

## Summary of Financial Results for the Year Ended March 2021[Japanese Standards] (Consolidated)

MAY 14, 2021

Listed Company Name: Aoyama Trading Co., Ltd.  
Code: 8219 URL <https://www.aoyama-syouji.co.jp>

Listed Exchange: Tokyo Stock Exchange

Representative: (Title) President (Name) Osamu Aoyama

Contact person: (Title) Director, Managing Executive Officer, and  
General Manager of Group Management Div.,  
Manager of General Planning and Policy Dept. (Name) Koichi Yamane TEL: 084-920-0050

Scheduled date to hold the ordinary general meeting of shareholders: June 29, 2021 Scheduled date to start distributing dividends: —

Scheduled date to submit securities report: June 30, 2021

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended in March 2021 (From April 1, 2020 to March 31, 2021)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	Million yen	%	million yen	%	million yen	%
Year ended March 2021	161,404	-25.9	-14,404	—	-11,436	—	-38,887	—
Year ended March 2020	217,696	-13.0	818	-94.4	1,530	90.2	-16,900	—

(Note) Comprehensive income The year ended in March 2021: -34,586 million yen (—%) The year ended in March 2020: -19,390 million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 2021	-781.33	—	-21.8	-3.2	-8.9
Year ended March 2020	-338.39	—	-8.1	0.4	0.4

(Reference) Investment gains and losses using the equity method: The year ended in March 2021: - million yen The year ended in March 2020: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
Year ended March 2021	329,452	164,460	48.8	3,231.50
Year ended March 2020	375,335	199,158	52.1	3,932.57

(Reference) Equity capital The year ended in March 2021: 160,843 million yen The year ended in March 2020: 195,723 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
	million yen	million yen	million yen	million yen
Year ended March 2021	-6,135	13,229	-9,777	40,250
Year ended March 2020	-8,155	-7,925	8,931	42,731

2. Dividends

	Annual dividend					Total amount of cash dividends (total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Year ended March 2020	—	50.00	—	0.00	50.00	2,508	—	1.2
Year ended March 2021	—	0.00	—	0.00	0.00	—	—	—
Year ending March 2022 (Forecast)	—	—	—	—	—	—	—	—

(Note) The dividend forecast for the year ending March 31, 2022 has yet to be determined.

3. Consolidated forecast for the year ending March, 2022 (From April 1, 2021 to March 31, 2022)

(Presentation of percentages shows increase or decrease ratio in comparison with the previous fiscal year for the full fiscal year, in comparison with the corresponding period of the previous year for the quarter)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
(Cumulative results for) the second quarter	74,800	—	-6,300	—	-6,040	—	-6,700	—	-134.61
Full fiscal year	182,500	—	4,000	—	4,600	—	3,000	—	60.27

Since the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 2022, the above consolidated forecast is the amount after applying the accounting standard, etc. For net sales, the rate of increase or decrease compared to the previous fiscal year and the same quarter of the previous year is not stated.

\* Notes to the Financial Results

(1) Changes in important subsidiaries during this term (changes of specified subsidiaries entailing changes in the scope of consolidation): None

(2) Changes in accounting policies and changes or restatement of accounting estimates

- a) Changes in accounting policies due to revision of accounting standards, etc.: None
- b) Changes in accounting policies for a reason other than the above [a]: Yes
- c) Changes in accounting estimates: Yes
- d) Restatement: None

(Notes) For details, please refer to Attachment P16 "Consolidated Financial Statements and Main Notes (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates)".

(3) Number of outstanding shares (common shares)

a) Number of shares outstanding at the end of the fiscal year (including treasury shares)

b) Number of treasury shares at the end of the fiscal year

c) Average number of shares outstanding during the term

Year ended March 2021	50,394,016 shares	Year ended March 2020	50,394,016 shares
Year ended March 2021	620,489 shares	Year ended March 2020	624,102 shares
Year ended March 2021	49,771,533 shares	Year ended March 2020	49,944,789 shares

(Note) The number of shares at the end of the fiscal year included our Company's shares (388,700 shares at the end of the fiscal year ended March 31, 2021 and 392,500 shares at the end of the fiscal year ended March 31, 2020) held by Custody Bank of Japan, Ltd. (trust account) as trust assets associated with the employees' incentive plan, "Employee Stock Ownership Plan (J-ESOP) Trust."

Also, the number of shares held by Custody Bank of Japan, Ltd. (trust account) was included in the treasury shares deducted in calculating the average number of shares outstanding during the term (390,758 shares in the fiscal year ended March 31, 2021 and 217,900 shares in the fiscal year ended March 31, 2020).

(Reference) Overview of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended in March 2021 (From April 1, 2020 to March 31, 2021)

(1) Non-consolidated results of operations (Presentation of percentages shows increase or decrease from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2021	110,025	-28.2	-16,439	—	-13,766	—	-38,756	—
Year ended March 2020	153,162	-17.0	-164	—	1,020	-91.9	-23,276	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 2021	-778.69	—
Year ended March 2020	-466.05	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
Year ended March 2021	242,477	143,485	59.2	2,882.78
Year ended March 2020	292,272	180,542	61.8	3,627.54

(Reference) Equity capital The year ended in March 2021: 143,485 million yen The year ended in March 2020: 180,542 million yen

2. Non-consolidated forecast for the year ending March, 2022 (From April 1, 2021 to March 31, 2022)

(Presentation of percentages shows increase or decrease ratio in comparison with the previous fiscal year for the full fiscal year, in comparison with the corresponding period of the previous year for the quarter)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
(Cumulative results for) the second quarter	46,800	—	-7,100	—	-6,550	—	-6,700	—	-134.61
Full fiscal year	127,500	—	1,500	—	2,450	—	2,100	—	42.19

Since the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 2022, the above non-consolidated forecast is the amount after applying the accounting standard, etc. For net sales, the rate of increase or decrease compared to the previous fiscal year and the same quarter of the previous year is not stated.

\* Presentation on the status of audit procedure

The financial results release is outside the scope of the audit by certified public accountants or by an audit firm.

\* Explanation of forecasts of operations and other notes

Forward-looking statements included in this document, such as forecasts of operating results, are based on information currently available to the Company and certain assumptions the Company deems reasonable, and do not represent a commitment by the Company that they will be achieved. Actual results may differ significantly from forecasts due to various factors. For assumptions of operating results forecasts and cautionary notes on the use of such forecasts, please refer to "Outlook for the next fiscal year" on page 7 of the Attached Reference Material.

(Obtaining financial results supplementary materials)

The Company will post the Supplementary Documents distributed on the meeting (web) for institutional investors and analysts held on May 19, 2021 as soon as possible on the Company website.

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# 1. Overview of Results of Operations

## (1) Overview of Results of Operations for the Current Term

<<Results of Operations for the Current Term>>

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)	Net income per share (yen)
The year ended in March 2021	161,404	-14,404	-11,436	-38,887	-781.33
The year ended in March 2020	217,696	818	1,530	-16,900	-338.39
Amount of increase or decrease	-56,292	-15,223	-12,967	-21,987	-442.94
Change year on year (%)	74.1	—	—	—	—

<<Performance by business segment>>

(Unit: million yen)

	Net sales				Segment income or loss(-) (operating income or loss(-))			
	Current term	Previous term	Amount of increase or decrease	Change (%)	Current term	Previous term	Amount of increase or decrease	Change (%)
Business wear business	109,855	153,301	-43,445	71.7	-15,778	314	-16,092	—
Credit card business	4,875	5,279	-404	92.3	2,083	2,245	-162	92.8
Printing and media business	11,518	12,416	-898	92.8	-354	-43	-310	—
Sundry sales business	16,433	15,627	805	105.2	645	586	59	110.1
Total repair service business	9,173	12,188	-3,014	75.3	-716	-476	-239	—
Food Service business	9,101	10,121	-1,020	89.9	181	577	-396	31.4
Others	3,788	12,009	-8,886	29.9	-521	457	1,938	—
Adjustments	-3,340	-3,912	571	—	56	75	-18	74.8
Total	161,404	217,696	-56,292	74.1	-14,404	818	-15,223	—

(Note) 1. Net sales by segment and segment income or loss (-) (operating income or loss (-)) are before eliminating inter-segment transactions.

2. From the current consolidated fiscal year, the "Casual business," which was previously disclosed as a reporting segment, has become less quantitatively important due to the liquidation of Eagle Retailing Co., Ltd. on April 6, 2020. Therefore, it is excluded from the reporting segment and is marked as "Others". The segment information for the previous consolidated fiscal year is disclosed based on the classification of the reported segments for the current consolidated fiscal year.

## <Overview of the Overall Operations during the Consolidated Fiscal Year >

During the fiscal year under review, the Japanese economy faced an extremely difficult situation, confronted with a rapid business slowdown due to the adverse effects of the COVID-19 pandemic. This extremely difficult situation is expected to resume as various infection-prevention measures are implemented and the level of restrictions on social and economic activities are lifted on a gradual basis. However, the developments of the disease in and outside Japan, as well as fluctuations in the financial and capital markets, among others, are still casting a shadow of uncertainty.

Under such circumstances, the Group also implemented temporary store closures and shortened operating hours

mainly for the Business wear and the Total repair service businesses during the first quarter, which adversely affected net sales. In addition, the Company recorded impairment losses of 10,150 million yen and business restructuring expenses of 6,003 million yen as extraordinary losses, as well as income taxes—deferred (debit) of 6,532 million yen due mainly to the reversal of deferred tax assets. As a result, the performance of the Group was as described below:

Net sales	161,404 million yen (74.1% of the previous year)
Operating loss	14,404 million yen (operating income of 818 million yen in the previous year)
Ordinary loss	Ordinary loss of 11,436 million yen (ordinary income of 1,530 million yen in the previous year)
Loss attributable to owners of parent	38,887 million yen (profit attributable to owners of parent of 16,900 million yen in the previous year)

The status of operations by business segment is described below.

Please note that net sales by segment and segment income/loss are before eliminating inter-segment transactions.

<Business Wear Business>

[Business wear business of Aoyama Trading Co., Ltd., Blue Rivers Co., Ltd., MDS Co., Ltd., Eisho Co., Ltd., FUKURYO Co., Ltd. and Aoyama Suits (Shanghai) Co., Ltd.]

Net sales of the business were 109,855 million yen (71.7% of that of the previous year) and segment loss (operating loss) were 15,778 million yen (segment income (operating income) of 314 million yen was posted in the previous fiscal year).

In the Business wear business, which is the core segment of our business, in response to the government's request for voluntary stay-at-home restrictions and reducing personal contact by 70 to 80%, we implemented temporary store closures and reduced store operating hours during the 1Q of the fiscal year. We placed emphasis on securing the health and safety of customers and employees and preventing the spread of COVID-19. As a result, among other factors, sales at existing stores were 73.8% of what they were the previous year.

<Changes in net sales, number of customers, and per-customer spending of suits business of existing stores compared to the previous year> (Unit: %)

	Year ended March 2019	Year ended March 2020	Year ended March 2021
Net sales	97.8	82.9	73.8
Number of customers	96.8	91.6	84.1
Per-customer spending	101.0	90.5	87.8

The number of men's suits sold, our mainstay, was 1,182 thousand suits or 73.9% of that of the previous year, and the average sales unit price was 25,472 yen or 94.0% of that of the previous year.

## &lt;Changes in number of men's suits sold and average sales unit price&gt;

	Year ended March 2019	Year ended March 2020	Year ended March 2021
Number of men's suits sold (1,000 suits)	2,048	1,601	1,182
Average sales unit price (yen)	27,187	27,088	25,472

For the opening and closing of stores, please refer to the description below.

## &lt;Number of stores opened and closed and stores at the end of the year of the suits business by each business format (As of the end of March 2021)&gt;

Name of business format	Business wear business of Aoyama Trading Co., Ltd.						Aoyama Suits (Shanghai) Co., Ltd.
	Yofuku-no-Aoyama	The Suit Company	Universal Language	Universal Language Measure's	White The Suit Company	Total	Yofuku-no-Aoyama
Stores opened [of which, relocated and reconstructed] (From April to March)	1 [1]	4 [2]	1 [1]	1	0	7 [4]	0
Stores closed (From April to March)	28	8	1	0	4	41	3
Number of stores at the end of the year (At the end of March)	781	50	8	6	4	849	27

(Notes) 1. Numbers under "The Suit Company" include the number of "TSC SPA OUTLET" formats and the numbers under "Universal Language" include "UL OUTLET" formats.

2. Number of store openings and closings of Aoyama Suits (Shanghai) Co., Ltd. is the number recorded during the period from January to December 2020, and the number of stores at the end of year is as of the end of December 2020.

## &lt;Credit card business&gt; [Aoyama Capital Co., Ltd.]

In the Credit card business, Due to a drop in shopping and cashing revenues amid decreased consumption appetite resulting from the voluntary stay-at-home restrictions and temporary store closure requests, etc., net sales of the business were 4,875 million yen (92.3% of the previous year) and segment income (operating income) was 2,083 million yen (92.8% of the previous year). Funds were acquired through loans from the parent company, Aoyama Trading Co., Ltd. and through the issuance of corporate bonds.

## &lt;Changes in the number of effective members of AOYAMA Card and balance of operating loans receivable of the Credit card business&gt;

	Year ended February 2019	Year ended February 2020	Year ended February 2021
Number of effective members (10,000 persons)	425	431	422
Balance of operating loans receivable (million yen)	58,147	59,836	54,622

## &lt;Printing and media business&gt; [ASCON Co., Ltd.]

In the Printing and media business, due to a decrease in orders from the distribution and retail business, which is our main customer, net sales was 11,518 million yen (92.8% of the previous year) and segment loss (operating loss) was 354 million yen (of the previous year, segment income (operating income) was 43 million yen)

## &lt;Sundry sales business&gt; [Seigo Co., Ltd.]

In the Sundry sales business, due to an increase in the number of customers and unit price of customers, mainly due to the purchase of hygiene products and daily necessities, net sales was 16,433 million yen (105.2% of the previous year) and segment income (operating income) was 645 million yen (110.1% of the previous year).

Regarding stores, the number of stores at the end of February 2021 was 111 (113 stores at the end of the previous

year).

<Total repair service business> [Minit Asia Pacific Co., Ltd]

In the total repair service business, being affected by lockdown at overseas stores even in Japan, due to the temporary closure of stores and shortened business hours in the first quarter, net sales were 9,173 million yen (75.3% of the previous year) and segment loss (operating loss) was 716 million yen (segment loss (operating loss) of 476 million yen was posted in the previous fiscal year).

Stores opened and closed as described below.

<Number of stores opened and closed and stores at the end of the year of the Total repair service business by each business format (As of the end of March 2021)> (Unit: store)

Name of business format	Mister Minit			
	Japan	Oceania	Others	Total
Stores opened (From April to March)	13	3	0	16
Stores closed (From April to March)	31	0	2	33
Number of stores at the end of the year (At the end of March)	301	300	34	635

(Note) Oceania includes Australia and New Zealand. Others includes Singapore and Malaysia.

<Food Service business> [glob Co., Ltd. food service business]

In the food service business, due to the shortened business hours, net sales was 911 million yen (89.9% of the previous year) and segment income (operating income) was 181 million yen (31.4% of the previous year).

Stores opened and closed as described below.

<Number of stores opened and closed and stores at the end of the year of the food service business by each business format (As of the end of March 2021)> (Unit: store)

Name of business format	Yakiniku King	Yuzu An
Stores opened (From April to March)	3	1
Stores closed (From April to March)	0	0
Number of stores at the end of the year (At the end of March)	38	13

<Others> [Casual business of Aoyama Trading Co., Ltd. Reuse business of Aoyama Trading Co., Ltd. WTW Corporation, glob Co., Ltd. other business, and Customlife Co., Ltd.]

In Other business, net sales were 3,788 million yen (29.9% of the previous year) and segment loss (operating loss) was 521 million yen (segment loss (operating loss) of 2,460 million yen was posted in the previous fiscal year). The franchise agreement with Levi Strauss Japan Co., Ltd. was terminated on March 31, 2021 for the Levi's Store, which was developed in the casual business of Aoyama Trading Co., Ltd. In addition, SYG Inc. conducted an absorption-type merger with Cusomlife Co., Ltd. as the surviving company on March 1, 2021 in order to improve management efficiency.

Stores opened and closed are as described below.

<Number of stores opened and closed and stores at the end of the year under other business by each business format (As of the end of March 2021)> (Unit: store)

Name of business format	Casual business of Aoyama Trading Co., Ltd.	Reuse business of Aoyama Trading Co., Ltd.	WTW Corporation		lob Co., Ltd. other business
	LEVI'S STORE	2nd STREET	JUMBLE STORE	WTW	Anytime Fitness
Stores opened (From April to March)	0	2	0	2	3
Stores closed (From April to March)	12	3	0	2	0
Number of stores at the end of the year (At the end of March)	0	14	2	6	4

## (2) Overview of financial situation for the Current Term

### (Assets)

Current assets were 181,226 million yen (down 27,581 million yen from the end of the previous fiscal year). This was mainly because securities, merchandise and finished goods, and operating loans decreased by 15,400 million yen, 6,310 million yen, and 5,213 million yen respectively.

Non-current assets were 148,208 million yen (down 18,288 million yen from the end of the previous fiscal year). This was mainly because, although investment securities increased by 2,411 million yen, property, plant and equipment and deferred tax assets fell by 12,062 million yen and 7,503 million yen respectively.

As a result, total assets were 329,452 million yen (down 45,883 million yen from the end of the previous fiscal year).

### (Liabilities)

Current liabilities were 101,078 million yen (up 6,615 million yen from the end of the previous fiscal year). This was mainly because, although electronically recorded obligations - operating decreased by 6,780 million yen, short-term loans payable fell by 5,361 million yen, notes and accounts payable - trade were down 3,926 million yen respectively, current portion of bonds payable and accounts payable - other increased by 16,000 million yen and 4,751 million yen respectively.

Non-current liabilities were 63,912 million yen (down 17,800 million yen from the end of the previous fiscal year). This was mainly because bonds payable decreased by 18,050 million yen.

As a result, total liabilities were 164,991 million yen (down 11,185 million yen from the end of the previous fiscal year).

### (Net assets)

Total net assets were 164,460 million yen (down 34,698 million yen from the end of the previous fiscal year). This was mainly because, although valuation difference on available-for-sale securities and foreign currency translation adjustment increased by 1,695 million yen and 1,780 million yen respectively, retained earnings fell by 39,491 million yen.



### (3) Overview of Cash Flows for the Current Term

During the current fiscal year, cash and cash equivalents (hereinafter referred to as “Funds”) decreased by 2,480 million yen from the beginning of the year to 40,250 million yen at the end of the fiscal year (94.2% compared to the previous fiscal year).

The status of the respective cash flow positions during the current consolidated fiscal year and factors thereof are described below.

#### <Cash flows from operating activities>

As a result of our business activities, the funds used were 6,135 million yen (8,155 million yen was used in the previous consolidated fiscal year).

Funds increased due to depreciation expenses of 7,722 million yen, impairment loss of 10,692 million yen, and business structural reform expenses of 6,022 million yen, while net loss before taxes and other adjustments was 30,583 million yen. This is the result of the decrease.

#### <Cash flows from investing activities>

As a result of investment activities, the amount of funds acquired was 13,229 million yen (7,925 million yen was used in the previous consolidated fiscal year).

Income from withdrawal of time deposits of 26,286 million yen, expenditure from deposit of time deposits of 22,403 million yen against increase in funds due to income of 13,153 million yen from sale and redemption of securities and investment securities, This is a result of a decrease in funds due to expenditures of 1 billion yen for the acquisition of securities and 2,810 million yen for the acquisition of tangible fixed assets.

#### <Cash flows from financing activities>

As a result of our financial activities, the funds used were 9,777 million yen (acquisition of 8,931 million yen in the previous consolidated fiscal year).

Expenditure for repayment of long-term debt: 40,215 million yen, expenditure for redemption of corporate bonds: 4,050 million yen, expenditure for repayment of lease obligations: 2,131 million yen This is the result of an increase in funds due to 34,711 million yen.

### (4) Outlook for the next fiscal year

Under the Medium-term Management Plan “Aoyama Reborn 2023” covering the period until March 2024, the Group will break away from the conventional one-person management which heavily relies on top-down sales of suits and formal wear business and conduct customer-oriented business. It will seek growth by setting the “scrum management” as our mid- and long-term future goals. The scrum management should be realized by units and departments promoting business and selling products and services in an independent and collaborative manner.

Specifically, we will develop a foundation for achieving what we are aiming for, with target KPIs including consolidated net sales of 200,000 million yen, consolidated operating income of 11,000 million yen, and consolidated profit of 8,000 million yen. And we will implement various measures under the management vision described below. Please note that the KPIs provided in the Medium-term Management Plan are an amount before adopting “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc.

#### <Management vision of the Medium-term Management Plan “Aoyama Reborn 2023”>

##### 1. Innovation and Challenge of Business Wear Business

(1) Maximize customer lifetime value (LTV) centering on rebranding

(2) Increase the exposure to customers through the DX strategies (OMO strategy and digital infrastructure development)

## 2. Promote Group Management

- (1) Strengthen group governance and group-wide collaboration
- (2) Allocate management resources primarily to growth areas

## 3. Sustainability Initiatives

Strengthen ESG initiatives focused on SDGs

The impact of COVID-19 on our business may remain to a certain extent in the first year of the Medium-term Management Plan. We will implement further cost reduction, etc., along with expecting a potential effect from the restructuring of the Business wear business (a project aiming for customer-oriented management, rebranding, and optimum cost structure) and structural reform (involving further consolidation of unprofitable stores and offering employees a voluntary retirement scheme). At the same time, we will seek to achieve the targets by executing specific measures to realize the above management vision.

## &lt;&lt; Consolidated forecast &gt;&gt;

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)	Net income per share (yen)
Year ending March 2022	182,500	4,000	4,600	3,000	60.27
Year ended March 2021	161,404	-14,404	-11,436	-38,887	-781.33
Change from the previous year (%)	—	—	—	—	—

## &lt;&lt; Non-consolidated forecast &gt;&gt;

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Net income per share (yen)
Year ending March 2022	127,500	1,500	2,450	2,100	42.19
Year ended March 2021	110,025	-16,439	-13,766	-38,756	-778.69
Change from the previous year (%)	—	—	—	—	—

(Notes) Since the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 2022, the above consolidated and non-consolidated forecast is the amount after applying the accounting standard, etc. For net sales, the rate of increase or decrease compared to the previous fiscal year and the same quarter of the previous year is not stated.

(Reference)<Forecasted changes from the previous year of net sales of existing stores of Aoyama Trading Co., Ltd. Business wear business> (Unit: %)		
Year ending March 2022		
The 1 <sup>st</sup> half of the year	The 2 <sup>nd</sup> half of the year	Annual total
137.0	118.0	124.0

The forecasts contained in this document are based on the Company's assumptions and beliefs in light of information available at the time of writing and include potential risks and uncertainties. Actual results may differ materially from

those anticipated in these forward-looking statements as a result of various factors, including changes in the business environment.

(5) Basic policy concerning distribution of profits and the payment of dividends for the current and next financial year

The Group's business performance has been heavily affected since the government declared a state of emergency due to COVID-19. We regrettably decided to pay no year-end dividend for the fiscal year ended March 2021, as we decided to put higher priority on securing liquidity on hand and strengthening the financial position.

As was mentioned in the Medium-Term Management Plan "Aoyama Reborn 2023" announced on March 9, 2021, the Company will target a total return ratio of 30% for the three years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024. This considers the current priority on using its internal reserve for capital that has been damaged by the poor performance due to COVID-19.

Since it is still uncertain how severely the pandemic may affect our consolidated earnings, including a state of emergency imposed for the third time, the plan for the 2Q dividend and the year-end dividend for the fiscal year ending March 31, 2022 are both undecided. We will make an announcement once the decisions are finalized.

2. Basic policy concerning selection of accounting standards

In view of the comparability of consolidated financial statements among periods and among corporations, the Group intends to prepare its consolidated financial statements based on Japanese standards for the time being.

Regarding application of IFRS, we intend to ensure appropriate responses, taking into account conditions inside and outside Japan.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Unit: million yen)

	The previous consolidated fiscal year (March 31, 2020)	The current consolidated fiscal year (March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	55,937	53,024
Notes and accounts receivable - trade	14,295	16,275
Securities	15,400	—
Merchandise and finished goods	56,079	49,768
Work in process	1,029	328
Raw materials and supplies	1,524	1,709
Operating loans	59,836	54,622
Other	4,985	5,607
Allowance for doubtful accounts	-279	-111
Total current assets	208,807	181,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	142,215	132,801
Accumulated depreciation	-92,867	-94,339
Buildings and structures (net)	49,348	38,462
Machinery, equipment and vehicles	7,220	7,499
Accumulated depreciation	-5,914	-6,336
Machinery, equipment and vehicles (net)	1,306	1,163
Land	※2 38,286	※2 37,307
Leased assets	12,054	15,282
Accumulated depreciation	-5,293	-7,675
Leased assets (net)	6,760	7,607
Construction in progress	155	129
Other	16,832	16,120
Accumulated depreciation	-12,678	-12,843
Other (net)	4,153	3,277
Total property, plant and equipment	100,010	87,947
Intangible assets		
Goodwill	5,766	5,898
Other	5,252	5,972
Total Intangible assets	11,019	11,870
Investments and other assets		
Investment securities	※1 8,312	※1 10,723
Long-term loans receivable	2,583	2,238
Retirement benefit asset	147	164
Deferred tax assets	16,703	9,200
Leasehold and guarantee deposits	23,541	22,205
Investment property	7,238	7,711
Accumulated depreciation	-3,855	-4,526
Investment property (net)	3,382	3,185
Other	822	973
Allowance for doubtful accounts	-25	-300
Total investments and other assets	55,468	48,390
Total non-current assets	166,497	148,208
Total deferred assets	30	17
Total assets	375,335	329,452

(Unit: million yen)

	The previous consolidated fiscal year (March 31, 2020)	The current consolidated fiscal year (March 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,562	10,635
Electronically recorded obligations - operating	15,498	8,717
Short-term loans payable ※3	43,425	※3 38,064
Accounts payable - other	8,566	13,317
Income taxes payable	1,171	1,028
Provision for bonuses	1,402	1,099
Current portion of bonds payable	4,050	20,050
Other	5,786	8,164
Total current liabilities	94,463	101,078
Non-current liabilities		
Bonds payable	20,145	2,095
Long-term borrowings	38,706	38,593
Retirement benefit liability	10,539	10,592
Lease obligations	3,915	4,871
Provision for point card certificates	2,682	1,997
Other	5,725	5,762
Total non-current liabilities	81,713	63,912
Total liabilities	176,176	164,991
<b>Net assets</b>		
Shareholders' equity		
Share capital	62,504	62,504
Capital surplus	62,564	62,464
Retained earnings	91,761	52,270
Treasury shares	-1,682	-1,675
Total shareholders' equity	215,148	175,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	488	2,184
Deferred gains or losses on hedges	-2	2
Revaluation reserve for land ※2	-15,878	※2 -15,274
Foreign currency translation adjustment	-2,061	-280
Remeasurements of defined benefit plans	-1,970	-1,351
Total accumulated other comprehensive income	-19,424	-14,720
Non-Controlling Interests	3,435	3,617
Total net assets	199,158	164,460
Total liabilities and net assets	375,335	329,452

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Unit: million yen)

	The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Net sales	217,696	161,404
Cost of sales	102,394	81,382
Gross profit	115,302	80,021
Selling, general and administrative expenses	114,483	94,425
Operating income (loss)	818	-14,404
Non-operating income		
Interest income	89	77
Dividend income	284	250
Rental income from real estate	1,458	1,922
Foreign exchange gains	0	—
Subsidy income	—	1,412
Gain on valuation of derivatives	—	217
Others	450	1,058
Total non-operating income	2,283	4,937
Non-operating expenses		
Interest expenses	277	309
Rent cost of real estate	1,085	1,463
Loss on valuation of derivatives	17	—
Foreign exchange losses	—	42
Others	191	155
Total non-operating expenses	1,571	1,970
Ordinary income (loss)	1,530	-11,436
Extraordinary income		
Gain on sales of non-current assets	※2 1	※2 45
Gain on sale of investment securities	—	21
Total extraordinary income	1	67
Extraordinary losses		
Loss on sales and retirement of non-current assets	※3 420	※3 277
Impairment loss	※4 8,778	※4 10,692
Loss on disaster	27	38
Loss on valuation of investments in capital	8,521	※5 672
Restructuring expenses	2,705	6,002
Infectious disease related cost	—	1,531
Total extraordinary losses	20,454	19,214
Loss before income taxes	-18,921	-30,583
Income taxes - current	1,894	1,557
Income taxes - deferred	-4,159	6,554
Total income taxes	-2,265	8,112
Loss	-16,656	-38,695
Profit attributable to non-controlling interests	244	192
Loss attributable to owners of parent	-16,900	-38,887

## Consolidated Statement of Comprehensive Income

	(Unit: million yen)	
	The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Loss	-16,656	-38,695
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,413	1,696
Deferred gains or losses on hedges	-6	4
Foreign currency translation adjustment	-1,305	1,783
Remeasurements of defined benefit plans, net of tax	-8	624
Total other comprehensive income	※1 -2,734	※1 4,109
Comprehensive income	-19,390	-34,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-19,609	-34,787
Comprehensive income attributable to non- controlling interests	218	200

## (3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	62,504	62,533	114,074	-1,422	237,689
Changes during period					
Dividends of surplus			-5,267		-5,267
Change in ownership interest of parent due to transactions with non-controlling interests		30			30
Loss attributable to owners of parent			-16,900		-16,900
Reversal of revaluation reserve for land			-145		-145
Purchase of treasury shares				-264	-264
Disposal of treasury shares				4	4
Net changes in items other than shareholders' equity					
Total changes during period	—	30	-22,312	-259	-22,541
Balance at end of period	62,504	62,564	91,761	-1,682	215,148

	Accumulated other comprehensive income						Non-controlling Interest	Total net asset
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,901	4	-16,015	-754	-1,989	-16,853	3,333	224,170
Changes during period								
Dividends of surplus								△5,267
Change in ownership interest of parent due to transactions with non-controlling interests								30
Loss attributable to owners of parent								-16,900
Reversal of revaluation reserve for land								-145
Purchase of treasury shares								-264
Disposal of treasury shares								4
Net changes in items other than shareholders' equity	-1,413	-6	137	-1,307	18	-2,571	3,333	-2,469
Total changes during period	-1,413	-6	137	-1,307	18	-2,571	102	-25,011
Balance at end of period	488	-2	-15,878	-2,061	-1,970	-19,424	3,435	199,158



## Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	62,504	62,564	91,761	-1,682	215,148
Changes during period					
Dividends of surplus					—
Change in ownership interest of parent due to transactions with non-controlling interests		-100			-100
Loss attributable to owners of parent			-38,887		-38,887
Reversal of revaluation reserve for land			-603		-603
Purchase of treasury shares				0	-0
Disposal of treasury shares				7	7
Net changes in items other than shareholders' equity					
Total changes during period	—	-100	-39,491	7	-39,584
Balance at end of period	62,504	62,464	52,270	-1,675	175,563

	Accumulated other comprehensive income						Non-controlling Interest	Total net asset
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	488	-2	-15,878	-2,061	-1,970	-19,424	3,435	199,158
Changes during period								
Dividends of surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								-100
Loss attributable to owners of parent								-38,887
Reversal of revaluation reserve for land								-603
Purchase of treasury shares								-0
Disposal of treasury shares								7
Net changes in items other than shareholders' equity	1,695	4	603	1,780	618	4,704	182	4,886
Total changes during period	1,695	4	603	1,780	618	4,704	182	-34,698
Balance at end of period	2,184	2	-15,274	-280	-1,351	-14,720	3,617	164,460

## (4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	The previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	The current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	-18,921	-30,583
Depreciation	9,961	7,722
Impairment loss	8,778	10,692
Amortization of goodwill	785	832
Bond issuance costs	26	26
Increase (decrease) in allowance for doubtful accounts	-2	106
Loss (gain) on sale of investment securities	—	-21
Increase (decrease) in provision for bonuses	-367	-311
Increase (decrease) in retirement benefit liability	717	711
Increase (decrease) in provision for point card certificates	-389	-685
Interest and dividend income	-373	-327
Interest expenses	277	309
Loss (gain) on valuation of derivatives	17	-217
Loss (gain) on sales and retirement of non-current assets	418	231
Loss on disaster	27	38
Subsidy income	—	-1,412
Loss on business liquidation	8,521	672
Restructuring expenses	2,705	6,002
Infectious disease related cost	—	1,531
Decrease (increase) in trade receivables	6,065	-2,063
Decrease (increase) in operating loans receivable	-1,688	5,213
Decrease (increase) in inventories	-3,622	6,883
Increase (decrease) in trade payables	-8,811	-11,513
Increase (decrease) in accounts payable - other	-1,437	933
Increase (decrease) in accrued consumption taxes	-764	28
Other, net	-1,679	1,479
Subtotal	244	-3,721
Interest and dividends received	328	291
Interest paid	-285	-309
Income taxes paid	-3,032	-1,738
Subsidies received	—	1,412
Payments for loss on liquidation of business	-5,409	-600
Payments for restructuring expenses	—	-10
Payments for infectious disease related cost	—	-1,457
Net cash provided by (used in) operating activities	-8,155	-6,135

(Unit: million yen)

	The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	-16,175	-22,403
Proceeds from withdrawal of time deposits	16,276	26,286
Purchase of securities	-51,100	-1,000
Proceeds from sales and redemption of short-term and long-term investment securities	49,900	13,153
Purchase of property, plant and equipment	-5,199	-2,810
Proceeds from sales of property, plant and equipment	20	208
Purchase of intangible assets	-957	-1,199
Purchase of investment securities	-31	-10
Loan advances	-257	※2 —
Proceeds from collection of loans receivable	25	5
Payments of leasehold and guarantee deposits	-458	-429
Proceeds from refund of leasehold and guarantee deposits	2,197	1,238
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,588	—
Other, net	-576	189
Net cash provided by (used in) investing activities	-7,925	13,229
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	600	34,711
Proceeds from long-term borrowings	16,500	30
Repayments of long-term borrowings	-500	-40,215
Proceeds from issuance of bonds	—	1,987
Redemption of bonds	—	-4,050
Purchase of treasury shares	-264	-0
Purchase of treasury shares of subsidiaries	-74	—
Dividends paid	-5,267	—
Dividends paid to non-controlling interests	-19	-9
Repayments of lease obligations	-2,043	-2,131
Other, net	—	-100
Net cash provided by (used in) financing activities	8,931	-9,777
Effect of exchange rate change on cash and cash equivalents	-206	202
Net increase (decrease) in cash and cash equivalents	7,355	-2,480
Cash and cash equivalents at beginning of period	50,087	42,731
Cash and cash equivalents at end of period	※1 42,731	※1 40,250

## (5) Notes to the Consolidated Financial Statements

(Notes concerning the going-concern assumption)

No corresponding item existed.

(Change in the scope of consolidation or the application of the equity method)

Eagle Retailing Corporation is excluded from the scope of consolidation from the fiscal year under review as its liquidation was completed on April 6, 2020.

(Changes in accounting policies that are not distinguishable from those in accounting estimates)

Changes in the method of depreciation of property, plant and equipment

The Company and certain consolidated subsidiaries had principally used the declining-balance method for buildings (excluding facilities attached to buildings) and for property, plant and equipment other than facilities attached to buildings and structures which were acquired on or after April 1, 2016 (excluding leased assets), but changed to the straight-line method from the current fiscal year. In carefully reviewing the efficiency of store operations to cope with the recent changes in the business environment, the Company decided to shift from the conventional business strategy that focused on aggressive new store openings to a strategy pursuing stable revenue mainly from existing stores. Accordingly, the Company also reviewed the method of depreciation of property, plant and equipment as it found that recording depreciation expenses equally throughout the lifetime of fixed assets may make it possible to reflect the real economic conditions of the Company in a reasonable manner.

As a result, compared with the figures based on the conventional method, operating loss, ordinary loss and loss before income taxes for the current fiscal year decreased by 1,017 million yen, 1,025 million yen, and 1,040 million yen, respectively.

(Segment information etc.)

[Segment information]

### 1. Summary of reporting segments

The Group's reportable segments are the business units for which the Company is able to obtain respective financial information separately in order for the management to conduct reviews on a regular basis to determine the allocation of management resources and assess business performance.

The Group formulates strategies of the Business wear business by each business format and strategies of other than the Business wear business by each subsidiary with respect to their handling of goods and services to conduct business activities. Therefore, the Group consists of segments for each product and service based on business format or business, and the six reporting segments are Business wear business, which includes business segments relating to business wear sales, whose economic features are similar, Credit card business, Printing and media business, Sundry sales business, and Total repair service business, Food service business.

The Business wear business mainly provides suits, jackets, slacks, coats, formal wear, and other clothing items; the Credit card business mainly provides small-amount finance and credit card services; the Printing and media business mainly prints various flyers and catalogs and publishes magazines; the Sundry sales business mainly provides daily merchandise and processed foods; and the Total repair service business mainly provides comprehensive repair services including shoe repair and key duplication; and the food service business mainly provides food and beverage services in the restaurant industry.

For the fiscal year under review onward, the Casual wear business which was formerly disclosed as a reportable segment, is now included in Others because it decreased in quantitative significance as the liquidation of Eagle Retailing Corporation was completed on April 6, 2020.

Segment information for the previous fiscal year is expressed in the classification after the change and is presented in the section of "Previous Consolidated Fiscal Year" under "3. Information concerning net sales, net income or loss, assets, liabilities, and other items by each reporting segment."

2. Methods of calculating net sales, net income or loss, assets, liabilities, and other items by each reporting segment

The accounting methods for the reported business segments are similar to those used in the preparation of consolidated financial statements.

Net income of a reporting segment is a figure based on either operating income or loss. Intersegment internal revenue and transfers are based on market prices.

As is referred to in “Changes in accounting policies that are not distinguishable from those in accounting estimates,” the method of depreciation of property, plant and equipment of the Company and certain consolidated subsidiaries has been changed to the straight-line method.

As a result, compared with those calculated using the previous method, segment loss for the Business wear, Total repair service, and Other businesses for the current fiscal year decreased by 889 million yen, 21 million yen and 12 million yen respectively, and segment income for the Food service business for the same period increased by 94 million yen.

3. Information concerning net sales, net income or loss, assets, liabilities, and other items by each reporting segment  
Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Reporting segments							Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in the consolidat ed financial statements (Note) 3
	Business wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total				
Net sales											
Net sales to outside customers	153,083	10,786	4,929	9,092	15,627	12,168	205,687	12,009	217,696	—	217,696
Intersegment sales or transfers	217	—	350	3,324	0	19	3,912	0	3,912	-3,912	—
Total	153,301	10,786	5,279	12,416	15,627	12,188	209,599	12,009	221,609	-3,912	217,696
Segment income or loss (-)	314	-2,340	2,245	-43	586	-476	285	457	743	75	818
Segment assets	216,209	1,846	69,334	8,147	6,830	16,708	319,076	11,428	330,505	44,830	375,335
Other items											
Depreciation expense	6,306	133	71	372	131	2,394	9,409	513	9,922	38	9,961
Amount of increase of property, plant and equipment and intangible assets	5,374	1,389	88	298	177	2,398	9,727	3,225	12,953	30	12,984

(Notes) 1. The classification of Others indicates non-reporting business segments and includes the reuse business and the casual business.

2. (1) The amount of 75 million yen of adjustments of segment income or loss(-) is the amount eliminated as intersegment transactions.
- (2) The amount of adjustments to segment assets of 44,830 million yen includes company-wide assets not allocated to each of the reporting segments of 57,730 million yen and an amount of minus 12,900 million yen of elimination of payables and receivables between segments. Company-wide assets mainly refer to surplus funds of the parent company (cash and deposits, and securities), long-term investment funds, and real estate for investment.
- (3) The amount of adjustments to depreciation of 38 million yen is associated with real estate for investment.
- (4) The amount of adjustments to the amount of increase of property, plant and equipment and intangible assets of 30 million yen is associated with real estate for investment.
3. Segment income or loss (-) is adjusted with operating income presented in “Consolidated Statement of Income”.

## Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Reporting segments							Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Business wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total				
Net sales											
Net sales to outside customers	109,774	4,602	8,595	16,432	9,152	9,101	157,658	3,745	161,404	—	161,404
Intersegment sales or transfers	80	272	2,923	0	20	—	3,297	42	3,340	-3,340	—
Total	109,855	4,875	11,518	16,433	9,173	9,101	160,956	3,788	164,744	-3,340	161,404
Segment income or loss (-)	-15,778	2,083	-354	645	-716	181	-13,939	-521	-14,460	56	-14,404
Segment assets	187,191	70,591	9,965	7,382	19,519	7,148	301,798	4,284	306,083	23,368	329,452
Other items											
Depreciation expense	4,544	78	366	135	2,202	375	7,702	62	7,765	31	7,796
Amount of increase of property, plant and equipment and intangible assets	4,354	63	284	224	1,778	972	7,679	236	7,916	47	7,963

- (Notes) 1. The classification of Others indicates non-reporting business segments and includes the reuse business and the casual business.
2. (1) The amount of 56 million yen of adjustments of segment income or loss (-) is the amount eliminated as intersegment transactions.
- (2) The amount of adjustments to segment assets of 23,368 million yen includes company-wide assets not allocated to each of the reporting segments of 30,094 million yen and an amount of minus 6,725 million yen of elimination of payables and receivables between segments. Company-wide assets mainly refer to surplus funds of the parent company (cash and deposits, and securities), long-term investment funds, and real estate for investment.
- (3) The amount of adjustments to depreciation of 31 million yen is associated with real estate for investment.
- (4) The amount of adjustments to the amount of increase of property, plant and equipment and intangible assets of 47 million yen is associated with real estate for investment.
3. Segment income or loss (-) is adjusted with operating income presented in “Consolidated Statement of Income”.

[Related information]

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

1. Information by product and service

This information is omitted because similar information is disclosed in segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales from external customers in Japan exceed 90% of net sales in the “Consolidated Statement of Income.”

(2) Property, plant and equipment

This information is omitted because tangible fixed assets located in Japan exceed 90% of tangible fixed assets in the “Consolidated Balance Sheet.”

3. Information by major customer

This information is omitted because sales to a single external customer did not exceed 10% of net sales shown in the “Consolidated Statement of Income.”

Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

1. Information by product and service.

This information is omitted because similar information is disclosed in segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales from external customers in Japan exceed 90% of net sales in the “Consolidated Statement of Income.”

(2) Property, plant and equipment

This information is omitted because tangible fixed assets located in Japan exceed 90% of tangible fixed assets in the “Consolidated Balance Sheet.”

3. Information by major customer

This information is omitted because sales to a single external customer did not exceed 10% of net sales shown in the “Consolidated Statement of Income.”



[Information concerning impairment losses of non-current assets by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Reporting segments							Others ※1	Adjust ments ※2	Total
	Business wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total			
Impairment loss	5,625	—	—	33	5,404	—	11,603	2,505	56	13,624

(Note) 1. Includes some business liquidation loss and business restructuring costs.

2. The adjustment of 56 million yen is associated with real estate for investment.

Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Reporting segments							Others ※1	Adjust ments ※2	Total
	Business wear business ※1	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total			
Impairment loss	11,393	—	—	1	206	432	12,034	199	40	12,274

(Note) 1. Includes some business liquidation loss and business restructuring costs.

2. The adjustment of 40 million yen is associated with real estate for investment.

[Information concerning amortization of goodwill and unamortized balances by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Reporting segments							Others	All segments / canceled	Total
	Business wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total			
Amortization of goodwill	—	—	12	—	772	—	785	—	—	785
Unamortized balances	—	—	41	—	3,650	—	3,692	2,074	—	5,766

Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Reporting segments							Others	All segments / canceled	Total
	Business wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Food service business	Total			
Amortization of goodwill	—	—	12	—	405	—	417	414	—	832
Unamortized balances	—	—	29	—	4,209	—	4,239	1,659	—	5,898

[Information concerning gain on negative goodwill by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

No corresponding item existed.

Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

No corresponding item existed.

(Per-share information)

The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)		The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)	
Net assets per share	3,932 yen 57 sen	Net assets per share	3,231 yen 50 sen
Net income or loss (-) per share	-338 yen 39 sen	Net income or loss (-) per share	-781 yen 33 sen

- (Notes) 1. The remaining shares of the Company in a trust account recorded as treasury shares in shareholders' equity are included among treasury shares to be deducted in calculations of the average number of shares outstanding during the year for the purpose of calculating net loss per share, and are also included among treasury shares to be deducted in calculations of the total number of outstanding shares at the end of the fiscal year for the purpose of calculating net assets per share.

The average number of shares outstanding during the year of the said treasury shares deducted for the purpose of calculating net loss per share was 217,900 shares for the previous consolidated fiscal year and 390,758 shares for the current consolidated fiscal year, and the total number of outstanding shares at the end of the fiscal year of the said treasury shares deducted for the purpose of calculating net assets per share was 392,500 shares for the previous consolidated fiscal year and 388,700 shares for the current consolidated fiscal year.

2. The amount of diluted net income per share is not shown since the Group had no potentially dilutive securities in the consolidated fiscal year under review.
3. Basis for calculations

1. Net assets per share

Item	The previous consolidated fiscal year (March 31, 2020)	The current consolidated fiscal year (March 31, 2021)
Total amount of net assets (million yen)	199,158	164,460
Amount deducted from total net assets (million yen)	3,435	3,617
(Including subscription rights to shares (million yen))	(—)	(—)
(Including non-controlling shareholders (million yen))	(3,435)	(3,617)
Year-end net assets applicable to common shares (million yen)	195,723	160,843
Number of common shares used for calculations of net assets per share (shares)	49,769,914	49,773,527

## 2. Net loss (-) per share

	The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Amount of loss (-) per share		
Loss (-) attributable to owners of parent (million yen)	-16,900	-38,887
Amount not attributable to common shareholders (million yen)	—	—
Loss attributable to owners of parent associated with common shares (million yen)	-16,900	-38,887
Average number of common shares outstanding during the year (shares)	49,944,789	49,771,533

## (Significant subsequent events)

No corresponding item existed.

## 4. Non-consolidated financial statements

## (1) Balance sheet

(Unit: million yen)

	The previous fiscal year (March 31, 2020)	The current fiscal year (March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	38,947	26,909
Accounts receivable - trade	8,652	10,425
Securities	15,400	—
Merchandise and finished goods	51,483	46,035
Raw materials and supplies	632	607
Advance payments to suppliers	130	43
Short-term loans receivable from subsidiaries and associates	15,470	15,480
Prepaid expenses	2,616	2,365
Other	※1 579	※1 1,084
Allowance for doubtful accounts	-4	-5
Total current assets	133,909	102,945
Non-current assets		
Property, plant and equipment		
Buildings	37,099	27,907
Structures	4,944	3,410
Machinery and equipment	275	163
Vehicles	3	2
Tools, furniture and fixtures	3,735	2,749
Land	35,922	34,760
Leased assets	2,675	2,698
Construction in progress	113	105
Total property, plant and equipment	84,771	71,798
Intangible assets		
Leasehold interests in land	771	771
Trademark right	73	40
Software	1,543	2,108
Software in progress	11	—
Telephone subscription right	112	112
Total intangible assets	2,512	2,971
Investments and other assets		
Investment securities	6,797	9,201
Shares of subsidiaries and associates	17,938	17,938
Investments in capital of subsidiaries and associates	395	395
Long-term loans receivable	2,480	2,035
Long-term prepaid expenses	398	444
Deferred tax assets	14,517	7,268
Leasehold and guarantee deposits	21,959	20,581
Real estate for investment	6,553	6,857
Other	56	56
Allowance for doubtful accounts	-18	-17
Total investments and other assets	71,078	64,761
Total non-current assets	158,363	139,531
Total assets	292,272	242,477

(Unit: million yen)

	The previous fiscal year (March 31, 2020)	The current fiscal year (March 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	※1 9,282	※1 8,103
Electronically recorded obligations - operating	14,988	8,288
Short-term borrowings	40,000	30,000
Lease obligations	333	456
Accounts payable - other	※1 8,188	※1 11,750
Accrued expenses	1,156	1,059
Income taxes payable	386	418
Advances received	285	490
Deposits received	144	141
Provision for bonuses	863	496
Asset retirement obligations	363	1,232
Other	※1 777	※1 1,209
Total current liabilities	76,771	63,648
Non-current liabilities		
Long-term borrowings	20,000	20,000
Lease obligations	884	1,139
Provision for retirement benefits	6,940	7,893
Provision for share awards	310	376
Provision for point card certificates	2,674	1,989
Asset retirement obligations	1,173	882
Other	※1 2,974	※1 3,060
Total non-current liabilities	34,958	35,343
Total liabilities	111,730	98,991
Net assets		
Shareholders' equity		
Share capital	62,504	62,504
Capital surplus		
Legal capital surplus	13,026	13,026
Other capital surplus	49,500	49,500
Total capital surplus	62,526	62,526
Retained earnings		
Legal retained earnings	2,684	2,684
Other retained earnings		
General reserve	91,100	66,100
Retained earnings brought forward	-21,412	-35,773
Total retained earnings	72,371	33,010
Treasury shares	-1,682	-1,675
Total shareholders' equity	195,719	156,366
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	492	2,185
Revaluation reserve for land	-15,669	-15,065
Total valuation and translation adjustments	-15,177	-12,880
Total net assets	180,542	143,485
Total liabilities and net assets	292,272	242,477

## (2) Statements of Income

(Unit: million yen)

	The previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	The current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Net sales	※2 153,162	※2 110,025
Cost of sales	※2 64,320	※2 50,625
Gross profit	88,841	59,399
Selling, general and administrative expenses	※1,※2 89,006	※1,※2 75,839
Operating loss	-164	-16,439
Non-operating income		
Interest income	※2 138	※2 109
Dividend income	※2 629	※2 444
Rental income from real estate	※2 3,538	※2 2,780
Gain on valuation of derivatives	—	216
Foreign exchange gains	—	17
Subsidy income	—	824
Other	※2 245	※2 759
Total non-operating income	4,551	5,151
Non-operating expenses		
Interest expenses	99	130
Rental costs on real estate	3,152	2,310
Loss on valuation of derivatives	17	—
Foreign exchange losses	4	—
Other	91	37
Total non-operating expenses	3,365	2,478
Ordinary profit (loss)	1,020	-13,766
Extraordinary income		
Gain on sales of non-current assets	0	45
Total extraordinary income	0	45
Extraordinary losses		
Loss on sale and retirement of non-current assets	335	127
Impairment losses	3,340	10,150
Loss on disaster	27	38
Loss on valuation of shares of subsidiaries and associates	9,149	—
Loss on business liquidation	12,327	※2 672
Restructuring expenses	2,705	6,003
Infectious disease related cost	—	1,180
Total extraordinary losses	27,885	18,171
Loss before income taxes	-26,864	-31,892
Income taxes - current	426	331
Income taxes - deferred	-4,014	6,532
Total income taxes	-3,587	6,864
Loss	-23,276	-38,756

## (3) Statement of Changes in Equity

Previous Fiscal Year (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	62,504	62,526	—	62,526	2,684	111,100	-12,723	101,060
Changes during period								
Dividends of surplus							-5,267	-5,267
Reversal of general reserve						-20,000	20,000	
Loss							-23,276	-23,276
Reversal of revaluation reserve for land							-145	-145
Transfer from capital reserves to other capital surplus		-49,500	49,500					
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	-49,500	49,500	—	—	-20,000	-8,688	-28,688
Balance at end of period	62,504	13,026	49,500	62,526	2,684	91,100	-21,412	72,371

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	-1,422	224,668	1,902	-15,814	-13,912	210,756
Changes during period						
Dividends of surplus		-5,267				-5,267
Reversal of general reserve		—				—
Loss		-23,276				-23,276
Reversal of revaluation reserve for land		-145				-145
Transfer from capital reserves to other capital surplus		—				—
Purchase of treasury shares	-264	-264				-264
Disposal of treasury shares	4	4				4
Net changes in items other than shareholders' equity			-1,410	145	-1,265	-1,265
Total changes during period	-259	-28,948	-1,410	145	-1,265	-30,214
Balance at end of period	-1,682	195,719	492	-15,669	-15,177	180,542

Current Fiscal Year (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	62,504	13,026	49,500	62,526	2,684	91,100	-21,412	72,371
Changes during period								
Dividends of surplus								
Reversal of general reserve						-25,000	25,000	
Loss							-38,756	-38,756
Reversal of revaluation reserve for land							-603	-603
Transfer from capital reserves to other capital surplus								
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	-25,000	-14,360	-39,360
Balance at end of period	62,504	13,026	49,500	62,526	2,684	66,100	-35,773	33,010

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	-1,682	195,719	492	-15,669	-15,177	180,542
Changes during period						
Dividends of surplus		—				—
Reversal of general reserve		—				—
Loss		-38,756				-38,756
Reversal of revaluation reserve for land		-603				-603
Transfer from capital reserves to other capital surplus		—				—
Purchase of treasury shares	-0	-0				-0
Disposal of treasury shares	7	7				7
Net changes in items other than shareholders' equity			1,693	603	2,297	2,297
Total changes during period	7	-39,353	1,693	603	2,297	-37,056
Balance at end of period	-1,675	156,366	2,185	-15,065	-12,880	143,485



## 5. Others

### (1) Transfers of officers

#### a) Change of Representative Director

No corresponding item existed.

#### b) Change of Directors

<Retiring Director> (scheduled as of June 29, 2021)

Present	Name
Director, Managing Executive Officer	Shinji Zaitso
Director	Seishi Uchibayashi

(Notes) 1. After retiring, Shinji Zaitso will assume the position of Managing Executive Officer of the Company and Chairman of Minit Asia Pacific Co., Ltd. as of June 30, 2021.

2. Seishi Uchibayashi is an Outside Director as stipulated in Article 2, Paragraph 15 of the Companies Act.

#### c) Change of Executive Officers

<Retiring Executive Officer> (as of June 29, 2021)

Present	Name
Executive Officer, General Manager of IT-System Dept. and Information Controller	Satoshi Yomono
Executive Officer, Deputy General Manager of TSC Business Div., and General Manager of TSC Sales Dept.	Masayuki Miyamae
Executive Officer	Toshimitsu Miyamae
Executive Officer	Kenji Ogino

(Note) Position after retirement

1. Satoshi Yomono will continue to be General Manager of the IT-System Dept. and Information Controller of the Company.
2. Masayuki Miyamae will continue to be Deputy General Manager of the TSC Business Div., and General Manager of the TSC Sales Dept. of the Company.
3. Toshimitsu Miyamae will assume the position of President of Seigo Co., Ltd. as of May 25, 2021.

## (2) Others

&lt;&lt;For your reference&gt;&gt;

## a) Net sales of Aoyama Trading Co., Ltd. Business wear business by product

(Unit: million yen)

		The previous fiscal year (From April 1, 2019 to March 31, 2020)		The current fiscal year (From April 1, 2020 to March 31, 2021)		Change from the previous year	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Rate
Heavy clothing	Suits and three-piece suits	43,375	% 28.7	30,138	% 27.9	-13,236	% 69.5
	Jacket	4,784	3.2	2,846	2.6	-1,937	59.5
	Slacks	6,316	4.2	4,397	4.1	-1,918	69.6
	Coat	3,243	2.2	2,338	2.2	-905	72.1
	Formal wear	19,674	13.0	12,484	11.6	-7,190	63.5
	Vest	452	0.3	602	0.5	149	133.0
	Sub-total	77,846	51.6	52,808	48.9	-25,038	67.8
Light clothing	Shirt, tie and Belt etc.	24,950	16.5	17,422	16.1	-7,528	69.8
	Casual wear	4,167	2.8	2,566	2.4	-1,601	61.6
	Other products	11,804	7.8	9,141	8.4	-2,662	77.4
	Sub-total	40,923	27.1	29,130	26.9	-11,792	71.2
Women's wear and goods		25,520	16.9	20,717	19.2	-4,802	81.2
Amount of points for payback		2,802	1.8	2,053	1.9	-749	73.3
Handling and processing fee		3,862	2.6	3,323	3.1	-538	86.1
Total		150,955	100.0	108,034	100.0	-42,921	71.6

(Notes) 1. Other products include shoes, underwear, sundry goods, and others.

2. Women's wear and goods includes women's suits, formal wear, shirt, pumps, etc.

## b) Number of stores of Aoyama Trading Co., Ltd. Business wear business (the end of March 2021)

(Unit: store)

Area		Yofuku-no-Aoyama	The Suit Company	Universal Language	Universal Language Measure's	White The Suit Company	Total
	Hokkaido prefecture	34	1				35
Total in the Hokkaido region		34	1	0	0	0	35
	Aomori prefecture	9					9
	Iwate prefecture	9					9
	Miyagi prefecture	13	1				14
	Akita prefecture	9					9
	Yamagata prefecture	9					9
	Fukushima prefecture	10					10
Total in the Tohoku region		59	1	0	0	0	60
	Ibaraki prefecture	17					17
	Tochigi prefecture	10					10
	Gunma prefecture	14	1				15
	Saitama prefecture	44	3	1			48
	Chiba prefecture	39	3	1			43
	Tokyo Metropolitan	79	15	4	2	1	101
	Kanagawa prefecture	48	3	2		1	54
Total in the Kanto region		251	25	8	2	2	288
	Niigata prefecture	16	1				17
	Toyama prefecture	7					7
	Ishikawa prefecture	8	1				9
	Fukui prefecture	5					5
	Yamanashi prefecture	4					4
	Nagano prefecture	12					12
	Gifu prefecture	13					13
	Shizuoka prefecture	26	1				27
	Aichi prefecture	43	1				44
Total in the Chubu region		134	4	0	0	0	138
	Mie prefecture	12					12
	Shiga prefecture	10	1				11
	Kyoto prefecture	18	1				19
	Osaka prefecture	45	5		2	1	53
	Hyogo prefecture	33	3		1		37
	Nara prefecture	8					8
	Wakayama prefecture	8					8
Total in the Kinki region		134	10	0	3	1	148

(Unit: store)

Area		Yofuku-no-Aoyama	The Suit Company	Universal Language	Universal Language Measure's	White The Suit Company	Total
	Tottori prefecture	3					3
	Shimane prefecture	5					5
	Okayama prefecture	11	2				13
	Hiroshima prefecture	19	3				22
	Yamaguchi prefecture	12					12
	Total in the Chugoku region	50	5	0	0	0	55
	Tokushima prefecture	5					5
	Kagawa prefecture	7					7
	Ehime prefecture	9	1				10
	Kochi prefecture	5					5
Total in the Shikoku region		26	1	0	0	0	27
	Fukuoka prefecture	30	3		1	1	35
	Saga prefecture	8					8
	Nagasaki prefecture	7					7
	Kumamoto prefecture	10					10
	Oita prefecture	9					9
	Miyazaki prefecture	10					10
	Kagoshima prefecture	12					12
	Okinawa prefecture	7					7
Total in the Kyushu region		93	3	0	1	1	98
Total		781	50	8	6	4	849

- (Notes) 1. The numbers of stores of "TSC SPA OUTLET" are included in the number of stores of "The Suit Company." The numbers of stores of "UL OUTLET" are included in the number of stores of "Universal Language."
2. Status of stores opened and closed, etc.

	Stores opened	Of which, those relocated or rebuilt	Stores closed
Yofuku-no-Aoyama	1	1	28
The Suit Company	4	2	8
Universal Language	1	1	1
Universal Language Measure's	1	0	0
White The Suit Company	0	0	4
Total	7	4	41