

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016

[Japanese GAAP]

Company name: AOKI Holdings Inc. Listings: TSE First Section
 Stock code: 8214 URL: <http://www.aoki-hd.co.jp/>
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 Scheduled date of Annual General Meeting of Shareholders: June 29, 2016
 Scheduled date of filing of Annual Securities Report: June 30, 2016
 Scheduled date of payment of dividend: June 8, 2016
 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 12, 2016 at 14:15 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages shown for sales and incomes represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/16	188,594	2.6	17,789	(6.5)	17,627	(6.8)	9,711	(4.7)
FY3/15	183,805	2.4	19,028	(6.7)	18,914	(9.4)	10,185	(4.7)

Note: Comprehensive income (million yen) FY3/16: 8,919 (down 18.5%) FY3/15: 10,949 (up 3.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/16	107.55	-	6.9	7.7	9.4
FY3/15	111.70	-	7.5	8.5	10.4

Reference: Equity in income of affiliates (million yen) FY3/16: - FY3/15: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	230,363	142,926	62.0	1,593.03
As of Mar. 31, 2015	230,166	139,675	60.7	1,531.81

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 142,838 As of Mar. 31, 2015: 139,675

(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
FY3/16	12,610	(6,969)	(7,306)	27,560
FY3/15	18,685	(16,324)	4,245	29,226

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	%	%
FY3/15	-	18.00	-	18.00	36.00	3,282	32.2	2.4
FY3/16	-	20.00	-	20.00	40.00	3,592	37.2	2.6
FY3/17 (forecasts)	-	21.00	-	22.00	43.00		43.8	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	82,680	1.2	400	(89.1)	350	(90.3)	100	(95.4)	1.12
Full year	194,600	3.2	15,800	(11.2)	15,700	(10.9)	8,800	(9.4)	98.14

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

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

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

Note: Please refer to “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements” on page 16 of the attachments for further information.

(3) Number of shares outstanding (common shares)

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

As of Mar. 31, 2016:	90,649,504 shares	As of Mar. 31, 2015:	91,249,504 shares
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2) Number of shares of treasury stock at the end of the period

As of Mar. 31, 2016:	984,762 shares	As of Mar. 31, 2015:	66,492 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016:	90,297,252 shares	Fiscal year ended Mar. 31, 2015:	91,183,616 shares
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Note 1: Indication of audit procedure implementation status

The current summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedures for the consolidated financial statements have not been completed.

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

Cautionary statement with respect to forecasts

Forecasts regarding future performance 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) Analysis of Business Results, Forecasts for the new fiscal year” on page 3 of the attachments regarding preconditions or other related matters for the forecast shown above.

Disclosure of the information meeting materials

The Company plans to hold a financial results meeting for institutional investors and analysts on Thursday, May 19, 2016. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

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1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

1) Business results in the fiscal year under review

In the fiscal year that ended on March 31, 2016, the Japanese economy was in a moderate recovery phase, due in part to improvements in corporate earnings and employment conditions. However, the sense of business stagnation mounted toward the end of the fiscal year, due to deceleration in emerging market economies, yen appreciation and other factors. In addition, there remains a lack of underlying strength in personal consumption, and the outlook remains opaque.

In this environment, the AOKI Group implemented various measures in each business segment as discussed below. As a result, business performance in the fiscal year under review is as follows:

Sales	188,594 million yen	(up 2.6% year-on-year)
Operating profit	17,789 million yen	(down 6.5% year-on-year)
Ordinary income	17,627 million yen	(down 6.8% year-on-year)
Profit attributable to owners of parent	9,711 million yen	(down 4.7% year-on-year)

Fashion Business

AOKI strengthened its offerings of ideas in Premium Wash Suits and other functional apparel and Personal Order Suits, which are tailored to customers' preferred designs. We also responded to increasing demand for business-to-casual styles and, through collaboration with ORIHICA, rolled out a line of Set-up Suits. Furthermore, we launched Kyukoku no Shukatsu Suits targeting job-hunting students. As the number of female customers is increasing each year, AOKI further expanded its offerings for women, including the Raku-Raku Kirei Series. On the sales front, sales per customer increased thanks to the uptake of "AOKI is your stylist" and styling advice. Twelve new stores were opened, including AOKI's first store in Ito-Yokado, and two stores were closed for relocation and other reasons. As a result, there were 567 AOKI stores at the end of the fiscal year, compared with 557 one year earlier.

In October 2015, we ran its first TV commercials for the ORIHICA line of apparel in an effort to attract new customers. In addition, AOKI launched THE 3rd SUITS, a jacket-and-pants style, in response to a growing diversity of business styles. This line was particularly well received by businessmen in their 20s to 40s. Twelve new stores were opened during the fiscal year, and nine stores were closed to improve operating efficiency. As a result, there were 144 ORIHICA stores at the end of the fiscal year compared with 141 one year earlier.

Sales benefited from the new stores, higher sales per customer and strong sales at ORIHICA, and increased 1.2% to 114,015 million yen. Operating profit decreased 8.9% to 9,818 million yen, as existing stores encountered challenges due to a shift in summer business fashion preferences and an abnormally warm winter.

Anniversaire and Bridal Business

ANNIVERSAIRE INC. operates guesthouse-style wedding and reception facilities. To invigorate its facilities, we renovated six facilities, including the first-floor entrance hall of ANNIVERSAIRE OMOTESANDO. We also focused on sales of original jewelry and baby rings, and reinforced operations involving rental tiaras with original designs and the Proposal Plan service.

As a result, we maintained the average price per couple, but due to such factors as a decrease in the number of couples married, sales decreased 5.2% to 29,321 million yen and operating profit decreased 14.6% to 3,591 million yen.

Karaoke Facility Operations Business

At VALIC Co., Ltd., which operates karaoke facilities, there were a number of activities aimed at increasing the number of customers. More limited-time-only menu items were offered and there were marketing activities for a variety of party plans to meet the needs of companies and other organizations. There were also marketing campaigns using tie-ups with popular artists and characters. This business also launched the new "CINEKARA"

Private Cinema service, the world's first service that provides karaoke rooms where guests can watch the latest movies. Eight karaoke facilities were opened during the fiscal year, mainly at locations near railway stations. We accepted transfers of seven facilities in the Osaka region, and one facility was closed. As a result, there were 183 karaoke facilities at the end of the fiscal year compared with 169 at the end of the previous fiscal year.

Sales increased 4.1% to 18,240 million yen and operating profit decreased 13.0% to 1,489 million yen due to an increase in the spending on renovation.

Café Complex Operations Business

VALIC Co., Ltd., which also operates café complexes, took numerous actions to attract more customers. One way was a heightened focus on offering limited-time-only menu items. There were also marketing campaigns using tie-ups with other companies and a variety of services were upgraded including the introduction of KAIKATSU CLUB app. For revitalizing existing locations, 18 facilities were renovated. Improvements included the addition of more amusement content and sections exclusively for women. During the fiscal year, VALIC actively opened 36 facilities, including the first facility exclusively for women and café complexes near railway stations, and closed one. As a result, there were 295 café complexes at the end of the fiscal year compared with 260 one year earlier.

Sales increased 19.1% to 27,054 million yen mainly due to the benefits from new facilities and ongoing strong sales at existing facilities. Operating profit also increased 26.8% to 2,291 million yen.

2) Forecasts for the new fiscal year

In the fiscal year ending on March 31, 2017, we expect the Japanese economy to remain in a modest recovery phase, underpinned by improvements in the employment and income situation, as well as various government measures. At the same time, the outlook is likely to remain unpredictable due to overseas economic and exchange rate trends, as well as moves to raise the consumption tax rate in Japan. The AOKI Group will use a variety of actions in response to diversifying consumer needs to respond to the changing times and operate with speed and efficiency. In addition, we will continue to open more stores and revitalize existing locations to build a more powerful infrastructure.

In the Fashion Business, AOKI will strive to achieve medium-term growth by making proactive investments in store renovations, and will focus on invigorating existing stores by cultivating its stylist system. At the same time, we will strive to respond accurately to increasingly diverse consumer demand and endeavor to ensure customer satisfaction. ORIHICA will continue to strengthen its product and sales capabilities and further enhance profitability by boosting operating efficiencies. We plan to open approximately 13 stores in the Fashion Business during the fiscal year ending on March 31, 2017.

In the ANNIVERSAIRE and Bridal Business, we will make the ANNIVERSAIRE brand more powerful with activities that emphasize the strengths of our wedding and reception facilities and clearly communicate the central concept for ANNIVERSAIRE. To improve operating efficiency, we will further improve business operations and renovate facilities.

In the Karaoke Facility Operations Business, we will continue to revitalize existing locations. Actions include offering more limited-time-only menu items and party course menu selections, joint marketing campaigns with other companies, and proactive renovation of facilities. We plan to open 9 locations during the fiscal year.

In the Café Complex Operations Business, we are focusing on enlarging the selection of content and upgrading the menu. We will pursue other business categories, offer more areas exclusively for women and concentrate on more store openings near railway stations in a proactive new-store strategy targeting 44 store openings. Another goal is establishing a dominant presence in targeted markets.

By precisely enacting the various measures described above, we expect operating performance to increase in the fiscal year ending March 31, 2017. Although we anticipate an increase in sales we expect income to decline as we incur renovation and new store opening expenses in a bid to ensure medium-term growth. Our forecasts for the fiscal year ending March 31, 2017 are as follows.

Forecast by business segment for the fiscal year ending March 31, 2017

	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Consolidated
Sales (Millions of yen)	117,000	28,250	19,200	30,200	194,600
YoY change (%)	102.6	96.3	105.3	111.6	103.2
Segment profit (Millions of yen)	8,900	2,800	1,400	2,200	15,800
YoY change (%)	90.6	78.0	94.0	96.0	88.8

Note: Segment profit is operating profit. The total segment profits differ from consolidated operating profit because of consolidation adjustments.

(2) Analysis of Financial Position**1) Balance sheet position**

Total assets at the end of the fiscal year under review increased 196 million yen from the end of the previous fiscal year to 230,363 million yen.

Current assets increased 129 million yen from the end of the previous fiscal year. Although cash in hand and in banks decreased 1,665 million yen due to capital investments, accounts receivable-trade increased 445 million yen and inventories increased 1,358 million yen due to new store openings among other factors. Fixed assets increased 67 million yen from the end of the previous fiscal year as deferred income tax assets increased 666 million yen, while tangible fixed assets decreased 462 million yen due to depreciation and other factors.

Current liabilities decreased 5,148 million yen from the end of the previous fiscal year. There were decreases of 1,845 million yen in accounts payable-trade resulting from a decrease in procurement, 1,618 million yen in accounts payable-other due to a decrease in accrued consumption taxes, and 1,119 million yen in accrued income taxes. Long-term liabilities increased 2,094 million yen. It was mainly due to increases of 950 million yen in long-term debt due to capital investments, and 470 million yen in net defined benefit liability.

Net assets increased 3,251 million yen from the end of the previous fiscal year. Although there was a decrease of 923 million yen in capital surplus due to the purchase and retirement of treasury stock, treasury stock increased 1,391 million yen and retained earnings increased 6,270 million yen as a result of a profit attributable to owners of parent and dividend from surplus.

2) Cash flow position

(Millions of yen)

	FY3/15	FY3/16
Cash flows from operating activities	18,685	12,610
Cash flows from investing activities	(16,324)	(6,969)
Cash flows from financing activities	4,245	(7,306)
Increase (decrease) in cash and cash equivalents	6,606	(1,665)
Cash and cash equivalents at beginning of period	22,619	29,226
Cash and cash equivalents at end of period	29,226	27,560

Cash and cash equivalents at the end of the fiscal year under review decreased 1,665 million yen from the end of the previous fiscal year to 27,560 million yen mainly due to a decrease in profit before income taxes.

Net cash provided by operating activities decreased 6,075 million yen to 12,610 million yen on a year-on-year basis. The principal factors were profit before income taxes of 15,339 million yen and depreciation and amortization of 7,677 million yen, while there was income taxes paid of 7,109 million yen (the net of income tax payments and refunds).

Net cash used in investing activities decreased 9,355 million yen to 6,969 million yen on a year-on-year basis. This was mainly due to the payments of 5,777 million yen for the acquisition of tangible fixed assets for capital investment, and leasehold and guarantee deposits of 1,089 million yen.

Net cash used in financing activities was 7,306 million yen (compared with net cash provided of 4,245 million

yen one year earlier). This was mainly due to scheduled repayment of long-term debt of 4,450 million yen, repayments of lease obligations of 1,899 million yen, payments for purchase of treasury stock of 2,315 million yen, and cash dividends paid of 3,439 million yen, while there were proceeds from long-term debt of 5,000 million yen for capital expenditure.

Reference: Cash flow indicators

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Shareholders' equity ratio (%)	58.6	57.5	61.7	60.7	62.0
Shareholders' equity ratio based on market prices (%)	36.7	52.2	62.8	67.3	52.9
Interest-bearing debt to cash flow ratio (years)	2.0	2.3	2.2	2.4	3.6
Interest coverage ratio (times)	54.0	55.1	50.4	59.7	38.0

Notes: 1. Shareholders' equity ratio: Shareholders' equity / Total assets

2. Shareholders' equity ratio based on market prices: Market capitalization / Total assets

3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

4. Interest coverage ratio: Cash flows / Interest payments

* All indicators are calculated based on consolidated figures.

* Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock).

* Cash flows are calculated using the figures for operating cash flows.

* Interest-bearing debt includes all liabilities on the consolidated balance sheet that incur interest. Interest payments are calculated using the figures for interests paid in the consolidated statement of cash flows.

(3) Basic Profit Allocation Policy, and Dividends in the Current and Next Fiscal Years

We have changed our basic policy as follows.

We recognize the allocation of profits as one of our most important management priorities, taking into consideration such factors as future business development and reinforcing the financial structure. With regard to dividends, while maintaining a higher level than in previous years our basic policy is to achieve a dividend payout ratio of 30% or more. In addition, in the absence of specific funding needs, our basic policy is to maintain total return ratio of 50% or more through measures such as buying back our own shares.

At a meeting on May 12, 2016, the Board of Directors approved a year-end dividend of 20 yen per share in appreciation of our shareholders' ongoing support. This dividend, combined with the interim dividend of 20 yen per share, results in a dividend of 40 yen per share for the fiscal year that ended on March 31, 2016, up 4 yen from the preceding fiscal year. In addition, on February 15, 2016, the Board of Directors passed a resolution to acquire up to 2.5 million of our own shares by January 31, 2017.

For the fiscal year ending on March 31, 2017, based on the current basic policy and taking into account such considerations as the need for funds, we forecast a dividend of 43 yen per share, which is 3 yen higher than the dividends paid during the previous fiscal year. This figure is the sum of an interim dividend of 21 yen and a year-end dividend of 22 yen per share. We plan to expeditiously acquire and retire treasury stock, taking into account such factors as investment plans, the status of funding and the share price.

In order to achieve sustainable growth into the future, retained earnings will be set aside for future business development including capital investments in each business, product development to meet consumer needs, and IT system investment.

2. Corporate Group

The AOKI Group is comprised of AOKI Holdings Inc. (the Company), its three consolidated subsidiaries, three non-consolidated subsidiaries, one non-equity-method affiliate, and one related company, and primarily involved in the Fashion Business, ANNIVERSAIRE and Bridal Business, Karaoke Facility Operations Business, and Café Complex Operations Business.

Details of the Group businesses, and the positioning of the Company and affiliated companies, are as follows.

(1) Fashion Business

AOKI Inc. operates a chain of fashion specialty store “AOKI,” that are located primarily in suburban roadside locations and that sells men’s and women’s clothing, accessories, and fashion products, and “ORIHICA” chain of stores that propose new “business” and “business-to-casual” styles targeting men and women in their 20s to 40s.

(2) Anniversaire and Bridal Business

ANNIVERSAIRE INC. provides mansion house-style wedding facilities that offer dreamy and enchanting wedding ceremonies. ANNIVERSAIRE OMOTESANDO is a mixed-use facility geared to the needs of celebrations for all occasions, centered on the ANNIVERSAIRE WEDDING.

(3) Karaoke Facility Operations Business

VALIC Co., Ltd. operates COTE D’AZUR, a karaoke facility that draws inspiration from the famous upscale coastal region in the south of France to create a refreshing and relaxing place for making special memories of conversations and refined music.

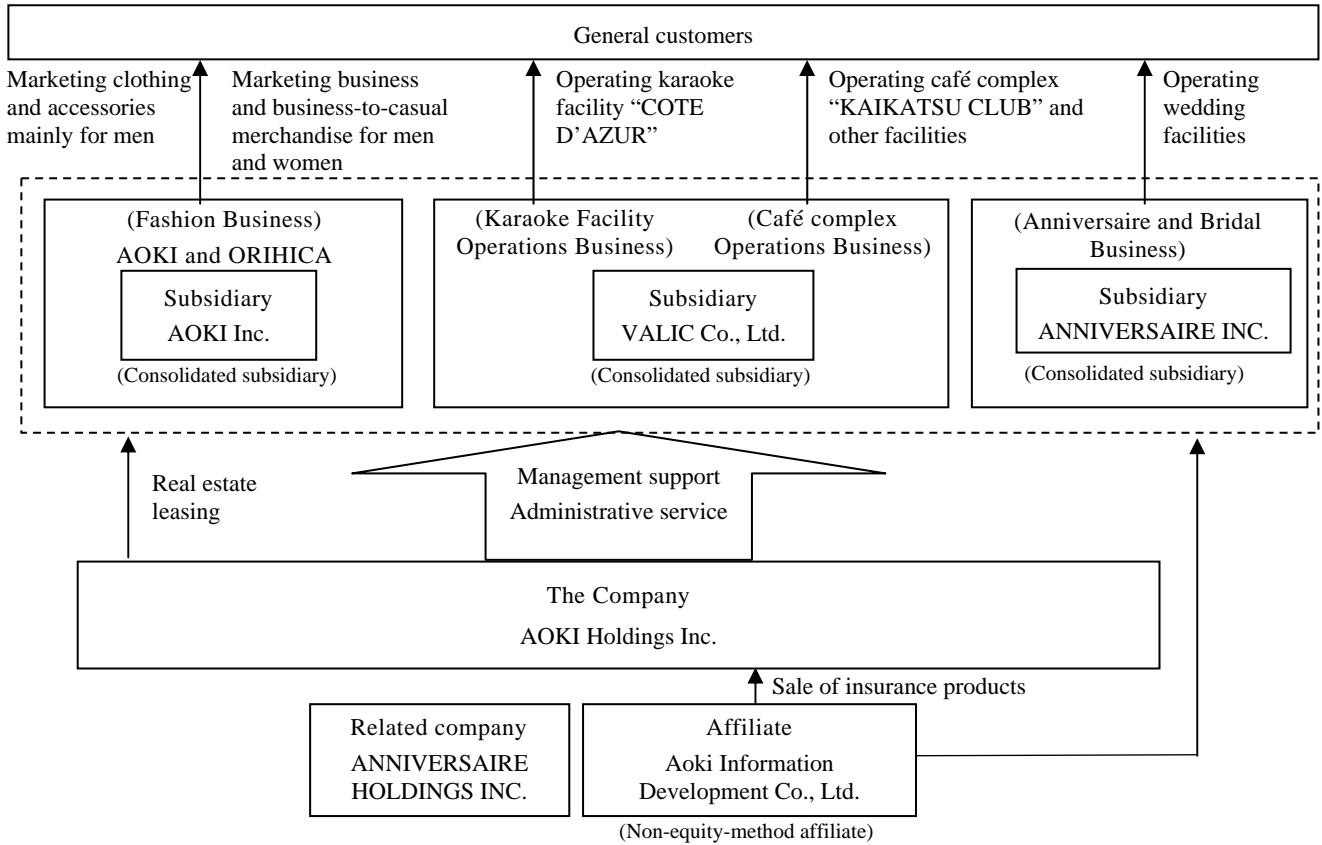
(4) Café Complex Operations Business

VALIC Co., Ltd. operates KAIKATSU CLUB, a “private-space” café complex modeled after the island of Bali which provides a relaxing and rejuvenating space to escape the stresses of modern life.

(5) Other Businesses

Related company ANNIVERSAIRE HOLDINGS INC. is involved in real estate leasing and other businesses. Affiliate Aoki Information Development Co., Ltd. is involved in the sales agency business for non-life insurance.

An organizational chart of the AOKI Group is as follows.



Three other non-consolidated subsidiaries

3. Management Policies

(1) Basic Management Policy

The AOKI Group is guided in all of its pursuits by the three principles of business integrity, social responsibility, and community service. Our basic management policy is to promote systems of management and operation that enable us to adapt to changes in the business environment and allow the Company to continue to exist and prosper. This basic policy is founded on the following three pillars:

- 1) Response to customer needs
- 2) Self-reliance
- 3) Promotion of management efficiency

Based on this policy, we strive to earn the trust and meet the expectations of our customers and shareholders.

(2) Performance Targets, (3) Medium to Long-term Business Strategy

Information on these subjects is not presented since there are no significant changes from the financial results for the fiscal year ended on March 31, 2014 (released on May 9, 2014).

Financial results are available on the following URLs.

AOKI Holdings website: <http://ir.aoki-hd.co.jp/en/IRFiling/Results.html>

Tokyo Stock Exchange website (company search): <http://www.jpx.co.jp/english/listing/co-search/index.html>

Due primarily to the impact of a lackluster personal consumption environment on the Fashion Business, during the fiscal year ended on March 31, 2016, the operating margin was 9.4%, return on equity 6.9% and earnings per share 107.55 yen.

(4) Challenges

Amid a changing operating environment, we will pursue measures in each of our businesses in the aim of achieving medium to long-term growth.

Please refer to “1. Analysis of Business Results and Financial Position, (1) Analysis of Business Results, 2) Forecasts for the new fiscal year” on page 3 for further information regarding performance targets.

4. 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.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Millions of yen)	
	FY3/15	FY3/16
	(As of Mar. 31, 2015)	(As of Mar. 31, 2016)
Assets		
Current assets		
Cash in hand and in banks	29,226	27,560
Accounts receivable-trade	8,991	9,437
Inventories	*1 26,476	*1 27,835
Deferred income tax assets	2,008	1,953
Other current assets	7,104	7,157
Allowance for doubtful accounts	(37)	(45)
Total current assets	73,769	73,899
Fixed assets		
Tangible fixed assets		
Buildings and structures	120,623	124,107
Accumulated depreciation	(61,664)	(65,206)
Buildings and structures, net	58,959	58,900
Machinery, vehicles, tools, furniture and fixtures	14,408	15,171
Accumulated depreciation	(6,846)	(7,467)
Machinery, vehicles, tools, furniture and fixtures, net	7,561	7,703
Land	*2 37,095	*2 36,934
Lease assets	10,672	11,754
Accumulated depreciation	(6,585)	(7,531)
Lease assets, net	4,086	4,223
Construction in progress	605	84
Total tangible fixed assets	108,308	107,846
Intangible fixed assets	6,550	6,680
Investments and other assets		
Investment securities	*3 6,172	*3 5,328
Guarantee deposits	8,333	8,307
Leasehold deposit	20,176	20,576
Deferred income tax assets	5,027	5,694
Other investments and other assets	1,867	2,070
Allowance for doubtful accounts	(40)	(40)
Total investments and other assets	41,538	41,936
Total fixed assets	156,396	156,464
Total assets	230,166	230,363

	(Millions of yen)	
	FY3/15	FY3/16
	(As of Mar. 31, 2015)	(As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	19,867	18,021
Current portion of long-term debt	4,450	4,050
Lease obligations	1,578	1,570
Accounts payable-other	6,748	5,130
Accrued income taxes	3,789	2,669
Accrued bonuses for employees	1,735	1,708
Accrued bonuses for directors and statutory auditors	105	98
Other current liabilities	5,123	4,999
Total current liabilities	43,397	38,248
Long-term liabilities		
Long-term debt	35,325	36,275
Lease obligations	2,846	3,117
Accrued retirement benefits for directors and statutory auditors	1,838	1,845
Accrued costs for customer point program	958	1,014
Net defined benefit liability	382	853
Asset retirement obligations	4,773	5,109
Other long-term liabilities	969	973
Total long-term liabilities	47,093	49,187
Total liabilities	90,491	87,436
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	28,757	27,833
Retained earnings	86,658	92,929
Treasury stock	(45)	(1,436)
Total shareholders' equity	138,654	142,609
Accumulated other comprehensive income		
Unrealized gain on securities	1,229	612
Remeasurements of defined benefit plans	(208)	(383)
Total accumulated other comprehensive income	1,021	229
Stock acquisition rights	-	87
Total net assets	139,675	142,926
Total liabilities and net assets	230,166	230,363

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

(Millions of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Sales	183,805	188,594
Cost of sales	97,019	101,424
Gross profit	86,785	87,170
Selling, general and administrative expenses	*1 67,757	*1 69,380
Operating profit	19,028	17,789
Non-operating profit		
Interest income	107	108
Dividend income	138	134
Rental income on real estate	616	607
Other	312	340
Total non-operating profit	1,173	1,191
Non-operating expenses		
Interest expenses	316	328
Expenses on sub-leased real estate	527	536
Loss on disposal of fixed assets	122	254
Other	322	234
Total non-operating expenses	1,287	1,353
Ordinary income	18,914	17,627
Extraordinary gains		
Gain on sale of investment securities	-	68
Total extraordinary gains	-	68
Extraordinary losses		
Impairment loss	*2 1,942	*2 1,917
Litigation settlement	-	439
Total extraordinary losses	1,942	2,356
Profit before income taxes	16,972	15,339
Current income taxes	7,209	5,881
Deferred income taxes	(422)	(253)
Total income taxes	6,787	5,628
Profit	10,185	9,711
Profit attributable to owners of parent	10,185	9,711

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY3/15	FY3/16
	(Apr. 1, 2014 – Mar. 31, 2015)	(Apr. 1, 2015 – Mar. 31, 2016)
Profit	10,185	9,711
Other comprehensive income		
Unrealized gain on securities	679	(616)
Remeasurements of defined benefit plans, net of tax	84	(175)
Total other comprehensive income	*1 763	*1 (791)
Comprehensive income	10,949	8,919
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,949	8,919
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Shareholders' Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of current period	23,282	28,757	79,029	(43)	131,026
Cumulative effects of changes in accounting policies			726		726
Restated balance	23,282	28,757	79,756	(43)	131,753
Changes of items during period					
Dividend from surplus			(3,282)		(3,282)
Profit attributable to owners of parent			10,185		10,185
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	6,902	(1)	6,900
Balance at the end of current period	23,282	28,757	86,658	(45)	138,654

	Accumulated other comprehensive income			Total net assets
	Unrealized gain on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of current period	549	(292)	257	131,283
Cumulative effects of changes in accounting policies				726
Restated balance	549	(292)	257	132,010
Changes of items during period				
Dividend from surplus				(3,282)
Profit attributable to owners of parent				10,185
Purchase of treasury stock				(1)
Disposal of treasury stock				0
Net changes of items other than shareholders' equity	679	84	763	763
Total changes of items during period	679	84	763	7,664
Balance at the end of current period	1,229	(208)	1,021	139,675

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	23,282	28,757	86,658	(45)	138,654
Cumulative effects of changes in accounting policies					-
Restated balance	23,282	28,757	86,658	(45)	138,654
Changes of items during period					
Dividend from surplus			(3,440)		(3,440)
Profit attributable to owners of parent			9,711		9,711
Purchase of treasury stock				(2,315)	(2,315)
Retirement of treasury stock		(923)		923	-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(923)	6,270	(1,391)	3,955
Balance at the end of current period	23,282	27,833	92,929	(1,436)	142,609

(Millions of yen)	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Unrealized gain on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,229	(208)	1,021	-	139,675
Cumulative effects of changes in accounting policies					-
Restated balance	1,229	(208)	1,021	-	139,675
Changes of items during period					
Dividend from surplus					(3,440)
Profit attributable to owners of parent					9,711
Purchase of treasury stock					(2,315)
Retirement of treasury stock					-
Net changes of items other than shareholders' equity	(616)	(175)	(791)	87	(704)
Total changes of items during period	(616)	(175)	(791)	87	3,251
Balance at the end of current period	612	(383)	229	87	142,926

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit before income taxes	16,972	15,339
Depreciation and amortization	7,188	7,677
Impairment loss	1,942	1,917
Increase (decrease) in accrued retirement benefits for employees	133	210
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	73	6
Increase (decrease) in accrued costs for customer point program	190	55
Interest and dividend income	(245)	(242)
Interest expenses	316	328
Loss (gain) on sales of investment securities	-	(68)
Decrease (increase) in accounts receivable-trade	1,135	(445)
Decrease (increase) in inventories	(3,724)	(1,368)
Increase (decrease) in accounts payable-trade	(357)	(1,845)
Increase (decrease) in accrued consumption taxes	2,440	(1,951)
Other	921	684
Subtotal	26,987	20,296
Interest and dividend income received	193	193
Interests paid	(312)	(331)
Income taxes paid	(9,435)	(8,352)
Income taxes refund	1,253	1,243
Litigation settlement paid	-	(439)
Net cash provided by operating activities	18,685	12,610
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(13,210)	(5,777)
Payments for acquisition of intangible fixed assets	(1,351)	(784)
Payments for leasehold and guarantee deposits	(1,549)	(1,089)
Proceeds from collection of leasehold and guarantee deposits	362	375
Proceeds from sales of investment securities	-	114
Net decrease (increase) in trust beneficiary rights	(170)	747
Other	(405)	(556)
Net cash used in investing activities	(16,324)	(6,969)
Cash flows from financing activities		
Proceeds from long-term debt	17,500	5,000
Repayments of long-term debt	(8,086)	(4,450)
Repayments of lease obligations	(1,888)	(1,899)
Payments for purchase of treasury stock	(1)	(2,315)
Dividends paid	(3,278)	(3,439)
Proceeds from issuance of subscription rights to shares	-	87
Other	1	(290)
Net cash provided by (used in) financing activities	4,245	(7,306)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Increase (decrease) in cash and cash equivalents	6,606	(1,665)
Cash and cash equivalents at beginning of period	22,619	29,226
Cash and cash equivalents at end of period	*1 29,226	*1 27,560

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

No reportable information.

Changes in Accounting Policies

Effective from the current fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards. In association with these changes, the presentation of net income and other items has been revised. For consistency with these changes, the consolidated financial statements for the previous fiscal year have been revised.

Notes to Consolidated Balance Sheet***1. Breakdown of inventories** (Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Merchandise	25,869	27,119
Raw materials and supplies	606	715
Total	26,476	27,835

***2. Collateralized assets**

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Land	607	284

***3. The following items are applicable to non-consolidated subsidiaries and affiliates** (Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Investment securities (stocks)	315	414

4. Guarantee liabilities

The Company guarantees following bank loans for a company that is not consolidated. (Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
AOKI HOLDINGS N.Y. INC.	415	369

5. The Company has current account overdraft agreements with major financial institutions in order to raise funds efficiently. The balance of unused credit lines under these agreements as of the end of the fiscal year is as follows.

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Current account overdraft	23,500	25,000
Credit used	-	-
Credit available	23,500	25,000

Notes to Consolidated Statement of Income***1. Major items of selling, general and administrative expenses**

(Millions of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Advertising expenses	11,781	12,202
Salaries and bonuses	17,901	18,319
Provision of accrued bonuses for employees	1,312	1,382
Provision of accrued bonuses for directors and statutory auditors	104	98
Retirement benefit expenses	622	634
Provision of accrued retirement benefits for directors and statutory auditors	133	134
Welfare expense	3,704	3,675
Rents	14,883	15,360
Depreciation and amortization	2,670	3,074

***2. Impairment loss**

The Group recognized an impairment loss on the following groups of assets.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

Use	Item	Location
Operating stores	Buildings and structures, others	Aizuwakamatsu City, Fukushima, etc.
Idle assets	Land, buildings and structures	Tsuru-gun, Yamanashi, etc.

The Group uses individual stores and idle asset items to group its assets.

Book value was impaired to recoverable value, and the resulting impairment loss (1,942 million yen) was recognized as an extraordinary loss, for idle assets whose recoverable value had fallen below book value, and operating stores set to be relocated or expected to remain in the red due to changes in conditions at the store location and other factors.

Breakdown of impairment losses: operating stores 1,837 million yen (including buildings and structures 1,425 million yen and others 412 million yen) and idle assets 104 million yen (including land 86 million yen and buildings and structures 17 million yen).

The recoverable value of this category of assets is measured by net sales value or utility value. The net sales value is based on the appraisal of a real estate appraiser. The utility value is calculated by the discounted cash flow method. A discount rate of between 6.0% and 6.3% is used for calculating the utility value.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

Use	Item	Location
Operating stores	Buildings and structures, others	Kawasaki City, Kanagawa, etc.
Subleasing stores	Buildings and structures	Suwa City, Nagano, etc.
Idle assets	Land	Fujiyoshida City, Yamanashi, etc.

The Group uses individual stores and idle asset items to group its assets.

Book value was impaired to recoverable value, and the resulting impairment loss (1,917 million yen) was recognized as an extraordinary loss, for idle assets whose recoverable value had fallen below book value, and operating stores and subleased stores set to be closed, relocated or expected to remain in the red due to changes in conditions at the store location and other factors.

Breakdown of impairment losses: operating stores 1,836 million yen (including buildings and structures 1,499 million yen and others 337 million yen), subleasing stores 0 million yen (buildings and structures), and idle assets 79 million yen (land).

The recoverable value of this category of assets is measured by net sales value or utility value. The net sales value is based on the appraisal of a real estate appraiser. The utility value is calculated by the discounted cash flow method. A discount rate of between 5.6% and 5.9% is used for calculating the utility value.

Notes to Consolidated Statement of Comprehensive Income***1. Re-classification adjustments and tax effect with respect to other comprehensive income (Millions of yen)**

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Unrealized gain on securities		
Amount incurred during the year	961	(822)
Re-classification adjustments	-	(68)
Before tax effect adjustments	(961)	(890)
Tax effect	(281)	274
Unrealized gain on securities	679	(616)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	(28)	(396)
Re-classification adjustments	169	136
Before tax effect adjustments	140	(260)
Tax effect	(56)	84
Remeasurements of defined benefit plans, net of tax	84	(175)
Total other comprehensive income	763	(791)

Notes to Consolidated Statement of Changes in Shareholders' Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type of share and number of outstanding shares

Type of share	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Common shares (Thousand shares)	91,249	-	-	91,249

2. Type and number of shares of treasury stock

Type of share	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Common shares (Thousand shares)	65	1	0	66

Notes: 1. Increase in the number of shares of treasury stock (Thousand shares)

Purchase of odd-lot shares: 1

2. Decrease in the number of shares of treasury stock (Thousand shares)

Sales of odd-lot shares: 0

3. Dividends**(1) Dividend payment**

Resolution	Type of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 9, 2014	Common shares	1,641	18	Mar. 31, 2014	Jun. 9, 2014
Board of Directors' meeting on Nov. 7, 2014	Common shares	1,641	18	Sep. 30, 2014	Dec. 8, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 8, 2015	Common shares	Retained earnings	1,641	18	Mar. 31, 2015	Jun. 8, 2015

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Type of share and number of outstanding shares

Type of share	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Common shares (Thousand shares)	91,249	-	600	90,649

Note: Decrease in the number of outstanding shares is due to retirement of treasury stock

2. Type and number of shares of treasury stock

Type of share	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Common shares (Thousand shares)	66	1,518	600	984

Notes: 1. Increase in the number of shares of treasury stock (Thousand shares)

Purchase of treasury stock pursuant to the Board of Directors' resolution on May 8, 2015 and February 15, 2016: 1,517

Purchase of odd-lot shares: 0

2. Decrease in the number of shares of treasury stock (Thousand shares)

Retirement of treasury stock pursuant to the Board of Directors' resolution on May 8, 2015: 600

3. Items related to acquisition rights for new shares

Company	Stock acquisition rights (itemized)	Type of shares under stock acquisition rights	Number of shares under stock acquisition rights (Thousand shares)				Balance as of Mar. 31, 2016 (Millions of yen)
			As of Apr. 1, 2015	Increase	Decrease	As of Mar. 31, 2016	
Reporting company	Stock acquisition rights by way of stock options (2015)	Common shares	-	905	-	905	87

Notes: 1. Number of shares under stock acquisition rights: the number of shares assuming that all stock options have been exercised.

2. Outline of changes in the number of shares under stock acquisition rights

The increase in the number of shares is due to the issuance of the stock acquisition rights.

4. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 8, 2015	Common shares	1,641	18	Mar. 31, 2015	Jun. 8, 2015
Board of Directors' meeting on Nov. 6, 2015	Common shares	1,799	20	Sep. 30, 2015	Dec. 7, 2015

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 12, 2016	Common shares	Retained earnings	1,793	20	Mar. 31, 2016	Jun. 8, 2016

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents of the statement of cash flows and account balances of balance sheet

	(Millions of yen)	
	FY3/15	FY3/16
	(Apr. 1, 2014 – Mar. 31, 2015)	(Apr. 1, 2015 – Mar. 31, 2016)
Cash in hand and in banks	29,226	27,560
Cash and cash equivalents	29,226	27,560

2. Significant non-cash transactions

Assets and obligations applicable to the finance lease transaction

	(Millions of yen)	
	FY3/15	FY3/16
	(Apr. 1, 2014 – Mar. 31, 2015)	(Apr. 1, 2015 – Mar. 31, 2016)
Assets and obligations applicable to the finance lease transaction	1,546	2,162

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.

AOKI Holdings, as a pure holding company, supports the businesses of the various companies that comprise the Group, while each business company proposes and executes comprehensive strategies for the respective products and services they offer in the domestic market.

The products and services of each business company comprise different segments. The four reportable segments are the Fashion Business, the ANNIVERSAIRE and Bridal Business, the Karaoke Facility Operations Business, and the Café Complex Operations Business. AOKI and ORIHICA are both included in one business segment, the Fashion Business, because they fit all the conditions for grouping including similarities in economic characteristics and product content.

The Fashion Business plans and sells men's and women's wear; the ANNIVERSAIRE and Bridal Business operates wedding halls; the Karaoke Facility Operations Business operates karaoke facilities; and the Café Complex Operations Business provides relaxation space with magazines, comics, massage chairs, Internet access, etc.

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, liabilities, and other items for each reportable segment

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	112,669	30,902	17,518	22,714	183,805	-	183,805
Inter-segment sales and transfers	5	14	4	-	25	(25)	-
Total	112,675	30,917	17,523	22,714	183,830	(25)	183,805
Segment profit	10,773	4,205	1,712	1,806	18,497	531	19,028
Segment assets	108,592	43,989	14,753	19,258	186,593	43,572	230,166
Other items							
Depreciation and amortization	2,029	1,785	1,352	1,474	6,641	434	7,075
Amortization of goodwill	8	-	-	5	13	-	13
Increase in tangible fixed assets and intangible fixed assets	5,175	968	1,737	3,186	11,067	6,105	17,173

Notes: 1. The above adjustments to segment profits are as follows.

- (1) The 531 million yen adjustment to segment profit includes 4,469 million yen in elimination for inter-segment transactions, and -3,937 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 43,572 million yen adjustment to segment assets includes -27,419 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 70,992 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company's land, building and structures of the head office that cannot be attributed to reportable segments.

(3) The 6,105 million yen adjustment to an increase in tangible and intangible fixed assets includes investment in land to be used by the Group.

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

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	114,010	29,291	18,238	27,053	188,594	-	188,594
Inter-segment sales and transfers	4	29	2	0	37	(37)	-
Total	114,015	29,321	18,240	27,054	188,632	(37)	188,594
Segment profit	9,818	3,591	1,489	2,291	17,191	598	17,789
Segment assets	111,656	41,983	14,612	21,975	190,227	40,135	230,363
Other items							
Depreciation and amortization	2,387	1,760	1,312	1,629	7,090	468	7,559
Amortization of goodwill	8	-	1	5	15	-	15
Increase in tangible fixed assets and intangible fixed assets	2,107	1,114	1,768	4,099	9,089	371	9,461

Notes: 1. The above adjustments to segment profits are as follows.

(1) The 598 million yen adjustment to segment profit includes 4,586 million yen in elimination for inter-segment transactions, and -3,987 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 40,135 million yen adjustment to segment assets includes -32,753 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 72,888 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company's land, building and structures of the head office that cannot be attributed to reportable segments.

(3) The 371 million yen adjustment to an increase in tangible and intangible fixed assets mainly includes investment in software to be used by the Group.

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

Related information

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Sales

No reportable information because there are no external sales outside Japan.

(2) Tangible fixed assets

No reportable information since the Company has no tangible fixed assets other than Japan.

3. Information by major client

This information is omitted because no external client accounts for more than 10% of sales on the consolidated statement of income.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Sales

No reportable information because there are no external sales outside Japan.

(2) Tangible fixed assets

No reportable information since the Company has no tangible fixed assets other than Japan.

3. Information by major client

This information is omitted because no external client accounts for more than 10% of sales on the consolidated statement of income.

Information related to impairment losses on fixed assets for each reportable segment

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Sub-total		
Impairment losses	962	-	567	382	1,913	28	1,942

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Sub-total		
Impairment losses	1,116	-	620	169	1,906	10	1,917

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Sub-total		
Balance at end of period	17	-	-	12	30	-	30

Note: Goodwill amortization is omitted because the same information is presented in segment information.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Sub-total		
Balance at end of period	8	-	106	7	123	-	123

Note: Goodwill amortization is omitted because the same information is presented in segment information.

Information related to negative goodwill profits for each reportable segment

No reportable information.

Per Share Information

(Yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share	1,531.81	1,593.03
Net income per share	111.70	107.55

Notes: 1. Diluted net income per share is not presented since the Company has no outstanding dilutive securities in FY3/15 and has no potential stock with dilutive effects in FY3/16.

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

(Millions of yen)

Item	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net income per share		
Profit attributable to owners of parent	10,185	9,711
Net income not available to common stock shareholders	-	-
Profit attributable to owners of parent applicable to common stock	10,185	9,711
Average number of common shares outstanding during the period (Thousand shares)	91,183	90,297
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	Stock acquisition rights issued pursuant to the Board of Directors' resolution on November 18, 2015 Stock Acquisition Rights No. 5 Number of stock acquisition rights: 9,050

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

(Millions of yen)

Item	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Total net assets	139,675	142,926
Deduction on total net assets	-	87
[of which stock acquisition rights]	-	[87]
Net assets applicable to common shares	139,675	142,838
Number of common stock shares used in calculation of net assets per share (Thousand shares)	91,183	89,664

Subsequent Events

Not applicable.

* 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.