

**First Quarter Financial Results
for the Fiscal Ending March 31, 2021
Supplementary Materials**

**August 7, 2020
AOKI Holdings Inc.**

First Quarter of FY3/21 Consolidated Financial Highlights

Decrease in sales at existing stores in each business due to temporary closure of some stores and shortening of time after declaration of emergency and people stayed home due to the spread of the COVID-19 Crisis , as a result sales and earnings were down

■ Fashion Business

- ◆ Decrease in existing-store sales : -20.9% YoY
- ◆ The stores have reduced operating hours or temporarily closed due to state of emergency (Resume all stores from June 1)
- ◆ New-store openings : 3stores, Store closings : 2stores
- ◆ Decrease in the number of stores : (-22 vs. First Quarter of FY3/20)

■ Anniversaire and Bridal Business

- ◆ Wedding/reception cancellations (April 7- May 31)
- ◆ Resume wedding/reception (from June 1)

■ Entertainment Business

- ◆ Decrease in existing-store sales : -41.2% YoY
- ◆ The facilities have reduced operating hours or temporarily closed due to state of emergency (Resume all facilities from June 1)
- ◆ New-store openings : 32stores (KAIKATSU CLUB : 27stores, FiT24 : 5stores)
Store closing : 5stores

Impact of COVID-19

Business Segment	Change in Existing-store Performance vs. First Quarter of FY3/20	Number of stores closed after declaration of a state of emergency and effects of the COVID-19 Crisis
Fashion	<p><u>Sales: down 20.9%</u> Number of customers: down 4.6% Sales per customer: down 17.1%</p>	<ul style="list-style-type: none"> • Number of stores closed for 5 days or more including Saturday and Sunday (April : 124stores , May : 119stores)
Anniversaire and Bridal	<p><u>Sales: down 95.5%</u></p>	<ul style="list-style-type: none"> • The number of weddings was down by about 1200 as couples rescheduled or canceled weddings due to wedding/receptions • Resume weddings/receptions in compliance with guidelines (from June 1)
Entertainment	<p><u>Sales: down 41.2%</u> Number of customers: down 37.9% Sales per customer: down 5.2%</p>	<ul style="list-style-type: none"> • Number of facilities closed for 5 days or more including Saturday and Sunday (April : 315stores , May : 97stores) • 35.4% decrease in existing karaoke facility sales because people stayed home and for other reason • 58.7% decrease in existing café complex sales because people stayed home and for other reason

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.

Consolidated Profit and Loss

(Millions of yen)

Account/Period	First Quarter of FY3/20	First Quarter of FY3/21	Change	YoY %	Major Components
Sales	43,334	26,204	-17,130	60.5	Decrease in sales at existing-stores due to temporary closures of some stores after declaration of emergency and others
Gross profit Gross profit margin	17,233 39.8%	6,038 23.0%	-11,194 -16.8pt	35.0	Decrease in gross profit margin by 6.6pt in the Fashion Business
Selling, general and administrative expenses	17,005	13,605	-3,400	80.0	Lower expenses in each business
Operating profit(loss) Operating margin	228 0.5%	-7,566 —	-7,794 —	—	Decrease in sales at existing-stores
Non-operating profit	101	81	-20	79.7	
Non-operating expenses	455	281	-173	61.8	
Ordinary profit(loss)	-125	-7,767	-7,641	—	
Extraordinary gains	53	273	219	510.2	Subsidies for employment adjustment
Extraordinary losses	220	2,212	1,991	1005.1	Loss due to temporary closure
Profit(loss) attributable to owners of parent	-288	-6,429	-6,141	—	

Assumptions

- ◆ Depreciation: ¥2,339 million (including lease assets of ¥480 million)
- ◆ YoY existing-store sales: -20.9% for Fashion, -41.2% for Entertainment

Sales and Operating Profit by Business Segment

Sales by business segment

(Millions of yen)

Business Segment	First Quarter of FY3/20	First Quarter of FY3/21	Change	YoY %
Total	43,334	26,204	-17,130	60.5
Fashion	24,181	16,595	-7,586	68.6
Anniversaire and Bridal	5,592	253	-5,338	4.5
Entertainment	13,261	9,023	-4,238	68.0
Real Estate Leasing	846	972	125	114.9
Inter-segment transactions	-547	-640	-92	—

Operating profit by business segment

(Millions of yen)

Business Segment	First Quarter of FY3/20	First Quarter of FY3/21	Change	YoY %
Total	228	-7,566	-7,794	—
Fashion	-395	-2,944	-2,548	—
Anniversaire and Bridal	-35	-1,324	-1,289	—
Entertainment	463	-3,524	-3,988	—
Real Estate Leasing	122	195	73	160.1
Inter-segment transactions	73	31	-41	—

Number of Stores Opened/Closed, Capital Expenditures

(Number of stores)

Business Segment	Stores/Facilities	First Quarter of FY3/20			First Quarter of FY3/21		
		Number of Stores	Opened	Closed	Number of Stores	Opened	Closed
Fashion	AOKI	530	3	39	517	—	2
	ORIHICA	131	—	—	122	3	—
Anniversaire and Bridal	ANNIVERSAIRE	13	—	—	13	—	—
Entertainment	KAIKATSU CLUB	379	13	—	475	27	1
	COTE D'AZUR	131	—	—	120	—	3
	FIT24	5	3	—	34	5	1
Total		1,189	19	39	1,281	35	7
Capital Expenditures (Millions of yen)		3,109			6,075		

(Millions of yen)

Capital Expenditures	First Quarter of FY3/20	First Quarter of FY3/21
Fashion	207	196
Anniversaire and Bridal	8	61
Entertainment	2,788	5,792
Consolidated Total	3,109	6,075

Reference:First Quarter of FY3/21 Consolidated Business Results

(Millions of yen unless otherwise stated)

	First Quarter of FY3/20 Results	%	First Quarter of FY3/21 Results	%	YoY change	YoY %
Sales	43,334	100.0	26,204	100.0	-17,130	60.5
Fashion	24,181	100.0	16,595	100.0	-7,586	68.6
Anniversaire/Bridal	5,592	100.0	253	100.0	-5,338	4.5
Entertainment	13,261	100.0	9,023	100.0	-4,238	68.0
Real Estate Leasing	846	100.0	972	100.0	125	114.9
Gross profit	17,233	39.8	6,038	23.0	-11,194	35.0
Fashion	13,928	57.6	8,461	51.0	-5,466	60.8
Anniversaire/Bridal	1,334	23.9	-657	—	-1,991	—
Entertainment	1,878	14.2	-1,853	—	-3,731	—
Real Estate Leasing	122	14.4	195	20.1	73	160.1
SG&A expenses	17,005	39.2	13,605	51.9	-3,400	80.0
Fashion	14,324	59.2	11,406	68.7	-2,918	79.6
Anniversaire/Bridal	1,369	24.5	667	262.9	-702	48.7
Entertainment	1,414	10.7	1,671	18.5	256	118.2
Operating profit(loss)	228	0.5	-7,566	—	-7,794	—
Fashion	-395	—	-2,944	—	-2,548	—
Anniversaire/Bridal	-35	—	-1,324	—	-1,289	—
Entertainment	463	3.5	-3,524	—	-3,988	—
Real Estate Leasing	122	14.4	195	20.1	73	160.1
Ordinary profit(loss)	-125	—	-7,767	—	-7,641	—
Profit(loss) attributable to owners of parent	-288	—	-6,429	—	-6,141	—

Reference: First Quarter of FY3/21 Major Expenses

SG&A expenses

(Millions of yen unless otherwise stated)

	First Quarter of FY3/20 Results				First Quarter of FY3/21 Results							
	Total	Fashion	Anniversaire / Bridal	Entertainment	Total		Fashion		Anniversaire / Bridal		Entertainment	
					YoY %	YoY %	YoY %	YoY %				
Advertising expenses	2,840	2,103	454	203	1,783	62.8	1,406	66.9	122	26.9	180	89.0
Personnel expenses	6,337	4,961	348	603	5,420	85.5	4,127	83.2	234	67.2	657	108.9
Rents	3,595	3,648	10	22	2,785	77.5	2,837	77.8	10	97.5	14	64.4
Depreciation	890	697	28	25	821	92.2	625	89.6	27	98.0	27	110.5

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

Major expenses included in cost of sales

(Millions of yen unless otherwise stated)

	First Quarter of FY3/20 Results			First Quarter of FY3/21 Results					
	Anniversaire / Bridal	Entertainment	Real Estate Leasing	Anniversaire / Bridal		Entertainment		Real Estate Leasing	
				YoY %	YoY %	YoY %	YoY %		
Personnel expenses	1,135	3,775	—	390	34.4	3,664	97.1	—	—
Rents	496	2,519	537	204	41.2	2,414	95.8	622	115.7
Depreciation	314	820	122	128	41.1	1,041	127.0	85	70.2

Notes: 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.

Reference: First Quarter of FY3/21 Fashion Business Performance

(1) Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
FY3/21	-37.2	-27.3	-3.9	-20.9						
FY3/20	-11.8	-3.7	2.3	-4.6	1.4	-2.1	-15.8	-15.1	-15.4	-10.1

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

(%)

		Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
Number of customers	FY3/21	-32.1	-7.9	13.9	-4.6						
	FY3/20	-12.8	-5.1	1.8	-5.1	-0.5	-3.2	-12.8	-15.2	-14.1	-9.0
Sales per customer	FY3/21	-7.4	-21.0	-15.6	-17.1						
	FY3/20	1.1	1.5	0.5	0.6	2.0	1.2	-3.5	0.2	-1.5	-1.2

(3) 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)	FY3/21	17.1	71.1						
	FY3/20	24.1	93.0	39.6	94.0	64.7	78.4	104.3	83.6
Unit price (thousands of yen)	FY3/21	19.7	77.9						
	FY3/20	25.3	97.3	25.4	100.8	24.7	96.5	25.0	98.0

Reference: First Quarter of FY3/21 Fashion Business Performance

(4) Sales by category

(Millions of yen unless otherwise stated)

	First Quarter of FY3/20 Results	%	First Quarter of FY3/21 Results	%	YoY change	YoY %
Heavy clothing	9,050	37.4	5,183	31.2	-3,867	57.3
Medium clothing	2,944	12.2	2,124	12.8	-820	72.1
Light clothing	7,559	31.3	5,710	34.4	-1,849	75.5
Ladies' clothing	3,891	16.1	2,922	17.7	-968	75.1
Other	734	3.0	654	3.9	-80	89.0
Total	24,181	100.0	16,595	100.0	-7,586	68.6

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 FY3/21 Anniversaire and Bridal Business Performance

Number of couples married and sales per couple at existing locations

		1Q	YoY %	First half	Second half	Full year
Number of couples married	FY3/21	15	1.2			
	FY3/20	1,259	89.0	2,555	2,476	5,031
Sales per couple (thousands of yen)	FY3/21	2,825*	64.6			
	FY3/20	4,373	98.9	4,353	4,386	4,369

*:1. Average number of guests decreased by 26.0 compared to the same period of the previous year.

2.Excluding cancellation fee.

Reference: First Quarter of FY3/21 Entertainment Business Performance

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

(%)

	Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
FY3/21	-58.4	-41.1	-24.8	-41.2						
FY3/20	11.6	11.5	8.4	10.5	3.1	6.6	2.0	-2.9	-0.5	3.3

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

(%)

		Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
Number of customers	FY3/21	-56.3	-37.7	-20.8	-37.9						
	FY3/20	8.7	6.7	3.9	6.5	-1.0	2.6	-0.7	-2.7	-1.7	0.6
Sales per customer	FY3/21	-4.9	-5.5	-5.1	-5.2						
	FY3/20	2.6	4.5	4.3	3.8	4.1	3.9	2.6	-0.2	1.2	2.7

Reference: First Quarter of FY3/21 Entertainment Business Performance

(3) KAIKATSU CLUB: Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
FY3/21	-47.2	-35.9	-24.0	-35.4						
FY3/20	13.1	13.0	10.5	12.2	4.7	8.2	3.5	-0.7	1.4	5.0

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

(%)

		Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
Number of customers	FY3/21	-46.9	-32.3	-19.3	-32.6						
	FY3/20	9.4	7.2	4.6	7.0	-0.6	3.0	0.3	-0.8	-0.3	1.5
Sales per customer	FY3/21	-0.6	-5.3	-5.8	-4.3						
	FY3/20	3.4	5.4	5.6	4.8	5.3	5.0	3.2	0.2	1.7	3.5

Reference: First Quarter of FY3/21 Entertainment Business Performance

(5) COTE D'AZUR: Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
FY3/21	-90.3	-57.4	-27.3	-58.7						
FY3/20	7.1	5.1	-0.1	4.3	-3.3	0.4	-3.6	-12.2	-7.6	-3.3

(6) COTE D'AZUR: Change in number of customers and sales per customer at existing stores

(%)

		Apr.	May	Jun.	1Q	2Q	First half	3Q	4Q	Second half	Full year
Number of customers	FY3/21	-89.5	-57.4	-26.0	-57.4						
	FY3/20	6.2	4.0	0.2	3.7	-3.1	0.3	-5.7	-13.1	-9.4	-4.0
Sales per customer	FY3/21	-7.9	-0.1	-1.7	-2.9						
	FY3/20	0.8	1.0	-0.3	0.6	-0.2	0.2	2.3	1.1	2.0	0.7