

## Summary of Financial Results for the Year Ended March 2018 [Japanese Standards] (Consolidated)

MAY 11, 2018

Listed Company Name: Aoyama Trading Co., Ltd.

Listed Exchange: Tokyo Stock Exchange

Code: 8219 URL: <http://www.aoyama-syouji.co.jp>

Representative: (Title) President

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Scheduled date to hold the ordinary general meeting of shareholders: June 28, 2018

Scheduled date to start distributing dividends: June 29, 2018

Scheduled date to submit securities report: June 29, 2018

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated financial results for the fiscal year ended in March 2018 (From April 1, 2017 to March 31, 2018)

#### (1) Consolidated financial results

(Presentation of percentages shows increase or decrease ratio in comparison with the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2018	254,846	0.8	20,591	1.9	21,311	1.1	11,461	-0.9
Year ended March 2017	252,777	5.2	20,210	-5.3	21,084	-2.6	11,568	-2.5

(Note) Comprehensive income The year ended in March 2018: 11,343 million yen (-3.9%) The year ended in March 2017: 11,806 million yen (-0.4%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 2018	224.81	224.80	5.0	5.4	8.1
Year ended March 2017	220.06	220.02	5.0	5.3	8.0

(Reference) Investment gains and losses using the equity method The year ended in March 2018: - million yen The year ended in March 2017: - million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
Year ended March 2018	397,381	230,518	57.2	4,505.53
Year ended March 2017	391,369	233,666	59.0	4,443.59

(Reference) Equity capital The year ended in March 2018: 227,433 million yen The year ended in March 2017: 230,873 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
	million yen	million yen	million yen	million yen
Year ended March 2018	27,987	-6,986	-10,528	48,827
Year ended March 2017	17,093	-11,288	-16,055	38,207

### 2. Dividends

	Annual dividend					Total amount of cash dividends (total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Year ended March 2017	—	50.00	—	115.00	165.00	8,621	75.0	3.7
Year ended March 2018	—	50.00	—	120.00	170.00	8,637	75.6	3.8
Year ending March 2019 (Forecast)	—	50.00	—	110.00	160.00		70.8	

(Note) Breakdown of year-end cash dividends for the year ended March 2018 Ordinary dividend: 50.00 yen Special dividend: 70.00 yen  
For more details, please refer to an announcement "Notice Regarding Surplus Dividend" that was released today (May 11, 2018).

### 3. Consolidated forecast for the year ending March, 2019 (From April 1, 2018 to March 31, 2019)

(Presentation of percentages shows increase or decrease ratio in comparison with the previous fiscal year for the full fiscal year and in comparison with the corresponding period of the previous year for the quarter)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
(Cumulative results for) the second quarter	110,600	2.0	2,700	-23.8	3,000	-23.7	1,400	-29.9	27.73
Full fiscal year	261,500	2.6	20,000	-2.9	20,600	-3.3	11,400	-0.5	225.84

\* Notes to the Financial Results

(1) Changes in important subsidiaries during this term (changes of specified subsidiaries entailing changes in the scope of consolidation): None

(2) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies due to revision of accounting standards, etc.: None
- ② Changes in accounting policies for a reason other than the above [1]: None
- ③ Changes in accounting estimates: None
- ④ Restatement: None

(3) Number of outstanding shares (common shares)

- ① Number of shares outstanding at the end of the fiscal year (including treasury shares)
- ② Number of treasury shares at the end of the fiscal year
- ③ Average number of shares outstanding during the term

Year ended March 2018	55,394,016 shares	Year ended March 2017	55,394,016 shares
Year ended March 2018	4,915,229 shares	Year ended March 2017	3,437,602 shares
Year ended March 2018	50,985,093 shares	Year ended March 2017	52,568,167 shares

(Note) The number of shares at the end of the fiscal year included our Company's shares (184,600 shares at the end of the fiscal year ended March 31, 2018 and 185,900 shares at the end of the fiscal year ended March 31, 2017) held by Trust & Custody Services Bank, Ltd. (trust account) as trust assets associated with the employees' incentive plan, "Employee Stock Ownership Plan (J-ESOP) Trust." Also, the number of shares held by Trust & Custody Services Bank, Ltd. (trust account) was included in the treasury shares deducted in calculating the average number of shares outstanding during the term (185,191 shares in the fiscal year ended March 31, 2018 and 185,900 shares in the fiscal year ended March 31, 2017).

(Reference) Overview of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended in March 2018 (From April 1, 2017 to March 31, 2018)

(1) Non-consolidated results of operations

(Presentation of percentages shows increase or decrease from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2018	188,853	-0.4	18,260	-2.4	18,578	-6.2	11,438	32.0
Year ended March 2017	189,650	-0.0	18,711	-2.5	19,798	-1.4	8,665	-24.7

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended March 2018	224.35		224.35	
Year ended March 2017	164.84		164.81	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	million yen		million yen		%		Yen	
Year ended March 2018	328,443		219,001		66.7		4,338.49	
Year ended March 2017	327,589		220,502		67.3		4,243.83	

(Reference) Equity capital The year ended in March 2018: 219,001 million yen The year ended in March 2017: 220,494 million yen

2. Non-consolidated forecast for the year ending March, 2019 (From April 1, 2018 to March 31, 2019)

(Presentation of percentages shows increase or decrease ratio in comparison with the previous fiscal year for the full fiscal year and in comparison with the corresponding period of the previous year for the quarter)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
(Cumulative results for the second quarter)	76,140	1.6	1,070	-53.2	1,760	-42.9	930	-47.1	18.42
Full fiscal year	192,780	2.1	17,200	-5.8	18,230	-1.9	11,340	-0.9	224.65

\* Presentation on the status of audit procedure

The financial results release is outside the scope of the audit.

\* Explanation of forecasts of operations and other notes

Forward-looking statements included in this document, such as forecasts of operating results, are based on information currently available to the Company and certain assumptions the Company deems reasonable, and do not represent a commitment by the Company that they will be achieved. Actual results may differ significantly from forecasts due to various factors. For assumptions of operating results forecasts and cautionary notes on the use of such forecasts, please refer to "Analysis of Results of Operations" on page 6 of the Attached Reference Material.

(Obtaining financial results supplementary materials)

The Company will post the Supplementary Documents distributed on the meeting for institutional investors and analysts held on May 16, 2018 as soon as possible on the Company website.

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## 1. Overview of Results of Operations

## (1) Overview of Results of Operations for the Current Term

&lt;&lt;Results of Operations for the Current Term&gt;&gt;

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)	Net income per share (yen)
The year ended in March 2018	254,846	20,591	21,311	11,461	224.81
The year ended in March 2017	252,777	20,210	21,084	11,568	220.06
Amount of increase or decrease	2,068	381	227	-106	4.74
Change year on year (%)	100.8	101.9	101.1	99.1	102.2

&lt;&lt;Performance by business segment&gt;&gt;

(Unit: million yen)

	Net sales				Segment income or loss(-) (operating income or loss(-))			
	Current term	Previous term	Amount of increase or decrease	Change (%)	Current term	Previous term	Amount of increase or decrease	Change (%)
Business wear business	188,728	188,426	301	100.2	19,064	19,464	-400	97.9
Casual wear business	15,145	16,684	-1,539	90.8	-840	-1,556	715	—
Credit card business	4,905	4,554	351	107.7	1,857	1,329	527	139.7
Printing and media business	11,602	11,430	171	101.5	281	279	1	100.7
Sundry sales business	15,939	15,822	117	100.7	639	602	37	106.1
Total repair service business	12,525	11,815	710	106.0	-506	163	-669	—
Others	9,972	7,754	2,217	128.6	22	-79	102	—
Adjustments	-3,973	-3,710	-262	—	72	6	65	—
Total	254,846	252,777	2,068	100.8	20,591	20,210	381	101.9

(Notes) 1. Net sales by segment and segment income or loss (-) (operating income or loss(-)) are before eliminating inter-segment transactions.

2. From the first quarter of the consolidated fiscal year under review, Aoyama Suits (Shanghai) Co., Ltd. and Shanghai Fukuryo Industry and Trade Co., Ltd., a subsidiary of Fukuryo Co., Ltd., have been included in the Business Wear business.

## &lt;Overview of the Overall Operations during the Consolidated Fiscal Year &gt;

During the consolidated fiscal year, the Japanese economy stayed on a gradual recovery path as seen in the improvement in corporate earnings and employment. However, the situation remained unclear due to concerns about the economies of Europe, the United States and emerging countries as well as rising geopolitical risk. Under such circumstances, our Group implemented various measures to reinforce the profitability and competitiveness of Business wear business, and also enhanced the management base of the Group as well as its profitability.

As a result, performance of our Group as described below.

Net sales 254,846 million yen (100.8% of that of the previous year)

Operating income 20,591 million yen (101.9% of that of the previous year)

Ordinary income 21,311 million yen (101.1% of that of the previous year)

Profit attributable to owners of parent 11,461 million yen (99.1% of that of the previous year)

Status of operations by business segment is described below.

Please note that net sales by segment and segment income or loss are before eliminating inter-segment transactions.

## &lt;Business Wear Business&gt;

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

Net sales of the business were 188,728 million yen (100.2 % of that of the previous year) and segment income (operating income) was 19,064 million yen (97.9 % of that of the previous year).

Regarding the Business Wear business of Aoyama Trading Co., Ltd., which is our core business, we opened 16 stores of “Yofuku-no-Aoyama” (including 5 relocated stores), 10 stores of “The Suit Company” (including 7 rebranded stores, of which 1 store was “Yofuku-no-Aoyama,” 5 stores were “Next Blue,” and 1 store was “Universal Language”), and 2 stores of “White The Suit Company,” a specialty store for womenswear, as we engaged in a steady store opening activities. On the marketing front, we asked Mr. Troy James, a Canadian performer, to appear in our new TV commercial for “Yofuku-no-Aoyama,” in which he emphasized the stretchability of the suit through surprising moves to stress the suit’s functionality. Furthermore, we also opened an official account on Line and Instagram and launched a sales campaign on the web through YouTube, etc. to increase new customers. In the product area, we enhanced our lineup of highly functional products such as leather shoes that are easy to run in, which feature tire technology of Bridgestone, and light walking shoes that adopt an insole developed by an educational-industrial complex to lead to correct walking.

For womenswear, we enhanced the product lineup by increasing the variation and size of clothes to suit each occasion and age, such as formal wear for married women. As a result, sales in this category performed favorably. However, due to a decline in the number of customers, sales from existing stores were 97.5% of the previous year.

<Changes in net sales, number of customers, and per-customer spending of suits business of existing stores compared to the previous year> (Unit: %)

	Year ended March 2016	Year ended March 2017	Year ended March 2018
Net sales	103.0	99.1	97.5
Number of customers	98.4	97.3	96.9
Per-customer spending	104.7	101.9	100.6

The number of men’s suits sold, our mainstay, was 2,126 thousand suits or 96.8% of that of the previous year, and the average sales unit price was 27,298 yen or 99.3% of that of the previous year.

## &lt;Changes in number of men's suits sold and average sales unit price&gt;

	Year ended March 2016	Year ended March 2017	Year ended March 2018
Number of men's suits sold (1,000 suits)	2,223	2,195	2,126
Average sales unit price (yen)	27,484	27,498	27,298

For the opening and closing of stores, please refer to the description below.

<Number of stores opened and closed and stores at the end of the year of the suits business by each business format (As of the end of March 2018)> (Unit: store)

Name of business format	Business wear business of Aoyama Trading Co., Ltd.								Aoyama Suits (Shanghai) Co., Ltd.
	Yofuku-no-Aoyama	Next Blue	The Suit Company	Universal Language	Blue Grigio	Universal Language Measure's	White The Suit Company	Total	Yofuku-no-Aoyama
Stores opened [of which, relocated and reconstructed] (From April to March)	16 [5]	0	10	0	0	0	2	28 [5]	6
Stores closed (From April to March)	4	8	1	1	1	1	0	16	4
Number of stores at the end of the year (At the end of March)	812	0	58	13	0	3	10	896	24

- (Notes) 1. Numbers under "The Suit Company" include the number of "TSC SPA OUTLET" formats and the numbers under "Universal Language" include "UL OUTLET" formats.  
 2. Of the 10 newly opened stores of "The Suit Company," 7 are rebranded stores from another brand ("Yofuku-no-Aoyama" 1 store, "Next Blue" 5 stores, and "Universal Language" 1 store).  
 3. The "Next Blue" and "Blue Grigio" brands have been eliminated due to store closing as mentioned above.  
 4. Number of store openings and closings of Aoyama Suits (Shanghai) Co., Ltd. is the number recorded during the period from January to December 2017, and the number of stores at the end of year is as of the end of December 2017.

## &lt;Casual wear business&gt; [Casual wear business of Aoyama Trading Co., Ltd. and Eagle Retailing Corporation]

In the Casual wear business, due mainly to the sluggish market of American-style casual wear, net sales were 15,145 million yen (90.8% of that of the previous year) and segment loss (operating loss) was 840 million yen (in the previous year, segment loss (operating loss) was 1,556 million yen).

Stores opened and closed 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 2018)> (Unit: store)

Name of business format	Casual wear business of Aoyama Trading Co., Ltd.		Eagle Retailing Corporation
	CALAJA	LEVI'S STORE	American Eagle Outfitters
Stores opened [of which, relocated and reconstructed] (From April to March)	0	0	0
Stores closed (From April to March)	3	0	0
Number of stores at the end of the year (At the end of March)	6	9	34

(Note) Numbers under American Eagle Outfitters include outlet stores.

## &lt;Credit card business&gt; [Aoyama Capital Co., Ltd.]

In the Credit card business, due to an increase in shopping transaction volume, net sales were 4,905 million yen (107.7 % of the previous year) and segment income (operating income) was 1,857 million yen (139.7 % of the previous year). Funds were acquired through loans from the parent company, Aoyama Trading Co., Ltd., and through the issuance of corporate bonds.

<Changes in the number of effective members of AOYAMA Card and balance of operating loans receivable of the Credit card business>

	Year ended February 2016	Year ended February 2017	Year ended February 2018
Number of effective members (10,000 persons)	399	407	414
Balance of operating loans receivable (million yen)	48,915	53,939	55,100

## &lt;Printing and media business&gt; [ASCON Co., Ltd.]

In the Printing and media business, net sales totaled 11,602 million yen (101.5% of the previous year) and segment income (operating income) was 281 million yen (100.7% of the previous year).

## &lt;Sundry sales business&gt; [Seigo Co., Ltd.]

In the Sundry sales business, net sales were 15,939 million yen (100.7% of the previous year) and segment income (operating income) was 639 million yen (106.1% of the previous year) due to an increase in the line of expensive products (150~500 yen).

Regarding stores, the number of stores at the end of February 2018 was 118 (117 stores at the end of the previous year).

## &lt;Total repair service business&gt; [Minit Asia Pacific Co., Ltd.]

In the total repair service business, net sales were 12,525 million yen (106.0% of the previous year) due to store opening, etc., but segment loss (operating loss) came in at 506 million yen (segment income (operating income) of 163 million yen was posted in the previous fiscal year) mainly due to prior investment for business expansion (diversification of service and accelerated store opening).

Stores opened and closed as described below.

<Number of stores opened and closed and stores at the end of the year of the Total repair service business by each business format (As of the end of March 2018)> (Unit: store)

Name of business format	Mister Minit			
	Japan	Oceania	Others	Total
Stores opened [of which, relocated and reconstructed] (From April to March)	29	12	6	47
Stores closed (From April to March)	18	3	1	22
Number of stores at the end of the year (At the end of March)	310	276	37	623

## &lt;Others&gt; [Reuse business of Aoyama Trading Co., Ltd. and glob Co., Ltd., WTW Corporation]

In Other business, opened 1 new store of “2nd STREET”, 4 new stores of “Yakiniku king”, 2 new stores of “Yuzu An” and 1 new store of “WTW”, net sales were 9,972 million yen (128.6% of that of the previous year) and segment income (operating income) was 22 million yen (in the previous year, it was 79 million yen as segment loss (operating loss)).

Stores opened and closed are as described below.

<Number of stores opened and closed and stores at the end of the year under other business by each business format  
(As of the end of March 2018)> (Unit: store)

Name of business format	Reuse business of Aoyama Trading Co., Ltd.		glob Co., Ltd.		WTW Corporation	
	2nd STREET	JUMBLE STORE	Yakiniku King	Yuzu An	WTW	WTW SURFCLUB
Stores opened (From April to March)	1	0	4	2	1	0
Stores closed (From April to March)	0	0	0	0	0	0
Number of stores at the end of the year (At the end of March)	11	2	28	11	5	1

## (2) Overview of financial situation for the Current Term

### (Assets)

Current assets were 212,918 million yen (up 9,116 million yen from the end of the previous fiscal year). This was mainly because although prepaid expenses decreased by 2,016 million yen, cash and deposits increased by 9,054 million yen, notes and accounts receivable - trade increased by 1,113 million yen and operating loans increased by 1,160 million yen.

Non-current assets were 184,379 million yen (down 3,077 million yen from the end of the previous fiscal year). This was mainly because although investment securities increased by 2,615 million yen, property, plant and equipment decreased by 2,691 million yen, goodwill decreased by 1,331 million yen, long-term loans receivable decreased by 570 million yen and real estate for investment decreased by 636 million yen.

As a result, total assets were 397,381 million yen (up 6,012 million yen from the end of the previous fiscal year).

### (Liabilities)

Current liabilities were 76,059 million yen (up 17,317 million yen from the end of the previous fiscal year). This was mainly because electronically recorded obligations - operating decreased by 399 million yen, Notes and accounts payable - trade increased by 1,668 million yen and Short-term loans payable increased by 15,500 million yen.

Non-current liabilities were 90,803 million yen (down 8,157 million yen from the end of the previous fiscal year). This was mainly because although net defined benefit liability increased by 3,243 million yen, long-term loans payable decreased by 11,000 million yen.

As a result, total liabilities were 166,862 million yen (up 9,160 million yen from the end of the previous fiscal year).

### (Net assets)

Total assets were 230,518 million yen (down 3,148 million yen from the end of the previous fiscal year). This was mainly because although retained earnings increased by 2,845 million yen, the reduction of treasury shares increased by 5,963 million yen.

## (3) Overview of Cash Flows for the Current Term

During the current fiscal year, cash and cash equivalents (hereinafter referred to as “Funds”) increased by 10,620 million yen from the beginning of the year, and amounted to 48,827 million yen at the end of the fiscal year (up 27.8% compared to the previous fiscal year).

The status of the respective cash flow positions during the current consolidated fiscal year and factors thereof are described below.

### <Cash flows from operating activities>

As a result of operating activities, Funds acquired were 27,987 million yen (17,093 million yen acquired in the previous fiscal year).

Funds increased as a result of net income before income taxes of 18,283 million yen, impairment loss of 2,559 million yen and depreciation of 9,400 million yen. However funds decreased as a result of increase operating loans receivable of 1,160 million yen and with income taxes paid of 7,079 million yen.



## &lt;Cash flows from investing activities&gt;

Funds used as a result of investing activities were 6,986 million yen (11,288 million yen used in the previous consolidated fiscal year).

Funds were used to acquire time deposits, securities and investment securities totaling 80,425 million yen and also to acquire tangible and intangible assets totaling 8,403 million yen. However, funds increased by 81,708 million yen as a result of withdrawal of time deposits and sales of securities and investment securities.

## &lt;Cash flows from financing activities&gt;

Funds used for financing activities totaled 10,528 million yen (16,055 million yen used in the previous consolidated fiscal year).

Funds decreased with repayments of long-term loans payable of 3,000 million yen, payment for the acquisition of treasury shares of 6,009 million yen and payment for dividends of 8,554 million yen. However, Funds increased due to proceeds from long-term loans payable of 7,000 million yen.

## (4) Outlook for the next fiscal year

## &lt;&lt;Projected consolidated results&gt;&gt;

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)	Net income per share (yen)
Year ending March 2019	261,500	20,000	20,600	11,400	225.84
Year ended March 2018	254,846	20,591	21,311	11,461	224.81
Change from the previous year (%)	102.6	97.1	96.7	99.5	100.5

## &lt;&lt;Projected non-consolidated results&gt;&gt;

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Net income per share (yen)
Year ending March 2019	192,780	17,200	18,230	11,340	224.65
Year ended March 2018	188,853	18,260	18,578	11,438	224.35
Change from the previous year (%)	102.1	94.2	98.1	99.1	100.1

<Forecasted changes from the previous year of net sales of existing stores of Aoyama Trading Co., Ltd.>

(Unit: %)

	Year ending March 2019		
	The 1 <sup>st</sup> half of the year	The 2 <sup>nd</sup> half of the year	Annual total
Business wear business	101.5	102.6	102.2
Casual wear and reuse businesses	101.9	101.6	101.8
Aoyama Trading Co., Ltd. total	101.5	102.6	102.1

## &lt;&lt;Projected consolidated results&gt;&gt;

The Group announced a three-year medium-term management plan “CHALLENGE II 2020” covering the period up until March 2021 in February 2018. The plan has a target to achieve consolidated net sales of 300,000 million yen, operating income of 25,000 million yen and ROE of 6.3% (7.0% excluding goodwill), and we will execute the following four important measures: (1) core business—reform and challenge, (2) next-generation business—creation and nurturing, (3) develop infrastructure—improvement of productivity, and (4) working on ESG initiatives.

## &lt;Key Strategies under the “CHALLENGE II 2020” Medium-term Business Plan&gt;

- (1) Reform the core business and take on new challenges
  - ① Expand corporate sales and develop an organizational structure
  - ② Accelerate efforts to digitize EC, sales promotions, store operations, etc.
  - ③ Make a full-scale entry into the uniform market
  - ④ Implement measures targeting people in their 20s and 30s, as well as stores in rural areas, and enhance merchandising
- (2) Create and grow next-generation businesses
  - ① Expand the total repair service business (new store launches and M&As)
  - ② Effectively use store assets across Japan
  - ③ Create new businesses (leverage customer bases to create synergies, work on out-of-the-box initiatives)
- (3) Develop infrastructure to improve productivity
  - ① Maintain the new personnel system: improve motivation
  - ② Aggressively invest in IT innovations
- (4) Work on ESG initiatives
  - ① Environmental initiatives
  - ② Personnel and social initiatives
  - ③ Governance enhancement

During the fiscal year under review, which corresponds to the first year of the medium-term plan, consolidated net sales are expected to increase as a result of taking various measures in each business segment. But as for operating income, we expect to see a decline since the introduction of a new personnel system in our core Business Wear business will push up the personnel expenses substantially.

To describe specifically, our forecasts for the full-year are consolidated net sales of 261,500 million yen (102.6 % of the previous year), operating income of 20,000 million yen (97.1% of the previous year), ordinary income of 20,600 million yen (96.7 % of the previous year), and profit attributable to owners of parent of 11,400 million yen (99.5% of the previous year).

## &lt;&lt;Projected non-consolidated results&gt;&gt;

With respect to the Business Wear business of Aoyama Trading Co., Ltd., which is our core business, we will continue to open new stores, relocate and renew the stores centering on the existing operations. For women’s wear, which is a growth area, we will be strengthening our product lineup, capturing female customers by issuing new house cards, expanding corporate tie-ups by enhancing our corporate marketing activity and increasing sales of corporate uniforms. We will also endeavor to acquire new customers and develop systems related to EC etc. and logistics, thereby increasing the net sales.

By implementing these measures, we project that net sales of existing stores of the Business Wear business of Aoyama Trading Co., Ltd. next year will surpass the results of the previous year, and be 102.2% of the previous year.

As a result, our projected financial results for the full year are net sales of 192,780 million yen (102.1% of the previous year), operating income of 17,200 million yen (94.2% of the previous year), ordinary income of 18,230 million yen (98.1% of the previous year), and net income of 11,340 million yen (99.1% of the previous year).

Statements on the future such as earnings outlook etc. are based on information obtained by the Company and certain assumptions which the Company deems to be rational, and the Company has no intention of guaranteeing the outlook will be achieved. The actual earnings performance may differ greatly from the outlook for various reasons.

2. Basic policy concerning selection of accounting standards

In view of the comparability of consolidated financial statements among periods and among corporations, the Group intends to prepare its consolidated financial statements based on Japanese standards for the time being. Regarding application of IFRS, we intend to ensure appropriate responses, taking into account conditions inside and outside Japan.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Unit: million yen)

	The previous consolidated fiscal year (March 31, 2017)	The current consolidated fiscal year (March 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	50,382	59,437
Notes and accounts receivable - trade	19,233	20,346
Securities	20,099	20,499
Merchandise and finished goods	50,898	50,222
Work in process	1,095	1,373
Raw materials and supplies	1,451	1,514
Deferred tax assets	1,660	1,696
Operating loans	53,939	55,100
Other	5,295	2,993
Allowance for doubtful accounts	-255	-266
Total current assets	203,801	212,918
Non-current assets		
Property, plant and equipment		
Buildings and structures	147,629	148,344
Accumulated depreciation	-86,266	-89,090
Buildings and structures (net)	61,362	59,253
Machinery, equipment and vehicles	6,878	7,210
Accumulated depreciation	-5,232	-5,536
Machinery, equipment and vehicles (net)	1,646	1,673
Land	36,948	37,684
Leased assets	5,877	6,119
Accumulated depreciation	-2,380	-3,023
Leased assets (net)	3,497	3,095
Construction in progress	329	91
Other	19,101	18,653
Accumulated depreciation	-13,044	-13,304
Other (net)	6,056	5,348
Total property, plant and equipment	109,840	107,148
Intangible assets		
Goodwill	12,736	11,404
Other	8,428	8,040
Total Intangible assets	21,164	19,444
Investments and other assets		
Investment securities	9,806	12,422
Long-term loans receivable	4,009	3,438
Net defined benefit asset	231	270
Deferred tax assets	8,705	9,591
Lease and guarantee deposits	27,122	26,728
Real estate for investment	9,019	8,444
Accumulated depreciation	-3,977	-4,039
Real estate for investment (net)	5,041	4,405
Other	1,563	987
Allowance for doubtful accounts	-28	-57
Total investments and other assets	56,452	57,786
Total non-current assets	187,457	184,379
Total deferred assets	109	83
Total assets	391,369	397,381

(Unit: million yen)

	The previous consolidated fiscal year (March 31, 2017)	The current consolidated fiscal year (March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,355	21,023
Electronically recorded obligations - operating	17,030	16,631
Short-term loans payable	2,050	17,550
Accounts payable - other	8,778	9,140
Income taxes payable	4,350	4,549
Provision for bonuses	1,795	1,886
Other	5,382	5,276
Total current liabilities	58,742	76,059
Non-current liabilities		
Bonds payable	24,000	24,000
Long-term loans payable	58,500	47,500
Net defined benefit liability	6,070	9,314
Provision for point card certificates	3,115	3,158
Other	7,274	6,830
Total non-current liabilities	98,960	90,803
Total liabilities	157,702	166,862
<b>Net assets</b>		
Shareholders' equity		
Capital stock	62,504	62,504
Capital surplus	62,533	62,533
Retained earnings	134,291	137,137
Treasury shares	-13,701	-19,665
Total shareholders' equity	245,628	242,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,829	3,436
Deferred gains or losses on hedges	21	-17
Revaluation reserve for land	-16,142	-16,015
Foreign currency translation adjustment	-162	-257
Remeasurements of defined benefit plans	-301	-2,221
Total accumulated other comprehensive income	-14,755	-15,076
Subscription rights to shares	8	—
Non-Controlling Interests	2,785	3,085
Total net assets	233,666	230,518
Total liabilities and net assets	391,369	397,381

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Unit: million yen)

	The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Net sales	252,777	254,846
Cost of sales	112,358	113,154
Gross profit	140,419	141,691
Selling, general and administrative expenses	120,208	121,099
Operating income	20,210	20,591
Non-operating income		
Interest income	138	123
Dividend income	194	227
Real estate rent	1,099	1,123
Foreign exchange gains	304	51
Others	505	457
Total non-operating income	2,242	1,983
Non-operating expenses		
Interest expenses	130	128
Rent cost of real estate	883	866
Loss on valuation of derivatives	268	155
Others	86	113
Total non-operating expenses	1,369	1,264
Ordinary income	21,084	21,311
Extraordinary income		
Gain on sales of non-current assets	100	—
Gain on sales of investment securities	41	—
Total extraordinary income	142	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	493	395
Impairment loss	1,390	2,559
Loss on valuation of investments in capital	24	72
Total extraordinary losses	1,909	3,027
Income before income taxes and minority interests	19,317	18,283
Income taxes - current	7,476	7,272
Income taxes - deferred	-42	-772
Total income taxes	7,434	6,499
Current net income	11,883	11,784
Profit attributable to Non-controlling shareholders	314	322
Profit attributable to owners of parent	11,568	11,461

## Consolidated Statement of Comprehensive Income

(Unit: million yen)

	The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Current net income	11,883	11,784
Other comprehensive income		
Valuation difference on available-for-sale securities	53	1,606
Deferred gains or losses on hedges	91	-39
Foreign currency translation adjustment	-375	-93
Adjustment for retirement benefits	153	-1,914
Total other comprehensive income	-76	-440
Comprehensive income	11,806	11,343
(Breakdown)		
Comprehensive income attributable to owners of parent company	11,500	11,013
Comprehensive income attributable to non-controlling shareholders	306	330

## (3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at the beginning of the year	62,504	62,527	131,050	-7,289	248,793
Changes of items during period					
Changes of interests of parent company due to transactions with non-controlling interests		5			5
Dividends of surplus			-8,274		-8,274
Profit attributable to owners of parent			11,568		11,568
Reversal of revaluation reserve for land					—
Purchase of treasury shares				-6,501	-6,501
Disposal of treasury shares		-52		89	36
Change in the scope of consolidation					—
Transfer to capital surplus from retained earnings		52	-52		—
Changes of items other than shareholders' equity (net)					
Total changes of items during period	—	5	3,241	-6,412	-3,165
Balance at the end of the year	62,504	62,533	134,291	-13,701	245,628

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling Interest	Total net asset
	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 accumulated other comprehensive income			
Balance at the beginning of the year	1,770	-70	-16,141	208	-453	-14,686	13	2,602	236,723
Changes of items during period									
Changes of interests of parent company due to transactions with non-controlling interests									5
Dividends of surplus									-8,274
Profit attributable to owners of parent									11,568
Reversal of revaluation reserve for land									—
Purchase of treasury shares									-6,501
Disposal of treasury shares									36
Change in the scope of consolidation									—
Transfer to capital surplus from retained earnings									—
Changes of items other than shareholders' equity (net)	59	91	-1	-371	152	-69	-5	182	108
Total changes of items during period	59	91	-1	-371	152	-69	-5	182	-3,057
Balance at the end of the year	1,829	21	-16,142	-162	-301	-14,755	8	2,785	233,666



## Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at the beginning of the year	62,504	62,533	134,291	-13,701	245,628
Changes of items during period					
Changes of interests of parent company due to transactions with non-controlling interests					—
Dividends of surplus			-8,554		-8,554
Profit attributable to owners of parent			11,461		11,461
Reversal of revaluation reserve for land			-126		-126
Purchase of treasury shares				-6,001	-6,001
Disposal of treasury shares		-18		37	19
Change in the scope of consolidation			83		83
Transfer to capital surplus from retained earnings		18	-18		—
Changes of items other than shareholders' equity (net)					
Total changes of items during period	—	—	2,845	-5,963	-3,118
Balance at the end of the year	62,504	62,533	137,137	-19,665	242,510

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling Interest	Total net asset
	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 accumulated other comprehensive income			
Balance at the beginning of the year	1,829	21	-16,142	-162	-301	-14,755	8	2,785	233,666
Changes of items during period									
Changes of interests of parent company due to transactions with non-controlling interests									—
Dividends of surplus									-8,554
Profit attributable to owners of parent									11,461
Reversal of revaluation reserve for land									-126
Purchase of treasury shares									-6,001
Disposal of treasury shares									19
Change in the scope of consolidation									83
Transfer to capital surplus from retained earnings									—
Changes of items other than shareholders' equity (net)	1,606	-39	126	-94	-1,920	-321	-8	300	-29
Total changes of items during period	1,606	-39	126	-94	-1,920	-321	-8	300	-3,148
Balance at the end of the year	3,436	-17	-16,015	-257	-2,221	-15,076	—	3,085	230,518

## (4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	The previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)	The current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Income before income taxes and minority interests	19,317	18,283
Depreciation	9,735	9,400
Impairment loss	1,390	2,559
amortization of goodwill	1,196	1,227
Bond issuance cost	100	26
Increase (decrease) in allowance for doubtful accounts ("-" indicates decrease)	23	11
Increase (decrease) in provision for bonuses ("-" indicates decrease)	114	83
Increase (decrease) in net defined benefit liability ("-" indicates decrease)	430	439
Increase (decrease) in provision for point card certificate ("-" indicates decrease)	86	42
Interest and dividend income	-332	-351
Interest expenses	130	128
Loss (gain) on sales of investment securities ("-" indicates increase)	-41	—
Loss (gain) on sales and retirement of non-current asset ("-" indicates increase)	392	394
Loss (gain) on valuation of derivatives ("-" indicates increase)	268	155
Increase (decrease) in notes and accounts receivable – trade ("-" indicates increase)	-674	-1,051
Increase (decrease) in operating loans receivable ("-" indicates increase)	-5,024	-1,160
Increase (decrease) in inventories ("-" indicates increase)	1,778	559
Increase (decrease) in notes and accounts payable - trade ("-" indicates decrease)	-2,217	1,500
Increase (decrease) in accounts payable - other ("-" indicates decrease)	-511	408
Increase (decrease) in accrued consumption taxes ("-" indicates decrease)	144	-162
Other, net	1,487	2,418
Sub-total	27,796	34,916
Interest and dividend income received	260	270
Interest expenses paid	-130	-119
Income taxes paid	-10,832	-7,079
Net cash provided by(used in) operating activities	17,093	27,987

	(Unit: million yen)	
	The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Payments into time deposits	-34,215	-30,776
Proceeds from withdrawal of time deposits	35,145	32,308
Purchase of securities	-75,400	-49,600
Proceeds from sales of short-term and long-term securities	77,251	49,400
Purchase of property, plant and equipment	-11,772	-7,464
Proceeds from sales of property, plant and equipment	136	16
Purchase of intangible assets	-418	-939
Purchase of investment securities	-1	-49
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation	-2,178	—
Payments of loans receivable	-78	-104
Collection of loans receivable	16	34
Payments for lease and guarantee deposits	-944	-741
Proceeds from collection of lease and guarantee deposits	681	858
Others, net	489	69
Net cash provided by(used in) investing activities	-11,288	-6,986
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable (“-” indicates decrease)	-1,000	500
Proceeds from long-term loans payable	500	7,000
Repayments of long-term loans payable	—	-3,000
Purchase of treasury shares of subsidiaries	-11	—
Proceeds from issuance of bonds	19,897	—
Payments for redemption of bonds	-20,000	—
Proceeds from sales of treasury shares	30	13
Purchase of treasury shares	-6,509	-6,009
Cash dividends paid	-8,274	-8,554
Cash dividends paid to non-controlling shareholders	-25	-30
Payments from changes in ownership interests in subsidiaries that do not result in a change in the scope of consolidation	-83	—
Others, net	-580	-448
Net cash provided by(used in) financing activities	-16,055	-10,528
Effect of exchange rate change on cash and cash equivalents	30	7
Net increase (decrease) in cash and cash equivalents (“-” indicates decrease)	-10,219	10,480
Cash and cash equivalents at the beginning of period	48,426	38,207
Increase (decrease) in cash and cash equivalents resulting from change in the scope of consolidation	—	139
Cash and cash equivalents at end of period	38,207	48,827

## (5) Notes to the Consolidated Financial Statements

(Notes concerning the going-concern assumption)

No corresponding item existed.

(Segment information etc.)

[Segment information]

### 1. Summary of reporting segments

The Group's reportable segments are the business units for which the Company is able to obtain respective financial information separately in order for the management to conduct reviews on a regular basis to determine the allocation of management resources and assess business performance.

The Group formulates strategies of the Business wear business and the Casual wear business by each business format and strategies of other than the Business wear business and the Casual wear business by each subsidiary with respect to their handling of goods and services to conduct business activities. Therefore, the Group consists of segments for each product and service based on business format or business, and the six reporting segments are Business wear business, which includes business segments relating to business wear sales, whose economic features are similar, Casual wear business, which includes business segments relating to casual wear sales, Credit card business, Printing and media business, Sundry sales business, and Total repair service business.

The Business wear business mainly provides suits, jackets, slacks, coats, formal wear, and other clothing items; the Casual wear business mainly provides casual clothing items; the Credit card business mainly provides small-amount finance and credit card services; the Printing and media business mainly prints various flyers and catalogs and publishes magazines; the Sundry sales business mainly provides daily merchandise and processed foods; and the Total repair service business mainly provides comprehensive repair services including shoe repair and key duplication.

### 2. Methods of calculating net sales, net income or loss, assets, liabilities, and other items by each reporting segment

Accounting methods for reported business segments are largely as described in compliance with the accounting policy used for the preparation of consolidated financial statements.

Net income of a reporting segment is a figure based on either operating income or loss. Intersegment sales or transfers are based on market prices.

3. Information concerning net sales, net income or loss, assets, liabilities, and other items by each reporting segment  
Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Reporting segments							Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total				
Net sales											
Net sales to outside customers	188,160	16,684	4,134	8,440	15,821	11,781	245,023	7,754	252,777	—	252,777
Intersegment sales or transfers	266	—	419	2,990	0	33	3,710	—	3,710	-3,710	—
Total	188,426	16,684	4,554	11,430	15,822	11,815	248,733	7,754	256,487	-3,710	252,777
Segment income or loss (-)	19,464	-1,556	1,329	279	602	163	20,283	-79	20,204	6	20,210
Segment assets	231,071	12,322	59,925	7,632	5,719	21,655	338,326	8,062	346,389	44,980	391,369
Other items											
Depreciation expense	7,435	627	41	326	117	713	9,263	429	9,692	43	9,735
Amount of increase of property, plant and equipment and intangible assets	6,422	1,002	108	200	170	791	8,696	3,988	12,685	1,651	14,337

(Notes) 1. The classification of Others indicates non-reporting business segments and includes the reuse business and the restaurant business.

2. (1) The amount of 6 million yen of adjustments of segment income or loss(-) is the amount eliminated as intersegment transactions.
- (2) The amount of adjustments to segment assets of 44,980 million yen includes company-wide assets not allocated to each of the reporting segments of 87,288 million yen and an amount of minus 40,847 million yen of elimination of payables and receivables between segments. Company-wide assets mainly refer to surplus funds of the parent company (cash and deposits, and securities), shares in affiliated companies, long-term investment funds, and real estate for investment.
- (3) The amount of adjustments to depreciation of 43 million yen is associated with real estate for investment.
- (4) The amount of adjustments to the amount of increase of property, plant and equipment and intangible assets of 1,651 million yen is associated with real estate for investment and amount eliminated as intersegment transactions.
3. Segment income or loss (-) is adjusted with operating income presented in “Consolidated Statement of Income”.

## Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reporting segments							Others (Note) 1	Total	Adjustments (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total				
Net sales											
Net sales to outside customers	188,420	15,145	4,473	8,446	15,939	12,448	244,874	9,971	254,846	—	254,846
Intersegment sales or transfers	307	—	432	3,155	0	77	3,973	—	3,973	-3,973	—
Total	188,728	15,145	4,905	11,602	15,939	12,525	248,847	9,972	258,819	-3,973	254,846
Segment income or loss (-)	19,064	-840	1,857	281	639	-506	20,496	22	20,519	72	20,591
Segment assets	226,379	9,446	62,532	8,034	5,637	21,190	333,220	8,645	341,865	55,515	397,381
Other items											
Depreciation expense	7,003	523	50	334	117	808	8,837	517	9,355	45	9,400
Amount of increase of property, plant and equipment and intangible assets	5,776	39	56	308	169	1,159	7,510	1,049	8,560	26	8,586

- (Notes) 1. The classification of Others indicates non-reporting business segments and includes the reuse business and the restaurant business.
2. (1) The amount of 72 million yen of adjustments of segment income or loss (-) is the amount eliminated as intersegment transactions.
- (2) The amount of adjustments to segment assets of 55,515 million yen includes company-wide assets not allocated to each of the reporting segments of 71,602 million yen and an amount of minus 16,055 million yen of elimination of payables and receivables between segments. Company-wide assets mainly refer to surplus funds of the parent company (cash and deposits, and securities), shares in affiliated companies, long-term investment funds, and real estate for investment.
- (3) The amount of adjustments to depreciation of 45 million yen is associated with real estate for investment.
- (4) The amount of adjustments to the amount of increase of property, plant and equipment and intangible assets of 26 million yen is associated with real estate for investment.
3. Segment income or loss (-) is adjusted with operating income presented in “Consolidated Statement of Income”.

[Related information]

Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

1. Information by product and service

This information is omitted because similar information is disclosed in segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales from external customers in Japan exceed 90% of net sales in the “Consolidated Statement of Income.”

(2) Property, plant and equipment

This information is omitted because tangible fixed assets located in Japan exceed 90% of tangible fixed assets in the “Consolidated Balance Sheet.”

3. Information by major customer

This information is omitted because sales to a single external customer did not exceed 10% of net sales shown in the “Consolidated Statement of Income.”

Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

1. Information by product and service.

This information is omitted because similar information is disclosed in segment information.

2. Information by region

(1) Net sales

This information is omitted because net sales from external customers in Japan exceed 90% of net sales in the “Consolidated Statement of Income.”

(2) Property, plant and equipment

This information is omitted because tangible fixed assets located in Japan exceed 90% of tangible fixed assets in the “Consolidated Balance Sheet.”

3. Information by major customer

This information is omitted because sales to a single external customer did not exceed 10% of net sales shown in the “Consolidated Statement of Income.”

## [Information concerning impairment losses of non-current assets by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Reporting segments							Others	Adjustments (Note)	Total
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total			
Impairment loss	1,087	238	—	—	29	—	1,355	—	34	1,390

(Note) The adjustment of 34 million yen is associated with real estate for investment.

Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reporting segments							Others	Adjustments (Note)	Total
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total			
Impairment loss	1,253	1,216	—	—	30	—	2,500	8	50	2,559

(Note) The adjustment of 50 million yen is associated with real estate for investment.

## [Information concerning amortization of goodwill and unamortized balances by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Reporting segments							Others	All segments/ canceled	Total
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total			
amortized of goodwill	—	—	—	—	—	799	799	397	—	1,196
unamortized balances	—	—	—	—	—	11,146	11,146	1,589	—	12,736

Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reporting segments							Others	All segments/ canceled	Total
	Business wear business	Casual wear business	Credit card business	Printing and media business	Sundry sales business	Total repair service business	Total			
amortized of goodwill	—	—	—	—	—	830	830	397	—	1,227
unamortized balances	—	—	—	—	—	10,212	10,212	1,192	—	11,404

## [Information concerning gain on negative goodwill by each reporting segment]

Previous Consolidated Fiscal Year (From April 1, 2016 to March 31, 2017)

No corresponding item existed.

Current Consolidated Fiscal Year (From April 1, 2017 to March 31, 2018)

No corresponding item existed.



## (Per-share information)

The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)		The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)	
Net assets per share	4,443 yen 59 sen	Net assets per share	4,505 yen 53 sen
Net income per share	220 yen 06 sen	Net income per share	224 yen 81 sen
Diluted net income per share	220 yen 02 sen	Diluted net income per share	224 yen 80 sen

(Notes) 1. The remaining shares of the Company in a trust account recorded as treasury shares in shareholders' equity are 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, and are 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.

The average number of shares outstanding during the year of the said treasury shares deducted for the purpose of calculating net income per share was 185,900 shares for the previous consolidated fiscal year and 185,191 shares for the current consolidated fiscal year, and the total number of outstanding shares at the end of the fiscal year of the said treasury shares deducted for the purpose of calculating net assets per share was 185,900 shares for the previous consolidated fiscal year and 184,600 shares for the current consolidated fiscal year

## 2. Basis for calculations

## 1. Net assets per share

Item	The previous consolidated fiscal year (March 31, 2017)	The current consolidated fiscal year (March 31, 2018)
Total amount of net assets (million yen)	233,666	230,518
Amount deducted from total net assets (million yen)	2,793	3,085
(Including subscription rights to shares (million yen))	(8)	(—)
(including non-controlling shareholders (million yen))	(2,785)	(3,085)
Year-end net assets applicable to common shares (million yen)	230,873	227,433
Number of common shares used for calculations of net assets per share (shares)	51,956,414	50,478,787

## 2. Net income per share and diluted net income per share

Item	The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Amount of profit per share		
Profit attributable to owners of parent (million yen)	11,568	11,461
Amount not attributable to common share holders (million yen)	—	—
Profit attributable to owners of parent associated with common shares (million yen)	11,568	11,461
Average number of common shares outstanding during the year (shares)	52,568,167	50,985,093
Amount profit per share adjusted for potential shares		
Amount adjusted for profit attributable to owners of parent (million yen)	—	—
Increase in the number of common shares (shares)	10,541	900
(Including subscription rights to shares (shares))	(10,541)	(900)
Outline of potential shares that were not used in calculating diluted net income per share because they have no dilutive effects	Resolution of the Board of Directors' meeting on January 8, 2016 Stock option (Subscription rights to shares 2,580) Common share 258,000 shares	Resolution of the Board of Directors' meeting on January 8, 2016 Stock option (Subscription rights to shares 2,580) Common share 258,000 shares

## 4. Non-consolidated financial statements

## (1) Balance sheet

(Unit: million yen)

	The previous fiscal year (March 31, 2017)	The current fiscal year (March 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	39,263	46,697
Accounts receivable - trade	13,201	14,023
Securities	20,099	20,499
Merchandise and finished goods	44,181	44,259
Raw materials and supplies	589	574
Advance payments - trade	292	37
Short-term loans receivable from subsidiaries and associates	20,000	17,300
Prepaid expenses	2,685	618
Deferred tax assets	929	925
Accrued income	4	3
Other	730	674
Allowance for doubtful accounts	-6	-7
Total current assets	141,973	145,608
Non-current assets		
Property, plant and equipment		
Buildings	45,813	44,312
Structures	6,562	6,177
Machinery and equipment	688	546
Vehicles	24	15
Tools, furniture and fixtures	4,890	4,602
Land	34,613	35,290
Leased assets	2,778	2,509
Construction in progress	296	86
Total property, plant and equipment	95,666	93,541
Intangible assets		
Leasehold right	856	858
Trademark right	304	226
Software	1,588	1,604
Telephone subscription right	112	112
Total intangible assets	2,862	2,802
Investments and other assets		
Investment securities	8,618	10,938
Shares of subsidiaries and associates	27,000	27,000
Investments in capital of subsidiaries and associates	395	395
Long-term loans receivable in capital of subsidiaries and associates	5,500	5,500
Long-term loans receivable	3,901	3,345
Long-term prepaid expenses	745	630
Deferred tax assets	8,003	7,684
Lease and guarantee deposits	25,689	25,109
Real estate for investment	10,894	10,465
Other	81	39
Allowance for doubtful accounts	-3,742	-4,617
Total investments and other assets	87,087	86,492
Total non-current assets	185,616	182,835
Total assets	327,589	328,443

(Unit: million yen)

	The previous fiscal year (March 31, 2017)	The current fiscal year (March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	11,384	13,130
Electronically recorded obligations - operating	16,804	16,401
Short-term loans payable	—	10,000
Lease obligations	344	304
Accounts payable - other	8,558	8,852
Accrued expenses	1,306	1,366
Income taxes payable	3,428	3,800
Advances received	148	220
Deposits received	100	123
Provision for bonuses	1,196	1,213
Asset retirement obligations	4	6
Other	1,755	1,533
Total current liabilities	45,034	56,953
Non-current liabilities		
Long-term loans payable	50,000	40,000
Lease obligations	406	351
Provision for retirement benefits	4,770	5,231
Provision for shares benefits	167	250
Provision for point card certificates	3,106	3,147
Asset retirement obligations	844	867
Other	2,757	2,641
Total non-current liabilities	62,052	52,488
Total liabilities	107,087	109,441
<b>Net assets</b>		
Shareholders' equity		
Capital stock	62,504	62,504
Capital surplus		
Legal capital surplus	62,526	62,526
Total capital surplus	62,526	62,526
Retained earnings		
Legal retained earnings	2,684	2,684
Other retained earnings		
General reserve	111,100	111,100
Retained earnings brought forward	9,491	12,233
Total retained earnings	123,275	126,017
Treasury shares	-13,701	-19,665
Total shareholders' equity	234,605	231,382
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,828	3,434
Revaluation reserve for land	-15,939	-15,814
Total valuation and translation adjustments	-14,111	-12,380
Subscription rights to shares	8	—
Total net assets	220,502	219,001
Total liabilities and net assets	327,589	328,443

## (2) Statements of Income

	(Unit: million yen)	
	The previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	The current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Net sales	189,650	188,853
Cost of sales	76,292	76,000
Gross profit	113,357	112,853
Selling, general and administrative expenses	94,646	94,592
Operating income	18,711	18,260
Non-operating income		
Interest income	196	179
Interest on securities	0	0
Dividend income	519	643
Real estate rent	3,339	3,521
Foreign exchange gains	251	132
Other	302	256
Total non-operating income	4,609	4,735
Non-operating expenses		
Interest expenses	116	116
Rent cost of real estate	3,109	3,249
Loss on valuation of derivatives	268	155
Provision of allowance for doubtful accounts	—	847
Other	27	48
Total non-operating expenses	3,522	4,417
Ordinary income	19,798	18,578
Extraordinary income		
Gain on sales of non-current assets	70	—
Total extraordinary income	70	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	375	306
Impairment loss	1,146	1,335
Provision of allowance for doubtful accounts	3,721	—
Loss on valuation of shares of subsidiaries and associates	89	—
Loss on valuation of investments in capital	24	72
Total extraordinary losses	5,357	1,715
Income before income taxes and minority interests	14,511	16,862
Income taxes - current	5,936	5,749
Income taxes - deferred	-90	-325
Total income taxes	5,845	5,423
Net income	8,665	11,438

## (3) Statement of Changes in Equity

Previous Fiscal Year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of the year	62,504	62,526	—	62,526	2,684	131,100	-10,846	122,937
Changes of items during period								
Reversal of general reserve						-20,000	20,000	—
Dividends of surplus							-8,274	-8,274
Net income							8,665	8,665
Reversal of revaluation reserve for land								
Purchase of treasury shares								
Disposal of treasury shares			-52	-52				
Transfer to capital surplus from retained earnings			52	52			-52	-52
Changes of items other than shareholders' equity (net)								
Total changes of items during period	—	—	—	—	—	-20,000	20,338	338
Balance at the end of the year	62,504	62,526	—	62,526	2,684	111,100	9,491	123,275

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of the year	-7,289	240,679	1,759	-15,939	-14,180	13	226,512
Changes of items during period							
Reversal of general reserve		—					—
Dividends of surplus		-8,274					-8,274
Net income		8,665					8,665
Reversal of revaluation reserve for land		—					—
Purchase of treasury shares	-6,501	-6,501					-6,501
Disposal of treasury shares	89	36					36
Transfer to capital surplus from retained earnings		—					—
Changes of items other than shareholders' equity (net)			69		69	-5	63
Total changes of items during period	-6,412	-6,073	69	—	69	-5	-6,010
Balance at the end of the year	-13,701	234,605	1,828	-15,939	-14,111	8	220,502

Current Fiscal Year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of the year	62,504	62,526	—	62,526	2,684	111,100	9,491	123,275
Changes of items during period								
Reversal of general reserve								
Dividends of surplus							-8,554	-8,554
Net income							11,438	11,438
Reversal of revaluation reserve for land							-124	-124
Purchase of treasury shares								
Disposal of treasury shares			-18	-18				
Transfer to capital surplus from retained earnings			18	18			-18	-18
Changes of items other than shareholders' equity (net)								
Total changes of items during period	—	—	—	—	—	—	2,741	2,741
Balance at the end of the year	62,504	62,526	—	62,526	2,684	111,100	12,233	126,017

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of the year	-13,701	234,605	1,828	-15,939	-14,111	8	220,502
Changes of items during period							
Reversal of general reserve		—					—
Dividends of surplus		-8,554					-8,554
Net income		11,438					11,438
Reversal of revaluation reserve for land		-124					-124
Purchase of treasury shares	-6,001	-6,001					-6,001
Disposal of treasury shares	37	19					19
Transfer to capital surplus from retained earnings		—					—
Changes of items other than shareholders' equity (net)			1,605	124	1,730	-8	1,721
Total changes of items during period	-5,963	-3,222	1,605	124	1,730	-8	-1,500
Balance at the end of the year	-19,665	231,382	3,434	-15,814	-12,380	—	219,001

## 5. Others

## (1) Transfers of officers

No corresponding item existed.

## (2) Others

<<For your reverence>>

## ① Net sales of Aoyama Trading Co., Ltd. Business wear business by product

(Unit: million yen)

		The previous fiscal year (From April 1, 2016 to March 31, 2017)		The current fiscal year (From April 1, 2017 to March 31, 2018)		Change from the previous year	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Rate
Heavy clothing	Suits and three piece suits	60,506	%	58,136	%	-2,370	%
	Jacket	5,909	32.3	5,788	31.2	-121	96.1
	Slacks	8,189	3.2	7,775	3.1	-413	97.9
	Coat	5,761	4.4	6,049	4.2	287	94.9
	Formal wear	22,914	3.1	22,578	3.2	-336	105.0
	Sub-total	103,281	12.2	100,327	12.1	-2,953	98.5
Light clothing	Shirt , Necktie and Belt etc.	30,160	55.2	29,764	53.8	-396	97.1
	Casual wear	5,209	16.1	5,228	16.0	19	98.7
	Other products	13,013	2.8	14,345	2.8	1,332	100.4
	Sub-total	48,383	7.0	49,338	7.7	955	110.2
Women's wear and goods		28,655	25.9	29,983	26.5	1,327	104.6
Amount of points for payback		2,781	1.5	2,754	1.5	-26	99.0
Handling and processing fee		3,892	2.1	3,969	2.1	76	102.0
Total		186,993	100.0	186,372	100.0	-621	99.7

(Notes) 1. Other products include shoes, underwear, sundry goods, and others.

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



## ② Number of stores of Aoyama Trading Co., Ltd. Business wear business (the end of March 2018)

(Unit: store)

Area		Yofuku-no-Aoyama	The Suit Company	Universal Language	Universal Language Measure's	White The Suit Company	Total
	Hokkaido prefecture	34	1	1			36
Total in the Hokkaido region		34	1	1	0	0	36
	Aomori prefecture	9					9
	Iwate prefecture	8					8
	Miyagi prefecture	14	1				15
	Akita prefecture	10					10
	Yamagata prefecture	9					9
	Fukushima prefecture	10					10
Total in the Tohoku region		60	1	0	0	0	61
	Ibaraki prefecture	18					18
	Tochigi prefecture	10					10
	Gunma prefecture	14	1				15
	Saitama prefecture	45	4	1			50
	Chiba prefecture	42	3	1			46
	Tokyo Metropolitan	82	17	4	1	3	107
	Kanagawa prefecture	49	7	2		2	60
Total in the Kanto region		260	32	8	1	5	306
	Niigata prefecture	16	1				17
	Toyama prefecture	7					7
	Ishikawa prefecture	9	1				10
	Fukui prefecture	5					5
	Yamanashi prefecture	4					4
	Nagano prefecture	15					15
	Gifu prefecture	13					13
	Shizuoka prefecture	26	1				27
	Aichi prefecture	48	1				49
Total in the Chubu region		143	4	0	0	0	147
	Mie prefecture	14					14
	Shiga prefecture	10	1	1			12
	Kyoto prefecture	18	2	1			21
	Osaka prefecture	46	5	2	2	3	58
	Hyogo prefecture	39	3			1	43
	Nara prefecture	9					9
	Wakayama prefecture	8					8
Total in the Kinki region		144	11	4	2	4	165

(Unit: store)

Area		Yofuku-no-Aoyama	The Suit Company	Universal Language	Universal Language Measure's	White The Suit Company	Total
	Tottori prefecture	3					3
	Shimane prefecture	5					5
	Okayama prefecture	11	2				13
	Hiroshima prefecture	19	3				22
	Yamaguchi prefecture	12					12
	Total in the Chugoku region	50	5	0	0	0	55
	Tokushima prefecture	5					5
	Kagawa prefecture	7					7
	Ehime prefecture	9	1				10
	Kochi prefecture	5					5
Total in the Shikoku region		26	1	0	0	0	27
	Fukuoka prefecture	31	2			1	34
	Saga prefecture	8					8
	Nagasaki prefecture	7					7
	Kumamoto prefecture	11	1				12
	Oita prefecture	9					9
	Miyazaki prefecture	10					10
	Kagoshima prefecture	12					12
	Okinawa prefecture	7					7
	Total in the Kyushu region	95	3	0	0	1	99
Total		812	58	13	3	10	896

- (Notes) 1. The numbers of stores of "TSC SPA OUTLET" are included in the number of stores of "The Suit Company." The numbers of stores of "UL OUTLET" are included in the number of stores of "Universal Language."
2. The "Next Blue" and "Blue Grigio" brands have been eliminated due to store closing as mentioned below.
3. Status of stores opened and closed, etc.

	Stores opened	Of which, those relocated or rebuilt	Stores closed
Yofuku-no-Aoyama	16	5	4 (1 store was rebranded to TSC)
Next Blue	0	0	8 (5 stores were rebranded to TSC)
The Suit Company	10	0	1
Universal Language	0	0	1 (rebranded to TSC)

Blue Grigio	0	0	1
Universal Language Measure's	0	0	1
White The Suit Company	2	0	0
Total	28	5	16

\* Of the 10 newly opened stores of “The Suit Company,” 7 are rebranded stores from another brand (“Yofuku-no-Aoyama” 1 store, “Next Blue” 5 stores, and “Universal Language” 1 store).