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October 15, 2026

Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: BAROQUE JAPAN LIMITED

Listing: Tokyo Stock Exchange

Securities code: 3548

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Scheduled date to file semi-annual securities report: October 15, 2026

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, Chairman and CEO

Executive officer, Head of Corporate Planning Office

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

1. Consolidated financial results for the six months ended August 31, 2026 (from March 1, 2026 to August 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2026	23,469	(5.4)	(904)	-	(1,028)	-	(1,495)	-
August 31, 2025	24,801	(10.5)	(77)	-	(15)	-	11	-

Note: Comprehensive income For the six months ended August 31, 2026: ¥ (1,490) million [-%]
For the six months ended August 31, 2025: ¥ (732) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2026	(41.47)	-
August 31, 2025	0.32	-

(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
	Millions of yen	Millions of yen	%
As of August 31, 2026	29,421	12,000	40.8
February 28, 2026	32,593	14,705	45.1

Reference: Equity

As of August 31, 2026: ¥ 12,000 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	-	0.00			
Fiscal year ending February 28, 2027 (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, 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	50,832	(1.3)	111	(65.4)	(39)	-	(696)	-	(19.30)

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

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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: Yes
- (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 August 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 August 31, 2026	511,200 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)

Six months ended August 31, 2026	36,053,051 shares
Six months ended August 31, 2025	35,979,030 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 six months ended August 31, 2026, the Japanese economy was on a moderate recovery trend backed by improvements in the employment and income environment and the effects of various policies. 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 contrast to the overall recovery trend, the apparel industry faced an extremely challenging environment, with demand losing momentum toward the summer, among other factors, due to the impact of unstable weather as well as a defensive consumer mindset and selective consumption resulting from high prices.

Domestic business sales were 94.1% year-on-year (store sales 94.9% and e-commerce sales 89.4%). In FB/SB brands, same-store sales for the six-month period under review exceeded those of the same period last year for all brands. In the SC brands as well, RODEO CROWNS WIDE BOWL maintained double-digit growth in same-store sales. Meanwhile, at AZUL BY MOUSSY, customer traffic began to recover from the second half of the six-month period under review owing to the effects of the review of its marketing and products; however, this has not been sufficient to offset the decline in sales in the first half. Department store brands, particularly high-end brands, have also yet to emerge from their sluggish performance. In addition, e-commerce shipment delays caused by initial issues with the new system introduced in June also had an impact. As a result, overall net sales fell below those of the same period last year.

Gross profit fell below that of the same period last year due to increased valuation losses on merchandise in our mainstay SC brands and rising costs across the entire supply chain.

In addition, operating profit also fell below that of the same period last year as a result of the above.

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. The Group closed its directly operated store in New York in June.

As of August 31, 2026, the Group has 326 stores in Japan (251 directly operated, 75 through franchise) and 4 overseas stores (0 directly operated, 4 through franchise) – for a total of 330 stores.

As a result of the above, the six months ended August 31, 2026 saw consolidated net sales of 23,469 million yen (5.4% decrease from the same period last year), operating loss of 904 million yen (operating loss of 77 million yen for the same period last year), ordinary loss of 1,028 million yen (ordinary loss of 15 million yen for the same period last year), and loss attributable to owners of parent of 1,495 million yen (profit attributable to owners of parent of 11 million yen for the same period last year).

(2) Financial review

As of August 31, 2026, total assets decreased by 3,171 million yen from the end of the previous fiscal year to 29,421 million yen. This was mainly due to the decrease in cash and deposits by 3,465 million yen and the increases in accounts receivable - trade by 203 million yen, and in merchandise by 126 million yen.

Liabilities decreased by 466 million yen from the end of the previous fiscal year to 17,421 million yen. This was mainly due to the increase in notes and accounts payable - trade by 384 million yen and the decrease in short-term borrowings by 1,000 million yen.

Net assets decreased by 2,705 million yen from the end of the previous fiscal year to 12,000 million yen. This was mainly due to the decrease in capital surplus by 1,376 million yen for the payment of dividends, and the decrease in retained earnings by 1,495 million yen from loss attributable to owners of parent.

(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, 2027 (March 1, 2026 to February 28, 2027), which we announced in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)” dated April 14, 2026. Please refer to the “Notice Regarding Recognition of extraordinary losses and Revision to the Full-Year Financial Results Forecast” released today (October 15, 2026) for details.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	11,319	7,854
Accounts receivable - trade	2,442	2,645
Merchandise	5,003	5,130
Supplies	64	57
Other	321	621
Allowance for doubtful accounts	-	(6)
Total current assets	19,151	16,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,050	659
Land	350	350
Construction in progress	5	26
Other, net	238	178
Total property, plant and equipment	1,643	1,215
Intangible assets		
Software	507	3,325
Software in progress	3,018	-
Other	0	0
Total intangible assets	3,527	3,325
Investments and other assets		
Investment securities	3,941	3,939
Leasehold and guarantee deposits	3,100	3,103
Deferred tax assets	1,156	1,494
Other	72	39
Total investments and other assets	8,271	8,577
Total non-current assets	13,441	13,118
Total assets	32,593	29,421

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,915	2,300
Short-term borrowings	2,000	1,000
Current portion of long-term borrowings	1,000	1,000
Accounts payable - other	5,022	4,984
Accrued expenses	589	515
Income taxes payable	159	109
Guarantee deposited	35	20
Provision for bonuses	121	153
Asset retirement obligations	17	605
Other	247	272
Total current liabilities	11,107	10,961
Non-current liabilities		
Long-term borrowings	5,000	5,000
Long-term accounts payable - other	7	7
Guarantee deposits received	406	380
Provision for share awards for directors (and other officers)	191	28
Retirement benefit liability	8	10
Asset retirement obligations	1,160	1,029
Other	5	2
Total non-current liabilities	6,779	6,459
Total liabilities	17,887	17,421
Net assets		
Shareholders' equity		
Share capital	8,258	8,258
Capital surplus	5,705	4,315
Retained earnings	(75)	(1,570)
Treasury shares	(664)	(489)
Total shareholders' equity	13,223	10,513
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,482	1,486
Total accumulated other comprehensive income	1,482	1,486
Total net assets	14,705	12,000
Total liabilities and net assets	32,593	29,421

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Net sales	24,801	23,469
Cost of sales	9,725	9,690
Gross profit	15,075	13,779
Selling, general and administrative expenses	15,152	14,683
Operating loss	(77)	(904)
Non-operating income		
Interest income	36	69
Foreign exchange gains	74	-
Other	20	21
Total non-operating income	132	91
Non-operating expenses		
Interest expenses	39	59
Commission expenses	2	3
Foreign exchange losses	-	150
Loss on retirement of non-current assets	24	0
Share of loss of entities accounted for using equity method	-	1
Other	3	0
Total non-operating expenses	70	215
Ordinary loss	(15)	(1,028)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	146	-
Total extraordinary income	146	-
Extraordinary losses		
Impairment losses	105	765
Total extraordinary losses	105	765
Profit (loss) before income taxes	25	(1,794)
Income taxes - current	61	45
Income taxes - deferred	(46)	(344)
Total income taxes	14	(299)
Profit (loss)	11	(1,495)
Profit (loss) attributable to owners of parent	11	(1,495)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Profit (loss)	11	(1,495)
Other comprehensive income		
Foreign currency translation adjustment	(341)	91
Share of other comprehensive income of entities accounted for using equity method	(402)	(87)
Total other comprehensive income	(743)	4
Comprehensive income	(732)	(1,490)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(232)	(1,490)
Comprehensive income attributable to non-controlling interests	(499)	-

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	25	(1,794)
Depreciation	427	458
Impairment losses	105	765
Increase (decrease) in provision for bonuses	4	31
Interest income	(36)	(69)
Interest expenses and commission fee	42	62
Foreign exchange losses (gains)	(31)	(12)
Share of loss (profit) of entities accounted for using equity method	-	1
Loss on retirement of property, plant and equipment	24	0
Decrease (increase) in trade receivables	(602)	(194)
Decrease (increase) in inventories	195	(121)
Increase (decrease) in trade payables	(141)	365
Increase (decrease) in accounts payable - other	89	(151)
Increase (decrease) in retirement benefit liability	(1)	2
Loss (gain) on sale of shares of subsidiaries and associates	(146)	-
Other, net	379	(52)
Subtotal	335	(707)
Interest received	36	69
Interest paid	(40)	(61)
Income taxes paid	(88)	(72)
Net cash provided by (used in) operating activities	242	(772)
Cash flows from investing activities		
Purchase of property, plant and equipment	(330)	(104)
Purchase of intangible assets	(214)	(291)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,836	-
Payments of leasehold and guarantee deposits	(46)	(61)
Proceeds from refund of leasehold and guarantee deposits	72	60
Other, net	(32)	(23)
Net cash provided by (used in) investing activities	1,286	(420)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,000	3,000
Repayments of short-term borrowings	(2,000)	(4,000)
Dividends paid	(1,376)	(1,376)
Repayments of lease liabilities	(28)	(31)
Net cash provided by (used in) financing activities	(1,405)	(2,407)
Effect of exchange rate change on cash and cash equivalents	(207)	135
Net increase (decrease) in cash and cash equivalents	(84)	(3,465)
Cash and cash equivalents at beginning of period	11,305	11,319
Cash and cash equivalents at end of period	11,221	7,854

(4) Notes to the semi-annual consolidated financial statements

(Note on going concern)

Not applicable.

(Significant change in shareholders' equity)

Not applicable.

(Changes in accounting estimates)

During the six months ended August 31, 2026, the Group changed its estimate of restoration costs required upon vacating store premises, as a result of obtaining new information. The increase of 467 million yen resulting from this change in estimate has been added to asset retirement obligations.

(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.