

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2015
(Three Months Ended June 30, 2014)

[Japanese GAAP]

Company name: AOKI Holdings Inc.	Listings: TSE First Section
Stock code: 8214	URL: http://www.aoki-hd.co.jp/
Representative: Akihiro Aoki, President	
Contact: Haruo Tamura, Executive Vice President	Tel: +81-45-941-1388
Scheduled date of filing of Quarterly Report:	August 8, 2014
Scheduled date of payment of dividend:	-
Preparation of supplementary materials for quarterly financial results:	None
Holding of quarterly financial results meeting:	None

Note: The original disclosure in Japanese was released on August 7, 2014 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2014	43,870	5.1	2,121	(30.0)	2,135	(35.4)	1,565	(12.7)
Three months ended Jun. 30, 2013	41,758	8.6	3,031	(4.2)	3,305	(4.1)	1,793	(11.3)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2014: 1,744 (down 8.1%)

Three months ended Jun. 30, 2013: 1,898 (up 4.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2014	17.17	-
Three months ended Jun. 30, 2013	21.64	-

Note: The Company conducted a 2-for-1 common stock split on January 1, 2014. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2014	209,951	132,113	62.9
As of Mar. 31, 2014	212,755	131,283	61.7

Reference: Shareholders' equity (million yen) As of Jun. 30, 2014: 132,113 As of Mar. 31, 2014: 131,283

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/14	-	30.00	-	18.00	-
FY3/15	-	-	-	-	-
FY3/15 (forecasts)	-	18.00	-	18.00	36.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. The year-end dividend per share for FY3/14 and the year-end dividend per share for FY3/15 (forecasts) have been adjusted to reflect the 2-for-1 stock split on January 1, 2014.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	80,530	9.7	3,100	(5.3)	3,050	(16.4)	1,300	(33.2)	14.26
Full year	192,970	7.5	21,300	4.5	21,200	1.6	11,500	7.6	126.12

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

*** Notes**

(1) Changes in consolidated subsidiaries during the period: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

- | | |
|-------------------------------------------------------------------------------------|------|
| 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 "2. Matters Related to Summary Information (Notes)" on page 4 of the attachments for further information.

(4) Number of shares outstanding (common shares)

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

As of Jun. 30, 2014:	91,249,504 shares	As of Mar. 31, 2014:	91,249,504 shares
----------------------	-------------------	----------------------	-------------------

2) Number of shares of treasury stock at end of period

As of Jun. 30, 2014:	65,530 shares	As of Mar. 31, 2014:	65,090 shares
----------------------	---------------	----------------------	---------------

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2014:	91,184,217 shares	Three months ended Jun. 30, 2013:	82,860,895 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Note: The Company conducted a 2-for-1 common stock split on January 1, 2014. Number of shares have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Note 1: Information regarding the implementation of quarterly review procedures

The current quarterly summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the review procedures for the quarterly 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 "(3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	4
2. Matters Related to Summary Information (Notes)	4
Changes in Accounting Policies and Accounting-based Estimates, and Restatements	4
3. Quarterly Consolidated Financial Statements	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	7
Quarterly Consolidated Statement of Income	7
Quarterly Consolidated Statement of Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Segment and Other Information	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, the Japanese economy continued to recover at a moderate pace despite the negative effect of the April 2014 consumption tax hike. The economy is benefiting from strong personal consumption, a sound employment situation and other factors. However, the operating environment in Japan's fashion industry is uncertain because of changes in life styles, the shrinking market for business suits, concerns about higher costs and other events.

In this environment, the AOKI Group implemented various measures in each business segment as discussed below. Sales increased 5.1% year-on-year to 43,870 million yen but operating profit decreased 30.0% to 2,121 million yen due in part to the falloff in the Fashion Business following the rush to make purchases prior to the April 2014 consumption tax hike. Ordinary income decreased 35.4% to 2,135 million yen and net income decreased 12.7% to 1,565 million yen.

Fashion Business

AOKI continued to strengthen its Cool Biz lineup that have properties ideally suited to this campaign. The lineup includes functional suits, "Ultra Cool Pants," "Ultra Cool Shirts" and "Premium Cool Jackets," which were developed in collaboration with the academic sector. In addition, AOKI continued to offer "Ultra Cross Suits," which allow for unlimited mix-and-matching of jackets and slacks. Television commercials and other advertising channels were used to promote ladies' formal wear, which features a wide range of sizes, silhouettes and designs, to women across a broad spectrum of age segments. Regarding AOKI stores, it opened 14 new stores. These new stores include one in Yamagata prefecture where it previously had no stores. As a result, the AOKI store network consisted of 535 stores at the end of the first quarter, up from 521 at the end of the previous fiscal year.

ORIHICA strengthened its ability of offer proposals to customers involving Cool Biz jackets and slacks, three-quarter sleeve shirts, polo shirts and other items. During the first quarter, ORIHICA opened five stores that included stores in shopping centers and the Kawasaki La Cittadella store, which is ORIHICA's first two-story urban roadside store. As a result, the ORIHICA store network consisted of 136 stores at the end of the first quarter, up from 131 at the end of the previous fiscal year.

AOKI and ORIHICA introduced a new customer management system in June. The new system consolidates customer data to enable centralized management in order to communicate with customers in the best possible manner based on the characteristics of individual customers.

Overall sales decreased 1.7% year-on-year to 26,645 million yen and operating profit decreased 79.1% to 410 million yen. The drop in demand following the rush to make purchases prior to the April 2014 consumption tax hike had a big impact on first quarter sales, while Cool Biz products and ladies' products performed well.

Anniversaire and Bridal Business

At ANNIVERSAIRE INC., which operates guesthouse-style wedding and reception facilities, ANNIVERSAIRE MINATO MIRAI YOKOHAMA, which opened in February 2014, continues to perform well and is attracting a large volume of orders. Other wedding and reception facilities strengthened sales promotion and public relations activities by utilizing the unique features of each location. Other priorities are increasing food and drink sales and sharing the know-how of skilled employees.

Sales increased 28.6% year-on-year to 8,078 million yen thanks to a contribution from ANNIVERSAIRE MINATO MIRAI YOKOHAMA. Operating profit significantly increased 108.8% to 1,253 million yen.

Karaoke Facility Operations Business

VALIC Co., Ltd., which operates karaoke facilities, focused on revitalizing sales at existing facilities by using following initiatives: conducting promotion campaigns in collaboration with famous artists and popular characters; offering more seasonal menus, such as selections for spring and early summer; and refurbishing eight locations. Regarding the network of karaoke facilities, it opened three new facilities in front of train stations. As a result, the network of karaoke facilities was 162 at the end of the first quarter, up from 159 at the end of the previous fiscal year.

Sales increased 6.7% year-on-year to 3,967 million yen but operating profit decreased 27.2% to 113 million yen due to weak existing-store sales.

Café Complex Operations Business

At VALIC Co., Ltd., which also operates café complexes, 10 facilities were remodeled to offer more amusement content, provide more space exclusively for women, and make other improvements. In other moves to attract more customers, café complexes switched all PCs to Windows 7 and enlarged menus to offer a larger selection of food. Regarding the network of café complexes, it opened two new facilities. As a result, the network of café complexes was 230 at the end of the first quarter, up from 228 at the end of the previous fiscal year.

Sales increased 11.1% year-on-year to 5,188 million yen due to the benefits from ongoing strong sales at existing facilities. Also, operating profit increased 36.6% to 356 million yen.

(2) Explanation of Financial Position

Balance sheet position

Assets

Total assets at the end of the first quarter under review decreased 2,804 million yen over the end of the previous fiscal year to 209,951 million yen.

Current assets decreased 9,388 million yen over the end of the previous fiscal year. Although inventories increased 613 million yen due to new store openings among other factors, accounts receivable-trade decreased 3,848 million yen due to seasonal reasons and other factors, and cash in hand and in banks decreased 6,166 million yen mainly due to capital investments and the payment of income taxes. Fixed assets increased 6,583 million yen over the end of the previous fiscal year as tangible fixed assets increased 6,443 million yen due to the purchase of land and new store openings.

Liabilities

Current liabilities decreased 1,597 million yen over the end of the previous fiscal year. Although short-term debt increased 4,000 million yen, accrued income taxes decreased 4,065 million yen due to the payment of income taxes and other items, and accounts payable-trade decreased 1,842 million yen due to seasonal reasons and other factors. Long-term liabilities decreased 2,037 million yen over the end of the previous fiscal year. It was mainly due to decreases of 900 million yen in scheduled repayment of long-term debt and 1,149 million yen in net defined benefit liability due to changes in accounting policies.

Net assets

Net assets increased 829 million yen over the end of the previous fiscal year. There was an increase in retained earnings of 651 million yen from net income and dividends from surplus.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Results of operations in the first quarter under review were below initial estimates as sales and segment profit (operating income) in the Fashion Business were impacted by the more-than-expected falloff in demand following the surge in buying in the period leading up to the consumption tax rate hike. However, we have not revised the earnings forecasts that we released on May 9, 2014.

2. Matters Related to Summary Information (Notes)

Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and changed the method of determining the discount rate, for the period of bonds used for the basis of determining the discount rate, from the method using the number of years approximate the expected average length of remaining service period of employees to the method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

The application of this accounting standard, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, and thus the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the first quarter.

The result was a decrease of 1,144 million yen in net defined benefit liability and an increase of 726 million yen in retained earnings at the beginning of the first quarter. The effect of this change on operating profit, ordinary income, and net income before income taxes in the first quarter is insignificant.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	First quarter of FY3/15 (As of Jun. 30, 2014)
Assets		
Current assets		
Cash in hand and in banks	22,619	16,453
Accounts receivable-trade	10,127	6,279
Inventories	22,751	23,365
Other current assets	10,525	10,543
Allowance for doubtful accounts	(20)	(25)
Total current assets	66,003	56,615
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	56,929	57,718
Land	31,394	37,184
Other tangible fixed assets, net	12,708	12,572
Total tangible fixed assets	101,032	107,475
Intangible fixed assets	5,675	6,084
Investments and other assets		
Guarantee deposits	8,588	8,494
Leasehold deposit	19,364	19,528
Other investments and other assets	12,130	11,792
Allowance for doubtful accounts	(40)	(40)
Total investments and other assets	40,043	39,775
Total fixed assets	146,752	153,335
Total assets	212,755	209,951
Liabilities		
Current liabilities		
Accounts payable-trade	20,224	18,382
Short-term debt	-	4,000
Current portion of long-term debt	8,086	7,274
Accrued income taxes	4,582	517
Accrued bonuses for employees	1,842	880
Accrued bonuses for directors and statutory auditors	167	32
Other current liabilities	11,775	13,994
Total current liabilities	46,678	45,081
Long-term liabilities		
Long-term debt	22,275	21,375
Accrued retirement benefits for directors and statutory auditors	1,764	1,754
Accrued costs for customer point program	767	799
Net defined benefit liability	1,534	384
Asset retirement obligations	4,400	4,482
Negative goodwill	82	75
Other long-term liabilities	3,968	3,883
Total long-term liabilities	34,793	32,756
Total liabilities	81,472	77,837

	(Millions of yen)	
	FY3/14 (As of Mar. 31, 2014)	First quarter of FY3/15 (As of Jun. 30, 2014)
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	28,757	28,757
Retained earnings	79,029	79,680
Treasury stock	(43)	(43)
Total shareholders' equity	131,026	131,676
Accumulated other comprehensive income		
Unrealized gain on securities	549	702
Remeasurements of defined benefit plans	(292)	(265)
Total accumulated other comprehensive income	257	436
Total net assets	131,283	132,113
Total liabilities and net assets	212,755	209,951

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Three-month Period)**

(Millions of yen)

	First three months of FY3/14 (Apr. 1, 2013 – Jun. 30, 2013)	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)
Sales	41,758	43,870
Cost of sales	21,852	23,951
Gross profit	19,906	19,919
Selling, general and administrative expenses	16,874	17,797
Operating profit	3,031	2,121
Non-operating profit		
Interest income	25	27
Dividend income	66	99
Rental income on real estate	169	154
Amortization of negative goodwill	243	10
Other	46	74
Total non-operating profit	551	365
Non-operating expenses		
Interest expenses	73	70
Expenses on sub-leased real estate	162	136
Loss on cancellation of lease agreements	-	80
Other	41	63
Total non-operating expenses	277	351
Ordinary income	3,305	2,135
Extraordinary gains		
Gain on reversal of stock acquisition rights	5	-
Total extraordinary gains	5	-
Extraordinary losses		
Impairment loss	285	18
Total extraordinary losses	285	18
Net income before income taxes	3,025	2,117
Current income taxes	237	301
Deferred income taxes	994	250
Total income taxes	1,232	552
Income before minority interests	1,793	1,565
Net income	1,793	1,565

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

(Millions of yen)

	First three months of FY3/14 (Apr. 1, 2013 – Jun. 30, 2013)	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)
Income before minority interests	1,793	1,565
Other comprehensive income		
Unrealized gain on securities	105	152
Remeasurements of defined benefit plans, net of tax	-	26
Total other comprehensive income	105	179
Comprehensive income	1,898	1,744
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,898	1,744
Comprehensive income attributable to minority interests	-	-

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

No reportable information.

Significant Changes in Shareholders' Equity

First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)

No reportable information.

Segment and Other Information

First three months of FY3/14 (Apr. 1, 2013 – Jun. 30, 2013)

1. Information related to sales and profit/loss for each reportable segment

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Subtotal				
Sales									
External sales	27,098	6,272	3,716	4,668	41,757	0	41,758	-	41,758
Inter-segment sales and transfers	1	8	0	-	10	-	10	(10)	-
Total	27,100	6,280	3,717	4,668	41,767	0	41,768	(10)	41,758
Segment profit (loss)	1,962	600	156	260	2,980	(21)	2,959	72	3,031

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

2. The 72 million yen adjustment to segment profit (loss) includes 1,013 million yen in elimination for inter-segment transactions and -941 million yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to any specific reportable segments.

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

2. Information related to impairment losses on fixed assets, or goodwill, etc. for each reportable segment

Material impairment losses related to fixed assets

In the Fashion Business and the Café Complex Operations Business, impairment losses were mainly recognized for idle assets whose recoverable value had fallen below book value, and operating stores had remained in the red; impairment losses of 232 million yen and 52 million yen were booked respectively in the first three months of FY3/14.

First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)

1. Information related to sales and profit/loss for each reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	26,642	8,072	3,966	5,188	43,870	-	43,870
Inter-segment sales and transfers	2	6	0	-	9	(9)	-
Total	26,645	8,078	3,967	5,188	43,880	(9)	43,870
Segment profit	410	1,253	113	356	2,134	(12)	2,121

Notes: 1. The -12 million yen adjustment to segment profit includes 1,082 million yen in elimination for inter-segment transactions and -1,094 million yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to any specific reportable segments.

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

2. Revision to reportable segments

In the first three months of FY3/15, the electricity sales business, included in “others” in prior period, was reclassified and included in each reportable segment in association with revisions to administrative divisions.

The segment information for the first three months of FY3/14 is prepared and disclosed based on the reportable segment categories after the revision.

3. Information related to impairment losses on fixed assets, or goodwill, etc. for each reportable segment

Material impairment losses related to fixed assets

In the Fashion Business segment, impairment losses were mainly recognized for operating stores set to be relocated for which there is little expectation of recovery; impairment losses of 18 million yen were booked in the first three months of FY3/15.

** 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.*