

Financial Results for the Fiscal Year Ended March 31, 2020 Supplementary Materials

AOKI Holdings Inc.

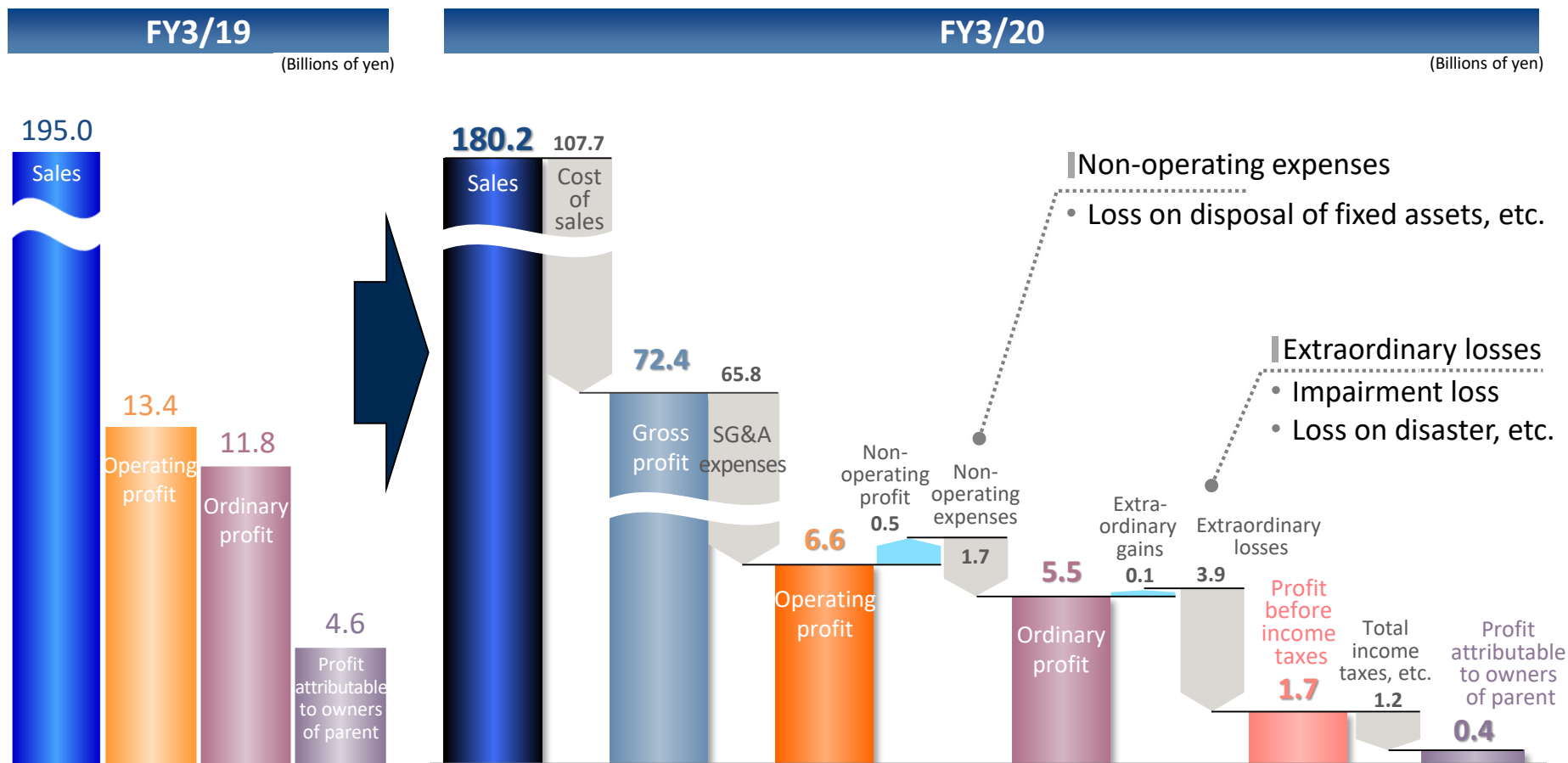
May 20, 2020

FY3/20 Financial Highlights

The Entertainment Business remained firm due to contributions from many new facilities and strong existing-store sales but

- Negative impact of the COVID-19 crisis in all business segments in March
- Lower existing-store sales in the Fashion Business
- Decrease in the number of couples married in the ANNIVERSAIRE/Bridal Business
- Higher costs due to an increase in new facilities in the Entertainment Business

Lower sales and profits

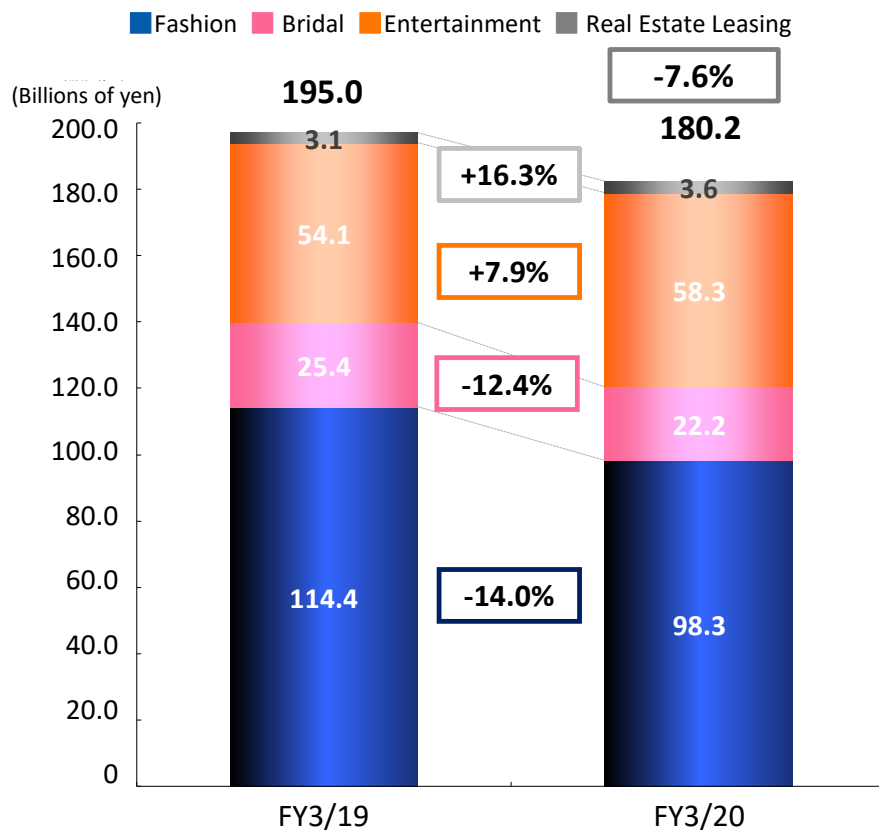


Note: Starting in FY3/20, profit/loss on real estate leasing is included in operating profit/loss instead of non-operating profit/expenses. FY3/19 figures reflect this reclassification.

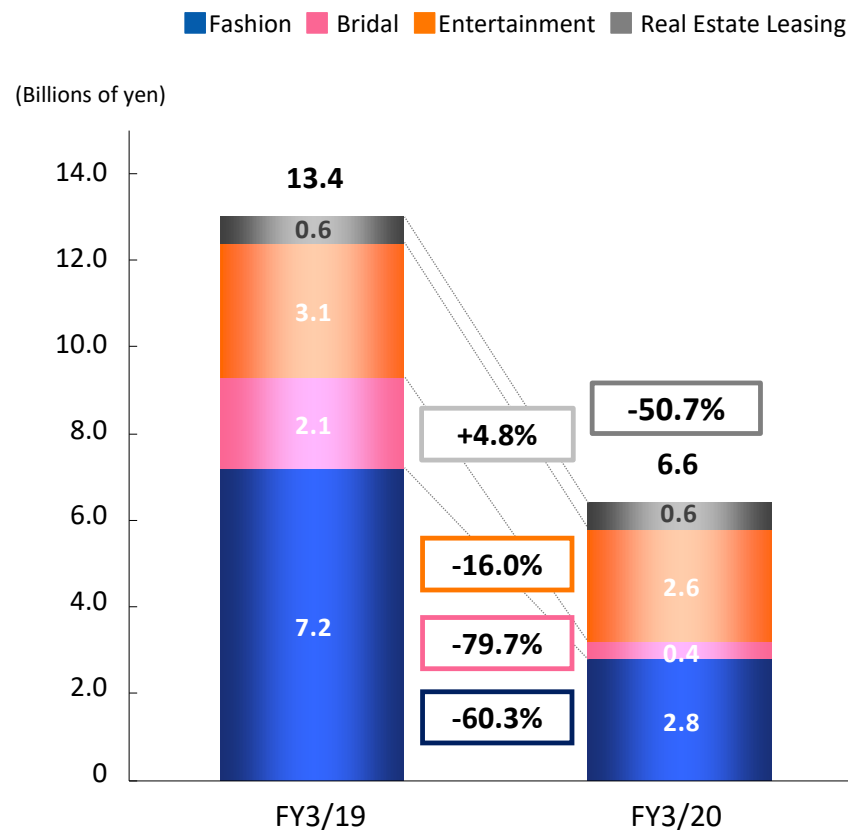
FY3/20 Results by Segment

- Fashion: Lower sales and earnings because of a decrease in the number of stores and lower existing-store sales, especially caused by the COVID-19 pandemic in late February and the entire March.
- ANNIVERSAIRE/Bridal: Lower sales and earnings due to smaller number of locations and a decrease in the number of couples married, especially caused by the COVID-19 pandemic in late February and the entire March.
- Entertainment: Sales increased due to contributions from new facilities and strong existing-store sales but earnings decreased because of higher costs due to an increase in the number of facility openings and renovations.

Sales



Operating profit



Note: Starting in 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.

Impact of COVID-19 in March 2020

| Business Segment | Change in Existing-store Performance vs. March 2019 | Effects of the COVID-19 Crisis |
|-------------------------|---|--|
| Fashion | <p>Sales: down 32.9%</p> <p>Number of customers: down 35.0%</p> <p>Sales per customer: up 3.2%</p> | <ul style="list-style-type: none"> • 29.3% decrease in “freshers” customers at AOKI because school graduation and entrance ceremonies were canceled • 36.6% decrease in the number of standard customers (excluding “freshers”) at AOKI as people stayed home and switched to teleworking • 35.8% decrease in existing-store sales at ORIHICA because of temporary store closings and other reasons |
| Anniversaire and Bridal | <p>Sales: down 53.3%</p> | <ul style="list-style-type: none"> • The number of weddings was down by about 300 as couples rescheduled or canceled weddings |
| Entertainment | <p>Sales: down 17.2%</p> <p>Number of customers: down 15.6%</p> <p>Sales per customer: down 1.9%</p> | <ul style="list-style-type: none"> • 37.2% decrease in existing karaoke facility sales because people stayed home and for other reason • 12.0% decrease in existing café complex sales because people stayed home and for other reason • An increase in the number of people who canceled FiT24 fitness center memberships; more than 2,500 memberships were canceled |

- Fashion: Greatly affected by a big downturn in the number of customers in late February and the entire March, which is the peak sales period.
- ANNIVERSAIRE/Bridal: Starting in late February, wedding postponements started to increase with each passing day.
- Entertainment: The effect of people refraining from visiting karaoke facilities was particularly significant.

Earnings forecast for FY3/21

There is no forecast for the fiscal year ending in March 2021 at this time. Determining an accurate and reliable forecast is not possible because of the effects of the COVID-19.

An announcement will be made as soon as it becomes possible to determine a forecast.

FY3/20 Consolidated Business Results

(Millions of yen unless otherwise stated)

| | FY3/19 Results | % | FY3/19 Reclassified | % | FY3/20 Forecast | % | FY3/20 Results | % | YoY change | YoY % |
|---|-------------------|-------|------------------------|-------|--------------------|-------|-------------------|-------|------------|-------|
| Sales | 193,918 | 100.0 | 195,054 | 100.0 | 192,500 | 100.0 | 180,220 | 100.0 | -14,833 | 92.4 |
| Fashion | 114,404 | 100.0 | 114,404 | 100.0 | 108,000 | 100.0 | 98,352 | 100.0 | -16,051 | 86.0 |
| Anniversaire/Bridal | 25,433 | 100.0 | 25,433 | 100.0 | 24,700 | 100.0 | 22,270 | 100.0 | -3,162 | 87.6 |
| Entertainment | 54,102 | 100.0 | 54,102 | 100.0 | 58,500 | 100.0 | 58,388 | 100.0 | 4,285 | 107.9 |
| Café Complex | 36,797 | 100.0 | 36,797 | 100.0 | 44,000 | 100.0 | 44,280 | 100.0 | 7,483 | 120.3 |
| Karaoke | 17,305 | 100.0 | 17,305 | 100.0 | 14,500 | 100.0 | 14,108 | 100.0 | -3,197 | 81.5 |
| Real Estate Leasing | - | - | 3,116 | 100.0 | 3,530 | 100.0 | 3,624 | 100.0 | 507 | 116.3 |
| Gross profit | 83,592 | 43.1 | 83,673 | 42.9 | 80,800 | 42.0 | 72,483 | 40.2 | -11,190 | 86.6 |
| Fashion | 67,748 | 59.2 | 67,748 | 59.2 | 64,200 | 59.4 | 57,695 | 58.7 | -10,052 | 85.2 |
| Anniversaire/Bridal | 7,136 | 28.1 | 7,136 | 28.1 | 6,790 | 27.5 | 5,426 | 24.4 | -1,709 | 76.0 |
| Entertainment | 8,273 | 15.3 | 8,275 | 15.3 | 9,220 | 15.8 | 8,903 | 15.2 | 628 | 107.6 |
| Café Complex | 5,473 | 14.9 | 5,474 | 14.9 | 6,520 | 14.8 | 6,544 | 14.8 | 1,070 | 119.6 |
| Karaoke | 2,799 | 16.2 | 2,800 | 16.2 | 2,700 | 18.6 | 2,358 | 16.7 | -441 | 84.2 |
| Real Estate Leasing | - | - | 638 | 20.5 | 790 | 22.4 | 668 | 18.5 | 30 | 104.8 |
| SG&A expenses | 70,209 | 36.2 | 70,182 | 36.0 | 68,500 | 35.6 | 65,833 | 36.5 | -4,348 | 93.8 |
| Fashion | 60,526 | 52.9 | 60,485 | 52.9 | 56,700 | 52.5 | 54,809 | 55.7 | -5,676 | 90.6 |
| Anniversaire/Bridal | 4,966 | 19.5 | 4,966 | 19.5 | 5,290 | 21.4 | 4,987 | 22.4 | 21 | 100.4 |
| Entertainment | 5,092 | 9.4 | 5,092 | 9.4 | 6,420 | 11.0 | 6,231 | 10.7 | 1,138 | 122.4 |
| Café Complex | 3,315 | 9.0 | 3,315 | 9.0 | 4,920 | 11.2 | 4,925 | 11.1 | 1,610 | 148.6 |
| Karaoke | 1,777 | 10.3 | 1,777 | 10.3 | 1,500 | 10.3 | 1,305 | 9.3 | -472 | 73.4 |
| Operating profit | 13,382 | 6.9 | 13,491 | 6.9 | 12,300 | 6.4 | 6,649 | 3.7 | -6,841 | 49.3 |
| Fashion | 7,222 | 6.3 | 7,263 | 6.3 | 7,500 | 6.9 | 2,886 | 2.9 | -4,376 | 39.7 |
| Anniversaire/Bridal | 2,169 | 8.5 | 2,169 | 8.5 | 1,500 | 6.1 | 439 | 2.0 | -1,730 | 20.3 |
| Entertainment | 3,180 | 5.9 | 3,182 | 5.9 | 2,800 | 4.8 | 2,672 | 4.6 | -510 | 84.0 |
| Café Complex | 2,158 | 5.9 | 2,159 | 5.9 | 1,600 | 3.6 | 1,618 | 3.7 | -540 | 75.0 |
| Karaoke | 1,022 | 5.9 | 1,023 | 5.9 | 1,200 | 8.3 | 1,053 | 7.5 | 30 | 102.9 |
| Real Estate Leasing | - | - | 638 | 20.5 | 790 | 22.4 | 668 | 18.5 | 30 | 104.8 |
| Ordinary profit | 11,890 | 6.1 | 11,890 | 6.1 | 11,300 | 5.9 | 5,501 | 3.1 | -6,388 | 46.3 |
| Profit attributable to owners of parent | 4,602 | 2.4 | 4,602 | 2.4 | 5,400 | 2.8 | 447 | 0.2 | -4,155 | 9.7 |
| Net income per share (yen) | 53.34 | - | 53.34 | - | 62.88 | - | 5.23 | - | -48.11 | - |

Note: Starting in 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 Number of Stores Opened/Closed, Capital Expenditures and Depreciation

(Number of stores)

| Business Segment | Stores/Facilities | FY3/19 | | | FY3/20 | | |
|--|-----------------------------|------------------|--------|--------|------------------|--------|--------|
| | | Number of Stores | Opened | Closed | Number of Stores | Opened | Closed |
| Fashion | AOKI | 566 | 7 | 15 | 519 | 7 | 54 |
| | ORIHICA | 131 | 2 | 8 | 119 | 1 | 13 |
| Anniversaire and Bridal | ANNIVERSAIRE | 13 | - | 1 | 13 | - | - |
| Entertainment | KAIKATSU CLUB | 366 | 20 | 11 | 449 | 85 | 2 |
| | COTE D'AZUR | 131 | 1 | 42 | 123 | - | 8 |
| | FiT24/KAIKATSU Fitness CLUB | 2 | - | - | 30 | 28 | - |
| Total | | 1,209 | 30 | 77 | 1,253 | 121 | 77 |
| Capital Expenditures (Millions of yen) | | 10,477 | | | 19,571 | | |

(Millions of yen)

| Capital Expenditures | FY3/19 | FY3/20 |
|--|--------|--------|
| Fashion | 2,348 | 1,119 |
| Anniversaire and Bridal | 480 | 368 |
| Entertainment | 5,429 | 17,947 |
| (of which) Café Complex (includes FiT24) | 5,095 | 17,407 |
| (of which) Karaoke | 333 | 540 |
| Consolidated Total | 10,477 | 19,571 |

(Millions of yen)

| Depreciation | FY3/19 | FY3/20 | YoY % |
|--------------------|--------|--------|-------|
| Consolidated Total | 8,229 | 8,807 | 107.0 |

Reference: FY3/20 Fashion Business Performance

(1) Change in existing-store sales

(%)

| | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|--------|------------|-------|-------|-------|-------|------|------|-------|-------|-------------|-----------|
| FY3/20 | -2.1 | -26.6 | -11.5 | -10.3 | -15.8 | -6.3 | 9.4 | -32.9 | -15.1 | -15.4 | -10.1 |
| FY3/19 | -2.0 | -8.9 | -1.7 | 0.0 | -3.5 | 0.0 | -5.0 | -0.6 | -1.6 | -2.4 | -2.2 |

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

(%)

| | | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|---------------------|--------|------------|-------|------|------|-------|------|------|-------|-------|-------------|-----------|
| Number of customers | FY3/20 | -3.2 | -23.3 | -8.4 | -7.4 | -12.8 | -3.0 | 3.9 | -35.0 | -15.2 | -14.1 | -9.0 |
| | FY3/19 | -3.4 | -8.2 | -0.6 | 0.0 | -2.9 | -2.2 | -2.2 | 0.5 | -1.0 | -1.9 | -2.6 |
| Sales per customer | FY3/20 | 1.2 | -4.3 | -3.4 | -3.1 | -3.5 | -3.5 | 5.3 | 3.2 | 0.2 | -1.5 | -1.2 |
| | FY3/19 | 1.4 | -0.7 | -1.2 | 0.0 | -0.6 | 2.2 | -2.9 | -1.1 | -0.6 | -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 | 64.7 | 78.4 | 104.3 | 83.6 |
| | 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 | 24.7 | 96.5 | 25.0 | 98.0 |
| | FY3/19 | 25.2 | 97.7 | 25.6 | 98.1 | 25.5 | 97.7 |

Reference: FY3/20 Anniversaire and Bridal Business Performance

Number of couples married and sales per couple at existing locations

| | | First half | YoY % | Second half | YoY % | Full year | YoY % |
|-------------------------------------|---------|------------|-------|-------------|-------|-----------|-------|
| Number of couples married | FY3/20 | 2,555 | 93.9 | 2,476 | 87.1 | 5,031 | 90.4 |
| | FY3/19* | 2,721 | 94.6 | 2,842 | 94.4 | 5,563 | 94.5 |
| Sales per couple (thousands of yen) | FY3/20 | 4,353 | 98.5 | 4,386 | 98.7 | 4,369 | 98.6 |
| | FY3/19* | 4,417 | 99.9 | 4,445 | 99.4 | 4,432 | 99.7 |

*13 locations excluding ANNIVERSAIRE FUKUOKA closed in December 2018

Reference: FY3/20 Entertainment Business Performance

(1) Entertainment Business: Change in existing-store sales

(%)

| | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|--------|------------|------|------|------|-----|------|------|-------|------|-------------|-----------|
| FY3/20 | 6.6 | 3.5 | 2.1 | 0.6 | 2.0 | 3.9 | 6.5 | -17.2 | -2.9 | -0.5 | 3.3 |
| FY3/19 | 2.8 | 1.0 | 3.6 | 3.7 | 2.9 | 3.4 | 8.6 | 7.1 | 6.2 | 4.4 | 3.6 |

(2) Entertainment Business:

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

(%)

| | | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|---------------------|--------|------------|------|------|------|------|------|------|-------|------|-------------|-----------|
| Number of customers | FY3/20 | 2.6 | -1.0 | -0.6 | -0.4 | -0.7 | 3.6 | 5.4 | -15.6 | -2.7 | -1.7 | 0.6 |
| | FY3/19 | 3.1 | 3.6 | 5.3 | 2.9 | 3.9 | 3.5 | 8.1 | 6.8 | 6.0 | 4.9 | 4.0 |
| Sales per customer | FY3/20 | 3.9 | 4.6 | 2.7 | 0.9 | 2.6 | 0.3 | 1.0 | -1.9 | -0.2 | 1.2 | 2.7 |
| | FY3/19 | -0.3 | -2.5 | -1.6 | 0.8 | -1.0 | -0.1 | 0.5 | 0.2 | 0.2 | -0.5 | -0.4 |

Reference: FY3/20 Entertainment Business Performance

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

(%)

| | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|--------|------------|------|------|------|-----|------|------|-------|------|-------------|-----------|
| FY3/20 | 8.2 | 5.5 | 3.1 | 2.0 | 3.5 | 4.0 | 7.2 | -12.0 | -0.7 | 1.4 | 5.0 |
| FY3/19 | 3.9 | 2.2 | 6.3 | 6.5 | 5.0 | 6.7 | 9.5 | 10.1 | 8.7 | 6.9 | 5.2 |

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

(%)

| | | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|---------------------|--------|------------|------|------|------|-----|------|------|-------|------|-------------|-----------|
| Number of customers | FY3/20 | 3.0 | 0.1 | 0.1 | 0.6 | 0.3 | 4.0 | 6.6 | -11.9 | -0.8 | -0.3 | 1.5 |
| | FY3/19 | 3.1 | 4.1 | 6.2 | 5.0 | 5.0 | 5.2 | 7.3 | 7.4 | 6.6 | 5.8 | 4.3 |
| Sales per customer | FY3/20 | 5.0 | 5.4 | 3.0 | 1.4 | 3.2 | 0.1 | 0.6 | -0.1 | 0.2 | 1.7 | 3.5 |
| | FY3/19 | 0.8 | -1.8 | 0.1 | 1.5 | 0.0 | 1.4 | 2.0 | 2.5 | 2.0 | 1.0 | 0.9 |

Reference: FY3/20 Entertainment Business Performance

(5) Karaoke facility: Change in existing-store sales

(%)

| | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|--------|------------|------|------|------|------|------|------|-------|-------|-------------|-----------|
| FY3/20 | 0.4 | -5.7 | -2.3 | -3.1 | -3.6 | 3.2 | 3.2 | -37.2 | -12.2 | -7.6 | -3.3 |
| FY3/19 | 0.1 | -1.1 | -0.8 | 0.9 | -0.1 | -1.6 | 6.6 | 1.3 | 1.4 | 0.5 | 0.4 |

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

(%)

| | | First half | Oct. | Nov. | Dec. | 3Q | Jan. | Feb. | Mar. | 4Q | Second half | Full year |
|---------------------|--------|------------|------|------|------|------|------|------|-------|-------|-------------|-----------|
| Number of customers | FY3/20 | 0.3 | -8.1 | -4.8 | -4.6 | -5.7 | 1.5 | -1.5 | -34.5 | -13.1 | -9.4 | -4.0 |
| | FY3/19 | 3.2 | 2.5 | 3.3 | -0.5 | 1.5 | -0.1 | 10.4 | 5.3 | 4.4 | 2.8 | 3.0 |
| Sales per customer | FY3/20 | 0.2 | 2.6 | 2.6 | 1.6 | 2.3 | 1.8 | 4.7 | -4.2 | 1.1 | 2.0 | 0.7 |
| | FY3/19 | -2.9 | -3.5 | -4.0 | 1.4 | -1.6 | -1.5 | -3.5 | -3.8 | -2.9 | -2.2 | -2.6 |