

# NEWS RELEASE



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May 29, 2020

Notice Regarding Revision of Consolidated Results Forecasts for the Second Quarter  
of the Fiscal Year Ending December 2020, Revision of Dividends Forecasts,  
and Cancellation of AOI TYO Experience for Shareholders

At a meeting held today, the AOI TYO Holdings board of directors resolved to revise consolidated results forecasts and dividends forecasts for the fiscal year ending December 2020. The board also resolved to cancel the AOI TYO Experience for Shareholders portion of our shareholder benefit program having a record date of June 30, 2020.

## 1. Revision of Consolidated Results Forecasts

### (1) Revised forecast of consolidated financial results for January 1 – June 30, 2020

Millions of yen, excepting net income per share

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (¥)
Earlier forecast (A)	TBD	TBD	TBD	TBD	TBD
Revised forecast (B)	24,500	-1,000	-1,100	-1,200	-51.16
(B) – (A)					
Percentage of changes					
Reference (Q2 FY2019 results)	30,636	816	637	257	10.95

### (2) Reasons for the revision

In light of the impact of the spread of COVID-19, AOI TYO Holdings published revised results forecasts on April 28, 2020. We also announced that we continue to leave the status of our results forecasts for the second quarter of the fiscal year ending December 2020 as undecided. Subsequent to this announcement, Japan declared a withdrawal of the state of emergency declaration for all prefectures as of May 25. In response to this development, we tabulated and forecast the impact of AOI TYO Group company, allowing the company to calculate consolidated results forecasts for the second quarter of the fiscal year ending December 2020. Therefore, we have decided to make an updated public announcement.

As much of the film production and editing processes for commercial production falls under the Three C's (avoid closed, crowded, close-contact spaces), we have adopted measures to prevent the spread of infection and postpone many projects, including closing production studios falling under the state of emergency declaration, asking clients to postpone projects that involve filming, and more. In addition to canceling some projects, we have postponed a great number of other projects. The AOI TYO Group believes that even after the withdrawal of the state of emergency declaration, measures to prevent COVID-19 infection will be required for some time. We are writing guidelines for the safety of all persons involved in filming and editing at consolidated subsidiaries under the direction of experts and taking other measures to create a system that ensures safety while allowing us to proceed with operations. We will recommence our operations in stages beginning in June. However, we do not anticipate being able to catch up in delayed projects over the next month. Therefore, we expect a significant negative impact on second quarter results, and those related to postponements or cancellations of projects due to COVID-19 amounts about ¥5 billion (of which 70% will be postponed to the third quarter or later). Note that many future projects are subject to negotiation with clients as to how to move forward in this time of COVID-19 and we cannot predict the future direction of the infection. Accordingly, it is highly likely that our next results forecast will differ compared to our past announcement.

In addition to the impact of measures to prevent the spread of infection mentioned above, the slowdown in economic activity caused by COVID-19 has worsened economies and corporate earnings in Japan and around the world. As a result, demand for advertising may decline. At this time, we find it difficult to make rational calculation related to consolidated results forecasts for the current fiscal year. We will announce our fiscal year results forecasts at a future date when we are able to make calculations.

## 2. Revision of dividends forecasts

### (1) Revised dividend forecast for the fiscal year ending December 31, 2020

yen

	End of Q2	Year end	Annual
Earlier forecast	8.00	12.00	20.00
Revised forecast	0.00	TBD	TBD
FY2020 results			
Reference (FY2019 results)	8.00	12.00	20.00

### (2) Reasons for the revision

Given our inability to rationally calculate consolidated results forecasts for the second quarter and fiscal year ending December 2020, we have decided to cancel interim dividends for the time being and maintain forecasts of year-end dividends for the fiscal year ending December as undecided. We will announce our consolidated forecasts for the fiscal year when we are able to make calculations. We have not changed our basic policy to achieve a consolidated dividend payout ratio of 30% or more for full-year dividends, while continuing a constant pursuit earnings improvements and appropriate ongoing profit distributions.

### 3. Cancellation of AOI TYO experience for shareholders

AOI TYO Holdings offers a shareholder benefit program to express our appreciation to shareholders for their support and to encourage shareholders to hold AOI TYO Holdings shares over the medium and long term. On February 19, 2020, we announced shareholder gifts (original Quo Card or original catalog) and the AOI TYO Experience for Shareholders for fiscal 2020 based on a record date of June 30, 2020. However, we have made the decision to cancel the AOI TYO Experience for Shareholders for fiscal 2020 from the standpoint of preventing the spread of COVID-19. Our presentation of shareholder gifts will remain as announced on February 19, 2020.

We regret the revision and cancellation places on our shareholders, investors, and others. Thank you for your understanding.

\*The forecasts above are based on information available at the time. Actual performance may vary from forecasts due to various factors that may occur in the future.