

**Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2012
(Six Months Ended September 30, 2011)**

[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 filing of Quarterly Report: November 11, 2011

Scheduled date of payment of dividend: December 5, 2011

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on November 9, 2011 at 14:15 (GMT +8).

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2011 (Apr. 1, 2011 – Sep. 30, 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	%
Six months ended Sep. 30, 2011	61,945	5.7	2,297	7.7	2,818	3.2	1,537	244.5
Six months ended Sep. 30, 2010	58,603	1.2	2,132	70.6	2,730	59.8	446	(51.4)

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

Six months ended Sep. 30, 2010: 212 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2011	36.04	-
Six months ended Sep. 30, 2010	10.46	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2011	161,615	100,091	61.7
As of Mar. 31, 2011	166,081	99,435	59.5

Reference: Shareholders' equity (million yen) Sep. 30, 2011: 99,683 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	140,700	6.1	11,500	5.0	12,400	2.8	5,500	53.8	128.89

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 revised 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

Sep. 30, 2011:	49,124,752 shares	Mar. 31, 2011:	49,124,752 shares
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2) Number of shares of treasury stock at end of period

Sep. 30, 2011:	6,453,935 shares	Mar. 31, 2011:	6,453,431 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2011:	42,670,995 shares	Six months ended Sep. 30, 2010:	42,672,572 shares
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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 quarterly consolidated financial statements have not been completed.

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

Cautionary statement with respect to forecasts

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to “(3) Qualitative Information Regarding Consolidated Forecast” on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Results presentation materials

AOKI Holdings plans to hold a results presentation for institutional investors and analysts on Friday, November 25, 2011. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first half of the current fiscal year, some sectors of the economy saw improvement due to post-quake reconstruction and energy-conservation demand, but the outlook for the overall Japanese economy remained uncertain due to power shortages, concerns of a slowdown in the global economy, and continued yen appreciation. Personal consumption began to recover on balance as energy conservation efforts lifted “Cool Biz” demand, but the recovery lacked strength due to concerns about the outlook of the economy.

In this uncertain environment, the AOKI Group implemented various measures in each business segment as discussed below. Sales increased 5.7% year-on-year to 61,945 million yen, operating profit increased 7.7% to 2,297 million yen, ordinary income increased 3.2% to 2,818 million yen, and net income surged 244.5% to 1,537 million yen.

Operating results by reportable segment:

Fashion Business

AOKI strengthened its lineup, promotions, visual merchandising, marketing, and sales displays for Cool-Biz items including functional products such as “Premium Wash Suits,” “Premium Air Cool Suits,” and “Air-cooled Shirts,” and new styles including “BIZ Knit Shirts.” AOKI also expanded its business-casual wear brand CAFÉ SOHO for ladies and adults going out on the town to focus on revitalizing existing-store sales. Regarding AOKI stores, we opened four new stores and closed three stores for transfer purposes. The AOKI store network consisted of 428 stores at the end of the second quarter, up from 427 at the end of the previous fiscal year.

As for ORIHICA, we focused on improving management efficiency in preparation for a 100-store network, and opened 12 new stores mainly in greater Tokyo and Chukyo, although we also closed three stores including two for transfer purposes. As a result, the ORIHICA store network consisted of 79 stores at the end of the first half, up from 70 at the end of the previous fiscal year.

First-half existing-store sales increased year-on-year thanks to strong sales of ladies’ wear and Cool Biz shirts and slacks, and we also saw benefits from new store openings. As a result, sales and profits increased year-on-year in the Fashion Business with sales up 3.5% to 36,698 million yen and operating profit up 5.9% to 632 million yen despite greater costs from the opening of new ORIHICA stores.

Anniversaire and Bridal Business

ANNIVERSAIRE INC., which runs guesthouse-style wedding and reception facilities, opened “ANNIVERSAIRE TOYOSU” in April 2011. Also, we renovated six chapels and two banquet rooms to strengthen sales at existing facilities.

Thanks to the contribution of ANNIVERSAIRE TOYOSU, second-quarter sales in the ANNIVERSAIRE and Bridal Business rose 1.6% year-on-year to 11,164 million yen. However, operating profit declined 30.6% to 545 million yen due to a decline in the number of married couples at existing facilities, and 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 collaborated with famous artists and popular characters for our summer sales promotion, aiming to improve the brand's recognition and increase customer traffic. We also focused on revitalizing sales at existing facilities by refurbishing 24 facilities, introducing summer menus, and implementing summer-time hours at some facilities. Regarding facilities, we opened six new facilities and closed three existing ones. As a result, our network of karaoke facilities was 129 at the end of the first half, 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 the Karaoke Facility Operations Business with sales up 11.0% to 6,785 million yen and operating profit up 37.2% to 555 million yen.

Café Complex Operations Business

In café complex operations, under the management of VALIC Co., Ltd., we refurbished 19 café complexes to improve their interior and exterior environments. We also implemented a collaborative promotional campaign with online games and introduced a mobile member system to boost customer traffic. We also bolstered the food menu by expanding morning and lunch menus and introducing a "Support East Japan Udon Fair." Regarding the network of café complexes, we opened nine new café complexes, expanding the network to 161 at the end of the second 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 visitors looking to escape the heat, an increase in early-morning traffic as more companies introduced summer-time hours, and higher food sales. Sales and profits increased year-on-year in the Café Complex Operations Business: Sales increased 20.9% to 7,314 million yen, and operating profit surged 58.3% to 775 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Balance sheet position

Assets

Total assets at the end of the second quarter under review decreased 4,465 million yen over the end of the previous fiscal year to 161,615 million yen.

Current assets declined 5,766 million yen over the end of the previous fiscal year. Inventories increased 1,783 million yen due to new store openings among other factors. However, cash in hand and in banks declined 4,978 million yen due to capital investments and the payment of income taxes, and also accounts receivable-trade fell 3,004 million yen due to recovery. Fixed assets increased 1,300 million yen over the end of the previous fiscal year as tangible fixed assets increased 994 million yen due to new store openings.

Liabilities

Current liabilities decreased 2,465 million yen over the end of the previous fiscal year. One of the main factors was a 1,451 million yen increase in notes and accounts payable-trade due to seasonal reasons, while accrued income taxes declined 2,166 million yen due to the payment of income taxes and also there was a 711 million yen decrease in current portion of long-term debt. Long-term liabilities decreased 2,656 million yen over the end of previous fiscal year mainly due to the scheduled repayment of 2,712 million yen of long-term debt.

Net assets

Net assets increased 656 million yen over the end of the previous fiscal year, mainly due to an increase in retained earnings of 897 million yen from net income and other items.

2) Cash flow position

Cash and cash equivalents at the end of the second quarter under review decreased 4,978 million yen over the end of the previous fiscal year to 13,270 million yen.

Cash flows from operating activities

Net cash provided by operating activities was 3,245 million yen (compared with net cash provided of 3,242 million yen one year earlier). The principal factors were net income before income taxes of 2,677 million yen and depreciation and amortization of 2,824 million yen while income taxes paid of 2,363 million yen (the net of income tax payments and refunds).

Cash flows from investing activities

Net cash used in investing activities was 3,542 million yen (compared with net cash used of 3,201 million yen one year earlier). The main factors were payments of 2,565 million yen for the acquisition of tangible fixed assets for new store openings, and leasehold and guarantee deposits of 747 million yen.

Cash flows from financing activities

Net cash used in financing activities was 4,681 million yen (compared with net cash provided of 1,108 million yen one year earlier). This was mainly due to the scheduled repayment of 3,423 million yen of long-term debt, and 640 million yen of cash dividends paid.

(3) Qualitative Information Regarding Consolidated Forecast

We raised our full-year consolidated sales forecast in light of first-half results and revisions to our store-opening plans made subsequently based on these results. We now expect to open 39 stores in the Fashion business, up from our original forecast of 30 stores, and 29 stores in the entertainment business (karaoke facilities and café complexes), up from 26 stores. The revisions to our business segment forecasts are as follows:

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	89,000	23,320	14,000	14,400	140,700
YoY change (%)	103.3	109.1	110.6	116.5	106.1
Segment profit	8,150	1,700	1,250	850	11,500
YoY change (%)	102.1	126.4	109.8	100.4	105.0

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)	Second quarter of FY3/12 (As of Sep. 30, 2011)
Assets		
Current assets		
Cash in hand and in banks	18,249	13,270
Accounts receivable-trade	5,243	2,239
Inventories	15,279	17,063
Other current assets	5,819	6,255
Allowance for doubtful accounts	(9)	(11)
Total current assets	44,583	38,816
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	38,922	41,458
Land	31,513	31,513
Other, net	11,059	9,517
Total tangible fixed assets	81,494	82,488
Intangible fixed assets	4,021	4,239
Investments and other assets		
Guarantee deposits	9,126	8,995
Leasehold deposit	16,524	16,787
Other investments and other assets	10,376	10,332
Allowance for doubtful accounts	(45)	(45)
Total investments and other assets	35,981	36,070
Total fixed assets	121,497	122,798
Total assets	166,081	161,615
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,163	12,614
Current portion of long-term debt	6,597	5,886
Accrued income taxes	2,942	775
Accrued bonuses for employees	1,430	1,340
Accrued bonuses for directors and statutory auditors	113	58
Other current liabilities	9,277	8,383
Total current liabilities	31,524	29,058
Long-term liabilities		
Long-term debt	23,575	20,863
Accrued retirement benefits for employees	613	674
Accrued retirement benefits for directors and statutory auditors	1,408	1,445
Accrued costs for customer point program	681	707
Asset retirement obligations	3,001	3,236
Negative goodwill	1,556	1,345
Other long-term liabilities	4,284	4,192
Total long-term liabilities	35,121	32,465
Total liabilities	66,645	61,523

	(Millions of yen)	
	FY3/11 (As of Mar. 31, 2011)	Second quarter of FY3/12 (As of Sep. 30, 2011)
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	24,788	24,788
Retained earnings	57,987	58,885
Treasury stock	(7,080)	(7,080)
Total shareholders' equity	98,977	99,874
Accumulated other comprehensive income		
Unrealized gain on securities	(198)	(191)
Total accumulated other comprehensive income	(198)	(191)
Stock acquisition rights	655	408
Total net assets	99,435	100,091
Total liabilities and net assets	166,081	161,615

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

(Millions of yen)

	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Sales	58,603	61,945
Cost of sales	32,371	34,596
Gross profit	26,231	27,349
Selling, general and administrative expenses	24,098	25,052
Operating profit	2,132	2,297
Non-operating profit		
Interest income	38	35
Dividend income	58	60
Rental income on real estate	519	443
Amortization of negative goodwill	486	486
Other	169	264
Total non-operating profit	1,272	1,290
Non-operating expenses		
Interest expenses	156	162
Expenses on sub-leased real estate	471	420
Other	46	186
Total non-operating expenses	674	768
Ordinary income	2,730	2,818
Extraordinary gains		
Reversal of allowance for doubtful accounts	0	-
Gain on sale of fixed assets	3	-
Gain on reversal of stock acquisition rights	6	241
Subsidy income	17	-
Other	1	-
Total extraordinary gains	28	241
Extraordinary losses		
Loss on cancellation of lease agreements	-	18
Loss on disposal of fixed assets	33	65
Impairment loss	163	290
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,466	-
Other	48	7
Total extraordinary losses	1,712	382
Net income before income taxes	1,047	2,677
Current income taxes	782	756
Deferred income taxes	(181)	384
Total income taxes	601	1,140
Income before minority interests	446	1,537
Net income	446	1,537

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

(Millions of yen)

	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Income before minority interests	446	1,537
Other comprehensive income		
Unrealized gain on securities	(234)	6
Total other comprehensive income	(234)	6
Comprehensive income	212	1,544
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	212	1,544
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Cash flows from operating activities		
Net income before income taxes	1,047	2,677
Depreciation and amortization	2,643	2,824
Impairment loss	163	290
Amortization of goodwill	275	274
Amortization of negative goodwill	(486)	(486)
Increase (decrease) in accrued retirement benefits for employees	4	60
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	26	37
Increase (decrease) in accrued costs for customer point program	6	26
Interest and dividend income	(96)	(96)
Interest expenses	156	162
Loss on cancellation of lease agreements	-	18
Loss on disposal of fixed assets	23	65
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,466	-
Decrease (increase) in accounts receivable-trade	2,969	3,004
Decrease (increase) in inventories	(726)	(1,783)
Increase (decrease) in accounts payable-trade	(896)	2,035
Other	(1,329)	(3,407)
Subtotal	5,250	5,705
Interest and dividend income received	70	72
Interests paid	(161)	(169)
Income taxes paid	(2,554)	(2,899)
Income taxes refund	637	535
Net cash provided by operating activities	3,242	3,245
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(2,720)	(2,565)
Payments for acquisition of intangible fixed assets	(284)	(341)
Payments for leasehold and guarantee deposits	(607)	(747)
Net decrease (increase) in trust beneficiary right	93	(88)
Other	317	200
Net cash used in investing activities	(3,201)	(3,542)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	(6,000)	-
Proceeds from long-term debt	13,000	-
Repayments of long-term debt	(4,196)	(3,423)
Payments for redemption of corporate bonds	(670)	-
Payments for purchase of treasury stock	(1)	(0)
Dividends paid	(640)	(640)
Other	(383)	(617)
Net cash provided by (used in) financing activities	1,108	(4,681)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	1,148	(4,978)
Cash and cash equivalents at beginning of period	16,997	18,249
Cash and cash equivalents at end of period	18,146	13,270

(4) Going Concern Assumption

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

No reportable information.

(5) Segment Information

First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)

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	35,465	10,976	6,108	6,052	58,603	-	58,603
Inter-segment sales and transfers	0	14	2	-	17	(17)	-
Total	35,466	10,990	6,110	6,052	58,620	(17)	58,603
Segment profit	597	786	404	489	2,278	(145)	2,132

Notes: 1. The negative adjustment of 145 million yen to segment profit includes 1,658 million yen in elimination for inter-segment transactions, -266 million yen in goodwill amortization, and -1,537 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; first-half impairment losses of 53 million yen, 58 million yen, and 51 million yen were booked, respectively, for each business.

First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 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	36,696	11,152	6,781	7,314	61,945	-	61,945
Inter-segment sales and transfers	1	12	3	-	17	(17)	-
Total	36,698	11,164	6,785	7,314	61,962	(17)	61,945
Segment profit	632	545	555	775	2,509	(211)	2,297

Notes: 1. The negative adjustment of 211 million yen to segment profit includes 1,592 million yen in elimination for inter-segment transactions, -266 million yen in goodwill amortization, and -1,537 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; first-half impairment losses of 168 million yen, 61 million yen, and 37 million yen were booked, respectively, for each business.

(6) Significant Changes in Shareholders' Equity

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

No reportable information.

(7) Subsequent Events

AOKI Holdings decided at a Board of Directors meeting held on November 9, 2011 to acquire its own shares and retire some to implement a capital policy that responds more flexibly to the changing business environment, and to improve shareholder value.

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

** 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.*