AOKI Holdings

May 11, 2012

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

[Japanese GAAP]

Company name: AOKI Holdings Inc. Listings: TSE/OSE, First Sections
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 Annual General Meeting of Shareholders: June 28, 2012
Scheduled date of filing of Annual Securities Report: June 29, 2012
Scheduled date of payment of dividend: June 11, 2012
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 11, 2012 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, 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(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	%
FY3/12	146,591	10.6	13,766	25.7	14,584	21.0	7,087	98.3
FY3/11	132,561	1.1	10,952	10.0	12,057	12.2	3,575	(1.2)

Note: Comprehensive income (million yen) FY3/12: 7,287 (up 122.4%) FY3/11: 3,276 (down 14.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/12	167.07	-	7.0	8.5	9.4
FY3/11	83.78	-	3.7	7.4	8.3

Reference: Equity in income of affiliates (million yen) FY3/12: - FY3/11: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2012	176,779	103,994	58.6	2,485.94
As of Mar. 31, 2011	166,081	99,435	59.5	2,314.89

Reference: Shareholders' equity (million yen) Mar. 31, 2012: 103,589 Mar. 31, 2011: 98,779

(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
FY3/12	17,274	(9,044)	(3,371)	23,108
FY3/11	13,255	(10,346)	(1,656)	18,249

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	%	%
FY3/11	-	15.00	-	15.00	30.00	1,280	35.8	1.3
FY3/12	-	15.00	-	20.00	35.00	1,473	20.9	1.5
FY3/13 (forecasts)	-	20.00	-	20.00	40.00		21.6	

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
First half	66,650	7.6	2,450	6.6	2,850	1.1	1,600	4.1	38.40
Full year	154,900	5.7	14,600	6.1	15,350	5.2	7,700	8.6	184.78

*** 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:	None
2) Changes in accounting policies other than 1) above:	None
3) Changes in accounting-based estimates:	None
4) Restatements:	None

(3) Number of shares outstanding (common shares)

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

Mar. 31, 2012:	46,624,752 shares	Mar. 31, 2011:	49,124,752 shares

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

Mar. 31, 2012:	4,954,568 shares	Mar. 31, 2011:	6,453,431 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2012:	42,424,307 shares	Fiscal year ended Mar. 31, 2011:	42,672,143 shares

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 is released, the audit procedures for financial statements have not been completed.

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

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. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to "(1) Analysis of Business Results, 2) Forecasts for the new fiscal year" on page 3 of the attachments regarding preconditions or other related matters for the forecast shown above.

AOKI Holdings plans to hold a results presentation for institutional investors and analysts on Thursday, May 24, 2012. Materials to be distributed at this event will be available on the Company's website immediately thereafter.

Contents of Attachments

1. Business Results

(1) Analysis of Business Results

1) Business results in the fiscal year under review

In the fiscal year under review, the Japanese economy saw a temporary but severe impact from the Great East Japan Earthquake, but gradually recovered thereafter supported by post-quake reconstruction demand. However, the outlook remained unclear due to Europe's fiscal problems, surging crude oil prices, and the yen's protracted appreciation.

In the retail industry, despite the impact on coat demand of poor weather from autumn and delays in the start up of the "recruitment" market, demand was firm overall as energy conservation efforts lifted "Cool Biz" demand from the spring to summer, and due to an increase in demand from customers seeking to avoid the heat.

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	146,591 million yen	(up 10.6% year-on-year)
Operating profit	13,766 million yen	(up 25.7% year-on-year)
Ordinary income	14,584 million yen	(up 21.0% year-on-year)
Net income	7,087 million yen	(up 98.3% year-on-year)

Profits rose sharply to new record highs at each level.

Fashion Business

AOKI promoted Cool Biz merchandise from April through July and strengthened proposals of its core products from October centered on "3D Slim" suits, promoted by the young idol star Kazuya Kamenashi, and "3D Smart" suits promoted for the first time by the famous actor-singer Noriyuki Higashiyama. It also focused on revitalizing existing stores by coordinating product lineups, sales promotions, visual merchandising, and marketing campaigns including for ladies' wear and the CAFÉ SOHO brand which encourages sophisticated mix-and-matching. From early February, AOKI began airing television commercials using Ayame Goriki, an actress of the same generation of new graduates, to target this "freshers" market which tends to begin its shopping for suits earlier each year, and increased customers in this market (both men and women) as a result. Regarding AOKI stores, we opened 16 new stores including in train station-front buildings in suburbs near central Tokyo, in open-mall shopping centers, and in low-cost type in suburbs, and closed three for relocation purposes. As a result, the AOKI store network consisted of 440 stores at the end of the fiscal year, up from 427 at the end of the previous fiscal year.

ORIHICA prepared for a 100-store network by improving its store environments and strengthening its training programs, enriched its product lineup of Cool Biz and Warm Biz products to respond to the trend toward more casual business styles, and strengthened its proposals of mix-and-matching jackets and slacks. Regarding ORIHICA stores, it opened 25 new stores mainly in the Kanto and Chukyo regions, but also in new areas such as Shizuoka and Hiroshima, and closed four stores including two for relocation purposes. As a result, the ORIHICA store network consisted of 91 stores at the end of the fiscal year, up from 70 at the end of the previous fiscal year.

Overall, segment profits rose sharply due to higher sales. Existing-store sales rose 5.1% year-on-year due to strong sales of shirts, slacks, and other Cool Biz products, suits and formalwear from October, ladies' products throughout the year, and an increase in customers in "recruitment," "freshers," and other specific market segments. This, together with benefits from new store openings, drove a 9.4% year-on-year increase in sales to 94,252 million yen, and a 25.0% increase in operating profit to 9,982 million yen.

Anniversaire and Bridal Business

ANNIVERSAIRE INC., which runs guesthouse-style wedding and reception facilities, opened "ANNIVERSAIRE TOYOSU" in April 2011, which was favorably received by customers. Also, it renovated six chapels and eight banquet rooms to revitalize sales at existing facilities, and cut costs to prepare for expansion of the business.

Thanks to the contribution of ANNIVERSAIRE TOYOSU and an increase in average sales per couple following the strengthening of drink sales, and the sharing of know-how by skilled staff, sales increased 9.6% year-on-year to 23,437 million yen. Also, operating profit increased sharply by 55.1% to 2,086 million yen due to an improvement in the gross profit margin on cost cutting.

Karaoke Facility Operations Business

In karaoke facility operations, under the management of VALIC Co., Ltd., we conducted campaigns in collaboration with famous artists and popular characters, aiming to improve the brand's recognition and introduced a mobile member system to increase customer traffic. We also focused on revitalizing sales at existing facilities by refurbishing 44 facilities, introducing seasonal menus, and strengthening a variety of banquet party courses proposal. Regarding facilities, we opened nine new facilities mostly close to train stations and closed three existing ones. As a result, our network of karaoke facilities was 132 at the end of the fiscal year, up from 126 at the end of the previous fiscal year.

We saw benefits from the opening of new facilities, and sales at existing facilities were strong due to an increase in demand for close-to-home leisure activities, and an increase in traffic from families and businesses. Sales and profits increased year-on-year in this segment with sales up 13.1% to 14,313 million yen and operating profit up 17.5% to 1,338 million yen.

Café Complex Operations Business

In café complexes operation, under the management of VALIC Co., Ltd., we refurbished 38 café complexes to improve their interior and exterior environments, expanded amusement content, and implemented a collaborative promotional campaign with online games and introduced a mobile membership system to boost customer traffic. It also expanded the grand menu and seasonal menus. Regarding the network of café complexes, it opened 20 new café complexes, including in new areas such as Hiroshima and Yamagata, expanding the network to 172 at the end of the fiscal year, up from 152 at the end of the previous fiscal year.

Sales increased 18.2% year-on-year to 14,617 million yen thanks to benefits from the opening of new café complexes, and strong sales at existing café complexes due to renovation benefits, the staging of campaigns with popular online games, and strong food sales. Also, operating profit rose 4.8% to 887 million yen as higher sales offset the impact of expenses related to the opening of new café complexes.

2) Forecasts for the new fiscal year

In the new fiscal year, we expect the economy to continue to gradually recover supported by post-quake reconstruction demand, but conditions require close monitoring due to Europe's deepening fiscal crisis, surging crude oil prices, and concerns over the yen's continued appreciation.

In this environment, we will promote flexible and efficient management that is capable of responding to changes in the economic environment and social structure, and will strive to improve profitability through group synergies.

In the Fashion Business, AOKI will strengthen its lineup of suits and formalwear centered on core products, expand its lineup of Cool Biz merchandise, ladies' wear, and CAFÉ SOHO brand products, and coordinate sales promotions, visual merchandising, and marketing campaigns. ORIHICA, in preparation for a network of over 100 stores, will promote more efficient management by working to standardize the store format and improve training programs. We will open approximately 40 new stores of both formats annually at carefully selected locations that match its store-opening standards, promote the evolution of each business format, and further expand market share.

In the ANNIVERSAIRE and Bridal Business, we will focus on revitalizing sales at existing facilities through renovations and the strengthening of human resources. Also, we will launch from autumn 2012 an opening preparation office for “ANNIVERSAIRE Minato Mirai Yokohama (provisional name)” which is scheduled to open in 2013.

In the Karaoke Facility Operations Business and Café Complex Operations Business, we will focus on revitalizing sales at existing facilities through the evolution of each format and the strengthening of food, drink, and services sales. We will also pro-actively open a total of more than 45 new facilities to build a platform for further growth.

We will implement the aforementioned measures precisely and marshal all of our strengths to improve earnings in the new fiscal year. Our forecasts for the fiscal year ending March 31, 2013 are as follows.

Forecast by business segment for the fiscal year ending March 31, 2013 (Millions of yen)

	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Consolidated
Sales	98,800	24,020	15,400	16,700	154,900
YoY change (%)	104.8	102.5	107.6	114.2	105.7
Segment profit	10,300	2,400	1,350	1,000	14,600
YoY change (%)	103.2	115.0	100.9	112.7	106.1

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

(2) Analysis of Financial Position

1) Balance sheet position

Total assets at the end of the fiscal year under review increased 10,698 million yen over the end of the previous fiscal year. Tangible fixed assets increased due to new store openings and cash and deposits increased from net income and other items.

Current assets increased 8,340 million yen over the end of the previous fiscal year. Cash and deposits increased 4,858 million yen and accounts receivable-trade increased 1,736 million yen due to new store openings. Fixed assets increased 2,357 million yen over the end of the previous fiscal year. There was a 1,560 million yen increase in tangible fixed assets due to acquisition of fixed assets for new store openings in addition to a 621 million yen increase in leasehold deposits.

Current liabilities increased 5,900 million yen over the end of the previous fiscal year. It was mainly due to increases in notes and accounts payable-trade of 3,890 million yen and in accrued income taxes of 817 million yen. Long-term liabilities increased 238 million yen, despite a decrease in amortization of negative goodwill of 421 million yen, mainly due to increases in long-term debt for capital investment funding of 482 million yen, and asset retirement obligations of 343 million yen.

Net assets increased 4,559 million yen over the end of the previous fiscal year. There was an increase in retained earnings of 5,264 million yen from net income and other items, while there was a decline in capital surplus of 2,201 million yen due to retirement of treasury stock. In addition, treasury stock decreased by 1,548 million yen since the purchase was offset by retirement.

2) Cash flow position

(Millions of yen)

	FY3/11	FY3/12
Cash flows from operating activities	13,255	17,274
Cash flows from investing activities	(10,346)	(9,044)
Cash flows from financing activities	(1,656)	(3,371)
Increase (decrease) in cash and cash equivalents	1,252	4,858
Cash and cash equivalents at beginning of period	16,997	18,249
Cash and cash equivalents at end of period	18,249	23,108

Cash and cash equivalents at the end of the fiscal year under review increased 4,858 million yen over the end of the previous fiscal year to 23,108 million yen due to an increase in net income before income taxes and other factors.

Net cash provided by operating activities increased 4,019 million yen to 17,274 million yen on a year-on-year basis. The principal factors were net income before income taxes of 13,649 million yen, depreciation and amortization of 5,983 million yen, and impairment loss of 1,052 million yen while income taxes paid of 4,646 million yen (the net of income tax payments and refunds).

Net cash used in investing activities decreased 1,302 million yen to 9,044 million yen on a year-on-year basis. This was mainly due to the payments of 6,134 million yen for acquisition of tangible fixed assets for capital investment and leasehold and guarantee deposits of 1,450 million yen.

Net cash used in financing activities increased 1,714 million yen to 3,371 million yen on year-on-year basis. The principal factors were the scheduled repayment of 6,597 million yen of long-term debt, repayments of 1,264 million yen of lease obligations, payments of 1,197 million yen for purchase of treasury stock, and 1,280 million yen of cash dividends paid while 7,000 million yen in long-term debt for investment in equipment.

Reference: Cash flow indicators

	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Shareholders' equity ratio (%)	60.3	61.4	60.8	59.5	58.6
Shareholders' equity ratio based on market prices (%)	48.2	24.5	33.6	34.8	36.7
Interest-bearing debt to cash flow ratio (years)	1.4	2.7	3.6	2.6	2.0
Interest coverage ratio	61.3	39.9	25.9	39.1	54.0

Notes: 1. Shareholders' equity ratio: Shareholders' equity / Total assets
2. Shareholders' equity ratio based on market prices: Market capitalization / Total assets
3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows
4. Interest coverage ratio: Cash flows / Interest payments
* All indicators are calculated based on consolidated figures.
* Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock).
* Cash flows are calculated using the figures for operating cash flows.
* Interest-bearing debt includes all liabilities on the consolidated balance 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 11, 2012 approved a fiscal year-end dividend of 20 yen per share, an increase of 5 yen per share, in line with the aforementioned basic policy regarding dividends and the Company's financial results. The increase also reflects our appreciation of the continuing support of our shareholders. As a result, the total dividend, including the 15 yen per share interim dividend, for the fiscal year that ended on March 31, 2012 will be 35 yen per share. Regarding dividends in next fiscal year, we plan to pay a total dividend of 40 yen per share including an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share.

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

2. Corporate Group

The AOKI Group is comprised of the Company, three subsidiaries, an affiliate and a related company, 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 affiliates, 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 30'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.

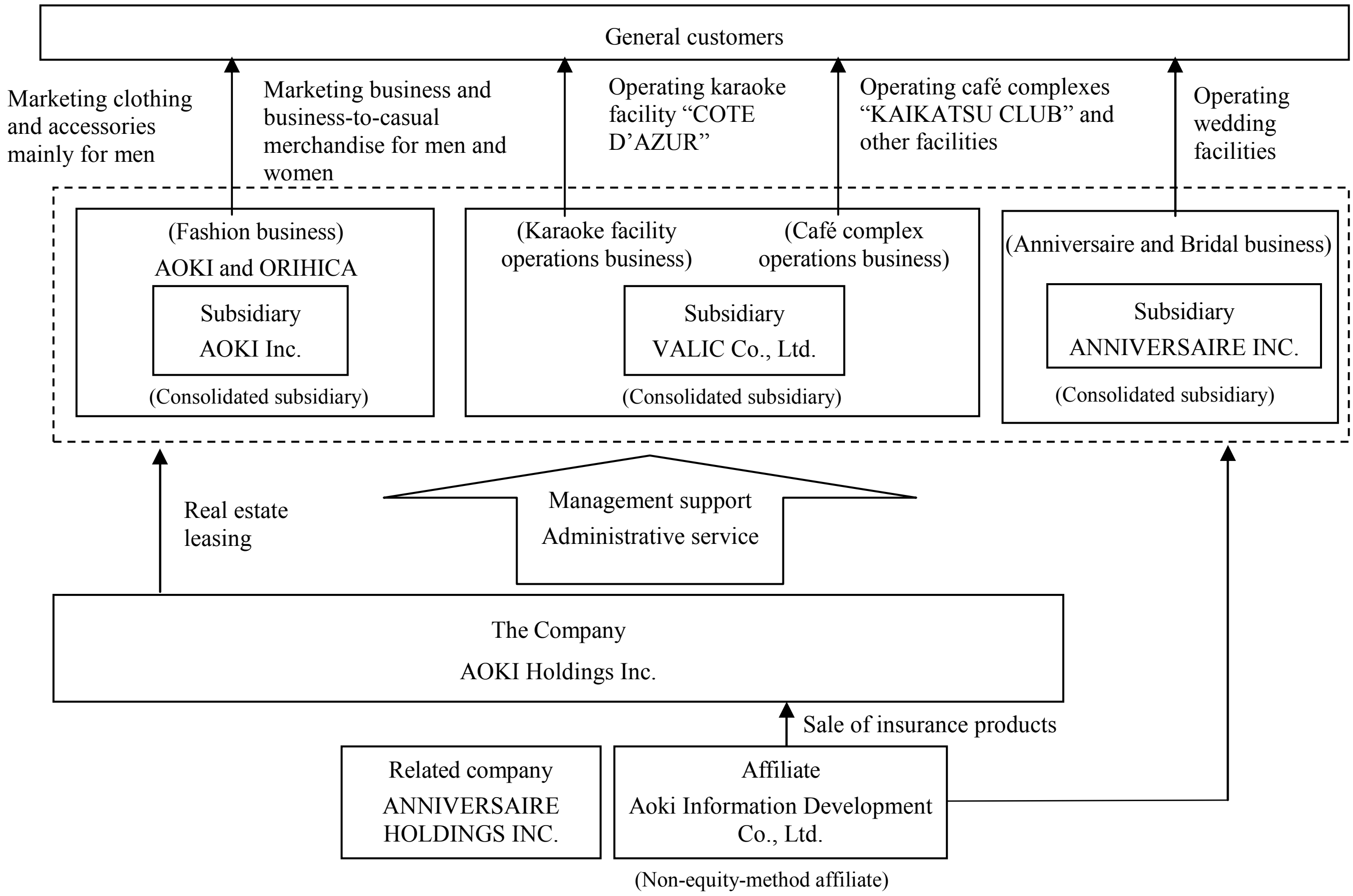
(4) Café Complex Operations Business

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

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

1) Response to customer needs

2) Self-reliance

3) Promotion of management efficiency

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

(2) Performance Targets

The Group's medium-term targets include achieving an operating margin of 11% or higher while opening new stores, a ratio of ordinary income to total assets (ROA) of 10%, and current net income of 250 yen per share. Overall, we will work to improve capital and investment efficiency to maximize shareholder value.

(3) Medium to Long-term Business Strategy

We will invest in capital equipment basically within the scope of operating cash flow, and we will make an effort to achieve group synergies and stable, high-quality growth in our core Fashion Business comprised of AOKI and ORIHICA, our ANNIVERSAIRE and Bridal Business, our Karaoke Facility Operations Business, and our Café Complex Operations Business.

In the Fashion Business, we aim to create new markets, evolve and differentiate business formats, and expand market share by continuing to open new stores, including in new areas, revising and strengthening our dominant area strategy, developing core products that can be fully coordinated based on our original brand, and strengthening our merchandising through the integration of marketing, merchandise, sales promotions, and the store environment.

In the ANNIVERSAIRE and Bridal Business, we will strive to further improve ANNIVERSAIRE OMOTESANDO brand equity, evolve existing facilities into the ANNIVERSAIRE format, and expand the scope of operations through the opening of new facilities.

In the Karaoke Facility Operations Business, we will work to improve business efficiency while evolving the business format, including renovations to meet the changing business environment, and open new facilities to promote the domination of our brand.

In the Café Complex Operations Business, we will expand operations by expanding the network of café complexes, and by evolving the business format including better meeting the needs of a wider range of ages and introducing new content to encourage users to spend more time in the facilities.

We will continuously evolve towards a “high-level services company” and enhance corporate value by improving Group flexibility, efficiency, and maximizing synergies.

(4) Challenges

The business environment remains unpredictable and competition continues to intensify. In this environment, 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 promotion, store layouts, and customer service, in order to create and pursue customer satisfaction.

At AOKI, we plan to strengthen proposals and sales promotions of suits and other core products to revitalize sales at existing stores, expand new markets by strengthening proposals of Cool Biz, ladies' wear, and CAFÉ SOHO brand merchandise, and strengthen new store openings, including in new areas, to expand market share. At ORIHICA, we will continue to advance the evolution of the format as a "lifestyle shop," improve store efficiency, and promote the ORIHICA brand while continuing to open new stores.

In the bridal business, we will work to maintain existing facilities by renovating them to meet customers' needs and the changing times, and will work to improve the level of services through employee training, and strengthen profitability, in the start of marketing activities for new facility openings.

In the Karaoke Facility Operations Business, we will focus on revitalizing existing facilities through renovations and promotional activity (staging events, etc.), and will open new facilities.

In the Café Complex Operations Business, we will revitalize existing café complexes through continued renovations, and will pro-actively open new café complexes to expand the market.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash in hand and in banks	18,249	23,108
Accounts receivable-trade	5,243	6,980
Inventories	*1 15,279	*1 16,058
Deferred income taxes	2,071	1,949
Other current assets	3,747	4,839
Allowance for doubtful accounts	(9)	(11)
Total current assets	44,583	52,924
Fixed assets		
Tangible fixed assets		
Buildings and structures	88,388	94,185
Accumulated depreciation	(49,466)	(52,410)
Buildings and structures, net	38,922	41,775
Vehicles, tools, furniture and fixtures	10,129	10,794
Accumulated depreciation	(4,969)	(5,484)
Vehicles, tools, furniture and fixtures, net	5,159	5,309
Land	*2 31,513	*2 31,477
Lease assets	4,906	6,647
Accumulated depreciation	(1,354)	(2,535)
Lease assets, net	3,551	4,112
Construction in progress	2,347	380
Total tangible fixed assets	81,494	83,055
Intangible fixed assets	4,021	4,897
Investments and other assets		
Investment securities	3,698	3,781
Guarantee deposits	9,126	8,857
Leasehold deposit	16,524	17,146
Deferred income taxes	5,120	4,670
Other investments and other assets	1,556	1,490
Allowance for doubtful accounts	(45)	(44)
Total investments and other assets	35,981	35,902
Total fixed assets	121,497	123,854
Total assets	166,081	176,779

(Millions of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,163	15,053
Current portion of long-term debt	6,597	6,518
Lease obligations	1,044	1,423
Accounts payable-other	3,726	4,463
Accrued income taxes	2,942	3,760
Accrued bonuses for employees	1,430	1,786
Accrued bonuses for directors and statutory auditors	113	177
Other current liabilities	4,507	4,241
Total current liabilities	31,524	37,425
Long-term liabilities		
Long-term debt	23,575	24,057
Lease obligations	2,737	2,931
Accrued retirement benefits for employees	613	722
Accrued retirement benefits for directors and statutory auditors	1,408	1,511
Accrued costs for customer point program	681	717
Asset retirement obligations	3,001	3,344
Negative goodwill	*3 1,556	*3 1,135
Other long-term liabilities	1,546	939
Total long-term liabilities	35,121	35,359
Total liabilities	66,645	72,784
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	24,788	22,586
Retained earnings	57,987	63,252
Treasury stock	(7,080)	(5,532)
Total shareholders' equity	98,977	103,588
Accumulated other comprehensive income		
Unrealized gain on securities	(198)	1
Total accumulated other comprehensive income	(198)	1
Stock acquisition rights	655	405
Total net assets	99,435	103,994
Total liabilities and net assets	166,081	176,779

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

Consolidated Statements of Income

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Sales	132,561	146,591
Cost of sales	70,132	77,689
Gross profit	62,429	68,902
Selling, general and administrative expenses	*1 51,476	*1 55,135
Operating profit	10,952	13,766
Non-operating profit		
Interest income	76	74
Dividend income	89	85
Rental income on real estate	1,044	874
Amortization of negative goodwill	972	972
Other	353	389
Total non-operating profit	2,535	2,396
Non-operating expenses		
Interest expenses	335	320
Expenses on sub-leased real estate	916	821
Other	178	435
Total non-operating expenses	1,430	1,577
Ordinary income	12,057	14,584
Extraordinary gains		
Gain on sale of fixed assets	*2 3	-
Gain on reversal of stock acquisition rights	9	241
Subsidy income	17	-
Other	1	-
Total extraordinary gains	31	241
Extraordinary losses		
Loss on cancellation of lease agreements	112	18
Loss on disposal of fixed assets	*3 76	*3 99
Loss on sale of fixed assets	*4 10	-
Impairment loss	*5 2,970	*5 1,052
Loss on cancellation of rental agreements	*6 49	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,466	-
Loss on disaster	*7 818	-
Other	*8 60	*8 5
Total extraordinary losses	5,566	1,176
Net income before income taxes	6,523	13,649
Current income taxes	4,618	6,004
Deferred income taxes	(1,670)	556
Total income taxes	2,947	6,561
Income before minority interests	3,575	7,087
Net income	3,575	7,087

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Income before minority interests	3,575	7,087
Other comprehensive income		
Unrealized gain on securities	(298)	199
Total other comprehensive income	(298)	*1 199
Comprehensive income	3,276	7,287
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,276	7,287
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
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	24,788
Changes of items during the period		
Disposal of treasury stock	-	0
Retirement of treasury stock	-	(2,201)
Total changes of items during the period	-	(2,201)
Balance at the end of current period	24,788	22,586
Retained earnings		
Balance at the beginning of current period	55,692	57,987
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,575	7,087
Retirement of treasury stock	-	(543)
Total changes of items during the period	2,294	5,264
Balance at the end of current period	57,987	63,252
Treasury stock		
Balance at the beginning of current period	(7,078)	(7,080)
Changes of items during the period		
Purchase of treasury stock	(2)	(1,197)
Disposal of treasury stock	-	0
Retirement of treasury stock	-	2,745
Total changes of items during the period	(2)	1,548
Balance at the end of current period	(7,080)	(5,532)
Total shareholders' equity		
Balance at the beginning of current period	96,685	98,977
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,575	7,087
Purchase of treasury stock	(2)	(1,197)
Disposal of treasury stock	-	0
Total changes of items during the period	2,292	4,610
Balance at the end of current period	98,977	103,588

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Accumulated other comprehensive income		
Unrealized gain on securities		
Balance at the beginning of current period	100	(198)
Changes of items during the period		
Net changes of items other than shareholders' equity	(298)	199
Total changes of items during the period	(298)	199
Balance at the end of current period	(198)	1
Total accumulated other comprehensive income		
Balance at the beginning of current period	100	(198)
Changes of items during the period		
Net changes of items other than shareholders' equity	(298)	199
Total changes of items during the period	(298)	199
Balance at the end of current period	(198)	1
Stock acquisition rights		
Balance at the beginning of current period	630	655
Changes of items during the period		
Net changes of items other than shareholders' equity	24	(250)
Total changes of items during the period	24	(250)
Balance at the end of current period	655	405
Total net assets		
Balance at the beginning of current period	97,416	99,435
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,575	7,087
Purchase of treasury stock	(2)	(1,197)
Disposal of treasury stock	-	0
Net changes of items other than shareholders' equity	(273)	(50)
Total changes of items during the period	2,018	4,559
Balance at the end of current period	99,435	103,994

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Cash flows from operating activities		
Net income before income taxes	6,523	13,649
Depreciation and amortization	5,507	5,983
Impairment loss	2,970	1,052
Amortization of goodwill	551	550
Amortization of negative goodwill	(972)	(972)
Increase (decrease) in accrued retirement benefits for employees	13	108
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	94	103
Increase (decrease) in accrued costs for customer point program	36	35
Interest and dividend income	(165)	(160)
Interest expenses	335	320
Loss on cancellation of lease agreements	112	18
Loss on disposal of fixed assets	25	99
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,466	-
Loss on disaster	818	-
Decrease (increase) in accounts receivable-trade	(5)	(1,736)
Decrease (increase) in inventories	404	(778)
Increase (decrease) in accounts payable-trade	(1,289)	4,475
Other	654	(623)
Subtotal	17,081	22,128
Interest and dividend income received	114	111
Interests paid	(339)	(319)
Income taxes paid	(4,239)	(5,184)
Income taxes refund	638	538
Net cash provided by operating activities	13,255	17,274
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(9,032)	(6,134)
Payments for acquisition of intangible fixed assets	(408)	(1,128)
Payments for leasehold and guarantee deposits	(1,370)	(1,450)
Proceeds from collection of leasehold and guarantee deposits	350	472
Proceeds from sale of investment securities	56	119
Net decrease (increase) in trust beneficiary right	(30)	(452)
Other	88	(470)
Net cash used in investing activities	(10,346)	(9,044)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	(6,000)	-
Proceeds from long-term debt	15,000	7,000
Repayments of long-term debt	(7,828)	(6,597)
Payments for redemption of corporate bonds	(670)	-
Repayments of lease obligations	(830)	(1,264)
Proceeds from disposal of treasury stock	-	0
Payments for purchase of treasury stock	(2)	(1,197)
Dividends paid	(1,280)	(1,280)
Other	(44)	(32)
Net cash used in financing activities	(1,656)	(3,371)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	1,252	4,858
Cash and cash equivalents at beginning of period	16,997	18,249
Cash and cash equivalents at end of period	*1 18,249	*1 23,108

(5) Going Concern Assumption

No reportable information.

(6) Basis of Preparation of the Consolidated Financial Statements

Application of equity method

(1) Affiliates not accounted for under the equity method
Aoki Information Development Co., Ltd.
Soleil Co., Ltd., which was an affiliate is merged into ANNIVERSAIRE HOLDINGS INC., a related company, effective April 1, 2011 and is excluded from the affiliates not accounted for under the equity method.
(Reason for exclusion from the application of the equity method of accounting)
This affiliate is not accounted for under the equity method of accounting, given the fact that it has a very minor effect on consolidated net income and retained earnings and is relatively insignificant in the context of consolidated financial statements.

The information other than the above is not presented since there are no significant changes from the most recent Annual Security Report (filed on June 30, 2011).

Changes in presentation methods

Consolidated statements of cash flows
“Repayments of lease obligations,” included in “Other” under cash flows from financing activities in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year, given the increase in the materiality of impact in the context of the consolidated financial statements. The prior-period consolidated financial statements are restated to conform to the current-period presentation.
“Other” under cash flows from financing activities (875 million yen) shown in the FY3/11 consolidated statements of cash flows is reclassified and divided into “Repayments of lease obligations” (830 million yen) and “Other” (44 million yen.)

Additional information

The Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting method revisions and for corrections to past errors from the beginning of the current fiscal year.

(7) Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

*1. Breakdown of inventories

(Millions of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Merchandise	14,883	15,666
Raw materials and supplies	396	391
Total	15,279	16,058

*2. Land valued at 607 million yen was pledged as collateral under a store leasing agreement in FY3/11 and FY3/12.

*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)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Goodwill	1,140	589
Negative goodwill	2,696	1,724
Goodwill, net	(1,556)	(1,135)

4. The Company has current account overdraft agreements with major financial institutions in order to raise funds efficiently.

(Millions of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Current account overdraft	21,500	21,500
Credit used	-	-
Credit available	21,500	21,500

Notes to Consolidated Statements of Income

*1. Major items of selling, general and administrative expenses

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Advertising expenses	8,911	10,397
Salaries and bonuses	13,186	13,818
Provision of accrued bonuses for employees	1,222	1,452
Provision of accrued bonuses for directors and statutory auditors	117	178
Retirement benefit expenses	420	529
Provision of accrued retirement benefits for directors and statutory auditors	127	132
Welfare expense	2,537	2,799
Rents	11,155	11,579
Depreciation and amortization	2,678	2,555

*2. Breakdown of gain on sale of fixed assets in FY3/11 includes buildings and structures.

*3. Breakdown of loss on disposal of fixed assets (Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Buildings and structures	20	98
Disposal costs, etc.	56	1
Total	76	99

*4. Breakdown of loss on sale of fixed assets in FY3/11 includes buildings and structures.

*5. Impairment loss

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

FY3/11 (Apr. 1, 2010－Mar. 31, 2011)

Use	Item	Location
Operating stores	Buildings and structures, others	Kawasaki City, Kanagawa, etc.
Subleasing stores	Buildings and structures, others	Nagano City, Nagano, 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 (2,970 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 2,686 million yen; others 284 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 a range 6.5% from 6.1% is used for calculating the utility value.

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 5.9% is used for calculating the utility value.

*6. Loss on cancellation of rental agreements in FY3/11 includes cancellation penalty for lease contract, etc.

*7. Loss on disaster in FY3/11 is resulted from the Great East Japan Earthquake and its breakdown is as follows.

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Restoration expenses	463
Fixed asset losses	170
Fixed costs during store closures	84
Inventory asset losses	61
Others	37
Total	818

*8. Breakdown of “Other” under extraordinary losses

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Loss on cancellation of leases	30	-
Loss on deduction of fixed assets	17	-
Rent difference due to subleasing	12	-
Other	0	5
Total	60	5

Notes to Consolidated Statements of Comprehensive Income

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

*1. Re-classification adjustments and tax effect with respect to other comprehensive income

Unrealized gain on securities:	(Millions of yen)
Amount incurred during the year	201
Re-classification adjustments	(2)
Before tax effect adjustments	198
Tax effect	0
Unrealized gain on securities	199

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

1. Type of share and number of outstanding shares

Type of share	Number of shares as of Apr. 1, 2010	Increase	Decrease	Number of shares as of Mar. 31, 2011
Common shares (thousand shares)	49,124	-	-	49,124

2. Type and number of shares of treasury stock

Type of share	Number of shares as of Apr. 1, 2010	Increase	Decrease	Number of shares as of Mar. 31, 2011
Common shares (thousand shares)	6,451	1	-	6,453

Notes: 1. Increase in the number of treasury stock (thousand shares)
Purchase of odd-lot shares: 1

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, 2011 (Millions of yen)
			As of Apr. 1, 2010	Increase	Decrease	As of Mar. 31, 2011	
Reporting company	Stock acquisition rights by way of stock options (2006)	Common shares	667	-	10	657	237
	Stock acquisition rights by way of stock options (2007)	Common shares	351	-	3	348	188
	Stock acquisition rights by way of stock options (2008)	Common shares	-	940	15	925	228
Total			1,018	940	28	1,930	655

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
Increase in stock acquisition rights (2008) is due to the issuance of rights.
The decrease in stock acquisition rights by way of stock options is due to the retirement of 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 14, 2010	Common shares	640	15	March 31, 2010	June 9, 2010
Board of Directors' meeting on November 10, 2010	Common shares	640	15	September 30, 2010	Dec. 6, 2010

(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 13, 2011	Common shares	Retained earnings	640	15	March 31, 2011	June 13, 2011

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

Notes: 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 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 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	March 31, 2011	June 13, 2011
Board of Directors' meeting on November 9, 2011	Common shares	640	15	September 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	March 31, 2012	June 11, 2012

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)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Cash in hand and in banks	18,249	23,108
Cash and cash equivalents	18,249	23,108

2. Significant non-cash transactions

(1) Significant asset retirement obligations

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Significant asset retirement obligations	3,054	304

(2) Assets and obligations applicable to the finance lease transaction

(Millions of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Assets and obligations applicable to the finance lease transaction	2,128	1,838

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 generally the same as those listed in "Basis of the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally operating profit figures. Profits on and transfer amounts of inter-segment transactions within the Group are based on current market prices.

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

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011) (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	86,189	21,355	12,654	12,361	132,561	-	132,561
Inter-segment sales and transfers	3	20	3	-	26	(26)	-
Total	86,193	21,375	12,657	12,361	132,588	(26)	132,561
Segment profit	7,985	1,344	1,138	846	11,315	(362)	10,952
Segment assets	84,516	37,012	12,385	12,022	145,937	20,143	166,081
Other items							
Depreciation and amortization	2,179	1,122	1,009	797	5,107	298	5,406
Amortization of goodwill	9	231	151	153	545	5	551
Increase in tangible fixed assets and intangible fixed assets	1,723	2,512	2,386	1,944	8,567	3,017	11,584

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

(1) The (-362) million yen adjustment to segment profit includes 3,313 million yen in elimination for inter-segment transactions, goodwill amortization of (-533) million yen, and (-3,142) 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 reportable segments.

(2) The 20,143 million yen adjustment to segment assets includes (-15,886) million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 38,406 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 3,017 million yen adjustment to tangible and intangible fixed assets consists of the capital investments mostly in the training facilities of the Group but also partly in the Company's head office.

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

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 profit	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 profit 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 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 tangible and intangible fixed assets is 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

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

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 since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

(2) Tangible fixed assets

No reportable information since the Company had 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 consolidated sales on the income statement.

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 since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

(2) Tangible fixed assets

No reportable information since the Company had 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 consolidated sales on the income statement.

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

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Impairment losses	923	1,506	299	241	2,970	-	2,970

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

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

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Amortized for the period	9	231	151	153	545	5	551
Balance at end of period	52	463	302	316	1,134	5	1,140

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	2,696	-	-	-	2,696	-	2,696

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

Information related to negative goodwill profits for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

No reportable information.

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)

No reportable information.

Per Share Information

(Yen)

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Net assets per share 2,314.89 Net income per share 83.78 Diluted net income per share Not presented since the Company has no outstanding dilutive securities.	Net assets per share 2,485.94 Net income per share 167.07 Diluted net income per share Not presented since the Company has no outstanding dilutive securities.

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

(Millions of yen)

Item	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Net income carried on the consolidated statements of income	3,575	7,087
Net income applicable to common stock	3,575	7,087
Net income not available to common stock shareholders	-	-
Average number of common shares outstanding during the period (Thousand shares)	42,672	42,424
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: 1,930	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	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Total net assets on the consolidated balance sheets	99,435	103,994
Net assets applicable to common stock	98,779	103,589
Breakdown of differences Stock acquisition rights	655	405
Number of common shares outstanding (Thousand shares)	49,124	46,624
Number of common shares of treasury stock (Thousand shares)	6,453	4,954
Number of common stock shares used in calculation of net assets per share (Thousand shares)	42,671	41,670

Subsequent Events

No reportable information.

** 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.*