May 9, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

[Japanese GAAP]

Company name: AOKI Holdings Inc.
Listings: Tokyo Stock Exchange
Stock code: 8214
URL: https://www.aoki-hd.co.jp/
Representative: Haruo Tamura, President
Contact: Satoshi Eguchi, General Manager of IR Office
Tel: +81-45-941-1388
Scheduled date of Annual General Meeting of Shareholders: June 27, 2025
Scheduled date of filing of Annual Securities Report: June 25, 2025
Scheduled date of payment of dividend: June 9, 2025
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

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

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	%
FY3/25	192,688	2.6	15,646	12.9	14,782	11.7	9,574	26.4
FY3/24	187,716	6.6	13,860	35.4	13,235	57.0	7,574	34.5

Note: Comprehensive income (million yen) FY3/25: 9,351 (up 20.6%) FY3/24: 7,756 (up 32.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/25	113.89	-	6.9	6.3	8.1
FY3/24	90.03	-	5.6	5.6	7.4

Reference: Equity in income of affiliates (million yen) FY3/25: - FY3/24: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	232,976	142,140	60.9	1,686.64
As of Mar. 31, 2024	236,327	137,056	57.9	1,627.63

Reference: Shareholders' equity (million yen) As of Mar. 31, 2025: 141,842 As of Mar. 31, 2024: 136,757

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/25	21,736	(8,519)	(13,992)	34,880
FY3/24	17,593	(10,886)	(9,344)	35,657

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/24	-	13.00	-	37.00	50.00	4,201	55.5	3.1
FY3/25	-	15.00	-	60.00	75.00	6,307	65.9	4.5
FY3/26 (forecasts)	-	20.00	-	60.00	80.00		70.1	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(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	198,000	2.8	17,000	8.6	16,400	10.9	9,600	0.3	114.15

*** Notes**

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

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

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:	Yes
4) Restatements:	None

Note: Please refer to "Changes in Accounting Policies" and "Changes in Accounting-based Estimates" on page 16 of the attachments for further information regarding 1) and 3).

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury shares) at the end of the period			
As of Mar. 31, 2025:	86,649,504 shares	As of Mar. 31, 2024:	86,649,504 shares
2) Number of treasury shares at the end of the period			
As of Mar. 31, 2025:	2,551,777 shares	As of Mar. 31, 2024:	2,626,986 shares
3) Average number of shares outstanding during the period			
Fiscal year ended Mar. 31, 2025:	84,068,804 shares	Fiscal year ended Mar. 31, 2024:	84,128,272 shares

Note 1: This financial report is not subject to audit 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 "1. Overview of Results of Operations, etc. (4) Outlook" on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Supplementary materials for financial results

Supplementary materials for financial results are disclosed on TDnet on Friday, May 9, 2025 and posted on the Company's website.

Disclosure of the information meeting materials

The Company plans to hold a financial results meeting for institutional investors and analysts by web conference on Thursday, May 22, 2025. Materials to be distributed at this event will be available on the Company's website on the morning of the meeting.

Contents of Attachments

1. Overview of Results of Operations, etc.

(1) Results of Operations

In the fiscal year that ended in March 2025, there was a recovery of the Japanese economy at a moderate pace backed by improvements in the labor market and personal income. The outlook for the economy is still uncertain because of concerns about prolonged geopolitical risks and monetary policies in other countries, and inflation in Japan caused by the consistently high cost of energy and raw materials due to the yen's depreciation. The AOKI Group implemented numerous measures in all business segments as explained below in response to this challenging business climate and lifestyle changes. The results for the fiscal year were as follows.

Net sales	192,688 million yen	(up 2.6% year-on-year)
Operating profit	15,646 million yen	(up 12.9% year-on-year)
Ordinary profit	14,782 million yen	(up 11.7% year-on-year)
Profit attributable to owners of parent	9,574 million yen	(up 26.4% year-on-year)

Business segment performance was as follows.

Fashion Business

A very successful Freshers Support Fair took place that included a marketing campaign featuring well-known individuals who are in the age range of the Freshers category, which consists of young people who are starting college or a new job. For the MeWORK line of functional apparel for women, a selection of spring items was launched that can be mixed and matched for use at work, ceremonies and many other situations. Adding these items expands the lineup of MeWORK apparel and creates even more new fashion ideas. ORIHICA opened many stores, including in new areas, to continue raising awareness among consumers and increasing its market share. To expand the selection of apparel, more items were added to the lineup of BIZSPO business casual fashions with sporty styling. One AOKI store was opened, which was a relocation of an existing store. ORIHICA added 15 stores. To improve efficiency and relocate stores, two AOKI stores and four ORIHICA stores were closed. As a result, the number of stores increased from 593 at the end of the previous fiscal year to 603 at the end of the current fiscal year.

Due to these activities and an increase in sales per customer, existing stores sales remained firm and sales during the Freshers campaign from late February through March were strong. As a result, sales and earnings in this segment increased year on year. Sales increased 2.6% to 102,621 million yen and operating profit increased 7.5% to 8,690 million yen.

Entertainment Business

KAIKATSU CLUB café complexes continued to add private rooms with locks, provide content that is popular among the customers of individual locations, renovate cafés for a better atmosphere and take other carefully chosen actions to attract more customers and increase sales per customer. COTE D'AZUR karaoke stores offered student discounts on menu items and an all-you-can drink beverage service to corporate customers. In one step to make the food and beverage menus even more appealing, stores added a white truffle version to the popular Kin-no Potato items. At FiT24, which operates 24-hour self-service fitness centers, there were many events to bring in new members. Activities included the trial use of facilities at no charge, discounts for customers who bring in new members and discounts for people who switch to FiT24 from a different fitness company. In addition, training support services were expanded to all locations to increase the retention of members. During the current fiscal year, KAIKATSU CLUB opened 14 cafés and FiT24 fitness opened three centers, while 14 KAIKATSU CLUB cafés, five COTE D'AZUR karaoke facilities and four 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 768 at the end of the current fiscal year.

Segment sales and earnings increased as these measures generated firm sales at existing locations. Sales in this segment increased 0.7% to 76,040 million yen and operating profit increased 9.8% to 5,991 million yen.

Anniversaire and Bridal Business

This business continued to use upgraded bridal fairs and participation in events that attract customers to strengthen measures for receiving new orders. Another goal was raising sales per wedding by expanding and enhancing selections of food and beverages, apparel, flowers, video services and other items. The ANNIVERSAIRE Cafés at Omotesando and Minato Mirai Yokohama offered seasonal menu items for a limited time and sold a variety of gift items.

As a result of these activities, sales increased 14.2% to 11,713 million yen and operating profit increased 837.9% to 541 million yen. Performance 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 13.6% to 6,877 million yen and operating profit increased 20.9% to 1,587 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 current fiscal year decreased 3,351 million yen from the end of the previous fiscal year to 232,976 million yen.

Current assets decreased 1,980 million yen mainly due to decreases of 776 million yen in cash and deposits and 1,138 million yen in other current assets which include other accounts receivable. Non-current assets decreased 1,370 million yen mainly due to decreases of 367 million yen in intangible assets, 1,438 million yen in investment securities mainly resulting from sales, and 666 million yen in deferred tax assets, while property, plant and equipment increased 1,068 million yen due to new store openings and other activities.

Liabilities

Current liabilities decreased 1,230 million yen from the end of the previous fiscal year. There were a decrease of 689 million yen in accounts payable-trade mainly due to a decrease in procurement, a decrease of 1,094 million yen in other current liabilities including accrued expenses, while there was an increase of 463 million yen in current portion of long-term borrowings. Non-current liabilities decreased 7,204 million yen due to a decrease of 7,002 million yen in long-term borrowings for scheduled repayments.

Net assets

Net assets increased 5,084 million yen from the end of the previous fiscal year. Retained earnings increased 5,204 million yen due to a profit attributable to owners of parent and dividend from surplus.

(3) Cash Flows

Cash flow position (Millions of yen)

	FY3/24	FY3/25
Cash flows from operating activities	17,593	21,736
Cash flows from investing activities	(10,886)	(8,519)
Cash flows from financing activities	(9,344)	(13,992)
Increase (decrease) in cash and cash equivalents	(2,638)	(776)
Cash and cash equivalents at beginning of period	38,295	35,657
Cash and cash equivalents at end of period	35,657	34,880

Cash and cash equivalents at the end of the current fiscal year decreased 776 million yen from the end of the previous fiscal year to 34,880 million yen mainly due to net repayments of long-term borrowings, while there was an increase in profit before income taxes.

Net cash provided by operating activities increased 4,142 million yen from one year earlier to 21,736 million yen. The principal factors were profit before income taxes of 13,943 million yen, depreciation of 9,920 million yen and impairment losses of 1,620 million yen, while there were income taxes paid of 3,737 million yen.

Net cash used in investing activities decreased 2,366 million yen from one year earlier to 8,519 million yen. This was mainly due to the payments of 9,973 million yen for the purchase of property, plant and equipment for capital investment.

Net cash used in financing activities increased 4,647 million yen from one year earlier to 13,992 million yen. This was mainly due to repayments of long-term borrowings of 9,539 million yen, repayments of lease obligations of 2,588 million yen and dividends paid of 4,363 million yen, while there were proceeds from long-term borrowings of 3,000 million yen.

(4) Outlook

The outlook is expected to remain uncertain due to the high cost of energy and raw materials, the resulting inflation, increases in U.S. tariffs and other reasons. In this difficult environment, we will continue to take numerous measures in each of our businesses for the creation of new forms of value by providing products and services that reflect changes in market conditions and life styles. We will also increase synergies among all businesses of the AOKI Group. Our objective is the growth of the corporate value of the entire group.

In the Fashion Business, AOKI and ORIHICA are positioned as providers of Life & Work Style fashions. Based on this identity, these stores will continue enlarging lineups of casual and women's apparel and creating new fashion ideas. Another goal is using the digital transformation and other measures to operate stores more efficiently, which will improve the efficiency of sales activities. During the next fiscal year, the ORIHICA store network will continue to grow with 17 new locations planned.

The Entertainment Business will continue to add rooms with locks at cafés and to provide a variety of content and new services to meet the needs of a broad range of customer segments. More labor-saving measures are planned to raise the efficiency of café and other operations. During the next fiscal year, 30 new KAIKATSU CLUB, COTE D'AZUR and FiT24 locations are planned.

In the ANNIVERSAIRE and Bridal Business, more activities are planned to make the flagship Omotesando and Yokohama locations even more appealing and competitive. To improve efficiency, standardized and more efficient store operations will be used. Another goal is stepping up initiatives that create new sources of demand, such as sales activities to receive orders for parties and corporate events.

Business segment forecasts are as follows.

Business segment forecasts for the fiscal year ending March 31, 2026

(Millions of yen)

	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Consolidated
Sales	105,200	78,000	12,300	7,100	198,000
YoY change (%)	102.5	102.6	105.0	103.2	102.8
Segment profit	9,200	6,700	700	1,600	17,000
YoY change (%)	105.9	111.8	129.2	100.8	108.6

Note: Segment profit is operating profit. Total segment profit differs from consolidated operating profit because of other business and consolidation adjustments.

Business segment forecasts are based on the following assumptions for changes in existing-store sales.

(%)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fashion	(0.1)	2.1	0.8	3.4	(0.6)	0.8	0.8
Entertainment	1.0	0.3	0.6	1.7	2.4	2.0	1.3

Notes: 1. The ANNIVERSAIRE and Bridal Business expects an increase of 2.8% year-on-year in the number of weddings at existing facilities.

2. The Entertainment Business does not include RUNSYSTEM.

2. Basic Approach for the Selection of Accounting Standards

The AOKI Group's operations are located in Japan and the Group has little or no need of raising funds in overseas markets. Moreover, the percentage of shares held by foreign shareholders is relatively small. In view of the above factors the Company currently uses Japanese accounting standards for its financial statements.

The Company will consider using International Financial Reporting Standards (IFRS) if considered necessary by the future direction of the Group's business development, the use of IFRS by other companies in Japan and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	35,657	34,880
Accounts receivable-trade	15,442	14,855
Inventories	22,247	22,737
Other	8,496	7,357
Allowance for doubtful accounts	(42)	(11)
Total current assets	81,800	79,819
Non-current assets		
Property, plant and equipment		
Buildings and structures	145,798	149,701
Accumulated depreciation	(81,391)	(83,940)
Buildings and structures, net	64,406	65,760
Machinery, vehicles, tools, furniture and fixtures	24,673	26,849
Accumulated depreciation	(14,345)	(15,595)
Machinery, vehicles, tools, furniture and fixtures, net	10,327	11,253
Land	30,693	30,397
Lease assets	16,723	14,429
Accumulated depreciation	(11,286)	(9,913)
Lease assets, net	5,437	4,516
Construction in progress	176	182
Total property, plant and equipment	111,042	112,110
Intangible assets	6,771	6,403
Investments and other assets		
Investment securities	2,199	760
Guarantee deposits	6,446	6,233
Leasehold deposit	18,873	19,025
Retirement benefit asset	-	143
Deferred tax assets	7,785	7,119
Other	1,461	1,383
Allowance for doubtful accounts	(52)	(24)
Total investments and other assets	36,713	34,642
Total non-current assets	154,526	153,156
Total assets	236,327	232,976

(Millions of yen)

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	18,713	18,023
Current portion of long-term borrowings	9,842	10,305
Lease obligations	2,284	1,808
Accounts payable-other	7,114	7,737
Income taxes payable	2,106	2,190
Contract liabilities	1,876	2,174
Provision for bonuses	3,790	3,398
Provision for bonuses for directors (and other officers)	240	193
Other	5,889	4,794
Total current liabilities	51,857	50,627
Non-current liabilities		
Long-term borrowings	32,687	25,684
Lease obligations	3,402	2,865
Retirement benefit liability	607	62
Asset retirement obligations	7,914	8,818
Other	2,800	2,776
Total non-current liabilities	47,412	40,207
Total liabilities	99,270	90,835
Net assets		
Shareholders’ equity		
Share capital	23,282	23,282
Capital surplus	22,597	22,612
Retained earnings	92,813	98,017
Treasury shares	(3,047)	(2,960)
Total shareholders’ equity	135,645	140,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	741	151
Remeasurements of defined benefit plans	369	737
Total accumulated other comprehensive income	1,111	889
Non-controlling interests	299	298
Total net assets	137,056	142,140
Total liabilities and net assets	236,327	232,976

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	187,716	192,688
Cost of sales	110,786	111,998
Gross profit	76,929	80,690
Selling, general and administrative expenses	63,069	65,043
Operating profit	13,860	15,646
Non-operating profit		
Interest income	70	89
Dividend income	37	20
Other	221	160
Total non-operating profit	329	271
Non-operating expenses		
Interest expenses	286	255
Loss on retirement of non-current assets	94	156
Loss on store closings	372	141
Loss on cancellation of guarantee and leasehold deposits	6	171
Expenses related to system failure	-	173
Other	193	236
Total non-operating expenses	954	1,135
Ordinary profit	13,235	14,782
Extraordinary income		
Gain on sale of non-current assets	28	184
Gain on sale of investment securities	154	563
Gain on sale of shares of subsidiaries and associates	320	-
Compensation for expropriation	-	157
Settlements received	500	-
Total extraordinary income	1,003	905
Extraordinary losses		
Loss on sale of non-current assets	-	20
Impairment loss	1,798	1,620
Loss on valuation of investment securities	-	103
Total extraordinary losses	1,798	1,743
Profit before income taxes	12,441	13,943
Income taxes – current	4,028	3,826
Income taxes – deferred	820	543
Total income taxes	4,849	4,370
Profit	7,592	9,573
Profit (loss) attributable to non-controlling interests	17	(0)
Profit attributable to owners of parent	7,574	9,574

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Profit	7,592	9,573
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(590)
Remeasurements of defined benefit plans, net of tax	104	367
Total other comprehensive income	164	(222)
Comprehensive income	7,756	9,351
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,738	9,352
Comprehensive income attributable to non-controlling interests	17	(0)

(3) Consolidated Statement of Changes in Shareholders' Equity

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	23,282	23,795	87,434	(3,490)	131,022
Changes during period					
Dividend of surplus			(2,196)		(2,196)
Profit attributable to owners of parent			7,574		7,574
Purchase of treasury shares				(877)	(877)
Disposal of treasury shares		(32)		155	123
Cancellation of treasury shares		(1,165)		1,165	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,197)	5,378	443	4,623
Balance at the end of period	23,282	22,597	92,813	(3,047)	135,645

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Unrealized gain on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	682	265	947	281	132,251
Changes during period					
Dividend of surplus					(2,196)
Profit attributable to owners of parent					7,574
Purchase of treasury shares					(877)
Disposal of treasury shares					123
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	59	104	164	17	181
Total changes during period	59	104	164	17	4,805
Balance at the end of period	741	369	1,111	299	137,056

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	23,282	22,597	92,813	(3,047)	135,645
Changes during period					
Dividend of surplus			(4,370)		(4,370)
Profit attributable to owners of parent			9,574		9,574
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		15		88	103
Net changes in items other than shareholders' equity					
Total changes during period	-	15	5,204	87	5,307
Balance at the end of period	23,282	22,612	98,017	(2,960)	140,952

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Unrealized gain on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	741	369	1,111	299	137,056
Changes during period					
Dividend of surplus					(4,370)
Profit attributable to owners of parent					9,574
Purchase of treasury shares					(0)
Disposal of treasury shares					103
Net changes in items other than shareholders' equity	(590)	367	(222)	(0)	(222)
Total changes during period	(590)	367	(222)	(0)	5,084
Balance at the end of period	151	737	889	298	142,140

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	12,441	13,943
Depreciation	9,635	9,920
Impairment loss	1,798	1,620
Amortization of goodwill	81	81
Increase (decrease) in retirement benefit assets and liability	(141)	(174)
Increase (decrease) in provision for bonuses	440	(391)
Interest and dividend income	(108)	(110)
Interest expenses	286	255
Gain on sale of non-current assets	(28)	(185)
Loss on sale of non-current assets	-	20
Loss (gain) on sale of investment securities	(154)	(563)
Gain on sale of affiliate stock	(320)	-
Loss (gain) on valuation of investment securities	-	103
Settlements received	(500)	-
Decrease (increase) in trade receivables	(2,420)	586
Decrease (increase) in inventories	(2,781)	(490)
Increase (decrease) in trade payables	750	(689)
Increase (decrease) in contract liabilities	87	298
Increase (decrease) in accrued consumption taxes	(663)	396
Other	2,521	522
Subtotal	20,923	25,143
Interest and dividend income received	93	95
Interests paid	(301)	(263)
Settlements received	500	-
Income taxes paid	(4,495)	(3,737)
Income taxes refund	873	498
Net cash provided by (used in) operating activities	17,593	21,736
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,186)	(9,973)
Proceeds from sale of property, plant and equipment	977	1,566
Purchase of intangible assets	(707)	(752)
Payments for leasehold and guarantee deposits	(589)	(862)
Proceeds from refund of leasehold and guarantee deposits	462	852
Proceeds from sales of investment securities	323	1,304
Net decrease (increase) in trust beneficiary rights	(406)	56
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	311	-
Other	(71)	(711)
Net cash provided by (used in) investing activities	(10,886)	(8,519)

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from financing activities		
Proceeds from long-term borrowings	6,000	3,000
Repayments of long-term borrowings	(10,213)	(9,539)
Repayments of lease obligations	(2,057)	(2,588)
Purchase of treasury shares	(877)	(0)
Dividends paid	(2,196)	(4,363)
Other	-	(500)
Net cash provided by (used in) financing activities	(9,344)	(13,992)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Increase (decrease) in cash and cash equivalents	(2,638)	(776)
Cash and cash equivalents at beginning of period	38,295	35,657
Cash and cash equivalents at end of period	35,657	34,880

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

No reportable information.

Material Accounting-based Estimates

1. Impairment losses on non-current assets for stores

(1) Amounts shown on the consolidated financial statements

(Millions of yen)

	FY3/24			FY3/25		
	Fashion	Entertainment	Anniversaire and Bridal	Fashion	Entertainment	Anniversaire and Bridal
Book value of non-current assets by segment at end of period (After recording impairment losses)[Note]	44,877	58,046	13,194	45,146	57,304	13,784
Impairment loss	273	1,180	-	360	1,229	-

Note: Includes non-current assets for stores and corporate assets

(2) Information concerning significant accounting estimates for identifiable items

i. Calculation method for estimates

The identification of the need for impairment and the recognition and measurement of impairment losses utilize estimates of budgets in the following fiscal year and future cash flows for individual stores.

Individual stores are the smallest unit used for sources of independent cash flows. Indications of the need for impairment are monitored primarily at stores that have an operating loss for two consecutive years, stores that were unprofitable in the fiscal year that ended in March 2025 and are expected to remain unprofitable in the following fiscal year, stores where the fair value of non-current assets has decreased significantly, and stores that are to be closed. At stores where there is a need for impairment, future cash flows are estimated and if total cash flows before discounting are less than the book value of the store's non-current assets, the book value is reduced to the amount that can be recovered and this reduction is recognized as an impairment loss. The amount that can be recovered is the higher of the net sales proceeds and the utilization value.

ii. Major assumptions

Future cash flows are based on forecasts of future sales and operating profit at individual stores in accordance with business plans that have been approved by executives with the appropriate authority. Total cash flows before discounting and utilization value are determined by using a period of 20 years for stores where operations are expected to continue, the length of a contract for stores where a contract cannot be renewed, and the remaining time of operations for stores that are to be closed.

Fashion Business

New stores normally have an operating loss in the first year because of start-up expenses. As a result, the first year is not included in the monitoring period used to identify indications of the need for impairment. Furthermore, we believe that the business model of the Fashion Business needs to be revised to reflect the increasing use of casual apparel at work and other trends. We will continue to strengthen women's and casual apparel, including business casual fashions. When estimating future sales and earnings, it is assumed that total existing store sales in the fiscal year ending in March 2026 and afterward will be around 101% of sales in the fiscal year that ended in March 2025.

Entertainment Business

Due to the characteristics of this business, the number of customers at a new location normally increases for about the first three years as awareness of the location increases. Furthermore, there is usually an operating loss in the first year of operation because of start-up expenses. As a result, the first year is not included in the impairment monitoring period. When estimating future sales and earnings, it is assumed that total existing store sales (excluding sales of RUNSYSTEM and its subsidiaries) in the fiscal year ending in March 2026 and afterward will be between

98% and 101% (98% to 101% for café complex, 97% to 101% for karaoke and 97% to 107% for fitness) of sales in the fiscal year that ended in March 2025.

Anniversaire and Bridal Business

The number of weddings in Japan and sales per couple fluctuated due to changes in the styles of weddings that many couples prefer, such as family weddings and photograph-only weddings, but the changes in styles have settled down.

For estimates of future sales and earnings, due to these changes, we assume that the number of weddings and sales per couple will increase slightly. Starting in the fiscal year ending in March 2026, we assume that the number of weddings at existing locations and sales per couple will be between 100% and 103% of the number in the fiscal year that ended in March 2025.

(3) Effect on the consolidated financial statements in the fiscal year ending in March 2026

If actual results of operations differ significantly from the sales and operating profit forecasts for the fiscal year ending in March 2026 and afterward because of changes in market conditions, there may be an effect on the amount of the impairment loss in the fiscal year ending in March 2026.

The book values are as follows for non-current assets of stores where there was no impairment because the fiscal year that ended in March 2025 was the store's first year of operation or indications of the need for impairment were identified but assets were not impaired on the basis of the sales and operating profit forecasts.

(Millions of yen)

	FY3/24			FY3/25		
	Fashion	Entertainment	Anniversaire and Bridal	Fashion	Entertainment	Anniversaire and Bridal
Book value of non-current assets of stores exempt from impairment monitoring due to the first year of operation	72	1,604	-	649	1,590	-
Book value of non-current assets of stores with indications of the need for impairment but no impairment	2,801	Note 1 10,856	2,068	2,432	Note 2 9,117	1,518

Notes: 1. Café complex: 8,269 million yen; karaoke: 934 million yen and fitness: 1,652 million yen
2. Café complex: 6,701 million yen; karaoke: 606 million yen and fitness: 1,809 million yen

2. Recoverability of deferred tax assets

(1) Amounts shown on consolidated financial statements

(Millions of yen)

	FY3/24	FY3/25
Deferred tax assets	7,785	7,119

(2) Information concerning significant accounting estimates for identifiable items

i. Calculation method for estimates

Deferred tax assets are recognized for the Company and its consolidated subsidiaries, to the extent that these assets can reduce future tax payments. Recognition is based on the schedule for the elimination of future addition differences at each consolidated subsidiary, the outlook for future taxable income in accordance with the profitability of the group's businesses, tax planning, and other factors. The outlook for the taxable income of the Company and its consolidated subsidiaries, which reflects expectations concerning future profitability, is based on business plans that have been approved by executives with the appropriate authority.

ii. Major assumptions

The business plans prepared by the Company and its consolidated subsidiaries incorporate forecasts concerning changes in demand, sales and other items. An explanation of primary assumptions on the businesses of the consolidated subsidiaries is in "1. Impairment losses on non-current assets for stores." At consolidated subsidiaries, the business plan includes the expected sales and earnings from locations planned to be opened during the fiscal year that ending in March 2026 and afterward.

iii. Effect on the consolidated financial statements in the fiscal year ending in March 2026

If actual results of operations differ significantly from the sales and operating profit forecasts for the fiscal year ending in March 2026 and afterward because of changes in market conditions or some other reason, there may be an effect on the amounts of the deferred tax assets and income taxes – deferred in the fiscal year ending in March 2026.

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 fiscal year ended 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 consolidated financial statements.

Changes in Accounting-based Estimates

The Company has recorded asset retirement obligations for returning leased space to its original condition in association with real estate leasing contracts. In the fiscal year ended March 31, 2025, the Company changed its accounting-based estimates for restoration expenses which will be required for store closures according to the store closure and other information. As a result of this change in estimates, an increase of 1,104 million yen is added to asset retirement obligations before the change.

This change has no effect on the results of operations for the current fiscal year.

Reclassifications

Notes to Consolidated Statements of Income

"Gain on insurance claims," which was a separate line item under "Non-operating profit" in the previous fiscal year, is included in "Other" under "Non-operating profit" in the current fiscal year due to a decrease in its monetary materiality. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Gain on insurance claims" of 49 million yen under "Non-operating profit" presented in the previous fiscal year's consolidated statement of income has been reclassified as "Other."

"Loss on cancellation of guarantee and leasehold deposits" included in "Other" under "Non-operating expenses" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10% of total non-operating expenses. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Other" of 200 million yen under "Non-operating expenses" presented in the previous fiscal year's consolidated statement of income has been reclassified as "Loss on cancellation of guarantee and leasehold deposits" of 6 million yen and "Other" of 193 million yen.

Segment and Other Information

Segment information

1. Overview of reportable segment

The Group defines reportable segments as businesses for which financial details can be compiled; the Board of Directors will review this information on a periodic basis in order to assist with decisions about allocating resources and evaluating the performance.

The Company, as a pure holding company, supports the businesses of the various companies in the Group. The Company and each business company proposes and executes comprehensive strategies for the products and services they sell in Japan.

The products and services of the Company and the business companies are divided into segments. The four reportable segments are the Fashion Business, the Entertainment Business, the ANNIVERSAIRE and Bridal Business, and the Real Estate Leasing Business.

The Fashion Business plans and sells men's and women's wear; the Entertainment Business operates KAIKATSU CLUB and JIYU KUKAN, which provide services and spaces for a variety of experiences that match the current needs and preferences of consumers, fitness centers, and karaoke facilities; the ANNIVERSAIRE and Bridal Business operates wedding halls; and the Real Estate Leasing Business leases real estate of the AOKI Group, including space previously occupied by stores and other businesses that were closed, within the Group and to other companies.

2. Calculation methods for sales, profits/losses, assets, liabilities and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as accounting principles and procedures used for the preparation of the consolidated financial statements.

Profits for reportable segments are generally operating profit figures. Profits on and transfer amounts of inter-segment transactions within the Group are based on current market prices.

3. Information related to sales, profits/losses, assets, and other items for each reportable segment and breakdown of revenue

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024) (Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	100,035	-	-	-	100,035	-	100,035	-	100,035
Café complex	-	58,946	-	-	58,946	-	58,946	-	58,946
Karaoke	-	10,377	-	-	10,377	-	10,377	-	10,377
Fitness	-	5,197	-	-	5,197	-	5,197	-	5,197
Bridal	-	-	10,255	-	10,255	-	10,255	-	10,255
Other	-	926	-	-	926	104	1,031	-	1,031
Revenue from contracts with customers	100,035	75,448	10,255	-	185,739	104	185,843	-	185,843
Other revenues	-	81	-	1,791	1,872	-	1,872	-	1,872
External sales	100,035	75,530	10,255	1,791	187,611	104	187,716	-	187,716
Inter-segment sales and transfers	2	15	4	4,260	4,282	65	4,348	(4,348)	-
Total	100,038	75,545	10,259	6,051	191,894	170	192,064	(4,348)	187,716
Segment profit/loss	8,082	5,454	57	1,312	14,907	(1)	14,906	(1,045)	13,860
Segment assets	103,162	67,093	15,411	25,201	210,869	-	210,869	25,458	236,327
Other items									
Depreciation	2,033	6,153	724	174	9,086	-	9,086	504	9,590
Amortization of goodwill	-	81	-	-	81	-	81	-	81
Increase in property, plant and equipment and intangible assets	2,912	8,087	1,343	688	13,030	-	13,030	233	13,264

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

2. The above adjustments include the following items.

(1) The -1,045 million yen adjustment to segment profit/loss includes 3,888 million yen in elimination for inter-segment transactions and -4,934 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.

(2) The 25,458 million yen adjustment to segment assets includes -45,696 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 71,154 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company's land and building and structures of the head office that cannot be attributed to reportable segments.

(3) The 233 million yen adjustment to an increase in property, plant and equipment and intangible assets mainly includes investment in company-wide systems.

3. Segment profit/loss is adjusted to be consistent with operating profit on the consolidated statement of income.

4. Information related to sales, profits/losses, assets, and other items for each reportable segment and breakdown of revenue

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025) (Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	102,620	-	-	-	102,620	-	102,620	-	102,620
Café complex	-	60,064	-	-	60,064	-	60,064	-	60,064
Karaoke	-	10,212	-	-	10,212	-	10,212	-	10,212
Fitness	-	5,097	-	-	5,097	-	5,097	-	5,097
Bridal	-	-	11,705	-	11,705	-	11,705	-	11,705
Other	-	566	-	-	566	201	767	-	767
Revenue from contracts with customers	102,620	75,940	11,705	-	190,266	201	190,468	-	190,468
Other revenues	-	85	-	2,135	2,220	-	2,220	-	2,220
External sales	102,620	76,025	11,705	2,135	192,486	201	192,688	-	192,688
Inter-segment sales and transfers	0	15	7	4,741	4,765	64	4,829	(4,829)	-
Total	102,621	76,040	11,713	6,877	197,252	266	197,518	(4,829)	192,688
Segment profit/loss	8,690	5,991	541	1,587	16,811	(2)	16,808	(1,161)	15,646
Segment assets	102,523	66,818	15,646	25,693	210,680	-	210,680	22,295	232,976
Other items									
Depreciation	2,050	6,371	784	204	9,411	-	9,411	476	9,888
Amortization of goodwill	-	81	-	-	81	-	81	-	81
Increase in property, plant and equipment and intangible assets	3,974	8,231	848	164	13,219	-	13,219	237	13,456

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

2. The above adjustments include the following items.

(1) The -1,161 million yen adjustment to segment profit/loss includes 3,696 million yen in elimination for inter-segment transactions and -4,858 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.

(2) The 22,295 million yen adjustment to segment assets includes -43,451 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 65,746 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company’s land and building and structures of the head office that cannot be attributed to reportable segments.

(3) The 237 million yen adjustment to an increase in property, plant and equipment and intangible assets mainly includes investment in company-wide systems.

3. Segment profit/loss is adjusted to be consistent with operating profit on the consolidated statement of income.

Per Share Information

(Yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	1,627.63	1,686.64
Net income per share	90.03	113.89

Notes: 1. Diluted net income per share is not presented as there were no potential stock.

2. The following is a reconciliation of net income per share

(Millions of yen)

Item	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net income per share		
Profit attributable to owners of parent	7,574	9,574
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	7,574	9,574
Average number of common shares outstanding during the period (Thousand shares)	84,128	84,068
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	-

3. The following is a reconciliation of net assets per share

(Millions of yen)

Item	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Total net assets	137,056	142,140
Deduction on total net assets	299	298
[of which non-controlling interests]	[299]	[298]
Net assets applicable to common shares	136,757	141,842
Number of common shares used in calculation of net assets per share (Thousand shares)	84,022	84,097

Subsequent Events

No reportable information.

4. Other

Changes in Directors

Please see “Notice of Changes in Directors of AOKI Holdings and Representative Director of a Consolidated Subsidiary” released today.

** 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.*