

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
SECOND QUARTER OF THE FISCAL YEAR ENDING
FEBRUARY 29, 2012
(March 1, 2011 to August 31, 2011)**

October 11, 2011

F&A Aqua Holdings, Inc. is listed on the First Section of the Tokyo Stock Exchange under the securities code number 8008.

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Supplemental materials prepared for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and security analysts)
Dividend payment commencement date (planned): November 11, 2011

(Millions of yen rounded down)

**1. Consolidated Operating Results for the First Half of Fiscal 2011
(March 1, 2011 to August 31, 2011)**

(1) Consolidated Operating Results (Cumulative)

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2011 First Half	21,510	(1.1)	1,300	53.8	1,422	33.4	561	238.5
FY2010 First Half	21,747	(5.8)	845	19.5	1,066	60.3	165	29.6

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY2011 First Half	20.26	—
FY2010 First Half	5.93	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
August 31, 2011	51,253	37,848	73.8	1,367.39
February 28, 2011	51,387	37,816	73.6	1,355.25

(Reference)

Shareholders' equity: August 31, 2011: 37,836 million yen
February 28, 2011: 37,808 million yen

2. Dividends

(Record Date)	Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2010	—	10.00	—	10.00	20.00
Fiscal 2011	—	10.00	—	—	—
Fiscal 2011 (Forecast)	—	—	—	10.00	20.00

Note: Revision to dividend forecast for the second quarter of the fiscal year ending February 29, 2012: No

**3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending February 29, 2012
(March 1, 2011 to February 29, 2012)**

(% figures for the full fiscal year represent year-on-year increase or decrease)

	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 February 29, 2012	45,500	(2.0)	3,150	26.0	3,550	19.2	1,550	56.4	55.90

Note: Revisions to consolidated operating forecasts for the second quarter of the fiscal year ending February 29, 2012: No

4. Other (Please refer to “Other” on page 5 for details.)

(1) Changes in Important Subsidiaries during the Period: No

Note: Changes in specified subsidiaries during the current period that caused changes in the scope of consolidation.

(2) Application of the Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements: Yes

Note: Application of the simplified accounting method and special accounting practices in the preparation of quarterly consolidated financial statements.

(3) Changes in Accounting principles, Procedures and Disclosure Methods

1. Changes in accordance with revisions to accounting standards and related practices: Yes
2. Changes in items other than 1. above: No

Note: Recorded under “Changes in Important Items Considered Fundamental to the Preparation of Quarterly Consolidated Financial Statements”

(4) Number of Shares Issued and Outstanding (Common Stock)

1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:
August 31, 2011: 29,331,356 shares Feb. 28, 2011: 30,331,356 shares
2. Total number of treasury stock as of the period-end:
August 31, 2011: 1,660,435 shares Feb. 28, 2011: 2,433,418 shares
3. Average number of shares for the period (Cumulative total for the quarterly consolidated period)
FY2011 First Half: 27,727,262 shares FY2010 First Half: 27,970,457 shares

Note: The number of recorded treasury stock is inclusive of 367,900 of the Company’s shares held by the F&A Aqua Holdings Employees’ Shareholding Association Trust Account as of the end of the quarterly period.

Regarding the Status of Quarterly Review Procedure Implementation

This financial report for the first half of fiscal 2011 is not subject to the quarterly review procedures stipulated in the Financial Instruments and Exchange Act of Japan. As of the date of disclosure of this report, the review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act had not been completed.

Cautionary Statement Concerning Operating Results Forecasts and Other Special Items

The aforementioned forecasts were made based on information available to management as of the date of this report. Actual results could differ significantly from forecasts due to a variety of factors. Please refer to “Qualitative Information / Financial Statements and Other” 3. Qualitative Information Regarding Forecasts of Consolidated Business Results on page 5 for assumptions of the revision of forecasts of business results.

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1. Qualitative Information Regarding Consolidated Quarterly Business Results

(1) Qualitative Information Regarding Consolidated Operating Results

During the first half (March 1, 2011 to August 31, 2011) of fiscal 2011, the fiscal year ending February 29, 2012, signs of a recovery began to emerge throughout the Japanese economy. Despite the impact of the Great East Japan Earthquake, this was largely attributable to reconstruction demand and the positive turnaround in manufacturing activity. While operating conditions were generally favorable, the period under review was also characterized by a persistent sense of uncertainty with respect to the future. This was mainly due to restrictions on the supply of electric power, the aftereffects of incidents at nuclear power plants and continued appreciation in the value of the yen.

Turning to the retail sector, consumer sentiment slumped in the immediate aftermath of the earthquake disaster. While there have been indications of a resurgence, the operating environment remains generally harsh owing to weak employment conditions and the downturn in disposable incomes.

Under these circumstances, the F&A Aqua Holdings Group continued to address key issues on an individual business basis, guided by its second medium-term management plan, which in fiscal 2011 is currently in its final year of implementation. Under this plan, the Group is endeavoring to become a highly reliable and trustworthy corporate group and to enhance its overall Group value.

Taking into account its various efforts, the F&A Aqua Holdings Group reported consolidated operating revenues of ¥21,510 million for the first half of the fiscal year under review. This represented a 1.1% decline compared with the corresponding period of the previous fiscal year. From a profit perspective, operating income increased 53.8% year on year to ¥1,300 million. Ordinary income also climbed 33.4% compared with the corresponding period of the previous fiscal year to ¥1,422 million, while net income jumped 238.5% year on year to ¥561 million.

Note: Operating revenues are the sum total of net sales and other operating revenues.

Operating results on an individual operating group company basis are presented as follows.

The F.D.C. Products Group

For the period under review, the F.D.C. Products group recorded robust sales and earnings. This was largely attributable to strong contributions from its mainstay 4°C jewelry business, reflecting aggressive efforts to open new bridal shops and the surge in activity at existing stores, as well as continued canal 4°C growth. Accounting for the aforementioned, F.D.C. products group operating revenues totaled ¥9,709 million while operating income amounted to ¥1,219 million.

The AS'TY Group

The AS'TY group took steps to bolster its apparel manufacturing business focusing mainly on its OEM activities in an effort to expand sales throughout the first half of fiscal 2011. Buoyed by the steady implementation of initiatives with key business partners together with growth in activities undertaken with new business partners, the AS'TY group recorded firm sales and earnings.

As a result, group operating revenues amounted to ¥4,952 million and operating income came in at ¥214 million.

MISUZU

During the period under review, MISUZU Co., Ltd. worked diligently to enhance its brand value. At the same time, the company took steps to strengthen its product capabilities by reorganizing its brands while pushing forward coordinated mainstay product proposals and reinforcing miscellaneous garments. On the earnings front, MISUZU reported a substantial increase in earnings. This was largely attributable to the higher rate of sales at suggested prices and successful efforts to curtail overhead expenses.

Based on the aforementioned, operating revenues were ¥3,167 million and operating income was ¥6 million.

âge

Throughout the period under review, âge Co., Ltd. channeled much of its energy toward expanding sales and strengthening its profit base. Existing PALLET store sales were firm exceeding levels recorded during the previous fiscal year. Event-related RAPPORT brand sales were also robust with successful efforts to increase gross profit margins. Buoyed by these and other factors, âge enjoyed solid results in both sales and earnings. As a result, operating revenues amounted to ¥3,681 million and operating income came to ¥64 million for the first half of the fiscal year ending February 29, 2012.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets, Liabilities and Net Assets

With regard to the F&A Aqua Holdings Group's consolidated financial position as of the end of the first half of the fiscal year ending February 29, 2012, total assets stood at ¥51,253 million, ¥133 million lower than the balance recorded as of the end of the previous fiscal year. The principal movements were notes and accounts receivable – trade, which rose ¥640 million, and investment securities as well as goodwill, which declined ¥331 million and ¥261 million, respectively. Total liabilities as of August 31, 2011 totaled ¥13,405 million, a decrease of ¥165 million compared with February 28, 2011. While short-term loans payable increased ¥921 million, this overall decline was mainly attributable to decreases in income taxes payable as well as notes and accounts payable – trade of ¥552 million and ¥230 million, respectively. As of August 31, 2011, net assets stood at ¥37,848 million, up ¥32 million compared with the end of the previous fiscal year.

Cash Flows

Cash and cash equivalents as of the end of the period under review (August 31, 2011) stood at ¥511 million, an increase of ¥8 million compared with the previous fiscal year-end.

Net cash used in operating activities was ¥72 million, a turnaround of ¥667 million compared with the corresponding period of the previous fiscal year. This was mainly the result of major cash outflows with respect to inventories and notes and accounts receivable, which increased ¥392 million and ¥363 million, respectively.

Net cash used in investing activities amounted to ¥158 million, a decrease of ¥384 million compared with the corresponding period of the previous fiscal year. This largely reflected proceeds from sales of noncurrent assets totaling ¥147 million.

Net cash provided by financing activities came to ¥239 million, up ¥88 million compared with the corresponding period of the previous fiscal year. During the period under review, major cash inflow comprised net increase of short-term loans payable, up ¥810 million year on year, while principal cash outflow was purchase of treasury stock, which increased ¥200 million.

(3) Qualitative Information Regarding Forecasts of Consolidated Business Results

Taking into consideration recent business results trends, the F&A Aqua Holdings Group has revised its forecasts of consolidated business results for the fiscal year ending February 29, 2012 previously announced on April 11, 2011. Please refer to the press release “Notice Concerning Revisions to Operating Forecasts for the Fiscal Year Ending February 29, 2012” dated October 3, 2011 for details.

2. Other

(1) Changes in Important Subsidiaries During the Period:

Not applicable

(2) Adoption of the Simplified Accounting Method and Special Accounting Practices:

1. Simplified accounting method

- Calculation method for loan loss reserves (allowance for doubtful accounts) for general receivables

F&A Aqua Holdings has determined that the loan loss ratio as of the end of the second quarter of the fiscal year ending February 29, 2012 has not changed materially from the figure attributable to the end of the previous fiscal year. As a result, the Company has applied the loan loss ratio calculated as of the previous fiscal year-end to calculate the loan loss reserve (allowance for doubtful accounts) for general receivables.

- Calculation method for depreciation of fixed assets

For assets that are depreciated utilizing the declining-balance method, depreciation expenses applicable to the fiscal year are calculated on a pro-rata basis.

2. Special accounting practices

Not applicable

(3) Changes in Accounting Principles, Procedures and Presentation Methods:

1. Application of the Accounting Standard for Equity Method of Accounting for Investments and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective from the first quarter of the fiscal year ending February 29, 2012, F&A Aqua Holdings adopted the Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan (ASBJ) Statement No. 16, announced on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ Practical Issues Task Force (PITF) No. 24, issued on March 10, 2008) and undertook the necessary consolidated account settlement adjustments.

This change has no impact on consolidated quarterly financial statements.

2. Changes in Presentation Methods

Following adoption of the Cabinet Office Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, issued on March 24, 2009) in accordance with the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on December 26, 2008), net income before minority interest has been included in the consolidated statements of income for the first half of the fiscal year ending February 29, 2012.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Thousands of yen)

	End of the Second Quarter of the Fiscal Year Ending February 29, 2012 (As of August 31, 2011)	End of the Fiscal Year Ended February 28, 2011 (As of February 28, 2011)
ASSETS		
Current assets:		
Cash and deposits	511,387	452,901
Notes and accounts receivable — trade	3,950,176	3,310,090
Merchandise and finished goods	5,509,390	5,086,013
Work in process	202,138	522,351
Raw materials and supplies	591,611	421,913
Other current assets	1,051,146	1,084,451
Allowance for doubtful accounts	(6,458)	(4,683)
Total current assets	11,809,393	10,873,038
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	5,798,872	5,707,350
Land	5,891,952	5,994,953
Other, net	523,676	467,285
Total property, plant and equipment	12,214,501	12,169,588
Intangible assets:		
Goodwill	7,533,614	7,795,492
Other intangible assets	296,862	255,780
Total intangible assets	7,830,476	8,051,273
Investments and other assets:		
Investment securities	13,131,222	13,462,293
Prepaid pension cost	1,992,144	1,992,984
Other	4,872,609	5,437,089
Allowance for doubtful accounts	(596,773)	(599,044)
Total investments and other assets	19,399,203	20,293,323
Total noncurrent assets	39,444,182	40,514,185
Total assets	51,253,575	51,387,224

(Thousands of yen)

	End of the Second Quarter of the Fiscal Year Ending February 29, 2012 (As of August 31, 2011)	End of the Fiscal Year Ended February 28, 2011 (As of February 28, 2011)
LIABILITIES		
Current liabilities:		
Notes and accounts payable — trade	3,907,972	4,138,660
Short-term loans payable	2,597,700	1,676,604
Income taxes payable	389,503	941,945
Provision for bonuses	297,649	469,848
Provision for directors' bonuses	28,344	50,450
Other	2,577,705	2,487,201
Total current liabilities	9,798,875	9,764,710
Noncurrent liabilities:		
Long-term loans payable	600,770	733,130
Provision for retirement benefits	538,182	533,050
Provision for directors' retirement benefits	377,329	369,511
Asset retirement obligations	807,272	765,013
Other	1,282,768	1,405,530
Total noncurrent liabilities	3,606,323	3,806,236
Total liabilities	13,405,199	13,570,946
NET ASSETS		
Shareholders' equity:		
Capital stock	2,486,520	2,486,520
Capital surplus	18,300,303	18,300,303
Retained earnings	18,599,929	19,130,875
Treasury stock	(1,289,368)	(1,943,930)
Total shareholders' equity	38,097,385	37,973,769
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	63,907	145,764
Deferred gains or losses on hedges	(14,897)	(2,555)
Revaluation reserve for land	(264,512)	(264,512)
Foreign currency translation adjustments	(45,068)	(43,665)
Total valuation and translation adjustments	(260,571)	(164,969)
Subscription rights to shares	9,909	5,483
Minority interests	1,652	1,994
Total net assets	37,848,375	37,816,277
Total liabilities and net assets	51,253,575	51,387,224

(2) Consolidated Quarterly Statement of Income (Cumulative)

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2011 (March 1, 2010 to August 31, 2010)	First Half of the Fiscal Year Ending February 29, 2012 (March 1, 2011 to August 31, 2011)
Net sales	21,107,940	20,997,188
Cost of Sales	9,977,056	9,881,376
Gross profit	11,130,884	11,115,812
Other operating revenue	639,190	513,747
Operating gross profit	11,770,074	11,629,560
Selling, general and administrative expenses	10,924,088	10,328,795
Operating income	845,986	1,300,764
Non-operating income		
Interest income	1,692	1,296
Dividends received	33,716	34,740
Equity in earnings of affiliates	55,432	8,955
Rent of real estate for investment	53,350	35,460
Foreign exchange gains	8,034	7,760
Allocated income of investment securities	32,236	—
Subsidy income	34,698	38,340
Other	37,224	28,723
Total non-operating income	256,386	155,277
Non-operating expenses		
Interest expenses	23,324	18,049
Other	12,569	15,548
Total non-operating expenses	35,893	33,598
Ordinary income	1,066,479	1,422,443
Extraordinary income		
Gain on sales of noncurrent assets	—	585
Gain on sales of investment securities	11,726	0
Reversal of allowance for doubtful accounts	4,790	286
Refund of consumer taxes for prior periods	—	121,027
Total extraordinary income	16,516	121,899
Extraordinary loss		
Loss on sales of noncurrent assets	—	23,386
Loss on retirement of noncurrent assets	67,848	18,060
Loss on sales of investment securities	2,171	—
Loss on valuation of investment securities	146,943	164,138
Impairment loss	143,142	13,058
Loss on closing of stores	4,766	13,556
Loss on closing of offices	37,700	—
Loss on disaster	—	42,680
Loss on adjustment for changes of accounting standard for asset retirement obligations	490,969	—
Other	—	1,061
Total extraordinary losses	893,541	275,942
Net income before income taxes	189,454	1,268,400
Income taxes — current	447,635	359,493
Income taxes for prior periods	—	59,682
Income taxes — deferred	(424,135)	287,730
Total income taxes	23,499	706,905
Income before minority interests	—	561,494
Minority interests in income (loss)	(13)	(341)
Net income	165,967	561,836

(3) Consolidated Quarterly Statement of Cash Flows

(Thousands of yen)

	First Half of the Fiscal Year Ended February 28, 2011 (March 1, 2010 to August 31, 2010)	First Half of the Fiscal Year Ending February 29, 2012 (March 1, 2011 to August 31, 2011)
Cash flows from operating activities:		
Income (loss) before income taxes	189,454	1,268,400
Impairment loss	143,142	13,058
Loss on adjustment for changes of accounting standard for asset retirement obligations	490,969	—
Increase (decrease) in allowance for doubtful accounts	(44,351)	(496)
Increase (decrease) in provision for bonuses	(103,883)	(172,198)
Increase (decrease) in provision for retirement benefits	13,327	6,071
Increase (decrease) in other provision	(10,765)	(14,287)
Interest and dividends income	(35,409)	(36,037)
Interest expenses	23,324	18,049
Equity in (earnings) losses of affiliates	(55,432)	(8,955)
Foreign exchange losses (gains)	(13,950)	9,022
Loss (gain) on sales of investment securities	(9,554)	(0)
Loss (gain) on valuation of investment securities	146,943	164,138
Loss on retirement of noncurrent assets	67,848	18,060
Loss (gain) on sales of noncurrent assets	—	22,800
Decrease (increase) in notes and accounts receivable — trade	(274,502)	(637,987)
Decrease (increase) in inventories	119,880	(272,971)
Increase (decrease) in notes and accounts payable — trade	(199,654)	(230,652)
Decrease (increase) in other current assets	646,259	—
Other, net	476,493	613,700
Subtotal	1,570,139	759,716
Interest and dividends income received	89,792	90,420
Interest expenses paid	(22,375)	(17,857)
Income taxes paid	(1,043,014)	(905,275)
Net cash used in operating activities	594,540	(72,995)
Cash flows from investing activities:		
Purchase of noncurrent assets	(352,106)	(419,624)
Proceeds from sales of noncurrent assets	—	147,518
Purchase of investment securities	(13,965)	(8,391)
Proceeds from sales of investment securities	9,627	0
Other	(185,702)	122,362
Net cash used in investing activities	(542,147)	(158,135)
Cash flows from financing activities:		
Net increase (decrease) of short-term loans payable	150,000	960,000
Proceeds from long-term loans payable	487,000	—
Repayment of long-term loans payable	(126,787)	(171,264)
Redemption of bonds	(7,500)	—
Purchase of treasury stock	(193)	(200,220)
Cash dividends paid	(290,801)	(294,402)
Other, net	(60,681)	(54,320)
Net cash provided by financing activities	151,035	239,792
Effect of exchange rate changes on cash and cash equivalents	(791)	(175)
Net increase (decrease) in cash and cash equivalents	202,637	8,485
Cash and cash equivalents at beginning of period	518,261	502,901
Cash and cash equivalents at end of period	720,898	511,387

(4) Notes Regarding Going Concern Assumptions

Not applicable

(5) Segment Information

[Performance by Business Segment]

The first half of the fiscal year ended February 28, 2011
(March 1, 2010 to August 31, 2010)

(Thousands of yen)

	Brand	Apparel Manufacturing	Retail	Wholesale	Development	Total
Net sales						
(1) Sales to outside customers						
(2) Intra-segment sales and transfers	8,776,337	2,942,243	7,926,122	1,471,028	631,399	21,747,131
	5,253	473,927	63,160	299,621	75,285	917,249
Total	8,781,591	3,416,171	7,989,283	1,770,650	706,685	22,664,380
Operating income (loss)	1,030,779	5,815	(139,999)	(28,146)	125,080	993,528
	Eliminations and Corporate	Consolidated				
Net sales						
(1) Sales to outside customers	—	21,747,131				
(2) Intra-segment sales and transfers	(917,249)	—				
Total	(917,249)	21,747,131				
Operating income (loss)	(147,542)	845,986				

Notes:

- Other operating revenues are included in net sales.
- Business segments have been classified according to their product type, characteristics and sales methods.
- Principal products of each business segment are as follows:
 - Brand Planning, manufacture and sale of jewelry, bags and related products
 - Apparel manufacturing Planning, manufacture, sale and OEM production of bags, men's and women's apparel, infants apparel, socks, toys and related products
 - Retail Planning, manufacture and sale of women's apparel, sales of men's and children's apparel, underwear and socks, garments, sleeping wear, Japanese garments and other products, restaurant management
 - Wholesale Wholesale of men's, women's and children's apparel, underwear and socks, garments, sleeping wear, Japanese garments and other products
 - Development Property leasing, other

(Application of "Accounting Standard for Asset Retirement Obligations")

Effective from the first quarter of the fiscal year ended February 28, 2011, F&A Aqua Holdings has applied the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008).

As a result of this initiative, and compared with the previously applied method, operating income for the first half of the fiscal year ended February 28, 2011 in each of the Brand, Apparel Manufacturing, Retail, Wholesale and Developer businesses decrease ¥6,651 thousand, ¥1,507 thousand, ¥7,101 thousand, ¥398 thousand and ¥5,576 thousand, respectively.

[Geographical Segment Information]

The first half of the fiscal year ended February 28, 2011
(March 1, 2010 to August 31, 2010)

As the total of net sales based in Japan of all business segments represented over 90% of the Company's total net sales, geographical information has been omitted.

[Overseas Sales]

The first half of the fiscal year ended February 28, 2011
(March 1, 2010 to August 31, 2010)

As overseas sales represented less than 10% of the Company's total net sales, overseas sales information has been omitted.

[Segment Information]

1. Overview of Reporting Segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

As a comprehensive fashion company, the F&A Aqua Holdings Group engages in business activities through four core operating companies. These are F.D.C. Products Inc., AS'TY Inc., MISUZU Co., Ltd. and âge Co., Ltd.

The individual business segments of the F&A Aqua Holdings Group are fundamentally comprised of its consolidated subsidiaries. On this basis, the Company's four reporting segments are the F.D.C. Products group, the AS'TY group, MISUZU and âge.

The F.D.C. Products group is mainly engaged in brand SPA activities dealing ostensibly with 4°C jewelry as well as restaurant business operations. The AS'TY group undertakes apparel manufacturing business focusing primarily on its OEM activities while at the same time engaging in apparel wholesale and developer business activities. MISUZU operates largely in the ladies' apparel SPA business. âge is active in retail operations primarily in the fashion sector focusing mainly on Western Japan.

2. Information Regarding Sales and Income or Loss by Reporting Segment

The first half of the fiscal year ending February 29, 2012 (March 1, 2011 to August 31, 2011)

(Thousands of yen)

	Reporting Segments					Adjustment amount (Note 1)	Amount recorded on consolidated quarterly statement of income (Note 2)
	F.D.C. Products group	AS'TY group	MISUZU	âge	Total		
Sales							
Sales to outside customers	9,709,216	4,952,399	3,167,329	3,681,991	21,510,936	—	21,510,936
Intrasegment sales and transfers	6,269	682,303	33,152	93,384	815,109	(815,109)	—
Total	9,715,485	5,634,703	3,200,481	3,775,376	22,326,046	(815,109)	21,510,936
Segment income	1,219,802	214,628	6,689	64,602	1,505,723	(204,958)	1,300,764

Notes:

1. The adjustment amount of minus ¥204,958 thousand for segment income mainly includes corporate expenses that are not allocated to individual reporting segments. Corporate expenses are primarily general administrative expenses not attributable to reporting segments.
2. Segment income matches operating income recorded on the consolidated quarterly income statement.

3. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Related Items by Reporting Segment

There was no major impairment loss recorded during the period under review.

(Additional Information)

Effective from the first quarter of the fiscal year ending February 29, 2012, the Company adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, issued on March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued on March 21, 2008).

(6) Notes Regarding Substantial Changes in Shareholders' Equity

Not applicable