July 15, 2026

Consolidated Financial Results for the Three Months Ended May 31, 2026 (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 three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	12,169	(3.6)	76	(84.9)	107	(79.0)	70	(85.3)
May 31, 2025	12,625	(8.9)	504	(21.9)	511	101.2	483	-

Note: Comprehensive income
For the three months ended May 31, 2026: ¥ 72 million [-%]
For the three months ended May 31, 2025: ¥ (201) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	1.97	-
May 31, 2025	13.44	-

(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	Millions of yen	Millions of yen	%
May 31, 2026	31,606	13,408	42.4
February 28, 2026	32,593	14,705	45.1

Reference: Equity
As of May 31, 2026: ¥ 13,408 million
As of February 28, 2026: ¥ 14,705 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	0.00	-	38.00	38.00
Fiscal year ending February 28, 2027	-				
Fiscal year ending February 28, 2027 (Forecast)		0.00	-	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, 2027 (from March 1, 2026 to February 28, 2027)

(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	52,970	2.9	1,352	320.9	1,302	239.6	743	102.5	20.63

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(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: None

(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 May 31, 2026	36,676,300 shares
As of February 28, 2026	36,676,300 shares

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

As of May 31, 2026	650,230 shares
As of February 28, 2026	656,330 shares

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

Three months ended May 31, 2026	36,021,097 shares
Three months ended May 31, 2025	35,977,060 shares

* 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.

Contents

1. Management discussion and analysis

(1) Summary of the business

During the three months ended May 31, 2026, the Japanese economy saw improvements in the employment and income environment, including widespread wage growth against the backdrop of a labor shortage. However, the future outlook for the business environment remained uncertain, with production activities constrained by soaring crude oil prices and shortages of petroleum-based raw materials resulting from the turmoil in the Middle East, among other factors. In the apparel industry, the management environment continued to be challenging, reflecting the polarization of private consumption and a growing preference for low-priced practical goods driven by a defensive consumer mindset.

Domestic business sales were 96.2% year-on-year (store sales 96.2% and e-commerce sales 93.3%). In FB/SB brands, our mainstay brands MOUSSY, SLY and rienda achieved significant growth, while LAGUA GEM, one of our growth brands, posted a substantial increase, with same-store sales reaching 121.3% of the level recorded in the same period of the previous year. In the SC brands, RODEO CROWNS WIDE BOWL maintained double-digit growth in same-store sales. Meanwhile, AZUL BY MOUSSY, currently undergoing a turnaround, is in the midst of a fundamental review of its product development and marketing strategies; this has led to issues such as a misalignment with its existing customer base. In addition, spending on domestic high-end brands at department stores remained sluggish. As a result, the overall figures fell below those of the same period last year.

Gross profit declined from the same period of the previous year due to inventory clearance at the SC brands and higher costs across the supply chain. As a result, operating profit also decreased from the same period of the previous year.

As for the U.S. business, the Group has been focusing on a business model primarily centered around wholesale distribution to high-end department stores and select shops, selling Japanese-made high-end denim products. While net sales were higher than the same period of the previous year, profit declined year on year due to the increase in selling, general and administrative expenses.

As of May 31, 2026, the Group has 330 stores in Japan (253 directly operated, 77 through franchise) and 5 overseas stores (1 directly operated, 4 through franchise) – for a total of 335 stores.

As a result of the above, the three months ended May 31, 2026 saw consolidated net sales of 12,169 million yen (3.6% decrease from the same period last year), operating profit of 76 million yen (84.9% decrease from the same period last year), ordinary profit of 107 million yen (79.0% decrease from the same period last year), and profit attributable to owners of parent of 70 million yen (85.3% decrease from the same period last year).

(2) Financial review

As of May 31, 2026, total assets decreased by 987 million yen from the end of the previous fiscal year to 31,606 million yen. This was mainly due to the decrease in cash and deposits by 2,681 million yen and the increases in accounts receivable - trade by 918 million yen, and in merchandise by 833 million yen.

Liabilities increased by 309 million yen from the end of the previous fiscal year to 18,197 million yen. This was mainly due to the increase in notes and accounts payable - trade by 303 million yen.

Net assets decreased by1,296 million yen from the end of the previous fiscal year to 13,408 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 70 million yen from profit attributable to owners of parent, and the increase in foreign currency translation adjustment by 1 million yen.

2.Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	11,319	8,638
Accounts receivable - trade	2,442	3,360
Merchandise	5,003	5,836
Supplies	64	64
Other	321	308
Allowance for doubtful accounts	-	(6)
Total current assets	19,151	18,202
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,050	989
Land	350	350
Construction in progress	5	7
Other, net	238	212
Total property, plant and equipment	1,643	1,559
Intangible assets		
Software	507	494
Software in progress	3,018	3,079
Other	0	0
Total intangible assets	3,527	3,574
Investments and other assets		
Investment securities	3,941	3,941
Leasehold and guarantee deposits	3,100	3,103
Deferred tax assets	1,156	1,161
Other	72	64
Total investments and other assets	8,271	8,270
Total non-current assets	13,441	13,404
Total assets	32,593	31,606

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,915	2,218
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	1,000	1,000
Accounts payable - other	5,022	4,870
Accrued expenses	589	611
Income taxes payable	159	90
Guarantee deposited	35	15
Provision for bonuses	121	288
Asset retirement obligations	17	26
Other	247	331
Total current liabilities	11,107	11,451
Non-current liabilities		
Long-term borrowings	5,000	5,000
Long-term accounts payable - other	7	7
Guarantee deposits received	406	390
Provision for share awards for directors (and other officers)	191	190
Retirement benefit liability	8	8
Asset retirement obligations	1,160	1,144
Other	5	3
Total non-current liabilities	6,779	6,745
Total liabilities	17,887	18,197
Net assets		
Shareholders' equity		
Share capital	8,258	8,258
Capital surplus	5,705	4,315
Retained earnings	(75)	(4)
Treasury shares	(664)	(644)
Total shareholders' equity	13,223	11,924
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,482	1,483
Total accumulated other comprehensive income	1,482	1,483
Total net assets	14,705	13,408
Total liabilities and net assets	32,593	31,606

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Net sales	12,625	12,169
Cost of sales	4,537	4,603
Gross profit	8,087	7,566
Selling, general and administrative expenses	7,582	7,490
Operating profit	504	76
Non-operating income		
Interest income	10	26
Foreign exchange gains	15	24
Other	7	9
Total non-operating income	33	60
Non-operating expenses		
Interest expenses	19	26
Commission expenses	1	1
Loss on retirement of non-current assets	3	0
Other	2	0
Total non-operating expenses	26	29
Ordinary profit	511	107
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	146	-
Total extraordinary income	146	-
Profit before income taxes	657	107
Income taxes - current	115	44
Income taxes - deferred	59	(7)
Total income taxes	174	36
Profit	483	70
Profit attributable to owners of parent	483	70

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Profit	483	70
Other comprehensive income		
Foreign currency translation adjustment	(282)	28
Share of other comprehensive income of entities accounted for using equity method	(402)	(27)
Total other comprehensive income	(684)	1
Comprehensive income	(201)	72
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	298	72
Comprehensive income attributable to non-controlling interests	(499)	-

(3) Notes to the quarterly consolidated financial statements

(Note on going concern)

Not applicable.

(Significant change in shareholders' equity)

Not applicable.

(Subsequent events)

(Transfer of non-current assets)

The Company, at a meeting of the Board of Directors held on June 25, 2026, resolved to transfer non-current assets held by the Company. As a result of the transfer, the Company expects to record a gain on sale of non-current assets of 363 million yen in the consolidated financial statements for the fiscal year ending February 28, 2027.

1. Reason for the transfer

   In order to make effective use of management resources and strengthen the financial position, the Company will transfer the following non-current assets that it owns.

2. Details of the assets to be transferred

Details and location of assets	Gain on transfer	Current status
Location: 3-chome, Aobadai, Meguro-ku, Tokyo Land: [Site area] Approx. 316 m^2 Building: [Total floor area] Approx. 777m^2 5-story reinforced concrete structure with a flat roof	363 million yen	Currently used as part of the Company's headquarters office

*While the transfer price is not disclosed in accordance with an agreement with the transferee, the transfer will be conducted at a fair price that reflects market conditions. The gain on transfer is calculated by subtracting the book value and transfer-related expenses from the transfer price.

3. Overview of the transferee

   The details of the transferee (a business entity) are not disclosed in accordance with an agreement with the transferee. There are no capital, personnel, or business relationships between the transferee and the Company that require disclosure, and the transferee is not a related party.

(Closing of The SHEL'TTER TOKYO Tokyu Plaza Omotesando "Omokado")

The Company, at a meeting of the Board of Directors held on July 15, 2026, resolved to close The SHEL'TTER TOKYO Tokyu Plaza Omotesando "Omokado." The impact of this resolution on the Company's consolidated financial statements for the fiscal year ending February 28, 2027 is currently under review.

1. Overview of the store to be closed

   Store name: The SHEL'TTER TOKYO Tokyu Plaza Omotesando "Omokado"

   Location: Tokyu Plaza Omotesando "Omokado," (B1‐2F), 4-30-3 Jingumae, Shibuya-ku, Tokyo
2. Scheduled closing date: To be decided
3. Reason for the closure: Expiration of the building lease agreement

(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 three months ended May 31, 2026. Depreciation (including amortization of intangible assets) for the three months ended May 31, 2025 and 2026 is as follows:

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Depreciation	216 million yen	195 million yen