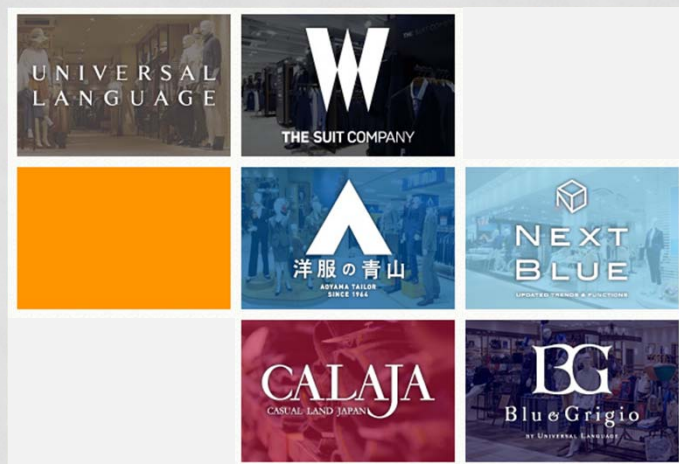


# AOYAMA TRADING CO., LTD.

## FY3/2015 RESULTS BRIEFING MATERIALS



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FY3/2015 RESULTS SUMMARY  
AND FY3/2016 FORECASTS

Vice President and Vice President  
Executive Officer  
General Manager of Planning and  
Administration Div.

MAKOTO MIYATAKE

# ◆ FY3/2015 CONSOLIDATED EARNINGS ◆

【¥ Million】

	Previous Term FY3/2014	Current Term FY3/2015	YoY Change	YoY(%)	Interim forecast change	main factor of YoY change
<b>Net sales</b>	<b>222,139</b>	<b>221,712</b>	<b>-426</b>	<b>-0.2</b>	<b>-488</b>	Business Wear Business -4,171 Casual Wear Business +3,044
<b>Gross profit</b>	<b>127,780</b>	<b>126,942</b>	<b>-837</b>	<b>-0.7</b>	<b>-658</b>	<Sales ratio YoY> Business Wear Business -0.2Pt
<b>Expenses</b>	<b>105,189</b>	<b>107,914</b>	<b>2,725</b>	<b>2.6</b>	<b>-1,086</b>	Business Wear Business +1,000 Casual Wear Business +1,500
<b>Operating income</b>	<b>22,590</b>	<b>19,028</b>	<b>-3,562</b>	<b>-15.8</b>	<b>428</b>	Business Wear Business -4,330 Casual Wear Business +617
<b>Ordinary income</b>	<b>24,650</b>	<b>21,683</b>	<b>-2,966</b>	<b>-12.0</b>	<b>1,283</b>	Gain on valuation of derivatives YoY +206 Foreign exchange gains YoY +469
<b>Net income</b>	<b>12,962</b>	<b>12,807</b>	<b>-154</b>	<b>-1.2</b>	<b>1,707</b>	Gain on sales of investment securitis +2,322

(Note) Amounts are rounded down to the nearest million yen.

**ROE 5.4%**

# ◆ FY3/2015 CONSOLIDATED BALANCE SHEET ◆

[¥ Million]

	Previous fiscal year March 31,2014	Current Fiscal Year March 31,2015	YoY CHANGE	MAIN FACTOR
<b>TOTAL ASSET</b>	<b>352,733</b>	<b>350,752</b>	<b>-1,981</b>	
CURRENT ASSET	190,612	185,457	-5,155	cash and deposits+3,768, Merchandise and finished goods+5,162, Operating loans+2,240, Seculities-16,699
NON-CURRENT ASSET	161,981	165,086	3,104	Investment seculities-4,471, Property,plant and equipment+7,249
<b>TOTAL LIABILITIE</b>	<b>108,502</b>	<b>112,683</b>	<b>4,180</b>	
CURRENT LIABILITIES	66,853	61,771	-5,081	Electronically recorded obligations-Trade+8,902, Short-term loans payable+1,000, Accounts payable-other-6,230, Current portion of bonds-9,000
NON-CURRENT LIABILITIES	41,649	50,911	9,262	Bonds payable+9,000
<b>TOTAL NET ASSET</b>	<b>244,231</b>	<b>238,069</b>	<b>-6,162</b>	Retained earnings+6,962, Treasury shares-13,218
<b>LIABILITIES AND ASSET</b>	<b>352,733</b>	<b>350,752</b>	<b>-1,981</b>	

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2015 CONSOLIDATED STATEMENTS OF CASH FLOWS ◆

【 ¥ Million】

	Previous fiscal year March 31,2014	Current fiscal year March 31,2015	<b>BREAKDOWN</b>
<b>Operating activities C/F</b>	<b>10,840</b>	<b>18,136</b>	Income before income taxes and minority interests+22,326, Depreciation+8,559, Loss(gain)on sales of investment securities-2,322, Increase(decrease)in operating loans receivable-2,240, Increase(decrease)in inventories-4,964, Increase(decrease)in accounts payable-other-5,759
<b>Investing activities C/F</b>	<b>-17,117</b>	<b>8,456</b>	Purchase and proceeds from sales of short-term and long-term securities +26,694, Purchase of property,plant and equipment-16,717
<b>Financing activities C/F</b>	<b>-6,028</b>	<b>-18,497</b>	Purchase of treasury shares-13,962, Cash dividends paid-5,307
Effect of exchange rate change on cash and cash equivalents	-12,277	8,233	
<b>The beginning of period</b>	<b>42,035</b>	<b>29,758</b>	
<b>The end of period</b>	<b>29,758</b>	<b>37,991</b>	

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2015 SEGMENT PERFORMANCE ◆

【¥ Million】

	FY3/2014		FY3/2015		Change		YoY(%)	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Business Wear Business	183,279	21,868	179,107	17,537	-4,171	-4,330	-2.3	-19.8
Casual Wear Business	9,625	-794	12,669	-177	3,044	617	31.6	—
Credit Card Business	3,604	557	3,851	790	246	233	6.8	41.9
Printing and Media Business	11,008	318	11,360	178	351	-140	3.2	-44.1
Sundry Sales Business	15,843	418	15,339	458	-503	39	-3.2	9.5
Others	2,671	129	3,434	172	763	43	28.6	33.3
Adjustments	-3,893	93	-4,052	68	-158	-25	—	-27.0
<b>TOTAL</b>	<b>222,139</b>	<b>22,590</b>	<b>221,712</b>	<b>19,028</b>	<b>-426</b>	<b>-3,562</b>	<b>-0.2</b>	<b>-15.8</b>

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2015 PARENT EARNINGS ◆

【¥ Million】

	FY3/2014	FY3/2015			MAIN FACTOR
	Results	Results	Change	YoY (%)	
<b>Net Sales</b>	<b>185,709</b>	<b>181,480</b>	<b>-4,229</b>	<b>-2.3</b>	・ Due to a reaction to a rush of demand before a consumption tax increase ・ Sales of existing stores were -5.5% of the previous year (Premise -5.4% of previous year)
Business Wear Business	181,816	177,690	-4,126	-2.3	
CasualWear/Reuse Business	3,893	3,790	-103	-2.6	
<b>Gross Profit</b>	<b>111,358</b>	<b>108,405</b>	<b>-2,953</b>	<b>-2.7</b>	
(Sales ratio)	(60.0 %)	(59.7 %)	(-0.3%)		
Business Wear Business	109,507	106,578	-2,929	-2.7	・ Concerns over cost inflation due to a weakening yen etc.
(Sales ratio)	(60.2 %)	(60.0 %)	(-0.2%)		
CasualWear/Reuse Business	1,851	1,826	-25	-1.3	
(Sales ratio)	(47.6 %)	(48.2 %)	(+ 0.6%)		
Selling, general and administrative expenses	90,295	91,303	1,008	1.1	
Business Wear Business	88,395	89,376	981	1.1	
CasualWear/Reuse Business	1,900	1,926	26	1.4	
<b>Operating income</b>	<b>21,063</b>	<b>17,101</b>	<b>-3,962</b>	<b>-18.8</b>	
Business Wear Business	21,112	17,201	-3,911	-18.5	
CasualWear/Reuse Business	-49	-100	-51	—	

(Note) Amounts are rounded down to the nearest million yen.



# ◆ FY3/2015 PARENT EARNINGS ◆

【¥ Million】

	FY3/2014	FY3/2015			MAIN FACTOR
	Results	Results	Change	YoY (%)	
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CasualWear/Reuse Business	-49	-100	-51	—	

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2015 PARENT EARNINGS ◆

[¥ Million]

	FY3/2014	FY3/2015		
	Result	Result	Change	YoY (%)
<b>Net sales</b>	<b>185,709</b>	<b>181,480</b>	<b>-4,229</b>	<b>-2.3</b>
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<b>Gross profit</b>	<b>111,358</b>	<b>108,405</b>	<b>-2,953</b>	<b>-2.7</b>
(Sales ratio)	(60.0 %)	(59.7 %)	(-0.3%)	
Business wear Business	<b>109,507</b>	<b>106,578</b>	<b>-2,929</b>	<b>-2.7</b>
(Sales ratio)	(60.2 %)	(60.0 %)	(-0.2%)	
Casual Wear/Reuse Business	<b>1,851</b>	<b>1,826</b>	<b>-25</b>	<b>-1.3</b>
(Sales ratio)	(47.6 %)	(48.2 %)	(+ 0.6%)	
<b>Selling, general and administrative expenses</b>	<b>90,295</b>	<b>91,303</b>	<b>1,008</b>	<b>1.1</b>
Business wear Business	<b>88,395</b>	<b>89,376</b>	<b>981</b>	<b>1.1</b>
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<b>Operating income</b>	<b>21,063</b>	<b>17,101</b>	<b>-3,962</b>	<b>-18.8</b>
Business wear Business	<b>21,112</b>	<b>17,201</b>	<b>-3,911</b>	<b>-18.5</b>
Casual Wear/Reuse Business	<b>-49</b>	<b>-100</b>	<b>-51</b>	<b>—</b>

(Note) Amounts are rounded down to the nearest million yen.

## <Business Wear Business> «Expenses» 【YoY Change】

- Personnel expenses + 15¥ Million
- Advertising expenses - 56¥ Million
- Utilities expenses - 72¥ Million
- Computer and internet administration costs - 63¥ Million
- Rent expenses + 752¥ Million
- Depreciation + 533¥ Million

The amount of expenses +981¥ Million

# ◆FY3/2016 CONSOLIDATED FORECAST◆

【¥ Million】

	FY3/2015 Result	FY3/2016 Forecast	Change	YoY (%)	Premise
<b>Net sales</b>	<b>221,712</b>	<b>237,200</b>	<b>15,488</b>	<b>7.0</b>	Business Wear Business+8,893 Casual Wear Business+4,231
<b>Gross profit</b>	<b>126,942</b>	<b>135,900</b>	<b>8,958</b>	<b>7.1</b>	<Sales ratio of YoY> Business Wear Business 100% of YoY
<b>Expenses</b>	<b>107,914</b>	<b>115,200</b>	<b>7,286</b>	<b>6.8</b>	Business Wear Business+3,700 Casual wear Business+2,600
<b>Operating income</b>	<b>19,028</b>	<b>20,700</b>	<b>1,672</b>	<b>8.8</b>	Business Wear Business+1,363 Casual Wear Business+627
<b>Ordinary income</b>	<b>21,683</b>	<b>21,300</b>	<b>-383</b>	<b>-1.8</b>	Loss on valuation of derivatives 420(Gain on valuation of derivatives 1,092 in the previous year)
<b>Net income</b>	<b>12,807</b>	<b>12,300</b>	<b>-507</b>	<b>-4.0</b>	

(Note) Amounts are rounded down to the nearest million yen.

**R O E Forecast 5.2%**

# ◆ FY3/2016 SEGMENT FORECAST ◆

【¥ Million】

	FY3/2015		FY3/2016		Change		YoY(%)	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Business Wear Retail Business	179,107	17,537	188,000	18,900	8,893	1,363	5.0	7.8
Casual Wear Business	12,669	-177	16,900	450	4,231	627	33.4	-
Credit Card Business	3,851	790	4,000	850	149	60	3.8	7.5
Printing and Media Business	11,360	178	12,430	150	1,070	-28	9.4	-15.7
Sundry Sales Business	15,339	458	14,800	350	-539	-108	-3.5	-23.6
Others	3,434	172	4,900	0	1,466	-172	42.7	-
Adjustments	-4,052	68	-3,830	0	222	-68	-	-
<b>TOTAL</b>	<b>221,712</b>	<b>19,028</b>	<b>237,200</b>	<b>20,700</b>	<b>15,488</b>	<b>1,672</b>	<b>7.0</b>	<b>8.8</b>

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2016 PARENT FORECAST ◆

[¥ Million]

	FY3/2015	FY3/2016			Premise
	Result	forecast	Change	YoY (%)	
<b>Net sales</b>	<b>181,480</b>	<b>190,000</b>	<b>8,520</b>	<b>4.7</b>	
Business wear Business	177,690	186,370	8,680	4.9	· Sales premise of existing stores +3.1% (1H+6.3%, 2H+1.0%)
Casual Wear/Reuse Business	3,790	3,630	-160	-4.2	
<b>Gross profit</b>	<b>108,405</b>	<b>113,400</b>	<b>4,995</b>	<b>4.6</b>	
(Sales ratio)	(59.7 %)	(59.7 %)	(0.0%)		
Business wear Business	106,578	111,570	4,992	4.7	· Sales ratio were about the same level year on year
(Sales ratio)	(60.0 %)	(59.9 %)	(-0.1%)		
Casual Wear/Reuse Business	1,826	1,830	4	0.2	
(Sales ratio)	(48.2 %)	(50.4 %)	(+ 2.2%)		
Selling, general and administrative expenses	91,303	94,900	3,597	3.9	
Business wear Business	89,376	93,070	3,694	4.1	
Casual Wear/Reuse Business	1,926	1,830	-96	-5.0	
<b>Operating income</b>	<b>17,101</b>	<b>18,500</b>	<b>1,399</b>	<b>8.2</b>	
Business wear Business	17,201	18,500	1,299	7.6	
Casual Wear/Reuse Business	-100	0	100	-	

(Note) Amounts are rounded down to the nearest million yen.

# ◆ FY3/2016 PARENT FORECAST ◆

[¥ Million]

	FY3/2015	FY3/2016			Premise
	Result	forecast	Change	YoY (%)	
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[¥ Million]

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Business wear Business	17,201	18,500	1,299	7.6
Casual Wear/Reuse Business	-100	0	100	-

(Note) Amounts are rounded down to the nearest million yen.

## <Business Wear Business>

### <<expenses>>

**[YoY Change]**

**+3,694¥ Million**

- Personnel expenses  
+ 796¥ Million
- Advertising expenses  
+ 823¥ Million
- Utilities expenses  
+ 200¥ Million
- Computer and internet  
administration costs  
+ 513¥ Million
- Rent expenses  
+ 658¥ Million
- Depreciation  
+ 366¥ Million

# SHAREHOLDER RETURNS



# ◆ SHAREHOLDER RETURNS ◆

## ~ADOPTING THE POLICY OF RETURN OF PROFITS TO SHAREHOLDERS~

	Up to the current fiscal year (Fiscal 2014)	During the period of the medium-term management plan (From Fiscal 2015 to 2017)
<b>(1) Policy of return of profits to shareholders</b>	Not provided.	Consolidated total return ratio is targeted at 130%.
<b>(i) Dividend policy</b>	Payout ratio is to be maintained at 35% against the Company's non-consolidated net income calculated excluding special or extraordinary income and losses such as gain or loss on valuation of derivatives. Specifically, a steady ordinary dividend of ¥50 per share will be paid, and if the amount of dividend calculated based on the targeted payout ratio of 35% exceeds ¥50, the excess amount will be treated as performance-linked dividend and will be paid out as special dividend at the end of the fiscal year.	Payout ratio is to be targeted at 70% against the Company's consolidated net income. Specifically, a steady ordinary dividend of ¥100 per share will be paid, and if the amount of dividend calculated based on the targeted payout ratio of 70% exceeds ¥100, the excess amount will be treated as performance-linked dividend and will be paid out as special dividend at the end of the fiscal year.
<b>(ii) Policy of acquisition of own shares</b>	Not provided.	The acquisition of own shares will be conducted targeting the amount derived by subtracting the total dividend amount from 130% of consolidated net income.

# ◆ SHAREHOLDER RETURNS ◆

## ~ DIVIDEND AND DIVIDEND FORECAST ~

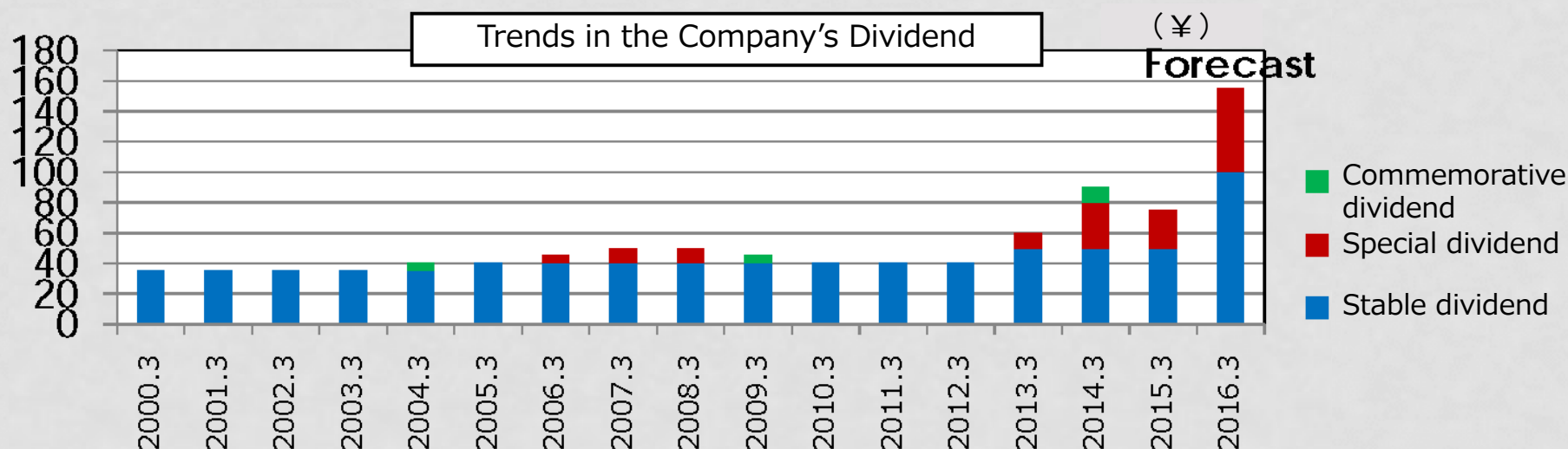
### ◇ FY3/2015 dividend (Policy up to previous fiscal year)

Full-year dividend of ¥75 per share (interim ¥25, year-end ¥50), including a special dividend of ¥25.

### ◇ FY3/2016 dividend forecast

(Policy for the next three years starting current fiscal year)

Full-year dividend of ¥155 per share (interim ¥50, year-end ¥105), including a special dividend of ¥55.



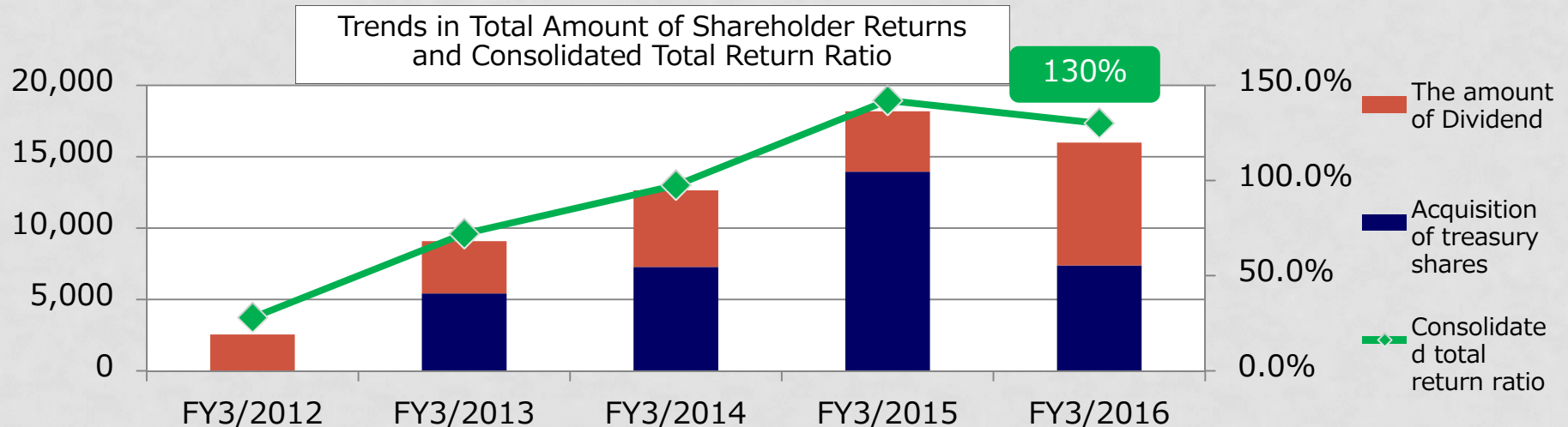
# ◆ SHAREHOLDER RETURNS ◆

~ACQUISITION OF OWN SHARES~

(1) Aoyama Trading bought back a total of 4 million shares in FY3/2015.

(2) On May 8, 2015, the Board of Directors approved a further buyback of 500,000 shares.

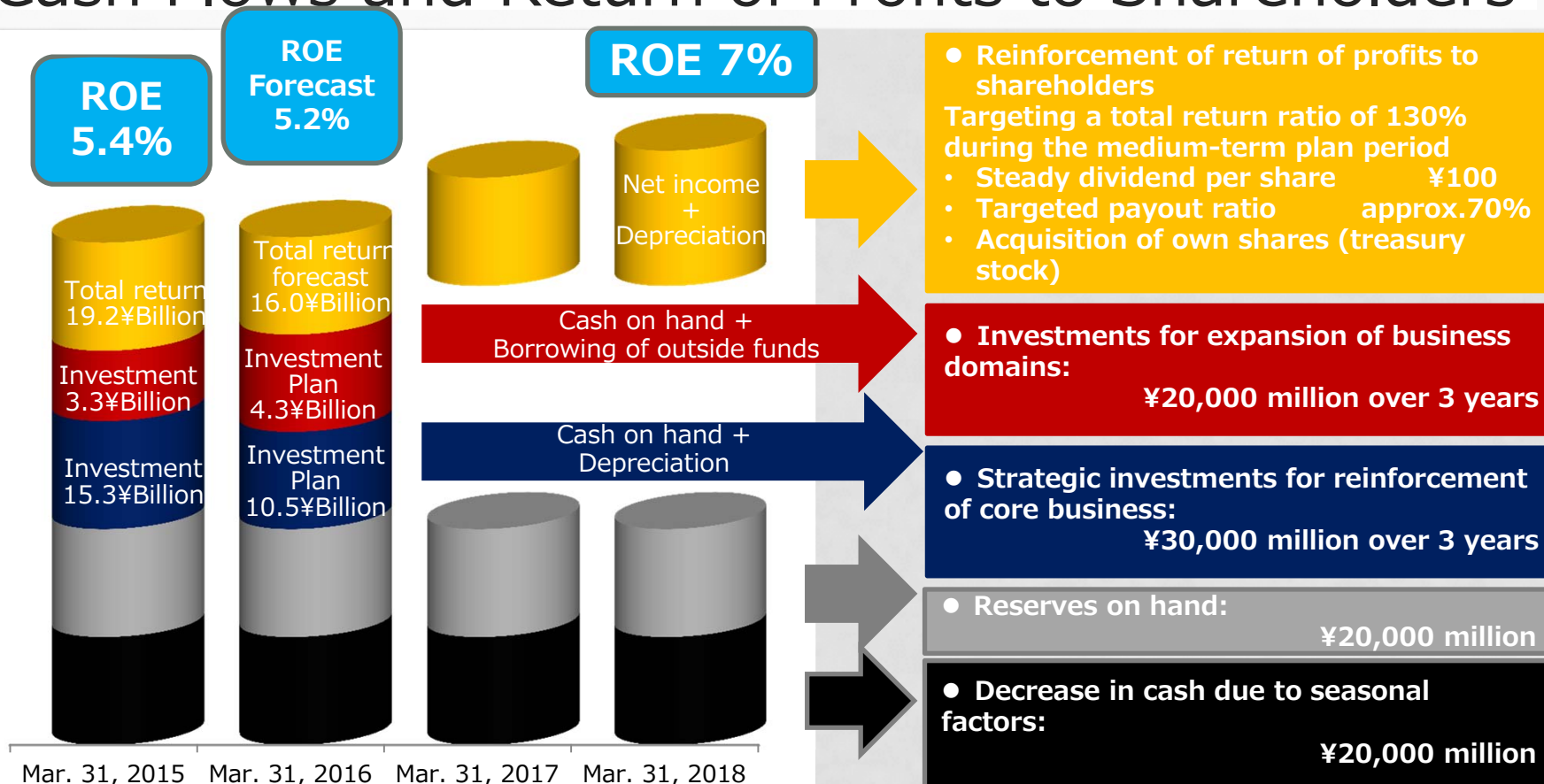
{	Type of shares:	Ordinary shares
	Number of shares:	480,900 shares (0.78% of total shares issued and outstanding)
	Total cost of buyback:	¥2,199,824,000
	Buyback period:	May 12, 2015 – May 26, 2015



# ◆ SHAREHOLDER RETURNS ◆

~CHALLENGE 2017~

## Cash Flows and Return of Profits to Shareholders



Investments will be made towards the growth of core and non-core businesses while maintaining a stable financial base. An amount greater than net income will be returned to shareholders (targeting a total return ratio of 130%) to improve the ROE.

FY3/2015 REVIEW  
AND FY3/2016 STRATEGIES

President and CFO

Osamu Aoyama



# FY3/2015 REVIEW

## ~ SUMMARY ~



◇ Sales of Business wear business from existing stores were 94.5% of that of the previous year.

<1Q> Backlash to the last-minute demand ahead of the consumption tax hike (YoY: 92.1%)

Sales by the last-minute demand in the pervious year were estimated to be about ¥2.6 billion. In particular, there was large last-minute demand in heavy clothing such as suits and formal wear, and the backlash was more significant in the suburbs than the Tokyo metropolitan area.

<2Q> Downturn in consumer confidence after the consumption tax hike (YoY: 97.0%)

Although sales were expected to recover in 2Q, they struggled due to bad weather, etc. The trend of declining customers and increasing average sale per customer continued in 1Q and after, highlighting a significant downturn in consumer confidence due to the consumption tax hike.

<3Q> Downturn in consumer confidence demand for job-hunting suits until 4Q (YoY: 90.1%)

While the downturn in consumer confidence continued, sales of existing stores declined significantly. This decline was partly due to a decrease in sales of job-hunting suits, which is a consequence of a change in the time to start job hunting – from December to March.

<4Q> Increase in demand for suits for job hunting students and new employees (YoY: 98.7%)

Due to a change in the timing to start job hunting, the demand for job-hunting suits peaked in February with existing-store sales in February of 117.8% on a year-over-year basis. Although sales in March were expected to decline as they grew significantly in the previous year due to the last-minute demand, together with negative day factors, they fared better than expected.

◆ FY3/2015 REVIEW ◆

# NET SALES BY PRODUCT CATEGORY (SUIT BUSINESS)

Due to a reaction to a rush of demand before a consumption tax increase, suits and formalwear sales decreased. Regarding women's apparel, due to increase formalwear, As a result, sales remained brisk.

(¥ million)

		FY3/2014		FY3/2015		YoY Change	
		Amount	Share of total amount	Amount	Share of total amount	Amount	Growth
			%		%		%
Heavy clothing	<b>Suits/three-piece suits</b>	<b>62,918</b>	<b>34.6</b>	<b>59,073</b>	<b>33.2</b>	<b>-3,845</b>	<b>-6.1</b>
	<b>Jackets</b>	<b>6,009</b>	<b>3.3</b>	<b>5,846</b>	<b>3.3</b>	<b>-162</b>	<b>-2.7</b>
	<b>Slacks</b>	<b>8,716</b>	<b>4.8</b>	<b>8,652</b>	<b>4.9</b>	<b>-64</b>	<b>-0.7</b>
	<b>Coats</b>	<b>6,005</b>	<b>3.3</b>	<b>5,689</b>	<b>3.2</b>	<b>-315</b>	<b>-5.3</b>
	<b>Formalwear</b>	<b>22,088</b>	<b>12.2</b>	<b>20,909</b>	<b>11.8</b>	<b>-1,179</b>	<b>-5.3</b>
	<b>Subtotal</b>	<b>105,738</b>	<b>58.2</b>	<b>100,171</b>	<b>56.4</b>	<b>-5,566</b>	<b>-5.3</b>
Light Clothing	<b>Shirt/Necktie etc</b>	<b>28,038</b>	<b>15.4</b>	<b>28,095</b>	<b>15.8</b>	<b>56</b>	<b>0.2</b>
	<b>Casualwear</b>	<b>7,839</b>	<b>4.3</b>	<b>7,371</b>	<b>4.1</b>	<b>-468</b>	<b>-6.0</b>
	<b>Other products</b>	<b>12,552</b>	<b>6.9</b>	<b>12,561</b>	<b>7.1</b>	<b>9</b>	<b>0.1</b>
	<b>Subtotal</b>	<b>48,429</b>	<b>26.6</b>	<b>48,028</b>	<b>27.0</b>	<b>-401</b>	<b>-0.8</b>
<b>Womenswear</b>		<b>21,286</b>	<b>11.7</b>	<b>23,600</b>	<b>13.3</b>	<b>2,314</b>	<b>10.9</b>
<b>Loyalty point reimbursements</b>		<b>2,865</b>	<b>1.6</b>	<b>2,678</b>	<b>1.5</b>	<b>-186</b>	<b>-6.5</b>
<b>Apparel adjustment services</b>		<b>3,496</b>	<b>1.9</b>	<b>3,211</b>	<b>1.8</b>	<b>-285</b>	<b>-8.2</b>
<b>Total</b>		<b>181,816</b>	<b>100.0</b>	<b>177,690</b>	<b>100.0</b>	<b>-4,126</b>	<b>-2.3</b>

(Notes) 1." Other products" include shoes, underwear and sundries.

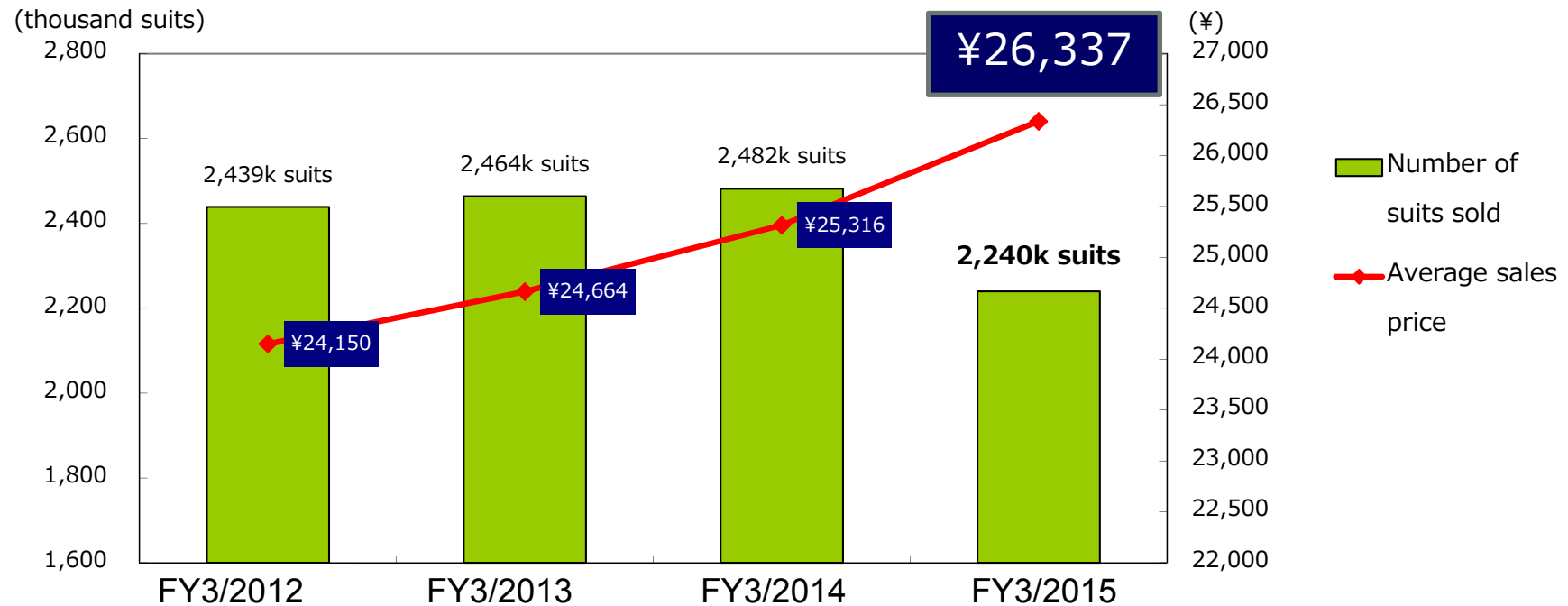
2.Women's wear includes women's suits, formal wear, shirt, pumps, etc.

# ◆ FY3/2015 REVIEW ◆

## NO. OF SUITS SOLD AND AVERAGE SALES PRICE

**While the number of suits sold decreased,  
The average sales unit price improved sharply .**

Sales of suits declined due to a downturn in consumer confidence as a result of the backlash to the last-minute demand in the previous year as well as the consumption tax hike and to a decline in sales of the second suit triggered by reviewing the discount sale. Meanwhile, the average sales unit price of suits improved significantly because the Company discontinued the cut price of a second suit for 1,000 yen and changed this to a second suit for half price and increased the percentage of high value-added products in order to absorb the higher costs due to the weaker yen.



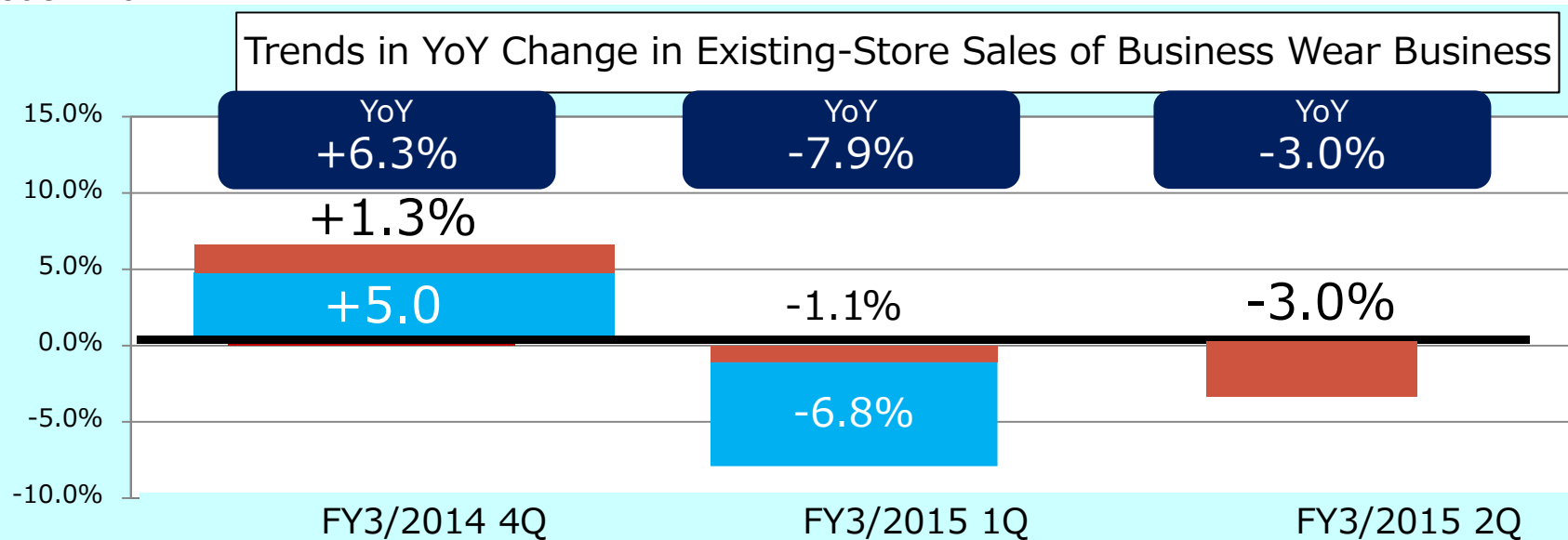


## ◆ FY3/2015 REVIEW ◆

### ~INFLUENCE OF INCREASE IN CONSUMER TAX~

◇ Influence of consumption tax increase accounted for about -5% of -5.5% change of full-year existing-store sales.

Existing-store sales of the Business Wear Business increased by 6.3% on a year-over-year basis in FY3/2014 4Q, and of that, the last-minute demand accounted for about 5%. In FY3/2015 1Q, sales declined by 7.9% (YoY) of which 6.8% was due to the backlash to the last-minute demand. The full-year influence was estimated to be about -3%. Sales continued to decline in 2Q and after due to a downturn in consumer confidence whose full-year influence was estimated to be about -2%.

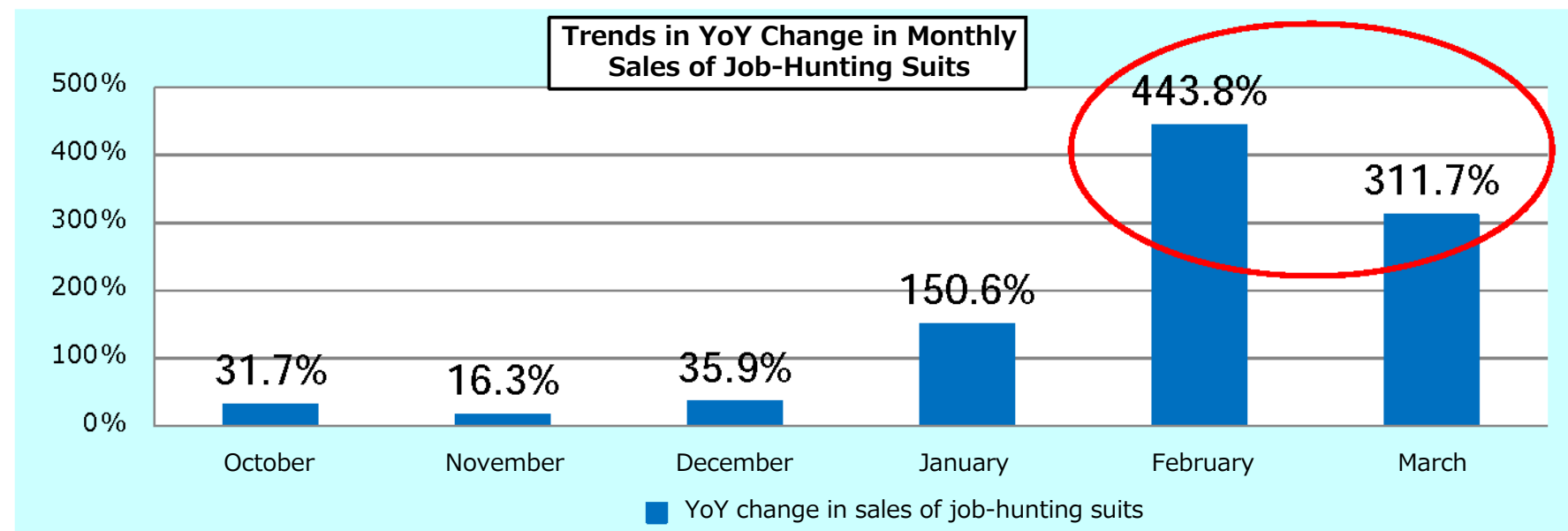


# ◆ FY3/2015 REVIEW ◆

## ~INFLUENCE OF CHANGE IN TIMING TO START JOB HUNTING ~

◇ Sales of job-hunting suits in the second half were 85% of those of the previous year with the full-year influence of about -0.5%.

Due to a change in the timing to start job hunting from December to March, the peak of sales of job-hunting suits shifted from November to February. To deal with the issue of securing sales staff as well as products, the Company hired temporary staffs and launched spring-summer season items early. However, as sales of seasonal items such as coats declined, sales of job-hunting suits in the second half remained 85% of those of the previous year. It was estimated that this accounted for about -0.5% of the full-year YoY change in existing-store sales of -5.5%.



# ◆ FY3/2015 REVIEW ◆

## ~REVIEW OF EAGLE RETAILING CORPORATION(1)~

### ◇Full-year operating income greatly improved from the previous year.

In the current year, the Company opened 10 stores (5 in the first half and 5 in the second half) especially in SC which tend to be profitable. The number of stores at the end of the year was 18. Sales grew to about ¥9.4 billion although they were a little short of the plan.

As a result of implementing measures such as price review to deal with increased cost due to the weak yen, the gross profit rate improved by 1.8 points from the previous year but declined by 1.7 points compared to the plan. Meanwhile, as a result of reviewing expenses such as labor cost and logistics cost, operating loss improved by ¥652 million to ¥77 million from operating loss of ¥730 million in the previous year although it did not reach the operating income target of ¥60 million.



(Millions of yen)	FY3/2014 (Previous year)	FY3/2015 (Current year)	Change from previous year	% change from previous year	Change from interim period forecast
Net sales	6,147	9,397	+3,250	152.9%	-352
Gross profit rate	52.9%	54.7%	+1.8	-	-1.7
Selling, general and administrative expenses	3,983	5,218	+1,235	131.0%	-218
Operating income	-730	-77	+652	-	-137

# ◆ FY3/2015 REVIEW ◆

## ~REVIEW OF EAGLE RETAILING CORPORATION(2)~

### ◇ Initiatives to address issues in interim period.

Issue	Initiative
Store opening strategy	The Company opened 10 stores especially in established SC in the suburbs as planned. By opening stores at a prime location in SC, new stores perform well in general with some exceptions.
Product strategy	Outerwear sales grew due to launch of down outerwear and increased outerwear items Eagle Retailing Corporation proposed to the US.
Sales promotion strategy	The Company conducted sales promotions focusing on TV commercials when opening stores in the suburbs. The Company also enhanced online sales promotions such as offering recommendations to raise brand awareness.
Gross profit	To deal with an increase in cost due to the weak yen, the Company reviewed prices and increased production in a country with tariff preferences such as Vietnam. As a result, the gross profit rate improved by 1.8 points from the previous year.
Expenses	The expense rate improved by 9.3 points from the previous year due to review of labor cost and reduction of logistics cost per item.



### ◇ Expansion of EC

EC sales gradually increased as a result of opening brick-and-mortar stores in the suburbs. They grew significantly from the previous year due to EC-only campaigns and sales promotions using LINE. The Company will enhance announcement of EC at brick-and-mortar stores and implement sales promotion activities focusing on mobile devices such as smartphones.

2015-2017 Medium-Term  
Management Plan  
~CHALLENGE 2017~

# From the First 50 Years to the Next 50 Years

## New Corporate Philosophy

Aiming to further contribute to society through retail and services to consumers based on sustainable growth

## New Management Vision

Expansion of “strengths” in the core business — No.1 approval rate among business persons

Proactive expansion of business domains — Building a “stable business portfolio”

Management that engages stakeholders — Implementation of “improvements for sustainable growth”

Aoyama Trading Co., Ltd. celebrated the 50th anniversary of its founding in May 2014, and has set off on a new path towards the next 50 years. For the past 50 years we had been endeavoring to enhance our corporate value under the slogan of “offering better products at lower prices and contributing to society through the selling of clothing.” For the next 50 years, we will devote ourselves to enhancing our corporate value in a sustainable manner and aim to further contribute to society.

The new medium-term management plan represents the Company’s resolve towards the next 50 years. Officers and employees of Aoyama Trading Co., Ltd. will concentrate their strengths to meet any and all challenges that the plan may entail.

# ~CHALLENGE 2017~

## Our Future Vision

### Expansion of “strengths” in the core business

- Store openings with a focus on investment efficiency
- Enhancing the profitability of existing stores by reinforcing items other than suits, including shoes and shirts
- Expanding sales of womenswear, e-commerce (EC) and corporate uniforms, including new business development

### Solidifying the No.1 approval rate among business persons

### Proactive expansion of business domains

- Expanding sales of American Eagle Outfitters business
- Expanding sales of overseas business and franchise (FC) business
- Expanding business domains through M&As

### Building a “stable business portfolio”

### Management that engages stakeholders

- Enhancing governance structure
- Rebuilding personnel strategy including human resources development
- Expanding CSR activities

### Implementation of “improvements for sustainable growth”

Record profit

Consolidated operating income  
¥27,000 million

Targeting a total return ratio of 130% (During the medium-term management plan period)

Improve management efficiency to a ROE of 7%

# FY3/2016 STRATEGIES



# ◆ FY3/2016 STRATEGIES ◆

## ~OUTLOOK AND STRATEGIES BY SEGMENT~

Segment	Outlook and Strategies for FY3/2016
Business Wear Business	<p>Full-year existing-store sales are expected to be 103.1% of the previous year.</p> <p>First half (106.3%): Assuming recovery in sales which declined as a result of the backlash to the last-minute demand in the previous year.</p> <p>Second half (101.0%): Assuming increased sales due to responding to the round of demand for job-hunting suits.</p>
Store opening and relocation	Plan to open 18 stores, focusing on locations near train stations as well as SC, and relocate 6 stores.
Measures to enhance womenswear	Plan to develop sales environment, enhance sales promotions of womens' formal wear and expand the product line.
Enhancement of corporate uniforms	Plan to expand corporate partnership and respond to demand for corporate uniforms.
Responding to inbound demand	Plan to increase duty-free stores and develop sales environment such as creation of sales promotion materials for inside/outside stores and customer service tools.
Enhancement of EC	Start the same-day finishing and same-day delivery service in April.
Casual Wear Business	<p>Full-year existing-store sales of Eagle Retailing Corporation are expected to be 103.8% of the previous year. Plan to open 10 stores (5 in the first half and 5 in the second half).</p> <p>Plan to close 11 underperforming stores of CALAJA in the current year.</p>
Credit Card Business	Proceed as planned in the medium-term management plan.
Printing & Media Business	
Sundry Sales Business	
Other	
Restaurant Business	<p>Full-year existing-store sales of glob Co., Ltd. are expected to be 100.1% of the previous year.</p> <p>Plan to open 9 stores (5 in the first half and 4 in the second half).</p> <p>Of those, 2 stores will be "Yuzuan" (new restaurant).</p>
Reuse Business	Plan to open 4 stores (1 in the first half and 3 in the second half).

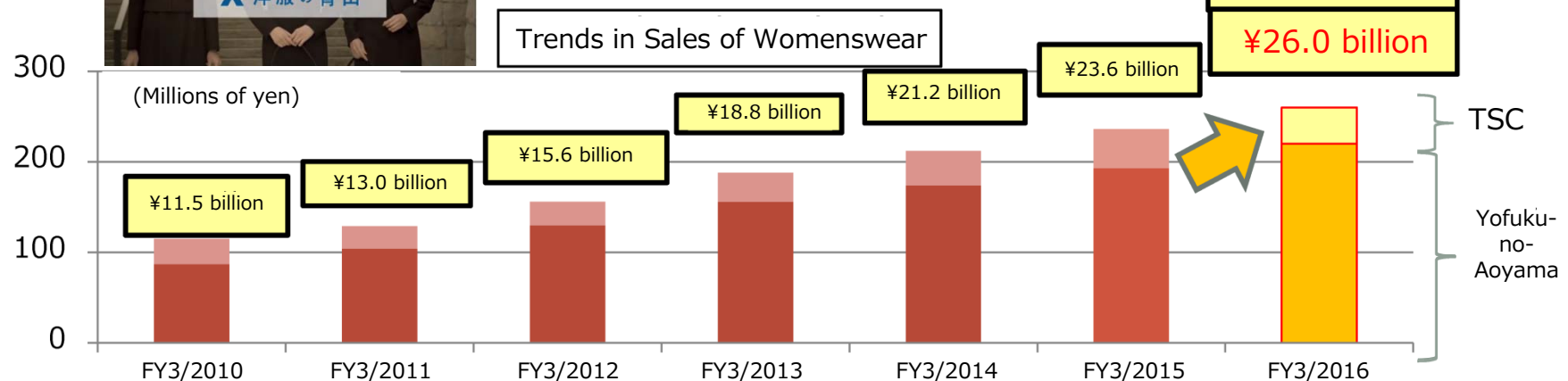
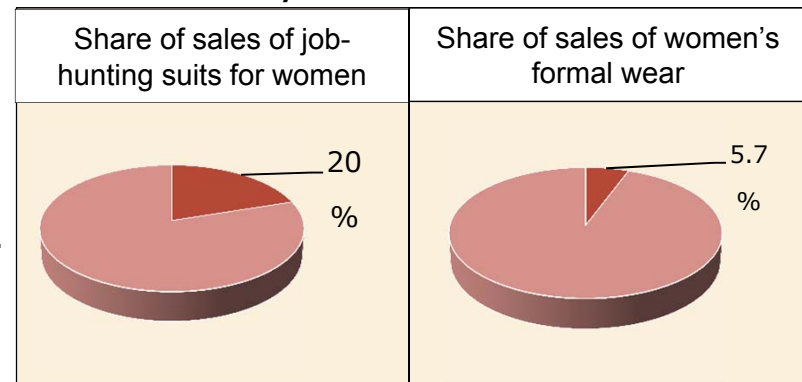
# ◆ FY3/2016 STRATEGIES ◆

## ～WOMENSWEAR STRATEGIES～

◇The Company plans to implement various measures to achieve the womenswear sales target of ¥26.0 billion in the current year.

<Measures for womenswear in the current year>

- (1) Enhancement of interaction between products, sales promotions and marketing based on needs for various occasions.
- (2) Expansion of the line and sales promotions of formal wear and suits for ceremonial occasions.
- (3) Expansion of sales floor and development of sales environment.
- (4) Consolidation of womenswear departments to the Tokyo Head Office.



# ◆ FY3/2016 STRATEGIES ◆ ~BUSINESS WEAR BUSINESS (TOPICS) ~

## ◇The fourth item of “AOYAMA PRESTIGE TECHNOLOGY” is heat shield suits.

Since the second half of the previous year, under the slogan of “Evolution of Suits”, the Company has enhanced development of high-function products to realize further evolution in manufacturing and strengthened the appeal of functional products as “AOYAMA PRESTIGE TECHNOLOGY” to communicate them to consumers in an easy-to-understand manner.

As the fourth item, the Company strengthened the appeal of suits with heat shield function as the strategic item from April.

The Company selected Ryuji Imaichi of Sandaime J Soul Brothers and three members of EXILE Theatrical Company as the brand spokespeople.



[Ryuji Imaichi (center), from left, Sho Aoyagi, Kanta Sato and Nobuyuki Suzuki of EXILE Theatrical Company]

# STORE OPENING/CLOSURES AND PLANS

# ◆STORE OPENING/CLOSURES AND PLANS◆

(unit : store)

store opening	FY3/2015			EY3/2016 PLAN		
	1H RESULT	2H RESULT	ANNUAL TOTAL	1H PLAN	2H PLAN	ANNUAL TOTAL
<b>Business wear business</b>	<b>19</b>	<b>18</b>	<b>37</b>	<b>6</b>	<b>12</b>	<b>18</b>
Yofuku-no-aoyama	9	12	21	4	7	11
NEXT BLUE	9	5	14	0	0	0
TSC (including outletshops)	1	1	2	0	5	5
UL (including outletshops)	0	0	0	2	0	2
<b>Casual wear business</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>10</b>
Levis store	0	0	0	0	0	0
American eagle outfitters	5	5	10	5	5	10
<b>Sundry sales business</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Daiso & aoyama 100yen Plaza	0	0	0	0	0	0
<b>Others</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>13</b>
Yakiniku King Restaurant	1	1	2	4	3	7
yuzuan Restaurant	0	0	0	1	1	2
2nd Street	0	1	1	0	3	3
Jumble Store	1	0	1	1	0	1
<b>Consolidated Total</b>	<b>26</b>	<b>25</b>	<b>51</b>	<b>17</b>	<b>24</b>	<b>41</b>
<b>Store closures</b>	<b>1H RESULT</b>	<b>2H RESULT</b>	<b>ANNUAL TOTAL</b>	<b>1H PLAN</b>	<b>2H PLAN</b>	<b>ANNUAL TOTAL</b>
Yofuku-no-aoyama	0	1	1	1	0	1
Calaja	1	2	3	5	6	11
2nd Street	0	1	1	0	0	0
DAISO&AOYAMA 100YEN PLAZA	8	1	9	0	0	0
<b>Consolidated Total</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>6</b>	<b>6</b>	<b>12</b>

(Note) 11unprofitable Calaja stores plans to closure in FY3/2016.

# ◆ STORE RELOCATION/RENOVATION AND AMOUNT OF CAPITAL INVESTMENT ◆

(unit : store, ¥ Million)

	FY3/2015			FY3/2016 PLAN		
	1H RESULT	2H RESULT	ANNUAL TOTAL	1H RESULT	2H RESULT	ANNUAL TOTAL
<b>Relocation</b>						
Yofuku-no-aoyama	3	1 2	1 5	1	5	6
TSC•UL	1	1	2	0	0	0
<b>計</b>	<b>4</b>	<b>1 3</b>	<b>1 7</b>	<b>1</b>	<b>5</b>	<b>6</b>
<b>Renovation</b>						
Yofuku-no-aoyama	109	0	109	120	0	120
TSC•UL	7	0	7	5	0	5
<b>TOTAL</b>	<b>116</b>	<b>0</b>	<b>116</b>	<b>125</b>	<b>0</b>	<b>125</b>
<b>Capital investment</b>						
Business wear business	8,653	6,731	15,384	3,200	7,300	10,500
Casual wear business	605	1,901	2,506	900	700	1,600
Credit card business	3	17	20	10	10	20
Commercial printing business	163	55	218	190	190	380
Sundry sales business	29	25	54	50	50	100
Others	0	410	410	900	1,300	2,200
<b>Consolidated TOTAL</b>	<b>9,453</b>	<b>9,139</b>	<b>18,592</b>	<b>5,250</b>	<b>9,550</b>	<b>14,800</b>

(Note) As for stores of Eagle Retailing Corporation and glob Co., Ltd., Aoyama Trading Co., Ltd. made capital investment and subleases them. The investment is included in each business.

# RESPONSE TO CORPORATE GOVERNANCE CODE

## ◆ RESPONSE TO CORPORATE GOVERNANCE CODE ◆

Activities to Enhancing of corporate governance system  
 ~Implementation of activities which consider corporate  
 governance code positively~

Major guideline	Activities
1. Appointment of multiple outside directors	Plan for appointment in the current year
2. Follow-up of the medium-term management plan by the Board of Directors	Disclosure of the progress semiannually
3. Enhancement of information disclosure and communication with investors	Early mail-out and preparation of English version of convocation notice, implementation of IR overseas
4. Review of the internal control system	Revision of the "Basic Policy for Establishment of Internal Control System"



# SUPPLEMENTARY DATA

# ◆FY3/2015 Consolidated Results and Interim Forecasts◆

(¥ million, %)

	1H FY3/2014		1H FY3/2015			1H FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
Net sales	89,568	100.0	89,641	100.0	100.1	98,400	100.0	109.8
Business Wear Business	70,463	—	69,069	—	98.0	74,700	—	108.2
Womenswear	6,244	—	6,966	—	111.6	7,700	—	110.5
Casual Wear Business	4,586	—	5,646	—	123.1	8,000	—	141.7
Credit Card Business	1,813	—	1,938	—	106.9	2,000	—	103.2
Printing and Media Business	5,045	—	5,289	—	104.8	5,730	—	108.3
Sundry Sales Business	8,046	—	7,811	—	97.1	7,410	—	94.9
Others	1,223	—	1,616	—	132.2	2,080	—	128.7
Adjustment	-1,610	—	-1,729	—	—	-1,520	—	—
Gross profit	51,022	57.0	50,562	56.4	-0.6	56,100	57.0	0.6
Selling, general and administrative expenses	47,387	52.9	48,915	54.6	103.2	53,500	54.4	109.4
Operating income	3,635	4.1	1,646	1.8	45.3	2,600	2.6	158.0
Ordinary income	4,611	5.1	2,648	3.0	57.4	2,900	2.9	109.5
Interim net income	2,475	2.8	1,234	1.4	49.9	1,200	1.2	97.2
Interim net income per share	¥40.72	—	¥21.08	—	—	¥20.76	—	—

- (Notes)
1. Of existing segments, the “Menswear Retail Business” was changed to the “Business Wear Business” while the “Commercial Printing Business” was changed to the “Printing and Media Business” from FY3/2016.
  2. Segment sales include transactions between Group businesses.
  3. Sales in “Casual Wear Business” include the casual wear business of Aoyama Trading Co., Ltd., and Eagle Retailing Corporation.
  4. Sales in “Others” include the reuse business of Aoyama Trading Co., Ltd., and glob Co., Ltd.
  5. “YoY” is growth rates for all items except gross profit, which is YoY change in ratio to net sales.
  6. “Interim net income per share” is calculated based on the average number of shares outstanding during the first half period (excluding treasury stock).

# ◆FY3/2015 Consolidated Results and Full-year Forecasts◆

(¥ million, %)

	FY3/2014		FY3/2015			FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
Net sales	222,139	100.0	221,712	100.0	99.8	237,200	100.0	107.0
Business Wear Business	183,279	—	179,107	—	97.7	188,000	—	105.0
Womenswear	21,286	—	23,600	—	110.9	26,000	—	110.2
Casual Wear Business	9,625	—	12,669	—	131.6	16,900	—	133.4
Credit Card Business	3,604	—	3,851	—	106.8	4,000	—	103.8
Printing and Media Business	11,008	—	11,360	—	103.2	12,430	—	109.4
Sundry Sales Business	15,843	—	15,339	—	96.8	14,800	—	96.5
Others	2,671	—	3,434	—	128.6	4,900	—	142.7
Adjustment	-3,893	—	-4,052	—	—	-3,830	—	—
Gross profit	127,780	57.5	126,942	57.3	-0.2	135,900	57.3	0.0
Selling, general and administrative expenses	105,189	47.4	107,914	48.7	102.6	115,200	48.6	106.8
Operating income	22,590	10.2	19,028	8.6	84.2	20,700	8.7	108.8
Ordinary income	24,650	11.1	21,683	9.8	88.0	21,300	9.0	98.2
Net income	12,962	5.8	12,807	5.8	98.8	12,300	5.2	96.0
Net income per share	¥ 214.75	—	¥ 221.55	—	—	¥ 212.77	—	—

- (Notes)
1. Of existing segments, the “Menswear Retail Business” was changed to the “Business Wear Business” while the “Commercial Printing Business” was changed to the “Printing and Media Business” from FY3/2016.
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  5. “YoY” is growth rates for all items except gross profit, which is YoY change in ratio to net sales.
  6. “Net income per share” is calculated based on the average number of shares outstanding during the period (excluding treasury stock).

# ◆FY3/2015 Parent Results and Interim Forecasts◆

(¥ million, %)

	1H FY3/2014		1H FY3/2015			1H FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
<b>Net sales</b>	71,552	100.0	69,777	100.0	97.5	75,800	100.0	108.6
Business Wear Business	69,817	100.0	68,014	100.0	97.4	74,070	100.0	108.9
Casual Wear / Reuse Business	1,735	100.0	1,763	100.0	101.6	1,730	100.0	98.1
<b>Gross profit</b>	42,890	59.9	41,832	60.0	0.1	45,400	59.9	-0.1
Business Wear Business	42,068	60.3	40,976	60.2	-0.1	44,520	60.1	-0.1
Casual Wear / Reuse Business	822	47.4	856	48.5	1.1	880	50.9	2.4
Selling, general and administrative expenses	40,124	56.1	40,916	58.6	102.0	43,600	57.5	106.6
Business Wear Business	39,208	56.2	39,953	58.7	101.9	42,670	57.6	106.8
Casual Wear / Reuse Business	916	52.8	963	54.6	105.1	930	53.8	96.6
<b>Operating income</b>	2,765	3.9	916	1.3	33.1	1,800	2.4	196.4
Business Wear Business	2,859	4.1	1,023	1.5	35.8	1,850	2.5	180.8
Casual Wear / Reuse Business	-93	-5.4	-107	-6.1	—	-50	-2.9	—
Non-operating income and expenses	1,405	2.0	1,404	2.0	99.9	600	0.8	42.7
Loss (gain) on valuation of derivatives	( 463)	( 0.6)	( 346)	( 0.5)	( 74.9)	(-210)	(-0.3)	(—)
<b>Ordinary income</b>	4,170	5.8	2,320	3.3	55.6	2,400	3.2	103.4
Other extraordinary loss (income)	-86	-0.1	-247	-0.4	—	-750	-1.0	—
<b>Interim net income</b>	2,418	3.4	1,205	1.7	49.8	1,050	1.4	87.1
Interim net income per share	¥39.77	—	¥20.59	—	—	¥18.16	—	—

- (Notes) 1. The "Suits Business" was changed to the "Business Wear Business" from FY3/2016.  
 2. "YoY" is growth rates for all items except gross profit, which is YoY change in ratio to net sales.  
 3. "Interim net income per share" is calculated based on the average number of shares outstanding during the first half period (excluding treasury stock).  
 4. "Loss (gain) on valuation of derivatives" under non-operating income/expenses is mainly related to coupon swap contracts.  
 (FY3/2016 forecasts are based on the exchange rate as of end-FY3/2015, assuming no change in the US-Japan interest rate spread).

# ◆FY3/2015 Parent Results and Full-year Forecasts◆

(¥ million, %)

	FY3/2014		FY3/2015			FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
<b>Net sales</b>	185,709	100.0	181,480	100.0	97.7	190,000	100.0	104.7
Business Wear Business	181,816	100.0	177,690	100.0	97.7	186,370	100.0	104.9
Casual Wear / Reuse Business	3,893	100.0	3,790	100.0	97.4	3,630	100.0	95.8
<b>Gross profit</b>	111,358	60.0	108,405	59.7	-0.3	113,400	59.7	0.0
Business Wear Business	109,507	60.2	106,578	60.0	-0.2	111,570	59.9	-0.1
Casual Wear / Reuse Business	1,851	47.5	1,826	48.2	0.7	1,830	50.4	2.2
Selling, general and administrative expenses	90,295	48.6	91,303	50.3	101.1	94,900	49.9	103.9
Business Wear Business	88,395	48.6	89,376	50.3	101.1	93,070	49.9	104.1
Casual Wear / Reuse Business	1,900	48.8	1,926	50.8	101.4	1,830	50.4	95.0
<b>Operating income</b>	21,063	11.3	17,101	9.4	81.2	18,500	9.7	108.2
Business Wear Business	21,112	11.6	17,201	9.7	81.5	18,500	9.9	107.6
Casual Wear / Reuse Business	-49	-1.3	-100	-2.6	—	0	0.0	—
Non-operating income and expenses	2,550	1.4	2,988	1.6	117.2	900	0.5	30.1
Loss (gain) on valuation of derivatives	( 885)	( 0.5)	( 1,092)	( 0.6)	( 123.3)	(-420)	(-0.2)	(—)
<b>Ordinary income</b>	23,613	12.7	20,089	11.1	85.1	19,400	10.2	96.6
Other extraordinary loss (income)	-877	-0.5	560	0.3	—	-2,000	-1.1	—
<b>Net income</b>	13,781	7.4	12,249	6.7	88.9	11,300	5.9	92.2
<b>Net income per share</b>	¥228.32	—	¥211.89	—	—	¥195.47	—	—

- (Notes)
1. The "Suits Business" was changed to the "Business Wear Business" from FY3/2016.
  2. "YoY" is growth rates for all items except gross profit, which is YoY change in ratio to net sales.
  3. "Net income per share" is calculated based on the average number of shares outstanding during the period (excluding treasury stock).
  4. "Loss (gain) on valuation of derivatives" under non-operating income/expenses is mainly related to coupon swap contracts.  
(FY3/2016 forecasts are based on the exchange rate as of end-FY3/2015, assuming no change in the US-Japan interest rate spread).

## ◆ FY3/2015 Main Operating Expenses (Business Wear Business) ◆

(Interim)

(¥ million, %)

	1H FY3/2014		1H FY3/2015			1H FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
Personnel expenses	13,248	19.0	13,823	20.3	104.3	14,540	19.6	105.2
Loyalty point reimbursements	1,160	1.7	1,138	1.7	98.1	1,240	1.7	109.0
Provision for point card certificates	-69	-0.1	-184	-0.3	—	-180	-0.2	—
Advertising expenses	5,250	7.5	4,928	7.2	93.9	5,000	6.8	101.5
Computer and internet administration costs	745	1.1	750	1.1	100.7	1,000	1.4	133.3
Rent expenses	9,254	13.3	9,612	14.1	103.9	9,940	13.4	103.4
Depreciation	2,977	4.3	3,189	4.7	107.1	3,430	4.6	107.6

(Full-year)

(¥ million, %)

	FY3/2014		FY3/2015			FY3/2016		
	Results	Sales ratio	Results	Sales ratio	YoY	Forecast	Sales ratio	YoY
Personnel expenses	28,889	15.9	28,904	16.3	100.1	29,700	15.9	102.8
Loyalty point reimbursements	2,865	1.6	2,678	1.5	93.5	2,810	1.5	104.9
Provision for point card certificates	107	0.1	-43	-0.0	-40.1	-80	-0.0	—
Advertising expenses	15,247	8.4	15,190	8.5	99.6	15,340	8.2	101.0
Computer and internet administration costs	1,671	0.9	1,607	0.9	96.2	2,120	1.1	131.9
Rent expenses	18,669	10.3	19,422	10.9	104.0	20,080	10.8	103.4
Depreciation	6,341	3.5	6,874	3.9	108.4	7,240	3.9	105.3

## ◆ FY3/2015 Parent Non-operating Income / Expenses ◆

(¥ million)

	FY3/2014		FY3/2015		FY3/2016	
	Interim	Full-year	Interim	Full-year	Interim(Forecast)	Full-year(Forecast)
Interest and dividend income	702	996	665	922	420	640
Real estate rent	851	1,738	882	2,023	1,470	2,970
Gain on valuation of derivatives	463	885	346	1,092	0	0
Foreign exchange gains	114	340	274	668	250	500
Other	91	273	77	231	60	90
Total non-operating income	2,223	4,234	2,247	4,937	2,200	4,200
Interest expenses	61	126	20	41	20	40
Cost of real estate rent	742	1,529	816	1,888	1,360	2,820
Loss on valuation of derivatives	—	—	—	—	210	420
Foreign exchange losses	—	—	—	—	0	0
Other	15	27	6	19	10	20
Total non-operating income	818	1,684	843	1,949	1,600	3,300
Non-operating income and expenses	1,405	2,550	1,404	2,988	600	900
(Net financial income)	( 641)	( 870)	( 645)	( 881)	( 400)	( 600)

- (Notes) 1. "Real estate rent" and "Cost of real estate rent" are compensating items.  
 2. "Gain on valuation of derivatives" and "Loss on valuation of derivatives" are mainly related to coupon swap contracts. For full-year forecasts, we use an end-FY3/2016 exchange rate of ¥120/\$, based on the exchange rate as of end-FY3/2015, assuming no change in the US-Japan interest rate spread.

### (Reference) Projected gain/loss on valuation of derivatives (FY3/2016)

Projected exchange rate at end-fiscal 2016:	¥120 (current forecast)	¥125 (weaker yen by ¥5)	¥115 (stronger yen by ¥5)
Fiscal 2016 H1 forecast	¥210 million valuation loss	¥125 million valuation loss	¥300 million valuation loss
Fiscal 2016 H2 forecast	¥210 million valuation loss	¥125 million valuation loss	¥300 million valuation loss
Fiscal 2016 full-year forecast	¥420 million valuation loss	¥250 million valuation loss	¥600 million valuation loss

## ◆ FY3/2015 Per Unit Sales and Inventories ( Business Wear Business ) ◆

	FY3/2013	FY3/2014	FY3/2015
No. of employees at year-end (parent)	3,417	3,442	3,517
No. of temporary employees	2,254	2,386	2,375
<b>Total</b>	<b>5,671</b>	<b>5,828</b>	<b>5,892</b>
Average number of active employees	5,484	5,767	5,942
(Of which, temporary employees)	(2,007)	(2,323)	(2,381)
Net sales per employee	31,174k	30,744k	29,156k
Average sales area in use	510,584 m <sup>2</sup>	517,584 m <sup>2</sup>	547,006 m <sup>2</sup>
Net sales per m <sup>2</sup>	335k	342k	316k
Average no. of stores in use	790.0	808.0	845.0
Net sales per store	216,408k	219,431k	205,028k
Year-end inventories per m <sup>2</sup>	72k	75k	76k
Year-end inventories per store	46,319k	47,237k	49,229k

(Notes) 1. Company employees are directly employed personnel, the number of temporary employees is calculated based on an 8-hour working day per person.  
2. Net sales per unit are calculated based on net sales, excluding mail-order sales, sales in Taiwan and loyalty point reimbursements.



# ◆ OPERATING ENVIRONMENT : SUIT IMPORTS ◆

Accelerating shift in suit manufacturing sites from China to Southeast Asia, particularly Indonesia

Price of imported suits is rising due to the weak yen and surging labor costs  
Others are, mainly countries, Cambodia, Laos and Bangladesh, etc.

(thousand suits,%)

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Change in import volume	Change in share of global import	Unit price (¥)	Change in unit price
<b>China</b>	6,816	6,712	6,217	-7.4	-5.6	7,121	+7.8
<b>Vietnam</b>	1,114	1,149	1,178	+2.5	+0.1	5,447	+2.6
<b>Myanmar</b>	772	822	979	+19.1	+1.5	4,798	-2.5
<b>Indonesia</b>	289	483	677	+40.2	+1.9	5,612	+12.9
<b>Italy</b>	57	56	54	-3.6	-0.1	60,870	+15.6
<b>Others</b>	611	635	849	+33.7	+2.1	6,641	-3.8
<b>Total</b>	9,659	9,857	9,954	+1.0	—	6,842	+5.0
Unit price(¥)	5,876	6,515	6,842	—	—	—	—
foreign exchange (average)	¥80.1	¥97.9	¥106.4	+8.7	—	—	—