

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 <under Japanese GAAP>

Company name: **PARIS MIKI HOLDINGS Inc.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 7455
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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2012
 Scheduled date to commence dividend payments: June 12, 2012
 Scheduled date to submit Annual Securities Report: June 28, 2012
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	59,547	(1.0)	(114)	–	(25)	–	(1,177)	–
March 31, 2011	60,140	6.8	1,062	–	1,666	–	473	–

(Note)

Comprehensive income: Fiscal year ended March 31, 2012: -1,249 million yen [-%]
 Fiscal year ended March 31, 2011: 285 million yen [-%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2012	(22.87)	–	(2.9)	(0.0)	(0.2)
March 31, 2011	9.20	–	1.1	3.1	1.8

(Reference)

Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2012: – million yen
 Fiscal year ended March 31, 2011: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2012	52,854	40,428	76.1	780.94
March 31, 2011	54,720	42,606	77.4	822.70

(Reference)

Equity (net assets – minority interests) As of March 31, 2012: 40,207 million yen As of March 31, 2011: 42,359 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2012	479	(421)	(151)	10,249
March 31, 2011	1,035	(11,088)	2,929	10,371

2. Cash dividends

	Annual dividends					Total amount of cash dividends (Total)	Payout ratio (Consolidated)	Ratio of cash dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2011	–	9.00	–	9.00	18.00	926	195.7	2.2
Fiscal year ended March 31, 2012	–	9.00	–	9.00	18.00	926	–	2.2
Fiscal year ending March 31, 2013 (Forecasts)	–	9.00	–	9.00	18.00		76.2	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2013	60,907	2.3	2,543	–	2,658	–	1,215	–	23.62

(Note)

Consolidated earnings forecasts for the six months ending September 30, 2012 have not been made.

* Notes

(1) **Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in changes in the scope of consolidation):** None

(2) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(3) **Number of issued shares (common stock)**

a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2012	56,057,474 shares
As of March 31, 2011	56,057,474 shares

b. Number of treasury shares at the end of the period

As of March 31, 2012	4,571,303 shares
As of March 31, 2011	4,568,405 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2012	51,488,050 shares
Fiscal year ended March 31, 2011	51,495,194 shares

(Reference) Summary of non-consolidated performance

**1. Non-consolidated performance for the fiscal year ended March 31, 2012
(April 1, 2011 to March 31, 2012)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	1,371	(15.5)	239	2.7	243	6.0	(13)	–
March 31, 2011	1,623	0.7	233	34.8	229	(13.7)	164	–

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2012	(0.27)	–
March 31, 2011	3.19	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2012	43,471	39,158	90.1	760.57
March 31, 2011	44,347	40,101	90.4	778.83

(Reference)

Equity (net assets – minority interests) As of March 31, 2012: 39,158 million yen As of March 31, 2011: 40,101 million yen

*** Indication regarding execution of audit procedures**

The completion of audit procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this financial results report. At the time of disclosure of this report, audit procedures for financial statements in accordance with said Act are incomplete.

*** Proper use of earnings forecasts, and other special matters**

The aforementioned forecasts are based on information available at the time of release of this document and include uncertainties. Actual performance, etc. may considerably differ from the forecasts due to various factors. Please refer to “Analysis of operating results” on page 2 of the attached material for matters concerning the aforementioned forecasts.

Attached Material

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1. Results of Operations

(1) Analysis of operating results

a. Overview of the fiscal year

During the fiscal year under review, the Japanese economy showed signs of recovery after climbing out of a standstill due to the efforts for recovery and reconstruction after the Great East Japan Earthquake and to overcoming of electricity problems in the summer.

Since the earthquake, the Paris Miki Group visited evacuation centers in various regions where those affected by the earthquake took refuge, and also continued to provide support activities such as measuring visual acuity and distributing glasses in other areas as well as those affected by the earthquake. These activities are based on the Group's fundamental principles of connecting with people in every region and providing support to where it is most needed. We reconfirmed our mission by having employees in each region actively participate in these activities.

Under such conditions, in Japan, although stores in regions not affected by the earthquake showed solid performance and signs of recovery in the first half of the year, they failed to achieve the expected results after summer.

Our main subsidiary, PARIS MIKI Inc., changed the price system and included the price of lenses into the basic price to make it easier for customers to understand the sale price of glasses and provided options to suit the customers, but the number of customers did not increase as expected, resulting in a decrease in both sales and profit.

KIMPO-DO CO., LTD. satisfied consumer appetite, which gradually recovered in the second half of the year, in spite of the cooling in the department industry as a whole after the earthquake, and focused on provision of high-quality services as well as added value. In addition, the Kyobashi store, the former flagship store, was reopened to rouse the interest of valued customers and work on development of the store operation as well as staff training to meet the customer needs for excellent products and services. As a result, the store sales increased.

Regarding overseas subsidiaries, the Asian region delivered strong results, especially Paris Miki Thailand, which experienced a massive flood, produced profits that exceeded the previous year. On the other hand, the European region struggled. Our Australian subsidiary had succeeded in reducing losses led by the closure of unprofitable stores.

As a result of the above, for the fiscal year under review, we posted net sales of 59,547 million yen (down 1.0% year on year), operating loss of 114 million yen (operating income of 1,062 million yen for the previous fiscal year), ordinary loss of 25 million yen (ordinary income of 1,666 million yen for the previous fiscal year), and net loss of 1,177 million yen (net income of 473 million yen for the previous fiscal year).

Reportable segments are as follows.

1) Japan

Net sales in Japan amounted to 53,823 million yen (down 1.0% year on year) with segment profit of 181 million yen (down 87.3% year on year).

2) Overseas

Overseas net sales amounted to 6,108 million yen (down 2.2% year on year) with segment loss of 345 million yen (segment loss of 319 million yen for the previous fiscal year).

b. Forecast for the fiscal year ending March 31, 2013

Since we took a new step as PARIS MIKI HOLDINGS Inc., considering new business expansion, we have worked on becoming a corporate group that can offer an abundant range of services and products from the perspective of customers.

Not sticking to the existing way of focusing on retail sales of glasses, we have ventured into a

new business area by leveraging our experience accumulated over time as eyewear stores as well as our aspirations.

At PARIS MIKI Inc., we are continuing from the previous fiscal year our review of unprofitable stores and working to strengthen a system that allows each individual store to build deeper relationships with their customers. In our new store opening activities, we plan to open 5 stores in locations with a limited number of stores, in spite of the existence of a market. We also plan to close 50 stores, including those closing due to relocation and consolidation.

Regarding the sales organization, we have been placing Area Managers in 41 sales regions, but we will consolidate them into 21 regions, beginning with a transformation in the awareness of employees. We put a great deal of effort into education to improve the capabilities of individual staff and changed the salary system to clarify the staff performance review process. Accordingly, performance-based compensation will be paid to staffs, regardless of their age, who truly satisfy customers and gain support from them.

As for products, in order to meet the needs of the different purposes of customers, in addition to advancing the evolution of the “Raku-Raku-Kun” series, we are improving our product competitiveness to develop and offer truly excellent products, and are reviewing the purchase plan to control inventories with an improved turnover ratio.

At KIMPO-DO CO., LTD., while the overall department stores industry is in difficulties, we will continue our efforts in refurbishing stores and training staff to achieve further earnings growth, in addition to tapping into the potential demand that exists for high quality services. We also pursue the possibility of expanding our businesses overseas and plan to open stores in Shanghai.

At our overseas subsidiaries, the business environment continues to be difficult for some regions, and we expect to post an operating loss from our overall overseas subsidiaries. However, with the closing of the unprofitable stores and progress in reform at each overseas subsidiary, we expect the operating loss to be reduced.

As a result of the above, for the fiscal year ending March 31, 2013, we expect net sales of 60,907 million yen (up 2.3% year on year), operating income of 2,543 million yen (operating loss of 114 million yen for the fiscal year ended March 31, 2012), ordinary income of 2,658 million yen (ordinary loss of 25 million yen for the fiscal year ended March 31, 2012) and net income of 1,215 million yen (net loss of 1,177 million yen for the fiscal year ended March 31, 2012).

(2) Analysis of financial position

a. Assets, liabilities and net assets

As of the end of the fiscal year under review, total assets stood at 52,854 million yen, a decrease of 1,866 million yen compared with the end of the previous fiscal year. This is mainly due to current assets decreases of 1,286 million yen in cash and deposits and 447 million yen in deferred tax assets.

Total liabilities stood at 12,425 million yen, an increase of 311 million yen compared with the end of the previous fiscal year. This is mainly due to an increase of 3,424 million yen in short-term loans payable in current liabilities and a decrease of 2,500 million yen in bonds payable in noncurrent liabilities.

Net assets stood at 40,428 million yen, a decrease of 2,177 million yen compared with the end of the previous fiscal year. This is mainly due to a decrease of 2,104 million yen in retained earnings.

b. Cash flows

The balance of cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review amounted to 10,249 million yen, a decrease of 121 million yen compared with the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was 479 million yen (1,035 million yen at the end of the previous fiscal year). The main factor of this was a net increase in depreciation and other amortization of 1,534 million yen, notwithstanding loss before income taxes and minority interests of 383 million yen and a net decrease in provision for bonuses of 539 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 421 million yen. The main factor of this was purchase of property, plant and equipment of 1,432 million yen, notwithstanding payments into time deposits of 9,039 million yen and proceeds from withdrawal of time deposits of 10,002 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 151 million yen. The main factor of this was the redemption of bonds of 2,500 million yen and cash dividends paid of 925 million yen, notwithstanding 3,432 million yen of proceeds from net change in short-term loans payable.

Trends in cash flow indicators are as follows.

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Equity ratio (%)	83.9	77.4	76.1
Market value equity ratio (%)	89.6	80.1	56.2
Interest-bearing debt to cash flows ratio (years)	–	4.2	11.0
Interest coverage ratio (times)	–	31.0	14.6

(Notes) Equity ratio: Equity/Total assets

Market value equity ratio: Total market capitalization/Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

- Each figure was calculated on a consolidated basis.
- Total market capitalization is calculated by multiplying closing stock price at the end of the period by the number of issued shares at the end of the period (excluding treasury stock).
- Net cash provided by operating activities in the consolidated statements of cash flows is used as “Operating cash flow” for calculation purposes. Interest-bearing debt includes all of those debt reported on the consolidated balance sheets on which interest is paid. For interest payment, interest expenses paid in the consolidated statements of cash flows are used. Note that “Interest-bearing debt to cash flows ratio (years)” and “Interest coverage ratio (times)” have been omitted in the fiscal years ended March 31, 2010, due to immateriality in the Group’s interest-bearing debt and interest expenses.

(3) Basic policy for profit sharing and cash dividends for the current fiscal year and following fiscal year

The Group executes proactive and flexible profit sharing in tune with the times. A year-end dividend for the fiscal year under review of 9 yen per share was decided by resolution at the meeting of the Board of Directors held May 15, 2012, and the date on which dividend payments are to commence will be June 12, 2012. Consequently, the annual dividend shall be 18 yen per share (interim dividend of 9 yen, year-end dividend of 9 yen).

Looking forward, the Group shall maintain its policy of providing dividends based on considering the Group’s internal funding requirements, including investment for bold structural reform aimed at further long-term growth, and the Group’s global business expansion and capital strategy. For the fiscal year ending March 31, 2013, we plan on providing an annual dividend of 18 yen per share (interim dividend of 9 yen, year-end dividend of 9 yen).

2. Consolidated Financial Statements

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	20,037	18,751
Notes and accounts receivable–trade	2,855	3,203
Short-term investment securities	610	811
Merchandise and finished goods	9,199	9,283
Raw materials and supplies	794	961
Deferred tax assets	1,353	905
Other	1,683	1,076
Allowance for doubtful accounts	(15)	(70)
Total current assets	36,518	34,922
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,995	11,974
Machinery and equipment	11	20
Tools, furniture and fixtures	7,890	8,048
Land	1,070	1,068
Lease assets	395	394
Construction in progress	17	8
Other	37	34
Accumulated depreciation	(14,491)	(14,766)
Total property, plant and equipment	6,926	6,782
Intangible assets		
Goodwill	410	315
Lease assets	–	79
Other	482	772
Total intangible assets	892	1,166
Investments and other assets		
Investment securities	303	442
Long-term loans receivable	99	129
Lease and guarantee deposits	8,908	8,422
Construction assistance fund receivables	596	482
Deferred tax assets	75	53
Other	384	479
Allowance for doubtful accounts	(19)	(26)
Total investments and other assets	10,348	9,982
Total noncurrent assets	18,167	17,932
Deferred assets		
Bond issuance cost	34	–
Total deferred assets	34	–
Total assets	54,720	52,854

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable–trade	1,656	1,474
Short-term loans payable	1,832	5,256
Lease obligations	81	94
Accounts payable–other	2,060	2,229
Income taxes payable	533	291
Accrued consumption taxes	163	278
Provision for bonuses	1,043	504
Provision for loss on store closing	179	173
Reserve for loss on disaster	65	–
Other	1,061	1,200
Total current liabilities	8,679	11,502
Noncurrent liabilities		
Bonds payable	2,500	–
Lease obligations	178	166
Provision for directors' retirement benefits	38	47
Asset retirement obligations	362	354
Other	355	355
Total noncurrent liabilities	3,435	923
Total liabilities	12,114	12,425
Net assets		
Shareholders' equity		
Capital stock	5,901	5,901
Capital surplus	6,829	6,829
Retained earnings	38,496	36,391
Treasury stock	(8,399)	(8,401)
Total shareholders' equity	42,826	40,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3)	21
Foreign currency translation adjustment	(463)	(535)
Total accumulated other comprehensive income	(466)	(513)
Minority interests	246	220
Total net assets	42,606	40,428
Total liabilities and net assets	54,720	52,854

(2) Consolidated statements of (comprehensive) income**(Consolidated statements of income)**

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	60,140	59,547
Cost of sales	18,414	19,751
Gross profit	41,725	39,795
Selling, general and administrative expenses		
Promotion expenses	2,747	2,667
Advertising expenses	1,337	1,441
Salaries, allowances and bonuses	16,581	16,360
Provision for bonuses	1,011	504
Provision for directors' retirement benefits	9	18
Welfare expenses	2,578	2,561
Retirement benefit expenses	542	490
Depreciation	1,401	1,339
Rent expenses	9,747	9,747
Provision of allowance for doubtful accounts	–	63
Other	4,705	4,715
Total selling, general and administrative expenses	40,663	39,910
Operating income (loss)	1,062	(114)
Non-operating income		
Interest income	38	44
Rent income	78	64
Commission fee	29	47
Compensation income	103	18
Gain on sales of supplies	335	–
Other	105	88
Total non-operating income	691	263
Non-operating expenses		
Interest expenses	9	19
Interest on bonds	26	12
Amortization of bond issuance cost	8	34
Foreign exchange losses	21	52
Provision of allowance for doubtful accounts	10	7
Other	10	47
Total non-operating expenses	87	174
Ordinary income (loss)	1,666	(25)
Extraordinary income		
Gain on sales of investment securities	–	39
Gain on sales of noncurrent assets	18	3
Reversal of provision for loss on store closing	43	–
Gain on reversal of reserve for loss on disaster	–	50
Total extraordinary income	61	93

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	89	178
Impairment loss	–	48
Loss on store closing	14	71
Loss on disaster	68	8
Loss on valuation of investment securities	–	2
Provision for loss on store closing	–	142
Loss on adjustment for changes of accounting standard for asset retirement obligations	218	–
Total extraordinary losses	390	451
Income (loss) before income taxes and minority interests	1,336	(383)
Income taxes—current	767	343
Income taxes—deferred	95	472
Total income taxes	862	816
Income (loss) before minority interests	473	(1,199)
Minority interests in income (loss)	0	(22)
Net income (loss)	473	(1,177)

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	473	(1,199)
Other comprehensive income		
Valuation difference on available-for-sale securities	(30)	25
Foreign currency translation adjustment	(157)	(75)
Total other comprehensive income	(188)	(49)
Comprehensive income	285	(1,249)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	292	(1,223)
Comprehensive income attributable to minority interests	(7)	(25)

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	5,901	5,901
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	5,901	5,901
Capital surplus		
Balance at the beginning of current period	6,829	6,829
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	6,829	6,829
Retained earnings		
Balance at the beginning of current period	39,297	38,496
Changes of items during the period		
Dividends from surplus	(1,274)	(926)
Net income (loss)	473	(1,177)
Disposal of treasury stock	(0)	(0)
Increase on consolidated subsidiaries	(0)	–
Total changes of items during the period	(801)	(2,104)
Balance at the end of current period	38,496	36,391
Treasury stock		
Balance at the beginning of current period	(8,393)	(8,399)
Changes of items during the period		
Purchase of treasury stock	(6)	(2)
Disposal of treasury stock	0	0
Total changes of items during the period	(6)	(1)
Balance at the end of current period	(8,399)	(8,401)
Total shareholders' equity		
Balance at the beginning of current period	43,634	42,826
Changes of items during the period		
Dividends from surplus	(1,274)	(926)
Net income (loss)	473	(1,177)
Purchase of treasury stock	(6)	(2)
Disposal of treasury stock	0	0
Increase on consolidated subsidiaries	(0)	–
Total changes of items during the period	(807)	(2,105)
Balance at the end of current period	42,826	40,720

	(Millions of yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	27	(3)
Changes of items during the period		
Net changes of items other than shareholders' equity	(30)	25
Total changes of items during the period	(30)	25
Balance at the end of current period	(3)	21
Foreign currency translation adjustment		
Balance at the beginning of current period	(313)	(463)
Changes of items during the period		
Net changes of items other than shareholders' equity	(150)	(71)
Total changes of items during the period	(150)	(71)
Balance at the end of current period	(463)	(535)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(285)	(466)
Changes of items during the period		
Net changes of items other than shareholders' equity	(181)	(46)
Total changes of items during the period	(181)	(46)
Balance at the end of current period	(466)	(513)
Minority interests		
Balance at the beginning of current period	253	246
Changes of items during the period		
Net changes of items other than shareholders' equity	(7)	(25)
Total changes of items during the period	(7)	(25)
Balance at the end of current period	246	220
Total net assets		
Balance at the beginning of current period	43,602	42,606
Changes of items during the period		
Dividends from surplus	(1,274)	(926)
Net income (loss)	473	(1,177)
Purchase of treasury stock	(6)	(2)
Disposal of treasury stock	0	0
Increase on consolidated subsidiaries	(0)	-
Net changes of items other than shareholders' equity	(188)	(72)
Total changes of items during the period	(996)	(2,177)
Balance at the end of current period	42,606	40,428

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	1,336	(383)
Depreciation and other amortization	1,511	1,534
Impairment loss	–	48
Increase (decrease) in allowance for doubtful accounts	5	62
Increase (decrease) in provision for bonuses	(77)	(539)
Increase (decrease) in provision for retirement benefits	(10)	(6)
Increase (decrease) in provision for directors' retirement benefits	8	8
Increase (decrease) in provision for loss on store closing	(308)	61
Increase (decrease) in provision for loss on disaster	65	(65)
Interest and dividends income	(42)	(49)
Interest expenses	35	31
Foreign exchange losses (gains)	33	(5)
Loss (gain) on sales and retirement of property, plant and equipment	71	174
Other extraordinary loss (income)	14	71
Decrease (increase) in notes and accounts receivable–trade	(163)	(275)
Decrease (increase) in inventories	(896)	(274)
Decrease (increase) in other assets	(136)	656
Increase (decrease) in notes and accounts payable–trade	(11)	(147)
Loss on adjustment for changes of accounting standard for asset retirement obligations	218	–
Increase (decrease) in other liabilities	(205)	262
Other, net	(66)	(14)
Subtotal	1,382	1,151
Interest and dividends income received	37	37
Interest expenses paid	(33)	(32)
Income taxes paid	(350)	(676)
Net cash provided by (used in) operating activities	1,035	479
Net cash provided by (used in) investing activities		
Payments into time deposits	(13,544)	(9,039)
Proceeds from withdrawal of time deposits	3,538	10,002
Purchase of property, plant and equipment	(1,374)	(1,432)
Purchase of investment securities	(9)	(106)
Proceeds from sales of investment securities	–	47
Payments of long-term loans receivable	(4)	(56)
Collection of long-term loans receivable	22	25
Payments for lease and guarantee deposits	(203)	(202)
Proceeds from collection of lease and guarantee deposits	610	634
Collection of construction assistance fund receivables	147	128
Other, net	(271)	(424)
Net cash provided by (used in) investing activities	(11,088)	(421)

	(Millions of yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,832	3,432
Decrease and Increase of treasury stocks	(6)	(1)
Proceeds from issuance of bonds	2,456	-
Redemption of bonds	-	(2,500)
Cash dividends paid	(1,274)	(925)
Other, net	(78)	(156)
Net cash provided by (used in) financing activities	2,929	(151)
Effect of exchange rate change on cash and cash equivalents	(55)	(27)
Net increase (decrease) in cash and cash equivalents	(7,179)	(121)
Cash and cash equivalents at beginning of period	17,546	10,371
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4	-
Cash and cash equivalents at end of period	10,371	10,249

Notes on going concern assumption

No items to report

Segment information

1. Overview of reportable segments

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate managerial resources and in assessing the performance.

The Group is mainly engaged in the sale of eyeglasses, etc. under PARIS MIKI Inc. and KIMPO-DO CO., LTD. in Japan and under local subsidiaries overseas. Local subsidiaries are independent business units that engage in business activities formulating comprehensive strategies for their respective region with regard to the products they handle.

Therefore, the Group is composed of segments by geographic area serving as the basis for its sales framework, with two reportable segments, namely “Japan” and “Overseas.”

2. Method of calculating the amounts of net sales, profit/loss, assets, and other items by reportable segment

Profits of reportable segments are values on an operating income base.

Inter-segment sales and transfers are based on actual market prices.

3. Information regarding the amounts of net sales, profit/loss, assets, and other items by reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amounts on consolidated financial statements (Note 2)
	Japan	Overseas	Total		
Net sales					
External sales	54,045	6,094	60,140	–	60,140
Inter-segment sales or transfers	302	154	456	(456)	–
Total	54,348	6,248	60,596	(456)	60,140
Segment profit (loss)	1,426	(319)	1,106	(44)	1,062
Segment assets	52,319	4,412	56,732	(2,011)	54,720
Other items					
Depreciation	1,260	141	1,401	–	1,401
Increase in property, plant and equipment and intangible assets	1,483	118	1,601	–	1,601

(Notes) 1. Adjustments are described as follows.

1) Segment profit adjustment of -44 million yen is elimination between segments.

2) Segment assets adjustment of -2,011 million yen is elimination between segments.

2. Segment profit (loss) is adjusted to agree with operating income (loss) in the consolidated statements of income.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amounts on consolidated financial statements (Note 2)
	Japan	Overseas	Total		
Net sales					
External sales	53,613	5,934	59,547	–	59,547
Inter-segment sales or transfers	210	174	385	(385)	–
Total	53,823	6,108	59,932	(385)	59,547
Segment profit (loss)	181	(345)	(164)	49	(114)
Segment assets	50,625	4,592	55,217	(2,362)	52,854
Other items					
Depreciation	1,213	137	1,351	–	1,351
Increase in property, plant and equipment and intangible assets	1,792	128	1,921	–	1,921

(Notes) 1. Adjustments are described as follows.

- 1) Segment profit adjustment of 49 million yen is elimination between segments.
 - 2) Segment assets adjustment of -2,362 million yen is elimination between segments.
2. Segment profit (loss) is adjusted to agree with operating income (loss) in the consolidated statements of income.

Per share information

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net assets per share	822.70 yen	780.94 yen
Net income (loss) per share	9.20 yen	-22.87 yen

(Notes) 1. For the fiscal year ended March 31, 2012, the diluted net income per share is not described here because, although there are potentially dilutive shares, net loss per share was recorded for the fiscal year under review. For the fiscal year ended March 31, 2011, diluted net income per share is not described here because there are no potentially dilutive shares.

2. The basis for calculating net income (loss) per share is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net income (loss) per share		
Net income (loss)	473	(1,177)
Amount that does not belong to ordinary shareholder	-	-
Net income (loss) concerning common stock	473	(1,177)
Average number of shares during the period	51,495 thousand shares	51,488 thousand shares
Outline of potential shares excluded from the calculation of diluted net income per share because they have no dilutive effects.	<p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 25, 2003 (6,503 subscription rights to shares corresponding to 650 thousand shares)</p> <p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 25, 2004 (13,936 subscription rights to shares corresponding to 1,393 thousand shares)</p> <p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 24, 2005 (781 subscription rights to shares corresponding to 78 thousand shares)</p>	<p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 25, 2003 (6,471 subscription rights to shares corresponding to 647 thousand shares)</p> <p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 25, 2004 (13,805 subscription rights to shares corresponding to 1,380 thousand shares)</p> <p>Stock options as subscription rights to shares approved at the Ordinary General Meeting of Shareholders on June 24, 2005 (764 subscription rights to shares corresponding to 76 thousand shares)</p>

Important subsequent events

No items to report

3. Other**Changes in Directors and Corporate Auditors**

Changes in Directors and Corporate Auditors will be disclosed separately when the contents of the disclosure have been decided.