



AOKI Holdings



Performance Briefing

for the First Half of the Fiscal Year Ending March 31, 2021



November 20, 2020
AOKI Holdings Inc.



ANNIVERSAIRE



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AOKI Group Issues and Actions

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.

Size MAX



Specializes in plus-size men's and women's apparel between sizes 2L and 8L with a selection that includes suits and formal and casual fashions.

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.

KAIKATSU CLUB



Shared space with a relaxing atmosphere based on the ambience of Bali. A place where people can relax and refresh their minds on their own. An ideal location for teleworking.

COTE D'AZUR



Communication 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

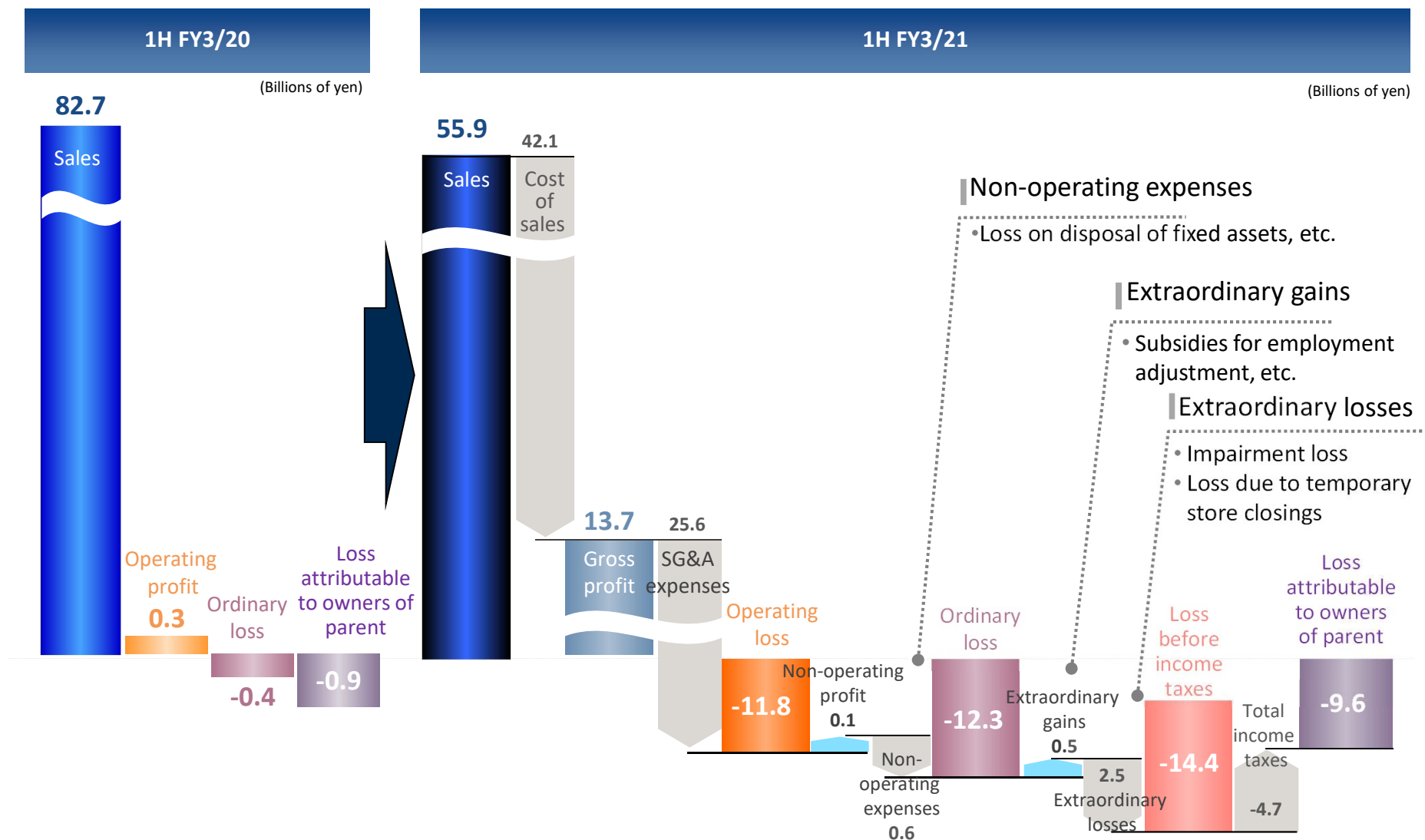


24-hour self-service fitness centers, featuring a pleasant environment for training activities and a diverse lineup of services.

Entertainment

First Half of FY3/21 Financial Highlights

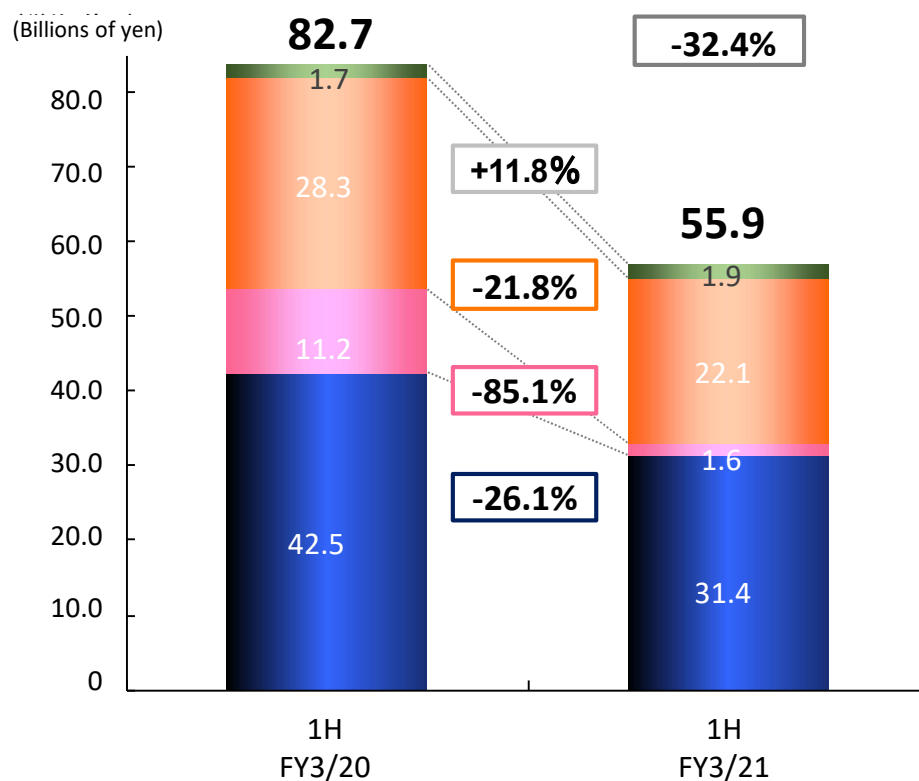
- Sales down and an operating loss because of the impact of COVID-19



First Half of FY3/21 Results by Segment

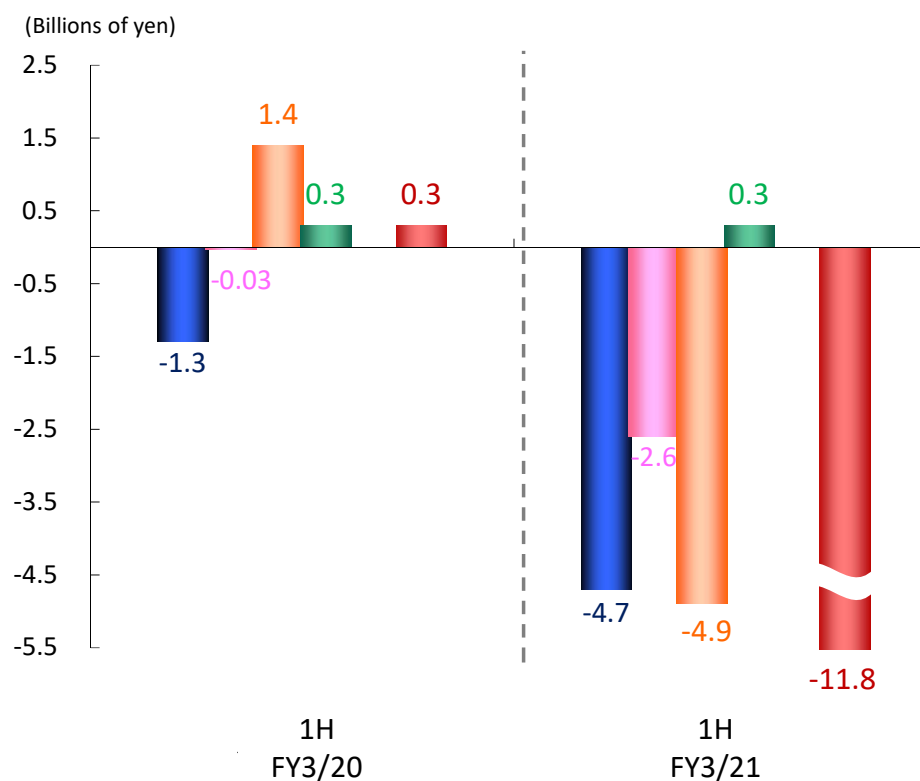
Sales

- Sales down in every segment except real estate leasing



Operating profit/loss

- Earnings down and an operating loss in every segment except real estate leasing



■ Fashion
 ■ Anniversaire/Bridal
 ■ Entertainment
 ■ Real Estate Leasing
 ■ Consolidated Total

Effects of COVID-19 in Business Segments

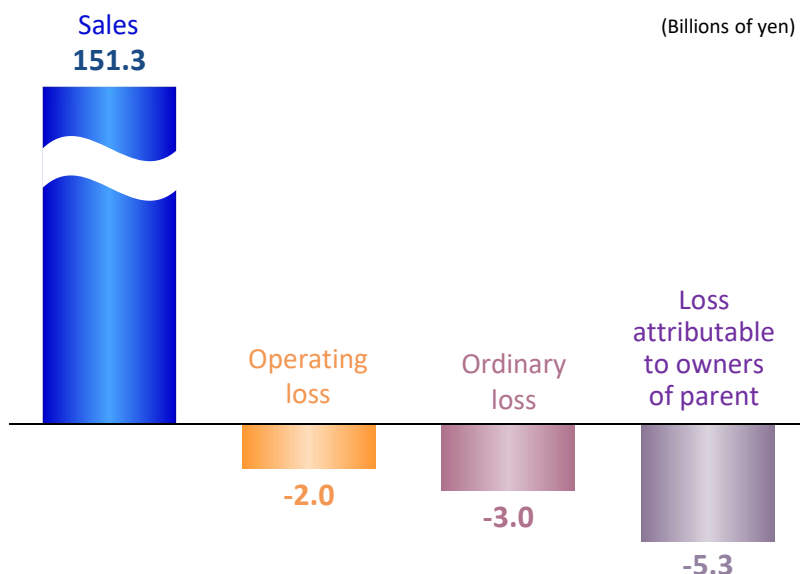
Business Segment	Change in Existing-store Performance vs. 1H FY3/20	Effects of the COVID-19 Crisis
Fashion	<p><u>Sales: down 19.0%</u> Number of customers: up 1.9% Sales per customer: down 20.5%</p>	<ul style="list-style-type: none"> ● Number of stores closed for 5 days or more including Saturday and Sunday (April: 124 stores, May: 119 stores) ● Decline in the number of business suits and formal wear sold: down 30.5% YoY <ul style="list-style-type: none"> ▪ Growth of teleworking ▪ Prolonged period of restrictions on outings from home ▪ Downturn in weddings, funerals and other ceremonies ● Customer numbers recovering due to launch of anti-microbial/washable masks for COVID-19 protection, but sales per customer are declining
Anniversaire and Bridal	<p><u>Sales: down 85.1%</u></p>	<ul style="list-style-type: none"> ● Big decline (down 2,226) in the number of weddings, a YoY decrease of 87.1% <ul style="list-style-type: none"> ▪ Wedding/reception cancellations (April 7- May 31) at all facilities ▪ Wedding/reception postponements because of the prolonged COVID-19 crisis
Entertainment	<p><u>Sales: down 33.4%</u> Number of customers: down 28.0% Sales per customer: down 7.4%</p>	<ul style="list-style-type: none"> ● Number of facilities closed for 5 days or more including Saturday and Sunday (April : 315 stores , May : 97 stores) ● Decline in the number of customers due to the prolonged period of restrictions on outings from home Customer numbers at existing KAIKATSU CLUB facilities: -23.4% YoY Customer numbers at existing COTE D'AZUR facilities: -45.5% YoY

FY3/21 Earnings Forecast

FY3/20 Results



FY3/21 Forecast



Outlook for market conditions

- COVID-19 cases will continue to increase to some extent
- Economic activity will recover slowly
- Assume that most March/April 2021 graduation, school enrollment and new employee ceremonies will take place

Forecast and revisions

- Revised the store opening plan
- Revised the outlook for expenses
- Forecast uses information that is available

Sales

- Fashion and Entertainment: Expect a recovery in existing store performance
- Anniversaire and Bridal: Expect a decrease in the number of weddings
- Entertainment: Increasing the number of stores (57 more than in FY3/20)

Operating loss

- Reexamining reductions in the cost of sales and SG&A expenses in every business segment

Ordinary loss

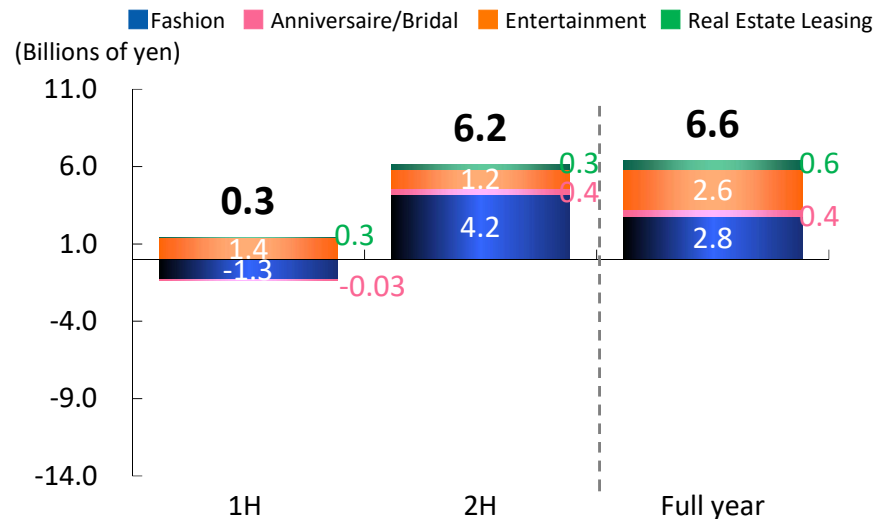
- Forecast is based on first half non-operating profit and expenses

Net loss

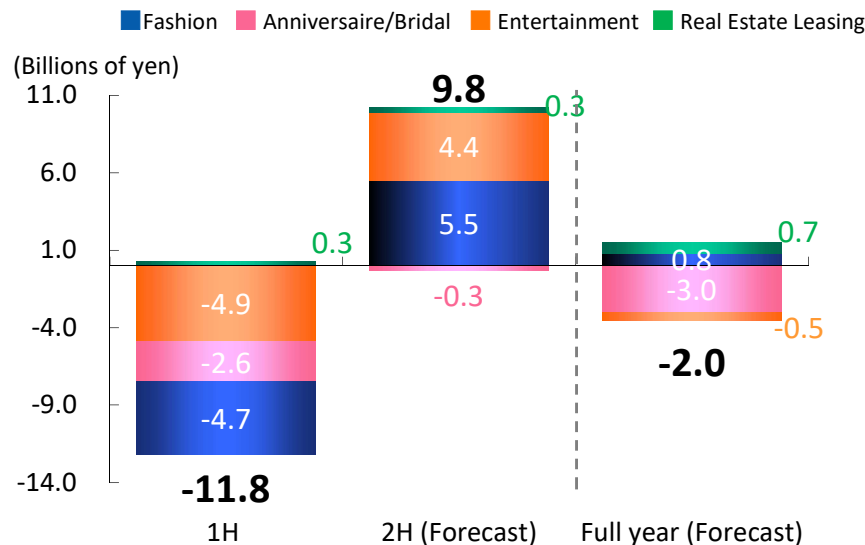
- Forecast is based on first half extraordinary gains and losses

Share of Operating Profit for the First and Second Halves

FY3/20 Results



FY3/21 Forecast



Fashion

- Earnings heavily dependent on 2H
- Recovery of existing stores

	YoY
Change in existing-store sales in 2H (forecast)	2.2%

- Lower SG&A expenses

Anniversaire and Bridal

- Decrease in the number of couples married
- Lower cost of sales and SG&A expenses

Entertainment

- Recovery of existing stores

	YoY
Change in existing-store sales in 4Q (forecast)	0.4%

- Lower expenses for opening new facilities and renovations

	YoY change
Locations to be opened in 2H	-45
Locations to be renovated in 2H	-35

- Lower cost of sales and SG&A expenses

AOKI Group Issues and Actions

Business climate

- The COVID-19 crisis has altered consumption behavior and how consumers perceive the value of products and services
- The use of digital technologies is growing even faster
- The crisis confirmed tasks that only people can do and the added value that stores provide



Strategic initiatives for the entire AOKI Group that target opportunities created by social change sparked by COVID-19

Goals of the AOKI Group

- Create products, services and businesses that match new life styles
- The fusion of more added value for the group's people and stores with the digital transformation
- Take on new challenges throughout the group to aim for renewed growth

AOKI Group Issues and Actions (Fashion Business)

Issues	Before COVID-19	During the COVID-19 crisis
	<ul style="list-style-type: none"> ▪ Decline in the working population /Shrinking market for business suits ▪ More working women ▪ Increasing use of casual wear at work ▪ Use of digital technologies and devices 	<ul style="list-style-type: none"> • Sudden shift in business apparel styles due to the increase in remote work (change in working styles) • The need for apparel that matches new life styles • Change in how people buy merchandise <ul style="list-style-type: none"> – Growth in the need for online shops • Reexamine plans for operating and opening stores • Reexamine fixed expenses and all other expenses

Actions	Merchandise	<ul style="list-style-type: none"> • More ideas for new styles of business apparel that replace suits <ul style="list-style-type: none"> – Set-up suits, pct. of suit sales areas → target is about 20% • Develop masks and other products that match new life styles <ul style="list-style-type: none"> – Cumulative mask sales are 8.5 million as of Oct. 31, 2020 • More merchandise that targets working women <ul style="list-style-type: none"> – Goal is raising women's merchandise sales from 19.4% in FY3/21 (forecast) to 30%
	E-commerce	<ul style="list-style-type: none"> • More “Easy Web Shop” measures/Make websites easier to use <ul style="list-style-type: none"> – FY3/21 1H e-commerce sales increased about 70% YoY → Goal is sales of ¥10 billion
	Stores	<ul style="list-style-type: none"> • Reexamine dominant areas and close unprofitable stores, including conversions of stores to other formats • Revise the composition of sales areas <ul style="list-style-type: none"> – Increase space devoted to jackets, slacks, casual apparel and other items
	Management	<ul style="list-style-type: none"> • Cut expenses and use expenses more efficiently for advertising, rent and personnel expenses <ul style="list-style-type: none"> – FY3/21 Forecast Advertising: -11.2% YoY, Rent: -13.9% YoY, Personnel: -12.3% YoY

Issues	Before COVID-19	During the COVID-19 crisis
	<ul style="list-style-type: none">▪ Shrinking market/ Declining number of marriages▪ Diversifying wedding formats<ul style="list-style-type: none">– More marriages with no wedding or reception– Popularity of inexpensively priced wedding ceremonies▪ Aging of existing facilities▪ Need for more services associated with weddings	<ul style="list-style-type: none">• Increasing need for safe weddings and receptions• Weddings that comply with Bridal Institutional Association guidelines concerning COVID-19• Create and propose new ideas for wedding formats that match new life styles

Actions	Services	<ul style="list-style-type: none">• Provide services that people can use with confidence “Anniversaire New Normal Wedding”<ul style="list-style-type: none">– 100 measures for COVID-19 prevention– Banquet room configuration for social distancing– Live streaming of wedding ceremonies• New types of weddings, such as photo weddings, family weddings, online weddings and other innovations that meet customers’ needs• More products and services associated with weddings, such as jewelry and marriage proposal locations
	Management	<ul style="list-style-type: none">• Measures for efficient marketing activities (review advertising expenses)<ul style="list-style-type: none">– FY3/21 Forecast: -75.5% YoY• Reexamine and lower the cost of sales (rent, personnel, etc.)<ul style="list-style-type: none">– FY3/21 Forecast Rent: -17.5% YoY, Personnel: -39.3% YoY

AOKI Group Issues and Actions (Entertainment Business)



Issues	Before COVID-19	During the COVID-19 crisis
	<ul style="list-style-type: none"> ▪ Slowing growth of markets for this business ▪ Leverage strengths to overcome intense competition ▪ Improve profitability and quickly raise efficiency ▪ Continue making expenditures for new stores and renovations ▪ Recruit and retain quality human resources 	<ul style="list-style-type: none"> • Increasing needs involving telework and shared office space • New needs of consumers due to the diversification of life styles • Increasing importance placed on safety and security • Open/renovate locations based on the current business climate • Reexamine fixed expenses and all other expenses
Actions	Services	<ul style="list-style-type: none"> • Private rooms with locked doors (KAIKATSU CLUB) <ul style="list-style-type: none"> – At about 60% of locations as of Sep. 30, 2020 → Goal is about 80% to 90% • Promote cafés as a type of shared workspace <ul style="list-style-type: none"> – Goal is to increase business use pct. from about 10% as of Sep. 30, 2020 to 20% to 30% • Supply a broad array of content • Use locations in ways unlike in the past to meet the requirements of today's consumers
	Facilities/Cafés	<ul style="list-style-type: none"> • Rigorous measures for safety and security during the COVID-19 crisis • Study the feasibility of dual-format locations and open these locations <ul style="list-style-type: none"> – Kaikatsu Club+FiT24: 41 locations as of Sep. 30, 2020; AOKI+FiT24: Plan to start in FY3/22
	Management	<ul style="list-style-type: none"> • Fully utilize the skills of the AOKI Group's workforce • Increase supervisors who oversee several locations in order to cut personnel expenses <ul style="list-style-type: none"> – FY3/21 personnel expenses: -11% YoY (forecast) • Resume renovations and opening new stores <ul style="list-style-type: none"> – Goal is 1,500 stores • Consider the conversion of the group's unprofitable stores to other formats

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



First Half of FY3/21 Review of Operations

Major Changes in Consolidated Profit and Loss

(Millions of yen)

Account/Period	1H FY3/20	1H FY3/21	Change	YoY %	Major Components
Sales	82,795	55,952	-26,842	67.6	Existing-store sales down due to temporary closings/reduced hours at some stores, the need to stay home for safety, and other reasons Big decrease in the number of couples married in the Anniversaire/Bridal Business
Gross profit Gross profit margin	32,231 38.9%	13,765 24.6%	-18,466 -14.3pt	42.7	Gross profit margin fell by 5.2pt in the Fashion Business Gross profit margin down in the Anniversaire/Bridal and Entertainment Businesses
Selling, general and administrative expenses	31,854	25,651	-6,203	80.5	Lower costs in all business segments
Operating profit (loss) Operating margin	377 0.5%	-11,885 -	-12,263 -	-	
Non-operating profit	173	172	-0	99.8	
Non-operating expenses	1,047	685	-362	65.4	
Ordinary loss	-496	-12,397	-11,901	-	
Extraordinary gains	205	568	363	276.9	Increase in subsidies for employment adjustment
Extraordinary losses	861	2,599	1,737	301.6	Increase in extraordinary losses mainly due to temporary closings
Loss attributable to owners of parent	-988	-9,661	-8,673	-	

◆ Depreciation: ¥4,703 million (including lease assets of ¥993 million)

◆ YoY existing-store sales: -19.0% for Fashion, -33.4% for Entertainment (-28.7% for KAIKATSU CLUB, -48.1% for COTE D'AZUR)

Major Changes in Sales and Operating Profit by Business Segment

Sales by business segment

(Millions of yen)

Business Segment	1H FY3/20	1H FY3/21	Change	YoY %	Major Components
Total	82,795	55,952	-26,842	67.6	
Fashion	42,580	31,480	-11,099	73.9	Existing-store sales down due to temporary closings/reduced hours at some stores, the need to stay home for safety, and other reasons
Anniversaire and Bridal	11,282	1,679	-9,602	14.9	Big decrease in the number of couples married mainly due to wedding postponements
Entertainment	28,327	22,156	-6,170	78.2	Existing-store sales down due to temporary closings/reduced hours at some stores, the need to stay home for safety, and other reasons
Real estate leasing	1,727	1,930	203	111.8	
Inter-segment transactions	-1,120	-1,294	-173	-	

Operating profit/loss by business segment

(Millions of yen)

Business Segment	1H FY3/20	1H FY3/21	Change	YoY %	Major Components
Total	377	-11,885	-12,263	-	
Fashion	-1,377	-4,797	-3,419	-	Lower existing-store sales and gross profit margin
Anniversaire and Bridal	-34	-2,640	-2,606	-	Big decrease in the number of couples married
Entertainment	1,427	-4,984	-6,411	-	Lower existing-store sales and higher expenses for opening new locations
Real estate leasing	322	372	50	115.6	
Inter-segment transactions	40	163	123	403.6	

Major Changes in Consolidated Balance Sheet

(Millions of yen)

Account/Period	FY3/20	1H FY3/21	Change	Major Components
Current assets	65,297	67,058	1,761	
Cash in hand and in banks	23,843	33,781	9,937	Borrowings
Accounts receivable-trade	8,455	4,096	-4,359	Seasonal factors
Inventories	24,181	22,653	-1,528	Lower procurement
Fixed assets	164,546	175,220	10,673	
Tangible fixed assets	117,533	123,254	5,720	New store openings: 69
Intangible fixed assets	5,631	5,518	-112	
Investments and other assets	41,382	46,447	5,065	
Total assets	229,843	242,278	12,434	
Current liabilities	32,587	48,740	16,152	
Accounts payable-trade	14,563	9,295	-5,268	Seasonal factors
Electronically recorded obligations-operating	-	4,922	4,922	Used for capital expenditures
Short-term borrowings	-	16,000	16,000	Short-term borrowings
Current portion of long-term borrowings	3,493	5,168	1,675	
Long-term liabilities	58,046	65,781	7,735	
Long-term borrowings	40,332	47,248	6,916	Long-term borrowings
Total liabilities	90,634	114,522	23,888	
Share capital	23,282	23,282	-	
Capital surplus	27,823	27,747	-76	
Retained earnings	96,298	84,689	-11,609	Net loss and dividend from surplus
Treasury stock	-7,592	-7,438	154	
Total accumulated other comprehensive income	-831	-863	-32	
Stock acquisition rights	228	339	110	
Total net assets	139,209	127,756	-11,453	
Total liabilities and net assets	229,843	242,278	12,434	

Major Changes in Consolidated Statement of Cash Flows

(Millions of yen)

Account/Period	1H FY3/20	1H FY3/21	Change	Major Components
Cash flows from operating activities	4,153	-8,719	-12,872	Decrease mainly due to loss before income taxes
Cash flows from investing activities	-5,996	-2,839	3,156	Acquisition of tangible fixed assets related to new store openings and renovations, while there was electronically recorded obligations-operating
Cash flows from financing activities	1,583	21,496	19,913	Short-term borrowings of ¥16 billion and long-term borrowings of ¥11 billion
Increase (decrease) in cash and cash equivalents	-259	9,937	10,197	
Beginning balance	26,558	23,843	-2,714	
Ending balance	26,298	33,781	7,482	

Number of Stores Opened/Closed

(Number of stores)

Business Segment	Stores/Facilities	1H FY3/20			1H FY3/21		
		Number of Stores	Opened	Closed	Number of Stores	Opened	Closed
Fashion	AOKI	523	6	49	514	-	5
	ORIHICA	125	-	6	120	3	2
Anniversaire and Bridal	ANNIVERSAIRE	13	-	-	13	-	-
Entertainment	KAIKATSU CLUB	412	46	-	496	49	2
	COTE D'AZUR	130	-	1	118	-	5
	FIT24/KAIKATSU FITNESS CLUB	22	20	-	46	17	1
Total		1,225	72	56	1,307	69	15
Capital Expenditures (Millions of yen)		9,360			11,069		

(Millions of yen)

Capital Expenditures	1H FY3/20	1H FY3/21
Fashion	598	449
Anniversaire and Bridal	91	76
Entertainment	8,599	10,533
Consolidated Total	9,360	11,069

FY3/21 Earnings Forecast

Consolidated Forecast

(Millions of yen)

Account/Period	FY3/20	FY3/21 (Forecast)	Change	YoY %	Major Components
Sales	180,220	151,300	-28,920	84.0	Lower existing-store sales in the Fashion and Entertainment Businesses, and a decrease in the number of couples marrying in the Anniversaire/Bridal Business
Gross profit Gross profit margin	72,483 40.2%	54,600 36.1%	-17,883 -4.1pt	75.3	Decrease in gross profit margin by 2.2pt in the Fashion Business
Selling, general and administrative expenses	65,833	56,600	-9,233	86.0	Lower costs in all business segments
Operating profit (loss) Operating margin	6,649 3.7%	-2,000 -	-8,649 -	-	
Non-operating profit	557	250	-307	44.8	
Non-operating expenses	1,705	1,250	-455	73.3	
Ordinary profit (loss)	5,501	-3,000	-8,501	-	
Extraordinary gains	170	570	399	334.6	Increase in subsidies for employment adjustment
Extraordinary losses	3,964	5,070	1,105	127.9	Increase in extraordinary losses mainly due to temporary closings
Profit (loss) attributable to owners of parent	447	-5,350	-5,797	-	

Assumptions

- ◆ Depreciation: ¥9,400 million (including lease assets of ¥2,170 million)
- ◆ YoY existing-store sales: -6.4% for Fashion, -21.1% for Entertainment (-17.7% for KAIKATSU CLUB, -31.4% for COTE D'AZUR)

Forecast for Sales and Operating Profit by Business Segment

Sales by business segment

(Millions of yen)

Business Segment	FY3/20	FY3/21 (Forecast)	Change	YoY %
Total	180,220	151,300	-28,920	84.0
Fashion	98,352	87,600	-10,752	89.1
Anniversaire and Bridal	22,270	9,300	-12,970	41.8
Entertainment	58,388	53,150	-5,238	91.0
Real estate leasing	3,624	3,920	296	108.2
Inter-segment transactions	-2,415	-2,670	-254	-

Operating profit/loss by business segment

(Millions of yen)

Business Segment	FY3/20	FY3/21 (Forecast)	Change	YoY %
Total	6,649	-2,000	-8,649	-
Fashion	2,886	800	-2,086	27.7
Anniversaire and Bridal	439	-3,000	-3,439	-
Entertainment	2,672	-500	-3,172	-
Real estate leasing	668	750	81	112.1
Inter-segment transactions	-17	-50	32	-

Outlook for Store Openings/Closings

(Number of stores)

Business Segment	Stores/Facilities	FY3/20			FY3/21 (Forecast)		
		Number of Stores	Opened	Closed	Number of Stores	To be Opened	To be Closed
Fashion	AOKI	519	7	54	512	-	7
	ORIHICA	119	1	13	118	3	4
Anniversaire and Bridal	ANNIVERSAIRE	13	-	-	12	-	1
Entertainment	KAIKATSU CLUB	449	85	2	496	50	3
	COTE D'AZUR	123	-	8	117	-	6
	FiT24/KAIKATSU FITNESS CLUB	30	28	-	46	18	2
Total		1,253	121	77	1,301	71	23
Capital Expenditures (Millions of yen)		19,571			11,800		

(Millions of yen)

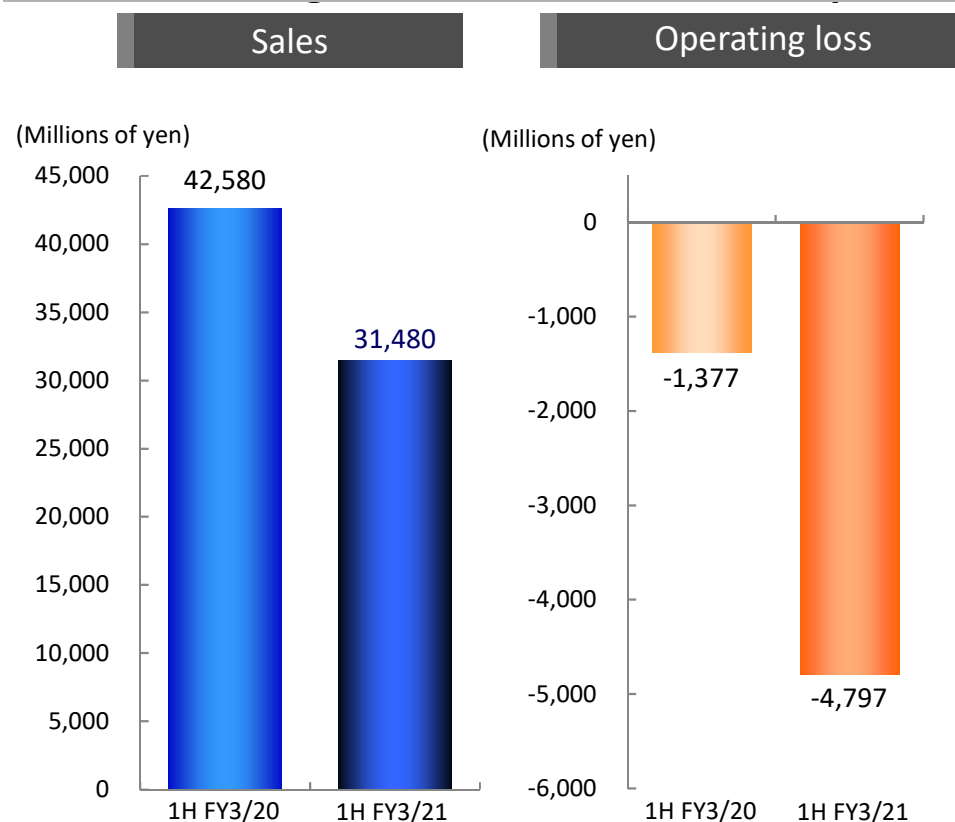
Capital Expenditures	FY3/20	FY3/21 (Forecast)
Fashion	1,119	530
Anniversaire and Bridal	368	120
Entertainment	17,947	11,100
Consolidated Total	19,571	11,800

Fashion Business

FY3/21 First-half Performance and Full-year Forecast

Fashion Business: First Half of FY3/21 Review of Operations

Lower sales and earnings because of temporary closings/reduced hours at some stores and lower existing-store sales due to the impact of COVID-19



	1H FY3/21		
		YoY %	% to sales
Sales	31,480	73.9	100.0
Gross profit	16,785	67.4	53.3
SG&A expenses	21,582	82.1	68.6
Operating loss	-4,797	-	-

■ Sales: down 26.1% YoY

■ Operating loss: down ¥3,419 million YoY

◆ Existing-store sales: down 19.0% YoY

- Decline in the number of customers because people stayed home for safety and for other reasons
- Decline in sales of business suits because of the growth of teleworking and changes in business apparel styles
- Decrease in sales of formal wear due to the shrinking market for weddings, funerals and other ceremonies

◆ Gross profit margin: down 5.2pt YoY

- Lower demand for suits, formal wears, and other heavy clothing
- Lower average price per item because of discounts for sales and other reasons

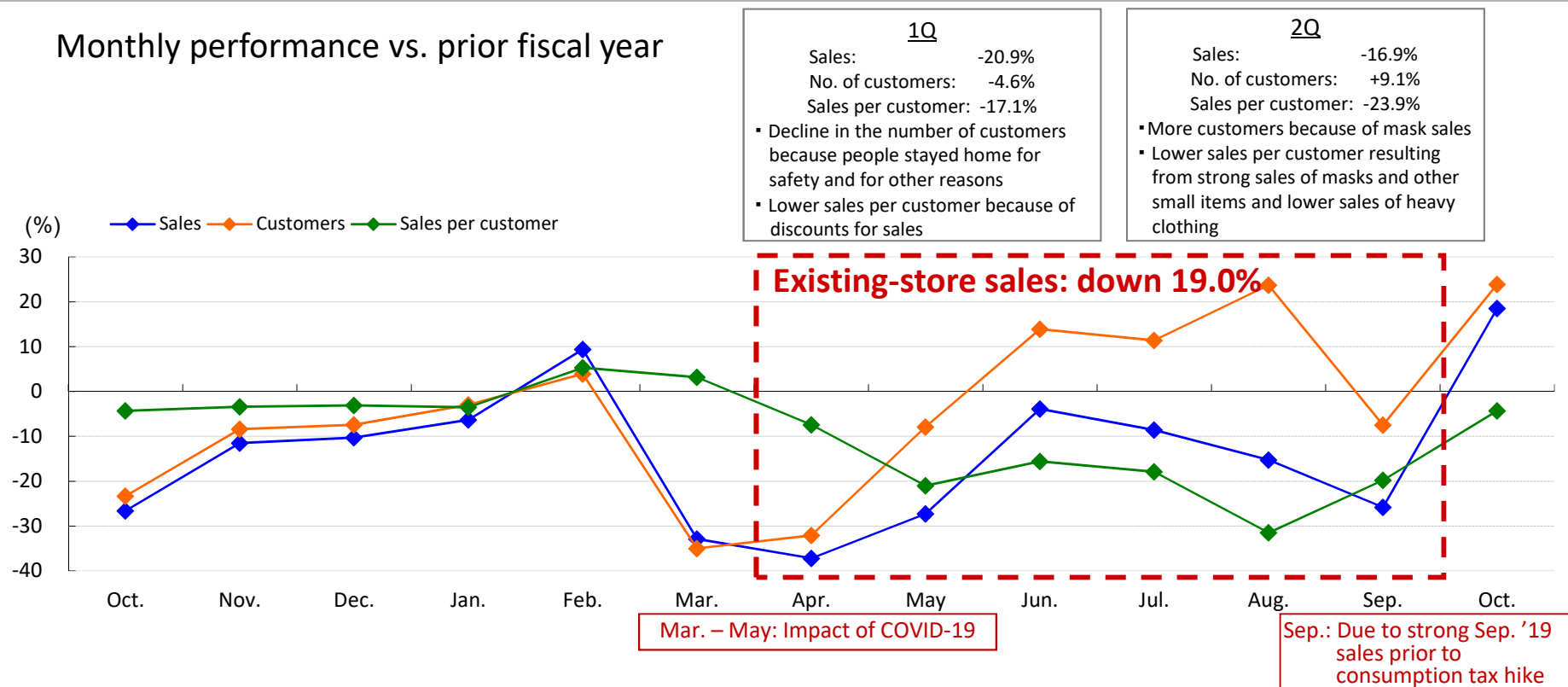
◆ SG&A expenses: down 17.9% YoY

- Rent down due to renegotiations, etc.
- Big decrease in advertising expense
- Control the number of employees to lower personnel expenses

Fashion Business: First Half of FY3/21 Review of Operations - Existing Stores

Existing-store sales down due to the impact of COVID-19

Monthly performance vs. prior fiscal year



	FY3/20					FY3/21								
	Oct. 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	Jun. 2020	Jul. 2020	Aug. 2020	Sep. 2020	First half	Oct. 2020
Existing-store sales (%)	-26.6	-11.5	-10.3	-6.3	9.4	-32.9	-37.2	-27.3	-3.9	-8.6	-15.3	-25.8	-19.0	18.5
No. of customers (%)	-23.3	-8.4	-7.4	-3.0	3.9	-35.0	-32.1	-7.9	13.9	11.4	23.7	-7.5	1.9	23.9
Sales per customer (%)	-4.3	-3.4	-3.1	-3.5	5.3	3.2	-7.4	-21.0	-15.6	-17.9	-31.5	-19.8	-20.5	-4.3
Deviation from average temperature (°C) (Tokyo)	+1.9	+1.0	+0.9	+1.9	+2.6	+2.0	-1.1	+1.3	+1.8	-0.7	+2.7	+1.4	-	0.0

Fashion Business: FY3/21 Full-year Forecast

First half sales and earnings down due to the impact of COVID-19 but forecast second half growth



		FY3/21 Forecast	
		YoY %	% to sales
Sales	87,600	89.1	100.0
Gross profit	49,500	85.8	56.5
SG&A expenses	48,700	88.9	55.6
Operating profit	800	27.7	0.9

Sales: down 10.9% YoY
Second half sales: up 0.6% YoY

◆ Change in existing-store sales (forecast)

3Q	4Q	2H	Full year
-2.2%	5.1%	2.2%	-6.4%

- 3Q FY3/20: Effects of consumption tax hike/warm winter weather
- 4Q FY3/20: Impact of COVID-19

Operating profit: down 72.3% YoY
Second half sales: up 31.2% YoY

◆ Improve profitability due to higher second half sales at existing stores

◆ SG&A expenses down 11.1% YoY

- Lower advertising expenses due to tighter focus for use of media
- Rent down as renegotiations for reductions continue
- Personnel expenses down due to measures to carefully control the use of people

Fashion Business: Second Half of FY3/21 Initiatives

Actions to match new life styles

The
Market

- Change in working styles and business apparel styles (growth of remote work)
- Shift in thinking regarding new life styles (COVID-19 prevention)
- Increase in the need for online shops

Activities

Merchandise

- More ideas for new styles of business apparel
 - Ideas under the theme of “comfortable apparel that creates a good impression”
 - Highly functional set-up suits
 - Fall/winter apparel in the nano universe DESIGN lineup
 - New ideas for winter apparel for remote work (knit apparel, cardigans, etc.)
- The new Home & Work Wear concept
 - Cut and sewn set-up apparel that looks good and is easy to wear
 - New products that are fashionable and relaxing
- A new line of apparel for active women
Introducing SUITS BY JUNKO SHIMADA
- More products for COVID-19 protection
 - New ideas based on the lineup of anti-microbial, washable masks



Ideas for new business apparel styles



Home&Work Wear



SUITS BY JUNKO SHIMADA



Anti-microbial, washable masks

Fashion Business: Second Half of FY3/21 Initiatives

Actions to match new life styles

Activities

Strengthen Easy Web Shops and other measures

■ Stronger links between physical stores and e-commerce

• Easy Web Shop activities

1) Web ordering service

- Home delivery of online shop merchandise purchased at physical stores

2) Pick up merchandise at physical stores

- Receive merchandise purchased online at a physical store

3) Reservations to hold merchandise

- Online shop merchandise is held at a physical store for the customer to see before making a purchasing decision

• Online styling assistance

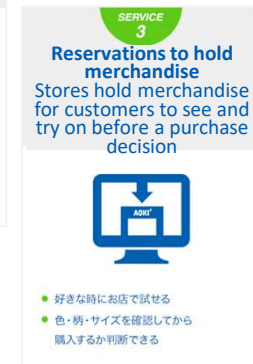
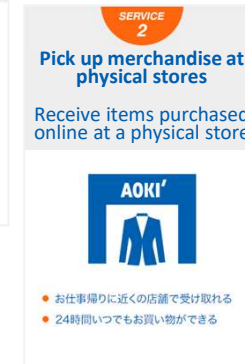
(Staff Start, chat styling service, live commerce)

■ Improve website convenience

- Start providing services in many languages
- Start using a chat service to answer questions

■ Reservations to visit physical stores (only ORIHICA)

- Use a PC or smartphone to make a reservation

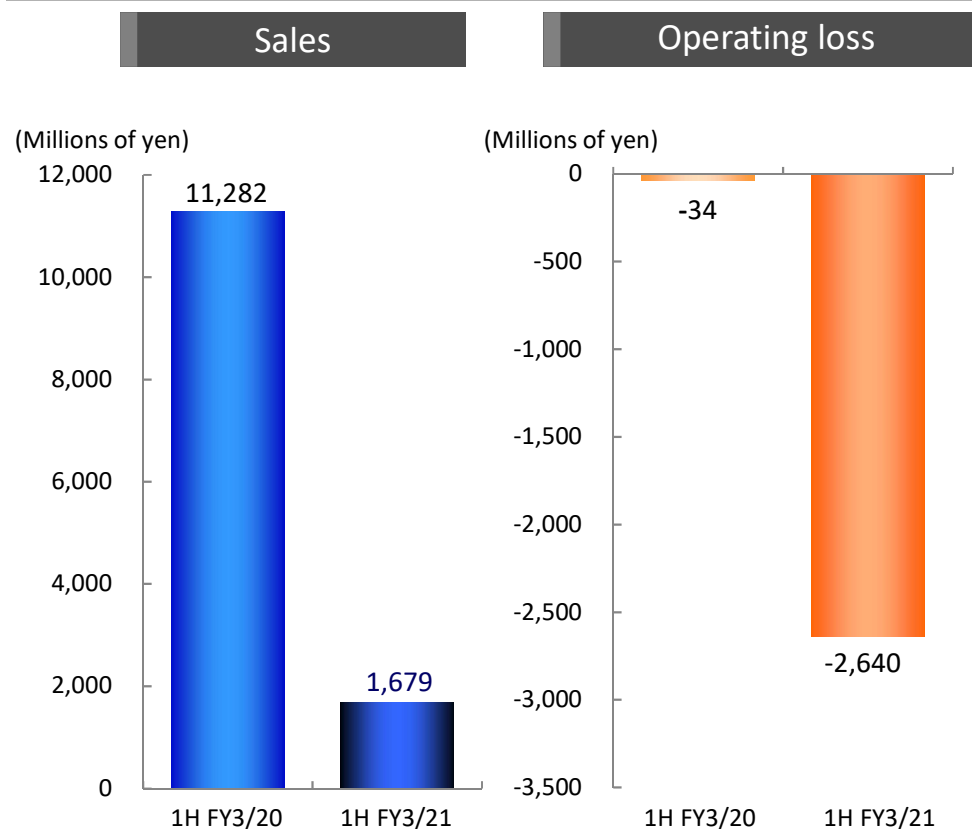


Anniversaire and Bridal Business

FY3/21 First-half Performance and Full-year Forecast

Anniversaire and Bridal Business: First Half of FY3/21 Review of Operations

Sales and earnings decreased as the number of couples married and average sales per couple decreased mainly because of the impact of COVID-19



	1H FY3/21		
		YoY %	% to sales
Sales	1,679	14.9	100.0
Gross profit	-1,328	-	-
SG&A expenses	1,311	49.8	78.1
Operating loss	-2,640	-	-

■ Sales: down 85.1% YoY

■ Operating loss: down ¥2,606 million YoY

	1H FY3/20	1H FY3/21	Change	YoY
No. of couples married	2,555	329	-2,226	12.9%
Capacity utilization ratio	55.5%	6.9%	-48.6pt	-
Average sales per couple (thousands of yen)	4,060	3,507	-553	86.4%
Average no. of guests	69.9	53.7	-16.2	76.8%

(Average sales per couple are wedding sales per couple and do not include cancellation fee.)

◆ Causes of decrease in the number of couples married

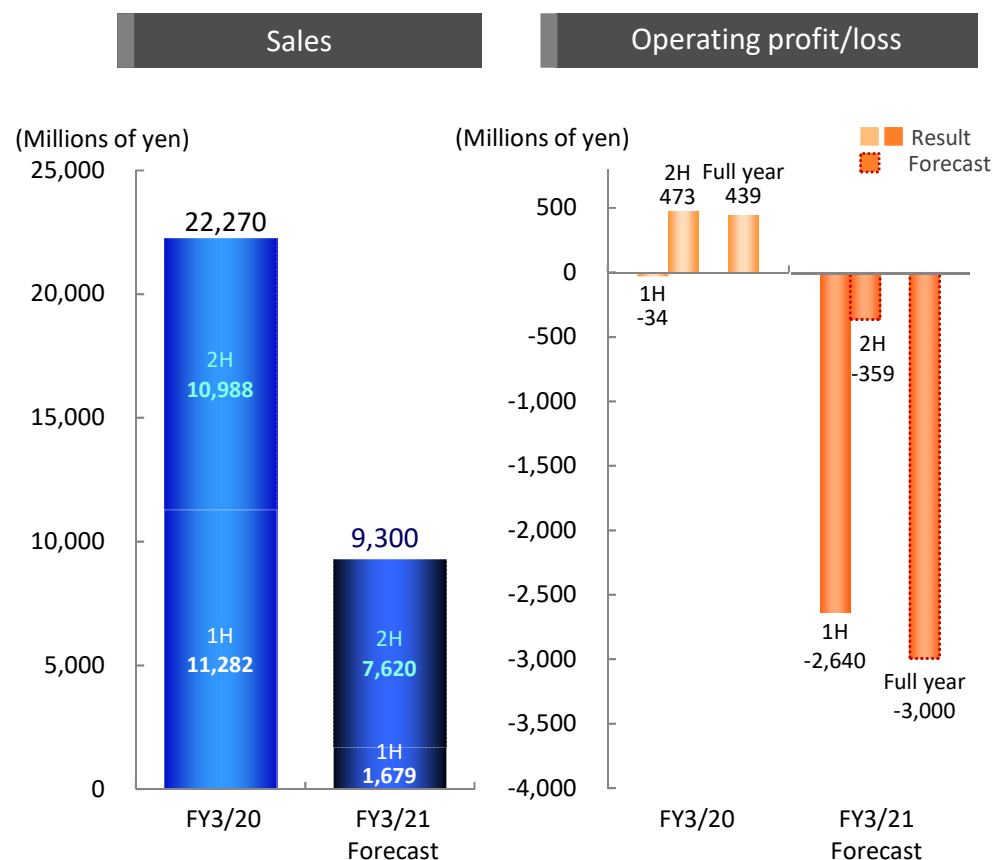
- Wedding/reception cancellations due to state of emergency
- Wedding postponements started to increase due to COVID-19

◆ SG&A expenses down 50.2% YoY

- Operating locations with the smallest possible staff
Control the number of employees to lower personnel expenses
- Reduced advertising expenses by reexamining advertising activities
- Reduced expenses by ending outsourcing of facility management/cleaning

Anniversaire and Bridal Business: FY3/21 Full-year Forecast

Forecast lower sales and earnings due to a decrease in the number of couples marrying because of the impact of COVID-19



	FY3/21 Forecast		
		YoY %	% to sales
Sales	9,300	41.8	100.0
Gross profit	-390	-	-
SG&A expenses	2,610	52.3	28.1
Operating loss	-3,000	-	-

Sales: down 58.2% YoY

Second half sales: down 30.7% YoY

Operating loss: down ¥3,439 million YoY

	FY3/20	FY3/21 Forecast	YoY change
No. of couples married/ planned for marrying	5,031	2,100	-2,931
Average sales per couple (thousands of yen)	4,046	3,713	-333

(Average sales per couple are wedding sales per couple and do not include cancellation fee.)

◆ Actions to translate preliminary visits into firm wedding orders

- More and stronger channels for attracting customers
- Use of Instagram and other social networking services
- New ideas for wedding formats that match new life styles

◆ Cost cutting and streamlining measures

- Control the number of employees to lower personnel expenses
- Reduced advertising expenses by reexamining advertising activities

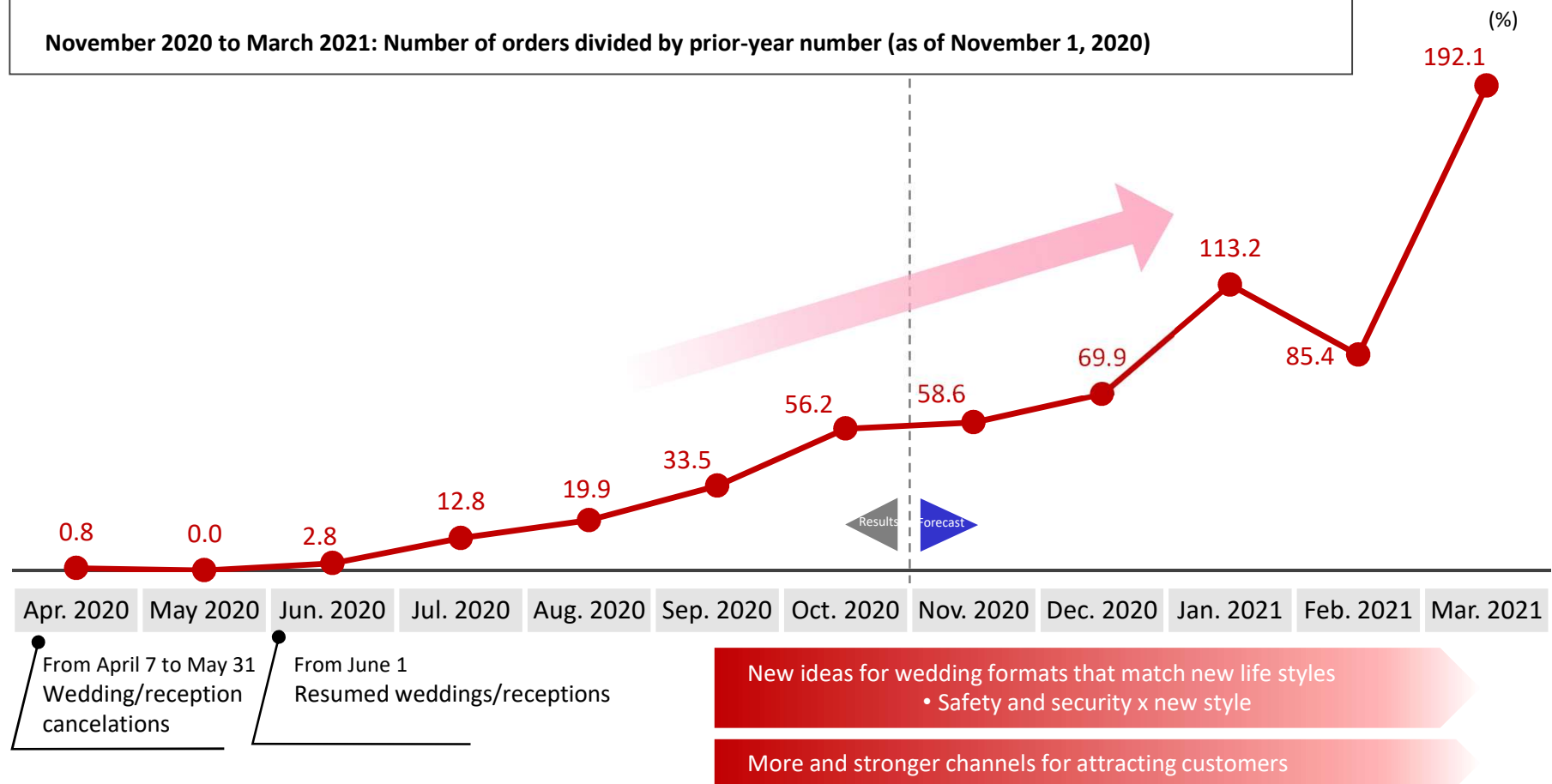
◆ Closing ANNIVERSAIRE TOYOSU on March 31, 2021

Number of weddings is recovering on a YoY monthly basis

YoY change in monthly weddings/receptions and orders (as of Nov. 1, 2020)

* April to October 2020: Number of weddings divided by prior-year number

November 2020 to March 2021: Number of orders divided by prior-year number (as of November 1, 2020)



Anniversaire and Bridal Business: Second Half of FY3/21 Initiatives

New ideas for wedding formats

Activities

Safety and security

The safe and secure wedding declaration - Anniversaire New Normal Wedding -

Banquet room configuration
for social distancing



A new format for meals
Ceremonial multi-tier boxes



Other services for safety/security

- 100 measures for COVID-19 prevention
- Online wedding hall visits and consultations

X

The “#will fun” Project to meet the needs of couples in today’s market

New style

Limited time only wedding plans

Wedding only



Photo only



Casual apparel photo



Online weddings

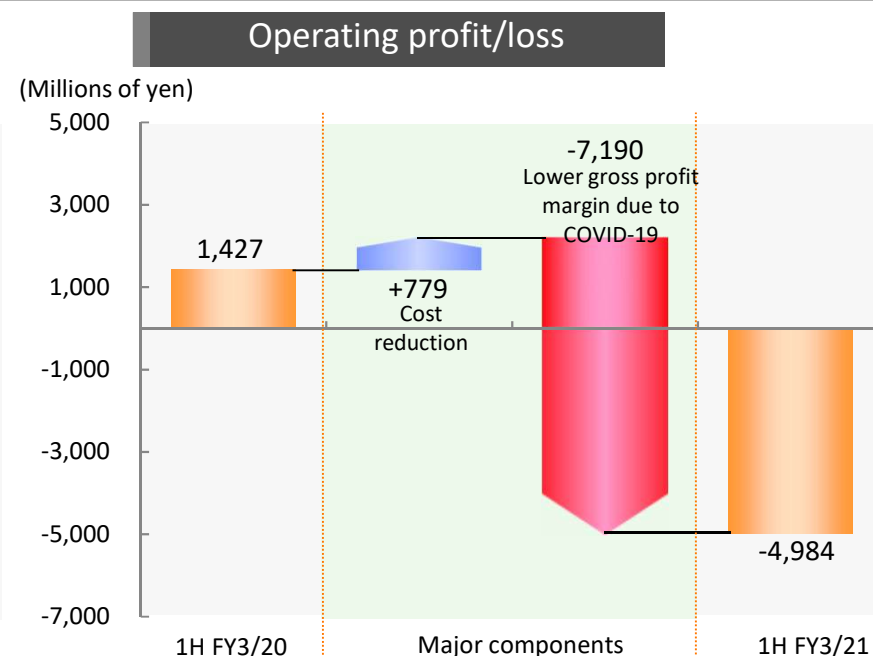
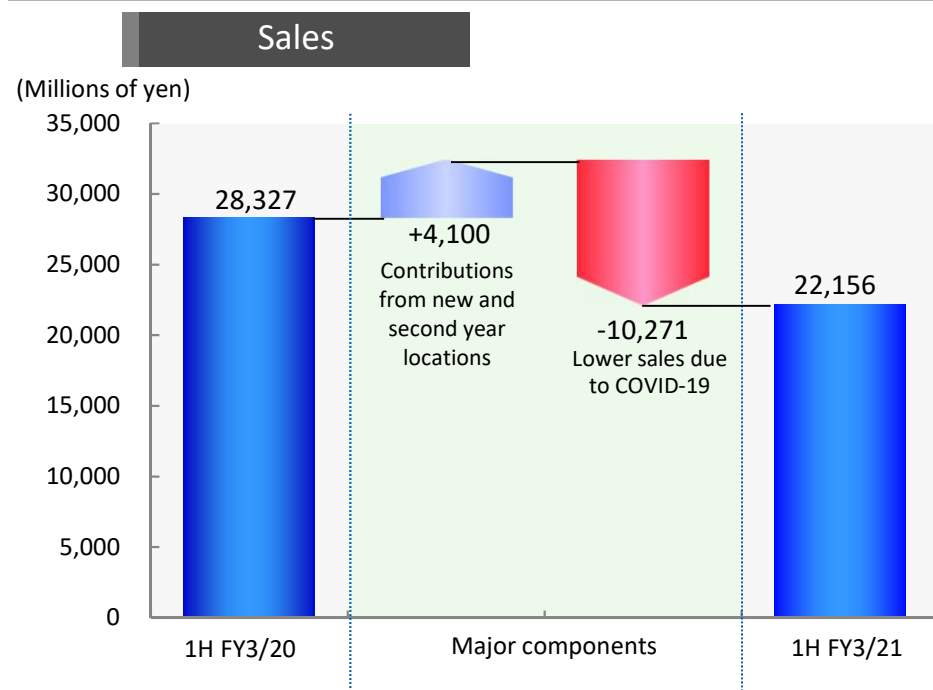


Entertainment Business

FY3/21 First-half Performance and Full-year Forecast

Entertainment Business: First Half of FY3/21 Review of Operations

Lower sales and earnings because of temporary closings/reduced hours at some stores and lower existing-store sales due to the impact of COVID-19



(Millions of yen)

	1H FY3/21		
		YoY %	% to sales
Sales	22,156	78.2	100.0
Gross profit	-1,909	-	-
SG&A expenses	3,075	99.7	13.9
Operating loss	-4,984	-	-

■ Sales: down 21.8% YoY

■ Operating loss: down ¥6,411 million YoY

◆ Decrease in existing-store sales: down 33.4% YoY

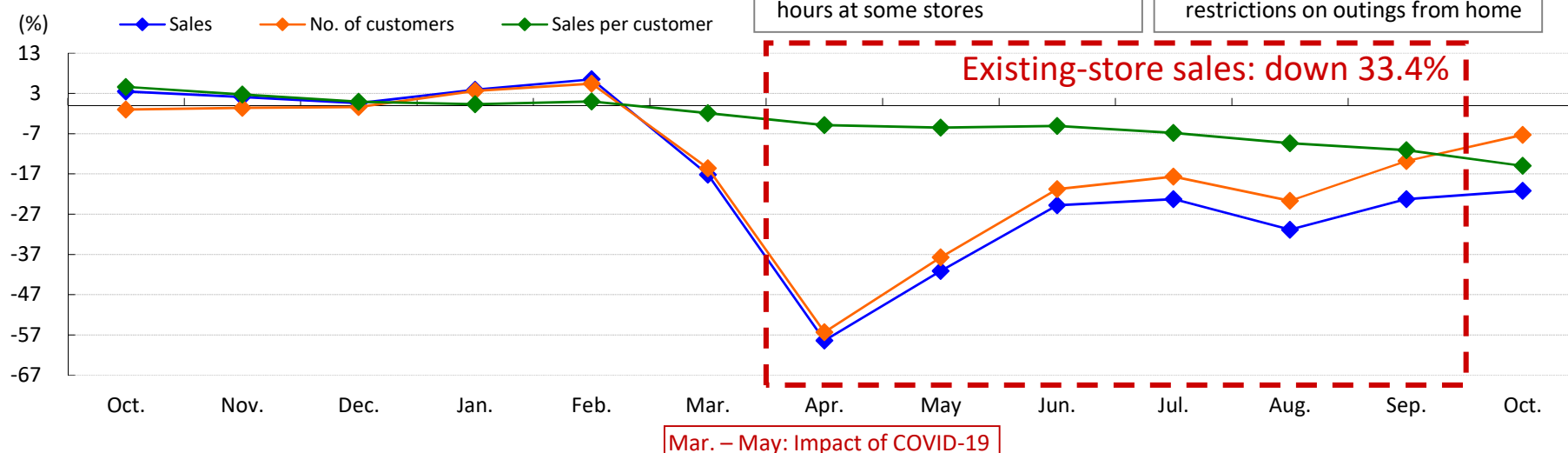
◆ New openings: KAIKATSU CLUB 49 stores
FiT24 17 stores

Entertainment Business: First Half of FY3/21 Review of Operations - Existing Stores

Existing-store sales down due to the big decline in the number of customers because of COVID-19

Monthly performance vs. prior fiscal year

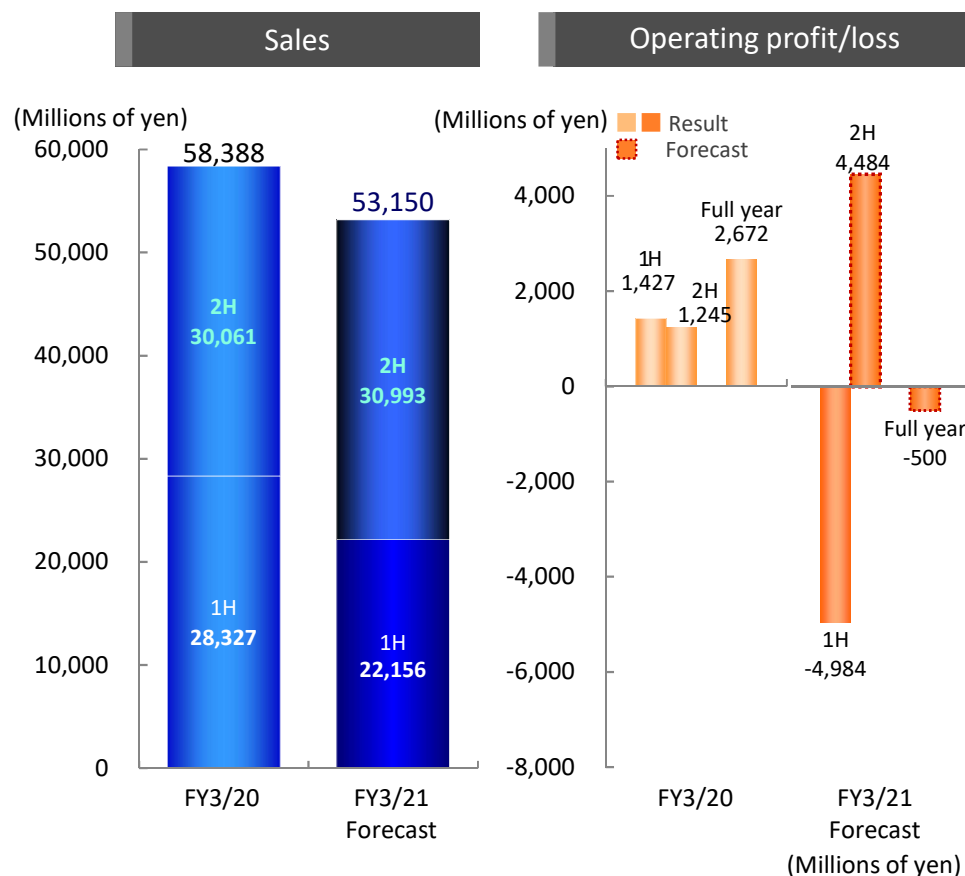
* Temporary closings/reduced hours in April/May due to requests for people to stay home due to COVID-19



	FY3/20						FY3/21							
	Oct. 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	Jun. 2020	Jul. 2020	Aug. 2020	Sep. 2020	First-half	Oct. 2020
Existing-store sales (%)	3.5	2.1	0.6	3.9	6.5	-17.2	-58.4	-41.1	-24.8	-23.3	-30.9	-23.3	-33.4	-21.2
No. of customers (%)	-1.0	-0.6	-0.4	3.6	5.4	-15.6	-56.3	-37.7	-20.8	-17.7	-23.7	-13.8	-28.0	-7.3
Sales per customer (%)	4.6	2.7	0.9	0.3	1.0	-1.9	-4.9	-5.5	-5.1	-6.8	-9.4	-11.1	-7.4	-15.0
Deviation from average temperature (°C) (Tokyo)	+1.9	+1.0	+0.9	+1.9	+2.6	+2.0	-1.1	+1.3	+1.8	-0.7	+2.7	+1.4	-	0.0

Entertainment Business: FY3/21 Full-year Forecast

First half sales and earnings down due to the impact of COVID-19 but forecast second half growth



		FY3/21 Forecast	
		YoY %	% to sales
Sales	53,150	91.0	100.0
Gross profit	5,040	56.6	9.5
SG&A expenses	5,540	88.9	10.4
Operating loss	-500	-	-

■ Sales: down 9.0% YoY

Second half sales: up 3.1% YoY

- ◆ Increasing the number of stores: +57 more than in FY3/20

- ◆ Change in existing-store sales (forecast)

3Q	4Q	2H	Full year
-17.1%	0.4%	-8.3%	-21.1%

- 4Q FY3/20: Impact of COVID-19

■ Operating loss: down ¥3,172 million YoY

Second half operating profit: up 260.1% YoY

- ◆ Decrease in facility/café openings and renovations

	YoY
Locations to be opened in 2H	-45
Locations to be renovated in 2H	-35

- ◆ Rent down due to renegotiations
- ◆ Increase supervisors who oversee several locations in order to cut personnel expenses

■ SG&A expenses: down 11.1% YoY

- ◆ Lower expenses for opening new facilities/café and renovations

Entertainment Business: Second Half of FY3/21 Initiatives

Actions to Match New Life Styles

The
Market

- Increasing needs involving telework and shared office space
- Increasing importance placed on safety and security

Activities

Services

- Promote the use of shared space
 - Provide many facilities and services (advance web reservations, locked private rooms, web conference app, free rental of high-resolution web camera, and other services)
- Provide many types of content
 - Lessons of LEC (Legal Education Center), a school for earning professional qualifications
 - Content of NewsPicks (a financial and economic news website) available for purchase
 - Original videos of Terashima Bunko

Facilities/Cafés

- Measures for safety and security
 - Use of ventilation using a patented air circulation system
 - Partitions between adjacent seats
 - Cleaning procedures use sodium hypochlorite (bleach)
 - Installation of automatic entrance/exit control systems



Teleworking space



Web camera



Legal Education Center classes

The FiT24 Growth Strategy – 24-hour self-service fitness

FiT24 is combining its **strength as a 24-hour gym** with its **many distinctive strengths** in order to grow even though FiT24 was not the first company in this market

Strength as a 24-hour gym

- Easy to use free-weight area
 - Lots of space allows concentrating on training
 - At least three benches and two power racks, dumbbells up to 50kg
- Machines for everyone from beginners to experts
 - Carefully selected high-quality machines
 - Muscular fitness, free weight, aerobic, plate-loaded and many other machines
- Combined with KAIKATSU CLUB to reduce investments and rent
- Allows opening large (more than about 1,000m²) gyms that could not be opened on a stand-alone basis
- All locations are directly operated

Distinctive strengths of FiT24

- Outstanding amenities and services due to affiliation with KAIKATSU CLUB
 - ☕ One-hour/day free use of KAIKATSU CLUB unlimited beverage café
 - 🛀 Unlimited use of bath towels and face cloths
 - 🚿 Showers with shampoo, body soap and other supplies
 - 📶 Movies, music, e-books and other content available via Wi-Fi
- KAIKATSU CLUB members can use FiT24 in 10-minute units
- Staffed 24-hours for customers' convenience and safety (KAIKATSU CLUB personnel are always on site)
- Customers have access to other KAIKATSU CLUB locations
- FiT24 membership cards can be used as KAIKATSU CLUB membership cards too

(As of September 30, 2020)

No. of facilities	45 (including 5 stand-alone facilities)
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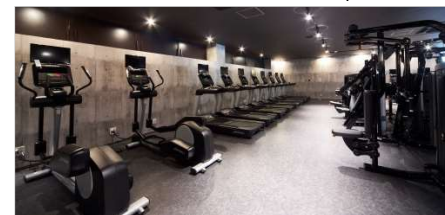
*Annual fitness sales in Japan are ¥495 billion (Source: Leisure White Paper 2020)



A KAIKATSU CLUB/FiT24 location



A stand-alone FiT24 location



Supplementary Documents

Notes on pages 43 to 47

1. Net income (loss) per share and net loss: 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 17 and 23 for the difference.

First Half of FY3/21 Consolidated Business Results

(Millions of yen unless otherwise stated)

	1H FY3/20 Results	%	1H FY3/21 Results	%	YoY change	%
Sales	82,795	100.0	55,952	100.0	-26,842	67.6
Fashion	42,580	100.0	31,480	100.0	-11,099	73.9
Anniversaire/Bridal	11,282	100.0	1,679	100.0	-9,602	14.9
Entertainment	28,327	100.0	22,156	100.0	-6,170	78.2
Real Estate Leasing	1,727	100.0	1,930	100.0	203	111.8
Gross profit	32,231	38.9	13,765	24.6	-18,466	42.7
Fashion	24,896	58.5	16,785	53.3	-8,110	67.4
Anniversaire/Bridal	2,598	23.0	-1,328	-	-3,926	-
Entertainment	4,511	15.9	-1,909	-	-6,420	-
Real Estate Leasing	322	18.7	372	19.3	50	115.6
SG&A expenses	31,854	38.5	25,651	45.8	-6,203	80.5
Fashion	26,273	61.7	21,582	68.6	-4,690	82.1
Anniversaire/Bridal	2,632	23.3	1,311	78.1	-1,320	49.8
Entertainment	3,084	10.9	3,075	13.9	-9	99.7
Operating profit (loss)	377	0.5	-11,885	-	-12,263	-
Fashion	-1,377	-	-4,797	-	-3,419	-
Anniversaire/Bridal	-34	-	-2,640	-	-2,606	-
Entertainment	1,427	5.0	-4,984	-	-6,411	-
Real Estate Leasing	322	18.7	372	19.3	50	115.6
Ordinary loss	-496	-	-12,397	-	-11,901	-
Loss attributable to owners of parent	-988	-	-9,661	-	-8,673	-
Net loss per share (yen)	-11.51	-	-114.04	-	-102.53	-

First Half of FY3/21 Major Expenses

SG&A expenses

(Millions of yen unless otherwise stated)

	1H FY3/20 Results				1H FY3/21 Results							
	Total	Fashion	Anniversaire/ Bridal	Entertainment	Total		Fashion		Anniversaire/Bridal		Entertainment	
						YoY %		YoY %		YoY %		YoY %
Advertising expenses	4,026	2,590	865	406	2,577	64.0	1,832	70.7	257	29.7	341	84.0
Personnel expenses	12,366	9,546	633	1,329	10,354	83.7	7,958	83.4	400	63.3	1,239	93.3
Rents	7,001	7,153	21	46	5,767	82.4	5,861	81.9	20	94.4	29	64.1
Depreciation	1,764	1,379	55	47	1,561	88.5	1,202	87.2	55	99.1	55	115.4

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)

	1H FY3/20 Results			1H FY3/21 Results					
	Anniversaire/ Bridal	Entertainment	Real Estate Leasing	Anniversaire/Bridal		Entertainment		Real Estate Leasing	
					YoY %		YoY %		YoY %
Personnel expenses	2,336	8,086	-	999	42.8	7,867	97.3	-	-
Rents	1,004	5,216	1,055	683	68.1	5,394	103.4	1,232	116.8
Depreciation	628	1,705	221	435	69.3	2,285	134.0	175	79.3

Note: 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.

FY3/21 Consolidated Forecast

(Millions of yen unless otherwise stated)

	FY3/20 Results	%	FY3/21 Forecast	%	YoY change	YoY %
Sales	180,220	100.0	151,300	100.0	-28,920	84.0
Fashion	98,352	100.0	87,600	100.0	-10,752	89.1
Anniversaire/Bridal	22,270	100.0	9,300	100.0	-12,970	41.8
Entertainment	58,388	100.0	53,150	100.0	-5,238	91.0
Real Estate Leasing	3,624	100.0	3,920	100.0	296	108.2
Gross profit	72,483	40.2	54,600	36.1	-17,883	75.3
Fashion	57,695	58.7	49,500	56.5	-8,195	85.8
Anniversaire/Bridal	5,426	24.4	-390	-	-5,816	-
Entertainment	8,903	15.2	5,040	9.5	-3,863	56.6
Real Estate Leasing	668	18.5	750	19.1	81	112.1
SG&A expenses	65,833	36.5	56,600	37.4	-9,233	86.0
Fashion	54,809	55.7	48,700	55.6	-6,109	88.9
Anniversaire/Bridal	4,987	22.4	2,610	28.1	-2,377	52.3
Entertainment	6,231	10.7	5,540	10.4	-691	88.9
Operating profit (loss)	6,649	3.7	-2,000	-	-8,649	-
Fashion	2,886	2.9	800	0.9	-2,086	27.7
Anniversaire/Bridal	439	2.0	-3,000	-	-3,439	-
Entertainment	2,672	4.6	-500	-	-3,172	-
Real Estate Leasing	668	18.5	750	19.1	81	112.1
Ordinary profit (loss)	5,501	3.1	-3,000	-	-8,501	-
Profit (loss) attributable to owners of parent	447	0.2	-5,350	-	-5,797	-
Net income (loss) per share (yen)	5.23	-	-63.12	-	-68.35	-

Second Half of FY3/21 Consolidated Forecast

(Millions of yen unless otherwise stated)

	2H FY3/20 Results	%	2H FY3/21 Forecast	%	YoY change	YoY %
Sales	97,425	100.0	95,347	100.0	-2,077	97.9
Fashion	55,772	100.0	56,119	100.0	346	100.6
Anniversaire/Bridal	10,988	100.0	7,620	100.0	-3,367	69.3
Entertainment	30,061	100.0	30,993	100.0	931	103.1
Real Estate Leasing	1,896	100.0	1,989	100.0	92	104.8
Gross profit	40,251	41.3	40,834	42.8	583	101.4
Fashion	32,799	58.8	32,714	58.3	-85	99.7
Anniversaire/Bridal	2,828	25.7	938	12.3	-1,890	33.2
Entertainment	4,392	14.6	6,949	22.4	2,556	158.2
Real Estate Leasing	346	18.3	377	19.0	30	108.7
SG&A expenses	33,979	34.9	30,948	32.5	-3,030	91.1
Fashion	28,535	51.2	27,117	48.3	-1,418	95.0
Anniversaire/Bridal	2,355	21.4	1,298	17.0	-1,056	55.1
Entertainment	3,147	10.5	2,464	8.0	-682	78.3
Operating profit	6,271	6.4	9,885	10.4	3,613	157.6
Fashion	4,264	7.6	5,597	10.0	1,332	131.2
Anniversaire/Bridal	473	4.3	-359	-	-833	-
Entertainment	1,245	4.1	4,484	14.5	3,239	360.1
Real Estate Leasing	346	18.3	377	19.0	30	108.8
Ordinary profit	5,998	6.2	9,397	9.9	3,399	156.7
Profit attributable to owners of parent	1,436	1.5	4,311	4.5	2,875	300.2

FY3/21 Major Expenses Forecast

SG&A expenses

(Millions of yen unless otherwise stated)

	FY3/20 Results				FY3/21 Forecast							
	Total	Fashion	Anniversaire/ Bridal	Entertainment	Total		Fashion		Anniversaire/Bridal		Entertainment	
						YoY %		YoY %		YoY %		YoY %
Advertising expenses	10,701	7,880	1,680	752	8,264	77.2	7,001	88.8	412	24.5	628	83.5
Personnel expenses	24,119	18,708	1,063	2,630	21,045	87.3	16,400	87.7	786	73.9	2,153	81.8
Rents	13,817	14,031	41	72	11,898	86.1	12,085	86.1	42	101.5	51	70.5
Depreciation	3,509	2,723	110	99	3,136	89.4	2,415	88.7	100	90.7	105	106.2

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)

	FY3/20 Results			FY3/21 Forecast					
	Anniversaire/ Bridal	Entertainment	Real Estate Leasing	Anniversaire/Bridal		Entertainment		Real Estate Leasing	
					YoY %		YoY %		YoY %
Personnel expenses	4,219	16,803	-	2,560	60.7	14,950	89.0	-	-
Rents	1,999	10,172	2,252	1,650	82.5	11,060	108.7	2,510	111.5
Depreciation	1,251	3,762	423	1,142	91.3	4,658	123.8	367	86.7

Note: 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.

Reference: First Half of FY3/21 Fashion Business Performance

(1) Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/21	-37.2	-27.3	-3.9	-20.9	-8.6	-15.3	-25.8	-16.9	-19.0		
FY3/20	-11.8	-3.7	2.3	-4.6	-11.8	6.3	13.0	1.4	-2.1	-15.4	-10.1

(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	FY3/21	-32.1	-7.9	13.9	-4.6	11.4	23.7	-7.5	9.1	1.9		
	FY3/20	-12.8	-5.1	1.8	-5.1	-13.7	9.1	9.8	-0.5	-3.2	-14.1	-9.0
Sales per customer	FY3/21	-7.4	-21.0	-15.6	-17.1	-17.9	-31.5	-19.8	-23.9	-20.5		
	FY3/20	1.1	1.5	0.5	0.6	2.2	-2.6	2.9	2.0	1.2	-1.5	-1.2

(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)	FY3/21	28.4	71.6				
	FY3/20	39.6	94.0	64.7	78.4	104.3	83.6
Unit price (thousands of yen)	FY3/21	21.2	83.5				
	FY3/20	25.4	100.8	24.7	96.5	25.0	98.0

Reference: First Half of FY3/21 Fashion Business Performance

(4) Sales by category

(Millions of yen unless otherwise stated)

	1H FY3/20 Results	%	1H FY3/21 Results	%	YoY change	YoY %
Heavy clothing	16,324	38.3	9,874	31.4	-6,449	60.5
Medium clothing	4,573	10.8	3,429	10.9	-1,143	75.0
Light clothing	13,471	31.6	11,688	37.1	-1,783	86.8
Ladies' clothing	6,934	16.3	5,347	17.0	-1,586	77.1
Other	1,276	3.0	1,139	3.6	-137	89.3
Total	42,580	100.0	31,480	100.0	-11,099	73.9

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 FY3/20 Results	1H FY3/21 Results	YoY change	YoY %
334,862	324,185	-10,677	96.8

(6) Store network by prefecture

	1H FY3/21															
	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				23		23	Hokkaido/ Tohoku	Gifu	/1		/1	11	1	12	Tokai	
Aomori				2		2		Shizuoka				20	4	24		
Iwate				3		3	53	Aichi				47	11	58	105	
Miyagi				9	5	14		Mie				11		11		
Akita				2		2		Shiga				6	2	8	Kinki/ Chugoku	
Yamagata				1		1		Kyoto				4	1	5		
Fukushima				7	1	8		Osaka		1	1	31	13	44		
Ibaraki				14	3	17	Kanto	Hyogo				13	10	23	88	
Tochigi				9	2	11		Nara				3		3		
Gunma				11		11	294	Hiroshima				4	1	5	Kyushu	
Saitama	/2		/2	44	11	55		Fukuoka				20		20		
Chiba	/1	/1	/2	37	8	45		Nagasaki				3		3		
Tokyo				60	24	84		Kumamoto				5		5	35	
Kanagawa	/1	2/1	2/2	50	21	71		Miyazaki				2		2		
Niigata				10	2	12	Koshinetsu/ Hokuriku	Kagoshima				5		5		
Toyama				9		9		Total	/5	3/2	3/7	514	120	634		
Ishikawa				8		8	59	Note: Figures for AOKI include SizeMAX stores.								
Fukui				3		3										
Yamanashi				6		6										
Nagano				21		21										

Reference: FY3/21 Fashion Business Outlook

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

		First half Result	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/21 (results + 2H forecast)*	-19.0	-2.2	5.1	2.2	-6.4
	FY3/20 (results)	-2.1	-15.8	-15.1	-15.4	-10.1
Number of customers	FY3/21 (results + 2H forecast)	1.9	4.6	4.1	4.4	3.2
	FY3/20 (results)	-3.2	-12.8	-15.2	-14.1	-9.0
Sales per customer	FY3/21 (results + 2H forecast)	-20.5	-6.5	1.0	-2.1	-9.3
	FY3/20 (results)	1.2	-3.5	0.2	-1.5	-1.2

*Reference: FY3/21 Forecast 3Q: -18.8% 4Q: -11.1% 2H: -14.2% Full year: -16.8% (vs. FY3/19)

(2) Sales forecast by category

(Millions of yen unless otherwise stated)

	FY3/20	%	FY3/21 Forecast	%	YoY change	%
Heavy clothing	40,526	41.2	33,550	38.3	-6,976	82.8
Medium clothing	7,845	8.0	6,634	7.6	-1,211	84.6
Light clothing	28,187	28.7	26,992	30.8	-1,195	95.8
Ladies' clothing	18,317	18.6	17,023	19.4	-1,294	92.9
Other	3,476	3.5	3,401	3.9	-75	97.8
Total	98,352	100.0	87,600	100.0	-10,752	89.1

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 FY3/21 Entertainment Business Performance

(1) Change in existing-store sales

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/21	-58.4	-41.1	-24.8	-41.2	-23.3	-30.9	-23.3	-26.2	-33.4		
FY3/20	11.6	11.5	8.4	10.5	1.5	6.4	0.9	3.1	6.6	-0.5	3.3

(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	FY3/21	-56.3	-37.7	-20.8	-37.9	-17.7	-23.7	-13.8	-18.7	-28.0		
	FY3/20	8.7	6.7	3.9	6.5	-2.5	1.2	-2.0	-1.0	2.6	-1.7	0.6
Sales per customer	FY3/21	-4.9	-5.5	-5.1	-5.2	-6.8	-9.4	-11.1	-9.2	-7.4		
	FY3/20	2.6	4.5	4.3	3.8	4.0	5.1	3.0	4.1	3.9	1.2	2.7

Reference: First Half of FY3/21 Entertainment Business Performance

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

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/21	-47.2	-35.9	-24.0	-35.4	-20.8	-25.4	-21.3	-22.6	-28.7		
FY3/20	13.1	13.0	10.5	12.2	2.2	7.9	3.6	4.7	8.2	1.4	5.0

(4) KAIKATSU CLUB: 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	FY3/21	-46.9	-32.3	-19.3	-32.6	-14.8	-18.7	-10.8	-15.0	-23.4		
	FY3/20	9.4	7.2	4.6	7.0	-2.4	1.4	-1.0	-0.6	3.0	-0.3	1.5
Sales per customer	FY3/21	-0.6	-5.3	-5.8	-4.3	-7.0	-8.2	-11.8	-9.0	-6.9		
	FY3/20	3.4	5.4	5.6	4.8	4.8	6.4	4.6	5.3	5.0	1.7	3.5

(5) KAIKATSU CLUB: Percentage to existing-store sales

(%)

		1H FY3/20	1H FY3/21	YoY change
Existing stores	Room charges	87.0	89.6	+2.6pt
	Food and beverage sales	11.1	9.9	-1.2pt
	Other sales	1.9	0.5	-1.4pt

Reference: First Half of FY3/21 Entertainment Business Performance

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

(%)

	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q	First half	Second half	Full year
FY3/21	-90.3	-57.4	-27.3	-58.7	-31.8	-48.4	-30.4	-37.8	-48.1		
FY3/20	7.1	5.1	-0.1	4.3	-1.8	0.7	-9.5	-3.3	0.4	-7.6	-3.3

(7) COTE D'AZUR: 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	FY3/21	-89.5	-57.4	-26.0	-57.4	-29.1	-43.9	-25.8	-33.4	-45.5		
	FY3/20	6.2	4.0	0.2	3.7	-2.7	0.5	-7.4	-3.1	0.3	-9.4	-4.0
Sales per customer	FY3/21	-7.9	-0.1	-1.7	-2.9	-3.8	-8.0	-6.1	-6.5	-4.8		
	FY3/20	0.8	1.0	-0.3	0.6	1.0	0.3	-2.3	-0.2	0.2	2.0	0.7

(8) COTE D'AZUR: Percentage to existing-store sales

(%)

		1H FY3/20	1H FY3/21	YoY change
Existing stores	Room charges	48.2	54.8	+6.6pt
	Food and beverage sales	51.3	44.6	-6.7pt
	Other sales	0.5	0.6	+0.1pt

(9) Store network by prefecture

	1H FY3/21																			
	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	1		1	2	14		4	18	Hokkaido/ Tohoku	Shiga					5			5	Kinki/ Chugoku	
Aomori					3		1	4		Kyoto					10	1		11		
Iwate	1			1	6	1		7	65	Osaka	4			4	40	5	1	46	125	
Miyagi	3		1	4	9	6	1	16		Hyogo	2/2	/1	1	3/3	19	3	2	24		
Akita	1			1	5		1	6		Nara					4			4		
Yamagata					5	1		6		Wakayama	1			1	4			4		
Fukushima					7	1		8		Tottori	1			1	2			2		
Ibaraki	1			1	14	2	1	17	Kanto	Shimane					2			2	Kyushu/ Shikoku/ Okinawa	
Tochigi					6	1		7		Okayama					7	2		9		
Gunma	1			1	12	1	3	16	254	Hiroshima	2		1	3	12		1	13		
Saitama	5		3	8	39	1	4	44		Yamaguchi	1			1	5			5		
Chiba	1		1	2	30	4	4	38		Tokushima					3			3		
Tokyo	2	/1		2/1	38	24	2	64		Kagawa	2		1	3	5		1	6		
Kanagawa	3	/2	1	4/2	33	29	6	68		Ehime	1			1	2			2		
Niigata					8	3	1	12	Koshinetsu /Hokuriku	Fukuoka	7		2	9	18	2	3	23	68	
Toyama					5	2		7		Saga	1			1	3			3		
Ishikawa	1			1	6	6		12	63	Nagasaki					3			3		
Fukui	1			1	3	6	1	10		Kumamoto	1		1	2	9		1	10		
Yamanashi					3	2		5		Oita					3			3		
Nagano	1		2/1	3/1	9	6	2	17		Miyazaki					3			3		
Gifu					7			7	Tokai	Kagoshima	2			2	5			5	85	
Shizuoka		/1	1	1/1	17	4	4	25		Okinawa	1		1	2	6		1	7		
Aichi	1			1	35	5	1	41	85	Total	49/2	/5	17/1	66/8	496	118	46	660		
Mie					12			12		Note: Figures for Fit 24 include KAIKATSU FITNESS CLUBs.										

Reference: FY3/21 Entertainment Business Outlook

(1) Entertainment:

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

		First half Result	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/21 (results + 2H forecast)*	-33.4	-17.1	0.4	-8.3	-21.1
	FY3/20 (results)	6.6	2.0	-2.9	-0.5	3.3
Number of customers	FY3/21 (results + 2H forecast)	-28.0	-8.5	1.8	-3.3	-15.9
	FY3/20 (results)	2.6	-0.7	-2.7	-1.7	0.6
Sales per customer	FY3/21 (results + 2H forecast)	-7.4	-9.4	-1.4	-5.3	-6.1
	FY3/20 (results)	3.9	2.6	-0.2	1.2	2.7

*Reference: FY3/21 Forecast 3Q: -18.5% 4Q: -6.1% 2H: -12.3% Full year: -23.0% (vs. FY3/19)

(2) KAIKATSU CLUB:

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

		First half Result	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/21 (results + 2H forecast)*	-28.7	-13.1	0.6	-6.0	-17.7
	FY3/20 (results)	8.2	3.5	-0.7	1.4	5.0
Number of customers	FY3/21 (results + 2H forecast)	-23.4	-6.0	2.0	-1.9	-12.9
	FY3/20 (results)	3.0	0.3	-0.8	-0.3	1.5
Sales per customer	FY3/21 (results + 2H forecast)	-6.9	-7.6	-1.3	-4.2	-5.6
	FY3/20 (results)	5.0	3.2	0.2	1.7	3.5

*Reference: FY3/21 Forecast 3Q: -14.0% 4Q: -2.2% 2H: -7.9% Full year: -17.5% (vs. FY3/19)

Reference: FY3/21 Entertainment Business Outlook

(3) COTE D'AZUR:

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

		First half Result	3Q Forecast	4Q Forecast	Second half Forecast	Full year Forecast
Sales	FY3/21 (results + 2H forecast)*	-48.1	-27.7	-0.3	-15.0	-31.4
	FY3/20 (results)	0.4	-3.6	-12.2	-7.6	-3.3
Number of customers	FY3/21 (results + 2H forecast)	-45.5	-18.0	1.0	-8.7	-27.7
	FY3/20 (results)	0.3	-5.7	-13.1	-9.4	-4.0
Sales per customer	FY3/21 (results + 2H forecast)	-4.8	-11.8	-1.3	-7.0	-5.0
	FY3/20 (results)	0.2	2.3	1.1	2.0	0.7

*Reference: FY3/21 Forecast 3Q: -27.4% 4Q: -14.7% 2H: -21.3% Full year: -35.2% (vs. FY3/19)