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## Consolidated Financial Results for the Six Months Ended February 28, 2025 (Under Japanese GAAP)

April 14, 2025

Company name: and factory, inc  
 Stock exchange listing: Tokyo  
 Stock code: 7035 URL <https://andfactory.co.jp/>  
 Representative: Rinji Aoki, President and Representative Director  
 Contact: Tomoki Hasumi, Director Phone: +81-3-6712-7646  
 Scheduled date to file semi-annual securities report: April 14, 2025  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of annual financial results meeting: No

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

### 1. Consolidated financial results for the six months ended February 28, 2025 (from September 1, 2024, to February 28, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	1,581	—	(122)	—	(122)	—	(152)	—
February 29, 2024	—	—	—	—	—	—	—	—

Note: Comprehensive income For the six months ended February 28, 2025: (147) [—%]  
 For the six months ended February 29, 2024: — [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 28, 2025	(13.52)	—
February 29, 2024	—	—

Notes: 1. Although diluted shares exist, diluted earnings per share for the six months ended February 28, 2025 are not stated because the Company posted a net loss per share for the quarter.  
 2. Since quarterly consolidated financial statements have been prepared from the three months ended November 30, we have not included the numerical values or year-on-year changes for the six months ended February 29, 2024, or the year-on-year changes for the six months ended February 28, 2025.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	2,236	1,061	47.4
August 31, 2024	—	—	—

Reference: Equity capital: As of February 28, 2025: 1,061 million As of August 31, 2024: — million

Notes: The Company has prepared quarterly consolidated financial statements since the three months ended November 30, 2024. Therefore, figures for the fiscal year ended August 31, 2024 are omitted.

## 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 August 31, 2024	—	¥0.00	—	¥0.00	¥0.00
Fiscal year ending August 31, 2025	—	¥0.00			
Fiscal year ending August 31, 2025 (Forecast)			—	¥0.00	¥0.00

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

## 3. Forecast of consolidated financial results for the year ending August 31, 2025 (From September 1, 2024, to August 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,200	—	(310)	—	(310)	—	(380)	—	(33.74)

- Notes:
1. Revisions to the consolidated earnings forecasts most recently announced: Yes
  2. For details regarding the revisions to the earnings forecasts, please refer to the "Notice Regarding Revisions to Earnings Forecasts for the Fiscal Year Ending August 31, 2025" announced today (April 14, 2025).
  3. The Company transitioned to consolidated financial statements from the three months ended November 30, 2024. Since it did not prepare consolidated financial statements for the fiscal year ended August 2024, the year-on-year changes are not stated.

## Notes

- (1) Significant changes in the scope of consolidation during the period: Yes  
Newly included: 1 company (SouthWorks Co.,Ltd)  
Excluded: 0 companies (—)
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: No
  - (iii) Changes in accounting estimates: No
  - (iv) Restatement: No

(4) Number of issued shares (common shares)

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

As of February 28, 2025	11,261,970 shares	As of August 31, 2024	11,261,970 shares
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Number of treasury shares at the end of the period

As of February 28, 2025	277 shares	As of August 31, 2024	257 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2025	11,261,698 shares	Six months ended February 29, 2024	11,261,713 shares
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- \* 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
- Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors.

Semi-annual Consolidated Financial Statements  
(1) Semi-annual Consolidated Balance Sheets

(Thousands of yen)

As of February 28, 2025

Assets	
Current assets	
Cash and deposits	1,077,609
Accounts receivable trade	528,465
Work in process	53,785
Advances paid	169,488
Income taxes refund receivable	50,517
Other	137,045
Allowance for doubtful accounts	(33,195)
Total current assets	1,983,716
Non-current assets	
Property, plant and equipment	
Buildings	21,522
Tools, furniture and fixtures	88,397
Accumulated depreciation	(66,656)
Total property, plant and equipment	43,262
Intangible assets	
Software	28,775
Software in progress	166
Goodwill	43,742
Total intangible assets	72,684
Investments and other assets	
Investment securities	46,582
Long-term loans receivable	30,000
Leasehold and guarantee deposits	53,957
Other	6,776
Total investments and other assets	137,315
Total non-current assets	253,262
Total assets	2,236,979

(Thousands of yen)

As of February 28, 2025

Liabilities	
Current liabilities	
Accounts Payable	170,910
Short-term Borrowings	115,000
Current Portion of Long-term Borrowings	46,723
Accounts Payable - Other	487,570
Accrued Corporate Tax, etc.	8,149
Accrued Bonuses	423
Other	93,024
Total Current Liabilities	921,801
Non-current Liabilities	
Long-term Borrowings	252,277
Deferred Tax Liabilities	1,674
Total Non-current Liabilities	253,951
Total Liabilities	1,175,753
Net assets	
Shareholders' equity	
Share capital	801,818
Capital surplus	800,460
Retained earnings	(544,308)
Treasury shares	(578)
Total shareholders' equity	1,057,391
Accumulated Other Comprehensive Income	
Valuation Difference on Available-for-sale Securities	3,795
Total Accumulated Other Comprehensive Income	3,795
Stock Acquisition Rights	1,034
Non-controlling interests	(995)
Total net assets	1,061,226
Total Liabilities and Net Assets	2,236,979

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income  
(Thousands of yen)

	For the six months ended February 28, 2025
Net Sales	1,581,589
Cost of Sales	858,457
Gross Profit	723,131
Selling, General and Administrative Expenses	845,884
Operating Loss	(122,753)
Non-operating Income	
Interest Income	719
Subsidy Income	3,368
Other	779
Total Non-operating Income	4,867
Non-operating Expenses	
Interest Expense	3,507
Foreign Exchange Losses	1,274
Other	308
Total Non-operating Expenses	5,090
Ordinary Loss	(122,976)
Extraordinary Income	
Insurance Proceeds	2,712
Total Extraordinary Income	2,712
Extraordinary Losses	
Impairment Loss	5,591
Loss on Disposal of Fixed Assets	22,099
Valuation Loss on Investment Securities	2,307
Total Extraordinary Losses	29,998
Loss before Income Taxes	(150,262)
Income Taxes	1,291
Net Loss	(151,553)
Net Income Attributable to Non-controlling Interests	655
Net Loss Attributable to Owners of Parent	(152,208)

	(Thousands of yen)
	For the six months
	ended February 28, 2025
Net Loss	(151,553)
Other Comprehensive Income	
Valuation Difference on Available-for-sale Securities	3,795
Total Other Comprehensive Income	3,795
Comprehensive Income	(147,758)
Breakdown	
Comprehensive Income Attributable to Owners of Parent	(148,413)
Comprehensive Income Attributable to Non-controlling Interests	655

## (3) Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended February 28, 2025
Cash flows from operating activities	
Loss before income taxes	(150,262)
Depreciation	19,276
Impairment loss	5,591
Loss on disposal of fixed assets	22,099
Valuation loss on investment securities	2,307
Increase (decrease) in allowance for doubtful accounts	13,521
Increase (decrease) in provision for bonuses	(1,301)
Increase (decrease) in provision for shareholder benefits	(24,557)
Interest and dividend income	(719)
Subsidy income	(3,368)
Interest expense	3,507
Decrease (increase) in trade receivables	108,299
Decrease (increase) in accounts receivable - other	(34,818)
Decrease (increase) in inventories	(30,191)
Decrease (increase) in prepaid expenses	(4,574)
Decrease (increase) in advances paid	50,741
Decrease (increase) in consumption tax receivable	(50,517)
Increase (decrease) in trade payables	54,585
Increase (decrease) in accounts payable - other	(54,738)
Increase (decrease) in accrued consumption tax	(183,405)
Other, net	(15,263)
Subtotal	(273,789)
Interest and dividends received	719
Interest paid	(3,904)
Subsidies received	2,769
Income taxes paid	(5,268)
Income taxes refunded	8,158
Net cash provided by (used in) operating activities	(271,315)



For the six months  
ended February 28, 2025

Cash flows from investing activities	
Purchase of property, plant and equipment	(26,681)
Purchase of intangible assets	(28,161)
Payments for leasehold and guarantee deposits	(13,696)
Proceeds from refund of leasehold and guarantee deposits	97
Purchase of investment securities	(20,000)
Payments for acquisition of business	(6,100)
Loan advances	(30,000)
Proceeds from collection of loans receivable	10,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,445)
Other, net	10
Net cash provided by (used in) investing activities	(119,976)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(35,000)
Repayments of long-term borrowings	(59,953)
Purchase of treasury shares	(5)
Net cash provided by (used in) financing activities	(94,958)
Net increase (decrease) in cash and cash equivalents	(486,250)
Cash and cash equivalents at beginning of period	1,563,860
Cash and cash equivalents at end of period	1,077,609