

**Summary of Consolidated Financial Results  
for the Third Quarter of the Fiscal Year Ending March 31, 2024  
(Nine Months Ended December 31, 2023)**

[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 filing of Quarterly Report: February 9, 2024  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 8, 2024 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, 2023  
(April 1, 2023 – December 31, 2023)**

(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, 2023	126,015	5.8	6,896	56.5	6,667	72.6	3,822	99.6
Nine months ended Dec. 31, 2022	119,074	15.9	4,407	-	3,862	-	1,914	-

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

Nine months ended Dec. 31, 2022: 2,063 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	45.42	-
Nine months ended Dec. 31, 2022	22.55	-

Note: At the end of the fiscal year ended March 31, 2023, the Company finalized the provisional accounting for the business combination. Figures for the nine months ended December 31, 2022 reflects the finalization of this provisional accounting method.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2023	221,368	132,925	59.9
As of Mar. 31, 2023	233,416	132,251	56.5

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 132,669 As of Mar. 31, 2023: 131,969

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/23	-	7.00	-	13.00	20.00
FY3/24	-	13.00	-	-	-
FY3/24 (forecasts)	-	-	-	27.00	40.00

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

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)**

(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	185,000	5.0	13,000	27.0	12,500	48.3	6,800	20.7	80.83

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

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): 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: | None |
| 2) Changes in accounting policies other than 1) above:                              | None |
| 3) Changes in accounting-based estimates:   | None |
| 4) Restatements:  | None |

(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, 2023:	86,649,504 shares	As of Mar. 31, 2023:	87,649,504 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	2,626,866 shares	As of Mar. 31, 2023:	2,746,866 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	84,159,986 shares	Nine months ended Dec. 31, 2022:	84,902,825 shares
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Note 1: The current quarterly summary report is not subject to quarterly review by certified public accountants or auditing firms.

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 quarterly financial results

Supplementary materials for quarterly financial results will be available on the Company’s website immediately after the earnings announcement on Thursday, February 8, 2024.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of 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 capital expenditures and consumer spending as social and economic activities returned to normal after the pandemic. The outlook for the Japanese economy remains uncertain. The main reasons are concerns about slowing economic growth worldwide, the negative effect on consumer spending of inflation caused by the high cost of energy and raw materials, and Japan's labor shortage.

Due to the measures of the AOKI Holdings Group explained in the following sections, both sales and earnings increased in the first nine months of the current fiscal year. Net sales increased 5.8% from one year earlier to 126,015 million yen, operating profit increased 56.5% to 6,896 million yen, ordinary profit increased 72.6% to 6,667 million yen, and profit attributable to owners of parent increased 99.6% to 3,822 million yen.

Business segment performance was as follows.

#### Fashion Business

One highlight of this business was the launch of Kin-no Suits (“gold suits” in Japanese, meaning “suits of especially fine quality”), which incorporate all of the manufacturing expertise accumulated by AOKI since its establishment. Another new product is Pajama Suits Premium, which expands this consistently popular line of apparel by adding designs that are suitable for business situations. In the women's fashion category, AOKI started operating the Jakejo (short for “jacket joshi” – “jacket woman”) Research Institute for the purpose of solving problems that women have concerning business apparel. The institute is a source of information about products for working women. In addition, there are measures for increasing the number of fashions in the MeWORK line of apparel for working women. Four AOKI stores, including those after conversion from a different format, and one ORIHICA store were opened, and three AOKI stores and three ORIHICA stores were closed to improve the efficiency of store operations and make conversion to a different format. As a result, the number of stores decreased from 596 at the end of the previous fiscal year to 595 at the end of the third quarter.

As a result of these activities and strong existing stores sales, sales in this segment increased 4.1% year on year to 60,768 million yen and operating profit increased 62.4% year on year to 1,665 million yen.

#### Anniversaire and Bridal Business

This business continued marketing activities using the internet and social networking services for efficiently attracting customers. This business also announced the new 2023 TREND COLLECTIONS, a stylish and glamorous wedding format that reflects global fashion and design trends. Another highlight was the events held at the Omotesando and Yokohama locations to commemorate Good Husband and Wife Day (November 23), a special day that was established by ANNIVERSAIRE in 2020 and has been certified by the Japan Anniversary Association. These events attracted a large number of couples and their family members.

The number of weddings at existing locations was consistently high although there were negative effects from the closing of ANNIVERSAIRE Omotesando for remodeling and expenses for renovation. As a result, sales increased 2.6% to 7,341 million yen and there was an operating loss of 5 million yen compared with a profit of 576 million yen one year earlier.

#### Entertainment Business

KAIKATSU CLUB café complexes now accept the NIKKEI OFFICE PASS of Nikkei Inc. at all locations. In addition, these cafés have further upgraded services for businesspeople and students and offered a variety of limited time only menu items through tie-ups with famous restaurants and manufacturers. COTE D'AZUR karaoke stores sold “Kin-no Potatoes” with matsutake mushroom flavor to give customers taste of high-end cuisine. Another addition to the menu was a multi-course meal created by the famous restaurant chain Oreno French & Italian. FiT24, which operates 24-hour self-service fitness gyms, started a marketing campaign at selected locations featuring reduced rates, including the U22 Plan with a reduced rate for customers up to the age of 22 and a discount for introducing a friend who becomes a member. Furthermore, the addition of indoor golf facilities to these gyms is continuing. During the first nine months, KAIKATSU CLUB opened three cafés and FiT24 opened six gyms while seven KAIKATSU CLUB café and seven COTE D'AZUR karaoke facilities were closed due to measures to improve efficiency. As a result, including the 95

JYU KUKAN café complexes and other locations of RUNSYSTEM (including 53 franchised stores), the number of locations in this business decreased from 810 at the end of the previous fiscal year to 794 at the end of the third quarter. Segment sales and earnings increased because of the implementation of these measures and favorable sales at existing locations. Sales in this segment increased 7.4% to 56,593 million yen and operating profit increased 80.2% to 4,933 million yen.

### **Real Estate Leasing Business**

Segment sales increased 22.3% to 4,376 million yen and operating profit increased 38.1% to 868 million yen mainly because of the leasing of properties outside the AOKI Group.

## **(2) Explanation of Financial Position**

### **Balance sheet position**

#### Assets

Total assets at the end of the third quarter decreased 12,047 million yen from the end of the previous fiscal year to 221,368 million yen primarily because of seasonal factors.

Current assets decreased 13,501 million yen mainly due to decreases of 12,663 million yen in cash and deposits and 5,163 million yen in accounts receivable-trade caused by seasonal and other factors, while there was an increase of 3,719 million yen in inventories resulting from an increase in procurement. Non-current assets increased 1,454 million yen as property, plant and equipment increased 3,245 million yen due to new store openings, renewals and other activities, while there was a decrease of 1,343 million yen in other under investments and other assets, including deferred tax assets.

#### Liabilities

Current liabilities decreased 9,152 million yen from the end of the previous fiscal year. There were decreases of 3,343 million yen in accounts payable-trade mainly due to seasonal factors, 1,808 million yen in accrued income taxes due to the payment of income taxes, and 2,501 million yen in provision for bonuses due to the payment of bonuses. Non-current liabilities decreased 3,569 million yen due to a decrease of 3,109 million yen in long-term borrowings resulting from a 6,000 million yen of new loan and the transfer to the current portion.

#### Net assets

Net assets increased 674 million yen from the end of the previous fiscal year. Although there was a decrease of 1,197 million yen in capital surplus mainly due to the retirement of treasury shares, treasury shares decreased 443 million yen as a result of repurchase and retirement and retained earnings increased 1,626 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, sales and earnings were somewhat ahead of the pace needed to achieve the fiscal year forecasts. This was the result of generally firm performances in all businesses except for the Fashion Business which was partially affected by the negative effects of late summer heat.

In the third quarter, inflation involving prices of goods and raw materials slowed down somewhat. In the fourth quarter, the performance of the Fashion Business may be significantly influenced by the level of demand in certain market categories, such as apparel for young people starting college or a new job. However, by taking into consideration the current performance trends and other factors, there are no revisions to the consolidated forecasts for the fiscal year ending March 31, 2024 that were announced on November 9, 2023.

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

(Millions of yen)

	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	38,295	25,631
Accounts receivable-trade	13,114	7,951
Inventories	19,465	23,184
Other	8,015	8,621
Allowance for doubtful accounts	(54)	(54)
Total current assets	78,836	65,335
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,898	65,119
Land	31,021	31,021
Others, net	14,378	16,403
Total property, plant and equipment	109,299	112,544
Intangible assets	7,007	6,828
Investments and other assets		
Guarantee deposits	6,628	6,435
Leasehold deposit	19,013	18,939
Other	12,682	11,338
Allowance for doubtful accounts	(53)	(53)
Total investments and other assets	38,272	36,660
Total non-current assets	154,579	156,033
Total assets	233,416	221,368

	(Millions of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	17,963	14,619
Current portion of long-term borrowings	10,647	10,047
Income taxes payable	2,012	204
Provision for bonuses	3,349	847
Provision for bonuses for directors (and other officers)	65	100
Other	14,865	13,931
<b>Total current liabilities</b>	<b>48,904</b>	<b>39,751</b>
<b>Non-current liabilities</b>		
Long-term borrowings	36,206	33,097
Retirement benefit liability	895	871
Asset retirement obligations	7,855	7,909
Other	7,302	6,812
<b>Total non-current liabilities</b>	<b>52,260</b>	<b>48,691</b>
<b>Total liabilities</b>	<b>101,164</b>	<b>88,442</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	23,282	23,282
Capital surplus	23,795	22,597
Retained earnings	87,434	89,060
Treasury shares	(3,490)	(3,047)
<b>Total shareholders' equity</b>	<b>131,022</b>	<b>131,893</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	682	563
Remeasurements of defined benefit plans	265	212
<b>Total accumulated other comprehensive income</b>	<b>947</b>	<b>775</b>
<b>Non-controlling interests</b>	<b>281</b>	<b>256</b>
<b>Total net assets</b>	<b>132,251</b>	<b>132,925</b>
<b>Total liabilities and net assets</b>	<b>233,416</b>	<b>221,368</b>

**(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 FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	119,074	126,015
Cost of sales	74,056	76,218
Gross profit	45,017	49,797
Selling, general and administrative expenses	40,610	42,900
Operating profit	4,407	6,896
Non-operating profit		
Interest income	48	49
Dividend income	36	23
Other	220	152
Total non-operating profit	305	225
Non-operating expenses		
Interest expenses	277	218
Loss on retirement of non-current assets	71	40
Other	500	195
Total non-operating expenses	849	454
Ordinary profit	3,862	6,667
Extraordinary income		
Gain on sale of investment securities	-	48
Settlements received	-	500
Subsidies for employment adjustment	255	-
Total extraordinary income	255	548
Extraordinary losses		
Impairment loss	849	741
Total extraordinary losses	849	741
Profit before income taxes	3,268	6,474
Income taxes – current	714	1,254
Income taxes – deferred	788	1,422
Total income taxes	1,503	2,676
Profit	1,765	3,797
Loss attributable to non-controlling interests	(149)	(24)
Profit attributable to owners of parent	1,914	3,822



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

	(Millions of yen)	
	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Profit	1,765	3,797
Other comprehensive income		
Valuation difference on available-for-sale securities	355	(118)
Remeasurements of defined benefit plans, net of tax	(57)	(53)
Total other comprehensive income	297	(171)
Comprehensive income	2,063	3,625
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,212	3,650
Comprehensive income attributable to non-controlling interests	(149)	(24)

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

No reportable information.

**Significant Changes in Shareholders' Equity**

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

Purchase and retirement of treasury shares

AOKI Holdings purchased 1 million treasury shares on May 16, 2023 and retired the same number of shares on May 29, 2023 pursuant to the resolution of the Board of Directors on May 15, 2023.

As a result, treasury shares increased 877 million yen due to the purchase of treasury shares, and capital surplus and treasury shares decreased 1,165 million yen each due to the retirement of treasury shares.

**Segment Information**

First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)

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	Anniversaire and Bridal	Entertainment	Real Estate Leasing	Subtotal				
Sales									
Fashion	58,399	-	-	-	58,399	-	58,399	-	58,399
Bridal	-	7,150	-	-	7,150	-	7,150	-	7,150
Café complex	-	-	40,774	-	40,774	-	40,774	-	40,774
Karaoke	-	-	7,297	-	7,297	-	7,297	-	7,297
Fitness	-	-	3,769	-	3,769	-	3,769	-	3,769
Other	-	-	625	-	625	15	641	-	641
Revenue from contracts with customers	58,399	7,150	52,467	-	118,018	15	118,033	-	118,033
Other revenues	-	-	40	999	1,040	-	1,040	-	1,040
External sales	58,399	7,150	52,508	999	119,058	15	119,074	-	119,074
Inter-segment sales and transfers	0	6	203	2,577	2,787	44	2,832	(2,832)	-
Total	58,400	7,157	52,711	3,577	121,846	59	121,906	(2,832)	119,074
Segment profit (loss)	1,025	576	2,737	628	4,968	(1)	4,967	(560)	4,407

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

2. The -560 million yen adjustment to segment profit (loss) includes 3,159 million yen in elimination for inter-segment transactions, -40 million yen in amortization of goodwill, and -3,679 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.

4. Segment information for the first nine months of FY3/23 has been restated to reflect the significant revision in the initial allocation of acquisition costs described in the Business Combinations section.

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 converted, or expected to remain in the red, for which there is little expectation of recovery; impairment losses of 51 million yen, 692 million yen and 8 million yen were booked respectively in the first nine months of FY3/23. In addition, company-wide assets that cannot be allocated to reportable segments include impairment losses of 96 million yen for property, plant and equipment and other assets that are no longer used.

## Significant change in goodwill

Goodwill was booked in the Entertainment Business segment as the Company has acquired the share of RUNSYSTEM CO., LTD. and included this company in the scope of consolidation. The event caused an increase of goodwill by 407 million yen for the first nine months of FY3/23.

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	Anniversaire and Bridal	Enter- tainment	Real Estate Leasing	Subtotal				
Sales									
Fashion	60,765	-	-	-	60,765	-	60,765	-	60,765
Bridal	-	7,337	-	-	7,337	-	7,337	-	7,337
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
Other	-	-	666	-	666	46	713	-	713
Revenue from contracts with customers	60,765	7,337	56,526	-	124,630	46	124,676	-	124,676
Other revenues	-	-	60	1,277	1,338	-	1,338	-	1,338
External sales	60,765	7,337	56,587	1,277	125,968	46	126,015	-	126,015
Inter-segment sales and transfers	2	3	6	3,099	3,111	48	3,159	(3,159)	-
Total	60,768	7,341	56,593	4,376	129,079	95	129,174	(3,159)	126,015
Segment profit (loss)	1,665	(5)	4,933	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 3,362 million yen in elimination for inter-segment transactions, -61 million yen in amortization of goodwill, and -3,862 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 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.

**Business Combinations**

## Significant revision of the initial allocation of acquisition costs in comparative information

Regarding a business combination with RUNSYSTEM CO., LTD. conducted on June 30, 2022 (deemed acquisition date), provisional accounting methods were used for the allocation of the acquisition cost in the second and third quarters of FY3/23. The allocation of the acquisition cost was finalized at the end of the previous fiscal year.

With the finalization of this provisional accounting method, the comparative information included in the quarterly consolidated financial statements for the first nine months of FY3/24 reflects a significant revision in the initial allocation of acquisition costs. The provisional amount of goodwill of 777 million yen was reduced by the same amount due to the finalization of the accounting method, and the amount of goodwill of 407 million yen and trade mark rights of 1,142 million yen were recorded.

As a result, amortization of goodwill decreased by 36 million yen, amortization of trade mark rights increased by 28 million yen, and operating profit, ordinary profit and profit before income taxes increased by 8 million yen each in the quarterly consolidated statement of income for the first nine months of FY3/23.

*\* 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.*