

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 15, 2025

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



Company name: SLD Entertainment Inc.

Listing: Tokyo Stock Exchange

Securities code: 3223

URL: <http://www.sld-inc.com/>

Representative: Jo Arimura

President and Representative Director

Inquiries: Jo Arimura

Telephone: +81-3-6866-0245

Scheduled date to file semi-annual securities report: October 15, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(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.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2025	1,862	(2.3)	89	(9.3)	93	(5.2)	82	(14.0)
August 31, 2024	1,906	2.7	98	17.8	98	9.9	95	16.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2025	42.41	-
August 31, 2024	50.98	-

(Note) For the diluted interim net income per share for the fiscal year ending February 2025, it is not stated because while potential shares exist, they do not have a dilutive effect.

For the diluted interim net income per share for the fiscal year ending February 2026, it is not stated because there are no potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2025	1,198	547	45.6
February 28, 2025	1,074	497	46.2

Reference: Equity

As of August 31, 2025: ¥ 547 million

As of February 28, 2025: ¥ 496 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	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2026	-	0.00			
Fiscal year ending February 28, 2026 (Forecast)			-	0.00	0.00

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

Note: Breakdown of the second quarter dividend for the fiscal year ending February 28, 2026 :

Commemorative dividend	- yen
Special dividend	- yen

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.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,822	4.4	212	47.4	212	48.5	206	43.6	111.85

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

(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	1,560,864 shares
As of February 28, 2025	1,560,864 shares

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

As of August 31, 2025	129 shares
As of February 28, 2025	129 shares

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

Six months ended August 31, 2025	1,560,735 shares
Six months ended August 31, 2024	1,560,735 shares

* Its interim earnings report for the fiscal year ending February 28, 2026 is exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to SLD Entertainments Inc. ("Company") and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results, including financial performance, may significantly differ due to various factors.

Dividend Payments for class share

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
(A-type preferred stock)	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	-	-	-	32,000.00	32,000.00
Fiscal year ending February 28, 2026	-	-			
Fiscal year ending February 28, 2026 (Forecast)			-	32,000.00	32,000.00

Semi-annual Non-consolidated Financial Statements and Primary Notes

Semi-annual Non-consolidated Balance Sheet

(Thousands of yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	317,237	328,955
Accounts receivable - trade	253,319	347,361
Raw materials and supplies	18,977	17,087
Prepaid expenses	29,676	19,914
Accounts receivable - other	16,849	48,030
Current portion of guarantee deposits	11,151	28,589
Other	23,375	28,539
Total current assets	670,587	818,478
Non-current assets		
Property, plant and equipment		
Buildings	393,936	389,223
Accumulated depreciation	(324,505)	(332,942)
Buildings, net	69,430	56,280
Machinery and equipment	9,000	9,000
Accumulated depreciation	(8,999)	(8,999)
Machinery and equipment, net	0	0
Tools, furniture and fixtures	131,246	142,565
Accumulated depreciation	(121,141)	(124,286)
Tools, furniture and fixtures, net	10,104	18,279
Total property, plant and equipment	79,535	74,559
Intangible assets		
Software	140	70
Other	21	21
Total intangible assets	161	91
Investments and other assets		
Investment securities	1,500	1,500
Long-term prepaid expenses	2,156	1,255
Deferred tax assets	73,421	73,421
Leasehold and guarantee deposits	246,950	229,513
Other	160	110
Total investments and other assets	324,188	305,799
Total non-current assets	403,885	380,450
Total assets	1,074,472	1,198,929

(Thousands of yen)

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	84,447	109,196
Short-term borrowings	100,000	50,000
Accounts payable - other	63,047	102,641
Accrued expenses	140,559	175,856
Unearned revenue	-	293
Income taxes payable	5,384	2,692
Deposits received	22,179	55,637
Accrued consumption taxes	40,600	38,147
Asset retirement obligations	14,492	24,202
Other	7,178	4,658
Total current liabilities	477,889	563,326
Non-current liabilities		
Asset retirement obligations	92,507	83,321
Other	6,367	5,248
Total non-current liabilities	98,874	88,569
Total liabilities	576,764	651,896
Net assets		
Shareholders' equity		
Share capital	48,876	48,876
Capital surplus	351,808	351,808
Retained earnings	96,191	146,516
Treasury shares	(168)	(168)
Total shareholders' equity	496,707	547,033
Share acquisition rights	1,000	-
Total net assets	497,708	547,033
Total liabilities and net assets	1,074,472	1,198,929

Semi-annual Non-consolidated Statement of Income

(Thousands of yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Net sales	1,906,319	1,862,451
Cost of sales	373,729	357,759
Gross profit	1,532,589	1,504,691
Selling, general and administrative expenses	1,433,914	1,415,186
Operating profit	98,675	89,505
Non-operating income		
Interest income	35	274
Guarantee commission income	2,652	2,471
Other	1,927	1,534
Total non-operating income	4,615	4,281
Non-operating expenses		
Interest expenses	789	426
Amortization of share issuance costs	2,777	-
Other	1,341	118
Total non-operating expenses	4,907	544
Ordinary profit	98,383	93,242
Extraordinary income		
Gain on reversal of share acquisition rights	-	1,000
Total extraordinary income	-	1,000
Extraordinary losses		
Impairment losses	-	9,225
Total extraordinary losses	-	9,225
Profit before income taxes	98,383	85,017
Income taxes - current	2,692	2,692
Income taxes - deferred	-	-
Total income taxes	2,692	2,692
Profit	95,691	82,325

Semi-annual Non-consolidated Statement of Cash Flows

(Thousands 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	98,383	85,017
Depreciation	7,019	11,920
Impairment losses	-	9,225
Interest and dividend income	(35)	(274)
Interest expenses	789	426
Gain on reversal of share acquisition rights	-	(1,000)
Decrease (increase) in trade receivables	(55,062)	(94,042)
Decrease (increase) in inventories	(237)	1,890
Increase (decrease) in trade payables	22,023	24,749
Increase (decrease) in accounts payable - other	22,268	39,271
Increase (decrease) in accrued expenses	30,726	35,297
Increase (decrease) in deposits received	28,633	33,458
Increase (decrease) in accrued consumption taxes	(32,762)	(2,452)
Other, net	(13,607)	(28,675)
Subtotal	108,138	114,809
Interest and dividends received	35	274
Interest paid	(889)	(405)
Income taxes refund (paid)	(5,218)	(5,384)
Subsidies received	200	200
Proceeds from insurance income	827	-
Net cash provided by (used in) operating activities	103,092	109,494
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(10,675)	(15,776)
Payments for asset retirement obligations	(909)	-
Other, net	50	-
Net cash provided by (used in) investing activities	(11,535)	(15,776)
Cash flows from financing activities		
Proceeds from short-term borrowings	119,655	50,000
Repayments of short-term borrowings	(19,655)	(100,000)
Repayments of long-term borrowings	(150,000)	-
Dividends paid	(32,000)	(32,000)
Net cash provided by (used in) financing activities	(82,000)	(82,000)
Net increase (decrease) in cash and cash equivalents	9,557	11,717
Cash and cash equivalents at beginning of period	321,031	317,237
Cash and cash equivalents at end of period	330,589	328,955