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 14, 2024
(Start date of electronic provisioning measures: May 8, 2024)

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 25th ANNUAL SHAREHOLDERS' MEETING

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

You are cordially invited to the 25th Annual Shareholders' Meeting of Baroque Japan Limited (the "Company"). The meeting will be held for the purposes as described below.

The Company has adopted an electronic method of providing notice of the 25th Annual Shareholders' Meeting, which is posted on the following website.

The Company's website
https://www.baroque-global.com/jp/ir/library/shareholder_meeting/

In addition to the above, the Company has also posted the information on the following website on the Internet

Tokyo Stock Exchange website
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show

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 Thursday, May 29, 2024 Japan time.

1. **Date and Time:** Thursday, May 30, 2023 at 10 a.m. Japan time (reception will open at 9:30 a.m.)

2. **Venue:** The Westin Tokyo, which is connected via an underground passage to the Yebisu Garden PlaceYebisu Garden Place, is located in 1-4-1 Mita, Meguro-ku, Tokyo, Japan
(The venue has changed from the previous occasion, so please refer to the venue map at the end of the page and be careful not to make any mistakes.)

3. **Meeting Agenda:**

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the Company's 25th Term (March 1, 2023 – February 29, 2024)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 25th Term (March 1, 2023 - February 29, 2024)

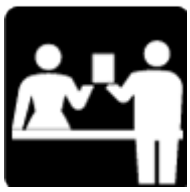
Proposals to be resolved:

Proposal No. 1: Regarding the Decrease of Capital Reserves
Proposal No. 2: Election of Six (6) Directors
Proposal No. 3: Election of Three (3) Auditors
Proposal No. 4: Election of Substitute Auditor

- Please bring the enclosed Voting Rights Exercise Form and submit it at the reception when attending the meeting.
- If there are any modifications to the electronic provisioning measures, they will be posted on the respective websites where they are available.
- With respect to this, General Meeting of Shareholders, regardless of whether or not a request for delivery of the document has been made, all shareholders will receive a uniform document containing information on the measures to be provided electronically.

Information of Exercising Voting Rights

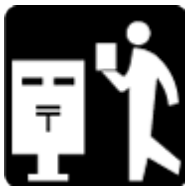
Participation on the day



Date and Time	Thursday, May 30, 2024 at 10 a.m. Japan time Reception will open at 9:30 a.m.

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

Non-participation on the day



Exercise by Mail

Exercise Deadline	Must reach us no later than Wednesday, May 29, 2024, 7 p.m.

Please indicate your approval or disapproval of the agenda on the enclosed Voting Rights Exercise Form and return it so that it arrives by the above exercise deadline. If no indication of approval or disapproval is made on the voting form for a proposal, it will be treated as an indication of approval.



Exercise by Internet

Exercise Deadline	Must reach us no later than Wednesday, May 29, 2024, 7 p.m.

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

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

About "Smart Exercise"

By reading the "Smart Voting Website Login QR Code® for Smartphones" on the enclosed Voting Form, you can access the website without entering your "Voting Code" and "Password".

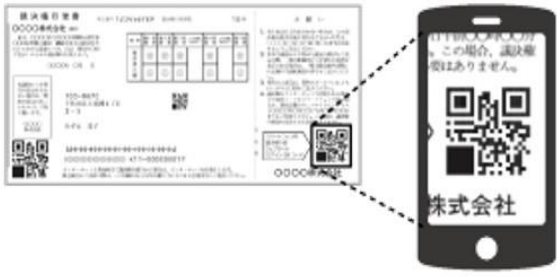
*You may only exercise your voting rights once by the above method.

About "Smart Exercise”

You can log in the voting website without entering your voting code and password.

1 Access to the voting website for smartphones

Scan the "QR Code® for Smartphone Voting Website" in the lower right corner of the enclosed Voting Form with your smartphone or tablet device.



2 Choose how to exercise your voting right

Please access voting website by clicking the URL. There are two ways to exercise voting rights.



- Vote in favor of all proposals
- Vote each proposal individually

3 Please vote approval or disapproval of each proposal individually



4 Please click “Exercise” after checking the content



You may only exercise your voting rights once by Smart Exercise. If you want to revise your approval or disapproval after exercising your voting rights, you have to exercise your voting rights again using the "Exercise by Internet“ on the next page.

※“QR code®” is a registered trademark of DENSO WAVE INCORPORATED

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, unserviceable 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: 9am-9pm except the year-end and New Year holidays.)
Inquiries other than matters related to exercising voting rights.	Mizuho Trust & Banking Securities Agency Department Shareholder-only call centre 0120-288-324 (Reception hours: weekdays 9am-5pm)

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

Reference Documents for the Shareholders' Meeting

Proposals and References

Proposal No. 1: Regarding the Decrease of Capital Reserves

To strengthen the financial capacity for distributing dividends from surplus and to establish a flexible and stable dividend policy to adapt to potential changes in the business landscape, the capital reserves have been augmented in accordance with Article 448, Paragraph 1 of the Companies Act. Our intention now is to decrease this reserve and transfer the entirety of the amount to other capital surplus.

Details of the decrease in the amount of capital reserves

(1) Amount of capital reserve decreased
The capital reserve of ¥8,055,458,900 yen will be reduced by ¥1,000,000,000 yen, with the entirety of this sum being transferred to other capital surplus. Consequently, the remaining amount of capital reserves after this reduction will be ¥7,055,458,900 yen.

(2) The effective date of the reduction in additional paid-in capital
May 30, 2024

Notes: The above amounts of capital reserves and capital reserves after reduction are based on the amounts as of February 29, 2024.

Proposal No. 2: Election of Six (6) Directors

The terms of office of the current eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Hence, considering the evolving business landscape, we are formally requesting a reduction in the number of directors by two. Simultaneously, we propose the election of six directors to facilitate agile decision-making within the Board of Directors.

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, Marketing Headquarters Chief, Chief of Global Business Headquarters, Moussy's Brand Division Manager
3	Satoru Matsuzaki	Reappoint Outside Director Independent Director	Outside Director
4	Masuo Okumura	Reappoint Outside Director Independent Director	Outside Director
5	Fang Sheng	Reappoint Outside Director	Outside Director
6	Yingnan Zhang	Reappoint Outside Director	Outside Director

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions and responsibilities in our company
1	**Hiroyuki Murai** Reappoint (July 26, 1961) 1,048,100 shares Number of years in office as a director : sixteen years and three months (At the conclusion of this Annual Shareholders' Meeting) Attendance at the Board of Directors: 17/17 times (100%)	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 LIMITED. (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 Apparels Co., Ltd. (to present) Nov 2013 Representative Director, Baroque Shanghai Development Co., 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)
	Significant concurrent positions Director and Chairman, BAROQUE HK LIMITED Representative Director, BAROQUE SHANGHAI LIMITED Director, Managing Director BAROQUE CHINA LIMITED Director, BAROQUE CHINA APPARELS LIMITED Director, Baroque Shanghai Apparels Co., Ltd. Representative Director, Baroque Shanghai Development Co., Ltd. Managing Director, FRAME LIMITED Director, BAROQUE USA LIMITED	
	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 his continued election as a Director of the Company.	

<table>
<tr><th>No.</th><th>Name
(Date of birth)
Number of shares of the Company held</th><th colspan="2">Career summary, positions and responsibilities in our company</th></tr>
<tr><td rowspan="3">2</td><td>Akihito Fukasawa

Reappoint

(January 21, 1975)

128,000 shares

Number of years in office as a director : six years and one month
(At the conclusion of this Annual Shareholders' Meeting)

Attendance at the Board of Directors: 17/17 times (100%)</td><td>Mar 2001
Mar 2005

Feb 2008

Apr 2011

Jan 2014

Jul 2015

Apr 2016
May 2017

Feb 2018

Apr 2018

Mar 2019

May 2019

Mar 2021
Mar 2022

Apr 2022
Mar 2023</td><td>Joined Fakedelic K.K.
Representative Director, Jackpot Production Co., Ltd.
Executive Officer, General Manager, SHEL'TTER Business Department, the Company
Senior Executive Officer, General Manager, SHEL'TTER Business Division, and General Manager, SHEL'TTER Business Department
Senior Executive Officer, General Manager, Outlet and Wholesale Business Department, and General Manager, Overseas Business Department
Senior Executive Officer, General Manager, Overseas Business Department, and Deputy General Manager, Sales Control Division
Director, BAROQUE USA LIMITED (to present)
Managing Executive Officer, Unit Manager, The Second Unit, and General Manager, Overseas Business Department, the Company
Managing Executive Officer, General Manager, Global Business Division, the Company
Director, Managing Executive Officer, General Manager, Global Business Division, the Company
Director, Managing Executive Officer, General Manager, Sales Management Headquarters, the Company
Executive Director and Deputy Chief Executive Officer, General Manager, Sales Management Headquarters, the Company (to present)
Unit Manager, The First Unit, the Company
General Manager, EC Business Division, the Company
Task Force on SCM Reform, the Company
Sales Management Headquarters, the Company (to present)</td></tr>
<tr><td colspan="2">Significant concurrent positions
Director, BAROQUE USA LIMITED</td></tr>
<tr><td colspan="2">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 his continued election as a Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
Number of shares of the Company held</th><th>Career summary, positions and responsibilities in our company</th></tr>
<tr><td rowspan="2">3</td><td>Satoru Matsuzaki
Reappoint

Outside Director

Independent Director

(March 10, 1954)

0 shares

Number of years in office as a director : one year
(At the conclusion of this Annual Shareholders' Meeting)

Attendance at the Board of Directors: 13/13 times
(100%)</td><td>Apr 1978 Joined The Seiyu Stores, Ltd. (currently Seiyu Co., Ltd.)
Jul 2005 Joined Ryohin Keikaku Co., Ltd.
General Manager of Regional Management - Asia, Overseas Operations Division, Ryohin Keikaku Co., Ltd.
Feb 2008 Executive Officer, General Manager of Regional Management – China, Overseas Operations Division, Ryohin Keikaku Co., Ltd.
May 2011 Director and Executive Officer, General Manager of Overseas Operations Division, Ryohin Keikaku Co., Ltd.
May 2012 Managing Director and Executive Officer, General Manager of Overseas Operations Division., Ryohin Keikaku Co., Ltd.
May 2013 Senior Managing Director and Executive Officer, General Manager of Overseas Operations Division, Ryohin Keikaku Co., Ltd.
May 2015 President and Representative Director, Executive Officer, Ryohin Keikaku Co., Ltd.
President and Representative Director, MUJI House Co.,Ltd.
Sep 2020 President and Representative Director, Executive Officer, General Manager of Overseas Operations Division, Ryohin Keikaku Co., Ltd.
Sep 2021 Vice President and Executive Officer, Ryohin Keikaku Co., Ltd.
May 2023 Outside Director, the Company (to present)</td></tr>
<tr><td colspan="2">Reasons for selection as a candidate and expected role for Outside Director
Mr. Matsuzaki Akatsuki has extensive abundant experience and a broad understanding insight as a corporate manager and is well- versed in overseas business.
We expect that Mr. Matsuzaki will make efforts to strengthen the management supervisory function for the Company's sustainable growth and enhancement of corporate value, especially from the viewpoint of corporate management and development of global business. Therefore we request his continued election as an outside director.
In addition, he serves as a member of the Company's Nomination and Compensation Advisory Committee, a voluntary committee dedicated to advising on nomination and compensation matters.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
Number of shares of the Company held</th><th>Career summary, positions and responsibilities in our company</th></tr>
<tr><td rowspan="3">4</td><td>Masuo Okumura
Reappoint

Outside Director

Independent Director

(November 8, 1947)

0 shares

Number of years in office as a director : one year
(At the conclusion of this Annual Shareholders' Meeting)

Attendance at the Board of Directors: 12/13 times
(92%)</td><td>Jul 1971 Joined National Police Agency
May 2001 Chief, the Osaka Prefectural Police Headquarters
Aug 2002 Director General, the Security Bureau, National Police Agency
Jan 2004 Superintendent General of the Metropolitan Police Department
Mar 2006 Chairperson, JAPAN TRAFFIC SAFETY ASSOCIATION
Jun 2013 Chairperson, Japan Road Traffic Information Center
Jul 2013 Auditor, Maruichi Steel Tube Ltd. (to present)
May 2023 Outside Director, the Company (to present)</td></tr>
<tr><td colspan="2">Significant concurrent positions
Audit & Supervisory, MARUICHI STEEL TUBE LTD</td></tr>
<tr><td colspan="2">Reasons for selection as a candidate and expected role for Outside Director
Mr. Masuo Okumura has a wealth of experience and a wide range of insight gained through his many years of service in the police and other government agencies.
We expect that Mr. Okumura will make efforts to strengthen the management supervision functions, mainly in the areas of risk management and compliance, for the Company's sustainable growth and enhancement of corporate value. Therefore we request his election as an outside director. Although Mr. Kuroda has no experience directly involved in the management of the Company other than being an outside director, we believe that he will be able to perform his duties appropriately, for the reasons stated above.
In addition, he serves as a member of the Company's Nomination and Compensation Advisory Committee, a voluntary committee dedicated to advising on nomination and compensation matters.</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 and responsibilities in our company</th></tr>
<tr><td rowspan="3">5</td><td>Fang Sheng

Reappoint

Outside Director

(November 11, 1972)

0 shares

Number of years in office as a director : ten years and nine months
(At the conclusion of this Annual Shareholders' Meeting)

Attendance at the Board of Directors: 17/17 times
(100 %)</td><td>Nov 1993

Nov 2005

May 2007

May 2011

Dec 2011

Apr 2013

Aug 2013

Sep 2013

Nov 2013

Jun 2019

Feb 2022</td><td>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
Outside Director, the Company (to present)
Director, BAROQUE CHINA APPARELS LIMITED (to present);
Representative Director, Baroque Shanghai Apparels Co., Ltd. (to present)
Director, Baroque Shanghai Development Co., Ltd. (to present)
Non-executive Director, Topsports International Holdings Limited (to present)
Executive Director & CEO, Belle Fashion Group (to present)</td></tr>
<tr><td colspan="2">Significant concurrent positions
Executive Director, Belle International Holdings Limited
Deputy Chairman, Smile Charity Foundation
Director, BAROQUE CHINA APPARELS LIMITED
Representative Director, Baroque Shanghai Apparels Co., Ltd.
Director, Baroque Shanghai Development Co., Ltd.
Non-executive Director, Topsports International Holdings Limited
Executive Director & CEO, Belle Fashion Group</td></tr>
<tr><td colspan="2">Reasons for selection as a candidate and expected role for Outside Director
Mr. Fang Sheng has extensive experience and insight in corporate management in China. As an Executive Director of our strategic business partner, Belle International Holdings Limited, we hope that he will contribute to the further development of our Chinese joint venture. Therefore we request his re-election as an Outside Director.</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 and responsibilities in our company</th></tr>
<tr><td rowspan="3">6</td><td>Yingnan Zhang

Reappoint

Outside Director

(May 8, 1984)

0 shares

Number of years in office as a director : five years
(At the conclusion of this Annual Shareholders' Meeting)

Attendance at the Board of Directors: 17/17 times
(100%)</td><td>Jul 2007

May 2010

Jul 2010

May 2013

May 2014

Apr 2017

May 2019

Apr 2020

Mar 2022</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)

Chief Executive Officer, ORIX Asia Asset Management Limited (to present)</td></tr>
<tr><td colspan="3">Significant concurrent positions
Senior Executive Director, ORIX Asia Capital Limited
Chief Executive Officer, ORIX Asia Asset Management Limited</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate and expected role for Outside Director
Ms. Yingnan Zhang has rich experience and extensive insight in the investment business in China and Asia, which can contribute significantly to the development of the Company's global corporate management.
We request her re-election as an Outside Director from the perspective of our sustainable growth and enhancement of corporate value, we expect her to play a key role in the development of global business that we are aiming for.</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 Apparels Co., Ltd., at which he serves as Representative Director is the Company's equity method associate, and there is a transactional relationship involving the use of the Company's brand trademark rights between said company and the Company.
2. Ms. Yingnan Zhang is concurrently serving as Senior Executive Director of ORIX Asia Capital Limited, and Chief Executive Officer of ORIX Asia Asset Management Limited a company indirectly controlled by ORIX Corporation, a major shareholder of the Company.
3. No significant transactions or other material interest exists between the Company and other corporations at which the other candidates concurrently serve.
4. Article 27, Paragraph 2 of the Company's Articles of Incorporation stipulates that the Company may enter into an agreement with directors (excluding those who are executive directors) to limit their liability for damages to the Company to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, pursuant to Article 427, Paragraph 1 of the said Act. The Company stipulates in Article 27, Paragraph 2 of its Articles of Incorporation that the Company may enter into agreements with directors (excludingthose who are executive directors) to limit their liability for damages to the Company to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan, pursuant to Article 427, Paragraph 1 of the said Act. Accordingly, Mr. Satoru Matsuzaki, Mr. Masuo Okumura, Mr. Sheng Fang and Ms. Yingnan Zhang have entered into the liability limitation agreement with the Company, and if the reappointment of each of them is approved, the above liability limitation agreement will be continued.
5. Mr. Satoru Matsuzaki and Masuo Okumura satisfy the requirements for independent directors as stipulated by Tokyo Stock Exchange, Inc.
6. The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan, which insures all directors, and the policy covers the liability of the insured for the performance of their duties and damages arising from claims related to the pursuit of such liability. The insurance policy will cover the insured's liability for the performance of his/her duties and for damages arising from claims related to the pursuit of such liability. If the candidates are elected as proposed, they will be insured under the insurance policy, which is scheduled to be renewed in December 2024 with the same terms and conditions. The premiums are fully paid by the Company.

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

		Expertise, experience and expected role					
Name	Positions and responsibilities in the Company	Business management	Business strategy, branding, marketing	Global	Financial Accounting	Governance, risk management	Other business knowledge
Hiroyuki Murai	Representative Director, President and Chief Executive Officer	●	●	●	●	●	
Akihito Fukasawa	Executive Director and Deputy Chief Executive Officer	●	●	●	●	●	
Satoru Matsuzaki	Outside Director (Independent Director)	●	●	●		●	● Retail industry knowledge
Masuo Okumura	Outside Director (Independent Director)					●	● Legal & Compliance
Fang Sheng	Outside Director	●	●	●	●	●	● Retail industry knowledge
Yingnan Zhang	Outside Director			●	●		● Business investment

* Items that are particularly expected for each person are listed.
* It does not represent all the knowledge and experience of each person.

Proposal No. 3: Election of Three (3) Auditors

At the conclusion of this general meeting, the terms of office for all current corporate auditors (four members) will expire. In light of the Company's executive structure, we have concluded that the effectiveness of corporate governance can be maintained with a reduced number of auditors. Therefore, we propose reducing the number of auditors by one and electing three new auditors.

Please note that this proposal has been approved by the Board of Corporate Auditors.

The candidates for Auditors are as follows.

No.	Name		Positions and responsibilities in the Company
1	Shinichi Matsuda	Reappoint	Full-time Auditor,

2	Yoshiki Yoshida	Reappoint Outside Auditor Independent Director	Outside Auditor, Full-time Auditor
3	Akira Tsujishima	Newly appoint Outside Auditor Independent Director	

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions and responsibilities in our company
1	**Shinichi Matsuda** Reappoint (Sep 25, 1960) 4,200 shares Number of years in office as an Auditor : four years (At the conclusion of this Annual Shareholders' Meeting) Attendance at the Board of Directors: 17/17 times (100%) Attendance at the Board of Audit & Supervisory: 17/17 times (100%)	Apr 1988 Joined SANEI-INTERNATIONAL CO., LTD. Sep 2001 Executive Officer, General Manager, Sales Division Nov 2003 Director, Executive Officer, and Manager, Company 1 Nov 2007 Managing Director, General Manager, Sales Division Jan 2009 Managing Director, Deputy General Manager, Business Division Sep 2009 Director, General Manager, Business Promotion Division, and General Manager, Regional Sales Control Division Oct 2010 Executive Officer, General Manager, Business Division 2, the Company Apr 2011 Director, Executive Officer, and General Manager, Business Division 2 Apr 2012 Director, Senior Executive Officer, and General Manager, Business Division 2 Jun 2012 Director, Senior Executive Officer, and General Manager, Corporate Planning Division Sep 2012 Director, Senior Executive Officer, General Manager, Corporate Planning Division, and General Manager, BLACK BY MOUSSY Business Department May 2013 Director, Senior Executive Officer, General Manager, Sales Control Division, and General Manager, BLACK BY MOUSSY Business Department May 2015 Senior Managing Executive Officer, General Manager, Production Division, and Deputy General Manager, Sales Control Division Dec 2016 Senior Managing Executive Officer, General Manager, Production Division, and General Manager, STACCATO Business Department May 2017 Senior Managing Executive Officer, General Manager, Sales & Marketing Division, and General Manager, STACCATO Business

			Department
		May 2018	CEO Advisor (to present)
		May 2020	Full-time Auditor(to present)
	Reasons for selection as a candidate for Audit & Supervisory Board member In order for Mr. Shinichi Matsuda to utilize his rich experience and insight in the apparel industry, acquired through many years of working as a business manager at a major apparel company and as a corporate executive of the Company, in the Company's auditing, we request for his continued election as an Audit & Supervisory Board Member.		

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions and responsibilities in our company	
2	**Yoshiki Yoshida** Reappoint Outside Auditor Independent Director (Mar 3, 1950) 0 shares Number of years in office as an Auditor : eleven years and one month (At the conclusion of this Annual Shareholders' Meeting) Attendance at the Board of Directors: 17/17 times (100%) Attendance at the Board of Audit & Supervisory: 17/17 times (100%)	Apr 1972	Joined MITSUI & CO., LTD.
		Mar 2002	General Manager, Chemicals Department, Kyushu Branch
		May 2004	General Manager, Chubu Synthetic Resin & Inorganic Chemicals Department, Synthetic Resin & Inorganic Chemicals Division
		Jun 2005	Inspector, Internal Audit Division
		Jun 2009	Full-time Audit & Supervisory Board Member, MITSUI FOODS CO., LTD
		Apr 2013	Outside Audit & Supervisory Board Member, the Company (to present)
		Jul 2013	Full-time Audit & Supervisory Board Member (to present)
	Reasons for selection as a candidate for Outside Auditor In order for Mr. Yoshiki Yoshida to utilize his rich experience, acquired from engaging		

	in the internal auditing of corporations and being a full-time audit & supervisory board member, in the strengthening of the Company's auditing system, we request for his reelection as an Outside Audit & Supervisory Board Member. Although he has not been directly involved in corporate management other than being an outside officer, we have determined that he will be able to perform his duties properly as an Outside Audit & Supervisory Board Member for the above reasons.

No.	Name (Date of birth) Number of shares of the Company held	Career summary, positions and responsibilities in our company
3	**Akira Tsujishima** Newly appoint Outside Auditor Independent Director (Aug 4, 1953) 0 shares Number of years in office as an Auditor: – Attendance at the Board of Directors: – Attendance at the Board of Audit & Supervisory: –	Apr 1981 Appointed as a public prosecutor Apr 1988 Attorney registration(Tokyo Bar Association) Aug 1989 Opened Tsujishima Law Firm Apr 2004 Opened Tsujishima Ishibe Law Firm(as a Managing Attorney)(to present)
	Reasons for selection as a candidate for Outside Auditor We respectfully propose Mr. Akira Tsujishima as a candidate for the position of outside corporate auditor. His considerable experience and insightful perspective as both a prosecutor and a lawyer make him a valuable asset to our audit operations. While he may not have direct experience in company management, his expertise and qualifications equip him to effectively fulfill the responsibilities of an outside corporate auditor.	

(Notes)
1. There are no special relationships between the Company and the candidates for Auditors.
2. In accordance with Article 35, Paragraph 2 of the Company's current Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company can enter into an agreement with Audit & Supervisory Board Members 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. Yoshiki Yoshida and Mr. Shinichi Matsuda, and the Company plans to continue the said agreement with each of them if their reelection is approved. Similarly, the Company plans to enter into the said agreement with Mr. Akira Tsujishima if he is elected as an Auditor.
3. Mr. Yoshiki Yoshida, Mr. Akira Tsujishima satisfy the requirements for independent directors based on the provisions of Tokyo Stock Exchange, Inc.

4. Our company has executed an officer liability insurance contract, as mandated by Article 430-3, Paragraph 1 of the Companies Act, with an insurance provider. Under the terms of this contract, the insured individuals are obligated to assume legal liabilities and litigation expenses, which will be indemnified by the insurance agreement. Should each candidate be appointed as an Audit & Supervisory Board Member, they will be encompassed as insured parties within the confines of the aforementioned insurance contract. Furthermore, it is anticipated that the insurance contract will be renewed with identical terms upon its next renewal.

Proposal No. 4: Election of Substitute Auditor

In the event that the number of auditors mandated by law is insufficient, we hereby petition for the election of one substitute auditor. Should a substitute corporate auditor assume the role of a corporate auditor, their tenure will endure until the conclusion of the term held by the retiring corporate auditor. This resolution shall remain in effect until the commencement of the annual general meeting of shareholders for the last fiscal year ending within four years subsequent to the election.

It is important to note that the validity of this election may be rescinded solely by resolution of the Board of Directors, subject to the concurrence of the Board of Corporate Auditors, prior to the appointment.

Furthermore, this proposal has received approval from the Board of Corporate Auditors.

The candidates for Substitute Corporate Auditor are as follows.

Name (Date of birth) Number of shares of the Company held	Career summary, positions and responsibilities in our company	
Shiho Konno (Jun 28, 1963) 0 shares	Apr 1991	Attorney registration(DAI-ICHI Tokyo Bar Association)
	Jun 2005	Auditor, LY Corporation(formerly Yahoo Japan Corporation)
	Mar 2008	Auditor, ASM Inc.(formerly Advanced Softmaterials Inc.)
	Apr 2009	Professor at Waseda Law School, Waseda University
	Jun 2014	A member of the Japan Federation of Bar Associations (to present)
	Aug 2014	Auditor, Japan Corporate Governance Network, a specified non-profit organization
	Mar 2015	Representative and attorney at Shiho Konno Habataki Law Office(to present)
	Jun 2015	Outside Director for WATAMI CO.,LTD.
	Jun 2016	Chairperson of the Committee on Realization of a Gender-Equal Society at the Japan Federation of Bar Associations (leading the Project Team for Female Lawyers Outside Officers)
	Jun 2016	Outside Director for Kakaku.com, Inc.
	Nov 2016	A member of the JFBA Judicial System Research Committee's Project Team to Establish Guidelines for Outside Directors(to present)

	Jun 2017	Outside Director for Alfresa Holdings Corporation
	Jun 2018	Outside Auditor for SBI Shinsei Bank, Limited(formerly Shinsei Bank, Limited)(to present)
	Jun 2018	Outside Director for Monex Group, Inc.(to present)
	Jun 2021	Outside Director for LIXIL Corporation(to present)

Reasons for selection as a candidate for substitute outside corporate auditor

We anticipate that Ms. Shiho Konno will leverage her extensive legal background and experience as an outside officer, coupled with her profound understanding of corporate governance and diversity, to enhance our management oversight capabilities. We respectfully urge you to elect her as a substitute corporate auditor. Despite lacking direct involvement in company management beyond her role as an outside officer, we remain confident that her qualifications will enable her to effectively fulfill her duties as an external corporate auditor, as outlined above.

(Notes)

1.There exist no conflicts of interest between the candidate for Substitute Audit & Supervisory Board Member and the Company.

2.Ms. Shiho Konno is a nominee for a substitute outside corporate auditor, and upon appointment, she will be registered as an independent officer with the Tokyo Stock Exchange.

3.Upon assuming office, should Ms. Shiho Konno be appointed, the Company intends to establish an agreement with her to limit liability for neglect of duties, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act.

Our company has entered into an officer liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. This insurance contract is utilized to indemnify damages and expenses incurred by the insured parties. It is envisaged that Ms. Shiho Konno, upon assuming the position of Audit & Supervisory Board Member, will be included as an insured party under this insurance contract.

Business Report

(March 1, 2023– February 29, 2024)

1. Overview of the Group

(1) Business in the Fiscal Year under Review

1) Business Progress and Results

During the fiscal year, ended February 29, 2024, despite the impact of the COVID-19 pandemic, The Japanese economy exhibited signs of recuperation as economic activity normalized amid the transition of the new coronavirus infection to Category 5, coupled with an upsurge in inbound demand. Nevertheless, the business environment persisted in its state of uncertainty, characterized by apprehensions surrounding a potential deceleration in consumption attributed to the escalation of raw material and energy costs. Moreover, concerning the Chinese economy, personal consumption exhibits a lack of vigor attributable to

the deepening real estate downturn and the escalating challenges within the employment landscape.

(Group's domestic business)

Regarding the Group's domestic business, demand for summer items experienced an upturn owing to unseasonably high temperatures, while demand for winter items was subdued due to a mild winter. Nonetheless, store sales saw a notable uptick of 4.5% compared to the corresponding period last year, with e-commerce sales also registering a modest increase of 0.6% over the same period. Additionally, strategic initiatives were implemented, including sales optimization, emphasis on pricing strategies, and reduction of procurement costs. Consequently, the gross profit margin for the current consolidated fiscal year in the domestic business segment reached 104.0% compared to the same period last year, surpassing previous figures.

Despite the increase in gross profit, the escalation in selling, general, and administrative expenses, particularly attributed to heightened advertising expenditure for key brands, resulted in a decline in operating income compared to the previous year.

(Group's overseas business)

As for the Chinese Joint Venture with Belle International Holdings Limited (hereon, "Belle"), With the resurgence in sales, wholesale figures surged by 105.3% compared to the corresponding period of the previous year. Furthermore, the Group's China operations witnessed growth in both sales revenue and profitability vis-à-vis the same period of the preceding year. Despite a reduction in the total number of stores by 82 compared to the end of the previous fiscal year, this strategic move was deliberate, focusing on stores predominantly in Beijing and Shanghai while discontinuing operation of unprofitable stores, particularly in regional locales.

As for our U.S. business, our primary focus revolves around the distribution of premium Japanese-made denim utilizing a business model primarily centered on e-commerce and wholesale transactions with high-end department stores and select boutiques. Despite a decline in both sales revenue and profitability compared to the corresponding period last year, attributed to factors such as a downturn in consumer spending in the United States, we are actively implementing strategic initiatives and measures geared towards facilitating future recovery.

As of February 29, 2024, we have 361 stores in Japan (272 directly operated, 89 through franchise) and 6 overseas stores (1 directly operated, 5 through franchise) – for a total of 367 stores. In addition, the number of stores in the Chinese retail business operated through Joint Venture with Belle stood at 244.

As a result of the above, in the fiscal year ended February 29, 2024, consolidated turnover of 60,290 million yen (2.5% decrease from the prior year), operating profit of 1,954 million yen (9.1% decrease from the prior year), recurring profit of 2,022 million yen (67.0% increase from

the prior year), and profit attributable to owners of the parent was 945 million yen (287.7% increase from the prior year).

(Turnover by Country)

Turnover and composition by country are as follows:

Country	For the fiscal year under review		Profit for the fiscal year under review
	Turnover (million yen)	Composition (%)	
Japan	53,792	89.2	103.8
China (including Hong Kong)	5,297	8.8	105.0
United States	1,200	2.0	60.6
Total	60,290	100.0	102.5

2) Capital Investments

During the fiscal year under review, the Group made capital investments that amounted to a total of 1,387 million yen. The main investments are as follows:

Rental and guarantee deposits related to new store openings	174 million yen
Investments in store facilities related to new store openings and store renovations	966 million yen
Development of E-commerce systems	137 million yen

3) Financing

There are no significant matters to report.

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	22nd term (Year ended February 28, 2021)	23rd term (Year ended February 28, 2022)	24th term (Year ended February 28, 2023)	25th term (Year ended February 29, 2024) (Fiscal year under review)
Turnover (million yen)	50,590	59,139	58,842	60,290
Net profit (million yen)	375	1,471	243	945
Earnings per share (yen)	10.44	40.87	6.77	26.24
Total assets (million yen)	38,343	38,632	37,245	37,261
Equity (million yen)	20,911	22,437	22,085	22,202
Net assets per share (yen)	536.18	562.36	541.99	535.80

(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) 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 and export of clothing
BAROQUE SHANGHAI LIMITED	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 Development Co., Ltd.	RMB 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

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

a) We will focus on selection and concentration, with narrowing down as a priority strategy for our domestic business. We will also promote scrap-and-build of stores and focus on fields that should be strengthened in the future.

b) We will promote further improvement of the profit margin as a means of strengthening our constitution. Under recognition of “not over producing = sustainable”, we will work to build a manufacturing system that does not overproduce, and aim to improve business efficiency and customer convenience by strengthening OMO.

c) Regarding the improvement of brand competitiveness, we will strive to further improve brand value and recognition by transmitting a new "culture" from the Group and proposing a richer life. We will work to strengthen our product planning capabilities and promote product enhancement using multifunctional materials.

2) Steadily growth of the Chinese apparel business

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

3) Creating new businesses

In the future, we plan to elaborate on our new business policy, specifying the markets we intend to penetrate and the extent of investment that will leverage our core competencies. Furthermore, we aim to utilize our flagship store in Omotesando as a test marketing hub for new ventures.

4) Sustainability Response

Our sustainability goals are "to achieve zero waste and zero incinerator", and we will promote measures from the three perspectives of environment, society, and people,

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

For this fiscal year, we are engaged in the comprehensive calculation of carbon dioxide (CO2) emissions, encompassing SCOPE3 emissions. Concurrently, we are formulating sustainability-related objectives, including reduction targets, and undertaking the disclosure of pertinent information in adherence to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Furthermore, we have attained a B rating for our climate change response from the Carbon Disclosure Project (CDP), an esteemed international non-governmental organization dedicated to fostering the transparency of environmental initiatives undertaken by prominent corporations globally.

5) Development of the infrastructure that supports our business

In the current difficult market environment, we will aggressively make investments that will be the base of next growth. We will promote investment to strengthen OMO, construction of new marketing functions, renewal of core system, etc. in preparation for the future growth. Additionally, we commit to enhancing our supply chain management practices in consideration of escalating raw material prices and increased distribution costs.

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

(5) Principal Businesses (As of February 29, 2024)

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 29, 2024)

1) Business Offices of the Company

Head office	Meguro-ku, Tokyo

Stores	272 (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 LIMITED.	Shanghai City, People's Republic of China
BAROQUE CHINA LIMITED	Hong Kong Special Administrative Region, People's Republic of China
Baroque Shanghai Development Co., 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 29, 2024)

1) Employees of the Group

Number of employees	Change from previous fiscal year-end
1,424	-64

2) Employees of the Company

Number of employees	Changes from previous fiscal year-end	Average age	Average service period
1,356 (226)	-63(+24)	30.4	6 years and 8 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 29, 2024)

Lender	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	5,000
Mizuho Bank, Ltd.	2,000
MUFG Bank, Ltd.	1,000

(9) Other Important Information Concerning the Group

Not applicable.

2. Overview of the Company

(1) Shares (As of February 29, 2024)

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 56,219 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
Murai Capital Co., Ltd.	2,600,000	7.17
The Master Trust Bank of Japan, Ltd.(Trust Account)	1,196,400	3.30
Hiroyuki Murai	1,048,100	2.89
Nomura Securities Co.,Ltd.	516,944	1.42
Trust & Custody Services Bank, Ltd. (Trust Account)	222,900	0.61
Trust & Custody Services Bank, Ltd. (Trust Account E)	190,000	0.52
Seiki Nara	166,400	0.45
Kunioki Seimiya	151,000	0.41

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

2. The Company holds treasury stock (460,400 shares) 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 190,000 shares held by the trust through performance-based stock compensation plan, “the Board Benefit Trust (BBT)”.

(2) Company Officers

1) Directors and Audit & Supervisory Board Members (As of February 29, 2024)

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 LIMITED. Managing Director, BAROQUE CHINA LIMITED Director, BAROQUE CHINA APPARELS LIMITED Director, Baroque Shanghai Apparels Co., Ltd. Representative Director, Baroque Shanghai Development Co., Ltd. Managing Director, FRAME LIMITED Director, BAROQUE USA LIMITED
Executive vice-president	Akihito Fukasawa	General Manager, Sales Management Div., Overseas Business Manager, Director,BAROQUE USA LIMITED
Executive vice-president	Eiichi Nakamura	General Manager of Production Headquarters, Outside Director, AOKI Holdings Inc.
Director	Nobuhide Hayashi	Executive Advisor, Mizuho Bank, Ltd. Outside Director, Kao Corporation Outside Audit & Supervisory Board Member, JTB Corp. Outside Audit & Supervisory Board Member, TOBU RAILWAY CO.,LTD.
Director	Satoru Matsuzaki	
Director	Masuo Okumura	Auditor, Maruichi Steel Tube Ltd.
Director	Fang Sheng	Belle International Holdings Limited, Executive Director Smile Charity Foundation, Deputy Chairman Director, BAROQUE CHINA APPARELS LIMITED Representative Director, Baroque Shanghai Apparels Co., Ltd. Director, Baroque Shanghai Development Co., Ltd. Topsports International Holdings Limited, Non-executive Director Belle Fashion Group, Executive Director & CEO

Position	Name	Areas of responsibility at the Company and significant concurrent positions
Director	Yingnan Zhang	Senior Executive Director, ORIX ASIA Capital Limited ORIX Asia Asset Manegement Limited, Senior Executive Director
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
Audit & Supervisory Board Member	Koichiro Watanabe	Director, Koichiro Watanabe Certified Accountant Office Outside Director, TOMY COMPANY, LTD.

(Notes) 1. Directors Mr. Nobuhide Hayashi, Mr. Satoru Matsuzaki, Mr. Masuo Okumura, Mr. Fang Sheng, and Ms. Yingnan Zhang are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act of Japan.

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 of Japan.
3. The Company has reported Outside Directors Mr. Nobuhide Hayashi, Mr. Satoru Matsuzaki, and Mr. Masuo Okumura, 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 Apparels Co., 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. 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.
6. There are no notable transactions or special affiliations between the Company and other corporations where Outside Directors and Outside Audit & Supervisory Board Members serve concurrently.
7. Mr. Eiichi Nakamura, Mr. Satoru Matsuzaki, and Mr. Masuo Okumura were newly elected and

commenced their roles at the 24th annual shareholders' meeting convened on May 26, 2023.

8. Mr. Kyosuke Shinozawa and Mr. Kunihisa Hama retired as directors following the expiration of their terms of office at the conclusion of the 24th annual shareholders' meeting convened on May 26, 2023.

9. Directors who retired during the fiscal year

Position in Company at Time of Retirement	Name	Responsibilities and Status of Important Concurrent Positions at the Time of Retirement	Retirement date
Director	Xiaoling Hu	Belle Internastional Holdings Limited, Non-executive Director Dali Foods Group Company Limited, Non-executive Director Topsports International Holdings Limited, Non-executive Director CDH Investments Management(Xiamen) Limited, Managing Director Hangzhou Beika Industrial Co., Limited, Director	Jul 27, 2023

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.

11. Audit & Supervisory Board Member Koichiro Watanabe is a certified public accountant and has considerable knowledge of finance and accounting.

2) Summary of the Liability Limitation Agreement

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

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

3) Summary of the Directors and Officers Liability Insurance

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

The essence of the insurance policy is that the insurance company provides compensation for damages that may arise due to the insured individual's execution of their duties or upon receiving a liability claim. This policy undergoes annual updates.

However, in instances where damages stem from the insured's acknowledgment of actions deemed as violations of laws and regulations, exemptions exist to preserve the integrity of the insured's duty execution. These exemptions, such as exclusion from insurance coverage, are warranted to uphold appropriateness.

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

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

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

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

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

The Company's performance-based stock compensation will be provided with Board Benefit Trust (BBT). For each fiscal year, directors will be given a number of points that are determined in consideration of their position, achievement level, etc., based on the regulation of Board Benefit Trust, and when the directors retire and the beneficiary requirements stipulated in the regulation of Board Benefit Trust are met, the director will receive share benefits according to the number of points. The number of shares to be paid is calculated by multiplying the points according to the position on the point grant date by the points according to the performance in the evaluation period (the net income attributable to owners of the parent company is used as an index in consideration of the low impact on company performance, while aiming to sustainably improve corporate value by sharing interests with shareholders) and the performance evaluation coefficient in the evaluation period, and 1 point = 1 share.

As a guideline for the compensation ratio for each type of executive director, the composition ratio of basic compensation and performance-based stock compensation is 10:1.

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

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

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

The compensation of the directors was resolved at the 12th Annual Meeting of Shareholders held on April 26, 2011 to be within 1,000 million yen per year (excluding the salary of employees who also serve as employees). The number of directors at the end of the Annual Meeting of Shareholders was 11. In addition, separately from the compensation, at the 18th Annual Meeting of Shareholders held on April 26, 2017, the maximum number of shares of performance-based stock compensation will be up to 72,000 shares per year (of which 31,000 shares will be granted to directors, and outside directors will be not eligible). The number of directors (excluding outside directors) at the end of the Annual Meeting of Shareholders was 3.

The compensation of Audit & Supervisory Board Members was resolved at the 10th Annual Meeting of Shareholders held on April 28, 2009 to be within 50 million yen per year. The number of Audit & Supervisory Board Members at the end of the Annual Meeting of Shareholders was 3.

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

Category	Amount of compensation, etc. (million yen)	Total amount by type of compensation (million yen)		Number of officers
		Basic compensation	Performance-based stock compensation	
Directors (of which are Outside Directors)	112 (24)	104 (24)	8 (−)	6 (3)
Audit & Supervisory Board Members (of which are Outside Audit & Supervisory Board Members)	35 (20)	35 (20)	−	4 (3)
Total (of which are Outside officers)	147 (44)	139 (44)	8 (−)	10 (6)

(Notes)1. The performance-based compensation, includes the Board Benefit Trust (BBT) expenses recorded for the fiscal year under review. The BBT is a stock compensation system that records expenses over several years according to the receiving period of the expenses, which was resolved as a form of compensation paid to officers.

2. Performance-based stock compensation uses net income attributable to owners of the parent of 2,750 million yen as an index for performance evaluation, and the actual result for the current fiscal year is 945 million yen.

3. Among the Directors, 3 Directors will not receive any compensation.

5) Outside Officers

Main Activities in the Fiscal Year under Review

Name	Status of main activities
Director Nobuhide Hayashi	Participated in all 17 meetings of the Board of Directors held during the fiscal year; provided opinions from the perspective of global business development and financial business strategy, making remarks to ensure the appropriateness and appropriateness of the decisions made by the Board of Directors from a standpoint independent of the business executives of the Company. In addition, as a member of the Nomination and Compensation Advisory Committee, which is a voluntary committee of the Company, he makes necessary remarks and advice from an objective and neutral standpoint.
Director Satoru Matsuzaki	Having attended all 13 meetings of the Board of Directors subsequent to assuming the role of an outside director, he has had the opportunity to thoroughly assess the efficacy of the Board's decision-making processes, independent of the Company's business executives. His evaluation has been particularly attentive to matters concerning corporate management and the advancement of global business operations, ensuring appropriateness in all deliberations. Furthermore, in his capacity as a member of the Nomination and Remuneration Advisory Committee, a voluntary committee within the Company, he provided necessary commentary and advice as warranted, consistently upholding objectivity and neutrality.
Director Masuo Okumura	Having attended 12 out of the 13 meetings of the Board of Directors subsequent to assuming the role of an outside director, he meticulously examined the validity and appropriateness of the Board's decision-making processes. This scrutiny was conducted independently of the company's business executives, with particular emphasis on aspects related to risk management and compliance, thereby ensuring the integrity of statements made. Furthermore, as a member of the Nomination and Remuneration Advisory Committee, a voluntary committee within the Company, he provided necessary comments and advice from an objective and neutral standpoint, maintaining impartiality in all his contributions.
Director Fang Sheng	Participated in all 17 meetings of the Board of Directors during the fiscal year under review; provided opinions from a perspective based on his rich experience and extensive insight acquired especially from engaging in corporate management, regarding global management, including joint ventures in China, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.
Director Xiaoling Hu	She attended seven out of the eight Board of Directors meetings held until her retirement on July 27, 2023; provided opinions from a perspective based on her rich experience and extensive insight acquired especially from engaging in corporate management, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.

Name	Status of main activities
Director Yingnan Zhang	Participated in all 17 meetings of the Board of Directors held during the fiscal year; provided opinions from a perspective based on her rich experience and extensive insight acquired especially from her experience of working in investment business such as China, from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings.
Audit & Supervisory Board Member Yoshiki Yoshida	Participated in all 17 meetings of the Board of Directors and all 17 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 17 meetings of the Board of Directors and all 17 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 16 out of the 17 meetings of the Board of Directors and 16 out of the 17 meetings of the Audit & Supervisory Board during the fiscal year under review; provided opinions from a perspective based on his experience in accounting audits and advisory work as a certified public accountant from a standpoint independent of the Company's business executives, conducive to securing the validity and appropriateness of decisions made at Board of Directors meetings; provided appropriate and necessary opinions regarding the Company's compliance and internal control at Audit & Supervisory Board meetings.

(3) Accounting Auditor

1) Name of Accounting Auditor
PricewaterhouseCoopers Japan LLC

2) Compensation, etc.

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

(Notes) 1. Under the audit agreement between the Company and its Accounting Auditor, compensation, etc. for audits pursuant to the Companies Act of Japan 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 Japan 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 Non-reappointment 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 of Japan, the Company's Audit & Supervisory Board shall dismiss the Accounting Auditor subject to the unanimous consent of the Audit & Supervisory Board Members.

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

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

Overview of System to Ensure Proper Business Execution

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

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

2) System for storage and management of information related to the performance of duties of the Company's Directors

   The Company shall construct a system for the appropriate storage and management of information related to business execution as well as proceedings and decisions made at Board of Directors meetings, based on regulations including those regarding the Board of Directors, Executive Officers, document management and the meeting structure.

3) Regulations or any other systems of the Company and its subsidiaries for management of risk of loss
   i) The Board of Directors shall supervise risk management in the Company and its subsidiaries, prevent the occurrence of any event that may significantly affect management, and ensure thorough risk management in every department, through meetings, etc. with the personnel in charge of each department.

ii) Further strengthen the legal department system and strengthen legal risk management.

iii) Based on the regulations related to crisis management, etc., the Company shall construct a system that can respond promptly to a situation where a material risk has emerged and the entire Company needs to take action, such as by establishing an emergency headquarter.

4) System to ensure the performance of duties by Directors of the Company and its subsidiaries is efficient

i) To increase the speed of decision-making by the Board of Directors, the head count of the Company's Board of Directors shall be kept to the minimum, and Board of Directors meetings shall be held flexibly.

ii) By effectively utilizing the executive officer system, the Company shall strengthen the supervising function of the Board of Directors over management, through promoting the delegation of authority related to business execution.

iii) The Company shall adopt a system where the Company and its subsidiaries can make prompt decisions and share necessary information, via meetings conducted by personnel in charge of the departments, in addition to Board of Directors meetings and Executive Officer meetings.

iv) The Company shall create other systems that endeavor to ensure operational efficiency, by implementing measures aimed at the rationalization and digitization of operations.

5) System to ensure proper business execution within the Group consisting of the Company and its subsidiaries, and system for reporting on the performance of duties by Directors, etc. of the Company's subsidiaries to the Company

i) The Company shall conduct the management of its subsidiaries based on regulations regarding the management of subsidiaries and associates.

ii) The Internal Audit Office shall conduct the audits of the Company and its subsidiaries.

6) Matters related to employees who are to assist duties of the Company's Audit & Supervisory Board Members should they request such employees, independence of such employees from the Directors, and ensuring effectiveness of instructions given to such employees

i) Employees of the Company's Internal Audit Office shall assist in the duties of the Company's Audit & Supervisory Board Members as necessary.

ii) The performance evaluation and disciplinary measures of such employees shall be determined by the Company's Audit & Supervisory Board Members.

iii) When an employee receives an order necessary for auditing from the Company's Audit & Supervisory Board Members, the employee shall not accept any instructions or orders from the Directors, Executive Officers, etc. regarding the said order.

iv) The Company's Directors shall cooperate in creating an environment conducive to auditing, to allow such employees to perform their tasks smoothly.

7) System for the Company's Directors, Executive Officers and employees and its subsidiaries' Directors, Audit & Supervisory Board Members and employees to report to the Company's Audit & Supervisory Board Members, other systems for reports to Audit & Supervisory Board Members, and system to ensure a person who makes such a report will not be treated unfavorably because of the report

i) The Company's Audit & Supervisory Board Members participates in Board of Directors meetings and other important meetings of the Company, as well as meetings with the Directors as necessary, to receive important reports and information about the Company and its subsidiaries.

ii) The Company's Directors, Executive Officers and employees, and its subsidiaries' Directors, Audit & Supervisory Board Members and employees will provide to the Company's Audit & Supervisory Board Members any information regarding important matters of the entire Company, the status of compliance, contents of internal auditing, contents of whistleblowing, and other matters deemed necessary by the Audit & Supervisory Board Members, without delay. The Company forbids the unfavorable treatment of a person who makes such a report to the Company's Audit & Supervisory Board Members because of the report.

8) Matters related to policy on advance payment or reimbursement procedures of costs arising from the Company's Audit & Supervisory Board Members' performance of duties, and processing of expenses or obligations arising from the performance of other such duties

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

9) Other systems to ensure effective audits by the Company's Audit & Supervisory Board Members

i) The Company shall strengthen the auditing system of Audit & Supervisory Board Members based on the standards for audit by Audit & Supervisory Board Members, etc.

ii) Based on the standards for audit by Audit & Supervisory Board Members and regulations regarding internal auditing etc., Audit & Supervisory Board Members shall cooperate with the Internal Audit Office and the Accounting Auditor to conduct effective audits.

iii) The Board of Directors shall create an environment that allows Audit & Supervisory Board Members to obtain advice from external experts such as lawyers, certified public accountants and tax accountants as necessary.

10) Basic policy towards elimination of antisocial forces

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

11) System to ensure reliability and fairness of financial reporting

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

Summary of Operational Status of System to Ensure Proper Business Execution

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

1) Compliance system

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

2) Performance of duties by Directors

In the fiscal year under review, 17 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 established Risk Management Regulations to address emergency situations wherein an event significantly affects 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

In accordance with its Authority Regulations and Subsidiaries and Associates Management Regulations, the Company authorizes significant affairs concerning its subsidiaries and associates, or receives reports from said 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 regularly convene meetings with the Internal Audit Office and the Accounting Auditor to facilitate collaboration, enabling the sharing of information and exchange of opinions aimed at conducting audits efficiently. Additionally, routine sessions for the exchange of viewpoints occur between the Representative Director and President and the Audit & Supervisory Board Members.

【Matters concerning corporate governance】

1) Establishment of Nomination and Compensation Advisory Committee

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

The Nomination and Compensation Advisory Board aims to strengthen the objectivity and transparency of the functions of the Board of Directors regarding the nomination and compensation of directors and executive officers, and to further enhance corporate governance. We deliberate on the matters outlined below in response to the consultation of the Board of Directors and submit our opinions for consideration by 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 successor plan
iv) Deliberation of the draft proposal for individual remuneration amounts (including calculation method) for directors, etc.
v) Deliberation of policies and procedures, including the composition of remuneration for directors, etc.

2) Evaluation of the effectiveness of the Board of Directors

The Company conducts an annual evaluation of the effectiveness of the Board of Directors.

The details of the effectiveness evaluation conducted in 2023 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 8:

- 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.
- Management of the Nomination and Compensation Advisory Committee
- 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.

It has been duly acknowledged that discussions pertaining to nomination and compensation within the Nomination and Compensation Advisory Committee have been fortified. The Company's Board of Directors engages in comprehensive deliberations concerning medium- to long-term management strategies, exhibits a suitable composition reflective of the requisite skills for strategy realization, and fosters an open and dynamic board environment. We acknowledge the efficacy of ongoing discussions as a cornerstone of our strength.

Conversely, we recognize that the Board of Directors' oversight concerning nominations, remuneration, including succession planning, and executive training are matters within the purview of the Board of Directors. As such, we intend to conduct discussions aimed at further enhancing these facets.

iii) Future action

We remain committed to advancing discussions on medium- to long-term management strategies and refining the composition of the Board of Directors. Furthermore, we will intensify efforts to provide comprehensive information, including preemptive briefings to outside directors. Moreover, we aim to bolster the efficacy of the Board of Directors and elevate corporate governance standards by fostering robust dialogues during Board meetings concerning nominations and remuneration, while reassessing executive training initiatives.

(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, 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 year-end dividend for the current fiscal year is slated to be determined at 38 yen per share during the board of directors meeting following the general meeting of shareholders, contingent upon the ratification of the proposal to decrease capital reserves at the 25th general meeting of shareholders.

Consolidated Balance Sheet

(As of February 29, 2024)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
I Current assets	**27,651**	**I Current liabilities**	**7,017**
Cash and cash equivalents	12,181	Notes payables	26
Trade receivables	9,613	Trade payables	2,246
Inventories	5,489	Short-term interest-bearing borrowings	2,000
Consumables	67	Outstanding amount	1,092
Others	301	Accrued expenses	477
Allowance for doubtful accounts	△2	Current tax payable	595
		Provision for bonus	298
II Non-current assets	**9,609**	Provision for reinstatement costs	20
1 Property, plant and equipment	**1,923**	Deposits received	5
Buildings and leasehold improvements	1,215	Others	255
Land	350		
Construction in progress	94		
Others	264		
		II Non-current liabilities	**8,040**
2 Intangible assets	**2,601**	Interest-bearing borrowings	6,000
Software	803	Provision for retirement benefits	17
Others	1,798	Provision for reinstatement costs	1,138
3 Investments and other assets	**5,084**	Other payables	7
Investments in and advances to associates	539	Deposits received	476
Rental deposits	3,139	Deferred tax liabilities	81
Deferred tax assets	1,341	Provision for share awards for directors	242
Others	64	Others	76
		Total liabilities	**15,058**
		(Equity)	
		I Shareholders' equity	**18,244**
		1 Share capital	**8,258**
		2 Share premium	**8,059**
		3 Retained earnings	**2,605**
		4 Treasury stock	**△678**
		II Other reserves	**1,058**
		1 Foreign currency translation reserve	**1,058**
		III Non-controlling interests	**2,900**
		Total equity	**22,202**
Total assets	**37,261**	**Total liabilities and equities**	**37,261**

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

Consolidated Income Statement

(March 1, 2023 - February 29, 2024)

(Unit: million yen)

Description	Amount	
Turnover		**60,290**
Cost of goods sold		**26,026**
Gross profit		**34,264**
Selling, general and administrative expenses		**32,309**
Operating profit		**1,954**
Non-operating income		
Interest income	12	
Rent Income	15	
Subsidy from regional bureau	265	
Subsidy income	44	
Other income	40	378
Non-operating expenses		
Interest on bank and other loans	29	
Finance charges	5	
Loss on disposals of property, plant and equipment	12	
Share of loss of associates	228	
Other expenses	33	310
Recurring profit		**2,022**
Extraordinary expenses		
Impairment loss	283	283
Profit before taxation		**1,738**
Corporation tax, inhabitants tax and business tax	618	
Deferred income tax	△58	560
Profit for the year		**1,178**
Profit attributable to non-controlling interests		233
Profit attributable to owners of parent		**945**

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

Consolidated Statement of Changes in Equity

(March 1, 2023- February 29, 2024)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 1, 2023	8,258	8,059	3,036	△686	18,667
Changes during the fiscal year					
Dividend	—	—	△1,376	—	△1,376
Disposal of treasury stock	—	—	—	7	7
Profit attributable to owners of parent	—	—	945	—	945
Net changes other than shareholders' equity	—	—	—	—	—
Total changes during the fiscal year	—	—	△430	7	△423
Balance as of February 29, 2024	8,258	8,059	2,605	△678	18,244

	Other reserves		Non-controlling interests	Total equity
	Foreign currency translation reserve	Total other reserves		
Balance as of March 1, 2023	854	854	2,563	22,085
Changes during the fiscal year				
Dividend	—	—	—	△1,376
Disposal of treasury stock	—	—	—	7
Profit attributable to owners of parent	—	—	—	945
Net changes other than shareholders' equity	203	203	336	539
Total changes during the fiscal year	203	203	336	116
Balance as of February 29, 2024	1,058	1,058	2,900	22,202

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

Balance Sheet

(As of February 29, 2024)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
I Current assets	**19,548**	**I Current liabilities**	**6,317**
Cash and cash equivalents	10,814	Notes payables	26
Trade receivables	2,950	Trade payables	1,873
Inventories	5,241	Short-term interest-bearing borrowings	2,000
Consumables	67	Outstanding amount	989
Prepaid expenses	153	Accrued expenses	471
Short-term loans receivable	150	Accrued corporate taxes, etc.	423
Others	174	Advances received	36
Allowance for doubtful accounts	△2	Provision for bonus	298
		Provision for reinstatement costs	20
II Non-current assets	**12,211**	Deposits received	5
1 Property, plant and equipment	**1,805**	Others	172
Buildings and leasehold improvements	1,212		
Tools, furniture and fixtures	129	**II Non-current liabilities**	**7,887**
Land	350	Interest-bearing borrowings	6,000
Construction in progress	94	Provision for retirement benefits	17
Others	19	Provision for reinstatement costs	1,131
		Other payables	7
2 Intangible assets	**2,601**	Deposits received	476
Software	803	Provision for share awards for directors	242
Others	1,798	Others	13
3 Investments and other assets	**7,804**		
Investments in subsidiaries and associates	3,379	**Total liabilities**	**14,204**
Rental deposits	3,097	**(Equity)**	
Prepaid expenses	64	**I Shareholders' equity**	**17,555**
Deferred tax assets	1,262	**1 Share capital**	**8,258**
		2 Share premium	**8,059**
		(1) Legal capital surplus	8,055
		(2) Other capital surplus	3
		3 Retained earnings	**1,916**
		(1) Other retained earnings	1,916
		Retained earnings brought forward	1,916
		4 Treasury stock	**△678**
		Total equity	**17,555**
Total assets	**31,760**	**Total liabilities and equities**	**31,760**

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

Income Statement

(March 1, 2023 - February 29, 2024)

(Unit: million yen)

Description	Amount	
Turnover		**54,798**
Cost of goods sold		**22,684**
Gross profit		**32,113**
Selling, general and administrative expenses		**30,961**
Operating profit		**1,151**
Non-operating income		
Interest income	6	
Dividend income	425	
Exchange gain	98	
Rent Income	15	
Other income	36	582
Non-operating expenses		
Interest on bank and other loans	29	
Finance charges	3	
Loss on disposals of property, plant and equipment	12	
Other expenses	19	65
Recurring profit		**1,668**
Extraordinary expenses		
Impairment loss	283	283
Profit before taxation		**1,385**
Corporation tax, inhabitants tax and business tax	408	
Deferred income tax	△89	318
Profit for the year		**1,066**

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

Statement of Changes in Equity

(March 1, 2023 - February 29, 2024)

(Unit: million yen)

	Shareholders' equity						Total equity
	Share capital	Share premium		Retained earnings	Treasury stock	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Other retained earnings			
				Retained earnings brought forward			
Balance as of March 1, 2023	8,258	8,055	3	2,226	△686	17,857	17,857
Changes during the fiscal year							
Dividend	—	—	—	△1,376	—	△1,376	△1,376
Disposition of treasury stock	—	—	—	—	7	7	7
Profit for the year	—	—	—	1,066	—	1,066	1,066
Total changes during the fiscal year	—	—	—	△309	7	△301	△301
Balance as of February 29, 2024	8,258	8,055	3	1,916	△678	17,555	17,555

(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 22, 2024

To the Board of Directors of Baroque Japan Limited

PricewaterhouseCoopers Japan LLC
Tokyo Office

Kazuaki Sekine, CPA
Designated limited liability Partner
Engagement Partner
Shinichi Shimabukuro, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444(4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheet, consolidated profit and loss statement, statement of changes in net assets and notes to the consolidated financial statements, and the consolidated supplementary schedules of Baroque Japan Limited (hereinafter referred to as the "Company") for the fiscal year from March 1, 2023 to February 29, 2024.

In our opinion, the consolidated financial statements and the consolidated supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance of the company consist of Baroque Japan Limited and consolidated subsidiaries for the period covered by the consolidated financial statements and the consolidated supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Consolidated Supplementary Schedules* section of our report. We are independent of the Company and consolidated subsidiaries in accordance with the ethical requirements that are relevant to our

audit of the consolidated financial statements and the consolidated supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Responsibilities of Management and Auditors and Board of Corporate Auditors for the Consolidated Financial Statements and the Consolidated Supplementary Schedules

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

In preparing the consolidated financial statements and the consolidated supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Auditors and board of corporate auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the consolidated supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the consolidated supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the consolidated supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements and the consolidated supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements and the consolidated supplementary schedules, including the disclosures, and whether the consolidated financial statements and the consolidated

supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

- The auditor is responsible for obtaining sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to enable the auditor to form an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the audit of the consolidated financial statements. The auditor is solely responsible for its audit opinion.

We communicate with auditors and board of corporate auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide auditors and board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and consolidated subsidiaries, which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* Notes to the Readers of Independent Auditor's Report
This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

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

Independent Auditor's Report

(English Translation*)

Apr 22, 2024

To the Board of Directors of Baroque Japan Limited

PricewaterhouseCoopers Japan LLC
Tokyo Office

Kazuaki Sekine, CPA
Designated limited liability Partner
Engagement Partner
Shinichi Shimabukuro, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Baroque Japan Limited (hereinafter referred to as the "Company") for the fiscal year from March 1, 2023 to February 29, 2024.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Responsibilities of Management and Auditor for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and Board of Corporate Auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and board of corporate auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report of the Audit & Supervisory Board

Audit Report

(English Translation)

Regarding the performance of duties by the Directors for the 25th term from March 1, 2023 to February 29, 2024, 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.

      i) 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.

      ii) 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 of Japan, 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.

iii) In addition to overseeing and ensuring the accounting auditor's independence and the conduct of suitable audits, we receive regular reports from the accounting auditor regarding the progress of their duties and request clarifications as needed. Furthermore, the accounting auditors establish systems aimed at ensuring the proper execution of their duties, as stipulated in Article 131 of the Corporate Accounting Regulations, in accordance with the "Quality Control Standards for Audits" issued by the Business Accounting Council. We have been informed that such systems are being formulated in compliance with the aforementioned standards, and we request explanations as necessary, including insights into key audit matters.

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

i) 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.

ii) 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.

iii) 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 Japan 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 Japan LLC are fair and reasonable.

April 23, 2024

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 of Japan.

Start date of electronic provisioning measures May 8, 2024

THE 25th ANNUAL SHAREHOLDERS' MEETING
Other matters for electronic provision
(Matters omitting the document to be delivered)

Notes to Consolidated Financial Statements

Notes to Non-Consolidated Financial Statements

Baroque Japan Limited

Notes to Consolidated Financial Statements

1. Notes to Basis of Presenting Consolidated Financial Statements

(1) Matters related to the scope of consolidation

Consolidated Subsidiaries and Affiliates

Number of consolidated subsidiaries	6
Name of consolidated subsidiaries	BAROQUE HK LIMITED
	BAROQUE SHANGHAI LIMITED
	BAROQUE CHINA LIMITED
	Baroque Shanghai Development Co., Ltd.
	FRAME LIMITED
	BAROQUE USA LIMITED

(2) Application of equity method

Affiliates accounted for by the equity method

① Number of affiliates accounted for by the equity method: 3

② Name of affiliated company to which the equity method was applied: BAROQUE CHINA APPARELS LIMITED, Baroque Shanghai Apparels Co., Ltd., Roque Beijing Apparels Co., Ltd.

③ Matters deemed particularly necessary to be stated with respect to the procedures for applying the equity method

The fiscal year end of BAROQUE CHINA APPARELS LIMITED, an affiliate accounted for by the equity method, is the last day of February. In preparing the consolidated financial statements, the financial statements of the company based on the provisional settlement of accounts as of December 31 were used, and adjustments necessary for consolidation purposes were made for significant transactions that occurred between the end of the fiscal year and the consolidated fiscal year end. The necessary consolidation adjustments were made for significant transactions that occurred between the end of the consolidated fiscal year and the consolidated balance sheet date. In preparing the consolidated financial statements, the financial statements as of December 31 are used, and adjustments necessary for consolidation are made for significant transactions that occurred between the end of the consolidated fiscal year and the end of the consolidated fiscal year.

(3) Fiscal Year of Consolidated Subsidiaries

The fiscal year end of five consolidated subsidiaries, excluding FRAME LIMITED, is December 31. In preparing the consolidated financial statements, the financial statements as of December 31 are used, and necessary adjustments are made for significant transactions that occurred between December 31 and the consolidated fiscal year end. FRAME LIMITED's fiscal year ends on January 31.

(4) Accounting Policies

① Valuation standards and methods for significant assets

Inventory	Valuation standards are based on the cost method (book value devaluation based on decreased profitability)
Merchandise	Mainly weighted-average method
Stored goods	individual law

② Depreciation and Amortization Methods for Significant Depreciable Assets

A) Property, plant and equipment: The declining-balance method is mainly used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on or after April 1, 1998 and for building fixtures and structures included in buildings acquired on or after April 1, 2016.
The main useful lives are as follows: Buildings and structures
Buildings and structures: 2-50 years

B) Intangible assets: The straight-line method is used. The useful lives of major assets are as follows: Buildings and structures
Software: 5 years

③ Basis for significant reserves

A) Allowance for doubtful accounts: The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectibility for specific receivables such as doubtful receivables.

B) Allowance for employees' bonuses: To provide for bonuses to employees, an amount accrued for the current fiscal year among the estimated bonus payments is recorded.

C) Allowance for directors' and corporate auditors' stock benefits: To provide for the payment of Company shares to directors and corporate auditors in accordance with the Company's share benefit regulations, a reserve for directors' and corporate auditors' share benefits is provided based on the estimated amount of share benefit obligations as of the end of the fiscal year under review.

④ Basis for recording significant revenues and expenses

A)Real store sales

For real store sales, the performance obligation is deemed to be satisfied when the goods are delivered to the customer, and revenue is recognized at that time.

The consideration for the transaction is received within one year of satisfaction of the performance obligation and does not include a significant financial component.。

B) Online sales and wholesale

For domestic sales, revenue is mainly recognized at the time of shipment, applying the alternative treatment prescribed in Paragraph 98 of the Guidance on Revenue Recognition when the period between shipment and transfer of control of the goods to the customer is a normal period of time.

For sales outside Japan, the Company recognizes revenue when the risk is transferred to the customer based on the terms of the contract with the individual customer.

For online sales and wholesale sales on consignment, revenue is recognized when the goods are sold to the final consumer.

The consideration for transactions is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

C) Point system operated by the company

Under the Company's company-operated point system, the Company is obligated to grant points to its member customers in proportion to the amount of their purchases and to provide merchandise consideration equivalent to such points when such customers use the points. Therefore, the Company identifies the points granted as performance obligations and allocates the transaction price based on the arm's length sales price, which is calculated by taking into account the expected future expiration of the points.

⑤ Other important matters for the preparation of consolidated financial statements

A) Accounting for retirement benefits

The simplified method is applied to the calculation of liabilities for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year as the liability for retirement benefits.

2. Notes on Accounting Estimates

(1) Evaluation of inventories

① Amount recorded in the consolidated financial statements for the current fiscal year

As of the end of the current consolidated fiscal year, inventories amounted to 5,489 million yen on the consolidated balance sheet. The provision od inventories was recorded in the consolidated income statements for the current fiscal year amounted to 1,116 million yen due to a decline in profitability.

② Method of calculation of amounts reported in the consolidated financial statements for the current fiscal year and major assumptions used in the calculation

As stated in "Notes to Consolidated Financial Statements, 1. Basis of Presenting Consolidated Financial Statements, (4) Accounting Policies, 1) Valuation Standards and Methods for Significant Assets," the Group values its merchandise mainly at cost determined by the weighted average method (the amount stated in the balance sheet is calculated by writing down the book value of assets which decreased in profitability). The value of inventories declines with the passage of time, and the decline in profitability is reflected by the regular write-down of book value, which is mainly determined based on past sales and disposal experience, for goods that are no longer in the operating cycle process beyond a certain holding volume. The Company uses this method to reflect the decline in profitability of products that are no longer part of the sales circulation process. Specifically, the Company manages and sells merchandise in "spring/summer" and "fall/winter" units by brand, and estimates the volume of inventory that can be sold without a cost breakdown, respectively, and reduces the book value of the portion exceeding that amount on a regular basis, mainly on the assumption that the excess will be disposed of.

The casual wear specialty store industry, to which the Group belongs, is in fierce competition with its competitors, and product life cycles tend to be short due to rapid changes in trends and tastes. In addition, economic trends and personal consumption may cause the Group's ability to sell inventory quantities without falling below cost to fluctuate significantly if the Group is unable to offer products that respond to changing customer preferences, if unpredictable weather conditions change, or if consumers' willingness to purchase products declines significantly due to a sharp downturn in the economy, Because of the difficulty of forecasting, significant judgments and assumptions are incorporated in the determination of the method of regular book value write-downs to reflect the fact that profitability has declined.

③ Effect on the consolidated financial statements for the following fiscal year

The Group's products are susceptible to external environmental factors such as intensified competition and weather, and customer needs change with fashion trends. Therefore, if the actual market environment and demand trends in the future are worse than expected, profits may decrease as a result of write-downs.

(2) Impairment loss on non-current assets

① Amount recorded in the consolidated financial statements for the current fiscal year

As of the end of the consolidated fiscal year under review, Property, plant and equipment and Intangible assets amounted to 1,923 million yen and 2,601 million yen, respectively, on the consolidated balance sheet. The amount of impairment loss recorded in the consolidated income statement for the current fiscal year was 283 million yen.

② Method of calculation of amounts reported in the consolidated financial statements for the current fiscal year and major assumptions used in the calculation

The Group groups its fixed assets mainly as the smallest unit that generates cash flow, which is the store unit, and determines that there is an indication of impairment loss when the operating income (loss) of each store is continuously negative, for example.

If there is an indication of impairment, the Company determines whether an impairment loss should be recognized by comparing the total amount of undiscounted future cash flows to be derived from the asset group with the carrying amount of the asset. If the carrying amount of an asset is deemed to be impaired, the carrying amount is reduced to its recoverable amount (the higher of its value in use or its net realizable value) and the reduction is recognized as an impairment loss.

Since operating losses are incurred when new stores are opened and it is judged that it will take a certain period of time before operating income is secured, a certain grace period is set after the opening of a new store to identify any indication of impairment.

③ Effect on the consolidated financial statements for the following fiscal year

However, if the conditions and assumptions on which such estimates are based change due to changes in the market environment or other factors, the consolidated financial statements for the next consolidated fiscal year may be affected.

3. Notes to Consolidated Balance Sheets

Accumulated depreciation of property, plant and equipment	5,757million yen

4. Notes to Consolidated Statement of Changes in Net Assets

(1) Matters Concerning the Total Number of Shares Issued and Outstanding

Type of stock	Number of shares at the beginning of the current fiscal year	Total amount of dividends (million yen)	Decrease in the number of shares during the current consolidated fiscal year	Number of shares at the end of the current fiscal year
Ordinary stock	36,676,300share	－share	－share	36,676,300share

(Note) The above number of shares includes 650,400 shares of treasury stock. Among them, 190,000 shares of the Company's stock held by the Stock Benefit Trust (BBT) are included, following the introduction of the "Stock Benefit Trust (BBT)" system.

(2) Matters Related to Dividends

① Dividend payment amount

Decision	Type of stock	Total amount of dividends (million yen)	Dividend per share (yen)	Reference Date	Effective date
April 14, 2022 Board of Directors Meeting	Ordinary stock	1,376	38	February 28, 2023	May 29, 2023

(Note) The total amount of dividends resolved by the Board of Directors on April 14, 2023 includes 7 million yen of dividends for the Company's shares held by the Stock Benefit Trust (BBT).

② Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Decision	Type of stock	Total amount of dividends (million yen)	Dividend per share (yen)	Reference Date	Effective date
May 30, 2024 Board of Directors Meeting	Ordinary stock	1,376	38	February 29, 2024	May 31, 2024

(Note) The total amount of dividends resolved by the Board of Directors on May 30, 2024 includes 7 million yen of dividends for the Company's shares held by the Stock Benefit Trust (BBT).

5. Notes to Financial Instruments

(1) Matters Concerning the Status of Financial Instruments

① Policy on Financial Instruments

The Group procures necessary funds mainly through bank borrowings and installment contracts with leasing companies in light of its capital investment plans. Temporary surplus funds are invested in highly secure financial assets, and short-term working capital is procured through bank loans.

② Description of financial instruments and risks associated with such instruments

Trade receivables, or accounts receivable, are exposed to customer credit risk. In addition, trade receivables denominated in foreign currencies arising from the Company's overseas operations are exposed to the risk of exchange rate fluctuations.

Lease and guarantee deposits are mainly guarantee deposits related to store openings, and are exposed to the credit risk of the counterparties to whom the deposits are made.

Trade payables such as notes and accounts payable, accounts payable-other and income taxes payable are due within one year. Some of them are denominated in foreign currencies in connection with imports of goods, etc., and are exposed to the risk of exchange rate fluctuations.

Loans payable primarily serve to finance operating transactions, with redemption typically scheduled within up to four years and one month following the balance sheet date.

③ Risk Management System for Financial Instruments

A) Management of credit risk (risk related to nonperformance by counterparties)

The Group sets credit limits in accordance with its credit management rules, and each business unit and the accounting department work together to manage due dates and outstanding balances for each major counterparty in order to early identify and alleviate concerns about collection due to deterioration of financial conditions and other factors.

The credit status of tenants is monitored at the time lease contracts are concluded, and the credit status of tenants is periodically monitored even after they have moved in, in order to early identify and mitigate concerns about collection.

B) Managing market risk

For foreign currency-denominated debt, we employ foreign exchange contracts to hedge against the risk of fluctuations in foreign currency exchange rates. The execution of these foreign exchange forward contracts adheres to internal management regulations and requires approval from the appropriate decision-making authority. Such contracts are

executed within the confines of actual demand, ensuring prudent risk management practices.

C) Management of liquidity risk (risk of not being able to make payments on due dates) related to financing

The Group manages liquidity risk by preparing and updating cash management plans in a timely manner by the Accounting Department based on reports from each business unit and by maintaining liquidity on hand on an ongoing basis.

④ Supplementary Explanation on Matters Concerning Fair Value, etc. of Financial Instruments

The fair value of financial instruments includes values based on market prices and, in the absence of market prices, reasonably calculated values. Since variable factors are incorporated in the calculation of such values, such values may vary due to the adoption of different assumptions, etc.

（2）Matters related to fair value of financial instruments

Consolidated balance sheet amount, fair value and their differences as of February 29, 2024 are as follows.

	Consolidated Balance Sheet Amount (million yen)	Market value (million yen)	Difference (millions yen)
（1）Rental deposits	3,139	2,701	△438
Total assets	3,139	2,701	△438
（1）Interest-bearing borrowings	6,000	6,000	－
Total liabilities	6,000	6,000	－
Derivatives trading(※3)	11	11	－

（※1）”Cash and cash equivalents," "Trade receivables," "Notes payables," "Accounts payable, " "Trade payables," "Current tax payable," and " Short-term interest-bearing borrowings " are omitted because they are settled in a short period of time and their fair value approximates their book value.

（※2）Non-marketable stocks and other securities

Stocks and other securities without market quotations are not included in the table above. The carrying amounts of such financial instruments in the consolidated balance sheets are as follows

Division	Consolidated balance sheet amount (millions yen)
Unlisted shares	539

（※3）Net receivables and payables resulting from derivative transactions are presented in net amounts on the financial statements. Items indicating net obligations are typically denoted within parentheses for clarity.

(3) Matters concerning the breakdown of the fair value of financial instruments by level, etc.

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Market value of Level 1	Fair value calculated based on quoted market prices for the assets or liabilities for which such fair value is calculated that are formed in an active market, among the inputs to the calculation of observable fair value.
Market value of Level 2	Fair value calculated using inputs related to the calculation of observable fair value other than Level 1 inputs
Market value of Level 3	Fair value calculated using inputs for unobservable fair value calculations

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

① Financial instruments recorded on the balance sheet at their market value

	Market value (million yen)			
	Level 1	Level 2	Level 3	Total
Derivatives trading Foreign exchange contract	—	11	—	11

② Financial instruments other than those recorded on the balance sheet at market value

	Market value (million yen)			
	Level 1	Level 2	Level 3	Total
Rental deposits	—	2,701	—	2,701
Total assets	—	2,701	—	2,701
Interest-bearing borrowings	—	6,000	—	6,000
Total liabilities	—	6,000	—	6,000

(Note) The description of valuation techniques and inputs

Derivatives trading

The market value of foreign exchange contracts is determined by referencing prices provided by counterpart financial institutions, among other sources. This valuation is classified as Level 2 market value, indicating that it relies on observable inputs, such as market data and quotes from active markets, but may also include certain unobservable inputs.

Security deposit

These market values are computed by discounting the present value of future cash flows

at an appropriate interest rate, such as the yield on AA-rated corporate bonds. They are categorized as Level 2 market values, denoting that they rely on observable inputs, including market interest rates and credit spreads, but may also incorporate certain unobservable inputs.

Interest-bearing borrowings (including current portion)

Except for interest-bearing borrowings with floating interest rates, the fair value is calculated based on the present value of the total principal and interest discounted at the interest rate that would be applicable to a new similar transaction and classified as Level 2 fair value. However, the fair value of long-term loans with floating interest rates is based on the relevant book value, as the interest rate is subject to renewal at regular intervals and the fair value is considered to approximate the book value.

6. Notes to Revenue Recognition

(1) Information that disaggregates revenue arising from contracts with customers

	Amount (million yen)
Real store sales	40,792
Online sales	10,783
Wholesales	7,529
Others	1,186
Revenue from contracts with customers	60,290

(2) Information that provides a basis for understanding revenue arising from contracts with customers

As described in "1. Notes to Basis of Presenting Consolidated Financial Statements, (4) Matters Related to Accounting Policies, ④Basis for Recording Significant Revenues and Expenses".

(3) Information to understand the amount of revenue in the current and subsequent fiscal years

① Balance of contract liabilities, etc.

	Amount (million yen)
Receivables arising from contracts with customers (beginning balance)	8,023
Receivables arising from contracts with customers (ending balance)	9,613
Advances received (beginning balance)	42
Advances received (ending balance)	36
Contract liabilities (beginning balance)	36
Contract liabilities (ending balance)	33

Advances received mainly represent the balance of merchandise sales that have not yet been delivered to customers as of the end of the current fiscal year, and for which the performance obligation will be satisfied when the merchandise is delivered to customers in the future. They are included in other current liabilities in the consolidated balance sheets.

Contract liabilities consist mainly of company's own points awarded for sales to customers and are included in other current liabilities in the consolidated balance sheets. The amount of revenue recognized in the current fiscal year, which includes the balance of contract liabilities as of the beginning of the period, is not material.

②Transaction price allocated to remaining performance obligations

The transaction price allocated to the residual performance obligation is omitted because the initially expected contract period is one year or less, so the practical expedient method is applied and the information is omitted.

7. Notes to Per Share Information

(1) Net assets per share 535.80(yen)

(2) Net income per share 26.24(yen)

(Note) The company's shares remaining in the "Stock Benefit Trust (BBT)," accounted for as treasury stock within shareholders' equity, are included in the deduction of treasury stock for calculating net income per share based on the average number of shares outstanding throughout the fiscal year. Additionally, these shares are included in the deduction of treasury stock from the total number of shares outstanding at the fiscal year-end for calculating net assets per share. The number of such treasury stock at the end of the period deducted in the calculation of net assets per share is 650,400 shares for the current fiscal year, and the average number of such treasury stock deducted in the calculation of net income per share is 651,361 shares for the current fiscal year.

8. Notes on Significant Subsequent Events

No applicable matter.

Individual Note

1. Notes to Significant Accounting Policies

(1) Valuation standards and methods for assets

① Shares of subsidiaries and affiliates: Cost method based on the moving average method

② Valuation standards and methods for inventories

Valuation standards are based on the cost method (book value devaluation based on decreased profitability)

Commodity	periodic average method
Supplies	Individual method

③ Derivatives: Market value method

(2) Depreciation and Amortization Methods for Non-current assets

① Property, plant and equipment	The declining-balance method is mainly used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on or after April 1, 1998 and for building fixtures and structures included in buildings acquired on or after April 1, 2016. The main useful lives are as follows: Buildings Buildings: 2-50 years Tools, furniture and fixtures: 2-20 years
② Intangible assets	The straight-line method is used. Software for internal use is amortized over the estimated useful life (5 years).
③ Long-term prepaid expenses	Amortization is accounted for by the straight-line method.

(3) Basis for accounting for allowances

① Allowance for doubtful accounts	The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectibility for specific receivables such as doubtful receivables.
② Allowance for employees' bonuses	To provide for bonuses to employees, an amount accrued for the current fiscal year among the estimated bonus payments is recorded.
③ Accrued retirement benefit	The simplified method is applied to the calculation of the reserve for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year for retirement benefits as the retirement benefit obligation.
④ Allowance for bonuses for directors and company auditors	To provide for the payment of Company shares to directors and corporate auditors in accordance with the Company's regulations on directors' share benefits, a reserve for directors' share benefits is provided based on the estimated amount of liabilities for share benefits as of the end of the fiscal year

under review.

(4) Basis for recording significant revenues and expenses

① Real store Sales

For bricks-and-mortar sales, the performance obligation is deemed to be satisfied when the goods are delivered to the customer, and revenue is recognized at that time.

The consideration for the transaction is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

② Online sales and wholesale

For domestic sales, revenue is mainly recognized at the time of shipment, applying the alternative treatment prescribed in Paragraph 98 of the Guidance on Revenue Recognition when the period between shipment and transfer of control of the goods to the customer is a normal period of time.

For sales outside Japan, the Company recognizes revenue when the risk is transferred to the customer based on the terms of the contract with the individual customer.

For online sales and wholesale sales on consignment, revenue is recognized when the goods are sold to the final consumer.

The consideration for transactions is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

③ Royalty

For royalties calculated based on the sales revenue of the contract partner, the Company recognizes as revenue the amount expected to be earned based on the contractual royalty rate at accrual basis for the calculation or the satisfaction of the performance obligation.

The consideration for the transaction is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

④ Point system operated by the company

Under the Company's company-operated point system, the Company is obligated to grant points to its member customers in proportion to the amount of their purchases and to provide merchandise consideration equivalent to such points when such customers use the points. Therefore, the Company identifies the points granted as performance obligations and allocates the transaction price based on the arm's length sales price, which is calculated by taking into account the expected future expiration of the points.

2. Notes on Accounting Estimates

(1) Evaluation of inventories

① Amount recorded in the financial statements for the current fiscal year

As of the end of the current fiscal year, the amount of inventories on the balance sheet was 5,241 million yen. In the current fiscal year, inventory provision was recorded in income statement by 1,092 million yen due to a decline in profitability.

② Information on significant accounting estimates for the separate items

The same information is provided in "2. Notes on Accounting Estimates" in the Notes to Consolidated Financial Statements and is therefore omitted.

(2) Impairment loss on Non-current assets

① Amount recorded in the financial statements for the current fiscal year

As of the end of the current fiscal year, Property, plant and equipment and Intangible assets on the balance sheet amounted to 1,805 million yen and 2,601 million yen, respectively. The amount of impairment loss recorded in income statement for the current fiscal year was 283 million yen.

② Information on the nature of significant accounting estimates for identified items

The same information is provided in "2. Notes on Accounting Estimates" in the Notes to Consolidated Financial Statements and is therefore omitted.

3. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment 5,369million yen

(2) Contingent liability

Loan guarantee

We have provided the following debt guarantees for the trade debts of the following subsidiaries.

BAROQUE HK LIMITED	20	thousand dollars
	3	million yen

(3) Receivables from and payables to affiliated companies are as follows

① Short-term monetary claims	812million yen
② Short-term monetary debt	606million yen

4. Notes to Profit and loss statement

Transactions with affiliated companies

①	Sales	1,265million yen
②	Purchases	9,692million yen
③	Other operating transactions	35million yen
④	Non-operating transactions	2million yen

5. Notes to Statements of Changes in Net Assets

Type and number of treasury stock as of the end of the fiscal year under review

Ordinary stock 650,400 share

The above number of shares includes 190,000 shares of the Company's stock held by the Stock Benefit Trust (BBT) following the introduction of the "Stock Benefit Trust (BBT)" system.

6. Notes to Tax-Effect Accounting

Significant components of deferred tax assets and liabilities

Deferred tax assets		
Inventory provision	555	million yen
Accrued enterprise tax	51	million yen
Provision for bonus	80	million yen
Excess depreciation	199	million yen
Employees' pension and retirement benefits	5	million yen
Asset retirement obligations	352	million yen
Provision for share awards for directors	72	million yen
Others	69	million yen
Subtotal of deferred tax assets	1,386	million yen
Valuation allowance	－	million yen
Total deferred tax assets	1,386	million yen
Deferred tax liability		
Removal costs corresponding to asset retirement obligations	△123	million yen
Total deferred tax liabilities	△123	million yen
Net deferred tax assets	1,173	million yen

7. Notes on Transactions with Related Parties
Subsidiaries and affiliates, etc.

Attribution	Company name	Capital	Principal activities	Voting right Shareholding ratio (%)	Relation details		Transaction details	Transaction amount (million yen) (note1)	Subject	Balance at end of year (million yen)(note1)
					Concurrent directors, etc.	Business Relationships				
Subsidiary company	BAROQUE HK LIMITED	257,000 Thousand HKD	Apparel & accessories wholesale business	(Owned) Direct 100.00	Concurrent post 1	Purchase and sale of merchandise and lending of funds	Guarantees related to purchase debt	-	—	3
							Loan of funds (note2)	300	Short-term interest-bearing borrowings	150
							Receipt of interest (note2)	2	Other current assets	12
							Purchase of merchandise (note2)	9,688	Trade payables	574
									Other payables	22
									Advance payments	77
Subsidiary company	BAROQUE SHANGHAI LIMITED	90,600 Thousand HKD	Quality management	(Owned) Indirect 100.00	Concurrent post 1	Outsourcing	Outsourcing expenses, etc.(note2)	35	Accounts payables	3
Subsidiary company	Baroque Shanghai Development Co., Ltd	20,000 Thousand RMB	Apparel & accessories wholesale business	(Owned) Indirect 51.00	Concurrent post 2	Sale of merchandise	Sales of merchandise (note2)	500	Trade receivables	103
							Royalty income (note2)	13		
Subsidiary company	BAROQUE USA LIMITED	2,900 Thousand USD	Apparel & accessories wholesale and retail business	(Owned) Direct 100.00	Concurrent post 2	Sale of merchandise	Sales of merchandise (note2)	479	Trade receivables	427
Affiliated company	Baroque Shanghai Apparels Co., Ltd	140,000 Thousand RMB	Apparel & accessories retail business	(Owned) Indirect 49.00	Concurrent post 2	Royalties on merchandise sales	Royalty income (note2)	271	Trade receivables	27

(Notes) 1. Transaction amounts do not include consumption taxes, and year-end balances include consumption taxes.

2. Terms and conditions of transactions and policy, etc. for determining terms and conditions of transactions are determined upon consultation, taking market trends into consideration.

8. Notes to Revenue Recognition

Fundamental information to understand earnings

As described in "1. Notes to Significant Accounting Policies (4) Basis for recording significant revenues and expenses.

9. Notes to Per Share Information

(1) Net assets per share 487.31yen

(2) Net income per share 29.61yen

(Note) The company's shares remaining in the "Stock Benefit Trust (BBT)," accounted for as treasury stock within shareholders' equity, are included in the deduction of treasury stock for calculating net income per share based on the average number of shares outstanding throughout the fiscal year. Additionally, these shares are included in the deduction of treasury stock from the total number of shares outstanding at the fiscal year-end for calculating net assets per share.

The number of such treasury stock at the end of the period deducted in the calculation of net assets per share is 650,400 shares for the current fiscal year, and the average number of such treasury stock deducted in the calculation of net income per share is 651,361 shares for the current fiscal year.

10. Notes on Significant Subsequent Events

No applicable matter.