

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2013
(Six Months Ended September 30, 2012)

[Japanese GAAP]

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 Scheduled date of filing of Quarterly Report: November 12, 2012
 Scheduled date of payment of dividend: December 5, 2012
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on November 8, 2012 at 14:15 (GMT +9).

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2012 (Apr. 1, 2012 – Sep. 30, 2012)

(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	%
Six months ended Sep. 30, 2012	67,425	8.8	3,083	34.2	3,263	15.8	1,901	23.7
Six months ended Sep. 30, 2011	61,945	5.7	2,297	7.7	2,818	3.2	1,537	244.5

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2012: 1,770 (up 14.7%)
 Six months ended Sep. 30, 2011: 1,544 (up 627.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2012	45.63	45.58
Six months ended Sep. 30, 2011	36.04	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2012	173,431	104,745	60.3
As of Mar. 31, 2012	176,779	103,994	58.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2012: 104,529 As of Mar. 31, 2012: 103,589

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/12	-	15.00	-	20.00	35.00
FY3/13	-	20.00	-	-	-
FY3/13 (forecasts)	-	-	-	20.00	40.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(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
Full year	155,830	6.3	15,200	10.4	15,700	7.6	8,250	16.4	197.98

Note: Revisions to the most recently announced consolidated forecast: Yes

*** 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: | Yes |
| 4) Restatements: | None |

Note: Subject to “changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates” since the Company has revised its depreciation method from the first quarter. 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 Sep. 30, 2012:	46,624,752 shares	As of Mar. 31, 2012:	46,624,752 shares
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2) Number of shares of treasury stock at end of period

As of Sep. 30, 2012:	4,953,104 shares	As of Mar. 31, 2012:	4,954,568 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2012:	41,671,220 shares	Six months ended Sep. 30, 2011:	42,670,995 shares
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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) Qualitative Information Regarding Consolidated Forecast” on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Results presentation materials

The Company plans to hold a financial results meeting for institutional investors and analysts on Thursday, November 22, 2012. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first half of the current fiscal year, the Japanese economy saw a gradual recovery supported by post-quake reconstruction demand, but the outlook remained unclear due to Europe's debt problems and concerns of a slowdown in overseas economies. In the retail industry, demand was generally firm in the midst of changing trends in consumption caused by the unstable economy, weather factors, and lifestyle changes.

In this uncertain environment, the AOKI Group implemented various measures in each business segment as discussed below and recorded increases both in sales and earnings. Sales increased 8.8% year-on-year to 67,425 million yen, operating profit increased 34.2% to 3,083 million yen, ordinary income increased 15.8% to 3,263 million yen, and net income increased 23.7% to 1,901 million yen.

Operating results by segment are as follows.

Fashion Business

AOKI strengthened its lineup, promotions, visual merchandising, marketing, and sales space environment for Cool Biz products including the "Heat Block" series, "Premium Wash" series, "BIZ-TECH Pants," and "CAFÉ SOHO" which proposes styles for active businessmen and adults going out on the town. It also expanded its lineup of ladies' wear which continued to enjoy strong sales. All these efforts were designed to revitalize existing-store sales. Regarding AOKI stores, we opened 10 new stores including two station-front stores, but closed eight including for relocation purposes. As a result, the AOKI store network consisted of 442 stores at the end of the first half, up from 440 at the end of the previous fiscal year.

ORIHICA strengthened its mix-and-matching proposals for jackets and slacks, and to increase its dominant position in core areas, opened eight new stores including Nagoya PARCO Store and Chofu PARCO Store both of which employ new designs appropriate for stores in train station buildings and fashion buildings. It also closed one store. As a result, the ORIHICA store network consisted of 98 stores at the end of the first half, up from 91 at the end of the previous fiscal year.

Sales of suits and formalwear were solid, and sales of Cool Biz jackets, slacks, and other items were strong as were sales of ladies' wear. As a result, existing-store sales increased year-on-year in the first half, and together with benefits from new store openings, they boosted both sales and earnings. Sales increased 9.6% year-on-year to 40,227 million yen, and operating profit increased 67.3% to 1,058 million yen.

Anniversaire and Bridal Business

ANNIVERSAIRE INC., which runs guesthouse-style wedding and reception facilities, renovated four facilities to meet diversifying needs and trends in the wedding market and ultimately revitalize sales at existing facilities. Also, it focused on strengthening sales of food and beverages, sharing the know-how of skilled staff, and working to cut costs.

Thanks to an improvement in the gross profit margin on higher average sales per couple and cost cutting, sales increased 4.1% year-on-year to 11,618 million yen and operating profit increased sharply by 126.7% to 1,237 million yen.

Karaoke Facility Operations Business

In karaoke facility operations, under the management of VALIC Co., Ltd., we conducted summer promotion campaigns in collaboration with famous artists, popular characters, and television stations aiming to improve the brand's recognition and increase customer traffic. Also, we renovated 22 facilities – 16 completely – and strengthened summer party plan proposals and limited-time-only menus, to revitalize sales at existing facilities. Regarding facilities, we opened seven new facilities mostly close to train stations and closed two existing ones to improve operating efficiency. As a result, our network of karaoke facilities was 137 at the end of the first half, up from 132 at the end of the previous fiscal year.

Due to the aforementioned efforts to improve sales at existing facilities, and the opening of new ones, sales rose 5.8% year-on-year to 7,175 million yen, but operating profit declined 24.1% to 421 million yen due to an increase in spending on renovation to bolster sales at existing facilities.

Café Complex Operations Business

In café complexes operations, under the management of VALIC Co., Ltd., we refurbished 15 café complexes in order to expand amusement content including online darts, and collaborated with various game companies to increase customer traffic. Regarding the network of café complexes, we opened 19 new café complexes including our first café complexes in Akita, Kagawa, and Yamaguchi prefectures. We closed one café complex. As a result, our network of café complexes was 190 at the end of the first half, up from 172 at the end of the previous fiscal year.

Sales at existing café complexes were firm due to the aforementioned efforts to boost sales and an increase in customer traffic as people used the café complexes to escape the summer heat. Together with opening of new café complexes, sales increased 15.2% year-on-year to 8,424 million yen, but operating profit declined 13.7% to 668 million yen due to an increase in expenses related to the opening of new café complexes.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Balance sheet position

Assets

Total assets at the end of the second quarter under review decreased 3,348 million yen over the end of the previous fiscal year to 173,431 million yen.

Current assets decreased 8,431 million yen over the end of the previous fiscal year. Inventories increased 1,878 million yen mainly due to new store openings among other factors, cash in hand and in banks declined 6,250 million yen mainly due to capital investments and the payment of income taxes, and accounts receivable-trade declined 4,221 million yen as payments are received. Fixed assets increased 5,082 million yen over the end of the previous fiscal year as tangible fixed assets increased 4,840 million yen due to new store openings and other items.

Liabilities

Current liabilities decreased 1,609 million yen over the end of the previous fiscal year. Accounts payable-trade declined 2,803 million yen due to seasonal reasons and other factors, accrued income taxes declined 2,670 million yen due to the payment of income taxes, and other current liabilities consisting mainly of accounts payable-other declined 1,142 million yen, while there was a 6,000 million yen increase in short-term debt. Long-term liabilities decreased 2,489 million yen over the end of previous fiscal year. This was mainly due to a decrease of long-term debt by 2,848 million yen because of the scheduled repayment and other items.

Net assets

Net assets increased 750 million yen over the end of the previous fiscal year, mainly due to an increase in retained earnings of 1,068 million yen from net income and other items.

2) Cash flow position

Cash and cash equivalents at the end of the second quarter under review decreased 6,250 million yen over the end of the previous fiscal year to 16,858 million yen.

Cash flows from operating activities

Net cash used in operating activities was 9 million yen (compared with net cash provided of 3,245 million yen one year earlier). The principal factors were net income before income taxes of 3,351 million yen, depreciation and amortization of 3,125 million yen, a 2,803 million yen decrease in accounts payable-trade and income taxes paid of 4,170 million yen (the net of income tax payments and refunds).

Cash flows from investing activities

Net cash used in investing activities was 7,224 million yen (compared with net cash used of 3,542 million yen one year earlier). This was mainly due to the payments of 6,006 million yen for the acquisition of tangible fixed assets for new store openings, and leasehold and guarantee deposits of 1,051 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 984 million yen (compared with net cash used of 4,681 million yen one year earlier). The principal factors were the scheduled repayment of long-term debt of 3,412 million yen, cash dividends paid of 833 million yen, the repayments of lease obligations of 760 million yen, and a 6,000 million yen increase in short-term debt.

(3) Qualitative Information Regarding Consolidated Forecast

In light of slightly better-than-expected results in each business segment in the first half, and revisions to our store-opening plans, we raise the full-year consolidated forecasts for the fiscal year ending March 31, 2013 as follows: sales by 930 million yen, operating profit by 600 million yen, ordinary income by 350 million yen, and net income by 550 million yen. We have lifted our store-opening plans from 40 at the beginning of the fiscal year to 45 stores for the fashion business, and from 30 to 40 stores for the café complex operations business.

The revisions to our business segment forecasts are as follows:

Forecast by business segment for the fiscal year ending March 31, 2013

	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Consolidated
Sales (Millions of yen)	99,400	24,120	15,400	16,950	155,830
YoY change (%)	105.5	102.9	107.6	116.0	106.3
Segment profit (Millions of yen)	10,500	2,750	1,440	910	15,200
YoY change (%)	105.2	131.8	107.6	102.5	110.4

Note: Segment profit is generally operating profit figures. Difference between total segment profits and consolidated operating profit implies adjustments for consolidation purposes.

2. Matters Related to Summary Information (Notes)**Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Following tax law revisions, from the first quarter of the current fiscal year, the Company and its consolidated subsidiaries have changed the method of depreciation of tangible fixed assets acquired on or after April 1, 2012 in line with methods prescribed in the revised Corporation Tax Law.

The effect of this change was to increase operating profit, ordinary income, and net income before income taxes by 29 million yen each in the first half of the current fiscal year, compared with the previous method.

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

	(Millions of yen)	
	FY3/12 (As of Mar. 31, 2012)	Second quarter of FY3/13 (As of Sep. 30, 2012)
Assets		
Current assets		
Cash in hand and in banks	23,108	16,858
Accounts receivable-trade	6,980	2,758
Inventories	16,058	17,936
Other current assets	6,788	6,949
Allowance for doubtful accounts	(11)	(9)
Total current assets	52,924	44,493
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	41,775	43,475
Land	31,477	31,528
Other, net	9,803	12,892
Total tangible fixed assets	83,055	87,896
Intangible fixed assets	4,897	5,309
Investments and other assets		
Guarantee deposits	8,857	8,330
Leasehold deposit	17,146	17,525
Other investments and other assets	9,942	9,921
Allowance for doubtful accounts	(44)	(44)
Total investments and other assets	35,902	35,732
Total fixed assets	123,854	128,937
Total assets	176,779	173,431
Liabilities		
Current liabilities		
Accounts payable-trade	15,053	12,250
Short-term debt	-	6,000
Current portion of long-term debt	6,518	5,954
Accrued income taxes	3,760	1,089
Accrued bonuses for employees	1,786	1,465
Accrued bonuses for directors and statutory auditors	177	70
Other current liabilities	10,128	8,985
Total current liabilities	37,425	35,816
Long-term liabilities		
Long-term debt	24,057	21,209
Accrued retirement benefits for employees	722	787
Accrued retirement benefits for directors and statutory auditors	1,511	1,571
Accrued costs for customer point program	717	757
Asset retirement obligations	3,344	3,504
Negative goodwill	1,135	921
Other long-term liabilities	3,871	4,118
Total long-term liabilities	35,359	32,869
Total liabilities	72,784	68,685

	(Millions of yen)	
	FY3/12 (As of Mar. 31, 2012)	Second quarter of FY3/13 (As of Sep. 30, 2012)
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	22,586	22,587
Retained earnings	63,252	64,320
Treasury stock	(5,532)	(5,531)
Total shareholders' equity	103,588	104,659
Accumulated other comprehensive income		
Unrealized gain on securities	1	(129)
Total accumulated other comprehensive income	1	(129)
Stock acquisition rights	405	215
Total net assets	103,994	104,745
Total liabilities and net assets	176,779	173,431

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)
Sales	61,945	67,425
Cost of sales	34,596	36,588
Gross profit	27,349	30,836
Selling, general and administrative expenses	25,052	27,753
Operating profit	2,297	3,083
Non-operating profit		
Interest income	35	41
Dividend income	60	29
Rental income on real estate	443	398
Amortization of negative goodwill	486	486
Other	264	195
Total non-operating profit	1,290	1,150
Non-operating expenses		
Interest expenses	162	150
Expenses on sub-leased real estate	420	365
Other	186	453
Total non-operating expenses	768	970
Ordinary income	2,818	3,263
Extraordinary gains		
Gain on reversal of stock acquisition rights	241	185
Total extraordinary gains	241	185
Extraordinary losses		
Loss on cancellation of lease agreements	18	-
Loss on disposal of fixed assets	65	-
Impairment loss	290	96
Other	7	1
Total extraordinary losses	382	97
Net income before income taxes	2,677	3,351
Current income taxes	756	1,122
Deferred income taxes	384	328
Total income taxes	1,140	1,450
Income before minority interests	1,537	1,901
Net income	1,537	1,901

Consolidated Statements of Comprehensive Income
(For the Six-month Period)

(Millions of yen)

	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)
Income before minority interests	1,537	1,901
Other comprehensive income		
Unrealized gain on securities	6	(130)
Total other comprehensive income	6	(130)
Comprehensive income	1,544	1,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,544	1,770
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)
Cash flows from operating activities		
Net income before income taxes	2,677	3,351
Depreciation and amortization	2,824	3,125
Impairment loss	290	96
Amortization of goodwill	274	272
Amortization of negative goodwill	(486)	(486)
Increase (decrease) in accrued retirement benefits for employees	60	65
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	37	60
Increase (decrease) in accrued costs for customer point program	26	40
Interest and dividend income	(96)	(70)
Interest expenses	162	150
Loss on cancellation of lease agreements	18	-
Loss on disposal of fixed assets	65	-
Decrease (increase) in accounts receivable-trade	3,004	4,221
Decrease (increase) in inventories	(1,783)	(1,878)
Increase (decrease) in accounts payable-trade	2,035	(2,803)
Other	(3,407)	(1,873)
Subtotal	5,705	4,272
Interest and dividend income received	72	46
Interests paid	(169)	(157)
Income taxes paid	(2,899)	(4,876)
Income taxes refund	535	705
Net cash provided by (used in) operating activities	3,245	(9)
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(2,565)	(6,006)
Payments for acquisition of intangible fixed assets	(341)	(525)
Payments for leasehold and guarantee deposits	(747)	(1,051)
Net decrease (increase) in trust beneficiary right	(88)	149
Other	200	209
Net cash used in investing activities	(3,542)	(7,224)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	-	6,000
Repayments of long-term debt	(3,423)	(3,412)
Repayments of lease obligations	(601)	(760)
Payments for purchase of treasury stock	(0)	(1)
Dividends paid	(640)	(833)
Other	(16)	(7)
Net cash provided by (used in) financing activities	(4,681)	984
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	(4,978)	(6,250)
Cash and cash equivalents at beginning of period	18,249	23,108
Cash and cash equivalents at end of period	13,270	16,858

(4) Going Concern Assumption

First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)

No reportable information.

(5) Segment Information

First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)

1) Information related to sales and profit/losses for each reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	36,696	11,152	6,781	7,314	61,945	-	61,945
Inter-segment sales and transfers	1	12	3	-	17	(17)	-
Total	36,698	11,164	6,785	7,314	61,962	(17)	61,945
Segment profit	632	545	555	775	2,509	(211)	2,297

Notes: 1. The -211 million yen adjustment to segment profit includes 1,592 million yen in elimination for inter-segment transactions, goodwill amortization of -266 million yen, and -1,537 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 consolidated statements 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, Karaoke Facility Operations, and Café Complex Operations businesses, impairment losses were mainly recognized for stores set to be closed and fixed assets that have continuously produced losses and for which there is little expectation of recovery; impairment losses of 168 million yen, 61 million yen, and 37 million yen were booked, respectively, for each business in the first half of the current fiscal year.

First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)

1) Information related to sales and profit/losses for each reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	40,226	11,604	7,170	8,424	67,425	-	67,425
Inter-segment sales and transfers	1	13	5	-	20	(20)	-
Total	40,227	11,618	7,175	8,424	67,445	(20)	67,425
Segment profit	1,058	1,237	421	668	3,385	(302)	3,083

Notes: 1. The -302 million yen adjustment to segment profit includes 1,657 million yen in elimination for inter-segment transactions, goodwill amortization of -266 million yen, and -1,693 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 consolidated statements 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 segment, impairment losses were mainly recognized for stores set to be relocated for which there is little expectation of recovery; impairment losses of 93 million yen were booked in the first half of the current fiscal year.

3) Revisions to reportable segments

As noted in the section on “2. Matters Related to Summary Information (Notes), Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates,” following tax law revisions, from the first quarter of the current fiscal year, the Company has changed the method of depreciation of tangible fixed assets acquired on or after April 1, 2012 in line with methods prescribed in the revised Corporation Tax Law.

The effect of this change was to increase segment profits for the Fashion Business, the ANNIVERSAIRE and Bridal Business, the Karaoke Facility Operations Business, and the Café Complex Operations Business by 9 million yen, 1 million yen, 4 million yen, and 7 million yen, respectively in the first half of the current fiscal year, compared with the previous method.

(6) Significant Changes in Shareholders' Equity

First six months of FY3/13 (Apr. 1, 2012 – Sep. 30, 2012)

No reportable information.

(7) Subsequent Events

The Company decided at a Board of Directors meeting held on November 8, 2012 to purchase and retire its own shares to adopt timely and flexible financial strategies in response to changes in the operating environment and to increase shareholder value.

For details, please see “Notice of Decision to Acquire and Retire Shares” released the same day.

** 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.*