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April 14, 2025

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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.

Baroque Japan Limited (the "Company") hereby announces the following differences between the full-year financial results forecast for the fiscal year ended February 28, 2025 (FY2025, from March 1, 2024 to February 28, 2025), as announced on January 14, 2025, and the actual results announced today. The Company has no plans to revise its annual dividend forecast of 38 yen per share.

1. Differences between the Financial Results Forecast and Actual Results

Fiscal year ended February 28, 2025 (FY2025, from March 1, 2024 to February 28, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million yen 57,714	Million yen 443	Million yen (676)	Million yen (1,090)	Yen (30.31)
Actual results (B)	58,180	812	(1,683)	(2,575)	(71.58)
Difference (B-A)	466	369	(1,007)	(1,485)	—
Increase/Decrease (%)	0.8%	83.3%	—	—	—
(Reference) Results for the previous fiscal year (Ended February 29, 2024)	60,290	1,954	2,022	945	26.24

2. Recording of Share of Loss of Entities Accounted for Using Equity Method

Due to the negative impacts of the scrapping of unprofitable stores and valuation losses on merchandise in the retail companies in China, the Group has recorded share of loss of entities accounted for using equity method of 2,436 million yen, of which 1,239 million yen is share of loss of entities accounted for using equity method in connection with the “Notice of a Change in a Consolidated Subsidiary, Etc. (Transfer of Shares)” announced today, April 14, 2025 (hereon, “this matter”).

3. Reason for the Differences

Consolidated operating profit increased due to the realization of unrealized profits from the wholesale companies in China in connection with this matter and a reduction in selling, general and administrative expenses in the non-consolidated domestic business. Additionally, due to the impact of share of loss of entities accounted for using equity method described above, consolidated ordinary profit and profit attributable to owners of parent decreased.

For details, please refer to “FY2025/02 Full Year Financial Results and Supplementary Information” disclosed today.

4. Differences between the Actual Results for the Fiscal Year Ended February 29, 2024 and the Actual Results for the Fiscal Year Ended February 28, 2025 in the Non-consolidated Financial Results (from March 1, 2024 to February 28, 2025)

	Net sales	Ordinary profit	Profit
Actual results for the fiscal year ended February 29, 2024 (A)	Million yen 54,798	Million yen 1,668	Million yen 1,066
Actual results for the fiscal year ended February 28, 2025 (B)	52,734	3	(525)
Difference (B-A)	(2,063)	(1,665)	(1,592)
Increase/Decrease (%)	(3.8)%	(99.8)%	—

5. Reason for the Differences

The Company controlled selling, general and administrative expenses, but it was not enough to cover the decline in gross profit, and ordinary profit and profit fell below the level of the previous fiscal year.