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April 14, 2025

Company name	Baroque Japan Limited
Representative	Hiroyuki Murai, Chairman and CEO (Representative Director)
	(Code number：3548, Tokyo Stock Exchange, Prime Market)
Contact	Tatsuya Seki, Manager of Corporate Planning Department
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Notice of a Change in a Consolidated Subsidiary, Etc. (Transfer of Shares)

Baroque Japan Limited (the "Company") hereby announces that, at the Board of Directors meeting held today, it resolved to transfer all shares of BAROQUE CHINA LIMITED ("BCL"), a consolidated subsidiary of the Company, and BAROQUE CHINA APPARELS LIMITED ("BCAL"), an equity-method affiliate, both held by BAROQUE HK LIMITED ("BHL"), a consolidated subsidiary of the Company, to ABLE CONCORD LIMITED ("ABLE"), a special purpose company (SPC) owned by BELLE INTERNATIONAL HOLDINGS LIMITED ("Belle") (hereon, the "Share Transfer"). On the same day, BHL and ABLE entered into a legally binding Heads of Agreement on share transfer. Going forward, the Company plans to enter into a final agreement and execute the Share Transfer after confirming required approvals and procedures in each relevant jurisdiction with Belle.

1. Reason for the transfer

BCL and BCAL have been engaged in women's apparel retail business in China but have continued to face challenges due to changes in the business environment, including stagnant private consumption caused by the slowdown of the Chinese economy. While the Company has made efforts to improve profitability as a Group, it has determined that now is the appropriate time to pursue a fundamental turnaround of its China business. Accordingly, the Company has concluded that the optimal course of action is to transfer all shares of BCL and BCAL to ABLE, an SPC owned by its joint venture partner Belle, to enable more effective utilization of the management resources of both companies. As such, the Company has resolved that a share transfer agreement be concluded between BHL and ABLE.

2. Overview of the subsidiary whose shares will be transferred

(1) Name	BAROQUE CHINA LIMITED
(2) Location	Hong Kong Special Administrative Region, China
(3) Position and name of representative	Representative Director, Hiroyuki Murai
(4) Description of business	Holding company engaged in the wholesale business in China
(5) Capital	26 million HKD

(6) Date of establishment	September 3, 2013	
(7) Major shareholders and shareholding ratios	BAROQUE HK LIMITED: 51% ABLE CONCORD LIMTED: 49%	
(8) Relationship between the listed company and the subject company	Capital relationships	The Company holds 51% of the shares in the subject company.
	Human relationships	The Company's officers also serve as officers of the subject company.
	Transactional relationships	Investment in the wholesale business

(9) Operating results and financial position of the last three years

Fiscal year ended	December 31, 2022	December 31, 2023	December 31, 2024
Net assets	1,891 million yen	1,961 million yen	2,132 million yen
Total assets	1,970 million yen	2,043 million yen	2,221 million yen
Net assets per share	72 yen	75 yen	82 yen
Net sales	- million yen	- million yen	- million yen
Operating profit	0 million yen	0 million yen	0 million yen
Ordinary profit	0 million yen	0 million yen	0 million yen
Basic earnings	0 million yen	0 million yen	0 million yen
Basic earnings per share	0 yen	0 yen	0 yen

3. Overview of the equity-method affiliate whose shares will be transferred

(1) Name	BAROQUE CHINA APPARELS LIMITED	
(2) Location	Hong Kong Special Administrative Region, China	
(3) Position and name of representative	Representative Director, FUWANG SONG	
(4) Description of business	Holding company engaged in the retail business in China	
(5) Capital	260 million HKD	
(6) Date of establishment	September 3, 2013	
(7) Major shareholders and shareholding ratios	BAROQUE HK LIMITED: 49% ABLE CONCORD LIMITED: 51%	
(8) Relationship between the listed company and the subject company	Capital relationships	The Company holds 49% of the shares in the subject company.
	Human relationships	The Company's officers also serve as officers of the subject company.
	Transactional relationships	Investment in the retail business

(9) Operating results and financial position of the last three years			
Fiscal year ended	December 31, 2022	December 31, 2023	December 31, 2024
Net assets	5,349 million yen	5,547 million yen	1,699 million yen
Total assets	5,438 million yen	5,641 million yen	1,802 million yen
Net assets per share	20 yen	21 yen	6 yen
Net sales	- million yen	- million yen	- million yen
Operating profit	(1 million yen)	(1 million yen)	(2 million yen)
Ordinary profit	(5 million yen)	0 million yen	0 million yen
Basic earnings	(5 million yen)	0 million yen	(4,209 million yen)
Basic earnings per share	–	–	–

4. Overview of the transferee

(1) Name	ABLE CONCORD LIMITED	
(2) Location	Hong Kong Special Administrative Region, China	
(3) Position and name of representative	Authorized Representative, FUWANG SONG	
(4) Description of business	An SPC of Belle (related to the China joint venture between the Company and Belle)	
(5) Relationship between the listed company and the subject company	Capital relationships	Not applicable
	Human relationships	Not applicable
	Transactional relationships	Not applicable
	Status as a related party	The transferee qualifies as a related party of the Company (a subsidiary of another affiliated company).

5. Number of shares to be transferred and shareholding status before and after the transfer

(1) Number of shares held before the transfer	BAROQUE CHINA LIMITED	13,260,000 shares
	BAROQUE CHINA APPARELS LIMITED	127,400,000 shares
(2) Number of shares to be transferred	BAROQUE CHINA LIMITED	13,260,000 shares
	BAROQUE CHINA APPARELS LIMITED	127,400,000 shares
(3) Number of shares held after the transfer	BAROQUE CHINA LIMITED	0 shares (Shareholding ratio: 0%)
	BAROQUE CHINA APPARELS LIMITED	0 shares (Shareholding ratio: 0%)

(Note) The transfer price will not be disclosed in accordance with confidentiality provisions in the agreement with the acquiring company.

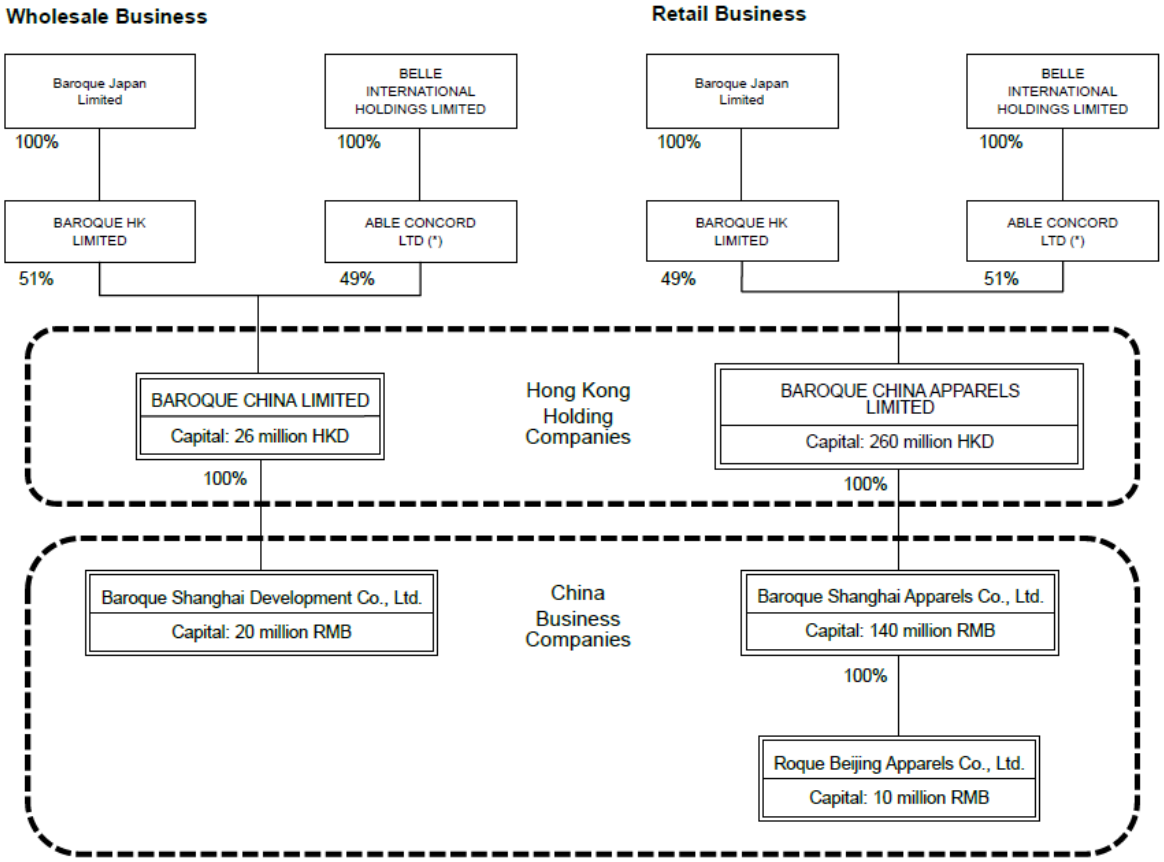
6. Schedule

(1) Board of Directors resolution date	April 14, 2025
(2) Date of basic agreement	April 14, 2025 (tentative)
(3) Date of final agreement	April 30, 2025 (tentative)
(4) Transfer execution date	April 30, 2025 (tentative)

7. Future outlook

For details regarding the impact associated with this matter, please refer to the “Announcement Regarding Recording of Share of Loss of Entities Accounted for Using Equity Method, the Differences between the Financial Results Forecast and Actual Results, Etc.” and “FY2025/02 Full Year Financial Results and Supplementary Information” disclosed on the same day.

* Joint Venture Structure of the China Business
(Companies within the double-line frame are based on joint venture agreements)



(*) A wholly owned subsidiary (SPC) of BELLE INTERNATIONAL HOLDINGS LIMITED