

# **Supplementary Materials**

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

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**November 7, 2019**

**AOKI Holdings Inc.**

# First Half of FY3/20 Consolidated Business Results

(Millions of yen unless otherwise stated)

|   | 1H of FY3/19<br>Results | %     | 1H of FY3/19<br>Reclassified | %     | 1H of FY3/20<br>Forecast | %     | YoY change | YoY % |
|---|-------------------------|-------|------------------------------|-------|--------------------------|-------|------------|-------|
| Sales   | 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 |
| Gross profit                                  | 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  |
| SG&A expenses                                 | 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  |
| Operating profit                              | 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  |
| Ordinary profit(loss)                         | 533                     | 0.6   | 533                          | 0.6   | -496                     | —     | -1,029     | —     |
| Profit(loss) attributable to owners of parent | -1,056                  | —     | -1,056                       | —     | -988                     | —     | 68         | —     |

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.

# Full-year FY3/20 Consolidated Forecast

(Millions of yen unless otherwise stated)

|  | FY3/19<br>Results | %     | FY3/19<br>Reclassified | %     | FY3/20<br>Initial<br>forecast | %     | FY3/20<br>Revised<br>forecast | %     | YoY<br>change | YoY % |
|--|-------------------|-------|------------------------|-------|-------------------------------|-------|-------------------------------|-------|---------------|-------|
| <b>Sales</b>                                   | 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 |
| <b>Gross profit</b>                            | 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 |
| <b>SG&amp;A expenses</b>                       | 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  |
| <b>Operating profit</b>                        | 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 |
| <b>Ordinary profit</b>                         | 11,890            | 6.1   | 11,890                 | 6.1   | 11,750                        | 6.1   | 11,300                        | 5.9   | -590          | 95.0  |
| <b>Profit attributable to owners of parent</b> | 4,602             | 2.4   | 4,602                  | 2.4   | 5,400                         | 2.8   | 5,400                         | 2.8   | 797           | 117.3 |

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.

# Number of Stores Opened/Closed, Capital Expenditures and Depreciation

(Number of stores)

| Business Segment                       | Stores/Facilities            | 1H of FY3/19     |        |        | 1H of 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 of FY3/19 | 1H of FY3/20 |
|--------------------------------|--------------|--------------|
| Fashion                        | 1,167        | 598          |
| Anniversaire and Bridal        | 309          | 91           |
| Entertainment                  | 2,473        | 8,599        |
| (of which) Café Complex ,FIT24 | 2,271        | 8,497        |
| (of which) Karaoke             | 202          | 102          |
| Consolidated Total             | 4,928        | 9,360        |

(Millions of yen)

| Depreciation       | 1H of FY3/19 | 1H of FY3/20 | YoY % |
|--------------------|--------------|--------------|-------|
| Consolidated Total | 4,089        | 4,246        | 103.8 |

# Outlook for Store Openings/Closings, Capital Expenditures and Depreciation

(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 ,FIT24 | 5,095  | 14,972           |
| (of which) Karaoke             | 333    | 218              |
| Consolidated Total             | 10,477 | 17,300           |

(Millions of yen)

| Depreciation       | FY3/19 | FY3/20(Forecast) | YoY % |
|--------------------|--------|------------------|-------|
| Consolidated Total | 8,229  | 8,940            | 108.6 |

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

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

(%)

|                           |  | 1Q<br>(results) | 2Q<br>(results) | First half<br>(results) | 3Q    | 4Q    | Second<br>half | Full year |
|---------------------------|--|-----------------|-----------------|-------------------------|-------|-------|----------------|-----------|
| Sales                     | FY3/20<br>(1H results + 2H revised forecast) | 95.4            | 101.4           | 97.9                    | 95.0  | 101.6 | 98.9           | 98.5      |
|                           | FY3/20 (initial forecast)                    | 99.3            | 103.2           | 100.9                   | 96.9  | 101.2 | 99.5           | 100.0     |
|                           | FY3/19                                       | 96.7            | 99.8            | 98.0                    | 96.5  | 98.4  | 97.6           | 97.8      |
| Number<br>of<br>customers | FY3/20<br>(1H results + 2H revised forecast) | 94.9            | 99.5            | 96.8                    | 94.5  | 100.0 | 97.4           | 97.1      |
|                           | FY3/20 (initial forecast)                    | 98.3            | 103.8           | 100.5                   | 94.1  | 101.2 | 97.8           | 99.0      |
|                           | FY3/19                                       | 94.1            | 100.3           | 96.6                    | 97.1  | 99.0  | 98.1           | 97.4      |
| Sales per<br>customer     | FY3/20<br>(1H results + 2H revised forecast) | 100.6           | 102.0           | 101.2                   | 100.5 | 101.6 | 101.6          | 101.5     |
|                           | FY3/20 (initial forecast)                    | 101.0           | 99.5            | 100.4                   | 103.0 | 100.0 | 101.7          | 101.0     |
|                           | FY3/19                                       | 102.7           | 99.5            | 101.4                   | 99.4  | 99.4  | 99.5           | 100.4     |

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

|  |        | First half | YoY % | Second half | YoY % | Full year | YoY % |
|--|--------|------------|-------|-------------|-------|-----------|-------|
| Number of units sold<br>(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<br>(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 Bridal Business Performance

\*Change in existing-store sales, number of couples and average sales per couple

(%)

|   |  | First half<br>(results) | YoY % | Second half | YoY % | Full year | YoY % |
|---|--|-------------------------|-------|-------------|-------|-----------|-------|
| No. of couples married/<br>planned for marrying | FY3/20<br>(1H results + 2H revised forecast) | 2,555                   | 93.9  | 2,966       | 104.4 | 5,521     | 99.2  |
|   | FY3/20 (initial forecast)                    | 2,559                   | 94.0  | 2,966       | 104.4 | 5,525     | 99.3  |
|   | FY3/19                                       | 2,721                   | 94.6  | 2,842       | 94.4  | 5,563     | 94.5  |
| Average sales per couple<br>(thousands of yen)  | FY3/20<br>(1H results + 2H revised forecast) | 4,353                   | 98.5  | 4,469       | 100.5 | 4,415     | 99.6  |
|   | FY3/20 (initial forecast)                    | 4,402                   | 99.7  | 4,498       | 101.2 | 4,454     | 100.5 |
|   | FY3/19                                       | 4,417                   | 99.9  | 4,445       | 99.4  | 4,432     | 99.7  |

\*excluding ANNIVERSAIRE FUKUOKA closed in Dec. 2018.

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

### Entertainment Business:

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

(%)

|                           |  | 1Q<br>(results) | 2Q<br>(results) | First half<br>(results) | 3Q    | 4Q    | Second<br>half | Full year |
|---------------------------|--|-----------------|-----------------|-------------------------|-------|-------|----------------|-----------|
| Sales                     | FY3/20<br>(1H results + 2H revised forecast) | 110.5           | 103.1           | 106.6                   | 99.7  | 99.6  | 99.6           | 103.2     |
|                           | FY3/20 (initial forecast)                    | 104.0           | 100.3           | 102.0                   | 101.2 | 100.0 | 100.6          | 101.3     |
|                           | FY3/19                                       | 103.3           | 103.4           | 103.4                   | 102.9 | 106.2 | 104.4          | 103.9     |
| Number<br>of<br>customers | FY3/20<br>(1H results + 2H revised forecast) | 106.5           | 99.0            | 102.6                   | 99.8  | 99.5  | 99.6           | 101.2     |
|                           | FY3/20 (initial forecast)                    | 102.3           | 100.3           | 101.2                   | 100.3 | 99.6  | 99.9           | 100.6     |
|                           | FY3/19                                       | 104.1           | 103.4           | 103.7                   | 103.9 | 106.0 | 104.9          | 104.3     |
| Sales per<br>customer     | FY3/20<br>(1H results + 2H revised forecast) | 103.8           | 104.1           | 103.9                   | 100.0 | 100.0 | 100.0          | 102.0     |
|                           | FY3/20 (initial forecast)                    | 101.7           | 100.1           | 100.8                   | 100.9 | 100.4 | 100.7          | 100.7     |
|                           | FY3/19                                       | 97.8            | 99.4            | 98.7                    | 99.0  | 99.1  | 99.1           | 98.9      |