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

(Stock Code 3548)
May 11, 2021

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 22ND ANNUAL SHAREHOLDERS' MEETING

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

You are cordially invited to the 22nd 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 26, 2021 Japan time.

1. **Date and Time:** Thursday, May 27, 2021 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 22nd Term (March 1, 2020 – February 28, 2021) 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 22nd Term (March 1, 2020 - February 28, 2021)

Proposals to be resolved:

Proposal No. 1: Partial amendment of articles of corporation
Proposal No. 2: Election of Eight (8) Directors

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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, unseniceable 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 0120-768-524 （Reception hours: weekdays 9am-9pm）
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）

Reference Documents for the Shareholders' Meeting

Proposals and References

Proposal No. 1: Partial amendment of articles of incorporation

1. Reason for Proposal
   The company will add business objectives in order to respond to the diversification of business content in the future.

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
(Proposal) Proposal No. 2 The Company aims to run the following business. (1)~(22) (Ellipsis) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (23) All business related to the preceding items (Newly established)	(Proposal) Proposal No. 2 The Company aims to run the following business. (1)~(22) (No change) (23) Production, sale and import/export of all business plants and food. (24) Sale and import/export of liquor (25) Construction industry planning, design, construction and contracting as well as consulting, mediation. (26) Planning, manufacturing, sale and import/export of items that are eco-friendly and considered to be good to health. (27) Planning, manufacturing and sale and technical development support of products that are made from recycled plastics, etc. (28) All business related to the preceding items. 2. The Company shall direct and regulate the business activities of the above companies (including foreign companies) or other organizations through shareholding interests of a company or other business entity that operates the business specified in each item of preceding items.

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
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, responsibilities, and significant concurrent positions
1	**Hiroyuki Murai** Reappoint (July 26, 1961) 1,048,100 shares	Aug 1985 Joined Canon Inc. Apr 1994 President, KAI LUNG CONSULTANTS LIMITED Apr 1995 President, CENTURY GROW LIMITED Jul 1997 President, Hong Kong local subsidiary, Japan Air System Co., Ltd. (presently Japan Airlines Co., Ltd.); President, Hong Kong local subsidiary, JAS Trading Co., Ltd. (presently JALUX Inc.) Oct 2006 Representative Director and Chairman, Fakedelic Holdings Co., Ltd. Jan 2007 Managing Director, BAROQUE HK LIMITED Apr 2007 Representative Director, Chairman and President, Fakedelic Holdings Co., Ltd.; Representative Director and Chairman, Baroque Japan Limited (the former BJL) Feb 2008 Representative Director, President and Chief Executive Officer, the Company May 2009 Representative Director, Baroque (Shanghai) Trading Ltd. (to present) May 2013 Representative Director, President, Chief Executive Officer and Chief Operating Officer, the Company Sep 2013 Director, BAROQUE CHINA LIMITED; Managing Director (to present); Director, BAROQUE CHINA APPARELS LIMITED (to present); Director, Baroque (Shanghai) Clothing Ltd. (to present) Nov 2013 Representative Director, Baroque (Shanghai) Enterprise Development Ltd. (to present) Feb 2014 Representative Director, President and Chief Executive Officer, the Company (to present); Managing Director, FRAME LIMITED (to present) Feb 2015 Director and Chairman, BAROQUE HK LIMITED (to present) Apr 2016 Director, BAROQUE USA LIMITED (to present)
	Reasons for selection as a candidate for Director 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.	

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions, responsibilities, and significant concurrent positions
2	**Akihito Fukasawa** Reappoint (January 21, 1975) 128,000 shares	Mar 2001 Joined Fakedelic K.K. Mar 2005 Representative Director, Jackpot Production Co., Ltd. Feb 2008 Executive Officer, General Manager, SHEL'TTER Business Department, the Company Apr 2011 Senior Executive Officer, General Manager, SHEL'TTER Business Division, and General Manager, SHEL'TTER Business Department Jan 2014 Senior Executive Officer, General Manager, Outlet and Wholesale Business Department, and General Manager, Overseas Business Department Jul 2015 Senior Executive Officer, General Manager, Overseas Business Department, and Deputy General Manager, Sales Control Division Apr 2016 Director, BAROQUE USA LIMITED (to present) May 2017 Managing Executive Officer, Unit Manager, The Second Unit, and General Manager, Overseas Business Department, the Company Feb 2018 Managing Executive Officer, General Manager, Global Business Division, the Company Apr 2018 Director, Managing Executive Officer, General Manager, Global Business Division, the Company Mar 2019 Director, Managing Executive Officer, General Manager, Sales Management Headquarters, the Company May 2019 Executive Director and Deputy Chief Executive Officer, General Manager, Sales Management Headquarters, the Company Mar 2019 Executive Director and Deputy Chief Executive Officer, General Manager, Unit Manager, The First Unit, the Company (to present)
	Reasons for selection as a candidate for Director 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.	

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions, responsibilities, and significant concurrent positions
3	**Nobuhide Hayashi** Reappoint Outside Director Independent Director (March 27, 1957) 0 shares	Apr 1980 Joined The Fuji Bank, Limited Apr 2007 Executive Officer, General Manager of Sales Department 13, Mizuho Corporate Bank, Ltd. Apr 2009 Managing Executive Officer in charge of Business Promotion Jun 2011 Managing Executive Director, Head of International Banking Unit Apr 2013 Deputy President and Executive Officer, Deputy President in charge of International Banking Unit, Mizuho Financial Group, Inc. Deputy President and Executive Officer, Deputy President in charge of MHCB International Banking Unit Collaboration, Mizuho Bank, Ltd. Member of the Board of Directors, Deputy President in charge of International Banking Unit, Mizuho Corporate Bank, Ltd. Jun 2013 Member of the Board of Directors, Executive Vice President in charge of International Banking Unit Jul 2013 Member of the Board of Directors, Deputy President in charge of International Banking Unit, Mizuho Bank, Ltd. Apr 2014 President, Member of the Board of Directors Apr 2017 Chairman, Member of the Board of Directors Mar 2019 Outside Director, Kao Corporation (to present) Apr 2019 Executive Advisor, Mizuho Bank, Ltd. (to present) May 2019 Outside Director, the Company (to present) Jun 2019 Outside Audit & Supervisory Board Member, JTB Corp. (to present) Jun 2020 TOBU RAILWAY CO.,LTD. Outside Audit & Supervisory Board Director (to present)
	Reasons for selection as a candidate and expected role for Outside Director 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. At the conclusion of this Annual Shareholders' Meeting, he will have served as an Outside Director for two years. He serves as an member for nomination and compensation advisory committee.	

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions, responsibilities, and significant concurrent positions	
4	**Fang Sheng** Reappoint Outside Director (November 11, 1972) 0 shares	Nov 1993 Nov 2005 May 2007 May 2011 Dec 2011 Apr 2013 Aug 2013 Sep 2013 Nov 2013 Jun 2019	Shanghai Office, Gulf Semiconductor Ltd. Regional Manager, Belle International Holdings Limited Group SVP & Head of Eastern China Region, Belle International Holdings Limited Executive Director, Belle International Holdings Limited (to present) Deputy Chairman, Smile Charity Foundation (to present) Adjunct Professor of Innovation and Entrepreneurship, Tongji University (to present) Outside Director, the Company (to present) Director, BAROQUE CHINA APPARELS LIMITED (to present); Representative Director, Baroque (Shanghai) Clothing Ltd. (to present) Director, Baroque (Shanghai) Enterprise Development Ltd. (to present) Non-executive Director, Topsports International Holdings Limited (to present)
	Reasons for selection as a candidate and expected role for Outside Director 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. At the conclusion of this Annual Shareholders' Meeting, he will have served as an Outside Director for seven years and nine months.		

5	**Xiaoling Hu** Reappoint Outside Director (August 5, 1970) 0 shares	Jul 1995 May 1999 Aug 2002 Sep 2005 Aug 2013 May 2015 Jun 2019 Jan 2021	Certified Public Accountant, Arthur Andersen & Co. China International Capital Corporation Limited CDH Investments Management (Hong Kong) Limited, Managing Director (to present) Non-executive Director, Belle International Holdings Limited (to present) Outside Director, the Company (to present) Non-executive Director, Dali Foods Group Company Limited (to present) Non-executive Director, Topsports International Holdings Limited (to present) Hangzhou Beika Industrial Co., Limited, Director (to present)
	Reasons for selection as a candidate and expected role for Outside Director 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. At the conclusion of this Annual Shareholders' Meeting, she will have served as an Outside Director for seven years and nine months.		

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions, responsibilities, and significant concurrent positions	
6	**Kyosuke Shinozawa** Reappoint Outside Director Independent Director (March 1, 1937) 0 shares	Apr 1960 May 1995 May 1998 Oct 1999 Jun 2001 Jan 2008 Apr 2009 Oct 2019	Joined the Ministry of Finance Administrative Vice Minister Governor, The Overseas Economic Cooperation Fund, Japan Executive Managing Director, Japan Bank for International Cooperation Governor, Japan Bank for International Cooperation President, Incorporated Foundation Capital Markets Research Institute (presently Public Interest Incorporated Foundation Capital Markets Research Institute) Outside Director, the Company (to present) Advisor, Public Interest Incorporated Foundation Capital Markets Research Institute (to present)
	Reasons for selection as a candidate and expected role for Outside Director Mr. Kyosuke Shinozawa has had a long career in the Ministry of Finance and in the field of international finance. 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. At the conclusion of this Annual Shareholders' Meeting, he will have served as an Outside Director for twelve years and one month. He serves as an member for nomination and compensation advisory committee.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)
Number of shares of the Company held</th><th>Career summary, positions, responsibilities, and significant concurrent positions</th></tr>
<tr><td rowspan="2">7</td><td>Kunihisa Hama

Reappoint
Outside Director
Independent Director

(December 2, 1934)

0 shares</td><td>Apr 1959 Appointed as a prosecutor
Dec 1991 Director General, Criminal Affairs Bureau, Ministry of Justice
Dec 1993 Vice-Minister of Justice
Jan 1996 Superintending Prosecutor, Tokyo High Public Prosecutors Office
Dec 1997 Registered as a lawyer
Jun 1998 Outside Audit & Supervisory Board Member, MIROKU JYOHO SERVICE CO., LTD.
Aug 2001 Outside Audit & Supervisory Board Member, YOMIURI LAND CO., LTD.
Jun 2002 Outside Director, Japan Securities Depository Center, Incorporated
Dec 2006 Chairperson, Compliance Committee, the Company (to present)
Jun 2008 Outside Audit & Supervisory Board Member, YUKI GOSEI KOGYO CO., LTD.; Outside Director, NITTO BOSEKI CO., LTD.
Jun 2010 Outside Audit & Supervisory Board Member, KAJIMA CORPORATION
Aug 2013 Outside Audit & Supervisory Board Member, the Company
Apr 2016 Outside Director (to present)
Jun 2016 Outside Director, ENSUIKO SUGAR REFINING CO., LTD.</td></tr>
<tr><td colspan="2">Reasons for selection as a candidate and expected role for Outside Director
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. 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.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
Number of shares of the Company held</th><th colspan="2">Career summary, positions, responsibilities, and significant concurrent positions</th></tr>
<tr><td rowspan="2">8</td><td>Yingnan Zhang

Reappoint
Outside Director

(May 8, 1984)

0 shares</td><td>Jul 2007

May 2010
July 2010

May 2013

May 2014
Apr 2017
May 2019
Apr 2020</td><td>Senior Analyst, BOC International (China) Limited
Joined ORIX Corporation
Investment Manager, ORIX (China) Investment Company Limited
Vice President, ORIX Financial Services Hong Kong Limited
Senior Vice President, ORIX Asia Capital Limited
Executive Director
Outside Director, the Company (to present)
Senior Executive Director, ORIX Asia Capital Limited (to present)</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate and expected role for Outside Director
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. 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 corporate management and M&A strategies that we are aiming for. At the conclusion of this Annual Shareholders' Meeting, she will have served as an Outside Director for two years.</td></tr>
</table>

(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. Xiaoling Hu is concurrently serving as the Managing Director of CDH Investments Management (Hong Kong) Limited, which indirectly controls a major shareholder of the Company, CDH RUNWAY INVESTMENT (HK) LIMITED.
3. 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.
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.

(Appendix)

Business Report

(March 1, 2020– February 28, 2021)

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, 2021, due to the effects of the Covid-19 epidemic globally, the Japanese economy remained in a difficult situation with both economic activity stagnating and sluggish personal consumption. Although regarding future economic outlooks, due to the effects of various policies and improvement of various national economies, it is expected that the domestic economy will return to pace, it is necessary to pay close attention to the potential impact of downside risks in domestic and overseas economies due to resurgence of infection. In that sense, uncertainty still remains in the current situation.

Under these circumstances, the spread of the Covid-19 epidemic has had a significant impact on the business performance of the Group's domestic business across the entire fiscal year. While sales showed a recovery trend from the beginning of autumn when the 2nd wave of Covid-19 infections subsided, domestic sales slowed again due to the effect of curtailed business hours and the public refraining from going out due to the reissuing of a State of Emergency from January onwards. Domestic sales were illustrated having decreased year on year. In addition, however, it should be noted that domestic EC sales are growing significantly by both strengthening and promoting EC operations such as through the adaptation of Staff Start, working to improve live commerce capabilities, et cetera. Subsequently, in addition to thorough proper sales and inventory control, we worked vigorously to reduce SG & A expenses such as business consignment expenses, advertising expenses, and through reduction of personnel expenses such as reduction of executive compensation - allowing domestic business to maintain profitability.

As a measure to strengthen customer contact points in line with the new normal situation in Covid-19 epidemic, we are promoting efforts to improve convenience for customers by strengthening EC contacts with various tools such as remote customer service. Furthermore, we will strengthen our efforts and further work on sustainability from three aspects which are environment, society and people by manufacturing that does not overproduce and actively utilize environmentally friendly materials.

Regarding the Chinese Joint Venture with Belle International Holdings Limited (hereon, Belle), our strategic business partner within the Joint Venture, the Chinese market is recovering quickly, and the sales of both retail companies (equity method affiliates) and wholesale companies (consolidated subsidiaries) have been on a recovery

trend since May, in line with the return of personal consumption in China. As live commerce in China has become more sophisticated, EC sales in China are increasing. Additionally, in regards to our US business operations, MOUSSY VINTAGE, which was able to capture the growing need for denim within the market, was able to achieve strong sales.

As for the number during the fiscal year ended February 28, 2021, the number of domestic stores was 370 (285 directly managed, 85 through franchise) and the number of overseas stores was 5 (5 directly managed) – for a total of 375 stores. In addition, the number of stores in the Chinese retail business operated through Joint Venture with Belle has reached 299.

As a result of the above, in the fiscal year ended February 28, 2021, consolidated turnover was 50,590 million yen (23.2% decrease from prior year), operating profit was 1,312 million yen (71.5% decrease from prior year), recurring profit was 1,187 million yen (74.1% decrease from prior year), and net income attributable to shareholders of the Parent Company was 375 million yen (86.9% decrease from 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	43,427	85.8	74.8
China (including Hong Kong)	6,331	12.5	90.8
United States	832	1.7	102.6
Total	50,590	100.0	76.8

2) Capital Investments

During the fiscal year under review, the Group made capital investments that amounted to a total of 1,771 million yen. The main investments are as follows:

Rental and guarantee deposits related to new store openings	213 million yen
Investments in store facilities related to new store openings and store renovations	834 million yen

3) Financing

During the fiscal year ended February 28, 2021, in preparation for the unstable business environment due to the effect of Covid-19 epidemic, we raised 3,000million yen as short-term loans and 3,000 million yen as long-term loans from financial institution.

Furthermore, the long-term loan of 3,000 million yen is a renewal contract of the same amount as the existing loan.

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	19th term (Year ended January 31, 2018)	20th term (Year ended January 31, 2019)	21st term (Year ended February 29, 2020)	22nd term (Year ended February 28, 2021) (Fiscal year under review)
Turnover (million yen)	67,952	71,034	65,880	50,590
Net profit (million yen)	1,236	2,944	2,871	375
Earnings per share (yen)	34.51	81.42	79.22	10.44
Total assets (million yen)	41,317	40,715	38,282	38,343
Equity (million yen)	18,466	20,365	21,492	20,911
Net assets per share (yen)	488.43	530.41	562.48	536,18

(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 (the consolidated fiscal year under review) 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

The Group will position it as a year to establish a new normal state after the Covid-19 epidemic and put it back on the grown track. On the business side, we will work on strengthening the constitution of the domestic apparel business, steadily growth of the Chinese apparel business, and creating new businesses as priority issues. Furthermore, on the infrastructure side, we will focus on sustainability and development of the infrastructure that supports our business.

1) Strengthening the constitution of the domestic apparel business

a) Looking ahead to the way business should be after Covid-19 epidemic, we will strive to improve brand competitiveness by strengthening of EC market, strengthening of product planning and promote strengthening by brand and sales channel. In addition, we also aim to improve brand value and recognition by performing rebranding that matches the market. We will also carry out scrap-and-build of stores to match with the new normal and focus on fields that should be strengthened in the future.

b) We will work to further improvement of the profit margin as a means of strengthening our constitution after Covid-19 epidemic. We will promote the construction of a manufacturing system that does not over produce, and improve customer convenience and efficiency by realizing new retail. In addition, under recognition of "not over producing = sustainable", we will work on measures such as using recycled materials and proposing Ethical styles.

c) As our new retail, we aim to improve business efficiency and customer convenience by strengthening CRM and OMO.

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. We will continue to aim for maintain annual growth of about 20 stores and steady growth in the Chinese apparel business. We will also redefine our brand position in China and aim to improve our competitiveness.

3) Creating new businesses

While making use of the company's strength, we will work on new business that meet the requirements of contributing to the realization of a sustainable society. Our ability to build relationships with customers and sales force based on this are our strengths in creating sales even in an environment where we cannot sell due to Covid-19 epidemic. Combining this with our other strength, our ability to expand into China, we aim to create new sustainable businesses and utilize our strengths to develop. Furthermore, we will also work on launching new brands in line with changing times.

4) Sustainability Response

We will promote concrete measures with the goals of "What we can do to protect the global environment", "Provide opportunities to contribute to sustainability", "A company where everyone is lively and take on challenges". As for manufacturing that does not over produce, we aim to reduce the number of products and control the quantity by QR codes. Also, we will focus on measures such as active utilize of environmentally friendly materials, promotion of the use of recycled paper for price tags and shopping bags, and recycled materials for woven labels, and reduction or abolition of plastic materials. Furthermore, to strengthen our efforts to change what is thrown away into something that is not thrown away by developing dead stock outfit proposals on the EC site "AUNE". To improve the working environment, we will promote personnel system reforms and establish a remote work environment and system. Based on these measures, 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 for the realization of new retail, construction of new marketing functions, operation of new EC system, renewal of core system, etc. in preparation for the next growth. We will also work on further improvements of the supply chain, such as reducing costs by promoting direct trade in China.

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

(5) Principal Businesses (As of February 28, 2021)

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, 2021)

1) Business Offices of the Company

Head office	Meguro-ku, Tokyo
Stores	285 (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, 2021)

1) Employees of the Group

Number of employees	Change from previous fiscal year-end
1,532	+21

2) Employees of the Company

Number of employees	Changes from previous fiscal year-end	Average age	Average service period
1,428 (189)	+35(-49)	29.3	5 years and 9 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, 2021)

Lender	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	4,000
Mizuho Bank, Ltd.	3,125
MUFG Bank, Ltd.	2,000

(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, 2021)

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 27,740 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
Qingguang Jin	1,320,000	3.64
Japan Trustee Services Bank, Ltd. (Trust Account)	1,074,800	2.96
Hiroyuki Murai	1,048,100	2.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	843,400	2.32
Japan Trustee Services Bank, Ltd. (Trust Account 5)	219,600	0.60
Trust & Custody Services Bank, Ltd. (Trust Account E)	201,600	0.55

(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)".

3. Hiroyuki Murai, who was a major shareholder as of the end of the previous fiscal year, is no longer a major shareholder at the end of the current fiscal year, and Murai Capital Co., Ltd. Has become a new major shareholder.

(2) Company Officers

1) Directors and Audit & Supervisory Board Members (As of February 28, 2021)

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	General Manager, Sales Management Headquarters 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	Executive Director, Belle International Holdings Limited Deputy Chairman, Smile Charity Foundation Adjunct Professor of Innovation and Entrepreneurship, Tongji University Director, BAROQUE CHINA APPARELS LIMITED Representative Director, Baroque (Shanghai) Clothing Ltd. Director, Baroque (Shanghai) Enterprise Development Ltd. Non-executive Director, Topsports International Holdings Limited
Director	Xiaoling Hu	Managing Director, CDH Investments Management (Hong Kong) Limited Non-executive Director, Belle International Holdings Limited Non-executive Director, Dali Foods Group Company Limited Non-executive Director, Topsports International Holdings Limited Director, Hangzhou Beika Industrial Co., Limited

Position	Name	Areas of responsibility at the Company and significant concurrent positions
Director	Kyosuke Shinozawa	Advisor, Public Interest Incorporated Foundation Capital Markets Research Institute
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 (Hong Kong) 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. Full-time Audit & Supervisory Board Member Mr. Shinichi Matsuda and Mr. Koichi

Watanabe were newly elected at the Company's 21st Annual Shareholders' Meeting held on May 27, 2020.

9. Audit & Supervisory Board Member Mr. Teruo Ozaki resigned as of the Company's 21st Annual Shareholders' Meeting held on May 27, 2020, due to the expiration of their term of office.
10. 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) 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

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, 2020.

The outline of The Decision Policy was a compensation system liked to business performance so that it functions sufficiently as an incentive to continuously improve the value of the company, and when determining the compensation of individual directors, the basic policy is to set an appropriate level based on each responsibility. Specifically, the compensation of executive directors consists of basic compensation as fixed compensation and performance-linked 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. As a general rule, the Company's performance-linked stock compensation will be provided with shares, and the right to receive the benefits will be acquired on the date of retirement of the relevant director. The number of shares to be paid shall be calculated by the point granting method in which 1 point = 1 share, and the specific determination method is by calculating the points according to the position on the point grant date and the cumulative number of points multiplied by the performance evaluation coefficient according to the performance during the evaluation period

As a guideline for the compensation ratio for each type of executive director, the composition ratio of basic compensation and performance-linked stock compensation is 9:1.

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

The compensation of the directors of the Company 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-linked 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 approved 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. Matters concerning delegation related to determination of individual compensation, etc. for directors

At the Company, Hiroyuki Murai, President and CEO, determines the specific amount of compensation for each individual director based on a resolution delegated by the Board of Directors.

IV. 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		Number of officers
		Basic compensation	Non-monetary compensation	
Directors (of which are Outside Directors)	89 (21)	80 (21)	8 (—)	5 (3)
Audit & Supervisory Board Members (of which are Outside Audit & Supervisory Board Members)	28 (16)	28 (16)	—	5 (3)
Total (of which are Outside officers)	117 (37)	108 (37)	8 (—)	10 (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 non-monetary 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. Among the Directors, three Directors will not receive any compensation.

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

Name	Status of participation in meetings and opinions provided
Director Nobuhide Hayashi	Participated in all 14 meetings of the Board of Directors held during the fiscal year; provided opinions from a perspective based on his rich experience and extensive insight acquired mainly from engaging in corporate management, 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.
Director Fang Sheng	Participated in 13 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 mainly from engaging in corporate management, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.
Director Xiaoling Hu	Participated in all 14 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 mainly from engaging in corporate management, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.
Director Kyosuke Shinozawa	Participated in all 14 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.
Director Kunihisa Hama	Participated in all 14 meetings of the Board of Directors during the fiscal year under review; provided opinions based on his rich experience and extensive insight acquired mainly from engaging in the legal industry and legal administration, 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.
Director Yingnan Zhang	Participated in all 14 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 mainly from her experience of working in different international environments such as China and other Asian countries, 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.

Name	Status of participation in meetings and opinions provided
Audit & Supervisory Board Member Yoshiki Yoshida	Participated in all 14 meetings of the Board of Directors and all 14 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.
Audit & Supervisory Board Member Hiroshi Nagayasu	Participated in all 14 meetings of the Board of Directors and all 14 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.
Audit & Supervisory Board Member Koichiro Watanabe	Participated in all 10 meetings of the Board of Directors held after he assumed office as an Outside Director; 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.

(3) Accounting Auditor

1) Name of Accounting Auditor
PricewaterhouseCoopers Aarata LLC

2) Compensation, etc.

	Compensation, etc.
Accounting Auditor's compensation, etc., for the fiscal year under review	57 million yen
Cash and other benefits payable by the Company or its subsidiaries to Accounting Auditor	57 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 Aarata 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) The Company shall endeavor to strengthen risk management from a legal perspective, and strengthen the capabilities of human resources in the legal department.
   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, 14 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 established the Nomination and Compensation Advisory Committee on October 15, 2020, in order 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 the corporate governance.

The main matters to be deliberated are as follows, and the results of the deliberation are responded and reported 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 2020 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 ¥32 per share for the fiscal year under review.

Consolidated Balance Sheet

(As of February 28, 2021)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
I Current assets	**29,390**	**I Current liabilities**	**9,632**
Cash and cash equivalents	15,924	Notes payables	579
Notes and trade receivables	8,001	Trade payables	3,293
Inventories	4,918	Short-term loans	3,000
Consumables	197	Interest-bearing borrowings	125
Others	348	Other payables	946
		Accrued expenses	641
II Non-current assets	**8,952**	Current tax payable	550
1 Property, plant and equipment	**1,773**	Provision for bonus	297
Buildings and leasehold improvements	1,317	Provision for reinstatement costs	9
Land	350	Deposits received	10
Construction in progress	32	Others	180
Others	74		
		II Non-current liabilities	**7,798**
2 Intangible assets	**819**	Interest-bearing borrowings	6,000
Software	701	Provision for retirement benefits	17
Others	118	Provision for reinstatement costs	1,120
3 Investments and other assets	**6,359**	Other payables	15
Investments in and advances to associates	1,597	Deposits received	459
Rental deposits	3,232	Deferred tax liabilities	65
Deferred tax assets	1,426	Others	121
Others	102	**Total liabilities**	**17,431**
		(Equity)	
		I Shareholders' equity	**19,480**
		1 Share capital	**8,258**
		2 Share premium	**8,059**
		3 Retained earnings	**3,855**
		4 Treasury stock	**(692)**
		II Other reserves	**(170)**
		1 Foreign currency translation reserve	**(170)**
		III Non-controlling interests	**1,601**
		Total equity	**20,911**
Total assets	**38,343**	**Total liabilities and equities**	**38,343**

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

Consolidated Income Statement

(March 1, 2020 - February 28, 2021)

(Unit: million yen)

Description	Amount	
Turnover		**50,590**
Cost of goods sold		**22,742**
Gross profit		**27,847**
Selling, general and administrative expenses		**26,535**
Operating profit		**1,312**
Non-operating income		
Interest income	6	
Rent Income	13	
Subsidy Income	81	
Gain on foreign exchange	44	
Other income	24	170
Non-operating expenses		
Interest on bank and other loans	34	
Finance charges	27	
Loss on disposals of property, plant and equipment	9	
Share of loss of associates	177	
Other expenses	48	296
Recurring profit		**1,187**
Extraordinary income		
Subsidies for employment adjustment	243	243
Extraordinary expenses		
Loss due to temporary store closure	397	
Impairment loss	197	594
Profit before taxation		**836**
Corporation tax, inhabitants tax and business tax	490	
Corporation tax refund	(168)	
Deferred income tax	(170)	152
Profit for the year		**683**
Profit attributable to non-controlling interests		307
Net profit		**375**

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

Consolidated Statement of Changes in Equity

(March 1, 2020 - February 28, 2021)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 1, 2020	8,258	8,075	4,854	(749)	20,439
Changes during the fiscal year					
Dividend	—	—	(1,374)	—	(1,374)
Disposal of treasury stock	—	(16)	—	56	39
Net profit	—	—	375	—	375
Net changes other than shareholders' equity	—	—	—	—	—
Total changes during the fiscal year	—	(16)	(998)	56	(958)
Balance as of February 28, 2021	8,258	8,059	3,855	(692)	19,480

	Other reserves			Non-controlling interests	Total equity
	Deferred gains or losses on hedges	Foreign currency translation reserve	Total other reserves		
Balance as of March 1, 2020	(0)	(213)	(213)	1,267	21,492
Changes during the fiscal year					
Dividend	—	—	—	—	(1,374)
Disposal of treasury stock	—	—	—	—	39
Net profit	—	—	—	—	375
Net changes other than shareholders' equity	0	43	43	334	377
Total changes during the fiscal year	0	43	43	334	(580)
Balance as of February 28, 2021	—	(170)	(170)	1,601	20,911

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

Non-Consolidated Balance Sheet

(As of February 28, 2021)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
I Current assets	**23,392**	**I Current liabilities**	7,915
Cash and cash equivalents	14,343	Notes payables	579
Trade and other receivables	3,780	Trade payables	1,875
Inventories	4,575	Short-term loans	3,000
Consumables	197	Interest-bearing borrowings	125
Prepaid expenses	181	Other payables	852
Current portion of long-term loans receivable	150	Accrued expenses	640
Others	163	Current tax payable	350
		Advances received	68
		Provision for bonus	297
		Provision for reinstatement costs	9
		Deposits received	10
II Non-current assets	**10,789**	Others	108
1 Property, plant and equipment	**1,718**		
Buildings and leasehold improvements	1,286	**II Non-current liabilities**	**7,718**
Tools, furniture and fixtures	47	Interest-bearing borrowings	6,000
Land	350	Provision for retirement benefits	17
Construction in progress	32	Provision for reinstatement costs	1,105
Others	2	Other payables	15
2 Intangible assets	**819**	Deposits received	459
Software	701	Others	121
Others	118	**Total liabilities**	**15,634**
3 Investments and other assets	**8,250**	**(Equity)**	
Investments in subsidiaries and associates	3,379	**I Shareholders' equity**	**18,547**
Rental deposits	3,139	**1 Share capital**	**8,258**
Loans receivable	300	**2 Share premium**	**8,059**
Prepaid expenses	101	(1) Legal capital surplus	8,055
Deferred tax assets	1,329	(2) Other capital surplus	3
		3 Retained earnings	**2,922**
		(1) Other retained earnings	2,922
		Retained earnings brought forward	2,922
		4 Treasury stock	**(692)**
		Total equity	**18,547**
Total assets	**34,181**	**Total liabilities and equities**	**34,181**

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

Non-Consolidated Income Statement

(March 1, 2020 - February 28, 2021)

(Unit: million yen)

Description	Amount	
Turnover		**44,427**
Cost of goods sold		**18,500**
Gross profit		**25,927**
Selling, general and administrative expenses		**25,278**
Operating profit		**648**
Non-operating income		
Interest income	9	
Rent Income	13	
Other income	18	41
Non-operating expenses		
Interest on bank and other loans	34	
Finance charges	20	
Loss on disposals of property, plant and equipment	9	
Loss on foreign exchange	8	
Other expenses	41	114
Recurring profit		**576**
Extraordinary income		
Subsidies for employment adjustment	243	243
Extraordinary expenses		
Loss due to temporary store closure	397	
Impairment loss	175	572
Profit before taxation		**246**
Corporation tax, inhabitants tax and business tax	299	
Corporation tax refund	(168)	
Deferred income tax	(195)	(65)
Profit for the year		**312**

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

Non-Consolidated Statement of Changes in Equity

(March 1, 2020 - February 28, 2021)

(Unit: million yen)

	Shareholders' 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, 2020	8,258	8,055	20	3,984	(749)	19,569
Changes during the fiscal year						
Dividend	—	—	—	(1,374)	—	(1,374)
Disposal of treasury stock	—	—	(16)	—	56	39
Profit for the period	—	—	—	312	—	312
Net changes other than shareholders' equity	—	—	—	—	—	—
Total changes during the fiscal year	—	—	(16)	(1,062)	56	(1,022)
Balance as of February 28, 2021	8,258	8,055	3	2,922	(692)	18,547

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

Accounting Auditor's Audit Report on the Consolidated Financial Statements

Independent Auditor's Report
(English Translation*)

April 23, 2021

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, 2020 to February 28, 2021, 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 evident 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 good 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 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

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

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*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.

Accounting Auditor's Audit Report on the Non-Consolidated Financial Statements

Independent Auditor's Report
(English Translation*)

April 23, 2021

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 22nd term from March 1, 2020 to February 28, 2021, 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 evident 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

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*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 of the Audit & Supervisory Board

Audit Report

(English Translation)

Regarding the performance of duties by the Directors for the 22nd term from March 1, 2020 to February 28, 2021, 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 23, 2021

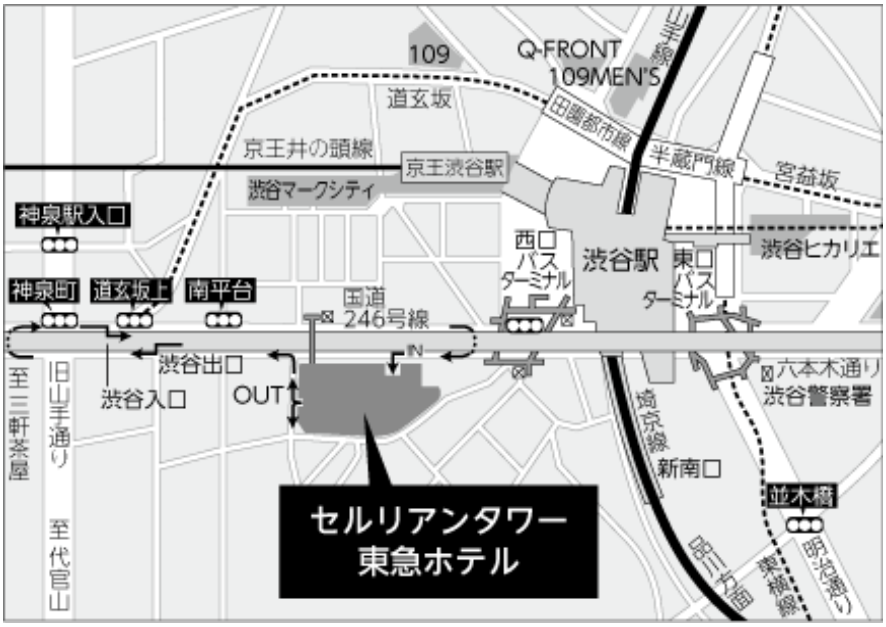
Audit & Supervisory Board, Baroque Japan Limited

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

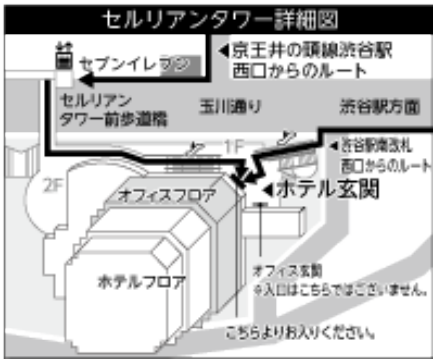
(Note) Full-time Audit & Supervisory Board Member Mr. Yoshiki Yoshida, Audit & Supervisory Board Member Mr. Hiroshi Nagayasu and Audit & Supervisory Board Member Mr. Koichiro Watanabe are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the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