AOKI Holdings

February 9, 2011

Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011 (Nine Months Ended December 31, 2010)

[Japanese GAAP]

Company name: AOKI Holdings Inc. Listing: TSE/OSE, First Section
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Scheduled date of filing of Quarterly Report: February 10, 2011
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: None
Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2010 (Apr. 1, 2010 – Dec. 31, 2010)

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

	Sales		Operating profit		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2010	97,033	0.9	7,120	31.0	7,985	29.9	3,393	15.2
Nine months ended Dec. 31, 2009	96,187	(1.6)	5,435	1.2	6,145	0.5	2,945	28.4

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2010	79.52	-
Nine months ended Dec. 31, 2009	69.02	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2010	165,881	99,369	59.5	2,313.30
As of Mar. 31, 2010	159,189	97,416	60.8	2,268.07

Reference: Shareholders' equity (million yen) Dec. 31, 2010: 98,712 Mar. 31, 2010: 96,785

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
FY3/10	-	15.00	-	15.00	30.00
FY3/11	-	15.00	-		
FY3/11 (forecasts)				15.00	30.00

Note: Revision of dividend forecast in the current quarter: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(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	130,300	(0.6)	10,300	3.5	11,200	4.2	4,000	10.5	93.74

Note: Revision of consolidated forecast in the current quarter: None

4. Others (Please refer to "Other Information" on page 5 of the attached documents for further information)

(1) Changes in consolidated subsidiaries during the period: None

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Changes in accounting principles, procedures, presentation methods, etc. for presenting quarterly consolidated financial statements described in "Change in Basis of Preparation of the Quarterly Consolidated Financial Statements"

(4) Number of shares outstanding (common shares)

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

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

2) Number of treasury stock at end of period

Dec. 31, 2010:	6,453,159 shares	Mar. 31, 2010:	6,451,716 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2010:	42,672,378 shares	Nine months ended Dec. 31, 2009:	42,674,234 shares

*Information regarding the implementation of quarterly review procedures

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

* Cautionary statement with respect to 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 "(3) Qualitative Information Regarding Consolidated Forecast" on page 4 of the attached documents regarding preconditions or other related matters for the forecast shown above.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first nine months of the current fiscal year, the Japanese economy continued to gradually recover driven by an improvement in corporate earnings, but the recovery stalled in the latter half of the period due to instability in overseas economies, and sharp fluctuations in exchange rates. Personal consumption remained weak due to harsh employment and income conditions.

In this difficult environment, the AOKI Group implemented various measures in each business segment as discussed below. Sales increased 0.9% year-on-year to 97,033 million yen, operating profit increased 31.0% to 7,120 million yen, ordinary income increased 29.9% to 7,985 million yen, and net income increased 15.2% to 3,393 million yen.

Operating results by reportable segment:

Fashion Business

AOKI focused on revitalizing existing-store sales by coordinating sales promotions, visual merchandising, marketing, and the product lineup centered on “3D Slim” suits for the young that are both fashionable and functional, “Premium Thermostat Suits” (temperature adjusting suits) for the middle-aged with advanced functionality, and “CAFÉ SOHO” which offers total brand coordination for older aged groups and seniors with a particular emphasis on jackets and slacks. Regarding sales promotions, AOKI conducted a “3D Slim” suits fashion promotion using Kazuya Kamenashi, a young idol star, as the image character, and an “AOKI Passion Festival” sales campaign. Regarding AOKI stores, we opened four new stores and closed four existing ones since the start of the fiscal year. As a result, the AOKI store network consisted of 431 stores at the end of the third quarter, unchanged from 431 at the end of the previous fiscal year.

As for ORIHICA, we focused on polishing the prototype, and opened 17 new stores since the start of the fiscal year, including five in Tokyo in the third quarter as we positioned the prefecture as a key area for new store openings. We closed three existing stores. As a result, the ORIHICA store network consisted of 66 stores at the end of the third quarter, up from 52 at the end of the previous fiscal year.

Sales were firm at existing stores since the start of the fiscal year, and the sales and operating losses of M/X stores, closed last fiscal year, dropped out this fiscal year. As a result, sales in the Fashion Business declined 1.3% year-on-year to 61,066 million yen, and operating profit rose 114.2% to 4,297 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, continued to implement marketing measures tailored to each facility and strengthen human resources development. It also began selling original gifts and treats for wedding guests. We aired the first television commercial for ANNIVERSAIRE to coincide with the consolidation of the names of all facilities nationwide to “ANNIVERSAIRE” on January 1, 2011. Also, orders have been steady for “ANNIVERSAIRE TOYOSU” which is scheduled to open in spring 2011.

Average sales per married couple continued to rise, but the number of married couples declined and we booked expenses related to preparations for the opening of a new facility. Sales in the ANNIVERSAIRE and Bridal Business declined 2.4% year-on-year to 17,276 million yen, and operating profit declined 17.3% to 1,649 million yen.

Karaoke Facility Operations Business

In karaoke facility operations, under the management of VALIC Co., Ltd., we pursued customer satisfaction by proposing a variety of banquet party courses to meet the diverse needs of corporate and group customers, launched seasonal food and drink menus, and sponsored various events in collaboration with famous artists. Regarding facilities, we opened 13 new facilities, including the flagship “Ginza Corridor Facility,” mostly near train stations in central Tokyo since the start of the fiscal year. We closed five existing facilities. As a result, our network of karaoke facilities was 126 at the end of the third quarter, 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, we saw benefits from new store openings and an increase in housewives and families. Sales in the Karaoke Facility Operations Business increased 4.7% year-on-year to 9,620 million yen, but operating profit declined 17.9% to 881 million yen due to 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. The number of customers increased as a result of these efforts to encourage repeat visits by customers looking to escape the summer heat. Average sales per customer also increased as we further strengthened food and drink offerings through the launch of seasonal food and drink menus among other efforts. We opened 16 new café complexes since the start of the fiscal year, bringing the network of café complexes to 149 at the end of the third quarter, up from 133 at the end of the previous fiscal year.

As a result of these efforts, we saw benefits from the opening of new stores, and sales were firm at existing facilities. Sales in the Café Complex Operations Business increased 22.5% year-on-year to 9,092 million yen, and operating profit increased 37.1% to 543 million yen.

We have changed some segment classifications in line with the adoption of “Accounting Standards for the Disclosure about Segments of an Enterprise and Related Information” starting in the first quarter. The YoY changes of the aforementioned segments are based on comparisons with the recalculated YoY figures using the new segment classifications.

(2) Qualitative Information Regarding Consolidated Financial Position

Balance sheet position

Current assets increased 2,822 million yen over the end of the previous fiscal year. Cash in hand and in banks increased 1,367 million yen due to additional long-term debt, and inventories increased 1,481 million yen due to new store openings among other factors. Fixed assets increased 3,870 million yen over the end of the previous fiscal year. Tangible fixed assets increased 3,711 million yen due to new store openings and the application of accounting standards for asset retirement obligations.

Current liabilities decreased 7,614 million yen over the end of the previous fiscal year. It was mainly due to repayment of short-term debt of 6,000 million yen and a decrease in accrued income taxes of 1,622 million yen due to payment of income taxes. Long-term liabilities increased 12,354 million yen over the end of the previous fiscal year. Long-term debts increased 8,746 million yen, and asset retirement obligations increased 2,975 million yen from the application of accounting standards for asset retirement obligations.

Net assets increased 1,952 million yen over the end of the previous fiscal year, mainly due to increase in retained earnings of 2,113 million yen from net income and other items.

Cash flow position

Cash and cash equivalents at the end of the third quarter of the current fiscal year increased 1,367 million yen over the end of the previous fiscal year to 18,365 million yen.

Net cash provided by operating activities increased 6,407 million yen to 8,261 million yen on a year-on-year basis. The principal use of cash was net 3,601 million yen in income taxes paid and refund. The principal sources of cash were net income before income taxes of 6,153 million yen, depreciation and amortization of 4,047 million yen, and 1,466 million yen from the loss on adjustment for changes of accounting standard for asset retirement obligations.

Net cash used in investing activities increased 2,072 million yen to 6,419 million yen on a year-on-year basis. This was mainly due to the payments of 4,760 million yen in acquisition of tangible fixed assets for new store openings and of 959 million yen in leasehold and guarantee deposits.

Net cash used in financing activities was 474 million yen (compared with net cash provided of 1,710 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 repayment of 6,000 million yen of short-term debt, the scheduled repayment of 6,909 million yen of long-term debt, the redemption of 670 million yen in corporate bonds, and 1,274 million yen of dividends paid.

(3) Qualitative Information Regarding Consolidated Forecast

Consolidated sales, operating profit, ordinary income, and net income are trending slightly above the planned targets we released on November 10, 2010, but we do not alter our full-year consolidated forecasts given the particularly strong weighting of the Fashion Business in March.

2. Other Information

(1) Overview of Changes in Consolidated Subsidiaries

No reportable information.

(2) Overview of Application of Simplified Accounting Methods and Special Accounting Methods

Simplified accounting methods

(Valuation of inventories)

For inventories at some consolidated subsidiaries at the end of the third quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the second quarter. No physical inventory count was performed.

(Calculation of depreciation expense for fixed assets)

For assets subject to the declining balance method, depreciation was calculated pro rata based on the amount for the fiscal year.

(Calculation of deferred tax assets and deferred tax liabilities)

Judgments about the recoverability of deferred tax assets are made based on earnings forecasts and tax planning, as in the previous fiscal year, as there have been no significant changes in the operating environment or in the occurrence of temporary differences since the end of the previous fiscal year.

(3) Overview of Changes in Accounting Principles, Procedures, Presentation Methods, etc.

1) Application of accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (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 86 million yen, 84 million yen and 1,560 million yen, respectively. The application of these standards increased the account balance of asset retirement obligations by 2,860 million yen.

2) Application of accounting standards concerning business combinations

Beginning with the first quarter of 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.

3) Change in calculation of income taxes

Previously, for some consolidated subsidiaries, a quarterly-specific accounting method was adopted in which the tax expense was calculated by first estimating reasonably the effective tax rate after the application of tax effect accounting with respect to net income before income taxes for the fiscal year, and then by multiplying that rate by the quarterly income before income taxes. However, in order to more appropriately calculate the tax expense for the quarterly accounting period, the Company switched, starting from the first quarter of the current fiscal year, to apply the same standard accounting procedure as that used for the fiscal year. The effect of this change in profit/loss is insignificant in the first nine months of the current fiscal year.

4) Changes in presentation methods

(Consolidated Statements of Income)

a. "Gain on sale of investment securities" under "Extraordinary gains" presented as a separate line item in the first nine months of the previous fiscal year, is reclassified and included in "Other" under "Extraordinary gains" in the first nine months of 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 first nine months of the current fiscal year totaled 1 million yen.

b. "Gain on reversal of stock acquisition rights," included in "Other" under "Extraordinary gains" in the first nine months of the previous fiscal year, is reclassified and presented as a separate line item in the first nine months of the current fiscal year since the amount exceeded 20/100 of total extraordinary gains. "Gain on reversal of stock acquisition rights" included in "Other" under "Extraordinary gains" in the first nine months of the previous fiscal year totaled 4 million yen.

c. In the first nine months of the previous fiscal year, both "Current income taxes" and "Deferred income taxes" were presented as "Income taxes," but starting from the first nine months of the current fiscal year, the Company switched to presenting "Current income taxes" and "Deferred income taxes" separately.

d. 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 first nine months of the current fiscal year.

(Consolidated Statements of Cash Flows)

a. "Loss (gain) on sale of investment securities" under "Cash flows from operating activities" presented as a separate line item in the first nine months of the previous fiscal year, is reclassified and included in "Other" in the first nine months of the current fiscal year, given the decrease in the materiality of impact in the context of the consolidated financial statements. "Loss (gain) on sale of investment securities" included in "Other" was minus one million yen in the first nine months of the current fiscal year.

b. "Proceeds from sale of investment securities" under "Cash flows from investing activities" presented as a separate line item in the first nine months of the previous fiscal year, is reclassified and included in "Other" in the first nine months of the current fiscal year, given the decrease in the materiality of impact in the context of the consolidated financial statements. "Proceeds from sale of investment securities" included in "Other" totaled 56 million yen in the first nine months of the current fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter of FY3/11 (As of Dec. 31, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash in hand and in banks	18,365	16,997
Accounts receivable-trade	4,358	5,238
Inventories	17,165	15,684
Other current assets	6,367	5,511
Allowance for doubtful accounts	(9)	(7)
Total current assets	46,246	43,424
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	40,374	39,239
Land	30,199	30,042
Other tangible fixed assets, net	10,306	7,886
Total tangible fixed assets	80,879	77,168
Intangible fixed assets	3,971	3,890
Investments and other assets		
Guarantee deposits	9,288	9,762
Leasehold deposit	16,244	15,587
Other investments and other assets	9,316	9,423
Allowance for doubtful accounts	(66)	(67)
Total investments and other assets	34,783	34,706
Total fixed assets	119,634	115,764
Total assets	165,881	159,189
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,860	12,340
Short-term debt	-	6,000
Current portion of corporate bonds	-	670
Current portion of long-term debt	6,847	7,503
Accrued income taxes	933	2,555
Accrued bonuses for employees	706	1,321
Accrued bonuses for directors and statutory auditors	80	94
Other current liabilities	7,462	8,017
Total current liabilities	30,889	38,503
Long-term liabilities		
Long-term debt	24,243	15,497
Accrued retirement benefits for employees	610	600
Accrued retirement benefits for directors and statutory auditors	1,374	1,313
Accrued costs for customer point program	658	645
Asset retirement obligations	2,975	-
Negative goodwill	1,662	1,967
Other long-term liabilities	4,098	3,245
Total long-term liabilities	35,623	23,269
Total liabilities	66,512	61,772

(Millions of yen)

	Third quarter of FY3/11 (As of Dec. 31, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Net assets		
Shareholders' equity		
Common stock	23,282	23,282
Capital surplus	24,788	24,788
Retained earnings	57,805	55,692
Treasury stock	(7,079)	(7,078)
Total shareholders' equity	98,796	96,685
Valuation and translation adjustments		
Unrealized gain on securities	(84)	100
Total valuation and translation adjustments	(84)	100
Stock acquisition rights	656	630
Total net assets	99,369	97,416
Total liabilities and net assets	165,881	159,189

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

(Millions of yen)

	First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)	First nine months of FY3/11 (Apr. 1, 2010 – Dec. 31, 2010)
Sales	96,187	97,033
Cost of sales	52,572	52,041
Gross profit	43,614	44,991
Selling, general and administrative expenses	38,179	37,871
Operating profit	5,435	7,120
Non-operating profit		
Interest income	74	56
Dividend income	44	69
Rental income on real estate	629	783
Amortization of negative goodwill	729	729
Other	220	254
Total non-operating profit	1,697	1,893
Non-operating expenses		
Interest expenses	252	246
Expenses on sub-leased real estate	616	701
Other	118	79
Total non-operating expenses	987	1,028
Ordinary income	6,145	7,985
Extraordinary gains		
Gain on sale of fixed assets	-	3
Gain on sale of investment securities	147	-
Gain on reversal of stock acquisition rights	-	8
Subsidy income	41	17
Other	9	1
Total extraordinary gains	198	30
Extraordinary losses		
Loss on cancellation of lease agreements	97	76
Loss on disposal of fixed assets	328	42
Loss on valuation of investment securities	25	-
Impairment loss	744	205
Retirement benefit expenses for prior periods	48	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,466
Other	160	70
Total extraordinary losses	1,404	1,861
Net income before income taxes	4,940	6,153
Income taxes	1,995	-
Current income taxes	-	2,619
Deferred income taxes	-	140
Total income taxes	1,995	2,760
Income before minority interests	-	3,393
Net income	2,945	3,393

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)	First nine months of FY3/11 (Apr. 1, 2010 – Dec. 31, 2010)
Cash flows from operating activities		
Net income before income taxes	4,940	6,153
Depreciation and amortization	3,894	4,047
Impairment loss	744	205
Amortization of goodwill	438	413
Amortization of negative goodwill	(729)	(729)
Increase (decrease) in accrued retirement benefits for employees	102	10
Increase (decrease) in accrued retirement benefits for directors and statutory auditors	24	61
Increase (decrease) in accrued costs for customer point program	1	13
Interest and dividend income	(119)	(126)
Interest expenses	252	246
Loss on cancellation of lease agreements	97	76
Loss on disposal of fixed assets	243	23
Loss (gain) on sale of investment securities	(147)	-
Loss (gain) on valuation of investment securities	25	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,466
Decrease (increase) in accounts receivable-trade	544	880
Decrease (increase) in inventories	(1,767)	(1,481)
Increase (decrease) in accounts payable-trade	1,030	2,173
Other	(2,026)	(1,401)
Subtotal	7,551	12,034
Interest and dividend income received	62	87
Interests paid	(266)	(258)
Income taxes paid	(5,508)	(4,239)
Income taxes refund	15	638
Net cash provided by operating activities	1,854	8,261
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(3,849)	(4,760)
Payments for acquisition of intangible fixed assets	(144)	(298)
Payments for leasehold and guarantee deposits	(920)	(959)
Proceeds from sale of investment securities	355	-
Net decrease (increase) in trust beneficiary right	(523)	(713)
Other	735	312
Net cash used in investing activities	(4,347)	(6,419)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	1,400	(6,000)
Proceeds from long-term debt	8,000	15,000
Repayments of long-term debt	(5,665)	(6,909)
Payments for redemption of corporate bonds	(410)	(670)
Payments for purchase of treasury stock	(1)	(1)
Dividends paid	(1,273)	(1,274)
Other	(339)	(617)
Net cash provided by (used in) financing activities	1,710	(474)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	(782)	1,367
Cash and cash equivalents at beginning of period	14,310	16,997
Cash and cash equivalents at end of period	13,528	18,365

(4) Going Concern Assumption

No reportable information.

(5) Segment Information

Operating segment information

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009) (Millions of yen)

	Fashion business	Anniversaire and Bridal business	Entertainment business	Total	Elimination or corporate	Consolidated
Sales						
(1) External sales	61,882	17,692	16,612	96,187	-	96,187
(2) Inter-segment sales and transfers	4	5	0	10	(10)	-
Total	61,886	17,698	16,612	96,197	(10)	96,187
Operating profit	2,003	2,147	1,253	5,404	30	5,435

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

Geographical segment information

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)

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

Overseas sales

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)

No reportable information since the Company had no overseas sales

Segment information

(Supplementary information)

Beginning with the first quarter of 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.

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) Information related to sales and profit or loss for each reportable segment

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

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

Note: 1. The (252) million yen adjustment to segment profit includes 778 million yen in elimination for inter-segment transactions, goodwill amortization of (400) million yen, and (630) 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. Segment profit is adjusted to be consistent with operating profit on the quarterly consolidated statements of income.

3) Information related to impairment of fixed assets, goodwill, etc.

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

(Material impairment losses related to fixed assets)

In the Fashion Business, the Karaoke Facility Operations Business, and the Café Complex Operations Business, impairment losses were mainly recognized for fixed assets including stores set to be closed, or stores that have continued to produce losses and for which there is little expectation of recovery. Impairment losses of 95 million yen, 58 million yen and 51 million yen were booked for these three segments, respectively, in the first nine months of the current fiscal year.

(6) Significant Changes in Shareholders' Equity

No reportable information.

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*