Consolidated Financial Summary for Baroque Japan Limited Quarterly Financial Information for the period ended July 31, 2017 Tokyo Stock Exchange First Section, 3548

English Translation of the original Japanese-Language Report

Contents

1. Management discussion and analysis	2
(1) Summary of the business	2
(2) Financial review	2
(3) Profit estimate	2
2. Other summary information	3
(1) Significant change in subsidiary during the period	3
(2) Newly adopted specific accounting treatment during the period	3
(3) Change or amendment in accounting policy or estimate	3
(4) Additional information	3
3. Consolidated financial statements	4
(1) Consolidated balance sheet	4
(2) Consolidated income statement and consolidated statement of comprehensive income	6
(3) Consolidated cash flow statement	8
(4) Notes to the consolidated financial statements	9
(Note on going-concern)	9
(Change in shareholders' equity)	9
(Change in accounting policy)	9
(Segment accounting)	9

Note:

If there is any inconsistency or conflict between English and Japanese versions of this information, the Japanese version shall prevail.

1. Management discussion and analysis

(1) Summary of the business

During the 6 months period ended July 31, 2017, although we saw a recovery of enterprise production activities and domestic employment market as a result of government fiscal policy, personal spending is still weak as the future economy is full of uncertainties.

Under the current economic situation, our Group introduced a slogan "Challenge, Baroque to the world", aiming to become a global enterprise supported by customers from around the world, and is prepared to expand our business and improve our efficiency.

Regarding our domestic business, we target to increase our market share in Tokyo area, to strengthen our product development and differentiation, and to improve our profitability through supply chain management improvement. As a result, our main brand MOUSSY and department store brand ENFÖLD have been performing well. However, our shopping center brands, which account for more than 50% of our total turnover, due to product and pricing strategy problems, recorded a decrease in same store sales. Our e-commerce platform renewal also experienced certain one-off problems in its initial launching, and our e-commerce business also recorded a decrease in sales.

Regarding our overseas business, we have been able to continue to expand our joint venture business mainly for MOUSSY and SLY in China with Belle International Holdings Limited, approximately 60 new stores per year.

As a result, as at July 31, 2017, we have 359 stores in Japan (direct-operated 264, franchise 95), and 10 stores overseas (direct-operated 2, franchise 8), totaling 369 stores. In addition, we have another 197 stores in China with our joint venture partner Belle International Holdings Limited.

Consolidated turnover is 30,600 million yen (decrease by 5.2% against prior year), operating loss is 262 million yen (operating profit of 2,088 million yen in prior year), recurring loss is 377 million yen (recurring profit of 1,851 million yen in prior year), and net loss is 520 million yen (net profit of 1,214 million yen in prior year).

(2) Financial review

During the 6 months period ended July 31, 2017, assets decreased by 2,700 million yen to 35,759 million yen, mainly due to the decrease in cash and cash equivalents by 3,198 million yen.

Liabilities decreased by 1,888 million yen to 19,567 million yen, mainly due to the decrease in trade and other payables by 806 million yen and the decrease in current tax payable by 454 million yen.

Equity decreased by 811 million yen to 16,191 million yen, mainly due to the payment of dividends.

(3) Profit estimate

According to the recent performance, we adjusted our profit estimate announced on March 15, 2017. For details, please refer to the relevant announcement.

2. Other summary information

- (1) Significant change in subsidiary during the period No significant change.
- (2) Newly adopted specific accounting treatment during the period Not applicable.
- (3) Change or amendment in accounting policy or estimate

No such change.

(4) Additional information

For the 6 months period ended July 31, 2017

"Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No.26 March 28, 2016) has been applied from the beginning of the financial year.

Board Benefit Trust (BBT)

The Company introduced a new performance linked compensation system, Board Benefit Trust or BBT, for directors and senior executives in order to improve the performance of the Company over the longer term and to enhance corporate value.

The accounting method regarding BBT complies with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" of PITF No.30 March 26, 2015

1. Overview

The Company shall grant shares to directors and senior executives (excluding external directors) who meet certain conditions according to our internal rules.

The Company shall grants points to directors and senior executives according to performance achievements, and they shall receive the Company's shares when they retire. The Company shall acquire the shares which shall be managed separately as Trust property.

2. Company shares in the Trust

The book value (excluding incidental costs) of the Company shares held by the Trust are accounted for as treasury stock in the net assets section on balance sheet. As at July 31, 2017, the book value of treasure stock was 263 million yen, and total number of shares was 216,000 shares.

1. Consolidated financial statements

(1) Consolidated balance sheet

	As at January 31, 2017	As at July 31, 2017
Assets		
Current assets		
Cash and cash equivalents	17,309	14,111
Trade and other receivables	6,172	6,062
Inventories	5,110	5,285
Consumables	111	50
Deferred tax assets	547	798
Others	783	1,089
Provision for doubtful accounts	Δ1	Δ(
– Total current assets	30,034	27,397
– Non-current assets		
Property, plant and equipment		
Building and leasehold improvements (net)	1,425	1,374
Land	350	350
Construction in progress	30	1
Others (net)	232	209
Total property, plant and equipment	2,038	1,935
Software	293	359
Others	12	2'
– Total intangible assets	305	38'
Investments and other assets		
Investments in and advances to associates	1,820	1,754
Rental deposits	3,471	3,478
Deferred tax assets	528	55^{2}
Others	193	198
	6,013	5,984
 Total non-current assets	8,358	8,307
– Deferred assets		,
Stock delivery expenses	66	54
Total deferred assets	66	54
Total assets	38,459	35,759

(Unit: million yen)

Short term interest-bearing borrowings-1,000Interest-bearing borrowings4,3732,123Other payables1,4391,160Current tax payable845391Accrued expenses490503Provision for bonus-133Provision for reinstatement costs3216Deposits received297126Others139155Total current liabilities12,86710,056Non-current liabilities1261Interest-bearing borrowings6,1847,122Other payables10263Provision for reinstatement costs972988Provision for reinstatement costs972988Provision for reinstatement costs972988Provision for retirement benefits723764Deposits received567528Others3943Total non-current liabilities21,45619,567Equity155115,695Share capital7,9048,047Share premium7,9017,973Retained earnings746Δ55Treasury stock-4265Other seerves7660Other reserves760Other reserves488Δ55Foreign currency translation reserve760Remeasurements of defined benefit plansΔ87A88Non-controlling interests418Δ88Nont-controlling interests418		As at January 31, 2017	As at July 31, 2017
Trade and other payables 5,247 4,441 Short-term interest-bearing borrowings - 1,000 Interest-bearing borrowings 4,373 2,122 Other payables 1,439 1,160 Current tax payable 845 391 Accrued expenses 490 503 Provision for bonus - 133 Deposits received 297 122 Others 32 16 Deposits received 297 122 Others 139 155 Total current liabilities 12,867 10,056 Non-current liabilities 102 66 Provision for reinstatement costs 972 988 Provision for retirement benefits 723 764 Deposits received 567 528 Others 39 42 Total non-current liabilities 21,456 19,567 Equity Share premium 7,901 7,973 Retained earnings 746 Δ565 <	Liabilities		
Short term interest-bearing borrowings-1,000Interest-bearing borrowings4,3732,122Other payables1,4391,160Current tax payable845391Accrued expenses490503Provision for bonus-133Provision for reinstatement costs3216Deposits received297126Others139155Total current liabilities12,86710,056Non-current liabilities10266Provision for reinstatement costs972988Provision for reinstatement costs972988Share liabilities21,45619,567Equity15419,567Share capital7,9048,047Share premium7,9017,973Retained earnings746Δ55Treasury stock-4265Total shareholders' equity16,55115,692Other reserves600Deferred gains or losses on hedgesΔ8Δ5Foreign currency translation reserve760Remeasurements of defined benefit plansΔ87A84Total e	Current liabilities		
Interest-bearing borrowings 4,373 2,123 Other payables 1,439 1,160 Current tax payable 845 391 Accrued expenses 490 503 Provision for bonus – 133 Provision for reinstatement costs 32 16 Deposits received 297 126 Others 139 155 Total current liabilities 12,867 10,056 Non-current liabilities 12,867 10,056 Non-current liabilities 102 66 Provision for reinstatement costs 972 988 Provision for reinstatement costs 972 988 Provision for retirement benefits 723 764 Deposits received 567 522 Others 39 45 Total non-current liabilities 8,589 9,511 Total ishoreholders' equity 11,456 19,567 Share capital 7,904 8,047 Share premium 7,901 7,973 <t< td=""><td>Trade and other payables</td><td>5,247</td><td>4,441</td></t<>	Trade and other payables	5,247	4,441
Other payables $1,439$ $1,160$ Current tax payable 845 391 Accrued expenses 490 503 Provision for bonus $ 133$ Provision for reinstatement costs 32 16 Deposits received 297 126 Others 139 155 Total current liabilities $12,867$ $10,050$ Non-current liabilities $12,867$ $10,050$ Interest-bearing borrowings $6,184$ $7,122$ Other payables 102 63 Provision for reinstatement costs 972 988 Provision for retirement benefits 723 764 Deposits received 567 528 Others 39 42 Total non-current liabilities $8,589$ $9,511$ Total inon-current liabilities $21,456$ $19,567$ Equity $7,904$ $8,047$ Share capital $7,904$ $8,047$ Share premium $7,901$ $7,973$ Retained earnings 746 $A55$ Treasury stock $ A263$ Total shareholders' equity $16,551$ $15,699$ Other reserves $A87$ $A88$ Portering currency translation reserve 76 0 Remeasurements of defined benefit plans $A87$ $A88$ Total other res	Short-term interest-bearing borrowings		1,000
Current tax payable 845 391 Accrued expenses 490 503 Provision for bonus – 133 Provision for reinstatement costs 32 16 Deposits received 297 126 Others 139 155 Total current liabilities 12,867 10,056 Non-current liabilities 12,867 10,056 Non-current liabilities 102 63 Provision for reinstatement costs 972 988 Others 39 44 Deposits received 567 528 Others 39 45 Total non-current liabilities 21,456 19,567 Equity Share capital 7,904 8,047 Share premium 7,901 7,973	Interest-bearing borrowings	4,373	2,123
Accrued expenses 490 503 Provision for neinstatement costs 32 16 Deposits received 297 126 Others 139 155 Total current liabilities 12,867 10,056 Non current liabilities 102 63 Interest-bearing borrowings 6,184 7,123 Other payables 102 63 Provision for reinstatement costs 972 988 Provision for reinstatement costs 972 988 Provision for reinstatement costs 972 988 Others 39 43 Deposits received 567 528 Others 39 43 Total non-current liabilities 21,456 19,567 Equity 151 15,698 Share capital 7,904 8,047 Share premium 7,901 9,737 Retained earnings 746 A55 Treasury stock - 4263 Total shareholders' equity	Other payables	1,439	1,160
Provision for bonus-133Provision for reinstatement costs3216Deposits received297126Others139155Total current liabilities12,867100,050Non-current liabilities10263Provision for reinstatement costs972988Provision for reinstatement costs972988Others3944Deposits received567525Others3944Total non-current liabilities21,45619,567Equity5hare holders' equity7,9048,047Share capital7,9048,047Share capital7,9017,973Retained earnings746Δ55Treasury stock-4263Total shareholders' equity16,55115,695Other reserves760Cher reserves48Δ87Deferred gains or losses on hedges48Δ87Atl other reservesA18A85Non-controlling interests469581Total equity11,00216,191	Current tax payable	845	391
Provision for reinstatement costs3216Deposits received297126Others139155Total current liabilities12,867100,056Non-current liabilities112,867100,056Non-current liabilities6,1847,122Other payables102663Provision for reinstatement costs972988Provision for reinstatement costs972988Provision for reinstatement costs972988Others39443Total non-current liabilities8,5899,511Total non-current liabilities8,5899,511Total non-current liabilities21,45619,567EquityShare capital7,9048,047Share capital7,9017,973Retained earnings746Δ55Treasury stock-Δ263Total shareholders' equity16,55115,699Other reservesA8Δ55Foreign currency translation reserve760Remeasurements of defined benefit plansΔ87Δ88Total other reservesΔ18Δ85Non-controlling interests469581Total equity17,00216,191	Accrued expenses	490	503
Deposits received 297 126 Others 139 159 Total current liabilities 12,867 10,056 Non-current liabilities 12,867 10,056 Interest-bearing borrowings 6,184 7,123 Other payables 102 63 Provision for reinstatement costs 972 988 Provision for retirement benefits 723 764 Deposits received 567 528 Others 39 443 Total non-current liabilities 8,589 9,511 Total iabilities 21,456 19,567 Equity 110 7,904 8,047 Share capital 7,904 8,047 Share capital 7,901 7,973 Retained earnings 746 458 Treasury stock - 4263 Total shareholders' equity 16,551 15,699 Other reserves 48 455 Foreign currency translation reserve 76 0	Provision for bonus	-	135
Others 139 155 Total current liabilities 12,867 10,056 Non-current liabilities 6,184 7,123 Other payables 6,184 7,123 Other payables 102 66 Provision for reinstatement costs 972 988 Provision for reinement benefits 723 764 Deposits received 567 528 Others 39 43 Total non-current liabilities 8,559 9,511 Total iabilities 21,456 19,567 Equity 5 19,567 Share capital 7,904 8,047 Share premium 7,904 8,047 Other reserves 2 26 <	Provision for reinstatement costs	32	16
Total current liabilities 12,867 10,056 Non-current liabilities	Deposits received	297	126
Non-current liabilitiesInterest-bearing borrowings6,184(1)263Other payables102(1)263Provision for reinstatement costs972988972Provision for retirement benefits723764567Deposits received567Others39437041Total non-current liabilities8,5899,51121,456Total liabilities21,456Equity21,456Share capital7,904Share premium7,9017,9017,973Retained earnings746Abse-Acta-Other reserves-Deferred gains or losses on hedgesA8AstA87AstaA87AtlaA88Non-controlling interests469Atla69	Others	139	159
Interest-bearing borrowings 6,184 7,122 Other payables 102 63 Provision for reinstatement costs 972 988 Provision for reinstatement costs 723 764 Deposits received 567 528 Others 39 43 Total non-current liabilities 8,589 9,511 Total liabilities 21,456 19,567 Equity 21,456 19,567 Equity 511 7,904 8,047 Share capital 7,904 8,047 7,973 Retained earnings 746 $\Delta58$ $\Delta58$ Treasury stock - $\Delta263$ $\Delta58$ Total shareholders' equity 16,551 15,699 Other reserves - $\Delta263$ $\Delta58$ Foreign currency translation reserve 76 $C0$ Remeasurements of defined benefit plans $\Delta87$ $\Delta84$ Total other reserves $\Delta18$ $\Delta88$ Non-controlling interests $A69$ 581	Total current liabilities	12,867	10,056
Other payables10263Provision for reinstatement costs972988Provision for retirement benefits723764Deposits received567528Others3943Total non-current liabilities8,5899,511Total liabilities21,45619,567Equity7,9048,047Share capital7,9048,047Share premium7,9017,973Retained earnings746 $\Delta58$ Treasury stock— $\Delta263$ Total shareholders' equity16,55115,699Other reserves760Deferred gains or losses on hedges $\Delta8$ $\Delta53$ Foreign currency translation reserve760Remeasurements of defined benefit plans $\Delta87$ $\Delta84$ Total other reserves $\Delta18$ $\Delta85$ Non-controlling interests 469 581Total equity17,00216,191	Non-current liabilities		
Provision for reinstatement costs972988Provision for retirement benefits723764Deposits received567528Others3942Total non-current liabilities8,5899,511Total inabilities21,45619,567Equity21,45619,567Share holders' equity7,9048,047Share capital7,9017,973Retained earnings746Δ58Treasury stock-Δ263Total shareholders' equity16,55115,699Other reserves760Remeasurements of defined benefit plansΔ87Δ84Total other reservesΔ18Δ85Non-controlling interests469551Total equity17,00216,191	Interest-bearing borrowings	6,184	7,123
Provision for retirement benefits723764Deposits received567528Others3943Total non-current liabilities8,5899,511Total non-current liabilities21,45619,567Equity21,45619,567Shareholders' equity7,9048,047Share capital7,9048,047Share premium7,9017,973Retained earnings746Δ58Treasury stock–Δ263Total shareholders' equity16,55115,699Other reserves760Remeasurements of defined benefit plansΔ87Δ84Total other reservesΔ18Δ85Non-controlling interests469551Total equity17,00216,191	Other payables	102	63
Deposits received567528Others3943Total non-current liabilities8,5899,511Total liabilities21,45619,567Equity21,45619,567Equity5848Share holders' equity7,9048,047Share capital7,9048,047Share premium7,9017,973Retained earnings746 $\Delta 58$ Treasury stock- $\Delta 263$ Total shareholders' equity16,55115,699Other reserves760Deferred gains or losses on hedges $\Delta 88$ $\Delta 57$ Foreign currency translation reserve760Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests469581Total equity17,00216,191	Provision for reinstatement costs	972	988
Others3943Total non-current liabilities8,5899,511Total liabilities21,45619,567Equity19,567Equity8,047Share holders' equity7,9048,047Share premium7,9017,973Retained earnings746 $\Delta 58$ Treasury stock- $\Delta 263$ Total shareholders' equity16,55115,699Other reserves760Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests469581Total equity17,00216,191	Provision for retirement benefits	723	764
Total non-current liabilities8,5899,511Total liabilities21,45619,567Equity21,45619,567EquityShare holders' equity8,047Share capital7,9048,047Share premium7,9017,973Retained earnings746 $\Delta 58$ Treasury stock- $\Delta 263$ Total shareholders' equity16,55115,699Other reserves760Deferred gains or losses on hedges $\Delta 8$ $\Delta 55$ Foreign currency translation reserve760Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 85$ Non-controlling interests 469 581 Total equity17,00216,191	Deposits received	567	528
Total liabilities21,45619,567EquityShareholders' equityShare capital7,9048,047Share premium7,9017,973Retained earnings746Δ58Treasury stock-Δ263Total shareholders' equity16,55115,699Other reserves760Deferred gains or losses on hedgesΔ8Δ87Foreign currency translation reserve760Remeasurements of defined benefit plansΔ87Δ84Total other reservesΔ18Δ85Non-controlling interests469581Total equity17,00216,191	Others	39	43
EquityShareholders' equityShare capital7,904Share premium7,901Share premium7,901Retained earnings746Treasury stockTotal shareholders' equity16,551Other reservesDeferred gains or losses on hedgesΔ8Foreign currency translation reserve76Remeasurements of defined benefit plansΔ87A84Δ18Non-controlling interests469Total equity17,00216,191	Total non-current liabilities	8,589	9,511
Shareholders' equity $7,904$ $8,047$ Share capital $7,901$ $7,973$ Share premium $7,901$ $7,973$ Retained earnings 746 $\Delta 58$ Treasury stock $ \Delta 263$ Total shareholders' equity $16,551$ $15,699$ Other reserves $ \Delta 87$ Deferred gains or losses on hedges $\Delta 8$ $\Delta 57$ Foreign currency translation reserve 76 000 Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests 469 581 Total equity $17,002$ $16,191$	Total liabilities	21,456	19,567
Shareholders' equity $7,904$ $8,047$ Share capital $7,901$ $7,973$ Share premium $7,901$ $7,973$ Retained earnings 746 $\Delta 58$ Treasury stock $ \Delta 263$ Total shareholders' equity $16,551$ $15,699$ Other reserves $ \Delta 87$ Deferred gains or losses on hedges $\Delta 8$ $\Delta 57$ Foreign currency translation reserve 76 000 Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests 469 581 Total equity $17,002$ $16,191$	Equity		
Share premium7,9017,973Retained earnings746458Treasury stock-4263Total shareholders' equity16,55115,699Other reserves4263Deferred gains or losses on hedges48455Foreign currency translation reserve760Remeasurements of defined benefit plans487489Total other reserves469581Non-controlling interests469581Total equity17,00216,191	Shareholders' equity		
Retained earnings746A58Treasury stock-A263Total shareholders' equity16,55115,699Other reservesDeferred gains or losses on hedgesA8A55Foreign currency translation reserve760Remeasurements of defined benefit plansA87A84Total other reserves469581Non-controlling interests17,00216,191	Share capital	7,904	8,047
Treasury stock-Δ263Total shareholders' equity16,55115,693Other reservesDeferred gains or losses on hedgesΔ8Δ53Foreign currency translation reserve7600Remeasurements of defined benefit plansΔ87Δ84Total other reservesΔ18Δ89Non-controlling interests469581Total equity17,00216,191	Share premium	7,901	7,973
Total shareholders' equity16,55115,699Other reservesDeferred gains or losses on hedgesΔ8Δ5Foreign currency translation reserve760Remeasurements of defined benefit plansΔ87Δ84Total other reservesΔ18Δ89Non-controlling interests469581Total equity17,00216,191	Retained earnings	746	$\Delta 58$
Other reservesDeferred gains or losses on hedges $\Delta 8$ $\Delta 5$ Foreign currency translation reserve7600Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 82$ Non-controlling interests469581Total equity17,00216,191	Treasury stock	_	△263
Other reservesDeferred gains or losses on hedges $\Delta 8$ $\Delta 5$ Foreign currency translation reserve7600Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 82$ Non-controlling interests469581Total equity17,00216,191	Total shareholders' equity	16,551	15,699
Foreign currency translation reserve7600Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests469581Total equity17,00216,191			
Foreign currency translation reserve7600Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 89$ Non-controlling interests469581Total equity17,00216,191		۵8	$\Delta 5$
Remeasurements of defined benefit plans $\Delta 87$ $\Delta 84$ Total other reserves $\Delta 18$ $\Delta 82$ Non-controlling interests469581Total equity17,00216,191		76	0
Non-controlling interests469581Total equity17,00216,191		△87	۵84
Non-controlling interests469581Total equity17,00216,191			Δ89
Total equity 17,002 16,191			
	Total liabilities and equities	38,459	35,759

		(Unit: million yen)
	For the 6 months period ended July 31, 2016	For the 6 months period ended July 31, 2017
Turnover	32,281	30,600
Cost of goods sold	13,967	14,202
Gross profit	18,314	16,398
Selling, general and administrative expenses	16,225	16,661
Operating profit or loss	2,088	$\Delta 262$
Non-operating income		
Interest income	3	0
Subsidy income	16	64
Share of gain of associates	61	-
Others	3	7
Total non-operating income	86	71
Non-operating expenses		
Finance charges	14	9
Interest on bank and other loans	63	39
Loss on foreign exchange	196	44
Loss on disposals of property, plant and equipment	44	18
Share of loss of associates	—	58
Other expenses	4	15
Total non-operating expenses	323	186
Recurring profit or loss	1,851	$\triangle 377$
Extraordinary income		
Reversal of provision for directors' retirement benefits	129	_
Total extraordinary income	129	_
Extraordinary expenses		
Impairment loss	17	80
Total extraordinary expenses	17	80
Profit or loss before taxation	1,963	$\triangle 457$
Corporation tax, inhabitants tax and business tax	704	222
Deferred income tax	∆3	△280
Total income tax	701	∆57
Profit or loss for the period	1,262	∆399
Profit attributable to non-controlling interests	48	120
Net profit or loss	1,214	∆520

(2) Consolidated income statement and consolidated statement of comprehensive income

Consolidated income statement

Consolidated statement of comprehensive income

		(Unit: million yen)
	For the 6 months period ended July 31, 2016	For the 6 months period ended July 31, 2017
Profit or loss for the period	1,262	∆399
Other comprehensive income		
Deferred gains or losses on hedges	4	2
Foreign currency translation	△569	$\triangle 46$
Remeasurements of defined benefit plans	۵۵	2
Share of other comprehensive income of associates	$ time{450}$	$\Delta 35$
Other comprehensive income	△1,016	$\triangle 77$
Comprehensive income	245	∆476
Attributable to:		
Equity shareholders	243	$\Delta 590$
Non-controlling interests	2	114

(3) Consolidated statement of cash flows

		(Unit: million yen
	For the 6 months period ended July 31, 2016	For the 6 months period ended July 31, 2017
Cash from operating activities		
Profit or loss before taxation	1,963	$\Delta 45^{\circ}$
Depreciation	426	39
Impairment	17	80
Increase (△decrease) in provision for bonus	$\Delta 17$	13
Interest income	∆ 3	
Interest on bank and other loans	77	4
Foreign exchange losses (Δ gain)	$\Delta 33$	Δ
Share of profit or loss of associates	∆61	5
Loss on disposals of property, plant and equipment	44	1
Decrease (∆increase) in trade and other receivables	701	1
Decrease (∆increase) in inventories	△236	Δ18
Increase (△decrease) in trade and other payables	∆742	∆76
Increase (\triangle decrease) in other payables	$\Delta 254$	$\Delta 15$
Decrease in provision for directors' retirement benefits	∆129	-
Increase (\(\triangle decrease\) in provision for retirement benefits	34	4
Others	60	Δ43
Subtotal	1,847	۵1,20
Interest income received	3	
Interest expenses paid	△ 63	Δ4
Income taxes paid	Δ1,163	Δ66
Net cash from operating activities	624	∆1,91
Cash from investing activities		
Purchase of property, plant and equipment	$\Delta 526$	Δ16
Purchase of intangible assets	∆104	Δ13
Payments for rental deposits	△235	Δ15
Proceeds from collection of rental deposits	39	14
Proceeds for loans	△216	-
Others	_	ΔĘ
Net cash from investing activities	∆1,043	Δ34
Cash from financing activities		
Proceeds from short-term borrowings	1,600	1,00
Repayment of short-term borrowings	∆1,400	-
Proceeds from long-term borrowings	3,500	2,00
Repayment of long-term borrowings	$\Delta 1,505$	∆3,31
Proceeds from issuance of shares	-	28
Purchase of treasury stock	—	△26
Dividends paid		∆35
Repayment of lease obligations Repayment of fixed assets installment	∆17 ∆266	۵1 ۵23
payables		
Net cash from financing activities 	1,910 ∆116	۵89
equivalents Net increase (△ decrease) in cash and cash	1,375	۵4 کم
equivalents		
Cash and cash equivalents at beginning of period	7,845	17,30
Cash and cash equivalents at end of period	9,221	14,11

(4) Notes to the consolidated financial statements

(Note on going concern) No significant doubt on the ability to continue as a going concern.

(Change in shareholders' equity) No such change.

(Change in accounting policy) No such change.

(Segment accounting) The Group is operating as one segment with respect to apparel design and selling business.