

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

(Stock Code 3548)
April 28, 2022

To Shareholders with Voting Rights:

Hiroyuki Murai
Representative Director and
President
Baroque Japan Limited
4-7-7 Aobadai, Meguro-ku,
Tokyo, Japan

NOTICE OF THE 23RD ANNUAL SHAREHOLDERS' MEETING

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to the 23rd Annual Shareholders' Meeting of Baroque Japan Limited (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or electromagnetic methods (internet, etc.). Please review the attached Reference Documents for the Shareholders' Meeting, indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and exercise your voting rights by 7 p.m. on Wednesday, May 25, 2022 Japan time.

1. **Date and Time:** Thursday, May 26, 2022 at 10 a.m. Japan time (reception will open at 9:30 a.m.)
2. **Venue:** B2F Ballroom, Cerulean Tower Tokyu Hotel
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan
3. **Meeting Agenda:**
Matters to be reported:
 1. Business Report, Consolidated Financial Statements for the Company's 23rd Term (March 1, 2021 – February 28, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-Consolidated Financial Statements for the Company's 23rd Term (March 1, 2021 - February 28, 2022)

Proposals to be resolved:

Proposal No. 1: Partial amendment of articles of corporation

Proposal No. 2: Election of Eight (8) Directors

- Please bring the enclosed Voting Rights Exercise Form and submit it at the reception when attending the meeting.
- Among the documents that should be provided in this convocation notice, “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” are posted on the Company’s website (<https://www.baroque-global.com/en/ir>) pursuant to provisions of laws and regulations as well as Article 14 of the Articles of Incorporation. Therefore, they are not presented in this convocation notice.
- Any updates to the Reference Documents for the Shareholders’ Meeting, the Business Report, the Non-Consolidated Financial Statements or the Consolidated Financial Statements will be posted on the Company’s website (<https://www.baroque-global.com/en/ir>).

Information of Exercising Voting Rights

Participation on the day



Date and Time

Thursday, May 26, 2022 at 10 a.m. Japan time

Reception will open at 9:30 a.m.

Please submit the enclosed voting rights exercise form to the reception desk at the venue. Please bring this booklet with you on the day of the shareholders’ meeting to save paper resources.

Non-participation on the day



Exercise by Mail

Exercise Deadline

Must reach us no later than Wednesday, May 25, 2022, 7 p.m.

Please indicate your approval or disapproval of the agenda on the enclosed Voting Rights Exercise Form and return it so that it arrives by the above exercise deadline.



Exercise by Internet

Exercise Deadline

Must reach us no later than Wednesday, May 25, 2022, 7 p.m.

Please access our designated voting rights exercise website (<https://soukai.mizuho-tb.co.jp/>) and enter your approval or disapproval of the resolution by the exercise deadline. In case of more than one exercising, the latest result shall prevail.

If you exercise your voting rights in duplicate with voting rights exercise document and the method via the Internet, the exercise of your voting rights via the Internet will be valid.



Exercise by Internet

1 Visit the voting website.



Voting Website

<https://soukai.mizuho-tb.co.jp/>

■ Click “Next”

2 Please enter the “voting right exercise code” written on the voting right exercise form.



■ Enter the “voting right exercise code” and click “Next”

3 Please enter the “Voting Rights Exercise Code” written on the Voting Rights Exercise Form and the “Password” written on the form.



■ Enter the “Initial Password” and set a new password
Click “Registration”

※ the “Voting Rights Exercise Code” and “Initial Password” are printed on the back of the enclosed voting right exercise form.

※ The costs of connecting and using the internet, shall be borne by shareholders.

Each method of exercising voting rights via the Internet has been confirmed to work with general Internet-connected devices, unseemingly may also occur depending on the equipment and conditions used.

4 Please enter your approval or disapproval by following the instructions on the screen.

Inquiries regarding operation methods, etc.

Mizuho Trust & Banking Securities Agency Department
(Reception hours: 9am-9pm except the year-end and
☎ 0120-768-524 New Year holidays.)

Inquiries other than matters related to exercising voting rights.

Mizuho Trust & Banking Securities Agency Department
Shareholder-only call centre
☎ 0120-288-324 (Reception hours: weekdays 9am-5pm)

To all the institutional investors

If you apply in advance to use the electronic voting platform for institutional investors operated by ICJ, Inc., you can exercise your voting rights from that platform.

Reference Documents for the Shareholders' Meeting

Proposals and References

Proposal No. 1: Partial amendment of articles of incorporation

1. Reason for Proposal

With the enforcement of the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of the First Year of Reiwa) on September 1, 2022, the documents for the shareholders' meeting In order to prepare for the introduction of the electronic provision system, the articles of incorporation of the Company will be amended as follows.

- (1) Since it is obligatory to stipulate in the Proposals of Incorporation that electronic provision measures will be taken for the information contained in the reference documents for the shareholders' meeting, Proposal No. 14, Item 1 of the proposed amendment will be newly established.
- (2) In order to limit the scope of matters to be stated in the document to be delivered to the shareholders who have requested the written delivery, Proposal No. 14, Item 2 of the proposed amendment will be newly established.
- (3) Provisions for providing reference documents for the shareholders' meeting, which are deemed to be disclosed on the Internet (current Articles of Incorporation, Proposal No. 14) are no longer necessary and will be deleted.
- (4) With the above new establishment / deletion, supplementary provisions regarding the effective date, will be established.

2. Details of Amendments to the Articles of Incorporation

The details of changes are as follows.

(changed parts are underlined)

| Current articles of incorporation | Proposed Change |
|---|--|
| <p><u>(Provided as Internet disclosure of reference documents for the shareholders' meeting)</u> <u>Proposal No. 14</u> <u>When convening a shareholders' meeting, the Company will disclose information related to matters to be stated or displayed in the reference documents for the shareholders' meeting, business reports, financial statements and consolidated financial statements by using the Internet in accordance with the Ordinance of the Ministry of Justice. Therefore, it can be regarded as provided to the shareholders.</u></p> <p>(Newly established)</p> | <p>(Deletion)</p> <p><u>(Electronic provision of reference documents for shareholders' meeting)</u> <u>At the time of convening the shareholders' meeting, the Company shall take electronic measures to provide the information contained in the reference documents for the shareholders' meeting.</u> <u>2. The Company may not describe all or part of the matters to be provided electronically as specified by the Ordinance of the Ministry of Justice in the document to be delivered to the</u></p> |

| | |
|---------------------|---|
| (Newly established) | <p><u>shareholders who requested the issuance in writing by the record date of voting rights.</u></p> <p style="text-align: center;"><u>Supplementary Provision</u></p> <ol style="list-style-type: none"> 1. <u>The deletion of Proposal No. 14 of the Articles of Incorporation before the amendment (provided as Internet disclosure of reference documents for the shareholders' meeting) and the new establishment of Proposal No. 14 of the Articles of Incorporation after the amendment (measures for electronic provision of reference documents for the shareholders' meeting) are September 1, 2022. It shall take effect from the day.</u> 2. <u>Despite the provisions of the preceding paragraph, Proposal No. 14 of the Articles of Incorporation before the amendment shall still be effective for a shareholders' meeting whose date is the day until the end of February 2023.</u> 3. <u>This Supplementary Provision shall be deleted on March 1, 2023 or on the day three months after the date of the shareholders' meeting set forth in the preceding paragraph, whichever is later.</u> |
|---------------------|---|

Proposal No. 2: Election of Eight Directors

The terms of office of all eight Directors currently in office will expire at the conclusion of this year's Annual Shareholders' Meeting. Accordingly, the election of eight Directors is proposed.

The candidates for Directors are as follows.

| No. | Name | | Positions and responsibilities in the Company |
|-----|-------------------|---|---|
| 1 | Hiroyuki Murai | Reappoint | Representative Director, President and Chief Executive Officer |
| 2 | Akihito Fukasawa | Reappoint | Executive Director and Deputy Chief Executive Officer, General Manager, Unit Manager, The First Unit General Manager, EC Business Division Task Force on SCM Reform |
| 3 | Nobuhide Hayashi | Reappoint Outside Director Independent Director | Outside Director |
| 4 | Fang Sheng | Reappoint Outside Director | Outside Director |
| 5 | Xiaoling Hu | Reappoint Outside Director | Outside Director |
| 6 | Kyosuke Shinozawa | Reappoint Outside Director Independent Director | Outside Director |
| 7 | Kunihisa Hama | Reappoint Outside Director Independent Director | Outside Director |
| 8 | Yingnan Zhang | Reappoint Outside Director | Outside Director |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|---|---|---|--|
| 1 | <p style="text-align: center;">Hiroyuki Murai</p> <div style="border: 1px solid black; padding: 2px; margin: 5px auto; width: fit-content;">Reappoint</div> <p style="text-align: center;">(July 26, 1961)</p> <p style="text-align: center;">1,048,100 shares</p> <p>Number of years in office as a director : fourteen years and three months (At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | <p>Aug 1985</p> <p>Apr 1994</p> <p>Apr 1995</p> <p>Jul 1997</p> <p>Oct 2006</p> <p>Jan 2007</p> <p>Apr 2007</p> <p>Feb 2008</p> <p>May 2009</p> <p>May 2013</p> <p>Sep 2013</p> <p>Nov 2013</p> <p>Feb 2014</p> <p>Feb 2015</p> <p>Apr 2016</p> | <p>Joined Canon Inc.</p> <p>President, KAI LUNG CONSULTANTS LIMITED</p> <p>President, CENTURY GROW LIMITED</p> <p>President, Hong Kong local subsidiary, Japan Air System Co., Ltd. (presently Japan Airlines Co., Ltd.);</p> <p>President, Hong Kong local subsidiary, JAS Trading Co., Ltd. (presently JALUX Inc.)</p> <p>Representative Director and Chairman, Fakedelic Holdings Co., Ltd.</p> <p>Managing Director, BAROQUE HK LIMITED</p> <p>Representative Director, Chairman and President, Fakedelic Holdings Co., Ltd.;</p> <p>Representative Director and Chairman, Baroque Japan Limited (the former BJL)</p> <p>Representative Director, President and Chief Executive Officer, the Company</p> <p>Representative Director, Baroque (Shanghai) Trading Ltd. (to present)</p> <p>Representative Director, President, Chief Executive Officer and Chief Operating Officer, the Company</p> <p>Director, BAROQUE CHINA LIMITED; Managing Director (to present);</p> <p>Director, BAROQUE CHINA APPARELS LIMITED (to present);</p> <p>Director, Baroque (Shanghai) Clothing Ltd. (to present)</p> <p>Representative Director, Baroque (Shanghai) Enterprise Development Ltd. (to present)</p> <p>Representative Director, President and Chief Executive Officer, the Company (to present);</p> <p>Managing Director, FRAME LIMITED (to present)</p> <p>Director and Chairman, BAROQUE HK LIMITED (to present)</p> <p>Director, BAROQUE USA LIMITED (to present)</p> |
| <p>Significant concurrent positions</p> <p>Director and Chairman, BAROQUE HK LIMITED</p> <p>Representative Director, Baroque (Shanghai) Trading Ltd.</p> <p>Director, BAROQUE CHINA LIMITED; Managing Director</p> <p>Director, BAROQUE CHINA APPARELS LIMITED</p> <p>Director, Baroque (Shanghai) Clothing Ltd.</p> <p>Representative Director, Baroque (Shanghai) Enterprise Development Ltd.</p> <p>Managing Director, FRAME LIMITED</p> <p>Director, BAROQUE USA LIMITED</p> | | | |
| <p>Reasons for selection as a candidate for Director</p> <p>Mr. Hiroyuki Murai possesses rich expertise in the field of global business, including business in China, and has led the Group ever since he became the Company's representative, with a focus on expanding the global SPA business. Based on his track record, we request for his continued election as a Director of the Company.</p> | | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|--|---|--|--|
| 2 | <p data-bbox="279 414 550 459">Akihito Fukasawa</p> <div data-bbox="284 481 545 526" style="border: 1px solid black; padding: 2px; text-align: center;">Reappoint</div> <p data-bbox="287 548 542 593">(January 21, 1975)</p> <p data-bbox="311 616 518 660">128,000 shares</p> <p data-bbox="279 683 542 840">Number of years in office as a director : four years and one month</p> <p data-bbox="287 851 534 952">(At the conclusion of this Annual Shareholders' Meeting)</p> <p data-bbox="287 985 534 1131">Attendance at the Board of Directors: 15/15 times (100%)</p> | <p data-bbox="582 302 742 336">Mar 2001</p> <p data-bbox="582 336 742 369">Mar 2005</p> <p data-bbox="582 403 742 436">Feb 2008</p> <p data-bbox="582 470 742 504">Apr 2011</p> <p data-bbox="582 560 742 593">Jan 2014</p> <p data-bbox="582 694 742 728">Jul 2015</p> <p data-bbox="582 784 742 817">Apr 2016</p> <p data-bbox="582 817 742 851">May 2017</p> <p data-bbox="582 918 742 952">Feb 2018</p> <p data-bbox="582 985 742 1019">Apr 2018</p> <p data-bbox="582 1052 742 1086">Mar 2019</p> <p data-bbox="582 1142 742 1176">May 2019</p> <p data-bbox="582 1243 742 1276">Mar 2021</p> <p data-bbox="582 1310 742 1344">Mar 2022</p> <p data-bbox="582 1377 742 1411">Apr 2022</p> | <p data-bbox="774 302 1061 336">Joined Fakedelic K.K.</p> <p data-bbox="774 336 1412 403">Representative Director, Jackpot Production Co., Ltd.</p> <p data-bbox="774 403 1420 470">Executive Officer, General Manager, SHEL'TTER Business Department, the Company</p> <p data-bbox="774 470 1364 560">Senior Executive Officer, General Manager, SHEL'TTER Business Division, and General Manager, SHEL'TTER Business Department</p> <p data-bbox="774 560 1412 694">Senior Executive Officer, General Manager, Outlet and Wholesale Business Department, and General Manager, Overseas Business Department</p> <p data-bbox="774 694 1356 795">Senior Executive Officer, General Manager, Overseas Business Department, and Deputy General Manager, Sales Control Division</p> <p data-bbox="774 795 1404 862">Director, BAROQUE USA LIMITED (to present)</p> <p data-bbox="774 862 1404 929">Managing Executive Officer, Unit Manager, The Second Unit, and General Manager, Overseas Business Department, the Company</p> <p data-bbox="774 929 1388 996">Managing Executive Officer, General Manager, Global Business Division, the Company</p> <p data-bbox="774 996 1420 1064">Director, Managing Executive Officer, General Manager, Global Business Division, the Company</p> <p data-bbox="774 1064 1404 1153">Director, Managing Executive Officer, General Manager, Sales Management Headquarters, the Company</p> <p data-bbox="774 1153 1396 1243">Executive Director and Deputy Chief Executive Officer, General Manager, Sales Management Headquarters, the Company (to present)</p> <p data-bbox="774 1243 1396 1310">Unit Manager, The First Unit, the Company (to present)</p> <p data-bbox="774 1310 1356 1377">General Manager, EC Business Division, the Company (to present)</p> <p data-bbox="774 1377 1364 1444">Task Force on SCM Reform, the Company (to present)</p> |
| <p data-bbox="279 1444 742 1478">Significant concurrent positions</p> <p data-bbox="279 1478 758 1512">Director, BAROQUE USA LIMITED</p> | | | |
| <p data-bbox="279 1512 909 1545">Reasons for selection as a candidate for Director</p> <p data-bbox="279 1545 1428 1709">Mr. Akihito Fukasawa has been involved in the fashion industry for many years, and was mainly in charge of promoting the Company's domestic and overseas apparel business. We believe that he can capitalize on his accumulated experience and track record to lead the Company's global business. Therefore, we request for his continued election as a Director.</p> | | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|--|--|--|---|
| 3 | <p>Nobuhide Hayashi</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reappoint</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent Director</div> <p>(March 27, 1957)</p> <p>0 shares</p> <p>Number of years in office as a director : three years (At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | <p>Apr 1980</p> <p>Apr 2007</p> <p>Apr 2009</p> <p>Jun 2011</p> <p>Apr 2013</p> <p>Jun 2013</p> <p>Jul 2013</p> <p>Apr 2014</p> <p>Apr 2017</p> <p>Mar 2019</p> <p>Apr 2019</p> <p>May 2019</p> <p>Jun 2019</p> <p>Jun 2020</p> | <p>Joined The Fuji Bank, Limited</p> <p>Executive Officer, General Manager of Sales Department 13, Mizuho Corporate Bank, Ltd.</p> <p>Managing Executive Officer in charge of Business Promotion</p> <p>Managing Executive Director, Head of International Banking Unit</p> <p>Deputy President and Executive Officer, Deputy President in charge of International Banking Unit, Mizuho Financial Group, Inc.</p> <p>Deputy President and Executive Officer, Deputy President in charge of MHCIB International Banking Unit Collaboration, Mizuho Bank, Ltd.</p> <p>Member of the Board of Directors, Deputy President in charge of International Banking Unit, Mizuho Corporate Bank, Ltd.</p> <p>Member of the Board of Directors, Executive Vice President in charge of International Banking Unit</p> <p>Member of the Board of Directors, Deputy President in charge of International Banking Unit, Mizuho Bank, Ltd.</p> <p>President, Member of the Board of Directors</p> <p>Chairman, Member of the Board of Directors</p> <p>Outside Director, Kao Corporation (to present)</p> <p>Executive Advisor, Mizuho Bank, Ltd. (to present)</p> <p>Outside Director, the Company (to present)</p> <p>Outside Audit & Supervisory Board Member, JTB Corp. (to present)</p> <p>TOBU RAILWAY CO.,LTD. Outside Audit & Supervisory Board Director (to present)</p> |
| <p>Significant concurrent positions</p> <p>Executive Advisor, Mizuho Bank, Ltd.</p> <p>Outside Director, Kao Corporation</p> <p>Outside Audit & Supervisory Board Member, JTB Corp.</p> <p>TOBU RAILWAY CO.,LTD. Outside Audit & Supervisory Board Director</p> | | <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Mr. Nobuhide Hayashi has many years of International experience in the financial and financial fields at major financial institutions, as well as rich experience and extensive insight as a manager. To strengthen the management supervision function for the sustainable growth of our company and the enhancement of corporate value, especially from the viewpoint of global business development and financial business strategy, we request for his continued election as an Outside Director.</p> <p>He serves as an member for nomination and compensation advisory committee.</p> | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|-----|---|---|--|
| 4 | <p>Fang Sheng</p> <p>Reappoint</p> <p>Outside Director</p> <p>(November 11, 1972)</p> <p>0 shares</p> <p>Number of years in office as a director : eight years and nine months</p> <p>(At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 14/15 times (93%%)</p> | <p>Nov 1993</p> <p>Nov 2005</p> <p>May 2007</p> <p>May 2011</p> <p>Dec 2011</p> <p>Apr 2013</p> <p>Aug 2013</p> <p>Sep 2013</p> <p>Nov 2013</p> <p>Jun 2019</p> <p>Feb 2022</p> | <p>Shanghai Office, Gulf Semiconductor Ltd.</p> <p>Regional Manager, Belle International Holdings Limited</p> <p>Group SVP & Head of Eastern China Region, Belle International Holdings Limited</p> <p>Executive Director, Belle International Holdings Limited (to present)</p> <p>Deputy Chairman, Smile Charity Foundation (to present)</p> <p>Adjunct Professor of Innovation and Entrepreneurship, Tongji University</p> <p>Outside Director, the Company (to present)</p> <p>Director, BAROQUE CHINA APPARELS LIMITED (to present); Representative Director, Baroque (Shanghai) Clothing Ltd. (to present)</p> <p>Director, Baroque (Shanghai) Enterprise Development Ltd. (to present)</p> <p>Non-executive Director, Topsports International Holdings Limited (to present)</p> <p>Executive Director & CEO, Belle Fashion Group (to present)</p> |
| | <p>Significant concurrent positions</p> <p>Executive Director, Belle International Holdings Limited</p> <p>Deputy Chairman, Smile Charity Foundation</p> <p>Director, BAROQUE CHINA APPARELS LIMITED</p> <p>Representative Director, Baroque (Shanghai) Clothing Ltd.</p> <p>Director, Baroque (Shanghai) Enterprise Development Ltd.</p> <p>Non-executive Director, Topsports International Holdings Limited</p> <p>Executive Director & CEO, Belle Fashion Group</p> | | |
| | <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Mr. Fang Sheng has an experience and extensive insight in corporate management in China. Because he also serves as an Executive Director of our strategic business partner Belle International Holdings Limited, we hope that he will contribute further development of the Chinese joint venture so we request for his election continued as an Outside Director.</p> | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | | | |
|--|---|---|------------------|----------|--|
| 5 | <p>Xiaoling Hu</p> <table border="1" data-bbox="288 427 545 472"> <tr> <td>Reappoint</td> </tr> </table> <table border="1" data-bbox="288 477 545 521"> <tr> <td>Outside Director</td> </tr> </table> <p>(August 5, 1970)</p> <p>0 shares</p> <p>Number of years in office as a director : eight years and nine months</p> <p>(At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | Reappoint | Outside Director | Jul 1995 | Certified Public Accountant, Arthur Andersen & Co. |
| | Reappoint | | | | |
| | Outside Director | | | | |
| | May 1999 | China International Capital Corporation Limited | | | |
| | Aug 2002 | CDH Investments Management (Hong Kong) Limited, Managing Director | | | |
| | Sep 2005 | Non-executive Director, Belle International Holdings Limited (to present) | | | |
| | Aug 2013 | Outside Director, the Company (to present) | | | |
| | May 2015 | Non-executive Director, Dali Foods Group Company Limited (to present) | | | |
| Jun 2019 | Non-executive Director, Topsports International Holdings Limited (to present) | | | | |
| Jun 2020 | CDH Investments Management (Xiamen) Limited, Managing Director (to present) | | | | |
| Jan 2021 | Hangzhou Beika Industrial Co., Limited, Director (to present) | | | | |
| <p>Significant concurrent positions</p> <p>Non-executive Director, Belle International Holdings Limited</p> <p>Non-executive Director, Dali Foods Group Company Limited</p> <p>Non-executive Director, Topsports International Holdings Limited</p> <p>Managing Director, CDH Investments Management (Xiamen) Limited</p> <p>Director, Hangzhou Beika Industrial Co., Limited</p> | | | | | |
| <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Ms. Xiaoling Hu has rich experience and extensive insight in corporate management in China as well as Asia. Because she also serves as a Non-Executive Director of our strategic business partner Belle International Holdings Limited, we hope that she will contribute further development of the Chinese joint venture and global management, so we request for her election continued as an Outside Director.</p> | | | | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|--|--|---|---|
| 6 | <p style="text-align: center;">Kyosuke Shinozawa</p> <div style="border: 1px solid black; padding: 2px; margin: 2px;">Reappoint</div> <div style="border: 1px solid black; padding: 2px; margin: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; margin: 2px;">Independent Director</div> <p style="text-align: center;">(March 1, 1937)</p> <p style="text-align: center;">0 shares</p> <p>Number of years in office as a director : thirteen years and one month (At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | <p>Apr 1960</p> <p>May 1995</p> <p>May 1998</p> <p>Oct 1999</p> <p>Jun 2001</p> <p>Jan 2008</p> <p>Apr 2009</p> <p>Oct 2019</p> | <p>Joined the Ministry of Finance</p> <p>Administrative Vice Minister</p> <p>Governor, The Overseas Economic Cooperation Fund, Japan</p> <p>Executive Managing Director, Japan Bank for International Cooperation</p> <p>Governor, Japan Bank for International Cooperation</p> <p>President, Incorporated Foundation Capital Markets Research Institute (presently Public Interest Incorporated Foundation Capital Markets Research Institute)</p> <p>Outside Director, the Company (to present)</p> <p>Advisor, Public Interest Incorporated Foundation Capital Markets Research Institute (to present)</p> |
| <p>Significant concurrent positions Advisor, Public Interest Incorporated Foundation Capital Markets Research Institute</p> | | | |
| <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Mr. Kyosuke Shinozawa has a wealth of knowledge, experience and a wide range of insights cultivated through his abundant background in the Ministry of Finance and in the field of international finance, so we have deemed that he can carry out his duties as an outside director.</p> <p>We expect him to make proposal for overall management from domestic and overseas financial market trend for our sustainable growth and enhancement of corporate value, so we request for his continued election as an Outside Director. Although he has never been directly involved in corporate management other than as an Outside Director, on top of his experience and insight, based on his track record since assuming the position of the Company's Outside Director, we have deemed that he is qualified to be an Outside Director of the Company who is responsible for continuously strengthening the corporate governance.</p> <p>He serves as an member for nomination and compensation advisory committee.</p> | | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | |
|---|--|---|---|
| 7 | <p>Kunihisa Hama</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reappoint</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent Director</div> <p>(December 2, 1934)</p> <p style="text-align: center;">0 shares</p> <p>Number of years in office as a director : six years and one month</p> <p>(At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | <p>Apr 1959 Dec 1991 Dec 1993 Jan 1996 Dec 1997 Jun 1998 Aug 2001 Jun 2002 Dec 2006 Jun 2008 Jun 2010 Aug 2013 Apr 2016 Jun 2016</p> | <p>Appointed as a prosecutor Director General, Criminal Affairs Bureau, Ministry of Justice Vice-Minister of Justice Superintending Prosecutor, Tokyo High Public Prosecutors Office Registered as a lawyer Outside Audit & Supervisory Board Member, MIROKU JYOHO SERVICE CO., LTD. Outside Audit & Supervisory Board Member, YOMIURI LAND CO., LTD. Outside Director, Japan Securities Depository Center, Incorporated Chairperson, Compliance Committee, the Company (to present) Outside Audit & Supervisory Board Member, YUKI GOSEI KOGYO CO., LTD.; Outside Director, NITTO BOSEKI CO., LTD. Outside Audit & Supervisory Board Member, KAJIMA CORPORATION Outside Audit & Supervisory Board Member, the Company Outside Director (to present) Outside Director, ENSUIKO SUGAR REFINING CO., LTD.</p> |
| <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Besides capitalizing on his rich experience and extensive insight in the legal field and in legal administration, Mr. Kunihisa Hama has an experience as the Company's Outside Audit & Supervisory Member and Chairperson of the Company's Compliance Committee in the management.</p> <p>For the sustainable growth of our company and the enhancement of corporate value, mainly in the risk management and compliance fields for strengthening the management supervision function we request for his continued election as an Outside Director. Although he has never been directly involved in corporate management other than as an Outside Director, we have deemed that he is qualified to be an Outside Director of the Company and able to carry out his duties for the above reasons.</p> <p>He serves as an member for nomination and compensation advisory committee.</p> | | | |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities in our company | | | |
|-----|--|---|------------------|--|--|
| 8 | <p>Yingnan Zhang</p> <table border="1" data-bbox="284 398 542 488"> <tr> <td data-bbox="284 398 542 443">Reappoint</td> </tr> <tr> <td data-bbox="284 443 542 488">Outside Director</td> </tr> </table> <p>(May 8, 1984)</p> <p>0 shares</p> <p>Number of years in office as a director : three years (At the conclusion of this Annual Shareholders' Meeting)</p> <p>Attendance at the Board of Directors: 15/15 times (100%)</p> | Reappoint | Outside Director | <p>Jul 2007</p> <p>May 2010</p> <p>July 2010</p> <p>May 2013</p> <p>May 2014</p> <p>Apr 2017</p> <p>May 2019</p> <p>Apr 2020</p> <p>Mar 2022</p> | <p>Senior Analyst, BOC International (China) Limited</p> <p>Joined ORIX Corporation</p> <p>Investment Manager, ORIX (China) Investment Company Limited</p> <p>Vice President, ORIX Financial Services Hong Kong Limited</p> <p>Senior Vice President, ORIX Asia Capital Limited</p> <p>Executive Director</p> <p>Outside Director, the Company (to present)</p> <p>Senior Executive Director, ORIX Asia Capital Limited (to present)</p> <p>Chief Executive Officer, ORIX Asia Asset Management Limited (to present)</p> |
| | Reappoint | | | | |
| | Outside Director | | | | |
| | <p>Significant concurrent positions</p> <p>Senior Executive Director, ORIX Asia Capital Limited</p> <p>Chief Executive Officer, ORIX Asia Asset Management Limited</p> | | | | |
| | <p>Reasons for selection as a candidate and expected role for Outside Director</p> <p>Ms. Yingnan Zhang has a rich experience and extensive insight in the investment business in China and Asia for the development of the Company's global corporate management.</p> <p>We request for her continued election as an Outside Director from the perspective of our sustainable growth and enhancement of corporate value, we expect her to contribute to the development of global business that we are aiming for.</p> | | | | |

- (Notes)
1. Mr. Fang Sheng is concurrently serving as the Executive Director of Belle International Holdings Limited, which indirectly controls a major shareholder of the Company, MUTUAL CROWN LIMITED. In addition, Baroque (Shanghai) Clothing Ltd., at which he serves as Representative Director is the Company's equity method associate, and there is a transactional relationship involving the use of the Company's brand trademark rights between said company and the Company.
 2. Ms. Yingnan Zhang is concurrently serving as Senior Executive Director of ORIX Asia Capital Limited, and Chief Executive Officer of ORIX Asia Asset Management Limited a company indirectly controlled by ORIX Corporation, a major shareholder of the Company.
 3. Ms. Xiaoling Hu is concurrently serving as the Managing Director of CDH Investments Management (HK) Limited, which indirectly controls a major shareholder of the Company, CDH RUNWAY INVESTMENT (HK) LIMITED.
 4. No significant transactions or other material interest exists between the Company and other corporations at which the other candidates concurrently serve.
 5. In accordance with Article 27, Paragraph 2 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company can enter into an agreement with Directors (excluding Executive Directors) to limit their liability for damages to the Company within a certain scope. Accordingly, the Company has entered into a liability limitation agreement with Mr. Nobuhide Hayashi, Mr. Fang Sheng, Ms. Xiaoling Hu, Mr. Kyosuke Shinozawa, Mr. Kunihisa Hama, and Ms. Yingnan Zhang, and the Company plans to continue the said agreement with each of them if their reelection is approved.
 6. Mr. Nobuhide Hayashi, Mr. Kyosuke Shinozawa and Mr. Kunihisa Hama satisfy the requirements for independent directors based on the provisions of Tokyo Stock Exchange, Inc.
 7. Mr. Nobuhide Hayashi concurrently serves as Executive Advisor of Mizuho Bank, Ltd., which is a lender of the Company and also served as Chairman of the Board of Directors of Mizuho Bank, Ltd. until March 2019. However, since Mizuho Bank, Ltd. is not the Company's main bank, we judge that there is no issue with respect to the independence of Mr. Nobuhide Hayashi.
 8. The Company has entered into a Directors and Officers Liability Insurance (D & O insurance) contract in which all directors are insured, and damages that may occur as a result of the insured director being responsible for the execution of his / her duties or receiving a claim for pursuing such liability are covered. If each candidate is reappointed as a director, he / she will continue to be insured under the insurance contract and will renew the insurance contract in December 2022.

Reference

The expertise, experience, and expected roles of directors when Proposal No. 2 is approved are as follows.

| Name | Positions and responsibilities in the Company | Expertise, experience and expected role | | | | | |
|-------------------|--|---|--|--------|----------------------|-----------------------------|---------------------------------|
| | | Business management | Business strategy, branding, marketing | Global | Financial Accounting | Governance, risk management | Other business knowledge |
| Hiroyuki Murai | Representative Director, President and Chief Executive Officer | ● | ● | ● | ● | ● | |
| Akihito Fukasawa | Executive Director and Deputy Chief Executive Officer | ● | ● | ● | ● | ● | |
| Nobuhide Hayashi | Outside Director (Independent Director) | ● | | ● | ● | ● | ● Finance |
| Fang Sheng | Outside Director | ● | ● | ● | ● | ● | ● Retail industry knowledge |
| Xiaoling Hu | Outside Director | ● | | ● | ● | | ● Business investment |
| Kyosuke Shinozawa | Outside Director (Independent Director) | | | ● | ● | | ● Finance, taxation business |
| Kunihisa Hama | Outside Director (Independent Director) | | | | | ● | ● Legal affairs, compliance |
| Yingnan Zhang | Outside Director | | | ● | ● | | ● Business investment |

* Items that are particularly expected for each person are listed.

* It does not represent all the knowledge and experience of each person.

(Appendix)

Business Report

(March 1, 2021– February 28, 2022)

1. Overview of the Group

(1) Business in the Fiscal Year under Review

1) Business Progress and Results

During the fiscal year ended February 28, 2022, the Japanese economy has repeatedly downturn and recovered due to the frequent issuance of State of Emergency and Covid-19 quasi-emergency all over the country. In addition to this, the severe business environment continues, with concerns about rise in raw material prices and rising crude oil prices and transportation costs mainly due to the increase of geopolitical risks.

Under these circumstances, the Group's domestic business was affected by refraining from going out until the first half of the year, however in the third quarter of the current fiscal year, the flow of people recovered due to the lift of the State of Emergency, and at the same time, the temperature dropped, and showed a strong performance. Then, in the fourth quarter, despite the impact of the rapid expansion of Omicron variant, domestic sales of the fiscal year ended February 28, 2022, increased year-on-year. Furthermore, EC sales have increased by 110.6% year-on-year due to the successful promotion of OMO measures utilizing SNS. As a result, in the fiscal year ended February 28, 2022, domestic sales and gross profit significantly exceeded the same period of the previous year.

In addition, as the company continues to work on cost reductions, SG&A expenses ratio improved year-on-year, and operating profit and recurring profit significantly exceeded the same period of the previous year.

Regarding the US business in the overseas business, brand recognition for wealthy people in North America has increased, and the demand for the mainstay luxury made-in Japan denim is still strong, and by promoting a business model centered on EC and wholesale (for luxury department stores and select stores), the US business grew significantly. As for the Chinese Joint Venture with Belle International Holdings Limited (hereon, Belle), our strategic business partner within the Joint Venture, in the first half of the year, business performance was strong, however, due to the spread of the Covid-19 epidemic in China from last fall, although it was affected by action restrictions in the second half, EC growth also contributed to a significant increase in sales and profits in the Chinese business compared to the previous year.

As for the number during the fiscal year ended February 28, 2022, the number of domestic stores was 367 (278 directly managed, 89 through franchise) and the number of overseas stores was 6 (4 directly managed) – for a total of 373 stores. In addition, the number of stores in the Chinese retail business operated through Joint Venture with Belle has reached 332.

As a result of the above, in the fiscal year ended February 28, 2022, consolidated turnover was 59,139 million yen (16.9% increase from the prior year), operating profit was 2,752 million yen (109.7% increase from the prior year), recurring profit was 2,846 million yen (139.7% increase from the prior year), and net income attributable to shareholders of the Parent Company was 1,471 million yen (291.6% increase from the prior year).

(Turnover by Country)

Turnover and composition by country are as follows:

| Country | For the fiscal year under review | | Profit for the fiscal year under review |
|-----------------------------|----------------------------------|-----------------|---|
| | Turnover (million yen) | Composition (%) | |
| Japan | 50,108 | 84.7 | 115.4 |
| China (including Hong Kong) | 7,460 | 12.6 | 117.8 |
| United States | 1,570 | 2.7 | 188.8 |
| Total | 59,139 | 100.0 | 116.9 |

2) Capital Investments

During the fiscal year under review, the Group made capital investments that amounted to a total of 984 million yen. The main investments are as follows:

| | |
|---|-----------------|
| Rental and guarantee deposits related to new store openings | 140 million yen |
| Investments in store facilities related to new store openings and store renovations | 395 million yen |

3) Financing

During the fiscal year ended February 28, 2022, we repaid 3,000 million yen of short-term loans, but in preparation for the unstable business environment due to the effect of Covid-19 epidemic, we raised 2,000million yen as short-term loans from financial institution.

4) Business Transfers, Absorption-Type Splits and Incorporation-Type Splits

Not applicable.

5) Acceptance of Business Transfers from Other Companies

Not applicable.

6) Succession of Rights and Obligations Concerning Businesses of Other Corporations, Etc. due to Absorption-Type Mergers or Absorption-Type Splits

Not applicable.

7) Shares and Other Equity in Other Companies, Acquisition or Disposal of Subscription Rights to Shares, Etc.

Not applicable.

(2) Assets and Income

The assets and income of the Group are as follows:

| Item | 20th term (Year ended January 31, 2019) | 21st term (Year ended February 29, 2020) | 22nd term (Year ended February 28, 2021) | 23rd term (Year ended February 28, 2022) (Fiscal year under review) |
|----------------------------|--|---|---|--|
| Turnover (million yen) | 71,034 | 65,880 | 50,590 | 59,139 |
| Net profit (million yen) | 2,944 | 2,871 | 375 | 1,471 |
| Earnings per share (yen) | 81.42 | 79.22 | 10.44 | 40.87 |
| Total assets (million yen) | 40,715 | 38,282 | 38,343 | 38,632 |
| Equity (million yen) | 20,365 | 21,492 | 20,911 | 22,437 |
| Net assets per share (yen) | 530.41 | 562.48 | 536.18 | 562.36 |

- (Notes) 1. Earnings per share is calculated using the average number of outstanding shares for the fiscal year.
2. Net assets per share is calculated using the total number of outstanding shares as of the end of the fiscal year.
3. The Company's 20th term consisted of the 13 months from February 1, 2018, to February 28, 2019, pursuant to the change in the fiscal year.

(3) Significant Parent Companies and Subsidiaries

1) Relationship with Parent Companies

Not applicable.

2) Material Subsidiaries

Material subsidiaries of the Company as of the end of the fiscal year under review are as follows:

| Company name | Capital | The Company's holding of voting rights | Principal businesses |
|--|----------------------|--|---|
| BAROQUE HK LIMITED | HKD 257,000 thousand | 100.0% | Import, export and sale of clothing, etc. |
| Baroque (Shanghai) Trading Ltd. | HKD 90,600 thousand | 100.0% (100.0%) | Handling consigned business operations |
| BAROQUE CHINA LIMITED | HKD 26,000 thousand | 51.0% (51.0%) | Investment company dealing with the business in China |
| Baroque (Shanghai) Enterprise Development Ltd. | CNY 20,000 thousand | 51.0% (51.0%) | Procurement and sale of clothing, etc. |
| FRAME LIMITED | HKD 1 | 100.0% (100.0%) | Business development and trademark management |
| BAROQUE USA LIMITED | USD 2,900 thousand | 100.0% | Sale of clothing, etc. |

(Note) Figures inside parentheses “()” in “The Company's holding of voting rights” column refer to the percentages indirectly held by the Company, out of the Company's percentage of voting rights.

(4) Challenges

This year marks the second year of the medium-term management plan, and we have positioned it as a year in which the Group will steadily promote measures to achieve the goals set forth in the medium-term management plan. In terms of business, we will continue to work on narrowing down and strengthening the domestic apparel business, steadily growing the Chinese apparel business, and creating new businesses as priority task. In the overseas business, in addition to the Chinese business, we will further strengthen our efforts to further expand the US business. Furthermore, on the infrastructure side, we will focus on sustainability and development of the infrastructure that supports our business.

1) Strengthening and narrowing down the constitution of the domestic apparel business

- a) We will focus on selection and concentration, with narrowing down as a priority strategy for our domestic business. We will also promote scrap-and-build of stores and focus on fields that should be strengthened in the future.
- b) We will promote further improvement of the profit margin as a means of strengthening our constitution. Under recognition of “not over producing = sustainable”, we will work to build a manufacturing system that does not overproduce, and aim to improve business efficiency and customer convenience by strengthening OMO.
- c) Regarding the improvement of brand competitiveness, we will strive to further improve brand value and recognition by transmitting a new "culture" from the Group and proposing a richer life. We will work to strengthen our product planning capabilities and promote product enhancement using multifunctional materials.

2) Steadily growth of the Chinese apparel business

For our business in China, while maintaining continuous growth, we will strengthen and restructure our business management system at the same time. Going forward, we will continue to accelerate EC sales in China, maintain annual growth of about 20 stores in stores, and continue to expand, aiming for steady growth in the Chinese apparel business. In addition, we will continue to promote initiatives such as establishing a brand position in China, improving profit margins, and strengthening product planning capabilities for China in order to strengthen our business management system.

3) Creating new businesses

While making use of the company's strength, we will continue to work on new business that meet the requirements of contributing to the realization of a sustainable society. We aim to create and develop sustainable new businesses and contents by utilizing our strengths of sales and expansion into China. Furthermore, we will also work on launching new brands in line with changing times.

4) Sustainability Response

Our sustainability goals are "to achieve zero waste and zero incinerator", and we will promote measures from the three perspectives of environment, society, and people, such as "what we can do to protect the global environment", "Provide opportunities to contribute to sustainability", and "a workplace where everyone is lively." In addition, our sustainable efforts are not only about making clothes with environmentally friendly materials, but also about making clothes for a sustainable society and company, and we will aim for zero waste by make appropriate quantities of good products and sell them out and aim for the realization of manufacturing that does not overproduce. We will promote efforts to provide a prosperous and expansive future to all stakeholders.

5) Development of the infrastructure that supports our business

In the current difficult market environment, we will aggressively make investments that will be the base of next growth. We will promote investment to strengthen OMO, construction of new marketing functions, renewal of core system, etc. in preparation for the future growth. We will also work to further improve supply chain management in light of rising raw material prices and rising distribution costs.

We would like to ask our shareholders for their continued support and encouragement.

(5) Principal Businesses (As of February 28, 2022)

The Group consists of the Company and six consolidated subsidiaries of the Company. The Group is mainly engaged in the planning, sales and manufacturing of clothing, etc., principally in the manufacturing and retailing business (SPA*) of clothing, etc. for women.

(Note) SPA is the abbreviation of “Specialty store retailer of Private Label Apparel.”

(6) Principal Sales Offices and Plants (As of February 28, 2022)

1) Business Offices of the Company

| | |
|-------------|---------------------------------------|
| Head office | Meguro-ku, Tokyo |
| Stores | 278 (Direct-operated stores in Japan) |

2) Business Offices of Subsidiaries

| | |
|--|---|
| BAROQUE HK LIMITED | Hong Kong Special Administrative Region, People’s Republic of China |
| Baroque (Shanghai) Trading Ltd. | Shanghai City, People’s Republic of China |
| BAROQUE CHINA LIMITED | Hong Kong Special Administrative Region, People’s Republic of China |
| Baroque (Shanghai) Enterprise Development Ltd. | Shanghai City, People’s Republic of China |
| FRAME LIMITED | Hong Kong Special Administrative Region, People’s Republic of China |
| BAROQUE USA LIMITED | State of Delaware, United States of America |

(7) Employees (As of February 28, 2022)

1) Employees of the Group

| Number of employees | Change from previous fiscal year-end |
|---------------------|--------------------------------------|
| 1,502 | -30 |

2) Employees of the Company

| Number of employees | Changes from previous fiscal year-end | Average age | Average service period |
|---------------------|---------------------------------------|-------------|------------------------|
| 1,395 (215) | -33(+26) | 29.8 | 6 years and 3 months |

(Notes) 1. The number of employees refers to the number of full-time employees (excluding employees of the Company assigned to other companies), and the number of temporary staff (part-time employees) in the most recent 12 months is specified in parentheses “().”
2. The number of temporary staff refers to the average number of part-time employees employed in the most recent 12 months (translated in an eight-hour working day basis). This number excludes the number of dispatched employees.

(8) Principal Lenders (As of February 28, 2022)

| Lender | Amount borrowed (million yen) |
|-------------------------------------|-------------------------------|
| Sumitomo Mitsui Banking Corporation | 4,000 |
| Mizuho Bank, Ltd. | 3,000 |
| MUFG Bank, Ltd. | 1,000 |

(Note) To raise working capital efficiently, the Company has concluded a commitment line agreement with 3 banks.

(9) Other Important Information Concerning the Group

Not applicable.

2. Overview of the Company

(1) Shares (As of February 28, 2022)

- 1) Total number of shares authorized to be issued 120,000,000 shares
- 2) Total number of outstanding shares 36,676,300 shares
- 3) Number of shareholders 33,175 persons
- 4) Major shareholders (10 largest shareholders)

| Shareholder name | Status of investment in the Company | |
|---|-------------------------------------|--------------------|
| | Number of shares | Shareholding ratio |
| | shares | % |
| MUTUAL CROWN LIMITED | 7,284,600 | 20.11 |
| ORIX Corporation | 6,815,600 | 18.81 |
| CDH RUNWAY INVESTMENT (HK) LIMITED | 5,242,900 | 14.47 |
| Murai Capital Co., Ltd. | 2,600,000 | 7.17 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 1,442,000 | 3.98 |
| Qingguang Jin | 1,400,000 | 3.86 |
| Hiroyuki Murai | 1,048,100 | 2.89 |
| Trust & Custody Services Bank, Ltd. (Trust Account) | 825,000 | 2.27 |
| Trust & Custody Services Bank, Ltd. (Trust Account E) | 201,600 | 0.55 |
| Seiki Nara | 166,400 | 0.45 |

(Notes) 1. The shareholding ratio is rounded down to the second decimal place.

2. The Company holds treasury stock (460,400 stocks) but is excluded from the above major shareholders. The shareholding ratio is calculated by deducting treasury stock from the total number of outstanding shares. Treasury stock does not include 201,600 shares held by the trust through performance-based stock compensation plan, “the Board Benefit Trust (BBT)”.

(2) Company Officers

1) Directors and Audit & Supervisory Board Members (As of February 28, 2022)

| Position | Name | Areas of responsibility at the Company and significant concurrent positions |
|---------------------------------------|-------------------|--|
| Representative Director and President | Hiroyuki Murai | Chief Executive Officer Director and Chairman, BAROQUE HK LIMITED Representative Director, Baroque (Shanghai) Trading Ltd. Managing Director, BAROQUE CHINA LIMITED Director, BAROQUE CHINA APPARELS LIMITED Director, Baroque (Shanghai) Clothing Ltd. Representative Director, Baroque (Shanghai) Enterprise Development Ltd. Managing Director, FRAME LIMITED Director, BAROQUE USA LIMITED |
| Director | Akihito Fukasawa | Unit Manager, The First Unit Director, BAROQUE USA LIMITED |
| Director | Nobuhide Hayashi | Executive Advisor, Mizuho Bank, Ltd. Outside Director, Kao Corporation Outside Audit & Supervisory Board Member, JTB Corp. |
| Director | Fang Sheng | Belle International Holdings Limited, Executive Director Smile Charity Foundation, Deputy Chairman Director, BAROQUE CHINA APPARELS LIMITED Representative Director, Baroque (Shanghai) Clothing Ltd. Director, Baroque (Shanghai) Enterprise Development Ltd. Topsports International Holdings Limited, Non-executive Director Belle Fashion Group, Executive Director & CEO |
| Director | Xiaoling Hu | CDH Investments Management (Xiamen) Limited, Managing Director Belle International Holdings Limited, Non-executive Director Dali Foods Group Company Limited, Non-executive Director Topsports International Holdings Limited, Non-executive Director Hangzhou Beika Industrial Co., Limited, Director |
| Director | Kyosuke Shinozawa | Advisor, Public Interest Incorporated Foundation Capital Markets Research Institute |

| Position | Name | Areas of responsibility at the Company and significant concurrent positions |
|--|-------------------|---|
| Director | Kunihisa Hama | Chairperson, Compliance Committee |
| Director | Yingnan Zhang | Senior Executive Director, ORIX ASIA Capital Limited |
| Full-time Audit & Supervisory Board Member | Yoshiki Yoshida | |
| Full-time Audit & Supervisory Board Member | Shinichi Matsuda | |
| Audit & Supervisory Board Member | Hiroshi Nagayasu | Lawyer, Tozai Sogo Law Office Outside Audit & Supervisory Board Member, Sumitomo Riko Company Limited |
| Audit & Supervisory Board Member | Koichiro Watanabe | Director, Koichiro Watanabe Certified Accountant Office Outside Director, TOMY COMPANY, LTD. Outside Director, New Japan Aircraft Maintenance Co., Ltd. |

- (Notes)
1. Directors Mr. Nobuhide Hayashi, Mr. Fang Sheng, Ms. Xiaoling Hu, Mr. Kyosuke Shinozawa, Mr. Kunihisa Hama and Ms. Yingnan Zhang are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Audit & Supervisory Board Members Mr. Yoshiki Yoshida, Mr. Hiroshi Nagayasu and Mr. Koichiro Watanabe are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
 3. The Company has reported Outside Directors Mr. Nobuhide Hayashi, Mr. Kyosuke Shinozawa, and Mr. Kunihisa Hama, and Outside Audit & Supervisory Board Members Mr. Yoshiki Yoshida, Mr. Hiroshi Nagayasu and Mr. Koichiro Watanabe as independent directors to Tokyo Stock Exchange, Inc. as specified by the same exchange.
 4. Director Mr. Fang Sheng concurrently serves as the Executive Director of Belle International Holdings Limited, which indirectly controls a major shareholder of the Company, MUTUAL CROWN LIMITED. In addition, Baroque (Shanghai) Clothing Ltd., at which he serves as Representative Director is the Company's equity-method associate, and there is a transactional relationship involving the use of the Company's brand trademark rights between said company and the Company.
 5. Director Ms. Xiaoling Hu concurrently serves as the Managing Director of CDH Investments Management (Xiamen) Limited, which indirectly controls a major shareholder of the Company, CDH RUNWAY INVESTMENT (HK) LIMITED.
 6. Director Ms. Yingnan Zhang is concurrently serving as Senior Executive Director of ORIX Asia Capital Limited, a company indirectly controlled by ORIX Corporation, a major shareholder of the Company.
 7. There are no significant transactions or other special relationships between the Company and other corporations at which Outside Directors and Outside Audit & Supervisory Board Members concurrently serve.
 8. Audit & Supervisory Board Member Mr. Yoshiki Yoshida has years of experience in conducting the internal auditing of corporations, and has considerable knowledge in finance and accounting.

2) Summary of the Liability Limitation Agreement

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each of its Outside Directors and each of its Audit & Supervisory Board Member, to limit their liability for damages, as stipulated in Article 423, Paragraph 1 of the said Act.

The maximum amount of liability for damages based on the agreement is the amount specified by laws and regulations.

3) Summary of the Directors and Officers Liability Insurance

The Company concludes a liability insurance contract with an insurance company for officers, etc. as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with directors, auditors, executive officers (including those who were in office during the current fiscal year) of the Company and its subsidiaries as insured and all insurance premiums are borne by the Company.

The summary of the insurance is that the insurance company compensates for damages that may occur due to the insured being responsible for the execution of his / her duties or receiving a claim for pursuing the liability and it is updated every year.

However, in the case of damage caused by the insured's act of recognizing that it is a violation of laws and regulations, in order not to impair the appropriateness of the insured's execution of duties, there are certain reasons for exemption, such as not being covered by insurance.

4) Total Compensation to Directors and Audit & Supervisory Board Members in the Fiscal Year under Review

I. Matters concerning the decision policy regarding the content of individual compensation, etc. of directors

Regarding compensation for directors, the Company has a compensation system linked to business performance so that it functions sufficiently as an incentive to continuously improve the value of the company, and the compensation of individual directors is determined by the Nomination and Compensation Advisory Committee. Our basic policy is to respect opinions and set an appropriate level based on each responsibility.

According to this basic policy, the company has resolved and established a decision policy (hereinafter referred to as The Decision Policy) regarding the content of individual compensation for directors at the Board of Directors meeting held on February 17, 2021. Specifically, the compensation of executive directors consists of basic compensation as fixed compensation and performance-based stock compensation, and outside directors who have a supervisory function pay only basic compensation in view of their duties.

The basic compensation for the directors of the Company is a fixed monthly compensation, and is determined by comprehensively considering the level of the other companies, the performance of the Company, and the level of employee salary according to the position, responsibility, etc.

The Company's performance-based stock compensation will be provided with Board Benefit Trust (BBT). For each fiscal year, directors will be given a number of points that are determined in consideration of their position, achievement level, etc., based on the regulation of Board Benefit Trust, and when the directors retire and the beneficiary requirements stipulated in the regulation of Board Benefit Trust are met, the director will receive share benefits according to the number of points. The number of shares to be paid is calculated by multiplying the points according to the position on the point grant date by the points according to the performance in the evaluation period (the net income attributable to owners of the parent company is used as an index in consideration of the low impact on company performance, while aiming to sustainably improve corporate value by sharing interests with shareholders)

and the performance evaluation coefficient in the evaluation period, and 1 point = 1 share.

As a guideline for the compensation ratio for each type of executive director, the composition ratio of basic compensation and performance-based stock compensation is 85:15.

The Company considers that it is appropriate for the President and Representative Director, who oversees business execution, to determine the content of individual compensation for directors, which is made by comprehensively considering the overall performance of the Company and the responsibilities of each director. Based on the delegation of the Board of Directors, Hiroyuki Murai, President and CEO, respects the opinions of the Nomination and Compensation Advisory Committee and decides on the specific content.

Regarding the individual compensation of directors for the current fiscal year, the content and decision method of the Board of Directors conform to the decision policy, the opinions of the Nomination and Compensation Advisory Board are respected, and the individual compensation amount is based on this. It has been decided and we judge that it is in line with the decision policy.

II. Matters concerning resolutions of general meetings of shareholders regarding compensation, etc. of Directors and Audit & Supervisory Board Members

The compensation of the directors was resolved at the 12th Annual Meeting of Shareholders held on April 26, 2011 to be within 1,000 million yen per year (excluding the salary of employees who also serve as employees). The number of directors at the end of the Annual Meeting of Shareholders was 11. In addition, separately from the compensation, at the 18th Annual Meeting of Shareholders held on April 26, 2017, the maximum number of shares of performance-based stock compensation will be up to 72,000 shares per year (of which 31,000 shares will be granted to directors, and outside directors will be not eligible). The number of directors (excluding outside directors) at the end of the Annual Meeting of Shareholders was three.

The compensation of Audit & Supervisory Board Members was resolved at the 10th Annual Meeting of Shareholders held on April 28, 2009 to be within 50 million yen per year. The number of Audit & Supervisory Board Members at the end of the Annual Meeting of Shareholders was three.

III. Total amount of compensation for Directors and Audit & Supervisory Board Member, etc.

| Category | Amount of compensation, etc. (million yen) | Total amount by type of compensation (million yen) | | Number of officers |
|---|---|---|--------------------------------------|--------------------|
| | | Basic compensation | Performance-based stock compensation | |
| Directors (of which are Outside Directors) | 93 (22) | 78 (22) | 14 (-) | 5 (3) |
| Audit & Supervisory Board Members (of which are Outside Audit & Supervisory Board Members) | 33 (19) | 33 (19) | - | 4 (3) |
| Total (of which are Outside officers) | 127 (42) | 112 (42) | 14 (-) | 9 (6) |

- (Notes)
1. The total amount of compensation, etc. to Directors do not include the employee portion of salary paid to Directors who are concurrently serving as employees.
 2. The performance-based compensation, includes the Board Benefit Trust (BBT) expenses recorded for the fiscal year under review. The BBT is a stock compensation system that records expenses over several years according to the receiving period of the expenses, which was resolved as a form of compensation paid to officers.
 3. Performance-based stock compensation uses net income attributable to owners of the parent of 1,305 million yen as an index for performance evaluation, and the actual result for the current fiscal year is 1,471 million yen.
 4. Among the Directors, three Directors will not receive any compensation.

5) Outside Officers
Main Activities in the Fiscal Year under Review

| Name | Status of main activities |
|---|--|
| <p style="text-align: center;">Director Nobuhide Hayashi</p> | <p>Participated in all 15 meetings of the Board of Directors held during the fiscal year; provided opinions from the perspective of global business development and financial business strategy, making remarks to ensure the appropriateness and appropriateness of the decisions made by the Board of Directors from a standpoint independent of the business executives of the Company. In addition, as a member of the Nomination and Compensation Advisory Committee, which is a voluntary committee of the Company, he makes necessary remarks and advice from an objective and neutral standpoint.</p> |
| <p style="text-align: center;">Director Fang Sheng</p> | <p>Participated in 15 out of 14 meetings of the Board of Directors during the fiscal year under review; provided opinions from a perspective based on his rich experience and extensive insight acquired especially from engaging in corporate management, regarding global management, including joint ventures in China, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.</p> |
| <p style="text-align: center;">Director Xiaoling Hu</p> | <p>Participated in all 15 meetings of the Board of Directors during the fiscal year under review; provided opinions from a perspective based on her rich experience and extensive insight acquired especially from engaging in corporate management, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.</p> |
| <p style="text-align: center;">Director Kyosuke Shinozawa</p> | <p>Participated in all 15 meetings of the Board of Directors during the fiscal year under review; provided advice and suggestions based on his expert operational experience related to international finance and economics, from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings. In addition, as the chairman of the Nomination and Compensation Advisory Committee, which is a voluntary committee of the Company, he makes necessary remarks and advice from an objective and neutral standpoint.</p> |
| <p style="text-align: center;">Director Kunihisa Hama</p> | <p>Participated in all 15 meetings of the Board of Directors during the fiscal year under review; based on his rich experience and extensive insight acquired especially from engaging in the legal industry and legal administration, from the standpoint of our compliance system and risk management, being independent of our business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings. In addition, as a member of the Nomination and Compensation Advisory Committee, which is a voluntary committee of the Company, he makes necessary remarks and advice from an objective and neutral standpoint. Furthermore, as the chairman of the Compliance Committee of the Company, he makes recommendations and advice regarding the compliance system.</p> |

| Name | Status of main activities |
|---|--|
| <p style="text-align: center;">Director Yingnan Zhang</p> | <p>Participated in all 15 meetings of the Board of Directors held during the fiscal year; provided opinions from a perspective based on her rich experience and extensive insight acquired especially from her experience of working in investment business such as China, from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.</p> |
| <p style="text-align: center;">Audit & Supervisory Board Member Yoshiki Yoshida</p> | <p>Participated in all 15 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board during the fiscal year under review; provided opinions based on his rich experience acquired mainly from engaging in internal auditing of corporations and being a full-time audit & supervisory board member, from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings; as a Full-time Audit & Supervisory Board Member, he conducts as necessary audits of all aspects of management and business execution of Directors.</p> |
| <p style="text-align: center;">Audit & Supervisory Board Member Hiroshi Nagayasu</p> | <p>Participated in all 15 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board during the fiscal year under review; provided opinions mainly based on his operational experience in the legal field as a lawyer, from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings; provided appropriate and necessary opinions regarding the Company's compliance and internal control at Audit & Supervisory Board meetings.</p> |
| <p style="text-align: center;">Audit & Supervisory Board Member Koichiro Watanabe</p> | <p>Participated in all 15 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board during the fiscal year under review; provided opinions from a perspective based on his experience in accounting audits and advisory work as a certified public accountant from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings; provided appropriate and necessary opinions regarding the Company's compliance and internal control at Audit & Supervisory Board meetings.</p> |

(3) Accounting Auditor

1) Name of Accounting Auditor
PricewaterhouseCoopers Arata LLC

2) Compensation, etc.

| | Compensation, etc. |
|--|-----------------------|
| Accounting Auditor's compensation, etc., for the fiscal year under review | 60 million yen |
| Cash and other benefits payable by the Company or its subsidiaries to Accounting Auditor | 60 million yen |

(Notes) 1. Under the audit agreement between the Company and its Accounting Auditor, compensation, etc. for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and otherwise cannot be separated. Consequently, the above amount reflects the total Accounting Auditor's compensation for the fiscal year under review.

2. The Company's Audit & Supervisory Board agreed to the compensation, etc. to PricewaterhouseCoopers Arata LLC after verifying the actual number of auditing hours in previous fiscal years, trends in compensation for auditing, and the status of performance of duties by the Accounting Auditor, as well as considering the audit plan for the fiscal year under review and the basis for the calculation of estimated compensation, etc.

3) Description of Non-Audit Services
Not applicable.

4) Policy Regarding Determination of Dismissal or Nonreappointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to have met any of the grounds set forth in the Items of Article 340, Paragraph 1 of the Companies Act, the Company's Audit & Supervisory Board shall dismiss the Accounting Auditor subject to the unanimous consent of the Audit & Supervisory Board Members.

In addition to the case above, if an event that affects the eligibility or independence of the Accounting Auditor occurs, and the Accounting Auditor is deemed unable to conduct appropriate audits as a result, the Company's Audit & Supervisory Board shall, via a resolution at an Audit & Supervisory Board meeting, submit the details of a proposal to dismiss or not reappoint the Accounting Auditor to the Shareholders' Meeting.

(4) System to Ensure Proper Business Execution and Operational Status of the System

Overview of System to Ensure Proper Business Execution

The following is an overview of the system defined to ensure that Directors execute their duties in compliance with laws and regulations and the Articles of Incorporation, and other systems defined to ensure operations of the Company are conducted appropriately.

- 1) System to ensure that Directors, Executive Officers and employees of the Company and its subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation
 - i) The Company and its subsidiaries recognize that adhering to laws and regulations, the Articles of Incorporation, and societal norms (compliance) is the basic principle that underlies corporate activities. All Directors, Executive Officers and employees shall work together as one to thoroughly ensure compliance.
 - ii) The Company shall implement measures to establish and strengthen the compliance system through regular activities of the Compliance Committee.
 - iii) The Company shall strive for the early discovery of illegal conduct through a whistleblowing system (hotline) entrusted to an external law firm.
 - iv) The Internal Audit Office shall regularly audit the compliance system whether it is functioning effectively and report the results at Board of Directors meetings.
 - v) The Company shall construct a system of appropriate delegation of authority and auditing between Directors, Executive Officers and employees, by ensuring that they execute duties based on regulations on division of authority and on management approval.
- 2) System for storage and management of information related to the performance of duties of the Company's Directors

The Company shall construct a system for the appropriate storage and management of information related to business execution as well as proceedings and decisions made at Board of Directors meetings, based on regulations including those regarding the Board of Directors, Executive Officers, document management and the meeting structure.
- 3) Regulations or any other systems of the Company and its subsidiaries for management of risk of loss
 - i) The Board of Directors shall supervise risk management in the Company and its subsidiaries, prevent the occurrence of any event that may significantly affect management, and ensure thorough risk management in every department, through meetings, etc. with the personnel in charge of each department.
 - ii) Further strengthen the legal department system and strengthen legal risk management.
 - iii) Based on the regulations related to crisis management, etc., the Company shall construct a system that can respond promptly to a situation where a material risk has emerged and the entire Company needs to take action, such as by establishing an emergency headquarter.
- 4) System to ensure the performance of duties by Directors of the Company and its subsidiaries is efficient
 - i) To increase the speed of decision-making by the Board of Directors, the head count of the Company's Board of Directors shall be kept to the minimum, and Board of Directors meetings shall be held flexibly.
 - ii) By effectively utilizing the executive officer system, the Company shall strengthen the supervising function of the Board of Directors over management, through promoting the delegation of authority related to business execution.
 - iii) The Company shall adopt a system where the Company and its subsidiaries can make prompt decisions and share necessary information, via meetings conducted by personnel in charge of the departments, in addition to Board of Directors meetings and Executive Officer meetings.
 - iv) The Company shall create other systems that endeavor to ensure operational

efficiency, by implementing measures aimed at the rationalization and digitization of operations.

- 5) System to ensure proper business execution within the Group consisting of the Company and its subsidiaries, and system for reporting on the performance of duties by Directors, etc. of the Company's subsidiaries to the Company
 - i) The Company shall conduct the management of its subsidiaries based on regulations regarding the management of subsidiaries and associates.
 - ii) The Internal Audit Office shall conduct the audits of the Company and its subsidiaries.
- 6) Matters related to employees who are to assist duties of the Company's Audit & Supervisory Board Members should they request such employees, independence of such employees from the Directors, and ensuring effectiveness of instructions given to such employees
 - i) Employees of the Company's Internal Audit Office shall assist in the duties of the Company's Audit & Supervisory Board Members as necessary.
 - ii) The performance evaluation and disciplinary measures of such employees shall be determined by the Company's Audit & Supervisory Board Members.
 - iii) When an employee receives an order necessary for auditing from the Company's Audit & Supervisory Board Members, the employee shall not accept any instructions or orders from the Directors, Executive Officers, etc. regarding the said order.
 - iv) The Company's Directors shall cooperate in creating an environment conducive to auditing, to allow such employees to perform their tasks smoothly.
- 7) System for the Company's Directors, Executive Officers and employees and its subsidiaries' Directors, Audit & Supervisory Board Members and employees to report to the Company's Audit & Supervisory Board Members, other systems for reports to Audit & Supervisory Board Members, and system to ensure a person who makes such a report will not be treated unfavorably because of the report
 - i) The Company's Audit & Supervisory Board Members participates in Board of Directors meetings and other important meetings of the Company, as well as meetings with the Directors as necessary, to receive important reports and information about the Company and its subsidiaries.
 - ii) The Company's Directors, Executive Officers and employees, and its subsidiaries' Directors, Audit & Supervisory Board Members and employees will provide to the Company's Audit & Supervisory Board Members any information regarding important matters of the entire Company, the status of compliance, contents of internal auditing, contents of whistleblowing, and other matters deemed necessary by the Audit & Supervisory Board Members, without delay. The Company forbids the unfavorable treatment of a person who makes such a report to the Company's Audit & Supervisory Board Members because of the report.
- 8) Matters related to policy on advance payment or reimbursement procedures of costs arising from the Company's Audit & Supervisory Board Members' performance of duties, and processing of expenses or obligations arising from the performance of other such duties

When an Audit & Supervisory Board Member of the Company requests advance payment, etc. of costs for the performance of their duties, the request for the expenses or obligations shall be processed swiftly unless the Company deems that the expenses or obligations requested are not necessary for the performance of duties.

- 9) Other systems to ensure effective audits by the Company's Audit & Supervisory Board Members
 - i) The Company shall strengthen the auditing system of Audit & Supervisory Board Members based on the standards for audit by Audit & Supervisory Board Members, etc.
 - ii) Based on the standards for audit by Audit & Supervisory Board Members and regulations regarding internal auditing etc., Audit & Supervisory Board Members shall cooperate with the Internal Audit Office and the Accounting Auditor to conduct effective audits.
 - iii) The Board of Directors shall create an environment that allows Audit & Supervisory Board Members to obtain advice from external experts such as lawyers, certified public accountants and tax accountants as necessary.
- 10) Basic policy towards elimination of antisocial forces

The Company and its subsidiaries will not have any associations whatsoever with antisocial forces and groups that threaten the order and security of civil society. Furthermore, the Company and its subsidiaries will firmly refuse any requests from such antisocial forces and groups, and maintain a policy of not making any transactions with any corporation, group or individual related to these forces and groups.
- 11) System to ensure reliability and fairness of financial reporting

In compliance with laws and regulations such as the Financial Instruments and Exchange Act, the Company and its subsidiaries shall continuously develop, operate and evaluate the system for effective and appropriate internal control over financial reporting, in order to ensure the reliability and fairness of financial reporting.

Summary of Operational Status of System to Ensure Proper Business Execution

The following is an overview of the operational status of the system to ensure proper business execution in the fiscal year under review.

1) Compliance system

The Company has a Compliance Committee that consists of external experts and the Company's Directors. As a general rule, the Compliance Committee holds monthly meetings, where activities related to the promotion of compliance are discussed, and compliance issues are identified and tackled. In the fiscal year under review, in order to raise the awareness of compliance among individuals and organizations, the Company regularly implemented eLearning education, ensured widespread knowledge of the whistleblowing system throughout the Company, as well as implemented internal seminars on topics such as the Subcontract Act and harassment prevention, etc. that relates to the Company's business.

2) Performance of duties by Directors

In the fiscal year under review, 15 Board of Directors meetings were held, where decisions, etc. regarding important matters were made, and supervision was carried out to ensure the performance of duties by Directors and employees were in compliance with laws, regulations and the Articles of Incorporation. In addition, through Executive Officer meetings and Department GM meetings, the Company ensures the fairness and efficiency of its operations.

3) Risk management system

The Company has formulated the Risk Management Regulations for an emergency situation where an event causes a material impact on the management of the Company and its subsidiaries, so as to swiftly grasp the situation, respond to it promptly and appropriately, and reduce the impact on management to a minimum. The Risk Management Regulations stipulate the basic policy of responding to an emergency situation, and that an emergency headquarter headed by the President shall be formed if necessary. Activities to be conducted by the emergency headquarter include gathering of information, deciding on emergency measures and instructing action, cause investigation, and deciding the basic policy of the response.

Finally, after the implementation of recurrence prevention measures, etc. is verified, the emergency headquarter will be dismissed. Regarding responses to the press, etc., the General Managers of the Administration Division and the General Affairs Department will be in charge of communication, and ensuring appropriate information management and information provision.

4) Management of subsidiaries and associates

Based on its Authority Regulations and Subsidiaries and Associates Management Regulations, the Company sanctions important matters regarding its subsidiaries and associates, or receives reports from its subsidiaries and associates regarding such matters.

At Board of Directors meetings, the monthly performance of the Group is reported, and progress in terms of the Group's management targets, as well as issues regarding management and corresponding solutions are examined.

5) Performance of duties by Audit & Supervisory Board Members

Based on the audit policy and audit plan for the year decided by the Audit & Supervisory Board, Audit & Supervisory Board Members hold Audit & Supervisory Board meetings. Besides attending Board of Directors meetings, they also participate in important meetings including Executive Officer meetings and Compliance Committee meetings, and improve the effectiveness of audits through receiving reports, etc. on topics including business performance, the operating status of businesses and the development of internal control from the Company's Executive Officers.

Audit & Supervisory Board Members have regular meetings with the Internal Audit Office and the Accounting Auditor to cooperate by sharing information and exchanging opinions, so as to conduct audits efficiently. Meetings for an exchange of opinions are regularly held between the Representative Director and President and the Audit & Supervisory Board Members.

【Matters concerning corporate governance】

1) Establishment of Nomination and Compensation Advisory Committee

The Company has established a Nomination and Compensation Advisory Committee, and the internal rules stipulate that it shall consist of three or more members and the majority shall be independent outside directors, ensuring the independence of the committee.

The Nomination and Compensation Advisory Board aims to strengthen the objectivity and transparency of the functions of the Board of Directors regarding the nomination and compensation of directors and executive officers, and to further enhance corporate governance. We deliberate on the matters mentioned above in response to the consultation of the Board of Directors and submit opinions to the Board of Directors.

- i) Deliberation of the draft of the issue for the general meeting of shareholders regarding the election or dismissal of directors.
- ii) Selection, dismissal and deliberation of drafts for division of duties of representative directors to discuss with the board of directors and executive officers (hereinafter referred to as Directors, etc.).
- iii) Deliberation of performance evaluation of Directors, etc.
- iv) Deliberation of selection policies and procedures for Directors, etc.
- v) Deliberation of ideas on diversity and scale of the Board of Directors as a whole.
- vi) Deliberation of successor plan
- vii) Deliberation of criteria of determining the independence of independent outside directors.
- viii) Deliberation of the draft of the issue for the general meeting of shareholders regarding compensation for Directors.
- ix) Deliberation of the draft of the amount of individual compensation (including calculation method) for Directors, etc.
- x) Deliberation of policies and procedures including the composition of compensation for Directors, etc.

- xi) Matters concerning the evaluation of the effectiveness of the Board of Directors.
 - xii) Other matters related to corporate governance.
- 2) Evaluation of the effectiveness of the Board of Directors

The Company will evaluate the effectiveness of the Board of Directors one a year. The details of the effectiveness evaluation conducted in 2021 are as follows.

i) Evaluation method

We conducted a questionnaire to all directors and Audit & Supervisory Board Members, collected and analyzed the response results, discussed the strengths and issues of the Board of Directors of the Company at the Board of Directors, and evaluated its effectiveness. Regarding the aggregation and analysis of questionnaires, we ensure transparency and effectiveness by utilizing external organizations.

The questionnaire items are the following 7:

- Role and function of the Board of Directors.
- Structure and scale of the Board of Directors.
- Management of the Board of Directors.
- Cooperation with auditing organizations.
- Communication with managers.
- Relationship with shareholders/investors.
- Progress of governance system compared to the previous year.

ii) Analysis and evaluated results of the effectiveness of the Board of Directors.

The Board of Directors of the Company was evaluated that the effectiveness was ensured based on the matter required by the Corporate Governance Code.

In particular, the strengths of the Board of Directors are that they are well-balanced in light of the role of the Board of Directors of the Company, that the frequency and issue of meetings are appropriate in terms of management, and that opinions are freely exchanged.

On the other hand, discussion on nominations and compensation, including succession plans, and continuous verification of skills required of the Board of Directors of the Company are considered to be issues for the Board of Directors of the Company, and discussions have been held in the direction of further improvement.

iii) Future action

In October 2020, the Company established a voluntary Nomination and Compensation Advisory Committee consisting mainly of outside directors. In the future, priorities will be given by the Board of Directors and the Nomination and Compensation Advisory Committee, and carry on the discussion of nomination and compensation including successor plans and discussions on board skills, as well as working on the improved effectiveness of the Board of Directors and enhance corporate governance.

(5) Policy for Deciding Distribution of Surplus, etc.

The Group positions the return of profits to shareholders as one of the most important tasks of management, and has a basic policy of implementing stable dividends while considering the amount of internal reserves necessary to strengthen the financial structure and support active business development. Going forward, from a medium- to long-term perspective, the Company will strive for sustainable growth, enhancing corporate value and increasing shareholder value by investing management resources into business fields where growth is expected.

Furthermore, the Company adopts a basic policy aiming at a stable payout ratio of 30-40%, and we will continue to secure adequate internal reserves to ensure the ongoing expansion and development of the business and strengthen our corporate structure to enable us to cope with changes in the industry and increased business competition.

The Group will distribute a final dividend of ¥38 per share for the fiscal year under review.

Consolidated Balance Sheet

(As of February 28, 2022)

(Unit: million yen)

| Description | Amount | Description | Amount |
|---|---------------|---|---------------|
| (Assets) | | (Liabilities) | |
| I Current assets | 29,846 | I Current liabilities | 11,313 |
| Cash and cash equivalents | 15,010 | Notes payables | 57 |
| Notes and trade receivables | 8,869 | Trade payables | 3,272 |
| Inventories | 5,550 | Short-term loans | 2,000 |
| Consumables | 71 | Interest-bearing borrowings | 3,000 |
| Others | 343 | Other payables | 1,131 |
| | | Accrued expenses | 483 |
| II Non-current assets | 8,785 | Current tax payable | 809 |
| 1 Property, plant and equipment | 1,496 | Provision for bonus | 293 |
| Buildings and leasehold improvements | 1,055 | Provision for reinstatement costs | 18 |
| Land | 350 | Deposits received | 5 |
| Construction in progress | 12 | Others | 242 |
| Others | 78 | | |
| | | II Non-current liabilities | 4,881 |
| 2 Intangible assets | 970 | Interest-bearing borrowings | 3,000 |
| Software | 568 | Provision for retirement benefits | 20 |
| Others | 402 | Provision for reinstatement costs | 1,106 |
| 3 Investments and other assets | 6,318 | Other payables | 7 |
| Investments in and advances to associates | 1,603 | Deposits received | 488 |
| Rental deposits | 3,159 | Deferred tax liabilities | 74 |
| Deferred tax assets | 1,503 | Provision for share awards for directors | 182 |
| Others | 52 | Others | 2 |
| | | Total liabilities | 16,194 |
| | | (Equity) | |
| | | I Shareholders' equity | 19,793 |
| | | 1 Share capital | 8,258 |
| | | 2 Share premium | 8,059 |
| | | 3 Retained earnings | 4,168 |
| | | 4 Treasury stock | (692) |
| | | II Other reserves | 459 |
| | | 1 Foreign currency translation reserve | 459 |
| | | III Non-controlling interests | 2,184 |
| | | Total equity | 22,437 |
| Total assets | 38,632 | Total liabilities and equities | 38,632 |

(Note) Figures of less than one million are truncated.

Consolidated Income Statement

(March 1, 2021 - February 28, 2022)

(Unit: million yen)

| Description | Amount | |
|---|--------|---------------|
| Turnover | | 59,139 |
| Cost of goods sold | | 26,358 |
| Gross profit | | 32,781 |
| Selling, general and administrative expenses | | 30,028 |
| Operating profit | | 2,752 |
| Non-operating income | | |
| Interest income | 7 | |
| Rent Income | 14 | |
| Subsidy from regional bureau | 61 | |
| Subsidy income | 64 | |
| Gain on foreign exchange | 216 | |
| Other income | 29 | 393 |
| Non-operating expenses | | |
| Interest on bank and other loans | 31 | |
| Finance charges | 13 | |
| Loss on disposals of property, plant and equipment | 29 | |
| Share of loss of associates | 142 | |
| Loss on cancellation of rental contracts | 64 | |
| Other expenses | 18 | 299 |
| Recurring profit | | 2,846 |
| Extraordinary income | | |
| Subsidies for employment adjustment | 100 | 100 |
| Extraordinary expenses | | |
| Loss due to temporary store closure | 106 | |
| Impairment loss | 265 | 372 |
| Profit before taxation | | 2,574 |
| Corporation tax, inhabitants tax and business tax | 852 | |
| Corporation tax refund | (1) | |
| Deferred income tax | (70) | 780 |
| Profit for the year | | 1,793 |
| Profit attributable to non-controlling interests | | 321 |
| Net profit | | 1,471 |

(Note) Figures of less than one million are truncated.

Consolidated Statement of Changes in Equity

(March 1, 2021 - February 28, 2022)

(Unit: million yen)

| | Shareholders' equity | | | | |
|---|----------------------|---------------|-------------------|----------------|----------------------------|
| | Share capital | Share premium | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 1, 2021 | 8,258 | 8,059 | 3,855 | (692) | 19,480 |
| Changes during the fiscal year | | | | | |
| Dividend | — | — | (1,158) | — | (1,158) |
| Net profit | — | — | 1,471 | — | 1,471 |
| Net changes other than shareholders' equity | — | — | — | — | — |
| Total changes during the fiscal year | — | — | 313 | — | 313 |
| Balance as of February 28, 2022 | 8,258 | 8,059 | 4,168 | (692) | 19,793 |

| | Other reserves | | Noncontrolling interests | Total equity |
|---|--------------------------------------|----------------------|--------------------------|--------------|
| | Foreign currency translation reserve | Total other reserves | | |
| Balance as of March 1, 2021 | (170) | (170) | 1,601 | 20,911 |
| Changes during the fiscal year | | | | |
| Dividend | — | — | — | (1,158) |
| Net profit | — | — | — | 1,471 |
| Net changes other than shareholders' equity | 630 | 630 | 582 | 1,212 |
| Total changes during the fiscal year | 630 | 630 | 582 | 1,525 |
| Balance as of February 28, 2022 | 459 | 459 | 2,184 | 22,437 |

(Note) Figures of less than one million are truncated.

Balance Sheet
(As of February 28, 2022)

(Unit: million yen)

| Description | Amount | Description | Amount |
|--|---------------|--|---------------|
| (Assets) | | (Liabilities) | |
| I Current assets | 21,864 | I Current liabilities | 9,312 |
| Cash and cash equivalents | 13,493 | Notes payables | 57 |
| Trade and other receivables | 2,859 | Trade payables | 1,829 |
| Inventories | 5,071 | Short-term loans | 2,000 |
| Consumables | 71 | Interest-bearing borrowings | 3,000 |
| Prepaid expenses | 161 | Other payables | 960 |
| Others | 207 | Accrued expenses | 480 |
| | | Current tax payable | 430 |
| | | Advances received | 74 |
| | | Provision for bonus | 293 |
| | | Provision for reinstatement costs | 18 |
| | | Deposits received | 5 |
| | | Others | 163 |
| II Non-current assets | 10,774 | II Non-current liabilities | 4,793 |
| 1 Property, plant and equipment | 1,467 | | |
| Buildings and leasehold improvements | 1,047 | Interest-bearing borrowings | 3,000 |
| Tools, furniture and fixtures | 55 | Provision for retirement benefits | 20 |
| Land | 350 | Provision for reinstatement costs | 1,092 |
| Construction in progress | 12 | Other payables | 7 |
| Others | 2 | Deposits received | 488 |
| 2 Intangible assets | 970 | Provision for share awards for directors | 182 |
| Software | 568 | Others | 2 |
| Others | 402 | Total liabilities | 14,106 |
| 3 Investments and other assets | 8,336 | (Equity) | |
| Investments in subsidiaries and associates | 3,379 | I Shareholders' equity | 18,532 |
| Rental deposits | 3,073 | 1 Share capital | 8,258 |
| Loans receivable | 450 | 2 Share premium | 8,059 |
| Prepaid expenses | 51 | (1) Legal capital surplus | 8,055 |
| Deferred tax assets | 1,380 | (2) Other capital surplus | 3 |
| | | 3 Retained earnings | 2,907 |
| | | (1) Other retained earnings | 2,907 |
| | | Retained earnings brought forward | 2,907 |
| | | 4 Treasury stock | (692) |
| | | Total equity | 18,532 |
| Total assets | 32,638 | Total liabilities and equities | 32,638 |

(Note) Figures of less than one million are truncated.

Income Statement

(March 1, 2021 - February 28, 2022)

(Unit: million yen)

| Description | Amount | |
|---|--------|---------------|
| Turnover | | 51,761 |
| Cost of goods sold | | 21,321 |
| Gross profit | | 30,439 |
| Selling, general and administrative expenses | | 28,635 |
| Operating profit | | 1,804 |
| Non-operating income | | |
| Interest income | 9 | |
| Gain on foreign exchange | 73 | |
| Rent Income | 14 | |
| Subsidy from regional bureau | 61 | |
| Other income | 25 | 182 |
| Non-operating expenses | | |
| Interest on bank and other loans | 31 | |
| Finance charges | 7 | |
| Loss on disposals of property, plant and equipment | 29 | |
| Loss on cancellation of rental contracts | 21 | |
| Other expenses | 11 | 101 |
| Recurring profit | | 1,885 |
| Extraordinary income | | |
| Subsidies for employment adjustment | 100 | 100 |
| Extraordinary expenses | | |
| Loss due to temporary store closure | 106 | |
| Impairment loss | 259 | 366 |
| Profit before taxation | | 1,619 |
| Corporation tax, inhabitants tax and business tax | 528 | |
| Corporation tax refund | (1) | |
| Deferred income tax | (50) | 475 |
| Profit for the year | | 1,143 |

(Note) Figures of less than one million are truncated.

Statement of Changes in Equity

(March 1, 2021 - February 28, 2022)

(Unit: million yen)

| | Shareholders' equity | | | | | | Total equity |
|--------------------------------------|----------------------|-----------------------|-----------------------|-----------------------------------|----------------|----------------------------|--------------|
| | Share capital | Share premium | | Retained earnings | Treasury stock | Total shareholders' equity | |
| | | Legal capital surplus | Other capital surplus | Other retained earnings | | | |
| | | | | Retained earnings brought forward | | | |
| Balance as of March 1, 2021 | 8,258 | 8,055 | 3 | 2,922 | (692) | 18,547 | 18,547 |
| Changes during the fiscal year | | | | | | | |
| Dividend | — | — | — | (1,158) | — | (1,158) | (1,158) |
| Profit for the year | — | — | | 1,143 | — | 1,143 | 1,143 |
| Total changes during the fiscal year | — | — | — | (15) | — | (15) | (15) |
| Balance as of February 28, 2022 | 8,258 | 8,055 | 3 | 2,907 | (692) | 18,532 | 18,532 |

(Note) Figures of less than one million are truncated.

Independent Auditor's Report
(English Translation*)

April 22, 2022

To the Board of Directors
Baroque Japan Limited

Opinion

We have audited the accompanying consolidated financial statements of Baroque Japan Limited (hereinafter referred to as the "Company") for the fiscal year from March 1, 2021 to February 28, 2022, which consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, pursuant to Article 444, Paragraph 4 of the Companies Act.

We acknowledge that the above consolidated financial statements are based on the corporate accounting standards generally accepted in Japan, and the period related to the consolidated financial statements of the corporate group consisting of the Company and its consolidated subsidiaries and that the status of property and profit and loss is properly displayed in all important points.

The Base of an Opinion

We have conducted audits in accordance with auditing standards generally accepted in Japan. Our liability under auditing standards is described in "Auditor's Responsibilities for Auditing Consolidated Financial Statements." Our audit corporation is independent of the company and its consolidated subsidiaries in accordance with provisions on professional ethics in Japan, and fulfills other ethical responsibilities as an auditor. We have determined that we have obtained sufficient and appropriate audit evidence on which to express our opinions.

Management, Audit & Supervisory Board Members and Audit & Supervisory Board Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee is to monitor the execution of duties by the Board of Directors in the development and operation of the financial reporting process.

Auditor's Responsibilities in Auditing Consolidated Financial Statement

The auditor's responsibility is to express an opinion on the consolidated financial statements from an independent standpoint in the audit report, with reasonable assurance that the overall consolidated financial statements are free of material misstatement due to fraud or error, based on the audit conducted by the auditor. Misstatement can be caused by fraud or error and are deemed important if they are reasonably expected to affect the decision-making of users of consolidated financial statements, when either individually or aggregated.

The auditor shall make judgements as a professional expert throughout the auditing process in accordance with auditing standards generally accepted in Japan, and shall carry out the following with professional skepticism.

- Identify and assess material risk of misstatement due to fraud or error. In addition, we will formulate and implement audit procedures that address important misstatement risks. Furthermore, obtain sufficient and appropriate audit evidence on which to express opinion.
- The purpose of auditing consolidated financial statements is not to express an opinion on the effectiveness of internal control, but to formulate appropriate audit procedures according to the situation when conducting a risk assessment and consider internal controls related to audit.
- Evaluate the adequacy of accounting policies and methods of application adopted by management, as well as the rationality of accounting estimates made by management and the adequacy of relevant notes.
- It is significant for management to prepare consolidated financial statements on a going concern assumption, and on any event or situation that raises significant doubts about the going concern assumption based on the audit evidence obtained and must be concluded if there is any uncertainty. If there are significant uncertainties regarding the going concern assumption, call attention to the notes in the consolidated financial statements in the audit report, or if the notes in the consolidated financial statements regarding material uncertainties are not appropriate, it is required to express an opinion with exclusions on the going concern. The auditor's conclusions are based on audit evidence obtained by the date of the audit report, but future events and circumstances may prevent the company from surviving as a going concern.
- Evaluate whether the indication and notes of the consolidated financial statements comply with the accounting standards generally accepted in Japan, as well as the indication, composition and contents of the consolidated financial statements including related notes, and whether the document properly represents the underlying transaction or accounting event based on the consolidated financial statements.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the company and its consolidated subsidiaries to express their views on the consolidated financial statements. The auditor is responsible for the instructions, supervision and implementation of auditing consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor shall inform the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee of the scope and timing of the planned audit, important findings in the audit including material deficiencies in internal control identified during the audit implementation process, and on other matter required by the audit standards.

Auditors shall inform the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee regarding professional ethics provisions in Japan regarding independence, matters reasonably considered to affect the independence of auditors, and if safeguards are taken to remove or mitigate the above shall be informed.

Conflict of Interest

The Company and consolidated subsidiaries have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Sakae Toda, CPA
Designated and Engagement Partner
Kazuaki Sekine, CPA
Designated and Engagement Partner

*The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Independent Auditor's Report
(English Translation*)

April 22, 2022

To the Board of Directors
Baroque Japan Limited

Opinion

We have audited the non-consolidated financial statements of Baroque Japan Limited (hereinafter referred to as the "Company") for the 23rd term from March 1, 2021 to February 28, 2022, which consist of the non-consolidated balance sheet, the non-consolidated income statement, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the supplementary schedules pursuant to Article 436, Paragraph 2-1 of the Companies Act.

We acknowledge that the above financial statements are based on the standards of corporate accounting generally accepted in Japan and we acknowledge that the status of property and profit and loss is properly displayed in are all important points.

The Base of an Opinion

We have conducted audits in accordance with auditing standards generally accepted in Japan. Our liability under auditing standards is described in "Auditor's Responsibilities for the Non-Consolidated Financial Statements." Our audit corporation is independent of the company and its consolidated subsidiaries in accordance with provisions on professional ethics in Japan, and fulfills other ethical responsibilities as an auditor. We have determined that we have obtained sufficient and appropriate audit evidence on which to express our opinions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of non-consolidated financial statements and supplementary schedules in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Management, Audit & Supervisory Board Members and Audit & Supervisory Board Committee's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee is to monitor the execution of duties by the Board of Directors in the development and operation of

the financial reporting process.

Auditor's Responsibilities in Auditing Non-Consolidated Financial Statement

The auditor's responsibility is to express an opinion on the non-consolidated financial statements from an independent standpoint in the audit report, with reasonable assurance that the overall consolidated financial statements are free of material misstatement due to fraud or error, based on the audit conducted by the auditor. Misstatement can be caused by fraud or error and are deemed important if they are reasonably expected to affect the decision-making of users of consolidated financial statements, when either individually or aggregated.

The auditor shall make judgements as a professional expert throughout the auditing process in accordance with auditing standards generally accepted in Japan, and shall carry out the following with professional skepticism.

- Identify and assess material risk of misstatement due to fraud or error. In addition, we will formulate and implement audit procedures that address important misstatement risks. Furthermore, obtain sufficient and appropriate audit evidence on which to express opinion.
- The purpose of auditing consolidated financial statements is not to express an opinion on the effectiveness of internal control, but to formulate appropriate audit procedures according to the situation when conducting a risk assessment and consider internal controls related to audit.
- Evaluate the adequacy of accounting policies and methods of application adopted by management, as well as the rationality of accounting estimates made by management and the adequacy of relevant notes.
- It is significant for management to prepare non-consolidated financial statements on a going concern assumption, and on any event or situation that raises significant doubts about the going concern assumption based on the audit evidence obtained and must be concluded if there is any uncertainty. If there are significant uncertainties regarding the going concern assumption, call attention to the notes in the non-consolidated financial statements in the audit report, or if the notes in the consolidated financial statements regarding material uncertainties are not appropriate, it is required to express an opinion with exclusions on the going concern. The auditor's conclusions are based on audit evidence obtained by the date of the audit report, but future events and circumstances may prevent the company from surviving as a good concern.
- Evaluate whether the indication and notes of the non-consolidated financial statements comply with the accounting standards generally accepted in Japan, as well as the indication, composition and contents of the non-consolidated financial statements including related notes, and whether the document properly represents the underlying transaction or accounting event based on the consolidated financial statements.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the company and its consolidated subsidiaries to express their views on the non-consolidated financial statements. The auditor is responsible for the instructions, supervision and implementation of auditing non-consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor shall inform the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee of the scope and timing of the planned audit, important findings in the audit including material deficiencies in internal control identified during

the audit implementation process, and on other matter required by the audit standards.

Auditors have shall inform the Audit & Supervisory Board Members and the Audit & Supervisory Board Committee regarding professional ethics provisions in Japan regarding independence, matters reasonably considered to affect the independence of auditors, and if safeguards are taken to remove or mitigate the above shall be informed.

Conflict of Interest

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

PricewaterhouseCoopers Aarata LLC
Tokyo Office

Sakae Toda, CPA
Designated and Engagement Partner
Kazuaki Sekine, CPA
Designated and Engagement Partner

*The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Audit Report

(English Translation)

Regarding the performance of duties by the Directors for the 23rd term from March 1, 2021 to February 28, 2022, the Audit & Supervisory Board hereby submits its audit report, which has been prepared upon careful consideration based on the audit reports prepared by each Audit & Supervisory Board Member.

1. Summary of Auditing Methods by the Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, plans, and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel and the Accounting Auditor regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the standards for audit by Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, plans, and other relevant matters, communicated with Directors, the Internal Audit Office, employees, and any other relevant personnel, and made efforts to prepare the environment for information gathering and audit, as well as conducted the audit through the methods described below.
 - 1) We participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important approval documents and associated information, and inspected the operations and financial positions at the head office and principal stores. With respect to subsidiaries, we communicated with, and gathered information from, Directors, etc. of subsidiaries as well as received reports from subsidiaries on their business as necessary.
 - 2) With respect to the system for ensuring that the performance of duties by the Directors as stated in the Business Report conforms to related laws and regulations and the Articles of Incorporation, and the contents of resolutions of the Board of Directors regarding preparation of a system to ensure the properness of operations of a group of enterprises consisting of a stock company and its subsidiaries as stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and such a system prepared based on these resolutions (internal control system), we received regular reports from Directors, employees and other relevant personnel regarding the development and operation of the systems, requested explanations as necessary and expressed opinions.
 - 3) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that the systems for ensuring that the performance of duties is being carried out correctly (matters set forth in each Item of Article 131 of the Rules of Corporate Accounting) had been prepared in accordance with the Quality Control Standards for Audit (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated income statement, non-consolidated statement of changes in equity, and notes to the non-consolidated financial statements) and the supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and the notes to the consolidated financial statements) related to the relevant fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the Business Report and the supplementary schedules are in accordance with related laws and regulations, as well as the Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
- 3) In our opinion, the content of the resolutions of the Board of Directors related to the internal control system is fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to the said internal control system.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC are fair and reasonable.

April 22, 2022

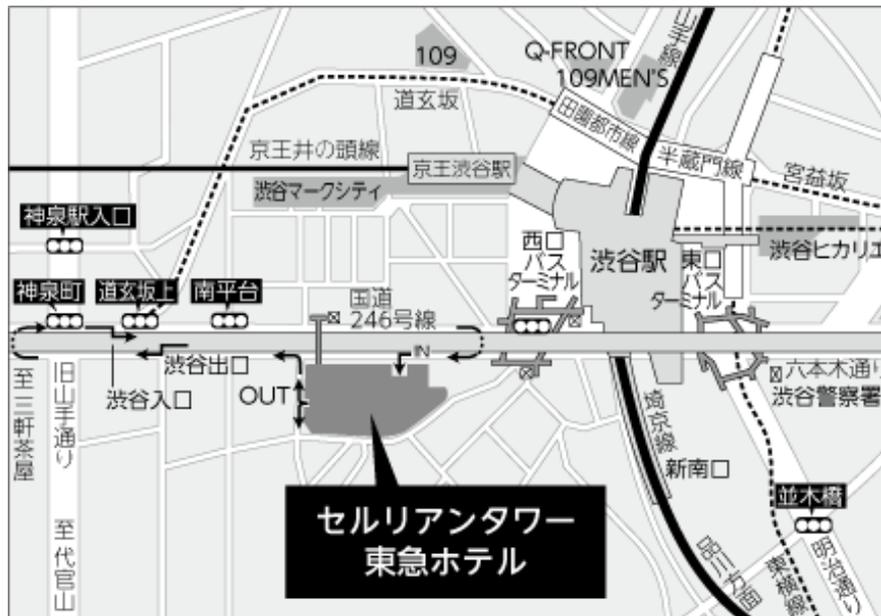
Audit & Supervisory Board, Baroque Japan Limited

| | |
|---|-------------------|
| Full-time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) | Yoshiki Yoshida |
| Full-time Audit & Supervisory Board Member | Shinichi Matsuda |
| Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) | Hiroshi Nagayasu |
| Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) | Koichiro Watanabe |

(Note) Full-time Audit & Supervisory Board Member Mr. Yoshiki Yoshida, Audit & Supervisory Board Member Mr. Hiroshi Nagayasu and Audit & Supervisory Board Member Mr. Koichiro Watanabe are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.

Map of Venue for the Shareholders' Meeting

Venue: B2F Ballroom, Cerulean Tower Tokyu Hotel
 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan
 Tel: +81-3-3476-3000 (Switchboard of hotel)



Transportation:

- | | |
|--------------|---|
| JR | Yamanote Line, Saikyo Line, Shōnan Shinjuku Line |
| Tokyu Lines | Tokyu Tōyoko Line, Den-en-toshi Line |
| Tokyo Metro | Ginza Line, Hanzomon Line, Fukutoshin Line |
| Keiō Railway | Inokashira Line |

5-minute walk from the Shibuya Station of each line.



- *Please use public transport as no parking lot has been arranged.
- *The Shibuya station west exit pedestrian bridge might change due to a large construction work in Shibuya station. We apologize for any inconvenience but please check the information board on the pedestrian bridge.

We do not offer souvenirs for shareholders attending the general meeting of shareholders. Thank you for your understanding.