

## Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2012 (Nine Months Ended December 31, 2011)

[Japanese GAAP]

Company name: AOKI Holdings Inc.	Listings: TSE/OSE, First Sections
Stock code: 8214	URL: <a href="http://www.aoki-hd.co.jp/">http://www.aoki-hd.co.jp/</a>
Representative: Akihiro Aoki, President	
Contact: Haruo Tamura, Executive Vice President	Tel: +81-45-941-1388
Scheduled date of filing of Quarterly Report:	February 10, 2012
Scheduled date of payment of dividend:	-
Preparation of supplementary materials for quarterly financial results:	None
Holding of quarterly financial results meeting:	None

*Note: The original disclosure in Japanese was released on February 9, 2012 at 15:30 (GMT +9).*

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2011 (Apr. 1, 2011 – Dec. 31, 2011)

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

	Sales		Operating profit		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2011	104,082	7.3	7,799	9.5	8,500	6.4	4,199	23.8
Nine months ended Dec. 31, 2010	97,033	0.9	7,120	31.0	7,985	29.9	3,393	15.2

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2011: 4,033 (up 25.7%)  
 Nine months ended Dec. 31, 2010: 3,208 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2011	98.58	-
Nine months ended Dec. 31, 2010	79.52	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2011	169,586	101,390	59.5
As of Mar. 31, 2011	166,081	99,435	59.5

Reference: Shareholders' equity (million yen) Dec. 31, 2011: 100,983 Mar. 31, 2011: 98,779

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/11	-	15.00	-	15.00	30.00
FY3/12	-	15.00	-		
FY3/12 (forecasts)				15.00	30.00

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

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Percentages represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	141,900	7.0	12,100	10.5	13,000	7.8	5,500	53.8	129.40

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

#### 4. Others

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

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

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

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

(4) Number of shares outstanding (common shares)

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

Dec. 31, 2011:	46,624,752 shares	Mar. 31, 2011:	49,124,752 shares
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2) Number of shares of treasury stock at end of period

Dec. 31, 2011:	4,430,267 shares	Mar. 31, 2011:	6,453,431 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2011:	42,598,110 shares	Nine months ended Dec. 31, 2010:	42,672,378 shares
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Note 1: Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have not completed the review process for these consolidated statements.

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 “(3) Qualitative Information Regarding Consolidated Forecast” on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Qualitative Information Regarding Consolidated Results of Operations	2
(2) Qualitative Information Regarding Consolidated Financial Position	3
(3) Qualitative Information Regarding Consolidated Forecast	4
2. Quarterly Consolidated Financial Statements	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Income	7
Consolidated Statements of Comprehensive Income	8
(3) Going Concern Assumption	9
(4) Segment Information	9
(5) Significant Changes in Shareholders' Equity	10
(6) Subsequent Events	10

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first nine months of the current fiscal year, the Japanese economy gradually recovered due to reconstruction demand in the wake of the Great East Japan Earthquake, but the outlook remained unclear due to concerns of a slowdown in the global economy triggered by Europe's fiscal problems and the yen's protracted appreciation.

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

In this uncertain environment, the AOKI Group implemented various measures in each business segment as discussed below and recorded increases both in sales and earnings. Sales increased 7.3% year-on-year to 104,082 million yen, operating profit increased 9.5% to 7,799 million yen, ordinary income increased 6.4% to 8,500 million yen, and net income increased 23.8% to 4,199 million yen.

#### Fashion Business

AOKI continued to promote "3D Slim," which has proved popular with customers in their 20s and 30s, to meet the needs of customers in both merchandise and sales promotions, and Kazuya Kamenashi, a young idol star, continued to serve as the image character. AOKI also promoted its "3D Smart" series targeting customers in their 30s and 40s and used Noriyuki Higashiyama, a famous actor-singer, as the image character for the first time. AOKI also strengthened its business-casual wear brand CAFÉ SOHO which provides total styling proposals for adults going out on the town, and expanded its lineup of ladies' wear and "Warm Biz" products. Regarding AOKI stores, we opened 15 new stores since the start of the fiscal year, including in new location types such as in train station-front buildings in suburbs near central Tokyo and in open-mall shopping centers, and closed three for relocation purposes. As a result, the AOKI store network consisted of 439 stores at the end of the third quarter, up from 427 at the end of the previous fiscal year.

At ORIHICA, we strengthened proposals for mix-and-matching jackets and slacks in response to the trend toward wearing more casual clothes in business settings. Regarding ORIHICA stores, we opened 20 new stores since the start of the fiscal year, both in core areas of greater Tokyo (Tokyo and its three border prefectures of Kanagawa, Saitama, and Chiba), Nagoya, and Osaka, but also new areas such as Shizuoka and Hiroshima; we closed three stores including two for relocation purposes. As a result, the ORIHICA store network consisted of 87 stores at the end of the third quarter, up from 70 at the end of the previous fiscal year.

Existing-store sales were firm, particularly from late November, due to expanding demand for suits and warm clothes as temperatures dropped, but also due to an increase in "recruitment" customers. This, together with benefits from new store openings, drove a 5.9% year-on-year increase in sales to 64,676 million yen and a 15.7% increase in operating profit to 4,972 million yen.

#### Anniversaire and Bridal Business

ANNIVERSAIRE INC., which runs guesthouse-style wedding and reception facilities, implemented various policies to increase average sales of food and drink, and total sales per couple. This included marketing measures tailored to each facility and sharing the know-how of skilled staff. It also continued to review the cost structure.

Thanks to the contribution of ANNIVERSAIRE TOYOSU that was opened in April 2011, sales in the ANNIVERSAIRE and Bridal Business rose 4.0% year-on-year to 17,965 million yen. However, operating profit declined 4.7% to 1,573 million yen due to an increase in expenses related to the opening of new facilities and the renovation of existing ones.

#### Karaoke Facility Operations Business

In karaoke facility operations, under the management of VALIC Co., Ltd., we proposed year-end party and other banquet party courses to meet the needs of corporate and group customers, sponsored various events in collaboration

with famous artists and popular characters, and introduced a mobile member system to increase customer traffic. Regarding facilities, we opened six new facilities since the start of the fiscal year, mostly close to train stations in big cities, and closed three existing ones. As a result, our network of karaoke facilities was 129 at the end of the third quarter, up from 126 at the end of the previous fiscal year. We also refurbished 45 facilities including introducing concept rooms.

We saw benefits from the sales at existing facilities were strong due to an increase in continued demand for close-to-home leisure activities, and an increase in traffic from families and businesses. As a result, sales increased 10.9% year-on-year to 10,665 million yen, and operating profit increased 12.2% year-on-year to 989 million yen.

### **Café Complex Operations Business**

In café complex operations, under the management of VALIC Co., Ltd., we refurbished interior equipment through the introduction of amusement content and high-spec PCs, and improved the exterior environment of each complex. We also staged popular online game events to boost customer traffic, and strengthened food menus. Regarding the network of café complexes, we opened 13 new café complexes since the start of the fiscal year, expanding the network to 165 at the end of the third quarter, up from 152 at the end of the previous fiscal year.

We saw benefits from the opening of new café complexes, and sales were strong at existing café complexes due to an increase in customers following refurbishments, and higher sales per customer due to the popularity of the grand and seasonal menus. As a result, sales increased 18.7% year-on-year to 10,795 million yen, and operating profit rose 27.0% to 689 million yen.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

### **Balance sheet position**

#### **Assets**

Total assets at the end of the third quarter under review increased 3,505 million yen over the end of the previous fiscal year to 169,586 million yen.

Current assets increased 2,275 million yen over the end of the previous fiscal year. Cash in hand and in banks declined 1,217 million yen mainly due to capital investments and the payment of income taxes. However inventories increased 2,935 million yen mainly due to new store openings among other factors. Fixed assets increased 1,229 million yen over the end of the previous fiscal year as tangible fixed assets increased 1,481 million yen due to new store openings and other items.

#### **Liabilities**

Current liabilities increased 555 million yen over the end of the previous fiscal year. Accrued income taxes declined 2,390 million yen due to the payment of income taxes and bonuses, and accrued bonuses for employees fell 688 million yen. However notes and accounts payable-trade increased 4,568 million yen due to seasonal reasons and other factors. Long-term liabilities increased 993 million yen over the end of previous fiscal year. This was mainly due to an increase of long-term debt by 818 million yen, because the scheduled repayment and other items were offset by fund procurement for capital investments.

#### **Net assets**

Net assets increased 1,955 million yen over the end of the previous fiscal year, despite the purchase of treasury stock of 548 million yen, mainly due to an increase in retained earnings of 2,376 million yen from net income and other items.

**(3) Qualitative Information Regarding Consolidated Forecast**

We revise the full-year consolidated forecast we released on November 9, 2011 following the current performance trends.

	Sales	Operating profit	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	140,700	11,500	12,400	5,500	128.89
Revised forecast (B)	141,900	12,100	13,000	5,500	129.40
Change (B - A)	1,200	600	600	-	
Percentage change (%)	0.9	5.2	4.8	-	
Previous fiscal year results (FY3/11)	132,561	10,952	12,057	3,575	83.78

**Reasons for revisions**

We raise our sales forecast, as shown in the table above, because sales remained strong in the third quarter in the Fashion Business, particularly for suits and formalwear as temperatures declined, and sales to “recruitment” customers, which were initially slow, picked up particularly around the end of November to early December.

We expect to book slightly more SG&A expenses due to aggressive promotional policies in the Fashion Business, but we also expect greater sales and better-than-expected gross profit margins in the Fashion and Entertainment businesses to more than compensate for this. We therefore raise our operating profit and ordinary income forecasts as shown in the table above.

Despite the increase to our ordinary income forecast, we maintain our net income forecast as shown in the table above due to an increase in tax expenses as we drew down deferred tax assets following an announcement in the third quarter of scheduled revisions to the corporate tax rate to go into effect next fiscal year.

**Forecast by business segment**

By segment, we raise our sales and profit forecasts for the Fashion Business, and our profit forecasts for the Karaoke Facility Operations Business and Café Complex Operations Business. The heavy March weighting of the Fashion Business in particular means results could differ substantially from our forecast, but we decided to make the revisions following a careful analysis of trends over the first nine months of the fiscal year.

Forecast by business segment for the fiscal year ending March 31, 2012 (Millions of yen)

	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Consolidated
Sales	90,200	23,320	14,000	14,400	141,900
YoY change (%)	104.6	109.1	110.6	116.5	107.0
Segment profit	8,650	1,700	1,320	880	12,100
YoY change (%)	108.3	126.4	115.9	103.9	110.5

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

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

	(Millions of yen)	
	FY3/11 (As of Mar. 31, 2011)	Third quarter of FY3/12 (As of Dec. 31, 2011)
<b>Assets</b>		
Current assets		
Cash in hand and in banks	18,249	17,031
Accounts receivable-trade	5,243	5,003
Inventories	15,279	18,215
Other current assets	5,819	6,617
Allowance for doubtful accounts	(9)	(10)
Total current assets	44,583	46,858
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	38,922	41,722
Land	31,513	31,533
Other, net	11,059	9,720
Total tangible fixed assets	81,494	82,975
Intangible fixed assets	4,021	4,397
Investments and other assets		
Guarantee deposits	9,126	8,934
Leasehold deposit	16,524	16,898
Other investments and other assets	10,376	9,566
Allowance for doubtful accounts	(45)	(45)
Total investments and other assets	35,981	35,353
Total fixed assets	121,497	122,727
Total assets	166,081	169,586
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	11,163	15,731
Current portion of long-term debt	6,597	6,850
Accrued income taxes	2,942	552
Accrued bonuses for employees	1,430	742
Accrued bonuses for directors and statutory auditors	113	90
Other current liabilities	9,277	8,113
Total current liabilities	31,524	32,080
Long-term liabilities		
Long-term debt	23,575	24,393
Accrued retirement benefits for employees	613	698
Accrued retirement benefits for directors and statutory auditors	1,408	1,478
Accrued costs for customer point program	681	721
Asset retirement obligations	3,001	3,296
Negative goodwill	1,556	1,240
Other long-term liabilities	4,284	4,287
Total long-term liabilities	35,121	36,114
Total liabilities	66,645	68,195

	(Millions of yen)	
	FY3/11 (As of Mar. 31, 2011)	Third quarter of FY3/12 (As of Dec. 31, 2011)
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	24,788	22,586
Retained earnings	57,987	60,363
Treasury stock	(7,080)	(4,884)
Total shareholders' equity	98,977	101,348
Accumulated other comprehensive income		
Unrealized gain on securities	(198)	(364)
Total accumulated other comprehensive income	(198)	(364)
Stock acquisition rights	655	407
Total net assets	99,435	101,390
Total liabilities and net assets	166,081	169,586

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

(Millions of yen)

	First nine months of FY3/11 (Apr. 1, 2010 – Dec. 31, 2010)	First nine months of FY3/12 (Apr. 1, 2011 – Dec. 31, 2011)
Sales	97,033	104,082
Cost of sales	52,041	56,282
Gross profit	44,991	47,800
Selling, general and administrative expenses	37,871	40,000
Operating profit	7,120	7,799
Non-operating profit		
Interest income	56	54
Dividend income	69	74
Rental income on real estate	783	662
Amortization of negative goodwill	729	729
Other	254	335
Total non-operating profit	1,893	1,856
Non-operating expenses		
Interest expenses	246	240
Expenses on sub-leased real estate	701	624
Other	79	290
Total non-operating expenses	1,028	1,155
Ordinary income	7,985	8,500
Extraordinary gains		
Gain on sale of fixed assets	3	-
Gain on reversal of stock acquisition rights	8	241
Subsidy income	17	-
Other	1	-
Total extraordinary gains	30	241
Extraordinary losses		
Loss on cancellation of lease agreements	76	18
Loss on disposal of fixed assets	42	67
Impairment loss	205	362
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,466	-
Other	70	14
Total extraordinary losses	1,861	462
Net income before income taxes	6,153	8,278
Current income taxes	2,619	2,660
Deferred income taxes	140	1,419
Total income taxes	2,760	4,079
Income before minority interests	3,393	4,199
Net income	3,393	4,199

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

(Millions of yen)

	First nine months of FY3/11 (Apr. 1, 2010 – Dec. 31, 2010)	First nine months of FY3/12 (Apr. 1, 2011 – Dec. 31, 2011)
Income before minority interests	3,393	4,199
Other comprehensive income		
Unrealized gain on securities	(184)	(166)
Total other comprehensive income	(184)	(166)
Comprehensive income	3,208	4,033
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,208	4,033
Comprehensive income attributable to minority interests	-	-

**(3) Going Concern Assumption**

First nine months of FY3/12 (Apr. 1, 2011 – Dec. 31, 2011)

No reportable information.

**(4) Segment Information**

First nine months of FY3/11 (Apr. 1, 2010 – Dec. 31, 2010)

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

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	61,063	17,259	9,617	9,092	97,033	-	97,033
Inter-segment sales and transfers	2	16	2	-	21	(21)	-
Total	61,066	17,276	9,620	9,092	97,055	(21)	97,033
Segment profit	4,297	1,649	881	543	7,372	(252)	7,120

Notes: 1. The negative adjustment of 252 million yen to segment profit includes 2,485 million yen in elimination for inter-segment transactions, -400 million yen in goodwill amortization, and -2,338 million yen in company-wide costs that are not allocated to reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to any specific reportable segments.

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

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

Material impairment losses related to fixed assets

In the Fashion, Karaoke Facility Operations, and Café Complex Operations businesses, impairment losses were mainly recognized for stores set to be closed and fixed assets that have continuously produced losses and for which there is little expectation of recovery; impairment losses of 95 million yen, 58 million yen, and 51 million yen were booked, respectively, for each business.

First nine months of FY3/12 (Apr. 1, 2011 – Dec. 31, 2011)

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

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Fashion	Anniversaire and Bridal	Karaoke Facility Operations	Café Complex Operations	Total		
Sales							
External sales	64,673	17,952	10,661	10,795	104,082	-	104,082
Inter-segment sales and transfers	2	12	4	-	19	(19)	-
Total	64,676	17,965	10,665	10,795	104,102	(19)	104,082
Segment profit	4,972	1,573	989	689	8,225	(426)	7,799

Notes: 1. The negative adjustment of 426 million yen to segment profit includes 2,387 million yen in elimination for inter-segment transactions, -400 million yen in goodwill amortization, and -2,413 million yen in company-wide costs that are not allocated to reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to any specific reportable segments.

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

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

Material impairment losses related to fixed assets

In the Fashion, Karaoke Facility Operations, and Café Complex Operations businesses, impairment losses were mainly recognized for stores set to be closed and fixed assets that have continuously produced losses and for which there is little expectation of recovery; impairment losses of 239 million yen, 61 million yen, and 37 million yen were booked, respectively, for each business.

**(5) Significant Changes in Shareholders' Equity**

First nine months of FY3/12 (Apr. 1, 2011 – Dec. 31, 2011)

i) Purchase of treasury stock

The Company acquired its treasury stock pursuant to the resolution of the Board of Directors on November 9, 2011. As a result, treasury stock increased 548 million yen (476,000 shares) during the period under review.

ii) Retirement of treasury stock

The Company retired its treasury stock pursuant to the resolution of the Board of Directors on November 9, 2011. In the period under review, treasury stock decreased 2,745 million yen (2,500,000 shares) and capital surplus and retained earnings decreased 2,201 million yen and 543 million yen, respectively.

**(6) Subsequent Events**

No reportable information.

*\* This summary 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.*