

To Our Shareholders

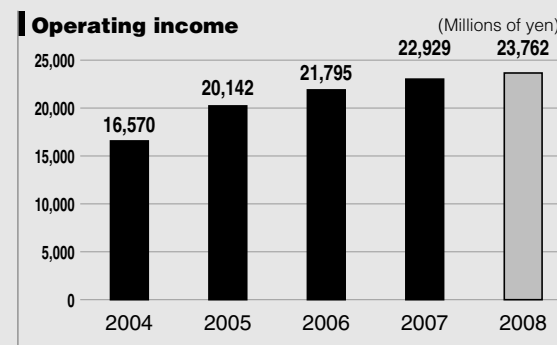
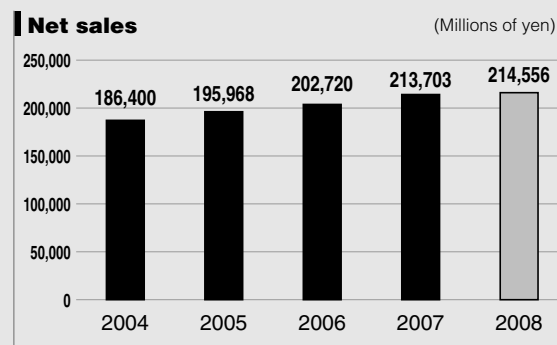
Aiming for Further Profit Growth



I would like to thank you, our shareholders, for your steadfast support of Aoyama Trading Company, Ltd. (the “Company”). I am pleased to report that in fiscal 2008 the Aoyama Trading Group achieved record-high sales and operating income for the seventh consecutive year. In the coming years we will seek market share expansion through an active program of new store openings and relocation of existing stores and the cultivation of new customer segments, especially women. In this way, we are determined to further strengthen our presence in an industry increasingly controlled by a small number of companies. In all our endeavors, I would be grateful for your continued understanding and support.

President and CEO **Osamu Aoyama**

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



Achievement of Higher Sales and Operating Income for the Seventh Consecutive Year

Q1
How did the business perform in the year under review?

Although in fiscal 2008 we faced an adverse business environment characterized by faltering consumer confidence owing to unseasonable weather and soaring raw material prices, we were able to achieve higher sales and operating income for the seventh consecutive year on a consolidated basis as well as higher sales and higher operating income for the sixth and seventh consecutive years, respectively, on a non-consolidated basis. This success

resulted from further expansion of market share accomplished by means of an active program of new store openings and relocation of existing stores and the introduction of new suit and womenswear brands.

With regard to products, we set a new record for suit sales for the seventh consecutive year as sales of premium-grade suits such as the Savile Row line and functional suits such as suits with two pairs of slacks, developed favorably. The number of suits sold increased by 3.6% year on year to 2,761,000, surpassing the previous record of 2,656,000 suits sold in fiscal 2007.

Capturing New Customer Segments

Q2
What measures and policies did the Company focus on in the year under review?

We strove to further expand market share by developing The Suit Company's Weekend format of stores located in large shopping centers in suburbs of major cities (11 stores as of March 31, 2008) and the Plus A The Suit Aoyama format of stores located primarily in shopping centers in suburbs of regional cities (3 stores as of March 31, 2008), which was

launched in April 2007.

Also, sales of womenswear, a product category that has shown steady growth, developed favorably in fiscal 2008 as a result of the launch of women's formal wear last May and of the new brand Miss JUNKO in last October at all Yofuku-no-Aoyama stores. Furthermore, we endeavored to attract new customers by offering the brand of premium-grade suits HILTON TIME designed for the children of baby boomers at all Yofuku-no-Aoyama stores since January of this year.

Focus on Store Openings in the Greater Tokyo Area

Q3
What initiatives are planned for fiscal 2009 and beyond?

We continue to seek market share expansion by actively opening new stores and relocating and renovating existing stores, especially in the Greater Tokyo area. To support our Tokyo area stores, we plan to begin construction of a stock center in Chiba Prefecture. We have positioned women's merchandise as a new profit source and will pursue further sales growth by continuing to

enhance our merchandise lines and develop appealing store environments.



The Suit Company's Weekend Unimo Chiharadai Store