

# Non-consolidated Financial Results for the Nine Months Ended November 30, 2021 [Japanese GAAP]



December 27, 2021

Company name: Halows Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 2742  
 URL: <https://www.halows.com/en/>  
 Representative: Toshiyuki Sato, President and Chief Executive Officer  
 Contact: Hidenori Hanaoka, Senior Managing Director and General Manager of Administrative Groups  
 Phone: +81-86-483-1011  
 Scheduled date of filing quarterly securities report: January 12, 2022  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Non-consolidated Financial Results for the Nine Months Ended November 30, 2021 (March 1, 2021 – November 30, 2021)

(1) Non-consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Operating income*		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
November 30, 2021	121,252	6.6	6,087	11.3	6,093	11.6	4,134	9.9
November 30, 2020	113,712	14.3	5,470	51.6	5,458	51.2	3,761	54.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
November 30, 2021	193.59	193.11
November 30, 2020	190.08	189.57

\* Operating income is the sum of net sales and operating revenue.

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2021	84,456	47,597	56.2
As of February 28, 2021	90,845	44,217	48.5

(Reference) Equity: As of November 30, 2021: ¥47,481 million

As of February 28, 2021: ¥44,087 million

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2021	–	16.00	–	18.00	34.00
Fiscal year ending February 28, 2022	–	18.00	–		
Fiscal year ending February 28, 2022 (Forecast)				18.00	36.00

(Note 1) Revision to the forecast for dividends announced most recently: None

(Note 2) The year-end dividend of 18 yen for the fiscal year ended February 28, 2021 includes a commemorative dividend of 2 yen for achieving operating income of 150 billion yen.

## 3. Non-consolidated Financial Results Forecasts for the Fiscal Year Ending February 28, 2022 (March 1, 2021 – February 28, 2022)

(% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	156,800	3.2	7,330	(3.6)	7,300	(3.7)	4,920	(10.5)	230.36

(Note) Revision to the financial results forecasts announced most recently: None

**\* Notes:**

- (1) Accounting methods adopted particularly for the preparation of quarterly non-consolidated financial statements:  
Yes  
(Note) For details, please see “2. Quarterly Non-consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Non-consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly non-consolidated financial statements)” on page 6 of the attached documents (available in Japanese only).
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common shares)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of November 30, 2021:	21,423,900 shares
As of February 28, 2021:	21,423,900 shares
  - 2) Total number of treasury shares at the end of the period:

As of November 30, 2021:	62,317 shares
As of February 28, 2021:	74,617 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Nine months ended November 30, 2021:	21,357,423 shares
Nine months ended November 30, 2020:	19,790,027 shares

\* These quarterly non-consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

**\* Explanation of the proper use of financial results forecasts and other notes**

- 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 “1. Qualitative Information on Quarterly 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).

2. Quarterly Non-consolidated Financial Statements and Principal Notes  
(1) Quarterly Non-consolidated Balance Sheets

(Million yen)

	As of February 28, 2021	As of November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,568	12,342
Accounts receivable - trade	544	739
Merchandise	3,185	3,527
Supplies	4	4
Other	2,567	2,307
Allowance for doubtful accounts	(3)	(3)
Total current assets	27,866	18,918
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,567	53,042
Accumulated depreciation	(19,922)	(21,333)
Buildings and structures, net	29,645	31,708
Land	17,247	18,108
Other	12,359	12,678
Accumulated depreciation	(7,458)	(8,003)
Other, net	4,901	4,674
Total property, plant and equipment	51,795	54,491
Intangible assets		
Other	389	323
Total intangible assets	389	323
Investments and other assets		
Leasehold and guarantee deposits	2,743	2,751
Construction assistance fund receivables	1,478	1,391
Long-term prepaid expenses	4,833	4,835
Other	1,739	1,742
Total investments and other assets	10,794	10,721
Total non-current assets	62,978	65,537
Total assets	90,845	84,456

(Million yen)

	As of February 28, 2021	As of November 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	14,868	8,833
Current portion of long-term borrowings	3,622	3,334
Lease obligations	612	525
Accounts payable - other	2,077	1,049
Accrued expenses	1,403	1,849
Advances received	1,694	2,028
Income taxes payable	1,663	832
Provision for point card certificates	570	621
Other	1,266	1,211
Total current liabilities	27,779	20,285
Non-current liabilities		
Long-term borrowings	11,718	9,266
Lease obligations	935	830
Provision for retirement benefits	704	741
Asset retirement obligations	1,408	1,486
Deposits for construction assistance fund receivables	953	1,014
Long-term leasehold and guarantee deposits received	1,872	2,015
Long-term unearned revenue	928	909
Other	328	308
Total non-current liabilities	18,849	16,572
Total liabilities	46,628	36,858
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,430	5,430
Capital surplus	5,374	5,379
Retained earnings	33,415	36,781
Treasury shares	(133)	(111)
Total shareholders' equity	44,086	47,480
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Share acquisition rights	129	116
Total net assets	44,217	47,597
Total liabilities and net assets	90,845	84,456

(2) Quarterly Non-consolidated Statements of Income  
 Nine Months Ended November 30

(Million yen)

	For the nine months ended November 30, 2020	For the nine months ended November 30, 2021
Net sales	111,019	118,156
Cost of sales	82,962	88,547
Gross profit	28,056	29,608
Operating revenue	2,693	3,095
Operating gross profit	30,750	32,704
Selling, general and administrative expenses		
Advertising expenses	650	707
Supplies expenses	1,183	1,167
Salaries and bonuses	10,736	11,125
Share-based remuneration expenses	16	14
Retirement benefit expenses	48	51
Legal and other welfare expenses	1,334	1,415
Rent expenses on land and buildings	3,099	3,358
Rent expenses	201	165
Utilities expenses	1,826	1,990
Repair expenses	547	485
Depreciation	2,376	2,615
Taxes and dues	633	720
Other	2,624	2,798
Total selling, general and administrative expenses	25,279	26,617
Operating profit	5,470	6,087
Non-operating income		
Interest income	18	17
Purchase discounts	25	18
Other	41	54
Total non-operating income	85	90
Non-operating expenses		
Interest expenses	91	80
Other	5	4
Total non-operating expenses	97	85
Ordinary profit	5,458	6,093
Extraordinary income		
Gain on sales of non-current assets	8	-
Gain on donation of non-current assets	5	0
Gain on cancellation of leasehold contracts	4	1
Compensation for expropriation	151	-
Total extraordinary income	169	1
Extraordinary losses		
Loss on retirement of non-current assets	44	6
Differences between the asset retirement liability balance and the actual retirement	3	-
Total extraordinary losses	47	6
Profit before income taxes	5,580	6,088
Income taxes	1,819	1,954
Profit	3,761	4,134