BAROQUE JAPAN LIMITED

FY2021/02 Second Quarter Financial Results and Supplementary Information

October 15,2020

Tokyo Stock Exchange First

Section: 3548

1 FY2021/02 Second Quarter Result Overview

2 Business Highlights

3 FY2021/02 Outlook

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FY2021/02 Second Quarter Summary

■ **Through reducing excessive sales discount promotions, proper inventory control, and continuing to reduce SG&A expenses, we have adopted a forward-looking management shift so as to not carry over negative losses into next year**

- ◆ While hunkering down on excess, we are at the same time working on strengthening E-Commerce and rebuilding our posture looking forward
- ◆ As China is recovering from the effects of the Covid-19 epidemic we will scrutinizing new retail store openings while promoting the expansion of E-commerce operations

Item	Actual	Last Year	YoY	Movement
Consolidated Sales:	**¥20.92 bil**	¥31.27 bil	66.9%	¥-10.34bil
Consolidated Operating Profit:	**¥-0.44 bil**	¥2.06 bil	_	¥-2.51 bil
Consolidated Recurring Profit:	**¥-0.85 bil**	¥2.07 bil	ー	¥-2.93 bil
Consolidated Net Profit:	**¥-0.91 bil**	¥1.23 bil	_	¥-2.14 bil

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Japan Business Overview

- Although almost all stores reopened in early June following the lifting of the State of Emergency and EC sales having greatly exceeded the previous year's, due to the slow return of customers in urban areas and refraining of the populace from returning home during the Obon holidays, domestic sales fell to 65.2% YoY
- Although efforts are being made to control advertising and commission expenses, reduce SG&A expenses by cutting executive compensation, and improve conversion rate by reducing sales discount promotions, operation income is in the red due to product valuation losses

Domestic Sales: ¥ 18.50 bil (previous year ¥28.39 bil 65.2% YoY)

- Even with the sequential reopening of stores from June, amid the re-emergence of coronavirus cases we have seen a decrease in the number of customers – especially in metropolitan areas. Due to a longer than usual rainy season and consumers refraining from travel to return home during the Obon holidays, sales were 65.2% YoY
- EC operations continued to grow at 118.6% YoY. Both in-house EC(119.6%) and those of external companies (117.0%) saw increases YoY

Domestic GP: ¥ 10.31 bil (previous year ¥17.29 bil 59.6% YoY)

- Even with improved conversion rate due to reducing sales discount promotions, the increase in product valuation loss affected our sales margin and Domestic GP in Q2 was 55.7% YoY, a decrease of 5.2 pts

Domestic SG&A : ¥ 11.04 bil (previous year ¥15.55 bil 71.0% YoY)

- SG&A expenses came in at 71% YoY as a result of curtailing advertising and commission expenses, reducing executive compensation, and reducing rent expenditures

As a result, Domestic OP was ¥-0.72 bil (previous year ¥1.73 bil ¥-2.46 bil YoY)

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Overseas Business Overview

- In China, even with almost all stores reopened in early April, due to the re-emergence of infectivity in some regions during June we saw impacts stemming from the decrease in the number of customers – substantially affecting profits to be incorporated into the consolidation
- EC sales in China continue to grow with the strengthening of live commerce. At the China E-commerce event “618 Sale”, we saw EC sales at 197% YoY and the number of customer increase to 177% YoY - a significant increase from the previous year
- In terms of the US-based “MOUSSY” business operations, wholesale sales increase YoY, and both operating income and net income were in the black

China JV Sales ¥ 2.27 bil（ Previous Year ¥ 2.95 bil 77.3% YoY）

- Sales gradually recovered after April, recovering to the same level as the previous year in May. However, due to the re-emergence of infections in some regions, the number of customers decreased in June – affecting wholesale sales
- Royalties from Chinese retailers were 73.4% YoY
- At the end of June, the number of stores totaled at 279 (opening:3, closed:9), down 6 stores from the end of the previous period

China JV Profit ¥-0.17 bil （ Previous Year ¥0.24 bil ¥-0.42 bil YoY）

- The return of equity method investment (China retail company: 49% unconsolidated) deteriorated Year-on-Year due to the impact of COVID-19. Changes in the purchasing efficiency of retail companies contributed to deterioration of wholesalers’ profits

U.S. Business Centering on Wholesale

- In the United States, there is only one store directly operated, located in New York. Due to strong wholesale performance prior to the emergence of Covid-19 cases we were able to secure profitability in both operating and net income
- ENFOLD wholesale activities throughout Asia continues to be strong in regions where the impact of Covid-19 is relative low

Sluggish Consumption in Hong Kong due to Rising Political Tension

- In Hong Kong, consumption is sluggish due to the effects of measures against new coronavirus infections(restrictions on meetings, etc.) and protest demonstrations against the National Security Law. Hong Kong retail business declined YoY, although this trend bottomed out in April and moderate recovery was seen from May

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Consolidated PL Results

- Compared to Q1, Consolidated Sales are on a recovery trend and was 66.9% YoY
- Consolidated GP Margin was decreased 5.0 pts YoY(58.8% → 53.8%)
- Consolidated SG&A expense ratio increased 3.7 pts YoY (52.2% → 55.9%)
- Consolidated OP decreased ¥2.51 bil YoY

(百万円/JPY mil)	2021年２月期			2020年2月期	
	実績	対売上	前年同期比	前年実績	対売上
	Actual	% of Sales	YoY	Actual	% of Sales
売上高/Sales	20,929	100.0%	66.9%	31,272	100.0%
売上総利益/Gross Profit	11,255	53.8%	61.2%	18,381	58.8%
販管費及び一般管理費/SG&A	11,701	55.9%	71.7%	16,313	52.2%
営業利益/Operating Profit	△446	－	－	2,068	6.6%
経常利益/Recurring Profit	△857	_	－	2,078	6.6%
親会社株主に帰属する四半期純利益/Net Profit	△918	_	－	1,231	3.9%

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Consolidated Sales Breakdown

- FB/SB brands, mainly developed in urban areas, have been greatly affected by the decrease in the number of customers. SC brands were largely affected by reduced travel returning home during the Obon holidays
- Consumption has cooled down due to the re-emergence of infections in some regions of China – with continued efforts to improve purchasing efficiency affecting and resulting in the decrease of overseas sales

(百万円/JPY mil)	2021年２月期			2020年２月期	
	実績	構成比	前年同期比※	前年実績	構成比
	Actual	Composition	YoY	Actual	Composition
売上高/Sales	**20,929**	100.0%	66.9%	31,272	100.0%
FB/SBブランド/FB/SB Brands	**6,350**	30.3%	63.3%	10,038	32.1%
SCブランド/SC Brands	**9,246**	44.2%	64.6%	14,322	45.8%
セレクトショップ・百貨店ブランド/ Select Shop・Dept.. Store Brands	**1,784**	8.5%	65.9%	2,707	8.7%
海外/Overseas	**2,984**	14.3%	85.8%	3,479	11.1%
その他/Others	**563**	2.7%	77.6%	725	2.3%

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Consolidated SG&A Expenses

- Decreases in Sales resulted in a decrease in variable costs. In Q2, as a result of continuing to curb advertising and commission expenses, reducing executive compensation, reducing rent, etc., consolidated SG&A expenses showed 71.7%, YoY

(百万円/JPY mil)	2021年２月期				2020年２月期	
	実績	対売上	前年同期比	売上比増減	実績	対売上
	Actual	% of Sales	YoY	Movement vs % Sales	Actual	% of Sales
売上高/Sales	**20,929**	100.0%	66.9%	－	31,272	100.0%
販売管理費/SG&A Expense	**11,701**	55.9%	71.7%	3.7pt	16,313	52.2%
広告費及び販売促進費/ Advertising and promotional cost	**572**	2.7%	60.4%	△0.3pt	946	3.0%
給与手当/Salaries and wages	**2,330**	11.1%	80.5%	1.8pt	2,893	9.3%
販売手数料(店舗家賃及び販売委託手数料)/Store rent and fee for franchisee	**4,443**	21.2%	66.7%	△0.1pt	6,662	21.3%
減価償却費/Depreciation	**417**	2.0%	93.1%	0.6pt	448	1.4%
その他/Others	**3,939**	18.8%	73.5%	1.7pt	5,362	17.1%

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FY2021/02 Second Quarter Consolidated Results – Balance Sheet(to previous year end)

Consolidated Balance Sheet

- Inventories fell to 85.2% compare to previous year end, partly due to continued restraint in purchasing and merchandising decisions and review of our sales strategy
- Inventories showed 76.3% YoY, (FY2010/02 2Q / 5,767 → 4,397)

(百万円/JPY mil)	2021年2月期（2020/8/31）			20年2月期（2020/2/29）	
	金額	構成比	前期末比	金額	構成比
	Amount	Composition	% to previous year end	Amount	Composition
現預金/Cash	**13,287**	39.6%	82.4%	16,133	42.1%
受取手形及び売掛金/Notes and Trade Receivable	**6,607**	19.7%	88.6%	7,455	19.5%
商品/Inventories	**4,397**	13.1%	85.2%	5,163	13.5%
その他流動資産/Other Current Asset	**539**	1.6%	101.3%	532	1.4%
固定資産/Non Current Asset	**8,712**	26.0%	96.8%	8,997	23.5%
総資産/Total Asset	**33,544**	100.0%	87.6%	38,282	100.0%
負債/Liabilities	**14,335**	42.7%	85.4%	16,790	43.9%
純資産/Equity	**19,208**	57.3%	89.4%	21,492	56.1%

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Japan Business Income Statement

- Domestic sales became 65.2% YoY
- Domestic EC sales became 118.6% YoY, In-house EC site sales were 119.6%, with those of 3rd parties becoming 117.0% YoY
- During the pandemic, “staff start” was further promoted in our company, with the number of staff involved increasing and greater improvements to our promotion efforts
- Domestic GP Margin decreased 5.2 pts YoY

(百万円/JPY mil)	2021年２月期			2020年２月期	
	実績	対売上	前年同期比	前年実績	対売上
	Actual	% of Sales	YoY	Actual	% of Sales
売上高/Sales	**18,505**	100.0%	65.2%	28,394	100.0%
（店舗売上/Store Sales）	**13,031**	70.4%	56.9%	22,909	80.7%
（通販売上/EC Sales）	**4,260**	23.0%	118.6%	3,592	12.7%
売上総利益/Gross Profit	**10,316**	55.7%	59.6%	17,295	60.9%
販管費及び一般管理費/SG&A	**11,045**	59.7%	71.0%	15,556	54.8%
営業利益/Operating Profit	**△729**	_	_	1,738	6.1%
経常利益/Recurring Profit	**△774**	_	_	1,689	6.0%

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FY2021/02 Q2 Overseas Business – China JV Sales and Profit

China JV Sales and Profit

- China wholesale was 77.6% YoY
- Royalties were 73.4% YoY

日本円

(百万円/JPY mil)	2021年２月期 実績 Actual	2020年２月期 Previous Year	前年同期比 YoY
中国合弁事業からの売上 Sales from China JV			
卸売/Wholesale	2,114	2,725	77.6%
ロイヤリティ/Royalty	164	224	73.4%
売上合計/Sales Total	2,279	2,950	77.3%
当期純利益に対する中国合弁事業による利益 Profit from China JV			
小売事業からの利益/Profit from Retail company (持分法投資利益) Equity method investment gain	△414	△10	–
卸事業からの利益・Profit from Wholesale company (少数株主持分の51%相当) 51% of JV subsidiary	122	99	123.8%
ロイヤリティ税抜換算 Royalty after tax	115	157	73.4%
利益合計/Profit Total	△175	245	–

人民元

(単位:百万人民元)	2021年２月期 実績 Actual	2020年2月期 Previous Year	前年同期比 YoY
中国合弁事業からの売上 Sales from China JV			
卸売/Wholesale	137	168	81.9%
ロイヤリティ/Royalty	10	14	77.4%
売上合計/Sales Total	148	182	81.5%
当期純利益に対する中国合弁事業による利益 Profit from China JV			
小売事業からの利益/Profit from Retail company (持分法投資利益) Equity method investment gain	△26	△1	–
卸事業からの利益/Profit from Wholesale company (少数株主持分の51%相当) 51% of JV subsidiary	7	6	130.7%
ロイヤリティ税抜換算 Royalty after tax	7	10	77.4%
利益合計/Profit Total	△11	15	–

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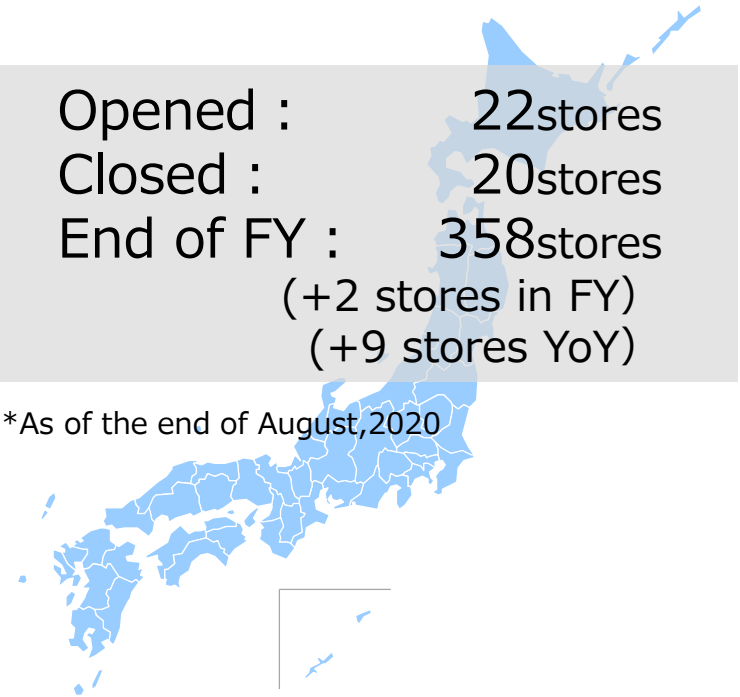
FY2021/02 Second Quarter Store Expansion

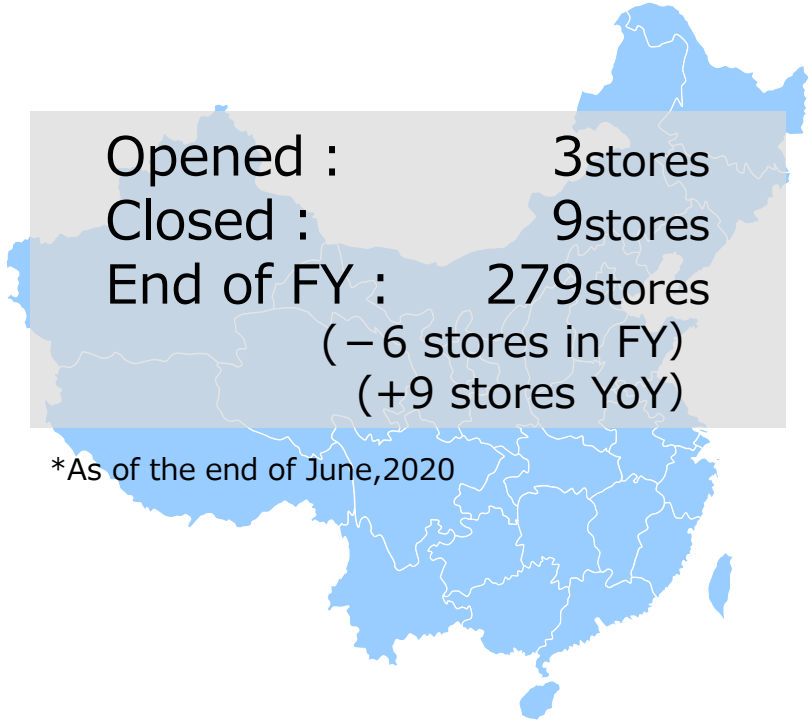
JAPAN



Opened : 22stores
Closed : 20stores
End of FY : 358stores
(+2 stores in FY)
(+9 stores YoY)

*As of the end of August,2020

CHINA



Opened : 3stores
Closed : 9stores
End of FY : 279stores
(−6 stores in FY)
(+9 stores YoY)

*As of the end of June,2020

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Newly Established E-Contents Development Department

- Established the E-Contents Development Department to maximize and commercialize apparel E-content
  - Launched an online exclusive brand on ZOZOTOWN not bound by existing format of our EC portfolio
  - Promotion of products centered on influencers both inside and outside the company and WEARLISTA

- A new way of working not seen before, a label centered on working moms and dads
  - As work styles change drastically, such as Work from Home during the Coronavirus epidemic, a label centered on making it easy to balance child-rearing and work

- Restart of brand “y/m”
  - Restarted mainly by 6 people who are active and influential on SNS (WEAR, Instagram, YouTube, etc.)

y/m×misato

Casual and Feminine Coordination
Worn by over 200,000 people across generations. Supported by and offered by numerous brands
With an influx of influencers



y/m×MIZUKI

Combining our Visual Staff and HORIPRO INC., belongin Digital Entertainment, with Influencers who continue to produce content daily



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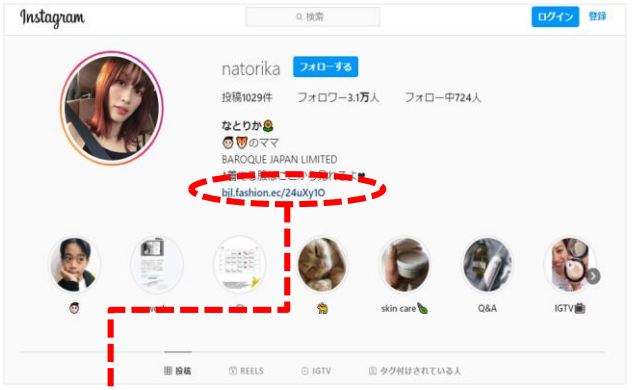
TV Media(*Kanbaria Kyuuden, Tokudane!)* Featured our Staff Start

- The Secret to Selling in an Era Where it Cannot be Sold (TV Tokyo, *Kanbaria Kyuuden)*





- "Staff Start"



Transition from the URL of each SNS account of the staff to the coordination proposal screen (The customer can purchase via SNS)



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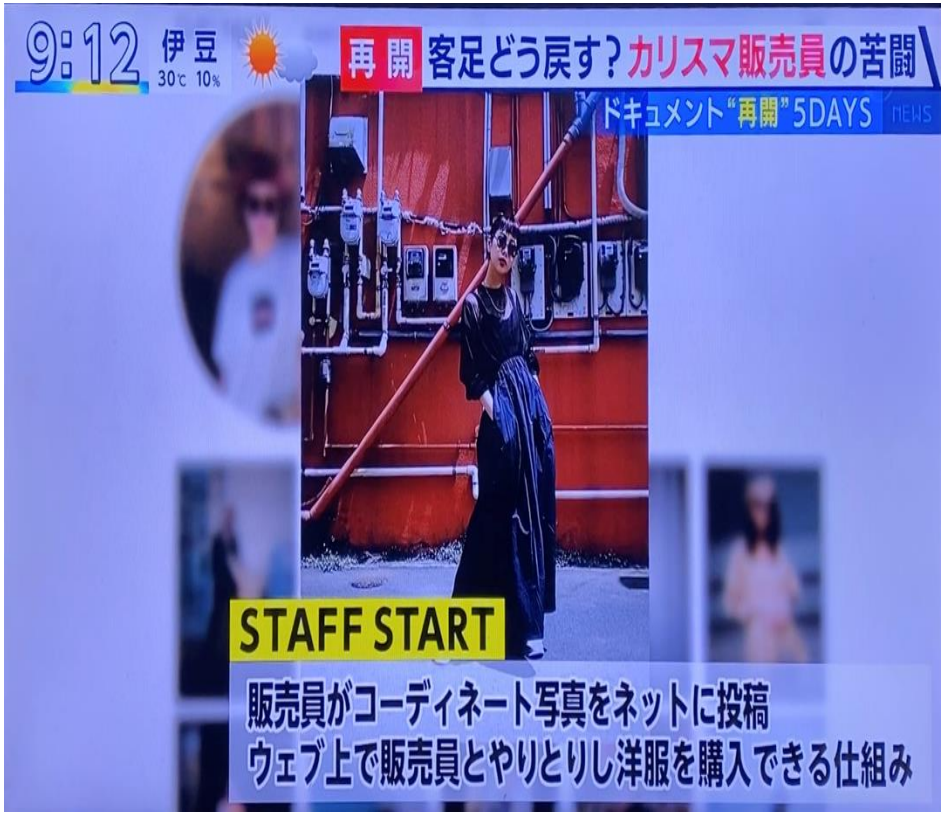
TV Media(*Fuji TV, Tokudane!)* Featured Our Company as Stores Reopened

- Documentary "*Saikai*" 5DAYS – Apparel Salespeople Confronting Adversity (Fuji TV, *Tokudane!*)





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Sustainability Platform “AUNE” Attracts Attention

- Not only in Apparel newspapers, but also general newspapers (Asahi Shimbun, Yomiuri Shimbun)
- Attention garnered for its efforts to solve inventory problems

新作売らないアパレル

変わる価値観 古着、旧作 抵抗薄れ

コロナ後の暮らし ファッション編 3

新しい服は作らないし、販売もしない。そんなアパレルが登場している。

今月4日、ベイクルーズグループ（東京）の新店「サーキュラブル・サプライ」が東京・渋谷にオープンした。アート作品が飾られたおしゃれな店内に、もともと社員の私物だった服や雑貨が並ぶ。同社のオリジナルブランドから、コレクションブランドの服、スニーカー、バッグまで、100点以上。年代物のエルメスのバッグやリーバイスのジーンズなどの掘り出し物もある。

同社の太田鴻志郎さん（33）によると、商品は約1000人の全社員に対し、「家に眠っている、消費者がほしいと思うものを」と呼びかけて集め、出品者自ら値を付けた。「服好きの社員が身銭を切って買った逸品ぞろい。来店すれば、ほかの古着店との違いが分かるはず」とアピールする。

パロックジャパンリミテッド（東京）は4月、同社の倉庫に眠っていた2、3年前の売れ残り品を8～5割引きで販売する通販サイト「アウネ」を開設した。

取り扱うのは、「マウジー」や「スライ」など、女性向けの自社14ブランドの服。一カジュアル」「シンプル」といった装いの雰囲気や、「女子会」「デート」などの場面に応じたコーディネートごとに、ブラウス、スカート、靴など2、3点のアイテムをまとめて購入できるのが特徴だ。中心価格帯は4000～5000円。約3000のコーディネートが設定されていて、20～40歳代の利用が目立つ。

「アウネ」は、同社未来政策室長の神田麻衣さん（30）が1年半前、会社の倉庫に山と積まれた作庫を前に発案して企画した。「販売方法を工夫し、時々の流行にあわせたコーディネートを提案すれば、服をよみがえらせることができると思った」という。

こんな声が登場する背景には、大量消費や廃棄を前提にしてきたファッション業界への批判の高まりがある。サステイナブル（持続可能）であることが、売り手にも作り手にも必須となっている。消費者の志向も変化。フリマアプリを運営するメルカリが昨年全国の20～69歳の約1000人を対象に実施した調査では、一購入時に新品を重視しは27%。過半数の56%が「中古品の購入・使用に抵抗を感じない」とした。

こうした傾向は、コロナ禍で服を買う機会が減ったことも、そこを逆手にとった動きだ。



カラフルな服やバッグが並ぶ「サーキュラブル・サプライ」の店内（東京都渋谷区で）＝福田亀志郎撮影



売れ残った服を販売する「アウネ」のサイト



古着などのリユース（再使用）のブランド「バイング」の茶封筒

回収した古着から作った再生ポリエステル素材で、下着やTシャツなどを製造。インターネットなどで販売する。購入時に古着回収用のA4大の茶封筒も付いてくる。

ブランド責任者の中村崇之さんは「服が何度となくリサイクルされ、有効利用されていくように取り組んでいきたい」と意気込む。

伊藤忠ファッションシステムナレッジ開発長の小原直花さんは「社会的なサステイナブル意識の高まりやSNSの台頭によるファッションの多様化で、新品やシーズンの新作がすぐに売れる時代は終わった。これから求められるのは、新品か古着かに関係なく、気分が上がる、長く使いたいと思える生活者に寄り添う服だ」と記している。

リサイクル事業を手掛ける、日本環境設計（東京）の「バイング」は、服を回収した古着から作った再生ポリエステル素材で、下着やTシャツなどを製造。インターネットなどで販売する。購入時に古着回収用のA4大の茶封筒も付いてくる。

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「売れ残り」それが売り

他社在庫に新タグ 廃棄せず再販

名古屋市のアパレル会社ブアインでは、他社の売れ残った服のブランドタグや値札を「リネーム（rename）」という名前にちなみ、3～8割引きで売っている。元は、百貨店やショッピングセンター、通販などで扱われている40ブランド超だ。2016年に始め、ネット販売のほか、期間限定出店やセレクトショップなどに委託販売をしている。

なぜ服が大量に余り、廃棄されるのか。同社の若田一志会長兼COO（最高執行責任者）は「業者は単価を安くするため大量生産する。しかし、在庫にも保管料がかかる。値下げはブランドイメージに響くとして廃棄させるをえないところもある。新しいタグにすることで、元のブランドを気にせず様々な場で販売できる。ブランドや企業を超えた「在庫シェアリング」を目指す。

リメイクやコーデ提案 持続可能性求め

自社の在庫を生まれ変わらせる取り組みも増えている。アーバンリサーチは6月、サステイナビリティーを追求するブランド「ザ・グッドランド・マーケット」を始めた。第一弾として、在庫をリメイクしたTシャツやドレスをネットで販売。企画担当者は「サステイナビリティーはトレンドや一過性のものだとは考えていない。生産背景だけでなく、扱い方の組み合わせなど、できることから着実に広げていきたい」と言う。

ロックジャパンリミテッドは4月、通販サイト「アウネ」を立ち上げた。倉庫に眠っていた自社のマウジーやライなど約10ブランドの服で、コーディネートを組み、コーディネート単位で販売。セット価格の中心は3千～4千円という。

ブラウスとパンツ、ワンピースとジャケットなどとコーディネートで提案するのが肝だ。アウネを手がける神田麻衣・未来政策室長は、服が売れ残ることも、そこを逆手にとった動きだ。ファッション業界では、環境に配慮するサステイナビリティー（持続可能性）が重視されるようになった。服を作り売る側は「売れずに余った服」をあえて前面に出し、消費者にも選択や行動を問う。

◆ファッション情報はデジタル版の「＆ｗ（http://www.asahi.com/and_w/）」と「＆Ｍ（http://www.asahi.com/and_M/）」でも

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Started in-house YouTube channel “SHEL’TTER TV”

- “BAROQUE CHANNEL” renewed to “SHEL’TTER TV”
  Selected in-house from all over Japan, brand salespeople become ambassadors in a daily distribution of a wide variety of videos limited not just to fashion but also Make-up and Lifestyle topics
- By strengthening the YouTube channel, we will see an influx of new users, future conversion into customers, and increased returnee purchases, etc.



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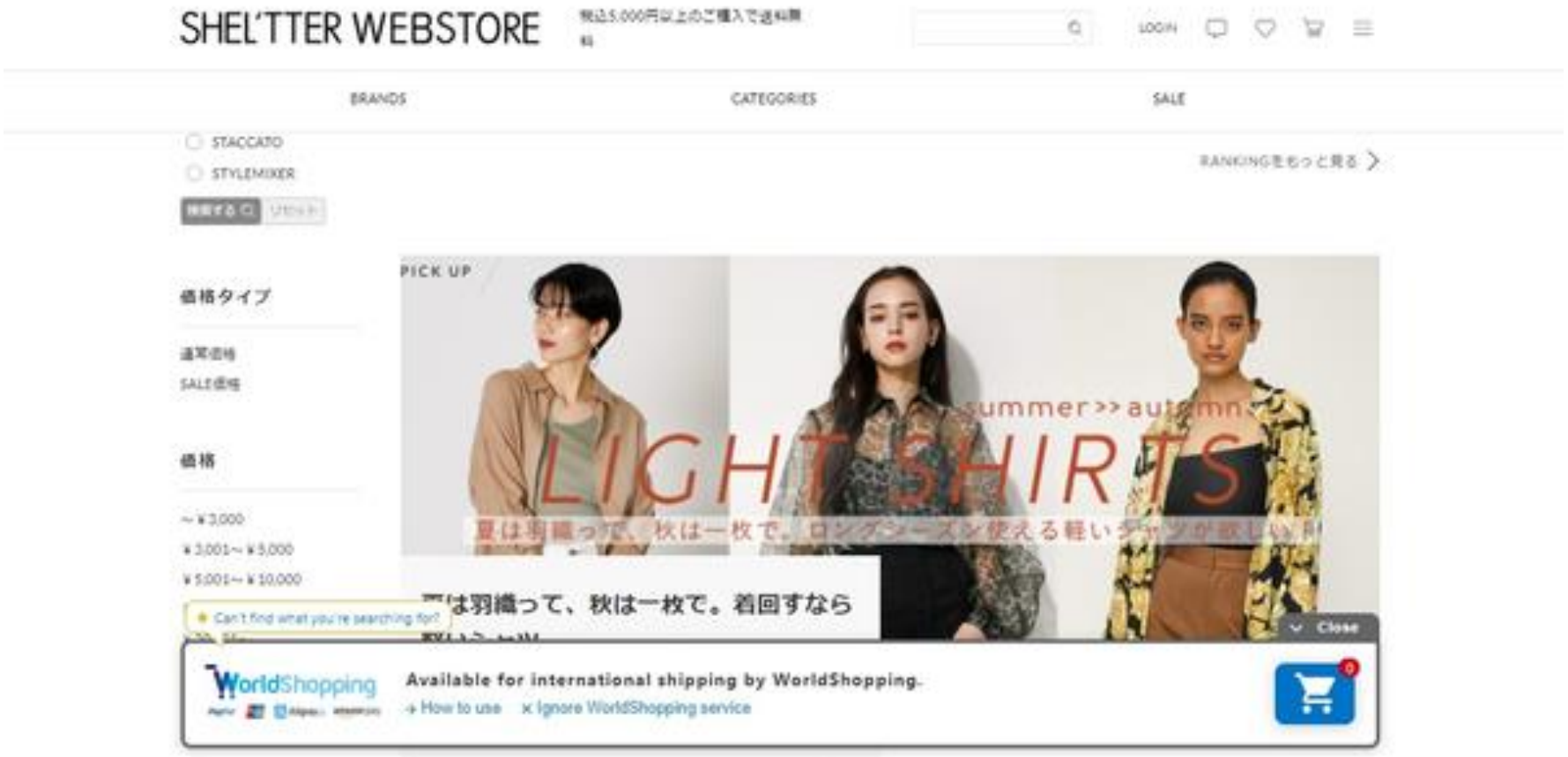
Introduced new Cross-Border E-commerce services― ”Worldshopping BIZ check out” on SHEL’TTER WEB STORE

- Accessible by users in 125 countries around the world
- Although the conventional EC store performed cross-border service, overseas shipping, and overseas payment, with the introduction of this service we have been able to expand multilingual support and payment methods, expanding usage of the “SHEL’TTER WEB STORE” to overseas users
- Items can now be purchased more smoothly, and we also support reservations and pre-orders, which are often requested by overseas users



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New Brand Line Development

- Launched 2 brands (HeRIN.CYE and Crie Conforto) for women in their 30s/40s
- Launched “M_” (M Underbar) from MOUSSY with thorough consideration for the environment



HəRIN.CYE

Maximizes the daily
lives of women
living in the modern age

Presents warm “comfort”
Do not force yourself
Be what you are





Be particular about a
production’s background
and materials
Made not just for the wearer
Share this joy with everyone
Satisfy both body and mind
through this cycle

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1 FY2021/02 Second Quarter Result Overview

2 Business Highlights

3 FY2021/02 Outlook

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Full-year earnings outlook/Dividends Policy

(単位:百万円)	2021年2月期 計画 FY2021/02 Outlook			2020年2月期 実績 FY2020/02 (Actual)	
	見通し Forecast	対売上 % to Sales	前年同期比※ YoY	実績 Actual	対売上 % to Sales
売上高/Sales	**52,547**	100.0%	79.8%	65,880	100.0%
売上総利益/Gross Profit	**29,029**	55.3%	76.7%	37,837	57.4%
販管費/SG&A	**27,479**	52.3%	82.7%	33,232	50.4%
営業利益/Operating Profit	**1,550**	2.9%	33.7%	4,604	7.0%
経常利益/Recurring Profit	**1,178**	2.2%	25.7%	4,586	7.0%
親会社株主に帰属する当期純利益 /Net Profit	**312**	0.6%	10.9%	2,871	4.4%
1株当たり当期純利益/EPS	**8.67**			79.22	

- Due to the impact of the Covid-19 epidemic, sales declined in the first half however they are expected to recover gradually in the second half, with sales forecasted at 52.5 billion yen
- We expect an Operating Profit of 1.5 billion yen, Recurring Profit of 1.1 billion yen, and Net Profit of 0.3 billion yen by improving of our conversion rate by reducing sales discount promotion, appropriate inventory control, and reduction of SG&A expenses

Shareholder Dividends

- **The annual dividend for FY2021/02 is planned to be 32 yen per share (year-end dividend)**

The above earning forecast was prepared based on the available information at the time of publication. Actual earnings may vary depending on various factors such as the end of the coronavirus epidemic

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Appendix

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Leading in Women's Apparel and Accessories in Japan (SPA) *

- **358** stores in Japan, **279** stores in China, 4 stores in Hong Kong, 1 store in the U.S., **18 brands** in the portfolio**
- Stable Japanese Business + **Continuously Growing China Business**
- Efficient business model with **High Inventory Turnover and GPM**

*Specialty store retailer of Private label
** As of August 2020 for Japan, June 2020 for Overseas



MOUSSY



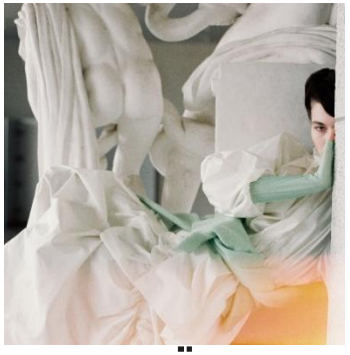
SLY



AZUL
BY MOUSSY



rienda



ENFÖLD



RODEO CROWNS
WIDE BOWL



någonstans



SHEL'TTER



LAGUA GEM



STACCATO

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History

- Our founding spirit of “making what *we* want” has never changed, and our business has expanded globally - supported by our loyal customers both domestic and overseas.

Time	History
2000	● **6 founders started [MOUSSY] from “Shibuya 109”(shopping building) “we make what we want (because they don’t exist in the market!)”** ● As a denim brand, MOUSSY’s jeans were designed to accentuate the sexiness of women. ➢ **MOUSSY achieved sales of JPY10bil in just 4 years**
2006	● China business expert, Mr. Murai (current Chairman and CEO) joined the company
2007	● MBO by CLSA and senior management
2008	● **[AZUL by moussy] launched.** Targeting customers at suburban shopping centers (reasonably priced items, offering women’s men’s and kids’ lines), yet offering a MOUSSY-style shopping experience and store atmosphere
2010	● 1st MOUSSY store opened in Shanghai, China
2012	● **[ENFÖLD] launched. Targeting fashion conscious women in 30s and 40s** ➢ **Established “Domestic Contemporary market*”** *a market for brands with similar level of design, quality and branding as foreign contemporary brands(especially European and American brands) but pricing similar to domestic brands (more affordable)
2013	● CLSA sold all the shares to Belle and CDH Fund. China JV with Belle started
2016	● **[RIM.ARK] launched by a winner of an internal competition project.** ➢ Norm-Mode brand with a normal fashion style that further evolves the Normcore trend ● [MOUSSY][ENFÖLD] stores opened in Manhattan, NY







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History

Time	History
2017	● Achieved 200 stores in mainline China through the Chinese retail business developed in Joint Venture with Belle International Holdings Limited
	● Started selling “adidas x MOUSSY”, a collection jointly developed with Adidas Japan Co.,Ltd
	● **Started Distribution of Service for “SHEL’TTER PASS” a membership-based point service to accumulate “miles” for use in both in-store and EC(E-commerce) shopping.**
2018	● Developed a new brand “någonstans” that introduces mature resort styles for women in their 30s and 40s who are highly fashion-conscious
	● Born from the new business discovery contest “NEXT IS YOU”, the brand “R4G” with a new concept of fusion of animation and fashion is developed from its on EC site.
	● Launched STYLEMIXER official website, an editorial EC platform curated by popular influencers
	● Ayaka Murohara (ex SLY sales staff) winner of “2017 NEXT IS YOU - Fashion Icon section “, launched “LAGUNA GEM”
2019	● Launched "y/m" for women in their late 30s and 40s who are highly fashion-sensitive, offering simple, but detailed, and ingredients-focused clothes
2020	● Launched AUNE, a new platform for apparel sustainability
	● Launched “HeRIN.CYE”, a brand that maximizes the daily lives of women living in the modern age.
	● Launched “Crie Conforto” which presents warm “comfort” for adult women







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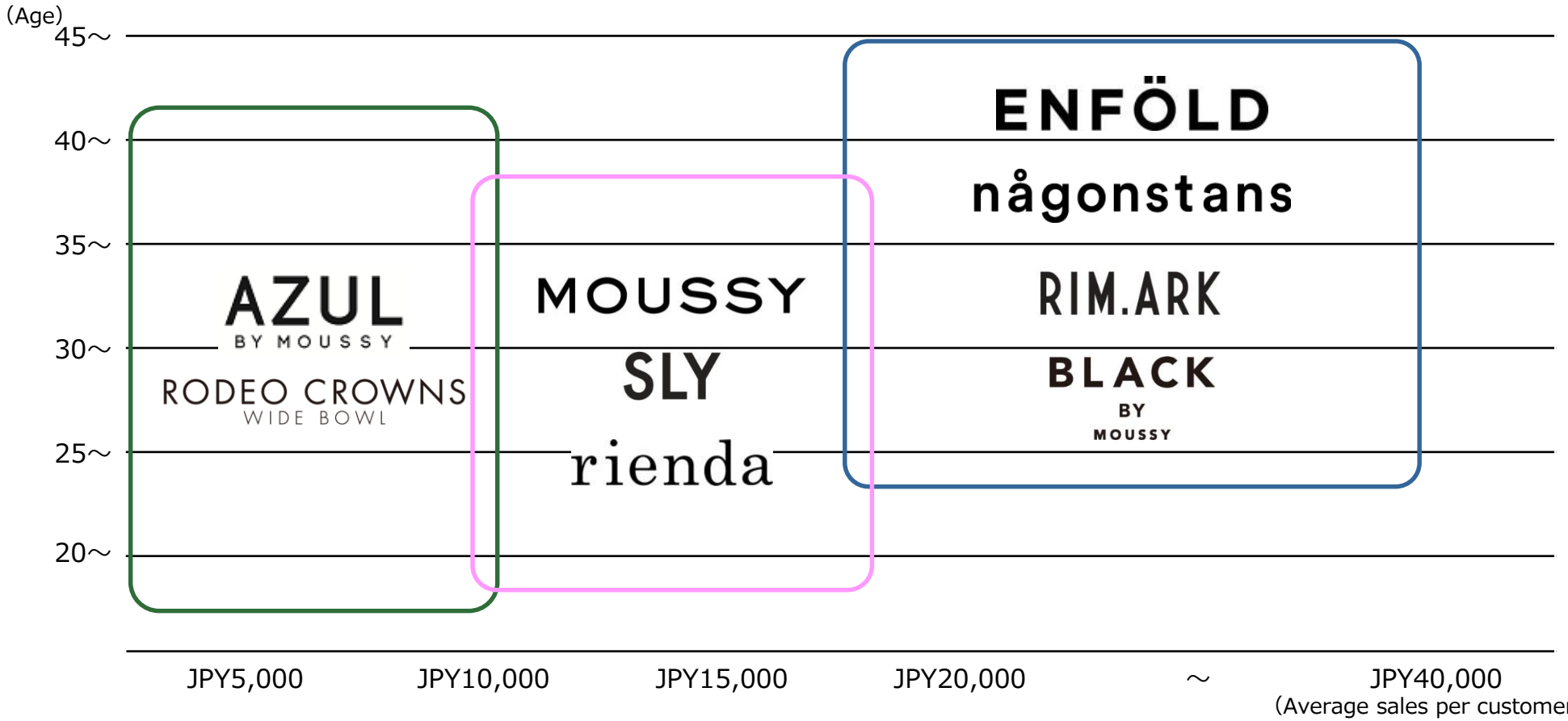
Balanced Brand Portfolio Across a Wide Range of Customers Demographics



% of sales	50%	40%	10%
Ave. Store Size	40 ～ 150坪	20 ～ 50坪	15 ～ 20坪
Global Comparison	TOPSHOP ZARA	ALLSAINTS rag & bone NEW YORK	STELLA McCARTNEY MARNI

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Ranking of Instagram Follower Counts for Japanese Fashion Brands

Domestic Ranking	Company Name	Logo	Followers	# of Posts
9	MUJI無印良品		2,510,000	2,619
10	UNIQLOユニクロ		2,350,000	1,945
11	A Bathing Ape		2,250,000	7,895
15	KENZO		1,900,000	270
26	GU		1,230,000	2,759
33	sacai		955,000	2,182
35	UNDERCOVER		943,000	1,926
45	Yohji Yamamoto		790,000	884
52	MOUSSY		705,000	8,949
72	LOWRYS FARM		597,000	2,456
131	SLY		419,000	8,838

In-house Instagrammers/YouTubers

Koike weekend

■Director, Future Policy Office

■Follower Count 104,000

■314,000 YouTube Subscribers



@nami_kawamoto

■Followers 49,000

■20,100 YouTube Subscribers



marinakamura

■RIM.ARK

■Follower Count 142,000



mi_smile25

■Follower Count 65,000

■48,300 YouTube Subscribers



As of September 30,2020 Instagram, YouTube

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Stores in China

■ In Q2 of FY2021/02 the number of stores opened was 3 and closed was 9, resulting in a net decrease of 6 stores

■Store number : 279stores
- 1st tier city : 4cities 113stores
- 2nd tier city : 21cities 136stores
- 3rd tier city : 11cities 30stores

■Number of cities : 36cities
(As of end of June, 2020)

華北エリア/North（76）

北京/Beijing	34
天津/Tianjin	10
沈陽/Shenyang	9
太原/Taiyuan	5
石家庄/Shijazhuang	4
長春/Changchun	4
哈尔滨/Harbin	4
大连/Dalian	5
秦皇岛/Qinhuangdao	1

華南エリア/South（59）

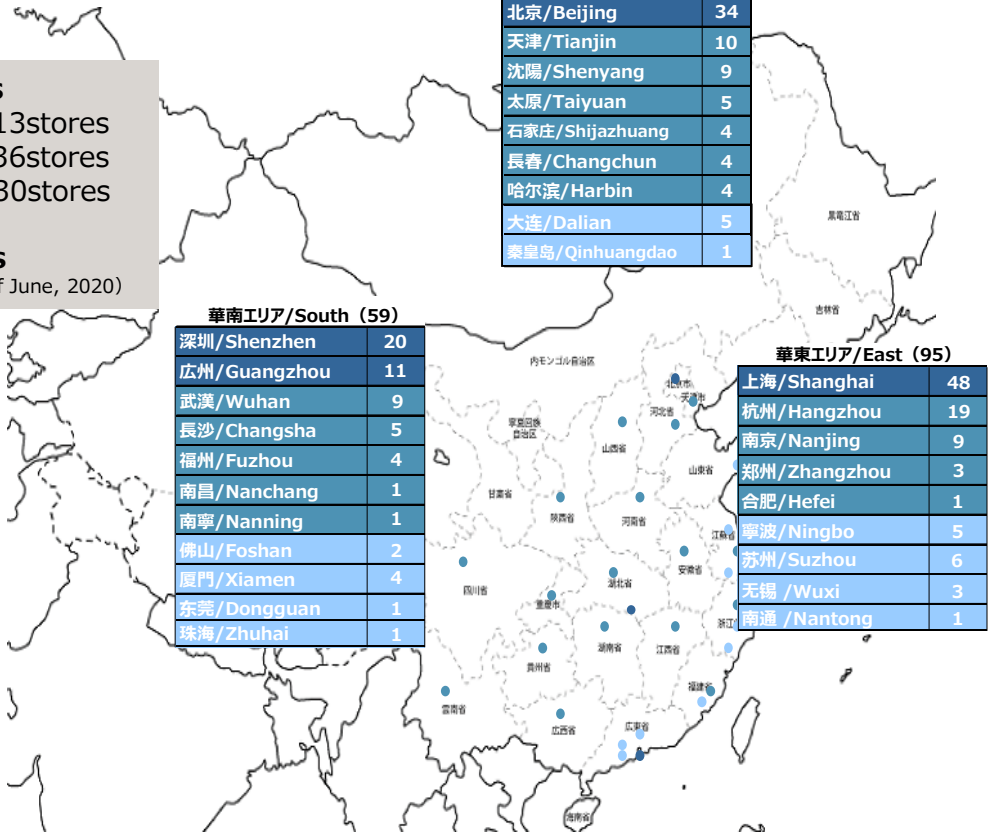
深圳/Shenzhen	20
広州/Guangzhou	11
武漢/Wuhan	9
長沙/Changsha	5
福州/Fuzhou	4
南昌/Nanchang	1
南寧/Nanning	1
佛山/Foshan	2
厦門/Xiamen	4
东莞/Dongguan	1
珠海/Zhuhai	1

西南エリア/West（49）

成都/Chengdu	18
重慶/Chongqing	14
西安/Xian	8
昆明/Kunming	5
貴陽/Guiyang	2
西寧/Xining	1
绵阳/Mianyang	1

華東エリア/East（95）

上海/Shanghai	48
杭州/Hangzhou	19
南京/Nanjing	9
郑州/Zhangzhou	3
合肥/Hefei	1
寧波/Ningbo	5
苏州/Suzhou	6
无锡 /Wuxi	3
南通 /Nantong	1



City Definition
1st tire cities (4 cities): Shanghai, Beijing, Guangzhou, Shenzhen
2nd tire cities (27 cities): Harbin, Shenyang, Changchun, Hohhot, Shijiazhuang, Taiyuan, Tianjin, Hangzhou, Hefei, Nanjing, Fuzhou, Haikou, Nanchang, Nanning, Wuhan, Changsha, Jinan, Zhengzhou, Lanzhou, Ürümqi, Xi'an, Xining, Yinchuan, Chengdu, Chongqing, Guiyang, Kunming
3rd tire Cities: Other Cities

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High Inventory Turnover and GP Margin

High Inventory Turnover

- New Merchandise Arrivals Every Week
- Avg. 12,500 to 13,500 items /year



- Sold out or moved to Outlet stores/Warehouse after 2 to 3 weeks
- Highly skilled shop staff



High GP Margin

Development

- Original fabric development and sourcing by R&D team



Production

- Promoting Direct Purchases from Factories
- Utilizes JV-partner Belle's network to cultivate new production partnerships



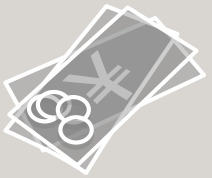
Logistic

- Logistic and Warehouse Cost Reduction by utilizing Belle's Distribution Network
- In-house inspection center



Sales

- Variety of CS-Improvement Training for shop staff
- Unique incentive programs



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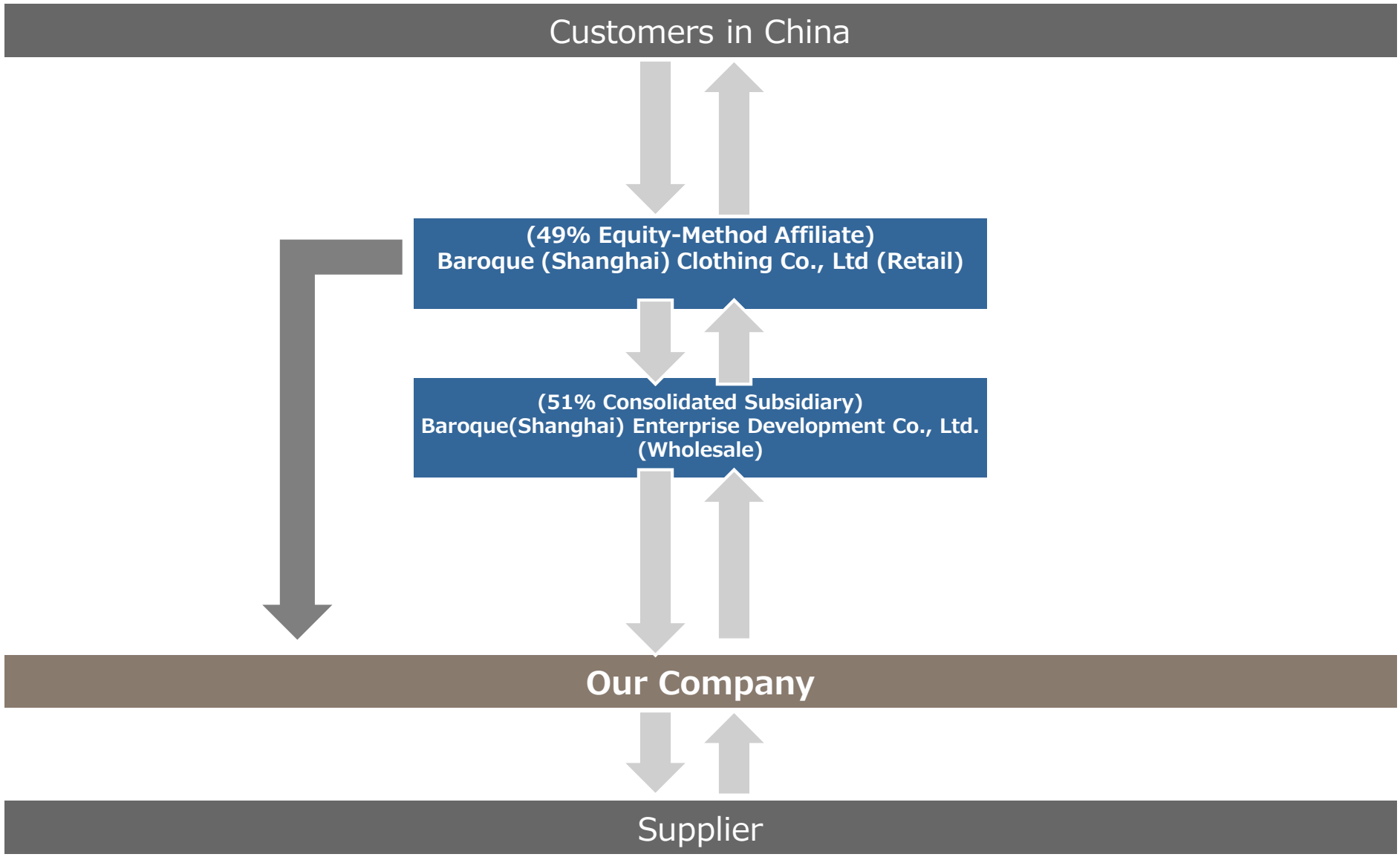
JV Structure in China



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