



# FY3/2021 Financial Results and New Medium-term Management Plan “Aoyama Reborn 2023”



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(Stock Exchange Code 8219)



1. FY3/2021 Results Summary
2. Structural Reform Review
3. New Medium-term Management Plan “Aoyama Reborn 2023”
  - 3.1 Innovation and Challenge of Business Wear Business
  - 3.2 Promoting Group Management
  - 3.3 Sustainability Initiatives
4. Shareholder Return Policy





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の青山  
Aoyama  
1949

THE SUIT COMPANY

UNIVERSAL LANGUAGE

MISTER  
MINIT

Director, Managing Executive Officer and  
General Manager of Group Management Div.,  
Manager of General Planning and Policy  
Dept.

Koichi Yamane



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# Summary of Business Segments

<p><b>Business Wear Business</b></p>		<p>Operates 849 stores nationwide, including Yofuku-no-Aoyama and THE SUIT COMPANY (as of the end of March 2021) This segment also includes Blue Rivers Co., Ltd., Eisho Co., Ltd., MDS Co., Ltd., FUKURYO Co., Ltd. and Aoyama Suits (Shanghai) Co., Ltd.</p>
<p><b>Credit Card Business</b> (Aoyama Capital Co., Ltd.)</p>		<p>This business issues and manages the Aoyama Card and other credit cards while seeking to obtain new customers, thus supporting efficient sales promotion in our Business Wear Business (the number of valid members stood at 4.22 million as of February 28, 2021).</p>
<p><b>Printing and Media Business</b> (ASCON Co., Ltd.)</p>		<p>This business provides sales promotion support to customers nationwide, mainly including retail distributors. This business supports Yofuku-no-Aoyama operations through sales promotion activities involving newspaper insert flyers and direct mailing (intra-company transactions account for approximately 20% of overall transactions in this segment).</p>
<p><b>Sundry Sales Business</b> (Seigo Co., Ltd.)</p>		<p>This business operates a total of 111 100-yen shops of Daiso (as of February 28, 2021). Supports the Business Wear Business using former Yofuku-no-Aoyama store buildings and spaces to deliver subleasing services.</p>
<p><b>Comprehensive Repair Service Business</b> (Minit Asia Pacific Co., Ltd.)</p>		<p>This business provides comprehensive repair services, including shoe repair and key duplication mainly in Japan, Australia, and New Zealand under the brand of Mister Minit.</p>
<p><b>Food Service Business</b> (glob Co., Ltd.)</p> <p>* From the fiscal year ending March 2022, the Reuse Business and the Fitness Business, which were included in Other, were merged into the Food Service Business, which was renamed the Franchisee Business.</p>		<p>This business operates 38 Yakiniku King stores and 13 Yuzu-an stores as a franchise of The Monogatari Corporation (as of the end of March 2021).</p>
<p><b>Other</b></p> <p>Casual Business of Aoyama Trading Co., Ltd. Reuse Business of Aoyama Trading Co., Ltd. WTW Co., Ltd. Other Business of glob Co., Ltd. CustomLife Co., Ltd.</p> <p>* On March 1, 2021, SYG Inc. was absorbed by CustomLife Co., Ltd. and dissolved as a result of the merger.</p>		<p>Casual Wear Business: Levi's Stores *The franchise contract with Levi Strauss Japan Ltd. was terminated as of March 31, 2021. Reuse Business: Operates 16 2nd STREET and Jumble Store outlet stores in total (as of the end of March 2021) WTW Co., Ltd.: Operates six WTW stores of sundry and interior goods (as of the end of March 2021) Other Business of glob Co., Ltd.: Operates four Anytime Fitness studios (as of the end of March 2021) CustomLife Co., Ltd.: Operates owned media CustomLife</p>



# FY3/2021 Consolidated Earnings

[Unit: 100 million yen]

	FY3/2021	YoY (%)	(%)	Major Factor of YoY Change
<b>Net Sales</b>	1,614	▲562	74.1	See the next page
<b>Gross Profit (Sales Ratio)</b>	800 (49.6%)	▲352 (▲3.4Pt)	69.4 (—)	Business Wear Business ▲3.6Pt
<b>Expenses</b>	944	▲200	82.5	Business Wear Business ▲13,200 million yen Excluding Business Wear Business ▲6,000 million yen
<b>Operating Income</b>	▲144	▲152	—	See the next page
<b>Ordinary Income</b>	▲114	▲129	—	—
<b>Net Income</b>	▲388	▲219	—	Deferred income taxes 6,500 million yen Extraordinary loss: See page 10

(Note) Rounded down to the nearest unit.



# FY3/2021 Segment Performance

[Unit: 100 million yen]

	FY3/2021		YoY (%)		YoY (%)	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	
					Operating Income	Operating Income
Business Wear Business	1,098	▲157	▲434	▲160	71.7	—
Credit Card Business	48	20	▲4	▲1	92.3	92.8
Printing and Media Business	115	▲3	▲8	▲3	92.8	—
Sundry Sales Business	164	6	8	0	105.2	110.1
Comprehensive Repair Service Business	91	▲7	▲30	▲2	75.3	—
Food Service Business	91	1	▲10	▲3	89.9	31.4
Other	37	▲5	▲88	19	29.9	—
Adjustments	▲33	0	5	0	—	74.8
<b>Total</b>	<b>1,614</b>	<b>▲144</b>	<b>▲562</b>	<b>▲152</b>	<b>74.1</b>	<b>—</b>

(Note) Rounded down to the nearest unit.



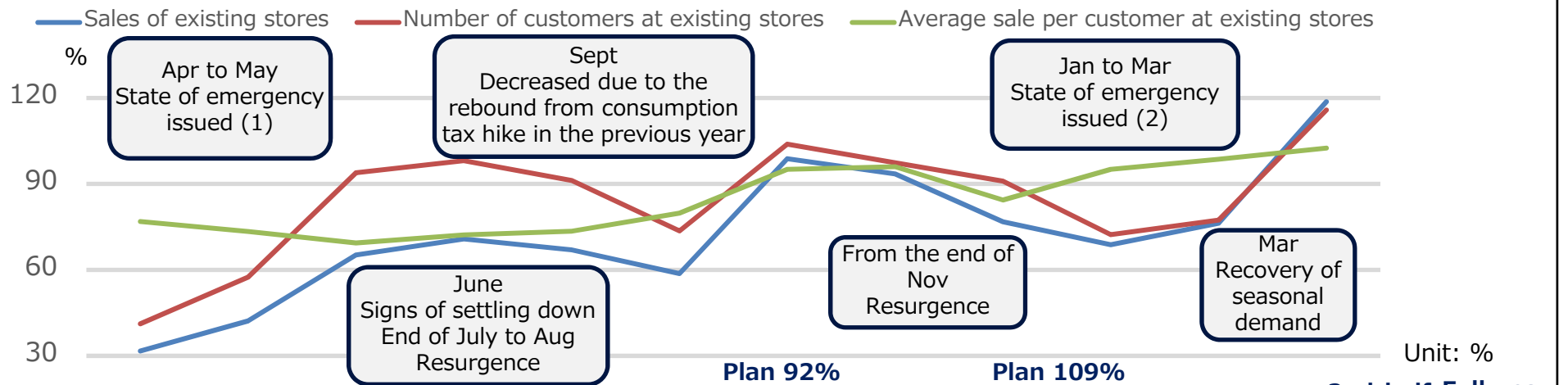
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# FY3/2021 Sales of Business Wear Business

- Largely affected by temporary store closures and short-hour operations under the state of emergency issued twice due to the COVID-19 pandemic
- The earnings forecast was announced in November. Despite a certain degree of recovery thanks to seasonal demand in March, failed to achieve the plan.



	1Q			2Q			3Q			4Q			2nd-half plan	Full-year plan	
	Apr	May	June	July	Aug	Sept	1st half	Oct	Nov	Dec	Jan	Feb	Mar	102%	81%
Sales	31.7	42.2	65.2	70.8	67.0	58.7	54.4	98.8	93.5	76.8	68.8	76.3	118.7	89.9	73.8
Number of customers	41.2	57.5	93.9	98.1	91.2	73.6	75.0	103.9	97.4	91.0	72.3	77.4	115.8	92.9	84.1
Average sale per customer	76.9	73.4	69.4	72.2	73.5	79.8	72.5	95.1	96.0	84.4	95.1	98.6	102.5	96.8	87.8

Plan 92%  
=> Actual 89.1%

Plan 109%  
=> Actual 90.5%

Unit: %



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# Progress in Structural Reforms, etc.

In addition to the closure of unprofitable stores to optimize the cost structure, we will conduct structural reforms centered on further consolidating stores and employees' voluntary retirement, expecting a positive impact of about 5 billion yen in FY3/2022

**Consolidated or closed unprofitable stores**

**Voluntary retirement**

**159 stores including already selected ones**

**609 employees**

**FY3/2022 reform effects: About 5 billion yen**

## Other initiatives to optimize cost structure

- Further rent reduction negotiations for stores other than those merged or consolidated
- Streamlined operations by increasing digi-lab stores (98 stores as of the end of March 2021)
- Introduced customer service terminals at all stores to simplify settlement operations
- Withdrew from the Levi's business



# FY3/2021 Consolidated Extraordinary Loss

- The performance of the suits and formal wear business, our core market area, shrank further due to the COVID-19 crisis, which weighed down corporate earnings. We reviewed the business plan and the asset status and implemented structural reforms, recording an extraordinary loss as follows.

Breakdown of extraordinary loss	FY3/2021
Loss from conducting COVID-19 prevention measures	1.5 billion yen
Impairment loss	10.6 billion yen
Business restructuring expenses	1.8 billion yen
Total losses related to stores, etc.	12.4 billion yen
Loss on employees' early retirement benefits	4.2 billion yen
Total (including others)	<b>19.2 billion yen</b>



# FY3/2022 Consolidated Earnings Plan

[Unit: 100 million yen]

	FY3/2022 Plan	YoY (%)	(%)	Major Factor of YoY Change
Net Sales	1,850 [1,825]	235	114.6	See the next page
Gross Profit	940 [918]	139	117.5	
Sales Ratio	50.8% [50.3%]	+1.2Pt	—	
Expenses	900 [878]	▲44	95.3	
Operating Income	40	184	—	See the next page
Ordinary Income	46	160	—	
Net Income	30	418	—	

(Notes) 1. Rounded down to the nearest unit.  
2. Figures in square brackets are those under the accounting standard of revenue recognition.



# FY3/2022 Segment Performance Plan

[Unit: 100 million yen]

	FY3/2022 Plan		YoY (%)			
	Net Sales	Operating Income	YoY (%)		Net Sales	
			Net Sales	Operating Income	Net Sales	Operating Income
Business Wear Business	1,300 [1,275]	15	201	172	118.3	—
Credit Card Business	46	18	▲2	▲2	94.4	86.4
Printing and Media Business	118	1	2	4	102.4	—
Sundry Sales Business	159	5	▲5	▲1	96.8	77.5
Comprehensive Repair Service Business	115	1	23	8	125.4	—
Franchisee Business	117	3	12	2	111.7	375.8
Other	20	▲3	▲4	1	82.9	—
Adjustments	▲25	0	8	0	—	70.9
<b>Total</b>	<b>1,850</b> [1,825]	<b>40</b>	<b>235</b>	<b>184</b>	<b>114.6</b>	<b>—</b>

(Notes) 1. Rounded down to the nearest unit.

2. From the fiscal year ending March 2022, the Reuse Business and the Fitness Business, which were included in Other, were merged into the Food Service Business, which was renamed the Franchisee Business.  
An YoY change is obtained by calculating the segment data of the previous fiscal year based on the reporting segmentation of the current fiscal year.

3. Figures in square brackets are those under the accounting standard of revenue recognition.





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President and CEO  
**Osamu Aoyama**



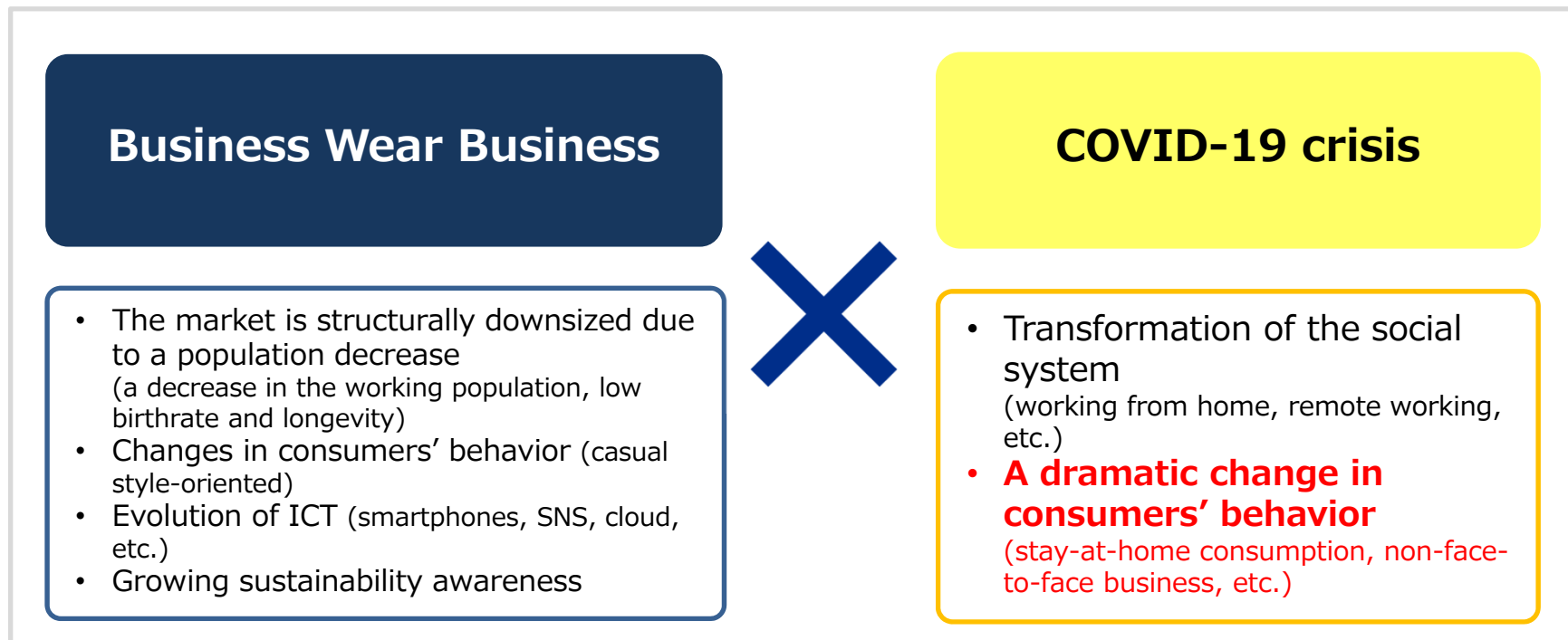
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# Aoyama Reborn 2023 Changes in the Business Environment

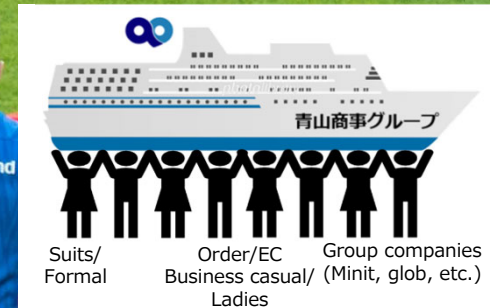
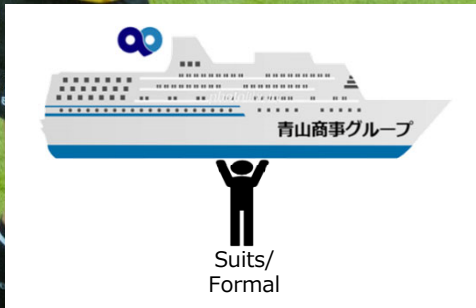
The market is shrinking along with a change in consumers' behavior and a population decrease, and there is a change in the social system and a dramatic change in consumption patterns. For these reasons, the profitability of our mainstay Business Wear Business fell at an accelerated pace.



»» **Quick restructuring of Business Wear Business and strengthening of group management is required**



# Aoyama Reborn 2023 Our Future Goals



## Transform from one-person management to scrum-type management

Instead of relying too much on top management and selling existing suits and formal wear, we seek a customer-oriented company consisting of independent departments promoting business, products and services and cooperating to achieve Group's business growth.





# Aoyama Reborn 2023 Management Vision

- **The Plan will promote building infrastructure to realize our future goals, with the following management vision set forth.**

## **1. Innovation and Challenge of Business Wear Business**

- Maximize customer lifetime value (LTV) centering on rebranding
- Increase the exposure to customers through the DX strategies (OMO strategy and digital infrastructure development)

## **2. Promoting Group Management**

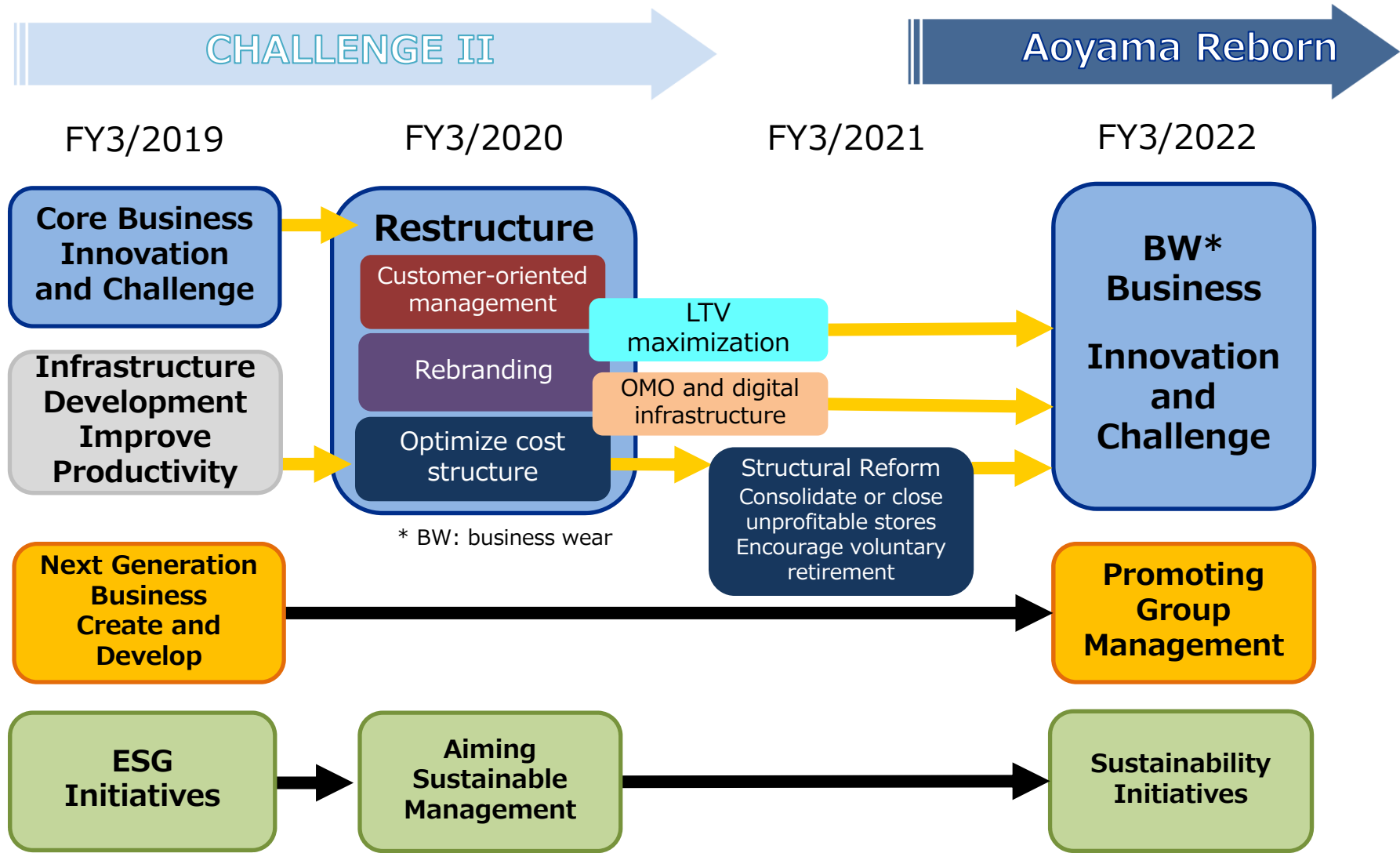
- Strengthen group governance and group-wide collaboration
- Allocate management resources primarily on growth areas

## **3. Sustainability Initiatives**

- Strengthen ESG initiatives focused on SDGs



# Aoyama Reborn 2023 Change in Management Vision, etc.





## Aoyama Reborn 2023 KPI (Key Performance Indicators)

	FY3/2021 Actual	FY3/2022 Plan	FY3/2024 Plan	3-year Increase
<b>Consolidated Net Sales</b>	161.4 billion yen	185 billion yen [182.5 billion yen]	200 billion yen	+38.6 billion yen
<b>Consolidated Operating Income</b>	▲14.4 billion yen	4 billion yen	11 billion yen	+25.4 billion yen
<b>Consolidated Net Income</b>	▲38.8 billion yen	3 billion yen	8 billion yen	+46.8 billion yen

\* Prerequisite for plan

The impact on earnings due to the COVID-19 pandemic would be gradually reduced as vaccines become available from the middle of this year, but remain to a certain extent until the year end. The plan has been formulated based on an assumption that a normal level of business will be resumed in the 4Q of the current fiscal year (January to March 2022).

(Notes) 1. The FY3/2022 figures in square brackets are those under the accounting standard of revenue recognition.  
2. Net sales for FY3/2024 is the amount before application of the accounting standard of revenue recognition.



# Aoyama Reborn 2023 Plan by Segment

FY3/2019 (pre-Covid)			FY3/2021		FY3/2024 Plan		3-year Increase	
Net Sales	Operating Income		Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
1,844	135	Business Wear Business	1,098	▲157	1,400	55	+301	+212
50	20	Credit Card Business	48	20	52	22	+3	+1
123	1	Printing and Media Business	115	▲3	120	3	+4	+6
158	6	Sundry Sales Business	164	6	162	6	▲2	0
128	▲4	Comprehensive Repair Service Business	91	▲7	120	6	+28	+13
109	4	Franchisee Business	104	0	167	10	+62	+9
130	▲17	Other	24	▲4	27	8	+2	+12
▲41	0	Adjustments	▲33	0	▲48	0	▲14	0
2,503	146	Total	1,614	▲144	2,000	110	+386	+254

- (Notes) 1. Rounded down to the nearest unit.  
 2. From the FY3/2022, the Reuse Business and the Fitness Business, which were included in Other, were merged into the Food Service Business, which was renamed the Franchisee Business.  
 The FY3/2019 actual and the FY3/2021 actual have been calculated based on the reporting segmentation of the current fiscal year.  
 3. Net sales for FY3/2024 is the amount before application of the accounting standard of revenue recognition.



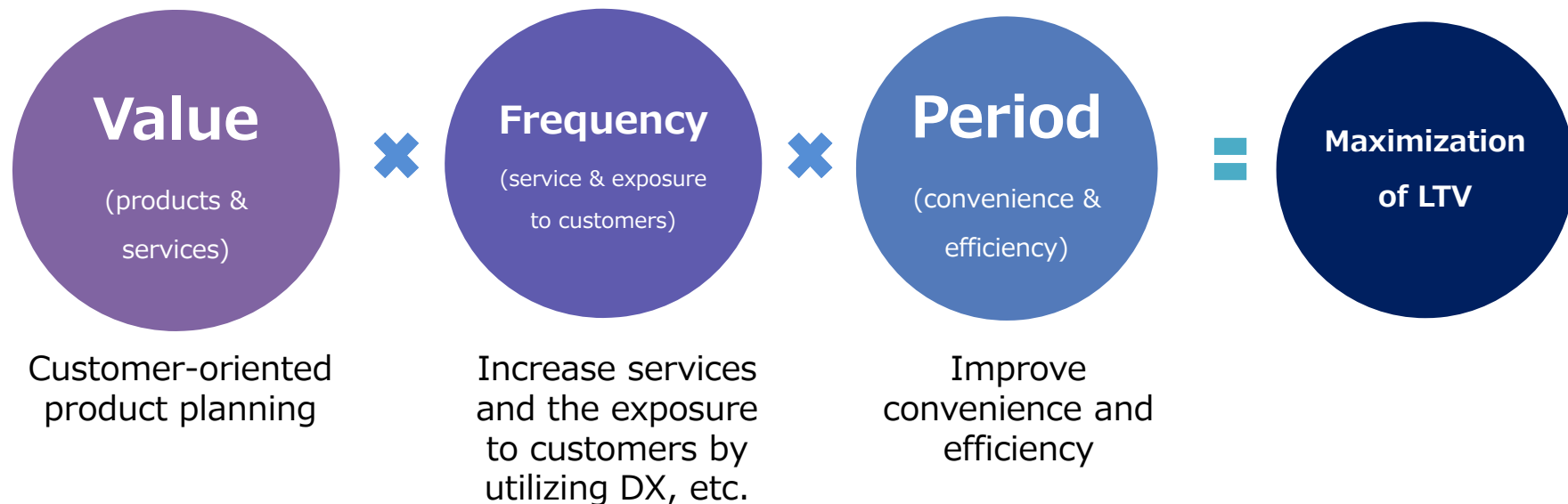
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# Innovation and Challenge of Business Wear Business

## Maximize LTV centering on rebranding



—For maximizing LTV—

Increase the exposure to customers and raise productivity with more valuable products and services. Do this by leveraging seasonal demand from new graduates including students and employees and taking advantage of many opportunities for first contact with customers, to maximize LTV





# Innovation and Challenge of Business Wear Business Rebranding

**Aoyama Brand Purpose**

– To pursue growth strategy from a business perspective, a common language is needed to integrate employees’ awareness.

To be a provider of **components that help to boost the business performance**

WHO: Business person

WHAT: Products and services that help to increase leisure time and boost business efficiency

» **Seek opportunities to provide products and services that meet our Brand Purpose and are needed by the market (customers)**

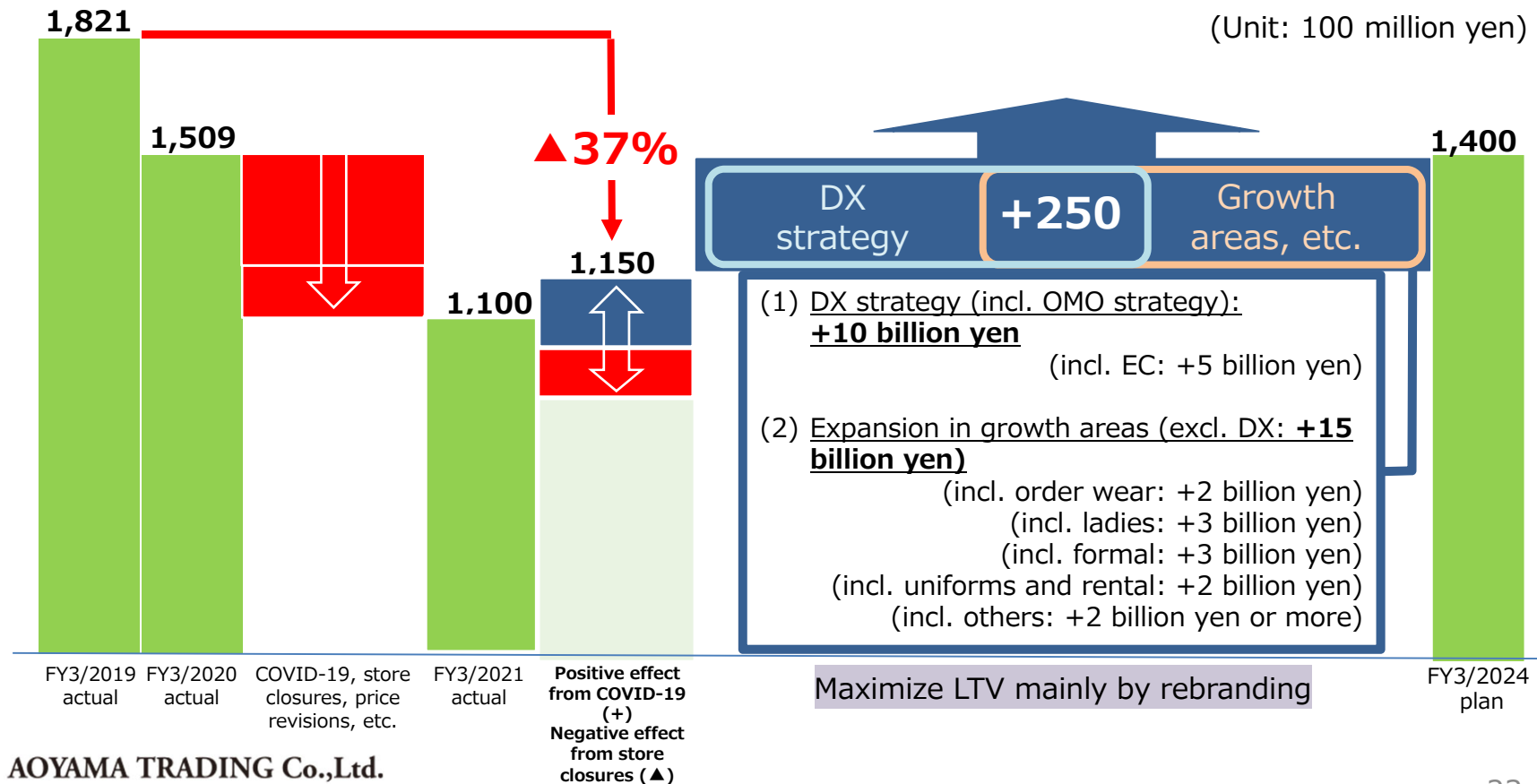
	Item	Measures implemented	Plan
Rebranding	Connecting marketing, sales, and promotion	Planned monthly events Conducted campaigns	Cooperate with each store and promote the PDCA cycle in relevant departments in headquarters
	Measures from a “market in” perspective (developing products and services based on the opinions of consumers)	Started community measures Held internal planning meetings Newly established the Product Planning Department	Start fan marketing Discover consumer insights Plan products such as business casual wear
	Internal marketing	Disseminated the concept through meetings, etc. Established <b>the Brand Purpose</b>	<b>Thoroughly disseminate the Brand Purpose</b>
	Cross-industry tie-up	Conducted a collaborative measure with Yoshinoya and Tohato	Acquire new customers through a tie-up with non-apparel companies



# Innovation and Challenge of Business Wear Business

## Conceptual image of sales of the BW Business

1. Considering the effects of COVID-19 and store closures, we assume that base sales for FY3/2022 will be about ▲37% from FY3/2019.
2. Plans sales growth based on the following strategy aimed at maximizing LTV through rebranding
  - (1) Increase the exposure to customers through the DX strategies (OMO strategy and digital infrastructure development)
  - (2) Strategies to expand growth areas (order/ladies/formal, etc.)





Frequency

Period

# Innovation and Challenge of Business Wear Business

## DX (1) OMO strategy

### Increase the exposure to customers through the OMO strategy

- Increase visitors to both real stores and ECs to expand sales of both channels

Item	Measures implemented	Plan
OMO strategy	Review of MA tools Refresh apps and EC sites	<ul style="list-style-type: none"> <li>• Improve store reputation on forwarding customers and introduce a digital coupon program</li> <li>• Actively link the publishing product information given by stores with the publishing of fashion coordination information etc. given by staff through SNS</li> </ul>

### Real store

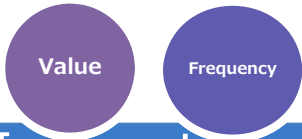
- experience the texture, texture, and texture when trying on.
- Size can be grasped by measuring etc.




### EC

- Open 24 hours a day, 365 days a year, you can purchase anytime, anywhere
- You can shop at your own pace etc.



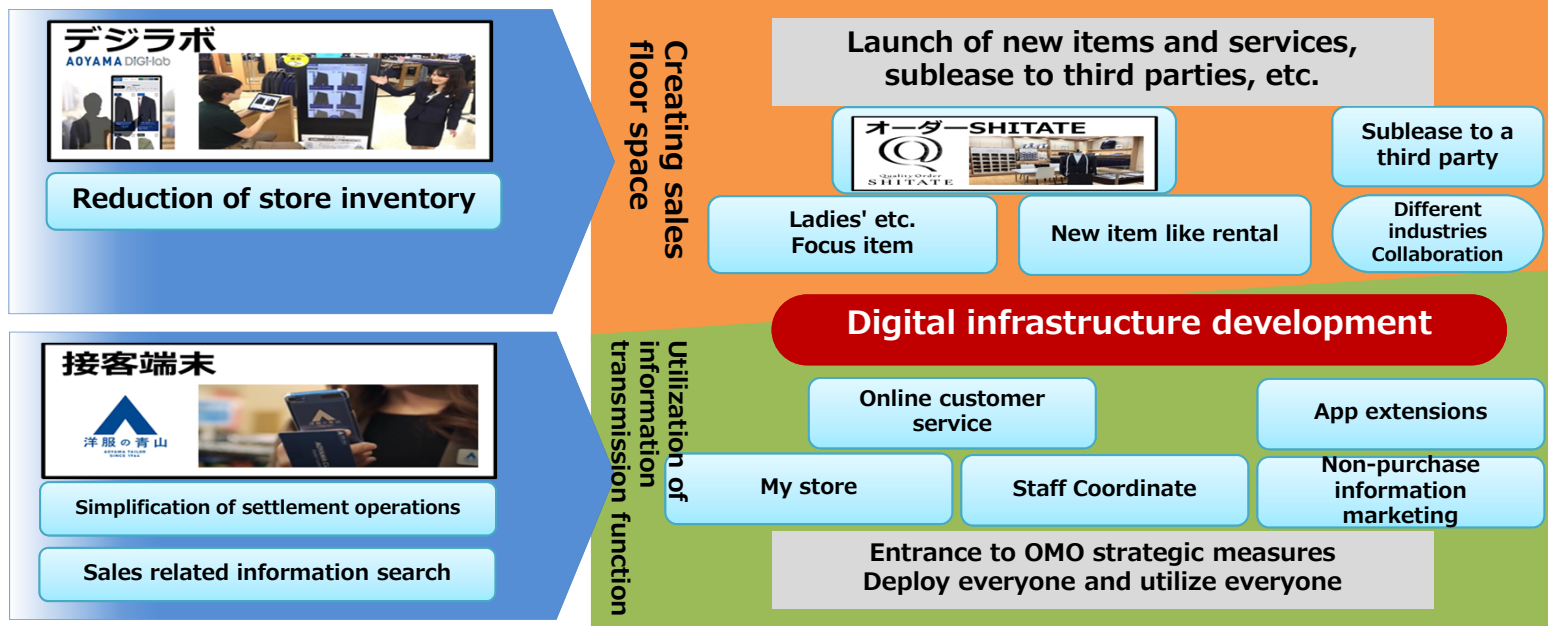
# Innovation and Challenge of Business Wear Business

## DX (2) Develop digital infrastructure

### Develop digital infrastructure to boost the store efficiency and increase the exposure to customers

- Sell new items and services by introducing digi-lab to reduce inventories and create sales space
- Increase the exposure to customers by serving them online with the use of customer service terminals

Item	Measures implemented	Plan
Develop digital infrastructure	Validated digi-lab stores Introduced customer service terminals at all stores	<ul style="list-style-type: none"> <li>• Introduce digi-lab in more stores (+100 stores/year)</li> <li>• Enhancing interactive communication by using apps</li> <li>• Launch online customer service, etc</li> </ul>





# Innovation and Challenge of Business Wear Business

## Strategies to expand growth areas

### Promote the strategies to expand growth areas

Promptly implement measures to expand business and items in the growth areas

\* DX strategy-oriented sales are excluded from net increase in sales.

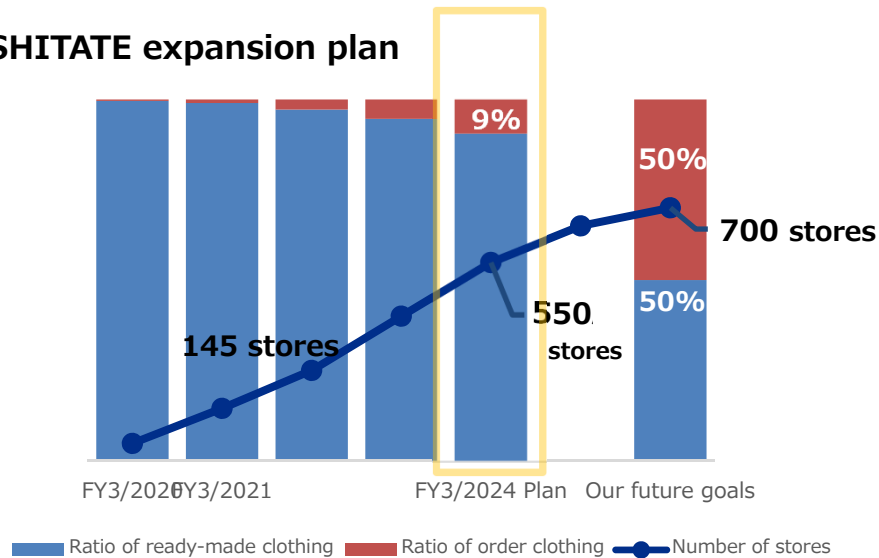
#### More sales for order wear: Net increase of sales 2 billion yen (SHITATE and UL Majors)

- Steadily establish an ordering system for all stores
- Increase unit prices to offset a decrease in the number of units sold per customer
- Cultivate repeaters to expand LTV

#### More sales for ladies: Net increase of sales 3 billion yen

- Newly establish the Ladies Business Department
- Increase the exposure to customers through SNS, etc. and upgraded product merchandising (MD)
- Strengthened cooperation with e-commerce (EC) with which there is a strong affinity

#### SHITATE expansion plan



#### More sales for formal: Net increase of sales 3 billion yen

- Establish Formal Project Team
- Capture more demand for ceremonial events other than weddings and funerals

#### More sales for uniforms and rental: Net increase of sales 2 billion yen

- Explore opportunities with nearby schools and general corporations
- Open a rental site called hare:kari

#### More sales for other items: Net increase of sales 2 billion yen or more

- Improve the marketing strategy for business casual wear and light clothing





# Innovation and Challenge of Business Wear Business

## Business strategy for TSC

- Rapidly shift to a business model centering on tailored clothing, assuming that the impact of COVID-19 will continue
- Moving toward newly determined Brand Purpose, manage the organization with a sense of unity

### Business model innovation in response to the business environment

Shift to a scaled-back store centering on tailored clothing, such as UL Majors and SHITATE, to reduce rent and inventories for efficient store operation



- **inesFUKUYAMA branch (Fukuyama City, Hiroshima Prefecture)**

A store having mixed content including four TSC brands



- **TSC & UL Majors Fukuoka Tenjin branch (Hakata-ku, Fukuoka City)**

A store that integrates TSC and UL Majors, having a tailored clothing service

### Integrated organization managed with the Brand Purpose at the core

- **TSC Brand Purpose**  
TSC brand provides customers with a cool style that fits their various life stages, enriching their mind.

### Monthly sales promotion plan

一流 芸能人 VS THE SUIT COMPANY



- \*Monthly project with Mayuko Kawakita and Shingo Fujimori  
Dress shirt and setup (photos from the left)

### Product plan in collaboration and exclusively for EC



- \*Q&Q Smile Solar, a collaboration with Citizen-brand watch and EC exclusive Room Wear series (photos from the left)



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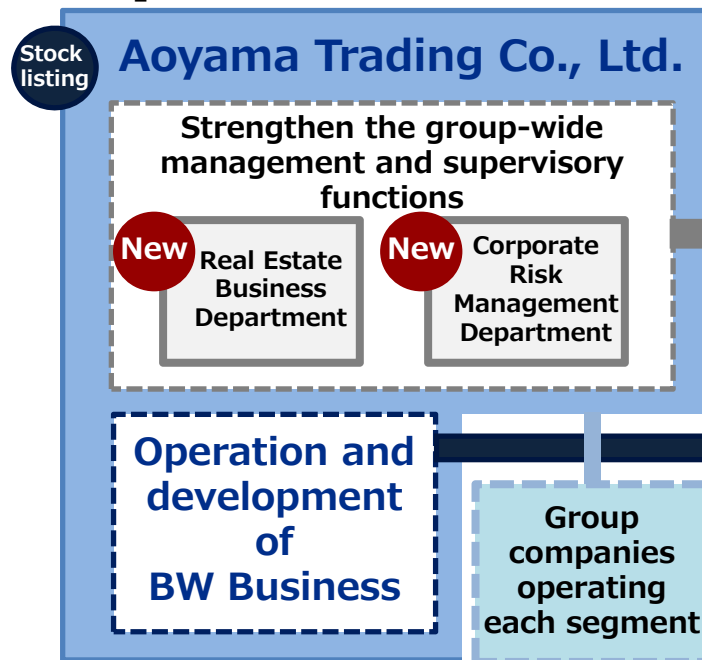


# Promoting Group Management

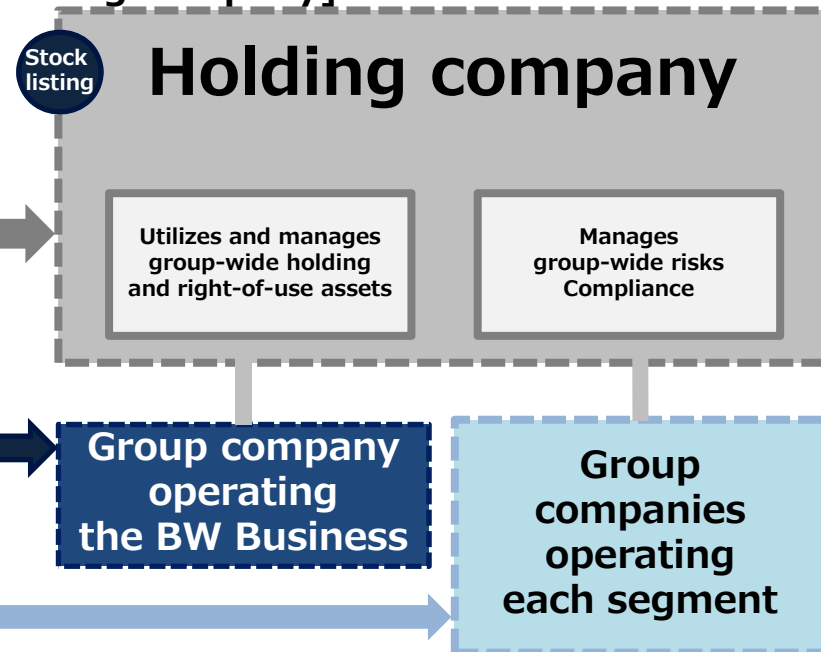
## Strengthen group governance and group-wide collaboration

- Strengthen the integrated management and supervisory functions of the Group, with a vision to shift to a holding company
- Newly established Real Estate Business Department to leverage holding assets and right-of-use assets, and Corporate Risk Management Department to strengthen risk compliance

[Current]



[Conceptual image after shifting to a holding company]





# Promoting Group Management Strategies by segment (1)

## Allocate management resources primarily on growth areas

- Drive sustainable growth of the whole group by encouraging each business segment to achieve independence and cooperation, and allocate management resources to priority growth areas from a mid- to long-term viewpoint

### Credit Card Business Increase members and operation rate

- Introduce tablets to streamline the admission procedure
- Expand admission channels
- Enhance capabilities to raise the operation rate and collaborate with other companies to enrich existing services



### Printing and Media Business Focus on digitalized sales promotion and device sales

- Establish a one-stop order system for the entire process of digital sales promotions
- Sales of educational terminals and devices including signage, etc.
- Produce content for taxi advertisements, etc. and operate media



### Sundry Sales Business Strengthen the cooperation with Daiso

- Unify VMD with Daiso
- Increase sales with the use of automatic ordering system
- Open a store at a former business-wear store site





# Promoting Group Management Strategies by segment (2)

## Comprehensive Repair Service Business Make domestic business profitable

- Leverage the employees' independent partner system to promote franchising existing stores in Japan
- Considering work style changes, shift to non-urban stores from urban stores
- Actively promote collaboration such as operating joint prototype stores Mercari Repair with Mercari



\* Mercari Repair stores at etomo Yutenji branch, JR Sugamo Sta. branch, and Tokyo Metro Shibuya Central Exit branch from the left

## Franchisee Business Accelerate FC store opening

- Ease store opening requirements and downsize stores for more cost efficiency
- Accelerate opening of fitness studios that take consumers' lifestyle changes into account
- Consolidate the Group's FC businesses for more efficiency



\* Stores of Anytime Fitness, Yakiniku King, Yuzu-an, and 2nd STREET from the left

## Other Businesses Nurture new businesses

### CUSTOM LIFE

- Stably deliver quality articles
- Hire more media directors and writers
- Design the creatives internally
- Look for potential new media



- Increase the ratio of EC business
- Increase brand value
- Strengthen corporate alliance activities









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# Sustainability Initiatives

- Take SDGs seriously in recognizing and resolving environmental and social issues, and link with the Group's ESG initiatives, to help realize a sustainable society

<p><b>13</b> CLIMATE ACTION</p> 	<p>Environmental <b>E</b></p> 	<ul style="list-style-type: none"> <li>Promote the reduction of CO2 emissions</li> <li>Mitigate climate changes</li> </ul> <p>Submitted CDP Climate Change Report</p>	<p><u>Decrease CO2 emissions (from FY3/2014) :</u>  <b>30%</b> (FY3/2020: <b>10.2%</b>)  <u>CDP Assessment Score:</u>      Level <b>B</b> (FY3/2021: <b>D</b>)</p>
<p><b>5</b> GENDER EQUALITY</p> 	<p>Social <b>S</b></p> 	<ul style="list-style-type: none"> <li>Promote women's participation</li> </ul> <p>Eruboshi certification (certificated by the Minister of Health, Labour and Welfare)      Kurumin application in progress (by the Minister of Health, Labour and Welfare)</p>	<p><u>Ratio of female managers:</u>  <b>10%</b> or more (FY3/2021: <b>7.6%</b>)</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Governance <b>G</b></p> 	<ul style="list-style-type: none"> <li>Promote Sedex registration and disclosure</li> </ul> <p>Assess the transparency of supply chains from the aspects of human rights, labor, environmental consideration, and safety of subcontractors' work environment</p>	<p><u>Number of Sedex-registered factories:</u>  <b>Over 15</b></p>

Targets for FY3/2024



1. FY3/2021 Results Summary
2. Structural Reform Review
3. New Medium-term Management Plan “Aoyama Reborn 2023”
  - 3.1 Innovation and Challenge of Business Wear Business
  - 3.2 Promoting Group Management
  - 3.3 Sustainability Initiatives
4. Shareholder Return Policy





# Shareholder Return Policy

- The Company's **fundamental policy is to return dividends to shareholders with the highest priority, in accordance with a policy set out in each medium-term management plan.** Regarding shareholder return for the Medium-term Management Plan period from the FY3/2022 to FY3/2024, we will prioritize improving the capital adequacy that has been damaged by the effects of COVID-19 on earnings. We will do this by increasing internal reserves, **setting a target total return ratio of 30%.**
- However, the impacts of the COVID-19 pandemic, including the issuance of the state of emergency for the third time, on the consolidated performance are still uncertain. Therefore, **the amounts of interim and year-end cash dividends per share for FY3/2022 to be paid to shareholders are yet to be decided.**

Record date	Cash dividends per share		
	End of 2Q	Year-end	Total
Forecast (As of May 14, 2021)	TBD	TBD	TBD
FY3/2021	0.00 yen	0.00 yen	0.00 yen



# SUPPLEMENTARY DATA





# Consolidated Interim Result Summary and forecast

(Unit : million yen,%)

	FY/3 2020 Interim		FY/3 2021 Interim		
	Sales	Ratio	Sales	Ratio	YoY
Sales	101,882	100.0	61,065	100.0	59.9
Business wear business	68,892	—	36,745	—	53.3
Credit card business	2,687	—	2,551	—	94.9
Printing and media business	5,785	—	4,444	—	76.8
Sundry sales business	7,772	—	8,590	—	110.5
Total repair business	6,157	—	3,840	—	62.4
Food service business	4,818	—	4,166	—	86.5
Others	7,208	—	1,788	—	24.8
Adjustment	▲ 1,439	—	▲ 1,062	—	—
Gross profit	54,173	53.2	29,042	47.6	▲ 5.6Pt
SGA expense	55,730	54.7	42,894	70.2	77.0
Operating income	▲ 1,557	▲ 1.5	▲ 13,851	▲ 22.7	—
Ordinary income	▲ 1,158	▲ 1.1	▲ 12,906	▲ 21.1	—
Profit or loss (▲)	▲ 6,469	▲ 6.3	▲ 16,938	▲ 27.7	—
Net profit or loss (▲) per share	▲129yen43sen	—	▲340yen33sen	—	—

(Notes) 1.Sales by segment are figures before elimination of intersegment transactions. 2.Since the previous consolidated fiscal year, the “food service business”, which was previously included in “others”, has become more quantitatively important. It has become a reporting segment and changed to the method described.The sales of Casual wear business includes casual wear business of Aoyama trading Co., Ltd. and Eagle Retailing Corporation.The segment information for the previous second quarter consolidated cumulative period is calculated based on the classification of the reported segments for the current second quarter consolidated cumulative period. 3.Others sale include sales of Aoyama trading Co., Ltd.'s casual and reuse business, glob Co., Ltd., WTW Co., Ltd and Customlife Co., Ltd. 4.Gross profit for the YoY is the change in the sales ratio. 5.Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).





# Consolidated Interim Result Summary and forecast

(Unit : million yen,%)

	FY/3 2021 Interim		FY/3 2022 Interim		
	Sales	Ratio	Forecast	Ratio	YoY
Sales	61,065	100.0	75,800	100.0	124.1
Business wear business	36,745	—	48,000	—	130.6
Credit card business	2,551	—	2,400	—	94.1
Printing and media business	4,444	—	6,200	—	139.5
Sundry sales business	8,590	—	8,000	—	93.1
Total repair service business	3,840	—	5,500	—	143.2
Franchisee business	4,789	—	5,600	—	116.9
Others	1,165	—	1,000	—	85.8
Adjustment	▲ 1,062	—	▲ 900	—	—
Gross profit	29,042	47.6	37,000	48.8	1.2Pt
SGA expense	42,894	70.2	43,300	57.1	100.9
Operating income	▲ 13,851	▲ 22.7	▲ 6,300	▲ 8.3	—
Ordinary income	▲ 12,906	▲ 21.1	▲ 6,040	▲ 8.0	—
Profit or loss (▲)	▲ 16,938	▲ 27.7	▲ 6,700	▲ 8.8	—
Profit or loss (▲) per share	▲ 340yen33sen	—	▲ 134yen61sen	—	—

(Notes) 1.Sales by segment are figures before elimination of intersegment transactions.2."Others" includes sales of WTW Co., Ltd., Customlife Co., Ltd., and Aoyama Trading Co., Ltd. Casual Business.3.From the fiscal year ending March 2022, the reuse business of Aoyama Trading Co., Ltd. and the glob fitness business, which were previously included in "Others", will be integrated into the "Food Service Business" and the segment name will be changed to "Franchisee Business". In addition, the casual business of Aoyama Trading Co., Ltd. has been dissolved by terminating the franchise agreement with Levi Strauss Japan Co., Ltd., which was a Levi's store, on March 31, 2021. The segment information for the previous second quarter consolidated cumulative period is calculated based on the classification of the reported segments for the current second quarter consolidated cumulative period.4.Gross profit for the YoY is the change in the sales ratio.5.Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).



# Consolidated Result Summary and forecast

(Unit : million yen,%)

	FY/3 2020 Full-year		FY/3 2021 Full-year				
	Sales	Ratio	Sales	Ratio	YoY	Forecast	Change from forecast
Sales	217,696	100.0	161,404	100.0	74.1	172,300	▲ 10,896
Business wear business	153,301	—	109,855	—	71.7	120,300	▲ 10,445
Credit card business	5,279	—	4,875	—	92.3	4,900	▲ 25
Printing and media business	12,416	—	11,518	—	92.8	11,700	▲ 182
Sundry sales business	15,627	—	16,433	—	105.2	16,500	▲ 67
Total repair service business	12,188	—	9,173	—	75.3	8,700	473
Food service business	10,121	—	9,101	—	89.9	9,300	▲ 199
Others	12,674	—	3,788	—	29.9	3,900	▲ 112
Adjustment	▲ 3,912	—	▲ 3,340	—	—	▲ 3,000	—
Gross profit	115,302	53.0	80,021	49.6	▲ 3.4Pt	86,600	▲ 6,579
SGA expense	114,483	52.6	94,425	58.5	82.5	99,400	▲ 4,975
Operating income	818	0.4	▲ 14,404	▲ 8.9	—	▲ 12,800	▲ 1,604
Ordinary income	1,530	0.7	▲ 11,436	▲ 7.1	—	▲ 10,300	▲ 1,136
Profit or loss (▲)	▲ 16,900	▲ 7.8	▲ 38,887	▲ 24.1	—	▲ 29,200	▲ 9,687
Profit or loss (▲) per share	▲338yen39sen	—	▲781yen33sen	—	—	▲586yen68sen	—

(Notes) 1.Sales by segment are figures before elimination of intersegment transactions. 2.Since the previous consolidated fiscal year, the “food service business”, which was previously included in “others”, has become more quantitatively important. It has become a reporting segment and changed to the method described.The sales of Casual wear business includes casual wear business of Aoyama trading Co., Ltd. and Eagle Retailing Corporation.The segment information for the previous second quarter consolidated cumulative period is calculated based on the classification of the reported segments for the current second quarter consolidated cumulative period. 3.Others sale include sales of Aoyama Shoji Co., Ltd.'s casual and reuse business, glob Co., Ltd., WTW Co., Ltd and Custom life inc. 4.Gross profit for the YoY is the change in the sales ratio. 5.Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).



# Consolidated Result Summary and forecast

(Unit : million yen,%)

	FY/3 2021 Full-year		FY/3 2022 Full-year		
	Sales	Ratio	Forecast	Ratio	YoY
Sales	161,404	100.0	185,000	100.0	114.6
Business wear business	109,855	—	130,000	—	118.3
Credit card business	4,875	—	4,600	—	94.4
Printing and media business	11,518	—	11,800	—	102.4
Sundry sales business	16,433	—	15,900	—	96.8
Total repair service business	9,173	—	11,500	—	125.4
Franchisee business	10,477	—	11,700	—	111.7
Others	2,411	—	2,000	—	82.9
Adjustment	▲ 3,340	—	▲ 2,500	—	—
Gross profit	80,021	49.6	94,000	50.8	1.2Pt
SGA expense	94,425	58.5	90,000	48.6	95.3
Operating income	▲ 14,404	▲ 8.9	4,000	2.2	—
Ordinary income	▲ 11,436	▲ 7.1	4,600	2.5	—
Profit or loss (▲)	▲ 38,887	▲ 24.1	3,000	1.6	—
Profit or loss (▲) per share	▲781yen33sen	—	60yen27sen	—	—

(Notes) 1.Sales by segment are figures before elimination of intersegment transactions.2."Others" includes sales of WTW Co., Ltd., Customlife Co., Ltd., and Aoyama Trading Co., Ltd. Casual Business.3.From the fiscal year ending March 2022, the reuse business of Aoyama Trading Co., Ltd. and the glob fitness business, which were previously included in "Others", will be integrated into the "Food Service Business" and the segment name will be changed to "Franchisee Business". In addition, the casual business of Aoyama Trading Co., Ltd. has been dissolved by terminating the franchise agreement with Levi Strauss Japan Co., Ltd., which was a Levi's store, on March 31, 2021. The segment information for the previous second quarter consolidated cumulative period is calculated based on the classification of the reported segments for the current second quarter consolidated cumulative period.4.Gross profit for the YoY is the change in the sales ratio.5.Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).





# Non-Consolidated Interim Result Summary and forecast

(Unit : million yen,%)

	FY3/2020 Interim		FY/3 2021 Interim			FY/3 2022 Interim		
	Sales	Ratio	Sales	Ratio	YoY	Forecast	Ratio	YoY
Sales	68,706	100.0	36,691	100.0	53.4	47,800	100.0	130.3
Business wear business	67,663	100.0	35,810	100.0	52.9	47,800	100.0	133.5
Casual · Reuse business	1,043	100.0	881	100.0	84.5			
Gross profit	40,355	58.7	19,385	52.8	▲ 5.9Pt	25,740	53.8	1.0Pt
Business wear business	39,727	58.7	18,861	52.7	▲ 6.0Pt	25,740	53.8	1.1Pt
Casual · Reuse business	628	60.3	523	59.4	▲ 0.9Pt			
SGA expense	42,352	61.6	33,869	92.3	80.0	32,840	68.7	97.0
Business wear business	41,663	61.6	33,230	92.8	79.8	32,840	68.7	98.8
Casual · Reuse business	689	66.1	639	72.5	92.7			
Operating income	▲ 1,996	▲ 2.9	▲ 14,484	▲ 39.5	—	▲ 7,100	▲ 14.9	—
Business wear business	▲ 1,936	▲ 2.9	▲ 14,369	▲ 40.1	—	▲ 7,100	▲ 14.9	—
Casual · Reuse business	▲ 60	▲ 5.8	▲ 115	▲ 13.1	—			
Non-operating revenue	773	1.1	798	2.2	103.2	550	1.2	68.9
(Derivative evaluation profit)	(1)	(0.0)	(30)	(0.1)	(—)	(0)	(0.0)	(0)
Ordinary income	▲ 1,223	▲ 1.8	▲ 13,686	▲ 37.3	—	▲ 6,550	▲ 13.7	—
Extraordinary profit or loss	▲ 490	▲ 0.7	▲ 2,603	▲ 7.1	—	20	0.0	—
Profit or loss (▲)	▲ 1,654	▲ 2.4	▲ 16,453	▲ 44.8	—	▲ 6,700	▲ 14.0	—
Profit or loss (▲) per share	▲33yen11sen	—	▲330yen59sen	—	—	▲134yen61sen	—	—

(Notes) 1. Regarding the Levi's store, which was developed in the "casual business," the franchise agreement with Levi Strauss Japan Co., Ltd. has ended on March 31, 2021. In addition, by transferring the "reuse business" to glob Co., Ltd., the "casual reuse business" of Aoyama Trading Co., Ltd. has been dissolved as of March 31, 2021.

2. Gross profit for the YoY is the change in the sales ratio.

3. Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).





# Non-Consolidated Result Summary and forecast

(Unit : million yen,%)

	FY/3 2020 Full-year		FY/3 2021 Full-year					FY/3 2022 Full-year		
	Sales	Ratio	Sales	Ratio	YoY	Forecast	Change from forecast	Forecast	Ratio	YoY
Sales	153,162	100.0	110,025	100.0	71.8	120,300	▲ 10,275	130,000	100.0	118.2
Business wear business	150,955	100.0	108,034	100.0	71.6	118,250	▲ 10,216	130,000	100.0	120.3
Casual · Reuse business	2,207	100.0	1,991	100.0	90.2	2,050	▲ 59			
Gross profit	88,841	58.0	59,399	54.0	▲ 4.0Pt	66,120	▲ 6,721	71,500	55.0	1.0Pt
Business wear business	87,533	58.0	58,389	54.0	▲ 4.0Pt	64,880	▲ 6,491	71,500	55.0	1.0Pt
Casual · Reuse business	1,308	59.3	1,010	50.7	▲ 8.6Pt	1,240	▲ 230			
SGA expense	89,006	58.1	75,839	68.9	85.2	80,320	▲ 4,481	70,000	53.8	92.3
Business wear business	87,591	58.0	74,488	68.9	85.0	78,990	▲ 4,502	70,000	53.8	94.0
Casual · Reuse business	1,415	64.1	1,350	67.8	95.4	1,330	20			
Operating income	▲ 164	▲ 0.1	▲ 16,439	▲ 14.9	—	▲ 14,200	▲ 2,239	1,500	1.2	—
Business wear business	▲ 57	▲ 0.0	▲ 16,099	▲ 14.9	—	▲ 14,110	▲ 1,989	1,500	1.2	—
Casual · Reuse business	▲ 107	▲ 4.9	▲ 339	▲ 17.1	—	▲ 90	▲ 249			
Non-operating revenue	1,185	0.8	2,673	2.4	225.5	2,250	423	950	0.7	35.5
(Derivative evaluation profit)	(▲ 17)	(▲ 0.0)	(216)	(0.2)	(—)	(30)	(186)	(0)	(0.0)	(—)
Ordinary income	1,020	0.7	▲ 13,766	▲ 12.5	—	▲ 11,950	▲ 1,816	2,450	1.9	—
Extraordinary profit or loss	▲ 27,885	▲ 18.2	▲ 18,126	▲ 16.5	—	▲ 16,730	▲ 1,396	30	0.0	—
Profit or loss (▲)	▲ 23,276	▲ 15.2	▲ 38,756	▲ 35.2	—	▲ 29,000	▲ 9,756	2,100	1.6	—
Profit or loss (▲) per share	▲466yen05sen	—	▲778yen69sen	—	—	▲582yen66sen	—	42yen19sen	—	—

- (Notes) 1. Regarding the Levi's store, which was developed in the "casual business," the franchise agreement with Levi Strauss Japan Co., Ltd. has ended on March 31, 2021. In addition, by transferring the "reuse business" to glob Co., Ltd., the "casual reuse business" of Aoyama Trading Co., Ltd. has been dissolved as of March 31, 2021.
2. Gross profit for the YoY is the change in the sales ratio.
3. Net income per share is calculated based on the average number of shares during the period (excluding treasury stock).





# Non-Consolidated Main Expenses

【Interim】

(Unit : million yen,%)

	FY3/2020 Interim		FY3/2021 Interim			FY3/2022 Interim		
	Performance	Ratio	Performance	Ratio	YoY	Forecast	Ratio	YoY
Personnel expense	15,933	23.2	13,647	37.2	85.7	12,140	25.4	89.0
Reward points	1,244	1.8	814	2.2	65.5	620	1.3	76.1
Point reserve	▲ 190	▲ 0.3	▲ 302	▲ 0.8	–	▲ 300	▲ 0.6	–
Advertising expense	3,914	5.7	2,580	7.0	65.9	2,760	5.8	107.0
Utility expense	1,353	2.0	1,143	3.1	84.5	1,130	2.4	98.8
Internet expense	1,269	1.8	1,252	3.4	98.7	1,480	3.1	118.2
Rent	9,840	14.3	8,268	22.5	84.0	8,260	17.3	99.9
Depreciation	2,813	4.1	1,915	5.2	68.1	1,620	3.4	84.6

【Full year】

	FY3/2020 Full-year		FY3/2021 Full-year				FY3/2022 Full-year			
	Performance	Ratio	Performance	Ratio	YoY	Forecast	Change from forecast	Forecast	Ratio	YoY
Personnel expense	31,850	20.8	28,011	25.5	87.9	28,960	▲ 949	24,100	18.5	86.0
Reward points	2,802	1.8	2,053	1.9	73.3	2,710	▲ 657	1,500	1.2	73.1
Point reserve	▲ 388	▲ 0.3	▲ 684	▲ 0.6	–	▲ 500	▲ 184	▲ 540	▲ 0.4	–
Advertising expense	11,958	7.8	10,222	9.3	85.5	11,240	▲ 1,018	9,500	7.3	92.9
Utility expense	2,651	1.7	2,274	2.1	85.8	2,370	▲ 96	2,180	1.7	95.9
Internet expense	2,723	1.8	2,742	2.5	100.7	3,120	▲ 378	2,990	2.3	109.0
Rent	19,631	12.8	17,232	15.7	87.8	17,400	▲ 168	15,720	12.1	91.2
Depreciation	5,698	3.7	3,865	3.5	67.8	3,970	▲ 105	3,270	2.5	84.6



# Non-Consolidated Non-Operating Revenue

(Unit : million yen)

	FY3/2020		FY3/2021		FY3/2022	
	Interim	Full year	Interim	Full year	Interim forecast	Full year forecast
Interest Income Dividend	590	767	398	553	300	450
Real estate rent	1,834	3,538	1,356	2,780	1,680	3,410
Derivative evaluation profit	1	—	30	216	—	—
Foreign exchange profit	—	—	—	17	—	—
Others	56	245	308	1,584	40	110
Total Non-operating profit	2,482	4,551	2,093	5,151	2,020	3,970
Interest expense	47	99	55	130	100	200
Real estate rental cost	1,647	3,152	1,152	2,310	1,360	2,760
Derivative evaluation loss	—	17	—	—	—	—
Foreign exchange loss	5	4	7	—	—	—
Others	8	91	81	37	10	60
Total Non-operating expense	1,709	3,365	1,295	2,478	1,470	3,020
Non-Operating Revenue	773	1,185	798	2,673	550	950
(Financial revenue)	( 542)	( 668)	( 343)	( 423)	( 200)	( 250)

(Notes) "Real estate rent" and "real estate rent cost" are both denominated.





## Per Unit Sales and Inventories(Business Wear Business)

	FY3/2019 Full-year	FY3/2020 Full-year	FY3/2021 Full-year
Number of employees(non-consolidated)	4,010	4,073	4,015
Number of temporary employees	2,922	2,661	2,313
<b>Total</b>	<b>6,932</b>	<b>6,734</b>	<b>6,328</b>
<b>Average</b>	<b>6,438</b>	<b>6,361</b>	<b>5,375</b>
(Of which, temporary employees)	( 2,358 )	( 2,183 )	( 1,785 )
Net sales per employee	27,223 k	22,818 k	19,133 k
Average sales area in use	543,721 m <sup>2</sup>	541,864 m <sup>2</sup>	527,619 m <sup>2</sup>
Net sales per m <sup>2</sup>	322 k	267 k	194 k
Average number of stores in use	891.0	891.0	856.0
Net sales per store	196,702 k	162,903 k	120,142 k
Year-end inventories per m <sup>2</sup>	86 k	94 k	87 k
Year-end inventories per store	52,512 k	57,492 k	53,910 k

- (Notes) 1. Company employees are directly employed personnel, the number of temporary employees is calculated based on an 8-hours working day per person.  
2. The number of temporary employees is calculated based on an 8-hours working day per person.



# Net Sales by Product Category(Business Wear Business)

【Unit : million yen】

		FY3/2020 Full-year		FY3/2021 Full-year		Change from YoY	YoY (%)
		Sales	Composition Ratio(%)	Sales	Composition Ratio(%)		
Heavy wear	Suits/three-piece suits	43,375	28.7	30,138	27.9	▲ 13,236	69.5
	Jackets	4,784	3.2	2,846	2.6	▲ 1,937	59.5
	Pants	6,316	4.2	4,397	4.1	▲ 1,918	69.6
	Coats	3,243	2.2	2,338	2.2	▲ 905	72.1
	Formal	19,674	13.0	12,484	11.6	▲ 7,190	63.5
	Vest	452	0.3	602	0.5	149	133.0
	Subtotal	77,846	51.6	52,808	48.9	▲ 25,038	67.8
Light wear	Shirts etc.	24,950	16.5	17,422	16.1	▲ 7,528	69.8
	Casual	4,167	2.8	2,566	2.4	▲ 1,601	61.6
	Other Items	11,804	7.8	9,141	8.4	▲ 2,662	77.4
	Subtotal	40,923	27.1	29,130	26.9	▲ 11,792	71.2
Ladies Items		25,520	16.9	20,717	19.2	▲ 4,802	81.2
Reward points		2,802	1.8	2,053	1.9	▲ 749	73.3
Processing fee		3,862	2.6	3,323	3.1	▲ 538	86.1
Total		150,955	100.0	108,034	100.0	▲ 42,921	71.6

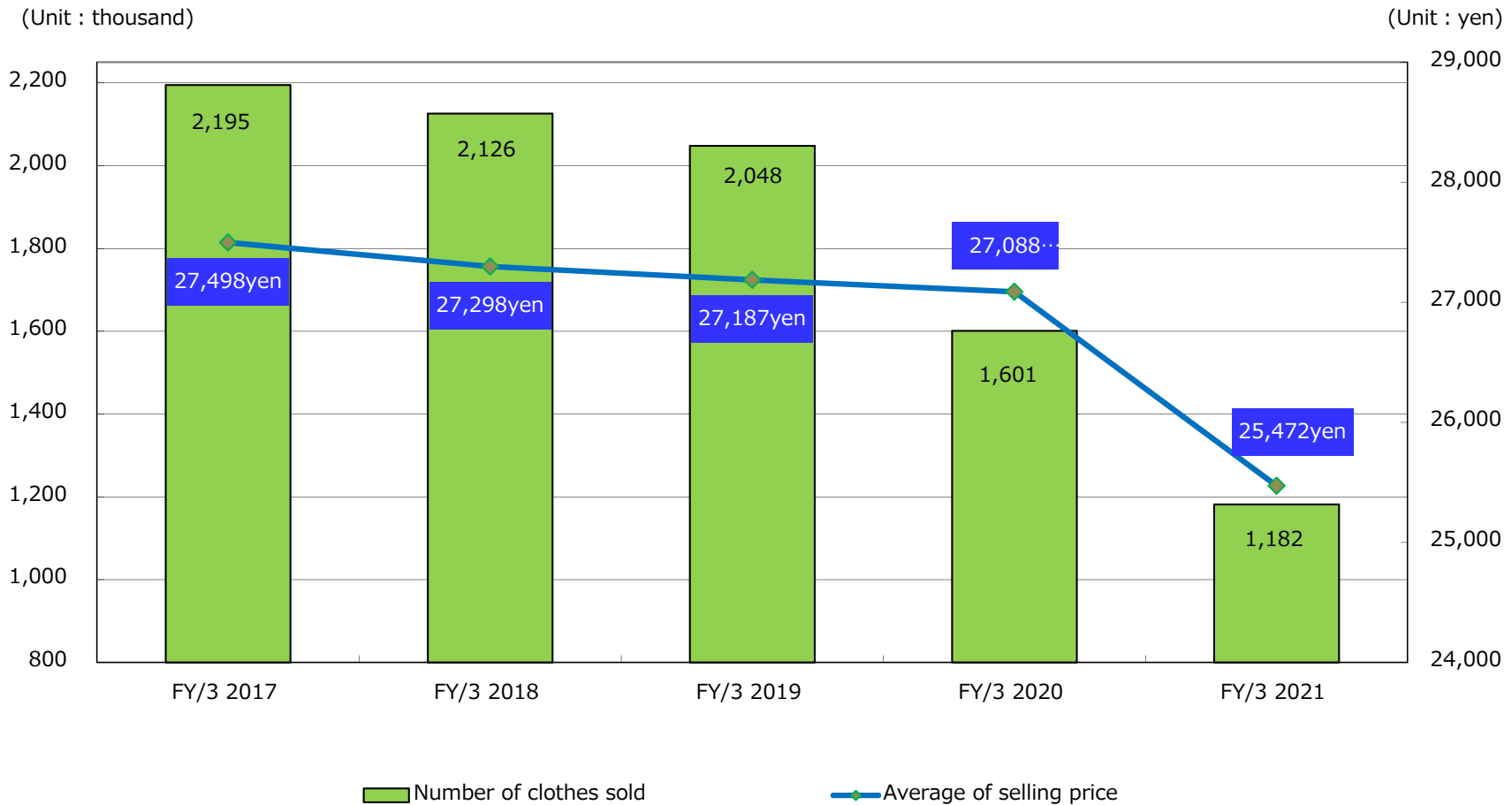
Notes 1. 「Other Items」 are such as underwear, shoes, Sundry goods.

2. 「Ladies Items」 includes suits, Formal wear, pumps etc.





# Number of Sold Men's Suits and Average of Selling Price (Business Wear Business)





# Operating Environment : Suits Imports

(Unit : thousand suits, %)

	2018 (Jan~Dec)	2019 (Jan~Dec)	2020 (Jan~Dec)	Change rate	Change in composition ratio	Unit price	Unit price change rate
China	3,982	3,412	2,095	61.4	▲ 4.8	8,914	97.0
Vietnam	835	850	624	73.4	0.8	7,516	100.1
Myanmar	1,283	1,059	782	73.8	1.0	5,091	95.6
Indonesia	1,007	969	713	73.5	0.9	6,700	107.4
Italy	49	47	36	77.2	0.1	66,111	98.0
Others	1,457	1,206	936	77.6	2.1	6,059	95.0
Total	8,613	7,543	5,186	68.8	0.0	7,747	96.9
Unit price (yen)	7,667	7,994	7,747	—	—	—	—
Foreign exchange (average)	110.4	109.2	106.4	—	—	—	—

\*Source: Ministry of Finance Trade Statistics



# Disclaimer

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