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**Yofuku-no-Aoyama**

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## ■ Business Report for Fiscal 2006

(From April 1, 2005, to March 31, 2006)

Menswear Sales Business

Credit Card Business

Commerical Printing Business

Sundry Sales Business

Aoyama Trading Co., Ltd.

Aoyama sets new sales record for 5th consecutive year

I would like to thank you, our shareholders, for your steadfast support to Aoyama Trading Group. In the year under review, the first full year since I became president, the Group achieved its target of consolidated net sales of ¥200 billion with a comfortable margin. This achievement reflects the strength we draw from our shareholders and I am grateful to all of you. The employees of Aoyama Trading are determined to combine their energy and talent in an uncompromising drive to ensure the Company fulfills your expectations.



Osamu Aoyama  
President and CEO

Consolidated sales break ¥200 billion, operating income increases too.

In the year under review, Aoyama Trading Co., Ltd. (the “Company”) achieved higher revenue for the fifth consecutive year, reporting consolidated net sales of ¥202,720 million, an increase of 3.4% year on year. Operating income rose 8.2% to ¥21,795 million.

Business conditions in menswear retailing left little room for optimism as competition intensified among various business formats despite a recovery

in sales of winter clothing due to the arrival of a record cold wave. In this business environment, Aoyama Trading Group implemented various measures aimed at reinforcing profitability and competitiveness, such as expansion of the store network in the mainstay menswear retail business and enhancement of the women’s merchandise line. At the same time, we worked to put in place infrastructure for Group management and to increase profitability.

Pursuing greater market share

Since the beginning of this year, we have engaged in several strategic initiatives that are expected to have an important bearing on the Company’s future growth and prosperity. One is the loyalty points program tie-up with Culture Convenience Club Co., Ltd. (CCC). CCC’s T-Point program has some 18 million members, primarily young people. We intend to expand our base of youthful customers by exploiting the attractiveness of CCC’s T-Point program to the full. Also, Yofuku-no-Aoyama has begun offering a full line of women’s business suits for job seekers and formal wear, which as a marketing initiative has got off to a favorable start. In the coming years, we will reinforce these strategies and work to boost profitability.

Human resource system designed to reward achievement

In retailing, a store manager-led industry in which the power of people working on the front lines of the business has a big impact on business performance, it is essential to motivate employees as much as possible. For this reason, last year we revamped the human resource system, adding two new posts in the organizational structure between the posts of store manager and block manager to motivate all store managers. The new posts are senior store manager and executive store manager, and employees who advance to the new posts receive higher compensation.

Reflecting our policy of encouraging female employees to realize their full potential, three women were appointed to store managers (one at Yofuku-no-Aoyama, one at Aoyama Suit Kobo,

and one at The Suit Company) in the year under review. Through these initiatives, I aim to ensure recognition throughout Aoyama Trading Group that people who achieve results will be rewarded.

Targeting non-consolidated sales of ¥200 billion

In menswear retailing, competition among the four leading companies is intensifying. Demographic change, notably the combination of an aging society and a declining birthrate as well as the retirement in 2007 of the first of the baby boomer generation, is a pressing problem. In response, we aim to reinforce our sales capabilities and establish a more robust corporate structure. Aoyama Trading Group’s policy is to move ahead with its new store opening and store relocation program in the mainstay Yofuku-no-Aoyama operation while developing a second mainstay business by expanding other operations, including The Suit Company store format for young people, the Universal Language and The Suit Company’s Weekend store formats.

We are determined to achieve our target of non-consolidated net sales of ¥200 billion, a milestone we passed on a consolidated basis in the year under review. In all these endeavors, I will greatly appreciate your support and encouragement.



Yofukuno-no-Aoyama Iwata Store opened in April 2006

Financial Highlights

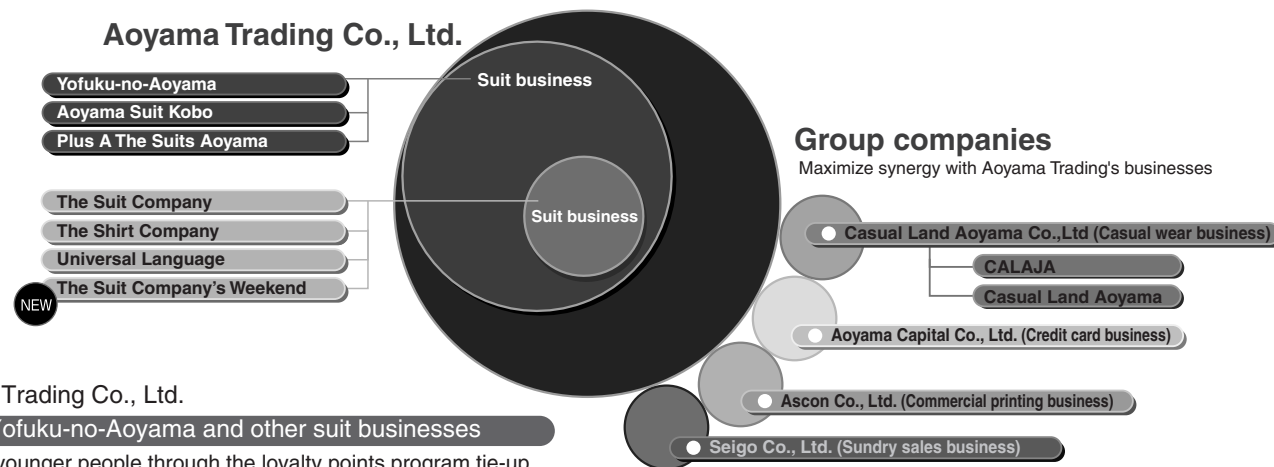
Aoyama Trading Co., Ltd. and its subsidiaries

(as of March 31)

	2002	2003	2004	2005	2006
Net sales (millions of yen)	161,353	176,075	186,400	195,968	202,720
Operating income (millions of yen)	7,615	12,784	16,570	20,142	21,795
Net income (millions of yen)	3,721	6,392	8,317	4,650	13,328
Net income per share (yen)	56.34	94.81	123.76	67.87	199.81
Dividend per share (yen)	35	35	40	40	45
ROE (%)	1.8	3.1	4.1	2.3	6.3

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

## Maximizing customer satisfaction with an expanded product line-up



### Aoyama Trading Co., Ltd.

#### Yofuku-no-Aoyama and other suit businesses

- Attract younger people through the loyalty points program tie-up with TSUTAYA.
- Cultivate a new market through full-scale launch of women's suits.
- Starting with World Wide Size, aim to establish a new business integrating the Internet and existing stores.
- Increase unit prices by expanding the line-up of upscale suit brands, including the Savile Row private label.
- In order to maintain market share after the retirement of the baby boomer generation, develop new markets by offering lifestyle product choices.
- Expand market share through the ongoing store rollout and refurbishment of existing outlets.
- Increase the effectiveness of CRM activities by attracting more subscribers to the Q-Click Mobile (QCM) mobile phone information service and building up the customer database; use these CRM activities to strengthen sales strategies in all segments.
- Promote IT at production and distribution operations to cut costs and accelerate business processes.

#### The Suit Company suit business

- Boost overall earnings by increasing same-store sales, opening new stores in optimum locations, strengthening the line-up of womenswear and reducing costs. Also, fortify strategies for stores located in the regions.

#### Universal Language suit business

- Ramp up operations for the stores that offer a select line-up of apparel and accessories targeting consumers with discerning taste in fashion.

#### The Suit Company's Weekend suit business

- Attract families of the sons and daughters of baby boomers by focusing on opening stores at suburban shopping centers.

### Group companies

#### Casual wear business (Casual Land Aoyama Co., Ltd.)

- Strengthen profitability and competitiveness through a faster and more flexible decision-making process by spinning off the operation into a separate company.
- Establish a solid earnings structure by beefing up procurement capabilities to boost price competitiveness, at the same time, focusing on procuring hit products in order to prop up the gross margin.
- Intensify the line-up of women's apparel and accessories.

#### Credit card business (Aoyama Capital Co., Ltd.)

- Support the CRM activities of Aoyama Trading Co., Ltd.
- Increase the number of cardholders.
- Develop the "Language Channel" online language learning service into a second major source of revenues.

#### Commercial printing business (Ascon Co., Ltd.)

- Actively attract new customers, such as operators of drug store chains and home center chains, and increase orders from companies outside Aoyama Trading Group.

#### Sundry sales business (Seigo Co., Ltd.)

- While securing steady earnings, develop the business to complement Aoyama Trading's store network strategy.

## Loyalty Points Program Tie-up with TSUTAYA

The Company and Culture Convenience Club Co., Ltd. (CCC) have entered into a loyalty points program tie-up. In February 2006 the Company began offering loyalty points, enabling customers to collect points in CCC's T-Point loyalty points program at Yofuku-no-Aoyama stores and other stores we operate. CCC's TSUTAYA chain of audio-visual rental stores has some 18 million program members, primarily young people. We intend to expand our base of young customers through this tie-up.

Customers who present their TSUTAYA member cards when purchasing at Aoyama Trading Group stores collect "T points" that can be used at TSUTAYA and other participating stores such as a major chain of convenience store. Aoyama Trading is the first company in the menswear industry to participate in the T-Point program and our agreement with CCC specifies the industry exclusivity. Also, we will continue our previous loyalty points program.

## Revision of the Human Resource System and Creation of New Posts

We have revised our human resource system and created two new posts, namely, senior store manager and executive store manager, in the organizational structure between the existing posts of store manager and block manager. The new posts, which entail higher compensation, were established to increase employee's motivation. Under the previous system, recognition for effort and performance wasn't readily apparent as the post immediately above store manager, to which employees as young as their mid-twenties are appointed, was block manager who controls 15 to 20 stores.

Within the Marketing and Sales Division, we have established the Human Resources Development Department responsible for employee education.

## Launch of World Wide Size Website for King, Tall, and Small Sizes

In April 2006 the Company launched World Wide Size (<http://wws.aoyama-syouji.co.jp/>), a web-based reservation service for suits in king, tall, and small sizes, such merchandise not extensively stocked at stores. This is a new service format that differs from conventional Internet shopping. The customer visits the website to make an appointment for a trial fitting at a store and purchases the merchandise after trying it on.

The World Wide Size website features a wide choice of merchandise for customers ranging from 150 cm to 195 cm in height and with waist sizes from 66 cm to 130 cm. A total of 200 items in 8 categories are offered, including suits, dress shirts, slacks, and shoes. The trial fitting service, which entails no charge for internet service, reservation or cancellation is available at a total of 692 Yofuku-no-Aoyama, Aoyama Suit Kobo and Plus A The Suit Aoyama stores nationwide (as of May 30, 2006). An English-language website is available for non-Japanese customers.





Full-Scale Offering of Women's Suits



Aya Matsuura, the face of Yofuku-no-Aoyama suits

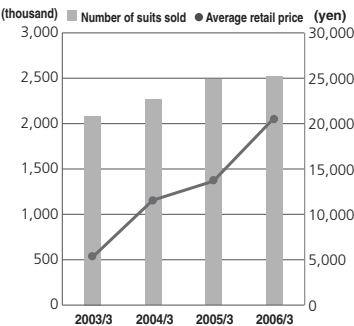
During the year under review, the Company extended its merchandise line-up. We expanded availability of women's business suits for job seekers, which previously were offered only at certain stores. In another development, we enhanced the suit line-up, for example, by adding suits made of Moxon premium-grade English fabric to the premium Savile Row brand.

Rollout of women's suits to all stores

Although many of our The Suit Company (TSC) stores offer the She brand of women's products, now Yofuku-no-Aoyama has also expanded its offering of women's business suits for job seekers to all its stores nationwide and begun selling women's formal wear at certain stores. Sales at stores that began offering women's suits on a full-scale basis developed favorably during the peak selling season in February and March.

In the mainstay menswear business, we introduced Savile Row suits made of Moxon premium-grade English fabric. Although these suits are the highest-priced merchandise among the Company's product lines, these aspirational items with superb comfort and scarcity value have gained a strong following. We also introduced the Paris brand targeting the baby boomer generation. We aim to make this line, which features jackets and slacks as well as suits, a core brand for these customers.

Number of suits sold and average retail price



Paris  
Brand targeting the baby boomer generation



Savile Row  
Suits made of Moxon premium-grade English fabric

Sales by Product Group	(Millions of yen, %)							
	Year ended March 31, 2003		Year ended March 31, 2004		Year ended March 31, 2005		Year ended March 31, 2006	
Suits and three-piece suits	53,153	36.1	55,617	36.5	60,908	37.9	63,362	37.9
Jackets	7,550	5.1	7,547	5.0	7,347	4.6	6,941	4.2
Slacks	8,717	5.9	8,722	5.7	8,679	5.4	8,404	5.0
Coats	2,367	1.6	4,041	2.7	4,403	2.7	5,121	3.1
Formal wear	20,048	13.6	18,793	12.3	19,932	12.4	20,433	12.2
Dry goods and others	40,236	27.3	44,838	29.5	47,697	29.7	52,286	31.3
CALAJA	15,253	10.4	12,563	8.3	11,718	7.3	10,581	6.3
Total	147,327	100.0	152,124	100.0	160,688	100.0	167,133	100

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

New TSC Store Format, Advance into Suburban Shopping Centers

To cultivate new customer segments, the Company recently launched a new store format, The Suit Company's Weekend. This innovative shopping experience conceived for suburban shopping centers is being deployed primarily in second-tier cities. The Company will augment casual wear lines with the aim of acquiring customers among the families of the sons and daughters of baby boomers. As of April 2006, two stores were operating at shopping centers in Saitama and Gifu prefectures.

While The Suit Company merchandise will comprise most of the product lines at these stores, we will also introduce special casual wear such like knitwear and underwear at reasonable price. Although store development has previously focused on roadside Yofuku-no-Aoyama stores and central city TSC stores, we aim to cultivate a new customer segment by opening stores in shopping centers, which are magnets for customers.



The Suit Company's Weekend MALera Gifu Store opened in April 2006

Encouraging women to excel & attracting customers through a business tie-up

During the year under review, the Company promoted women to store manager positions. Also, in a first-ever experiment we deployed all-women staff, including store managers, at the Yofuku-no-Aoyama Itami Store and the Aoyama Suit Kobo Sapporo Miyanosawa Store. Attention to detail at these stores, such as show window arrangements allowing passersby to view the in-store displays, has won high praise. During the past three years, the Company has systematically increased the hiring of women and will continue to cultivate a working environment in which women can excel.

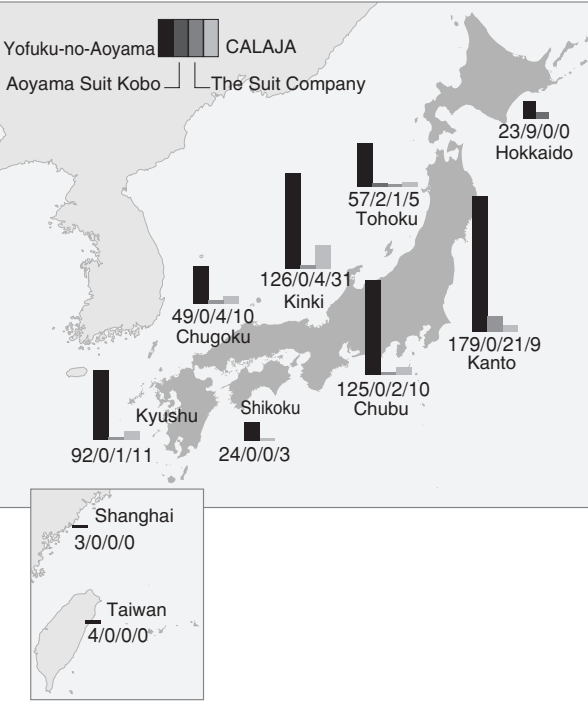
The Company has also entered into a loyalty points program tie-up with Culture Convenience Club Co., Ltd. We expect this new initiative to attract young people, since they account for the majority of customers at TSUTAYA stores.

In addition to these measures, we will work to further increase market share by moving forward with our program of new store openings and by relocating some existing stores.

Number of Stores	(Number of stores)			
	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006
Yofuku-no-Aoyama	583	609	644	675
Aoyama Suit Kobo	31	26	22	11
The Suit Company	19	24	29	33
CALAJA	88	85	78	79
Total	721	744	773	798

Notes:  
1. Plus A The Suit Aoyama (one store in Okayama prefecture as of March 31, 2006) is included in Yofuku-no-Aoyama.  
2. The Shirt Company (two stores in Tokyo and one store in Saitama prefecture as of March 31, 2006) and Universal Language (two stores in Tokyo, one store in Kanagawa prefecture and one store in Osaka) are included in The Suit Company.  
3. 11 stores of Aoyama Suit Kobo were converted to Yofuku-no-Aoyama stores.  
4. The CALAJA business was transferred to Casual Land Aoyama Co., Ltd., a new company established on October 1, 2005.  
5. The CALAJA business consists of 41 Casual Land Aoyama stores and 38 CALAJA stores.

Number of Stores by Geographical Area (as of March 31, 2006)



The Company operates a number of store formats: the suit business comprises the mainstay Yofuku-no-Aoyama operation, The Suit Company, and Universal Language, and the CALAJA business includes CALAJA and Casual Land Aoyama. In the year under review, we actively engaged in new store opening and store relocation, enhancement of the women's merchandise lines, and an initiative to attract young customers through a tie-up with Culture Convenience Club Co., Ltd. As a result, menswear retail sales rose 4.0% year on year to ¥167,133 million, and operating income increased 11.3% to ¥17,912 million.

Suit Business

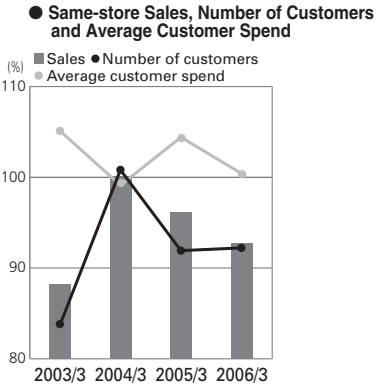
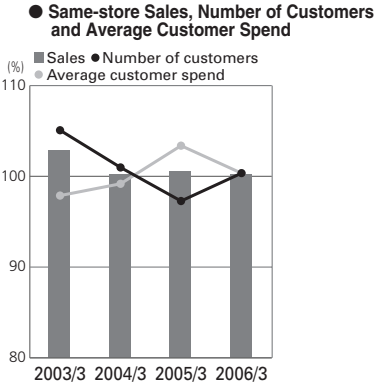
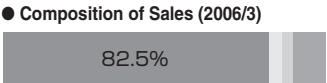
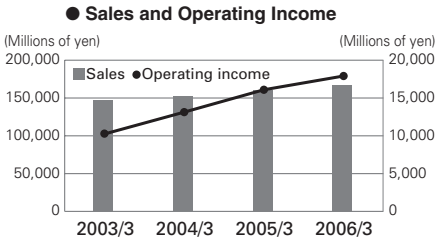
Sales in this segment rose 5.1% year on year to ¥156,539 million. The Company implemented an active store opening and relocation program for the mainstay Yofuku-no-Aoyama format during the year under review, opening 25 new stores, relocating 21 stores, and closing 5 inefficient stores. With regard to marketing, we engaged in price-driven sales promotions, including continuation of a successful campaign launched in the previous year enabling customers purchasing a suit to purchase a second suit for ¥1,000. In initiatives implemented during the peak sales period coinciding with the job hunting season, we began offering women's suits on a full-scale basis to attract a new customer segment. In February 2006 we entered into a loyalty points program tie-up with Culture Convenience Club Co., Ltd. focusing on young people.

We steadily increased the number of The Suit Company (TSC) stores, opening three new stores and closing one store during the year under review. The establishment of the TSC brand, the effect of the government's "Cool Biz" campaign encouraging business people to wear lighter, more casual clothes during the hot summer in order to reduce energy consumption in office buildings, as well as other factors, contributed to solid business results. We also opened three stores in the new Universal Language format for urban areas.

As a result of these developments, same-store sales in the suit business increased 0.2% year on year, marking the fourth consecutive year of higher sales. Sales volume grew 1.3% to 2.52 million suits.

CALAJA Business

Sales in this segment decreased 9.6% year on year to ¥10,593 million. This business was relaunched on October 1, 2005, as Casual Land Aoyama Co., Ltd., a wholly owned subsidiary of the Company. Although we struggled with this business owing to shrinkage of the customer base due to a disproportionate emphasis on trendy products at the time of the relaunch, we subsequently reverted to the concept of family casual fashion focused on customers in their 30s and are working to put this business on a sound footing. During the year under review, we opened three new stores, relocated one store, and closed two inefficient stores.



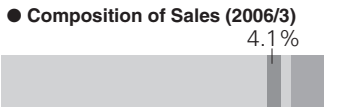
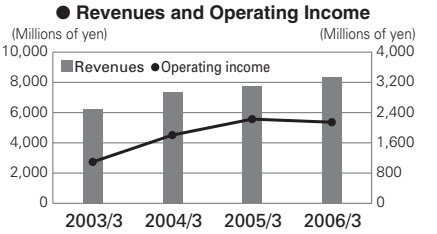
Note: The year-on-year change for fiscal 2006 was calculated, including the result after the spin-off.

Credit Card Business

Consolidated subsidiary Aoyama Capital Co., Ltd. is engaged in the credit card business. The primary purpose of this operation is to support effective sales promotions in the menswear retail business. In the year under review, revenues increased 7.8% year on year to ¥8,339 million, and operating income decreased 3.6% to ¥2,147 million. As a result of a concerted effort to recruit Aoyama Card members and to provide financial services attuned to customers' everyday needs, the number of Aoyama Card members reached 3.04 million at the end of February 2006.

We will continue to position the Language Channel online language learning service as a new growth platform and work to establish this business.

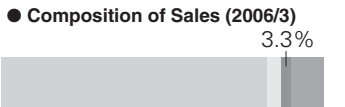
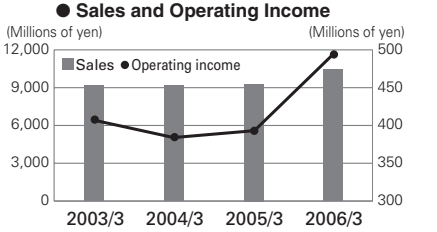
Aoyama Capital raises funds by means of loans from parent company Aoyama Trading Co., Ltd. and the issue of bonds.



Commercial Printing Business

Consolidated subsidiary Ascom Co., Ltd. is in the printing business. It prints Aoyama Trading Group's direct mail, flyers, and other sales promotion tools and also actively sells its services to customers outside the Group. In the year under review, sales increased 12.3% year on year to ¥10,437 million and operating income increased 25.5% to ¥494 million. Competition intensified in the printing and advertising industry despite higher demand for advertising inserts for the third consecutive year as companies in the retail industry, Ascom's principal customers, continued to review costs.

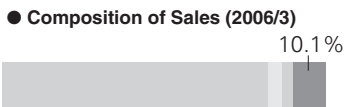
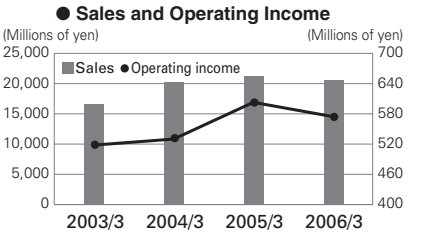
In these circumstances, Ascom sought to expand its business base and increase profits by implementing priority measures, including the gaining of the Privacy Mark certifying proper handling of personal information and the assurance of information security in order to deepen relationships with existing customers and cultivate new customers, focusing on high-margin business, and the rigorous reduction of fixed costs and expenses.



Sundry Sales Business

Consolidated subsidiary Seigo Co., Ltd. operates Daiso & Aoyama 100 Yen Plaza shops, utilizing former store premises of Yofuku-no-Aoyama and opening stores with the same premises as Yofuku-no-Aoyama to achieve synergy. Segment sales decreased 3.6% year on year to ¥20,549 million and operating income was 5.3% lower at ¥571 million. The sundry products retail segment is experiencing an unprecedented increase in competition due to such factors as vigorous opening of new stores by several retail groups, the opening of stores focusing on fresh foods, and the entry of new players that have traditionally operated in different business formats.

During the year under review Seigo opened 18 new stores and closed 11 stores, bringing the total number of stores to 134 at the end of February 2006 (compared to 127 at the previous year-end). Future plans call for opening new stores, mainly by leasing properties from parent Aoyama Trading Co., Ltd., and steadily expanding the business base while, at the same time, improving profitability.



## Business Results

### ●Net Sales

Consolidated net sales in the year under review increased ¥6,445 million or 3.4% year on year to ¥202,720 million, the fifth consecutive year of increased sales. The increase in sales was attributable to vigorous opening of new stores and relocating or rebuilding of existing stores to enhance competitiveness, mainly in the menswear retail operation, and merchandising focused on products and services that deliver excellent value unavailable elsewhere.

### ●Operating Income & Expenses

Consolidated gross profit rose 4.8% year on year to ¥111,130 million. The increase was principally attributable to an improvement of 0.8 percentage points in the gross margin owing to efforts to push sales higher in the menswear retail business. Operating income increased ¥1,652 million or 8.2% to ¥21,795 million, mainly due a strong contribution from the suit business. An increase in selling, general and administrative expenses in line with expansion of the store network and other factors was absorbed by the sales increase and higher gross profit due to the improvement in the gross margin.

### ●Other Gains and Losses

The principal non-operating item was the reporting of ¥6,719 million in valuation gains on derivative transactions in line with the introduction in the previous term of market value accounting for comprehensive long-term forward foreign exchange contracts (coupon swap contracts). Consolidated ordinary income increased 41.6% year on year to ¥29,314 million mainly owing to a ¥136 million decrease in interest paid to ¥93 million. Accordingly, both operating income and ordinary income increased for the fifth consecutive year.

Regarding extraordinary gains and losses, in the year under review the Company applied the accounting standard for impairment of fixed assets to the menswear retail business and sundry retail business, reporting an impairment loss of

¥3,886 million. The Company also reported extraordinary losses for amortization of past service cost for retirement benefits for directors and corporate officers (completed during the year under review) and a loss on disposal and sale of fixed assets in line with the closing, relocation, and rebuilding of stores.

As a result, net income increased ¥8,678 million or 186.6% year on year to ¥13,328 million.

### Consolidated Statements of Income (Summary)

	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2006
Net Sales	195,968	202,720
Cost of Sales	89,961	91,590
Gross Profit	106,007	111,130
Selling, General and Administrative Expenses	85,865	89,335
Operating Income	20,142	21,795
Non-operating Income	877	7,743
Interest and dividend income	285	276
Valuation gains on derivative transactions	—	6,719
Other	592	746
Non-operating Expenses	323	223
Interest expenses	230	93
Other	93	128
Ordinary Income	20,696	29,314
Extraordinary Gains	140	24
Extraordinary Losses	11,879	6,180
Loss on disposal and sale of fixed assets	1,421	1,365
Impairment loss	—	3,886
Amortization of past service cost for retirement benefits to directors and corporate auditors	972	874
Loss on revaluation of investment to affiliated company	204	—
Valuation losses on derivative transactions	9,234	—
Other	44	54
Income before Income Taxes	8,957	23,158
Income Taxes-Current	8,710	9,052
Income Taxes-Deferred	△ 4,664	580
Minority Interests	261	196
Net Income	4,650	13,328

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

### Consolidated Balance Sheets (Summary)

Assets	(Millions of yen)	
	March 31, 2005	March 31, 2006
Current Assets	145,657	165,971
Cash and cash equivalents	24,371	28,648
Trade notes and accounts receivable	8,706	9,320
Marketable securities	14,097	21,796
Inventories	37,098	38,664
Loans receivable	49,410	55,691
Other	12,571	12,351
Allowance for doubtful receivables	△ 598	△ 502
Fixed Assets	148,266	150,445
Property, Plant and Equipment	83,476	86,389
Buildings and structures	50,812	52,872
Land	25,948	27,263
Other	6,713	6,252
Intangible Fixed Assets	1,184	1,301
Investments and Other Assets	63,605	62,754
Investment securities	8,492	9,909
Long-term loans	1,077	8,272
Deferred tax assets	7,616	5,068
Guarantee deposits and lease deposits	43,850	35,320
Refundable insurance premium for directors, corporate auditors and employees	187	1,691
Other	2,425	2,553
Allowance for doubtful receivables	△ 43	△ 61
Total Assets	293,924	316,416

Liabilities	(Millions of yen)	
	March 31, 2005	March 31, 2006
Current Liabilities	60,366	54,304
Trade notes and accounts payable	17,777	19,442
Short-term bank loans	4,280	4,010
Other accounts payable	18,842	17,653
Other	19,466	13,197
Long-term Liabilities	28,137	44,636
Corporate bonds	10,000	20,000
Long-term debt	10,000	15,415
Other	8,137	9,220
Total Liabilities	88,504	98,940
Minority Interests	1,370	1,472
Shareholders' Equity		
Common Stock	62,504	62,504
Capital Surplus	62,411	62,449
Retained Earnings	102,214	112,557
Land Revaluation Difference	△ 19,486	△ 19,314
Net Unrealized Gain on Available-for-sale Securities	71	1,179
Treasury Stock	△ 3,665	△ 3,374
Total Shareholders' Equity	204,049	216,003
Total Liabilities, Minority Interests and Shareholders' Equity	293,924	316,416

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



The Suit Company Odaiba Palette Town Store opened in November 2005





Balance Sheets (Summary)

Assets		(Millions of yen)	Liabilities		(Millions of yen)
	March 31, 2005	March 31, 2006		March 31, 2005	March 31, 2006
Current Assets	125,667	124,292	Current Liabilities	53,718	45,228
Fixed Assets	147,318	151,886	Long-term Liabilities	17,768	18,794
Property, Plant and Equipment	78,418	81,546	Total Liabilities	71,486	64,022
Intangible Fixed Assets	934	1,065	Shareholders' Equity		
Investments and Other Assets	67,965	69,274	Common Stock	62,504	62,504
Total Assets	272,986	276,178	Capital Surplus	62,411	62,449
			Retained Earnings	99,473	108,520
			Land Revaluation Difference	△ 19,295	△ 19,122
			Net Unrealized Gain On Available-for-sale Securities	71	1,178
			Treasury Stock	△ 3,665	△ 3,374
			Total Shareholders' Equity	201,499	212,156
			Total Liabilities and Shareholders' Equity	272,986	276,178

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

Statements of Income (Summary)

	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2006
Net Sales	160,688	161,385
Cost of Sales	70,399	68,718
Gross profit	90,288	92,667
Selling, General and Administrative Expenses	74,240	74,834
Operating income	16,048	17,832
Non-operating Income	1,434	8,288
Non-operating Expenses	235	131
Ordinary income	17,247	25,990
Extraordinary Gains	333	24
Extraordinary Losses	11,633	5,596
Income before Income Taxes	5,946	20,418
Income Taxes-Current	7,298	7,731
Income Taxes-Deferred	△ 4,592	712
Net Income	3,240	11,973
Unappropriated retained earnings brought forward	525	535
Transfer from land revaluation difference	△ 76	△ 172
Unappropriated retained earnings at end of year	3,689	12,336

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

Appropriation Statement

	(Thousands of yen)	
	Year ended March 31, 2005	Year ended March 31, 2006
Unappropriated retained earnings at end of year:	3,689,100	12,336,524
Appropriation:	2,625,422	2,962,236
Dividends	(Common dividend: ¥40 per share)	(Common dividend: ¥40 per share)
Bonuses to directors and corporate auditors	128,390	129,275
(Bonuses to corporate auditors)	(6,110)	(6,875)
General reserve	400,000	8,500,000
Retained earnings carried forward	535,288	745,013
Appropriation of other capital surplus:		
Other capital surplus	87,628	125,886
Other capital surplus carried forward	87,628	125,886

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

Corporate Profile

(as of March 31, 2006)

Company Name:	Aoyama Trading Co., Ltd.
Establishment:	May 6, 1964
Paid-in-Capital:	¥62,504,710,000
Number of Employees:	3,108
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  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
Number of Outlets:	798



Directors and Officers

(as of March 31, 2006)

[Board of Directors]	
Chairman of the Board:	Goro Aoyama
Vice Chairman of the Board:	Hiroaki Miyamae
Vice Chairman of the Board:	Shozo Miyamae
President and CEO:	Osamu Aoyama
Director and Advisor:	Mutsuo Aoyama
Director and Senior Executive Officer:	Makoto Miyatake (General Manager of Planning and Administration Div. and General Manager of Corporate Planning Dept. )
[Board of Auditors]	
Standing Corporate Auditor (full time):	Koshin Endo
Corporate Auditor (full time):	Hideaki Shinhama *
Corporate Auditor:	Seishi Uchibayashi *
Corporate Auditor:	Hiroshi Ohgi * (Note: Marked with * are outside auditors.)
[Executive Officers]	
Senior Executive Officer:	Michinobu Miyagawa (General Manager of Store Development Div.)
Senior 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. and General Manager of Affiliated Businesses 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 Contoller)
Executive Officer:	Fusanori Hatayama (Supervisor of Kanto Area and Manager of Saitama Block)
Executive Officer:	Nobuyuki Matsukawa (General Manager of Marketing and Sales Div.)
Executive Officer:	Michinori Fujii (General Manager of the Marketing and Sales Dept. of TSC)
Executive Officer:	Shinji Okano (General Manager of Purchasing Div. and General Manager of Purchasing Dept. NO. 2)

Stock Information

(as of March 31, 2006)

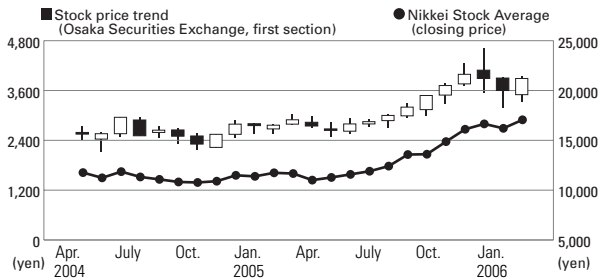
Shares

Total number of shares authorized to be issued	174,641,100
Number of shares outstanding	67,394,016
Number of shareholders	7,574

Distribution of Shareholders

	Number of shareholders	Shareholdings (thousand shares)	Shareholdings (%)
Financial institutions	79	18,654	27.7
Securities companies	33	504	0.7
Other business corporations	260	7,969	11.8
Foreign entities	312	27,679	41.1
Individuals, others	6,890	12,585	18.7

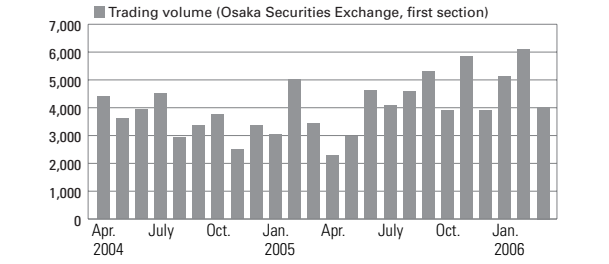
Note: Shareholdings amounting to less than the minimum trading unit have been rounded down.



Major Shareholders

Shareholder	Shareholdings (thousand shares)	Shareholdings (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,546	6.75
Aoyama Bussan, Ltd.	3,380	5.02
Goro Aoyama	3,360	4.99
Japan Trustee Services Bank, Ltd. (Trust account)	3,293	4.89
State Street Bank And Trust Company	1,836	2.72
BNP Paribas Securities (Japan) Ltd.	1,553	2.30
State Street Bank And Trust Company 505019	1,363	2.02
Pictet & Cie (Europe) SA	1,317	1.96
Japan Trustee Services Bank, Ltd. (Trust account 4)	1,252	1.86
Hoshino Shoji Co., Ltd.	1,001	1.49

Notes:  
1. Shareholdings amounting to less than the minimum trading unit have been rounded down.  
2. The Company holds 1,566,000 shares of treasury stock, but the holdings are not included in the above list of major shareholders because these shares are without voting rights.



Shareholder Information

Memo to Shareholders

Business year:	From April 1 to March 31
Ordinary general meeting of shareholders:	June
Record date:	March 31 (other publicly announced days, as necessary). Shareholders recorded in the register of shareholders and beneficial shareholders recorded in the register of beneficial 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.
Dividends:	Dividends shall be paid to the shareholders recorded in the register of shareholders and the beneficial shareholders recorded in the register of beneficial shareholders as of March 31.
Interim dividends:	Interim dividends shall be paid to shareholders recorded in the register of shareholders and the beneficial shareholders recorded in the register of beneficial shareholders as of September 30.
Transfer agent:	Sumitomo Trust & Banking, Co. Ltd. 5-33 Kitahama 4-chome, Chuo-ku, Osaka
Transfer agent branch:	Stock Transfer Agency Department Sumitomo Trust & Banking Co., Ltd. 5-33 Kitahama 4-chome, Chuo-ku, Osaka
(Mailing address and telephone contact)	Stock Transfer Agency Department Sumitomo Trust & Banking Co., Ltd. 1-10 Nikko-cho, Fuchu, Tokyo 183-8701 (Request for an Address Change Form etc.): 0120-175-417 (Other inquiries): 0120-176-417
Agencies:	Sumitomo Trust & Banking Co., Ltd., all branches nationwide.
Media for public notices:	Electronic disclosure or Nihon Keizai Shimbun (newspaper) if electronic disclosure is unavailable.
Listing stock exchanges:	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)



Universal Language Yokohama West Exit Store opened in December 2005

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 March 31 and September 30 every 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 March 31 and September 30 every 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

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

■ Stores where the coupons can be used

Outlets of Yofuku-no-Aoyama, Aoyama Suit Kobo, Plus A The Suit Aoyama, The Suit Company, The Shirt Company, Universal Language, The Suit Company's Weekend, CALAJA and Casual Land Aoyama.

Financial information is available on the Company's website  
(<http://www.aoyama-syoudi.co.jp>)

■ Financial information available on our website:

- (1) Aoyama data
- (2) News releases
- (3) Stock price information
- (4) Information on the preferential coupon for shareholders
- (5) Periodic securities reports
- (6) Monthly information
- (7) Brief announcement of the most recent financial statements following the end of a business year (non-consolidated and consolidated)
- (8) Interviews with management etc.

Contact for Inquiries:	Corporate Planning Division at the Head Office Tel: +81-84-920-0029 Fax: +81-84-921-8129
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