AOKI Holdings

May 13, 2011

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2011

[Japanese GAAP]

Company name: AOKI Holdings Inc. Listing: TSE/OSE, First Section
Stock code: 8214 URL: http://www.aoki-hd.co.jp/
Representative: Akihiro Aoki, President
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Scheduled date of Annual General Meeting of Shareholders: June 29, 2011
Scheduled date of filing of Annual Securities Report: June 30, 2011
Scheduled date of payment of dividend: June 13, 2011
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(1) Consolidated results of operations

(Percentages shown for sales, operating profit, ordinary income and net income represent year-on-year changes)

	Sales		Operating profit		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/11	132,561	1.1	10,952	10.0	12,057	12.2	3,575	(1.2)
FY3/10	131,124	(0.7)	9,954	3.0	10,750	1.8	3,618	9.1

Note: Comprehensive income (million yen) FY3/11: 3,276 (down 14.8%) FY3/10: 3,845 (n.a.)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/11	83.78	-	3.7	7.4	8.3
FY3/10	84.79	-	3.8	6.9	7.6

Reference: Equity in income of affiliates (million yen) FY3/11: - FY3/10: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2011	166,081	99,435	59.5	2,314.89
As of Mar. 31, 2010	159,189	97,416	60.8	2,268.07

Reference: Shareholders' equity (million yen) Mar. 31, 2011: 98,779 Mar. 31, 2010: 96,785

(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
FY3/11	13,255	(10,346)	(1,656)	18,249
FY3/10	8,182	(8,056)	2,560	16,997

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	%	%
FY3/10	-	15.00	-	15.00	30.00	1,280	35.4	1.3
FY3/11	-	15.00	-	15.00	30.00	1,280	35.8	1.3
FY3/12 (forecasts)	-	15.00	-	15.00	30.00		25.6	

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
First half	60,600	3.4	1,100	(48.4)	1,500	(45.1)	530	18.7	12.42
Full year	139,000	4.9	11,200	2.3	12,100	0.4	5,000	39.9	117.17

4. Others

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

(2) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Please refer to "Changes in Basis of Preparation of the Consolidated Financial Statements" on page 21 for further information.

(3) Number of shares outstanding (common stock)

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

Mar. 31, 2011:	49,124,752 shares	Mar. 31, 2010:	49,124,752 shares

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

Mar. 31, 2011:	6,453,431shares	Mar. 31, 2010:	6,451,716 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2011:	42,672,143 shares	Fiscal year ended Mar. 31, 2010:	42,673,979 shares

* 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.

* Cautionary statement with respect to forecasts and other matters

< Cautionary statement with respect to forecasts and other forward-looking statements >

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. Business Results, (1) Analysis of Business Results, 2) Forecasts for the new fiscal year" on page 3 regarding preconditions or other related matters for the forecast shown above.

< Disclosure of the information meeting materials >

AOKI Holdings plans to hold the following information meeting for results of operations. Materials distributed at this event are to be posted promptly on the Company's website following the meeting.

Friday, May 27, 2011: Presentation for institutional investors and analysts

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 continued on a modest recovery path on balance driven by improvements in overseas economies and benefits from the government's economic stimulus measures, and bright spots were seen in private consumption as employment and income conditions moved past the worst. However, the situation changed and the outlook for the economy became increasingly uncertain after the Great East Japan Earthquake struck on March 11, 2011.

In this environment, the AOKI Group merged effective April 1, 2010, AOKI Inc. with ORIHICA Inc., to improve the efficiency of the Group structure and maximize synergies. Also, each operating company implemented various measures to generate new growth such as cost reviews and promotion of business formats.

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

Sales	132,561 million yen	(up 1.1% year-on-year)
Operating profit	10,952 million yen	(up 10.0% year-on-year)
Ordinary income	12,057 million yen	(up 12.2% year-on-year)
Net income	3,575 million yen	(down 1.2% year-on-year)

Sales rose, and operating profit and ordinary income increased sharply, due to the implementation of various, precisely targeted measures in each business and ongoing cost reductions. Net income declined slightly due to the booking of impairment losses, and restoration expenses in the wake of the earthquake disaster, as extraordinary losses.

Fashion Business

AOKI focused on revitalizing existing-store sales by coordinating sales promotions, visual merchandising, marketing, and the product lineup centered on core products including "*Premium Wash Suits*" which can be washed in a washing machine, "*Premium Thermostat Suits*" which are temperature adjusting, and "*3D Slim*" suits for the young that are both fashionable and functional. Customer numbers increased as we conducted a good balance of colorful pitches including fashion promotions and sales promotions. Also, the number of customers of young women entering the workforce increased because, in addition to fashion promotions targeting young men entering the workforce, we coordinated for the first time television advertising and magazine-collaborated events targeting women. Regarding AOKI stores, we opened 4 new stores and closed 8 stores. The AOKI store network consisted of 427 stores at the end of the fiscal year, down from 431 at the end of the previous fiscal year.

As for ORIHICA, we focused on polishing the prototype, and pro-actively opened 21 new stores, including 8 in Tokyo Prefecture as we positioned this prefecture as a key area for new store openings. We closed 3 existing stores. As a result, the ORIHICA store network consisted of 70 stores at the end of the fiscal year, up from 52 at the end of the previous fiscal year.

Operations at some stores in the Tohoku and North Kanto regions were temporarily suspended in the wake of the Great East Japan Earthquake, and some stores in Tokyo Prefecture and eight other prefectures were subsequently impacted by rolling blackouts. However, sales were firm at existing stores since the start of the fiscal year, and the operating losses of M/X stores, closed last fiscal year, dropped out this fiscal year. As a result, sales in the Fashion Business increased 0.3% year-on-year to 86,193 million yen, and operating profit rose 37.8% to 7,985 million yen.

Anniversaire and Bridal Business

ANNIVERSAIRE INC. (name changed from RAVIS Inc. effective October 1, 2010), which runs guesthouse style wedding and reception facilities, consolidated the names of all facilities nationwide to "ANNIVERSAIRE" on January 1, 2011 to leverage the ANNIVERSAIRE-style wedding know-how it cultivated in Omotesando and further improve its brand image. Also, orders have been steady for "ANNIVERSAIRE TOYOSU" which consists of a grand independent chapel and three reception halls with different atmospheres and opened in April 2011.

Average sales per married couple continued to rise, but the number of married couples declined due to rescheduling in the wake of the Great East Japan Earthquake, and we booked expenses related to preparations for the opening of the new facility. As a result, sales in the ANNIVERSAIRE and Bridal Business declined 6.2% year-on-year to 21,375 million yen, and operating profit dropped 40.5% to 1,344 million yen.

Karaoke Facility Operations Business

In karaoke facility operations, under the management of VALIC Co., Ltd., we pursued customer satisfaction by improving lunch sets, dinner sets and other food and drink menus, and by proposing a variety of banquet party courses to meet the diverse needs of corporate and group customers. Regarding facilities, we opened 16 new facilities mostly around train stations, including 9 in Tokyo. We closed 8 existing facilities. As a result, our network of karaoke facilities was 126 at the end of the fiscal year, up from 118 at the end of the previous fiscal year.

As a result of these efforts, although the number of adult customers, particularly at late-night, declined, and operations were impacted by rolling blackouts, we saw benefits from new store openings. Sales in the Karaoke Facility Operations Business increased 1.8% year-on-year to 12,657 million yen, but operating profit declined 25.3% to 1,138 million yen due to a decline in sales at existing facilities and an increase in new store opening expenses.

Café Complex Operations Business

In café complex operations, under the management of VALIC Co., Ltd., we strengthened the renovation of facility equipment and environments, and expanded our amusement offerings to include online darts and other games, to encourage repeat visits. The number of customers increased as a result. Also, we bolstered food and drink offerings through the launch of original and seasonal menus to increase the amount of time customers spend in the café complexes. Average sales per customer increased as a result. Regarding the network of café complexes, we opened 21 new café complexes and closed 2, expanding the network to 152 at the end of the fiscal year, up from 133 at the end of the previous fiscal year.

Although operations were impacted by rolling blackouts, we saw benefits from the opening of new café complexes and sales were firm at existing café complexes. As a result, sales in the Café Complex Operations Business increased 23.6% year-on-year to 12,361 million yen, and operating profit increased 103.0% to 846 million yen.

2) Forecasts for the new fiscal year

In the new fiscal year, the economy has stagnated due to the impact of power supply shortages and the nuclear crisis, and we continue to expect a lack of visibility. Also, we do not anticipate a recovery of private consumption as consumers have increasingly adopted a defensive posture. In this harsh environment, our Group will promote flexible and efficient management to respond to changes in the external environment, and target stable growth.

In the Fashion Business, we will promote the evolution of the AOKI and ORIHICA store formats in order to further expand our share of the business wear market. We will open approximately 30 new stores of both formats annually at carefully selected locations that match our store-opening standards. At AOKI, we will continue to enrich our lineup of functional products, and strengthen our lineup of Cool-Biz products and ladies' wear, to revitalize sales at existing stores. At ORIHICA, we will continue to pro-actively open new stores mainly in shopping centers, and strengthen efforts to achieve more efficient management.

In the ANNIVERSAIRE and Bridal Business, we opened “ANNIVERSAIRE TOYOSU” in April 2011, and we plan to focus on revitalizing sales at existing facilities by strengthening employee training and renovating facilities.

In the Karaoke Facility Operations Business and Café Complex Operations Business, we will focus on revitalizing sales at existing facilities by pro-actively renovating facilities and further strengthening food/drink and other services. In karaoke facility operations, we will work on opening new facilities mainly around train stations, in central Tokyo locations, and on the top floors of buildings. In café complex operations, we will promote the domination of our brand in Kanto, Chukyo, and Kansai. In total, we aim to open approximately 26 new karaoke facilities and café complexes to build a new growth platform.

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, 2012 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	88,100	23,770	13,250	13,900	139,000
YoY change (%)	102.2	111.2	104.7	112.4	104.9
Segment profit	8,050	1,700	1,070	830	11,200
YoY change (%)	100.8	126.4	94.0	98.0	102.3

Note: Profits for reportable segments are 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 6,891 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 1,159 million yen over the end of the previous fiscal year. Cash and deposits increased 1,252 million yen. Fixed assets increased 5,732 million yen over the end of the previous fiscal year. Guarantee deposits were written down by 635 million yen, while there was a 4,326 million yen increase in tangible fixed assets due to acquisition of fixed assets for new store openings and the application of accounting standards for asset retirement obligations in addition to a 937 million yen increase in leasehold deposits.

Current liabilities decreased 6,978 million yen over the end of the previous fiscal year. It was mainly due to decreases in short-term debt of 6,000 million yen and in notes and accounts payable-trade of 1,176 million yen. Long-term liabilities increased 11,851 million yen due to increases in long-term debt for capital investment funding of 8,078 million yen, asset retirement obligations of 3,001 million yen, and lease obligations of 873 million yen.

Net assets increased 2,018 million yen over the end of the previous fiscal year, mainly due to an increase in retained earnings of 2,294 million yen from net income and other items.

2) Cash flow position

(Millions of yen)

	FY3/10	FY3/11
Cash flows from operating activities	8,182	13,255
Cash flows from investing activities	(8,056)	(10,346)
Cash flows from financing activities	2,560	(1,656)
Increase (decrease) in cash and cash equivalents	2,686	1,252
Cash and cash equivalents at beginning of period	14,310	16,997
Cash and cash equivalents at end of period	16,997	18,249

Cash and cash equivalents at the end of the fiscal year under review increased 1,252 million yen, or 7.4% over the end of the previous fiscal year to 18,249 million yen due to an increase in loans payable for capital investment and other factors.

Net cash provided by operating activities increased 62.0% year-on-year to 13,255 million yen. The principal sources of cash were net income before income taxes of 6,523 million yen, depreciation and amortization of 5,507 million yen, an impairment loss of 2,970 million yen, and a loss on adjustment for changes of accounting standard for asset retirement obligations of 1,466 million yen. The principal use of cash was income taxes paid of 4,239 million yen.

Net cash used in investing activities increased 28.4% year-on-year to 10,346 million yen. This was mainly due to the payments of 9,032 million yen for acquisition of tangible fixed assets for capital investment and leasehold and guarantee deposits of 1,370 million yen.

Net cash used in financing activities was 1,656 million yen (compared with net cash provided of 2,560 million yen one year earlier). The principal source of cash was 15,000 million yen in long-term debt for investment in equipment. The principal uses of cash were, the scheduled repayment of 8,498 million yen of long-term debt and the redemption of corporate bonds, the repayment of 6,000 million yen of short-term debt, and 1,280 million yen of dividends paid.

Reference: Cash flow indicators

	FY3/07	FY3/08	FY3/09	FY3/10	FY3/11
Shareholders' equity ratio (%)	61.5	60.3	61.4	60.8	59.5
Shareholders' equity ratio based on market prices (%)	69.1	48.2	24.5	33.6	34.8
Interest-bearing debt to cash flow ratio (years)	3.1	1.4	2.7	3.6	2.6
Interest coverage ratio	33.3	61.3	39.9	25.9	39.1

Notes: 1. Shareholders' equity ratio: Shareholders' equity / Total assets
2. Shareholders' equity ratio based on market prices: Market capitalization / Total assets
3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows
4. Interest coverage ratio: Cash flows / Interest payments
* All indicators are calculated based on consolidated figures.
* Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock).
* Cash flows are calculated using the figures for operating cash flows.
* Interest-bearing debt includes all liabilities on the consolidated balance sheets that incur interest. Interest payments are calculated using the figures for interests paid in the consolidated statements of cash flows.

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

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

By resolution of the Board of Directors at a meeting held on May 13, 2011, management approved a fiscal year-end dividend of 15 yen per share in line with the aforementioned basic policy, despite the uncertain environment going forward.

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 two related company, and primary business activities include marketing of fashion products mainly for men, bridal services including the operation of wedding facilities, and the operation of leisure facilities including karaoke rooms and café complexes. ORIHICA Inc. was merged into AOKI Inc., a company within the fashion business, effective April 1, 2010.

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 clothing, accessories, and fashion goods, 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. (name changed from RAVIS Inc. effective October 1, 2010), 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.

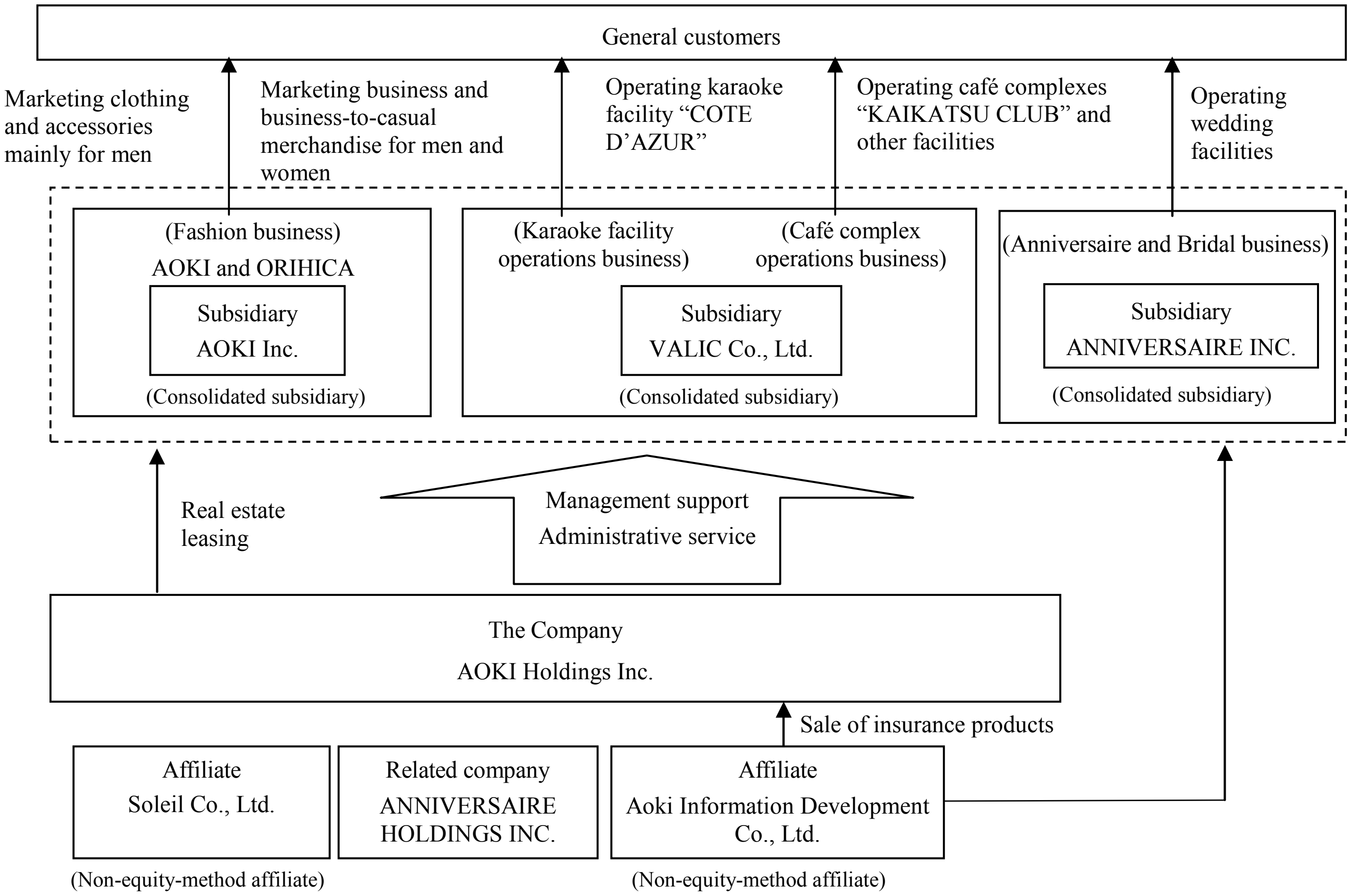
(4) Café Complex Operations Business

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 casualty insurance.

An organizational chart of the Group is as follows.



Note: Soleil Co., Ltd. is merged into ANNIVERSAIRE HOLDINGS INC., effective April 1, 2011.

3. Management Policies

(1) Basic Management Policy

The disclosure is omitted as no significant changes has been made to this content we disclosed in the financial results for the fiscal year ended March 31, 2008 (announced on May 15, 2008.)

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

AOKI Holdings website
http://www.aoki-hd.co.jp

Tokyo Stock Exchange website (company search)
http://www.tse.or.jp/listing/compsearch/index.html

(2) Performance Targets

The disclosure is omitted as no significant changes has been made to this content we disclosed in the financial results for the fiscal year ended March 31, 2009 (announced on May 15, 2009.)

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

(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 Karaoke Facility Operations Business, our Café Complex Operations Business, and our ANNIVERSAIRE and Bridal Business.

In the Fashion Business, we will evolve and differentiate our operations by developing derivative business formats, revising and strengthening our dominant area strategy, developing fully coordinated products based on our original brand, and strengthening our sales strategy integrating 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 the efficiency of the business and promote the domination of our brand while evolving the facility format.

In the Café Complex Operations Business, we will expand operations by expanding the network of café complexes, and by evolving the format of facilities to better meet the needs of a wider range of ages and 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 due to the earthquake disaster, 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 open new stores in carefully selected locations that meet our store-opening standards, and to thoroughly promote the evolution and revitalization of existing stores. At ORIHICA, we will continue to advance the evolution of the “lifestyle shop” business format and pursue synergies with AOKI to bolster efficiency while at the same time promoting the ORIHICA brand and strengthening new store openings.

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 preparation for new facility openings.

In the Karaoke Facility Operations Business, we will work to bolster competitiveness by pro-actively renovating existing facilities to revitalize their sales.

In the Café Complex Operations Business, we will focus on evolving café complexes to meet the changing times, and will pro-actively open new café complexes while revitalizing and improving the efficiency of existing ones.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
Assets		
Current assets		
Cash in hand and in banks	16,997	18,249
Accounts receivable-trade	5,238	5,243
Inventories	*1 15,684	*1 15,279
Deferred income taxes	1,645	2,071
Other current assets	3,866	3,747
Allowance for doubtful accounts	(7)	(9)
Total current assets	43,424	44,583
Fixed assets		
Tangible fixed assets		
Buildings and structures	84,972	88,388
Accumulated depreciation	(45,733)	(49,466)
Buildings and structures, net	*2 39,239	38,922
Vehicles, tools, furniture and fixtures	9,962	10,129
Accumulated depreciation	(4,544)	(4,969)
Vehicles, tools, furniture and fixtures, net	5,417	5,159
Land	*2 30,042	*2 31,513
Lease assets	2,921	4,906
Accumulated depreciation	(567)	(1,354)
Lease assets, net	2,353	3,551
Construction in progress	115	2,347
Total tangible fixed assets	77,168	81,494
Intangible fixed assets	3,890	4,021
Investments and other assets		
Investment securities	4,133	3,698
Guarantee deposits	9,762	9,126
Leasehold deposit	15,587	16,524
Deferred income taxes	3,787	5,120
Other investments and other assets	1,503	1,556
Allowance for doubtful accounts	(67)	(45)
Total investments and other assets	34,706	35,981
Total fixed assets	115,764	121,497
Total assets	159,189	166,081

(Millions of yen)

	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,340	11,163
Short-term debt	*4 6,000	*4 -
Current portion of corporate bonds	670	-
Current portion of long-term debt	*2 7,503	6,597
Lease obligations	620	1,044
Accounts payable-other	3,931	3,726
Accrued income taxes	2,555	2,942
Accrued bonuses for employees	1,321	1,430
Accrued bonuses for directors and statutory auditors	94	113
Other current liabilities	3,466	4,507
Total current liabilities	38,503	31,524
Long-term liabilities		
Long-term debt	*2 15,497	23,575
Lease obligations	1,863	2,737
Accrued retirement benefits for employees	600	613
Accrued retirement benefits for directors and statutory auditors	1,313	1,408
Accrued costs for customer point program	645	681
Asset retirement obligations	-	3,001
Negative goodwill	*3 1,967	*3 1,556
Other long-term liabilities	1,381	1,546
Total long-term liabilities	23,269	35,121
Total liabilities	61,772	66,645
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	24,788	24,788
Retained earnings	55,692	57,987
Treasury stock	(7,078)	(7,080)
Total shareholders' equity	96,685	98,977
Accumulated other comprehensive income		
Unrealized gain on securities	100	(198)
Total accumulated other comprehensive income	100	(198)
Stock acquisition rights	630	655
Total net assets	97,416	99,435
Total liabilities and net assets	159,189	166,081

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

Consolidated Statements of Income

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Sales	131,124	132,561
Cost of sales	70,486	70,132
Gross profit	60,637	62,429
Selling, general and administrative expenses	*1 50,683	*1 51,476
Operating profit	9,954	10,952
Non-operating profit		
Interest income	88	76
Dividend income	54	89
Rental income on real estate	853	1,044
Amortization of negative goodwill	972	972
Other	299	353
Total non-operating profit	2,267	2,535
Non-operating expenses		
Interest expenses	330	335
Expenses on sub-leased real estate	888	916
Other	252	178
Total non-operating expenses	1,471	1,430
Ordinary income	10,750	12,057
Extraordinary gains		
Gain on sale of fixed assets	-	*2 3
Gain on sale of investment securities	147	-
Gain on reversal of stock acquisition rights	-	9
Subsidy income	41	17
Other	10	1
Total extraordinary gains	199	31
Extraordinary losses		
Loss on cancellation of lease agreements	458	112
Loss on disposal of fixed assets	*3 535	*3 76
Loss on sale of fixed assets	*4 0	*4 10
Loss on valuation of investment securities	174	-
Impairment loss	*5 2,402	*5 2,970
Loss on cancellation of rental agreements	*6 78	*6 49
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,466
Loss on disaster	-	*7 818
Other	*8 612	*8 60
Total extraordinary losses	4,262	5,566
Net income before income taxes	6,687	6,523
Current income taxes	3,484	4,618
Deferred income taxes	(415)	(1,670)
Total income taxes	3,069	2,947
Income before minority interests	-	3,575
Net income	3,618	3,575

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Income before minority interests	-	3,575
Other comprehensive income		
Unrealized gain on securities	-	(298)
Total other comprehensive income	-	*2 (298)
Comprehensive income	-	*1 3,276
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	3,276
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Shareholders' equity		
Common stock		
Balance at the end of previous 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 end of previous period	24,788	24,788
Changes of items during the period		
Disposal of treasury stock	(0)	-
Total changes of items during the period	(0)	-
Balance at the end of current period	24,788	24,788
Retained earnings		
Balance at the end of previous period	53,354	55,692
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,618	3,575
Total changes of items during the period	2,338	2,294
Balance at the end of current period	55,692	57,987
Treasury stock		
Balance at the end of previous period	(7,076)	(7,078)
Changes of items during the period		
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	-
Total changes of items during the period	(1)	(2)
Balance at the end of current period	(7,078)	(7,080)
Total shareholders' equity		
Balance at the end of previous period	94,348	96,685
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,618	3,575
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	-
Total changes of items during the period	2,336	2,292
Balance at the end of current period	96,685	98,977

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Accumulated other comprehensive income		
Unrealized gain on securities		
Balance at the end of previous period	(127)	100
Changes of items during the period		
Net changes of items other than shareholders' equity	227	(298)
Total changes of items during the period	227	(298)
Balance at the end of current period	100	(198)
Total accumulated other comprehensive income		
Balance at the end of previous period	(127)	100
Changes of items during the period		
Net changes of items other than shareholders' equity	227	(298)
Total changes of items during the period	227	(298)
Balance at the end of current period	100	(198)
Stock acquisition rights		
Balance at the end of previous period	490	630
Changes of items during the period		
Net changes of items other than shareholders' equity	140	24
Total changes of items during the period	140	24
Balance at the end of current period	630	655
Total net assets		
Balance at the end of previous period	94,712	97,416
Changes of items during the period		
Dividends from surplus	(1,280)	(1,280)
Net income	3,618	3,575
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	-
Net changes of items other than shareholders' equity	367	(273)
Total changes of items during the period	2,704	2,018
Balance at the end of current period	97,416	99,435

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Cash flows from operating activities		
Net income before income taxes	6,687	6,523
Depreciation and amortization	5,233	5,507
Impairment loss	2,402	2,970
Amortization of goodwill	583	551
Amortization of negative goodwill	(972)	(972)
Increase (decrease) in accrued retirement benefits for employees	136	13
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	411	94
Increase (decrease) in accrued costs for customer point program	40	36
Interest and dividend income	(143)	(165)
Interest expenses	330	335
Loss on cancellation of lease agreements	458	112
Loss on disposal of fixed assets	383	25
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,466
Loss on disaster	-	818
Decrease (increase) in accounts receivable-trade	(421)	(5)
Decrease (increase) in inventories	216	404
Increase (decrease) in accounts payable-trade	(1,629)	(1,289)
Other	194	654
Subtotal	13,911	17,081
Interest and dividend income received	80	114
Interests paid	(315)	(339)
Income taxes paid	(5,509)	(4,239)
Income taxes refund	15	638
Net cash provided by operating activities	8,182	13,255
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(8,124)	(9,032)
Payments for acquisition of intangible fixed assets	(156)	(408)
Payments for leasehold and guarantee deposits	(1,125)	(1,370)
Proceeds from collection of leasehold and guarantee deposits	322	350
Proceeds from sale of investment securities	355	56
Net decrease (increase) in trust beneficiary right	40	(30)
Other	630	88
Net cash used in investing activities	(8,056)	(10,346)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	3,000	(6,000)
Proceeds from long-term debt	9,000	15,000
Repayments of long-term debt	(6,847)	(7,828)
Payments for redemption of corporate bonds	(820)	(670)
Proceeds from disposal of treasury stock	0	-
Payments for purchase of treasury stock	(1)	(2)
Dividends paid	(1,279)	(1,280)
Other	(490)	(875)
Net cash provided by (used in) financing activities	2,560	(1,656)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	2,686	1,252
Cash and cash equivalents at beginning of period	14,310	16,997
Cash and cash equivalents at end of period	*1 16,997	*1 18,249

(5) Going Concern Assumption

No reportable information.

(6) Basis of Preparation of the Consolidated Financial Statements

Item	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 4 VALIC Co., Ltd. RAVIS Inc. AOKI Inc. ORIHICA Inc. AOKI Inc. merged MX Inc. effective October 1, 2009.	(1) Number of consolidated subsidiaries: 3 VALIC Co., Ltd. ANNIVERSAIRE INC. AOKI Inc. AOKI Inc. merged ORIHICA Inc. effective April 1, 2010. ANNIVERSAIRE INC. changed its name from RAVIS Inc. effective October 1, 2010.
2. Application of equity method	(1) Affiliates not accounted for under the equity method Aoki Information Development Co., Ltd. One other company (Reason for exclusion from the application of the equity method of accounting) These affiliates are not accounted for under the equity method of accounting, given the fact that they have a very minor effect on net income and retained earnings and are relatively insignificant in the context of consolidated financial statements.	(1) Affiliates not accounted for under the equity method Same as on the left.
3. Period end of consolidated subsidiaries	All consolidated subsidiaries' fiscal years end on the balance sheet date for the consolidated financial statements.	Same as on the left
4. Significant accounting standards	(1) Valuation criteria and methods for significant assets 1) Securities Other securities Securities with market quotations Securities with market quotations are carried at fair value on the balance sheet date. (Unrealized holding gain or loss is included in the net assets. The cost of securities sold is determined by the period-average method.) Securities without market quotations Securities without market quotations are stated at cost, cost being determined by the period-average method. 2) Inventories Valued by the cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). a. Merchandise Valued by the specific-identification method. b. Raw materials and supplies Valued by the last purchase price method. However, some consolidated subsidiaries use the period-average method for raw materials.	(1) Valuation criteria and methods for significant assets 1) Securities Other securities Securities with market quotations Same as on the left. Securities without market quotations Same as on the left. 2) Inventories Same as on the left. a. Merchandise Same as on the left. b. Raw materials and supplies Same as on the left.

Item	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
	(2) Depreciation and amortization method for principal depreciable assets 1) Tangible fixed assets (excluding lease assets) Depreciation of tangible fixed assets is computed by the declining-balance method. However, depreciation of buildings (excluding attached structures) acquired on or after April 1, 1998, is calculated using the straight-line method. Useful lives of principal assets are as follows: Buildings and structures: 6-41 years Vehicles, tools, furniture and fixtures: 3-15 years 2) Intangible fixed assets (excluding lease assets) Amortization of intangible fixed assets is computed by the straight-line method. However, software intended for internal use are amortized over an expected useful life of 5 years by the straight-line method. 3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership The straight-line method with no residual value is applied with the lease period used as the useful life of the assets. For finance lease transactions where there is no transfer of ownership beginning on or before March 31, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary rental transactions. (3) Accounting for significant allowances 1) Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility. 2) Accrued bonuses for employees To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations. 3) Accrued bonuses for directors and statutory auditors To provide for bonuses to directors and statutory auditors, an allowance is provided in the amount based on the estimated bonus obligations in the current fiscal year.	(2) Depreciation and amortization method for principal depreciable assets 1) Tangible fixed assets (excluding lease assets) Same as on the left. 2) Intangible fixed assets (excluding lease assets) Same as on the left. 3) Lease assets Lease assets associated with finance lease transactions where there is no transfer of ownership Same as on the left. (3) Accounting for significant allowances 1) Allowance for doubtful accounts Same as on the left. 2) Accrued bonuses for employees Same as on the left. 3) Accrued bonuses for directors and statutory auditors Same as on the left.

Item	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
	4) Accrued retirement benefits for employees To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations and estimated pension assets at the end of the current fiscal year. The actuarial difference is expensed equally from the fiscal year following its accrual over 5 years. The prior service cost is expensed using the straight-line method based on the certain years (5 years) within the average length of remaining service period of employees. (Change in accounting policy) Effective from the current fiscal year, the Company has adopted “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (ASBJ) Statement No. 19, July 31, 2008). This change has no effect on operating profit, ordinary income, or net income before income taxes because actuarial differences are to be amortized from the following fiscal year. The untreated balance of the difference in projected benefit obligation that resulted from the application of this accounting standard was 133 million yen. 5) Accrued retirement benefits for directors and statutory auditors To provide for accrued retirement benefits for directors and statutory auditors, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company’s rules on directors’ retirement benefits. 6) Accrued costs for customer point program To provide for expenses related to the redemption of points earned by customers through the point card system, an estimated allowance for point cards is provided at an amount based on historical card usage rate. ―――――	4) Accrued retirement benefits for employees Same as on the left. ――――― 5) Accrued retirement benefits for directors and statutory auditors Same as on the left. 6) Accrued costs for customer point program Same as on the left. (4) Accounting for hedges 1) Hedging method Deferred hedge accounting is applied to interest rate swap transactions that qualify for extraordinary treatment. 2) Hedging instruments and risks hedged Hedging instrument: Interest rate swaps Risk hedged: Interest on borrowings 3) Hedging policy The Group enters into interest rate swap transactions on individual borrowings and limits the cover to the amount of borrowings, to reduce its exposure to fluctuations in interest rates on its borrowings.

Item	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
	—— —— (4) Other significant accounting policies Accounting for consumption taxes National and local consumption taxes are accounted by the tax-exclusion method.	4) Evaluation of the effectiveness of a hedging There is a high degree of effectiveness between the hedging instrument and the risk hedged since the terms of the hedging instrument and risk hedged are identical. (5) Method and period of goodwill amortization Goodwill is amortized over a period of 5 years by the straight-line method. However, negative goodwill booked before April 1, 2010 is amortized over a period of 10 years. (6) Scope of cash and cash equivalents on consolidated statements of cash flows Cash and cash equivalents in the consolidated statements of cash flows consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, generally with original maturities of 3 months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of change in value. (7) Other significant accounting policies Accounting for consumption taxes Same as on the left.
5. Valuation of assets and liabilities of consolidated subsidiaries	Assets and liabilities of the consolidated subsidiaries are stated at fair value.	——
6. Amortization of goodwill and negative goodwill	Goodwill is amortized over a period of 5 years and negative goodwill is amortized over a period of 10 years by the straight-line method. Small amounts of goodwill are amortized lump sum as recognized.	——
7. Scope of cash and cash equivalents on consolidated statements of cash flows	Cash and cash equivalents in the consolidated statements of cash flows consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, generally with original maturities of 3 months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of change in value.	——

(7) Changes in Basis of Preparation of the Consolidated Financial Statements

Change in accounting policy

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
———	(Application of accounting standard for asset retirement obligations) Beginning with the current fiscal year, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied. The effect of this change was to decrease operating profit, ordinary income and net income before income taxes by 136 million yen, 131 million yen and 1,687 million yen, respectively.
———	(Application of accounting standards concerning business combinations) Beginning with the current fiscal year, "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008), and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) have been applied.

Changes in presentation methods

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
———	(Consolidated Statements of Income) 1. "Gain on sale of investment securities" under extraordinary gains presented as a separate line item in the previous fiscal year, is reclassified and included in "Other" under extraordinary gains in the current fiscal year, given the decrease in the materiality of impact in the context of the consolidated financial statements. "Gain on sale of investment securities" included in "Other" under extraordinary gains in the current fiscal year totaled 1 million yen. 2. "Gain on reversal of stock acquisition rights," included in "Other" under extraordinary gains in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of total extraordinary gains. "Gain on reversal of stock acquisition rights" included in "Other" under extraordinary gains in the previous fiscal year totaled 5 million yen. 3. Following the application of "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Presentation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008,) an item "Income before minority interests" is presented in the current fiscal year.

Supplementary information

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
―――――	Beginning with the current fiscal year, "Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, June 30, 2010) has been applied. However, the "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" items for the previous fiscal year show the amounts for "Valuation and translation adjustments" and "Total valuation and translation adjustments," respectively.

(8) Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

(Millions of yen)

FY3/10 (As of Mar. 31, 2010)		FY3/11 (As of Mar. 31, 2011)	
*1.		*1.	
Merchandise	15,329	Merchandise	14,883
Raw materials and supplies	354	Raw materials and supplies	396
	15,684		15,279
*2. Collateralized assets and corresponding debts are as follows.		*2. Collateralized assets and corresponding debts are as follows.	
(1) Collateralized assets		(1)	
Buildings and structures	137	―――――	
Land	2,213		
Total	2,351		
Corresponding debts			
Current portion of long-term debt	2,200		
Long-term debt	7,200		
Total	9,400		
(2) Land valued at 607 million yen was pledged as collateral under a store leasing agreement.		(2) Same as on the left.	
*3. Display of goodwill and negative goodwill Goodwill and negative goodwill are displayed in net terms. The figures for each before netting are as follows.		*3. Display of goodwill and negative goodwill Goodwill and negative goodwill are displayed in net terms. The figures for each before netting are as follows.	
Goodwill	1,701	Goodwill	1,140
Negative goodwill	3,669	Negative goodwill	2,696
*4. The Company has current account overdraft agreements with major financial institutions in order to raise funds efficiently.		*4. The Company has current account overdraft agreements with major financial institutions in order to raise funds efficiently.	
Current account overdraft	26,000	Current account overdraft	21,500
Credit used	6,000	Credit used	-
Credit available	20,000	Credit available	21,500

Notes to Consolidated Statements of Income

(Millions of yen)

FY3/10
(Apr. 1, 2009 – Mar. 31, 2010)

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

Advertising expenses	8,004
Salaries and bonuses	13,513
Provision of accrued bonuses for employees	1,026
Provision of accrued bonuses for directors and statutory auditors	92
Retirement benefit expenses	270
Provision of accrued retirement benefits for directors and statutory auditors	96
Welfare expense	2,468
Rents	11,218
Depreciation and amortization	2,925

――――――

*3. Breakdown of loss on disposal of fixed assets

Buildings and structures	210
Disposal costs, etc.	325
Total	535

*4. Breakdown of loss on sale of fixed assets

Vehicles, tools, furniture and fixtures	0
Other	0
Total	0

*5. Impairment loss

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

Use	Item	Location
Operating stores	Buildings and structures, others	Chikusei City, Ibaraki, etc.
Subleasing stores	Buildings and structures, others	Okazaki City, Aichi, etc.
Idle assets	Land	Fujiyoshida City, Yamanashi

The Group manages assets by store and idle assets by each asset type.

Book value was impaired to recoverable value, and the resulting impairment loss (2,402 million yen) was recognized as an extraordinary loss, for operating stores expected to remain in the red due to changes in conditions at the store location and other factors, and idle assets whose recoverable value had fallen below book value.

Breakdown of impairment losses:
- Idle land: 91 million yen
- Buildings and structures: 1,759 million yen
- Others: 551 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 6.5% is used for calculating the utility value.

FY3/11
(Apr. 1, 2010 – Mar. 31, 2011)

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

Advertising expenses	8,911
Salaries and bonuses	13,186
Provision of accrued bonuses for employees	1,222
Provision of accrued bonuses for directors and statutory auditors	117
Retirement benefit expenses	420
Provision of accrued retirement benefits for directors and statutory auditors	127
Welfare expense	2,537
Rents	11,155
Depreciation and amortization	2,678

*2. Breakdown of gain on sale of fixed assets
Buildings and structures

*3. Breakdown of loss on disposal of fixed assets

Buildings and structures	20
Disposal costs, etc.	56
Total	76

*4. Breakdown of loss on sale of fixed assets
Buildings and structures

*5. Impairment loss

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

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 manages assets by store and idle assets by each asset type.

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.

(Millions of yen)

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)		FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	
*6. Damages for breach of lease contract.		*6. Same as on the left.	
———		*7. The breakdown of earthquake disaster losses resulting from the Great East Japan Earthquake are as follows:	
		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		*8. Breakdown of "Other" under extraordinary losses	
Provision for directors' retirement benefits for prior periods	380	Loss on cancellation of leases	30
Loss on disposal of inventories	59	Loss on deduction of fixed assets	17
Rent difference due to subleasing	50	Rent difference due to subleasing	12
Retirement benefit expenses for prior periods	48	Other	0
Loss on deduction of fixed assets	41	Total	60
Other	32		
Total	612		

Notes to Consolidated Statements of Comprehensive Income

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

*1 Comprehensive income in the previous fiscal year	(Millions of yen)
Comprehensive income attributable to owners of the parent	3,845
Comprehensive income attributable to minority interests	-
Total	3,845

*2 Other comprehensive income in the previous fiscal year	(Millions of yen)
Unrealized gain on securities	227
Total	227

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)

1. Class of stock and number of outstanding shares

Type of share	Number of shares as of Mar. 31, 2009	Increase	Decrease	Number of shares as of Mar. 31, 2010
Common shares (Thousand shares)	49,124	-	-	49,124

2. Class of stock and number of shares of treasury stock

Type of share	Number of shares as of Mar. 31, 2009	Increase	Decrease	Number of shares as of Mar. 31, 2010
Common shares (Thousand shares)	6,449	1	0	6,451

Notes: 1. Increase in the number of shares of treasury stock (thousand shares)
Purchase of odd-lot shares: 1
2. Decrease in the number of shares of treasury stock (thousand shares)
Sales of odd-lot shares: 0

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, 2010 (Millions of yen)
			As of Mar. 31, 2009	Increase	Decrease	As of Mar. 31, 2010	
Reporting company	Stock acquisition rights by way of stock options (2006)	Common shares	670	-	2	667	241
	Stock acquisition rights by way of stock options (2007)	Common shares	-	351	0	351	190
	Stock acquisition rights by way of stock options (2008)	-	-	-	-	-	198
Total			670	351	2	1,018	630

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 retirement of rights.
3. Stock acquisition rights by way of stock options (2008) have yet to be in the exercise period.

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 15, 2009	Common shares	640	15	March 31, 2009	June 3, 2009
Board of Directors' meeting on November 6, 2009	Common shares	640	15	September 30, 2009	Dec. 7, 2009

(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 14, 2010	Common shares	Retained earnings	640	15	March 31, 2010	June 9, 2010

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

1. Class of stock and number of outstanding shares

Type of share	Number of shares as of Mar. 31, 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 Mar. 31, 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 Mar. 31, 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
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

Notes to Consolidated Statements of Cash Flows

(Millions of yen)

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows. Cash in hand and in banks 16,997 Cash and cash equivalents 16,997 2. Significant non-cash transactions Assets and obligations applicable to the finance lease transaction signed in the current fiscal year as follows. Lease assets 1,640 Lease obligations 1,640	*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows. Cash in hand and in banks 18,249 Cash and cash equivalents 18,249 2. Significant non-cash transactions (1) Beginning with the current fiscal year, “Accounting Standard for Asset Retirement Obligations” and “Guidance on Accounting Standard for Asset Retirement Obligations” have been applied. The effect of this change was to increase buildings and structures, net by 1,290 million yen and asset retirement obligations by 3,054 million yen at the end of the current fiscal year. (2) Assets and obligations applicable to the finance lease transaction signed in the current fiscal year as follows. Lease assets 2,128 Lease obligations 2,128

Segment Information

Operating segment information

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010) (Millions of yen)

	Fashion business	Anniversaire and Bridal business	Entertainment business	Total	Elimination or corporate	Consolidated
I Sales and operating profit (loss)						
(1) External sales	85,905	22,783	22,435	131,124	-	131,124
(2) Inter-segment sales and transfers	5	6	0	12	(12)	-
Total	85,910	22,789	22,436	131,136	(12)	131,124
Operating expenses	80,120	20,587	20,786	121,494	(324)	121,170
Operating profit	5,789	2,202	1,649	9,641	312	9,954
II Assets, depreciation and amortization, impairment loss and capital expenditure						
Assets	81,663	36,792	22,727	141,182	18,006	159,189
Depreciation and amortization	2,445	1,091	1,277	4,814	316	5,130
Impairment loss	1,783	-	499	2,283	118	2,402
Capital expenditure	2,356	4,464	3,298	10,119	166	10,285

Notes: 1. Operations are categorized by the similarity of products, their characteristics and other factors.

2. Principal operating segments

Fashion business: Suits, primarily sales of men's clothing

ANNIVERSAIRE & Bridal business: Bridal services

Entertainment business: Operating karaoke and other entertainment facilities

3. Assets included in "Elimination or corporate" items consist primarily of the Company's surplus funds (cash in hand and in banks), long-term investment funds (investment securities), and assets of the administrative operations of the Company. Assets included in "Elimination or corporate" items totaled 32,817 million yen.

Geographical segment information

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)

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

Overseas sales

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)

No reportable information since the Company had no overseas sales.

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 market prices.

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

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010) (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	85,905	22,783	12,437	9,998	131,124	-	131,124
Inter-segment sales and transfers	5	6	0	-	12	(12)	-
Total	85,910	22,789	12,437	9,998	131,136	(12)	131,124
Segment profit	5,794	2,261	1,524	417	9,996	(42)	9,954
Segment assets	81,663	36,792	11,851	10,875	141,182	18,006	159,189
Other items							
Depreciation and amortization	2,445	1,091	779	497	4,814	316	5,130
Amortization of goodwill	37	231	151	153	571	5	577
Increase in tangible fixed assets and intangible fixed assets	2,356	4,464	1,365	1,932	10,119	166	10,285

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

(1) The (-42) million yen adjustment to segment profit includes 3,735 million yen in elimination for inter-segment transactions, goodwill amortization of (-533) million yen, and (-3,243) 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 18,006 million yen adjustment to segment assets includes (-11,998) million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 32,817 million yen that cannot be allocated to specific reportable segments. Company-wide assets mainly consist of the Company's land, building and structures of the head office that cannot be attributed to specific reportable segments.

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

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 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 quarterly consolidated statements of income.

Supplementary information

Beginning with the current fiscal year, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

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.

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

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

Information related to negative goodwill profits for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

No reportable information.

Per Share Information

(Yen)

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Net assets per share 2,268.07 Net income per share 84.79 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	Net assets per share 2,314.89 Net income per share 83.78 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

Note: Basis for calculation

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

(Millions of yen)

Item	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
Total net assets on the consolidated balance sheets	97,416	99,435
Net assets applicable to common stock	96,785	98,779
Breakdown of differences Stock acquisition rights	630	655
Number of common shares outstanding (Thousand shares)	49,124	49,124
Number of common shares of treasury stock (Thousand shares)	6,451	6,453
Number of common stock shares used in calculation of net assets per share (Thousand shares)	42,673	42,671

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

(Millions of yen)

Item	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Net income carried on the consolidated statements of income	3,618	3,575
Net income applicable to common stock	3,618	3,575
Net income not available to common stock shareholders	-	-
Average number of common shares outstanding during the period (Thousand shares)	42,673	42,672
Potential shares not included in the calculation of diluted net income per share since it did not have dilative effect.	Type of potential shares: Common shares Number of potential shares: (Thousand shares) AOKI Holdings: 1,978	Type of potential shares: Common shares Number of potential shares: (Thousand shares) AOKI Holdings: 1,930

Subsequent Events

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)

No reportable information.

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

No reportable information.

5. Other

Changes in Directors

(1) Change in representatives
No reportable information.

(2) Changes in other directors (Effective June 29, 2011)
1) Candidate for directors
Director Hiroshi Kurita (current Managing Executive Officer, in charge of Group Human Resources)
Director Hiroaki Nakamura (current Managing Executive Officer, in charge of Strategic Planning)

2) Candidates for auditor
Corporate Auditor Michimasa Maki (current General Manager of Strategic Planning Office)

3) Retiring auditor
Corporate Auditor Katsuyuki Kanesaki

Note: Retiring auditor Katsuyuki Kanesaki is external auditors as prescribed in Article 2 Paragraph 16 of the Corporation Law.

** 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.*