

December 15, 2016

To our valued investors:

Company Name: Baroque Japan Limited

Representative: Hiroyuki Murai, Representative Director and CEO

(Security Code: 3548 Tokyo Stock Exchange First Section)

Contact: Hirofumi Yamazaki, Executive Director and General Manager of
Administration Department

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Notification regarding Changes to the Basic Principles of the Dividend Policy

At a meeting of the Board of Directors held today, the company passed a resolution regarding changing the dividend policy as shown below.

1. Changes to the Basic Principles of the Dividend Policy

(1) Principles of the Dividend Policy to Date

We, at Baroque Japan Group, are aware of the fact that the company is still in the process of growing, and we believe that our top priority at this time is to secure adequate internal reserves in order to strengthen our financial foundation to ensure long-term stability and continuous business expansion and development. However, as the maximization of profits for shareholders is one of our major management goals, it is our policy to consider how to balance future dividends for shareholders and internal reserves in light of factors such as company performance/financial status and future business/investment plans as a whole.

(2) Principles of the New Dividend Policy

From January 2018, the Company will adopt a basic policy aiming at a stable payout ratio of 30–40% in order to increase the return of profits to shareholders. Furthermore, we will also continue to secure adequate internal reserves in order 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.