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April 10, 2026

## Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)



Company name: HALOWS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 2742

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Scheduled date of annual general meeting of shareholders: May 28, 2026

Scheduled date to commence dividend payments: May 29, 2026

Scheduled date to file annual securities report: May 25, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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 fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
February 28, 2026	225,719	7.1	12,473	1.7	12,566	2.2	8,987	0.8
February 28, 2025	210,752	7.8	12,270	12.9	12,301	12.9	8,913	3.8

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended					
February 28, 2026	420.91	419.01	12.2	10.1	5.7
February 28, 2025	416.95	415.14	13.5	11.3	6.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended February 28, 2026:      ¥            - million

For the fiscal year ended February 28, 2025:      ¥            - million

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
February 28, 2026	136,010	77,739	57.0	3,630.08
February 28, 2025	112,869	70,428	62.2	3,282.29

Reference: Equity

As of February 28, 2026:                                      ¥        77,488 million

As of February 28, 2025:                                      ¥        70,194 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
February 28, 2026	26,200	(14,019)	(2,509)	24,699
February 28, 2025	15,892	(13,757)	(5,245)	15,028

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	-	26.00	-	34.00	60.00	1,283	14.4	1.9
Fiscal year ended February 28, 2026	-	34.00	-	36.00	70.00	1,493	16.6	2.0
Fiscal year ending February 28, 2027 (Forecast)	-	36.00	-	36.00	72.00		-	

(Note1) 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.

(Note2) The year-end dividend for the fiscal year ending February 28, 2026 is ¥36 per share, consisting of an ordinary dividend of ¥34 per share, an increased dividend of ¥2 per share.

## 3. Non-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.)

	Operating revenue		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending August 31, 2026	121,747	9.1	6,140	4.8	6,140	4.0	4,230	3.5	Yen 198.09
Full year	245,622	8.8	12,590	0.9	12,580	0.1	8,660	(3.6)	405.55

**\* Notes**

(1) 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

(2) Number of issued shares (common shares)

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

As of February 28, 2026	21,485,400 shares
As of February 28, 2025	21,458,100 shares

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

As of February 28, 2026	139,318 shares
As of February 28, 2025	72,318 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended February 28, 2026	21,353,693 shares
Fiscal Year ended February 28, 2025	21,377,708 shares

\* Financial results reports are exempt from audit 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 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 16, 2026. Materials for the session will be posted on the Company’s website immediately after the session.

# Non-consolidated Financial Statements and Primary Notes

## Non-consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	13,851	23,061
Accounts receivable - trade	1,710	1,958
Merchandise	4,761	5,394
Supplies	5	6
Prepaid expenses	560	606
Accounts receivable - other	260	337
Deposits paid	1,176	1,638
Other	724	1,305
Allowance for doubtful accounts	(11)	(13)
Total current assets	23,040	34,295
Non-current assets		
Property, plant and equipment		
Buildings	59,096	68,140
Accumulated depreciation	(21,552)	(23,907)
Buildings, net	37,544	44,233
Structures	11,598	13,350
Accumulated depreciation	(6,897)	(7,503)
Structures, net	4,700	5,847
Machinery and equipment	2,819	3,200
Accumulated depreciation	(1,871)	(2,098)
Machinery and equipment, net	947	1,102
Tools, furniture and fixtures	9,050	10,435
Accumulated depreciation	(6,675)	(7,517)
Tools, furniture and fixtures, net	2,375	2,917
Land	26,842	27,780
Leased assets	2,106	2,110
Accumulated depreciation	(1,236)	(1,054)
Leased assets, net	870	1,056
Construction in progress	3,923	5,459
Total property, plant and equipment	77,204	88,396
Intangible assets		
Software	862	800
Right to use facilities	36	34
Other	5	5
Total intangible assets	904	840

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
<b>Investments and other assets</b>		
Investment securities	2	2
Shares of subsidiaries and associates	577	577
Investments in capital	0	0
Long-term prepaid expenses	4,327	4,818
Deferred tax assets	2,265	2,546
Leasehold and guarantee deposits	3,318	3,376
Construction assistance fund receivables	1,159	1,084
Other	68	71
Total investments and other assets	11,720	12,477
Total non-current assets	89,829	101,714
Total assets	112,869	136,010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	11,331	23,789
Current portion of long-term borrowings	3,219	3,347
Lease liabilities	343	356
Accounts payable - other	1,507	5,272
Accrued expenses	1,706	2,029
Income taxes payable	2,046	2,387
Accrued consumption taxes	1,270	-
Deposits received	260	337
Unearned revenue	468	456
Contract liabilities	3,287	3,401
Other	158	158
Total current liabilities	25,599	41,536
<b>Non-current liabilities</b>		
Long-term borrowings	7,054	6,539
Lease liabilities	511	689
Provision for retirement benefits	909	950
Asset retirement obligations	3,860	3,753
Deposits for construction assistance fund receivables	943	1,080
Long-term leasehold and guarantee deposits received	2,376	2,523
Long-term unearned revenue	905	974
Other	281	222
Total non-current liabilities	16,841	16,733
Total liabilities	42,441	58,270

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Net assets		
Shareholders' equity		
Share capital	5,491	5,540
Capital surplus		
Legal capital surplus	5,434	5,483
Other capital surplus	9	11
Total capital surplus	5,444	5,494
Retained earnings		
Legal retained earnings	16	16
Other retained earnings		
Reserve for tax purpose reduction entry	447	428
General reserve	40,822	47,122
Retained earnings brought forward	18,138	19,392
Total retained earnings	59,424	66,959
Treasury shares	(166)	(508)
Total shareholders' equity	70,193	77,487
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Share acquisition rights	234	251
Total net assets	70,428	77,739
Total liabilities and net assets	112,869	136,010

Non-consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net sales	204,846	219,357
Cost of sales		
Beginning merchandise inventory	4,344	4,761
Cost of purchased goods	152,668	164,211
Total	157,012	168,973
Ending merchandise inventory	4,761	5,394
Total cost of sales	152,251	163,579
Gross profit	52,595	55,778
Operating revenue		
Lease revenue	4,282	4,702
Other operating revenue	1,623	1,659
Total operating revenue	5,906	6,361
Operating gross profit	58,501	62,139
Selling, general and administrative expenses		
Advertising expenses	1,401	1,512
Supplies expenses	1,802	2,041
Salaries and bonuses	19,129	20,758
Share-based payment expenses	33	71
Retirement benefit expenses	71	67
Legal and other welfare expenses	2,443	2,661
Rent expenses on land and buildings	5,147	5,449
Rent expenses	293	299
Utilities expenses	4,117	3,758
Repair expenses	1,128	1,094
Depreciation	4,471	5,092
Taxes and dues	1,268	1,483
Other	4,920	5,374
Total selling, general and administrative expenses	46,230	49,665
Operating profit	12,270	12,473
Non-operating income		
Interest income	24	28
Purchase discounts	26	23
Insurance claim income	23	41
Burden charge income	7	33
Income from logistics management	16	19
Other	43	53
Total non-operating income	142	199
Non-operating expenses		
Interest expenses	99	96
Other	11	11
Total non-operating expenses	111	107
Ordinary profit	12,301	12,566

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Extraordinary income		
Gain on receipt of donated non-current assets	-	0
Subsidy income	-	5
Gain on cancellation of leasehold contracts	13	3
Other	0	0
Total extraordinary income	13	9
Extraordinary losses		
Loss on retirement of non-current assets	72	5
Loss on store closings	69	-
Other	10	-
Total extraordinary losses	152	5
Profit before income taxes	12,162	12,569
Income taxes - current	3,345	3,862
Income taxes - deferred	(96)	(280)
Total income taxes	3,249	3,581
Profit	8,913	8,987

Non-consolidated Statement of Changes in Equity  
For the fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Retained earnings brought forward	Total retained earnings
Reserve for tax purpose reduction entry	General reserve								
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-restricted stock									
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	-
Adjustment to reserve due to change in tax rate									-
Provision of general reserve							5,800	(5,800)	-
Purchase of treasury shares									
Disposal 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-restricted stock		-				-
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		-				-
Adjustment to reserve due to change in tax rate		-				-
Provision of general reserve		-				-
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares		-				-
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

For the fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	5,491	5,434	9	5,444	16	447	40,822	18,138	59,424
Changes during period									
Issuance of new shares-restricted stock	9	9		9					
Issuance of new shares - exercise of share acquisition rights	38	38		38					
Dividends of surplus								(1,452)	(1,452)
Profit								8,987	8,987
Provision of reserve for tax purpose reduction entry						3		(3)	-
Reversal of reserve for tax purpose reduction entry						(16)		16	-
Adjustment to reserve due to change in tax rate						(5)		5	-
Provision of general reserve							6,300	(6,300)	-
Purchase of treasury shares									
Disposal of treasury shares			1	1					
Net changes in items other than shareholders' equity									
Total changes during period	48	48	1	50	-	(19)	6,300	1,254	7,535
Balance at end of period	5,540	5,483	11	5,494	16	428	47,122	19,392	66,959

	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)	70,193	0	0	234	70,428
Changes during period						
Issuance of new shares-restricted stock		19				19
Issuance of new shares - exercise of share acquisition rights		77				77
Dividends of surplus		(1,452)				(1,452)
Profit		8,987				8,987
Provision of reserve for tax purpose reduction entry		-				-
Reversal of reserve for tax purpose reduction entry		-				-
Adjustment to reserve due to change in tax rate		-				-
Provision of general reserve		-				-
Purchase of treasury shares	(359)	(359)				(359)
Disposal of treasury shares	18	20				20
Net changes in items other than shareholders' equity			(0)	(0)	17	17
Total changes during period	(341)	7,293	(0)	(0)	17	7,311
Balance at end of period	(508)	77,487	0	0	251	77,739

## Non-consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,162	12,569
Depreciation	4,471	5,093
Increase (decrease) in allowance for doubtful accounts	3	2
Increase (decrease) in provision for retirement benefits	58	41
Interest and dividend income	(24)	(28)
Interest expenses	99	96
Gain on receipt of donated non-current assets	-	(0)
Loss on retirement of non-current assets	72	5
Loss on store closings	69	-
Gain on cancellation of leasehold contracts	(13)	(3)
Subsidy income	-	(5)
Decrease (increase) in trade receivables	(195)	(248)
Decrease (increase) in inventories	(418)	(633)
Increase (decrease) in trade payables	646	12,457
Increase (decrease) in contract liabilities	141	113
Increase (decrease) in accrued consumption taxes	1,129	(1,270)
Increase (decrease) in deposits for construction assistance fund receivables	19	207
Increase (decrease) in leasehold and guarantee deposits received	151	150
Other, net	541	1,258
<b>Subtotal</b>	<b>18,917</b>	<b>29,805</b>
Interest and dividends received	1	4
Interest paid	(83)	(78)
Income taxes paid	(2,942)	(3,531)
<b>Net cash provided by (used in) operating activities</b>	<b>15,892</b>	<b>26,200</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,014)	(12,689)
Purchase of intangible assets	(264)	(241)
Purchase of long-term prepaid expenses	(157)	(926)
Purchase of shares of subsidiaries and associates	(527)	-
Subsidies received	-	5
Proceeds from refund of leasehold and guarantee deposits	54	58
Payments of leasehold and guarantee deposits	(425)	(118)
Proceeds from collection of construction assistance fund receivables	140	137
Payments of construction assistance fund receivables	-	(43)
Loan advances to subsidiaries and associates	(467)	(200)
Other, net	(95)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(13,757)</b>	<b>(14,019)</b>

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	100	3,100
Repayments of long-term borrowings	(3,884)	(3,485)
Proceeds from issuance of shares	79	64
Repayments of lease liabilities	(430)	(376)
Purchase of treasury shares	(0)	(360)
Dividends paid	(1,109)	(1,451)
Other, net	-	0
Net cash provided by (used in) financing activities	(5,245)	(2,509)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(3,110)	9,671
Cash and cash equivalents at beginning of period	18,139	15,028
Cash and cash equivalents at end of period	15,028	24,699