

News Release Dated September 23, 2020

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Notice of Forecasts for Consolidated Results of Operations and Dividend for the Fiscal Year Ending March 31, 2021

AOKI Holdings Inc. has established the following forecasts for consolidated results of operations and the dividend for the fiscal year ending on March 31, 2021. These forecasts were undecided when AOKI Holdings announced first quarter results of operations on August 7, 2020.

1. Consolidated forecasts

(1) Consolidated forecasts for the fiscal year ending March 31, 2021

(April 1, 2020 – March 31, 2021)

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous forecast (A)	-	-	-	-	-
Forecast (B)	151,300	(2,000)	(3,000)	(5,350)	(63.12)
Change (B - A)	-	-	-	-	-
Percentage change (%)	-	-	-	-	-
(Reference) Previous fiscal year (ended March 31, 2020)	180,220	6,649	5,501	447	5.23

(2) Reasons for announcing forecasts

There was no forecast in the first quarter earnings announcement because COVID-19 made it difficult to determine a reliable forecast. The business climate remains extremely challenging. The COVID-19 crisis continues to hold down sales in all of the AOKI Group's business units because of the negative effects on consumer spending and economic activity. As a result, AOKI Holdings forecasts lower sales in the first half of the current fiscal year and an operating loss of over 12 billion yen.

The forecasts for the fiscal year ending March 31, 2021 are based on the assumptions that COVID-19 will continue to affect results of operations to some degree and that there will be a slow recovery of economic activity. Assumptions include the outlook for the resumption of ceremonies for new students and new employees and other events while exercising care to prevent COVID-19 infections. In addition, the forecasts incorporate revisions to store opening plans, expenses and other items by using information that is currently available.

Actual performance may differ significantly from these forecasts because of the risk of the widespread suspension of economic activity if there is a rapid upturn in COVID-19 infections in Japan. An announcement will be made promptly if there is any significant new information concerning these forecasts.

2. Dividend forecasts

(1) Summary

	Dividend per share		
	2Q-end	Year-end	Total
Previous forecast	(Yen) -	(Yen) -	(Yen) -
Forecast	10.00	13.00	23.00
(Reference) Previous fiscal year (ended March 31, 2020)	23.00	23.00	46.00

(2) Reasons for the dividend forecasts

The basic policy for determining dividends is to pay a dividend that is at least as high as the dividend for the previous fiscal year and to maintain a payout ratio of at least 30%. However, significant declines in sales and earnings are forecast for the fiscal year ending in March 2021, including the outlook for a large loss in the fiscal year's first half. As a result, the forecast for the fiscal year dividend is 23 yen per share, the sum of a 10 yen interim dividend and a 13 yen year-end dividend. This forecast reflects the outlook for sales and earnings, the need to preserve financial soundness, the current financial position, and other factors.