

Business Report for Fiscal 2010

(From April 1, 2009, to March 31, 2010)

Annual Report 2009



Aoyama Trading Co., Ltd.

(Securities code: 8219)

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 a second consecutive year. This performance reflected lower demand for suits due to lackluster personal consumption, among other factors.

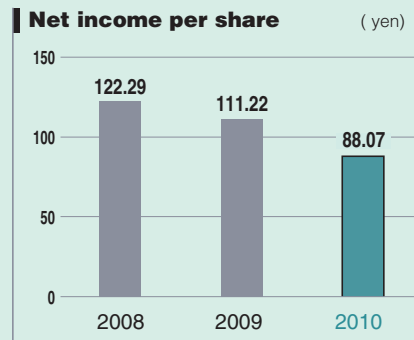
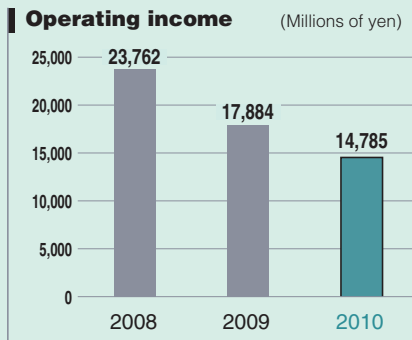
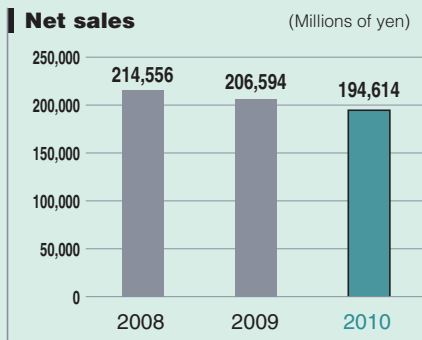
In this challenging business environment, we will seek to increase management efficiency by conducting continued selection and concentration of management resources, aiming both to raise customer satisfaction and to achieve highly profitable management, while striving to strengthen the profit structure of the Group as a whole.

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.



Measures to Appeal on Price

Q1

How did the business perform in the year under review?

The Group's business results reflected the adverse business environment, which was also the case in the previous year. Net sales were ¥194,614 million, 94.2% of the previous year's level and operating income was ¥14,785 million,

82.7% of the previous year's level.

In the mainstay suit business, we continued to strive to expand market share, including by constantly opening new stores mostly in Tokyo and the three neighboring prefectures. In order to meet customer needs, we worked on improving both products and services.

We implemented sales promotions that appeal to customers on price, such as continuing the previous year's campaign offering a second suit for ¥1,000, looking to further boost our customer base. In the first half of the year, we sought to provide high-value-added products such as func-

tional suits at affordable prices, while in the second half of the year we implemented campaigns such as the "special sale", which focused on winning customers through attractive price.

In womenswear, we worked to generate buzz and increase brand awareness, including exhibiting our women's suits in the September 2009 and March 2010 "Tokyo Girls Collection", one of Japan's largest fashion events. As a result of this publicity and efforts to bolster the product lineup, with enhanced career wear and other offerings, sales performed briskly.

Nevertheless, existing-store sales of the suit business were 92.6% of the previous year's level, owing to lower demand for suits amid deterioration of the consumption environment.

With regard to the suits, our main product item, the number sold was 2,515,000, or 95.7% of the previous year's level, while the average unit selling price was ¥24,518, or 97.7% of the previous year's level.

Continued Efforts to Attract More Customers

Q2

What initiatives are planned for fiscal 2011?

In fiscal 2011, although there are signs of a partial recovery in the economy, we believe that the individual consumption situation will remain severe amid continued uncertainty regarding the future of social security. Given these conditions,

in fiscal 2011, we will continue steady efforts to open new stores and relocate existing stores, especially in Tokyo and the three neighboring prefectures, in order to expand market share. Meanwhile, in view of the slump in individual consumption, we will also implement measures to attract new customers mainly by appealing to them in terms of price.

Yofuku-no-Aoyama
Urayasu Store



Store Format and Positioning

Yofuku-no-Aoyama

No. of stores: 736

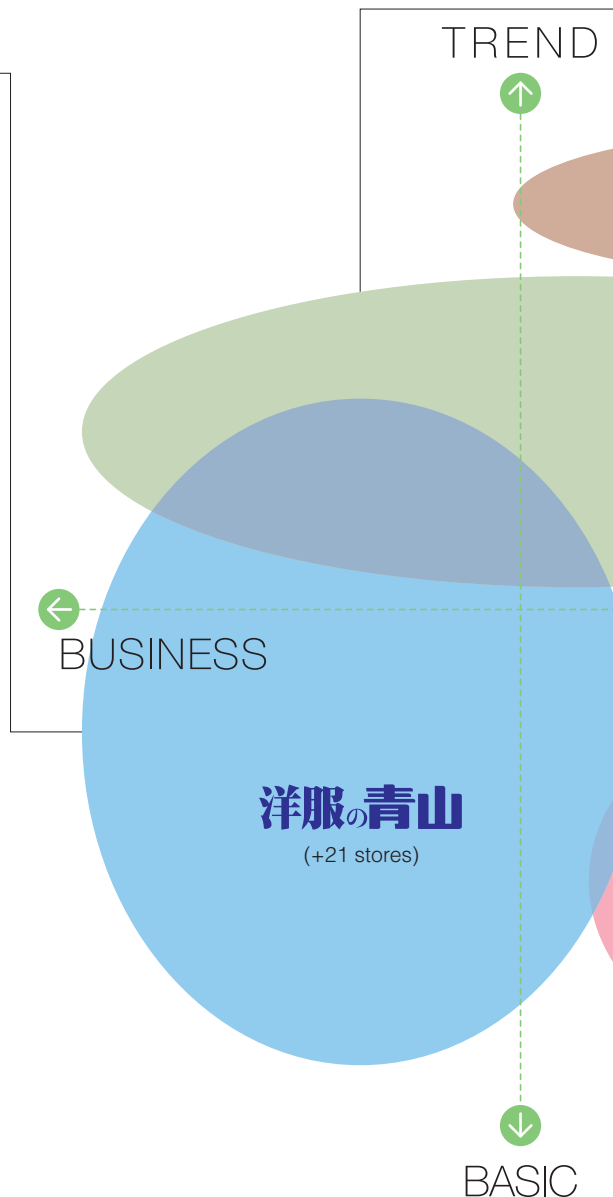
Target age groups: All ages

Yofuku-no-Aoyama is the Company's core store format and the industry leader in the number of suits sold. We operate stores nationwide that offer clothing for adults of all ages.



Closure of The Suit Company's Weekend

In April 2005 we launched The Suit Company's Weekend, a new format of stores located in large urban shopping centers that offer a comprehensive selection of merchandise from suits to men's and women's casual wear. However, in view of intensifying competition among shopping centers, we concluded that it would be difficult to establish a business model based on shopping centers. Accordingly, The Suit Company's Weekend format was closed in April 2010.



UNIVERSAL LANGUAGE
(-2 stores)

THE SUIT COMPANY
(+4 stores)

CASUAL

CALAJA CALAJA
CASUAL LAND JAPAN CASUAL LAND JAPAN
(No change in the number of stores)

The Suit Company

No. of stores: 36

Target age groups: 20s-30s

The Suit Company stores, specialty suit stores, are located mainly in urban areas and emphasize the latest fashion trends.



Universal Language

No. of stores: 3

Target age groups: 30s-40s

Universal Language is a format for boutiques for urban adults that offer merchandise embodying the message "We bring the entire world fashion into your closet."



CALAJA

No. of stores: 30

Target age groups: 20s-40s

CALAJA is a format of casual wear stores that offer better merchandise from the latest trends to basic clothing at lower prices.



Strategy 1

—Management Strategy—

Leveraging New Distribution Bases to Accelerate Strategies Focusing on Tokyo and the Three Neighboring Prefectures

We are currently endeavoring to strengthen our structure by improving management efficiency. The core of this effort is our recently opened new distribution base, “Aoyama Trading Chiba Center”. Going forward, we intend to leverage our enhanced distribution capabilities to build a store network with even greater earnings capacity.

Tactics

01

Start of Operations at the Chiba Center New Distribution Base

In February 2010, we commenced operations at the new distribution base, Aoyama Trading Chiba Center. The key feature of the new facility is its cutting-edge distribution system, which makes use of RFID (radio frequency identification) tags. We are now prepared for vigorous opening of new stores in Tokyo and the three neighboring prefectures (Kanagawa, Saitama, and Chiba).

The Chiba Center uses a wheel system that enables 24-hour, non-stop, high-speed automated picking. This fully automated system uses suspended rails that run throughout the center to manage storage, sorting, and shipment of products based on the information in RFID tags attached to hangers.

The system enabled us to send frequent and small-volume shipments to stores in Tokyo and the three neighboring prefectures. With a minimum number of staff, we can now supply top-selling products to stores in a timely manner.



Chiba Center, external view

III New Stores with a Minimal Stockroom Space

The major advantage of the Chiba Center is that it consolidates the stockroom functions of the stores in Tokyo and the three neighboring prefectures into a single location, thereby minimizing the need for stockroom space, and accordingly widening selling space at each location. In the past, the average size of the stockroom at each store has been around 82.5 square meters. As a result, even smaller rental space (including stockroom space), which are typical in Tokyo and the three neighboring prefectures, can be used for new stores without sacrificing selling space.



Chiba Center, internal view

III Next-day Replenishment of Strong-selling Inventory

For stores in Tokyo and the three neighboring prefectures, we can find which items were sold at a store on any given day, and deliver them by the time the store opens on the next day. By providing replacement inventory for top-selling products at all locations, we can reduce next-day opportunity loss that could occur if items sold out.

III Enabling Lower Product Shipping Costs

In the past, products were sent to all stores in eastern Japan, including those in Tokyo and the three neighboring prefectures, from product centers in Hiroshima and Okayama Prefectures. Going forward, we will be able to reduce costs by shipping from the Chiba Center.



TSC SPA OUTLET
Ueno Store

Tactics 02

Opening a The Suit Company Outlet Store

We have converted “The Suit Company (TSC) Ueno Store in Ueno”, Tokyo to a “TSC SPA OUTLET” store format. At 1,500 square meters, this large-format store is one of the largest outlets in central Tokyo.



TSC SPA OUTLET
Inside view of the Ueno Store

The outlet store offers “The Suit Company” and “Universal Language” brand products at 30-90% off regular prices. Suit prices range from ¥3,000 to ¥27,000, while shirt prices range from ¥950 to ¥4,000.

TOPICS

Developing 2nd STREET and LEVI’S STORE Operations at Subsidiaries

Aoyama Trading subsidiary “Casual Land Aoyama Co., Ltd.” operates the casual wear shop “CALAJA”. In order to establish additional pillars of profitability, the company has begun management of “2nd STREET” used clothing stores and jeans shop “LEVI’S STORE”.

Casual Land Aoyama has concluded franchise agreements with “2nd STREET Co., Ltd.,” one of the largest players in Japan’s second-hand clothing industry, and major jeans company “Levi Strauss Japan K.K.” In March 2010, the company opened two new stores: the 2nd STREET Miyakonojo Store (Miyazaki Prefecture) and the LEVI’S STORE Nagoya PARCO Store (Aichi Prefecture). Going forward, we will leverage the store development capabilities and multi-store development know-how of the Aoyama Trading Group to build a store network with even greater earnings capabilities.

LEVI’S STORE
Nagoya PARCO Store



2nd STREET
Miyakonojo Store



Strategy 2

—Product Strategy—

Providing High-value-added Products at Affordable Prices

Aoyama Trading Company will strive to further broaden our customer base by providing high-value-added products such as fashionable items at affordable prices. Through these efforts, we aim to achieve growth going forward. Enhancing the line-up of womenswear and products aimed at young people in recent years is one aspect of such initiatives.

Tactics

01

Italian Suits Fair Featuring Model Panzetta Girolamo

In order to attract new customers, starting in October 2009 we launched a “special sale” aimed at winning customers based on price. In November, we implemented a major campaign of television commercials, flyers and direct mail featuring Italian model Panzetta Girolamo as a spokesman to inform customers about high-value-added products at affordable prices. The campaign was well received.

Going forward, we will work actively to attract new customers including by providing newsworthy products at affordable prices.



Italian Suits Fair
Spokesman

Panzetta Girolamo

Tactics 02

Establishing a New Brand to Strengthen Womenswear Line-up

We have established two new brands for the Fiscal 2010 New Employees Line: “suits me” IMALU and PERSON’S SUITS STYLE. Sales of the new brands launched in February 2010 at all Yofuku-no-Aoyama stores across the country.

“suits me” IMALU was produced by Japanese celebrity IMALU. The brand includes women’s suits, blouses, and bags under the theme “I dress my own way. IMALU.”

The brand focuses on offering basics which have simple, yet personalizable designs, enabling wearers to enjoy and to coordinate freely the various pieces.

The other new brand, “PERSON’S SUITS STYLE”, is based on the concept of “Beautiful clothing for the contemporary fashionable woman.” Making use of our expertise in creating men’s clothing, this brand strays from conventional womenswear products with added shape memory functions and details such as the use of different colors for sleeve and torso linings, resulting in suits that are ideal for recent graduates just beginning their professional careers.

At Yofuku-no-Aoyama stores, the contribution of womenswear to total annual sales has grown to 6.1%. Going forward, we will further enhance the product line-up and provide newsworthy items in order to increase brand recognition and further expand sales.



•Filly blouse with black ribbon



•Black shadow herringbone suit separates



•The 6WAYS SUIT

Tactics 03

A Series of New Hit Products at The Suit Company

In menswear, “The Suit Company” has produced hit products in “the 6WAYS SUIT” and “NEW GENERATION’S ALL COLLECT”.

“The 6WAYS SUIT” is a suit set that includes one jacket, two pairs of trousers in different colors, and a reversible vest, meaning that users can enjoy a total of 6 different combinations. “The 6WAYS SUIT” is priced comparably to our regular offerings at ¥29,400, making it an affordable choice for customers.

“NEW GENERATION’S ALL COLLECT” brand offers designs that pursue the popular slim bodyline. In particular, jacket patterns have been redesigned from the paper stage to provide strikingly slim lines in the shoulder, arms, and waist. Going forward, we will continue to seek to respond as quickly as possible to customer needs for function and style, focusing on developing new hit products.

► Aoyama People

“We created Japan’s first fully automated, 24-hour distribution system. There was constant pressure during the project, but it was a challenging and worthwhile experience.”

Labor of Love: Creating a System for the Chiba Center New Distribution Base

Kunio Yanai, General Manager, IT and Systems Department

The Aoyama Trading Chiba Center has begun production. Our newest distribution facility realized 24-hours automated inventory management by making use of RFID tags. IT and Systems Department General Manager Kunio Yanai, one of the core members involved in bringing this project to life, spent a total of three years working to introduce Japan’s first high-function distribution system.

I was primarily involved in what we call the “wheel system,” a system for automating shipping, storing, and sorting of merchandise. “Wheels,” rings with embedded RFID tags are attached to each product hanger, and mounted on a rail suspended from the center ceiling. With the merchandise hanging like that, the computer can automatically move and arrange items.

The concept behind the wheel system was to build a fully automated system that could operate 24 hours a day. We contacted different system providers in Japan, but we could not find any system that had completely eliminated the need for staff to be on hand to operate it. We were on the verge of giving up when we came across a video from a German company, and realized that their product was exactly what we needed.

Still, it was quite a lot of work to get the system ready to use in Japan. We need our system to be able to operate continuously for several decades, and so we had to find Japanese manufacturers for parts and components so that we could replace them quickly whenever broken.

We also added some of our own specifications. In Germa-

ny, they did not seem to mind if products rubbed against each other while being moved around, but in Japan, where demand for quality is very high, customers would not stand for that kind of wear on products. We dealt with that issue by creating an additional component of our own. All in all, it took two years to get the system up and running, and until the very last minute we were concerned about whether we would meet the target date and whether it would work as expected. It was a huge relief when we tested it and everything went the way we intended.

This was the first system of its kind in Japan, and so we always felt a great deal of pressure at the task we had been assigned. It was challenging and very worthwhile work. I’m not sure I will ever again be involved in such a significant project.

Still, the Chiba Center is only one element of Aoyama Trading’s distribution system. Next, we will fully take advantage of the Chiba Center to build an efficient distribution network and provide backup for all the Yofuku-no-Aoyama and The Suit Company stores. In many ways, the real work starts now.



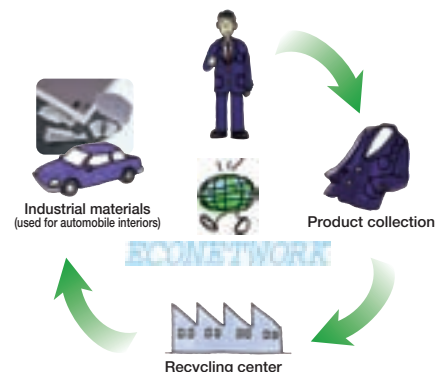
The “wheel system” in operation at the Chiba Center

Social and Environmental Activities

Wool Recycling System

The Company has acquired a partner license for the “Woolmark Collaborative” and we are now working to create systems for various methods of recycling and reusing Woolmark products.

For example, used wool products collected through trade-ins at our stores are sent to a recycling center and used mainly as material for automobile interiors. In this way, we are contributing to recycling and reuse as industrial materials.



Hanger deliveries help reduce the amount of packing materials used.

Conserving Resources (Reducing Packing Material)

Our corporate activities are closely related to the environment, and we take measures to be environmentally conscious in our business.

Cardboard is one area where we are making effects. Depletion of natural resources such as wood, the raw material for cardboard, is becoming an issue. Since 2005, we have incorporated a shipping system where products are delivered on hangers, thereby reducing the environmental impact as much as possible.

This method is a simple but innovative distribution format in which products are carried on hangers from the stock center to each store by special trucks reducing the amount of cardboard used in transporting suits and formalwear.

Developing Eco-products

We considered how we could contribute to efforts to prevent global warming. The answer was, after all, to make comfortable clothing.

We have developed a “Cool” series of clothing that allow employees to work comfortably even in hot weather or in offices where the air conditioner is set to a modest 28 degrees Celsius. These products, which range from suits to shirts, neckties, undershirts and socks and combine functional designs for coolness with fashion sense, are ideal for the Japanese government’s Cool Biz program, which encourages companies to limit their use of air conditioning in summer by allowing employees to wear seasonally appropriate clothing. For “Warm Biz,” a complementary program for reducing use of heating in winter, we offer vests and cardigans made of quality Italian materials, and we have developed shirts and undergarments using materials that transform into heat the moist released from the body and warm wearer. Going forward we will continue to create clothing items that can be worn comfortably in any environment, contributing to the effort to preventing global warming.

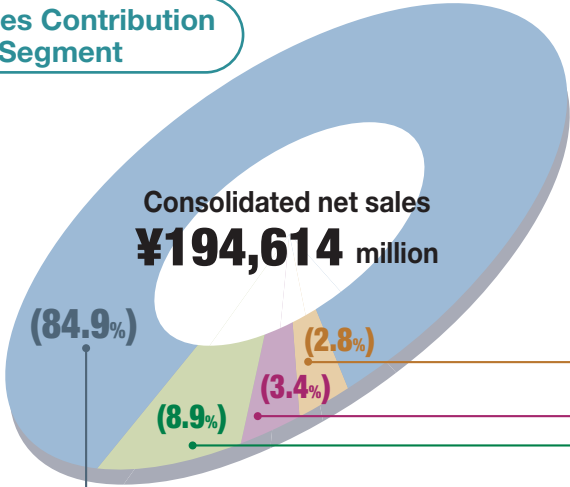


Our “Cool Suit” offers excellent breathability, allowing wearers to stay cool even in summer.

Yofuku-no-Aoyama
Akita Hiroomote Store



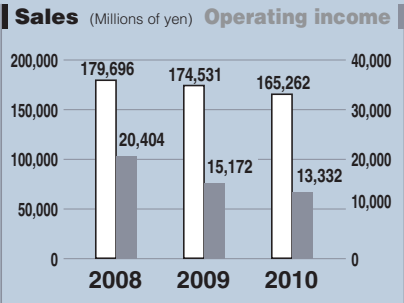
Sales Contribution
by Segment



Note: Segment sales contribution is net sales after elimination of intercompany transactions.

Menswear Retail Business

- The Company opened a total of 24 new stores in the year under review: 22 Yofuku-no-Aoyama stores, and 2 The Suit Company (TSC) stores.
- To respond to changes in the market, the Company relocated or rebuilt 9 Yofuku-no-Aoyama stores and 2 TSC stores.
- The Company converted the TSC Ueno Store to a TSC SPA OUTLET store format.
- The Company closed 1 Yofuku-no-Aoyama store, 2 TSC stores, and 2 Universal Language stores. It also closed 3 Plus A The Suit Aoyama stores, and eliminated the business format, and converted 4 The Suit Company's Weekend stores to the TSC format, for a total of 7 stores closed.
- As a result, sales from the menswear retail business were ¥165,262 million, 94.7% of the previous year's level, and operating income was ¥13,332 million, 87.9% of the previous year's level.



Suit Business

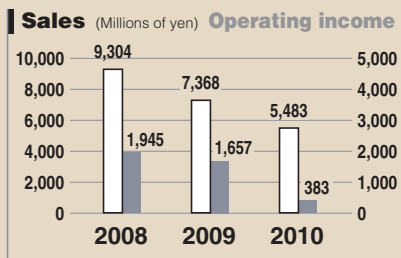
- Existing-store sales of the suit business were 92.6% of the previous year's level, reflecting the sluggish consumption environment.
- The number of suits sold was 2,515,000, 95.7% of the previous year's level, while the average unit selling price for suits was ¥24,518, 97.7% of the previous year's level.
- As a result, sales from the suit business were ¥161,323 million, 95.9% of the previous year's level and operating income was ¥13,009 million, 86.9% of the previous year's level.

CALAJA Business

- Reflecting the sluggish personal consumption, existing-store sales of the CALAJA business were 85.7 % of the previous year's level.
- The Company entered franchise agreements with 2nd STREET Co., Ltd. and Levi Strauss Japan K.K. and opened one new store in each format.
- As a result, sales of the CALAJA business were ¥3,469 million, 59.3% of the previous year's level. The operating loss was ¥233 million compared with the operating loss of ¥423 million in the previous year.

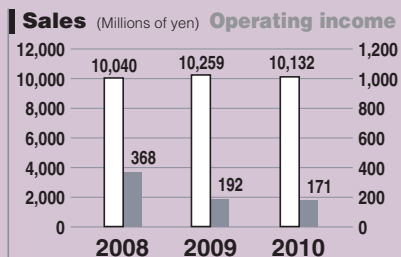
Credit Card Business

- While focusing effort on the recruitment of “Aoyama Card” members, the Company worked to ensure compliance and strengthen internal control systems.
- The number of “Aoyama Card” members amounted to 3.7 million at the end of February 2010 (an increase of 110,000 from the previous year).
- However, due to the impact of the revised Money Lending Business Act, among other factors, sales were ¥5,483 million, 74.4% of the previous year's level, and operating income was ¥383 million, 23.1% of the previous year's level.



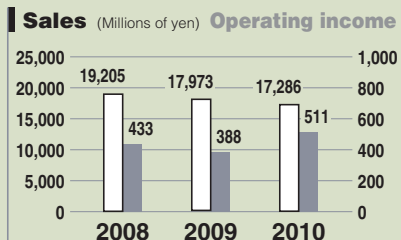
Commercial Printing Business

- “Ascon” placed priority on the cultivation of relationships with existing customers, reinforcement of efforts to win new customers, and development of new businesses.
- However, due to a drop in orders as a result of restraint in corporate flyer expenses, forward-looking investments for new businesses, and other factors, sales were ¥10,132 million, 98.8% of the previous year's level, and operating income was ¥171 million, 89.3% of the previous year's level.



Sundry Sales Business

- This business involves the operation of “Daiso & Aoyama 100 Yen Plaza” shops on premises previously occupied by Yofuku-no-Aoyama or CALAJA stores or on premises shared with Yofuku-no-Aoyama stores to achieve synergy.
- As a result of the opening of 2 new shops, relocation of 2 shops and closure of 10 inefficient shops, the total number of Daiso & Aoyama 100 Yen Plaza shops was 128 at the end of February 2010.
- With industry competition on the rise as businesses in different formats enter the scene, we strove to further lower costs for our operations. As a result, sales were ¥17,286 million, 96.2% of the previous year's level, while operating income was ¥511 million, 131.6% of the previous year's level.



Consolidated Balance Sheets (Summary) (Millions of yen)

	As of March 31, 2010	As of March 31, 2009
Assets		
Current assets	172,492	185,105
Cash and deposits	31,347	34,788
Notes and accounts receivable-trade	11,986	11,257
Short-term investment securities	34,468	26,756
Merchandise and finished goods	39,518	43,447
Work in process	37	55
Raw materials and supplies	603	462
Deferred tax assets	1,693	4,324
Operating loans	49,326	60,039
Other	4,353	4,902
Allowance for doubtful accounts	△841	△929
Noncurrent assets	161,217	160,941
Property, plant and equipment	102,978	100,872
Buildings and structures	60,662	58,446
Land	33,109	31,378
Other	9,207	11,047
Intangible assets	2,171	1,867
Investments and other assets	56,067	58,202
Lease and guarantee deposits	28,146	31,172
Other	27,947	27,085
Allowance for doubtful accounts	△26	△56
Total assets	333,709	346,047
Liabilities		
Current liabilities	68,251	79,569
Notes and accounts payable-trade	15,488	18,977
Short-term loans payable	10,325	14,310
Current portion of bonds	10,000	10,000
Accounts payable-other	20,168	22,106
Other	12,270	14,175
Noncurrent liabilities	38,652	43,295
Bonds payable	19,000	20,000
Long-term loans payable	10,440	13,665
Other	9,212	9,630
Total liabilities	106,904	122,864
Net assets		
Shareholders' equity	242,201	239,600
Capital stock	62,504	62,504
Capital surplus	62,975	62,975
Retained earnings	128,968	126,365
Treasury stock	△12,247	△12,245
Valuation and translation adjustments	△17,437	△18,203
Valuation difference on available-for-sale securities	170	△398
Deferred gains or losses on hedges	—	△64
Revaluation reserve for land	△17,607	△17,739
Subscription rights to shares	246	123
Minority interests	1,794	1,662
Total net assets	226,805	223,183
Total liabilities and net assets	333,709	346,047

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

Current assets

Current assets amounted to ¥172,492 million, having decreased ¥12,613 million compared with the figure at the previous fiscal year-end, as a result of an increase of ¥7,712 million in short-term investment securities and decreases of ¥3,441 million in cash and deposits, ¥3,929 million in merchandise and finished goods, ¥2,631 million in deferred tax assets and ¥10,713 million in operating loans.

Current liabilities

Current liabilities amounted to ¥68,251 million, having decreased ¥11,318 million compared with the figure at the previous fiscal year-end, due to decreases of ¥3,489 million in notes and accounts payable-trade, ¥3,985 million in short-term loans payable and ¥1,938 million in accounts payable-other and ¥2,841 million in income taxes payable.

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

	As of March 31, 2010	As of March 31, 2009
Net sales	194,614	206,594
Cost of sales	87,488	92,116
Gross profit	107,125	114,477
Selling, general and administrative expenses	92,340	96,593
Operating income	14,785	17,884
Non-operating income	1,656	2,264
Interest and dividends income	686	591
Gain on valuation of derivatives	—	1,056
Other	969	616
Non-operating expenses	3,004	497
Interest expenses	304	121
Loss on valuation of derivatives	1,065	—
Foreign exchange losses	1,455	—
Other	178	375
Ordinary income	13,437	19,650
Extraordinary income	30	11
Extraordinary loss	3,024	6,529
Loss on sales and retirement of noncurrent assets	780	1,387
Impairment loss	2,235	2,534
Other	9	2,607
Income before income taxes	10,443	13,133
Income taxes-current	2,456	5,962
Income taxes-deferred	2,196	△1
Minority interests in income	190	100
Net income	5,599	7,071

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

Operating income

Operating income decreased to ¥14,785 million, 82.7% of the previous year's level due to the lower net sales in the Menswear Retail and Credit Card Businesses.

Ordinary income

While a ¥1,056 million gain on valuation of derivatives was recorded in the previous year, a ¥1,065 million loss on valuation of derivatives and a ¥1,455 million foreign exchange losses were posted in the year under review. As a result, ordinary income was ¥13,437 million, 68.4% of the previous year's level.

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

	As of March 31, 2010	As of March 31, 2009
Cash flows from operating activities	27,967	22,139
Cash flows from investing activities	△29,720	△24,091
Free cash flow	△1,753	△1,952
Cash flows from financing activities	△11,268	14,299
Effect of exchange rate change on cash and cash equivalents	△152	△80
Net increase (decrease:△) in cash and cash equivalents	△13,174	12,266
Cash and cash equivalents at beginning of year	38,309	26,042
Cash and cash equivalents at end of year	25,135	38,309

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

Cash flows from financing activities

Net cash used in by financing activities amounted to ¥11,268 million (compared with ¥14,299 million in net cash provided by financing activities for the previous fiscal year). Cash inflows amounting to ¥10,860 million included proceeds from long-term loans payable and issuance of bonds payable, while cash outlays included redemption of bonds and repayment of short-term loans payable amounting to ¥18,850 million and cash dividends paid amounting to ¥2,861 million.

Consolidated Statements of Changes in Net Assets (from April 1, 2009, to March 31, 2010) (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, 2009	62,504	62,975	126,365	△12,245	239,600	△398	△64	△17,739	△18,203	123	1,662	223,183
Changes of items during the year												
Dividends from surplus			△2,861		△2,861							△2,861
Net income			5,599		5,599							5,599
Reversal of revaluation reserve for land			△135		△135							△135
Purchase of treasury stock				△1	△1							△1
Net changes of items other than shareholders' equity						569	64	132	765	122	132	1,021
Total changes of items during the year	—	—	2,602	△1	2,601	569	64	132	765	122	132	3,622
Balance at March 31, 2010	62,504	62,975	128,968	△12,247	242,201	170	—	△17,607	△17,437	246	1,794	226,805

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

Payment of a Year-end Dividend of ¥20 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 ¥20 per share, which is an ordinary dividend, was approved at the 46th 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 ¥40 per share.

Non-consolidated Financial Statements

Balance Sheets (Summary) (Millions of yen)		
	As of March 31, 2010	As of March 31, 2009
Assets		
Current assets	128,372	140,562
Noncurrent assets	161,889	161,884
Property, plant and equipment	98,866	96,425
Intangible assets	1,887	1,545
Investments and other assets	61,134	63,914
Total assets	290,261	302,447
Liabilities		
Current liabilities	44,570	61,074
Noncurrent liabilities	28,613	27,057
Total liabilities	73,183	88,131
Net assets		
Shareholders' equity	234,082	232,210
Capital stock	62,504	62,504
Capital surplus	62,975	62,975
Retained earnings	120,849	118,976
Treasury stock	△12,247	△12,245
Valuation and translation adjustments	△17,250	△18,019
Valuation difference on available-for-sale securities	170	△398
Deferred gains or losses on hedges	—	△64
Revaluation reserve for land	△17,420	△17,556
Subscription rights to shares	246	123
Total net assets	217,078	214,315
Total liabilities and net assets	290,261	302,447

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

Statements of Income (Summary) (Millions of yen)		
	Year ended March 31, 2010	Year ended March 31, 2009
Net sales	161,323	168,237
Cost of sales	67,495	70,084
Gross profit	93,828	98,153
Selling, general and administrative expenses	80,818	83,176
Operating income	13,009	14,976
Non-operating income	2,188	2,758
Non-operating expenses	2,934	446
Ordinary income	12,263	17,288
Extraordinary income	38	11
Extraordinary loss	3,388	6,266
Income before income taxes	8,914	11,033
Income taxes-current	1,959	4,726
Income taxes-deferred	2,084	61
Net income	4,870	6,245

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

Company Data

Corporate Profile

(as of March 31, 2010)

Company Name : Aoyama Trading Co., Ltd.

Establishment : May 6, 1964

Paid-in-Capital : ¥62,504,710,000

Number of Employees : 3,872

Offices : **Head Office:**

3-5, Ohji-cho 1-chome, Fukuyama,
Hiroshima, Japan

Tokyo Head Office:

TSC TOWER 7F, 5-10, Ueno 4-chome,
Taito-ku, Tokyo

**Tokyo Office for The Suit Company and
Universal Language:**

Kitaaooyama Yoshikawa Bldg. 4F, 12-16,
Kitaaooyama 2-chome, Minato-ku, Tokyo

Kannabe Stock Center:

1727-1, Aza Fukami, Oaza Nishichujo,
Kannabe-cho, Fukuyama, Hiroshima

Ibara Stock Center:

1345-2, Oemachi, Ibara, Okayama

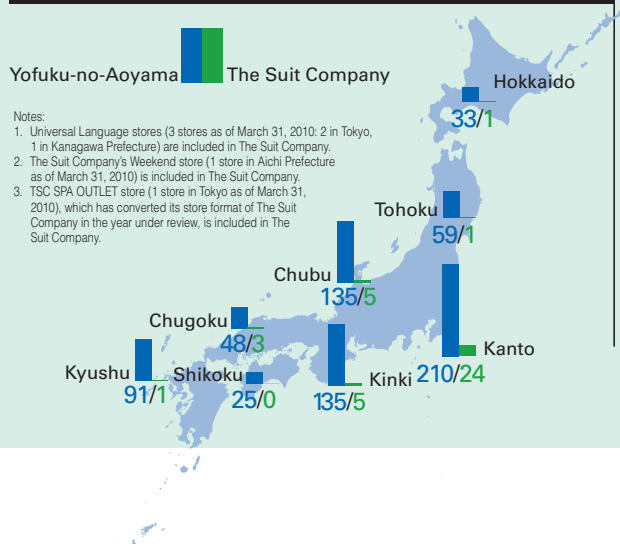
Tagawa Stock Center:

2423-4, Oaza Ida, Tagawa, Fukuoka

Chiba Center:

32-22, Shin-minato, Mihama-ku, Chiba

Number of Stores : 776 (excluding CALAJA, 2nd STREET and LEVI'S STORES)



Directors and Officers

(as of March 31, 2010)

Board of Directors

Chairman of the Board : Shozo Miyamae

Vice Chairman of the Board : Hiroaki Miyamae

President and CEO : Osamu Aoyama

**Senior Director and Senior
Managing Executive Officer** : Makoto Miyatake
(General Manager of Planning and Administration Div.)

Director and Executive Officer : Yoshiyuki Matsukawa
(General Manager of Marketing and Sales Div.)

Director and Executive Officer : Shinji Okano (General Manager of Purchasing Div.)

Board of Auditors

**Standing Corporate
Auditor (full time)** : Koshin Endo

Corporate Auditor : Seishi Uchibayashi *

Corporate Auditor : Hiroshi Ohgi *

Corporate Auditor : Kiyoshi Takegawa *
Note: Marked with * are outside auditors.

Executive Officers

**Senior Managing
Executive Officer** : Michinobu Miyagawa
(General Manager of Store Development Div.)

Managing Executive Officer : Yoshio Kaneki
(General Manager of Tokyo Head Office and General Manager of PR Office)

Executive Officer : Yukio Tagawa
(General Manager of Accounting Dept.)

Executive Officer : Kiyohide Hasegawa
(General Manager of IT and Systems Dept.)

Executive Officer : Shozo Hirakawa
(General Manager of General Affairs Dept.)

Executive Officer : Yasuhiro Fujii
(General Manager of Marketing and Sales Dept.)

Executive Officer : Eiji Tanikawa
(General Manager of Advertising Dept. and Information Controller)

Executive Officer : Fusanori Hatayama
(Supervisor of Kyushu Area and Manager of Kumamoto Block)

Executive Officer : Michinori Fujii
(General Manager of Marketing and Sales Dept. of TSC)

Executive Officer : Osamu Mizutani
(General Manager of Purchasing Dept. of TSC)

Executive Officer : Yoshiyuki Maekawa
(General Manager of Purchasing Dept. No. 1)

Stock Information

Shares

(as of March 31, 2010)

Total number of shares authorized to be issued	174,641,100
Number of shareholders	8,275
Number of shares outstanding	67,394,016
Number of shares of treasury stock	3,812,701 (5.66%)

Major Shareholders

(as of March 31, 2010)

Shareholder	Shareholdings (thousand shares)	Shareholdings (%)
Japan Trustee Services Bank, Ltd. (Trust account)	6,370	10.02
The Master Trust Bank of Japan, Ltd. (Trust account)	3,749	5.90
Aoyama Bussan, Ltd.	3,541	5.57
Osamu Aoyama	2,484	3.91
Japan Trustee Services Bank, Ltd. (Trust account 9)	2,108	3.32
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	1,420	2.23
Sumiko Aoyama	1,261	1.98
Trust & Custody Services Bank, Ltd. (Securities Investment Trust account)	1,228	1.93
Hoshino Shoji Limited	1,001	1.57
Sumitomo Mitsui Banking Corporation	1,000	1.57

Notes: 1. Shareholdings amounting to less than the minimum trading unit have been rounded down.
2. Shareholdings (%) represent the percentage of shareholdings to the total number of shares outstanding (excluding treasury stock) as of March 31, 2010.
3. The Company holds 3,812,000 shares of treasury stock, but the holdings are not included in the above list of major shareholders because these shares are without voting rights.

Guidance on the Preferential Discount Coupon for Shareholders

The Company issues and offers the "Preferential Discount Coupon for Shareholders" (15% discount) to all the shareholders as of September 30 and March 31 every fiscal year.

Issuance standards of the Preferential Discount Coupon for Shareholders

The Company issues Preferential Discount Coupons for Shareholders based on the following criteria to the shareholders recorded in the register of shareholders and the beneficial shareholders recorded in the register of beneficial shareholders as of September 30 and March 31 every fiscal year, according to their respective shares held.



Number of shares held

100-999 shares: Three (3) coupons
1,000-2,999 shares: Four (4) coupons
3,000 shares or more: Five (5) coupons

Expiration date

Record date of eligible shareholders	Timing of sending by post	Expiration date
Shareholders as of September 30	Early December of the same year	December 31 of the following year
Shareholders as of March 31	Early July of the same year	June 30 of the following year

Stores where the coupons can be used

Stores of Yofuku-no-Aoyama, The Suit Company (excluding TSC SPA OUT-LET Ueno Store), Universal Language, and CALAJA.

Memo to Shareholders

Business year	: From April 1 to March 31
Ordinary general meeting of shareholders	: June of each year
Record date	: March 31 (other publicly announced days, as necessary). Shareholders recorded in the register of shareholders at the end of each business year shall be deemed the shareholders entitled to exercise the shareholders' rights at the ordinary general meeting of shareholders pertaining to the aforementioned business year.
Interim dividends	: Interim dividends shall be paid to shareholders recorded in the register of shareholders as of September 30.
Year-end dividends	: Dividends shall be paid to the shareholders recorded in the register of shareholders as of March 31.
Transfer agent and special account management institution	: Sumitomo Trust & Banking, Co. Ltd. 5-33 Kitahama 4-chome, Chuo-ku, Osaka
Transfer agent's handling office	: Stock Transfer Agency Department Sumitomo Trust & Banking Co., Ltd. 5-33 Kitahama 4-chome, Chuo-ku, Osaka
(Mailing address)	: Stock Transfer Agency Department Sumitomo Trust & Banking Co., Ltd. 1-10 Nikko-cho, Fuchu, Tokyo 183-8701
(Telephone contact)	: 0120-176-417
(Website URL)	: http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html

Notification of address change and inquiries concerning shares

Please contact the securities firm with which you have your securities account for notification of address change and for inquiries. If you do not have an account with a securities firm, please contact the transfer agent indicated at left.

Procedures concerning special accounts

Share certificates of the Company and all other listed companies were dematerialized on January 5, 2009. Accordingly, previous paper share certificates become invalid and shareholders' rights are electronically managed by Japan Securities Depository Center, Inc. (JASDEC) through securities firms. Rights of shareholders who have not completed procedures for dematerialization of share certificates are currently managed in special accounts with Sumitomo Trust & Banking Co., Ltd. (special account management institution). In order to sell shares owned, it is necessary to open an account with a securities firm and implement procedures to transfer shares from the special account. For detailed procedures, please contact the transfer agent indicated at left.

Media for public notices : Electronic disclosure or Nihon Keizai Shimbun (newspaper) if electronic disclosure is unavailable
<http://www.aoyama-syouji.co.jp>

Listing stock exchanges : Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)

Internet sales at Aoyama Trading

The Company runs online stores for each business format, including Yofuku-no-Aoyama and The Suit Company. Product line-ups include special online-only items, so we encourage all our customers to visit and look at our offerings.

Yofuku-no-Aoyama Premium



<http://www.y-aoyama.jp/onlineshop/index.html>

Recommended item



Highest quality in the Yofuku-no-Aoyama's history



THE SUIT COMPANY ONLINE SHOP



<http://www.uktsc.com/e-shop/index.html>

Recommended item



Slim lines for the 20-something age group

