

# To Our Shareholders

## Aiming for Greater Market Share



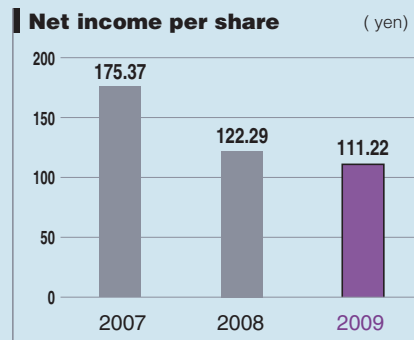
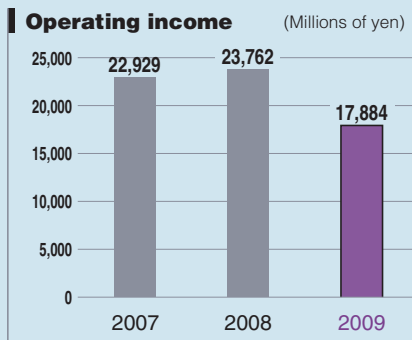
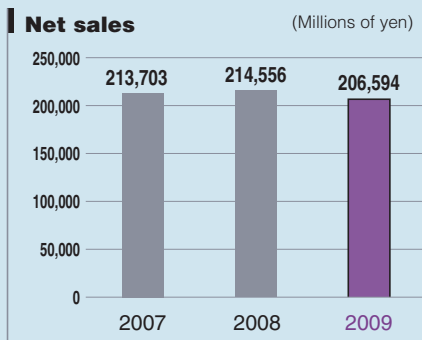
I would like to thank you, our shareholders, for your steadfast support of Aoyama Trading Company, Ltd. (the “Company”). I regret to report that the Aoyama Trading Group recorded declines in both sales and profits for the first time in eight years, reflecting rapid deterioration of corporate earnings and lackluster personal consumption.

In this challenging business environment, we are convinced that the ability to swiftly and precisely respond to diversifying customer needs is the key to competing successfully. While striving to further enhance our products and services in order to meet customer needs, we will continue to seek greater market share in the suit business through vigorous new store openings mainly in Tokyo and the three neighboring prefectures.

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.



## Capturing New Customer Segments

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

expand market share by vigorously opening new stores mostly in Tokyo and the three neighboring prefectures. At the same time, we endeavored to attract new customer segments by launching online sales.

The Group's business results reflected the adverse business environment. Net sales decreased 3.7% year on year to ¥206,594 million and operating income decreased 24.7% to ¥17,884 million. With regard to the mainstay suit business, we strove to

Although the average unit selling price per suit increased 0.5% year on year to ¥25,100, the number of suits sold decreased 4.4% to 2,629,000.

While a trend toward lower prices strengthened in the severe economic environment, sales of high-end suits, such as "Savile Row" and "HILTON · TIME", were robust, indicating greater polarization in consumption patterns.

Sales of womenswear were brisk as a result of the enriched line-up of formal wear and our efforts to increase awareness that our merchandise includes suits for women.

However, the same-store sales of the suit business were 5.1% lower than the previous year, owing to deterioration of the consumption environment.

## Opportunities Lie in Adverse Wind

Q2  
What initiatives are planned for fiscal 2010 and beyond?

these circumstances, we continue to pursue expansion of market share by actively opening new stores and relocating existing stores, especially in Tokyo and the three neighboring prefectures. At the same time, we will vigorously implement measures to attract more customers, such as offering high-value-added products at attractive prices in light of the

The operating environment is expected to be severer in fiscal 2010. Consumers are likely to become more cautious about purchasing in view of the deterioration of the labor market and expected declines in personal income, including bonuses. In

current weak consumption. In this way, we aim to strengthen the foundation for future growth.

Yofuku-no-Aoyama  
Ube Kitakotshiba Store

