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Business Report for Fiscal 2007

(From April 1, 2006, to March 31, 2007)

Menswear Sales Business

Credit Card Business

Commercial Printing Business

Sundry Sales Business

Aoyama Trading Co., Ltd.

Aoyama Posts Record High Sales and Higher Operating Income for the Sixth Consecutive Year

I would like to thank you, our shareholders, for your steadfast support of Aoyama Trading Group. I am pleased to report that the Group continued to improve its business performance in the year under review, achieving record high sales and higher operating income for the sixth consecutive year. We are determined to ensure that the Company fulfills your expectations in the coming years by continuing to increase revenues, particularly from the menswear retail business, by boldly tackling new challenges.

■ Competitiveness Enhancement Measures Steadily Bear Fruit

In the year under review, Aoyama Trading Co., Ltd. (the “Company”) reported consolidated net sales of ¥213,703 million, an increase of 5.4% year on year, and operating income of ¥22,929 million, an increase of 5.2%. Net income, however, fell by 13.5% to ¥11,524 million as a result of a ¥5,926 million reduction in valuation gains on derivative transactions in connection with comprehensive long-term forward foreign exchange contracts (coupon swap contracts) from ¥6,719 million the previous term to ¥793 million.



Osamu Aoyama
President and CEO

Business conditions in menswear retailing remained subdued as a result of sluggish sales of winter clothing due to the warm weather, concern about the greater burden on household finances as a result of reform of the pension and tax systems, and a more discriminating approach to purchasing. In this business environment, Aoyama Trading Group achieved business results that exceeded the initial plan as a result of the pursuit of market share growth through enhancement of product lines and an active program of new store openings and the relocation and refurbishment of existing stores in the mainstay suit business.

■ Aiming for Further Revenue Growth

Demographic change, notably the combination of an aging society and a declining birthrate coupled with the retirement in 2007 of the first of the baby boomer generation, is expected to result in contraction of the menswear market. In response to this demographic trend, in the year under review we devoted efforts to the cultivation of new customer segments by enhancing our lines of women’s business suits for job seekers and women’s formal wear, merchandise we began offering on a full-scale basis at the end of the previous term, and creating appealing store environments.

In addition, we strove to increase transactions with young customers by taking advantage of the T Card loyalty points program of Culture Convenience Club Co., Ltd., to which we gained access through an alliance formed in February of last year.

With regard to The Suit Company’s Weekend store format, which was launched in April of last year, nine stores were in operation as of March 31, 2007. We intend to aggressively open stores in large suburban shopping centers and strive to attract the core customer segment, married couples who are the children of baby boomers.

We aim to further expand revenue through these initiatives.

■ Five New Objectives Designed to Strengthen Market Presence

In the current term we have established five new business objectives and begun working to achieve them.

The first objective is human resources development. We aim to upgrade human resources by conducting employee education programs adapted to various employee circumstances by means of e-learning and training for people in specific positions.

The second objective is to reinforce sales strategies beyond the capabilities of competitors through a potent combination of a powerful Internet presence and our nationwide store network. Last winter our Internet store added women’s merchandise to its World Wide Size trial fitting service for king, tall, and small sizes not extensively stocked at stores. In February of this year we established the Web Strategy Promotion Department in line with a policy of further strengthening our Internet strategy.

The third objective is to improve the accuracy of customer analysis. We will reinforce our customer data analysis capabilities to realize more efficient customer approaches.

The fourth objective is to strengthen our women’s merchandise lines by enhancing the merchandise mix in the women’s lines we began offering on a full-scale basis at the end of last year.

The fifth and final objective is the development of new store formats. In April of this year we launched the new Plus A The Suit Aoyama format targeting married couples who are the children of baby boomers, opening stores primarily at suburban shopping centers. These stores specialize in men’s and women’s suits and other business wear under the concept “The shop that supports the business scene.”

By achieving these objectives, we intend to further increase our profile in an industry where competition is intensifying. I request your further understanding and support for our endeavors.

Financial Highlights

Aoyama Trading Co., Ltd. and its subsidiaries

(as of March 31)

	2003	2004	2005	2006	2007
Net sales (millions of yen)	176,075	186,400	195,968	202,720	213,703
Operating income (millions of yen)	12,784	16,570	20,142	21,795	22,929
Net income (millions of yen)	6,392	8,317	4,650	13,328	11,524
Net income per share (yen)	94.81	123.76	67.87	199.81	175.37
Dividend per share (yen)	35	40	40	45	50
ROE (%)	3.1	4.1	2.3	6.3	5.3

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

Opening New Markets through New Store Format Development

Ahead of the retirement en masse of baby boomers beginning in 2007, competition in the menswear retailing industry is increasing in intensity. In this business environment, the Company is focusing effort on opening up new markets to achieve further growth.

■ Cultivating New Demand at Suburban Shopping Centers

For Aoyama Trading Group, new store format development is the key to the cultivation of new markets. This April we launched Plus A The Suit Aoyama, a new format for stores located primarily at suburban shopping centers aimed mainly at married couples who are the children of baby boomers. These stores specialize in business wear, a merchandise category that comparatively few stores

in shopping centers carry, stocking men’s and women’s suits and related items. Two stores were in operation as of April 30.

The Suit Company Niigata LoveLaBandai Store, which opened in March of this year, has separate entrances for its menswear and womenswear sections so that customers can enjoy shopping in an environment designed to appeal to the preferences of their sex.



The Plus A The Suit Aoyama LOC CITY Mito-Minami Store (opened April 2007)

The Suit Company Niigata LoveLaBandai Store (opened March 2007)

■ Store Formats Adapted to the Needs of Target Customers

In a development concerning The Suit Company format, by the end of March 2007 the number of The Suit Company’s Weekend stores had increased to nine. These stores are located in large suburban shopping centers and target mainly married couples who are the children of baby boomers.

Six Universal Language stores were in operation



The Yofuku-no-Aoyama Across Plaza Kokura Store (opened March 2007)



The Universal Language Sapporo Stellar Place Store (opened March 2007)

as of March 31, 2007. The Company is now endeavoring to ensure the profitability of this store format, which is focused on offering a select line of merchandise for people with discerning taste in fashion.

The Company will continue to boldly implement new ideas unconstrained by past experience in order to respond to customers’ increasingly sophisticated requirements for products and services.



The CALAJA Foleo Town Tsutsui Store (opened October 2006)



The Suit Company's Weekend Keyaki Walk Maebashi Store (opened March 2007)

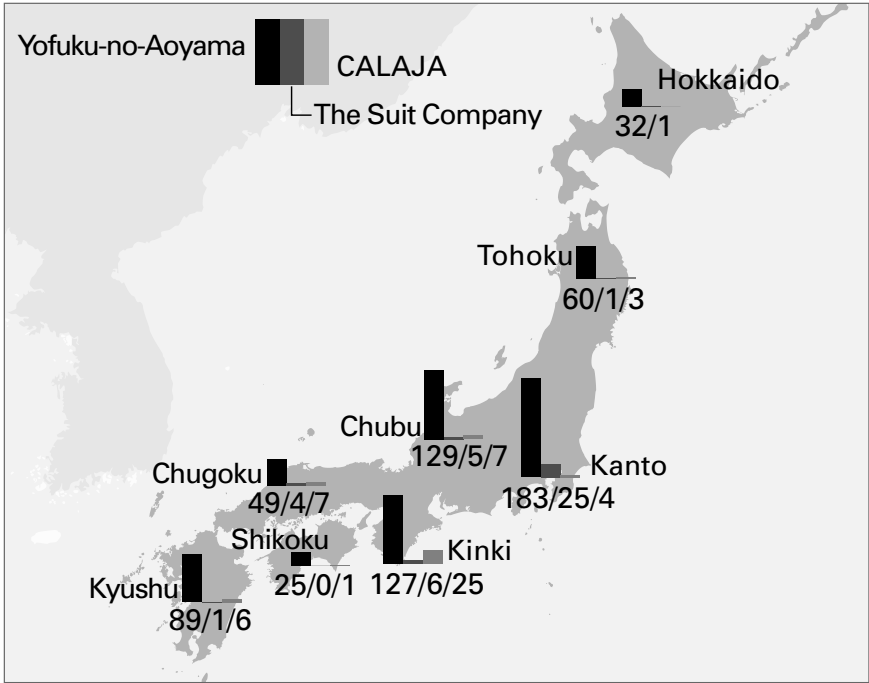
Menswear Retail Operation Store Network

Number of Stores

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2007		
			Store openings	Store relocations	Store closings
Yofuku-no-Aoyama	675	694	15	21	7
Aoyama Suit Kobo	11	—	—	1	—
The Suit Company	33	43	13	—	3
CALAJA	79	53	2	1	28
Total	798	790	30	23	38

Notes:
1. On September 30, 2006, 11 Aoyama Suit Kobo stores (9 stores in Hokkaido, 2 stores in Fukushima) were converted to Yofuku-no-Aoyama stores. The conversion marked the discontinuation of the Aoyama Suit Kobo format.
2. The Suit Company store closings were closings of The Shirt Company stores, which marked the discontinuation of the The Shirt Company format.
3. Universal Language stores (6 stores as of March 31, 2007: 1 store in Hokkaido, 2 stores in Tokyo, 2 stores in Kanagawa, 1 store in Osaka) are included in The Suit Company.
4. The Suit Company's Weekend stores (9 stores as of March 31, 2007: 1 store in Ibaraki, 1 store in Gunma, 2 stores in Saitama, 1 store in Chiba, 1 store in Kanagawa, 1 store in Gifu, 1 store in Aichi, 1 store in Mie) are included in The Suit Company.
5. The CALAJA business was transferred to Casual Land Aoyama Co., Ltd., a new company established on October 1, 2005.

Number of Stores by Geographical Area (as of March 31, 2007)



Provision of E-Learning Instruction for All Sales Personnel

In November 2006 the Company began training for about 5,000 sales personnel (including part-time employees) working at its stores by means of e-learning. We have prepared an e-learning program that enables employees to access from their home computers a dedicated website containing a total of 6,000 questions arranged in question sets prepared for each job classification. The questions cover basic knowledge of clothing and customer service methods as well as product knowledge specific to Yofuku-no-Aoyama, The Suit Company, and the other store formats. Employees can use a glossary and a dictionary function to look up things they don't understand and make inquiries to the departments in charge by e-mail or telephone. To promote active and continuous participation, we conduct skills improvement tests and preparation tests for sales specialist qualification examination. By combining e-learning with periodically conducted conventional training, we intend to improve the customer service skills and product knowledge of all sales personnel.

Women's Merchandise Added to the World Wide Size Website

The Company has added women's merchandise to the World Wide Size website-based trial fitting service for king, tall, and small sizes not extensively stocked at stores (<http://www.aoyama-syouji.co.jp/>). Using this service, customers can select combinations of three types of jackets and slacks, or skirts available in black or gray in sizes 1 to 3 and 19 to 29. Blouses and pumps are also offered. Customers who make reservations at the above website five days or more in advance can try on clothes at their preferred stores free of charge with no obligation to purchase.



The World Wide Size Womenswear Page

New Products Open Up New Markets

The number of suits sold during the year under review increased by 5.4% from the previous term to 2,656,000, setting a new record for the sixth consecutive year. Sales of women’s merchandise, which we began offering on a full-scale basis at the end of the previous term, developed favorably, and we are now augmenting our women’s lines to open new markets.

■ Bolstering Women’s Merchandise Lines

The Company enhanced its women’s merchandise lines, offering a wide selection of blouses and accessories in addition to business suits for career women and first-time job seekers. In May of this year we began offering women’s formal wear at all stores in addition to suits. Sales of suits to university students seeking jobs were especially strong during the term owing to active recruitment of new graduates by companies.

In April of this year we launched the Plus A The Suit Aoyama store format, which includes a high 30% proportion of women’s merchandise in its merchandise mix. We are also implementing merchandising policies designed to attract women customers at The Suit Company, Universal Language, and The Suit Company’s Weekend stores. We will continue to create store environments and bolster our product lines to increase sales of women’s merchandise.



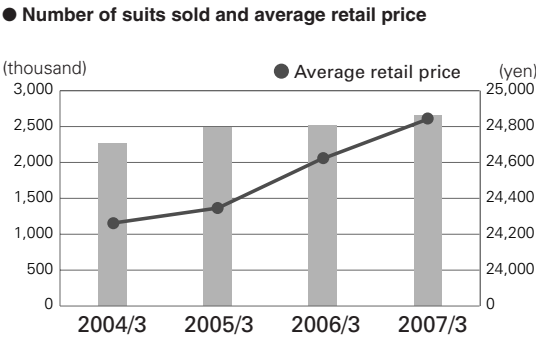
The Yofuku-no-Aoyama Himeji Tohori Store's womenswear corner



The Plus A The Suit Aoyama LOC CITY Mito-Minami Store's womenswear corner



Aya Matsuura, the face of Yofuku-no-Aoyama



■ Premium-Grade Savile Row Moxon Suits Are a Hit

In men’s merchandise, sales of the Company’s Savile Row brand premium-grade suits exceeded expectations. Notably, suits made of rare Moxon English fabric enjoyed tremendous popularity owing to their scarcity value and meticulously detailed workmanship.

Moxon is a long-established textile manufacturer and purveyor to the royal family of the United Kingdom. Moxon fabrics, which require nearly three times as long to weave as ordinary fabrics, have high scarcity value, and suits made of these fabrics have been highly favored by discerning mature customers for their combination of functional beauty and comfort resulting from hand-tailoring based on ergonomic principles.

For the 2007 summer selling season, we have developed Savile Row cool suits made using material from Dormeuil, France’s premium textile manufacturer. We will continue to create distinctive products that meet the diversifying needs of our customers.



A Savile Row suit made using scarce, highly prized Moxon fabric from England

The Launch of Su-Su Suits, the Industry’s First High-Ventilation Suits

The Company has launched at all Yofuku-no-Aoyama stores Su-Su Suits, a new line of cool suits for summer wear. The industry’s first high-ventilation suits lower sensory temperature by about four degrees Celsius compared to conventional summer suits (in results of heat shielding tests conducted using the reflector lamp method on material manufactured by The Japan Wool Textile Co., Ltd.).

This fabric, made by processing wool and a fiber with ceramic content using a special manufacturing method, has a great deal of empty space between threads. This results in the passage of 180 cubic centimeters of air per square centimeter of fabric per second, a substantial improvement over the 100 cubic centimeters that is ordinarily considered indicative of a cool fabric. Furthermore, in addition to the enhanced air permeability, the inclusion of the fiber containing ceramic increases the heat shielding properties of the fabric and the perceived coolness of the suits.



Menswear Retail Business

Sales from the menswear retail business in the year under review rose 6.2% year on year to ¥177,437 million, the sixth consecutive year of increased sales. Operating income rose 7.5% to ¥19,257 million.

Suit Business

Sales in this segment rose 7.0% year on year to ¥167,573 million. The Company sought to expand market share for the Yofuku-no-Aoyama format through such means as opening 15 new stores and relocating 22 stores and enhanced the women's suits line with the aim of attracting new customer segments.

We expanded the store networks of the The Suit Company and Universal Language store formats and opened 9 new stores in the The Suit Company's Weekend store format.

CALAJA Business

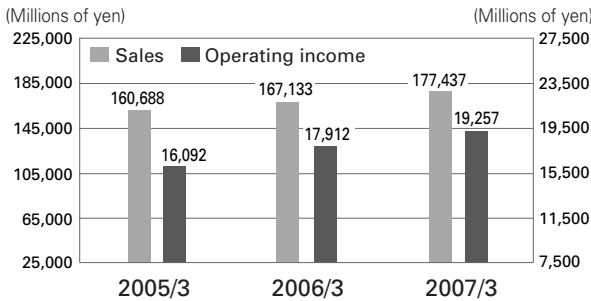
Sales in this segment decreased 6.9% year on year to ¥9,864 million. The Company implemented a store concept focused on family casual fashion for customers in their 30s, offering high-quality merchandise at affordable prices. We opened 2 new stores, relocated 1 store, and closed 28 inefficient stores during the year under review.

Credit Card Business

Revenues from the credit card business in the year under review increased 10.9% year on year to ¥9,246 million, while operating income decreased 2.2% to ¥2,100 million. The number of Aoyama Card members reached 3.29 million at the end of February 2007, and the balance of loans receivable grew to ¥62,333 million. The Company obtained Privacy Mark certification by means of rigorous legal compliance and the strengthening of internal control systems.



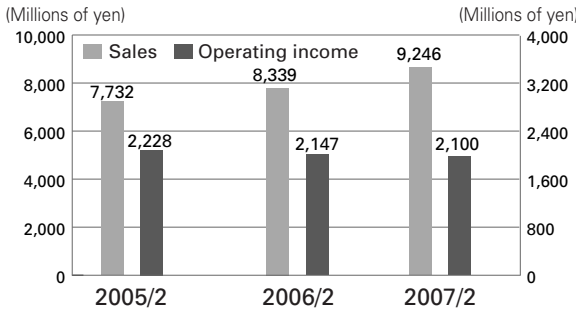
● Sales and Operating Income



● Composition of Sales (2007/3)



● Sales and Operating Income



● Composition of Sales (2007/3)

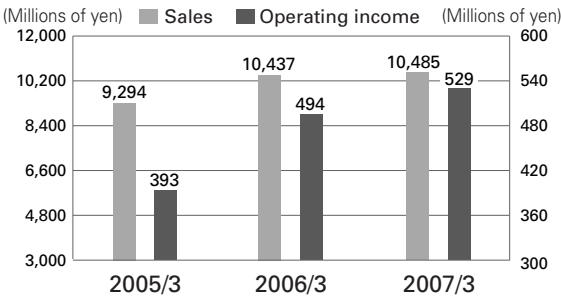


Commercial Printing Business

Sales from the commercial printing business in the year under review increased 0.5% year on year to ¥10,485 million, and operating income increased 7.1% to ¥529 million. Although the business environment remained adverse owing to such factors as a decline in unit prices brought about by intensifying competition, Ascon sought to expand its business base and increase profits by implementing priority measures, including the assurance of information security, cultivation of relationships with existing customers, reinforcement of activities to win new customers, and profit-oriented order taking.



● Sales and Operating Income



● Composition of Sales (2007/3)

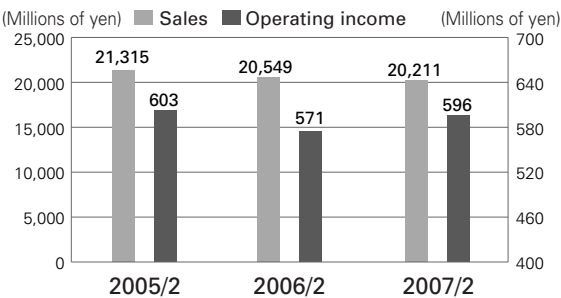


Sundry Sales Business

Sales from the sundry sales business in the year under review decreased 1.6% year on year to ¥20,211 million, while operating income increased 4.3% to ¥596 million. 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. During the term 20 new stores were opened and 12 stores were closed, bringing the total number of stores to 142 at the end of February 2007.



● Sales and Operating Income



● Composition of Sales (2007/3)



Business Results

●Net Sales

Consolidated net sales in the year under review increased ¥10,983 million from the previous term, the sixth consecutive year of increased sales. The sales increase was mainly attributable to a ¥10,304 million year-on-year increase in revenue from the menswear retail operation.

●Non-operating Income

The decrease in non-operating income was mainly attributable to a reduction of ¥5,926 million in valuation gains on derivative transactions in connection with comprehensive long-term forward foreign exchange contracts (coupon swap contracts) from ¥6,719 million the previous term to ¥793 million.

●Extraordinary Losses

The Company booked an impairment loss of ¥1,597 million from the menswear retail operation and sundry sales operation and a ¥2,289 million loss on disposal and sale of fixed assets in connection with the closing and relocation of stores.

Consolidated Statements of Income (Summary)

	Year ended March 31, 2006	Year ended March 31, 2007
Net Sales	202,720	213,703
Cost of Sales	91,590	95,925
Gross Profit	111,130	117,778
Selling, General and Administrative Expenses	89,335	94,849
Operating Income	21,795	22,929
Non-operating Income	7,743	1,851
Interest and dividend income	276	407
Valuation gains on derivative transactions	6,719	793
Other	746	649
Non-operating Expenses	223	303
Interest expenses	93	116
Other	129	187
Ordinary Income	29,314	24,477
Extraordinary Gains	24	93
Extraordinary Losses	6,180	3,984
Loss on disposal and sale of fixed assets	1,365	2,289
Impairment loss	3,886	1,597
Amortization of past service cost for retirement benefits to directors and corporate auditors	874	—
Other	54	97
Income before Income Taxes	23,158	20,586
Income Taxes-Current	9,052	9,661
Income Taxes-Deferred	580	△ 808
Minority Interests	196	208
Net Income	13,328	11,524

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

Consolidated Statements of Cash Flows (Summary)

	Year ended March 31, 2006	Year ended March 31, 2007
Cash flows from operating activities	13,205	20,016
Cash flows from investing activities	△ 23,811	△ 5,634
Free Cashflow	△ 10,606	14,381
Cash flows from financing activities	12,774	△ 5,604
Net increase (decrease) in cash and cash equivalents	2,167	8,777
Cash and cash equivalents at beginning of year	31,786	33,954
Increase (decrease) in cash and cash equivalents due to share exchange	—	397
Cash and cash equivalents at end of year	33,954	43,129

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

Cash Flows

●Cash Flows from Operating Activities

Net cash provided by operating activities was ¥20,016 million (compared to ¥13,205 million in net cash provided the previous term). The increase in net cash was attributable to factors including income before income taxes of ¥20,586 million and depreciation expense of ¥6,697 million, which more than offset an increase of ¥6,642 million in loans receivable in the credit card business and ¥978 million in income taxes paid.

●Cash Flows from Investing Activities

Net cash used in investing activities was ¥5,634 million (compared to ¥23,811 million in net cash used the previous term). Payments, including ¥12,798 million for the acquisition of property, plant, and equipment associated with new store openings and store refurbishment in the menswear retail and sundry sales operations, were partially offset by factors such as ¥729 million (net increase) from sales of marketable securities and investment securities.

●Cash Flows from Financing Activities

Net cash used in financing activities was ¥5,604 million (compared to ¥12,774 million in net cash provided the previous term). Proceeds of ¥850 million (net increase) from loans and ¥1,273 million from the disposal of treasury stock were more than offset by payments including ¥3,368 million for the acquisition of treasury stock and ¥4,283 million for dividend payment.

Consolidated Statement of Change in Net Assets

Year ended March 31, 2007

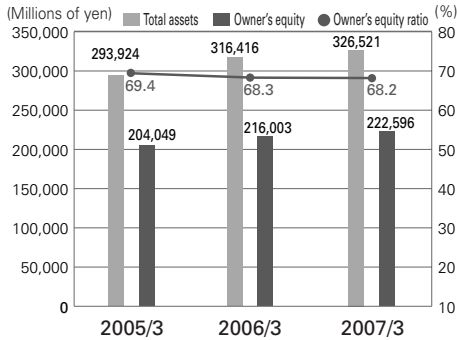
(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Deferred gains on hedges	Land revaluation difference	Total valuation and translation adjustments			
Balance at March 31, 2006	62,504	62,449	112,557	△ 3,374	234,138	1,179	—	△ 19,314	△ 18,135	—	1,472	217,476
Changes during the year												
Increase (decrease) by share-for-share exchange		202		374	576							576
Dividends from surplus (Note 1)			△ 2,962		△ 2,962							△ 2,962
Dividends from surplus			△ 1,321		△ 1,321							△ 1,321
Bonuses to directors and corporate auditors (Note 1)			△ 187		△ 187							△ 187
Net income			11,524		11,524							11,524
Reversal of land revaluation difference			△ 1,241		△ 1,241							△ 1,241
Acquisition of treasury stock				△ 3,368	△ 3,368							△ 3,368
Disposal of treasury stock		257		1,016	1,273							1,273
Changes in the items other than shareholders' equity (net)						△ 135	1,194	1,241	2,299	28	114	2,442
Total changes during the year	—	459	5,811	△ 1,977	4,293	△ 135	1,194	1,241	2,299	28	114	6,735
Balance at March 31, 2007	62,504	62,908	118,369	△ 5,351	238,431	1,043	1,194	△ 18,072	△ 15,835	28	1,587	224,211

Notes:

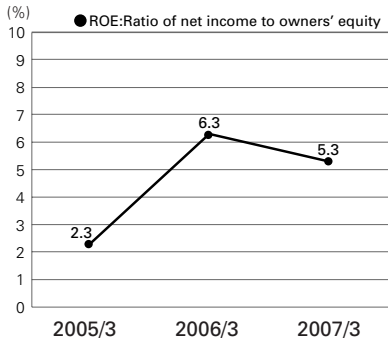
1. Appropriation of retained earnings approved at the general meeting of shareholders held in June 2006
2. Figures amounting to less than one million yen are rounded down.

● Total assets, owners' equity, and owners' equity ratio



Note: Owners' equity is calculated by deducting minority interests and stock acquisition rights from total net assets.

● ROE



Consolidated Balance Sheets (Summary)

(Millions of yen)

	March 31, 2006	March 31, 2007
Assets		
Current Assets	165,971	171,882
Cash and cash equivalents	28,648	32,839
Trade notes and accounts receivable	9,320	10,769
Marketable securities	21,796	11,842
Inventories	38,664	39,104
Deferred tax assets	2,998	2,214
Loans receivable	55,691	62,333
Other	9,353	13,292
Allowance for doubtful receivables	△ 502	△ 515
Fixed Assets	150,445	154,639
Property, Plant and Equipment	86,389	89,781
Buildings and structures	52,872	55,238
Land	27,263	28,296
Other	6,253	6,246
Intangible Fixed Assets	1,301	1,345
Investments and Other Assets	62,754	63,511
Investment securities	9,909	12,275
Long-term loans	8,272	7,539
Deferred tax assets	5,068	5,948
Guarantee deposits and lease deposits	35,320	33,326
Refundable insurance premium for directors, corporate auditors and employees	1,691	2,106
Other	2,553	2,385
Allowance for doubtful receivables	△ 61	△ 70
Total Assets	316,416	326,521

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

●Loans Receivable

Loans receivable were ¥6,642 million higher than at the previous fiscal year-end due to the increase in loans receivable in the card business.

●Property, Plant and Equipment

Buildings & structures and land were ¥2,365 million higher and ¥1,033 million higher than at the previous fiscal year-end, respectively, due to new store openings and relocations.

(Millions of yen)

	March 31, 2006	March 31, 2007
Liabilities		
Current Liabilities	54,304	55,839
Trade notes and accounts payable	19,442	20,234
Short-term bank loans	4,010	3,890
Accounts payable	17,653	20,852
Other	13,198	10,862
Long-term Liabilities	44,636	46,470
Corporate bonds	20,000	20,000
Long-term debt	15,415	16,385
Other	9,221	10,085
Total Liabilities	98,940	102,310
Minority Interests		
Minority Interests	1,472	—
Shareholders' Equity		
Common Stock	62,504	—
Capital surplus	62,449	—
Retained earnings	112,557	—
Land revaluation difference	△ 19,314	—
Net unrealized gain (loss) on available-for-sale securities	1,179	—
Treasury stock	△ 3,374	—
Total Shareholders' Equity	216,003	—
Total Liabilities, Minority Interests and Shareholders' Equity	316,416	—
Net Assets		
Shareholders' Equity	—	238,431
Common stock	—	62,504
Capital surplus	—	62,908
Earned surplus	—	118,369
Treasury stock	—	△ 5,351
Stock acquisition rights Valuation and Translation Adjustments	—	△ 15,835
Net unrealized gain on available-for-sale securities	—	1,043
Deferred gains on hedges	—	1,194
Land revaluation difference	—	△ 18,072
Stock Acquisition Rights	—	28
Minority Interests	—	1,587
Total Net Assets	—	224,211
Total Liabilities and Net Assets	—	326,521

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

●Net Assets

Although dividends from surplus and net increase in treasury stock decreased net assets ¥4,283 million and ¥1,977 million, respectively, total net assets were ¥6,735 million higher than at the previous fiscal year-end because of reporting of net income amounting to ¥11,524 million.

Balance Sheets (Summary)

(Millions of yen)		
	March 31, 2006	March 31, 2007
Assets		
Current Assets	124,292	127,997
Fixed Assets	151,886	156,349
Property, Plant and Equipment	81,546	84,989
Intangible Fixed Assets	1,065	1,150
Investments and Other Assets	69,274	70,209
Total Assets	276,178	284,346
Liabilities		
Current Liabilities	45,228	46,514
Long-term Liabilities	18,794	19,617
Total Liabilities	64,022	66,131
Shareholders' Equity		
Common Stock	62,504	—
Capital Surplus	62,449	—
Retained Earnings	108,520	—
Land Revaluation Difference	△ 19,122	—
Net Unrealized Gain On Available-for-sale Securities	1,178	—
Treasury Stock	△ 3,374	—
Total Shareholders' Equity	212,156	—
Total Liabilities and Shareholders' Equity	276,178	—
Net Assets		
Shareholders' Equity	—	233,830
Common stock	—	62,504
Capital surplus	—	62,908
Earned surplus	—	113,768
Treasury Stock	—	△ 5,351
Stock acquisition rights Valuation and Translation Adjustments	—	△ 15,643
Net unrealized gain on available-for-sale securities	—	1,043
Deferred gains on hedges	—	1,194
Land revaluation difference	—	△ 17,881
Stock Acquisition Rights	—	28
Total Net Assets	—	218,214
Total Liabilities and Net Assets	—	284,346

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

Statements of Income (Summary)

(Millions of yen)		
	March 31, 2006	March 31, 2007
Net Sales	161,385	167,539
Cost of Sales	68,718	69,599
Gross profit	92,667	97,940
Selling, General and Administrative Expenses	74,834	78,246
Operating income	17,832	19,694
Non-operating Income	8,288	2,438
Non-operating Expenses	131	234
Ordinary income	25,990	21,898
Extraordinary Gains	24	93
Extraordinary Losses	5,596	3,362
Income before Income Taxes	20,418	18,629
Income Taxes-Current	7,731	8,251
Income Taxes-Deferred	712	△ 524
Net Income	11,973	10,902
Unappropriated retained earnings brought forward	535	—
Transfer from land revaluation difference	△ 172	—
Unappropriated retained earnings at end of year	12,336	—

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

Corporate Profile

(as of March 31, 2007)

Company Name:	Aoyama Trading Co., Ltd.
Establishment:	May 6, 1964
Paid-in-Capital:	¥62,504,710,000
Number of Employees:	3,504
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:	737



Directors and Officers

(as of June 28, 2007)

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

[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 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. and General Manager of Affiliated Businesses Dept.)
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Executive Officer:	Kiyohide Hasegawa (General Manager of IT and Systems Dept.)
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Executive Officer:	Shozo Hirakawa (General Manager of General Affairs Dept.)
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Executive Officer:	Yasuhiro Fujii (General Manager of Marketing and Sales Dept.)
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Executive Officer:	Eiji Tanikawa (General Manager of Advertising Dept. and Information Controller)
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Executive Officer:	Fusanori Hatayama (Supervisor of Kanto Area and Manager of Saitama Block)
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Executive Officer:	Nobuyuki Matsukawa (General Manager of Marketing and Sales Div.)
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Executive Officer:	Michinori Fujii (General Manager of the Marketing and Sales Dept. of TSC)
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Executive Officer:	Shinji Okano (General Manager of Purchasing Div. and General Manager of Purchasing Dept. NO. 2)
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Executive Officer:	Osamu Mizutani (General Manager of Purchasing Dept. of TSC)
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Stock Information

(as of March 31, 2007)

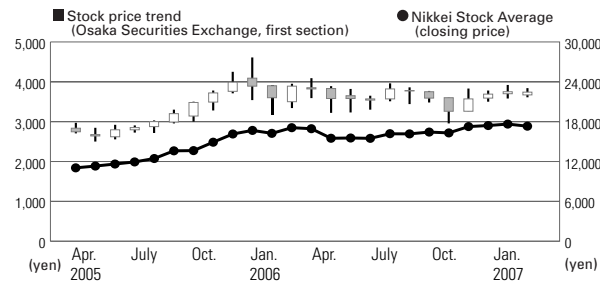
Shares

Total number of shares authorized to be issued	174,641,100
Number of shares outstanding	67,394,016
Number of shareholders	6,604

Distribution of Shareholders

	Number of shareholders	Shareholdings (thousand shares)	Shareholdings (%)
Financial institutions	69	18,632	27.7
Securities companies	31	518	0.7
Other business corporations	240	9,149	13.6
Foreign entities	297	26,875	39.9
Individuals, others	5,967	12,218	18.1

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

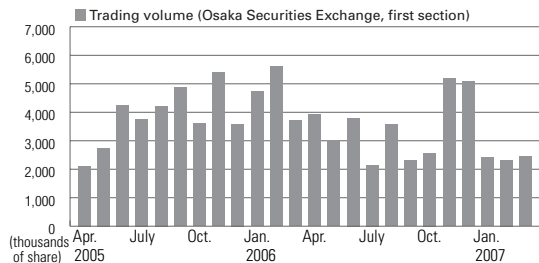


Major Shareholders

Shareholder	Shareholdings (thousand shares)	Shareholdings (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,752	7.1
Japan Trustee Services Bank, Ltd. (Trust account)	3,613	5.4
Aoyama Bussan, Ltd.	3,541	5.3
Goro Aoyama	3,360	5.0
State Street Bank And Trust Company	2,546	3.8
Japan Trustee Services Bank, Ltd. (Trust account 4)	1,743	2.6
Pictet & Cie (Europe) SA	1,366	2.0
State Street Bank And Trust Company 505019	1,158	1.7
Bank of NewYork GCM Client Accounts E ISG	1,063	1.6
Hoshino Shoji Co., Ltd.	1,001	1.5

Notes:

- Shareholdings amounting to less than the minimum trading unit have been rounded down.
- The Company holds 1,936,000 shares of treasury stock, but the holdings are not included in the above list of major shareholders because these shares are without voting rights.



Shareholders 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)



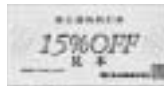
The Plus A The Suit Aoyama LOC CITY Mito-Minami Store (opened April 2007)

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

Record date of eligible shareholders	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, Plus A The Suit Aoyama, The Suit Company, Universal Language, The Suit Company's Weekend, and CALAJA.

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

■ Financial information available on our website:

- (1) IR News
- (2) Monthly Information
- (3) Business Report
- (4) Information used at the briefing on financial results
- (5) Yuho financial report
- (6) Shareholder Newsletter

Contact for Inquiries:

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

