

July 11, 2017

Press Release

Baroque Japan Limited  
(Tokyo Stock Exchange First Section 3548)

## Baroque Group Opens its 200th Store in Mainland China

HKRI Taikoo Hui MOUSSY & SLY General Store opens on July 8 in Shanghai

Baroque Japan Limited (Head Office: Meguro-ku, Tokyo, Japan; Representative Director and CEO: Hiroyuki Murai, hereinafter “our company”), a specialty retailer of private label apparel, opened a MOUSSY & SLY general store in HKRI Taikoo Hui, a new commercial facility in the center of Shanghai on Saturday, July 8, 2017, through its joint venture with BELLE INTERNATIONAL HOLDINGS LIMITED (Head Office: Shenzhen City, Guangdong Province, China; hereinafter “Belle”). This store is our 200th in mainland China.



Staff of MOUSSY & SLY general store celebrating the success of the 200th store at HKRI Taikoo Hui in Shanghai



The MOUSSY & SLY general store at HKRI Taikoo Hui

## (1) Overview of the commercial facility HKRI Taikoo Hui and the new store

HKRI Taikoo Hui is a new complex which opened in May 2017. Large in size and with appealing store designs, it is attracting much attention in the Puxi district, which is the center of commercial activity. It comprises a shopping mall (approx 100,000 m<sup>2</sup>), a hotel and serviced apartments (approx 50,000 m<sup>2</sup>), and offices (approx 170,000 m<sup>2</sup>). It is conveniently located with access from three subway lines.

Baroque Group, with the establishment of a large-scale 285 square-meter store in HKRI Taikoo Hui, is confident in the ability of its MOUSSY and SLY brands to attract customers amidst competition with other retail clothing lines.

### <Store Overview>

- Store name : HKRI Taikoo Hui MOUSSY & SLY General Store
- Opening date : July 8, 2017 (Saturday)
- Address : Basement 1, LGI 46 Hall, 288 Shimen Yi Road, Jing'an, Shanghai
- Retail space : 285 m<sup>2</sup> (large-scale)

## (2) Baroque Group's business in China

In 2010, our company opened the first MOUSSY store as a directly operated business in Shanghai. In 2011, we opened the first SLY store in Beijing and expanded the number of directly operated stores to around 20, mainly in the Shanghai and Beijing areas.

In 2013, we began a joint venture with Belle and transferred the control of the directly operated stores to the joint venture. By utilizing the store development capabilities of Belle, we opened stores in major cities, including Shanghai, Beijing, Tianjin, Chengdu, Nanjing, Chongqing, Wuhan, and Hangzhou. The number of stores opened in the fiscal term ending January 2017 was 56. There were 5 store closures, leading to a net increase of 51.

Also, in Hong Kong and Macau, MOUSSY and SLY specialty stores have been established in commercial facilities as franchise stores managed by a subsidiary of our company.

Baroque Group stores in mainland China at the end of January 2017

(at the end of January 2017)

■ Total number of stores : 187

• Tier 1 cities : 84 in 4 cities

• Tier 2 cities : 82 in 19 cities

• Tier 3 cities : 21 in 10 cities

■ Number of cities for new store openings : 33

West China

成都/Chengdu	14
重慶/Chongqing	8
西安/Xi'an	5
昆明/Kunming	3
貴陽/Guiyang	2
西寧/Xining	1

South China

深圳/Shenzhen	12
廣州/Guangzhou	8
武漢/Wuhan	5
長沙/Changsha	4
福州/Fuzhou	2
南昌/Nanchang	2
南寧/Nanning	2
東莞/Dongguan	2
佛山/Foshan	2
廈門/Xiamen	2
珠海/Zhuhai	1

North China

北京/Beijing	28
天津/Tianjin	6
沈陽/Shenyang	4
太原/Taiyuan	3
石家莊/Shijiazhuang	2
大連/Dalian	2

East China

上海/Shanghai	36
杭州/Hangzhou	9
南京/Nanjing	4
鄭州/Zhengzhou	5
合肥/Hefei	1
寧波/Ningbo	4
蘇州/Suzhou	3
青島/Qingdao	2
無錫/Wuxi	2
溫州/Wenzhou	1

List of cities in China based on tier system

■ Tier 1 (4 cities) : Shanghai • Beijing • Guangzhou • Shenzhen

■ Tier 2 (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

■ Tier 3 : others

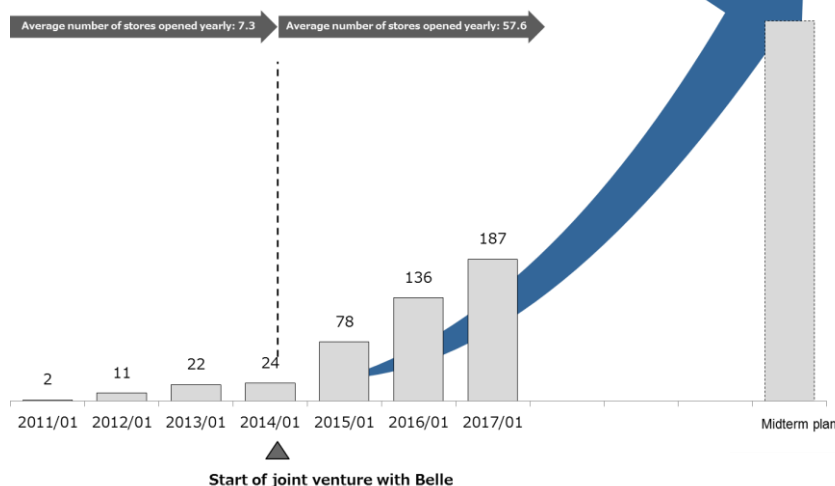
Since the inception of our joint venture with Belle, we have opened stores in mainland China at a pace of around 50 to 60 per year. In December 2015, we opened our flagship store SHEL'TTER JOY CITY, our largest store in China, which boasts an area of 720 m<sup>2</sup>. We are promoting original local branding in this store, such as establishing our first ever MOUSSY CAFE (restaurant business).

As of July 2017, the brands we are developing in China are MOUSSY, SLY, and our select shop SHEL'TTER, which is operated as a complex-type business. With the support of our customers, we are accelerating the pace at which we open stores.



The MOUSSY CAFE at SHEL'TTER JOY CITY

Baroque Group's store-opening strategy in China



### (3) Baroque Group's overseas strategy

Baroque Group entered the overseas market in April 2006 with the opening of its first MOUSSY store in Hong Kong. Since then, it has expanded the number of regions in which it operates.

In April 2016, we established BAROQUE USA LIMITED in North America as a sales subsidiary, and in September, opened MOUSSY and ENFÖLD stores in Manhattan, New York. While conducting test marketing and verifying our brand concept, our company is raising brand awareness through the creation of an online fan-based community, which has been a success in Japan.



MOUSSY SOHO store in New York

Baroque Group will use this opening of the 200th store in mainland China as an opportunity to reach for further success and continue to take up the challenge of gaining global recognition for Baroque as a fashion brand at the leading edge of the Japanese fashion scene.

### (4) About Baroque Japan Limited

Baroque Japan Limited is a specialty store retailer of private label apparel (SPA) that manages brands including MOUSSY, SLY, rienda, RODEO CROWNS, AZUL by moussy, and ENFÖLD in Japan, China,\*1 Hong Kong, and the United States.

The company operates 361 stores in Japan (at the end of June 2017) and 203 stores overseas (at the end of May 2017),\*2 \*3 and recorded consolidated net sales of 69,493,000,000 yen (in the fiscal year ended January 2017).

\*1 Our company operates in mainland China through a joint venture with Belle International Holdings Limited.

\*2 Overseas store numbers are from one month earlier due to the Baroque financial statements disclosure policy.

\*3 Store numbers in China represent those in the mainland run by a joint venture of Baroque and Belle International Holdings Limited.

#### <Company Overview>

- Name : Baroque Japan Limited (Tokyo Stock Exchange First Section 3548)
- Established : March 2000
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