



ANNUAL REPORT 2021

Year Ended December 31, 2021

LOOK HOLDINGS INCORPORATED

Message from the President



Kazuhiro Tada
President and Representative
Director

Adhering to its corporate philosophy that the “Customer Comes First,” the LOOK Group is committed to creating new lifestyles and values to help enhance people’s everyday lives. Our basic policy is to meet the expectations of customers and all other stakeholders who support us, and thus improve their quality of life.

As reflected in our corporate philosophy, it gives us great pleasure to satisfy and impress our customers. Our mission is to provide products and services that bring satisfaction and joy to them.

We will help create a diverse, affluent society by consistently generating value that resonates in people’s hearts while responding appropriately to the changing times and business environment.

With 14 consolidated subsidiaries in Japan and overseas, the LOOK Group is building a solid business foundation domestically while expanding its business globally, including in South Korea, Europe, China, and the United States.

Going forward, we will establish a solid earnings foundation, expand our e-commerce business, and aggressively develop new businesses. We will also pursue business strategies and efficient management aimed at establishing a stable profit structure for renewed growth.

Under our “Customer Comes First” corporate philosophy, we will continue delivering sustainable growth and stable earnings and thus further enhance corporate value.

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Financial Highlights

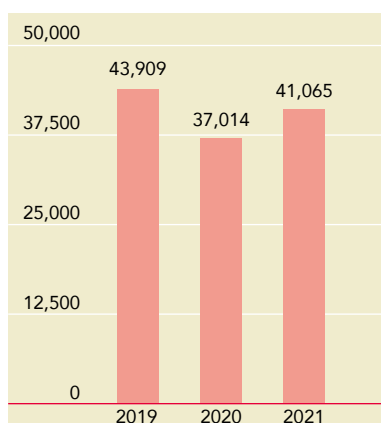
LOOK HOLDINGS INCORPORATED and Subsidiaries
For the years ended December 31, 2021 and 2020

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|---------|---------------------------|
| | 2021 | 2020 | 2021 |
| At year-end: | | | |
| Total current assets | ¥25,413 | ¥21,878 | \$220,967 |
| Total current liabilities | 11,489 | 10,254 | 99,896 |
| Short-term loans | 3,375 | 2,480 | 29,352 |
| Total shareholders' equity | 25,282 | 23,721 | 219,827 |
| For the year: | | | |
| Net sales | 41,065 | 37,014 | 357,065 |
| Operating income | 2,725 | 636 | 23,698 |
| Ordinary income | 2,973 | 848 | 25,855 |
| Net income attributable to owners of parent | 1,991 | 431 | 17,318 |
| | | | |
| | | Yen | U.S. dollars |
| Per share: | | | |
| Net income | ¥259.67 | ¥56.19 | \$2.26 |
| Cash dividends | 40.00 | 30.00 | 0.35 |
| | | | |
| | | % | |
| Ratios: | | | |
| ROE | 7.9 | 1.8 | |
| Operating income margin | 6.6 | 1.7 | |

Notes: U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥115.01 to US\$1, the approximate rate of exchange at December 30, 2021.

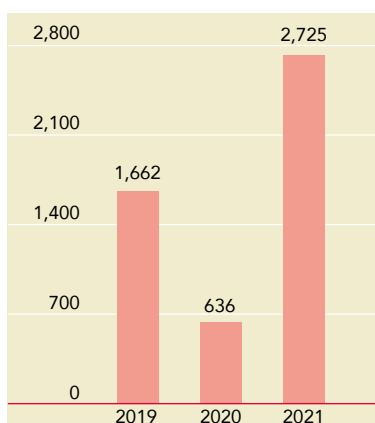
Net Sales

(Millions of yen)



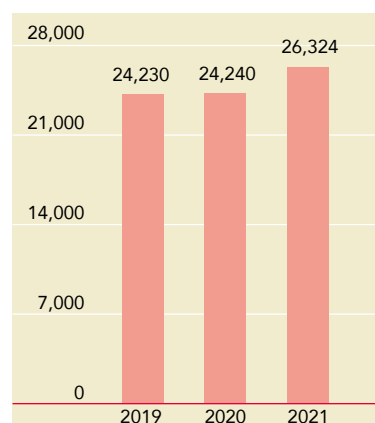
Operating Income

(Millions of yen)



Total Net Assets

(Millions of yen)



To Our Shareholders

Performance Overview

Consolidated Results

| | |
|---|---|
| Net sales | ¥41,065 million (up 10.9% year on year) |
| Operating income | ¥2,725 million (up 328.1%) |
| Ordinary income | ¥2,973 million (up 250.6%) |
| Net income attributable to owners of parent | ¥1,991 million (up 361.1%) |

In response to the changing business environment, the Group worked to increase sales by further strengthening its e-commerce business and opening new stores under priority brands. At the same time, we pursued rigorous and efficient management measures that include discontinuing unprofitable brands, closing unprofitable stores, controlling procurement, and reducing expenses.

As a result, consolidated net sales for the year totaled ¥41,065 million, up 10.9% from fiscal 2020. Operating income increased 328.1% year on year, to ¥2,725 million, and ordinary income rose 250.6%, to ¥2,973 million. Net income attributable to owners of parent jumped 361.1%, to ¥1,991 million.

Performance by Business Segment

Apparel Business

In Japan, although business conditions remained challenging due to shortened store hours and temporary store closures, we continued opening new stores under our Il Bisonte flagship brand. We also conducted effective sales promotion activities, including sales of collaborative products of the A.P.C. brand. As a result, sales of mainstay brands increased year on year.

In the e-commerce business, we opened new channels on other companies' websites. We also continued striving to improve customer convenience by strengthening the data linkage between physical and online store inventories, with e-commerce sales increasing as a result. For the year under review, the Group's sales in Japan rose 4.9%, to ¥21,074 million, and operating income surged 148.4%, to ¥1,135 million.

In South Korea, the number of new COVID-19 cases has been increasing since November, but the number of store visitors is on a recovery trend thanks to progress in administering vaccine boosters and the like. Under these conditions, I.D. LOOK LTD. posted steady sales of imported brands in its stores, and sales via its I.D. LOOK Mall e-commerce site were also strong thanks to enhanced promotions. Meanwhile, I.D. JOY LTD. pushed ahead with new store openings and boosted sales as a result. Accordingly, sales in South Korea rose 18.1%, to ¥17,756 million, and operating income jumped 171.2%, to ¥1,893 million.

In Europe, our core wholesale business remained strong. However, the number of customers visiting directly managed stores in Italy and France did not recover amid increasing infections of COVID-19 variants, making for difficult conditions overall. As a result, sales in Europe rose 23.3%, to ¥3,932 million, and operating income fell 60.8%, to ¥168 million.

In "Other abroad" (Hong Kong, China, and the United States), LOOK (H.K.) LTD. (based in Hong Kong) continued to face harsh conditions, including repeated restrictions on going out. In the United States, meanwhile, the number of customers visiting directly managed stores gradually recovered. As a result, sales in "Other abroad" rose 5.6%, to ¥416 million, and the operating loss was ¥177 million (from ¥127 million in the previous fiscal year).

Consequently, the Group's Apparel Business segment posted an 11.6% increase in sales, to ¥43,179 million, and a 107.4% jump in operating income, to ¥3,019 million.

Production and OEM Business

LOOK MODE INC., which handles the Group's Production and OEM Business segment, reported a decrease in orders for original brand products

developed by LOOK INCORPORATED stemming from the COVID-19 pandemic, and also posted a decline in OEM sales. As a result, sales in this segment decreased 8.4%, to ¥2,235 million, and the segment posted an operating loss of ¥20 million (from ¥65 million in the previous year).

Logistics Business

L. LOGISTICS INC., which is responsible for the Group's Logistics Business segment, reported an increase in sales thanks mainly to higher sales from e-commerce logistics services. Consequently, segment sales rose 4.3%, to ¥1,248 million, and operating income jumped 88.2%, to ¥81 million.

Food & Beverage Business

FFI INC. (FASHIONABLE FOODS International), which represents the Group's Food & Beverage Business segment, sells Italian gelato under the Gelateria Marghera brand. In the year under review, it reported a decrease in sales at stores due to temporary store closures and shortened store operating hours stemming from COVID-19. This was despite an increase in sales from home delivery services. As a result, sales in this segment increased 27.7%, to ¥56 million, and the operating loss was ¥25 million (from ¥30 million in the previous year).

Outlook for Fiscal 2022 and Consolidated Forecasts

The COVID-19 pandemic has brought about changes in lifestyles and consumer values in the apparel and fashion industry, and we expect consumer needs to become even more diversified in the future.

To address these changing business conditions, the Group will work to further increase sales by establishing brand values that are not affected by economic fluctuations. At the same time, we will effectively invest our management resources

in profitable brand businesses that can generate profits sustainably even in severe business environments.

We are targeting the following consolidated results for fiscal 2022: Net sales of ¥53,000 million, operating income of ¥3,400 million, ordinary income of ¥3,600 million, and net income attributable to owners of parent of ¥2,400 million.

Consolidated Forecasts

| | |
|---|-----------------|
| Net sales | ¥53,000 million |
| Operating income | ¥3,400 million |
| Ordinary income | ¥3,600 million |
| Net income attributable to owners of parent | ¥2,400 million |

Effective the beginning of fiscal 2022, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and other standards. The above consolidated forecasts are based on figures after such application, and figures for year-on-year change are not shown.

Management's Discussion and Analysis

Future-related statements contained in the following section are based on the LOOK Group's judgments at the time of submission of the annual securities report for fiscal 2021.

Major Accounting Policies and Estimates

The LOOK Group's consolidated financial statements are based on accounting standards generally accepted in Japan as fair and appropriate.

Financial Position

(1) Assets

At December 31, 2021, total assets amounted to ¥50,877 million, up ¥4,155 million from a year earlier. This was mainly due to a ¥3,328 million increase in cash and time deposits and a ¥678 million rise in notes and accounts receivable-trade.

(2) Liabilities

Total liabilities increased ¥2,071 million from a year earlier, to ¥24,553 million. This was due mainly to increases in loans, income taxes payable, and accrued consumption taxes.

(3) Net assets

Total net assets were up ¥2,083 million from a year earlier, to ¥26,324 million. This was due primarily to a ¥1,760 million increase in retained earnings and a ¥439 million rise in foreign currency translation adjustments, which contrasted with a ¥205 million increase in treasury stock.

As a result, the equity ratio was 51.7%.

Cash Flows

Net cash provided by operating activities amounted to ¥4,047 million (compared with ¥1,950 million in the previous year). In addition to ¥2,777 million in income before income taxes, the main factors boosting cash flows were ¥1,283 million depreciation and amortization (non-cash item) and a ¥626 million decrease in inventories. Contrasting factors included a ¥624 million increase in notes and accounts receivables.

Net cash used in investing activities totaled ¥1,095 million (compared with ¥1,927 million in the previous year). The main factors included ¥765 million in payments for purchase of property, plant,

and equipment and ¥229 million in payments for purchase of intangible assets.

Net cash provided by financing activities was ¥256 million (compared with ¥215 million used in financing activities in the previous year). The main factor was an ¥884 million net increase in loans. Contrasting factors included ¥232 million in cash dividends paid and ¥205 million in payments for purchase of treasury stock.

Cash and cash equivalents at fiscal year-end totaled ¥9,365 million, up ¥3,306 million from a year earlier. In addition to the aforementioned cash flow items, the main factor was a ¥98 million increase in foreign currency translation adjustments on cash and cash equivalents.

Business Risks

Among the risks and variables that may affect the Group's business and accounting status, those that could have a major influence on the decisions of investors are discussed below. Future-related statements contained in the following section are based on the LOOK Group's judgments at the time of submission of the annual securities report for fiscal 2021.

(1) Economic and consumer trends

Domestic sales account for approximately 50% of the LOOK Group's consolidated net sales. As a result, the overall level of personal consumption in the Japanese market—the Group's main market—has a material impact on the Group's revenue and earnings. The Group endeavors to accurately grasp customer needs and takes care to offer products that reflect the demands of the times. It also focuses on developing and fostering new brands for the market based on innovative proposals. However, changes in external circumstances that the Group cannot foresee, such as sharp changes in fashion trends, could have an impact on the Group's business performance. Accordingly, we are working to reduce risk by expanding the development of miscellaneous goods (leather products and the like) that are less susceptible to sudden changes in trends than clothing.

(2) Unseasonal weather and natural disasters, etc.

The Group's business performance is impacted by unseasonal weather. Abnormal weather, such as a cold summer or warm winter, discourages consumers from purchasing seasonal products, which could have an impact on the Group's business performance. Natural disasters (including typhoons, earthquakes, and floods) and the outbreak of infectious diseases caused by unknown viruses (such as new types of influenza and pneumonia) can impact the sales activities of business partners and the production activities of affiliated factories, as well as reduce consumption in affected regions, which could have an impact on the Group's business performance. Accordingly, the Group formulated crisis management regulations and is building a management system in accordance with those regulations, assisted by the appointment of management officers. To address the COVID-19 pandemic, we have implemented various measures that include temporary closures and shortened business hours for shop-in-shops in commercial facilities and directly managed stores. We have also taken internal measures, such as refraining from domestic and international business trips, introducing teleworking arrangements and staggered working hours, and promoting web conferencing.

(3) Overseas business and production

Overseas subsidiaries generate approximately 50% of the Group's consolidated net sales. Around 80% of products sold in the domestic market are either manufactured overseas or procured from overseas sources. Accordingly, significant exchange rate fluctuations affecting the Group's main overseas markets and procurement and manufacturing bases, political or economic turmoil, unforeseen changes in laws and regulations, and the unforeseen outbreak of an epidemic, terrorism, war, or other acts of social upheaval could have an impact on the Group's business performance. Accordingly, we are working to reduce risk by developing our business overseas in a broad range of areas without excessive reliance on specific countries or regions, and by using forward exchange contracts to hedge against foreign exchange risk.

(4) Product quality

If an unforeseen quality problem or product liability incident were to occur related to products sold by the Group, it could tarnish the reputation of the Group or its brands, which could have an impact on the Group's business performance. Accordingly, we work to reduce risk by engaging in rigorous quality control in accordance with our "Quality Control Manual," "Inspection Control Regulations," "Quality Labeling Control Regulations," and other protocols established as part of our quality control system.

(5) Exclusive distribution agreements and license agreements

In addition to its original brands, the LOOK Group develops brands under exclusive import and distribution or license agreements. If such agreements cannot be continued due to an unforeseen factor, there could be an impact on the Group's business performance. Accordingly, we are working to reduce risk by developing multiple core brands without excessive reliance on specific imported or licensed brands.

(6) Information management

The LOOK Group possesses a large amount of personal information on the customers of its shop-in-shops in commercial facilities, directly managed stores, and online. However, the leaking of information due to an unforeseen incident could result in a loss of customer trust or damage to the Group's image. This could lead to a decline in sales or claims for compensation, which in turn could have an impact on the Group's business performance. Accordingly, we are working to reduce risk by appointing information management officers to oversee the handling of personal information and rigorously observing rules based on internal regulations and management manuals.

In addition, we are encouraging teleworking and other arrangements to combat the spread of COVID-19. In line with this, we are working to reduce the risk of internal information leaks by using authentication and encryption to protect communication pathways between information terminals.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

| | Millions of yen | | Thousands of U.S. dollars |
|---------------------------------------|----------------------------|----------------------------|------------------------------|
| | As of December 31, 2020 | As of December 31, 2021 | As of December 31, 2021 |
| Assets | | | |
| Current assets | | | |
| Cash and time deposits | 6,260 | 9,588 | 83,373 |
| Notes and accounts receivable - trade | 4,625 | 5,303 | 46,115 |
| Finished goods and merchandise | 9,189 | 8,834 | 76,817 |
| Work-in-process | 659 | 715 | 6,218 |
| Raw materials and supplies | 639 | 400 | 3,485 |
| Other | 544 | 617 | 5,367 |
| Allowance for bad debts | (40) | (46) | (407) |
| Total current assets | 21,878 | 25,413 | 220,967 |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Buildings and structures | 4,435 | 4,418 | 38,421 |
| Accumulated depreciation | (1,983) | (2,101) | (18,268) |
| Buildings and structures, net | 2,451 | 2,317 | 20,153 |
| Machinery and equipment | 173 | 163 | 1,422 |
| Accumulated depreciation | (153) | (144) | (1,258) |
| Machinery and equipment, net | 19 | 18 | 163 |
| Tools, furniture and fixtures | 4,072 | 4,010 | 34,871 |
| Accumulated depreciation | (3,260) | (3,059) | (26,605) |
| Tools, furniture and fixtures, net | 811 | 950 | 8,265 |
| Land | 515 | 532 | 4,626 |
| Other | 189 | 254 | 2,209 |
| Accumulated depreciation | (166) | (176) | (1,536) |
| Other, net | 22 | 77 | 673 |
| Total property, plant and equipment | 3,820 | 3,896 | 33,881 |
| Intangible assets | | | |
| Marketing related assets | 10,603 | 10,516 | 91,439 |
| Goodwill | 3,280 | 3,190 | 27,737 |
| Other | 295 | 691 | 6,015 |
| Total intangible assets | 14,180 | 14,398 | 125,192 |
| Investments and other assets | | | |
| Investments in securities | 1,901 | 2,244 | 19,513 |
| Deferred tax assets | 1,685 | 1,564 | 13,601 |
| Lease deposit | 2,351 | 2,254 | 19,605 |
| Assets for retirement benefits | 536 | 708 | 6,162 |
| Other | 540 | 585 | 5,089 |
| Allowance for bad debts | (173) | (188) | (1,637) |
| Total investments and other assets | 6,842 | 7,168 | 62,333 |
| Total non-current assets | 24,843 | 25,463 | 221,405 |
| Total assets | 46,722 | 50,877 | 442,372 |

| | Millions of yen | | Thousands of U.S. dollars |
|--|----------------------------|----------------------------|------------------------------|
| | As of December 31, 2020 | As of December 31, 2021 | As of December 31, 2021 |
| Liabilities | | | |
| Current liabilities | | | |
| Notes and accounts payable - trade | 2,810 | 2,721 | 23,666 |
| Short-term loans | 2,480 | 3,375 | 29,352 |
| Current installments of long-term loans | 1,967 | 1,435 | 12,481 |
| Accounts payable - other | 117 | 193 | 1,682 |
| Accrued expenses | 1,905 | 1,983 | 17,245 |
| Income taxes payable | 144 | 496 | 4,320 |
| Accrued consumption taxes | 245 | 463 | 4,028 |
| Reserve for sales returns | 20 | 30 | 269 |
| Provision for bonuses | 148 | 159 | 1,389 |
| Reserve for point service | 43 | 64 | 560 |
| Provision for business restructuring | — | 28 | 246 |
| Asset retirement obligations | 48 | 67 | 590 |
| Other | 322 | 467 | 4,069 |
| Total current liabilities | 10,254 | 11,489 | 99,896 |
| Non-current liabilities | | | |
| Long-term loans | 8,071 | 8,628 | 75,022 |
| Deferred tax liabilities | 3,211 | 3,322 | 28,886 |
| Liabilities for retirement benefits | 331 | 224 | 1,955 |
| Asset retirement obligations | 249 | 252 | 2,193 |
| Other | 363 | 636 | 5,534 |
| Total non-current liabilities | 12,226 | 13,063 | 113,590 |
| Total liabilities | 22,481 | 24,553 | 213,486 |
| Net assets | | | |
| Shareholders' equity | | | |
| Common stock | 6,380 | 6,389 | 55,555 |
| Capital surplus | 1,661 | 1,658 | 14,422 |
| Retained earnings | 15,691 | 17,452 | 151,749 |
| Treasury stock | (13) | (218) | (1,900) |
| Total shareholders' equity | 23,721 | 25,282 | 219,827 |
| Accumulated other comprehensive income | | | |
| Net unrealized gain on available-for-sale securities, net of tax | 426 | 607 | 5,286 |
| Deferred gain (loss) on derivatives under hedge accounting | 0 | 1 | 15 |
| Foreign currency translation adjustments | (7) | 432 | 3,758 |
| Total accumulated other comprehensive income | 419 | 1,041 | 9,059 |
| Non-controlling interests in consolidated subsidiaries | 99 | — | — |
| Total net assets | 24,240 | 26,324 | 228,886 |
| Total liabilities and net assets | 46,722 | 50,877 | 442,372 |

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

| | Millions of yen | | Thousands of U.S. dollars |
|--|---|---|---|
| | For the fiscal year ended December 31, 2020 | For the fiscal year ended December 31, 2021 | For the fiscal year ended December 31, 2021 |
| Net sales | 37,014 | 41,065 | 357,065 |
| Cost of sales | 18,412 | 19,312 | 167,923 |
| Gross profit | 18,601 | 21,753 | 189,142 |
| Selling, general and administrative expenses | 17,964 | 19,027 | 165,444 |
| Operating income | 636 | 2,725 | 23,698 |
| Non-operating income | | | |
| Interest income | 19 | 13 | 116 |
| Dividend income | 71 | 55 | 479 |
| Foreign currency exchange gain (loss), net | 39 | 127 | 1,112 |
| Rent income | 10 | 8 | 77 |
| Income from sale of prototypes | 21 | 21 | 191 |
| Outsourcing service income | 84 | 43 | 376 |
| Other | 141 | 159 | 1,385 |
| Total non-operating income | 389 | 429 | 3,736 |
| Non-operating expenses | | | |
| Interest expenses | 96 | 93 | 810 |
| Loss on disposal of property, plant and equipment | 9 | 25 | 219 |
| Compensation expenses for sales commission fee | 27 | — | — |
| Other | 44 | 63 | 550 |
| Total non-operating expenses | 177 | 181 | 1,579 |
| Ordinary income | 848 | 2,973 | 25,855 |
| Extraordinary income | | | |
| Subsidy income | 510 | 353 | 3,073 |
| Gain on sales of investments in securities | 352 | — | — |
| Gain on reversal of asset retirement obligations | 19 | 3 | 32 |
| Gain on sales of property, plant and equipment | — | 1 | 11 |
| Other | — | 5 | 47 |
| Total extraordinary income | 882 | 363 | 3,162 |
| Extraordinary losses | | | |
| Loss on temporary closure of stores etc. | 674 | 331 | 2,879 |
| Impairment loss on long-lived assets | 192 | 122 | 1,061 |
| Warehouse relocation expenses | 15 | — | — |
| Provision for doubtful receivables from associated companies | 0 | 19 | 170 |
| Loss on withdrawal from the brand | 30 | 40 | 356 |
| Other | 55 | 46 | 405 |
| Total extraordinary losses | 969 | 560 | 4,870 |
| Income before income taxes and non-controlling interests | 760 | 2,777 | 24,147 |
| Income taxes - current | 381 | 715 | 6,219 |
| Income taxes - deferred | (58) | 64 | 564 |
| Total income taxes | 322 | 780 | 6,783 |
| Net income | 438 | 1,996 | 17,363 |
| Net income attributable to non-controlling interests | 6 | 5 | 45 |
| Net income attributable to owners of parent | 431 | 1,991 | 17,318 |

Consolidated Statements of Comprehensive Income

| | Millions of yen | | Thousands of U.S. dollars |
|--|---|---|---|
| | For the fiscal year ended December 31, 2020 | For the fiscal year ended December 31, 2021 | For the fiscal year ended December 31, 2021 |
| Net income | 438 | 1,996 | 17,363 |
| Other comprehensive income (loss) | | | |
| Net unrealized income (loss) on available-for-sale | (596) | 157 | 1,366 |
| Deferred gain (loss) on derivatives under hedge accounting | (1) | 0 | 7 |
| Foreign currency translation adjustments | 389 | 489 | 4,257 |
| Total other comprehensive income (loss) | (208) | 647 | 5,630 |
| Comprehensive income | 229 | 2,644 | 22,993 |
| Comprehensive income attributable to | | | |
| Owners of parent | 223 | 2,613 | 22,726 |
| Non-controlling interests | 6 | 30 | 267 |

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended December 31, 2020

(Millions of yen)

| | Shareholders' equity | | | | Total shareholders' equity |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | |
| Balance at beginning of period | 6,374 | 1,655 | 15,490 | (12) | 23,508 |
| Changes during period | | | | | |
| Issuance of new shares | 5 | 5 | | | 11 |
| Dividends | | | (230) | | (230) |
| Net income attributable owners of parent | | | 431 | | 431 |
| Treasury stock acquired | | | | (0) | (0) |
| Change in equity due to transactions with non-controlling interests | | | | | — |
| Net changes other than shareholders' equity | | | | | |
| Total changes during period | 5 | 5 | 201 | (0) | 213 |
| Balance at end of period | 6,380 | 1,661 | 15,691 | (13) | 23,721 |

| | Accumulated other comprehensive income | | | | Non-controlling interests in consolidated subsidiaries | Total net assets |
|---|--|--|--|--|--|------------------|
| | Net unrealized gain on available-for-sale securities | Deferred gain (loss) on derivatives under hedge accounting | Foreign currency translation adjustments | Other accumulated other comprehensive income | | |
| Balance at beginning of period | 1,023 | 2 | (396) | 628 | 93 | 24,230 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 11 |
| Dividends | | | | | | (230) |
| Net income attributable owners of parent | | | | | | 431 |
| Treasury stock acquired | | | | | | (0) |
| Change in equity due to transactions with non-controlling interests | | | | | | — |
| Net changes other than shareholders' equity | (596) | (1) | 388 | (208) | 6 | (202) |
| Total changes during period | (596) | (1) | 388 | (208) | 6 | 10 |
| Balance at end of period | 426 | 0 | (7) | 419 | 99 | 24,240 |

For the fiscal year ended December 31, 2021

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of period | 6,380 | 1,661 | 15,691 | (13) | 23,721 |
| Changes during period | | | | | |
| Issuance of new shares | 8 | 8 | | | 17 |
| Dividends | | | (230) | | (230) |
| Net income attributable owners of parent | | | 1,991 | | 1,991 |
| Treasury stock acquired | | | | (205) | (205) |
| Change in equity due to transactions with non-controlling interests | | (11) | | | (11) |
| Net changes other than shareholders' equity | | | | | |
| Total changes during period | 8 | (3) | 1,760 | (205) | 1,561 |
| Balance at end of period | 6,389 | 1,658 | 17,452 | (218) | 25,282 |

| | Accumulated other comprehensive income | | | | Non-controlling interests in consolidated subsidiaries | Total net assets |
|---|--|--|--|--|--|------------------|
| | Net unrealized gain on available-for-sale securities | Deferred gain (loss) on derivatives under hedge accounting | Foreign currency translation adjustments | Other accumulated other comprehensive income | | |
| Balance at beginning of period | 426 | 0 | (7) | 419 | 99 | 24,240 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 17 |
| Dividends | | | | | | (230) |
| Net income attributable owners of parent | | | | | | 1,991 |
| Treasury stock acquired | | | | | | (205) |
| Change in equity due to transactions with non-controlling interests | | | | | | (11) |
| Net changes other than shareholders' equity | 181 | 0 | 439 | 621 | (99) | 522 |
| Total changes during period | 181 | 0 | 439 | 621 | (99) | 2,083 |
| Balance at end of period | 607 | 1 | 432 | 1,041 | — | 26,324 |

For the fiscal year ended December 31, 2021

(Thousands of U.S. dollars)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of period | 55,480 | 14,449 | 136,438 | (114) | 206,252 |
| Changes during period | | | | | |
| Issuance of new shares | 76 | 76 | | | 151 |
| Dividends | | | (2,007) | | (2,007) |
| Net income attributable owners of parent | | | 17,318 | | 17,318 |
| Treasury stock acquired | | | | (1,786) | (1,786) |
| Change in equity due to transactions with non-controlling interests | | (102) | | | (102) |
| Net changes other than shareholders' equity | | | | | |
| Total changes during period | 76 | (26) | 15,312 | (1,786) | 13,575 |
| Balance at end of period | 55,480 | 14,347 | 151,749 | (1,900) | 219,676 |

| | Accumulated other comprehensive income | | | | Non-controlling interests in consolidated subsidiaries | Total net assets |
|---|--|--|--|--|--|------------------|
| | Net unrealized gain on available-for-sale securities | Deferred gain (loss) on derivatives under hedge accounting | Foreign currency translation adjustments | Other accumulated other comprehensive income | | |
| Balance at beginning of period | 3,711 | 8 | (67) | 3,651 | 866 | 210,769 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 151 |
| Dividends | | | | | | (2,007) |
| Net income attributable owners of parent | | | | | | 17,318 |
| Treasury stock acquired | | | | | | (1,786) |
| Change in equity due to transactions with non-controlling interests | | | | | | (102) |
| Net changes other than shareholders' equity | 1,575 | 7 | 3,825 | 5,408 | (866) | 4,542 |
| Total changes during period | 1,575 | 7 | 3,825 | 5,408 | (866) | 18,117 |
| Balance at end of period | 5,286 | 15 | 3,758 | 9,059 | — | 228,735 |

(4) Consolidated Statements of Cash Flows

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | For the fiscal year ended December 31, 2020 | For the fiscal year ended December 31, 2021 | For the fiscal year ended December 31, 2021 |
| Cash flows from operating activities | | | |
| Income before income taxes and non-controlling interests | 760 | 2,777 | 24,147 |
| Depreciation | 1,153 | 1,283 | 11,156 |
| Amortization of goodwill | 170 | 181 | 1,580 |
| Impairment loss on long-lived assets | 192 | 122 | 1,061 |
| Increase (decrease) in allowance for bad debts | (11) | 1 | 10 |
| Increase (decrease) in provision for bonuses | 11 | 9 | 82 |
| Increase (decrease) in reserve for sales returns | 3 | 10 | 88 |
| Increase (decrease) in reserve for point service | (2) | 19 | 174 |
| Decrease (increase) in assets for retirement benefits | (177) | (306) | (2,662) |
| Increase (decrease) in liabilities for retirement benefits | 14 | 24 | 217 |
| Interest and dividend income | (91) | (68) | (595) |
| Interest expenses | 96 | 93 | 810 |
| Loss on retirement of non-current assets | 10 | 25 | 219 |
| Loss (gain) on sale of non-current assets | (0) | (1) | (11) |
| Loss on withdrawal from the brand | 30 | 40 | 356 |
| Foreign exchange losses (gains) | (41) | (60) | (523) |
| Decrease (increase) in trade notes and accounts receivables | 499 | (624) | (5,433) |
| Decrease (increase) in inventories | 186 | 626 | 5,445 |
| Increase (decrease) in trade notes and accounts payables | 157 | (127) | (1,109) |
| Decrease (increase) in advance payments to suppliers | 67 | 18 | 157 |
| Decrease (increase) in prepaid expenses | 56 | 19 | 173 |
| Loss (gain) on sales of investments in securities | (329) | — | — |
| Subsidy income | (510) | (353) | (3,073) |
| Decrease (increase) in accounts receivable - other | 180 | (46) | (402) |
| Increase (decrease) in accrued expenses | (451) | 54 | 473 |
| Increase (decrease) in accrued consumption taxes | 141 | 209 | 1,826 |
| Others | (115) | 101 | 879 |
| Subtotal | 2,001 | 4,030 | 35,044 |
| Interest and dividend income received | 92 | 63 | 551 |
| Interest expenses paid | (85) | (89) | (782) |
| Income taxes paid | (524) | (325) | (2,828) |
| Subsidy income received | 465 | 368 | 3,203 |
| Net cash provided by operating activities | 1,950 | 4,047 | 35,189 |

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | For the fiscal year ended December 31, 2020 | For the fiscal year ended December 31, 2021 | For the fiscal year ended December 31, 2021 |
| Cash flows from investing activities | | | |
| Payments into time deposits | (830) | (854) | (7,426) |
| Proceeds from time deposits | 830 | 854 | 7,426 |
| Payments for purchase of property, plant and equipment | (1,970) | (765) | (6,654) |
| Proceeds from sale of property, plant and equipment | 34 | 1 | 11 |
| Payments for purchase of intangible assets | (165) | (229) | (1,993) |
| Payments for purchase of investments in securities | (405) | (103) | (896) |
| Proceeds from sale of investments in securities | 490 | — | — |
| Payments for long-term loans receivable made | (15) | (34) | (301) |
| Proceeds from collection of long-term loans receivable | 27 | 15 | 137 |
| Payments for lease deposit | (125) | (95) | (831) |
| Proceeds from lease deposit | 222 | 197 | 1,720 |
| Payments for asset retirement obligations | (15) | (22) | (196) |
| Payments for investments in capital | (4) | (9) | (85) |
| Other, net | 0 | (50) | (435) |
| Net cash used in investing activities | (1,927) | (1,095) | (9,525) |
| Cash flows from financing activities | | | |
| Proceeds from short-term loans | 1,472 | 1,945 | 16,913 |
| Repayment of short-term loans | (9,880) | (1,050) | (9,130) |
| Proceeds from long-term loans | 9,218 | 1,408 | 12,242 |
| Repayment of long-term loans | (771) | (1,419) | (12,339) |
| Cash dividends paid | (229) | (232) | (2,019) |
| Cash dividends paid to non-controlling interests | (0) | (0) | (7) |
| Purchase of treasury stock | (0) | (205) | (1,786) |
| Purchase of shares of subsidiaries | — | (138) | (1,207) |
| Repayments of lease obligations | (23) | (49) | (432) |
| Net cash provided by (used in) financing activities | (215) | 256 | 2,234 |
| Foreign currency translation adjustments on cash and cash equivalents | 19 | 98 | 855 |
| Net increase (decrease) in cash and cash equivalents | (172) | 3,306 | 28,753 |
| Cash and cash equivalents at beginning of year | 6,231 | 6,059 | 52,683 |
| Cash and cash equivalents at end of year | 6,059 | 9,365 | 81,436 |

(5) Notes to Consolidated Financial Statements

(Note regarding the Premises of a Going Concern)

Not applicable.

(Additional Information)

(Accounting estimates associated with the effects of COVID-19 pandemic)

In fiscal 2021, the business activities of the Group were heavily influenced by the resurgence of COVID-19 as in the previous year. For example, the Group temporarily closed the stores in the commercial facilities or directly managed stores and shortened their business hours. With respect to the outlook of this impact, the Group had assumed that the unstable economic situation would continue until the end of the fiscal year ended December 31, 2021. Although in fiscal 2022 there are signs of a relaxation of COVID-19 measures in some countries, it is still difficult to predict when it will be under control mainly due to the application of priority measures to prevent the spread of disease in Japan as a result of the outbreak of mutant strains. Therefore, the Group has made the accounting estimates for the recoverability of deferred tax assets and impairment loss of non-current assets based on the assumption that the impact will continue to a certain extent in fiscal 2022.

(Application of practical treatments of transactions in which the Company's shares are delivered to employees, etc. through a trust)

The Company has introduced a "Trust-type Employees' Shareholding Incentive Plan" (the "Plan") for the purpose of providing employees with incentives to enhance the Company's corporate value over the medium to long term.

(1) Overview of transactions

The Plan is an incentive plan that covers all employees who are members of the "LOOK HOLDINGS Employees' Shareholding Association" (the "Shareholding Association"). Under the Plan, the Company established the "Exclusive Trust for LOOK HOLDINGS Employees' Shareholding Association" (the "Trust") at a trust bank. The Trust acquires in advance the number of the Company's shares that the Shareholding Association is expected to acquire over a period of six years and four months. Thereafter, the Trust continuously sells the Company's shares to the Shareholding Association. In addition, if an amount equivalent to the gain on the sale of shares accumulates within the Trust at the time of the termination of the trust, such amount will be distributed as residual assets to those who satisfy the requirements for eligible beneficiaries. Furthermore, as the Company guarantees the Trust's borrowings to acquire the Company's shares, if an amount equivalent to the loss on the sale of shares accumulates within the Trust due to a decline in the price of the Company's shares, and if there is any balance of borrowings equivalent to such loss on the sale of shares within the Trust at the time of termination of the Trust, the Company will repay such balance based on such act of guarantee.

(2) The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury stock under net assets at their carrying amount in the Trust (excluding the amount of incidental expenses). The carrying amount and the number of shares of such treasury stock are ¥204 million (\$1,782 thousand) and 150 thousand shares for the fiscal year ended December 31, 2021.

(3) Carrying amounts of borrowings recorded by applying the gross method

¥206 million (\$1,792 thousand) for the fiscal year ended December 31, 2021

(Segment Information, etc.)

[Segment information]

1. Overview of reported segments

(1) Methods of determining reported segments

The reported segments of the Group are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine the distribution of management resources and evaluate their business results.

(2) Types of products and services in each reported segment

The Group engages in planning, producing, importing and selling apparel and related accessories, and the Company is a pure holding company of the Group. In the apparel related business, two domestic consolidated subsidiaries in Japan and nine foreign consolidated subsidiaries abroad manage the business activities. In the Production and OEM Business, one domestic consolidated subsidiary manages the business activities, engaging in the production and OEM of apparel related accessories for the Group companies and other companies outside the Group. In the Logistics Business, one domestic consolidated subsidiary manages the business activities, receiving, shipping and storing apparel related accessories mainly for the Group companies. In the Food & Beverage Business, one domestic consolidated subsidiary manages the business activities, manufacturing and selling gelatos. In the apparel related business, the Company established local business bases in Japan, Korea, Europe, Hong Kong, China and the U.S.A., and each base plans the overall strategy for each brand and runs the business.

Thus, the Group has a total of seven reported segments. These comprise four geographical segments of “Japan,” “Korea,” “Europe” and “Other Abroad” (Hong Kong, China and the U.S.A.), which are based on its sales system for the apparel related business, and other reported segments of “Production and OEM Business,” “Logistics Business” and “Food & Beverage Business.”

2. Methods of calculating the amounts of net sales, income or loss, assets, liabilities and others by reported segment

The accounting methods for reported business segments are generally the same as the statements in “Significant matters of basis of preparing consolidated financial statements.”

Reported segment income is based on operating income.

Intersegment internal income and transfers are based on actual market prices or manufacturing costs.

3. Information regarding amounts of net sales, income or loss, assets, liabilities and others by reported segment

For the fiscal year ended December 31, 2020

(Millions of yen)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments (Note) 1. | Amounts recorded in consolidated financial statements (Note) 2. |
|--|-----------------|--------|--------|--------------|--------|--------------------|-----------|-------------------|--------|-----------------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Net sales | | | | | | | | | | | |
| Net sales to outside customers | 20,052 | 14,977 | 967 | 394 | 36,392 | 487 | 90 | 44 | 37,014 | — | 37,014 |
| Intersegment internal net sales or transfers | 34 | 53 | 2,220 | — | 2,308 | 1,952 | 1,107 | — | 5,368 | (5,368) | — |
| Total | 20,086 | 15,030 | 3,188 | 394 | 38,700 | 2,440 | 1,197 | 44 | 42,383 | (5,368) | 37,014 |
| Segment income (loss) | 457 | 697 | 428 | (127) | 1,455 | (65) | 43 | (30) | 1,403 | (766) | 636 |
| Segment assets | 11,966 | 12,465 | 2,274 | 533 | 27,239 | 908 | 597 | 36 | 28,781 | 17,940 | 46,722 |
| Others | | | | | | | | | | | |
| Depreciation | 149 | 426 | 80 | 15 | 671 | 2 | 15 | — | 688 | 464 | 1,153 |
| Impairment loss | 79 | 28 | 2 | 9 | 120 | — | — | — | 120 | 71 | 192 |
| Amortization of goodwill | — | — | — | — | — | — | — | — | — | 170 | 170 |
| Increases in property, plant and equipment and intangible assets | 392 | 1,305 | 148 | 1 | 1,847 | — | 151 | — | 1,999 | 25 | 2,024 |

- (Notes) 1. Adjustments in segment income (loss) consist of ¥(527) million of amortization of marketing related assets and goodwill, ¥1,703 million of intersegment eliminations and ¥(1,942) million of unallocated company-wide expenses. Company-wide expenses primarily consist of expenses related to a holding company that does not belong to reported segments. Adjustments in segment assets consist of ¥12,684 million of intersegment eliminations and ¥5,255 million of unallocated company-wide assets. Company-wide assets consist of assets of the Company, as a pure holding company.
2. Segment income (loss) is the adjustment of operating income disclosed in the consolidated statements of income.

For the fiscal year ended December 31, 2021

(Millions of yen)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments (Note) 1. | Amounts recorded in consolidated financial statements (Note) 2. |
|--|-----------------|--------|--------|--------------|--------|--------------------|-----------|-------------------|--------|-----------------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Net sales | | | | | | | | | | | |
| Net sales to outside customers | 21,045 | 17,729 | 1,368 | 416 | 40,559 | 402 | 47 | 56 | 41,065 | — | 41,065 |
| Intersegment internal net sales or transfers | 29 | 26 | 2,563 | — | 2,619 | 1,833 | 1,201 | — | 5,653 | (5,653) | — |
| Total | 21,074 | 17,756 | 3,932 | 416 | 43,179 | 2,235 | 1,248 | 56 | 46,719 | (5,653) | 41,065 |
| Segment income (loss) | 1,135 | 1,893 | 168 | (177) | 3,019 | (20) | 81 | (25) | 3,055 | (329) | 2,725 |
| Segment assets | 12,376 | 14,713 | 2,372 | 632 | 30,095 | 721 | 567 | 44 | 31,428 | 19,448 | 50,877 |
| Others | | | | | | | | | | | |
| Depreciation | 161 | 496 | 111 | 16 | 785 | 1 | 15 | 0 | 803 | 479 | 1,283 |
| Impairment loss | 86 | 5 | — | 3 | 96 | — | — | — | 96 | 25 | 122 |
| Amortization of goodwill | — | — | — | — | — | — | — | — | — | 181 | 181 |
| Increases in property, plant and equipment and intangible assets | 247 | 625 | 239 | 9 | 1,121 | 0 | 34 | — | 1,156 | 323 | 1,479 |

- (Notes) 1. Adjustments in segment income (loss) consist of ¥(562) million of amortization of marketing related assets and goodwill, ¥2,007 million of intersegment eliminations and ¥(1,774) million of unallocated company-wide expenses. Company-wide expenses primarily consist of expenses related to a holding company that does not belong to reported segments. Adjustments in segment assets consist of ¥12,372 million of intersegment eliminations and ¥7,076 million of unallocated company-wide assets. Company-wide assets consist of assets of the Company, as a pure holding company.
2. Segment income (loss) is adjustment of operating income disclosed in the consolidated statements of income.

For the fiscal year ended December 31, 2021

(Thousands of U.S. dollars)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments (Note) 1. | Amounts recorded in consolidated financial statements (Note) 2. |
|--|-----------------|---------|--------|--------------|---------|--------------------|-----------|-------------------|---------|-----------------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Net sales | | | | | | | | | | | |
| Net sales to outside customers | 182,985 | 154,154 | 11,903 | 3,623 | 352,664 | 3,496 | 411 | 494 | 357,065 | — | 357,065 |
| Intersegment internal net sales or transfers | 254 | 234 | 22,288 | — | 22,776 | 15,938 | 10,446 | — | 49,160 | (49,160) | — |
| Total | 183,239 | 154,388 | 34,190 | 3,623 | 375,440 | 19,434 | 10,857 | 494 | 406,224 | (49,160) | 357,065 |
| Segment income (loss) | 9,872 | 16,460 | 1,462 | (1,540) | 26,254 | (176) | 708 | (220) | 26,566 | (2,868) | 23,698 |
| Segment assets | 107,612 | 127,934 | 20,627 | 5,501 | 261,674 | 6,271 | 4,935 | 389 | 273,270 | 169,103 | 442,372 |
| Others | | | | | | | | | | | |
| Depreciation | 1,402 | 4,317 | 968 | 143 | 6,831 | 15 | 139 | 0 | 6,984 | 4,172 | 11,156 |
| Impairment loss | 755 | 48 | — | 33 | 836 | — | — | — | 836 | 225 | 1,061 |
| Amortization of goodwill | — | — | — | — | — | — | — | — | — | 1,580 | 1,580 |
| Increases in property, plant and equipment and intangible assets | 2,149 | 5,442 | 2,080 | 80 | 9,751 | 2 | 299 | — | 10,052 | 2,811 | 12,863 |

(Notes) 1. Adjustments in segment income (loss) consist of \$(4,895) thousand of amortization of marketing related assets and goodwill, \$17,455 thousand of intersegment eliminations and \$(15,428) thousand of unallocated company-wide expenses. Company-wide expenses primarily consist of expenses related to a holding company that does not belong to reported segments. Adjustments in segment assets consist of \$107,575 thousand of intersegment eliminations and \$61,528 thousand of unallocated company-wide assets. Company-wide assets consist of assets of the Company, as a pure holding company.

2. Segment income (loss) is adjustment of operating income disclosed in the consolidated statements of income.

[Related information]

For the fiscal year ended December 31, 2020

1. Information by products and services

Disclosures are omitted because the classification of products and services are the same as the classification of the reported segments.

2. Geographical information

(1) Net sales

(Millions of yen)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|--------|--------|--------|-----------|-------|--------|--------|
| 20,674 | 14,977 | 967 | 207 | 133 | 53 | 37,014 |

(Notes) 1. Net sales are classified by country or region based on customers' location.

2. Major countries and regions belonging to "Europe" are Italy and France.

(2) Property, plant and equipment

(Millions of yen)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|-------|-------|--------|-----------|-------|--------|-------|
| 1,282 | 2,139 | 373 | 8 | 1 | 14 | 3,820 |

3. Information by major customers

Disclosures by major customer are omitted because no particular customer whose sales are over 10% of sales in the consolidated statements of income exists.

For the fiscal year ended December 31, 2021

1. Information by product and service

Disclosures are omitted because the classification of products and services are the same as the classification of the reported segments.

2. Information by geographical area

(1) Net sales

(Millions of yen)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|--------|--------|--------|-----------|-------|--------|--------|
| 21,551 | 17,729 | 1,368 | 209 | 84 | 123 | 41,065 |

(Thousands of U.S. dollars)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|---------|---------|--------|-----------|-------|--------|---------|
| 187,385 | 154,154 | 11,903 | 1,822 | 731 | 1,071 | 357,065 |

(Notes) 1. Net sales are classified by country or region based on customers' location.

2. Major countries and regions belonging to "Europe" are Italy and France.

(2) Property, plant and equipment

(Millions of yen)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|-------|-------|--------|-----------|-------|--------|-------|
| 1,269 | 2,244 | 362 | 5 | 1 | 12 | 3,896 |

(Thousands of U.S. dollars)

| Japan | Korea | Europe | Hong Kong | China | U.S.A. | Total |
|--------|--------|--------|-----------|-------|--------|--------|
| 11,042 | 19,519 | 3,152 | 49 | 13 | 105 | 33,881 |

3. Information by major customers

Disclosures are omitted because no particular customer whose sales are over 10% of sales in the consolidated statements of income exists.

[Information of impairment loss on non-current assets by reported segments]

For the fiscal year ended December 31, 2020

Disclosures are omitted because the information is disclosed in the reported segment information.

For the fiscal year ended December 31, 2021

Disclosures are omitted because the information is disclosed in the reported segment information.

[Information of amortization and unamortized balance of goodwill by reported segments]

For the fiscal year ended December 31, 2020

(Millions of yen)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments | Amounts recorded in consolidated financial statements |
|--------------------------|-----------------|-------|--------|--------------|-------|--------------------|-----------|-------------------|-------|-------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Balance at end of period | — | — | — | — | — | — | — | — | — | 3,280 | 3,280 |

(Note) Disclosures of goodwill amortization are omitted because the information is disclosed in the reported segment information.

For the fiscal year ended December 31, 2021

(Millions of yen)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments | Amounts recorded in consolidated financial statements |
|--------------------------|-----------------|-------|--------|--------------|-------|--------------------|-----------|-------------------|-------|-------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Balance at end of period | — | — | — | — | — | — | — | — | — | 3,190 | 3,190 |

(Thousands of U.S. dollars)

| | Apparel related | | | | | Production and OEM | Logistics | Food and beverage | Total | Adjustments | Amounts recorded in consolidated financial statements |
|--------------------------|-----------------|-------|--------|--------------|-------|--------------------|-----------|-------------------|-------|-------------|---|
| | Japan | Korea | Europe | Other abroad | Total | | | | | | |
| Balance at end of period | — | — | — | — | — | — | — | — | — | 27,737 | 27,737 |

(Note) Disclosures of goodwill amortization are omitted because the information is disclosed in the reported segment information.

[Information of gain on negative goodwill by reported segments]

For the fiscal year ended December 31, 2020

Not applicable.

For the fiscal year ended December 31, 2021

Not applicable.

(Per Share Information)

| | For the fiscal year ended December 31, 2020 (yen) | For the fiscal year ended December 31, 2021 (yen) | For the fiscal year ended December 31, 2021 (U.S. dollars) |
|----------------------|---|---|--|
| Net assets per share | 3,137.67 | 3,483.27 | 30.29 |
| Net income per share | 56.19 | 259.67 | 2.26 |

- (Notes) 1. Diluted net income per share is not disclosed because there are no potentially dilutive common shares.
2. The Company has introduced a “Trust-type Employees’ Shareholding Incentive Plan” for the fiscal year ended December 31, 2021. The Company’s shares remaining in the Trust, which are recorded as treasury stock in shareholders’ equity, are included in treasury stock deducted from the total number of shares issued at the end of the period for the calculation of net assets per share, and are included in treasury stock deducted from the average number of shares issued during the period for the calculation of net income per share.
- The number of such treasury stock at the end of the period deducted for the calculation of net assets per share is 150,500 shares for the fiscal year ended December 31, 2021. The average number of such treasury stock during the period deducted for the calculation of net income per share is 31,756 shares for the fiscal year ended December 31, 2021.

3. The basis for the calculation of net income per share is as follows:

| | For the fiscal year ended December 31, 2020 (millions of yen) | For the fiscal year ended December 31, 2021 (millions of yen) | For the fiscal year ended December 31, 2021 (thousands of U.S. dollars) |
|---|---|---|--|
| Net income attributable to owners of parent | 431 | 1,991 | 17,318 |
| Amounts not attributable to common shareholders | — | — | — |
| Net income attributable to owners of parent pertaining to common stock | 431 | 1,991 | 17,318 |
| Average outstanding shares of common stock during the period (shares) | 7,688,206 | 7,670,510 | 7,670,510 |

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