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Non-consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]

June 26, 2025

Company name: HALOWS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 2742

URL: <https://www.halows.com/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

President and Chief Executive Officer

Senior Managing Director and General Manager of
Administrative Groups

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

1. Non-consolidated Financial Results for the Three Months Ended May 31, 2025 (March 1, 2025 to May 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2025	53,996	8.6	3,047	3.3	3,059	3.6	2,131	3.9
May 31, 2024	49,736	8.1	2,950	20.4	2,952	20.5	2,051	23.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	99.65	99.21
May 31, 2024	96.02	95.59

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of May 31, 2025	125,703	71,848	57.0
February 28, 2025	112,869	70,428	62.2

(Reference) Equity: As of May 31, 2025: ¥ 71,603 million
As of February 28, 2025: ¥ 70,194 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	-	26.00	-	34.00	60.00
Fiscal year ending February 28, 2026	-				
Fiscal year ending February 28, 2026 (Forecast)		34.00	-	34.00	68.00

(Note1) Revision to the forecast for dividends announced most recently: None

(Note2) 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 Forecast for the Fiscal Year Ending February 28, 2026(March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2025	109,533	6.0	5,890	2.4	5,920	2.8	4,110	2.8	192.18
Full year	224,218	6.4	12,320	0.4	12,360	0.5	8,590	(3.6)	401.66

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes
(Note) For details, please see “2. Quarterly Non-consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Non-consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly non-consolidated financial statements)” on page 6 of the attached documents (available in Japanese only).

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2025: 21,459,400 shares

February 28, 2025: 21,458,100 shares

2) Number of treasury shares at the end of the period:

May 31, 2025: 72,318 shares

February 28, 2025: 72,318 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2025: 21,386,403 shares

Three months ended May 31, 2024: 21,369,509 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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 “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Non-consolidated Financial Results Forecasts and Other Forward-looking Information” on page 2 of the attached documents (available in Japanese only).

Quarterly Non-consolidated Financial Statements and Primary Notes
Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	13,851	22,886
Accounts receivable - trade	1,710	2,275
Merchandise	4,761	4,823
Supplies	5	5
Other	2,722	3,162
Allowance for doubtful accounts	(11)	(11)
Total current assets	23,040	33,141
Non-current assets		
Property, plant and equipment		
Buildings and structures	70,695	70,952
Accumulated depreciation	(28,450)	(29,139)
Buildings and structures, net	42,245	41,813
Land	26,842	26,858
Other	17,899	21,275
Accumulated depreciation	(9,783)	(9,866)
Other, net	8,116	11,408
Total property, plant and equipment	77,204	80,080
Intangible assets		
Other	904	851
Total intangible assets	904	851
Investments and other assets		
Leasehold and guarantee deposits	3,318	3,351
Construction assistance fund receivables	1,159	1,130
Long-term prepaid expenses	4,327	4,232
Other	2,914	2,915
Total investments and other assets	11,720	11,629
Total non-current assets	89,829	92,561
Total assets	112,869	125,703

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	11,331	23,616
Current portion of long-term borrowings	3,219	3,055
Lease liabilities	343	320
Accounts payable - other	1,507	2,301
Accrued expenses	1,706	2,351
Income taxes payable	2,046	1,032
Contract liabilities	3,287	3,202
Other	2,158	1,893
Total current liabilities	25,599	37,773
Non-current liabilities		
Long-term borrowings	7,054	6,345
Lease liabilities	511	441
Provision for retirement benefits	909	915
Asset retirement obligations	3,860	3,891
Deposits for construction assistance fund receivables	943	933
Long-term leasehold and guarantee deposits received	2,376	2,386
Long-term unearned revenue	905	887
Other	281	281
Total non-current liabilities	16,841	16,081
Total liabilities	42,441	53,855
Net assets		
Shareholders' equity		
Share capital	5,491	5,494
Capital surplus	5,444	5,446
Retained earnings	59,424	60,828
Treasury shares	(166)	(166)
Total shareholders' equity	70,193	71,602
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Share acquisition rights	234	245
Total net assets	70,428	71,848
Total liabilities and net assets	112,869	125,703

Quarterly Non-consolidated Statement of Income
For the three months ended May 31, 2025

(Millions of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net sales	48,321	52,502
Cost of sales	35,762	39,174
Gross profit	12,559	13,328
Operating revenue	1,414	1,493
Operating gross profit	13,974	14,821
Selling, general and administrative expenses		
Advertising expenses	344	383
Supplies expenses	385	406
Salaries and bonuses	4,522	4,965
Share-based payment expenses	5	11
Retirement benefit expenses	18	16
Legal and other welfare expenses	586	641
Rent expenses on land and buildings	1,275	1,305
Rent expenses	63	65
Utilities expenses	959	892
Repair expenses	241	299
Depreciation	1,063	1,138
Taxes and dues	371	346
Other	1,185	1,300
Total selling, general and administrative expenses	11,023	11,773
Operating profit	2,950	3,047
Non-operating income		
Interest income	5	6
Purchase discounts	6	5
Insurance claim income	5	11
Other	19	13
Total non-operating income	36	37
Non-operating expenses		
Interest expenses	27	20
Other	7	4
Total non-operating expenses	34	25
Ordinary profit	2,952	3,059
Extraordinary income		
Subsidy income	-	5
Gain on cancellation of leasehold contracts	-	1
Other	-	0
Total extraordinary income	-	6
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,952	3,066
Income taxes	900	935
Profit	2,051	2,131