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Company: AOKI Holdings Inc.
 Representative: Haruo Tamura, President
 Stock code: 8214, TSE Prime
 Contact: Satoshi Eguchi,
 General Manager of IR/PR Office
 Tel: +81-45-941-1388

Revisions to Consolidated Earnings Forecasts and Year-end Dividend Forecast for the Fiscal Year Ending March 31, 2024

AOKI Holdings Inc. has revised earnings forecasts and year-end dividend forecast for the fiscal year ending on March 31, 2024 that were announced on May 11, 2023.

1. Consolidated forecasts

(1) Revisions to consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

	Net 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)	180,500	10,800	10,300	5,800	69.01
Revised forecast (B)	185,000	13,000	12,500	6,800	80.83
Change (B - A)	4,500	2,200	2,200	1,000	
Percentage change (%)	2.5	20.4	21.4	17.2	
(Reference) Previous fiscal year (ended March 31, 2023)	176,170	10,235	8,430	5,632	66.34

(2) Reasons for revisions

First half net sales, operating profit, ordinary profit and profit attributable to owners of parent were all high in relation to the original fiscal year forecasts. This performance reflects the return in Japan to normal social and economic activities, measures to respond to the rising cost of sales, and other factors. Due to this performance and the outlook for the second half, the fiscal year forecasts have been revised.

Although there are concerns about the increasing tendency of consumers to hold down expenditures due to inflation, sales are expected to remain generally firm. As a result, there is no significant change in the original sales forecast for the second half and the fiscal year sales forecast has been increased.

The fiscal year operating profit and ordinary profit forecasts have been raised while incorporating increases in some cost of sales in the Fashion Business and higher expenses at all AOKI Group companies for advertising and marketing, store renovations, and other activities.

The fiscal year forecast for profit attributable to owners of parent has been raised after incorporating the outlook for an increase in some taxes.

2. Dividend forecast

(1) Revisions to dividend forecast

	Dividend per share		
	2Q-end	Year-end	Total
	Yen	Yen	Yen
Previous forecast		14.00	27.00
Revised forecast		27.00	40.00
Current fiscal year results	13.00		
(Reference) Previous fiscal year (ended March 31, 2023)	7.00	13.00	20.00

(2) Reasons for revisions

The distribution of earnings to shareholders is one of our highest management priorities. For dividends, our basic policy is to maintain a dividend payout ratio of at least 30% while paying a dividend that is higher than in previous years. In addition, unless there are specific funding needs, our basic policy is to maintain a total payout ratio of 50% or more through measures such as repurchasing stock.

Although there is no change in the policy for earnings distributions, the year-end dividend forecast has been raised by 13 yen to 27 yen per share. This results in an annual dividend of 40 yen per share, including the interim dividend of 13 yen per share. The higher dividend forecast is due to the upward revisions to the fiscal year forecasts, the absence of any large investments, and other considerations of funds affecting the dividend.

Note: These forecasts are based on judgments made in accordance with information available to management at the time this release was prepared. Actual results may differ substantially from these forecasts for a number of reasons.