AOKI Holdings

May 10, 2013

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

[Japanese GAAP]

Company name: AOKI Holdings Inc. Listings: TSE/OSE, First Sections
Stock code: 8214 URL: http://www.aoki-hd.co.jp/
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Scheduled date of Annual General Meeting of Shareholders: June 27, 2013
Scheduled date of filing of Annual Securities Report: June 28, 2013
Scheduled date of payment of dividend: June 10, 2013
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 10, 2013 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, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

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

	Sales		Operating profit		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/13	160,589	9.5	17,078	24.1	17,590	20.6	9,832	38.7
FY3/12	146,591	10.6	13,766	25.7	14,584	21.0	7,087	98.3

Note: Comprehensive income (million yen) FY3/13: 10,511 (up 44.2%) FY3/12: 7,287 (up 122.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/13	236.51	235.82	9.1	9.5	10.6
FY3/12	167.07	-	7.0	8.5	9.4

Reference: Equity in income of affiliates (million yen) FY3/13: - FY3/12: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	193,664	111,484	57.5	2,698.98
As of Mar. 31, 2012	176,779	103,994	58.6	2,485.94

Reference: Shareholders' equity (million yen) As of Mar. 31, 2013: 111,405 As of Mar. 31, 2012: 103,589

(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
FY3/13	16,665	(16,402)	(975)	22,396
FY3/12	17,274	(9,044)	(3,371)	23,108

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	%	%
FY3/12	-	15.00	-	20.00	35.00	1,473	20.9	1.5
FY3/13	-	20.00	-	25.00	45.00	1,865	19.0	1.7
FY3/14 (forecasts)	-	30.00	-	30.00	60.00		24.0	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)

(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	73,290	8.7	2,500	(18.9)	2,950	(9.6)	1,650	(13.2)	39.97
Full year	175,800	9.5	18,600	8.9	19,100	8.6	10,300	4.8	249.53

*** 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

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 fiscal year. Please refer to "4. 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 end of period

As of Mar. 31, 2013: 45,624,752 shares As of Mar. 31, 2012: 46,624,752 shares

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

As of Mar. 31, 2013: 4,347,870 shares As of Mar. 31, 2012: 4,954,568 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2013: 41,571,285 shares Fiscal year ended Mar. 31, 2012: 42,424,307 shares

(For reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(1) Non-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	%
FY3/13	2,994	20.9	(652)	-	5,569	60.3	5,542	67.9
FY3/12	2,475	8.8	(828)	-	3,475	20.2	3,301	23.3

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/13	133.33	132.94
FY3/12	77.82	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	135,816	98,101	72.2	2,374.75
As of Mar. 31, 2012	127,733	94,907	74.0	2,267.87

Reference: Shareholders’ equity (million yen) As of Mar. 31, 2013: 98,022 As of Mar. 31, 2012: 94,502

Note 1: Indication of audit procedure implementation status

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Law. At the time when this report was released, the audit procedures for the 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 results presentation for institutional investors and analysts on Thursday, May 23, 2013. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

Contents of Attachments

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 under review, the Japanese economy initially decelerated further due to the impact of slowing overseas economies and the yen's protracted appreciation, but consumer sentiment improved from around the end of 2012 as expectations over the government's economic policies caused the yen to depreciate and share prices to rise.

In the menswear retail industry, personal consumption did not recover as employment and income conditions remained harsh, but sales of heavy and warm clothes were solid from autumn due to lower-than-average temperatures as were sales in spring to "freshers," men and women entering university or the workforce for the first time.

In this environment, the AOKI Group implemented various measures in each business segment to respond to the changing environment and focused on evolving its business formats in pursuit of further growth.

As a result of these initiatives, business performance in the fiscal year under review as follows:

Sales	160,589 million yen	(up 9.5% year-on-year)
Operating profit	17,078 million yen	(up 24.1% year-on-year)
Ordinary income	17,590 million yen	(up 20.6% year-on-year)
Net income	9,832 million yen	(up 38.7% year-on-year)

Profits rose sharply to new record highs at each level following the previous fiscal year.

Fashion Business

AOKI strengthened promotions of its Cool Biz products including the "Heat Block" series, "Premium Wash" series, and "BIZ-TECH Pants" from spring to summer, and of core products centered on "Hybrid Suits" and other suits from autumn. AOKI coordinated product lineups, sales promotions, visual merchandising, and marketing campaigns by strengthening promotions to "freshers," and airing television commercials for CAFÉ SOHO, a brand designed to respond to the shift to more casual business styles, and for ladies' wear. Regarding AOKI stores, it opened 29 new stores, including two new stores in Aomori Prefecture, a prefecture where it previously had no stores. It closed nine stores including for relocation purposes. As a result, the AOKI store network consisted of 460 stores at the end of the fiscal year, up from 440 at the end of the previous fiscal year.

ORIHICA focused on improving its store environments after achieving a 100-store network, and strengthening mix-and-matching core products and style proposals for business and casual scenes. Regarding ORIHICA stores, it opened 16 new stores, including new-type stores designed for train-station buildings and fashion buildings, to strengthen its dominance in key areas. It closed one store. As a result, the ORIHICA store network consisted of 106 stores at the end of the fiscal year, up from 91 at the end of the previous fiscal year.

Overall segment sales and profits rose. Existing-store sales rose 5.4% year-on-year due to an increase in average sales per customer on higher average sales per unit, an increase in "freshers," "recruitment," and ladies customers, strong sales of Cool Biz products, and strong sales of suits, formalwear, and ladies' wear throughout the year. This, together with benefits from new store openings, drove a 10.3% year-on-year increase in sales to 103,932 million yen, and a 19.9% increase in operating profit to 11,968 million yen.

Anniversaire and Bridal Business

ANNIVERSAIRE INC., which runs guesthouse-style wedding and reception facilities, renovated six facilities to meet diversifying wedding needs and trends, and to ultimately revitalize sales at existing facilities. Also, it opened a reservation salon in December 2012 in preparation for the February 2014 opening of ANNIVERSAIRE MINATO MIRAI YOKOHAMA, the largest class wedding facility in Japan, and enjoyed steady orders.

The gross profit margin improved due to an increase in average sales per couple following the sharing of know-how by skilled staff and continued efforts to improve the efficiency of operations. Sales increased 3.9% year-on-year to 24,359 million yen, and operating profit increased sharply by 39.9% to 2,917 million yen.

Karaoke Facility Operations Business

VALIC Co., Ltd., in charge of karaoke facility operations, continued to conduct campaigns in collaboration with famous artists and popular characters, aiming to improve the brand's recognition and increase customer traffic. It also focused on revitalizing sales at existing facilities by refurbishing 23 facilities to introduce concept rooms, by strengthening proposals for year-end/new year parties, farewell/welcome parties, and other parties, and by introducing seasonal menus. Regarding the network of karaoke facilities, it opened 13 new facilities mostly close to train stations, and closed two to improve operating efficiency. As a result, the network of karaoke facilities was 143 at the end of the fiscal year, up from 132 at the end of the previous fiscal year.

Although karaoke facilities struggled to draw customers, including salaried workers, at night, sales increased 6.3% year-on-year to 15,216 million yen due to an increase in traffic from families, seniors, and housewives particularly during the daytime, and benefits from the opening of new facilities. Also, operating profit rose 11.6% to 1,493 million yen.

Café Complex Operations Business

VALIC Co., Ltd., which is also in charge of café complex operations, refurbished 15 café complexes to introduce online darts and other amusement content, and strengthened the breakfast and lunch menus, aiming to revitalize sales at existing café complexes. It also held events for popular online games to increase customer traffic. Regarding the network of café complexes, it aggressively opened 40 new café complexes, including in new areas such as Hokkaido, Kyushu, and Chugoku-Shikoku, and closed one. As a result, the network of café complexes was 211 at the end of the fiscal year, up from 172 at the end of the previous fiscal year.

Sales increased 17.1% year-on-year to 17,112 million yen thanks to benefits from the opening of new café complexes, and strong sales at existing café complexes where the number of customers, particularly younger customers, increased following the addition of amusement facilities, and average sales per customer increased due to the strengthening of the food menu. Also, operating profit rose 14.4% to 1,014 million yen.

2) Forecasts for the new fiscal year

In the new fiscal year, we have begun to see positive signs thanks to the government's economic stimulus policies which have heightened expectations for an economic recovery, but conditions still require close monitoring due to fiscal and diplomatic problems as well as the impending consumption tax rate hike. In this environment, the AOKI Group will implement various policies to meet the changing times and the diversifying needs of consumers, promote flexible and efficient management, and strive to improve profitability through group synergies.

In the Fashion Business, AOKI will continue to strengthen its lineup of functional suits, formalwear, ladies' wear, and other core products. Also, in its CAFÉ SOHO brand, it will offer "Ultra Cross Suits," a new menswear category that expands the mix-and-matching possibilities of jackets and slacks. Regarding AOKI stores, it will open new stores in prefectures where it currently has none, and accelerate openings in areas where it already has stores to strengthen its dominance. AOKI plans to open more than 50 stores in the fiscal year, a record number, targeting further market share expansion.

ORIHICA plans to strengthen its core product development and styling proposals emphasizing "mix-and-matching," improve its personnel training programs with an eye to the future, improve recognition of the brand, and open around 20 new stores over the fiscal year.

In the ANNIVERSAIRE and Bridal Business, we will revitalize sales at existing facilities through renovations that focus on meeting customers' needs and further improving operating efficiency, and will do our best to prepare for the scheduled opening of ANNIVERSAIRE MINATO MIRAI YOKOHAMA in February 2014.

In the Karaoke Facility Operations Business, we will strengthen various collaboration campaigns, increase the number of concept rooms, and improve store environments and develop new facilities to meet daytime demand, mainly from families. In the Café Complex Operations Business, where the network of café complexes exceeds 200, we will focus on training employees and refurbishing existing café complexes to introduce more amusement content for growth purposes, and will strive for further evolution of the format to expand the market. In both businesses, we plan to open more than 40 new facilities to further strengthen our dominance.

In the wake of an increase in store openings at subsidiaries and changes in store formats, we have reviewed the actual usage of capital equipment and expect investment benefits to materialize in a stable manner over the long term. As such, we plan to change the depreciation method for tangible fixed assets from the declining balance method to the straight-line method from the first quarter of the fiscal year ending March 31, 2014, and have factored this impact into our forecasts. We forecast depreciation expenses for tangible fixed assets acquired by the end of March 2013 will decline by approximately 960 million yen.

We will implement the aforementioned measures precisely and marshal all of our strengths to improve business performances in the new fiscal year. Our forecasts for the fiscal year ending March 31, 2014 are as follows.

Forecast by business segment for the fiscal year ending March 31, 2014

	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Consolidated
Sales (Millions of yen)	112,500	26,700	16,700	19,900	175,800
YoY change (%)	108.2	109.6	109.7	116.3	109.5
Segment profit (Millions of yen)	12,750	2,550	1,680	1,470	18,600
YoY change (%)	106.5	87.4	112.5	144.8	108.9

Note: 1. Segment profit is generally operating profit figures. Difference between total segment profits and consolidated operating profit implies adjustments for consolidation purposes.

2. The decline in segment profit in the ANNIVERSAIRE and Bridal Business is due to an increase in leading expenses (preparation expenses) for the scheduled opening of ANNIVERSAIRE MINATO MIRAI YOKOHAMA in February 2014.

(2) Analysis of Financial Position

1) Balance sheet position

Total assets at the end of the fiscal year under review increased 16,884 million yen over the end of the previous fiscal year. Tangible fixed assets and inventories increased due to new store openings.

Current assets increased 5,343 million yen over the end of the previous fiscal year. Inventories increased 2,849 million yen and accounts receivable-trade increased 1,255 million yen due to new store openings. Fixed assets increased 11,541 million yen over the end of the previous fiscal year. There was an 8,036 million yen increase in tangible fixed assets due to acquisition of fixed assets for new store openings in addition to a 1,181 million yen increase in leasehold deposits.

Current liabilities increased 7,782 million yen over the end of the previous fiscal year. It was mainly due to increases in short-term debt of 3,000 million yen and in accrued income taxes of 2,643 million yen. Long-term liabilities increased 1,612 million yen mainly due to an increase in long-term debt for capital investment funding of 1,304 million yen.

Net assets increased 7,489 million yen over the end of the previous fiscal year. There was an increase in retained earnings of 7,371 million yen from net income and other items.

2) Cash flow position

(Millions of yen)

	FY3/12	FY3/13
Cash flows from operating activities	17,274	16,665
Cash flows from investing activities	(9,044)	(16,402)
Cash flows from financing activities	(3,371)	(975)
Increase (decrease) in cash and cash equivalents	4,858	(712)
Cash and cash equivalents at beginning of period	18,249	23,108
Cash and cash equivalents at end of period	23,108	22,396

Cash and cash equivalents at the end of the fiscal year under review decreased 712 million yen over the end of the previous fiscal year to 22,396 million yen due to an increase in payments for acquisition of tangible fixed assets and other factors.

Net cash provided by operating activities decreased 608 million yen to 16,665 million yen on a year-on-year basis. The principal factors were income taxes paid of 5,131 million yen (the net of income tax payments and refunds) and 2,849 million yen spending from an increase in inventories, while there were net income before income taxes of 16,618 million yen, depreciation and amortization of 6,573 million yen, and impairment loss of 1,164 million yen.

Net cash used in investing activities increased 7,358 million yen to 16,402 million yen on a year-on-year basis. This was mainly due to the payments of 11,908 million yen for acquisition of tangible fixed assets for capital investment and leasehold and guarantee deposits of 2,393 million yen.

Net cash used in financing activities decreased 2,395 million yen to 975 million yen on year-on-year basis. The principal factors were short-term debt of 3,000 million yen and long-term debt of 7,000 million yen for investment in equipment while there were the scheduled repayment of 6,518 million yen of long-term debt, payments of 2,004 million yen for purchase of treasury stock, and 1,666 million yen of cash dividends paid.

Reference: Cash flow indicators

	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13
Shareholders’ equity ratio (%)	61.4	60.8	59.5	58.6	57.5
Shareholders’ equity ratio based on market prices (%)	24.5	33.6	34.8	36.7	52.2
Interest-bearing debt to cash flow ratio (years)	2.7	3.6	2.6	2.0	2.3
Interest coverage ratio	39.9	25.9	39.1	54.0	55.1

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 sheets that incur interest. Interest payments are calculated using the figures for interests paid in the consolidated statements of cash flows.

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

The Company considers returning profits to shareholders to be an important management theme, and our basic policy is to maintain stable dividends while taking into consideration factors such as future business development, financial structure strengthening, and the payout ratio.

The Board of Directors, at a meeting held on May 10, 2013, approved a fiscal year-end dividend of 25 yen per share, an increase of 5 yen per share, in light of better-than-planned results for the fiscal year ended on March 31, 2013, the Company's basic policy regarding dividends, and its appreciation for shareholders' continued support. As a result, the total dividend, including the 20 yen per share interim dividend, for the current fiscal year will be 45 yen per share.

Regarding dividends in the new fiscal year ending on March 31, 2014, we plan to pay a total dividend of 60 yen per share comprised of an interim dividend of 30 yen per share and a year-end dividend of 30 yen per share. This represents a 15 yen increase in the annual dividend per share, and is based on our basic dividend policy as well as our expectation that sales and profits will increase for a third straight year.

We will consider buying back and retiring shares taking into account trends in the share price and cash on hand.

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 the Company, three subsidiaries, a related company and two affiliates, and primary business activities include marketing of fashion products mainly for men and women, bridal services including the operation of wedding facilities, and the operation of leisure facilities including karaoke rooms and café complexes.

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 ladies’ 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 20’s to 40’s.

(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 haven for relaxation.

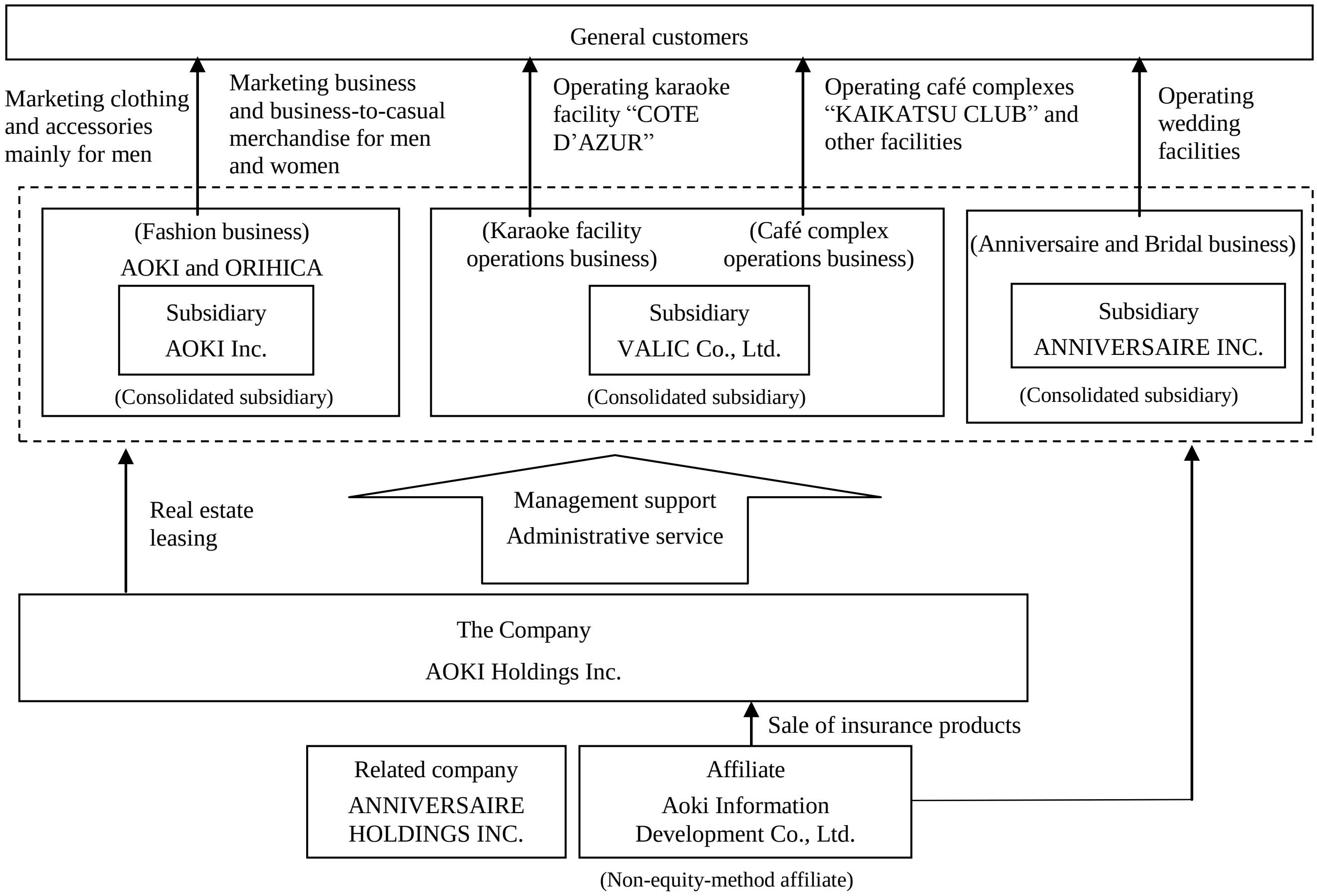
(4) Café Complex Operations Business

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

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

An organizational chart of the Group is as follows.



3. Management Policies

(1) Basic Management Policy, (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, 2012 (released on May 11, 2012).

The financial results mentioned above are available from the following URLs.

AOKI Holdings website

http://www.aoki-hd.co.jp/

Tokyo Stock Exchange website (company search)

http://www.tse.or.jp/listing/compsearch/index.html

(4) Challenges

With dramatic changes underway in the market environment and customers' needs, we aim to differentiate ourselves from the competition in all aspects of our business from the planning and development of products and services, to sales promotions, store layouts, and customer service, in order to create and pursue customer satisfaction.

In the Fashion Business, AOKI will strengthen proposals and sales promotions of suits and other core products to revitalize sales at existing stores, expand new markets by increasing our lineup of ladies' wear and Cool Biz products and by making mix-and-match proposals of CAFÉ SOHO brand jackets and slacks, and accelerate new store openings, including in new areas, to expand market share. ORIHICA will continue to advance the evolution of the brand's niche as a "lifestyle shop," build new prototypes, improves store efficiency, and promote the ORIHICA brand while continuing to open new stores.

In the ANNIVERSAIRE and Bridal Business, we will focus on renovating existing facilities to meet the changing times and customers' needs, and on opening ANNIVERSAIRE MINATO MIRAI YOKOHAMA. We will also work to strengthen the brand and profitability by improving service levels through cultivating human resources, and by developing new products.

In the Karaoke Facility Operations Business, we will aim for stable earnings by continuing promotional activity (holding events, etc.), implementing various measures to expand daytime demand, and opening new facilities particularly around train stations.

In the Café Complex Operations Business, we will advance the evolution of the business format by expanding amusement content and strengthening food and drink menus, and will pro-actively open new café complexes to expand the market.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Assets		
Current assets		
Cash in hand and in banks	23,108	22,396
Accounts receivable-trade	6,980	8,235
Inventories	*1 16,058	*1 18,908
Deferred income tax assets	1,949	2,276
Other current assets	4,839	6,462
Allowance for doubtful accounts	(11)	(11)
Total current assets	52,924	58,267
Fixed assets		
Tangible fixed assets		
Buildings and structures	94,185	99,773
Accumulated depreciation	(52,410)	(55,685)
Buildings and structures, net	41,775	44,087
Machinery, vehicles, tools, furniture and fixtures	10,794	11,876
Accumulated depreciation	(5,484)	(6,050)
Machinery, vehicles, tools, furniture and fixtures, net	5,309	5,826
Land	*2 31,477	*2 31,419
Lease assets	6,647	8,278
Accumulated depreciation	(2,535)	(4,061)
Lease assets, net	4,112	4,216
Construction in progress	380	5,541
Total tangible fixed assets	83,055	91,091
Intangible fixed assets	4,897	6,497
Investments and other assets		
Investment securities	3,781	4,858
Guarantee deposits	8,857	8,399
Leasehold deposit	17,146	18,327
Deferred income tax assets	4,670	4,644
Other investments and other assets	1,490	1,620
Allowance for doubtful accounts	(44)	(44)
Total investments and other assets	35,902	37,807
Total fixed assets	123,854	135,396
Total assets	176,779	193,664

(Millions of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	15,053	16,273
Short-term debt	*4 -	*4 3,000
Current portion of long-term debt	6,518	5,696
Lease obligations	1,423	1,614
Accounts payable-other	4,463	5,619
Accrued income taxes	3,760	6,403
Accrued bonuses for employees	1,786	1,936
Accrued bonuses for directors and statutory auditors	177	200
Other current liabilities	4,241	4,464
Total current liabilities	37,425	45,207
Long-term liabilities		
Long-term debt	24,057	25,361
Lease obligations	2,931	2,941
Accrued retirement benefits for employees	722	849
Accrued retirement benefits for directors and statutory auditors	1,511	1,640
Accrued costs for customer point program	717	768
Asset retirement obligations	3,344	3,707
Negative goodwill	*3 1,135	*3 694
Other long-term liabilities	939	1,008
Total long-term liabilities	35,359	36,972
Total liabilities	72,784	82,179
Net assets		
Shareholders’ equity		
Common stock	23,282	23,282
Capital surplus	22,586	22,586
Retained earnings	63,252	70,624
Treasury stock	(5,532)	(5,767)
Total shareholders’ equity	103,588	110,725
Accumulated other comprehensive income		
Unrealized gain on securities	1	680
Total accumulated other comprehensive income	1	680
Stock acquisition rights	405	79
Total net assets	103,994	111,484
Total liabilities and net assets	176,779	193,664

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Sales	146,591	160,589
Cost of sales	77,689	82,589
Gross profit	68,902	77,999
Selling, general and administrative expenses	*1 55,135	*1 60,921
Operating profit	13,766	17,078
Non-operating profit		
Interest income	74	90
Dividend income	85	53
Rental income on real estate	874	764
Amortization of negative goodwill	972	972
Other	389	280
Total non-operating profit	2,396	2,162
Non-operating expenses		
Interest expenses	320	297
Expenses on sub-leased real estate	821	700
Other	435	651
Total non-operating expenses	1,577	1,649
Ordinary income	14,584	17,590
Extraordinary gains		
Gain on sale of fixed assets	-	*2 8
Gain on reversal of stock acquisition rights	241	185
Total extraordinary gains	241	194
Extraordinary losses		
Loss on cancellation of lease agreements	18	-
Loss on disposal of fixed assets	*3 99	-
Impairment loss	*4 1,052	*4 1,164
Other	5	2
Total extraordinary losses	1,176	1,166
Net income before income taxes	13,649	16,618
Current income taxes	6,004	7,391
Deferred income taxes	556	(604)
Total income taxes	6,561	6,786
Income before minority interests	7,087	9,832
Net income	7,087	9,832

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Income before minority interests	7,087	9,832
Other comprehensive income		
Unrealized gain on securities	199	679
Total other comprehensive income	*1 199	*1 679
Comprehensive income	7,287	10,511
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,287	10,511
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Shareholders' equity		
Common stock		
Balance at the beginning of current period	23,282	23,282
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	23,282	23,282
Capital surplus		
Balance at the beginning of current period	24,788	22,586
Changes of items during the period		
Disposal of treasury stock	0	326
Retirement of treasury stock	(2,201)	(326)
Total changes of items during the period	(2,201)	-
Balance at the end of current period	22,586	22,586
Retained earnings		
Balance at the beginning of current period	57,987	63,252
Changes of items during the period		
Dividends from surplus	(1,280)	(1,666)
Net income	7,087	9,832
Retirement of treasury stock	(543)	(793)
Total changes of items during the period	5,264	7,371
Balance at the end of current period	63,252	70,624
Treasury stock		
Balance at the beginning of current period	(7,080)	(5,532)
Changes of items during the period		
Purchase of treasury stock	(1,197)	(2,004)
Disposal of treasury stock	0	649
Retirement of treasury stock	2,745	1,119
Total changes of items during the period	1,548	(234)
Balance at the end of current period	(5,532)	(5,767)
Total shareholders' equity		
Balance at the beginning of current period	98,977	103,588
Changes of items during the period		
Dividends from surplus	(1,280)	(1,666)
Net income	7,087	9,832
Purchase of treasury stock	(1,197)	(2,004)
Disposal of treasury stock	0	975
Total changes of items during the period	4,610	7,136
Balance at the end of current period	103,588	110,725

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Accumulated other comprehensive income		
Unrealized gain on securities		
Balance at the beginning of current period	(198)	1
Changes of items during the period		
Net changes of items other than shareholders' equity	199	679
Total changes of items during the period	199	679
Balance at the end of current period	1	680
Total accumulated other comprehensive income		
Balance at the beginning of current period	(198)	1
Changes of items during the period		
Net changes of items other than shareholders' equity	199	679
Total changes of items during the period	199	679
Balance at the end of current period	1	680
Stock acquisition rights		
Balance at the beginning of current period	655	405
Changes of items during the period		
Net changes of items other than shareholders' equity	(250)	(326)
Total changes of items during the period	(250)	(326)
Balance at the end of current period	405	79
Total net assets		
Balance at the beginning of current period	99,435	103,994
Changes of items during the period		
Dividends from surplus	(1,280)	(1,666)
Net income	7,087	9,832
Purchase of treasury stock	(1,197)	(2,004)
Disposal of treasury stock	0	975
Net changes of items other than shareholders' equity	(50)	352
Total changes of items during the period	4,559	7,489
Balance at the end of current period	103,994	111,484

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Cash flows from operating activities		
Net income before income taxes	13,649	16,618
Depreciation and amortization	5,983	6,573
Impairment loss	1,052	1,164
Amortization of goodwill	550	545
Amortization of negative goodwill	(972)	(972)
Increase (decrease) in accrued retirement benefits for employees	108	127
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	103	129
Increase (decrease) in accrued costs for customer point program	35	51
Interest and dividend income	(160)	(144)
Interest expenses	320	297
Loss on cancellation of lease agreements	18	-
Loss on disposal of fixed assets	99	-
Decrease (increase) in accounts receivable-trade	(1,736)	(1,255)
Decrease (increase) in inventories	(778)	(2,849)
Increase (decrease) in accounts payable-trade	4,475	1,219
Other	(623)	498
Subtotal	22,128	22,003
Interest and dividend income received	111	96
Interests paid	(319)	(302)
Income taxes paid	(5,184)	(5,837)
Income taxes refund	538	705
Net cash provided by operating activities	17,274	16,665
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(6,134)	(11,908)
Payments for acquisition of intangible fixed assets	(1,128)	(1,859)
Payments for leasehold and guarantee deposits	(1,450)	(2,393)
Proceeds from collection of leasehold and guarantee deposits	472	462
Proceeds from sale of investment securities	119	-
Net decrease (increase) in trust beneficiary right	(452)	(118)
Other	(470)	(585)
Net cash used in investing activities	(9,044)	(16,402)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	-	3,000
Proceeds from long-term debt	7,000	7,000
Repayments of long-term debt	(6,597)	(6,518)
Repayments of lease obligations	(1,264)	(1,628)
Proceeds from disposal of treasury stock	0	841
Payments for purchase of treasury stock	(1,197)	(2,004)
Dividends paid	(1,280)	(1,666)
Other	(32)	-
Net cash used in financing activities	(3,371)	(975)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Increase (decrease) in cash and cash equivalents	4,858	(712)
Cash and cash equivalents at beginning of period	18,249	23,108
Cash and cash equivalents at end of period	*1 23,108	*1 22,396

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

No reportable information.

Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates

Following tax law revisions, from 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 105 million yen each in the current fiscal year, compared with the previous method.

Notes to Consolidated Balance Sheets

*1. Breakdown of inventories (Millions of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Merchandise	15,666	18,435
Raw materials and supplies	391	472
Total	16,058	18,908

*2. Land valued at 607 million yen was pledged as collateral under a store leasing agreement in FY3/12 and FY3/13.

*3. Presentation of goodwill and negative goodwill

Goodwill and negative goodwill are stated in net terms. The figures for each before netting are as follows. (Millions of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Goodwill	589	58
Negative goodwill	1,724	752
Goodwill, net	(1,135)	(694)

*4. The Company has current account overdraft agreements with major financial institutions in order to raise funds efficiently. (Millions of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Current account overdraft	21,500	22,500
Credit used	-	3,000
Credit available	21,500	19,500

Notes to Consolidated Statements of Income

*1. Major items of selling, general and administrative expenses (Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Advertising expenses	10,397	11,452
Salaries and bonuses	13,818	15,223
Provision of accrued bonuses for employees	1,452	1,549
Provision of accrued bonuses for directors and statutory auditors	178	202
Retirement benefit expenses	529	558
Provision of accrued retirement benefits for directors and statutory auditors	132	136
Welfare expense	2,799	3,072
Rents	11,579	12,429
Depreciation and amortization	2,555	2,674

*2. Breakdown of gain on sale of fixed assets in FY3/13 (Millions of yen)

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Buildings and structures	7
Machinery, vehicles, tools, furniture and fixtures	0
Land	0
Total	8

*3. Breakdown of loss on disposal of fixed assets in FY3/12 (Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Buildings and structures	98
Disposal costs, etc.	1
Total	99

*4. Impairment loss

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

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

Use	Item	Location
Operating stores	Buildings and structures, others	Hamamatsu City, Shizuoka, etc.
Subleasing stores	Buildings and structures, others	Nara City, Nara, 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 (1,052 million yen) was recognized as an extraordinary loss, for operating stores and subleased stores expected to remain in the red due to changes in conditions at the store location and other factors.

Breakdown of impairment losses: buildings and structures 803 million yen; others 249 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 5.9 and 6.3% is used for calculating the utility value.

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

Use	Item	Location
Operating stores	Buildings and structures, others	Yotsukaichi City, Mie, etc.
Subleasing stores	Buildings and structures	Naka-ku, Nagoya City, 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 (1,164 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 relocated or expected to remain in the red due to changes in conditions at the store location and other factors.

Breakdown of impairment losses: buildings and structures 822 million yen; land 88 million yen; others 253 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 5.6 and 6.0% is used for calculating the utility value.

Notes to Consolidated Statements of Comprehensive Income

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

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Unrealized gain on securities		
Amount incurred during the year	201	982
Re-classification adjustments	(2)	-
Before tax effect adjustments	198	982
Tax effect	0	(303)
Unrealized gain on securities	199	679

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

1. Type of share and number of outstanding shares

Type of share	Number of shares as of Apr. 1, 2011	Increase	Decrease	Number of shares as of Mar. 31, 2012
Common shares (Thousand shares)	49,124	-	2,500	46,624

Note: 1. Decrease in the number of outstanding shares (Thousand shares)
Retirement of treasury stock pursuant to the Board of Directors' resolution of November 9, 2011: 2,500

2. Type and number of shares of treasury stock

Type of share	Number of shares as of Apr. 1, 2011	Increase	Decrease	Number of shares as of Mar. 31, 2012
Common shares (Thousand shares)	6,453	1,001	2,500	4,954

Notes: 1. Increase in the number of shares of treasury stock (Thousand shares)
Purchase of treasury stock pursuant to the Board of Directors' resolution of November 9, 2011: 1,000
Purchase of odd-lot shares: 1
2. Decrease in the number of shares of treasury stock (Thousand shares)
Retirement of treasury stock pursuant to the Board of Directors' resolution of November 9, 2011: 2,500

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, 2012 (Millions of yen)
			As of Apr. 1, 2011	Increase	Decrease	As of Mar. 31, 2012	
Reporting company	Stock acquisition rights by way of stock options (2006)	Common shares	657	-	657	-	-
	Stock acquisition rights by way of stock options (2007)	Common shares	348	-	6	342	185
	Stock acquisition rights by way of stock options (2008)	Common shares	925	-	37	887	219
Total			1,930	-	701	1,229	405

Notes: 1. Number of shares under stock acquisition rights: outstanding balance of unexercised stock options.
2. Outline of changes in the number of shares under stock acquisition rights
The decrease in stock acquisition rights by way of stock options is due to the expiration of the 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 13, 2011	Common shares	640	15	Mar. 31, 2011	Jun. 13, 2011
Board of Directors' meeting on Nov. 9, 2011	Common shares	640	15	Sep. 30, 2011	Dec. 5, 2011

(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 11, 2012	Common shares	Retained earnings	833	20	Mar. 31, 2012	Jun. 11, 2012

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

1. Type of share and number of outstanding shares

Type of share	Number of shares as of Apr. 1, 2012	Increase	Decrease	Number of shares as of Mar. 31, 2013
Common shares (Thousand shares)	46,624	-	1,000	45,624

Note: 1. Decrease in the number of outstanding shares (Thousand shares)
Retirement of treasury stock pursuant to the Board of Directors' resolution of November 8, 2012: 1,000

2. Type and number of shares of treasury stock

Type of share	Number of shares as of Apr. 1, 2012	Increase	Decrease	Number of shares as of Mar. 31, 2013
Common shares (Thousand shares)	4,954	935	1,542	4,347

Notes: 1. Increase in the number of shares of treasury stock (Thousand shares)
Purchase of treasury stock pursuant to the Board of Directors' resolution of November 8, 2012: 933
Purchase of odd-lot shares: 2
2. Decrease in the number of shares of treasury stock (Thousand shares)
Retirement of treasury stock pursuant to the Board of Directors' resolution of November 8, 2012: 1,000
Exercise of stock options 542

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, 2013 (Millions of yen)
			As of Apr. 1, 2012	Increase	Decrease	As of Mar. 31, 2013	
Reporting company	Stock acquisition rights by way of stock options (2007)	Common shares	342	-	342	-	-
	Stock acquisition rights by way of stock options (2008)	Common shares	887	-	567	320	79
Total			1,229	-	909	320	79

Notes: 1. Number of shares under stock acquisition rights: outstanding balance of unexercised stock options.
2. Outline of changes in the number of shares under stock acquisition rights
The decrease in stock acquisition rights by way of stock options (2007) is due to the expiration of the rights.
The decrease in stock acquisition rights by way of stock options (2008) is due to the exercise and expiration of the 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 11, 2012	Common shares	833	20	Mar. 31, 2012	Jun. 11, 2012
Board of Directors' meeting on Nov. 8, 2012	Common shares	833	20	Sep. 30, 2012	Dec. 5, 2013

(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 10, 2013	Common shares	Retained earnings	1,031	25	Mar. 31, 2013	Jun. 10, 2013

Notes to Consolidated Statements of Cash Flows

*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Cash in hand and in banks	23,108	22,396
Cash and cash equivalents	23,108	22,396

2. Significant non-cash transactions

Assets and obligations applicable to the finance lease transaction

(Millions of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Assets and obligations applicable to the finance lease transaction	1,838	1,827

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 Cafe 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 prepared by the figures based on the accounting standards for preparing 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.

Change in depreciation method

As noted in the section on "4. (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates," following tax law revisions, from 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, the ANNIVERSAIRE and Bridal, the Karaoke Facility Operations, and the Café Complex Operations Businesses by 38 million yen, 7 million yen, 13 million yen, and 28 million yen, respectively in the current fiscal year, compared with the previous method.

3. Information related to sales, profits/losses, assets, liabilities, and other items for each reportable segment

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012) (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	94,249	23,416	14,308	14,617	146,591	-	146,591
Inter-segment sales and transfers	3	20	5	-	29	(29)	-
Total	94,252	23,437	14,313	14,617	146,620	(29)	146,591
Segment profits	9,982	2,086	1,338	887	14,294	(528)	13,766
Segment assets	90,835	36,782	13,024	13,946	154,588	22,190	176,779
Other items							
Depreciation and amortization	2,099	1,193	1,215	1,037	5,546	346	5,892
Amortization of goodwill	8	231	151	153	544	5	550
Increase in tangible fixed assets and intangible fixed assets	3,264	1,229	1,566	2,438	8,498	1,099	9,598

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

(1) The -528 million yen adjustment to segment profits includes 3,309 million yen in elimination for inter-segment transactions, goodwill amortization of -533 million yen, and -3,303 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 22,190 million yen adjustment to segment assets includes -18,365 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 40,556 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 1,099 million yen adjustment to an increase in tangible and intangible fixed assets includes investment in establishment of group systems.

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

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013) (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	103,929	24,337	15,209	17,112	160,589	-	160,589
Inter-segment sales and transfers	3	21	7	-	32	(32)	-
Total	103,932	24,359	15,216	17,112	160,621	(32)	160,589
Segment profits	11,968	2,917	1,493	1,014	17,395	(317)	17,078
Segment assets	98,372	40,265	12,531	16,066	167,236	26,427	193,664
Other items							
Depreciation and amortization	2,200	1,188	1,374	1,366	6,129	326	6,455
Amortization of goodwill	8	231	151	153	545	-	545
Increase in tangible fixed assets and intangible fixed assets	4,369	4,364	1,850	3,505	14,090	2,369	16,459

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

(1) The -317 million yen adjustment to segment profit includes 3,866 million yen in elimination for inter-segment transactions, goodwill amortization of -533 million yen, and -3,650 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 26,427 million yen adjustment to segment assets includes -22,685 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 49,113 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 2,369 million yen adjustment to an increase in tangible and intangible fixed assets includes investment in establishment of group systems.

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

Related information

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

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 statements of income.

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

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 statements of income.

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

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Impairment losses	466	264	129	168	1,028	24	1,052

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Impairment losses	505	-	514	119	1,139	24	1,164

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

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Amortized for the period	8	231	151	153	544	5	550
Balance at end of period	43	231	151	163	589	-	589

Amortization for the period and unamortized balance of negative goodwill that was booked as a result of business combination before April 1, 2010 are as follows.

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Amortized for the period	972	-	-	-	972	-	972
Balance at end of period	1,724	-	-	-	1,724	-	1,724

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Amortized for the period	8	231	151	153	545	-	545
Balance at end of period	34	-	-	23	58	-	58

Amortization for the period and unamortized balance of negative goodwill that was booked as a result of business combination before April 1, 2010 are as follows.

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Amortized for the period	972	-	-	-	972	-	972
Balance at end of period	752	-	-	-	752	-	752

Information related to negative goodwill profits for each reportable segment

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

No reportable information.

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

No reportable information.

Per Share Information

(Yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Net assets per share	2,485.94	2,698.98
Net income per share	167.07	236.51
Diluted net income per share	Not presented since the Company has no outstanding dilutive securities.	235.82

Notes: 1. The following is a reconciliation of net income per share and diluted net income per share

(Millions of yen)

Item	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Net income per share		
Net income	7,087	9,832
Net income not available to common stock shareholders	-	-
Net income applicable to common stock	7,087	9,832
Average number of common shares outstanding during the period (Thousand shares)	42,424	41,571
Diluted net income per share		
Adjustment of net income	-	-
Increase in the number of common shares (Thousand shares)	-	120
(of which stock acquisition rights) (Thousand shares)	-	(120)
Potential shares not included in the calculation of diluted net income per share since it did not have dilutive effect.	Type of potential shares: Common shares Number of potential shares: (Thousand shares) AOKI Holdings: 1,229	-

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

(Millions of yen)

Item	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Total net assets	103,994	111,484
Deduction on total net assets	405	79
(of which stock acquisition rights)	(405)	(79)
Net assets applicable to common shares	103,589	111,405
Number of common stock shares used in calculation of net assets per share (Thousand shares)	41,670	41,276

Subsequent Events

No reportable information.

5. Others

Change in Director

Candidate for auditor (Effective June 27, 2013)

Auditor (part-time) Kazuo Kuribayashi

Note: Mr. Kazuo Kuribayashi is a candidate to become an external auditor.

** 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.*