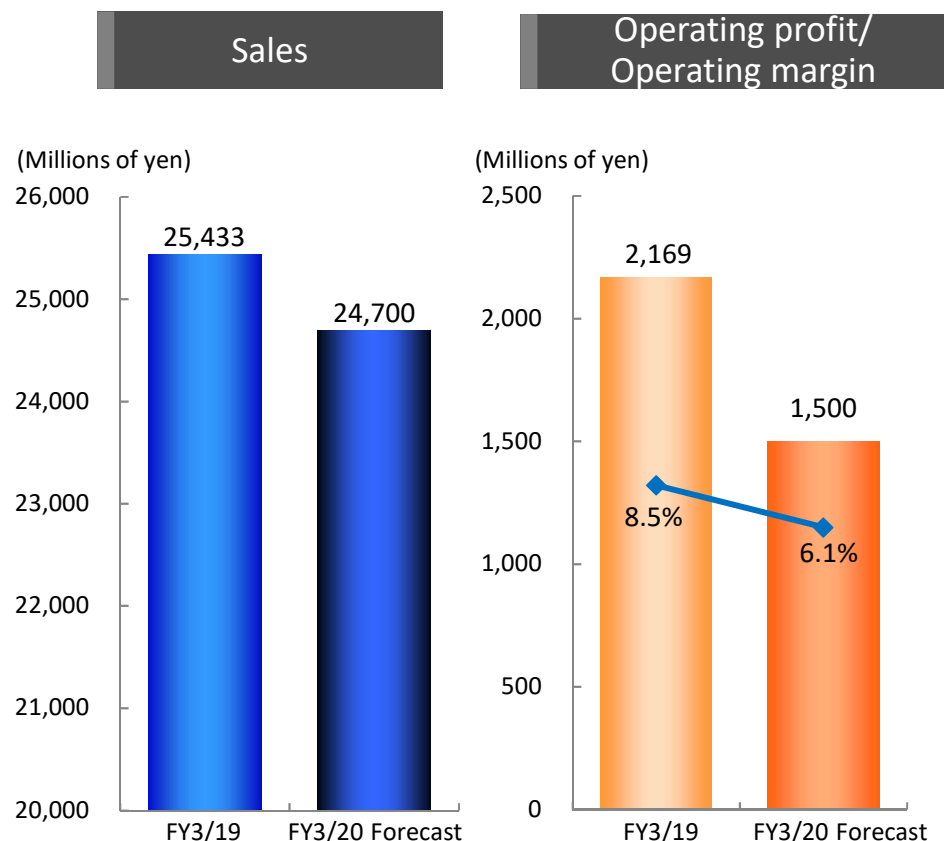
	1H FY3/19	1H FY3/20	Change	YoY
No. of couples married	2,721	2,555	-166	93.9%
Capacity utilization ratio	59.1%	55.5%	-3.6pt	-
Average sales per couple (thousands of yen)	4,417	4,353	-64	98.5%
Average no. of guests	70.8	69.9	-0.9	98.8%

(excluding ANNIVERSAIRE FUKUOKA closed in Dec. 2018)

- ◆ Factors of decrease in the number of couples married
  - Difficulty receiving orders for weddings in FY3/19
  - Business climate changes
  - Diversifying wedding formats
- ◆ Decrease in the number of couples married due to closure of ANNIVERSAIRE FUKUOKA: -100
- ◆ Implemented cost controls through actions targeting the cost of sales and taking steps to operate more efficiently

## Anniversaire and Bridal Business: FY3/20 Full-year Forecast

### Forecast sales and earnings decrease due to a decrease in the number of couples marrying



(Millions of yen)

	FY3/20 Forecast	YoY %	
		YoY %	% to sales
Sales	24,700	97.1	100.0
Gross profit	6,790	95.1	27.5
SG&A expenses	5,290	106.5	21.4
Operating profit	1,500	69.1	6.1

■ Sales down 2.9% YoY

■ Operating profit down 30.9% YoY

	FY3/19	FY3/20 Forecast	YoY change
No. of couples married/ planned for marrying	5,563	5,521	-42
Average sales per couple (thousands of yen)	4,432	4,415	-17

(excluding ANNIVERSAIRE FUKUOKA closed in Dec. 2018)

- ◆ Decrease in the number of couples marrying due to closure of ANNIVERSAIRE FUKUOKA: -145
- ◆ Actions to translate preliminary visits into firm wedding orders
  - Optimize Internet and publication use and increase SNS use
  - A new idea for wedding formats TREND COLLECTIONS
  - More renovations, decorations and other improvements to upgrade existing locations
- ◆ Initiatives to increase average sales per couple
  - More emphasis on sales of peripheral products and services (jewelry, wedding insurance, etc.)
- ◆ SG&A expenses up 6.5% YoY
  - Sales activities for attracting a larger number of customers
  - More renovations, decorations and other improvements to increase orders

## New ideas for wedding formats

\ Customer needs /

“Weddings that reflect their individuality, seasons and social trends”



An Anniversaire  
innovation

## TREND COLLECTIONS



TREND COLLECTIONS  
2019 Autumn & Winter

Ideas for a stylish and glamorous wedding format that incorporates current trends in the wedding market. Ideas include guest table setups, apparel and other elements that reflect the season of the year.

**More visits by prospective customers and  
higher ratio of successful contracts**

2019  
Autumn



2019  
Winter



## **Entertainment Business**

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### **FY3/20 First-half Performance and Full-year Forecast**



# Integration for business model evolution that anticipates market changes

Café Complex Operations Business



Karaoke Facility Operations Business

## Renamed the Entertainment Business in FY3/20

Café Complex  
**KAIKATSU CLUB**

快活CLUB



Japan's leading café complex  
**KAIKATSU CLUB**

Club designs are based on a high-end resort on the Indonesian island of Bali to give customers many memorable experiences. Spaces people can enjoy in comfort for everything from “on-time” (learning) to “off-time” (relaxation and entertainment).

Karaoke  
**COTE D'AZUR**



Karaoke with a French resort atmosphere  
**COTE D'AZUR**

These karaoke locations are named after COTE D'AZUR in south France, famous for spectacular scenery and luxurious resorts. Customers can enjoy glamorous rooms, high-tech karaoke equipment and delicious food.

Fitness  
**Fit24**



A fitness system that meets all expectations  
**Fit24**

24-hour operation allows customers to exercise for any length of time at any time of the day.  
A pleasant environment and many services make it easy to start and continue an exercise regimen.

## A new name to reflect the ongoing business model evolution

Subsidiary VALIC, operator of the Entertainment Business, has

renamed **KAIKATSU FRONTIER Inc.** on October 1, 2019



### The Philosophy and Businesses of KAIKATSU FRONTIER

#### Mission: At the heart of the enjoyment of life

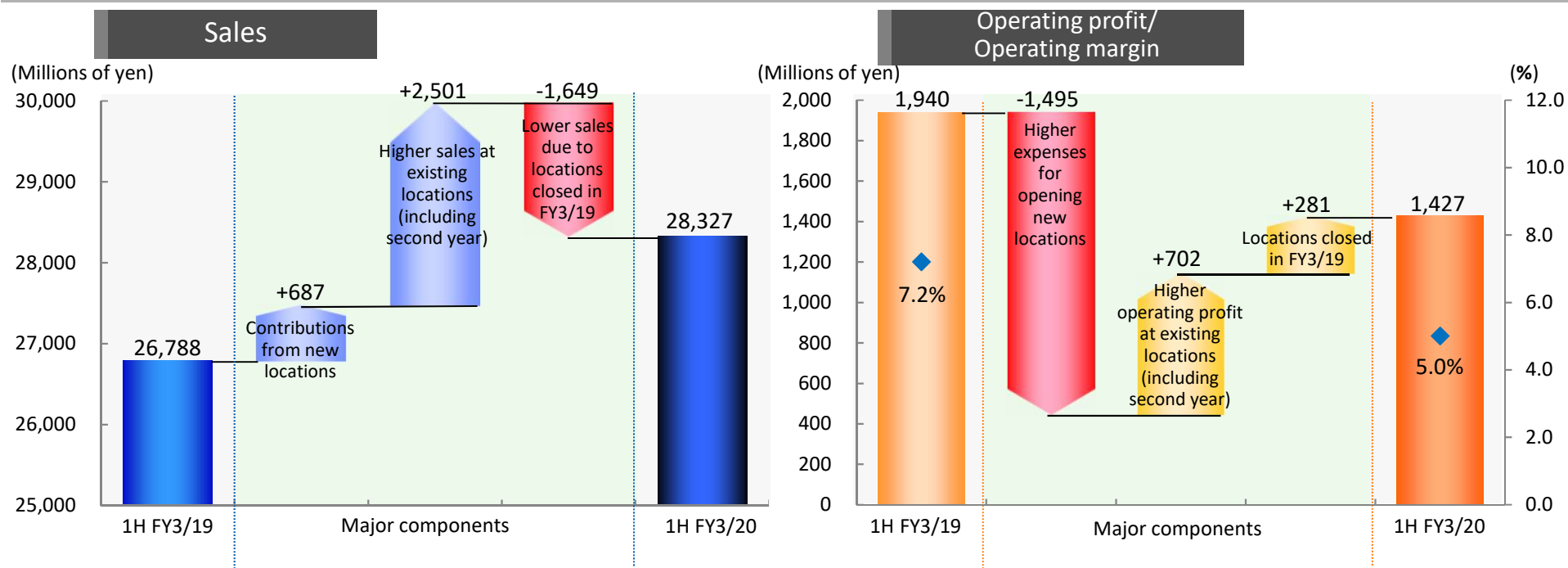
A place for people to enjoy their “on-time” and “off-time”

To express the commitment to accomplishing this mission, KAIKATSU FRONTIER uses the PDCA (plan-do-check-act) cycle as its corporate logo.

KAIKATSU FRONTIER is dedicated to enabling everyone to utilize a broad range of ways to enjoy life in order to realize their full potential. This is accomplished by using café complex, karaoke and fitness centers to give people worthwhile and pleasant places to spend their time.

## Entertainment Business: First Half of FY3/20 Review of Operations

**Sales up due to new openings and higher sales at existing locations, but expenses for the increase in facility openings and renovations held down earnings**



(Millions of yen)

	FY3/20 Forecast		
		YoY %	% to sales
Sales	28,327	105.7	100.0
Gross profit	4,511	106.2	15.9
SG&A expenses	3,084	133.7	10.9
Operating profit	1,427	73.5	5.0

### ■ Sales up 5.7% YoY

- ◆ New openings: Café Complex 46  
FiT24 20

- ◆ Increase in existing-facility sales: up 6.6% YoY

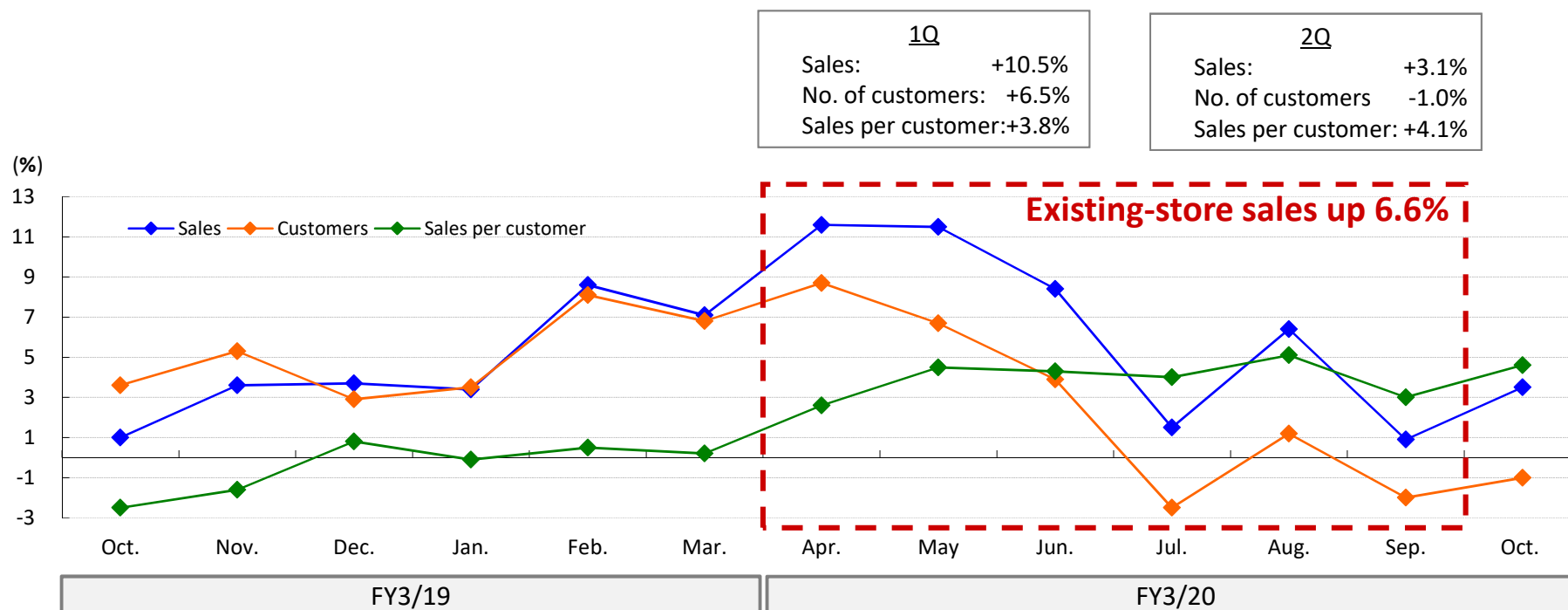
### ■ Operating profit down 26.5% YoY

- ◆ Higher costs due to an increase in the number of facility openings and renovations

## Entertainment Business: First Half of FY3/20 Review of Operations - Existing Stores

### Customer traffic and sales per customer up due to revitalization of existing locations and hot summer weather

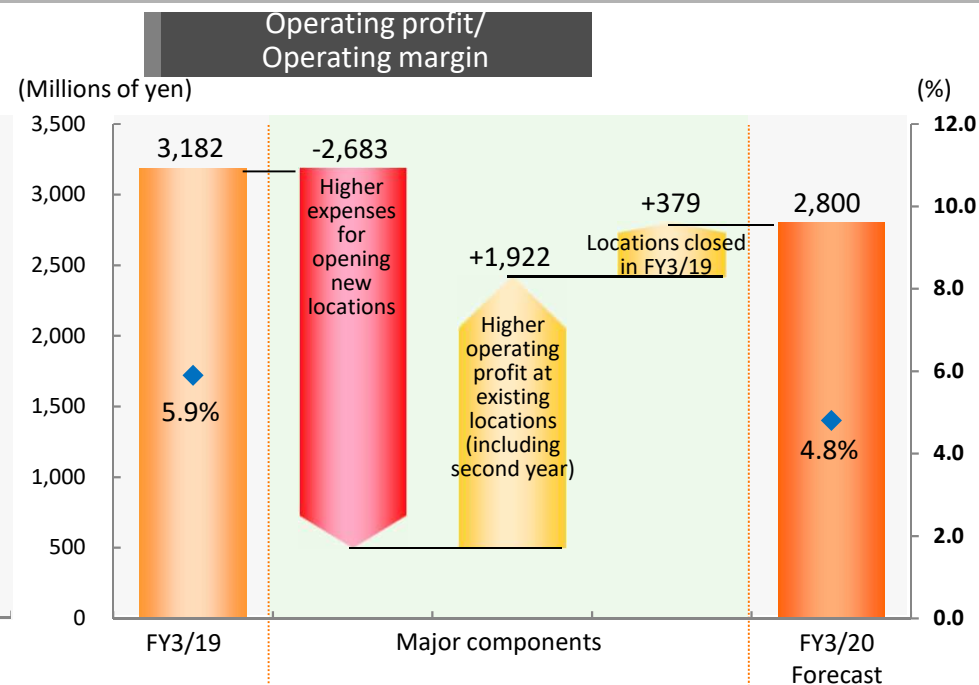
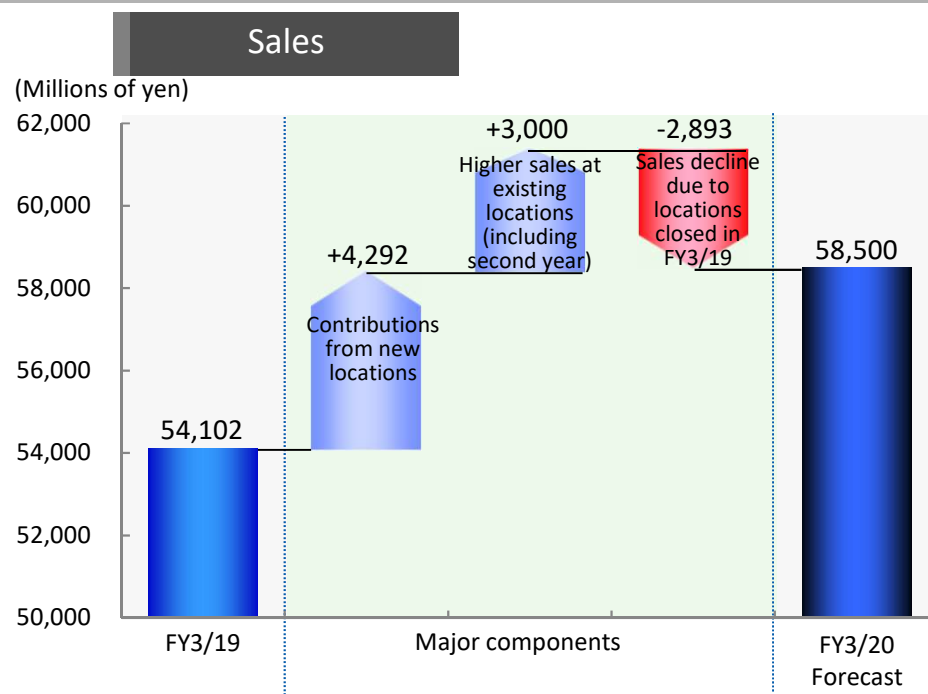
Monthly performance vs. prior fiscal year



	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019	May 2019	Jun. 2019	Jul. 2019	Aug. 2019	Sep. 2019	First-half	Oct. 2019
Existing-store sales (%)	1.0	3.6	3.7	3.4	8.6	7.1	11.6	11.5	8.4	1.5	6.4	0.9	6.6	3.5
No. of customers (%)	3.6	5.3	2.9	3.5	8.1	6.8	8.7	6.7	3.9	-2.5	1.2	-2.0	2.6	-1.0
Sales per customer (%)	-2.5	-1.6	0.8	-0.1	0.5	0.2	2.6	4.5	4.3	4.0	5.1	3.0	3.9	4.6
Deviation from average temperature (°C) (Tokyo)	+1.6	+1.9	+0.7	+0.4	+1.5	+1.9	-0.3	+1.8	+0.4	-0.9	+2.0	+2.3	-	+1.9

## Entertainment Business: FY3/20 Full-year Forecast

**Forecast higher sales due to new openings and higher sales at existing locations, but lower earnings as increases in facility openings and renovations**



	FY3/20 Forecast		
		YoY %	% to sales
Sales	58,500	108.1	100.0
Gross profit	9,220	111.4	15.8
SG&A expenses	6,420	126.1	11.0
Operating profit	2,800	88.0	4.8

### ■ Sales up 8.1% YoY

#### ◆ New openings

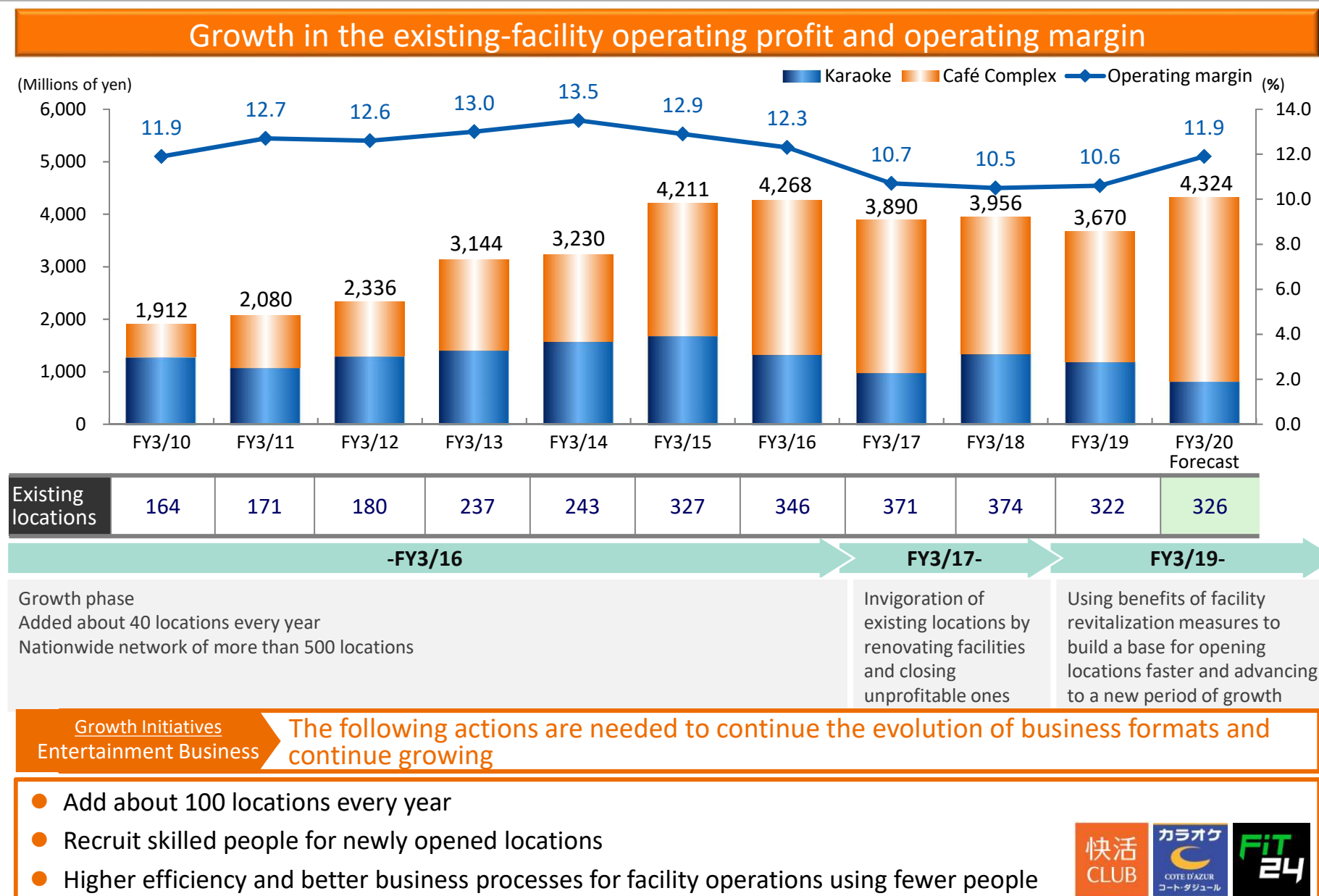
Full year: 130 (+30 locations vs. initial plan)

#### ◆ Increase in existing-facility sales: up 3.2% YoY

### ■ Operating profit down 12% YoY

#### ◆ Higher expenses related to new openings

## Refinements to the Entertainment Business to match changing market conditions



# Supplementary Documents

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Notes on pages 40, 41, 42 and 43

1. Net income (loss) per share: Net income divided by average number of shares outstanding (excluding treasury stock)
2. All amounts are rounded down to the nearest million yen.
3. The total operating profit for each segment and operating profit do not match due to inter-segmental adjustments. Please see pages 14 and 20 for the difference.
4. Starting in FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses.  
1H FY3/19 figures on page 40 and FY3/19 figures on page 42 reflect this reclassification.

# First Half of FY3/20 Consolidated Business Results

(Millions of yen unless otherwise stated)

	1H FY3/19 Results	%	1H FY3/19 Reclassified	%	1H FY3/20 Results	%	YoY change	YoY %
<b>Sales</b>	83,913	100.0	84,476	100.0	82,795	100.0	-1,680	98.0
Fashion	44,644	100.0	44,644	100.0	42,580	100.0	-2,064	95.4
Anniversaire/Bridal	12,497	100.0	12,497	100.0	11,282	100.0	-1,215	90.3
Entertainment	26,788	100.0	26,788	100.0	28,327	100.0	1,538	105.7
Café Complex	18,377	100.0	18,377	100.0	21,314	100.0	2,936	116.0
Karaoke	8,411	100.0	8,411	100.0	7,013	100.0	-1,398	83.4
Real Estate Leasing	-	-	1,538	100.0	1,727	100.0	188	112.3
<b>Gross profit</b>	34,144	40.7	34,192	40.5	32,231	38.9	-1,960	94.3
Fashion	26,372	59.1	26,372	59.1	24,896	58.5	-1,476	94.4
Anniversaire/Bridal	3,311	26.5	3,311	26.5	2,598	23.0	-713	78.5
Entertainment	4,247	15.9	4,247	15.9	4,511	15.9	264	106.2
Café Complex	3,209	17.5	3,209	17.5	3,428	16.1	219	106.8
Karaoke	1,037	12.3	1,037	12.3	1,082	15.4	44	104.3
Real Estate Leasing	-	-	347	22.6	322	18.7	-25	92.7
<b>SG&amp;A expenses</b>	32,645	38.9	32,628	38.6	31,854	38.5	-774	97.6
Fashion	27,954	62.6	27,931	62.6	26,273	61.7	-1,657	94.1
Anniversaire/Bridal	2,662	21.3	2,662	21.3	2,632	23.3	-29	98.9
Entertainment	2,306	8.6	2,306	8.6	3,084	10.9	777	133.7
Café Complex	1,461	8.0	1,461	8.0	2,432	11.4	971	166.4
Karaoke	845	10.0	845	10.0	651	9.3	-193	77.1
<b>Operating profit</b>	1,499	1.8	1,563	1.9	377	0.5	-1,185	24.2
Fashion	-1,581	-	-1,558	-	-1,377	-	181	-
Anniversaire/Bridal	649	5.2	649	5.2	-34	-	-683	-
Entertainment	1,940	7.2	1,940	7.2	1,427	5.0	-513	73.5
Café Complex	1,747	9.5	1,747	9.5	996	4.7	-751	57.0
Karaoke	192	2.3	192	2.3	430	6.1	238	223.8
Real Estate Leasing	-	-	347	22.6	322	18.7	-25	92.7
<b>Ordinary profit (loss)</b>	533	0.6	533	0.6	-496	-	-1,029	-
<b>Loss attributable to owners of parent</b>	-1,056	-	-1,056	-	-988	-	68	-
<b>Net loss per share (yen)</b>	-12.22	-	-12.22	-	-11.51	-	0.71	-

Note: Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification.



# First Half of FY3/20 Major Expenses

## SG&A expenses

(Millions of yen unless otherwise stated)

	1H FY3/19 Results					1H FY3/20 Results									
	Total	Fashion	Anniversaire / Bridal	Entertainment		Total	YoY %	Fashion	YoY %	Anniversaire / Bridal	YoY %	Entertainment			
				Café Complex	Karaoke							Café Complex		Karaoke	
Advertising expenses	4,682	3,423	884	129	175	4,026	86.0	2,590	75.7	865	97.8	306	237.0	99	56.7
Personnel expenses	12,647	10,093	652	802	390	12,366	97.8	9,546	94.6	633	97.1	1,053	131.4	275	70.6
Rents	7,406	7,461	11	32	14	7,001	94.5	7,153	95.9	21	185.6	34	106.5	11	80.2
Depreciation	1,667	1,374	50	26	16	1,764	105.8	1,379	100.4	55	109.4	32	125.0	14	89.2

Notes: 1. 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.

2. Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification.

## Major expenses included in cost of sales

(Millions of yen unless otherwise stated)

	1H FY3/19 Results				1H FY3/20 Results							
	Anniversaire / Bridal	Entertainment		Real Estate Leasing	Anniversaire / Bridal	YoY %	Entertainment		YoY %	YoY %	Real Estate Leasing	
		Café Complex	Karaoke				Café Complex	Karaoke				
Personnel expenses	2,400	5,117	2,358	-	2,336	97.3	6,085	118.9	2,001	84.9	-	-
Rents	1,030	3,164	1,927	902	1,004	97.5	3,706	117.1	1,509	78.3	1,055	116.9
Depreciation	666	1,143	526	190	628	94.3	1,317	115.1	388	73.8	221	116.4

Notes: 1. The ANNIVERSAIRE/Bridal, Entertainment, and Real Estate Leasing businesses include the above-stated expenses in cost of sales, in addition to the SG&A expenses in the upper table.

2. Starting in 1Q FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. 1H FY3/19 figures reflect this reclassification.

# FY3/20 Consolidated Forecast

(Millions of yen unless otherwise stated)

	FY3/19 Results	%	FY3/19 Reclassified	%	FY3/20 Initial forecast	%	FY3/20 Revised forecast	%	YoY change	YoY %
Sales	193,918	100.0	195,054	100.0	194,050	100.0	192,500	100.0	-2,554	98.7
Fashion	114,404	100.0	114,404	100.0	110,250	100.0	108,000	100.0	-6,404	94.4
Anniversaire/Bridal	25,433	100.0	25,433	100.0	25,000	100.0	24,700	100.0	-733	97.1
Entertainment	54,102	100.0	54,102	100.0	57,500	100.0	58,500	100.0	4,397	108.1
Café Complex	36,797	100.0	36,797	100.0	42,600	100.0	44,000	100.0	7,202	119.6
Karaoke	17,305	100.0	17,305	100.0	14,900	100.0	14,500	100.0	-2,805	83.8
Real Estate Leasing	-	-	3,116	100.0	3,530	100.0	3,530	100.0	413	113.3
Gross profit	83,592	43.1	83,673	42.9	81,690	42.1	80,800	42.0	-2,873	96.6
Fashion	67,748	59.2	67,748	59.2	65,600	59.5	64,200	59.4	-3,548	94.8
Anniversaire/Bridal	7,136	28.1	7,136	28.1	7,020	28.1	6,790	27.5	-346	95.1
Entertainment	8,273	15.3	8,275	15.3	8,630	15.0	9,220	15.8	944	111.4
Café Complex	5,473	14.9	5,474	14.9	5,610	13.2	6,520	14.8	1,045	119.1
Karaoke	2,799	16.2	2,800	16.2	3,020	20.3	2,700	18.6	-100	96.4
Real Estate Leasing	-	-	638	20.5	790	22.4	790	22.4	151	123.8
SG&A expenses	70,209	36.2	70,182	36.0	69,390	35.8	68,500	35.6	-1,682	97.6
Fashion	60,526	52.9	60,485	52.9	58,100	52.7	56,700	52.5	-3,785	93.7
Anniversaire/Bridal	4,966	19.5	4,966	19.5	5,520	22.1	5,290	21.4	323	106.5
Entertainment	5,092	9.4	5,092	9.4	5,830	10.1	6,420	11.0	1,327	126.1
Café Complex	3,315	9.0	3,315	9.0	4,310	10.1	4,920	11.2	1,604	148.4
Karaoke	1,777	10.3	1,777	10.3	1,520	10.2	1,500	10.3	-277	84.4
Operating profit	13,382	6.9	13,491	6.9	12,300	6.3	12,300	6.4	-1,191	91.2
Fashion	7,222	6.3	7,263	6.3	7,500	6.8	7,500	6.9	236	103.3
Anniversaire/Bridal	2,169	8.5	2,169	8.5	1,500	6.0	1,500	6.1	-669	69.1
Entertainment	3,180	5.9	3,182	5.9	2,800	4.9	2,800	4.8	-382	88.0
Café Complex	2,158	5.9	2,159	5.9	1,300	3.1	1,600	3.6	-559	74.1
Karaoke	1,022	5.9	1,023	5.9	1,500	10.1	1,200	8.3	176	117.3
Real Estate Leasing	-	-	638	20.5	790	22.4	790	22.4	151	123.8
Ordinary profit	11,890	6.1	11,890	6.1	11,750	6.1	11,300	5.9	-590	95.0
Profit attributable to owners of parent	4,602	2.4	4,602	2.4	5,400	2.8	5,400	2.8	797	117.3
Net income per share (yen)	53.34	-	53.34	-	62.85	-	62.88	-	9.54	-

Note: Starting in 1Q of 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.

# FY3/20 Major Expenses Forecast

## SG&A expenses

(Millions of yen unless otherwise stated)

	FY3/19 Results					FY3/20 Forecast									
	Total	Fashion	Anniversaire/ Bridal	Entertainment		Total		Fashion		Anniversaire/ Bridal		Entertainment			
				Café Complex	Karaoke		YoY %		YoY %		YoY %	Café Complex		Karaoke	
													YoY %		YoY %
Advertising expenses	12,349	9,907	1,519	294	329	11,067	89.6	8,250	83.3	1,720	113.2	510	173.0	218	66.1
Personnel expenses	25,907	20,506	1,227	1,883	874	25,281	97.6	19,450	94.8	1,175	95.7	2,076	110.2	690	78.9
Rents	14,848	14,975	22	64	30	13,879	93.5	14,150	94.5	42	183.5	70	109.7	23	76.8
Depreciation	3,442	2,811	101	51	30	3,606	104.8	2,800	99.6	110	108.6	60	116.7	33	109.0

Notes: 1. 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.

2. Starting in 1Q 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.

## Major expenses included in cost of sales

(Millions of yen unless otherwise stated)

	FY3/19 Results				FY3/20 Forecast							
	Anniversaire/ Bridal	Entertainment		Real Estate Leasing	Anniversaire/ Bridal		Entertainment				Real Estate Leasing	
		Café Complex	Karaoke				Café Complex		Karaoke			
					YoY %	YoY %	YoY %	YoY %	YoY %	YoY %		
Personnel expenses	4,526	10,496	4,692	-	4,367	96.5	12,447	118.6	3,906	83.2	-	-
Rents	2,032	6,453	3,730	1,854	2,006	98.7	7,988	123.8	2,988	80.1	2,155	116.2
Depreciation	1,325	2,331	959	429	1,267	95.6	3,040	130.4	736	76.7	429	100.1

Notes: 1. The ANNIVERSAIRE/Bridal and Entertainment businesses include the above-stated expenses in cost of sales, in addition to the SG&A expenses in the upper table.

2. Starting in 1Q 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.

# Reference: First Half of FY3/20 Fashion Business Performance

## (1) Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/20	-11.8	-3.7	2.3	-4.6	-11.8	6.3	13.0	1.4	-2.1		
FY3/19	-2.2	-6.9	-0.6	-3.3	-4.9	1.2	4.7	-0.2	-2.0	-2.4	-2.2

## (2) Change in number of customers and sales per customer at existing stores

(%)

		Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
Number of customers	FY3/20	-12.8	-5.1	1.8	-5.1	-13.7	9.1	9.8	-0.5	-3.2		
	FY3/19	-5.6	-9.9	-2.1	-5.9	-3.1	1.5	4.5	0.3	-3.4	-1.9	-2.6
Sales per customer	FY3/20	1.1	1.5	0.5	0.6	2.2	-2.6	2.9	2.0	1.2		
	FY3/19	3.6	3.3	1.6	2.7	-1.8	-0.3	0.2	-0.5	1.4	-0.5	0.4

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

		First half	YoY %	Second half	YoY %	Full year	YoY %
Number of units sold (in ten thousands)	FY3/20	39.6	94.0				
	FY3/19	42.2	94.5	82.5	97.1	124.7	96.2
Unit price (thousands of yen)	FY3/20	25.4	100.8				
	FY3/19	25.2	97.7	25.6	98.1	25.5	97.7

# Reference: First Half of FY3/20 Fashion Business Performance

## (4) Sales by category

(Millions of yen unless otherwise stated)

	1H FY3/19 Results	%	1H FY3/20 Results	%	YoY change	YoY %
Heavy clothing	16,779	37.6	16,324	38.3	-454	97.3
Medium clothing	4,791	10.7	4,573	10.8	-218	95.4
Light clothing	14,714	33.0	13,471	31.6	-1,242	91.6
Ladies' clothing	7,102	15.9	6,934	16.3	-168	97.6
Other	1,256	2.8	1,276	3.0	20	101.6
Total	44,644	100.0	42,580	100.0	-2,064	95.4

Definition: Heavy clothing: Suit, formal wear, coat  
Medium clothing: Jacket, slacks

Light clothing: Shirt, tie, casual wear, clothing accessories, etc.  
Other: Alteration, etc.

## (5) Average total sales area

(Square meters)

1H FY3/19 Results	1H FY3/20 Results	YoY change	YoY %
363,219	334,862	-28,357	92.2

## (6) Store network by prefecture

	1H FY3/20															
	No. of stores opened / closed			No. of stores at period-end					No. of stores opened / closed			No. of stores at period-end				
	AOKI	ORIHICA	Total	AOKI	ORIHICA	Total			AOKI	ORIHICA	Total	AOKI	ORIHICA	Total		
Hokkaido	1/1		1/1	23		23	Hokkaido/ Tohoku	Gifu				12	1	13	Tokai	
Aomori	/2		/2	2		2		Shizuoka	/2		/2	20	3	23		
Iwate	/1		/1	3		3	53	Aichi	/3		/3	48	11	59	106	
Miyagi				9	5	14		Mie				11		11		
Akita	/1		/1	2		2		Shiga				6	2	8	Kinki/ Chugoku	
Yamagata	/2		/2	1		1		Kyoto	/1		/1	3	1	4		
Fukushima				7	1	8		Osaka	1/4		1/4	31	12	43	88	
Ibaraki	/1		/1	14	3	17	Kanto	Hyogo	1/1		1/1	13	11	24		
Tochigi	/1		/1	9	2	11		Nara	/2	/1	/3	3		3		
Gunma	/1		/1	11		11	306	Hiroshima	/1		/1	4	2	6		Kyushu
Saitama	2/8		2/8	46	13	59		Fukuoka				21		21		
Chiba	/3	/1	/4	38	9	47		Nagasaki				3		3	36	
Tokyo	1/8	/2	1/10	63	25	88		Kumamoto	/2		/2	5		5		
Kanagawa	/3	/1	/4	51	22	73		Miyazaki				2		2		
Niigata				10	2	12	Koshinetsu/ Hokuriku	Kagoshima				5		5	Note: Figures for AOKI include SizeMAX and Aoki Tokyo stores.	
Toyama				9		9		Total	6/49	/6	6/55	523	125	648		
Ishikawa				8		8	59									
Fukui				3		3										
Yamanashi		/1	/1	6		6										
Nagano	/1		/1	21		21										

# Reference: FY3/20 Fashion Business Outlook

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

		First half	3Q	4Q	Second half	Full year
Sales	FY3/20 (1H results + 2H revised forecast)	-2.1	-5.0	1.6	-1.1	-1.5
	FY3/20 (initial forecast)	0.9	-3.1	1.2	-0.5	0.0
	FY3/19	-2.0	-3.5	-1.6	-2.4	-2.2
Number of customers	FY3/20 (1H results + 2H revised forecast)	-3.2	-5.5	0.0	-2.6	-2.9
	FY3/20 (initial forecast)	0.5	-5.9	1.2	-2.2	-1.0
	FY3/19	-3.4	-2.9	-1.0	-1.9	-2.6
Sales per customer	FY3/20 (1H results + 2H revised forecast)	1.2	0.5	1.6	1.6	1.5
	FY3/20 (initial forecast)	0.4	3.0	0.0	1.7	1.0
	FY3/19	1.4	-0.6	-0.6	-0.5	0.4

## (2) Sales forecast by category

(Millions of yen unless otherwise stated)

	FY3/19	%	FY3/20 Forecast	%	YoY change	%
Heavy clothing	48,088	42.0	44,955	41.6	-3,133	93.5
Medium clothing	8,799	7.7	8,230	7.6	-569	93.5
Light clothing	32,936	28.8	30,415	28.2	-2,521	92.3
Ladies' clothing	20,846	18.2	20,750	19.2	-96	99.5
Other	3,733	3.3	3,650	3.4	-83	97.8
Total	114,404	100.0	108,000	100.0	-6,404	94.4

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 Half of FY3/20 Entertainment Business Performance

### (1) Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/20	11.6	11.5	8.4	10.5	1.5	6.4	0.9	3.1	6.6		
FY3/19	0.5	0.5	5.8	2.0	1.3	4.2	4.8	3.4	2.8	4.4	3.6

### (2) Change in number of customers and sales per customer at existing stores

(%)

		Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
Number of customers	FY3/20	8.7	6.7	3.9	6.5	-2.5	1.2	-2.0	-1.0	2.6		
	FY3/19	1.3	2.0	5.5	2.8	2.1	3.6	4.7	3.4	3.1	4.9	4.0
Sales per customer	FY3/20	2.6	4.5	4.3	3.8	4.0	5.1	3.0	4.1	3.9		
	FY3/19	-0.8	-1.5	0.2	-0.7	-0.8	0.6	0.1	0.0	-0.3	-0.5	-0.4



## Reference: First Half of FY3/20 Entertainment Business Performance

### (3) Café complex : Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/20	13.1	13.0	10.5	12.2	2.2	7.9	3.6	4.7	8.2		
FY3/19	1.9	2.1	6.2	3.2	2.6	4.8	6.5	4.5	3.9	6.9	5.2

### (4) Café complex : Change in number of customers and sales per customer at existing stores

(%)

		Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
Number of customers	FY3/20	9.4	7.2	4.6	7.0	-2.4	1.4	-1.0	-0.6	3.0		
	FY3/19	1.1	2.0	4.7	2.4	2.0	4.4	5.0	3.7	3.1	5.8	4.3
Sales per customer	FY3/20	3.4	5.4	5.6	4.8	4.8	6.4	4.6	5.3	5.0		
	FY3/19	0.8	0.1	1.5	0.7	0.6	0.4	1.5	0.8	0.8	1.0	0.9

### (5) Café complex : Percentage to existing-store sales

(%)

		1H FY3/19	1H FY3/20	YoY change
Existing stores	Room charges	83.4	87.0	+3.6pt
	Food and beverage sales	14.4	11.1	-3.3pt
	Other sales	2.2	1.9	-0.3pt

## Reference: First Half of FY3/20 Entertainment Business Performance

### (6) Karaoke facility: Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/20	7.1	5.1	-0.1	4.3	-1.8	0.7	-9.5	-3.3	0.4		
FY3/19	-2.9	-3.7	4.9	-0.7	-2.2	2.6	1.8	0.9	0.1	0.5	0.4

### (7) Karaoke facility: Change in number of customers and sales per customer at existing stores

(%)

		Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
Number of customers	FY3/20	6.2	4.0	0.2	3.7	-2.7	0.5	-7.4	-3.1	0.3		
	FY3/19	2.0	2.1	7.8	3.9	2.6	0.9	3.9	2.5	3.2	2.8	3.0
Sales per customer	FY3/20	0.8	1.0	-0.3	0.6	1.0	0.3	-2.3	-0.2	0.2		
	FY3/19	-4.8	-5.7	-2.8	-4.5	-4.7	1.7	-2.0	-1.6	-2.9	-2.2	-2.6

### (8) Karaoke facility: Percentage to existing-store sales

(%)

		1H FY3/19	1H FY3/20	YoY change
Existing stores	Room charges	47.5	48.2	+0.7pt
	Food and beverage sales	52.1	51.3	-0.8pt
	Other sales	0.4	0.5	+0.1pt

## (9) Store network by prefecture

	1H FY3/20																			
	No. of stores opened / closed				No. of stores at period-end						No. of stores opened / closed				No. of stores at period-end					
	KAIKATSU CLUB	COTE D'AZUR	FIT24	Total	KAIKATSU CLUB	COTE D'AZUR	FIT24	Total			KAIKATSU CLUB	COTE D'AZUR	FIT24	Total	KAIKATSU CLUB	COTE D'AZUR	FIT24	Total		
Hokkaido	2		2	4	9		2	11	Hokkaido/ Tohoku	Shiga	1			1	5			5	Kinki/ Chugoku	
Aomori	1		1	2	1		1	2		Kyoto	1			1	10	1		11		
Iwate					5	1		6	50	Osaka	4		1	5	36	5	1	42	113	
Miyagi					6	6		12		Hyogo	1		1	2	18	4	1	23		
Akita	2		1	3	4	1	1	6		Nara					4			4		
Yamagata					5	1		6		Wakayama					3			3		
Fukushima					6	1		7		Tottori					1			1		
Ibaraki	1		1	2	13	2	1	16	Kanto	Shimane					2			2	Kyushu/ Shikoku/ Okinawa	
Tochigi					6	1		7		Okayama					6	2		8		
Gunma					8	1		9	219	Hiroshima	1			1	10			10		
Saitama	4		1	5	31	1	1	33		Yamaguchi					4			4		
Chiba	4		2	6	26	7	2	35		Tokushima					2			2		
Tokyo	7	/1	1	8/1	28	26	1	55		Kagawa					3			3		
Kanagawa	4		3	7	29	31	4	64		Ehime					1			1		
Niigata			1	1	8	3	1	12	Koshinetsu /Hokuriku	Fukuoka	2			2	10	2		12		
Toyama	2			2	4	2		6		Saga					2			2		
Ishikawa	1			1	5	6		11	58	Nagasaki					3			3	42	
Fukui	1		1	2	2	6	1	9		Kumamoto	1			1	7			7		
Yamanashi					3	2		5		Oita					3			3		
Nagano					7	7	1	15		Miyazaki					3			3		
Gifu					7			7	Tokai	Kagoshima					3			3		
Shizuoka	3		3	6	17	5	3	25		Okinawa					3			3		
Aichi	1		1	2	32	6	1	39	82	Total	46	/1	20	66/1	412	130	22	564		
Mie	2			2	11			11		Note: Figures for Fit 24 include KAIKATSU FITNESS CLUBs.										

# Reference: FY3/20 Entertainment Business Outlook

## (1) Entertainment:

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

		First half	3Q	4Q	Second half	Full year
Sales	FY3/20 (1H results + 2H revised forecast)	6.6	-0.3	-0.4	-0.4	3.2
	FY3/20 (initial forecast)	2.0	1.2	0.0	0.6	1.3
	FY3/19	2.8	2.9	6.2	4.4	3.6
Number of customers	FY3/20 (1H results + 2H revised forecast)	2.6	-0.2	-0.5	-0.4	1.2
	FY3/20 (initial forecast)	1.2	0.3	-0.4	-0.1	0.6
	FY3/19	3.1	3.9	6.0	4.9	4.0
Sales per customer	FY3/20 (1H results + 2H revised forecast)	3.9	0.0	0.0	0.0	2.0
	FY3/20 (initial forecast)	0.8	0.9	0.4	0.7	0.7
	FY3/19	-0.3	-1.0	-0.2	-0.5	-0.4

## (2) Café complex:

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

		First half	3Q	4Q	Second half	Full year
Sales	FY3/20 (1H results + 2H revised forecast)	8.2	0.4	0.6	0.5	4.6
	FY3/20 (initial forecast)	2.4	1.9	0.7	1.3	1.8
	FY3/19	3.9	5.0	8.7	6.9	5.2
Number of customers	FY3/20 (1H results + 2H revised forecast)	3.0	0.0	0.0	0.0	1.6
	FY3/20 (initial forecast)	1.7	0.5	0.0	0.2	1.0
	FY3/19	3.1	5.0	6.6	5.8	4.3
Sales per customer	FY3/20 (1H results + 2H revised forecast)	5.0	0.4	0.6	0.5	3.0
	FY3/20 (initial forecast)	0.7	1.3	0.7	1.0	0.9
	FY3/19	0.8	0.0	2.0	1.0	0.9

## Reference: FY3/20 Entertainment Business Outlook

### (3) Karaoke facility:

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

		First half	3Q	4Q	Second half	Full year
Sales	FY3/20 (1H results + 2H revised forecast)	0.4	-1.7	-3.2	-2.4	-1.2
	FY3/20 (initial forecast)	0.7	-0.5	-2.1	-1.3	-0.3
	FY3/19	0.1	-0.1	1.4	0.5	0.4
Number of customers	FY3/20 (1H results + 2H revised forecast)	0.3	-1.0	-2.0	-1.5	-0.8
	FY3/20 (initial forecast)	-0.6	-0.5	-2.0	-1.3	-0.9
	FY3/19	3.2	1.5	4.4	2.8	3.0
Sales per customer	FY3/20 (1H results + 2H revised forecast)	0.2	-0.7	-1.2	-0.9	-0.5
	FY3/20 (initial forecast)	1.4	0.0	-0.1	0.0	0.6
	FY3/19	-2.9	-1.6	-2.9	-2.2	-2.6