

The following is an English translation of the Notice of the 51st Ordinary General Meeting of Shareholders of Aoyama Trading Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy.

Securities Code: 8219

June 3, 2015

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 51st 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 51st 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 be present on the day, you may exercise your voting rights in writing.

Please review the accompanying "Reference Document for the Ordinary General Meeting of Shareholders", and please indicate your vote of approval or disapproval on the enclosed Exercise of Voting Rights Form and return the form to us by mail by 6.30 p.m. on June 25, 2015 (Thursday).

- | | Description |
|---------------------------|--|
| 1. Date and Time | June 26 (Friday), 2015, 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 51 st term (from April 1, 2014 to March 31, 2015), 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 51 st fiscal year (from April 1, 2014 to March 31, 2015) |
| Matters to be resolved | |
| Proposal No. 1 | Appropriation of Retained Earnings |
| Proposal No. 2 | Partial amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of seven (7) Directors |
| Proposal No. 4 | Election of one (1) Corporate Auditor |

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>

Attached Documents

Business Report

(From April 1, 2014
To March 31, 2015)

1. Matters concerning the situation of the Corporate Group

(1) Developments and results of business activities

Although the Japanese economy showed signs of recovery during the current consolidated fiscal year, such as a pickup in corporate business results and employment situations against the backdrop of the economic and financial measures taken by the government, conditions remained severe throughout the year, including consumer spending remaining severe throughout the year because of a backlash from the rush of demand before the consumption tax hike and resulting depressed personal consumption, etc.

Under such circumstances, our Group implemented various measures aimed at reinforcing the profitability and competitiveness of the menswear retail business and also boosted the base of the management of the Group as well as profitability.

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	Net income
Year ended March 2015	221,712	19,028	21,683	12,807
Year ended March 2014	222,139	22,590	24,650	12,962
Change year on year (%)	99.8	84.2	88.0	98.8

<Performance by business>

(Unit: millions of yen)

	Net sales				Segment income (Operating income)			
	The 51 st fiscal year (The current fiscal year) From April 1, 2014 to March 31, 2015	The 50 th fiscal year (The previous fiscal year) From April 1, 2013 to March 31, 2014	Amount of increase or decrease	Change year on year (%)	The 51 st fiscal year (The current fiscal year) From April 1, 2014 to March 31, 2015	The 50 th fiscal year (The previous fiscal year) From April 1, 2013 to March 31, 2014	Amount of increase or decrease	Change year on year (%)
Menswear retail business	179,107	183,279	-4,171	97.7	17,537	21,868	-4,330	80.2
Casual wear business	12,669	9,625	3,044	131.6	-177	-794	617	-
Credit card business	3,851	3,604	246	106.8	790	557	233	141.9
Commercial printing business	11,360	11,008	351	103.2	178	318	-140	55.9
Sundry sales business	15,339	15,843	-503	96.8	458	418	39	109.5
Others	3,434	2,671	763	128.6	172	129	43	133.3
Adjustments	-4,052	-3,893	-158	-	68	93	-25	73.0
Total	221,712	222,139	-426	99.8	19,028	22,590	-3,562	84.2

(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. Starting from this consolidated fiscal year, the “casual wear business”, which was included in “Others” in the past, has been changed for inclusion as a reporting segment because of its increasing importance, and comparisons and analysis for the current consolidated fiscal year are based on the classifications after the change.

Net sales were 221,712 million yen, a decrease of 426 million yen compared with the previous consolidated fiscal year.

This was mainly because the menswear retail business recorded a decrease of 4,171 million yen compared with the previous consolidated fiscal year due to a backlash from the rush of demand before the consumption tax hike and resulting depressed personal consumption, etc.

Gross profit was 126,942 million yen, a decrease of 837 million yen compared with the previous consolidated fiscal year.

This was mainly because net sales of the menswear retail business decreased compared with the previous fiscal year.

Operating income was 19,028 million yen, a decrease of 3,562 million yen compared with the previous consolidated fiscal year.

This was mainly because the operating income of the menswear retail business decreased by 4,330 million yen compared with the previous consolidated fiscal year.

Ordinary income was 21,683 million yen, a decrease of 2,966 million yen compared with the previous consolidated fiscal year.

This was mainly because while our Group recorded a gain on evaluation of derivatives of 1,092 million yen (the gain on evaluation of derivatives was 885 million yen for the previous fiscal year) in relation to “Comprehensive Long-Term Foreign Exchange Contracts (coupon swap contract)”, etc., and foreign exchange gains of 750 million yen (foreign exchange gains for the previous fiscal year were 281 million yen) as non-operating income, operating income from the menswear retail business decreased compared with the previous fiscal year.

As for extraordinary income and loss, our Group recorded a gain on sales of investment securities of 2,322 million yen and others as extraordinary income, and loss on sales and retirement of non-current assets of 541 million yen and an impairment loss of 1,150 million yen as an extraordinary loss.

For these reasons, net income for the current fiscal year stood at 12,807 million yen, a decrease of 154 million yen compared with the previous consolidated fiscal year.

(2) Situation by business

<Menswear retail business>

[Suit business of Aoyama Trading Co., Ltd., Blue Reverse Co., Ltd., MDS Co., Ltd., Eisho Co., Ltd., and FUKURYO Co., Ltd.]

Net sales of the business were 179,107 million yen (97.7% of that of the previous year) and segment income (operating income) was 17,537 million yen (80.2% of that of the previous year).

With regard to the suit business of Aoyama Trading Co., Ltd. which is the core business of this business, we endeavored to expand our market share by implementing such measures as aggressively opening stores and relocating stores to within shopping centers in particular. Also, starting in October 2014, we employed “EXILE TRIBE” as our poster models and made appeals to functional goods such as suits and coats as “AOYAMA PRESTIGE TECHNOLOGY” in a bid to acquire new customers. With regard to women’s apparel, we bolstered our product lineup, such as suits for job hunting and careers and formal wear, and we also made improvements to store environments. As a result, sales remained brisk.

However, due to the backlash from the rush of demand before the consumption tax hike, etc., sales of the suit business of Aoyama Trading Co., Ltd. from existing stores came to 94.5% of that of the previous year.

The number of men’s suits sold, our mainstay, was 2,240,000 or 90.3% of that of the previous year and the average sales unit price was 26,337 yen or 104.0% 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 suit business by each business format (As of the end of March 2015)>

(Unit: store(s))

Name of business format	Yofuku-no-Aoyama	NEXT BLUE (NB)	The Suit Company (TSC)	Universal Language (UL)	Blue Grigio (BG)	Total
Stores opened [Of which, relocated and reconstructed] (From April to March)	36 [15]	14	4 [2]	0	0	54 [17]
Stores closed (From April to March)	1	0	0	0	0	1
Number of stores at the end of the year (At the end of March)	788	14	43	9	4	858

(Notes) 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]

Starting from the current consolidated fiscal year, the “casual wear business”, which was included in “Others” in the past, has been changed for inclusion as a reporting segment because of its increasing importance.

In the casual wear business, Eagle Retailing Corporation, the core business, newly opened 10 stores of “American Eagle Outfitters” (including outlet stores), and as a result, net sales came to 12,669 million yen (131.6% of that of the previous year), and segment loss (operating loss) was 177 million yen (the figure for the previous year was a segment loss (operating loss) of 794 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 2015)>

(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	0	10
Stores closed (From April to March)	3	0	0
Number of stores at the end of the year (At the end of March)	23	6	18

(Notes) 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 menswear retail 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 2015 came to 3.86 million persons (an increase of 110,000 members compared with the previous fiscal year).

In the credit card business, facing the impact of the revised Money Lending Control Act, net sales came to 3,851 million yen (106.8% of that of the previous year) and segment income (operating income) came to 790 million yen (141.9% 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.

<Commercial printing 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 commercial printing business, while net sales totaled 11,360 million yen (103.2% 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 178 million yen (55.9% 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 came to 15,339 million yen (96.8% of that of the previous year) due to intensifying competition in the industry, etc., partially as a result of closing 9 inefficient stores, segment income (operating income) came to 458 million yen (109.5% of that of the previous year).

With regard to stores, as we closed 9 stores during the term, the number of stores at the end of February 2015 was 119 (128 stores at the end of the previous year).

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

In other business, net sales were 3,434 million yen (128.6% of that of the previous year) and segment income (operating income) was 172 million yen (133.3% of that of the previous year). 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 2015)>

(Unit: store(s))

Name of business format	Reuse business of Aoyama Trading Co., Ltd.		glob Co., Ltd.
	2nd STREET	JUMBLE STORE	Yakiniku King
Stores opened (From April to March)	1	1	2
Stores closed (From April to March)	1	0	0
Number of stores at the end of the year (At the end of March)	4	3	14

(3) State of capital investment

The total amount of capital investments in major businesses during the current consolidated fiscal year came to 18,592 million yen.

The total amount of capital investments in the menswear retail business was 15,384 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 2,506 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 20 million yen, which was mainly for investments made in systems related to credit card operations.

The total amount of capital investments in the commercial printing business was 218 million yen, which was mainly for the expansion of production systems.

The total amount of capital investments in the sundry sales business was 54 million yen, which was mainly for repairing existing stores, etc.

The total amount of capital investments in other businesses came to 410 million yen, which was mainly for the opening of new stores of 2nd STREET, JUMBLE STORE, and Yakiniku King.

Stores newly open, relocated, etc. during the current consolidated fiscal year were as described below.

<The menswear retail business>

<<Stores newly opened>>

37 stores

Prefecture	Number of stores	Name of store
Hokkaido	1	Ario Sapporo store
Hokkaido region total	1	-
Miyagi Prefecture	1	Ario Sendai Izumi store
Tohoku region total	1	-
Saitama Prefecture	4	Omiya Nishi-guchi store, Hatogaya Eki-mae store, Aeon Mall Kasukabe store (NB), and Mallage Shobu store (NB)
Chiba Prefecture	6	Lalaport Tokyo-bay store, Hanami-gawa Sakushin-dai store, Funabashi Minami-guchi store, Aeon Town Oyumino store, Ichihara Heisei-dori store, and Aeon Mall Kisarazu store (NB)
Tokyo Metropolis	7	Tamachi Nishi-guchi store, Kichijoji Sunroad store, Nerima Takamatsu store, Asakusa ROX•3G store, Yodobashi Kichijoji store (NB), Machida Modi store (NB), and Granduo Kamata store (TSC)
Kanagawa Prefecture	2	Yokohama Shin-sugita store, and Lala terrace Musashi Kosugi store (NB)
Kanto region total	19	-
Ishikawa Prefecture	1	Nonoichi Minami store
Gifu Prefecture	2	Gifu Ichibashi store, and Aeon Mall Kakamigahara store (NB)
Aichi Prefecture	4	Nagoya Yagoto store, Nagoya Sengen-cho store, Nagoya Mizuho-dori store, and Aeon Nagoya Yagoto store (NB)
Chubu region total	7	-
Shiga Prefecture	1	Pieri Moriyama store (TSC)
Osaka Prefecture	3	Shinsai-bashi store, Kyobashi Keihan Mall store (NB), and Lalaport Izumi store (NB)
Kinki region total	4	-
Shimane Prefecture	1	Aeon Matsue store (NB)
Chugoku region total	1	-
Ehime Prefecture	2	Aeon Mall Niihama store (NB), and Emifull Masaki (NB)
Shikoku region total	2	-
Fukuoka Prefecture	2	Kasuga store, and Aeon Mall Omuta store (NB)
Kyushu region total	2	-
Total	37	-

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

<<Stores relocated or rebuilt>>

17 stores

Prefecture	Number of stores	Name of store
Yamagata Prefecture	1	Shin Tendo store
Tohoku region total	1	-
Gunma Prefecture	2	Shin Tatebayashi store, Takasaki Kami Orui store●
Chiba Prefecture	1	Chiba Higashi Terayama store●
Tokyo Metropolis	1	Arcakit Kinshicho store (TSC)
Kanto region total	4	-
Niigata Prefecture	1	Shin-kashiwazaki store
Fukui Prefecture	1	Fukui Bunkyo store
Yamanashi Prefecture	2	Shin Fuji Yoshida store, and Shin Kofu Showa store
Gifu Prefecture	1	Seki store
Shizuoka Prefecture	2	Yoshida store, Shin Hamamatsu Sumiyoshi store
Aichi Prefecture	1	Shin Gamagori store
Chubu region total	8	-
Kyoto Prefecture	2	Kyoto Kawara-machi store, and Kyoto Shijo Kawara-machi store (TSC)
Kinki region total	2	-
Shimane Prefecture	1	Shin Masuda store
Chugoku region total	1	-
Okinawa Prefecture	1	Shin Chatan store
Kyushu region total	1	-
Total	17	-

(Notes) 1. Stores having no parentheses after the names are “Yofuku-no-Aoyama” stores.
2. The mark “●” indicates stores rebuilt.

<<Stores closed>>

1 store

Prefecture	Number of stores	Name of store
Tokyo Metropolis	1	Ito Yokado Kameari Ekimae store
Kanto region total	1	-
Total	1	-

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

<<State of stores opened, closed, etc.>>

	Opened	Relocated or rebuilt	Closed
Yofuku-no-Aoyama	21	15	1
NB (NEXT BLUE)	14	0	0
TSC (The Suit Company)	2	2	0
Total	37	17	1

<Casual wear business>

<<Stores newly opened>>	10 stores
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“American Eagle Outfitters”	10 stores
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Mitsui Outlet Park Sapporo Kitahiroshima store (Hokkaido), Aeon Mall Kisarazu store (Chiba Prefecture), Aeon Mall Niigata Minami store (Niigata Prefecture), Aeon Mall Kakamigahara store (Gifu Prefecture), Aeon Mall Hamamatsu Ichino store (Shizuoka Prefecture), Nagoya Sakae store (Aichi Prefecture), Aeon Mall Kyoto Katsuragawa store (Kyoto Prefecture), Lalaport Izumi store (Osaka Prefecture), Lalaport Koshien store (Hyogo Prefecture) and Emifull Masaki store (Ehime Prefecture)

<<Stores closed>>	3 stores
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“CALAJA”	3 stores
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Gifu Nagara store (Gifu Prefecture), Kyoto Daigo store (Kyoto Prefecture), and Wakayama Hashimoto store (Wakayama Prefecture)

<Sundry sales business>

<<Stores closed>>	9 stores
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“Daiso & Aoyama 100 Yen Plaza”	9 stores
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Hakodate Mihara store (Hokkaido), Kushiro Tottori store (Hokkaido), Hanamaki store (Iwate Prefecture), Yokote store (Akita Prefecture), Niigata Sakuragi store (Niigata Prefecture), Kofu Bypass store (Yamanashi Prefecture), Nagano Shinonoi Bypass store (Nagano Prefecture), Viva Home Yanaizu store (Gifu Prefecture), and Aeon Mall Saga Yamato store (Saga Prefecture)

<Others>

<<Stores newly opened>>	4 stores
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“2nd STREET”	1 store
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Shizuoka Haibara store (Shizuoka Prefecture)

“JUMBLE STORE”	1 store
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Okayama Hirajima store (Okayama Prefecture)

“Yakiniku King”	2 stores
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Yoshida store (Shizuoka Prefecture), Chatan store (Okinawa Prefecture)

<<Stores closed>>	1 store
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“2nd STREET”	1 store
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Sakura store (Chiba Prefecture)

(4) State of procurement of funds

No corresponding item existed.

(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

No corresponding item existed.

(9) Issues to be addressed

The future economic environment surrounding our country is expected to continue a gradual recovery despite concerns about cooling consumer sentiment after an increase in the consumption tax, etc., thanks to improvements in corporate business results and employment. However, on a mid to long-term basis, the environment surrounding the Group is expected to continue being severe because of the shrinking suit market in line with the declining birth rate and expected increases in production costs, etc.

Under such circumstances, in order 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 end in fiscal 2017.

Under the plan, the Group will aim for the stable growth of the menswear retail 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 grasping the needs of the time and by taking advantage of the Aoyama Group's strengths. By doing so, we intend to keep making contributions 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	48 th term (Fiscal year ended March 2012)	49 th term (Fiscal year ended March 2013)	50 th term (Fiscal year ended March 2014)	51 st term (The current consolidated fiscal year) (Fiscal year ended March 2015)
Net sales	200,038	212,400	222,139	221,712
Operating income	18,273	21,267	22,590	19,028
Ordinary income	19,226	24,635	24,650	21,683
Net income	9,097	12,621	12,962	12,807
Net income per share	143 yen 15 sen	204 yen 66 sen	214 yen 75 sen	221 yen 55 sen
Total assets	337,283	344,373	352,733	350,752
Net assets	233,518	240,027	244,231	238,069

(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.

48th term

Our Corporate Group posted higher sales and income for the first time in 4 years mainly due to an increase of sales from products related to “cool biz”.

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 (the current consolidated fiscal year)

The performance of the 51st term is as described in “(1) Developments and results of business activities of 1. Matters concerning the situations of the Corporate Group”.

[2] Financial position and results of operations of the Company

(Unit: millions of yen)

By fiscal year Classification	48 th term (Fiscal year ended March 2012)	49 th term (Fiscal year ended March 2013)	50 th term (Fiscal year ended March 2014)	51 st term (The current fiscal year) (Fiscal year ended March 2015)
Net sales	171,726	178,503	185,709	181,480
Operating income	16,715	20,025	21,063	17,101
Ordinary income	18,404	23,735	23,613	20,089
Net income	9,214	12,657	13,781	12,249
Net income per share	144 yen 93 sen	205 yen 24 sen	228 yen 32 sen	211 yen 89 sen
Total assets	292,514	299,234	304,565	298,037
Net assets	223,891	230,147	234,752	227,524

(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, 2015)

[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.
Eagle Retailing Corporation	100	90.0	Sales of casual clothing items
Ascon Co., Ltd.	720	56.1	Planning and production of commercial printings
Blue Reverse 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, 2015)

The Group consists of the Company, its 12 consolidated subsidiaries and 5 non-consolidated subsidiaries, and conducts menswear retail business, casual wear business, credit card business, commercial printing business and sundry sales business, and in addition to these 5 businesses, it conducts reuse business and restaurant business.

(13) Major sales offices and factories (As of March 31, 2015)**[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	894 stores across Japan (858 stores for the suit business and 36 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 suit business of) the Company

(Unit: store(s))

By fiscal year		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015		
Area				Yofuku-no-Aoyama	The Suit Company
	Hokkaido	35	36	34	2
	Hokkaido region total	35	36	34	2
	Aomori Prefecture	9	9	9	0
	Iwate Prefecture	8	8	8	0
	Miyagi Prefecture	14	15	14	1
	Akita Prefecture	10	10	10	0
	Yamagata Prefecture	9	9	9	0
	Fukushima Prefecture	11	11	11	0
	Tohoku region total	61	62	61	1
	Ibaraki Prefecture	18	18	18	0
	Tochigi Prefecture	10	10	10	0
	Gunma Prefecture	15	15	14	1
	Saitama Prefecture	43	47	45	2
	Chiba Prefecture	37	43	41	2
	Tokyo Metropolis	93	99	81	18
	Kanagawa Prefecture	51	53	45	8
	Kanto region total	267	285	254	31

(Unit: store(s))

Term Area		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015	Yofuku-no-Aoyama	The Suit Company
	Niigata Prefecture	17	17	16	1
	Toyama Prefecture	7	7	7	0
	Ishikawa Prefecture	8	9	8	1
	Fukui Prefecture	5	5	5	0
	Yamanashi Prefecture	4	4	4	0
	Nagano Prefecture	15	15	15	0
	Gifu Prefecture	12	14	14	0
	Shizuoka Prefecture	26	26	25	1
	Aichi Prefecture	44	48	47	1
Chubu region total		138	145	141	4
	Mie Prefecture	12	12	12	0
	Shiga Prefecture	11	12	10	2
	Kyoto Prefecture	20	20	18	2
	Osaka Prefecture	49	52	46	6
	Hyogo Prefecture	40	40	37	3
	Nara Prefecture	9	9	9	0
	Wakayama Prefecture	8	8	8	0
Kinki region total		149	153	140	13
	Tottori Prefecture	3	3	3	0
	Shimane Prefecture	5	6	6	0
	Okayama Prefecture	12	12	11	1
	Hiroshima Prefecture	21	21	19	2
	Yamaguchi Prefecture	11	11	11	0
Chugoku region total		52	53	50	3
	Tokushima Prefecture	5	5	5	0
	Kagawa Prefecture	7	7	7	0
	Ehime Prefecture	8	10	10	0
	Kochi Prefecture	5	5	5	0
Shikoku region total		25	27	27	0
	Fukuoka Prefecture	32	34	32	2
	Saga Prefecture	8	8	8	0
	Nagasaki Prefecture	7	7	7	0
	Kumamoto Prefecture	10	10	10	0
	Oita Prefecture	9	9	9	0
	Miyazaki Prefecture	10	10	10	0
	Kagoshima Prefecture	12	12	12	0
	Okinawa Prefecture	7	7	7	0
	Kyushu region total	95	97	95	2
Total		822	858	802	56

- (Notes) 1. The numbers of stores of “Universal Language” (8 stores as of the end of March 2015 (1 store in Hokkaido, 3 stores in Tokyo Metropolitan, 2 stores in Kanagawa Prefecture, and 2 stores in Osaka Prefecture)), “TSC SPA OUTLET” (2 stores as of the end of March 2015 (1 store in Tokyo Metropolitan and 1 store in Fukuoka Prefecture)), “UL OUTLET” (1 store as of the end of March 2015 (1 store in Shiga Prefecture)), “Blu e Grigio” (4 stores as of the end of March 2015 (3 stores in Kanagawa Prefecture and 1 store in Osaka Prefecture)) are included in the number of stores of “The Suit Company”.
2. The number of stores of the new format, “NEXT BLUE” (14 stores as of the end of March 2015 (2 stores in Saitama Prefecture, 1 store in Chiba Prefecture, 2 stores in Tokyo Metropolitan, 1 store in Kanagawa Prefecture, 1 store in Gifu Prefecture, 1 store in Aichi Prefecture 2 stores in Osaka Prefecture, 1 store in Shimane Prefecture, 2 stores in Ehime Prefecture and 1 store in Fukuoka Prefecture)) are included in the number of stores of “Yofuku-no-Aoyama”.

[3] Stores of the Company (casual wear business and reuse business)

(Unit: store(s))

Area	By fiscal year	Number of stores as of the end of March 2014	Number of stores as of the end of March 2015	Area	By fiscal year	Number of stores as of the end of March 2014	Number of stores as of the end of March 2015
	Hokkaido	0	0		Mie Prefecture	0	0
	Hokkaido region total	0	0		Shiga Prefecture	0	0
	Aomori Prefecture	0	0		Kyoto Prefecture	3	2
	Iwate Prefecture	0	0		Osaka Prefecture	5	5
	Miyagi Prefecture	0	0		Hyogo Prefecture	8	8
	Akita Prefecture	0	0		Nara Prefecture	1	1
	Yamagata Prefecture	0	0		Wakayama Prefecture	2	1
	Fukushima Prefecture	0	0		Kinki region total	19	17
	Tohoku region total	0	0		Tottori Prefecture	0	0
	Ibaraki Prefecture	0	0		Shimane Prefecture	0	0
	Tochigi Prefecture	0	0		Okayama Prefecture	1	2
	Gunma Prefecture	0	0		Hiroshima Prefecture	3	3
	Saitama Prefecture	0	0		Yamaguchi Prefecture	0	0
	Chiba Prefecture	1	0		Chugoku region total	4	5
	Tokyo Metropolis	2	2		Tokushima Prefecture	2	2
	Kanagawa Prefecture	1	1		Kagawa Prefecture	0	0
	Kanto region total	4	3		Ehime Prefecture	0	0
	Niigata Prefecture	1	1		Kochi Prefecture	0	0
	Toyama Prefecture	1	1		Shikoku region total	2	2
	Ishikawa Prefecture	0	0		Fukuoka Prefecture	1	1
	Fukui Prefecture	0	0		Saga Prefecture	0	0
	Yamanashi Prefecture	0	0		Nagasaki Prefecture	0	0
	Nagano Prefecture	1	1		Kumamoto Prefecture	0	0
	Gifu Prefecture	1	0		Oita Prefecture	0	0
	Shizuoka Prefecture	1	2		Miyazaki Prefecture	1	1
	Aichi Prefecture	2	2		Kagoshima Prefecture	0	0
	Chubu region total	7	7		Okinawa Prefecture	0	0
					Kyushu region total	2	2
					Total	38	36

(Notes) The figures above also include, in addition to "CALAJA", "2nd STREET" (4 stores as of the end of March 2015: 1 store in Nagano Prefecture, 1 store in Shizuoka Prefecture, 1 store in Hyogo Prefecture, and 1 store in Miyazaki Prefecture), "JUMBLE STORE" (3 stores as of the end of March 2015: 1 store in Tokyo Metropolis, 1 store in Kyoto Prefecture and 1 store in Okayama Prefecture), and "LEVI'S STORE" (6 stores as of the end of March 2015: 1 store in Tokyo Metropolis, 1 store in Kanagawa Prefecture, 1 store in Aichi Prefecture, 1 store in Osaka Prefecture, 1 store in Hyogo Prefecture, and 1 store in Nara Prefecture).

[4] 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 Reverse 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	7 th floor, Harajuku Sophia Bldg., 6-10-11, Jingu-mae, Shibuya-ku, Tokyo
	Sales office	18 stores across Japan
glob Co., Ltd.	Principal office	1-3-5, Oji-cho, Fukuyama-shi, Hiroshima Prefecture
	Sales office	14 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

[5] Stores of Seigo Co., Ltd.

(Unit: store(s))

Area	By fiscal year	Number of stores as of the end of February 2014	Number of stores as of the end of February 2015	Area	By fiscal year	Number of stores as of the end of February 2014	Number of stores as of the end of February 2015
	Hokkaido	17	15		Mie Prefecture	3	3
	Hokkaido region total	17	15		Shiga Prefecture	2	2
	Aomori Prefecture	4	4		Kyoto Prefecture	1	1
	Iwate Prefecture	2	1		Osaka Prefecture	2	2
	Miyagi Prefecture	1	1		Hyogo Prefecture	1	1
	Akita Prefecture	2	1		Nara Prefecture	0	0
	Yamagata Prefecture	0	0		Wakayama Prefecture	1	1
	Fukushima Prefecture	3	3		Kinki region total	10	10
	Tohoku region total	12	10		Tottori Prefecture	1	1
	Ibaraki Prefecture	3	3		Shimane Prefecture	1	1
	Tochigi Prefecture	2	2		Okayama Prefecture	5	5
	Gunma Prefecture	3	3		Hiroshima Prefecture	9	9
	Saitama Prefecture	2	2		Yamaguchi Prefecture	0	0
	Chiba Prefecture	1	1		Chugoku region total	16	16
	Tokyo Metropolis	3	3		Tokushima Prefecture	3	3
	Kanagawa Prefecture	1	1		Kagawa Prefecture	1	1
	Kanto region total	15	15		Ehime Prefecture	1	1
	Niigata Prefecture	2	1		Kochi Prefecture	2	2
	Toyama Prefecture	2	2		Shikoku region total	7	7
	Ishikawa Prefecture	3	3		Fukuoka Prefecture	10	10
	Fukui Prefecture	1	1		Saga Prefecture	3	2
	Yamanashi Prefecture	1	0		Nagasaki Prefecture	0	0
	Nagano Prefecture	4	3		Kumamoto Prefecture	1	1
	Gifu Prefecture	1	0		Oita Prefecture	3	3
	Shizuoka Prefecture	1	1		Miyazaki Prefecture	6	6
	Aichi Prefecture	4	4		Kagoshima Prefecture	1	1
	Chubu region total	19	15		Okinawa Prefecture	8	8
					Kyushu region total	32	31
					Total	128	119

[6] Stores of Eagle Retailing Corporation

(Unit: store(s))

By fiscal year Area		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015	By fiscal year Area		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015
	Hokkaido	0	1		Mie Prefecture	0	0
	Hokkaido region total	0	1		Shiga Prefecture	1	1
	Aomori Prefecture	0	0		Kyoto Prefecture	0	1
	Iwate Prefecture	0	0		Osaka Prefecture	0	1
	Miyagi Prefecture	0	0		Hyogo Prefecture	1	2
	Akita Prefecture	0	0		Nara Prefecture	0	0
	Yamagata Prefecture	0	0		Wakayama Prefecture	0	0
	Fukushima Prefecture	0	0		Kinki region total	2	5
	Tohoku region total	0	0		Tottori Prefecture	0	0
	Ibaraki Prefecture	0	0		Shimane Prefecture	0	0
	Tochigi Prefecture	0	0		Okayama Prefecture	0	0
	Gunma Prefecture	0	0		Hiroshima Prefecture	0	0
	Saitama Prefecture	0	0		Yamaguchi Prefecture	0	0
	Chiba Prefecture	1	2		Chugoku region total	0	0
	Tokyo Metropolis	3	3		Tokushima Prefecture	0	0
	Kanagawa Prefecture	2	2		Kagawa Prefecture	0	0
	Kanto region total	6	7		Ehime Prefecture	0	1
	Niigata Prefecture	0	1		Kochi Prefecture	0	0
	Toyama Prefecture	0	0		Shikoku region total	0	1
	Ishikawa Prefecture	0	0		Fukuoka Prefecture	0	0
	Fukui Prefecture	0	0		Saga Prefecture	0	0
	Yamanashi Prefecture	0	0		Nagasaki Prefecture	0	0
	Nagano Prefecture	0	0		Kumamoto Prefecture	0	0
	Gifu Prefecture	0	1		Oita Prefecture	0	0
	Shizuoka Prefecture	0	1		Miyazaki Prefecture	0	0
	Aichi Prefecture	0	1		Kagoshima Prefecture	0	0
	Chubu region total	0	4		Okinawa Prefecture	0	0
					Kyushu region total	0	0
					Total	8	18

[7] Stores of glob Co., Ltd.

(Unit: store(s))

By fiscal year Area		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015	By fiscal year Area		Number of stores as of the end of March 2014	Number of stores as of the end of March 2015
	Hokkaido	0	0		Mie Prefecture	0	0
Hokkaido region total		0	0		Shiga Prefecture	0	0
	Aomori Prefecture	1	1		Kyoto Prefecture	0	0
	Iwate Prefecture	1	1		Osaka Prefecture	0	0
	Miyagi Prefecture	0	0		Hyogo Prefecture	0	0
	Akita Prefecture	0	0		Nara Prefecture	0	0
	Yamagata Prefecture	0	0		Wakayama Prefecture	0	0
	Fukushima Prefecture	0	0	Kinki region total		0	0
Tohoku region total		2	2		Tottori Prefecture	0	0
	Ibaraki Prefecture	0	0		Shimane Prefecture	0	0
	Tochigi Prefecture	0	0		Okayama Prefecture	0	0
	Gunma Prefecture	0	0		Hiroshima Prefecture	1	1
	Saitama Prefecture	0	0		Yamaguchi Prefecture	0	0
	Chiba Prefecture	0	0	Chugoku region total		1	1
	Tokyo Metropolis	0	0		Tokushima Prefecture	1	1
	Kanagawa Prefecture	0	0		Kagawa Prefecture	0	0
Kanto region total		0	0		Ehime Prefecture	1	1
	Niigata Prefecture	0	0		Kochi Prefecture	0	0
	Toyama Prefecture	0	0	Shikoku region total		2	2
	Ishikawa Prefecture	0	0		Fukuoka Prefecture	2	2
	Fukui Prefecture	1	1		Saga Prefecture	0	0
	Yamanashi Prefecture	0	0		Nagasaki Prefecture	0	0
	Nagano Prefecture	0	0		Kumamoto Prefecture	1	1
	Gifu Prefecture	0	0		Oita Prefecture	0	0
	Shizuoka Prefecture	0	1		Miyazaki Prefecture	0	0
	Aichi Prefecture	0	0		Kagoshima Prefecture	1	1
Chubu region total		1	2		Okinawa Prefecture	2	3
				Kyushu region total		6	7
				Total		12	14

(14) State of employees (As of the end of March 2015)**[1] State of employees of the Corporate Group**

Number of employees	As of the end of the previous consolidated fiscal year
5,891 people (3,488 people)	5,296 people (3,439 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 595 people during the current consolidated fiscal year, which was mainly due to an increase of employees as a result of operation of the factory of PT. FUKURYO INDONESIA, a subsidiary of FUKURYO Co., Ltd.

[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
3,572 people	Increase of 61 people	35.7 years old	12.0 years

(15) Major lenders (As of the end of March 2015)

Lender	Debt payable
	Million yen
The Momiji Bank, Ltd.	7,000
Sumitomo Mitsui Banking Corporation	5,600

(16) Other important matters concerning the Corporate Group

No corresponding item existed.

2. Matters related to the Company's stock (As of March 31, 2015)

- (1) Total number of shares authorized to be issued 174,641,100
- (2) Total number of shares outstanding 61,394,016
- (3) Number of shares in 1 share unit 100
- (4) Number of shareholders 6,018 (Compared to the end of the previous term: decrease of 1,399)

(5) Major shareholders

Shareholder	Number of shares held	Percentage
	thousand shares	%
Ichigo Trust	4,524	8.16
The Master Trust Bank of Japan, Ltd. (Trust account)	4,080	7.36
Aoyama Bussan, Ltd.	3,713	6.69
Japan Trustee Services Bank, Ltd. (Trust account)	2,760	4.98
Osamu Aoyama	1,835	3.31
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	1,249	2.25
Sumiko Aoyama	1,157	2.08
Hoshino Shoji Limited	1,001	1.80
Sumitomo Mitsui Banking Corporation	1,000	1.80
THE BANK OF NEW YORK MELLON SA/NV 10	792	1.43

- 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, 2015.
3. The Company holds 5,935,657 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
- No corresponding item existed.

3. Matters related to warrants, etc.

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

[1] Number of warrants 560

[2] Type and number of targeted shares Common stock of the Company 56,000 shares
(100 shares per warrant)

(2) State of warrants held by directors and officers of the Company

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.

No corresponding item existed.

4. Matters related to directors and officers

(1) State of directors and auditors (As of March 31, 2015)

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 Reverse 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 Managing Executive Officer General Manager of Marketing and Sales Div. ()	Yoshiyuki Matsukawa	Director, Blue Reverse 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)	Koshin Endo	Auditor, Aoyama Capital Co., Ltd.
Auditor	Hiroshi Ogi	Tax accountant Outside Auditor, Aki Kanko Golf Co., Ltd.
Auditor	Kiyoshi Takegawa	Certified Public Accountant Tax accountant
Auditor	Toru Watanabe	Lawyer Outside Director, SHO-BI Corporation

- 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 Company Law, 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. Toru Watanabe, Auditor, has a thorough knowledge of corporate legal affairs as a lawyer and has sufficient insight to govern corporate management.
7. 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, 2015.

Position in the company	Name	Responsibility
Senior Executive Officer	Michinobu Miyagawa	General Manager of Development Div.
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	General Manager of Purchasing Dept. No. 1
Executive Officer	Satoshi Yomono	General Manager of IT and Systems Dept. and Information Controller
Executive Officer	Satoru Tachibana	Deputy General Manager of Store Development Div.
Executive Officer	Tadao Chiba	General Manager of Tokyo Head Office and General Manager of Human Resource Development Dept.

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

Classification	Number of people	Amount of remuneration
Director	7	409 million yen
(including outside director)	(1)	(12 million yen)
Auditor	4	40 million yen
(including outside auditors)	(3)	(21 million yen)
Total	11	450 million yen

- Note 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) 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 Corporation	Outside Director	There are no important transactions or other relationships between the Company and SHO-BI Corporation

[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	13 times out of 13 times	-	At board meetings, he has made appropriate remarks mostly from a professional viewpoint as a lawyer.
Outside Auditor	Hiroshi Ogi	13 times out of 13 times	11 times out of 11 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	12 times out of 13 times	11 times out of 11 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 13 times	11 times out of 11 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.

[4] Outline of the content of the agreement for limitation of liability concluded with outside directors and outside auditors

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 Law with all of the 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 Company Law.

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 90 million yen

Note: 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 Company Law 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 Directors has judged that it is necessary to dismiss or not reappoint an accounting auditor because of a difficulty in the execution of the duties of the accounting auditor, with the consent of the Board of Auditors or a request from the Board of Auditors, the Board of Directors may include the dismissal or non-reappointment of the accounting auditor in the agenda of a General Meeting of Shareholders.

When the Board of Auditors has judged that it is necessary to dismiss or not reappoint an accounting auditor because of a difficulty in the execution of the duties of the accounting auditor, the Board of Auditors may request the inclusion of the dismissal or non-reappointment of the accounting auditor in the agenda of a General Meeting of Shareholders.

When the Board of 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 dismiss the accounting auditor based on the unanimous agreement of all of the auditors. In this case, the auditor selected by the Board of Auditors will report on the dismissal and its reasons at the first General Meeting of Shareholders convened after the dismissal.

6. Systems to ensure the appropriateness of work

The summary of the decision of the Board of Directors on the system to ensure the compliance of the execution of duties of directors with laws, regulations and the articles of association, and other systems to ensure the appropriateness of the work of the Company is as follows:

Basic policy on the establishment of an internal control system

(1) 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 stored by the responsible department based on internal regulations ("Document management rules").

(2) 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 continue to 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 to minimize losses by preventing the further spread of the incident.

(3) 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 handles the development and review of the annual budget and the management of business results every month and quarter.
- [4] As a general rule, an officers' meeting, which consists of directors and auditors, is held every week for officers to communicate with each other by discussing the agenda of the Board of Directors and sharing information.

- (4) System to ensure the execution of the work of directors and employees complies with laws, regulations and the articles of association
- [1] Rules (Compliance manual) were developed as a code of conduct for officers and employees to comply with laws, regulations and common sense. We will continue to strive harder for improved compliance.
 - [2] The Company set up a Compliance Committee with the President as chairman to discuss measures for the legal compliance of company activities and various management issues.
 - [3] Companies subject to consolidated financial status are added to the Compliance Committee to check that Group companies are conducting business properly and efficiently.
 - [4] An internal report system is in place as a means for officers and employees to inform of suspicious conduct from the viewpoint of corporate ethics and legal compliance. We will reinforce the system further.
 - [5] Tokyo Inspection Department, which is an inspection department managed directly by the President, was established to conduct internal audits as an internal audit department.
 - [6] The Company handles business efficiently based on the Regulations on the Segregation of Duties.
 - [7] 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 has directly or indirectly received an inappropriate request from an antisocial force or organization, we will cooperate with lawyers and police, and handle them with a resolute attitude.
- (5) System to ensure the appropriateness of the work of the corporate Group, consisting of the Company and its subsidiaries
- [1] We have established a department to dispatch officers to subsidiaries to manage subsidiaries as a corporate governance system for subsidiaries.
 - [2] Important matters related to management shall be approved by the parent company.
 - [3] We request they report periodically on the execution of work and their financial status.
 - [4] The Company has established a system for subsidiaries to report crises to the parent company and for the parent company to give instructions to and supervise subsidiaries.
- (6) System for employees if auditors request the appointment of employees to assist the duties of the auditors and matters related to the independence of such employees from directors
- [1] Currently, there are employees working concurrently as employees assisting the duties of the auditors.
 - [2] The Company obtains 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 to report to auditors and other systems for reporting to auditors

Directors and employees shall report to auditors as required. Major reporting items are as follows:

- [1] Important decisions which will affect the Company or entire Group
- [2] Business status of the Company and Group companies
- [3] When a fact which could cause significant damage to the Company has been detected, matters related to the fact
- [4] Internal audit and business execution status
- [5] Details of important disclosure information
- [6] As a general rule, a request for a managerial decision or a report related to [1] to [5] above shall be circulated to the Standing Corporate Auditor.

(8) Other systems to ensure the efficient execution of the duties of directors

The auditors and Representative Director shall exchange opinions as required.

At the meeting of the Board of Directors held on May 8, 2015, the Company resolved to make changes to the basic policy for the establishment of internal control systems as follows:

Basic policy for the establishment of an internal control system

- (1) **System to ensure the compliance of the execution of work by directors and employees to laws, regulations and the articles of association**
 - [1] For the Company to fulfill its social responsibility and observe corporate ethics, we shall develop rules (Compliance manual) as a code of conduct for officers and employees to comply with laws, regulations and common sense, and make it known to everyone without exception.
 - [2] The Company shall set up a Compliance Committee with the President as chairman, to handle measures for the legal compliance of company activities and various management issues.
 - [3] For the early detection and correction of dishonest acts, an internal reporting system shall be established as a means for officers and employees to inform of suspicious conduct from the viewpoint of corporate ethics and legal compliance.
 - [4] Tokyo Inspection Department, which is an inspection department managed directly by the President, shall be established to conduct internal audits as an internal audit department.
 - [5] In accordance with Organized Crime Exclusion Ordinances, the Company shall stand firm against antisocial forces and organizations, which threaten the order and safety of civic life and corporate activities. The Company shall not associate with any such group, and should not assist them in gaining any profits, including financial profit. If the Company has directly or indirectly received an inappropriate request from an antisocial force or organization, we shall cooperate with lawyers and police, and handle them with a resolute attitude.
- (2) **System for the storage and management of information about the execution of work by directors**

Reports, etc., on the execution of work by directors are recorded and stored 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 shall conduct risk analysis and consider management measures for risks in management strategies. Such risks shall be discussed at officer meetings and management meetings as required.
 - [2] Business operation risks shall be 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 shall be appointed. The Company shall 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 shall be established. In addition, a communication team and external advisory team including a legal adviser shall be organized to react promptly to minimize losses by preventing the further spread of 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 shall be adopted. The Company shall conduct quick decision-making and business execution by consigning significant responsibility and authority to executive officers.
 - [2] Management meetings shall be 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 that the Company should achieve. In addition, it shall clarify the business goals for each department managed by each executive officer. Progress shall be periodically reported at management meetings, etc. to monitor the execution of work 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 organization to discuss important matters related to the execution of work and the agenda of the Board of Directors, for the appropriate execution of the work 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 the system for the efficient execution of the duties of directors of subsidiaries, etc., and the system to manage the risk 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 the important matters related to business operations with subsidiaries.
 - [2] The Company shall discuss important matters related to subsidiaries' management based on the Affiliate Management Regulations. In addition, the Company shall require subsidiaries to report periodically on the execution of work 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 periodically audit the state of work of each Group company periodically.

- (6) Matters related to employees who assist the duties of the auditors
 - [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 which will significantly damage the Company will or may occur, or when they have detected 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 the Board of Directors and Compliance Committee to receive reports on the state of execution of work from the directors and employees of the Company.
 - [3] Directors and employees of subsidiaries shall report immediately to the responsible department when a matter which will or may significantly damage the Company occurs, or when they have detected 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 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 work.
- (8) System to ensure that a person who has made a report based on (7) above will not receive unfair treatment due to the report

The Company shall prohibit any officer or employee of a Group company who has made a report to auditors from being treated unfairly for the reason that they submitted 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 have requested advance payment of the costs to execute their duties, the Company shall immediately process the payment of the costs or debts unless the responsible department has judged that it is not necessary.
 - [2] When it is deemed necessary for the auditors to execute duties, the Company shall approve 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 of 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 understanding of audits by auditors and facilitate the environment for audits by auditors.
- [3] The auditors shall periodically have meetings with the Representative Director to exchange opinions to facilitate audits of the execution of work by directors and audit systems.
- [4] Auditors shall periodically hold meetings to exchange information and comment with the accounting auditor and Internal Audit Department to establish close cooperation.

Consolidated Balance Sheet

(As of March 31, 2015)

(Unit: million yen)

Assets		Liabilities	
Titles	Amount	Titles	Amount
Current assets	185,457	Current liabilities	61,771
Cash and deposits	46,010	Notes and accounts payable-trade	20,201
Notes and accounts –receivable-trade	15,757	Electronically recorded obligations	8,902
Securities	18,799	Short-term loans payable	3,100
Merchandise and finished goods	50,833	Accounts payable	15,218
Deferred tax assets	2,008	Income tax payable	8,181
Operating loans	45,889	Provision for bonuses	1,356
Other	6,393	Other	4,809
Allowance for doubtful accounts	-234		
Non-current assets	165,086	Non-current liabilities	50,911
Property, plant and equipment	106,132	Bonds payable	20,000
Buildings and structures	59,520	Long-term loans payable	18,000
Machinery, equipment and vehicles	1,621	Net defined benefit liability	4,342
Land	35,195	Provision for point card certificates	2,923
Leased assets	3,881	Other	5,646
Construction in progress	408		
Other	5,504		
Intangible non-current assets	3,507	Total liabilities	112,683
Leasehold interest in land	877		
Trademark rights	464	Net assets	
Software	1,947	Shareholders' equity	250,186
Telephone subscription rights	127	Capital stock	62,504
Other	90	Capital surplus	62,526
Investments and other assets	55,446	Retained earnings	144,626
Investment securities	8,863	Treasury shares	-19,470
		Accumulated other comprehensive income	-14,583
Long-term loans receivable	5,233	Valuation difference on available-for-sale securities	1,130
Deferred tax assets	8,223	Deferred gains or losses on hedges	28
Lease and guarantee deposits	26,795	Revaluation reserve for land	-16,242
Net defined benefit asset	379	Foreign currency translation adjustment	444
		Remeasurements of defined benefit plans	55
Real estate for investment	3,814	Subscription rights to shares	13
Other	2,215	Minority interests	2,453
Allowance for doubtful accounts	-78		
Deferred assets	208		
Bond issue costs	208	Total net assets	238,069
Total assets	350,752	Total liabilities and net assets	350,752

Consolidated Statements of Income

(From April 1, 2014 to
March 31, 2015)

(Unit: million yen)

Title	Amount	
Net sales		221,712
Cost of sales		94,769
Gross profit		126,942
Selling, general and administrative expenses		107,914
Operating income		19,028
Non-operating income		
Interest income	206	
Dividend interest	201	
Real estate rent	928	
Gain on variation of derivatives	1,092	
Foreign exchange gains	750	
Other	429	3,609
Non-operating expenses		
Interest expenses	60	
Rent cost of real estate	809	
Other	84	953
Ordinary income		21,683
Extraordinary income		
Gain on sales of non-current assets	11	
Gain on sales of investment securities	2,322	2,334
Extraordinary losses		
Loss on sales and retirement of non-current assets	541	
Impairment loss	1,150	1,691
Income before income taxes and minority interests		22,326
Income taxes – current	8,277	
Income taxes–deferred	1,066	9,344
Income before minority interests		12,981
Minority interest in income		173
Net income		12,807

Consolidated Statement of Changes in Equity

(From April 1, 2014 to
March 31, 2015)

(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	137,664	-6,252	256,442
Amount of accumulated impact of changes in accounting policies			-85		-85
Balance reflecting changes in accounting policies at the beginning of the year	62,504	62,526	137,578	-6,252	256,357
Changes of items during period					
Dividends of surplus			-5,307		-5,307
Net income			12,807		12,807
Reversal of revaluation reserve for land			-237		-237
Purchase of treasury shares				-13,951	-13,951
Disposal of treasury shares		-216		732	516
Transfer to capital surplus from retained earnings		216	-216		-
Changes of items other than shareholders' equity (net)					
Total changes of items during period	-	-	7,047	-13,218	-6,170
Balance at the end of the year	62,504	62,526	144,626	-19,470	250,186

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	1,674	0	-16,489	254	-13	-14,573
Amount of accumulated impact of changes in accounting policies						
Balance reflecting changes in accounting policies at the beginning of the year	1,674	0	-16,489	254	-13	-14,573
Changes of items during period						
Dividends of surplus						
Net income						
Reversal of revaluation reserve for land						
Purchase of treasury shares						
Disposal of treasury shares						
Transfer to capital surplus from retained earnings						
Changes of items other than shareholders' equity (net)	-544	27	247	190	69	-10
Total changes of items during period	-544	27	247	190	69	-10
Balance at the end of the year	1,130	28	-16,242	444	55	-14,583

Item	Subscription rights to shares	Minority interests	Total net assets
Balance at the beginning of the year	101	2,261	244,231
Amount of accumulated impact of changes in accounting policies		12	-72
Balance reflecting changes in accounting policies at the beginning of the year	101	2,274	244,158
Changes of items during period			
Dividends of surplus			-5,307
Net income			12,807
Reversal of revaluation reserve for land			-237
Purchase of treasury shares			-13,951
Disposal of treasury shares			516
Transfer to capital surplus from retained earnings			-
Changes of items other than shareholders' equity (net)	-87	178	81
Total changes of items during period	-87	178	-6,089
Balance at the end of the year	13	2,453	238,069

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: 12 companies	Blue Reverse 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., Shanghai Fukuryo Fashion Garment Co., Ltd., Shanghai Fukuryo International Trading Co., Ltd., and PT. FUKURYO INDONESIA
Names of major non-consolidated subsidiaries: (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.	Taiwan Aoyama Shoji Co., Ltd. Aoyama Suits (Shanghai) Co., Ltd.
2. Application of equity method

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

Neither of the non-consolidated subsidiaries not accounted for by the equity method listed above has a significant effect on 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 the fiscal year, etc., of consolidated subsidiaries

Companies whose account closing dates differ from the consolidated account closing date are as listed below.

Aoyama Capital Co., Ltd.	Year-end account closing date of all of the above subsidiaries is the end of February.
Seigo Co., Ltd.	
MDS Co., Ltd.	
Eisho Co., Ltd.	
	Shanghai Fukuryo Fashion Garment Co., Ltd.
	Shanghai Fukuryo International Trading Co., Ltd.
	PT. FUKURYO INDONESIA
	Year-end account closing date of all of the above subsidiaries is the end of December.

The financial statements of the consolidated subsidiaries as of their account closing dates are used. However, for significant transactions occurring after their account closing date but before the consolidated financial statement date, we make the necessary consolidated adjustments.
4. Matters concerning accounting standards
 - (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
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- [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, plane 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
However, depreciation of software used 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 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) 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 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 eight 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 eight 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)

The Company is applying "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012 (hereinafter referred to as the "Accounting Standard for Retirement Benefits")) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereinafter referred to as "Guidance on Accounting Standard for Retirement Benefits")) from the current fiscal year within the scope of regulations stipulated in the text of the "Accounting Standard for Retirement Benefits" Paragraph 35 and the "Guidance on Accounting Standard for Retirement Benefits" Paragraph 67, and has reviewed the calculation methods for projected benefit obligations and service costs, and has changed the period attribution method for the projected amounts of retirement benefits from a service period basis to a projected benefit basis. In addition, we have changed the decision-making method for the discount rate from one based on years approaching the average remaining service period of employees to one based on the duration of retirement benefit obligations with respect to the bond period that is the basis for the decision on the discount rate.

Regarding the application of the Accounting Standard for Retirement Benefits, etc., in accordance with the provisional measures described in Article 37 of the Accounting Standard for Retirement Benefits, we added to/subtracted from retained earnings the amount of the impact arising from changes to the calculation method for retirement benefit obligations and service costs at the beginning of the current consolidated fiscal year. As a result, assets relating to retirement benefits at the beginning of the current consolidated fiscal year increased by 57 million yen and net defined benefit liability by 169 million yen, and retained earnings decreased by 85 million yen. In addition, the effects on operating income, ordinary income, and income before income taxes for the current fiscal year were minor.

(Changes in presentation methods)

Consolidated Balance Sheet

"Leased assets (net)," which were included in "Other (net)" of "Property, plant and equipment" in the previous consolidated fiscal year (1,849 million yen for the previous consolidated fiscal year) are presented independently from the current consolidated fiscal year because of their increasing importance.

(Additional information)

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

Associated with the promulgation on March 31, 2015 of the "Act on Partial Revision of the Income Tax Act" (Act No. 9, 2015) and the "Act on Partial Revision of the Local Tax Act" (Act No. 2, 2015), the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the current fiscal year (limited to those to be eliminated on and after April 1, 2015) has been changed from 35.37% in the previous fiscal year to 32.85% for those that are expected to be recovered or paid from April 1, 2015 to March 31, 2016 and to 32.05% for those that are expected to be recovered or paid on and after April 1, 2016.

As a result, the amount of deferred tax assets for the current fiscal year (excluding the amount of deferred tax liabilities) decreased by 937 million yen and the amount of income taxes-deferred increased by 970 million yen.

(Notes on the consolidated balance sheets)

1. Cumulative amount of depreciation for Property, plant and equipment 98,229 million yen
2. Cumulative amount of depreciation for real property for investment 3,674 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: -4,437 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 35 cases including Saitama City, Saitama Prefecture
Stores for lease (closed down stores)	Building and structures Land and others	A total of 8 cases including Kashiwazaki City, Niigata 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 (1,150 million yen) under extraordinary losses. The impairment loss is divided into 904 million yen for buildings and structures, 181 million yen for land and 64 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 61,394,016 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 27, 2014	Common stock	3,847	65	March 31, 2014	June 30, 2014
Board of Directors meeting on November 7, 2014	Common stock	1,459	25	September 30, 2014	November 27, 2014

- (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 26, 2015	Common stock	Retained earnings	2,772	50	March 31, 2015	June 29, 2015

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 56,000 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	46,010	46,010	-
(2) Notes and account receivable – trade	15,757	15,757	-
(3) Operating loans	45,889	45,714	-174
(4) Securities and investment securities			
[1] Held-to-maturity securities	18,799	18,799	-
[2] Available-for-sale securities	7,630	7,630	-
(5) Long-term loans receivable	5,233	5,233	-
(6) Lease and guarantee deposits	26,795	26,790	-4
Total assets	166,115	165,935	-179
(1) Notes and accounts payable	20,201	20,201	-
(2) Electronically recorded obligations	8,902	8,902	-
(3) Short-term loans payable	3,100	3,100	-
(4) Bonds with a maturity of one year or less	-	-	-
(5) Accounts payable	15,218	15,218	-
(6) Bonds payable	20,000	20,617	617
(7) Long-term loans payable	18,000	18,293	293
Total liabilities	85,423	86,334	911
Derivative transactions (*)			
[1] Not applicable to hedge accounting	1,136	1,136	-
[2] Applicable to hedge accounting	41	41	-
Total of derivative transactions	1,178	1,178	-

(*) Net assets and liabilities caused by derivative transactions are stated at net value, and 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 4,262.56 yen
2. Net income per share 221.55 yen

(Note 1) Basis for calculating net income per share

Net income on consolidated statement of income	12,807 million yen
Amount not attributable to common shareholders	— million yen
Net income attributable to common stock	12,807 million yen
Average number of outstanding common stock in the fiscal year	57,810,082 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 net income 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

(Notes on material subsequent events)

No corresponding item existed.

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

Independent Auditor's Audit Report

May 5, 2015

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

KPMG AZSA LLC

Designated limited
liability partner and
managing partner
Designated limited
liability partner and,
managing partner
Designated limited
liability partner and,
managing partner

Certified public
accountant

Hirohisa Nishino (Seal)

Certified public
accountant

Motoharu Iyomasa (Seal)

Certified public
accountant

Koji Yasui (Seal)

Pursuant to Article 444, Paragraph 4 of the Company Law, 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, 2014 to March 31, 2015.

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, 2015)

(Unit: million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	133,774	Current liabilities	49,190
Cash and deposits	37,148	Accounts payable - trade	12,860
Accounts receivable - trade	11,789	Electronically recorded obligations	8,569
Securities	18,799	Accounts payable - other	15,499
Merchandise and finished goods	43,064	Accrued expenses	1,224
Raw materials and supplies	548	Deposits received	78
Advance payments - trade	71	Advances received	82
Short-term loans receivable from subsidiaries and associates	16,200	Income taxes payable	7,670
Prepaid expenses	2,747	Provision for bonuses	1,112
Deferred tax assets	1,330	Lease obligations	533
Accrued income	12	Asset retirement obligations	5
Other	2,067	Other	1,553
Allowance for doubtful accounts	-6		
Non-current assets	164,263	Non-current liabilities	21,322
Property, plant and equipment	96,228	Long-term loans payable	10,000
Buildings	46,574	Provision for retirement benefits	4,071
Structures	7,392	Provision for point card certificates	2,913
Machinery and equipment	1,094	Lease obligations	825
Vehicles	6	Asset retirement obligations	766
Tools, furniture and fixtures	4,714	Other	2,745
Land	32,953		
Construction in progress	364	Total liabilities	70,513
Leased assets	3,127		
Intangible Assets	3,004	Net assets	
Leasehold right	837	Shareholders' equity	242,429
Trademark right	460	Capital stock	62,504
Software	1,523	Capital surplus	62,526
Telephone subscription right	112	Legal capital surplus	62,526
Leased assets	69	Retained earnings	136,869
Investments and other assets	65,031	Legal retained earnings	2,684
Investment securities	7,655	Other retained earnings	134,185
Shares of subsidiaries and associates	10,021	General reserve	123,100
Investments in capital of subsidiaries and associates	395	Retained earnings brought forward	11,085
Long-term loans receivable	5,130	Treasury shares	-19,470
Long-term prepaid expenses	1,002	Valuation and translation adjustments	-14,918
Deferred tax assets	8,018	Valuation difference on available-for-sale securities	1,121
Lease and guarantee deposits	25,834	Revaluation reserve for land	-16,040
Real estate for investment	6,605	Subscription rights to shares	13
Other	440		
Allowance for doubtful accounts	-72	Total net assets	227,524
Total assets	298,037	Total liabilities and net assets	298,037

Statements of Income

(From April 1, 2014 to
March 31, 2015)

(Unit: million yen)

Item	Amount	
Net sales		181,480
Cost of sales		73,075
Gross profit		108,405
Selling, general and administrative expenses		91,303
Operating income		17,101
Non-operating income		
Interest income	269	
Interest on securities	15	
Dividend income	637	
Real estate rent	2,023	
Gain on valuation of derivatives	1,092	
Foreign exchange gains	668	
Other	231	4,937
Non-operating expenses		
Interest expenses	41	
Rent cost of real estate	1,888	
Other	19	1,949
Ordinary income		20,089
Extraordinary income		
Gain on sales of non-current assets	10	
Gain on sales of investment securities	2,322	2,332
Extraordinary losses		
Loss on sales and retirement of non-current assets	506	
Impairment loss	1,265	1,772
Net income before income taxes and minority interests		20,650
Income taxes-current	7,433	
Income taxes-deferred	967	8,400
Net income		12,249

Statement of Changes in Equity

(From April 1, 2014 to
March 31, 2015)

(Unit: million yen)

Item	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	62,504	62,526	-	62,526
Amount of accumulated impact of changes in accounting policies				
Balance reflecting changes in accounting policies 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				
Disposal of treasury shares			-216	-216
Transfer to capital surplus from retained earnings			216	216
Changes of items other than shareholders' equity (net)				
Total changes of items during period	-	-	-	-
Balance at the end of the year	62,504	62,526	-	62,526

Item	Shareholders' equity					
	Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Other retained earnings	Retained earnings brought forward	Total retained earnings		
		General reserve				
Balance at the beginning of the year	2,684	131,100	-3,293	130,490	-6,252	249,268
Amount of accumulated impact of changes in accounting policies			-109	-109		-109
Balance reflecting changes in accounting policies at the beginning of the year	2,684	131,100	-3,403	130,380	-6,252	249,158
Changes of items during period						
Reversal of general reserve		-8,000	8,000	-		-
Dividends of surplus			-5,307	-5,307		-5,307
Net income			12,249	12,249		12,249
Reversal of revaluation reserve for land			-237	-237		-237
Purchase of treasury shares					-13,951	-13,951
Disposal of treasury shares					732	516
Transfer to capital surplus from retained earnings			-216	-216		-
Changes of items other than shareholders' equity (net)						
Total changes of items during period	-	-8,000	14,489	6,489	-13,218	-6,729
Balance at the end of the year	2,684	123,100	11,085	136,869	-19,470	242,429

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	1,669	-16,286	-14,616	101	234,752
Amount of accumulated impact of changes in accounting policies					-109
Balance reflecting changes in accounting policies at the beginning of the year	1,669	-16,286	-14,616	101	234,642
Changes of items during period					
Reversal of general reserve					-
Dividends of surplus					-5,307
Net income					12,249
Reversal of revaluation reserve for land					-237
Purchase of treasury shares					-13,951
Disposal of treasury shares					516
Transfer to capital surplus from retained earnings					-
Changes of items other than shareholders' equity (net)	-547	246	-301	-87	-388
Total changes of items during period	-547	246	-301	-87	-7,118
Balance at the end of the year	1,121	-16,040	-14,918	13	227,524

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 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.

(Changes in accounting policies)

The Company is applying “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012 (hereinafter referred to as the “Accounting Standard for Retirement Benefits”)) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015) from the current fiscal year and has reviewed the calculation methods for projected benefit obligations and service costs, and has changed the period attribution method for the projected amounts of retirement benefits from a service period basis to a projected benefit basis. In addition, we have changed the decision-making method for the discount rate from one based on years approaching the average remaining service period of employees to one based on the duration of retirement benefit obligations with respect to the bond period that is the basis for the decision on the discount rate.

Regarding the application of the Accounting Standard for Retirement Benefits, etc., in accordance with the provisional measures described in Article 37 of the Accounting Standard for Retirement Benefits, we added to/subtracted from retained earnings the amount of the impact arising from changes to the calculation method for retirement benefit obligations and service costs at the beginning of the current consolidated fiscal year. As a result, assets relating to retirement benefits at the beginning of the current fiscal year increased by 169 million yen, and retained earnings decreased by 109 million yen. In addition, the effects on operating income, ordinary income, and net income before taxes for the current fiscal year were minor.

(Notes on the non-consolidated balance sheet)

1. Cumulative amount of depreciation for tangible non-current assets 85,636 million yen
2. Cumulative amount of depreciation for real property for investment 4,514 million yen
3. Monetary claims and monetary liabilities for subsidiaries and affiliates
 - Monetary claims for subsidiaries and affiliates 83 million yen
 - Monetary liabilities for subsidiaries and affiliates 3,616 million yen

(Notes on the non-consolidated statements of income)

- Amounts of transactions with affiliates
- Amount of operating transactions 20,739 million yen
 - Amount of non-operating transactions 1,740 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, 2014	Increase during the fiscal year ended March 31, 2015	Decrease during the fiscal year ended March 31, 2015	As of March 31, 2015
Common stock (share)	2,390,075	4,007,582	276,100	6,121,557

(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 of a meeting of the Board of Directors 4,006,700 shares
- Increase due to the purchasing of shares of less than one unit 882 shares
- Decrease due to the exercise of stock options 276,100 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
- [3] Amount of dividends paid for the shares of the Company held by a trust included in the total amount of the dividend paid
 - 16 million yen

(Notes on tax effect accounting)

1. Significant components of deferred tax assets and liabilities

(Deferred tax assets)

Accrued enterprise taxes	547 million yen
Provision for bonuses	372 million yen
Allowance for doubtful accounts	25 million yen
Provision for retirement benefits	1,306 million yen
Long-term accounts payable	255 million yen
Provision for point certificate program	957 million yen
Asset retirement obligations	247 million yen
Depreciation and amortization	3,537 million yen
Impairment loss	2,660 million yen
Loss on valuation of investment securities	411 million yen
Other	285 million yen
Deferred tax assets subtotal	10,606 million yen
Valuation allowance	-723 million yen
Total Deferred tax assets	9,882 million yen

(Deferred tax liabilities)

Asset retirement obligations	-70 million yen
Valuation difference on other securities	-463 million yen
Total deferred tax liabilities	-533 million yen
Net deferred tax assets	9,349 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	35.37%
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(Reconciliation)

Entertainment and other permanently non-deductible expenses	0.03%
Dividends and other permanently non-taxable income	-0.86%
Per capita inhabitant tax, etc.	1.57%
Reversal of deferred tax assets associated with a tax rate change	4.59%
Other	-0.02%
Corporate tax rate after adoption of deferred tax accounting	40.68%

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 promulgation on March 31, 2015 of the “Act on Partial Revision of the Income Tax Act” (Act No. 9, 2015) and the “Act on Partial Revision of the Local Tax Act” (Act No. 2, 2015), the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the current fiscal year has been changed from 35.37% in the previous fiscal year to 32.85% for those that are expected to be recovered or paid from April 1, 2015 to March 31, 2016 and to 32.05% for those that are expected to be recovered or paid on and after April 1, 2016.

As a result, the amount of deferred tax assets for the current fiscal year (excluding the amount of deferred tax liabilities) decreased by 911 million yen and the amount of income taxes – deferred increased by 946 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	8,000
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	2,500
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

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 and FUKURYO Co., Ltd., after reasonably considering market interest rates.

(Per share information)

1. Net assets per share ¥4,116.17
2. Net income per share ¥211.89

(Note 1) Basis for calculation of net income per share

Net income in non-consolidated statement of income	12,249 million yen
Amount not attributable to common shareholders	— million yen
Net income associated with common stock	12,249 million yen
Average number of common stock outstanding during the year	57,810,082 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 net income 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

(Significant subsequent events)

No corresponding item existed.

Audit Report of the Accounting Auditors (Certified Copy)

Independent Auditor's Audit Report

May 5, 2015

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

KPMG AZSA LLC

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

Pursuant to Article 436, Paragraph 2, Item 1 of the Company Law, 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, 2014 to March 31, 2015.

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 judgement, 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 51st fiscal year from April 1, 2014 to March 31, 2015, 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

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.

Each Corporate Auditor conformed with the auditing standards as 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 the collection of information and auditing; 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. 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 Directors' performance of duties as stated in the Business Report conforms to relevant laws, regulations and the Articles of Incorporation; and the state of the 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 Company Law, which is required to ensure the appropriateness of joint-stock companies' operations (internal control system). Meanwhile, the Board of Corporate Auditors communicated and exchanged information with Directors and other staff of subsidiaries, and received reports from subsidiaries 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.

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 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 7, 2015

Board of Auditors Aoyama Trading Co., Ltd.

Corporate Auditor (full time)	Koshin Endo	(Seal)
Outside Corporate Auditor	Hiroshi Ogi	(Seal)
Outside Corporate Auditor	Kiyoshi Takegawa	(Seal)
Outside Corporate Auditor	Toru Watanabe	(Seal)

Reference Document for the Annual Meeting of Shareholders

Proposal No. 1: Appropriation of Retained Earnings

We recognize that returning profits to shareholders is one of the important issues of management, and implement partially performance-linked payments of dividends with a targeted dividend payout ratio of 35%.

However, we exclude extraordinary and special income and losses, such as loss (gain) on valuation of derivatives from profit and loss calculations and use the net income presented in our non-consolidated financial statements for the purpose of calculating the dividend payout ratio.

Specifically, we pay 50 yen per share as an ordinary dividend (25 yen for an interim dividend and 25 yen for the year-end dividend), which is a stable dividend, and in case dividend calculated based on the targeted dividend payout ratio stated above exceeds 50 yen, we pay the difference as a special dividend at the fiscal year-end as a dividend linked to performance.

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 25 yen per share as an ordinary dividend and 25 yen per share as a special dividend, a total of 50 yen per share.

We paid 25 yen per share as an interim dividend; therefore the annual dividend per share, including the interim dividend is 75 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

50 yen per common stock of the Company

Allocation

Ordinary dividend 25 yen

Special dividend 25 yen

Total dividends 2,772,917,950 yen

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

June 29, 2015

2. Other matters regarding the appropriation of retained earnings

The Company would like to propose the appropriation of retained earnings as follows in order to strengthen our financial standing toward the sound promotion of management taking into account the future business environment.

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

General reserve 8,000,000,000 yen

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

Retained earnings brought forward 8,000,000,000 yen

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

Since the Law for Partial Amendment of the Company Law (Law No. 90 of 2014) enforced on May 1, 2015, the Company may conclude an agreement for limitation of liability with a Corporate Auditor who is not an Outside Corporate Auditor. Accordingly, the Company requests partial amendments to Article 36 (Agreement for limitation of liability with Corporate Auditors) of the Company's Articles of Incorporation so that Corporate Auditors can fully perform their expected roles.

2. Description of amendments

The amendments are as follows.

(Amendments are underlined.)

Current articles	Proposed articles
Chapter 5 Corporate Auditors and the Board of Auditors (Agreement for limitation of liability with an <u>Outside</u> Corporate Auditor)	Chapter 5 Corporate Auditors and the Board of Auditors (Agreement for limitation of liability with a Corporate Auditor)
Article 36 Pursuant to Article 427, Paragraph 1 of the Company Law, the Company may enter into an agreement for the limitation of liability of an <u>Outside</u> Corporate Auditor as set forth in Article 423, Paragraph 1 with an <u>Outside</u> Corporate Auditor. The maximum amount of the liability is the amount stipulated in Article 425, Paragraph 1 of the Company Law.	Article 36 Pursuant to Article 427, Paragraph 1 of the Company Law, the Company may enter into an agreement for the limitation of liability of a Corporate Auditor as set forth in Article 423, Paragraph 1 with a Corporate Auditor. The maximum amount of the liability is the amount stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal No. 3: Election of Seven (7) Directors

The terms of office of all of the current seven (7) Company Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company requests seven (7) Directors.

The candidates for Directors are as follows.

Candidate No.	Name (Date of Birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Shozo Miyamae (February 26, 1945)	<p>May 1964 Joined the Company</p> <p>Jun. 1977 Director, the Company</p> <p>May 1982 Managing Executive Director, General Manager, Purchasing Dept. No. 2, the Company</p> <p>May 1987 Managing Executive Director, General Manager, Purchasing Dept., the Company</p> <p>Dec. 1987 Senior Director, Chief General Manager, Purchasing Dept., the Company</p> <p>Jun. 1997 President and Chief General Manager, General Planning and policy Dept., the Company</p> <p>Feb. 2003 President, the Company</p> <p>Jun. 2005 Vice Chairman of the Board, the Company</p> <p>Jun. 2009 Chairman of the Board, the Company (incumbent)</p> <p>Significant concurrent position President, Aoyama Capital Co., Ltd.</p>	284,072 shares

Candidate No.	Name (Date of Birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	Hiroaki Miyamae (September 14, 1942)	<p>May 1964 Joined the Company</p> <p>May 1974 Director, the Company</p> <p>May 1982 Executive Managing Director, General Manager, Sales Dept., the Company</p> <p>Dec. 1987 Senior Director, Chief General Manager, Sales Dept., the Company</p> <p>Jun. 1997 Vice President and Chief General Manager, Sales Dept., the Company</p> <p>Oct. 2001 Vice President, the Company</p> <p>Jun. 2005 Vice Chairman, the Company (incumbent)</p> <p>Significant concurrent position Director, Blue Reverse Co., Ltd.</p>	413,735 shares
3	Osamu Aoyama (March 1, 1959)	<p>Apr. 1981 Joined the Company</p> <p>Dec. 1987 General Manager, Purchasing Dept., the Company</p> <p>Jun. 1988 Director, General Manager, Purchasing Dept., the Company</p> <p>Jun. 1989 Director, Vice Chief General Manager, Product Dept., the Company</p> <p>Jun. 1991 Managing Executive Director, Vice Chief General Manager, Product Dept., the Company</p> <p>Jun. 1997 Senior Director, Chief General Manager, Product Dept., Assistant Chief Manager, General Planning and policy Dept., the Company</p> <p>Oct. 2001 Senior Director, Chief General Manager, Suit Business Dept., the Company</p> <p>Feb. 2003 Senior Director, Chief General Manager, Sales Dept., the Company</p> <p>Jun. 2005 President and CEO, the Company (incumbent)</p> <p>Significant concurrent positions 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.</p>	1,835,665 shares

Candidate No.	Name (Date of Birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
4	Makoto Miyataka (December 9, 1948)	<p>May 1997 Branch Manager, Fuji Bank, Limited (current Mizuho Financial Group)</p> <p>Oct. 1999 Vice Chief General Manager, Hiring Management Dept., the Company</p> <p>Jun. 2001 Head, Office of President, the Company</p> <p>Jun. 2003 Director, Head, Office of President, the Company</p> <p>Dec. 2004 Director, Chief General Manager Management Dept., Head, Office of President, the Company</p> <p>Jun. 2005 Director and Managing Executive Officer, Chief General Manager, Management Dept. and General Manager, Total Planning Dept. the Company</p> <p>Jun. 2007 Director and Senior Managing Executive Officer, Chief General Manager, Planning and Management Dept., the Company</p> <p>Jun. 2009 Senior Director and Senior Managing Executive Officer, Chief General Manager, Planning and Management Dept., the Company</p> <p>Apr. 2011 Senior Director and Senior Managing Executive Officer, Chief General Manager, Planning and Management Dept. and Chief General Manager, Casual and Reuse Business Dept., the Company</p> <p>May 2013 Senior Director and Senior Managing Executive Officer, Chief General Manager, Planning and Management Dept., the Company</p> <p>Apr. 2015 Vice President, Executive Vice President, Chief General Manager of Planning and Management Dept. (incumbent)</p> <p>Significant concurrent positions Director, MDS Co., Ltd. Director, Eisho Co., Ltd. Corporate Auditor, Eagle Retailing Corporation Corporate Auditor, FUKURYO Co., Ltd.</p>	9,900 shares
5	Yoshiyuki Matsukawa (December 10, 1958)	<p>Feb. 1982 Joined the Company</p> <p>May 2001 Director, Aoyama Capital Co., Ltd. (loaned staff)</p> <p>May 2005 Retired from Director, Aoyama Capital (loaned staff)</p> <p>Jun. 2005 Executive Officer, Chief General Manager, Sales Dept. and General Manager, Planning Dept., the Company</p> <p>Apr. 2006 Executive Officer, Chief General Manager, Sales Dept., the Company</p> <p>Jun. 2009 Director and Executive Officer, Chief General Manager, Sales Dept., the Company</p> <p>Jun. 2013 Director and Managing Executive Officer, Chief General Manager, Sales Dept., the Company (incumbent)</p> <p>Significant concurrent position Director, Blue Reverse Co., Ltd.</p>	2,800 shares

Candidate No.	Name (Date of Birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
6	Shinji Okano (February 18, 1962)	<p>Mar. 1984 Jun. 2005</p> <p>Joined the Company Executive Officer, Chief General Manager, Purchasing Dept., General Manager, Purchasing Dept. No.2, the Company</p> <p>Jun. 2008</p> <p>Executive Officer, Chief General Manager, Purchasing Dept., the Company</p> <p>Jun. 2009</p> <p>Director and Executive Officer, Chief General Manager, Purchasing Dept., the Company</p> <p>May 2013</p> <p>Director and Executive Officer, Chief General Manager, Purchasing Dept. and Chief General Manager, Casual and Reuse Business Dept., the Company</p> <p>Jun. 2013</p> <p>Director and Managing Executive Officer, Chief General Manager, Purchasing Dept. and Chief General Manager, Casual and Reuse Business Dept., the Company (incumbent)</p> <p>Significant concurrent position Director, FUKURYO Co., Ltd.</p>	4,900 share
7	Seishi Uchibayashi (May 12, 1949)	<p>Apr. 1976 Apr. 1979 Mar. 1981 May 1981 Jun. 2001 Jun. 2013</p> <p>Osaka District Court Judge Assistant Judge Matsuyama Local Court Judge Retired from the bench Practicing lawyer Outside Corporate Auditor, the Company Outside Director, the Company (incumbent)</p> <p>Significant current position Outside Corporate Auditor, Yasuhara Chemical Co., Ltd.</p>	4,900 shares

- (Notes) 1. The Company has business relationships such as office leasing with Seigo Co., Ltd., and Eagle Retailing Corporation, of which Mr. Osamu Aoyama, one of the above candidates concurrently holds the position of Director.
2. There are no special conflicts of interests between any of the candidates and the Company.
3. Mr. Seishi Uchibayashi is a candidate for Outside Director. He is registered as Independent Officer with the Tokyo Stock Exchange.
4. Special remarks regarding the candidate for Outside Director are as follows.
- (1) The Company believes that Mr. Seishi Uchibayashi is adequate for the position and will be able to audit and supervise the Company's management from an objective perspective based on laws and regulations because he has wide experience and high level expertise as a lawyer.
Mr. Uchibayashi has never engaged in business management by any means 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 Director appropriately for the above reasons.
- (2) The term of office of Mr. Uchibayashi as Outside Director, will have been two (2) years at the conclusion of this Annual Meeting of Shareholders.
- (3) Article 28 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement for limitation of liability with Outside Directors that limits their liability caused by their negligence of duties in order to adequately play his role. Accordingly, the Company concluded an agreement on the limitation of liability with Mr. Uchibayashi. The maximum amount of liability under the agreement is the minimum amount set forth in Article 425, Paragraph 1 of the Company Law.

Proposal No. 4: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Mr. Koshin Endo will expire at the conclusion of this Annual Meeting of Shareholders, and he will retire from the position. Accordingly, the Company requests the election of one (1) Corporate Auditor.

The resolution of this proposal has obtained the consent of the Board of Auditors.

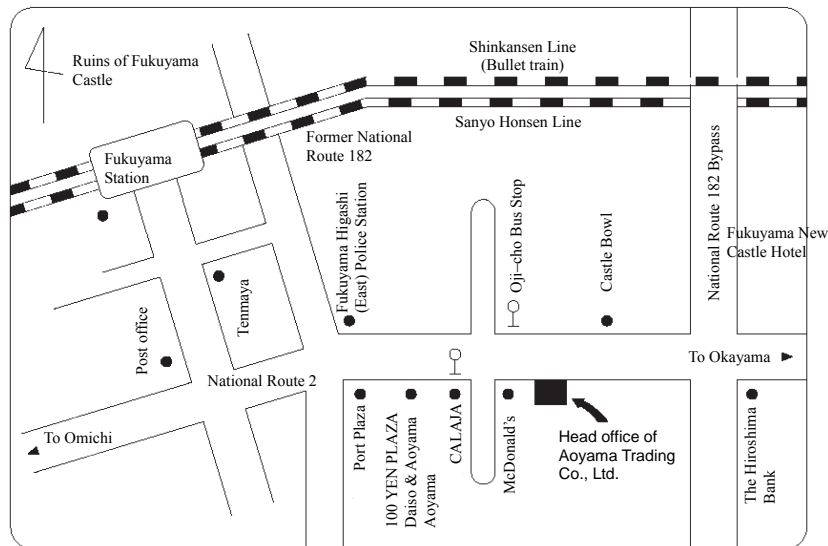
The candidate for Corporate Auditor is as follows.

Name (Date of birth)	Brief profile and positions		Number of the Company's shares owned
Tomokazu Osako (June 21, 1954)	Jun. 2010 Jul. 2011	Director, Momiji Business Service Co., Ltd. Joined the Company. General Manager, Accounting Dept. (incumbent)	1,000 shares

- (Notes) 1. There are no special conflicts of interest between the candidate and the Company.
2. If Proposal No. 2, Partial Amendment to the Articles of Incorporation is approved, and Mr. Tomokazu Osako is elected as Corporate Auditor, the Company will conclude an agreement for limitation of liability as stipulated in Article 423, Paragraph 1 of the Company Law with Mr. Osako pursuant to Article 427, Paragraph 1 of the Company Law. The maximum amount of liability under the said agreement will be the minimum amount provided by Article 425, Paragraph 1 of the Company Law.

(Map to the venue of the Annual 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