

**Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2025
(Nine Months Ended December 31, 2024)**

[Japanese GAAP]

Company name: AOKI Holdings Inc.

Listings: Tokyo Stock Exchange

Stock code: 8214

URL: <https://www.aoki-hd.co.jp/>

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on February 7, 2025 at 15:30 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024**(April 1, 2024 – December 31, 2024)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2024	129,427	2.7	7,514	9.0	6,909	3.6	4,593	20.2
Nine months ended Dec. 31, 2023	126,015	5.8	6,896	56.5	6,667	72.6	3,822	99.6

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2024: 3,983 (up 9.9%)
 Nine months ended Dec. 31, 2023: 3,625 (up 75.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2024	54.65	-
Nine months ended Dec. 31, 2023	45.42	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2024	218,372	136,772	62.5
As of Mar. 31, 2024	236,327	137,056	57.9

Reference: Shareholders' equity (million yen) As of Dec. 31, 2024: 136,467 As of Mar. 31, 2024: 136,757

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/24	-	13.00	-	37.00	50.00
FY3/25	-	15.00	-	-	-
FY3/25 (forecasts)	-	-	-	40.00	55.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	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
Full year	191,800	2.2	15,000	8.2	14,300	8.0	8,000	5.6	95.16

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

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|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | Yes |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

Note: Please refer to “Changes in Accounting Policies” on page 8 of the attachments for further information.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury shares) at the end of the period

As of Dec. 31, 2024:	86,649,504 shares	As of Mar. 31, 2024:	86,649,504 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2024:	2,551,659 shares	As of Mar. 31, 2024:	2,626,986 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2024:	84,060,121 shares	Nine months ended Dec. 31, 2023:	84,159,986 shares
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Note 1: Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

Note 2: Cautionary statement with respect to forecasts and other matters

Cautionary statement with respect to forward-looking statements

Forecasts and forward-looking statements in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. These materials are not promises by the Company regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to “(3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments regarding preconditions or other related matters for the forecast shown above.

Supplementary materials for financial results

Supplementary materials for financial results for the first nine months are disclosed on TDnet on Friday, February 7, 2025 and posted on the Company’s website.

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1. Overview of Results of Operations, etc.

(1) Results of Operations

In the first nine months of the current fiscal year, there was a recovery of the Japanese economy at a moderate pace backed by firm consumer spending as corporate earnings increased and the labor market and personal income improved. The outlook for the economy is still uncertain because of inflation caused by the consistently high cost of energy and raw materials due to turmoil in many areas of the world and the yen's depreciation.

Due to the measures of the AOKI Holdings Group explained in the following sections, both sales and earnings increased in the first nine months. Net sales increased 2.7% from one year earlier to 129,427 million yen, operating profit increased 9.0% to 7,514 million yen, ordinary profit increased 3.6% to 6,909 million yen, and profit attributable to owners of parent increased 20.2% to 4,593 million yen.

Business segment performance was as follows.

Fashion Business

At AOKI stores, sales of Quick Order Suits were expanded to all stores. These suits allow customers who require different jacket and trouser sizes to purchase ready-made suits with a personalized order format. Offering this service further strengthened the ability of AOKI stores to provide suits that precisely match customers' needs. For women, AOKI stores began the full-scale launch of the new MeWORK brand used for apparel for working women. More products for this brand will be created and product lineups enlarged to raise awareness of MeWORK and increase its market share. ORIHICA increased activities for expanding its lineup of business casual fashions and creating new ideas for apparel styles. For example, ORIHICA stores started selling the "Office Down" line of light down vests and jackets that can easily adapt to big changes in temperature during a single day and are designed for mixing and matching. One AOKI store was opened, which was a relocation of an existing store. ORIHICA added nine stores, including stores in areas where this company had no stores. To improve efficiency and relocate stores, two AOKI stores and one ORIHICA store were closed. As a result, the number of stores increased from 593 at the end of the previous fiscal year to 600 at the end of the third quarter.

As a result of these activities and strong sales of casual apparel, existing store sales increased. However, there were expenses for more advertising and other measures to bring in customers and personnel expenses were higher. Sales in this segment increased 1.9% year on year to 61,926 million yen and operating profit decreased 40.9% to 983 million yen.

Entertainment Business

KAIKATSU CLUB café complexes are continuing to add private rooms with locks and meeting the increasing demand for indoor amusement activities by adding activities like darts and replacing amusement facilities with the latest models. Cafés are also making food and beverage menus more appealing, such as by adding a Kin-no Potato item and offering Yaki-Curry & Winter Udon for a limited time. COTE D'AZUR karaoke facilities upgraded and expanded menu selections with measures that include a new party package. There were also activities for hosting banquets, parties and other events. In addition, COTE D'AZUR is increasing activities to attract more customers by distributing a variety of coupons. At FiT24, which operates 24-hour self-service fitness centers, there were many activities to attract new members. Two examples are events for the trial use of facilities at no charge and the upgrading of the U-22 Plan for people between the ages of 18 and 22. During the first nine months, KAIKATSU CLUB opened ten cafés and FiT24 fitness opened two centers, while six KAIKATSU CLUB cafés, five COTE D'AZUR karaoke facilities and two FiT24 fitness centers were closed due to measures to improve efficiency. As a result, including the 82 JIYU KUKAN café complexes and other locations of RUNSYSTEM (including 49 franchised stores), the number of locations in this business decreased from 784 at the end of the previous fiscal year to 773 at the end of the third quarter.

Segment sales and earnings increased as these measures generated firm sales at existing locations. Sales in this segment increased 1.6% to 57,516 million yen and operating profit increased 15.1% to 5,679 million yen.

Anniversaire and Bridal Business

This business continued to increase measures for receiving new orders, including special events for attracting

customers. Another priority is the sharing among all locations of measures used at successful Anniversaire facilities. The aim is to further increase customer interaction skills for raising the percentage of customer meetings that result in firm orders and increasing sales per wedding. ANNIVERSAIRE Omotesando held an event called ANNIVERSAIRE Christmas 2024 with holiday season activities that included the sale of marriage proposal packages only for the Christmas season and the addition of special menu items at this location's ANNIVERSAIRE Café.

As a result of these activities, sales increased 13.9% to 8,365 million yen and operating profit was 327 million yen compared with a loss of 5 million yen one year earlier. Performance in the first nine months was supported by the operations of ANNIVERSAIRE Omotesando, which was closed until the middle of September in 2023, resulting in an increase in the number of weddings.

Real Estate Leasing Business

Segment sales increased 17.0% to 5,119 million yen and operating profit increased 36.8% to 1,187 million yen mainly because of the leasing of properties to tenants outside the AOKI Group in the previous fiscal year.

(2) Financial Position

Balance sheet position

Assets

Total assets at the end of the third quarter decreased 17,954 million yen from the end of the previous fiscal year to 218,372 million yen primarily because of seasonal and other factors.

Current assets decreased 15,403 million yen mainly due to decreases of 10,123 million yen in cash and deposits and 7,282 million yen in accounts receivable-trade caused by seasonal and other factors, while there was an increase of 2,345 million yen in inventories resulting from an increase in procurement. Non-current assets decreased 2,550 million yen mainly due to a decrease of 2,704 million yen in other investment and other assets including deferred tax assets.

Liabilities

Current liabilities decreased 8,966 million yen from the end of the previous fiscal year. There were decreases of 4,669 million yen in accounts payable-trade due to seasonal and other factors, 1,836 million yen in accrued income taxes due to the payment of income taxes and 2,885 million yen in provision for bonuses due to the payment of bonuses, while there were proceeds from short-term borrowings of 3,000 million yen. Non-current liabilities decreased 8,704 million yen due to a decrease of 8,343 million yen in long-term borrowings for scheduled repayments.

Net assets

Net assets decreased 283 million yen from the end of the previous fiscal year. There was a decrease of 551 million yen in valuation difference on available-for-sale securities due to sales of investment securities. Retained earnings increased 223 million yen due to a profit attributable to owners of parent and dividend from surplus.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

During the first nine months, warm weather in October had a negative effect on some operations of the Fashion Business and sales and earnings of all other businesses were generally firm. After three quarters, sales are generally consistent with the fiscal year forecast and earnings are slightly ahead of the pace needed to reach the forecast.

There are no revisions to the fiscal year forecast for sales and earnings that was announced on November 8, 2024. The increase in prices of raw materials and other items is slowing down. However, there may be a significant change in sales and earnings due to the effects of inflation on consumer spending and the level of sales in some market categories of the Fashion Business in the fourth quarter, such as the "freshers" category of apparel for young people starting college or their first jobs.

In addition, the event explained in the Subsequent Events section on page 10 may affect the fiscal year forecast.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	35,657	25,533
Accounts receivable-trade	15,442	8,160
Inventories	22,247	24,592
Other	8,496	8,158
Allowance for doubtful accounts	(42)	(48)
Total current assets	81,800	66,396
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,406	64,860
Land	30,693	30,424
Other, net	15,941	16,269
Total property, plant and equipment	111,042	111,554
Intangible assets	6,771	6,563
Investments and other assets		
Guarantee deposits	6,446	6,251
Leasehold deposit	18,873	18,919
Other	11,446	8,741
Allowance for doubtful accounts	(52)	(54)
Total investments and other assets	36,713	33,858
Total non-current assets	154,526	151,976
Total assets	236,327	218,372

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	18,713	14,043
Short-term borrowings	-	3,000
Current portion of long-term borrowings	9,842	9,656
Income taxes payable	2,106	269
Provision for bonuses	3,790	904
Provision for bonuses for directors (and other officers)	240	118
Other	17,165	14,899
Total current liabilities	51,857	42,891
Non-current liabilities		
Long-term borrowings	32,687	24,343
Retirement benefit liability	607	584
Asset retirement obligations	7,914	7,907
Other	6,203	5,873
Total non-current liabilities	47,412	38,708
Total liabilities	99,270	81,600
Net assets		
Shareholders' equity		
Share capital	23,282	23,282
Capital surplus	22,597	22,612
Retained earnings	92,813	93,036
Treasury shares	(3,047)	(2,959)
Total shareholders' equity	135,645	135,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	741	190
Remeasurements of defined benefit plans	369	304
Total accumulated other comprehensive income	1,111	495
Non-controlling interests	299	305
Total net assets	137,056	136,772
Total liabilities and net assets	236,327	218,372

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Nine-month Period)**

	(Millions of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Net sales	126,015	129,427
Cost of sales	76,218	77,110
Gross profit	49,797	52,316
Selling, general and administrative expenses	42,900	44,801
Operating profit	6,896	7,514
Non-operating profit		
Interest income	49	56
Dividend income	23	20
Other	152	134
Total non-operating profit	225	211
Non-operating expenses		
Interest expenses	218	207
Loss on retirement of non-current assets	40	141
Loss on cancellation of guarantee and leasehold deposits	6	159
Other	189	308
Total non-operating expenses	454	817
Ordinary profit	6,667	6,909
Extraordinary income		
Gain on sale of non-current assets	-	184
Gain on sale of investment securities	48	563
Compensation for expropriation	-	165
Settlements received	500	-
Total extraordinary income	548	913
Extraordinary losses		
Loss (gain) on sale of non-current assets	-	19
Impairment loss	741	992
Total extraordinary losses	741	1,012
Profit before income taxes	6,474	6,810
Income taxes – current	1,254	852
Income taxes – deferred	1,422	1,357
Total income taxes	2,676	2,210
Profit	3,797	4,600
Profit (loss) attributable to non-controlling interests	(24)	6
Profit attributable to owners of parent	3,822	4,593

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Millions of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Profit	3,797	4,600
Other comprehensive income		
Valuation difference on available-for-sale securities	(118)	(551)
Remeasurements of defined benefit plans, net of tax	(53)	(64)
Total other comprehensive income	(171)	(616)
Comprehensive income	3,625	3,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,650	3,977
Comprehensive income attributable to non-controlling interests	(24)	6

(3) Notes to Quarterly Consolidated Financial Statements**Changes in Accounting Policies**

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard 2022”) from the beginning of the first nine months of the fiscal year ending March 31, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and in the proviso of Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022).

There is no effect of the application of this standard on the quarterly consolidated financial statements.

Segment Information

First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)

1. Information related to sales and profit/loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	60,765	-	-	-	60,765	-	60,765	-	60,765
Café complex	-	44,133	-	-	44,133	-	44,133	-	44,133
Karaoke	-	7,792	-	-	7,792	-	7,792	-	7,792
Fitness	-	3,934	-	-	3,934	-	3,934	-	3,934
Bridal	-	-	7,337	-	7,337	-	7,337	-	7,337
Other	-	666	-	-	666	46	713	-	713
Revenue from contracts with customers	60,765	56,526	7,337	-	124,630	46	124,676	-	124,676
Other revenues	-	56	-	1,281	1,338	-	1,338	-	1,338
External sales	60,765	56,583	7,337	1,281	125,968	46	126,015	-	126,015
Inter-segment sales and transfers	2	10	3	3,095	3,111	48	3,159	(3,159)	-
Total	60,768	56,593	7,341	4,376	129,079	95	129,174	(3,159)	126,015
Segment profit (loss)	1,665	4,933	(5)	868	7,462	(4)	7,457	(561)	6,896

Notes: 1. The “others” classification is businesses not included in reportable segments such as advertising-related business.

2. The -561 million yen adjustment to segment profit (loss) includes 3,035 million yen in elimination for inter-segment transactions and -3,597 million yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to reportable segments.

3. Segment profit (loss) is adjusted with operating profit on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, or goodwill, etc. for each reportable segment

Material impairment losses related to non-current assets

In the Fashion Business and the Entertainment Business, impairment losses were recognized for operating stores set to be closed or converted, or expected to remain in the red, for which there is little expectation of recovery; impairment losses of 23 million yen and 717 million yen were booked respectively in the first nine months of FY3/24.

First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)

1. Information related to sales and profit/loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	61,925	-	-	-	61,925	-	61,925	-	61,925
Café complex	-	45,500	-	-	45,500	-	45,500	-	45,500
Karaoke	-	7,723	-	-	7,723	-	7,723	-	7,723
Fitness	-	3,840	-	-	3,840	-	3,840	-	3,840
Bridal	-	-	8,360	-	8,360	-	8,360	-	8,360
Other	-	378	-	-	378	47	425	-	425
Revenue from contracts with customers	61,925	57,442	8,360	-	127,728	47	127,775	-	127,775
Other revenues	-	63	-	1,587	1,651	-	1,651	-	1,651
External sales	61,925	57,505	8,360	1,587	129,380	47	129,427	-	129,427
Inter-segment sales and transfers	0	10	4	3,532	3,547	48	3,596	(3,596)	-
Total	61,926	57,516	8,365	5,119	132,927	95	133,023	(3,596)	129,427
Segment profit (loss)	983	5,679	327	1,187	8,178	(7)	8,171	(656)	7,514

Notes: 1. The “others” classification is businesses not included in reportable segments such as advertising-related business.

2. The -656 million yen adjustment to segment profit (loss) includes 2,849 million yen in elimination for inter-segment transactions and -3,505 million yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to reportable segments.

3. Segment profit (loss) is adjusted with operating profit on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, or goodwill, etc. for each reportable segment

Material impairment losses related to non-current assets

In the Fashion Business, the Entertainment Business and the Real Estate Leasing Business, impairment losses were recognized for operating stores set to be closed, or expected to remain in the red, for which there is little expectation of recovery; impairment losses of 47 million yen, 915 million yen and 29 million yen were booked respectively in the first nine months of FY3/25.

Significant Changes in Shareholders' Equity

First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)

No reportable information.

Going Concern Assumption

No reportable information.

Notes to the Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first nine months of FY3/25 has not been prepared. Depreciation (includes amortization expenses related to intangible assets and long-term prepaid expenses minus goodwill) and amortization of goodwill for the first nine months of each year is as follows.

(Millions of yen)

	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Depreciation	7,176	7,437
Amortization of goodwill	61	61

Subsequent Events

On January 18, 2025, a cyberattack occurred at KAIKATSU FRONTIER Inc., a consolidated subsidiary of AOKI Holdings, that may have resulted in a data breach involving some personal information of customers. The company's cyberattack response headquarters, with the assistance of external cybersecurity professionals, is conducting an investigation to determine the severity of the effects of this cyberattack and actions to prevent this type of incident from happening again.

An examination is under way to determine any effects of this incident on results of operations. An announcement will be made promptly if there is information that should be disclosed.

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*