

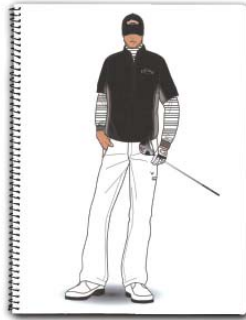


Business Report for Fiscal 2007

The Fiscal Year from September 1, 2006 to August 31, 2007



SANEI-INTERNATIONAL CO.,LTD.



Mission

As one of the first to depict the essence of the times, we convey a style that says: "Now." We offer our customers a vivid expression of contemporary currents and the promise of self-transformation. Creating this kind of delight and excitement is the very essence of our brand development.

Value

To communicate excitement and joy to our customers, each of us must at all times be a brilliant presence. Our responsibility is constant renewal: to take on new challenges ceaselessly, to exploit all the potential within us.

Boldly seek out the potential in all things. Maintain the courage and spirit to make progress. Cheer each other on in bringing ideas to life.

Only when our store expresses all of these qualities will our brand begin to glitter.

This mission and value statement was articulated in September 1999 as the raison d'être of the Sanei International Group. The mission expresses the purpose of Sanei International while the values shape the actions of each employee to achieve that mission.

Original Brands	VIVAYOU	BOSCH	Pinky&Dianne	NOVE SPAZIO
Private Label	Vert Dense	PEARLY GATES	NATURAL BEAUTY	BODY DRESSING Deluxe
abx	NATURAL BEAUTY BASIC	HUMAN WOMAN	Pinky Girls	PROPORTION BODY DRESSING
dizzy	M A T E R I A M I L A N O	KOFI COLLECT	& by P&D	MARGARET HOWELL
A D O R E	uni : que par vert dense	charlotte ranson	TO & CO.	
Licensed Brands	JILLSTUART	kate spade NEW YORK	VIVIENNE TAM	Callaway GOLF
Barbie	cacharel	JILLSTUART NEW YORK	Baby Jane cacharel	DVF DIANE VON FURSTENBERG
Other Brands	FREE'S SHOP	LAST CALL	A.D.S. Anglobal Designers' Shop	

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A Message to Our Shareholders



With the end of Fiscal 2007 for Sanei International Co., Ltd. (the “Company”), I would like to report our business results for the year.

During the fiscal year, the Company aggressively implemented initiatives including launches of retail shops in highly competitive commercial facilities and the acquisition of the JILLSTUART trademark rights applicable throughout Asia. However, these initiatives did not prove effective enough to offset the negative impact of unseasonable weather in the last half (spring/summer selling season) of the fiscal year. As a result, the Company could not achieve its targets on the profit front.

As for the appropriation of surplus earnings, we declared a dividend of ¥50 per share, the same amount as the previous fiscal year.

In a murky economic environment, where the apparel industry continues to experience intensifying competition, the Sanei International Group (the “Group”) is committed to agilely implementing flexible initiatives to effectively respond to diversified consumer preferences. One of these initiatives is the establishment of an efficient management structure that enables speedier operations, and this will be achieved through transfers of managerial authority. In addition, the Company will work to broaden its customer base in accordance with its shop-opening policy congruent to global-scale changes in distribution mechanisms, and by developing new business schemes and brands. We will also continue our pursuit of an optimal human resources policy and corporate structure with the aim of facilitating efficient management of individual businesses.

On behalf of the Group, I respectfully seek your continued support and understanding.

November 2007
Masahiko Miyake
President and CEO

Summary of Consolidated Results of Operations

The Japanese economy during the fiscal year under review remained on a mild recovery course. However, global economic uncertainty continues to grow due to ballooning concerns about future trends of crude oil prices and a slowdown of the U.S. economy.

Competition in the apparel industry is becoming more severe than ever. Reflecting diversified consumer preferences and shrinking markets of apparel products targeting the younger generation—due to the declining birthrate—the current situation is driving related businesses into various distinct directions, including the restructuring of the general merchandise store industry, the implementation of mergers and acquisitions and overseas business development.

In such an operating environment, the Group advanced operations in an aggressive manner, effectively launching retail shops in highly competitive commercial

facilities and acquiring the JILLSTUART trademark rights applicable throughout Asia. However, the Company suffered unfavorable results in the last half (spring/summer selling season) due to unseasonable weather and the aforementioned difficult operating conditions, which adversely affected its full-year performance.

As a result, net sales totaled ¥117,837 million, an increase of 7.0% over the previous fiscal year. Ordinary income amounted to ¥7,475 million, down 6.8% year on year. Net income also showed a 10.2% year-on-year plunge to ¥3,837 million, primarily due to an extraordinary loss of ¥525 million, including loss on the dissolution of brands, which is attributed to withdrawal from unprofitable operations.

A review of sales by business segment is as follows.

Other Apparel Operation

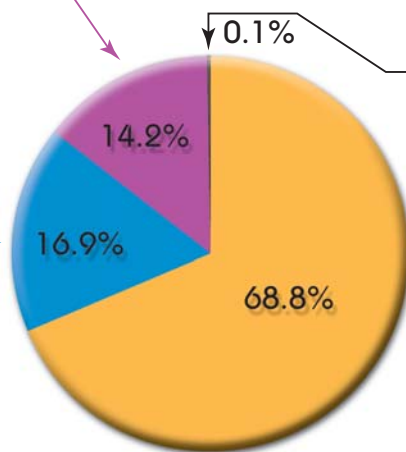
Sales of FREE'S SHOP, UNIT&GUEST CO., LTD. and Last Call Co., Ltd. were robust.

As a result, total sales of this segment edged up 24.5% to ¥16,722 million.

Licensed Brands Operation

Sales of Callaway Golf Apparel, JILLSTUART, Kate Spade New York, Barbie Kids (children's wear brand) and JILLSTUART New York increased.

As a result, total sales of this segment increased 10.3% year on year to ¥19,938 million.



Other Businesses

Performance of INT TRAVEL Co., Ltd., PlaX Co., Ltd. and other Group companies stagnated, resulting in a 19.4% year-on-year drop in total sales of this segment to ¥126 million.

Original Brands Operation

Sales of HUMAN WOMAN, NATURAL BEAUTY BASIC and other brands increased. The Company launched a new brand, TO & CO., which mainly handles footwear products.

As a result, total sales of this segment were ¥81,049 million, up 3.3% over the previous fiscal year.

Consolidated Balance Sheets

(Thousands of yen)

	As at August 31, 2006	As at August 31, 2007		As at August 31, 2006	As at August 31, 2007
Assets			Liabilities		
I Current assets			I Current liabilities		
1 Cash and bank deposits	22,952,456	14,457,451	1 Trade notes and accounts payable	13,346,249	15,173,373
2 Trade notes and accounts receivable	7,631,199	8,196,475	2 Short-term borrowings	13,449	383,344
3 Marketable securities	199,992	5,197,514	3 Current portion of long-term debt	3,161,700	2,257,200
4 Inventories	8,342,860	9,605,153	4 Current portion of bond	100,000	—
5 Deferred tax assets	1,510,606	1,843,007	5 Other accounts payable	2,155,077	3,604,493
6 Other	1,217,866	1,293,231	6 Income taxes payable	2,166,081	2,163,553
Less—Allowance for doubtful accounts	△ 89,800	△ 50,271	7 Accrued employees' bonuses	1,196,910	1,258,401
Total current assets	41,765,181	40,542,562	8 Accrued directors' bonuses	58,000	—
II Fixed assets			9 Allowance on point program	—	110,788
1 Property and equipment			10 Allowance for goods returned	258,531	256,614
(1) Buildings and structures	3,968,974	4,703,081	11 Other	1,975,495	2,245,402
(2) Land	1,610,134	1,593,134	Total current liabilities	24,431,494	27,453,172
(3) Other	1,457,877	1,396,497	II Long-term liabilities		
Total property and equipment	7,036,985	7,692,712	1 Long-term debt	5,340,096	3,122,255
2 Intangible assets			2 Accrued severance and retirement benefits for employees	95,743	177,927
(1) Goodwill	1,005,819	708,700	3 Accrued retirement benefits for directors	628,242	641,544
(2) Construction goodwill	—	5,426,522	4 Other	327,946	1,927,276
(3) Other	483,560	74,430	Total long-term liabilities	6,392,027	5,869,003
Total intangible assets	1,489,379	6,209,653	Total liabilities	30,823,522	33,322,176
3 Investments and other assets			Net Assets		
(1) Investments in securities	893,951	2,379,346	I Shareholders' equity		
(2) Long-term loans receivable	242,167	144,550	1 Capital stock	7,347,372	7,376,675
(3) Leasehold deposits	8,719,712	8,713,700	2 Capital Surplus	7,425,772	7,455,060
(4) Deferred tax assets	790,395	897,608	3 Retained Earnings	16,821,788	19,770,853
(5) Other	1,728,360	1,578,292	4 Treasury stock	△ 375	△ 968
Less—Allowance for doubtful accounts	△ 89,613	△ 80,334	Total Shareholders' equity	31,594,556	34,601,621
Total investments and other assets	12,284,974	13,633,162	II Valuation and translation adjustments		
Total fixed assets	20,811,340	27,535,528	1 Net unrealized holding gains or losses on securities	△ 8,745	△ 24,949
Total Assets	62,576,521	68,078,091	2 Deferred hedging gain or loss	22,820	△ 732
			3 Foreign currency translation adjustments	△ 110,503	△ 41,615
			Total Valuation and translation adjustments	△ 96,428	△ 67,296
			III Stock acquisition rights	—	82,352
			IV Minority interests	254,871	139,239
			Total net assets	31,752,999	34,755,915
			Total liabilities and net assets	62,576,521	68,078,091

Consolidated Financial Position

▶ Assets

Current assets decreased 2.9% from the previous fiscal year, totaling ¥40,542 million, mainly due to a ¥8,495 million decrease of cash and bank deposits.

Fixed assets increased 32.3% year on year to ¥27,535 million. The increase is attributed primarily to a ¥5,023 million increase of trademark rights, including JILLSTUART.

As a result, total assets stood at ¥68,078 million, an increase of 8.8% over the previous fiscal year.

▶ Liabilities

Current liabilities totaled ¥27,453 million, a 12.4% increase compared with the end of the previous fiscal year. The increase is

attributed to a ¥1,449 million increase of other accounts payable in conjunction with the acquisition of trademark rights and to a ¥1,827 million increase of trade notes and accounts payable.

Long-term liabilities showed an 8.2% year-on-year decline to ¥5,869 million. A major factor for the decline was a ¥2,217 million decrease of long-term debt.

As a result, total liabilities amounted to ¥33,322 million, an increase of 8.1% compared with the end of the previous fiscal year.

▶ Net Assets

Shareholders' equity grew by 9.5% from the end of the previous fiscal year, totaling ¥34,601 million. A ¥2,949 million increase of retained earnings significantly contributed to the growth.

As a result, total net assets stood at ¥34,755 million, up 9.5% from the end of the previous fiscal year.

Consolidated Statements of Income

(Thousands of yen)

	For the year ended August 31, 2006	For the year ended August 31, 2007
I Net sales	110,164,693	117,837,651
II Cost of sales	53,350,969	56,620,124
Gross profit	56,813,724	61,217,526
III Selling, general and administrative expenses	48,439,560	53,115,088
Operating income	8,374,164	8,102,438
IV Non-operating income		
1 Interest income	14,808	39,400
2 Income from real estate	190,031	190,924
3 Foreign currency exchange gain	145,563	137,220
4 Other	175,768	187,786
V Non-operating expense		
1 Interest expenses	87,424	94,839
2 Loss on disposal of retail shops	554,398	960,831
3 Compensation for minimum purchase	46,315	47,647
4 Other	190,943	79,146
Ordinary income	8,021,254	7,475,304
VI Extraordinary income		
1 Reversal of allowance for doubtful accounts	17,828	60,320
2 Reversal of allowance on point program	—	8,444
VII Extraordinary loss		
1 Loss on disposal of property and equipment	—	12,566
2 Loss on disposal of property and equipment	5,560	14,344
3 Loss on valuation of investment securities	7,609	10,000
4 Loss on valuation of investments in property	286,870	381,103
5 Provision for allowance on point program for retroactive years	—	107,920
Income before income taxes and minority interests	7,739,042	7,018,134
Current income taxes	3,309,418	3,634,183
Deferred income taxes	181,407	△ 393,010
Minority interests	23,329	60,267
Net Income	4,271,545	3,837,229

Consolidated Result of Operations

▶ Operating Income

Operating income showed a 3.2% year-on-year drop to ¥8,102 million. A major factor for the drop was a 9.7% increase of selling, general and administrative expenses, which offset a 7.0% increase of net sales.

▶ Ordinary Income

Ordinary income decreased 6.8% to ¥7,475 million, mainly due to the decline of operating income, as well as to a ¥406 million increase in loss on disposal of retail shops, which is attributable to the application of asset-impairment accounting.

▶ Net Income

Net income also shrank by 10.2%, amounting to ¥3,837 million, mainly due to the decrease of ordinary income, as well as to an extraordinary loss of ¥525 million, including loss on dissolution of brands, which is attributed to the withdrawal from unprofitable operations.

Consolidated Statements of Changes in Shareholders' Equity

For the year ended August 31, 2007

(Thousands of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains or losses on securities	Deferred hedging gain or loss	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance at August 31, 2006	7,347,372	7,425,772	16,821,788	△375	31,594,556	△ 8,745	22,820	△110,503	△96,428	—	254,871	31,752,999
Changes during the year												
Issuance of new shares	29,303	29,288			58,592							58,592
Cash dividends			△ 888,164		△ 888,164							△ 888,164
Net income			3,837,229		3,837,229							3,837,229
Treasury stock purchase				△592	△ 592							△592
Changes in items other than shareholders' equity during the year (net)						△16,203	△23,553	68,888	29,131	82,352	△115,632	△ 4,148
Total changes during the year	29,303	29,288	2,949,065	△592	3,007,064	△16,203	△23,553	68,888	29,131	82,352	△115,632	3,002,916
Balance at August 31, 2007	7,376,675	7,455,060	19,770,853	△968	34,601,621	△24,949	△ 732	△ 41,615	△67,296	82,352	139,239	34,755,915

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the year ended August 31, 2006	For the year ended August 31, 2007		For the year ended August 31, 2006	For the year ended August 31, 2007
I Cash flows from operating activities			II Cash flows from investing activities		
Income before income taxes and minority interests	7,739,042	7,018,134	Increase in time deposits	△ 57,066	—
Depreciation	2,324,571	2,806,836	Decrease in time deposits	86,400	30,009
Amortization of goodwill	335,309	335,478	Payments for purchase of marketable securities	△ 199,900	△ 199,900
Increase (decrease) in allowance for doubtful accounts	△ 21,283	△ 48,807	Proceeds from redemption of marketable securities	199,900	199,440
Increase in accrued severance and retirement benefits for employees	63,654	82,184	Payment for purchase of property and equipment	△ 2,110,625	△ 3,533,414
Increase (decrease) in accrued retirement benefits for directors	△ 33,341	13,302	Proceeds from sale of property and equipment	12,154	16,325
Increase (decrease) in accrued employees' bonuses	△ 156,610	61,491	Payment for purchase of investment securities	△ 514,863	△ 1,520,047
Increase in accrued directors' bonuses	58,000	△ 58,000	Proceeds from sales of investment securities	17,061	—
Increase (decrease) in allowance for goods returned	△ 21,967	△ 1,917	Payment for purchase of intangible assets	△ 160,014	△ 2,272,274
Increase (decrease) in allowance on point program	—	110,788	Payment for purchase of leasehold deposits	△ 920,226	△ 716,373
Interest and dividend income	△ 22,990	△ 55,441	Receipt of repayment of leasehold deposits	658,565	787,142
Interest expense	87,424	94,839	Advance for loans receivable	△ 1,840	△ 70
Equity in earnings of affiliates	△ 35	△ 2,673	Collection of loans receivable	29,903	98,402
Loss on disposal of retail shops	498,813	870,342	Payment of increase in long-term prepaid expenses	△ 423,302	△ 474,443
Loss on dissolution of brands	265,309	381,103	Payment for acquisition for newly consolidated subsidiaries	—	△ 91,700
Gain from changes in equity	—	12,062	Other, net	19,269	10,100
Loss on disposal of property and equipment	4,323	14,093	Net cash used in investing activities	△ 3,364,585	△ 7,666,805
Loss on valuation of investment securities	7,609	10,000	III Cash flows from financing activities		
(Increase) decrease in trade notes and accounts receivable	65,755	△ 544,394	Net decrease in short-term borrowings	△ 61,144	369,895
(Increase) decrease in inventories	502,059	△ 1,262,292	Proceeds from long-term debt	1,024,696	40,931
Increase (decrease) in trade notes and accounts payable	△ 351,250	1,827,124	Repayments of long-term debt	△ 2,497,715	△ 3,163,272
(Decrease) increase in consumption taxes payable	221,817	△ 223,401	Proceeds from issuance of stock	9,500,711	58,592
Bonuses paid to directors	△ 51,171	—	Payment for redemption of bonds	—	△ 100,000
Bonuses paid to directors on minority interests	△ 468	—	Proceeds from issuance of common stock to a minority shareholder	17,349	—
Stock option expenses	—	82,352	Cash dividends paid	△ 440,396	△ 888,164
Other, net	△ 76,828	△ 43,822	Cash dividends paid to a minority shareholder	△ 1,901	—
Subtotal	11,437,743	11,479,401	Net cash used in financing activities	7,541,599	△ 3,682,017
Interest and dividend received	21,421	48,829	IV Effect of exchange rate changes on cash and cash equivalents	△ 17,981	88,161
Interest paid	△ 85,045	△ 101,202	V Net (decrease) increase in cash and cash equivalents	12,937,673	△ 3,472,786
Income taxes paid	△ 2,595,479	△ 3,639,154	VI Cash and cash equivalents at beginning of year	9,857,707	22,795,380
Net cash provided by operating activities	8,778,640	7,787,874	VII Cash and cash equivalents at end of year	22,795,380	19,322,593

Consolidated Result of Cash Flows

▶ Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥7,787 million, a decrease of 11.3% from the previous fiscal year. Major components were income before income taxes and minority interests of ¥7,018 million and a ¥1,262 million increase of inventories, as well as a ¥1,827 million increase of trade notes and accounts payable.

▶ Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥7,666 million, a year-on-year increase of 127.9%. Major components were: payment of ¥3,533 million for the purchase of property and equipment, including shop interior fittings and related assets; payment of ¥2,272 million for the purchase of intangible assets, including trademark rights; and payment of ¥1,520 million for the purchase of investment securities.

▶ Cash Flows from Financing Activities

Net cash used in financing activities was ¥3,682 million, compared with ¥7,541 million provided by financing activities in the previous fiscal year. A major component was repayments of long-term debt, which totaled ¥3,163 million.

As a result, cash and cash equivalents at the end of the fiscal year under review amounted to ¥19,322 million, a decrease of ¥3,472 million from the end of the previous fiscal period.

Condensed Non-Consolidated Financial Statements

Balance Sheets

(Thousands of yen)

	As at August 31, 2006	As at August 31, 2007
Assets		
Current assets	34,804,273	32,416,112
Fixed assets	19,646,578	26,841,886
Total assets	54,450,851	59,257,998
Liabilities		
Current liabilities	19,894,581	22,185,075
Long-term liabilities	5,064,908	4,891,179
Total liabilities	24,959,490	27,076,255
Net Assets		
I Shareholders' equity		
1 Capital stock	7,347,372	7,376,675
2 Capital surplus	7,425,772	7,455,060
3 Retained earnings	14,727,338	17,294,305
4 Treasury stock	△ 375	△ 968
Total shareholders' equity	29,500,106	32,125,073
II Valuation and translation adjustments		
1 Net unrealized holding gains or losses on securities	△ 8,745	△ 24,949
2 Deferred hedging gain or loss	—	△ 732
Total valuation and translation adjustments	△ 8,745	△ 25,681
III Stock acquisition rights	—	82,352
Total net assets	29,491,361	32,181,743
Total liabilities and net assets	54,450,851	59,257,998

Statements of Income

(Thousands of yen)

	For the year ended August 31, 2006	For the year ended August 31, 2007
Net sales	84,775,835	88,534,439
Cost of sales	43,298,595	44,834,119
Gross profit	41,477,239	43,700,319
Selling, general and administrative expenses	34,383,082	36,803,906
Operating income	7,094,157	6,896,413
Non-operating income	383,333	408,511
Non-operating expense	518,846	641,454
Ordinary income	6,958,644	6,663,469
Extraordinary income	17,400	77,801
Extraordinary losses	525,936	574,904
Income before income taxes	6,450,107	6,166,367
Current income taxes	2,660,000	2,940,000
Deferred income taxes	285,770	△ 228,763
Net income	3,504,337	3,455,131

Statements of Changes in Shareholders' Equity

For the year ended August 31, 2007

(Thousands of yen)

	Shareholders' equity						Total retained earnings
	Capital stock	Capital surplus	Legal reserve appropriated from retained earnings	Retained earnings			
				Special depreciation reserve	General reserve	Retained earnings carried forward	
Balance at August 31, 2006	7,347,372	7,425,772	80,500	8,520	6,131,735	8,506,581	14,727,338
Changes during the year							
Issuance of new shares	29,303	29,288	—	—	—	—	△ 888,164
Cash dividends	—	—	—	—	—	—	△ 888,164
Net income	—	—	—	—	—	3,455,131	3,455,131
Reversal of special depreciation reserve (For the year ended August 31, 2007)	—	—	—	△6,089	—	6,089	—
Treasury stock purchase	—	—	—	—	—	—	—
Changes in items other than shareholders' equity during the year (net)	—	—	—	—	—	—	—
Total changes during the year	29,303	29,288	—	△6,089	—	2,573,056	2,566,966
Balance at August 31, 2007	7,376,675	7,455,060	80,500	2,430	6,131,735	11,079,638	17,294,305

	Shareholders' equity		Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains or losses on securities	Deferred hedging gain or loss	Total valuation and translation adjustments		
Balance at August 31, 2006	△375	29,500,106	△ 8,745	—	△ 8,745	—	29,491,361
Changes during the year							
Issuance of new shares	—	58,592	—	—	—	—	58,592
Cash dividends	△ 888,164	—	—	—	—	—	△ 888,164
Net income	—	3,455,131	—	—	—	—	3,455,131
Reversal of special depreciation reserve (For the year ended August 31, 2007)	—	—	—	—	—	—	—
Treasury stock purchase	△592	△ 592	—	—	—	—	△ 592
Changes in items other than shareholders' equity during the year (net)	—	—	△16,203	△732	△16,936	82,352	65,415
Total changes during the year	△592	2,624,966	△16,203	△732	△16,936	82,352	2,690,382
Balance at August 31, 2007	△968	32,125,073	△24,949	△732	△25,681	82,352	32,181,743

Introducing Our Home Page

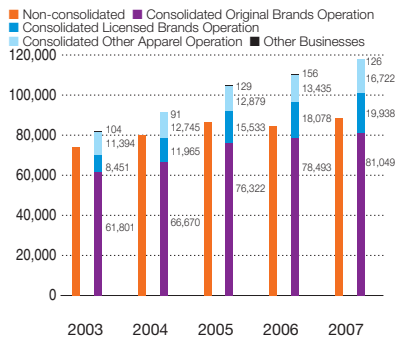
<http://www.sanei.net>

Our home page shows the latest news on all of our brands and provides information about our newest items, as well as information from our Investor Relations Department on financial data, monthly overviews, press releases and other information. We invite you to take a look.



Financial Highlights

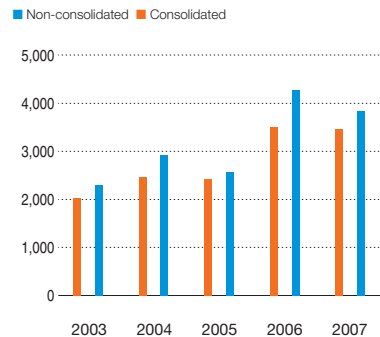
Net Sales (Millions of yen)



Ordinary Income (Millions of yen)

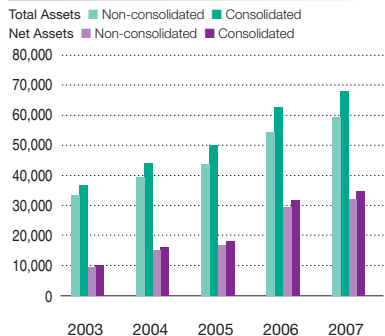


Net Income (Millions of yen)

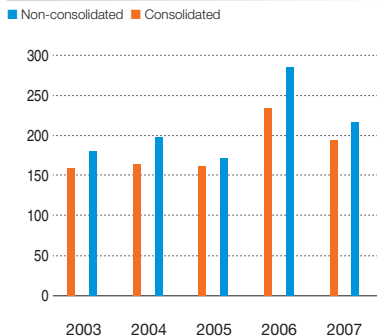


	2003		2004		2005		2006		2007	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Net Sales	74,105	81,751	80,355	91,472	86,686	104,866	84,775	110,164	88,534	117,837
Ordinary Income	4,217	4,903	6,681	7,279	4,942	5,223	6,958	8,021	6,663	7,475
Net Income	2,032	2,301	2,456	2,931	2,424	2,567	3,504	4,271	3,455	3,837

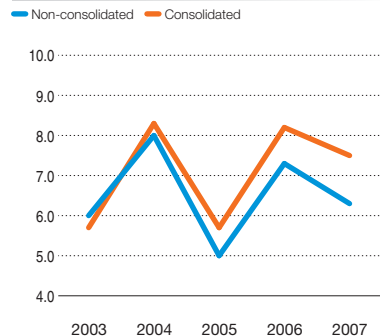
Total Assets/Total Net Assets (Millions of yen)



Net Income per Share (Yen)



Ordinary Income Margin (%)



	2003		2004		2005		2006		2007	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Total Assets (Millions of yen)	33,322	36,823	39,532	44,175	43,887	50,147	54,450	62,576	59,257	68,078
Total Net Assets (Millions of yen)	9,425	10,113	15,019	16,187	16,954	18,194	29,491	31,752	32,181	34,755
Net Income per Share (Yen)	158.72	179.93	164.67	197.32	161.77	171.42	234.02	285.25	194.45	215.95
Ordinary Income Margin (%)	5.7	6.0	8.3	8.0	5.7	5.0	8.2	7.3	7.5	6.3

Company Overview

Date of Establishment

August 13, 1949

Main Businesses

1. Planning, manufacture and sales of women's, men's and children's clothing and accessories
2. Licensed brands business
3. Store design and supervision, travel agency and non-life insurance agency

Paid-in Capital

¥7,376.675 million

(as of November 29, 2007)

Directors and Corporate Auditors

President and CEO

(as of November 29, 2007)

Masahiko Miyake

Chairman of the Board

Katsuhiko Miyake

Vice-President and COO

Takahiko Miyake

(Assistant to the President and Division Manager of Corporate Planning Division)

Managing Director

Noboru Nakamichi

(Division Manager of Finance Division)

Managing Director

Shinichi Matsuda

(Division Manager of Sales Generalization Division)

Director

Keiji Hirose

(President and CEO of FREE'S INTERNATIONAL CO., LTD.)

Director

Yoshinori Shinohara

Standing Corporate Auditor

Yoshiyasu Usami

Standing Corporate Auditor

Makoto Hamanaka

Corporate Auditor

Saburo Horiuchi

Corporate Auditor

Koushi Murakami

Executive Officers

(President of Company No. 1)

(as of November 29, 2007)

Masanori Maekawa

(President of Company No. 2)

Manabu Senza

(President of Company No. 3)

Takaaki Inoue

(President of Company No. 4)

Shigeyuki Adachi

(President of Company No. 5)

Teizo Komiyama

(Division Manager of Overseas Strategy Division and Production Development Division)

Akira Matsumoto

(President and CEO of ANGLOBAL Ltd.)

Genya Oshiki

Number of Employees

(On a consolidated basis)

(as of August 31, 2007)

5,230 (of which 1,100 employees are temporary workers)

Number of Stores

(On a consolidated basis)

(as of August 31, 2007)

1,185 (of which 101 stores are franchisees)

Main Group Companies

(as of August 31, 2007)

Plax Co., Ltd.

INT TRAVEL Co., Ltd.

Last Call Co., Ltd.

FREE'S INTERNATIONAL CO., LTD.

Sanei Production Network Co., Ltd.

SANEI-LOGISTICS CO., LTD.

Technical Laboratory Co., Ltd.

UNIT & GUEST CO., LTD.

ANGLOBAL Ltd.

SANEI INTERNATIONAL USA LLC (USA)

SANEI INTERNATIONAL KOREA CO., LTD. (South Korea)

SANEI INTERNATIONAL TAIWAN CO., LTD. (Taiwan)

SANEI INTERNATIONAL TRADING (Shanghai) CO., LTD. (Shanghai)

C.S.F. LIMITED (Hong Kong)

NINGBO SANEI FASHION CO., LTD. (Shanghai)

MARGARET HOWELL LTD. (England)

MARGARET HOWELLFRANCE'S.A.R.L. (France)

SANEI BRANDS LLC (U.S.A.)

SANEI CHARLOTTE RONSON LLC (U.S.A.)

Sanei Industry Co., Ltd.

Shareholder Special Benefit Plan Information

1. Plan Overview

A 20 % "discount coupon" shall be offered on purchases of up to ¥100,000 (including consumption tax) on our directly managed online shopping site SELECCSONIC (<http://yutai.seleccsonic.com/>).

(Notes:

1. The discount is not applicable to purchases of SELECCSONIC products
2. For purchases of over ¥100,000, the discount shall apply to ¥100,000 only.)
3. Discount coupons are applicable only on SELECCSONIC, not in stores or on the mobile Internet Shopping site, SELECCSONIC MOBILE.)

Examples (all prices shown are inclusive of tax):

- Purchase totaling ¥80,000
¥80,000 — Discount Amount (¥80,000 x 20%) = ¥64,000
- Purchase totaling ¥80,000
¥100,000 — Discount Amount (¥100,000 x 20%) + ¥50,000 = ¥130,000

2. Scales of the Discount Coupon Offer

- Shareholders of 100 shares or more 1 coupon, twice yearly
- Shareholders of 500 shares or more 3 coupons, twice yearly
- Shareholders of 1,000 shares or more 5 coupons, twice yearly



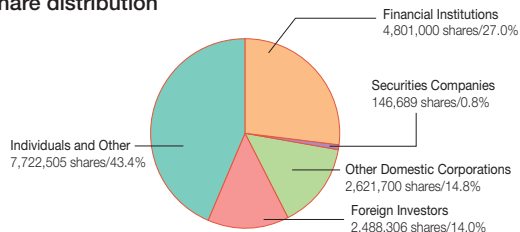
3. Offer Date and Effective Period of Discount Coupons

	Offer Date	Validity
Shareholders of record as of the end of the first half of each fiscal year	May 31	June 1 – November 30
Shareholders of record as of the end of each fiscal year	November 30	December 1 – May 31

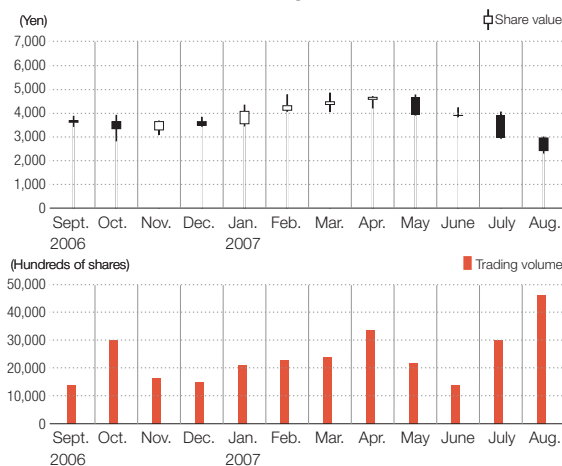
Share Information (as of August 31, 2007)

Number of shares authorized	48,000,000
Number of shares issued and outstanding	17,780,200
Number of shareholders	4,049

Share distribution



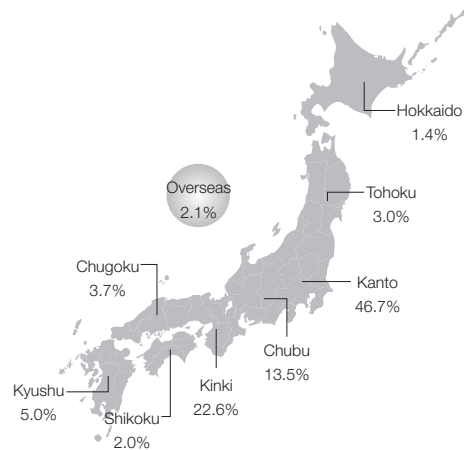
Share value trends and trading volumes



Major shareholders

Name	Number of shares held	Percentage of voting rights in issue
Takahiko Miyake	2,289,200	12.87
Japan Trustee Services Bank, Ltd. (Trust Account)	1,650,100	9.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,228,800	6.91
Riki Co., Ltd.	1,100,000	6.19
Satoko Miyake	1,010,000	5.68
Masahiko Miyake	923,844	5.20
Katsuhiko Miyake	855,244	4.81
Sansho Kohsan Co., Ltd.	800,000	4.50
Takako Kitamura	710,000	3.99
The Street Bank and Trust Company	512,700	2.88

Regional distribution of shareholders (Percentage of total)



Shareholder Information

Fiscal Year: September 1–August 31

Date of Ordinary General Meeting of Shareholders:
End of November

Record Date of Dividend:

Year-end Dividend: August 31

Interim Dividend: End of February

Record Date of Ordinary General Meeting of Shareholders:
August 31

In other cases, a notice will be provided in advance, if necessary.

Stock Code: 3605

Share Handling Fee:

Transfer: Free of charge

Issuance of new share certificates: Amount equivalent to stamp duty per new share certificate

Re-issuance due to split, consolidation and lack of space on share certificate: Free of charge

Transfer Agent of Common Stock:

Transfer Agent Dept., Mizuho Trust & Banking Co., Ltd.

Transfer Agent Headquarters:

Transfer Agent Dept., Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo

Contact:

Transfer Agent Dept., Mizuho Trust & Banking Co., Ltd., 1-17-7 Saga, Koto-ku, Tokyo 135-8722 Tel: 0120-288-324 (Free dial)

Transfer Agent Offices:

All branches of Mizuho Trust & Banking Co., Ltd. Headquarters and all branches of Mizuho Investors Securities Co., Ltd. Download of certain application forms is available from Otetsuzuki Naiyo at Mizuho Trust & Banking's Web site.

<http://www.mizuho-tb.co.jp/daikou/>

Public Announcements:

Announcements will be made electronically on the Company's Web site (<http://www.sanei.net>).

In the event that announcements cannot be placed electronically due to malfunction or other unavoidable reason, they will be placed in the Nihon Keizai Shimbun



SANEI

INTERNATIONAL

1-2-5 Shibuya, Shibuya-ku, Tokyo 150-8315
Telephone for inquiries: 03-5467-9910
(Corporate Communications Section)
Web site: <http://www.sanei.net>

