

Consolidated Balance Sheets (Summary) (Millions of yen)

	As of March 31, 2007	As of March 31, 2008
Assets		
Current assets	171,882	170,029
Cash and deposits	32,839	25,600
Notes and accounts receivable-trade	10,769	11,012
Short-term investment securities	11,842	21,993
Inventories	39,104	40,060
Operating loans	62,333	62,419
Other	15,507	9,817
Allowance for doubtful accounts	△515	△875
Noncurrent assets	154,639	155,440
Property, plant and equipment	89,781	92,476
Buildings and structures	55,238	56,953
Land	28,296	29,092
Other	6,246	6,430
Intangible assets	1,345	1,551
Investments and other assets	63,511	61,413
Investment securities	12,275	11,035
Long-term loans receivable	7,539	8,388
Lease and guarantee deposits	33,326	32,552
Insurance funds for directors and employees	2,106	410
Other	8,334	9,135
Allowance for doubtful accounts	△70	△107
Total assets	326,521	325,469
Liabilities		
Current liabilities	55,839	60,673
Notes and accounts payable-trade	20,234	19,453
Short-term loans payable	3,890	4,260
Accounts payable-other	20,852	20,234
Other	10,862	16,724
Noncurrent liabilities	46,470	45,141
Bonds payable	20,000	20,000
Long-term loans payable	16,385	16,025
Other	10,085	9,116
Total liabilities	102,310	105,814
Net assets		
Shareholders' equity	238,431	235,914
Capital stock	62,504	62,504
Capital surplus	62,908	62,974
Retained earnings	118,369	122,685
Treasury stock	△5,351	△12,250
Valuation and translation adjustments	△15,835	△17,974
Valuation difference on available-for-sale securities	1,043	△24
Deferred gains or losses on hedges	1,194	—
Revaluation reserve for land	△18,072	△17,950
Subscription rights to shares	28	82
Minority interests	1,587	1,632
Total net assets	224,211	219,654
Total liabilities and net assets	326,521	325,469

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

Inventories

Inventories were ¥955 million higher than at the previous fiscal year-end and amounted to ¥40,060 million. The increase was mainly owing to the increase in the number of stores.

Property, plant and equipment

Property, plant and equipment amounted to ¥92,476 million, having increased ¥2,694 million compared with the figure at the previous fiscal year-end. The increase was mainly attributable to an increase of ¥1,714 million in buildings and structures and ¥795 million in land as a result of new store openings and store relocations.

Net assets

Total net assets were ¥4,556 million lower than at the previous fiscal year-end and totaled ¥219,654 million. Acquisition of treasury stock decreased net assets by ¥6,898 million (net decrease) while retained earnings increased ¥4,316 million.

Consolidated Statements of Income (Summary) (Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008
Net sales	213,703	214,556
Cost of sales	95,925	93,245
Gross profit	117,778	121,310
Selling, general and administrative expenses	94,849	97,548
Operating income	22,929	23,762
Non-operating income	1,851	1,606
Interest and dividends income	407	682
Gain on valuation of derivatives	793	—
Other	649	923
Non-operating expenses	303	4,748
Interest expenses	116	142
Loss on valuation of derivatives	—	4,488
Other	187	117
Ordinary income	24,477	20,620
Extraordinary income	93	6
Extraordinary loss	3,984	5,472
Loss on sales and retirement of noncurrent assets	2,289	1,671
Impairment loss	1,597	2,137
Other	97	1,663
Income before income taxes	20,586	15,154
Income taxes-current	9,661	9,543
Income taxes-deferred	△808	△2,389
Minority interests in income	208	186
Net income	11,524	7,813

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

Operating income

Operating income increased for the seventh consecutive year, rising ¥833 million to ¥23,762 million. Although general administrative expenses increased in line with the growth in the number of stores in the menswear retail business, the increase in general administrative expenses was absorbed by the increase in gross profit as a result of an improvement in the gross profit margin.

Ordinary income

Ordinary income decreased ¥3,856 million from the previous fiscal year to ¥20,620 million. The decrease was mainly attributable to recording of a loss on valuation of derivatives amounting to ¥4,488 million (compared with a gain on valuation of derivatives amounting to ¥793 million for the previous year) associated with comprehensive long-term forward exchange contracts (coupon swap contracts) because the yen appreciated compared with its level at end of the previous fiscal year.

Consolidated Statements of Cash Flows (Summary) (Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008
Cash flows from operating activities	20,016	18,079
Cash flows from investing activities	△5,634	△25,001
Free cash flow	14,382	△6,922
Cash flows from financing activities	△5,604	△10,185
Effect of exchange rate change on cash and cash equivalents	—	21
Net increase (decrease) in cash and cash equivalents	8,777	△17,086
Cash and cash equivalents at beginning of year	33,954	43,129
Increase in cash and cash equivalents due to share exchanges	397	—
Cash and cash equivalents at end of year	43,129	26,042

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

Cash flows from operating activities

Net cash used in operating activities amounted to ¥25,001 million (compared with ¥5,634 million in net cash used in operating activities for the previous fiscal year). Cash outlays included sales of securities and investment securities amounting to ¥10,247 million (net decrease), purchase of property, plant and equipment amounting to ¥12,421 million in line with new store openings and refurbishment in the menswear retail business and the sundry sales business, and payments of loan receivables amounting to ¥1,748 million. Cash inflows included proceeds from collection of lease and guarantee deposits amounting to ¥1,364 million and proceeds from cancellation of insurance funds amounting to ¥1,698 million.

Consolidated Statements of Changes in Net Assets (from April 1, 2007, to March 31, 2008) (Millions of yen)

	Shareholders' equity				Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land				Total valuation and translation adjustments
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
Changes of items during the year												
Dividends from surplus			△3,235		△3,235							△3,235
Net income			7,813		7,813							7,813
Reversal of revaluation reserve for land			△262		△262							△262
Purchase of treasury stock				△7,161	△7,161							△7,161
Disposal of treasury stock		65		262	327							327
Net changes of items other than shareholders' equity						△1,067	△1,194	122	△2,139	54	45	△2,039
Total changes of items during the year	-	65	4,316	△6,898	△2,517	△1,067	△1,194	122	△2,139	54	45	△4,556
Balance at March 31, 2008	62,504	62,974	122,685	△12,250	235,914	△24	-	△17,950	△17,974	82	1,632	219,654

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

Finance Topics

Payment of a Year-end Dividend of ¥30 per Share

The Company positions returning profits to shareholders as an important management issue and has introduced partially performance-linked dividend payment in order to promote return of profits to shareholders, targeting a payout ratio of 30%.

The payout ratio is calculated against the Company's non-consolidated net income excluding special income and losses such as a gain or a loss on valuation of derivatives.

Concretely, the Company intends to pay an ordinary dividend of ¥40 (interim dividend of ¥20 and year-end dividend of ¥20) per share in order to maintain stable dividend payment, and if the amount of a dividend calculated based on the payout ratio of 30% exceeds ¥40, the excess amount will be treated as performance-linked dividend and will be paid as a special dividend at the end of a fiscal year.

In accordance with the dividend policy, the year-end dividend of ¥30 per share, consisting of an ordinary dividend of ¥20 and a special dividend of ¥10 as a performance-linked dividend, was approved at the 44th ordinary general meeting of shareholders. As a result, in addition to the interim dividend (ordinary dividend of ¥20), cash dividends for the year amounted to ¥50 per share. Total year-end dividends amounted to ¥1,907 million.

Balance Sheets (Summary) (Millions of yen)

	As of March 31, 2007	As of March 31, 2008
Assets		
Current assets	127,997	126,077
Noncurrent assets	156,349	156,262
Property, plant and equipment	84,989	87,986
Intangible assets	1,150	1,246
Investments and other assets	70,209	67,028
Total assets	284,346	282,339
Liabilities		
Current liabilities	46,514	51,987
Noncurrent liabilities	19,617	18,712
Total liabilities	66,131	70,699
Net assets		
Shareholders' equity	233,830	229,350
Capital stock	62,504	62,504
Capital surplus	62,908	62,974
Retained earnings	113,768	116,122
Treasury stock	△5,351	△12,250
Valuation and translation adjustments	△15,643	△17,792
Valuation difference on available-for-sale securities	1,043	△24
Deferred gains or losses on hedges	1,194	-
Revaluation reserve for land	△17,881	△17,768
Subscription rights to shares	28	82
Total net assets	218,214	211,640
Total liabilities and net assets	284,346	282,339

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

Statements of Income (Summary) (Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008
Net sales	167,539	173,059
Cost of sales	69,599	70,793
Gross profit	97,940	102,266
Selling, general and administrative expenses	78,246	81,950
Operating income	19,694	20,315
Non-operating income	2,438	2,170
Non-operating expenses	234	4,695
Ordinary income	21,898	17,789
Extraordinary income	93	1
Extraordinary loss	3,362	6,067
Income before income taxes	18,629	11,723
Income taxes-current	8,251	7,986
Income taxes-deferred	△524	△2,114
Net income	10,902	5,851

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