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January 14, 2026

Consolidated Financial Results for the Nine Months Ended November 30, 2025 (Under Japanese GAAP)



Company name: BAROQUE JAPAN LIMITED

Listing: Tokyo Stock Exchange

Securities code: 3548

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended November 30, 2025 (from March 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
November 30, 2025	38,004	(10.9)	643	(31.1)	684	-	503	-
November 30, 2024	42,667	(3.5)	934	(48.1)	(45)	-	(464)	-

Note: Comprehensive income For the nine months ended November 30, 2025: ¥ (114) million [-%]
For the nine months ended November 30, 2024: ¥ (165) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2025	14.00	-
November 30, 2024	(12.92)	-

Note: Diluted earnings per share is not presented since there is no dilutive share.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of			%
November 30, 2025	Millions of yen 29,780	Millions of yen 14,624	49.1
February 28, 2025	34,051	18,796	45.9

Reference: Equity

As of November 30, 2025: ¥ 14,624 million
As of February 28, 2025: ¥ 15,630 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended February 28, 2025	Yen -	Yen 0.00	Yen -	Yen 38.00	Yen 38.00
Fiscal year ending February 28, 2026	-	0.00	-		
Fiscal year ending February 28, 2026 (Forecast)				38.00	38.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,797	(11.0)	579	(28.7)	628	-	501	-	13.92

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies ()
Excluded: 2 companies (BAROQUE CHINA LIMITED
Baroque Shanghai Development Co., Ltd.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2025	36,676,300 shares
As of February 28, 2025	36,676,300 shares

(ii) Number of treasury shares at the end of the period

As of November 30, 2025	656,300 shares
As of February 28, 2025	710,400 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2025	35,983,944 shares
Nine months ended November 30, 2024	35,979,104 shares

Note: Regarding the number of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares during the period, the company's shares owned by the trust assets of the Board Benefit Trust (BBT) are included in the deductible treasury shares in the calculation.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Descriptions regarding forward-looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors.

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1. Management discussion and analysis

(1) Summary of the business

During the nine months ended November 30, 2025, the Japanese economy was on a moderate recovery trend backed by improvements in the employment and income environment, including widespread wage growth against the backdrop of a worsening labor shortage. However, the future outlook for the business environment remained uncertain, due to the continuing rise in prices, mounting geopolitical risks, and the impact of trade policies in the U.S., among other factors.

Domestic business sales were 96.9% year-on-year (store sales 97.9% and e-commerce sales 94.3%). In FB/SB brands, sales of MOUSSY grew to 105.8% year-on-year, thanks to its hit denim line, and in the SC brands, existing store sales of RODEO CROWNS WIDE BOWL recovered to 112.5% year-on-year. However, AZUL BY MOUSSY is taking time to recover its sales, and accordingly, overall sales fell short of those of the same period of the previous year.

In terms of gross profit, we significantly reduced valuation losses on merchandise compared to the same period of the previous year through such measures as the strengthening of systematic purchasing controls and the early conversion of merchandise into cash in line with inventory levels.

In addition, selling, general and administrative expenses decreased compared to the same period of the previous year due to factors including the reduction in sales commissions linked to the volume of sales. Nevertheless, operating profit fell below the levels of the same period of the previous year, impacted by the decrease in operating profit resulting from the termination of the Chinese joint venture.

As for the U.S. business, the Group has been focusing on a business model primarily centered around e-commerce and wholesale distribution to high-end department stores and select shops, with a focus on selling Japanese-made high-end denim products. While e-commerce sales were higher than the same period of the previous year, we were not able to sufficiently curb selling, general and administrative expenses, resulting in a year-on-year decline in profit.

We terminated the Chinese joint venture and transferred shares of our wholesale company and retail company in China.

During the nine months ended November 30, 2025, the wholesale company in China, which had been included in the scope of consolidation, was excluded from the scope of consolidation and had impacts on consolidated net sales and other items.

During the nine months ended November 30, 2025, the retail company in China, which had been equity-method affiliates, was also excluded from the scope of equity-method application, resulting in no share of loss of entities accounted for using the equity method.

In addition, gain on sale of shares of subsidiaries and associates was recorded as a result of the above-mentioned share transfer.

As of November 30, 2025, the Group has 343 stores in Japan (259 directly operated, 84 through franchise) and 5 overseas stores (1 directly operated, 4 through franchise) – for a total of 348 stores.

As a result of the above, the nine months ended November 30, 2025 saw consolidated net sales of 38,004 million yen (10.9% decrease from the same period last year), operating profit of 643 million yen (31.1% decrease from the same period last year), ordinary profit of 684 million yen (ordinary loss of 45 million yen for the same period last year), and profit attributable to owners of parent of 503 million yen (loss attributable to owners of parent of 464 million yen for the same period last year).

(2) Financial review

During the nine months ended November 30, 2025, total assets decreased by 4,271 million yen from the end of the previous fiscal year to 29,780 million yen. This was mainly due to the decrease in cash and deposits by 2,080 million yen, the decrease in accounts receivable - trade by 3,735 million yen, and the increase in merchandise by 1,439 million yen.

Liabilities decreased by 98 million yen from the end of the previous fiscal year to 15,156 million yen. This was mainly due to the decrease in notes and accounts payable - trade by 227 million yen and the increase in accrued expenses by 124 million yen.

Net assets decreased by 4,172 million yen from the end of the previous fiscal year to 14,624 million yen. This was mainly due to the decrease in capital surplus by 1,376 million yen for the payment of dividends, the increase in retained earnings by 503 million yen from profit attributable to owners of parent, the decrease in foreign currency translation adjustment by 119 million yen, and the decrease in non-controlling interests by 3,166 million yen.

(3) Cautionary note to consolidated financial statements and forward-looking statements

In light of recent business trends, we have revised our consolidated earnings forecasts for the fiscal year ending February 28, 2026 (March 1, 2025 to February 28, 2026), which we announced in the “Consolidated Financial Results for the Year Ended February 28, 2025 (Japanese GAAP)” dated April 15, 2025. Please refer to the “Announcement of Revision to the Full-Year Financial Results Forecast” released today (January 14, 2026) for details.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	11,305	9,225
Accounts receivable - trade	7,760	4,025
Merchandise	5,359	6,798
Supplies	56	68
Other	306	370
Total current assets	24,789	20,488
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,016	1,122
Land	350	350
Construction in progress	52	3
Other, net	328	270
Total property, plant and equipment	1,747	1,746
Intangible assets		
Software	657	487
Software in progress	2,587	2,928
Other	1	1
Total intangible assets	3,246	3,417
Investments and other assets		
Leasehold and guarantee deposits	3,153	3,129
Deferred tax assets	1,064	913
Other	50	85
Total investments and other assets	4,268	4,128
Total non-current assets	9,262	9,292
Total assets	34,051	29,780

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,010	2,782
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	-	1,000
Accounts payable - other	1,136	1,213
Accrued expenses	486	610
Income taxes payable	59	145
Guarantee deposited	20	25
Provision for bonuses	321	294
Asset retirement obligations	13	30
Other	268	270
Total current liabilities	7,316	8,372
Non-current liabilities		
Long-term borrowings	6,000	5,000
Long-term accounts payable - other	7	7
Deferred tax liabilities	84	-
Guarantee deposits received	431	416
Provision for share awards for directors (and other officers)	245	189
Retirement benefit liability	8	7
Asset retirement obligations	1,127	1,154
Other	32	6
Total non-current liabilities	7,937	6,783
Total liabilities	15,254	15,156
Net assets		
Shareholders' equity		
Share capital	8,258	8,258
Capital surplus	7,081	5,705
Retained earnings	(367)	61
Treasury shares	(724)	(664)
Total shareholders' equity	14,247	13,360
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,382	1,263
Total accumulated other comprehensive income	1,382	1,263
Non-controlling interests	3,166	-
Total net assets	18,796	14,624
Total liabilities and net assets	34,051	29,780

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended November 30, 2024	For the nine months ended November 30, 2025
Net sales	42,667	38,004
Cost of sales	17,889	14,483
Gross profit	24,777	23,521
Selling, general and administrative expenses	23,843	22,877
Operating profit	934	643
Non-operating income		
Interest income	25	69
Foreign exchange gains	-	5
Subsidy income	0	-
Other	25	39
Total non-operating income	52	114
Non-operating expenses		
Interest expenses	35	59
Commission expenses	4	4
Foreign exchange losses	134	-
Loss on retirement of non-current assets	3	6
Share of loss of entities accounted for using equity method	834	-
Other	19	3
Total non-operating expenses	1,031	74
Ordinary profit (loss)	(45)	684
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	-	146
Total extraordinary income	-	146
Extraordinary losses		
Impairment losses	92	105
Total extraordinary losses	92	105
Profit (loss) before income taxes	(137)	725
Income taxes - current	287	124
Income taxes - deferred	(40)	96
Total income taxes	246	221
Profit (loss)	(384)	503
Profit attributable to non-controlling interests	80	-
Profit (loss) attributable to owners of parent	(464)	503

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended November 30, 2024	For the nine months ended November 30, 2025
Profit (loss)	(384)	503
Other comprehensive income		
Foreign currency translation adjustment	167	(216)
Share of other comprehensive income of entities accounted for using equity method	50	(402)
Total other comprehensive income	218	(618)
Comprehensive income	(165)	(114)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(322)	384
Comprehensive income attributable to non-controlling interests	157	(499)

(3) Notes to the quarterly consolidated financial statements

(Note on going concern)

Not applicable.

(Significant change in shareholders' equity)

Not applicable.

(Notes to changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and other standards from the beginning of the first quarter of the fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). The changes in accounting policies have no impact on Quarterly Consolidated Financial Statements.

With regard to the revision associated with the review of the treatment in the Consolidated Financial Statements in case that gain or loss on the sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purpose, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies have been retrospectively applied, and the Quarterly Consolidated Financial Statements for the previous corresponding period and the Consolidated Financial Statements for the previous fiscal year reflect the retrospective application of these changes in accounting policies. The changes in accounting policies have no impact on the Quarterly Consolidated Financial Statements for the previous corresponding period and the Consolidated Financial Statements for the previous fiscal year.

(Subsequent events)

(Establishment of joint venture)

The Company, based on the meeting of the Board of Directors held on October 15, 2025, established a joint venture with JD.com, Inc. (JD.com), on December 22, 2025 to make investments into companies in Japan, including consumer goods companies.

1. The purpose of the establishment of the joint venture

China is a massive consumer market that highly regards the appeal of Japanese products. The size of China's e-commerce market exceeds 3 trillion U.S. dollars, accounting for 51% of the global e-commerce market. The Company, aiming for growth in the medium and long term, prioritizes the expansion of global operations in its management strategies, and to this end, it has been focusing on the growth of the Chinese market.

With the establishment of this joint venture, we will collaborate with JD.com, a leading technology and service provider and China's largest retailer by revenue, and expand investments into consumer goods-related companies in Japan, as a new business endeavor. We will focus on companies capable of developing their products for the Chinese market by leveraging Japan's superior monozukuri (manufacturing) as major investment targets. Post-investment, we will supply Japanese products by utilizing the sales channel of JD.com in China, thereby promoting the value enhancement of our investment targets. The Company aims to accelerate the growth of Japanese products in the global arena, while at the same time providing support by such means as business succession to superior Japanese companies engaged in monozukuri (manufacturing), which are at risk of being lost, and promoting the expansion of their overseas sales channels.

2. Overview of the joint venture

(1) Name	DB Capital Limited
(2) Location of headquarters	Hong Kong Special Administrative Region, China
(3) Description of business	Making investments in or acquires consumer goods or other-related business in Japan
(4) Capital	100 million US dollars
(5) Date of establishment	December 22, 2025
(6) Shareholding ratios	BAROQUE HK LIMITED (wholly-owned subsidiary of the Company): 25% (Note) Jingdong Group Investment Ltd. (wholly-owned subsidiary of JD. com.): 75%

(Note) The new company is expected to become an equity-method affiliate of the Company.

(Segment accounting, etc.)

(Segment accounting)

The Group is reporting as one segment with respect to apparel design and selling business. The disclosure of other business is omitted, since it is immaterial.

(Note on statement of cash flows)

The Group has not prepared a consolidated statement of cash flows for the nine months ended November 30, 2025. Depreciation (including amortization of intangible assets) for the nine months ended November 30, 2024 and 2025 is as follows:

	For the nine months ended November 30, 2024	For the nine months ended November 30, 2025
Depreciation	682 million yen	652 million yen