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September 26, 2025

Non-consolidated Financial Results for the Six Months Ended August 31, 2025 (Under Japanese GAAP)

Company name: HALOWS CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 2742
URL: https://www.halows.com/
Representative: Toshiyuki Sato, President and Chief Executive Officer
Inquiries: Hidenori Hanaoka, Senior Managing Director and General Manager of Administrative Groups
Telephone: +81-86-483-1011
Scheduled date to file semi-annual securities report: October 10, 2025
Scheduled date to commence dividend payments: November 5, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Non-consolidated financial results for the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2025	111,549	8.0	5,858	1.9	5,905	2.5	4,085	2.2
August 31, 2024	103,292	8.2	5,749	14.0	5,759	14.3	3,997	16.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2025	191.21	190.34
August 31, 2024	187.05	186.22

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2025	132,754	73,479	55.2
February 28, 2025	112,869	70,428	62.2

Reference: Equity

As of August 31, 2025: ¥ 73,245 million
As of February 28, 2025: ¥ 70,194 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, 2025	-	26.00	-	34.00	60.00
Fiscal year ending February 28, 2026	-	34.00			
Fiscal year ending February 28, 2026 (Forecast)			-	34.00	68.00

(Note1) Revisions to the forecast of cash dividends most recently announced: 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 result forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	224,218	6.4	12,320	0.4	12,360	0.5	8,590	(3.6)	402.03

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: Yes
(Note) For details, please see "2. Quarterly Non-consolidated Financial Statements and Principal Notes (4) Notes to Quarterly Non-consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly non-consolidated financial statements)" on page 7 of the attached documents (available in Japanese only).

(2) 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: None
(iv) Restatement: None

(3) 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, 2025	21,470,900 shares
As of February 28, 2025	21,458,100 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2025	139,318 shares
As of February 28, 2025	72,318 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2025	21,366,692 shares
Six months ended August 31, 2024	21,372,630 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
- The financial results forecasts and other forward-looking statements contained in this document are based on the information currently 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 Semi-annual 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).
- The Company plans to hold a financial results briefing session for institutional investors and analysts on October 1, 2025. Materials for the session will be posted on the Company's website immediately after the session.

Semi-annual Non-consolidated Financial Statements and Primary Notes

Semi-annual Non-consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	13,851	26,070
Accounts receivable - trade	1,710	2,487
Merchandise	4,761	4,761
Supplies	5	5
Other	2,722	4,169
Allowance for doubtful accounts	(11)	(11)
Total current assets	23,040	37,483
Non-current assets		
Property, plant and equipment		
Buildings and structures	70,695	75,761
Accumulated depreciation	(28,450)	(29,864)
Buildings and structures, net	42,245	45,896
Land	26,842	26,937
Other	17,899	19,987
Accumulated depreciation	(9,783)	(10,189)
Other, net	8,116	9,798
Total property, plant and equipment	77,204	82,632
Intangible assets		
Other	904	927
Total intangible assets	904	927
Investments and other assets		
Leasehold and guarantee deposits	3,318	3,387
Construction assistance fund receivables	1,159	1,117
Long-term prepaid expenses	4,327	4,288
Other	2,914	2,916
Total investments and other assets	11,720	11,710
Total non-current assets	89,829	95,270
Total assets	112,869	132,754

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	11,331	26,113
Current portion of long-term borrowings	3,219	3,313
Lease liabilities	343	316
Accounts payable - other	1,507	3,361
Accrued expenses	1,706	2,406
Income taxes payable	2,046	2,026
Contract liabilities	3,287	3,436
Other	2,158	1,260
Total current liabilities	25,599	42,235
Non-current liabilities		
Long-term borrowings	7,054	7,219
Lease liabilities	511	457
Provision for retirement benefits	909	931
Asset retirement obligations	3,860	3,992
Deposits for construction assistance fund receivables	943	925
Long-term leasehold and guarantee deposits received	2,376	2,419
Long-term unearned revenue	905	869
Other	281	222
Total non-current liabilities	16,841	17,039
Total liabilities	42,441	59,274
Net assets		
Shareholders' equity		
Share capital	5,491	5,504
Capital surplus	5,444	5,465
Retained earnings	59,424	62,782
Treasury shares	(166)	(508)
Total shareholders' equity	70,193	73,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Share acquisition rights	234	234
Total net assets	70,428	73,479
Total liabilities and net assets	112,869	132,754

Semi-annual Non-consolidated Statement of Income

(Millions of yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Net sales	100,403	108,485
Cost of sales	74,691	81,193
Gross profit	25,711	27,292
Operating revenue	2,889	3,063
Operating gross profit	28,601	30,356
Selling, general and administrative expenses		
Advertising expenses	673	757
Supplies expenses	850	979
Salaries and bonuses	9,401	10,169
Share-based payment expenses	11	31
Retirement benefit expenses	34	33
Legal and other welfare expenses	1,197	1,310
Rent expenses on land and buildings	2,566	2,664
Rent expenses	143	145
Utilities expenses	2,175	2,015
Repair expenses	591	591
Depreciation	2,160	2,378
Taxes and dues	633	758
Other	2,410	2,663
Total selling, general and administrative expenses	22,851	24,497
Operating profit	5,749	5,858
Non-operating income		
Interest income	11	13
Purchase discounts	13	12
Insurance claim income	12	23
Burden charge income	2	20
Other	32	28
Total non-operating income	71	97
Non-operating expenses		
Interest expenses	52	42
Other	8	8
Total non-operating expenses	61	50
Ordinary profit	5,759	5,905
Extraordinary income		
Subsidy income	-	5
Gain on cancellation of leasehold contracts	-	1
Other	0	0
Total extraordinary income	0	6
Extraordinary losses		
Loss on retirement of non-current assets	7	0
Total extraordinary losses	7	0
Profit before income taxes	5,752	5,912
Income taxes	1,754	1,826
Profit	3,997	4,085

Semi-annual Non-consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,752	5,912
Depreciation	2,160	2,378
Increase (decrease) in provision for retirement benefits	26	22
Interest and dividend income	(11)	(13)
Interest expenses	52	42
Loss on retirement of non-current assets	7	0
Gain on cancellation of leasehold contracts	-	(1)
Subsidy income	-	(5)
Decrease (increase) in trade receivables	(690)	(777)
Decrease (increase) in inventories	(53)	0
Increase (decrease) in trade payables	13,918	14,782
Increase (decrease) in contract liabilities	(57)	149
Increase (decrease) in deposits for construction assistance fund receivables	81	(35)
Increase (decrease) in leasehold and guarantee deposits received	115	45
Other, net	2,336	718
Subtotal	23,639	23,217
Interest and dividends received	0	1
Interest paid	(45)	(36)
Income taxes paid	(1,448)	(1,855)
Net cash provided by (used in) operating activities	22,145	21,326
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,326)	(6,529)
Purchase of intangible assets	(75)	(174)
Purchase of long-term prepaid expenses	(23)	(173)
Purchase of shares of subsidiaries and associates	(527)	-
Subsidies received	-	5
Proceeds from refund of leasehold and guarantee deposits	19	14
Payments of leasehold and guarantee deposits	(347)	(83)
Proceeds from collection of construction assistance fund receivables	70	69
Payments of construction assistance fund receivables	-	(17)
Loan advances to subsidiaries and associates	(467)	(200)
Net cash provided by (used in) investing activities	(7,677)	(7,089)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,000
Repayments of long-term borrowings	(2,056)	(1,739)
Proceeds from issuance of shares	65	21
Repayments of lease liabilities	(224)	(185)
Purchase of treasury shares	-	(360)
Dividends paid	(555)	(726)
Other, net	-	0
Net cash provided by (used in) financing activities	(2,770)	(990)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	11,697	13,247
Cash and cash equivalents at beginning of period	18,139	15,028
Cash and cash equivalents at end of period	29,836	28,275