




BAROQUE JAPAN LIMITED

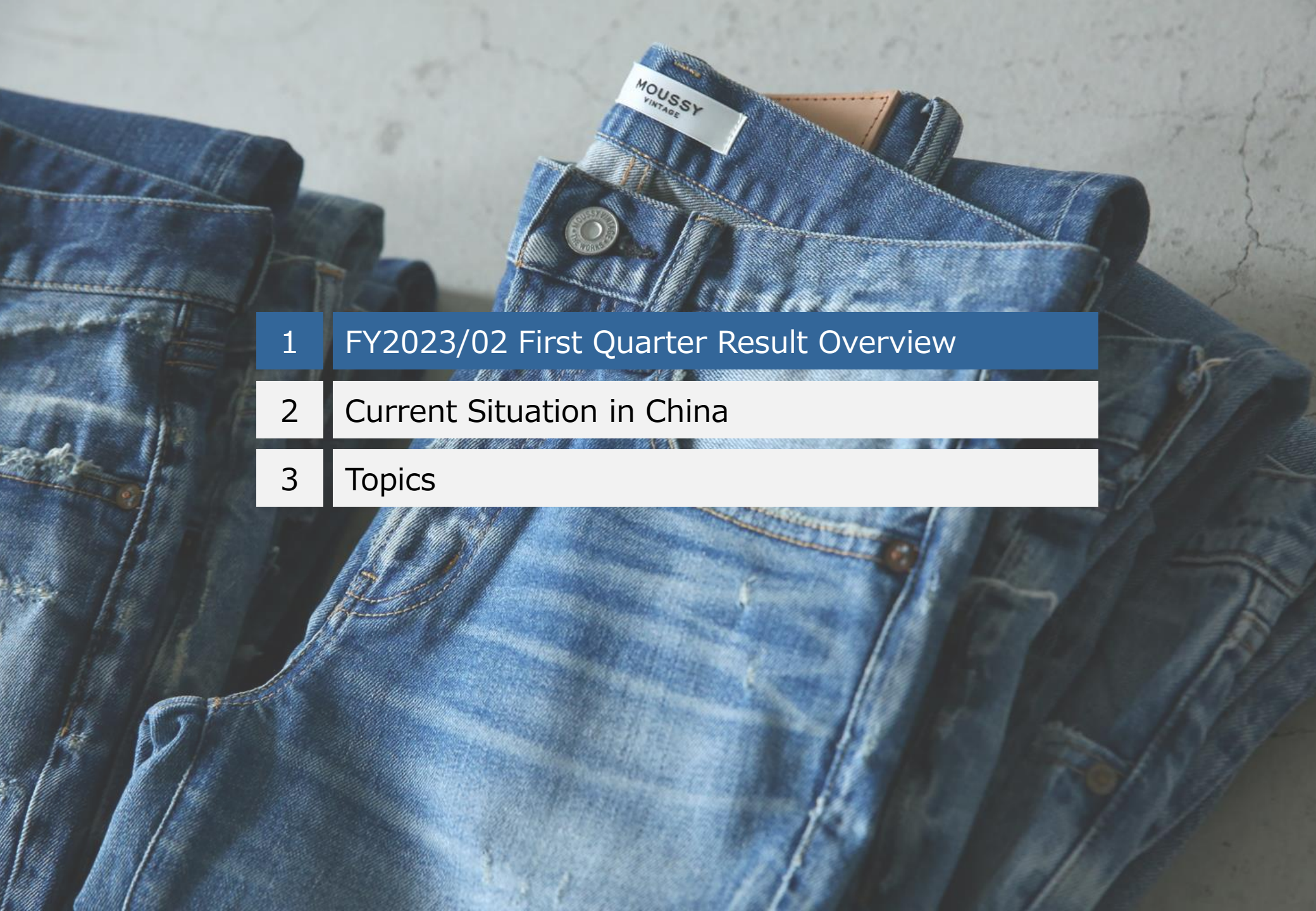
FY2023/02 First Quarter
Financial Results and Supplementary Information

July 15, 2022

Tokyo Stock Exchange Prime Market

Section: 3548





1 FY2023/02 First Quarter Result Overview

2 Current Situation in China

3 Topics

- Consolidated Sales increased by 106.5% YoY, Consolidated Gross Profit and Consolidated Operating Profit also increased YoY.
- Domestic Sales increased by 109.0% YoY, while operating profit and recurring profit also increased by more than 140% YoY.
- In overseas business, the US grew significantly. China was affected by Covid-19 epidemic.

Item	当期 1Q実績/Current 1Q Actual (2022/3/1~2022/5/31)			前年 1Q実績/Previous 1Q Actual (2021/3/1~2021/5/31)		
	通期業績 見通し Forecast	実績 Actual	進捗率 %	前年実績 Previous Year Actual	前年比 YoY	前年比増減 Increase/ Decrease
連結売上高 /Sales	¥ 63.37 bil	¥ 14.07 bil	22.2%	¥ 13.20 bil	106.5%	¥ 0.86 bil
連結売上総利益/Gross Profit	¥ 36.81 bil	¥ 8.61bil	23.4%	¥ 7.91 bil	108.9%	¥ 0.70 bil
連結営業利益 /Operating Profit	¥ 3.24 bil	¥ 1.09 bil	33.6%	¥ 0.80 bil	135.9%	¥ 0.28 bil
連結経常利益 /Recurring Profit	¥ 3.08 bil	¥ 0.83 bil	27.1%	¥ 0.88 bil	94.1%	¥ - 0.05 bil
親会社株主に帰属する 当期純利益 /Net Profit	¥ 1.77 bil	¥ 0.39 bil	22.4%	¥ 0.40 bil	99.0%	¥ - 0.00 bil

Japan Business Overview

- Shop sales increased by 114.5% YoY as restrictions on activities were eased and people flow recovered. The domestic business recorded a significant YoY increase in profit as a result of fine control of conversions and expenses.
- Domestic EC Sales grew by 18.7% YoY. In-house EC sales were 75.5% YoY, due to a decrease in the inflow of light users following the transition to a new EC system, 3rd-party EC sales grew to 113.8 %YoY. SEO recovery and other measures are being implemented in for the in-house EC.
- The Consolidated SG&A to sales ratio decreased by -1.8pts.

(百万円/JPY mil)	FY2023/02 First Quarter			FY2022/02 First Quarter	
	実績 Actual	対売上 % of Sales	前年同期比 YoY	前期実績 Actual	対売上 % of Sales
売上高/Sales	12,536		109.0%	11,505	
(店舗売上/Store Sales)	9,316	74.3%	114.5%	8,137	70.7%
(EC売上/EC Sales)	2,341	18.7%	92.2%	2,541	22.1%
売上総利益/Gross Profit	8,040	64.1%	108.7%	7,396	64.3%
販管費及び一般管理費/SG&A	7,179	57.3%	105.6%	6,795	59.1%
営業利益/Operating Profit	860	6.9%	143.2%	600	5.2%
経常利益/Recurring Profit	889	7.1%	145.6%	610	5.3%

Overseas Business Overview

U.S. Business

- Expanding business in U.S with a business model centred on EC and wholesale (to luxury department stores and select stores). Wealthy consumers' demand for luxury made-in Japan denim is strong.
- The actual store is 1 store in NY. First quarter EC ratio (including EC specialized wholesalers): 26.4%
- Business performance in the U.S. for the FY2023/02 first quarter continued the strong growth of the previous year. Sales were 164.1% YoY.
- The business has expanded to a scale significantly greater than that of the pre-Covid-19 epidemic period. Wholesale orders also remain strong, with sales increasing by approximately 230% and operating profit by approximately 190% compared to the same period in FY 2019.

China JV

- The spread of Covid-19 epidemic in China expanded. Sales from China JV decreased by 80.9% YoY in the first quarter due to a decline in the number of customers in an environment of cooling personal consumption and stricter restrictions on activities, including a self-restraint on returning home for Chinese New Year.
- In a difficult personal consumption environment, we focused on expanding sales on the new EC channels such as TikTok and Xiaohongshu (RED), and EC sales in China increased by 135.0% YoY (EC ratio: 20.9%).

(百万円/JPY mil)	FY2023/02 Actual	FY2022/02 Actual	YoY
中国合弁事業に関する売上 Sales from China JV			
卸売/Wholesale	1,267	1,534	82.6%
ロイヤリティ/Royalty	69	118	58.8%
売上合計/Sales Total	1,337	1,653	80.9%

- Consolidated Sales increased significantly by +6.5pts YoY
- Consolidated GP margin improved YoY (+1.3pts)
- Consolidated OP was significantly higher than in the same period last year and the Consolidated OP margin improved from 6.1% to 7.7%.

(百万円/JPY mil)	FY2023/02 First Quarter		
	実績	対売上	前年同期比
	Actual	% of Sales	YoY
連結売上高/Sales	14,071		106.5%
連結売上総利益/Gross Profit	8,617	61.2%	108.9%
連結販管費及び一般管理費/SG&A	7,527	53.5%	105.9%
連結営業利益/Operating Profit	1,090	7.7%	135.9%
連結経常利益/Recurring Profit	837	6.0%	94.1%
親会社株主に帰属する四半期純利益 /Net Profit	398	2.8%	99.0%

FY2022/02 First Quarter	
前年実績	対売上
Actual	% of Sales
13,208	
7,910	59.9%
7,108	53.8%
802	6.1%
889	6.7%
402	3.0%

- The overall recovery trend has strengthened, and the growth of department store brands and FB/SB brands are particularly remarkable

(百万円/JPY mil)	FY2023/02 First Quarter			FY2022/02 First Quarter	
	実績	構成比	前年同期比	前年実績	構成比
	Actual	Composition	YoY	Actual	Composition
連結売上高/Sales	14,071		106.5%	13,208	
FB/SBブランド/FB/SB Brands	4,175	29.7%	113.1%	3,691	27.9%
SCブランド/SC Brands	5,865	41.7%	103.7%	5,655	42.8%
百貨店ブランド/Dept. Store Brands	1,422	10.1%	117.1%	1,214	9.2%
海外/Overseas	2,010	14.3%	96.6%	2,081	15.8%
その他/Others	597	4.2%	105.9%	564	4.3%

FY2023/02 First Quarter Consolidated SG&A Expense

Slide 7

- Consolidated SG&A to sales ratio stayed about the same (53.8% to 53.5%) compared to the same period last year.

(百万円/JPY mil)	FY2023/02 First Quarter				FY2022/02 First Quarter	
	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
連結売上高/Sales	14,071		106.5%		13,208	
販売管理費/SG&A Expense	7,527	53.5%	105.9%	- 0.3pt	7,108	53.8%
広告費及び販売促進費/ Advertising and promotional cost	346	2.5%	88.6%	- 0.5pt	391	3.0%
給与手当/Salaries and wages	1,411	10.0%	111.1%	0.4pt	1,270	9.6%
販売手数料(店舗家賃及び販売委託手数料)/Store rent and fee for franchisee	3,055	21.7%	108.2%	0.3pt	2,823	21.4%
減価償却費/Depreciation	165	1.2%	79.0%	- 0.4pt	209	1.6%
その他/Others	2,549	18.1%	105.6%	- 0.2pt	2,413	18.3%

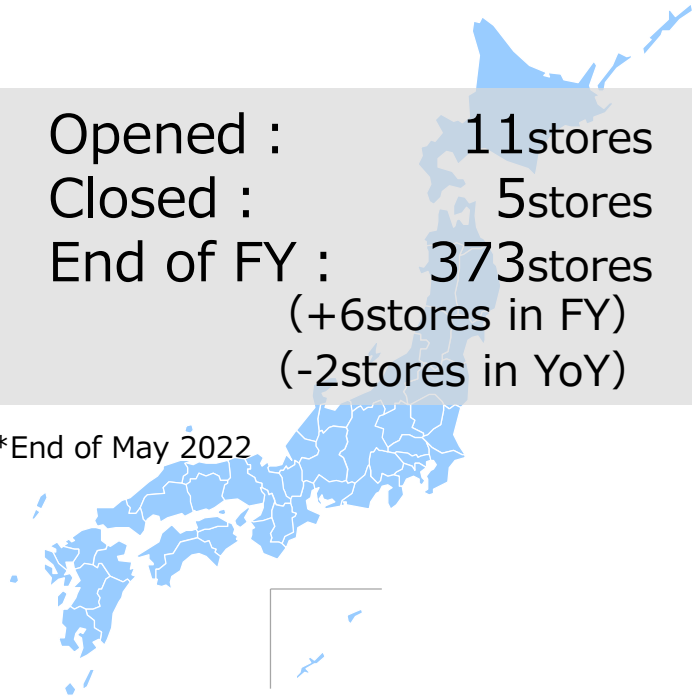
- Inventories were controlled at a level of 91.2% YoY. Appropriate inventory control will be continued.

(百万円/JPY mil)	FY2023/02 (2022/5/31)			FY2022/02 (2021/5/31)	
	金額	構成比	前年同期比	金額	構成比
	Amount	Composition	YoY	Amount	Composition
現預金/Cash	13,789	35.5%	105.8%	13,027	35.1%
受取手形及び売掛金/Notes and Trade Receivable	10,071	25.9%	119.6%	8,419	22.7%
商品/Inventories	5,658	14.6%	91.2%	6,205	16.7%
その他流動資産/Other Current Asset	584	1.5%	114.3%	511	1.4%
固定資産/Non Current Asset	8,728	22.5%	97.1%	8,986	24.2%
総資産/Total Asset	38,832	100.0%	104.5%	37,151	100.0%
負債/Liabilities	16,812	43.3%	101.0%	16,640	44.8%
純資産/Equity	22,019	56.7%	107.4%	20,510	55.2%

JAPAN

Opened : 11stores
Closed : 5stores
End of FY : 373stores
(+6stores in FY)
(-2stores in YoY)

*End of May 2022



CHINA JV

Opened : 6stores
Closed : 8stores
End of FY : 330stores
(-2stores in FY)
(+39stores in YoY)

*As of end of March 2022, to be included in the consolidated financial statements.



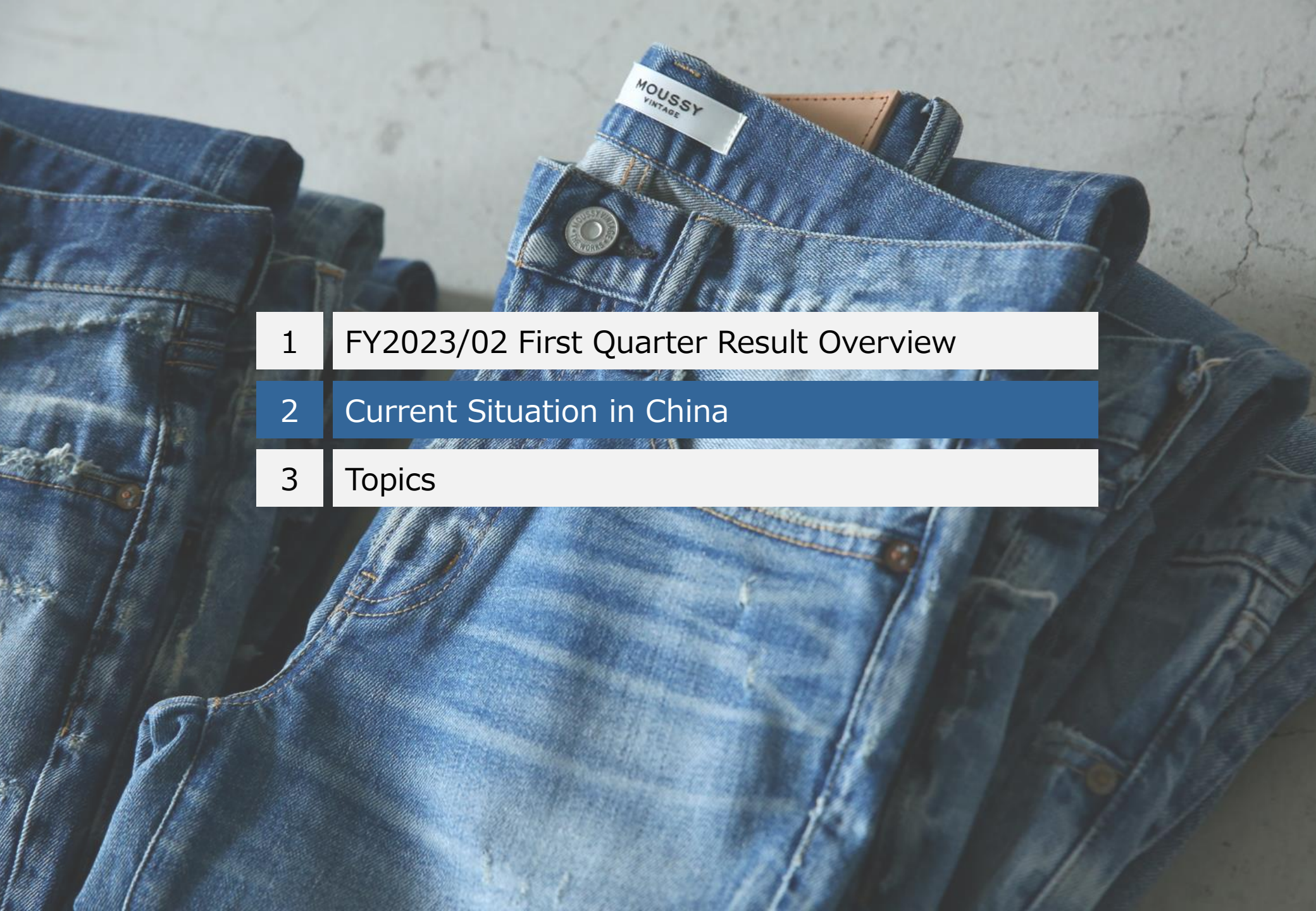
(百万円/JPY mil)	2023年2月期 計画 FY2023/02 (Outlook)			2022年2月期 実績 FY2022/02 (Actual)	
	見通し Forecast	対売上 % to Sales	前年同期比 YoY	実績 Actual	対売上 % to Sales
売上高/Sales	63,379		107.2%	59,139	
売上総利益/Gross Profit	36,814	58.1%	112.3%	32,781	55.4%
販管費/SG&A	33,569	53.0%	111.8%	30,028	50.8%
営業利益/Operating Profit	3,245	5.1%	117.9%	2,752	4.7%
経常利益/Recurring Profit	3,088	4.9%	108.5%	2,846	4.8%
親会社株主に帰属する当期純利益/Net Profit	1,774	2.8%	120.6%	1,471	2.5%
1株当たり当期純利益/EPS	49.2			40.8	

- The domestic business is expected to increase sales by about 110% compared to the previous fiscal year, and the strong U.S. business is expected to grow further compared to the previous fiscal year. Sales are set at ¥63.3 billion as a year to put on a recovery trend as a whole while covering the Chinese business affected by the Covid-19 epidemic.
- We forecast an OP of ¥3.2 bil, RP of ¥3.0 bil, and Net Profit of ¥1.7 bil through working on manufacturing curtailment, strengthening proper sales and reduction of SG&A expenses towards a greater focus on efficiency.

Shareholder Dividends

- The annual dividend for FY2023/02 is planned to be ¥38 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 Covid-19 epidemic.



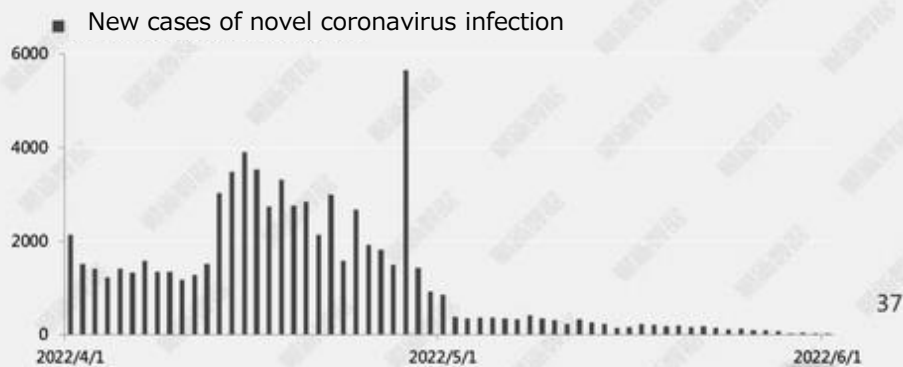
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- Shanghai lockdown began on March 28th. Beijing also experienced a sporadic lockdown from May as the number of infected people increased rapidly.
- The number of closed stores in China increased to 96 for a period of time, due to the impact of this. We will keep working on strengthening EC, by focusing on pre-order sales, live commerce, etc.
- Since June, the Shanghai lockdown has been lifted in stages and all stores have now resumed operations.

Number of New Cases of Infection Across China

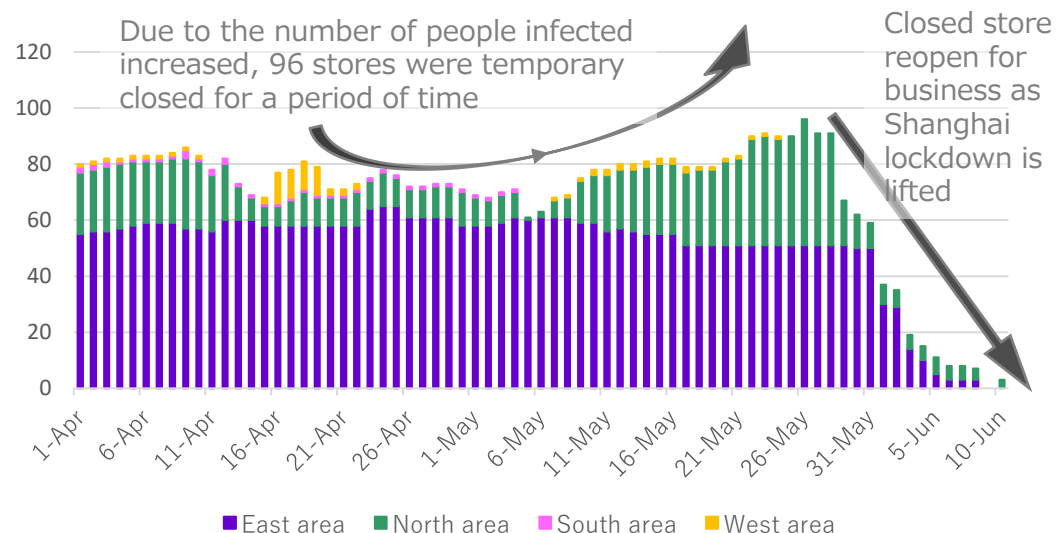


Source : 财新数据

Reference : 国家卫健委 各地卫健委 财新智库

Note: The above graph is data compiled as of June 1st

Number of Closed Stores



- Although the first quarter consolidated accounting period covers March to May 2022, due to a gap of two months in the period covered by the accounting period, the results of the Chinese business to be included in the first quarter consolidated accounts cover January to March 2022.

- China's annual major EC event, the 618 Shopping Festival began on May 31st.
- Despite the disruption to the logistics network due to the large-scale lockdown and a decline in consumer confidence, the total order value of MOUSSY and SLY during the sale period was approximately RMB 63 million (approximately ¥1,270 million), a growth of +9 pts YoY.
- MOUSSY and SLY's live commerce on the new TikTok channel achieved 242% and 557% YoY sales on June 18th, a strong result despite some live commerce were taking place at home.



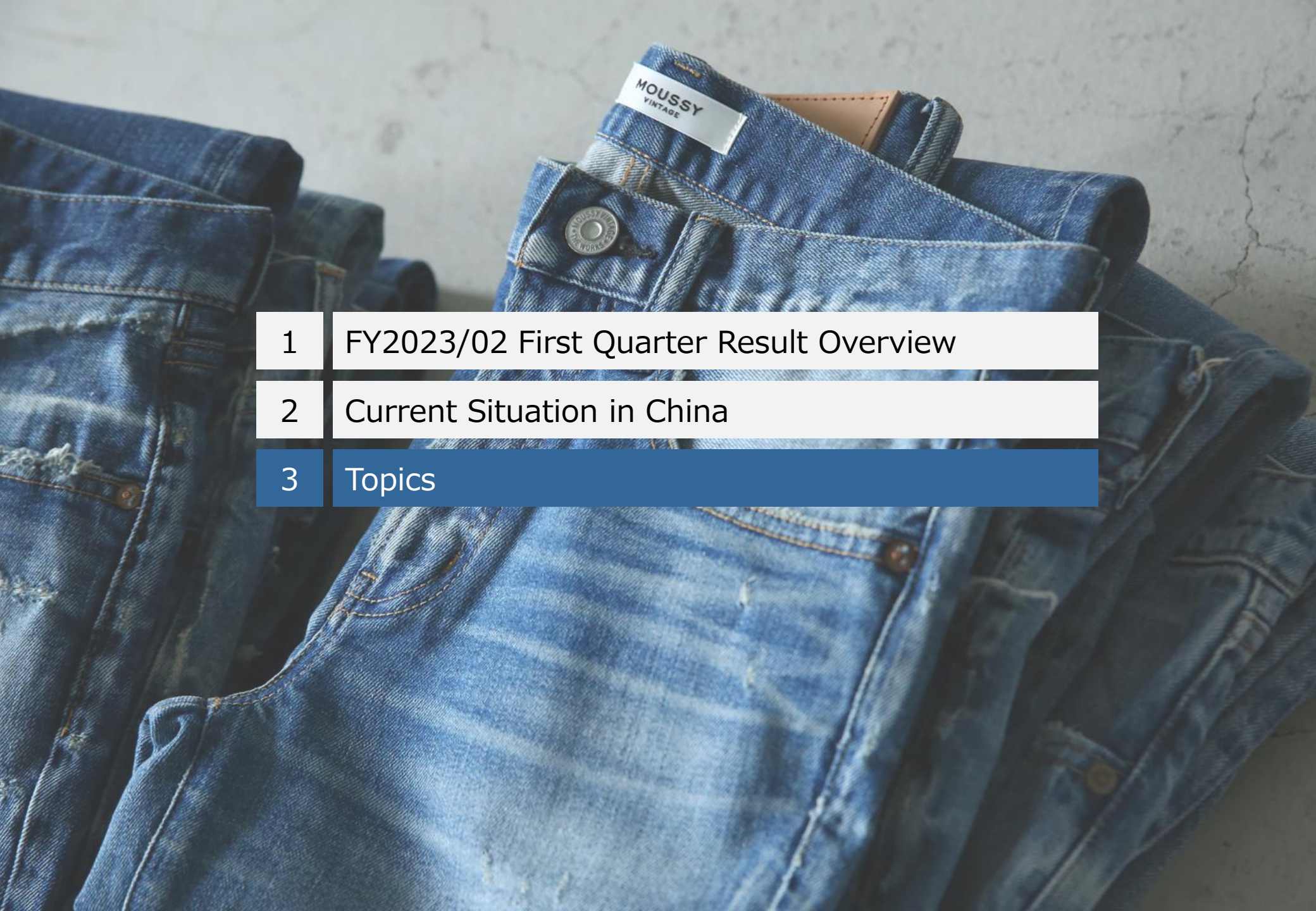
T-mall live commerce achieves **record sales**.
 MOUSSY **ranks 25th** in the women's fashion sector in terms of total live commerce viewers.



Sales during the TikTok 618 Shopping Festival



During the sale period, the number of customers entering the shop via short videos rose to top 10 in the women's fashion sector.

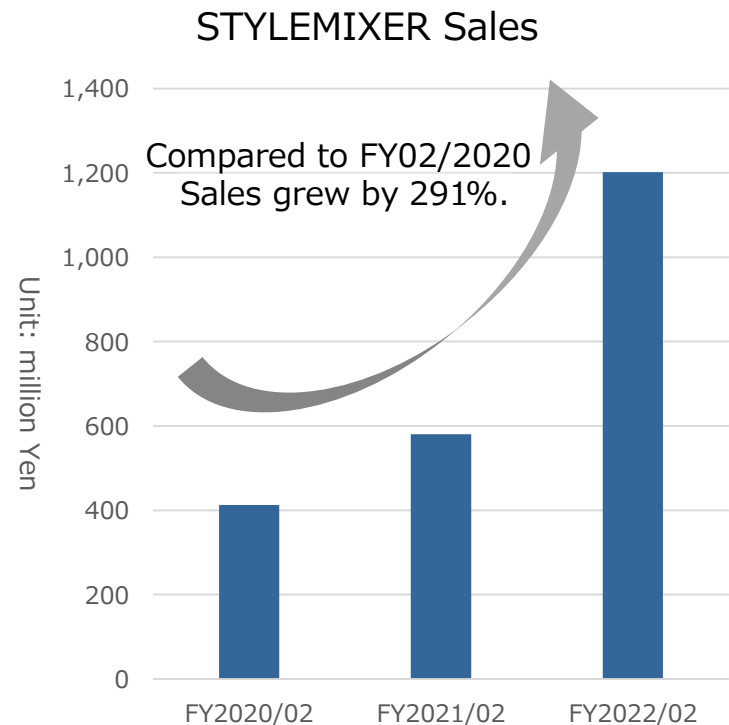


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- STYLEMIXER is a brand curated by fashion director Ena Matsumoto.
- With 'HIGH DESIGN LOW PRICE' as its concept, the brand offers a range of highly sensitive items, from trendy to basic items, that are very unique and cannot be seen in other brands.
- In April 2021, a large-scale flagship store opened in LaLaport TOKYO-BAYA VIP fitting room has been set up, a special space that expresses the world of the Style Mixer and can be used as a spot to take photos of the products purchased, in addition to trying them on.
- As part of its sustainable initiatives, each stores has eliminated free shoppers and rain covers.
- STYLEMIXER has grown rapidly since its launch in 2018, with sales almost three times higher than before Covid-19 epidemic.



AZUL BY MOUSSY launches its first school bag incorporating employee feedbacks



- School bags were launched for the enrollment of April 2023, manufactured by RARAYA Co.,Ltd.
- The project reflects the real voices of employees who are mothers raising their children, with the hope that they will cherish their children as they are, and furthermore, that they will encounter a new sense of self throughout the six years of schooling.

POP UP store for “PLASTICITY” a sustainability-focused brand



- A POP UP is being held at SHEL'TTER, bringing together a line-up of 12 items from PLASTICITY, a brand offering products made from recycled discarded plastic umbrellas.
- During the POP UP, unwanted plastic umbrellas are collected in-store and given to PLASTICITY to be recycled.

Donation of 20,300 items of clothing to the flood-affected the Republic of Malawi



- Donated 20,300 of AZUL BY MOUSSY clothing items to the Republic of Malawi that was affected with the flood in January 2022.
- This was made possible through the efforts of Ota City in Gunma Prefecture and AEON MALL Ota, the host town of the country for the Tokyo 2020 Olympic Games.
- Through such initiatives, we will continue to contribute to support for disaster-affected areas so that people and society can remain happy and sustainable.



Appendix

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

- 373 stores in Japan, 330 stores in China, 1 store in U.S., 2 store in Taiwan **
- 19 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 Apparel.

**As of February 2022 for Japan, December 2021 for Overseas



MOUSSY



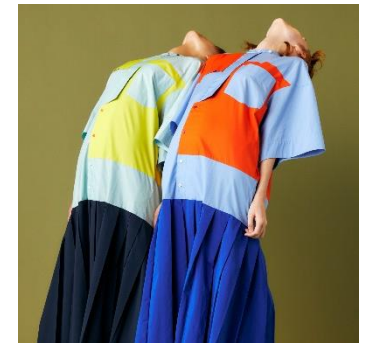
SLY



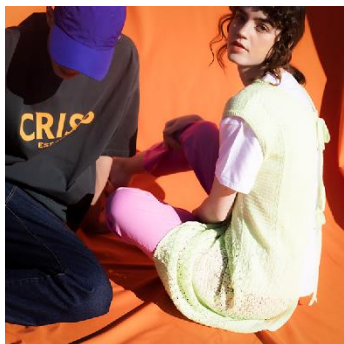
AZUL
BY MOUSSY



RIM . A R K



ENFÖLD



RODEO CROWNS
WIDE BOWL



rienda



SHEL'TTER









LAGUA GEM



STACCATO

- 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.

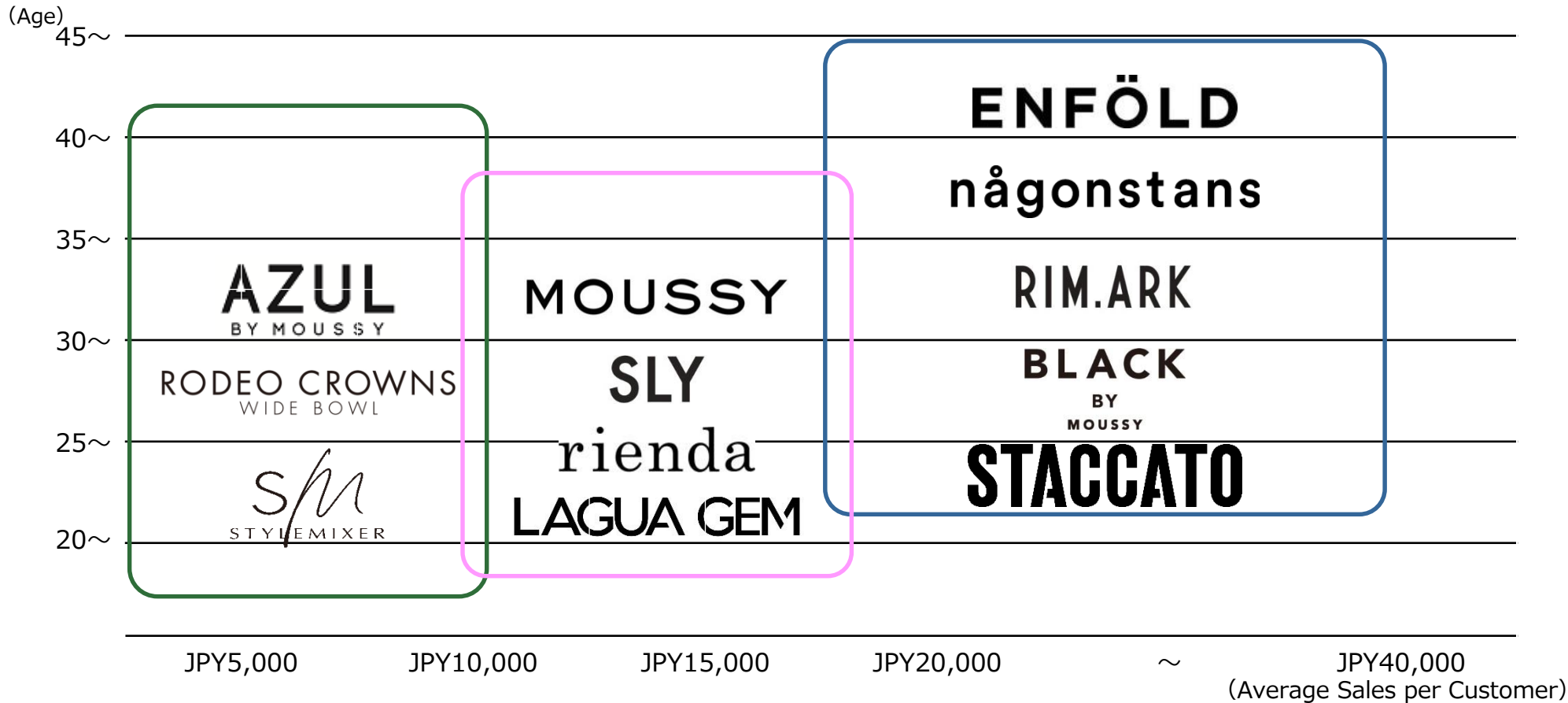
Time	History	
2000	<ul style="list-style-type: none"> ● 6 founders started [MOUSSY] from “Shibuya 109” (shopping building) “we make what we want (because they don’t exist in the market!)” ➢ As a denim brand, MOUSSY’s jeans were designed to accentuate the sexiness of women. MOUSSY achieved sales of ¥ 10 bil in just 4 years 	
2006	<ul style="list-style-type: none"> ● China business expert, Mr. Murai (current Chairman and CEO) joined the company 	
2007	<ul style="list-style-type: none"> ● MBO by CLSA and senior management 	
2008	<ul style="list-style-type: none"> ● [AZUL by MOUSSY] launched. Targeting customers at suburban shopping centers, but with an emphasis on the brand’s world view – including store interiors, music, and fragrances 	
2010	<ul style="list-style-type: none"> ● 1st MOUSSY store opened in Shanghai, China 	
2012	<ul style="list-style-type: none"> ● [ENFÖLD] launched. Targeting fashion conscious women over 30s ➢ Established a domestic contemporary market (known as the Domecon market) with a style edgier than domestic carrier brands and more affordable than European and American import brands. 	
2013	<ul style="list-style-type: none"> ● CLSA sold all shares to Belle and CDH fund. China JV with Belle started 	
2016	<ul style="list-style-type: none"> ● [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 	

Time	History	
2017	<ul style="list-style-type: none"> Achieved 200 stores in mainland 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 DoS for "SHEL'TTER PASS" a membership-based point service to accumulate "miles" for use in both in-store and EC(E-commerce)shopping 	
2018	<ul style="list-style-type: none"> [nagonstans] launched. Proposes and adult resort style 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	<ul style="list-style-type: none"> Launched "y/m" for women in their late 30s and 40s who are highly fashion-sensitive, offering simple, but detailed, and material-focused clothes 	
2020	<ul style="list-style-type: none"> 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 	

Time	History
2020	<ul style="list-style-type: none">● Launched “Crie Conforto” which presents warm “comfort” for adult women
2021	<ul style="list-style-type: none">● Opened MOUSSY OUTLET Store in the largest outlet in northern Taiwan.● Development of new types of business through “SHEL'TTER GREEN” and “SHEL'TTER DELI”.



Brand Portfolio by Age Demographic and Segment Unit Price



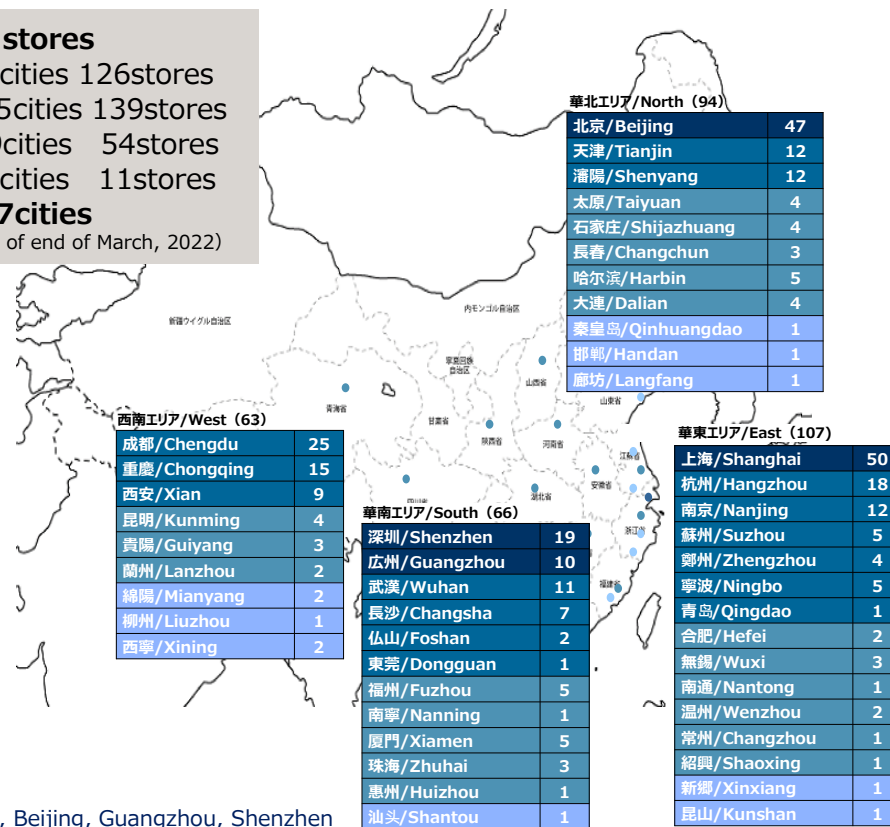
% of Sales	50%	40%	10%
Avg. Store Size	40 ~ 150m ²	20 ~ 50m ²	15 ~ 20m ²
Global Comparison	TOPSHOP ZARA	ALLSAINTS rag & bone NEW YORK	STELLA McCARTNEY MARNI

- Number of stores in China: 330 stores (as of end of March, 2022)
- It is common to classify cities based on the "Commercial Attractiveness Ranking of Cities" published annually by The Rising Lab, the big data project of Yicai Media Group.

■ **Store number : 330 stores**

- 1st tier city: 4 cities 126 stores
- New 1st tier city: 15 cities 139 stores
- 2nd tier city: 19 cities 54 stores
- 3rd tier city: 9 cities 11 stores

■ **Number of cities : 47 cities**
(As of end of March, 2022)

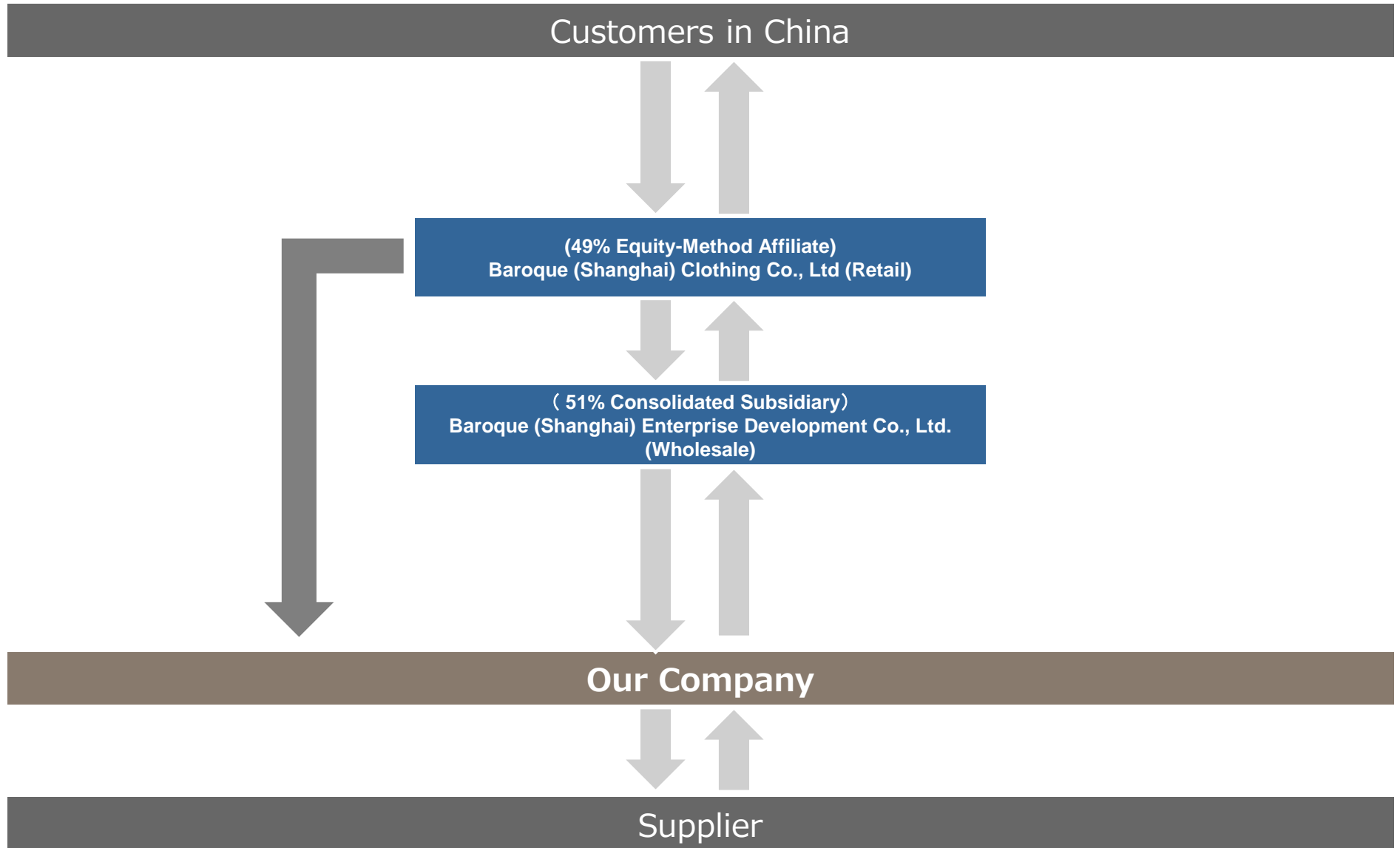


City Definition

1st tier cities (4 cities): Shanghai, Beijing, Guangzhou, Shenzhen
 New 1st tier cities (15 cities): Chengdu, Hangzhou, Chongqing, Xi'an, Suzhou, Wuhan, Nanjing, Tianjin, Zhengzhou, Changsha, Dongguan, Buddha Mountain, Ningbo, Qingdao, Shenyang
 2nd tier cities (30 cities): Hefei, Kunming, Wuxi, Xiamen, Jinan, Fuzhou, Weifang, Dalian, Harbin, Changchun, Quanzhou, Ishiyasho, Nanning, Jinhua, Guiyang, Nanchang, Changzhou, Jinan, Zhuhai, Nandong, Keishu, Taizhou, Zhongshan, Xuzhou Shaoxing, Taizhou, Yantai, Lanzhou, Weifang, Linyi
 3rd tier cities: Other Cities

* The above are grouped based on the "2021 Urban Commercial Attractiveness Ranking" (The Rising Lab, the big data project of Yicai Media Group, announced on May 27, 2021).

City Ranking Overview	
Selection Index	<ul style="list-style-type: none"> • Enrichment of commercial facilities • Functionality as a hub of the city • Citizen's activity • Diversity of lifestyle • Future possibilities, <p>Based on the above indicators, 337 cities in China are comprehensively ranked up to 1st grade, new 1st grade, 2nd grade, 3rd grade, 4th grade, and 5th grade.</p>
Start Year	2016- (announced once a year)
Notes	Rankings fluctuate every year, and in 2021, Wuhan, where economic activity was suspended due to lockdown, etc., lowered its rank by two, Ningbo (increased resident population, increased number of brand stores, etc.), Buddha Mountain (increased railway and aviation routes, etc.), Increased industrial agglomeration, etc.) went up in rank.



↑ : Merchandise

↓ : Order

↩ : Royalty

- **This document refers to the industry trends and business contents related to Baroque Japan Limited, and the future prospects based on the current plans, estimates, prospects, or forecasts by Baroque Japan Limited**
- **Inherent to these forward-looking statements are various risks and uncertainties. Risks, uncertainties, and other factors either already known or yet unknown may cause results that differ from what is contained in said forward-looking statements**
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