



October 15, 2026

Company name Baroque Japan Limited

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 (Code number : 3548, Tokyo Stock Exchange, Prime Market)

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Notice Regarding Recognition of extraordinary losses and Revision to the Full-Year Financial Results Forecast

Baroque Japan Limited (the "Company") hereby announce that in the second quarter (interim period) of the fiscal year ending February 2027, we have recorded an extraordinary loss (impairment loss) and, in light of recent business performance trends, have decided to revise the financial results forecast for the fiscal year ending February 28, 2027 (FY2027, from March 1, 2026 to February 28, 2027) announced on April 14, 2026.

The Company has no plan to change the forecast for annual dividends of 38 yen per share.

1. Regarding the Recording of Extraordinary Losses

The Company recorded an impairment loss of 555 million yen as an extraordinary loss in the second quarter (interim period) of the fiscal year ending February 2027 related to the closure of The SHEL'TTER TOKYO Tokyu Plaza Omotesando "Omokado" (hereinafter "TST") due to rising rent and a decline in Chinese inbound tourism.

2. Revision to Figure of the Consolidated Financial Results Forecast for the Current Fiscal Year (FY2027, from March 1, 2026 to February 28, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million yen 52,970	Million yen 1,352	Million yen 1,302	Million yen 743	Yen 20.63
Revised forecast (B)	50,832	111	(39)	(696)	(19.30)
Difference (B-A)	(2,138)	(1,241)	(1,341)	(1,439)	(39.93)

Increase/Decrease (%)	(4.0%)	(91,8%)	—	—	—
(Reference) Results for the previous fiscal year (Ended February 28, 2026)	51,499	321	383	366	10.19

3. Reason for the Revision

Net sales for the six months ended August 31, 2026 decreased. While the FB and SB brands continued to perform well and Same-Store Sales exceeded the level of the same period last year, AZUL BY MOUSSY, which is currently undergoing a turnaround, showed signs of a recovery in the number of customers in the second half of the period. However, this was offset by the impact of delays in EC shipments caused by initial issues with a new system introduced in June.

Gross profit declined due to increased loss on the valuation of merchandise for our mainstay SC brands and rising costs across the entire supply chain, resulting in both operating profit and ordinary profit falling below planned targets.

Additionally, the results were impacted by extraordinary losses resulting from the closure of TST, etc., as well as the write-off of deferred tax assets.

For the second half, the Company expect the FB and SB brands to maintain strong performance, primarily driven by our mainstay denim and outerwear products.

Additionally, the EC shipping delays were resolved during the first half, and AZUL BY MOUSSY's customer traffic has shown further recovery since the launch of autumn/winter items. Therefore, the Company expect second-half results to exceed the first half. However, full-year results are projected to fall short of our previously announced forecast.

In light of these circumstances, the Company have revised our full-year consolidated financial results forecast downward as described above.

4. Revision to the Non-Consolidated Financial Results Forecast for the Current Fiscal Year

(FY2027, from March 1, 2026 to February 28, 2027)

	Net sales	Ordinary profit	Profit
Actual financial results for previous fiscal year (A)	Million yen 50,771	Million yen 399	Million yen 170
Financial results forecast for fiscal year under review (B)	49,950	(169)	(803)
Difference (B-A)	(821)	(568)	(973)

Increase/Decrease (%)	(1.6%)	—	—
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5. Reason for the Revision

Please refer to 3. Reason for the Revision.

(Note) The financial results forecast above was prepared based on information available as of the day of this announcement. Actual results may differ from the forecast figures for various reasons.