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**THE 23RD ANNUAL SHAREHOLDERS' MEETING**

Notes to the Consolidated Financial Statements

Notes to the Financial Statements

“Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” have been provided to shareholders on the Company’s website pursuant to provisions of laws and regulations as well as Article 14 of the Articles of Incorporation.

**Baroque Japan Limited**

# Notes to the Consolidated Financial Statements

## 1. Notes to the Basis for Preparation of Consolidated Financial Statements

### (1) Scope of consolidation

Status of consolidated subsidiaries:

- |  |  |
|--|--|
| 1) Number of consolidated subsidiaries | 6  |
| 2) Names of consolidated subsidiaries  | BAROQUE HK LIMITED<br>Baroque (Shanghai) Trading Ltd.<br>BAROQUE CHINA LIMITED<br>Baroque (Shanghai) Enterprise Development Ltd.<br>FRAME LIMITED<br>BAROQUE USA LIMITED |

### (2) Application of the equity method

Status of equity-method associates:

- |                                       |   |
|---------------------------------------|---|
| 1) Number of equity-method associates | 3   |
| 2) Names of equity-method associates  | BAROQUE CHINA APPARELS LIMITED<br>Baroque (Shanghai) Clothing Ltd.<br>Baroque (Beijing) Clothing Ltd. |

#### 3) Special notes with respect to application of the equity method

Among the equity method affiliated companies, the account closing date of BAROQUE CHINA APPARELS LIMITED, is the last day of February, and when preparing consolidated financial statements, we use financial statements as of December 31. Baroque (Shanghai) Clothing Ltd. and Baroque (Beijing) Clothing Ltd. is the last day of the February, and their financial statements as of that day are used in the preparation of the consolidated financial statements. Necessary adjustments are made on a consolidated basis to reflect any significant transactions made between the consolidated closing date and that of the two subsidiaries.

### (3) Fiscal years of consolidated subsidiaries

Except for FRAME LIMITED, the account closing date of the other five consolidated subsidiaries is December 31. Their financial statements as of that day are used in the preparation of the consolidated financial statements. Necessary adjustments are made on a consolidated basis to reflect any significant transactions made between the consolidated closing date and that of the subsidiaries. The account closing date of FRAME LIMITED is January 31.

(4) Significant matters concerning accounting policies

1) Standards and methods for valuation of significant assets

Inventories Valuation stated at cost (method of writing values down in line with decline in profitability)

Inventories Mainly uses the weighted average method

Consumables Specific cost method

2) Depreciation method for significant depreciable assets

a. Property, plant and equipment The declining balance method is mainly applied. However, the straight line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and leasehold improvements acquired on or after April 1, 2016.

The main useful lives are as follows:

Buildings and leasehold improvements 2-50 years

b. Intangible assets The straight line method is applied. The main useful lives are as follows:

Software 5 years

3) Significant standards of accounting for provisions and reserves

a. Provision for doubtful accounts Provision for doubtful accounts is provided based on the historical write-off rate for ordinary receivables, and the estimated amount of irrecoverable debt based on recoverability of individual cases for specified receivables such as doubtful accounts.

b. Provision for bonus A reserve for bonuses is provided based on the amount of estimated bonuses to employees that should be borne in the consolidated fiscal year under review.

c. Provision for share awards for directors In order to prepare for the benefit of the Company's shares to directors based on the provision for share awards for directors, an allowance for directors' share benefits is recorded based on the estimated amount of share benefit obligations at the end of the current consolidated fiscal year.

4) Other significant matters in the preparation of consolidated financial statements

a. Accounting treatment of retirement benefits

A simplified method is applied to calculate net defined benefit liability and retirement benefit expenses, whereby the amount payable for voluntary termination as of the end of the fiscal year under review is taken to be the retirement benefit obligation.

b. Accounting treatment of consumption taxes, etc.

The tax exclusion method is applied in the accounting treatment of consumption taxes, etc.

## 2. Notes on changes in presentation method

(Referring to the consolidated balance sheet)

Previously, the method of presenting the allowance for provision for share awards for directors was included in "Others" (121 million yen in the previous consolidated fiscal year) of "Non-current liabilities" on the consolidated balance sheet, but because it took on more importance, it is shown as an allowance for provision for share awards for directors (182 million yen in the current consolidated fiscal year) from the current consolidated fiscal year.

(Application of "Accounting Standards for Disclosure of Accounting Estimates")

"Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) will be applied from the current consolidated fiscal year, and "3. Significant Accounting Estimates" will be included in the consolidated notes.

## 3. Significant Accounting Estimates

### (1) Provision for inventory

(i) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

On the consolidated balance sheet at the end of the current consolidated fiscal year, the amount of inventories is 5,550 million yen. In the current consolidated fiscal year, the devaluation of the book value due to the decline in the profitability of the inventories recorded in the cost of sales on the consolidated statement of income was 1,413 million yen.

(ii) Calculation method of the amount recorded in the consolidated financial statements for the current consolidated fiscal year and major assumptions used in the calculation

Regarding the inventory provision, the Group has described in "Consolidated Note Table 1. Notes on important matters that are the basis for preparing consolidated financial statements (4) Matters related to accounting policies (i) Valuation criteria and valuation methods for important assets Inventories", the cost method is mainly based on the total average method (balance sheet value is calculated by the method of devaluing the book value based on the decrease in profitability), and its value decreases with the passage of time. Since its value declines with the passage of time, regular book value devaluation determined mainly based on past sales performance and disposal performance for inventories that are out of the business cycle process that exceeds a certain amount of holdings and this method reflects the decline in profitability. Specifically, we manage and sell inventories by brand in units of "spring / summer" and "autumn / winter", and estimate the quantity of inventory that can be sold without breaking the cost, and devalue the book value regularly on the premise that the portion that exceeds it will be discarded.

The casual wear specialty store industry, to which the Group belongs, is in a fiercely competitive relationship with competitors, and trends and tastes tend to change rapidly and the inventory life cycle tends to be short. In addition, regarding economic trends and personal consumption, consumers' willingness to purchase due to the Group's inability to provide inventories that respond to changes in customer preferences, unpredictable changes in weather conditions, and the sudden deterioration of the economy. If in deciding how to do this, we incorporate important judgments and assumptions.

In addition, regarding economic trends and personal consumption, if the Group cannot provide inventories that respond to changes in customer preferences, if unpredictable changes in weather conditions occur, or if consumers' purchasing motivation declines significantly due to the rapid economic downturn, the quantity of inventories that can be sold without breaking the cost may fluctuate significantly, and due to the difficulty of forecasting, we incorporate important judgments and assumptions in deciding how to regularly devalue the book to reflect the fact that profitability is declining.

(iii) Impact on consolidated financial statements for the next consolidated fiscal year

The inventories owned by the Group are easily affected by external environmental factors such as intensifying competition with competitors, weather, and also changing customer needs due to fashion trends, so the actual market environment or demand trends in the future worsen than expected, profits may decrease due to the calculation of appraised loss.

(2) Impairment of fixed assets

(i) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

On the consolidated balance sheet at the end of the current consolidated fiscal year, property, plant and equipment of 1,496 million yen and intangible assets of 970 million yen. The amount of impairment loss recorded in the consolidated income statement for the current consolidated fiscal year was 265 million yen.

(ii) Calculation method of the amount recorded in the consolidated financial statements for the current consolidated fiscal year and major assumptions used in the calculation

The Group is grouping fixed assets mainly with the smallest unit that generates cash flow as the store unit, and if the operating income of each store continues to be negative, it is judged that there is a sign of impairment.

If there are signs of impairment, the book value is compared to the total amount of undiscounted future cash flows from the asset group to determine whether an

impairment loss should be recognized and, as a result, if it is necessary to recognize an impairment loss, the carrying amount is reduced to the recoverable amount (value in use or net selling price, whichever is higher) and the reduced amount is recorded as an impairment loss.

In addition, since it is judged that an operating loss will occur at the beginning of a new store opening and it will take a certain period of time to secure operating profit, a certain grace period after opening a new store should be used when grasping signs of impairment of a new store.

(iii) Impact on consolidated financial statements for the next consolidated fiscal year

In grasping the signs of impairment of fixed assets, recognizing and measuring the impairment loss, we make rational decisions based on the information available as of the settlement date, but if the conditions or assumptions that are the premise of the estimate change due to changes in the market environment, etc., it may affect the consolidated financial statements for the next consolidated fiscal year.

#### 4. Additional Information

(About the uncertainty of accounting estimates)

The impact of Covid-19 epidemic on our group can be seen in consumers refraining from going out and in a decrease of the number of customers visiting stores due to following requests for curtailment of business hours and operation. Although it is difficult to accurately predict how the Covid-19 epidemic will spread and when it will end, in view of the current situation, it will not recover to the level of normal performance. However, it is expected that business performance will gradually recover throughout regions where economic activity has resume. Under the assumption that business performance will recover by 90% by year, we shall make accounting estimates for inventory provision and impairment of fixed assets.

Moreover, the impact of Covid-19 epidemic to the market and the situation of uncertainty to the future are expected to continue for one to two years, and it may affect business performance and financial situation of our group if it takes more time to settle.

#### 5. Notes to the Consolidated Balance Sheet

Accumulated depreciation of property, plant and equipment	5,739 million yen
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## 6. Notes to the Consolidated Statement of Changes in Equity

### (1) Total number of outstanding shares:

Class of shares	Number of shares as of the beginning of the fiscal year	Increase	Decrease	Number of shares as of the end of the fiscal year
Common stock	36,676,300	–	–	36,676,300

Notes: The above number of shares as of the end of the fiscal year includes 662,000 shares of treasury stock, including 201,600 shares of the Company held by the Board Benefit Trust (BBT).

### (2) Dividends:

#### (i) Amount of dividends paid

Date of resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
April 14, 2021 Board of Directors' Meeting	Common stock	1,158	32	February 28, 2021	May 28, 2021

Note: The total amount of dividends resolved at the Board of Directors' Meeting held on April 14, 2021 includes dividends of 6 million yen for the Company's shares held by the Board Benefit Trust (BBT).

#### (ii) Dividends whose record date falls under the fiscal year under review, but the effective date falls under the next fiscal year

Date of resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
April 14, 2022 Board of Directors' Meeting	Common stock	1,376	38	February 28, 2022	May 27, 2022

Note: The total amount of dividends resolved at the Board of Directors' Meeting held on April 14, 2022 includes dividends of 7 million yen for the Company's shares held by the Board Benefit Trust (BBT).

## 5. Notes on Financial Instruments

### (1) Status of financial instruments

#### 1) Policy on initiatives regarding financial instruments

The Group mainly raises necessary capital through borrowings from banks and installment contracts with lease companies in accordance with its capital investment plan. Temporary idle funds are invested in financial assets that are highly secure, and short-term working capital is raised through borrowings from banks.

#### 2) Details of financial instruments and related risks

Trade and other receivables are subject to customer credit risk. In addition, trade receivables denominated in foreign currencies arising from the development of business overseas are also subject to the risk of exchange rate fluctuations.

Rental deposits are mainly guarantee deposits paid for new store openings, and are subject to credit risk of the deposit destination.

Trade notes payable, trade and other payables, other payables, and current tax payable are trade payables that have due dates within a year. Among them, there are items denominated in foreign currencies for the import of inventories, etc., which are subject to the risk of exchange rate fluctuations.

Interest-bearing borrowings are mainly funds raised for daily operations, for which repayment dates fall after the account closing date and within three years.

Deposits received refer to deposits for transactions received from business partners based on franchisee agreements.

#### 3) Management system of risks related to financial instruments

##### a. Management of credit risks (risks related to contract breaches by business partners, etc.)

The Group sets credit limits based on the credit control regulations, cooperates with each business department and the Accounting Department to manage the due dates and balances of each of its major business partners, as well as strives for the early detection and reduction of doubtful debts due to a deteriorated financial situation, etc.

The credit situation of the destination of rental deposits are confirmed at the point of concluding the lease contract as well as regular monitoring of its credit situation after moving in, in order to achieve the early detection and reduction of doubtful debts.

##### b. Management of liquidity risks related to capital raising (risks related to inability to make payments on due dates)

The Group manages liquidity risks by having the Accounting Department formulate and update the financing plan in a timely manner based on reports from each department, and continuously maintaining liquidity on hand.



4) Supplementary explanation regarding fair value, etc. of financial instruments

Besides amounts based on market values, the fair value of financial instruments includes reasonable calculations in cases where the market value is not available. As the calculations of such amounts take into account some variation factors, if different assumptions are used in the calculations, the said amounts may fluctuate.

(2) Fair value, etc. of financial instruments

The amounts posted on the consolidated balance sheet, the fair values, and the differences thereof as of February 28, 2022 are as follows. Amounts in cases where it is deemed extremely difficult to determine the fair values are not stated in the following table.

	Consolidated balance sheet amount (million yen)	Fair value (million yen)	Difference (million yen)
(1) Cash and cash equivalents	15,010	15,010	—
(2) Notes and trade receivables	8,869		
Provision for doubtful accounts	—		
Notes and trade receivables (net)	8,869	8,869	—
(3) Rental deposits	3,159	2,919	(240)
<b>Total assets</b>	<b>27,040</b>	<b>26,800</b>	<b>(240)</b>
(1) Trade notes payable	57	57	—
(2) Trade and other payables	3,272	3,272	—
(3) Other payables	1,131	1,131	—
(4) Current tax payable	809	809	—
(5) Short-term borrowings	2,000	2,000	—
(6) Interest-bearing borrowings* <sup>1</sup>	6,000	6,000	—
(7) Deposits received* <sup>2</sup>	5	5	—
<b>Total liabilities</b>	<b>13,275</b>	<b>13,275</b>	<b>—</b>

Notes: 1. Interest-bearing borrowings include interest-bearing borrowings, current liabilities.

2. Deposits received include deposits received classified under current liabilities.

(Note 1) Calculation method of fair value of financial instruments

Assets

(1) Cash and cash equivalents (2) Notes and trade receivables

As these are settled in the short term and the fair values will be similar to the book values, the book value amounts are used.

(3) Rental deposits

The fair value of this item is calculated based on the current value of future cash flows discounted using an appropriate rate such as the yield of an AA-rated bond.

Liabilities

(1) Trade notes payable (2) Trade and other payables (3) Other payables (4) Current tax payable

(5) Short-term borrowings

As these are settled in the short term and the fair values will be similar to the book values, the book value amounts are used.

(6) Interest-bearing borrowings

Apart from interest-bearing borrowings with floating interest rates, the total amount of principal and interest is calculated by the present value discounted by the interest rate assumed when a new similar transaction is made. However, for interest-bearing borrowings with floating interest rates, since the interest rate is subject to renewal at regular intervals, it can be said that the market value is close to the book value, so it is based on the book value.

(7) Deposits received

As the fair values of the deposits received that are settled within one year will be similar to the book values, the book value amounts are used.

(Note 2) Financial instruments for which fair values are deemed extremely difficult to determine

	Consolidated balance sheet amount (million yen)
Investments in and advances to associates	1,603
Other payables	7
Deposits received	488

Investments in and advances to associates are not included in the table in (2) Fair value, etc. of financial instruments, as market values are not available, and the Company is unable to estimate future cash flows, with fair values deemed extremely difficult to determine.

Among other payables, items where the Company is unable to reasonably estimate the date of repayment and a reasonable estimation of cash flows is deemed extremely difficult are not included in (2) Fair value, etc. of financial instruments

Among deposits received, items where the Company is unable to reasonably estimate the date of repayment and a reasonable estimation of cash flows is deemed extremely difficult are not included in (7) Deposits received.

## 8. Notes to Per Share Information

(1) Net assets per share 562.36 yen

(2) Earnings per share 40.87 yen

(Note) Treasury stock for the purpose of the Board Benefit Trust (BBT) was deducted from the total number of common stock when the net profit per share, diluted net profit per share, and net assets per share were calculated.

Treasury stock of 662,000 shares were excluded when net assets per share was calculated. Treasury stock of 662,000 shares were excluded when net profit per share and diluted net profit per share were calculated.

## 9. Notes on Significant Subsequent Events

Not applicable.

## Notes to Financial Statements

### 1. Notes to Significant Accounting Policies

#### (1) Standards and methods for valuation of assets

- |  |  |
|--|--|
| 1) Investments in subsidiaries and associates  | Stated at cost using the moving average method |
| 2) Standards and methods for valuation of inventories  |  |
| Valuation stated at cost (method of writing values down in line with decline in profitability) |  |
| Inventories  | Weighted average method                        |
| Consumables  | Specific cost method                           |

#### (2) Depreciation method for non-current assets

- |                                  |  |
|----------------------------------|--|
| 1) Property, plant and equipment | The declining balance method is mainly applied. However, the straight line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and leasehold improvements acquired on or after April 1, 2016.<br>The main useful lives are as follows:<br>Buildings 2-50 years<br>Tools, furniture and fixtures 2-20 years |
| 2) Intangible assets             | The straight line method is applied.<br>Software for internal use is amortized based on the internal useful life (5 years).  |
| 3) Prepaid expenses              | Amortized using the straight line method.  |

#### (3) Standards of accounting for provisions and reserves

- |   |   |
|---|---|
| 1) Provision for doubtful accounts          | Provision for doubtful accounts is provided based on the historical write-off rate for ordinary receivables, and the estimated amount of irrecoverable debt based on recoverability of individual cases for specified receivables such as doubtful accounts.  |
| 2) Provision for bonus                      | A reserve for bonuses is provided based on the amount of estimated bonuses to employees that should be borne in the fiscal year under review.   |
| 3) Provision for retirement benefits        | A simplified method is applied to calculate provision for retirement benefits and retirement benefit expenses, whereby the amount payable for voluntary termination as of the end of the fiscal year under review is taken to be the retirement benefit obligation.                                   |
| 4) Provision for share awards for directors | In order to prepare for the benefit of the Company's shares to directors based on the provision for share awards for directors, an allowance for directors' share benefits is recorded based on the estimated amount of share benefit obligations at the end of the current consolidated fiscal year. |

- (4) Other important matters that form the basis of preparation of non-consolidated financial statements

Accounting treatment of consumption taxes, etc.

The tax exclusion method is applied in the accounting treatment of consumption taxes, etc.

2. Notes on changes in presentation method

(Referring to the consolidated balance sheet)

Previously, the method of presenting the allowance for provision for share awards for directors was included in "Others" (121 million yen in the previous consolidated fiscal year) of "Non-current liabilities" on the consolidated balance sheet, but because it took on more importance, it is shown as an allowance for provision for share awards for directors (182 million yen in the current consolidated fiscal year) from the current consolidated fiscal year.

(Application of "Accounting Standards for Disclosure of Accounting Estimates")

"Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) will be applied from the current fiscal year, and "3. Significant Accounting Estimates" will be included in the notes.

3. Significant Accounting Estimates

(1) Inventory Provision

- (i) Amount recorded in the financial statements for the current fiscal year

On the balance sheet at the end of the current fiscal year, the inventories amounted to 5,071 million yen. In the current fiscal year, the devaluation of the book value due to the decline in the profitability of the inventories recorded in the cost of sales in the income statement was 1,392 million yen.

- (ii) Calculation method of the amount recorded in the financial statements for the current fiscal year and major assumptions used in the calculation

The same content is described in "3. Significant Accounting Estimates" in the consolidated notes, so it is omitted.

(2) Impairment of fixed assets

- (i) Amount recorded in the financial statements for the current fiscal year

On the balance sheet at the end of the current fiscal year, property, plant and equipment were 1,467 million yen and intangible fixed assets were 970 million yen. The amount of impairment loss recorded in the income statement for the current fiscal year was 259 million yen.

(ii) Calculation method of the amount recorded in the financial statements for the current fiscal year and major assumptions used in the calculation

The same content is described in "3. Significant Accounting Estimates" in the consolidated notes, so it is omitted.

4. Additional Information

(About the uncertainty of accounting estimates)

Since the same content is described in "4. Additional Information" in the consolidated note table, the note is omitted.

5. Notes to the Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment 5,371 million yen

(2) Contingent liabilities

Debt guarantees

The Company provides debt guarantees for trade and other payables of the following subsidiary in the amounts below.

BAROQUE HK LIMITED	Trade and other payables	249 thousand USD (28 million yen)
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(3) The monetary claims and debts with respect to subsidiaries and associates are as follows.

1) Short-term monetary claims	913 million yen
2) Long-term monetary claims	450 million yen
3) Short-term monetary debts	547 million yen

6. Notes to the Non-Consolidated Income Statement

Balances of transactions with subsidiaries and associates:

1) Turnover	2,063 million yen
2) Purchase of goods	8,915 million yen
3) Other trade transactions	305 million yen
4) Balance of transactions other than trade transactions	9 million yen

7. Notes to the Non-Consolidated Statement of Changes in Equity

Class and number of treasury stock as of the end of the fiscal year under review

Common stock	662,000 shares
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In accordance with the introduction of the Board Benefit Trust (BBT) system, the above number of treasury stock contains 201,600 shares of the Company held by the BBT.

## 8. Notes to Tax Effect Accounting

Breakdown of main causes of deferred tax assets and deferred tax liabilities:

	(million yen)
Deferred tax assets	
Provision for inventories	710
Enterprise tax payable	53
Provision for bonus	78
Overdepreciation	186
Provision for retirement benefits	6
Provision for reinstatement costs	340
Accrued retirement benefit expenses (DC)	2
Provision for share awards for directors	53
Others	79
Subtotal of deferred tax assets	<u>1,511</u>
Valuation reserve	<u>—</u>
Total deferred tax assets	<u>1,511</u>
Deferred tax liabilities	
Expenses for asset retirement obligations	<u>(130)</u>
Total deferred tax liabilities	<u>(130)</u>
Net deferred tax liabilities	<u>1,380</u>

9. Notes to Transactions with Associates

Subsidiaries and associates, etc.

Type	Name of company, etc.	Capital	Business	The Company's holding of voting rights (%)	Relationship		Transaction details	Transaction amount (million yen) (Note 1)	Description	Fiscal year-end balance (million yen) (Note 1)
					Interlocking directorates, etc.	Business relationship				
Subsidiary	BAROQUE HK LIMITED	HKD 257,000 thousand	Apparel & accessories import/export and retail business	(Holding) Direct 100.00	1 Officer	Purchase and sale of goods, providing capital loans	Debt guarantees concerning trade and other payables	28	-	-
							Providing capital loans (Note 2)	-	Loans receivable, non-current assets	450
							Receipt of interest (Note 2)	9	Other current assets	55
							Sale of goods (Note 2)	19	Trade and other receivables	0
							Royalty income (Note 2)	7		
							Purchase of goods (Note 2)	8,915	Trade and other payables	535
							Business consignment expenses, etc. (Note 2)	215	Other payables	9
Subsidiary	Baroque (Shanghai) Trading Ltd.	HKD 90,600 thousand	Business consignment	(Holding) Indirect 100.00	1 Officer	Business consignment	Business consignment expenses, etc. (Note 2)	26	Other payables	2
Subsidiary	Baroque (Shanghai) Enterprise Development Ltd.	CNY 20,000 thousand	Apparel & accessories wholesale business	(Holding) Indirect 51.00	2 Officers	Sale of goods	Sale of goods (Note 2)	607	Trade and other receivables	409
							Royalty income (Note 2)	61		
Subsidiary	BAROQUE USA LIMITED	USD 2,900 thousand	Apparel & accessories retail and wholesale business	(Holding) Direct 100.00	2 Officers	Sale of goods	Sale of goods (Note 2)	951	Trade and other receivables	365
Associate	Baroque (Shanghai) Clothing Ltd.	CNY 140,000 thousand	Apparel & accessories retail and wholesale business	(Holding) Indirect 49.00	2 Officers	Royalty for sale of goods	Royalty income (Note 2)	415	Trade and other receivables	73

Notes: 1. The transaction amount does not include consumption taxes, etc., while the fiscal year-end balance includes consumption taxes, etc.

2. Transaction terms and policies, etc. regarding determination of transaction terms  
Transaction terms are determined through negotiations upon consideration of market trends.

10. Notes to Per Share Information

(1) Net assets per share 514.58 yen

(2) Earnings per share 31.76 yen

(Note) Treasury stock for the purpose of the Board Benefit Trust (BBT) was deducted from the total number of common stock when the net profit per share, diluted net profit per share, and net assets per share were calculated.

Treasury stock of 662,000 shares were excluded when net assets per share was calculated. Average treasury stock of 662,000 shares were excluded when net profit per share and diluted net profit per share were calculated.

11. Notes on Significant Subsequent Events

Not applicable.