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September 25, 2026

Non-consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)



Company name: HALOWS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 2742

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

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Scheduled date to file semi-annual securities report: October 13, 2026

Scheduled date to commence dividend payments: November 5, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes(for institutional investors and analysts)

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 six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Non-consolidated operating results (cumulative)

(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	%
Six months ended August 31, 2026	119,023	6.7	5,708	(2.6)	5,754	(2.6)	4,135	1.2
August 31, 2025	111,549	8.0	5,858	1.9	5,905	2.5	4,085	2.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2026	193.70	192.97
August 31, 2025	191.21	190.34

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2026	128,134	81,154	63.1
February 28, 2026	136,010	77,739	57.0

Reference: Equity

As of August 31, 2026: ¥ 80,881 million

As of February 28, 2026: ¥ 77,488 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, 2026	-	34.00	-	36.00	70.00
Fiscal year ending February 28, 2027	-	36.00			
Fiscal year ending February 28, 2027 (Forecast)			-	36.00	72.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	%	
Full year	245,622	8.8	12,590	0.9	12,580	0.1	8,660	(3.6)	Yen 405.65

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, 2026	21,490,900 shares
As of February 28, 2026	21,485,400 shares

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

As of August 31, 2026	139,318 shares
As of February 28, 2026	139,318 shares

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

Six months ended August 31, 2026	21,348,630 shares
Six months ended August 31, 2025	21,366,692 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 2, 2026. 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, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	23,061	13,796
Accounts receivable - trade	1,958	2,886
Merchandise	5,394	5,312
Supplies	6	6
Other	3,888	3,219
Allowance for doubtful accounts	(13)	(13)
Total current assets	34,295	25,207
Non-current assets		
Property, plant and equipment		
Buildings and structures	81,491	86,359
Accumulated depreciation	(31,410)	(33,012)
Buildings and structures, net	50,080	53,346
Land	27,780	28,441
Other	21,206	18,910
Accumulated depreciation	(10,671)	(11,031)
Other, net	10,535	7,878
Total property, plant and equipment	88,396	89,667
Intangible assets		
Other	840	800
Total intangible assets	840	800
Investments and other assets		
Leasehold and guarantee deposits	3,376	3,418
Construction assistance fund receivables	1,084	1,025
Long-term prepaid expenses	4,818	4,812
Other	3,198	3,202
Total investments and other assets	12,477	12,459
Total non-current assets	101,714	102,927
Total assets	136,010	128,134

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	23,789	14,846
Current portion of long-term borrowings	3,347	3,383
Lease liabilities	356	377
Accounts payable - other	5,272	2,119
Accrued expenses	2,029	2,367
Income taxes payable	2,387	1,823
Contract liabilities	3,401	3,530
Other	952	1,400
Total current liabilities	41,536	29,848
Non-current liabilities		
Long-term borrowings	6,539	6,729
Lease liabilities	689	820
Provision for retirement benefits	950	974
Asset retirement obligations	3,753	3,825
Deposits for construction assistance fund receivables	1,080	941
Long-term leasehold and guarantee deposits received	2,523	2,544
Long-term unearned revenue	974	1,075
Other	222	220
Total non-current liabilities	16,733	17,131
Total liabilities	58,270	46,980
Net assets		
Shareholders' equity		
Share capital	5,540	5,550
Capital surplus	5,494	5,511
Retained earnings	66,959	70,326
Treasury shares	(508)	(508)
Total shareholders' equity	77,487	80,880
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Share acquisition rights	251	273
Total net assets	77,739	81,154
Total liabilities and net assets	136,010	128,134

Semi-annual Non-consolidated Statement of Income

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Net sales	108,485	115,581
Cost of sales	81,193	86,444
Gross profit	27,292	29,136
Operating revenue	3,063	3,442
Operating gross profit	30,356	32,579
Selling, general and administrative expenses		
Advertising expenses	757	783
Supplies expenses	979	1,064
Salaries and bonuses	10,169	11,287
Share-based payment expenses	31	32
Retirement benefit expenses	33	32
Legal and other welfare expenses	1,310	1,447
Rent expenses on land and buildings	2,664	2,875
Rent expenses	145	151
Utilities expenses	2,015	2,010
Repair expenses	591	707
Depreciation	2,378	2,788
Taxes and dues	758	799
Other	2,663	2,891
Total selling, general and administrative expenses	24,497	26,870
Operating profit	5,858	5,708
Non-operating income		
Interest income	13	19
Purchase discounts	12	10
Insurance claim income	23	26
Burden charge income	20	11
Other	28	44
Total non-operating income	97	112
Non-operating expenses		
Interest expenses	42	63
Other	8	3
Total non-operating expenses	50	67
Ordinary profit	5,905	5,754
Extraordinary income		
Gain on receipt of donated non-current assets	-	1
Subsidy income	5	6
Gain on cancellation of leasehold contracts	1	1
Other	0	0
Total extraordinary income	6	9
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	5,912	5,759
Income taxes	1,826	1,624
Profit	4,085	4,135

Semi-annual Non-consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	5,912	5,759
Depreciation	2,378	2,788
Increase (decrease) in provision for retirement benefits	22	23
Interest and dividend income	(13)	(19)
Interest expenses	42	63
Gain on receipt of donated non-current assets	-	(1)
Loss on retirement of non-current assets	0	4
Gain on cancellation of leasehold contracts	(1)	(1)
Subsidy income	(5)	(6)
Decrease (increase) in trade receivables	(777)	(928)
Decrease (increase) in inventories	0	82
Increase (decrease) in trade payables	14,782	(8,942)
Increase (decrease) in contract liabilities	149	129
Increase (decrease) in deposits for construction assistance fund receivables	(35)	(71)
Increase (decrease) in leasehold and guarantee deposits received	45	22
Other, net	718	908
Subtotal	23,217	(190)
Interest and dividends received	1	8
Interest paid	(36)	(52)
Income taxes paid	(1,855)	(2,191)
Net cash provided by (used in) operating activities	21,326	(2,426)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,529)	(6,182)
Purchase of intangible assets	(174)	(122)
Purchase of long-term prepaid expenses	(173)	(222)
Subsidies received	5	6
Proceeds from refund of leasehold and guarantee deposits	14	13
Payments of leasehold and guarantee deposits	(83)	(55)
Proceeds from collection of construction assistance fund receivables	69	67
Payments of construction assistance fund receivables	(17)	-
Collection of loans receivable from subsidiaries and affiliates	-	200
Loan advances to subsidiaries and associates	(200)	-
Net cash provided by (used in) investing activities	(7,089)	(6,294)

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	2,000	2,000
Repayments of long-term borrowings	(1,739)	(1,774)
Proceeds from issuance of shares	21	16
Repayments of lease liabilities	(185)	(206)
Purchase of treasury shares	(360)	-
Dividends paid	(726)	(768)
Other, net	0	-
Net cash provided by (used in) financing activities	(990)	(733)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	13,247	(9,453)
Cash and cash equivalents at beginning of period	15,028	24,699
Cash and cash equivalents at end of period	28,275	15,246