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FY2025/02

Full Year Financial Results and Supplementary Information

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BAROQUE JAPAN LIMITED






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FY2025/02 Full Year Financial Results and Supplementary Information

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Executive Summary of Consolidated Financial Results



Net Sales

58.1 billion yen

YoY

-2.1 billion yen
(96.5%)

Revised plan difference

+0.4 billion yen
(100.8%)

In the domestic business, sales were 96.2% YoY (Stores:96.0%, E-commerce: 102.3%). While e-commerce remained strong, overall revenue declined due to struggles in SC brands, the discontinuation of unprofitable brands, and the closure of unprofitable stores.
In the China business, in addition to weak consumer sentiment, reduced purchasing by the local retail partner led to a decline in wholesale revenue.
In the U.S. business, the stabilization of product supply contributed to a recovery in orders, and wholesale remained strong. Combined with continued growth in e-commerce, sales increased to 121.7% YoY.

Gross Profit

33.1 billion yen

YoY

-1.1 billion yen
(96.6%)

Revised plan difference

+0.2 billion yen
(100.7%)

The domestic business aimed for planned liquidation through efficient cash conversion and the use of secondary sales channels. However, it was unable to absorb the increase in cost of goods sold, resulting in a gross profit lower than the previous year.

Operating Profit

0.8 billion yen

YoY

-1.1 billion yen
(41.6%)

Revised plan difference

+0.3 billion yen
(183.3%)

The depreciation of logistics equipment investment and the increase in new business development costs were offset by controlling selling, general, and administrative expenses at a level lower than the previous year through measures like reducing personnel costs. However, the decline in gross profit could not be fully covered.
The revised budget for selling, general, and administrative expenses exceeded the plan due to cost reductions in domestic expenses from January to February.

Profit (Loss) Attributable to Owners of Parent

(2.5) billion yen

YoY

-3.5 billion yen
(-%)

Revised plan difference

-1.4 billion yen
(-%)

A share of loss of associates in the China business, amounting to 2.4 billion yen, resulted in performance below the same period last year.(See next slide for changes from the revised plan)

02 / Impact Associated with the Share Transfer of China JV

A share of loss of associates related to the China JV (Retail Company) for January to February 2025 has been additionally recorded.
For the China JV (Wholesale Company), the figures from net sales to profit have been consolidated.

	China JV (Retail Company)	China JV (Wholesale Company)
Classification	Equity-method affiliate (The Company owns 49%)	Consolidated subsidiary (The Company owns 51%)
Recorded in the Company's consolidated PL	Non-operating income (loss) Equity in losses of affiliated companies -1.23 billion yen	Net sales - Profit

Difference between the company and two China JV in Fiscal Year-End

As a general rule, subsidiaries must align their fiscal year with that of the parent company. However, if the fiscal year-end difference is within three months, it is possible to include the subsidiary in the consolidation without preparing interim financial statements, in accordance with accounting principles. Until now, due to the impact of the closing process, the China JV was consolidated with a two-month delay. However, for FY2025/02, due to the necessity of the share transfer, early access to the figures allowed the discrepancies to be resolved. Since it became possible to prepare interim financial statements for the China JV aligned with the parent company's fiscal year, the figures were consolidated in accordance with the principle of aligning with the parent company's fiscal year.



03/ FY2025/02 Consolidated Financial Results

(Millions of yen)	FY2025/02				FY2024/02	
	Actual	Ratio	YoY	Increase/Decrease	Actual	Ratio
Net Sales	**58,180**	**-**	96.5%	-2,110	60,290	-
Gross Profit	**33,100**	**56.9%**	96.6%	-1,164	34,264	56.8%
SG&A Expenses	**32,287**	**55.5%**	99.9%	-22	32,309	53.6%
Operating Profit	**812**	**1.4%**	41.6%	-1,142	1,954	3.2%
Ordinary Profit (Loss)	**(1,683)**	**-**	-	-3,706	2,022	3.4%
Profit (Loss) Attributable to Owners of Parent	**(2,575)**	**-**	-	-3,520	945	1.6%

(Millions of yen)	FY2025/02 Actual	FY2025/02 Ratio	FY2025/02 YoY	FY2025/02 Increase/Decrease	FY2024/02 Actual	FY2024/02 Ratio
Net Sales	**52,734**	**-**	96.2%	-2,063	54,798	-
Sore Sales	**39,031**	**74.0%**	96.0%	-1,634	40,666	74.2%
EC Sales	**10,867**	**20.6%**	102.3%	+246	10,620	19.4%
Gross Profit	**30,778**	**58.4%**	95.8%	-1,334	32,113	58.6%
SG&A Exprenses	**30,669**	**58.2%**	99.1%	-292	30,961	56.5%
Operating profit	**109**	**0.2%**	9.5%	-1,042	1,151	2.1%
Ordinary Profit	**3**	**0.0%**	0.2%	-1,665	1,668	3.0%
Profit (Loss)	**(525)**	**-**	-	-1,592	1,066	1.9%

China JV

- Due to the suppression of purchase, sales from China JV were 87.6% year-on-year. A share of loss of entities accounted for using equity method of 2.4 billion yen was recorded due to scrapping of unprofitable stores and valuation losses on merchandise.
- Additionally, the stagnation in retail growth and other factors led to royalties decreasing to 58.3% year-on-year.
- The number of stores decreased by 87 compared to the end of the last fiscal year to 157.

(Millions of yen)	FY2025/02 Actual	FY2025/02 YoY	FY2024/02 Actual	FY2024/02 YoY
Sales from China JV				
Wholesale	4,604	89.2%	5,164	105.3%
Royalty	158	58.3%	271	76.8%
Total sales	4,762	87.6%	5,435	103.4%
Profit from China JV				
Equity-method investment gain	(2,436)	-	(228)	-
51% of JV subsidiary	185	76.3%	242	101.1%
Royalty after tax	110	58.3%	189	76.8%
Total profit	(2,140)	-	204	-

U.S. Business

- In the U.S. business, wholesale sales remained strong as orders recovered with the stabilization of product supply. In addition, EC sales also grew, resulting in year on year increases in sales and profits.（Net Sales: 121.7%, Operating Profit: 159.1%）

06/ Sales by Business Segment (FB, SC, Department Stores) Inbound Sales

FB and SB brands and department store brands increased YoY.

Inbound demand also expanded.

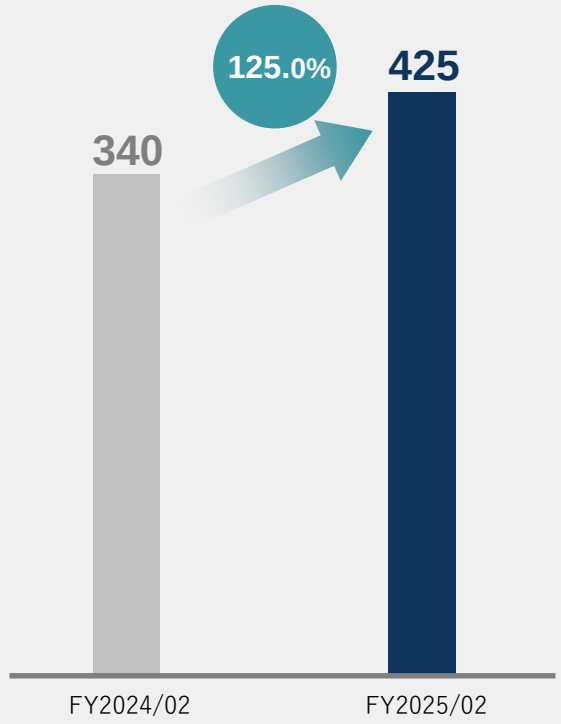
Quarterly Sales by Business Segment

Top: YoY
Bottom: Millions of yen

	1Q	2Q	3Q	4Q	FY2025/02
FB and SB brands	97.4% 4,725	103.7% 4,504	105.2% 4,953	94.6% 4,894	100.0% 19,077
SC Brand	91.3% 5,901	97.0% 6,208	92.4% 6,409	96.2% 7,475	94.3% 25,995
Dept. Store Brands	101.7% 1,453	104.0% 1,374	97.9% 1,529	98.3% 1,360	100.4% 5,718

TST Tax Free Sales

(Millions of yen)



※TST: The SHEL'TTER TOKYO

FY2025/02 Consolidated SG&A Expenses

(Millions of yen)	FY2025/02 Actual	FY2025/02 Ratio	FY2025/02 YoY	FY2025/02 Increase/Decrease	FY2024/02 Actual	FY2024/02 Ratio
Net Sales	**58,180**	**-**	96.5%	-2,110	60,290	–
SG&A Expenses	**32,287**	**55.5%**	99.9%	-22	32,309	53.6%
Advertising and promotinal expenses	**1,941**	**3.3%**	107.0%	+126	1,814	3.0%
Salaries and wages	**5,805**	**10.0%**	101.0%	+56	5,749	9.5%
Store rent and fee for francisee	**12,969**	**22.3%**	99.3%	-95	13,065	21.7%
Depreciation	**937**	**1.6%**	108.6%	+74	862	1.4%
Others	**10,633**	**18.3%**	98.3%	-184	10,817	17.9%

FY2025/02 Consolidated Balance Sheet

(Millions of yen)	FY2025/02 Actual	FY2025/02 Ratio	FY2025/02 YoY	FY2024/02 Actual	FY2024/02 Ratio
Cash and Deposits	11,305	33.2%	92.8%	12,181	32.7%
Accounts Receivable-Trade	7,760	22.8%	80.7%	9,613	25.8%
Merchandise	5,359	15.7%	97.6%	5,489	14.7%
Other Current Assests	363	1.1%	99.2%	366	1.0%
Non-Current Assests	9,262	27.2%	96.4%	9,609	25.8%
Total Assets	34,051	100.0%	91.4%	37,261	100.0%
Liabilities	15,254	44.8%	101.3%	15,058	40.4%
Net Assets	18,796	55.2%	84.7%	22,202	59.6%

FY2026/02 Consolidated Earning Forecast

Strong improvement in profit compared to the previous year.

(Millions of yen)	FY2026/02 Forecast	FY2026/02 Ratio	FY2026/02 YoY	FY2025/02 Actual	FY2025/02 Ratio
Net Sales	57,602	-	99.0%	58,180	-
Gross Profit	35,434	61.5%	107.1%	33,100	56.9%
SG&A Expenses	33,206	57.6%	102.8%	32,287	55.5%
Operating Profit	2,227	3.9%	274.1%	812	1.4%
Ordinary Profit (Loss)	2,139	3.7%	-	△ 1,683	-
Profit (Loss) Attributable to Owners of Parent	1,338	2.3%	-	△ 2,575	-

Progress of the Medium-Term Management Plan (Roadmap)

Initially, Phase 1 was a three-year plan to establish a new normal post-COVID19 and return to a growth trajectory.
Due to underperformance in both domestic and international markets, the preparatory period for a leap forward has been extended from three years to five years, with Phase 1 now concluding in February 2026.

Re-orientation Plan Phase1
Preparation for the Leap Forward
～Strengthening Our Foundations and Preparing for Expansion～

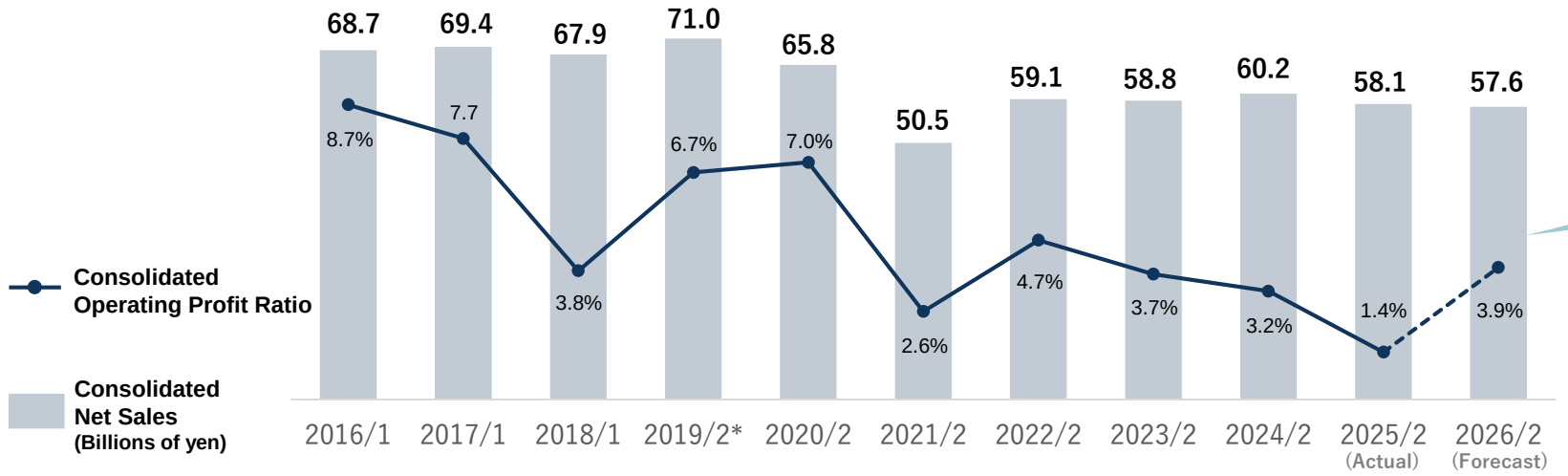
2022-2024 **~2026**

Mid-Term Plan before last → Previous Mid-Term Plan → Ongoing Mid-Term Plan → Now → **Extension** → Present Goals → Next Mid-Term Plan → **Vision 2030**

Global Challenge 2018-2021

Global New Retail 1st Stage 2019-2024

Re-orientation Plan Phase2 Leap
～Expansion to the world and new areas～
2027-2030



By 2030, break the record for
High Profit

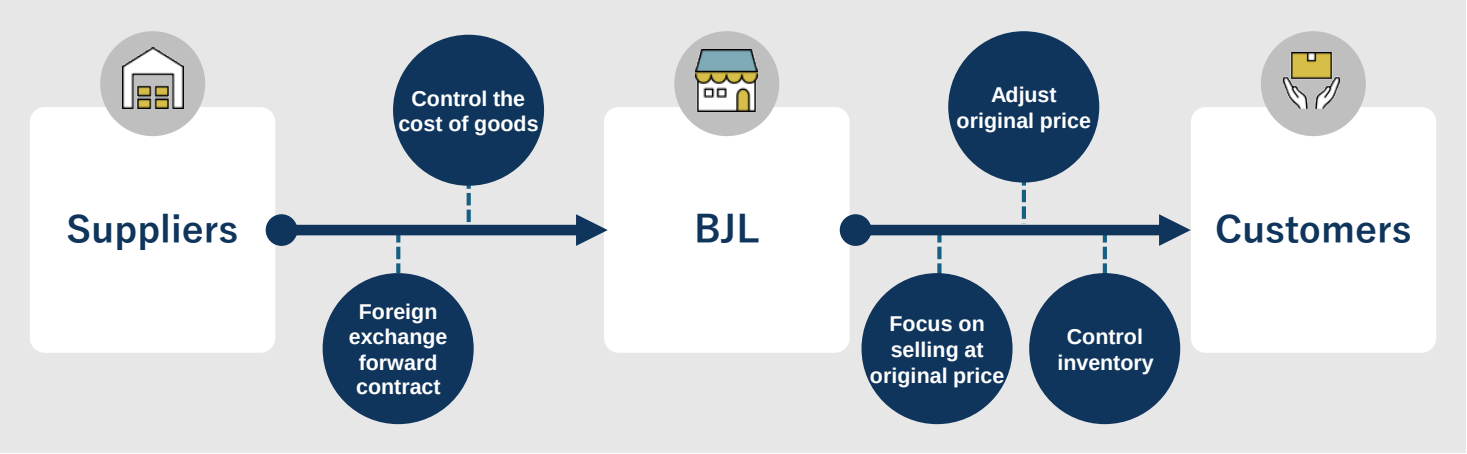
Progress of the Medium-Term Management Plan (KPI)

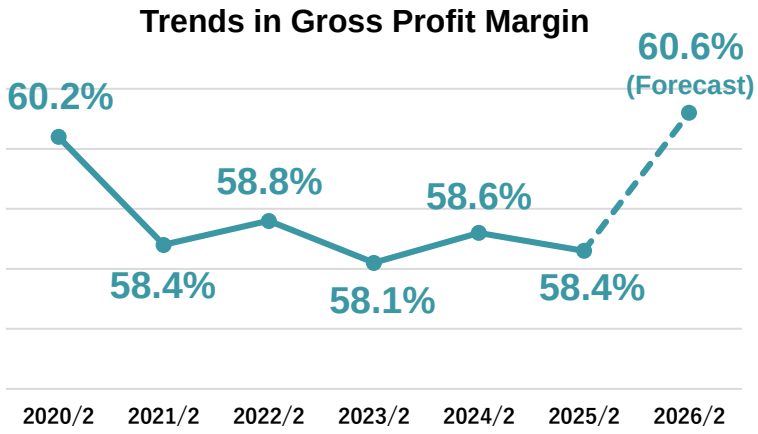
	The Final Year of Phase1 (FY2026/02)	The Final Year of Phase2 (FY2030/02)
Cosolidated Operating Profit Ratio	3.0~4.0%	8.9%
Inventory Turnover Rate	5.5~6.5times	6.5times
ROE	4.0~5.0%	15.0%

FY2026/02 Maximize Gross Profit

The company aims for a gross profit margin of 60.6%, targeting a level high than the previous year's period. Maximize confirmed profits through appropriate pricing strategies and company-wide cost control of procurement costs.

Efficiently convert inventory into cash with a focus on liquidity.





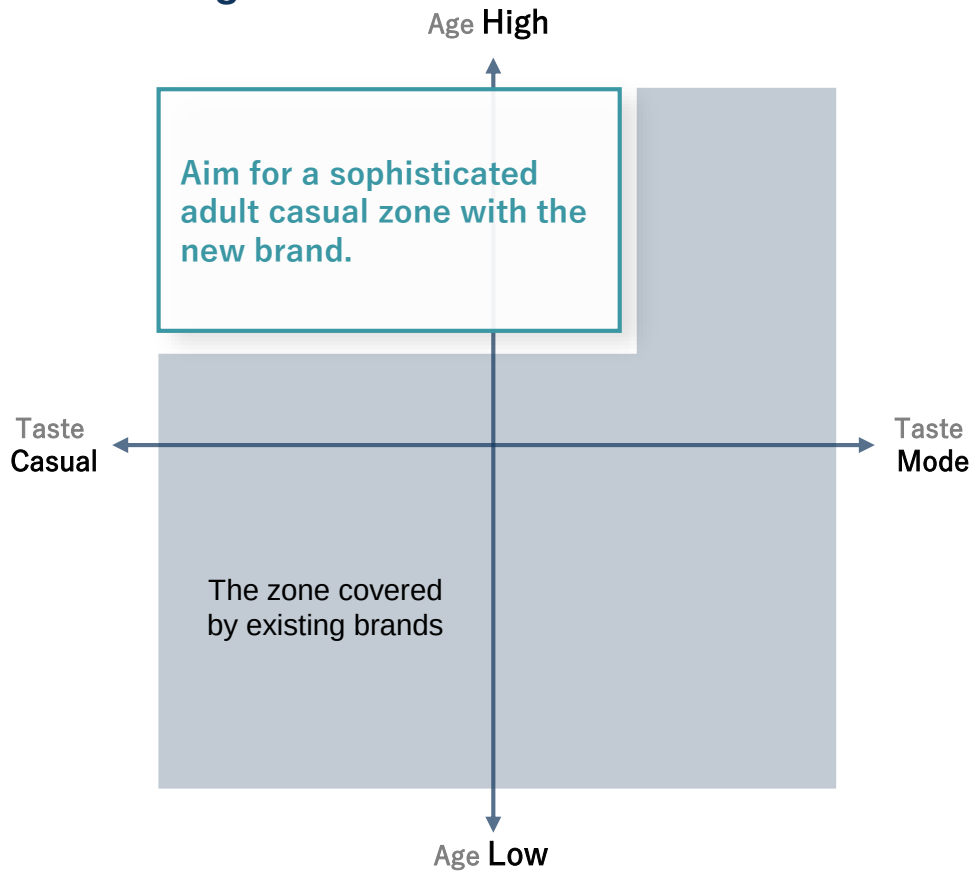
Optimize SG&A expenses

To cover expenses such as new business development costs, system expenses, and personnel costs, SG&A expenses were streamlined through the reduction of unnecessary costs in existing businesses and administrative support departments. Additionally, management resources were reallocated through the organization of unprofitable brands and stores.

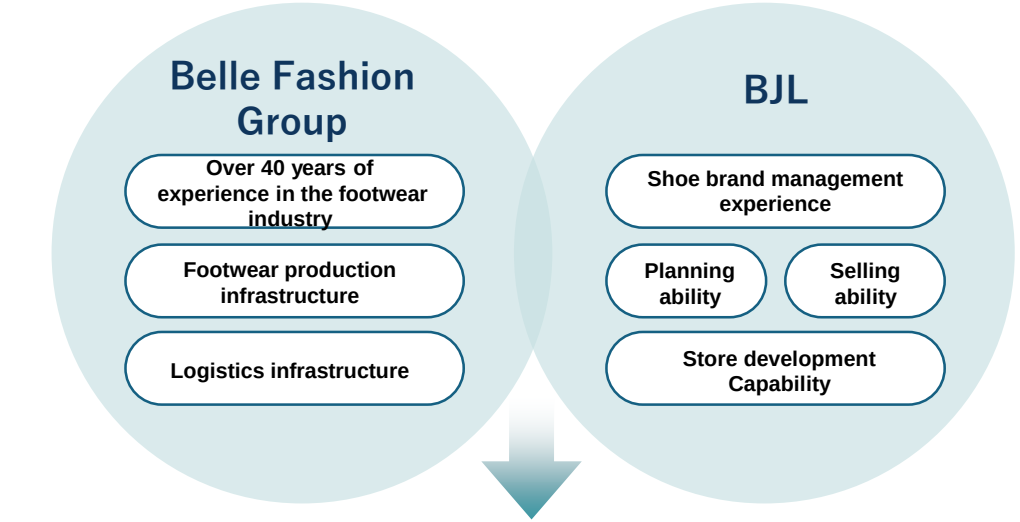
Development of New “Earning Power”

While strengthening the existing apparel business, we will simultaneously begin developing the next profitable business.

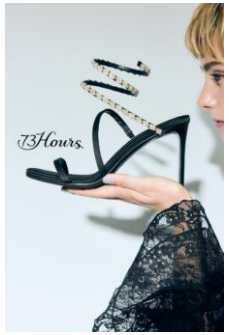
Development of a new apparel brand for the adult generation



Footwear Business Development with Belle







73Hours

- **April 1: EC release**
- **June 4-10: Pop-up shop at Isetan Shinjuku and JR Nagoya Takashimaya**

Overseas Business Policy (China)

China's economic slowdown, worsening employment conditions, the real estate downturn, and growing concerns about the future have led to a decline in individual consumer spending willingness.

Profit-oriented

- Scrap unprofitable stores
- Strengthen e-commerce
- Shift from directly operated stores to franchise operations

2025~

Eliminate Risks in China Business

Responding to uncertainty in the Chinese economy

- Share Transfer to Belle
- One-Time Risk Offload

Future Prospects for Business in China

MOUSSY,SLY

The brand licensing agreement with Belle will continue

The royalty income from sales of MOUSSY and SLY in China by Belle will continue.

The wholesale of Japan-designed products based on the exclusive distribution agreement will also continue.

Business in China other than MOUSSY and SLY

Promote partnerships with strong Chinese partners

We will promote partnerships with strong Chinese partners to expand e-commerce, an efficient revenue-generating business that is not dependent on physical stores. There are 15 brands not yet introduced in China, and we will accelerate their expansion going forward.

Expanding the business beyond just apparel

Capital relationship with Belle

Maintain the general agency agreement and continue the alliance

The MOUSSY and SLY businesses will maintain the general agency agreement with Belle and continue the collaborative relationship.

Expansion of Belle's footwear brands in Japan

Further strengthening of the expansion of Belle’s women’s footwear brands in Japan.

**Rather than withdrawing from the Chinese market,
the approach is to first eliminate the risks and then promote new developments**

Overseas Business Policy (U.S.)

The global market size for luxury denim



The market size for luxury denim jeans in North America

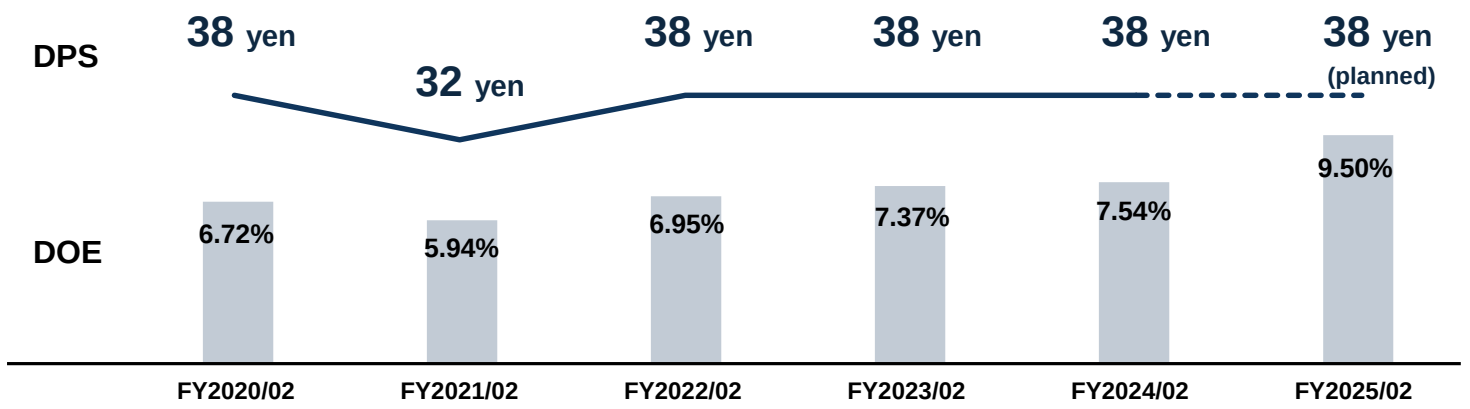


U.S. Business / Key Initiatives for This Fiscal

- ☑ Strengthen marketing research
- ☑ Appoint luxury denim designers
- ☑ Develop products with a focus on uniqueness

Wholesale	• Strengthen appeal to buyers • Strengthen product development capabilities reflecting U.S. local needs, not found in Japan
Directly managed store	• Strengthen proper sales by increasing the purchasing composition ratio of MOUSSY VINTAGE
In-house EC	• Strengthen proper sales by increasing the purchasing composition ratio of MOUSSY VINTAGE, similar to directly operated stores • Strengthen appeal by adding features such as customized search, product recommendations, and category matching for customers

The basic policy is to continue stable shareholder returns. For the fiscal year ending in February 2026, a dividend of ¥38 is planned. Shareholder benefits will be provided twice a year in the form of a ¥2,000 coupon for shareholders holding one unit (100 shares) or more.



38 yen dividend started in FY2018/01 and has been maintained at a relatively stable level, except during the COVID-19 pandemic.

38 yen

FY2026/02 Dividend per share (planned)

Total return combining shareholder dividends and shareholder benefits
More than 10%

Shareholder benefit coupon

A 2,000 yen coupon will be granted twice a year, which can be used at our stores in Japan (with some exceptions) and on our online store, SHEL'TTER WEBSTORE.

Shareholders who hold at least one unit (100 shares) and are listed or recorded in the shareholder register as of the end of February and August each year are eligible.
The shareholder benefit coupons are valid for six months, starting from June and December,

Number of shares held	Coupon Details	Number of coupons be offered
100 shares or more	4,000 yen per year	2 coupons granted (1 in the first half and 1 in the second half of the fiscal year)
200 shares or more	6,000 yen per year	3 coupons granted (2 in the first half and 1 in the second half of the fiscal year)
500 shares or more	8,000 yen per year	4 coupons granted (2 in the first half and 2 in the second half of the fiscal year)

Disclaimer Regarding Forward Looking Statements

This document contains forward looking statements regarding the outlook, targets, plans, etc. of the Company and its Group companies. These are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual results may differ significantly from these statements due to various factors in the future.

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