

Business Results

●Net Sales

Consolidated net sales in the year under review increased ¥10,983 million from the previous term, the sixth consecutive year of increased sales. The sales increase was mainly attributable to a ¥10,304 million year-on-year increase in revenue from the menswear retail operation.

●Non-operating Income

The decrease in non-operating income was mainly attributable to a reduction of ¥5,926 million in valuation gains on derivative transactions in connection with comprehensive long-term forward foreign exchange contracts (coupon swap contracts) from ¥6,719 million the previous term to ¥793 million.

●Extraordinary Losses

The Company booked an impairment loss of ¥1,597 million from the menswear retail operation and sundry sales operation and a ¥2,289 million loss on disposal and sale of fixed assets in connection with the closing and relocation of stores.

Consolidated Statements of Income (Summary)

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Net Sales	202,720	213,703
Cost of Sales	91,590	95,925
Gross Profit	111,130	117,778
Selling, General and Administrative Expenses	89,335	94,849
Operating Income	21,795	22,929
Non-operating Income	7,743	1,851
Interest and dividend income	276	407
Valuation gains on derivative transactions	6,719	793
Other	746	649
Non-operating Expenses	223	303
Interest expenses	93	116
Other	129	187
Ordinary Income	29,314	24,477
Extraordinary Gains	24	93
Extraordinary Losses	6,180	3,984
Loss on disposal and sale of fixed assets	1,365	2,289
Impairment loss	3,886	1,597
Amortization of past service cost for retirement benefits to directors and corporate auditors	874	—
Other	54	97
Income before Income Taxes	23,158	20,586
Income Taxes-Current	9,052	9,661
Income Taxes-Deferred	580	△ 808
Minority Interests	196	208
Net Income	13,328	11,524

Note: Figures amounting to less than one million yen are rounded down.

Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2007
Cash flows from operating activities	13,205	20,016
Cash flows from investing activities	△ 23,811	△ 5,634
Free Cashflow	△ 10,606	14,381
Cash flows from financing activities	12,774	△ 5,604
Net increase (decrease) in cash and cash equivalents	2,167	8,777
Cash and cash equivalents at beginning of year	31,786	33,954
Increase (decrease) in cash and cash equivalents due to share exchange	—	397
Cash and cash equivalents at end of year	33,954	43,129

Note: Figures amounting to less than one million yen are rounded down.

Cash Flows

●Cash Flows from Operating Activities

Net cash provided by operating activities was ¥20,016 million (compared to ¥13,205 million in net cash provided the previous term). The increase in net cash was attributable to factors including income before income taxes of ¥20,586 million and depreciation expense of ¥6,697 million, which more than offset an increase of ¥6,642 million in loans receivable in the credit card business and ¥978 million in income taxes paid.

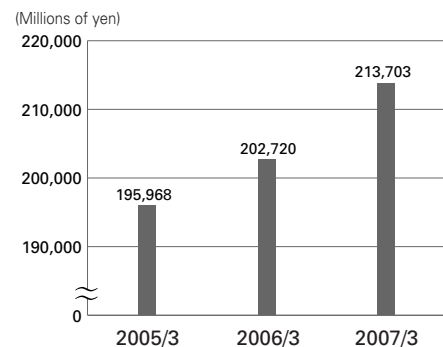
●Cash Flows from Investing Activities

Net cash used in investing activities was ¥5,634 million (compared to ¥23,811 million in net cash used the previous term). Payments, including ¥12,798 million for the acquisition of property, plant, and equipment associated with new store openings and store refurbishment in the menswear retail and sundry sales operations, were partially offset by factors such as ¥729 million (net increase) from sales of marketable securities and investment securities.

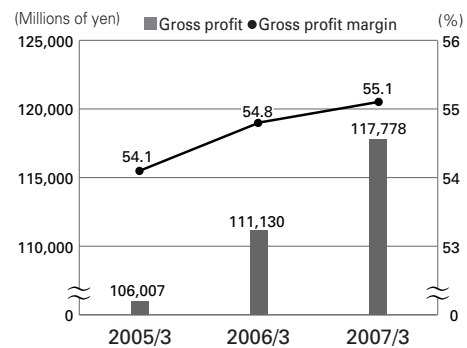
●Cash Flows from Financing Activities

Net cash used in financing activities was ¥5,604 million (compared to ¥12,774 million in net cash provided the previous term). Proceeds of ¥850 million (net increase) from loans and ¥1,273 million from the disposal of treasury stock were more than offset by payments including ¥3,368 million for the acquisition of treasury stock and ¥4,283 million for dividend payment.

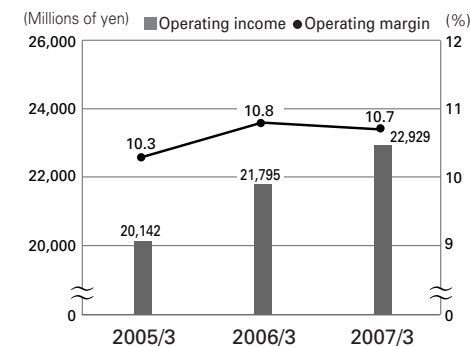
● Net sales



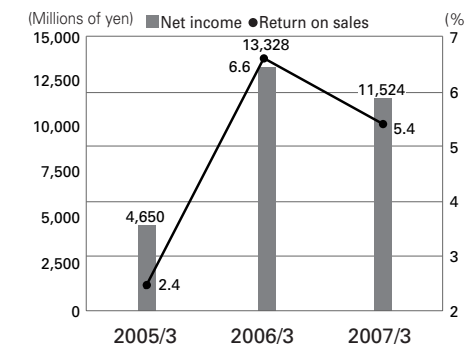
● Gross profit and gross profit margin



● Operating income and operating margin



● Net income and return on sales



# Consolidated Financial Statements

## Consolidated Statement of Change in Net Assets

Year ended March 31, 2007

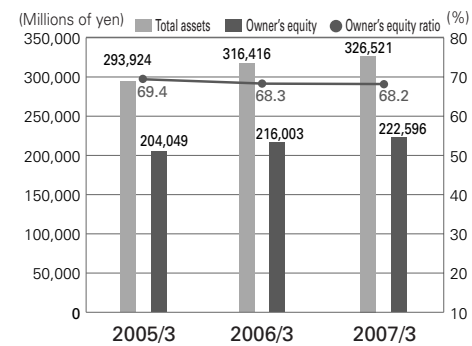
(Millions of yen)

	Shareholders' equity				Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets	
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Deferred gains on hedges	Land revaluation difference				Total valuation and translation adjustments
Balance at March 31, 2006	62,504	62,449	112,557	△ 3,374	234,138	1,179	—	△ 19,314	△ 18,135	—	1,472	217,476
Changes during the year												
Increase (decrease) by share-for-share exchange		202		374	576							576
Dividends from surplus (Note 1)			△ 2,962		△ 2,962							△ 2,962
Dividends from surplus			△ 1,321		△ 1,321							△ 1,321
Bonuses to directors and corporate auditors (Note 1)			△ 187		△ 187							△ 187
Net income			11,524		11,524							11,524
Reversal of land revaluation difference			△ 1,241		△ 1,241							△ 1,241
Acquisition of treasury stock				△ 3,368	△ 3,368							△ 3,368
Disposal of treasury stock		257		1,016	1,273							1,273
Changes in the items other than shareholders' equity (net)						△ 135	1,194	1,241	2,299	28	114	2,442
Total changes during the year	—	459	5,811	△ 1,977	4,293	△ 135	1,194	1,241	2,299	28	114	6,735
Balance at March 31, 2007	62,504	62,908	118,369	△ 5,351	238,431	1,043	1,194	△ 18,072	△ 15,835	28	1,587	224,211

Notes:

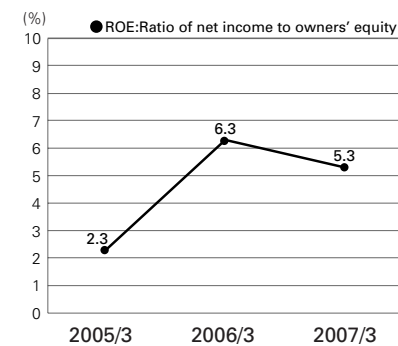
1. Appropriation of retained earnings approved at the general meeting of shareholders held in June 2006
2. Figures amounting to less than one million yen are rounded down.

### ● Total assets, owners' equity, and owners' equity ratio



Note: Owners' equity is calculated by deducting minority interests and stock acquisition rights from total net assets.

### ● ROE



## Consolidated Balance Sheets (Summary)

(Millions of yen)

	March 31, 2006	March 31, 2007
<b>Assets</b>		
Current Assets	165,971	171,882
Cash and cash equivalents	28,648	32,839
Trade notes and accounts receivable	9,320	10,769
Marketable securities	21,796	11,842
Inventories	38,664	39,104
Deferred tax assets	2,998	2,214
Loans receivable	55,691	62,333
Other	9,353	13,292
Allowance for doubtful receivables	△ 502	△ 515
Fixed Assets	150,445	154,639
Property, Plant and Equipment	86,389	89,781
Buildings and structures	52,872	55,238
Land	27,263	28,296
Other	6,253	6,246
Intangible Fixed Assets	1,301	1,345
Investments and Other Assets	62,754	63,511
Investment securities	9,909	12,275
Long-term loans	8,272	7,539
Deferred tax assets	5,068	5,948
Guarantee deposits and lease deposits	35,320	33,326
Refundable insurance premium for directors, corporate auditors and employees	1,691	2,106
Other	2,553	2,385
Allowance for doubtful receivables	△ 61	△ 70
Total Assets	316,416	326,521

Note: Figures amounting to less than one million yen are rounded down.

### ● Loans Receivable

Loans receivable were ¥6,642 million higher than at the previous fiscal year-end due to the increase in loans receivable in the card business.

### ● Property, Plant and Equipment

Buildings & structures and land were ¥2,365 million higher and ¥1,033 million higher than at the previous fiscal year-end, respectively, due to new store openings and relocations.

(Millions of yen)

	March 31, 2006	March 31, 2007
<b>Liabilities</b>		
Current Liabilities	54,304	55,839
Trade notes and accounts payable	19,442	20,234
Short-term bank loans	4,010	3,890
Accounts payable	17,653	20,852
Other	13,198	10,862
Long-term Liabilities	44,636	46,470
Corporate bonds	20,000	20,000
Long-term debt	15,415	16,385
Other	9,221	10,085
Total Liabilities	98,940	102,310
Minority Interests	1,472	—
<b>Shareholders' Equity</b>		
Common Stock	62,504	—
Capital surplus	62,449	—
Retained earnings	112,557	—
Land revaluation difference	△ 19,314	—
Net unrealized gain (loss) on available-for-sale securities	1,179	—
Treasury stock	△ 3,374	—
Total Shareholders' Equity	216,003	—
Total Liabilities, Minority Interests and Shareholders' Equity	316,416	—
<b>Net Assets</b>		
Shareholders' Equity	—	238,431
Common stock	—	62,504
Capital surplus	—	62,908
Earned surplus	—	118,369
Treasury stock	—	△ 5,351
Stock acquisition rights Valuation and Translation Adjustments	—	△ 15,835
Net unrealized gain on available-for-sale securities	—	1,043
Deferred gains on hedges	—	1,194
Land revaluation difference	—	△ 18,072
Stock Acquisition Rights	—	28
Minority Interests	—	1,587
Total Net Assets	—	224,211
Total Liabilities and Net Assets	—	326,521

Note: Figures amounting to less than one million yen are rounded down.

### ● Net Assets

Although dividends from surplus and net increase in treasury stock decreased net assets ¥4,283 million and ¥1,977 million, respectively, total net assets were ¥6,735 million higher than at the previous fiscal year-end because of reporting of net income amounting to ¥11,524 million.