Securities Code: 8219
June 3, 2016

To All Shareholders

1-3-5, Oji-cho, Fukuyama, Hiroshima

Aoyama Trading Co., Ltd.

President and Representative Director Osamu Aoyama

Notice of the Convocation of the 52nd Ordinary General Meeting of Shareholders

Dear Shareholders:
We would like to take this opportunity to express our gratitude to all of our stakeholders for their patronage. Please be advised that the 52nd Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially requested to be present at this meeting.
If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for General Meeting of Shareholders provided in a later section, and exercise your voting rights no later than Tuesday, June 28, 2016, 6:30 p.m. in accordance with the guidance presented in a later section.

Description

1. Date June 29 (Wednesday), 2016, at 10:00 a.m.
2. Place Meeting Room, 4th floor, Headquarters
   Aoyama Trading Co., Ltd., 1-3-5, Oji-cho, Fukuyama, Hiroshima
   (Please refer to the simplified map at the end of this document)
3. Objects of the meeting

   Matters to be reported
   1. Report on the business report for the 52nd term (from April 1, 2015 to March 31, 2016), the contents of the consolidated financial statements, and the results of audit of the consolidated financial statements by the account auditors and the Board of Corporate Auditors
   2. Report on the contents of the financial statements for the 52nd fiscal year (from April 1, 2015 to March 31, 2016)

   Matters to be resolved

   Proposal No. 1 Appropriation of Retained Earnings
   Proposal No. 2 Election of 1 Director
   Proposal No. 3 Election of 2 Corporate Auditors

4. Guidance on exercise of voting rights

(1) Exercising voting rights in writing
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and have it delivered to reach the Company no later than Tuesday, June 28, 2016, 6:30 p.m.

(2) Exercising voting rights via the Internet
To exercise your voting rights via the Internet, please read the "Guidance on exercise of voting rights via the Internet" on Page 3 through Page 5 and exercise those rights no later than Tuesday, June 28, 2016, 6:30 p.m.

(3) If you exercise your voting rights both in writing and via the Internet, the latter will be treated as being valid. If you exercise your voting rights via the Internet more than once, or both via personal computer and mobile phone, the latest vote will be treated as being valid.

End.

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⊙ When attending the meeting, please present the enclosed voting form to the receptionists at the meeting.

⊙ Please note that if it becomes necessary to amend any matters related to the contents stated in the reference documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Financial Statements, it will be presented on the Company's website at: http://www.aoyama-syouji.co.jp

[Guidance on exercise of voting rights via the Internet]

If you intend to exercise your voting rights via the Internet, please consent to the followings in advance of doing so.

1. Website for exercising voting rights

You may exercise your voting rights only through the following voting rights exercise website designated by the Company.

Address of voting rights exercise website: http://www.web54.net

* This voting rights exercise website can be accessed using a bar code reading function-equipped mobile phone to read the QR Code® shown to the right.
For details of the usage method, please refer to the instruction manual of your mobile phone.
(QR Code is a registered trademark of Denso Wave Incorporated.)

2. Procedure for exercising voting rights

(1) When exercising your voting rights via the Internet, please use the "Voting Rights Exercise Code" and "Password," displayed on the Voting Rights Exercise Form enclosed, before voting for or against the proposals, in accordance with the guidance shown on the screen page.

(2) The deadline for exercising voting rights is Tuesday, June 28, 2016, so you are kindly asked to exercise your voting rights at the earliest opportunity.

(3) If you exercise your voting rights both in writing and via the Internet, the latter will be treated as being valid. If you exercise your voting rights via the Internet more than once, or both via personal computer and mobile phone, the latest vote will be treated as being valid.

(4) Internet provider and telecom carrier fees (connection charge etc.) incurred for using the voting rights exercise website are borne by the shareholder.

3. Handling password and voting rights exercise code

(1) Your password is important information with which to verify the identity of a voting shareholder, so please handle the password with care just as you would your official seal and personal identification number.

(2) Your password is disabled if it is used erroneously more than a certain number of times. If you wish to be re-issued with a password, please follow the procedure described in the guidance shown on the screen page.

(3) The voting rights exercise code shown on the Voting Rights Exercise Form is valid only for the General Meeting of Shareholders in question.

4. IT system requirements

If you are exercising your voting rights via the Internet, please check the following requirements for your IT system.

(1) When using the PC website

A. The display screen has a minimum resolution of 800 dots horizontally and 600 dot vertically (SVGA).

B. The following applications need to be installed.

(a) Ver.5.01 SP2 or later Microsoft® Internet Explorer as a web browser

(b) Ver.4.0 or later Adobe® Acrobat® Reader® or Ver.6.0 or later Adobe® Reader® as PDF file browser

* Internet Explorer is a registered trademark, trademark, and product name in the U.S. and other countries of Microsoft Corporation based in the U.S. and Adobe®, Acrobat®, Reader®, Adobe®, and Reader® are each registered trademarks, trademarks and product names in the U.S. and other countries of Adobe Systems Incorporated based in the U.S.

* These software products are all distributed via each vendor's official website free of charge.

C. If the "Pop-up Blocker" is enabled on your web browser and web add-in tools, you need to disable (or temporarily disable) it, and adjust your privacy setting to allow the use of "Cookies" on the voting rights exercise website.

D. If you are unable to access the above-mentioned website, the online telecommunication of your system may be restricted due to the settings of the firewall proxy server and security management software, so please check the settings.

(2) When using the mobile phone website

The device can use any of the following services and is 128 bit secure socket layer (SSL) encryption telecommunication enabled.

1) i-mode; 2) EZweb; 3) Y!mobile

* i-mode is a trademark, registered trademark, and service name of NTT DoCoMo, Inc. EZweb is a trademark, registered trademark, and service name of KDDI Corporation. Yahoo! Is a trademark, registered trademark, and service name of Yahoo! Incorporated based in the U.S. Y!mobile is a trademark, registered trademark, and service name of SoftBank Corp.

* If you use your mobile phone's full browser application to access the website, use the phone only as a telecommunication device before using your PC to access the website via a mobile phone or use your smartphone to access the website, your vote will be treated as if having been executed via the PC website even if your device meets the above-mentioned requirements.

5. Contact point for inquiries on how to use your PC and other devices

(1) If you have any questions or doubts about the operation of your PC or mobile phone to exercise voting rights via the voting rights exercise website, please contact the following for assistance:

Hotline for Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited:

Telephone: 0120-652-031 (operating hours: 9:00 a.m. to 9:00 p.m., Japan Standard Time)

(2) For any other inquiries, please contact the following for assistance:

A. Shareholder who has an account with a securities company:

Please contact the securities company with which you hold the account.

B. Shareholder who does not have an account with a securities company (shareholder with a special account)

Stock Transfer Agency Business Center, Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-782-031 (Operating hours: 9:00 a.m. to 5 p.m., Japan Standard Time, except for weekends and holidays)

6. Using the voting rights exercise platform (for institutional investors)

For this planned General Meeting of Shareholders, institutional investors may exercise their voting rights via the Internet using the Online Proxy Voting Platform operated by ICJ Incorporated.

Attached Documents

Business Report

(From April 1, 2015
To March 31, 2016)

1. Matters concerning the situation of the Corporate Group

(1) Developments and results of business activities

Japan's economy continued its moderate trend of recovery during the current consolidated fiscal year, with a pickup in corporate business results and employment against the backdrop of economic and financial measures taken by the government. However, conditions remained unclear, mainly due to sudden movements in foreign exchange rates and stock prices, and concerns about slowdowns of overseas economies including that of China.

Under such circumstances, our Group implemented various measures aimed at reinforcing the profitability and competitiveness of the business wear business. It also boosted the management base of the Group, as well as its ability to generate profits.

Under these circumstances, the results of our Group for the current consolidated fiscal year are as described below.

(Unit: millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of the parent
Year ended March 2016	240,224	21,336	21,639	11,869
Year ended March 2015	221,712	19,028	21,683	12,807
Change year on year (%)	108.3	112.1	99.8	92.7

<Performance by business>

(Unit: millions of yen)

	Net sales				Segment income (Operating income)			
	The 52nd fiscal year (The current fiscal year) From April 1, 2015 to March 31, 2016	The 51st fiscal year (The previous fiscal year) From April 1, 2014 to March 31, 2015	Amount of increase or decrease	Change year on year (%)	The 52nd fiscal year (The current fiscal year) From April 1, 2015 to March 31, 2016	The 51st fiscal year (The previous fiscal year) From April 1, 2014 to March 31, 2015	Amount of increase or decrease	Change year on year (%)
Business wear business	187,931	179,107	8,823	104.9	19,523	17,537	1,985	111.3
Casual wear business	17,315	12,669	4,645	136.7	-26	-177	150	-
Credit card business	4,109	3,851	258	106.7	958	790	167	121.2
Printing and media business	11,696	11,360	335	103.0	162	178	-15	91.4
Sundry sales business	15,460	15,339	120	100.8	541	458	82	118.0
Total repair business service	2,875	-	2,875	-	73	-	73	-
Others	4,666	3,434	1,231	135.9	81	172	-90	47.5
Adjustments	-3,830	-4,052	221	-	22	68	-45	33.1
Total	240,224	221,712	18,512	108.3	21,336	19,028	2,308	112.1

(Notes) 1. Amounts are rounded down to the nearest million yen.
2. The mark "-" indicates loss or decrease.
3. Amounts under "adjustments" indicate transactions within the Group.
4. Net sales by segment and segment income (operating income) are figures before elimination of inter-segment transactions.
5. Reporting segments have been changed starting from this consolidated fiscal year; the previous

"Menswear retail business" and "Commercial printing business" have been changed to "Business wear business" and "Printing and media business," respectively. The changes apply only to segment names; therefore, they have no impact on segment information.

6. With Minit Asia Pacific Co., Ltd. becoming our wholly-owned subsidiary on December 16, 2015, the "Total repair service business" has been added to reporting segments.
   For details, please refer to "Notes on the Consolidated Financial Statements (Other Notes) Notes on Business Combinations and Divestitures."

Net sales were 240,224 million yen, an increase of 18,512 million yen compared with the previous consolidated fiscal year.
This was mainly because of a recovery in the business wear business from depressed demand following a peak in demand before a consumption tax increase, active store-openings for "American Eagle Outfitters" in the casual wear business, and the inclusion of sales in January - March 2016 of Minit Asia Pacific Co., Ltd., which became our wholly-owned subsidiary in December 2015.
Gross profit was 136,108 million yen, an increase of 9,165 million yen compared to the previous consolidated fiscal year.
This was mainly because the business and casual wear businesses posted higher sales.
Operating income was 21,336 million yen, an increase of 2,308 million yen compared with the previous consolidated fiscal year.
This was mainly because the operating income of the business wear business increased by 1,985 million yen compared with the previous consolidated fiscal year.
Ordinary income was 21,639 million yen, a decrease of 44 million yen compared to the previous consolidated fiscal year.
This was mainly because our Group recorded a loss on the valuation of derivatives of 712 million yen (gain on valuation of derivatives was 1,092 million yen for the previous fiscal year) in relation to "Comprehensive Long-Term Foreign Exchange Contracts (coupon swap contract)," etc., as non-operating income.
Regarding extraordinary income and loss, our Group recorded a loss on sales and retirement of non-current assets of 753 million yen and an impairment loss of 959 million yen as an extraordinary loss.
For these reasons, profit attributable to owners of parent for the current fiscal year stood at 11,869 million yen, a decrease of 938 million yen compared to the previous consolidated fiscal year.

(2) Situation by business

<Business wear business >

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

Net sales of the business were 187,931 million yen (104.9% of that of the previous year) and segment income (operating income) was 19,523 million yen (111.3% of that of the previous year).

Regarding the business wear business of Aoyama Trading Co., Ltd., which is the core business, we focused on expanding market share through such measures as steadily opening stores and relocating stores to shopping centers, in particular. Besides, in February 2016, we opened two stores, respectively, of “WHITE THE SUIT COMPANY” (specialty store of women’s apparel) and “UNIVERSAL LANGUAGE MEASURE'S” (specialty store of custom order suits). Moreover, among existing stores, in addition to holding the “All-out Celebration Sale” and the “Aoyama Sale” at “Yofuku-no-Aoyama” to celebrate the establishment of 800 stores, we saw a drop in sales in the previous year due to a backlash from a peak in demand before a consumption tax increase. As a result, net sales of existing stores were 103.0% of that of the previous year.

The number of men’s suits sold, our mainstay, was 2,223,000 or 99.2% of that of the previous year and the average sales unit price was 27,484 yen or 104.4% of that of the previous year.

Stores opened, closed, etc. are as described below.

<Number of stores opened and closed and stores at the end of the year of the business wear business by each business format (As of the end of March 2016)>

(Unit: store(s))

Name of business format	Yofuku-no-Aoyama	NEXT BLUE	The Suit Company	Universal Language	Blu e Grigio	Universal Language MEASURE’S	White The Suit Company	Total
Stores opened [Of which, relocated and reconstructed] (From April to March)	19 [6]	0	6 [1]	5 [1]	0	2	2	34 [8]
Stores closed (From April to March)	3	6	1	0	0	0	0	10
Number of stores at the end of the year (At the end of March)	798	8	47	13	4	2	2	874

(Note) The numbers under “The Suit Company” include the number of “TSC SPA OUTLET” formats and the numbers under “Universal Language” include “UL OUTLET” formats.

<Casual wear business> [Casual wear business of Aoyama Trading Co., Ltd. and Eagle Retailing Corporation]

In the casual wear business, Eagle Retailing Corporation, the core business, opened ten new stores of “American Eagle Outfitters.” As a result, net sales were 17,315 million yen (136.7% of that of the previous year), and segment loss (operating loss) was 26 million yen (the figure for the previous year was a segment loss (operating loss) of 177 million yen).
Stores opened and closed are as described below.

<Number of stores opened and closed and stores at the end of the year of the casual wear business by each business format (As of the end of March 2016)>

(Unit: store(s))

Name of business format	Casual wear business of Aoyama Trading Co., Ltd.		Eagle Retailing Corporation
	CALAJA	LEVI'S STORE	American Eagle Outfitters
Stores opened (From April to March)	0	1 [1]	10
Stores closed (From April to March)	10	0	0
Number of stores at the end of the year (At the end of March)	13	6	28

(Note) The figures for “American Eagle Outfitters” include the number of outlet stores.

<Credit card business> [Aoyama Capital Co., Ltd.]

We are developing this business for the main purpose of supporting efficient sales promotions in the business wear business. We expanded the financial service business with a focus on increasing “AOYAMA Card” memberships, and the number of effective members as of the end of February 2016 came to 3.99 million persons (an increase of 130,000 members compared with the previous fiscal year).
In the credit card business, with an increase in shopping sales, etc., net sales were 4,109 million yen (106.7% of that of the previous year) and segment income (operating income) was 958 million yen (121.2% of that of the previous year).
Funds were acquired through loans from the parent company, Aoyama Trading Co., Ltd., and through the issuance of corporate bonds.

<Printing and media business> [ASCON Co., Ltd.]

In the printing and advertisement industries, the management environment continues to be severe with intensifying competition for the acquisition of orders, etc.
In the printing and media business, while net sales totaled 11,696 million yen (103.0% of that of the previous year) due to an increase in the number of orders received from existing business counterparties, etc., segment income (operating income) came to 162 million yen (91.4% of that of the previous year) due to soaring raw material prices such as the prices of printing paper.

<Sundry sales Business> [Seigo Co., Ltd.]

In the 100-yen shop industry, competitors are aggressively opening stores and competition in the industry is further intensifying.

In 100-yen shops, which we are expanding under the name of “Daiso & Aoyama 100 Yen Plaza”, we took such measures as utilizing some of the closed stores of “Yofuku-no-Aoyama” and “CALAJA” and opening such stores side by side with “Yofuku-no-Aoyama”, aiming to obtain synergy effects.

While net sales in the sundry sales business were 15,460 million yen (100.8% of that of the previous year) and segment income (operating income) was 541 million yen (118.0% of that of the previous year), due to increased sales of premium products (150 - 500 yen), despite intensifying competition in the industry, etc.

The number of stores at the end of February 2016 was 119 (119 stores at the end of the previous year).

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

With Minit Asia Pacific Co., Ltd. becoming our wholly-owned subsidiary on December 16, 2015, the “Total repair service business” has been added to the reporting segments.

In this business, for the three months from January to March 2016, net sales were 2,875 million yen, while segment income (operating income) was 73 million yen.

Minit Asia Pacific provides comprehensive repair services to consumers including shoe repairs and key duplication under the integrated brand “Mister Minit” in the Asia Pacific Region, centering on Japan, Australia, and New Zealand. It is a leading company in the industry and is developing business operations at 577 stores within the entire group (at the end of March 2016).

We believe that acquiring the services provided by Minit Asia Pacific will help expand and develop the after-care products area, in addition to the suits business, which represents the competitive advantage of the Company. This will further reinforce the added value provided by the Company.

From the viewpoint of Minit Asia Pacific, we believe that it will also further develop its business operations. This will be made possible using our store network and the customer platform developed by the Company Group, while accelerating the strategy for growing its businesses.

For details, please refer to “Notes on the Consolidated Financial Statements (Other Notes) Notes on Business Combinations and Divestitures.”

<Others> [Reuse business of Aoyama Trading Co., Ltd. and glob Co., Ltd.]

In other business, net sales were 4,666 million yen (135.9% of that of the previous year), due to the opening of seven stores of “Yakiniku King” operated by glob Co., Ltd., while segment income (operating income) was 81 million yen (47.5% of that of the previous year), due to an increase in store-opening expenses, etc.

Stores opened and closed are as described below.

<Number of stores opened and closed and stores at the end of the year of other business by business format (As of the end of March 2016)>

(Unit: store(s))

Name of business format	Reuse business of Aoyama Trading Co., Ltd.		glob Co., Ltd.	
	2nd STREET	JUMBLE STORE	Yakiniku King	Yuzuan
Stores opened (From April to March)	3	1	7	2
Stores closed (From April to March)	0	0	0	0
Number of stores at the end of the year (At the end of March)	9	2	21	2

(3) State of capital investment

The total amount of capital investments in major businesses during the current consolidated fiscal year came to 13,224 million yen.
The total amount of capital investments in the business wear business was 9,675 million yen, which was mainly for investments made in line with the opening of new stores and relocation of existing stores, etc.
The total amount of capital investments in the casual wear retail business came to 1,670 million yen, which was mainly for the opening of new stores of American Eagle Outfitters.
The total amount of capital investments in the credit card business was 19 million yen, which was mainly for investments made in systems related to credit card operations.
The total amount of capital investments in the printing and media business was 277 million yen, which was mainly for the expansion of production systems.
The total amount of capital investments in the sundry sales business was 56 million yen, which was mainly for repairing existing stores, etc.
The total amount of capital investments in the total repair service business was 95 million yen (from December 16, 2015 to the end of the current fiscal year), which was mainly for new store openings of Mister Minit.
The total amount of capital investments in other businesses came to 1,432 million yen, which was mainly for the opening of new stores of 2nd STREET, Yakiniku King, and Yuzuan.
Stores newly open, relocated, etc. during the current consolidated fiscal year were as described below.

[1] **<The Business wear business>**

<<Stores newly opened>>

Area	Number of stores	Name of store
Kanto region	13	Maruhiro Minamiurawa store, Aeon Laketown store (UL), Kashiwahigashiguchi store, Makuhari store (UL OUTLET), Adachi Takenotsuka store, Super VIVAHOME Toyosu store, Lalaport Tachikawatachihi store (TSC), Shibuya Miyashita-koen store (TSC), Daimaru Tokyo store (UL), Shibuya Jinnan store (UL MEASURE'S), Shinjuku store (WHITE TSC), Itoyokado Kamiooka store, Lalaport Ebina store (TSC)
Chubu region	2	Nagoya Issha store, Nagoya Chaya store
Kinki region	8	Aeon Mall Kuwana store, Kyoto Katsuragawa store, Daimaru Kyoto store (UL), Minamisenri store, Lalaport EXPOCITY store (TSC), Abenoharukas store (UL MEASURE'S), Grandfront Osaka store (WHITE TSC), Nishinomiya Nakamaeda store
Chugoku region	1	Aeon Mall Hiroshima Fuchu store (TSC)
Shikoku region	1	Matsuyama Kume store
Kyushu region	1	Chikushino store
Total	26	-

<<Stores relocated>>

Area	Number of stores	Name of store
Kanto region	3	Harbor city Soga store, Yodobashi Akiba store (TSC)*, Shinjuku store (UL)
Chubu region	3	Shintonami store, Shintsuruga store, Shinfukuroi store
Kinki region	1	Shinkashihara store
Chugoku region	1	Shinkudamatsu store
Total	8	-

(Note) * indicates relocation within the facility.

<<Stores closed>>

Area	Number of stores	Name of store
Kanto region	4	Aeon Mall Kisarazu store (NB), Machida Modi store (NB), Shinjuku Higashiguchi store (TSC), Honatsugi Higashiguchi store
Chubu region	1	Aeon Mall Kakamigahara store (NB)
Kinki region	2	Kyoto Rakusai store, Kyobashi Keihan Mall store (NB),
Shikoku region	1	Aeon Mall Niihama store (NB)
Kyushu region	2	Commercialmall Hakata store, Aeon Mall Omuta store (NB)
Total	10	-

(Notes) 1.Stores having no parentheses after the names are “Yofuku-no-Aoyama” stores.

2.Name of business format

NB : Next Blue

TSC : The Suit Company

UL : Universal Language

BG : Blu e Grigio

UL MEASURE'S : Universal Language Measure’s

WHITE TSC : White The Suit Company

[2] **<Casual wear business>**

<<Stores newly opened>>

Area	Number of stores	Name of store
Kanto region	6	Lalaport Fujimi store, Cocoon city store, Aeon Laketown store, Shisui Premiumoutlets store, Lalaport Tachikawatachihi store, Lalaport Ebina store
Kinki region	3	Aeonmall Shijonawate store, Lalaport EXPOCITY store, Aeonmall Kashihara store
Kyushu region	1	Aeonmall Okinawa Rycom store
Total	10	-

(Note) Stores having no parentheses after the names are "American Eagle Outfitters" stores.

<<Stores relocated>>

Area	Number of stores	Name of store
Chubu region	1	Nagoya Parco (Levi's store)*
Total	1	-

(Note) * indicates relocation within the facility.

<<Stores closed>>

Area	Number of stores	Name of store
Kinki region	7	Kyoto Katsuraminami store (CALAJA), Izumiotsu store (CALAJA), Matsubara store (CALAJA), Sumoto store (CALAJA), Amagasaki Kukuchi store (CALAJA), Kobe Nishi store (CALAJA), Nishinomiya store (CALAJA)
Chugoku region	1	Hiroshima Midorii store (CALAJA)
Shikoku region	1	Tokushima Oujin store (CALAJA)
Kyushu region	1	Iizuka Honami store (CALAJA)
Total	10	-

[3] <Sundry sales business>

No corresponding item existed.

[4] Total repair service business

Area	Mister Minit					
	< New stores opened >			<Stores closed>		
	Number of stores			Number of stores		
	Total	Directly-managed stores	FC stores	Total	Directly-managed stores	FC stores
Japan	10	8	2	11	6	5
Oceania	15	7	8	3		3
Asean	4	4		2	2	
China	1		1	1	1	
Total	30	19	11	17	9	8

(Notes)1. The figures above are annual number of new stores opened and closed.
2. The names of stores are omitted.
3. There are 20 stores in total which changed from directly-managed stores to FC stores (three stores in Japan, 13 stores in Oceania, four stores in Asean).

[5] <Others>

<<Stores newly opened>>

Area	Reuse business		Restaurant business	
	Number of stores	Name of store	Number of stores	Name of store
Chubu region	1	Kofu bypass store (2nd STREET)	7	Joetsu Central square store (Yakiniku King), Tonami store (Yakiniku King), Komatsu store (Yakiniku King), Kofu Showa store (Yakiniku King), Kofu Kokubo store (Yuzuan), Nagano Minamitakada store (Yuzuan), Gamagoori store (Yakiniku King)
Kinki region	1	Sumoto store (2nd STREET)		
Chugoku region	1	Ube store (JUMBLE STORE)	1	Hiroshima Inokuchi store (Yakiniku King)
Shikoku region	1	Tokushima Oujin store (2nd STREET)		
Kyushu region			1	Kanoya bypass store (Yakiniku King)
Total	4	-	9	-

(4) State of procurement of funds

The Company borrowed long-term loans payable of 40 billion yen during the current fiscal year.

(5) Status of Business segment transfers, absorption-type splits, and incorporation-type splits

No corresponding item existed.

(6) Status of business segments transferred from other companies

No corresponding item existed.

(7) State of succession of rights and obligations in relation to business of other corporations, etc. as a result of absorption-type mergers or splits

No corresponding item existed.

(8) Status of acquisition or disposal of other company's shares, interests or share subscription rights

On December 16, 2015, the Company acquired all of the shares of Minit Asia Pacific Co., which provides comprehensive repair services including shoe repairs and key duplication under the integrated brand "Mister Minit" Ltd., to make it the Company's wholly-owned subsidiary.

(9) Issues to be addressed

On a mid- to long-term basis, the environment surrounding the Group is expected to continue to be difficult due to the shrinking suit market caused by a declining birth rate, as well as expected increases in production costs, etc.

Under such circumstances, for the Group to survive the fierce competition and to realize sustainable growth, we recognize that it is necessary to ensure the stable growth of existing businesses, as well as the expansion of our business domains and with this recognition we newly formulated our medium-term management plan, "CHALLENGE 2017," which will be implemented through fiscal 2017. We are currently promoting various measures to achieve its targets.

Under the plan, the Group will aim for the stable growth of the business wear business, our core business, through the expansion of sales of womenswear, etc., and to expand its business domains proactively into the restaurant business, overseas businesses and new businesses by taking advantage of our strengths developed over 50 years (sales capabilities, store development capabilities, goods procurement capabilities, commitment to quality and customer base). By doing so, we will build a stable business portfolio and become a corporation capable of making contributions to society based on sustainable growth.

Also, we will directly engage all stakeholders and ensure appropriate cooperation with them on a face to face basis to enhance our corporate value further through advancing our governance system, establishing a compliance system, rebuilding human resources strategies, and expanding CSR activities, etc., in line with the enforcement of the revised Company Law and the start of application of the corporate governance code.

Although the business environment is expected to continue to change in the future as well, we intend to create a new growth track by accurately and constantly identifying current needs and by taking advantage of the Aoyama Group's strengths in sales and related fields of business wear, including women's wear, etc. By doing so, we intend to continue contributing to our customers, shareholders, business counterparties, employees, and local communities. We do appreciate our shareholders' further understanding and support.

(10) Financial position and results of operations

[1] Financial position and results of operations of the Corporate Group (Unit: millions of yen)

By fiscal year / Classification	49th term (Fiscal year ended March 2013)	50th term (Fiscal year ended March 2014	51st term (Fiscal year ended March 2015	52nd term (The current consolidated fiscal year) (Fiscal year ended March 2016
Net sales	212,400	222,139	221,712	240,224
Operating income	21,267	22,590	19,028	21,336
Ordinary income	24,635	24,650	21,683	21,639
Profit attributable to owners of parent	12,621	12,962	12,807	11,869
Net income per share	204 yen 66 sen	214 yen 75 sen	221 yen 55 sen	218 yen 6 sen
Total assets	344,373	352,733	350,752	399,651
Net assets	240,027	244,231	238,069	236,723

(Notes) 1. Amounts are rounded down to the nearest million yen.
2. Net sales per share is calculated based on the average number of shares during the term.

49th term
Our Corporate Group posted higher sales and income for 2 consecutive fiscal years mainly due to the favorable performances of ladies products.

50th term
Our Corporate Group posted higher sales and income for 3 consecutive fiscal years mainly due to measures implemented commemorating the 50th anniversary of the Company.

51st term
Because of a backlash from the rush of demand before the consumption tax hike, sales and profit decreased.

52nd term (the current consolidated fiscal year)
The performance for the 52nd term is as described in "(1) Developments and results of business activities of 1. Matters concerning the situation of the Corporate Group."

[2] Financial position and results of operations of the Company (Unit: millions of yen)

By fiscal year / Classification	49th term (Fiscal year ended March 2013)	50th term (Fiscal year ended March 2014)	51st term (Fiscal year ended March 2015)	52nd term (The current fiscal year) (Fiscal year ended March 2016)
Net sales	178,503	185,709	181,480	189,700
Operating income	20,025	21,063	17,101	19,196
Ordinary income	23,735	23,613	20,089	20,087
Net income	12,657	13,781	12,249	11,513
Net income per share	205 yen 24 sen	228 yen 32 sen	211 yen 89 sen	211 yen 52 sen
Total assets	299,234	304,565	298,037	338,739
Net assets	230,147	234,752	227,524	226,512

(Notes) 1. Amounts are rounded down to the nearest million yen.
2. Net sales per share are calculated based on average number of shares during the term.

(11) Principal Parent Company and Subsidiaries (As of March 31, 2016)

[1] Relationships with the parent company
No corresponding item existed.

[2] State of principal subsidiaries (Unit: millions of yen, %)

Name of company	Capital	Investment ratio of the Company	Major business descriptions
Aoyama Capital Co., Ltd.	5,000	100.0	Credit card business
MDS Co., Ltd.	50	100.0	Planning and procurement of displays
Eisho Co., Ltd.	40	100.0	Planning and procurement of sales supplies, etc.
glob Co., Ltd.	10	100.0	Development of restaurant businesses
FUKURYO Co., Ltd.	303	100.0	Production of suits, etc.
Minit Asia Pacific Co., Ltd.	100	100.0	Provision of comprehensive repair services to consumers in Japan including shoe repairs and key duplication
Minit Oceania and S.E.A. Pte. Ltd.	51,327,000 SG$	100.0 (100.0)	Regional headquarter of “Mister Minit” in Oceania and Southeast Asia.
Minit Australia Pty Limited	11,369,000 AS$	100.0 (100.0)	Provision of comprehensive repair services to consumers in Australia including shoe repairs and key duplication
Minit New Zealand Limited	50,000 NZ$	100.0 (100.0)	Provision of comprehensive repair services to consumers in New Zealand including shoe repairs and key duplication
Mister Minit (Singapore) Pte. Ltd.	905,000 SG$	100.0 (100.0)	Provision of comprehensive repair services to consumers in Southeast Asian countries including shoe repairs and key duplication
Eagle Retailing Corporation	100	90.0	Sales of casual clothing items
Ascon Co., Ltd.	720	56.1	Planning and production of commercial printings
Blue Rivers Co., Ltd.	10	50.0 [10.0]	Sewing and processing business
Seigo Co., Ltd.	200	40.0 [25.0]	Development of 100-yen shops
Shanghai Fukuryo Fashion Garment Co., Ltd.	23,477,000 yuan	100.0 (100.0)	Undertaking of production of suits, etc.
Shanghai Fukuryo International Trading Co., Ltd.	1,156,000 yuan	100.0 (100.0)	Supervision of cooperating factories for suits, etc.
PT. FUKURYO INDONESIA	76,840 million rupiah	90.0 (90.0)	Production of suits, etc.

(Notes) 1. The figure in parentheses under “Investment ratio of the Company” indicates the indirect investment ratio and is included in the investment ratio.

2. The figure in square brackets under “Investment ratio of the Company” indicates the ownership ratio of close parties, etc. and is excluded from the investment ratio.

(12) Major descriptions of business (As of March 31, 2016)

The Group consists of the Company, its 22 consolidated subsidiaries and 5 non-consolidated subsidiaries, and conducts business wear business, casual wear business, credit card business, printing and media business, sundry sales business, and Total repair business service and in addition to these 6 businesses, it conducts reuse business and restaurant business.

(13) Major sales offices and factories (As of March 31, 2016)

[1] Major business offices of the Company

Name	Address
Principal office	1-3-5, Oji-cho, Fukuyama, Hiroshima
Tokyo Headquarters	TSC TOWER 7F, 4-5-10, Ueno, Taito-ku, Tokyo
TSC Sales Department	Shibuya Heiwa Bldg. 6F, 21-8, Udagawa-cho, Shibuya-ku, Tokyo
Stores	904 stores across Japan (874 stores for the business wear business and 30 stores for casual wear and reuse businesses)
Kannabe Product Center	1727-1, Fukami, Aza, Nishi Chujo, Oaza, Kannabe-cho, Fukuyama-shi, Hiroshima Prefecture
Ihara Product Center	1345-2, Oe-cho, Ibara-shi, Okayama Prefecture
Tagawa Product Center	2423-4, Ita, Oaza, Tagawa-shi, Fukuoka Prefecture
Chiba Center	32-22, Shin Minato, Mihama-ku, Chiba-shi, Chiba Prefecture

[2] Stores of the business wear business

(Unit: store(s))

By fiscal year / Area	Number of stores as of the end of March 2015	Number of stores as of the end of March 2016	Yofuku-no-Aoyama	NB	TSC	UL	BG	UL MEASURE'S	WHITE TSC
Hokkaido region	36	36	34		1	1			
Tohoku region	62	62	61		1				
Kanto region	285	294	252	4	25	8	3	1	1
Chubu region	145	146	141	1	4				
Kinki region	153	159	141	1	10	4	1	1	1
Chugoku region	53	54	49	1	4				
Shikoku region	27	27	26	1					
Kyushu region	97	96	94		2				
Total	858	874	798	8	47	13	4	2	2

(Notes) 1. Name of business format

NB	: Next Blue
TSC	: The Suit Company
UL	: Universal Language
BG	: Blu e Grigio
UL MEASURE'S	: Universal Language Measure's
WHITE TSC	: White The Suit Company

2. The number of stores of "The Suit Company" includes that of "TSC SPA OUTLET," while the number of stores of "Universal Language" includes that of "UL OUTLET."

[3] Stores of the casual wear business (Unit: store(s))

By fiscal year / Area	Number of stores as of the end of March 2015	Number of stores as of the end of March 2016	CALAJA	Levi's store	American Eagle Outfitters
Hokkaido region	1	1			1
Tohoku region					
Kanto region	9	15		2	13
Chubu region	9	9	4	1	4
Kinki region	20	16	5	3	8
Chugoku region	4	3	3		
Shikoku region	3	2	1		1
Kyushu region	1	1			1
Total	47	47	13	6	28

(Note) The number of stores of "American Eagle Outfitters" includes outlet stores.

[4] Stores of the Sundry sales business (Unit: store(s))

By fiscal year / Area	Daiso & Aoyama 100 Yen Plaza	
	Number of stores as of the end of February 2015	Number of stores as of the end of February 2016
Hokkaido region	15	15
Tohoku region	10	10
Kanto region	15	15
Chubu region	15	15
Kinki region	10	10
Chugoku region	16	16
Shikoku region	7	7
Kyushu region	31	31
Total	119	119

[5] Stores of the total repair service business

(Unit: store(s))

By fiscal year / Area	MISTER MINIT	
	Number of stores as of the end of March 2015	Number of stores as of the end of March 2016
Hokkaido region	7	7
Tohoku region	7	7
Kanto region	171	172
Chubu region	23	22
Kinki region	44	44
Chugoku region	19	19
Shikoku region	3	3
Kyushu region	20	19
Japan total	294	293
Oceania	246	258
Asean	17	19
China	7	7
Overseas total	270	284
Total	564	577

(Notes) The number of stores includes the following FC stores:

End of March 2015 283 stores (81 stores in Japan, 165 stores in Australia, 36 stores in New Zealand, and one store in China)

End of March 2016 306 stores (81 stores in Japan, 182 stores in Australia, 37 stores in New Zealand, four stores in Singapore, and two stores in China)

[6] Stores of other businesses

(Unit: store(s))

By fiscal year / Area	Reuse business				Restaurant businesses			
	Number of stores as of the end of March 2015	Number of stores as of the end of March 2016	2nd STREET	JUMBLE STORE	Number of stores as of the end of March 2015	Number of stores as of the end of March 2016	Yakiniku King	Yuzuan
Hokkaido region								
Tohoku region					2	2	2	
Kanto region	1	1		1				
Chubu region	2	3	3		2	9	7	2
Kinki region	2	3	2	1				
Chugoku region	1	2	2		1	2	2	
Shikoku region		1	1		2	2	2	
Kyushu region	1	1	1		7	8	8	
Total	7	11	9	2	14	23	21	2

[7] Major business offices and factories of subsidiaries

Company name	Name	Address
Aoyama Capital Co., Ltd.	Principal office	8-14, Funa-machi, Fukuyama-shi, Hiroshima Prefecture
	Branch office	Kurashiki branch (Okayama-shi, Okayama Prefecture)
	Sales office	Tokyo sales office (Chiyoda-ku, Tokyo)
MDS Co., Ltd.	Principal office	1345-1, Oe-cho, Ibara-shi, Okayama Prefecture
Eisho Co., Ltd.	Principal office	1345-1, Oe-cho, Ibara-shi, Okayama Prefecture
Ascon Co., Ltd.	Principal office	1-15-27, Minato-machi, Fukuyama-shi, Hiroshima Prefecture
	Branch office	Tokyo branch (Chuo-ku, Tokyo), Osaka branch (Kita-ku, Osaka-shi), and Kyushu branch (Hakata-ku, Fukuoka-shi)
Blue Rivers Co., Ltd.	Principal office	2-14-38, Oji-cho, Fukuyama-shi, Hiroshima Prefecture
Seigo Co., Ltd.	Principal office	2-14-38, Oji-cho, Fukuyama-shi, Hiroshima Prefecture
	Sales office	119 stores across Japan
Eagle Retailing Corporation	Principal office	7th floor, Harajuku Sophia Bldg., 6-10-11, Jingu-mae, Shibuya-ku, Tokyo
	Sales office	28 stores across Japan
glob Co., Ltd.	Principal office	1-3-5, Oji-cho, Fukuyama-shi, Hiroshima Prefecture
	Sales office	23 stores across Japan
FUKURYO Co., Ltd.	Principal office	1-74, Issha, Meito-ku, Nagoya-shi, Aichi Prefecture
	Distribution center	Moriyama Distribution Center (Moriyama-ku, Nagoya-shi, Aichi Prefecture)
Shanghai Fukuryo Fashion Garment Co., Ltd.	Principal office and factory	Shanghai City, China
Shanghai Fukuryo International Trading Co., Ltd.	Principal office and factory	Shanghai City, China
PT. FUKURYO INDONESIA	Principal office and factory	Semarang Regency, Central Java, Indonesia
Minit Asia Pacific Co., Ltd.	Principal office	4th floor, NBF Shibakoen Daimondori Bldg, 1-8-12, Shibakoen Minato-ku, Tokyo
	Distribution center	705-4, Komakado, Gotenba-shi, Shizuoka
Minit Oceania and S.E.A. Pte. Ltd.	Principal office	16 New Industrial Road, #02-04, Hudson Technocentre, Singapore 536204
Minit Australia Pty Limited	Principal office	90-96 Bath Road, Kirrawee NSW Australia 2232

Company name	Name	Address
Minit New Zealand Limited	Principal office	90-96 Bath Road, Kirrawee NSW Australia 2232
Mister Minit (Singapore) Pte. Ltd.	Principal office	16 New Industrial Road, #02-04, Hudson Technocentre, Singapore 536204

(14) State of employees (As of the end of March 2016)

[1] State of employees of the Corporate Group

Number of employees	As of the end of the previous consolidated fiscal year
7,193 people (4,225 people)	5,891 people (3,488 people)

(Notes) 1. The number of employees is the number of workers.
2. The figure in parentheses in the column for number of employees is the number of temporary employees counted based on 8 hours per day per person and is not included in the number of employees.
3. The number of employees increased by 1,302 during the current consolidated fiscal year, mainly because Minit Asia Pacific Co., Ltd. became our wholly-owned subsidiary.

[2] State of employees of the Company

Number of employees	Increase or decrease from the end of the previous term	Average age	Average years of service
3,660 people	Increase of 88 people	35.9 years old	12.1 years

(15) Major lenders (As of the end of March 2016)

Lender	Debt payable
	Million yen
Mizuho Bank, ltd.	18,700
Sumitomo Mitsui Banking Corporation	17,800
The Momiji Bank, Ltd.	11,000

(16) Other important matters concerning the Corporate Group

No corresponding item existed.

2. Matters related to the Company's stock (As of March 31, 2016)

(1) Total number of shares authorized to be issued 174,641,100

(2) Total number of shares outstanding 55,394,016

(3) Number of shares in 1 share unit 100

(4) Number of shareholders 6,104 (Compared to the end of the previous term: increase of 86)

(5) Major shareholders

Shareholder	Number of shares held	Percentage
	thousand shares	%
Ichigo Trust Pte. Ltd.	4,982	9.26
The Master Trust Bank of Japan, Ltd. (Trust account)	4,307	8.01
Aoyama Bussan, Ltd.	4,298	7.99
Japan Trustee Services Bank, Ltd. (Trust account)	3,089	5.74
Osamu Aoyama	1,661	3.09
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,281	2.38
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,007	1.87
Hoshino Shoji Limited	1,001	1.86
Sumitomo Mitsui Banking Corporation	1,000	1.85
BBH BOSTON CUSTODIAN FOR JAPAN VALUE EQUITY CONCENTRATED FUND A SERIES OF 620135	987	1.83

Notes: 1. Any number of shares held amounting to less than the minimum trading unit has been rounded down.
2. Percentage (%) represents the percentage of shareholdings against the number of shares outstanding (excluding treasury shares) as of March 31, 2016.
3. The Company holds 1,592,000 shares of treasury shares, but the number of shares held is not included in the above list of major shareholders.

(6) Other important matters related to stock

[1] The total number of treasury shares acquired during the current consolidated fiscal year is 1,681,000 shares (3.03% of the total number of shares outstanding after retirement (including treasury shares)), with a total acquisition cost of 7,699 million yen.

[2] Pursuant to a resolution of the Board of Directors meeting held on July 7, 2015, the Company retired 6 million treasury shares (9.77% of the total number of shares outstanding before retirement (including treasury shares)) on July 14, 2015.

3. Matters related to warrants, etc.

(1) State of warrants as of the end of this fiscal year

[1] Number of warrants 300

[2] Type and number of targeted shares Common stock of the Company 30,000 shares (100 shares per warrant)

(2) State of warrants held by directors and officers of the Company provided as consideration for the execution of duties as of the end of this fiscal year.

No corresponding item existed.

(3) State of warrants provided to employees, etc. as consideration for the execution of work during the fiscal year

No corresponding item existed.

(4) Other important matters related to warrants, etc.

The Company, at a meeting of the Board of Directors held on January 8, 2016, resolved to issue warrants as described below to the Company's Directors, Executive Officers, and employees, as well as to Directors of the Company's subsidiaries, pursuant to Articles 236, 238, and 240 of the Companies Act. Because shares will be issued to the receivers of rights at fair value in exchange for a consideration, and not on particularly favorable terms, the Company shall implement it without obtaining the approval of the General Meeting of Shareholders. Moreover, the warrants shall not be given as compensation for eligible persons, but shall be accepted based on the individual investment judgments of those persons.

<Purpose and reason for offering warrants >

Warrants shall be issued to the Company's Directors, Executive Officers, and employees, as well as to Directors of the Company's subsidiaries in exchange for a consideration, with the aim of enhancing incentives to achieve business goals (consolidated operating income of 27 billion yen for the fiscal year ending March 2018) under the medium-term management plan "CHALLENGE 2017" announced on January 28, 2015. If all of the warrants are exercised, the total number of common shares of the Company will increase by the equivalent to 0.47% of the total number of outstanding shares. However, the warrants may be exercised conditionally upon the achievement of business goals determined in advance, and achievement of the goal is deemed to contribute to improving the corporate value and shareholder value of the Company. Accordingly, the issuance of warrants is deemed to contribute to the interests of existing shareholders of the Company from a medium- to long-term perspective, while their impact on stock dilution is considered to be reasonable.

Date of resolution for issuance	January 8, 2016
Number of warrants	2,580
Type and number of shares subject to warrants	Common shares 258,000 shares (One hundred (100) shares per one (1) warrant)
Paid-in amount for warrants	For one (1) warrant 2,500 yen
Value of property to be invested upon the exercise of warrants	For one (1) warrant 447,000 yen (4,470 yen per share)
Period for exercising warrants	From July 2, 2018 to June 28, 2019
Conditions for exercise	(Note)
Persons eligible	Directors of the Company 6 persons 600 warrants Executive Officers of the Company 9 persons 450 warrants (excl. those concurrently serving as Director) Employees of the Company 30 persons 900 warrants Directors of the Company's subsidiaries 21 persons 630 warrants

(Notes)
1. Warrant holders may exercise warrants only in cases where the operating income of the Company for the fiscal year ending March 2018 exceeds 27 billion yen. The operating income in the consolidated statement of income included in the annual securities report shall be referred to in judging the above operating income; if the concept of the item to be referred to is materially changed by the application etc. of International Financial Reporting Standards etc., the indicator to be referred to shall be determined separately by the Board of Directors.
2. Warrant holders shall, as of the exercise of the warrants held thereby, continuously hold the same status as Company's Directors, Executive Officers, and employees, as well as to Directors of the Company's subsidiaries; provided, however, that the same shall not apply in any of the following events: resignation due to the expiration of term of office; retirement at mandatory retirement age; or, any other reason approved by the Board of Directors.
3. In the case of the death of a warrant holder, only one heir-at-law to the said warrant holder may inherit the rights of the said warrant holder.
4. Warrants may not be exercised if the total number of shares outstanding exceeds the number of authorized shares at the time as a result of the exercising of the said warrants.
5. Warrants of less than one may not be exercised.

4. Matters related to directors and officers

(1) State of directors and auditors (As of March 31, 2016)

Position and responsibilities in the company	Name	Important posts held concurrently
Director and Chairman (Representative Director)	Shozo Miyamae	Representative Director and President, Aoyama Capital Co., Ltd.
Director and Vice President (Representative Director)	Hiroaki Miyamae	Director, Blue Rivers Co., Ltd.
Director and President (Representative Director, Executive Officer and President)	Osamu Aoyama	Representative Director and President, Eagle Retailing Corporation Representative Director, Aoyama Bussan, Ltd. Director, Aoyama Capital Co., Ltd. Director, Seigo Co., Ltd. Director, MDS Co., Ltd. Director, Eisho Co., Ltd. Director, glob Co., Ltd.
Senior Managing Director (Senior Executive Officer General Manager of Planning and Administration Div.)	Makoto Miyatake	Director, MDS Co., Ltd. Director, Eisho Co., Ltd. Auditor, Eagle Retailing Corporation Auditor, FUKURYO Co., Ltd. Director, Minit Asia Pacific Co., Ltd.
Director (Managing Executive Officer General Manager of Marketing and Sales Div.)	Yoshiyuki Matsukawa	Director, Blue Rivers Co., Ltd.
Director (Managing Executive Officer General Manager of Purchasing Div. and General Manager of Casual Wear/Reuse Business Div.)	Shinji Okano	Director, FUKURYO Co., Ltd.
Director	Seishi Uchibayashi	Lawyer Outside Auditor, Yasuhara Chemical Co., Ltd.
Standing Corporate Auditor (full time)	Tomokazu Osako	Auditor, Aoyama Capital Co., Ltd.
Auditor	Hiroshi Ogi	Accountant Outside Director, Aki Kanko Golf Co., Ltd.
Auditor	Kiyoshi Takegawa	Certified Public Accountant Tax accountant
Auditor	Toru Watanabe	Lawyer Outside Director, SHO-BI Co., Ltd.

Notes 1. Seishi Uchibayashi, Director, is an outside director as stipulated in Article 2-15 of the Company Law, and independent officer who filed in accordance with the regulations of Tokyo Stock Exchange, Inc.

2. Seishi Uchibayashi, Director, has abundant experience and high expertise as a lawyer as well as sufficient insight to monitor and supervise management from an objective viewpoint based on laws and regulations.

3. Hiroshi Ogi, Kiyoshi Takegawa and Toru Watanabe, Auditors, are outside auditors as stipulated in Article 2-16 of the Companies Act, and independent officers who filed in accordance with the regulations of Tokyo Stock Exchange, Inc.

4. Hiroshi Ogi, Auditor, is a tax accountant with experience as director of a taxation office, and has sufficient knowledge of finance and accounting.

5. Kiyoshi Takegawa, Auditor, is a certified public accountant and tax accountant, and has sufficient knowledge of finance and accounting.

6. Koshin Endo, Auditor resigned as Auditor of the Company as of June 26, 2015.
7. Toru Watanabe, Auditor, has a thorough knowledge of corporate legal affairs as a lawyer and has sufficient insight to govern corporate management.
8. The Company started using an executive officer system on June 29, 2005.
   The following are the executive officers not concurrently holding the post of director as of March 31, 2016.

Position in the company	Name	Responsibility
Executive Officer	Shozo Hirakawa	General Manager of General Affairs Dept.
Executive Officer	Yasuhiro Fujii	General Manager of Marketing and Sales Dept.
Executive Officer	Michinori Fujii	General Manager of Advertising Dept. and General Manager of Marketing and Sales Dept. of NB
Executive Officer	Osamu Mizutani	General Manager of TSC Business Div. and General Manager of Purchasing Dept. of TSC
Executive Officer	Yoshiyuki Maekawa	Vice Chief General Manager, Product Dept.
Executive Officer	Satoshi Yomono	General Manager of IT and Systems Dept. and Information Controller
Executive Officer	Tadao Chiba	General Manager of Tokyo Head Office and General Manager of Human Resource Development Dept.
Executive Officer	Shinji Zaitsu	Vice Chief General Manager of Management Dept. and General Manager of Total Planning Dept.
Executive Officer	Yoshitomi Furuichi	Representative Director of glob Co., Ltd.

(2) Outline of liability limitation agreement

In accordance with Article 427-1 of the Company Law, the Company has concluded agreements to limit liability as stated in Article 423-1 of the same act with all outside directors and outside auditors. The limit of liability based on the agreement was set as the minimum liability defined by Article 425-1 of the same act.

(3) The amount of remuneration for directors and auditors for the fiscal year

Classification	Number of people	Amount of remuneration
Director (including outside director)	7 (1)	335 million yen (12 million yen)
Auditor (including outside auditors)	5 (3)	34 million yen (21 million yen)
Total	12	370 million yen

Notes 1. Regarding the limit of remuneration for directors, the Company resolved at the 42nd Ordinary General Meeting of Shareholders held on June 29, 2006 that the amount of remuneration for directors be within 600 million yen per year (excluding the amount of salary as an employee of an employee and director).

2. Regarding the limit of remuneration for auditors, the Company resolved at the 29th Ordinary General Meeting of Shareholders held on June 29, 1993 that the amount of remuneration for auditors be within 60 million yen per year.
3. The number of Corporate Auditors above includes one (1) Corporate Auditor who resigned at the close of the 51st Ordinary General Meeting of Shareholders held on June 26, 2015.

(4) Matters related to outside officers

[1] The relationships between the companies where outside officers concurrently hold important posts and the Company

Job title	Name	The company where the outside officer concurrently holds an important post	Post	The relationship with other Group companies
Outside Director	Seishi Uchibayashi	Yasuhara Chemical Co., Ltd.	Outside Auditor	There are no important transactions or other relationships between the Company and Yasuhara Chemical Co., Ltd.
Outside Auditor	Hiroshi Ogi	Aki Kanko Golf Co., Ltd.	Outside Auditor	There are no important transactions or other relationships between the Company and Aki Kanko Golf Co., Ltd.
Outside Auditor	Toru Watanabe	SHO-BI Co., Ltd.	Outside Director	There are no important transactions or other relationships between the Company and SHO-BI Co., Ltd.

[2] Relationships between the Company and specific business operators

No corresponding item existed.

[3] Major activities during the fiscal year

Job title	Name	Board Meeting attendance	The Board of Auditors attendance	Speaking status
Outside Director	Seishi Uchibayashi	14 times out of 14 times	-	At board meetings, he has made appropriate remarks mostly from a professional viewpoint as a lawyer.
Outside Auditor	Hiroshi Ogi	14 times out of 14 times	14 times out of 14 times	At meetings of the Board of Directors and the Board of Auditors, he has made appropriate remarks mostly from a professional viewpoint as a tax accountant.
Outside Auditor	Kiyoshi Takegawa	14 times out of 14 times	14 times out of 14 times	At meetings of the Board of Directors and the Board of Auditors, he has made appropriate remarks mostly from a professional viewpoint as a certified public accountant and tax accountant.
Outside Auditor	Toru Watanabe	13 times out of 14 times	13 times out of 14 times	At meetings of the Board of Directors and the Board of Auditors, he has made appropriate remarks mostly from a professional viewpoint as a lawyer.

5. Matters related to the accounting auditors

(1) Name of accounting auditor KPMG AZSA LLC

(2) Amount of remuneration, etc., for the accounting auditor

[1]	The amount of remuneration for the accounting auditors for the fiscal year	52 million yen
[2]	Total amount the Company and its subsidiaries owe to the Accounting Auditor and other financial profit	123 million yen

Notes 1 In accordance with the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, the Board of Corporate Auditors of the Company has given its consent to the remuneration for Accounting Auditors pursuant to Article 399-1 of the Companies Act, as a result of obtaining the necessary documents from business execution departments and Accounting Auditors, receiving reports, and confirming and examining the execution of duties by Accounting Auditors, the contents of audit plans, and the grounds for calculating the estimate for remuneration, etc.

2 The audit agreement between the Company and KPMG AZSA LLC does not clearly distinguish the amount of remuneration for the accounting auditor in accordance with the Companies Act and the amount of remuneration for the audit in accordance with the Financial Instruments and Exchange Act. In addition, it is practically impossible to divide, so the total is used as the amount under [1] above.

(3) Description of non-audit tasks

The Company commissions the accounting auditor to handle the agreed financial audit business, which applies to the tasks (non-audit tasks) defined by Article 2-1 of the Certified Public Accountant Law, and pays consideration accordingly.

(4) Policy for decisions on the dismissal or non-reappointment of the accounting auditor

When the Board of Corporate Auditors recognizes that an Accounting Auditor falls under the items stipulated in the clauses of Article 340-1 of the Company Law, the Board of Auditors shall discuss the matter, and based on the unanimous agreement of all of the Corporate Auditors, report the dismissal of the Accounting Auditor and its reason.
Moreover, when it has judged that there is a difficulty in executing the duties of an Accounting Auditor, in such cases where the independence of Accounting Auditors, audit framework, or quality control system is not provided, the Board of Corporate Auditors shall consider dismissing or not reappointing the Accounting Auditor; and, if deemed necessary, it shall determine the contents of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

6. Systems to ensure the appropriateness of work and the operating status of systems

A summary of the decision of the Board of Directors on the system to ensure compliance in the execution of duties by directors with laws, regulations, and the Articles of Incorporation, and other systems to ensure the appropriateness of the activities of association and the operating status of the systems are as follows:

Basic policy for establishing an internal control system

(1) System to ensure that the execution of the duties of directors and employees complies with laws, regulations, and the Articles of Incorporation

[1] With the aim of fulfilling the Company's social responsibilities and corporate ethics, we establish rules (Compliance manual) as a code of conduct for officers and employees to comply with laws, regulations, and social mores, and thoroughly implement them.

[2] The Company sets up the Compliance Committee with the President as chairman to address issues related to the legal compliance of the company's activities and various compliance issues.

[3] An internal report system of the Group is established as a means for officers and employees to inform on suspicious conduct from the viewpoint of corporate ethics and legal compliance. Using the system, we strive to detect misconduct at an early stage, and rectify it.

[4] Tokyo Inspection Department of the Inspection Division, which is an internal audit department managed directly by the President, conducts internal audits.

[5] In accordance with Organized Crime Exclusion Ordinances, the Company stands firm against antisocial forces and organizations, which threaten the order and safety of civic life and corporate activities. The Company does not associate with any such group and does not assist them in gaining any profits, including financial profit. If the Company directly or indirectly receives an inappropriate request from an antisocial force or organization, we cooperate with lawyers and the police, and handle it with a resolute attitude.

(2) System for the storage and management of information about the execution of work by directors

The information about the execution of work by directors is recorded and managed by the responsible department based on internal regulations ("Document management rules").

(3) Other systems including rules for the management of risk of loss

[1] Among the various risks that occur during general business activities, the responsible department conducts risk analysis and considers management measures for risks in management strategies. Such risks are discussed at officer meetings and management meetings as required.

[2] Business operation risks are managed through the collection of risk-related information, early detection of occurrence and information exchanges among concerned departments. In particular, for personal information, an officer in charge of information security is appointed. The Company will reinforce the internal management system including the renewal of manuals, thorough internal training, and information systems.

[3] When an unexpected incident has occurred, a headquarters led by the President will be established. In addition, a communication team and external advisory team including a legal adviser will be organized to react promptly in order to minimize losses attributable to the incident.

(4) System to ensure the efficient execution of the duties of directors

[1] To promote the separation of management and execution, an executive officer system was adopted. The Company conducts quick decision-making and business execution by consigning significant responsibility and authority to executive officers.

[2] Management meetings are basically held once a month, inviting directors, executive officers and auditors to discuss important matters of overall management, to enable total coordination of the activities of departments and obtain agreement on business execution.

[3] The Board of Directors shall develop mid-term management plans and annual plans to clarify the goals the Company should achieve. In addition, it shall clarify the business goals of each department managed by each executive officer. Progress shall be periodically reported at management meetings, etc. to monitor the execution of duties by executive officers.

[4] An officers' meeting, which consists of directors and auditors, shall be held once a week as a general rule as a review body to discuss important matters related to the execution of duties and the agenda of the Board of Directors, for the appropriate execution of duties and budgeting of each department, and faster decision-making.

[5] The Company shall handle business efficiently based on the Regulations on the Segregation of Duties.

(5) System to ensure the appropriateness of the work of the corporate Group, consisting of the Company and its subsidiaries

[1] While respecting the autonomy and independence of the management of subsidiaries, for the Company to ensure a system for efficiently executing the duties of directors of subsidiaries, etc., and a system for managing risks of losses, the Company shall dispatch directors or auditors as required. In addition, the Company shall internally establish a managing department. The managing department shall exchange information and discuss important matters related to business operations with subsidiaries.

[2] The Company shall discuss important matters related to the subsidiaries' management based on the Affiliate Management Regulations. In addition, the Company shall require subsidiaries to report periodically on the execution of duties and their financial status.

[3] Companies that are subject to consolidated financial status shall be added to the Compliance Committee to check if Group companies are conducting business properly and efficiently.

[4] Internal Audit Department shall audit the status of each Group company periodically.

(6) Matters related to employees who assist auditors in their duties

[1] Auditors of the Company shall have employees to assist them in their duties. Auditors and directors shall discuss the number and selection of employees.

[2] The Company shall obtain the approval of the auditors in advance regarding the transfer of employees who will assist the duties of the auditors.

(7) System for directors and employees of the Company and subsidiaries to report to auditors and other systems for reporting to auditors

[1] Directors and employees of the Company shall immediately report to auditors when a matter that may significantly damage the Company will or may occur, or when they detect illegal or dishonest conduct by directors or employees. In addition, a request for a managerial decision or a report related to any other important matter shall be circulated to the Standing Corporate Auditor.

[2] In principle, auditors shall attend meetings such as those of the Board of Directors and Compliance Committee to receive reports on the execution of duties, etc. from the directors and employees of the Company.

[3] Directors and employees of subsidiaries shall report immediately to the responsible department when a matter that will or may significantly damage the Company occurs, or when they detect illegal or dishonest conduct by directors or employees. The responsible department shall report the matter to an auditor of the Company.

[4] Auditors shall attend the Audit Report Meetings of the Audit Department of the Company, etc., to receive reports on the risk management status, etc. of subsidiaries.

[5] Auditors may, as required, request the directors and employees of the Company and its subsidiaries to submit reports, explanations, or related information on the execution of duties.

(8) System to ensure that a person who has made a report mentioned in (7) above does not receive unfair treatment due to the report

The Company shall prohibit any officer or employee of a Group company who makes a report to auditors from being treated unfairly for the reason they submit such a report, and shall make this known to everyone without exception.

(9) Matters related to the treatment of costs or debts generated by the execution of the duties of auditors of the Company

[1] When auditors request advance payment of costs to execute their duties, the Company shall immediately process the payment of costs or debts unless the responsible department judges that it is not necessary.

[2] When it is deemed necessary for the auditors to execute duties, the Company shall approve the necessary audit costs such as fees to obtain opinions and advice from experts such as lawyers and certified public accountants.

(10) Other systems to ensure the efficient execution of audits by auditors

[1] To improve the audit function of auditors, the Company shall ensure not only expertise, but also independence in the selection of outside auditors.

[2] Directors shall make efforts to deepen the understanding of audits by auditors and facilitate an environment for audits by auditors.

[3] The auditors shall periodically have meetings with the Representative Director to exchange opinions on facilitating audits of the execution of duties by directors and audit systems.

[4] Auditors shall periodically hold meetings to exchange information and comments with the accounting auditor and Internal Audit Department to establish close cooperation.

(Implementation status of systems to ensure the appropriateness of duties)

The following is a summary of the Company’s implementation of systems to ensure the appropriateness of duties.

(1) System to ensure that the execution of the duties of directors and employees complies with laws, regulations, and the Articles of Incorporation

In addition to education through the comprehensive dissemination of internal rules and internal training, the Company endeavors to spread awareness of compliance throughout the group through the activities of the Compliance Committee, as well as to identify inappropriate events using the internal reporting system of the Group at an early stage, and rectify them quickly. Moreover, the Company changed the Inspection Department to the Internal Audit Department to strengthen the internal audit system.

(2) System for storing and managing information on the execution of duties by directors

Minutes of the Board of Directors meetings are prepared for each meeting the Board of Directors to be stored at the Board of Directors’ secretariat. Moreover, requests for managerial decisions are also stored by responsible developments in accordance with "Document management rules."

(3) Other systems including rules for managing risk of loss

Risks in management strategies are discussed at management meetings and officers’ meetings according to their importance, and necessary management measures are taken for the risks as required according to the case. Moreover, for risks in business management, the Company is developing various rules, disseminating them thoroughly, and visualizing risks including those of affiliates.

(4) System to ensure the efficient execution of the duties of directors

The management meeting and the officers’ meeting are operated smoothly in accordance with their objectives. From fiscal year 2015, following up the medium-term management plan was added to their agendas, with progress checked and shared quarterly.

(5) System to ensure the appropriateness of the activities of the corporate Group, consisting of the Company and its subsidiaries

The management department for operations is developing risk management systems at subsidiaries, in an effort to identify and take measures for potential risks. Moreover, to strengthen the internal audit system, the Inspection Department was replaced by the Internal Audit Department, which is developing a system to audit the activities of each Group company periodically.

(6) Matters related to employees who assist the auditors in their duties

Employees in the Internal Audit Department, with the appropriate abilities and knowledge requested by auditors, assist auditors.

(7) System for directors and employees of the Company and subsidiaries to report to auditors and other systems for reporting to auditors

A system is in place to thoroughly notify the existence of the internal reporting system of the Group and immediately report to auditors when a matter that could significantly damage the Company will or may occur. Moreover, auditors attend meetings such as those of the Board of Directors and Compliance Committee to receive reports on the execution of duties, and actively express their opinions, as necessary.

(8) System to ensure that a person who makes a report based on (7) above does not receive unfair treatment due to that report

Everyone is informed without exception that, in accordance with internal regulations, the Company prohibits any officer or employee who makes such a report from being treated unfairly for the reason that they submit such a report.

(9) Matters related to the treatment of costs or debts generated by the execution of the duties by auditors of the Company

In accordance with the audit standards for auditors, the Company has budgeted in advance the costs required for executing the duties of auditors.

The Company also immediately processes costs incurred urgently or extraordinarily if they are judged necessary.

(10) Other systems to ensure the efficient execution of audits by auditors

In accordance with the independence criteria of the Company, when selecting outside auditors, we ensure not only their expertise but also their independence. Moreover, the Company is striving to improve the effectiveness of visiting audits by auditors in cooperation with them, including the cooperation of each department with visiting audits by auditors, as well as reporting to auditors by accounting auditors and the Internal Audit Department, as necessary.

Consolidated Balance Sheet

(As of March 31, 2016) (Unit: million yen)

Assets		Liabilities	
Titles	Amount	Titles	Amount
Current assets	213,174	Current liabilities	65,001
Cash and deposits	57,544	Notes and accounts payable-trade	19,880
Notes and accounts –receivable-trade	18,536	Electronically recorded obligations	18,373
Securities	25,899	Short-term loans payable	3,050
Merchandise and finished goods	55,078	Accounts payable	9,467
Deferred tax assets	2,282	Income tax payable	7,167
Operating loans	48,915	Provision for bonuses	1,681
Other	5,150	Other	5,381
Allowance for doubtful accounts	-232		
Non-current assets	186,369	Non-current liabilities	97,925
Property, plant and equipment	109,797	Bonds payable	24,000
Buildings and structures	61,635	Long-term loans payable	58,000
Machinery, equipment and vehicles	1,774	Net defined benefit lability	5,835
Land	35,975	Provision for point card certificates	3,029
Leased assets	4,040	Other	7,060
Construction in progress	304		
Other	6,066		
Intangible non-current assets	21,241	Total liabilities	162,927
Leasehold interest in land	887	Net assets	
Trademark rights	4,719	Shareholders' equity	248,793
Software	2,142	Capital stock	62,504
Telephone subscription rights	137	Capital surplus	62,527
Goodwill	12,090	Retained earnings	131,050
Other	1,262	Treasury shares	-7,289
Investments and other assets	55,330	Accumulated other comprehensive income	-14,686
Investment securities	9,766	Valuation difference on available-for-sale securities	1,770
Long-term loans receivable	4,678	Deferred gains or losses on hedges	-70
Deferred tax assets	7,795	Revaluation reserve for land	-16,141
Lease and guarantee deposits	27,108	Foreign currency translation adjustment	208
Net defined benefit asset	208	Remeasurements of defined benefit plans	-453
Real estate for investment	3,598	Subscription rights to shares	13
Other	2,202	Non-controlling interests	2,602
Allowance for doubtful accounts	-27		
Deferred assets	107		
Bond issue costs	107	Total net assets	236,723
Total assets	399,651	Total liabilities and net assets	399,651

Consolidated Statements of Income

(From April 1, 2015 to March 31, 2016)

(Unit: million yen)

Title	Amount	
Net sales		240,224
Cost of sales		104,116
Gross profit		136,108
Selling, general and administrative expenses		114,771
Operating income		21,336
Non-operating income		
Interest income	168	
Dividend interest	191	
Real estate rent	1,004	
Foreign exchange gains	373	
Other	482	2,220
Non-operating expenses		
Interest expenses	84	
Rent cost of real estate	860	
Loss on variation of derivatives	712	
Other	259	1,917
Ordinary income		21,639
Extraordinary income		
Gain on sales of non-current assets	4	
Gain on sales of investment securities	11	15
Extraordinary losses		
Loss on sales and retirement of non-current assets	753	
Impairment loss	959	1,713
Income before income taxes and minority interests		19,942
Income taxes – current	7,628	
Income taxes defferred	221	7,849
Net income		12,092
Profit attributable to non-controlling interests		223
Profit attributable to owners of parent		11,869

Consolidated Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(Unit: million yen)

Item	Shareholder equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at the beginning of the year	62,504	62,526	144,626	-19,470	250,186
Changes of items during period					
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1			1
Dividends of surplus			-5,507		-5,507
Profit attributable to owners of parent			11,869		11,869
Reversal of revaluation reserve for land			-96		-96
Purchase of treasury shares				-7,702	-7,702
Cancellation of treasury shares		-19,800		19,800	-
Disposal of treasury shares		-41		84	42
Transfer to capital surplus from retained earnings		19,841	-19,841		-
Changes of items other than shareholders' equity (net)					
Total changes of items during period	-	1	-13,575	12,181	-1,392
Balance at the end of the year	62,504	62,527	131,050	-7,289	248,793

Item	Other accumulated comprehensive income					
	Valuation difference on available –for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other cumulative comprehensive income
Balance at the beginning of the year	1,130	28	-16,242	444	55	-14,583
Changes of items during period						
Change in treasury shares of parent arising from transactions with non-controlling shareholders						
Dividends of surplus						
Profit attributable to owners of parent						
Reversal of revaluation reserve for land						
Purchase of treasury shares						
Cancellation of treasury shares						
Disposal of treasury shares						
Transfer to capital surplus from retained earnings						
Changes of items other than shareholders' equity (net)	640	-98	100	-235	-509	-102
Total changes of items during period	640	-98	100	-235	-509	-102
Balance at the end of the year	1,770	-70	-16,141	208	-453	-14,686

Item	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	13	2,453	238,069
Changes of items during period			
Change in treasury shares of parent arising from transactions with non-controlling shareholders			1
Dividends of surplus			-5,507
Profit attributable to owners of parent			11,869
Reversal of revaluation reserve for land			-96
Purchase of treasury shares			-7,702
Cancellation of treasury shares			-
Disposal of treasury shares			42
Transfer to capital surplus from retained earnings			-
Changes of items other than shareholders' equity (net)	0	149	46
Total changes of items during period	0	149	-1,345
Balance at the end of the year	13	2,602	236,723

Notes on the Consolidated Financial Statements

(Notes on important matters that provide a basis for preparing the consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries and names of main consolidated subsidiaries

[1] Number of consolidated subsidiaries: 22 companies

[2] Names of major consolidated subsidiaries:

Blue Rivers Co. Ltd., Aoyama Capital Co., Ltd., ASCON Co., Ltd., Seigo Co., Ltd., MDS Co., Ltd., Eisho Co., Ltd., Eagle Retailing Corporation, glob Co., Ltd., FUKURYO Co., Ltd., Minit Asia Pacific Co., Ltd. and 12 other companies

Minit Asia Pacific Co., Ltd. and nine other companies were included in the scope of the consolidation from the current consolidated subsidiaries, due to the acquisition of shares in these companies.

Names of major non-consolidated subsidiaries:

Taiwan Aoyama Shoji Co., Ltd.
Aoyama Suits (Shanghai) Co., Ltd.

(Reasons for excluding non-consolidated subsidiaries from the scope of consolidation)

The non-consolidated subsidiaries listed above are small, and their total assets, net sales, net profits and losses (proportional amount of equity), retained earnings (proportional amount of equity) and others do not materially impact the consolidated financial statements.

2. Application of equity method

Number of non-consolidated subsidiaries accounted for by equity method	ー companies
Number of affiliated companies accounted for by equity method	ー companies
Major non-consolidated subsidiaries not accounted for by equity method	Taiwan Aoyama Shoji Co., Ltd. Aoyama Suits (Shanghai) Co., Ltd.

(Reason for not applying the equity method)

Neither of the non-consolidated subsidiaries not accounted for by the equity method listed above has a net income (proportional amount of equity), retained earnings (proportional amount of equity), or other results, and is not important to overall operations. Accordingly, these companies are excluded from the scope of application of the equity method.

3. Matters concerning accounting policy

(1) Valuation standards and methods for significant assets

[1] Securities

Held-to-maturity bonds	Stated at amortized cost (straight-line method)
Other securities	Securities with fair market values: Market value method based on the market price as of the last day of the consolidated fiscal period. (Unrealized holding gains and losses are reported as a component of shareholders' equity with the cost of securities sold calculated using the moving-average method.) Securities without fair market values: Stated at cost using the moving-average method.

[2] Derivatives — Stated at market value

[3] Merchandise and finished goods

Historical cost (reduction of book value from decline in profitability)

Goods: In principle, the specific identification method

Finished goods and work in process: Specific identification method

Raw materials: Moving-average method

Supplies: Stated at cost using the last purchase price method

(2) Depreciation method for significant depreciable assets

[1]	Property, plant and equipment (excluding leased assets) and real estate for investment	a. Those acquired before March 31, 2007 The former declining balance method However, for consolidated subsidiaries' buildings (excluding facilities attached to a building), the former straight-line method is mainly used. b. Those acquired on and after April 1, 2007 The declining balance method However, for consolidated subsidiaries' buildings (excluding facilities attached to a building), the straight-line method is mainly used. Major useful lives are as described below. Buildings and structures 6 to 39 years and 50 years Machinery, equipment and vehicles 3 to 12 years Other 3 to 20 years
[2]	Intangible non-current assets (excluding leased assets)	The straight-line method Trademark rights and contract-related assets are amortized based mainly on economic useful lives (15 years). Internally used software is amortized using the straight-line method based on the internally usable period (five years).
[3]	Leased assets	For leased assets related to financing and leasing transactions other than those in which ownership is deemed to transfer to the lessee The straight-line method is used with a residual value of zero (In cases where an agreement is made concerning residual value in the lease contract, the residual value), with the lease period deemed to be equivalent to the useful life of the asset.

(3) Basis of accounting for significant allowances

[1]	Allowance for doubtful accounts	To provide a reserve for bad debt expenses, a general allowance is provided using a rate determined from past experience of bad debts, and specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectability of certain doubtful accounts.
[2]	Provision for bonuses	The Company provides an allowance for bonuses for employees based on the estimated payment in the current consolidated fiscal year, out of the estimated payments for the future.
[3]	Provision for point card certificates	Based on the point card system for the purpose of sales promotion, the Company provides an allowance for point card certificates based on the estimated use of points in the future at the end of the current consolidated fiscal year.

(4) Method of amortizing goodwill and amortization period

Goodwill is amortized using the equal-installment method over a period of 15 years.

(5) Important matters that form the base for preparation of other consolidated financial statements

[1] Treatment method for deferred assets

Bond issue costs Straight line method over the period until maturity

[2] Method of accounting for retirement benefits

- The attribution method for estimated retirement benefits
  For the calculation of retirement benefit obligations, estimated retirement benefits are attributed to the period until the end of the current consolidated fiscal year mainly based on the projected benefit basis.
- Actuarial differences and the method for amortizing unrecognized prior service liabilities
  Actuarial differences are amortized in the year subsequent to their occurrence using the straight-line method over a certain period (three to ten years) not exceeding the average remaining service life of employees as of the time of their occurrence.
  Unrecognized prior service liabilities are amortized using the straight-line method over a certain

period (eight to ten years) not exceeding the average remaining service life of employees as of the time of their occurrence.

[3] Accounting method for consumption tax, etc.

National and local consumption taxes are excluded from revenue and expense accounts subject to taxes.

However, asset-related national and local consumption taxes that cannot be excluded are expensed in the consolidated fiscal year in which they arise.

(Changes in accounting policies due to revisions to accounting standards)

Application of Accounting Standards for Business Combination revised on September 13, 2013

1. Outline and scope of amendments to accounting policies (names of accounting standards)

   Starting from the fiscal year under review, the Company applied Accounting Standards for Business Combination (Accounting Standards Board of Japan Statement No. 21 of September 13, 2013, hereinafter referred to as “Business Combination Accounting Standards”), Accounting Standards for Consolidated Financial Statements (Accounting Standards Board of Japan Statement No. 22 of September 13, 2013, hereinafter referred to as the “Consolidated Accounting Standards”), and Accounting Standards for Business Separation (Accounting Standards Board of Japan Statement No. 7 of September 13, 2013, hereinafter referred to as the “Business Separation Accounting Standards). Moreover, starting from the fiscal year under review, the Company adopted: 1) an accounting method by which any difference arising due to a change in the Company’s equity interests in subsidiaries under its continued control is recorded under capital surplus; 2) an accounting method by which acquisition-related cost is recorded as a cost of the consolidated fiscal year in which the former cost is incurred.

   Moreover, starting from the fiscal year under review, the Company adopted an accounting method by which: 1) concerning a business combination conducted after the start of a given fiscal year, if any revision is made to acquisition cost allocation in or after the fiscal year following the fiscal year of the business combination as tentative accounting treatment is finalized, the Company presents the value of the effect on the period-start balance of the fiscal year of the revision in question on a category-by-category basis; 2) period-start balance having reflected the value effect is presented.

   In addition to revising the presentation of net income, the Company replaced the presentation of minority interests with that of non-controlling interests.

2. Reason why retroactive application was not made

   Starting from the start of the fiscal year under review, the Company applied the Business Combination Accounting Standard in conformance with transitional treatment set forth in Article 58, Paragraph 2, Item 4 of the Business Combination Accounting Standards and Article 44, Paragraph 5, Item 4 of the Consolidated Accounting Standards and Article 57, Paragraph 4, Item 4 of the Business Separation Accounting Standards, and will continue to do so in the future.

3. Value effect on key items of financial statements

   The above-mentioned amendment to the accounting policies had only a negligible effect on the consolidated financial statements for the fiscal year under review.

(Additional information)

Amendment of the amounts of deferred tax assets and deferred tax liabilities due to changes to the corporate tax rate, etc.

The Act on Partial Revision to the Income Tax Act (law number 15 of 2016) and the Act on Partial Revision to the Municipal Tax Act (law number 13 of 2016) were adopted by the Diet on March 29, 2016. As a result, the statutory effective tax rate used to compute deferred tax assets and deferred tax liabilities for the fiscal year under review (limited to those to be resolved on or after April 1, 2016) was changed to 30.70% for those expected to be recovered or paid from April 1, 2016 to March 31, 2018, and 30.47% for those expected to be recovered or paid from April 1, 2018 onward, in comparison to 32.05% for the fiscal year ended March 31, 2015.

As a result, the amount of deferred tax assets for the current fiscal year (excluding the amount of deferred tax liabilities) decreased by 449 million yen and the amount of income taxes-deferred increased by 479 million yen.

(Notes on the consolidated balance sheets)

1. Cumulative amount of depreciation for property, plant and equipment — 90,616 million yen
2. Cumulative amount of depreciation for real property for investment — 4,344 million yen
3. Revaluation of land for business use

The Company and a consolidated subsidiary revalued land for business use pursuant to the Act of Land Revaluation (Act No. 34, March 31, 1998) and reported the revaluated reserve for land in net assets.

- Method of revaluation: Computed from the assessed value of fixed assets for property tax provided by Article 2-3 of the Enforcement Ordinance for the Act of Land Revaluation (Ordinance No. 119, March 31, 1998).
- Date of revaluation: March 31, 2002
- Difference in the revalued land between the fair value at the end of the current consolidated fiscal year and the book value after revaluation: -4,818 million yen

(Notes on the consolidated statements of income)

Impairment losses

The Company recorded impairment losses on the following asset groups.

Use	Type	Location
Stores for business use	Buildings and structures Other	A total of 27 cases including Sagamihara City, Kanagawa Prefecture
Stores for lease (closed down stores)	Building and structures Land and others	A total of 3 cases including Chiba City, Chiba Prefecture

The Company groups stores as the minimum units that create cash flows. Concerning leased assets, the Company groups property of each closed down store.

The Company reduced the book value of properties whose profitability is lower due to intensified competition or a decrease in the rental market to the collectable amount and reported the decrease as an impairment loss (959 million yen) under extraordinary losses. The impairment loss is divided into 559 million yen for buildings and structures, 218 million yen for land and 181 million yen for others.

The collectable amount of each asset group is assessed by the net realizable value that is calculated with the assessed value of fixed assets for property tax.

(Notes on the consolidated statement of changes in equity)

1. Class and total number of outstanding shares at the end of the current consolidated fiscal year

   Common stock 55,394,016 shares

2. Matters concerning dividends

(1) Payout amount of dividends

Resolution	Class of shares	Total amount of dividends (in million yen)	Dividend per share (in yen)	Record date	Effective date
Regular general shareholders meeting on June 26, 2015	Common stock	2,772	50	March 31, 2015	June 29, 2015
Board of Directors meeting on November 6, 2015	Common stock	2,734	50	September 30, 2015	November 25, 2015

Total dividends approved by the Ordinary General Meeting of Shareholders held on June 26, 2015 included 9 million yen in dividends for shares held by trusts in the Company.

Total dividends approved by the Board of Directors meeting held on November 6, 2015 included 9 million yen in dividends for shares held by trusts in the Company.

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, dividends whose effective date belongs to the following consolidated fiscal year.

Resolution	Class of shares	Fund of dividend	Total amount of dividends (in million yen)	Dividend per share (in yen)	Record date	Effective date
Regular general shareholders meeting on June 29, 2016	Common stock	Retained earnings	5,649	105	March 31, 2016	June 30, 2016

Total dividends to be approved by the Ordinary General Meeting of Shareholders held on June 29, 2016 include 19 million yen in dividends for shares held by trusts in the Company.

3. The class and number of shares subject to subscription rights to shares at the end of the current consolidated fiscal year (excluding rights for which the first date of the exercise period has not arrived.)

   Common stock 30,000 shares

(Notes on financial products)

1. Matters concerning the status of financial products

(1) Policy for handling financial products

The Group has a policy of limiting fund management to short-term deposits, relatively risk-free bonds, and commercial papers, etc. To raise funds, the Group depends on loans from banks and bond issues. Derivatives are used to avoid foreign exchange fluctuations in accounts receivable-trade in the denomination of foreign currencies, and no speculative transactions are carried out.

Our consolidated subsidiaries are engaged in the financial service business accompanying the credit card business. To run the said business, the subsidiaries depend on indirect financing such as loans from the parent company and banks as well as the issue of bonds.

(2) The nature of financial products, their risks and risk management system

Bills receivable and accounts receivable as trade receivables are exposed to the credit risk of customers. Regarding said risk, the Group has a system for monitoring the due dates and remaining amount of each client and checking their credit situation as required in accordance with the Group's credit management regulations.

Operating loans to domestic clients and individuals are exposed to the credit risks caused by default. Regarding said risk, the Group has and operates a system for credit screening, credit limits, credit information management, internal ratings, the establishment of guarantees and collateral, measures for bad debts, etc., and in terms of individual cases, in accordance with the management regulations for credit risk of consolidated subsidiaries. This credit control is conducted by Business Planning Headquarters and is deliberated and reported on at regular meetings of the Board of Directors. In addition, Internal Audit Department checks the state of credit control. Of all operating loans, 99% are made to specific debtors.

Shares, which are investment securities, are exposed to the fluctuation risk of market values. They are mainly shares of companies that the Group has business relations with. Their fair values are obtained regularly and reported on at meetings of the Board of Directors.

Long-term loans receivable and lease and guarantee deposits are construction assistance funds, guarantees and deposits that are provided to a lessor when a new store is opened in a rental property, which are exposed to the credit risk of the lessor. Regarding said risk, the Group has a system in which responsible departments monitor the credit situation of each lessor as required.

Trade payables, which are notes payable, accounts payable, and electronically recorded obligations and other accounts payable, are due within one year.

Out of loans payable, short-term loans payable are mainly for fund raising for business transactions, and bonds and long-term loans payable (within five years in principle) are mainly for fund raising related to capital investment. Loans payable with variable interest rates are exposed to interest rate risk. To avoid the fluctuation risk of interest payments and fix payment methods, derivative transactions (interest rate swaps) may be made for each contract as hedging. In the method to assess the effectiveness of hedging, the assessment of effectiveness is omitted for contracts if they meet special treatment of interest rate swaps.

Derivative transactions are executed and controlled in accordance with internal regulations that specify the authority to trade, and in using derivatives, transactions are entered into only with financial institutions with a high rating to reduce credit risk.

Trade payables, bonds and loans payable are exposed to liquidity risk. The Group manages these through methods according to which each company prepares a monthly financing plan, etc.

2. Matters concerning the fair value of financial products, etc.

(Unit: million yen)

	Reported amount in the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	57,544	57,544	-
(2) Notes and account receivable – trade	18,536	18,536	-
(3) Operating loans	48,915	48,742	-172
(4) Securities and investment securities			
[1] Held-to-maturity securities	25,899	25,899	-
[2] Available-for-sale securities	8,532	8,532	-
(5) Long-term loans receivable	4,678	4,678	-
(6) Lease and guarantee deposits	27,108	27,107	-1
Total assets	191,216	191,042	-174
(1) Notes and accounts payable	19,880	19,880	-
(2) Electronically recorded obligations	18,373	18,373	-
(3) Short-term loans payable	3,050	3,050	-
(4) Bonds with a maturity of one year or less	-	-	-
(5) Accounts payable	9,467	9,467	-
(6) Bonds payable	24,000	24,593	593
(7) Long-term loans payable	58,000	58,261	261
Total liabilities	132,770	133,625	854
Derivative transactions (*)			
[1] Not applicable to hedge accounting	423	423	-
[2] Applicable to hedge accounting	(104)	(104)	-
Total of derivative transactions	319	319	-

(*) Net assets and liabilities caused by derivative transactions are stated at net values, and values of items that have more liabilities than assets are stated as zero.

(Note 1) Calculation methods for the fair value of financial products and matters concerning securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes and accounts receivable

As they are settled in a short period of time, their fair values are approximately equivalent to their book values. Therefore, the book values are regarded as the fair values.

(3) Operating loans

Because operating loans with variable interest rates are immediately affected by the movement of market rates, the fair values of these loans are approximately equivalent to the book values in cases where the credit risks of debtors have not significantly changed from the time of execution of the loans. Therefore, the book values are regarded as the fair values. Fixed-rate loans are segmented by loan type, internal rating, and period, and their fair value is determined by discounting the total amount of principal and interest by the assumed interest rate on new lending of a similar type. For loans to debtors who are possibly bankrupt, an allowance for doubtful accounts calculated from the current value of expected future cash flows or from the amount expected to be collected through disposal of collateral or the execution of guarantees is provided. Therefore, their fair values are approximately equivalent to the book values of claims minus the book value of the allowance for doubtful accounts on the balance sheet at the time of the consolidated account closing date. Therefore that amount is regarded as the fair value. Concerning operating loans that do not have fixed maturities due to loan characteristics, such as limited loan amounts within the value of pledged assets, their fair values are considered to approximate the book values due to their expected repayment and interest conditions. Accordingly, the book values are regarded as the fair values.

(4) Securities and investment securities

Their fair values are measured using quoted market prices in stock markets. The fair values of bonds are measured at the quoted market prices in bond markets or the quoted prices obtained from financial institutions. Fair values of trust beneficiary rights and commercial papers are approximately equivalent to their book values because their maturity is short. Therefore, the book values are regarded as the fair values.

(5) Long-term loans receivable

Long term loans are construction assistance funds. As their credit risk is small, the fair value is calculated by discounting the planned collection amount by the yield of safe bonds that have similar maturity periods.

(6) Lease and guarantee deposits

The credit risk of lease and guarantee deposits for which future cash flows can be estimated is small. Therefore, the fair value is calculated by discounting the planned collection amount by the yield of safe bonds that have similar maturity periods.

Liabilities

(1) Notes and accounts payable, (2) Electronically recorded obligations, (3) Short-term loans payable, (4) Bonds with a maturity of one year or less and (5) Accounts payable

As they are settled in a short period of time, their fair values are approximately equivalent to their book values. Therefore, the book values are regarded as their fair values.

(6) Bonds and (7) Long-term loans payable

Their fair values are determined by discounting the total amount of principal and interest by the assumed interest rate on new lending of a similar type.

Derivative transactions

Their fair values are measured at the quoted prices obtained from financial institutions.

(Note 2) Financial products for which the fair value is considered to be extremely difficult to determine

Unlisted shares (the reported amount in the consolidated balance sheet is 1,233 million yen) have no market price. Their future cash flows cannot be estimated, and their fair values are considered to be extremely difficult to measure. Therefore, they are not included in “(4) Securities and investment securities, [2] available-for-sale securities.”

(Notes on information per share)

1. Net assets per share 4,366.41 yen
2. Net income per share 218.06 yen

(Note 1) Basis for calculating profit per share

Profit attributable to owners of parent in consolidated statements of income	11,869 million yen
Amount not attributable to common shareholders	- million yen
Profit attributable to owners of parent associated with common shares	11,869 million yen
Average number of outstanding common stock in the fiscal year	54,432,789 shares

(Note 2) Treasury shares that are recorded by application of the total amount method is included in the treasury shares that are excluded from the average number of outstanding common shares for calculation of profit per share.
For calculation of net assets per share, said treasury shares are included in the treasury shares that are excluded from the number of outstanding common shares at the end of the fiscal year.
The number of said treasury shares at the end of the fiscal year: 185,900 shares
The average number of said treasury shares during the fiscal year: 185,900 shares

(Other notes)

Notes on business combination and separation

Business combination through acquisition

(1) Outline of business combination

[1] Name of company acquired and its business description
Name of company acquired: Minit Asia Pacific Co., Ltd.
Business description: Total repair services

[2] Main reason for business combination
Minit Asia Pacific Co., Ltd. (“Minit Asia Pacific”) provides consumers with total repair services that chiefly comprise shoe repairs and key duplication under the integrated brand of “Mister Minit” in Asia Pacific region locations consisting mainly of Japan, Australia, and New Zealand. As the industry’s leading company, Minit Asia Pacific operates over 500 shops on a group basis. Incorporating service offerings delivered by Minit Asia Pacific are likely to contribute greatly to the growth of Aoyama Trading and the upgrading of its after-care goods areas, in addition to the suit area in which the Company excels, and should further raise the value-added it delivers. Moreover, fully feasible future options include: 1) using Mister Minit Asia Pacific’s shops as service satellite locations targeting Aoyama Trading’s existing customers; 2) using Minit Asia Pacific’s overseas operational expertise for the expansion of Aoyama Trading Group’s overseas businesses.
We are convinced that leveraging the Group’s store network and customer base will enable Minit Asia Pacific to further expand its operations, giving increased momentum to its growth strategy. Towards achieving our Medium-Term Management Plan, we concluded that, as discussed above, it would be highly effective to incorporate into our operations the service offerings delivered by Minit Asia Pacific, as well as its corporate resources and expertise, and to pursue our business strategy in a manner that capitalizes on both companies’ strengths. It was for those reasons that Aoyama Trading decided to acquire all shares and warrants outstanding in Minit Asia Pacific, thereby converting it into a wholly-owned subsidiary of Aoyama Trading.

[3] Date of business combination
December 16, 2015

[4] Legal form of business combination
Share acquisition through cash payment

[5] Post-business combination company name
Minit Asia Pacific Co., Ltd.

[6] Ratio of voting rights acquired
Ratio of voting rights: 100%

[7] Main grounds for determining the acquisition target company
Aoyama Trading acquired all voting rights in Minit Asia Pacific Co., Ltd. by acquiring its shares through a cash payment.

(2) The period of acquired company’s financial results presented in consolidated financial statements
From January 1, 2016 to March 31, 2016

(3) Acquisition cost of the company acquired and price breakdown by category

Acquisition price	Cash	14,582 million yen
Acquisition cost		14,582 million yen

(4) Description and value of key acquisition-related expenses

Advisory service fee	80 million yen

(5) Amount of goodwill incurred, reason for incurrence, and amortization method and period

[1] Amount of goodwill incurred
12,422 million yen

[2] Reason for incurrence
Because the acquisition cost exceeded the net amount allocated to assets acquired and liabilities succeeded by the Company, the amount of the surplus is recorded as goodwill.

[3] Amortization method and period
The equal-installment method and over a period of 15 years

(6) Amounts of assets and liabilities succeeded on the date of business combination and their breakdown

Current assets	2,764 million yen
Non-current assets	7,356 million yen
Total assets	10,120 million yen
Current assets	5,560 million yen
Non-current assets	2,400 million yen
Total liabilities	7,961 million yen

Audit Report of the Accounting Auditors Concerning the Consolidated Financial Statements (Certified Copy)

Independent Auditor's Audit Report

May 5, 2016

To: The Board of Directors
Aoyama Trading Co., Ltd.

KPMG AZSA LLC

Designated limited liability partner and managing partner	Certified public accountant	Motoharu Iyomasa	(Seal)
Designated limited liability partner and, managing partner	Certified public accountant	Ichiro Suruga	(Seal)
Designated limited liability partner and, managing partner	Certified public accountant	Koji Yasui	(Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Aoyama Trading Co., Ltd., applicable to the consolidated fiscal year from April 1, 2015 to March 31, 2016.

Management responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements based on accounting principles generally accepted in Japan, and for designing and operating such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts of disclosures in the consolidated financial statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the state of the property, and the profit and loss, of the Corporate Group, which consists of Aoyama Trading Co., Ltd. and its consolidated subsidiaries, applicable to the consolidated fiscal year in conformity with accounting principles generally accepted in Japan.

Conflicts of interest
Neither KPMG AZSA LLC nor its managing partners have any interest in the Company which should be disclosed in compliance with the provisions of the Certified Public Accountants Act.

Balance sheet

(March 31, 2016)

(Unit: million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**157,527**	**Current liabilities**	**50,585**
Cash and deposits	47,967	Accounts payable - trade	12,101
Accounts receivable - trade	12,959	Electronically recorded obligations	18,084
Securities	25,899	Accounts payable - other	9,192
Merchandise and finished goods	45,389	Accrued expenses	1,336
Raw materials and supplies	624	Advances received	89
Advance payments - trade	30	Deposits received	125
Short-term loans receivable from subsidiaries and associates	19,700	Income taxes payable	6,440
Prepaid expenses	2,726	Provision for bonuses	1,158
Deferred tax assets	1,320	Lease obligations	372
Accrued income	14	Asset retirement obligations	4
Other	902	Other	1,680
Allowance for doubtful accounts	-6		
Non-current assets	**181,211**	**Non-current liabilities**	**61,640**
Property, plant and equipment	**97,529**	Long-term loans payable	50,000
Buildings	47,395	Provision for retirement benefits	4,335
Structures	7,037	Provision for share grants	85
Machinery and equipment	868	Provision for point card certificates	3,020
Vehicles	16	Lease obligations	682
Tools, furniture and fixtures	4,971	Asset retirement obligations	806
Land	33,726	Other	2,711
Construction in progress	294	**Total liabilities**	**112,226**
Leased assets	3,218	**Net assets**	
Intangible Assets	**3,077**	**Shareholders' equity**	**240,679**
Leasehold right	850	**Capital stock**	**62,504**
Trademark right	382	**Capital surplus**	**62,526**
Software	1,721	Legal capital surplus	62,526
Telephone subscription right	112	**Retained earnings**	**122,937**
Leased assets	9	Legal retained earnings	2,684
Investments and other assets	**80,604**	Other retained earnings	120,253
Investment securities	8,547	General reserve	131,100
Shares of subsidiaries and associates	24,738	Retained earnings brought forward	-10,846
Investments in capital of subsidiaries and associates	395	**Treasury shares**	**−7,289**
Long-term loans receivable	4,566	**Valuation and translation adjustments**	**−14,180**
Long-term prepaid expenses	894	Valuation difference on available-for-sale securities	1,759
Deferred tax assets	7,525	Revaluation reserve for land	-15,939
Lease and guarantee deposits	25,876	**Subscription rights to shares**	**13**
Real estate for investment	7,628		
Other	453		
Allowance for doubtful accounts	-21	**Total net assets**	**226,512**
Total assets	**338,739**	**Total liabilities and net assets**	**338,739**

Statements of Income

(From April 1, 2015 to March 31, 2016)

(Unit: million yen)

Item	Amount	
Net sales		**189,700**
Cost of sales		**76,713**
Gross profit		**112,986**
Selling, general and administrative expenses		**93,789**
Operating income		**19,196**
Non-operating income		
Interest income	244	
Interest on securities	3	
Dividend income	562	
Real estate rent	3,067	
Foreign exchange gains	479	
Other	273	**4,632**
Non-operating expenses		
Interest expenses	63	
Rent cost of real estate	2,910	
Loss on valuation of derivatives	712	
Other	55	**3,741**
Ordinary income		**20,087**
Extraordinary income		
Gain on sales of non-current assets	3	**3**
Extraordinary losses		
Loss on sales and retirement of non-current assets	736	
Impairment loss	936	**1,673**
Net income before income taxes		**18,417**
Income taxes-current	6,654	
Income taxes-deferred	249	**6,904**
Net income		**11,513**

Statement of Changes in Equity

(From April 1, 2015 to March 31, 2016)

(Unit: million yen)

Item	Shareholders' equity			
	Capital stock	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	62,504	62,526	-	62,526
Changes of items during period				
Reversal of general reserve				
Dividends of surplus				
Net income				
Reversal of revaluation reserve for land				
Purchase of treasury shares				
Amortization of treasury shares			-19,800	-19,800
Disposal of treasury shares			-41	-41
Transfer to capital surplus from retained earnings			19,841	19,841
Changes of items other than shareholders' equity (net)				
Total changes of items during the term	-	-	-	-
Balance at the end of the year	62,504	62,526	-	62,526

Item	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,684	123,100	11,085	136,869	-19,470	242,429
Changes of items during period						
Reversal of general reserve		8,000	-8,000	-		-
Dividends of surplus			-5,507	-5,507		-5,507
Net income			11,513	11,513		11,513
Reversal of revaluation reserve for land			-96	-96		-96
Purchase of treasury shares					-7,702	-7,702
Amortization of treasury shares					19,800	-
Disposal of treasury shares					84	42
Transfer to capital surplus from retained earnings			-19,841	-19,841		-
Changes of items other than shareholders' equity (net)						
Total changes of items during period	-	8,000	-21,932	-13,932	12,181	-1,750
Balance at the end of the year	2,684	131,100	-10,846	122,937	-7,289	240,679

Item	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of the year	1,121	-16,040	-14,918	13	227,524
Changes of items during period					
Reversal of general reserve					-
Dividends of surplus					-5,507
Net income					11,513
Reversal of revaluation reserve for land					-96
Purchase of treasury shares					-7,702
Amortization of treasury shares					-
Disposal of treasury shares					42
Transfer to capital surplus from retained earnings					-
Changes of items other than shareholders' equity (net)	637	100	738	0	738
Total changes of items during period	637	100	738	0	-1,011
Balance at the end of the year	1,759	-15,939	-14,180	13	226,512

Notes on the Non-consolidated Financial Statements

(Notes on matters concerning significant accounting policies)

1. Valuation standards and methods for major assets

(1) Valuation standards and methods for securities

Held-to-maturity bonds	Stated at amortized cost (straight-line method)	
Stocks of subsidiaries and affiliates	Stated at cost determined by the moving-average method	
Other securities	Securities with fair market values:	Market value method based on the market price as of the last day of the fiscal period (stated at the market value method based on quoted market prices at the end of the fiscal year. Unrealized holding gains and losses are reported as a component of shareholders' equity, with the cost of securities sold calculated using the moving-average method.)
	Securities without fair market values:	Stated at cost based using the moving-average method

(2) Valuation standards and methods for derivatives

Stated at market value

(3) Valuation standards and methods for inventory assets

Historical cost (reduction of book value from decline in profitability)

Goods: Specific identification method

Supplies: Stated at cost using the last purchase price method

2. Depreciation method for non-current assets

[1] Property, plant and equipment (excluding lease assets) and real estate for investment	(a) Those acquired on and before March 31, 2007 The former declining balance method (b) Those acquired on and after April 1, 2007 The declining balance method Major useful lives are as described below. Buildings: 6 to 39 years, and 50 years Structures: 10 to 50 years Machinery and equipment: 12 years Furniture and fixture: 3 to 20 years
[2] Intangible non-current assets (excluding leased assets)	The straight-line method However, depreciation of software for use in the Company is calculated using the straight-line method based on the usable period within the Company (five years).
[3] Leased assets	For leased assets related to financing and leasing transactions other than those in which ownership is deemed to transfer to the lessee The straight-line method is used with a residual value of zero (In cases where an agreement is made concerning residual value in the lease contract, the residual value), with the lease period deemed to be equivalent to the useful life of the asset.

3. Basis for accounting for allowances

(1) Allowance for doubtful accounts	To provide a reserve for bad debt expenses, a general allowance is provided using a rate determined from past experience of bad debts, and specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectability of certain doubtful accounts.
(2) Provision for bonuses	The Company provides an allowance for bonuses for employees based on the estimated payment in the current consolidated fiscal year.

(3) Provision for retirement benefits	To prepare for the provision of retirement benefits for employees, the Company sets aside an estimated amount for retirement benefit obligations as of the end of the current fiscal year. The accounting method for refinement benefits and expenses is as follows. • The attribution method for estimated retirement benefits For the calculation of retirement benefit obligations, estimated retirement benefits are attributed to the period until the end of the current fiscal year based on the projected benefit basis. • Actuarial differences and the method for amortization Actuarial differences are amortized in the year subsequent to their occurrence using the straight-line method over a certain period (three years) not exceeding the average remaining service life of employees as of the time of their occurrence. • The accounting method for unrecognized differences in mathematical calculations on the non-consolidated balance sheet differ from those on the consolidated balance sheet.
(4) Provision for employee stock ownership plan	To provide for employees' benefits of the employee stock ownership plan, the Company sets aside an estimated amount for the obligations of the employee stock ownership plan.
(5) Provision for point card certificates	Based on the point card system for the purpose of sales promotion, the Company provides an allowance for point card certificates based on the estimated use of points in the current consolidated fiscal year.

4. Other significant matters for the purpose of preparing non-consolidated financial statements

Accounting method for consumption tax, etc.

National and local consumption taxes are excluded from revenue and expense accounts subject to taxes.

However, asset-related national and local consumption taxes that cannot be excluded are expensed in the consolidated fiscal year in which they arise.

(Notes on the non-consolidated balance sheet)

1. Cumulative amount of depreciation for tangible non-current assets — 89,114 million yen
2. Cumulative amount of depreciation for real property for investment — 5,846 million yen
3. Monetary claims and monetary liabilities for subsidiaries and affiliates
   The amounts of monetary claims and monetary liabilities for subsidiaries and affiliates not displayed in segments are as follows:
   Monetary claims for subsidiaries and affiliates — 74 million yen
   Monetary liabilities for subsidiaries and affiliates — 4,179 million yen

(Notes on the non-consolidated statements of income)

Amounts of transactions with affiliates
Amount of operating transactions — 21,736 million yen
Amount of non-operating transactions — 2,609 million yen

(Notes on the non-consolidated statements of changes in net assets)

1. Type and number of shares outstanding of treasury shares

Type of share	As of April 1, 2015	Increase during the fiscal year ended March 31, 2016	Decrease during the fiscal year ended March 31, 2016	As of March 31, 2016
Common stock (share)	6,121,557	1,681,789	6,025,000	1,778,346

(Reasons for the above changes)
The details of the increase and decrease are as follows.
Increase due to purchase of treasury shares based on a resolution passed at a meeting of the Board of Directors — 1,681,000 shares
Increase due to the purchasing of shares of less than one unit — 789 shares
Decrease due to amortization of treasury shares based on a resolution of a meeting of the Board of Directors — 6,000,000 shares
Decrease due to the exercise of stock options — 25,000 shares

2. Matters concerning transactions granting Company stock to employees through a trust account
   [1] The numbers of shares of the Company held by a trust account included in treasury shares as of the beginning and end of the fiscal year under review
   Beginning of the fiscal year under review: 185,900 shares
   End of the fiscal year under review: 185,900 shares
   [2] The number of shares of the Company acquired, sold or granted by a trust that are included in the number of treasury shares that increased or decreased during the fiscal year under review
   — share

(Notes on tax effect accounting)

1. Significant components of deferred tax assets and liabilities

(Deferred tax assets)

Accrued enterprise taxes	455 million yen
Provision for bonuses	355 million yen
Allowance for doubtful accounts	8 million yen
Provision for retirement benefits	1,322 million yen
Long –term accounts payable	241 million yen
Provision for point certificate program	921 million yen
Asset retirement obligations	247 million yen
Depreciation and amortization	3,495 million yen
Impairment loss	2,470 million yen
Loss on valuation of investment securities	407 million yen
Other	478 million yen
Deferred tax assets subtotal	10,404 million yen
Valuation allowance	-771 million yen
Total Deferred tax assets	9,633 million yen

(Deferred tax liabilities)

Asset retirement obligations	-70 million yen
Valuation difference on other securities	-716 million yen
Total deferred tax liabilities	-787 million yen
Net deferred tax assets	8,845 million yen

2. Major items of significant difference between the statutory effective tax rate and the corporate tax rate after adoption of deferred tax accounting

Statutory effective tax rate	32.85%
(Reconciliation)	
Entertainment and other permanently non-deductible expenses	0.03%
Dividends and other permanently non-taxable income	-0.72%
Per capita inhabitant tax, etc.	1.79%
Reversal of deferred tax assets associated with a tax rate change	2.57%
Other	0.97%
Corporate tax rate after adoption of deferred tax accounting	37.49%

3. Amendment of the amounts of deferred tax assets and deferred tax liabilities due to changes to the corporate tax rate, etc.

Associated with the enactment on March 29, 2016 of the “Act on Partial Revision of the Income Tax Act” (Act No. 15, 2016) and the “Act on Partial Revision of the Local Tax Act” (Act No. 13, 2016), the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities for the current fiscal year has been changed from 32.05% in the previous fiscal year to 30.70% for those that are expected to be recovered or paid from April 1, 2016 to March 31, 2018 and to 30.47% for those that are expected to be recovered or paid on and after April 1, 2018.

As a result, the amount of deferred tax assets for the current fiscal year (excluding the amount of deferred tax liabilities) decreased by 436 million yen and the amount of income taxes – deferred increased by 474 million yen.

(Notes on non-current assets under leases)

In addition to non-current assets recorded on the non-consolidated balance sheet, some business equipment and manufacturing facilities are used under finance lease contracts that do not transfer ownership of the leased assets to the lessees.

(Notes on transactions with related parties)

Subsidiaries, affiliates and other parties

(Unit: million yen)

Attribute	Company name or name	Ratio of holding voting rights (voting right held by)	Relationship with related party		Contents of transaction	Amounts of transaction	Account name	Balance as of March 31, 2015
			Sharing of concurrent positions by board members, etc.	Business relationship				
Subsidiary	Aoyama Capital Co., Ltd.	Possession Direct 100.0%	Sharing of concurrent positions by three (3) board members	Make loans (Note 1)	Make loans	-	Short-term loans receivable from subsidiaries and associates	6,000
Subsidiary	Eagle Retailing Corporation	Possession Direct 90.0%	Sharing of concurrent positions by two (2) board members	Make loans (Note 1)	Make loans	-	Short-term loans receivable from subsidiaries and associates	4,000
Subsidiary	FUKURYO Co., Ltd.	Possession Direct 100.0%	Sharing of concurrent positions by two (2) board members	Make loans (Note 1)	Make loans	-	Short-term loans receivable from subsidiaries and associates	4,000
Subsidiary	Minit Asia Pacific Co., Ltd.	Possession Direct 100.0%	Sharing of concurrent positions by one (1) board member	Make loans (Note 1)	Make loans	-	Short-term loans receivable from subsidiaries and associates	4,300

Policy on the determination of the terms and conditions of transactions, etc.

(Note 1) The Company decides interest rates for loans to Aoyama Capital Co., Ltd., Eagle Retailing Corporation, FUKURYO Co., Ltd. and Minit Asia Pacific Co., Ltd. after reasonably considering market interest rates.

(Per share information)

1. Net assets per share ¥4,224.49
2. Net income per share ¥211.52

(Note 1) Basis for calculation of profit per share

Net income in non-consolidated statement of income	11,513 million yen
Amount not attributable to common shareholders	— million yen
Net income associated with common stock	11,513 million yen
Average number of common stock outstanding during the year	54,432,789 shares

(Note 2) Treasury shares is included among treasury shares to be deducted in calculations of the average number of shares outstanding during the year for the purpose of calculating profit per share.

Treasury shares is also included among treasury shares to be deducted in calculations of the total number of outstanding shares at the end of the fiscal year for the purpose of calculating net assets per share.

Total number of outstanding shares at the end of the fiscal year of said treasury shares: 185,900 shares

Average number of shares outstanding during the year of said treasury shares: 185,900 shares

Audit Report of the Accounting Auditors (Certified Copy)

Independent Auditor's Audit Report

May 5, 2016

To the Board of Directors of
Aoyama Trading Co., Ltd.

KPMG AZSA LLC

Designated limited liability partner and managing partner	Certified public accountant	Motoharu Iyomasa	(Seal)
Designated limited liability partner and managing partner	Certified public accountant	Ichiro Suruga	(Seal)
Designated limited liability partner and managing partner	Certified public accountant	Koji Yasui	(Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited, the financial statements of Aoyama Trading Co., Ltd. ("the Company") which consist of the balance sheet, the statement of income, the statement of changes in net equity, the notes to the financial statements and supplementary schedules thereof for the 51st fiscal year from April 1, 2015 to March 31, 2016.

Management's responsibility for the financial statements
Management is responsible for the preparation of financial statements and supplementary schedules thereof that give a true and fair view in accordance with accounting principles generally accepted in Japan. This responsibility includes implementing and maintaining internal controls deemed necessary by management relevant to the preparation and fair presentation of the financial statements and supplementary schedules thereof that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements and supplementary schedules thereof based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supplementary schedules thereof are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and supplementary schedules thereof. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements and supplementary schedules thereof, whether due to fraud or error. In making those risk assessment, the auditors consider the Company's internal controls relevant to the preparation of the financial statements and supplementary schedules thereof that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and supplementary schedules thereof.
We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

Opinion
In our opinion, the financial statements and supplementary schedules thereof present fairly, in all material respects, the financial position of the Company as of March 31, 2012 and the results for the year then ended in conformity with accounting principles generally accepted in Japan.

Other Matters
Neither KPMG AZSA LLC nor its managing partners have any interest in the Company which should be disclosed in compliance with the provisions of the Certified Public Accountants Act.

Corporate Auditors' Report (Certified Copy)

Audit Report

The Board of Corporate Auditors discussed the execution of duties by Directors for the 52nd fiscal year from April 1, 2015 to March 31, 2016, based on the audit reports prepared by the respective Corporate Auditors, and prepared this Audit Report. The Board hereby reports the details as follows.

1. Audit Method of the Corporate Auditors and the Board of Auditors and the Details of the Audits
   (1) The Board of Corporate Auditors established audit policies and the allocation of duties, etc., for the fiscal year under review, received reports from each Corporate Auditor about the state of implementation and the results of audits, as well as reports from the Directors and independent auditors about the state of execution of their duties, and requested them to provide explanations when needed.
   (2) Each Corporate Auditor confirmed the auditing standards decided by the Board of Corporate Auditors, the auditing policies, and the allocation of duties; held dialogues with Directors, Internal Audit Department, and employees; strove to establish an environment for collecting information and auditing, and implemented audits according to the following methods:
      a. Each Corporate Auditor attended meetings of the Board of Directors and other important meetings; received reports from Directors, employees, and other staff on the performance of their duties; requested explanations whenever necessary; inspected important written approvals and other documents; and examined the state of operations and assets at headquarters and principal offices. Meanwhile, the Board of Corporate Auditors communicated and exchanged information with Directors and other staff of subsidiaries, and received reports from subsidiaries whenever necessary.
      b. Each Corporate Auditor also received reports on the establishment and operations thereof from Directors and employees, and sought explanations as necessary to express opinions about the system to ensure that the performance of duties by Directors as stated in the Business Report conforms to relevant laws, regulations, and the Articles of Incorporation; and the state of systems established based on resolutions of meetings of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act, which is required to ensure the appropriateness of a corporate group consisting of joint-stock companies and their subsidiaries' operations (internal control system).
      c. In addition, the Board of Corporate Auditors monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits; received reports from the Accounting Auditors on the performance of their duties, and sought explanations whenever necessary. Furthermore, the Board of Corporate Auditors received notice from the Accounting Auditor that the "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) is established in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005) and other standards, and sought explanations whenever necessary.

Based on the above method, the Board of Corporate Auditors examined the business report and the supporting schedules for the current fiscal year, the non-consolidated financial statements (balance sheet, statements of income, statement of changes in net assets, and notes to financial statements), the supporting schedules, and the consolidated financial statements (balance sheet, statements of income, statement of net assets, and notes to financial statements) for the current fiscal year.

2. Audit Results

(1) Audit results of Business Report and Others

a. The Board of Corporate Auditors acknowledges that the business report and the supporting schedules fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.

b. With regard to the performance of duties by Directors, the Board of Corporate Auditors finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.

c. The Board of Corporate Auditors acknowledges that the content of resolutions by the Board of Directors concerning the internal control system is appropriate. In addition, the Board finds no matters on which to remark with regard to the performance of duties by Directors regarding the internal control system.

(2) Audit results on the Non-consolidated Financial Statements and the Supporting Schedules

The Board of Corporate Auditors acknowledges that the audit method of the Accounting Auditor, KPMG AZSA LLC, and the results thereof are appropriate.

(3) Audit results of Consolidated Financial Statements

The Board of Corporate Auditors acknowledges that the audit method of the Accounting Auditor, KPMG AZSA LLC, and the results thereof are appropriate.

May 12, 2016

Board of Auditors
Aoyama Trading Co., Ltd.

Corporate Auditor (full time)	Tomokazu Osako	(Seal)
Outside Corporate Auditor	Hiroshi Ogi	(Seal)
Outside Corporate Auditor	Kiyoshi Takegawa	(Seal)
Outside Corporate Auditor	Toru Watanabe	(Seal)

Reference Document for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Retained Earnings

We recognize that returning profits to shareholders is an important management issue, and pay dividends with a targeted consolidated total return ratio of 130% and purchase treasury shares during the period of our medium-term management plan (fiscal year ended March 2016 to fiscal year ending March 2018), aiming to return further profits.

<Our policy for returning profits to shareholders>

1) Dividend policy

- We target a consolidated dividend payout ratio of 70%.
- We pay 100 yen per share as an ordinary dividend (50 yen for an interim dividend and 50 yen for the year-end dividend), which is a stable dividend, and in case the dividend calculated based on the targeted dividend payout ratio stated above exceeds 100 yen, we pay the difference as a special dividend at the fiscal year-end as a dividend linked to performance. However, the Company may consider the amount of ordinary dividend in case a capital policy is implemented that affects earnings per share including capital increase and stock split.

2) Policy on purchase of treasury shares

- Purchases of treasury shares will be implemented targeting the amount calculated by excluding the total amount of dividends from 130% of profit attributable to owners of parent.

In accordance with the dividend policy, with respect to the year-end dividend for the current year, as a result of our calculations based on business performance in the current year, we plan to pay 50 yen per share as an ordinary dividend and 55 yen per share as a special dividend, a total of 105 yen per share. We paid 50 yen per share as an interim dividend; therefore the annual dividend per share, including the interim dividend is 155 yen per share.

1. Matters regarding the year-end dividend

   (1) Type of dividend property

   Cash

   (2) Allocation of dividends and total amount of dividends

   105 yen per common stock of the Company

   Allocation

Ordinary dividend	50 yen
Special dividend	55 yen
Total dividends	5,649,164,850 yen

   (3) Effective date on which dividends will be disbursed from retained earnings

   June 30, 2016

2. Other matters regarding the appropriation of retained earnings

The Company proposes to appropriate retained earnings as follows in order to cover the deficit of retained earnings carried forward due to the cancellation of treasury shares by a reversal of the general reserve and transferring it to the retained earnings carried forward, pursuant to Article 452 of the Companies Act.

   (1) Item to be increased and the amount of increase

General reserve	20,000,000,000 yen

   (2) Item to be decreased and the amount of decrease

Retained earnings carried forward	20,000,000,000 yen

Proposal No. 2: Election of One (1) Director

To further strengthen the Directors' supervisory function and management structure, the Company proposes one (1) Director as Outside Director.

The candidate for Directors is as follows.

Name (Date of Birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
Hiroaki Kobayashi (July 12, 1975)	Apr. 2000 Joined the Hiroshima Bank, Ltd. Mar. 2002 Joined Nitto Seimo Co., Ltd. May 2002 Executive Secretary, Nitto Seimo Co., Ltd. Jul. 2005 Director, Nitto Seimo Co., Ltd. Jan. 2007 Representative Director, Nitto Seimo Co., Ltd. (incumbent) Significant concurrent positions Representative Director, Nitto Seimo Co., Ltd. Representative Director, Nippon Turning Co., Ltd. Representative Director, Taito, Co., Ltd.	- shares

(Notes) 1. Mr. Hiroaki Kobayashi is a new candidate for Director and also a candidate for Outside Director.

2. There are no special conflicts of interest between the candidate and the Company.

3. Special remarks regarding the candidate for Outside Director are as follows.

(1) The Company believes that Mr. Hiroaki Kobayashi is appropriate for the position and will be able to give appropriate advice and suggestions from a perspective that differs from that of the Company because he has extensive experience and broad knowledge as an executive manager, and he manages a manufacturing company.

(2) Regarding the candidate's service over the past five years as Director, Executive Officer, or Auditor of other companies, no corresponding item existed regarding records of violations of Articles of Incorporation or other inappropriate actions by these companies during the candidate's term of office therein.

(3) Agreement for limitation of liability with Outside Director
Article 28 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement to limit the liability of an Outside Director due to negligence in the performance of duties, in order that the Director can play an appropriate role. Accordingly, the Company plans to conclude an agreement on limitation of liability with Mr. Kobayashi, a candidate for Outside Director, when his appointment is approved. It should be noted that the maximum amount of liability under the agreement is the minimum amount set forth in Article 427, Paragraph 1 of the Companies Act.

(4) When Mr. Kobayashi's appointment is approved and passed, he will be registered as Independent Officer with the Tokyo Stock Exchange.

Proposal No. 3: Election of Two (2) Corporate Auditors

The terms of office of Corporate Auditors Messrs. Hiroshi Ogi and Kiyoshi Takegawa will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of two (2) Corporate Auditors.

The resolution of this agenda item has obtained the consent of the Board of Corporate Auditors.

The candidates for Corporate Auditor are as follows.

Candidate No.	Name (Date of Birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Hiroshi Ogi (October 27, 1943)	Jul. 1998 District Director, Kaita Tax Office Jul. 1999 Director, Management Div. (Criminal Investigation), Large Enterprise Examination of Criminal Investigation Dept., at Hiroshima Regional Taxation Bureau Jul. 2000 Deputy Assistant Regional Commissioner, Large Enterprise Examination, Hiroshima Regional Taxation Bureau Jul. 2001 Assistant Regional Commissioner, Large Enterprise Examination and Criminal Investigation Dept., Hiroshima Regional Taxation Bureau Jul. 2002 Retired from Assistant Regional Commissioner, Large Enterprise Examination and Criminal Investigation Dept., Hiroshima Regional Taxation Bureau Aug. 2002 Registered as Certified Tax Accountant and opened his own tax accountancy Jul. 2004 Corporate Auditor, the Company (incumbent) Significant concurrent positions Outside Auditor, Aki Kanko Golf Co., Ltd.	6,400 shares
2	Kiyoshi Takegawa (April 11, 1952)	Sep. 1980 Registered as Certified Public Accountant Feb. 1981 Registered as Certified Tax Accountant Dec. 1996 Representative Partner, Century Audit Corp. (presently Ernst & Young ShinNihon LLC) Jul. 2008 Corporate Auditor, the Company (incumbent)	2,000 shares

(Notes) 1. There are no special conflicts of interest between any of the candidates and the Company.

2. Mr. Hiroshi Ogi and Mr. Kiyoshi Takegawa are candidates for Outside Auditors.
Both candidates are registered as Independent Officers with the Tokyo Stock Exchange.

3. Special remarks regarding the candidate for Outside Auditor are as follows.

(1) The reason for the appointment of the Outside Auditors and the reason why the candidates can perform duties appropriately

1) The Company believes that Mr. Hiroshi Ogi is appropriate for the position and will be able to audit the appropriateness of operations and compliance with laws because he has considerable financial and accounting knowledge as a Tax Accountant and from experience as District Director of a Tax Office. Mr. Ogi has no corporate management experience other than as an Outside Director or an Outside Corporate Auditor; however, the Company believes that he will be able to perform the duties of Outside Auditor appropriately for the above reasons.
The term of office of Mr. Ogi as Outside Auditor, will have been twelve (12) years at the conclusion of this General Meeting of Shareholders.

2) The Company believes that Mr. Kiyoshi Takegawa is appropriate for the position and will be able to audit the appropriateness of operations and compliance with laws because he has broad knowledge in accounting and finance as a Certified Public Accountant and from experience working as a representative partner of an auditing company. Mr. Takegawa has no corporate management experience other than being an Outside Director or an Outside Corporate Auditor; however, the Company believes that he will be able to perform duties as Outside Auditor appropriately for the above reasons.
The term of office of Mr. Takegawa as Outside Auditor, will have been eight (8) years at the conclusion of this General Meeting of Shareholders.

(2) No corresponding item existed regarding the records of violation of the Articles of Incorporation or other inappropriate actions by the Company.

(3) Regarding the candidates' service over the past five years as Director, Executive Officer, or Auditor of other companies, no corresponding item existed regarding records of violations of Articles of Incorporation or other inappropriate actions by these companies during the candidates' term of office

therein.

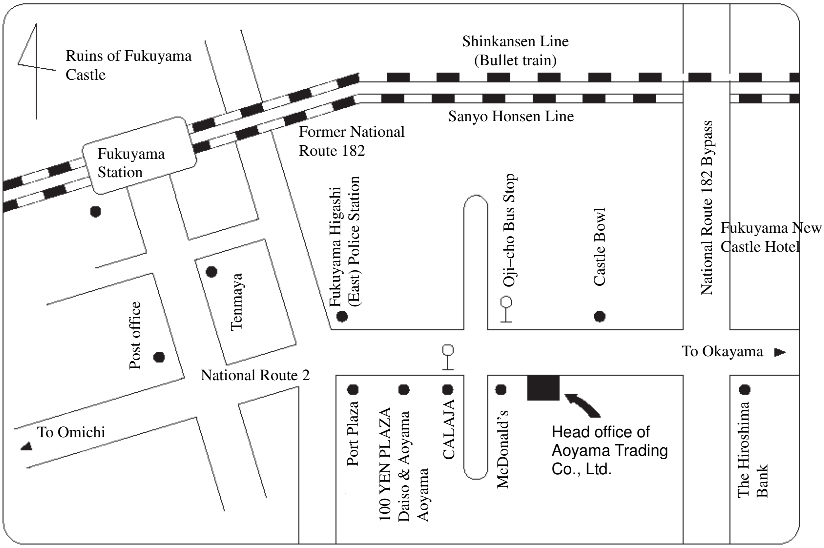
(4) Agreement for limitation of liability with Outside Auditor

Article 36 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement to limit the liability of an Outside Auditor due to negligence in the performance of duties, in order that the Auditor can play an appropriate role. Accordingly, the Company concluded an agreement on limitation of liability with candidates for Outside Auditors and the maximum amount of liability under the agreement is the minimum amount set forth in Article 427, Paragraph 1 of the Companies Act.

(Map to the venue of the General Meeting of Shareholders)

Venue 4F, Meeting Room of Head Office,
Aoyama Trading Co., Ltd.
1-3-5 Oji-cho, Fukuyama-shi, Hiroshima

Phone: 084-920-0050



⊙ Public Transportation 2 km from Fukuyama Station on JR Sanyo Shinkansen Line and Sanyo Honsen Line
In front of Oji-cho Bus Stop of Chugoku Bus and Ikasa Bus