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## Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 [Japanese GAAP]



April 14, 2025

Company name: Halows Co., Ltd.  
Stock exchange listing: Tokyo Stock Exchange  
Code number: 2742  
URL: <https://www.halows.com/en/>  
Representative: Toshiyuki Sato, President and Chief Executive Officer  
Contact: Hidenori Hanaoka, Senior Managing Director and General Manager of Administrative Groups  
Phone: +81-86-483-1011  
Scheduled date of general shareholders' meeting: May 29, 2025  
Scheduled date of commencing dividend payments: May 30, 2025  
Scheduled date of filing securities report: May 30, 2025  
Availability of supplementary explanatory materials on financial results: Available  
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024 – February 28, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2025	210,752	7.8	12,270	12.9	12,301	12.9	8,913	3.8
February 29, 2024	195,444	12.3	10,870	20.1	10,896	19.2	8,589	38.5

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended February 28, 2025	416.95	415.14	13.5	11.3	6.0
February 29, 2024	402.12	400.49	14.7	10.7	5.7

(Reference) Equity in earnings of affiliated companies: Fiscal year ended February 28, 2025: ¥— million  
Fiscal year ended February 29, 2024: ¥— million

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2025	112,869	70,428	62.2	3,282.29
As of February 29, 2024	104,284	62,514	59.7	2,916.65

(Reference) Equity: As of February 28, 2025: ¥70,194 million  
As of February 29, 2024: ¥62,297 million

### (3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended February 28, 2025	15,892	(13,757)	(5,245)	15,028
February 29, 2024	13,154	(7,249)	(5,603)	18,139

## 2. Dividends

	Annual dividends per share					Total dividends	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 29, 2024	-	20.00	-	26.00	46.00	982	11.4	1.7
Fiscal year ended February 28, 2025	-	26.00	-	34.00	60.00	1,283	14.4	1.9
Fiscal year ending February 28, 2026 (Forecast)	-	34.00	-	34.00	68.00		-	

(Note 1) The year-end dividend for the fiscal year ended February 29, 2024 is ¥26 per share, consisting of an ordinary dividend of ¥24 per share and a commemorative dividend of ¥2 per share for the 65th anniversary of the foundation.

(Note 2) The year-end dividend for the fiscal year ended February 28, 2025 is ¥34 per share, consisting of an ordinary dividend of ¥26 per share, a commemorative dividend of ¥2 per share for achieving an operating income of ¥200 billion, and an increased dividend of ¥6 per share.

## 3. Non-consolidated Financial Results Forecasts for the Fiscal Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)

(% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	109,533	6.0	5,890	2.4	5,920	2.8	4,110	2.8	192.26
Full year	224,218	6.4	12,320	0.4	12,360	0.5	8,590	(3.6)	401.82

**\*Notes:**

- (1) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Retrospective restatement: None
- (2) Total number of issued and outstanding shares (common shares)
  - 1) Total number of issued and outstanding shares at the end of the year (including treasury shares):

As of February 28, 2025:	21,458,100
As of February 29, 2024:	21,431,400
  - 2) Total number of treasury shares at the end of the year:

As of February 28, 2025:	72,318
As of February 29, 2024:	72,275
  - 3) Average number of shares during the year:

Year ended February 28, 2025:	21,377,708
Year ended February 29, 2024:	21,359,919

\*These non-consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

**\*Explanation of the proper use of financial results forecasts and other notes**

- The financial results forecasts and other forward-looking statements contained in this document are based on the information available to the Company and certain assumptions deemed to be reasonable as of the date of publication of this document, and actual results may differ significantly due to various factors. For the assumptions that the financial results forecasts are based on and cautionary notes on the use of the forecasts, please see “Future Outlook” on page 3 of the attached documents (available in Japanese only).
- The Company plans to hold a financial results briefing session for institutional investors and analysts on April 17, 2025. Materials for the session will be posted on the Company’s website immediately after the session.

### 3. Non-consolidated Financial Statements and Principal Notes

#### (1) Non-consolidated Balance Sheets

(Million yen)

	As of February 29, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	17,127	13,851
Accounts receivable - trade	1,514	1,710
Merchandise	4,344	4,761
Supplies	5	5
Prepaid expenses	555	560
Accounts receivable - other	241	260
Deposits paid	1,011	1,176
Other	242	724
Allowance for doubtful accounts	(8)	(11)
Total current assets	25,034	23,040
Non-current assets		
Property, plant and equipment		
Buildings	54,962	59,096
Accumulated depreciation	(19,770)	(21,552)
Buildings, net	35,192	37,544
Structures	11,327	11,598
Accumulated depreciation	(6,394)	(6,897)
Structures, net	4,932	4,700
Machinery and equipment	2,496	2,819
Accumulated depreciation	(1,674)	(1,871)
Machinery and equipment, net	822	947
Tools, furniture and fixtures	8,175	9,050
Accumulated depreciation	(5,897)	(6,675)
Tools, furniture and fixtures, net	2,278	2,375
Land	21,877	26,842
Leased assets	2,528	2,106
Accumulated depreciation	(1,424)	(1,236)
Leased assets, net	1,104	870
Construction in progress	1,116	3,923
Total property, plant and equipment	67,323	77,204
Intangible assets		
Software	869	862
Right to use facilities	41	36
Other	5	5
Total intangible assets	916	904

(Million yen)

	As of February 29, 2024	As of February 28, 2025
Investments and other assets		
Investment securities	2	2
Shares of subsidiaries and associates	50	577
Investments in capital	0	0
Long-term prepaid expenses	4,506	4,327
Deferred tax assets	2,169	2,265
Leasehold and guarantee deposits	2,940	3,318
Construction assistance fund receivables	1,275	1,159
Other	64	68
Total investments and other assets	11,010	11,720
Total non-current assets	79,250	89,829
Total assets	104,284	112,869
Liabilities		
Current liabilities		
Accounts payable – trade	10,685	11,331
Current portion of long-term borrowings	3,880	3,219
Lease liabilities	418	343
Accounts payable – other	1,729	1,507
Accrued expenses	1,573	1,706
Income taxes payable	1,628	2,046
Accrued consumption taxes	141	1,270
Deposits received	241	260
Unearned revenue	403	468
Contract liabilities	3,145	3,287
Other	178	158
Total current liabilities	24,027	25,599
Non-current liabilities		
Long-term borrowings	10,176	7,054
Lease liabilities	665	511
Provision for retirement benefits	850	909
Asset retirement obligations	1,686	3,860
Deposits for construction assistance fund receivables	902	943
Long-term leasehold and guarantee deposits received	2,224	2,376
Long-term unearned revenue	955	905
Other	281	281
Total non-current liabilities	17,742	16,841
Total liabilities	41,770	42,441

(Million yen)

	As of February 29, 2024	As of February 28, 2025
Net assets		
Shareholders' equity		
Share capital	5,444	5,491
Capital surplus		
Legal capital surplus	5,387	5,434
Other capital surplus	9	9
Total capital surplus	5,396	5,444
Retained earnings		
Legal retained earnings	16	16
Other retained earnings		
Reserve for tax purpose reduction entry	464	447
General reserve	35,022	40,822
Retained earnings brought forward	16,119	18,138
Total retained earnings	51,622	59,424
Treasury shares	(166)	(166)
Total shareholders' equity	62,295	70,193
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1	0
Total valuation and translation adjustments	1	0
Share acquisition rights	217	234
Total net assets	62,514	70,428
Total liabilities and net assets	104,284	112,869

## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	189,932	204,846
Cost of sales		
Beginning merchandise inventory	3,785	4,344
Cost of purchased goods	141,653	152,668
Total	145,438	157,012
Ending merchandise inventory	4,344	4,761
Total cost of sales	141,094	152,251
Gross profit	48,837	52,595
Operating revenue		
Lease revenue	4,100	4,282
Other operating revenue	1,412	1,623
Total operating revenue	5,512	5,906
Operating gross profit	54,350	58,501
Selling, general and administrative expenses		
Advertising expenses	1,378	1,401
Supplies expenses	1,839	1,802
Salaries and bonuses	17,272	19,129
Share-based payment expenses	57	33
Retirement benefit expenses	72	71
Legal and other welfare expenses	2,173	2,443
Rent expenses on land and buildings	5,025	5,147
Rent expenses	236	293
Utilities expenses	4,087	4,117
Repair expenses	1,194	1,128
Depreciation	4,259	4,471
Taxes and dues	1,175	1,268
Other	4,707	4,920
Total selling, general and administrative expenses	43,479	46,230
Operating profit	10,870	12,270
Non-operating income		
Interest income	22	24
Purchase discounts	24	26
Insurance claim income	35	23
Income from logistics management	17	16
Other	65	50
Total non-operating income	165	142
Non-operating expenses		
Interest expenses	128	99
Other	11	11
Total non-operating expenses	139	111
Ordinary profit	10,896	12,301

(Million yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Extraordinary income		
Subsidy income	420	-
Gain on cancellation of leasehold contracts	11	13
Other	16	0
Total extraordinary income	449	13
Extraordinary losses		
Loss on retirement of non-current assets	26	72
Loss on store closings	-	69
Other	0	10
Total extraordinary losses	27	152
Profit before income taxes	11,318	12,162
Income taxes - current	2,990	3,345
Income taxes - deferred	(260)	(96)
Total income taxes	2,729	3,249
Profit	8,589	8,913



(3) Non-consolidated Statements of Changes in Equity  
Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	5,430	5,373	9	5,383	16	194	30,722	12,997	43,930
Changes during period									
Issuance of new shares - exercise of share acquisition rights	13	13		13					
Dividends of surplus								(897)	(897)
Profit								8,589	8,589
Provision of reserve for tax purpose reduction entry						291		(291)	-
Reversal of reserve for tax purpose reduction entry						(21)		21	-
Provision of general reserve							4,300	(4,300)	-
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	13	13	-	13	-	269	4,300	3,121	7,691
Balance at end of period	5,444	5,387	9	5,396	16	464	35,022	16,119	51,622

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(102)	54,641	0	0	164	54,806
Changes during period						
Issuance of new shares - exercise of share acquisition rights		26				26
Dividends of surplus		(897)				(897)
Profit		8,589				8,589
Provision of reserve for tax purpose reduction entry		-				-
Reversal of reserve for tax purpose reduction entry		-				-
Provision of general reserve		-				-
Purchase of treasury shares	(64)	(64)				(64)
Net changes in items other than shareholders' equity			0	0	53	53
Total changes during period	(64)	7,654	0	0	53	7,707
Balance at end of period	(166)	62,295	1	1	217	62,514

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

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	5,444	5,387	9	5,396	16	464	35,022	16,119	51,622
Changes during period									
Issuance of new shares - exercise of share acquisition rights	47	47		47					
Dividends of surplus								(1,111)	(1,111)
Profit								8,913	8,913
Provision of reserve for tax purpose reduction entry									
Reversal of reserve for tax purpose reduction entry						(16)		16	-
Provision of general reserve							5,800	(5,800)	-
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	47	47	-	47	-	(16)	5,800	2,018	7,802
Balance at end of period	5,491	5,434	9	5,444	16	447	40,822	18,138	59,424

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(166)	62,295	1	1	217	62,514
Changes during period						
Issuance of new shares - exercise of share acquisition rights		95				95
Dividends of surplus		(1,111)				(1,111)
Profit		8,913				8,913
Provision of reserve for tax purpose reduction entry		-				-
Reversal of reserve for tax purpose reduction entry		-				-
Provision of general reserve		-				-
Purchase of treasury shares	(0)	(0)				(0)
Net changes in items other than shareholders' equity			(0)	(0)	16	16
Total changes during period	(0)	7,897	(0)	(0)	16	7,913
Balance at end of period	(166)	70,193	0	0	234	70,428

## (4) Non-consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	11,318	12,162
Depreciation	4,259	4,471
Increase (decrease) in allowance for doubtful accounts	1	3
Increase (decrease) in provision for retirement benefits	45	58
Interest and dividend income	(22)	(24)
Interest expenses	128	99
Loss on retirement of non-current assets	26	72
Loss on store closings	-	69
Gain on cancellation of leasehold contracts	(11)	(13)
Subsidy income	(420)	-
Decrease (increase) in trade receivables	(401)	(195)
Decrease (increase) in inventories	(558)	(418)
Increase (decrease) in trade payables	1,199	646
Increase (decrease) in contract liabilities	286	141
Increase (decrease) in accrued consumption taxes	(257)	1,129
Increase (decrease) in deposits for construction assistance fund receivables	(28)	19
Increase (decrease) in leasehold and guarantee deposits received	123	151
Other, net	719	541
Subtotal	16,408	18,917
Interest and dividends received	0	1
Interest paid	(110)	(83)
Income taxes paid	(3,143)	(2,942)
Net cash provided by (used in) operating activities	13,154	15,892
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,801)	(12,014)
Purchase of intangible assets	(607)	(264)
Purchase of long-term prepaid expenses	(259)	(157)
Purchase of shares of subsidiaries and associates	-	(527)
Subsidies received	420	-
Proceeds from refund of leasehold and guarantee deposits	21	54
Payments of leasehold and guarantee deposits	(174)	(425)
Proceeds from collection of construction assistance fund receivables	141	140
Loan advances to subsidiaries and associates	-	(467)
Other, net	10	(95)
Net cash provided by (used in) investing activities	(7,249)	(13,757)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	100
Repayments of long-term borrowings	(4,153)	(3,884)
Proceeds from issuance of shares	22	79
Repayments of lease liabilities	(511)	(430)
Dividends paid	(897)	(1,109)
Other, net	(64)	(0)
Net cash provided by (used in) financing activities	(5,603)	(5,245)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	301	(3,110)
Cash and cash equivalents at beginning of period	17,837	18,139
Cash and cash equivalents at end of period	18,139	15,028