

**First Quarter Financial Results  
for the Fiscal Ending March 31, 2020  
Supplementary Materials**

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**August 7, 2019**

**AOKI Holdings Inc.**

# FY3/20 1Q Consolidated Financial Highlights

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**Decrease in the numbers of stores and decrease in sales at existing stores in the Fashion Business and Bridal Business, resulting in lower sales and profits**

## ■ Fashion Business

- ◆ Decrease in existing-store sales due to a shift in business apparel styles : -4.6% YoY
- ◆ New-store openings AOKI : 3stores
- ◆ Store closings AOKI : 39stores(including 15 locations converted into café complexes)

## ■ Anniversaire and Bridal Business

- ◆ Sales decreased due to closing of ANNIVERSAIRE FUKUOKA in Dec. 31, 2018
- ◆ Decrease in the number of couples married: -15.1% YoY

## ■ Entertainment Business

- ◆ Increase in existing-store sales : +10.5% YoY  
(karaoke : +4.3% YoY, Café Complex : +12.2% YoY)
- ◆ New-store openings Café Complex : 13stores  
Fitness(FiT24) : 3stores

# Consolidated Profit and Loss

(Millions of yen)

Account/Period	Three months of FY3/19		Three months of FY3/20	Change	YoY %	Major Components
	Results	Reclassified*				
Sales	44,834	45,113	43,334	-1,779	96.1	Decrease in the number of stores , decrease in sales at existing-stores in the Fashion Business
Gross profit	18,360	18,386	17,233	-1,153	93.7	Decrease in gross profit margin by 0.8pt in the Fashion Business
Gross profit margin	41.0%	40.8%	39.8%	-1.0pt		
Selling, general and administrative expenses	17,720	17,713	17,005	-708	96.0	Lower expenses in the Fashion Business
Operating profit	640	673	228	-445	33.9	
Operating margin	1.4%	1.5%	0.5%	-1.0pt		
Non-operating profit	231	102	101	-0	99.6	
Non-operating expenses	706	610	455	-154	74.7	
Ordinary profit	165	165	-125	-290	-	
Extraordinary gains	7	7	53	45	690.9	Gain on sale of fixed assets
Extraordinary losses	643	643	220	-423	34.2	Mainly impairment losses
Profit(loss) attributable to owners of parent	-296	-296	-288	8	-	

\*Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

## Assumptions

- ◆ Depreciation: ¥2,169 million (including lease assets of ¥388 million)
- ◆ YoY existing-store sales: -4.6% for Fashion, +10.5% for Entertainment

# Sales and Operating Profit by Business Segment

## Sales by business segment

(Millions of yen)

Business Segment	Three months of FY3/19		Three months of FY3/20	Change	YoY %
	Results	Reclassified*			
Total	44,834	45,113	43,334	-1,779	96.1
Fashion	25,852	25,852	24,181	-1,671	93.5
Anniversaire and Bridal	6,553	6,553	5,592	-961	85.3
Entertainment	12,440	12,440	13,261	821	106.6
(of which) Karaoke	3,973	3,973	3,386	-587	85.2
(of which) Café Complex	8,466	8,466	9,875	1,409	116.6
Real Estate Leasing	-	766	846	79	110.4
Inter-segment transactions	-11	-499	-547	-48	-

\*Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

## Operating profit by business segment

(Millions of yen)

Business Segment	Three months of FY3/19		Three months of FY3/20	Change	YoY %
	Results	Reclassified*			
Total	640	673	228	-445	33.9
Fashion	-215	-204	-395	-191	-
Anniversaire and Bridal	417	417	-35	-452	-
Entertainment	185	185	463	278	250.4
(of which) Karaoke	-202	-202	140	342	-
(of which) Café Complex	387	387	323	-63	83.5
Real Estate Leasing	-	176	122	-54	69.2
Inter-segment transactions	252	98	73	-25	74.0

\*Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

# Number of Stores Opened/Closed, Capital Expenditures

(Number of stores)

Business Segment	Stores/Facilities	Three months of FY3/19			Three months of FY3/20		
		Number of Stores	Opened	Closed	Number of Stores	Opened	Closed
Fashion	AOKI	573	-	1	530	3	39
	ORIHICA	137	2	2	131	-	-
Anniversaire and Bridal	ANNIVERSAIRE	14	-	-	13	-	-
Entertainment	COTE D'AZUR	165	-	7	131	-	-
	KAIKATSU CLUB, other*	359	1	1	384	16	-
Total		1,248	3	11	1,189	19	39
Capital Expenditures (Millions of yen)		2,497			3,109		

\* Includes KAIKATSU FITNESS CLUB, FIT24

(Millions of yen)

Capital Expenditures	Three months of FY3/19	Three months of FY3/20
Fashion	370	207
Anniversaire and Bridal	40	8
Entertainment	1,123	2,788
(of which) Karaoke	127	35
(of which) Café Complex	995	2,752
Consolidated Total	2,497	3,109

# Reference:First Quarter of FY3/20 Consolidated Business Results

(Millions of yen unless otherwise stated)

	1Q of FY3/19 Results	%	1Q of FY3/19 Reclassified	%	1Q of FY3/20 Forecast	%	YoY change	YoY %
Sales	44,834	100.0	45,113	100.0	43,334	100.0	-1,779	96.1
Fashion	25,852	100.0	25,852	100.0	24,181	100.0	-1,671	93.5
Anniversaire/Bridal	6,553	100.0	6,553	100.0	5,592	100.0	-961	85.3
Entertainment	12,440	100.0	12,440	100.0	13,261	100.0	821	106.6
Karaoke	3,973	100.0	3,973	100.0	3,386	100.0	-587	85.2
Café Complex	8,466	100.0	8,466	100.0	9,875	100.0	1,409	116.6
Real Estate Leasing	-	-	766	100.0	846	100.0	79	110.4
Gross profit	18,360	41.0	18,386	40.8	17,223	39.8	-1,153	93.7
Fashion	15,098	58.4	15,098	58.4	13,928	57.6	-1,169	92.3
Anniversaire/Bridal	1,806	27.6	1,806	27.6	1,334	23.9	-472	73.9
Entertainment	1,351	10.9	1,351	10.9	1,878	14.2	526	139.0
Karaoke	259	6.5	259	6.5	470	13.9	210	181.1
Café Complex	1,091	12.9	1,091	12.9	1,407	14.3	316	129.0
Real Estate Leasing	-	-	176	23.0	122	14.4	-54	69.2
SG&A expenses	17,720	39.5	17,713	39.3	17,005	39.2	-708	96.0
Fashion	15,313	59.2	15,302	59.2	14,324	59.2	-978	93.6
Anniversaire/Bridal	1,389	21.2	1,389	21.2	1,369	24.5	-19	98.6
Entertainment	1,165	9.4	1,165	9.4	1,414	10.7	248	121.3
Karaoke	462	11.6	462	11.6	330	9.8	-131	71.5
Café Complex	703	8.3	703	8.3	1,084	11.0	380	154.0
Operating profit	640	1.4	673	1.5	228	0.5	-445	33.9
Fashion	-215	-	-204	-	-395	-	-191	-
Anniversaire/Bridal	417	6.4	417	6.4	-35	-	-452	-
Entertainment	185	1.5	185	1.5	463	3.5	278	250.4
Karaoke	-202	-	-202	-	140	4.1	342	-
Café Complex	387	4.6	387	4.6	323	3.3	-63	83.5
Real Estate Leasing	-	-	176	23.0	122	14.4	-54	69.2
Ordinary profit	165	0.4	165	0.4	-125	-	-290	-
Profit(loss) attributable to owners of parent	-296	-	-296	-	-288	-	8	-

Note: Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

# Reference: First Quarter of FY3/20 Major Expenses

## SG&A expenses

(Millions of yen unless otherwise stated)

	Three months of FY3/19 Results					Three months of FY3/20 Results									
	Total	Fashion	Anniversaire/ Bridal	Karaoke	Café Complex	Total	Fashion		Anniversaire/ Bridal		Karaoke		Café Complex		
							YoY %	YoY %	YoY %	YoY %	YoY %	YoY %			
Advertising expenses	3,479	2,815	457	114	59	2,840	81.7	2,103	74.7	454	99.4	50	44.2	152	256.0
Personnel expenses	6,540	5,228	360	196	396	6,337	96.9	4,961	94.9	348	96.8	136	69.2	467	118.0
Rents	3,711	3,763	5	7	16	3,595	96.9	3,648	96.9	10	185.4	6	81.1	16	100.8
Depreciation	835	687	25	10	12	890	106.6	697	101.5	28	108.8	8	82.9	16	132.0

Note: 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. Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

## Major expenses included in cost of sales

(Millions of yen unless otherwise stated)

	Three months of FY3/19 Results			Three months of FY3/20 Results					
	Anniversaire/ Bridal	Karaoke	Café Complex	Anniversaire/ Bridal		Karaoke		Café Complex	
				YoY %	YoY %	YoY %	YoY %		
Personnel expenses	1,205	1,180	2,470	1,135	94.2	976	82.7	2,798	113.3
Rents	512	983	1,324	496	96.9	753	76.6	1,766	133.3
Depreciation	333	272	572	314	94.2	199	73.2	620	108.3

Note: 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. Started in three months of FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. Three months of FY3/19 results reflect this reclassification.

## Reference: First Quarter of FY3/20 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	FY3/20	-4.6	-0.7	3.2	0.9	-3.1	1.2	-0.5	0.0
	FY3/19 (Results)	-3.3	-	-0.2	-2.0	-3.5	-1.6	-2.4	-2.2
Number of customers	FY3/20	-5.1	-1.7	3.8	0.5	-5.9	1.2	-2.2	-1.0
	FY3/19 (Results)	-5.9	-	0.3	-3.4	-2.9	-1.0	-1.9	-2.6
Sales per customer	FY3/20	0.6	1.0	-0.5	0.4	3.0	0.0	1.7	1.0
	FY3/19 (Results)	2.7	-	-0.5	1.4	-0.6	-0.6	-0.5	0.4

### (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)	FY3/20	24.1	93.0						
	FY3/19	25.9	92.4	42.2	94.5	82.5	97.1	124.7	96.2
Unit price (thousands of yen)	FY3/20	25.3	97.3						
	FY3/19	26.0	100.4	25.2	97.7	25.6	98.1	25.5	97.7



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

## (3) Sales by category

(Millions of yen unless otherwise stated)

	Three months of FY3/19 Results	%	Three months of FY3/20 Results	%	YoY change	YoY %
Heavy clothing	9,571	37.0	9,050	37.4	-520	94.6
Medium clothing	3,105	12.0	2,944	12.2	-160	94.8
Light clothing	8,368	32.3	7,559	31.3	-808	90.3
Ladies' clothing	4,097	15.9	3,891	16.1	-205	95.0
Other	711	2.8	734	3.0	23	103.3
<b>Total</b>	<b>25,852</b>	<b>100.0</b>	<b>24,181</b>	<b>100.0</b>	<b>-1,671</b>	<b>93.5</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 FY3/20 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	FY3/20	4.3	2.4	-0.7	0.7	-0.5	-2.1	-1.3	-0.3
	FY3/19 (Results)	-0.7	-	0.9	0.1	-0.1	1.4	0.5	0.4
Number of customers	FY3/20	3.7	-0.5	-0.7	-0.6	-0.5	-2.0	-1.3	-0.9
	FY3/19 (Results)	3.9	-	2.5	3.2	1.5	4.4	2.8	3.0
Sales per customer	FY3/20	0.6	2.9	0.0	1.4	0.0	-0.1	0.0	0.6
	FY3/19 (Results)	-4.5	-	-1.6	-2.9	-1.6	-2.9	-2.2	-2.6

## (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	FY3/20	12.2	4.5	0.6	2.4	1.9	0.7	1.3	1.8
	FY3/19 (Results)	3.2	-	4.5	3.9	5.0	8.7	6.9	5.2
Number of customers	FY3/20	7.0	3.0	0.5	1.7	0.5	0.0	0.2	1.0
	FY3/19 (Results)	2.4	-	3.7	3.1	5.0	6.6	5.8	4.3
Sales per customer	FY3/20	4.8	1.4	0.1	0.7	1.3	0.7	1.0	0.9
	FY3/19 (Results)	0.7	-	0.8	0.8	0.0	2.0	1.0	0.9

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

### (1) Entertainment Business:

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	FY3/20	10.5	4.0	0.3	2.0	1.2	0.0	0.6	1.3
	FY3/19 (Results)	2.0	-	3.4	2.8	2.9	6.2	4.4	3.6
Number of customers	FY3/20	6.5	2.3	0.3	1.2	0.3	-0.4	-0.1	0.6
	FY3/19 (Results)	2.8	-	3.4	3.1	3.9	6.0	4.9	4.0
Sales per customer	FY3/20	3.8	1.7	0.1	0.8	0.9	0.4	0.7	0.7
	FY3/19 (Results)	-0.7	-	0.0	-0.3	-1.0	0.2	-0.5	-0.4