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## Non-consolidated Financial Results for the Year Ended February 28, 2025 [Japanese GAAP]

April 14, 2025

Company name: SLD Entertainment Inc.

Listing: Tokyo Stock Exchange

Securities code: 3223

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

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Scheduled date of annual general meeting of shareholders: May 28, 2025

Scheduled date to commence dividend payments: -

Scheduled date to file annual securities report: May 29, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President and Representative Director

President and Representative Director

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

### 1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)

#### (1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2025	3,661	2.1	144	8.1	142	3.4	143	(18.9)
February 29, 2024	3,585	16.0	133	-	138	-	177	-

	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, 2025	71.69	-	32.6	13.5	3.9
February 29, 2024	93.15	-	56.8	13.2	3.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2025: ¥ - million

Fiscal year ended February 29, 2024: ¥ - million

(Note) Diluted earnings per share is not shown in the above table, there are no residual shares having possibilities of diluting stock value.

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2025	1,074	497	46.2	(214.83)
February 29, 2024	1,048	385	36.7	(286.52)

(Reference) Equity: As of February 28, 2025: ¥ 496 million

As of February 29, 2024: ¥ 384 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended February 28, 2025	121	(10)	(115)	317
February 29, 2024	14	0	(33)	321

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
February 29, 2024	-	0.00	-	0.00	0.00	-	-	-
February 28, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending February 28, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended February 28, 2025 :

Commemorative dividend - yen

Special dividend - yen

(Note) As for the status of dividend for class shares (unlisted) with different rights from those of the company's common stock, please see "(Reference)Dividend Payments for class A shares" described below.

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		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

\* Notes:

(1) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(2) Number of issued shares (common shares)

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

February 28, 2025: 1,560,864 shares

February 29, 2024: 1,560,864 shares

2) Number of treasury shares at the end of the period:

February 28, 2025: 129 shares

February 29, 2024: 129 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended February 28, 2025: 1,560,735 shares

Fiscal Year ended February 29, 2024: 1,560,735 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 forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to SLD Entaetainment 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 ( Forecast)	—	—	—	32,000.00	32,000.00

## Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	321,031	317,237
Accounts receivable - trade	274,196	253,319
Raw materials and supplies	18,841	18,977
Prepaid expenses	26,417	29,676
Accounts receivable - other	4,615	16,849
Current portion of guarantee deposits	12,850	11,151
Other	18,243	23,375
Total current assets	676,196	670,587
Non-current assets		
Property, plant and equipment		
Buildings	375,700	393,936
Accumulated depreciation	(330,504)	(324,505)
Buildings, net	45,196	69,430
Machinery and equipment	9,000	9,000
Accumulated depreciation	(8,999)	(8,999)
Machinery and equipment, net	0	0
Tools, furniture and fixtures	126,551	131,246
Accumulated depreciation	(118,759)	(121,141)
Tools, furniture and fixtures, net	7,791	10,104
Total property, plant and equipment	52,987	79,535
Intangible assets		
Software	523	140
Other	21	21
Total intangible assets	545	161
Investments and other assets		
Investment securities	1,500	1,500
Long-term prepaid expenses	3,177	2,156
Deferred tax assets	49,414	73,421
Leasehold and guarantee deposits	259,200	246,950
Other	210	160
Total investments and other assets	313,503	324,188
Total non-current assets	367,036	403,885
Deferred assets		
Share issuance costs	5,091	-
Total deferred assets	5,091	-
Total assets	1,048,323	1,074,472

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	87,192	84,447
Short-term borrowings	19,655	100,000
Current portion of long-term borrowings	163,500	-
Accounts payable - other	80,620	63,047
Accrued expenses	132,000	140,559
Unearned revenue	2,183	-
Income taxes payable	5,218	5,384
Deposits received	19,235	22,179
Accrued consumption taxes	69,940	40,600
Asset retirement obligations	2,599	14,492
Other	4,518	7,178
Total current liabilities	586,664	477,889
Non-current liabilities		
Asset retirement obligations	73,951	92,507
Other	1,884	6,367
Total non-current liabilities	75,835	98,874
<b>Total liabilities</b>	<b>662,499</b>	<b>576,764</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	48,876	48,876
Capital surplus		
Legal capital surplus	156,752	156,752
Other capital surplus	227,056	195,056
Total capital surplus	383,808	351,808
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(47,692)	96,191
Total retained earnings	(47,692)	96,191
Treasury shares	(168)	(168)
Total shareholders' equity	384,823	496,707
Share acquisition rights	1,000	1,000
Total net assets	385,824	497,708
<b>Total liabilities and net assets</b>	<b>1,048,323</b>	<b>1,074,472</b>

## Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	3,585,627	3,661,043
Cost of sales	716,786	711,708
Gross profit	2,868,840	2,949,334
Selling, general and administrative expenses	2,735,272	2,804,897
Operating profit	133,568	144,437
Non-operating income		
Interest income	4	183
Insurance claim income	-	1,849
Gain on sale of non-current assets	473	-
Guarantee commission income	12,150	2,652
Subsidy income	200	200
Other	1,398	3,190
Total non-operating income	14,226	8,076
Non-operating expenses		
Interest expenses	1,612	1,287
Amortization of share issuance costs	5,554	5,091
Other	2,355	3,213
Total non-operating expenses	9,523	9,592
Ordinary profit	138,271	142,921
Extraordinary losses		
Impairment losses	10,414	17,659
Total extraordinary losses	10,414	17,659
Profit before income taxes	127,856	125,261
Income taxes - current	5,218	5,384
Income taxes - deferred	(54,746)	(24,006)
Total income taxes	(49,527)	(18,622)
Profit	177,384	143,884

Non-consolidated Statements of Changes in Equity  
For the fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity								Share acquisition rights	Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders equity		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
					Retained earnings brought forward					
Balance at beginning of period	48,876	156,752	259,056	415,808	(225,077)	(225,077)	(168)	239,439	1,000	240,439
Changes during period										
Dividends of surplus			(32,000)	(32,000)				(32,000)		(32,000)
Profit					177,384	177,384		177,384		177,384
Net changes in items other than shareholders' equity									-	-
Total changes during period	-	-	(32,000)	(32,000)	177,384	177,384	-	145,384	-	145,384
Balance at end of period	48,876	156,752	227,056	383,808	(47,692)	(47,692)	(168)	384,823	1,000	385,824

For the fiscal year ended February 28, 2025

(Thousands of yen)

	Shareholders' equity								Share acquisition rights	Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders equity		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
					Retained earnings brought forward					
Balance at beginning of period	48,876	156,752	227,056	383,808	(47,692)	(47,692)	(168)	384,823	1,000	385,824
Changes during period										
Dividends of surplus			(32,000)	(32,000)				(32,000)		(32,000)
Profit					143,884	143,884		143,884		143,884
Net changes in items other than shareholders' equity									-	-
Total changes during period	-	-	(32,000)	(32,000)	143,884	143,884	-	111,884	-	111,884
Balance at end of period	48,876	156,752	195,056	351,808	96,191	96,191	(168)	496,707	1,000	497,708

## Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	127,856	125,261
Depreciation	14,854	15,723
Impairment losses	10,414	17,659
Loss on retirement of non-current assets	1,041	51
Gain on sale of non-current assets	(473)	-
Interest and dividend income	(4)	(183)
Interest expenses	1,612	1,287
Decrease (increase) in trade receivables	(13,108)	20,877
Decrease (increase) in inventories	4,550	(135)
Increase (decrease) in trade payables	(3,400)	(2,745)
Increase (decrease) in accounts payable - other	(19,282)	(15,944)
Increase (decrease) in accrued expenses	(45,728)	8,665
Increase (decrease) in deposits received	(48,185)	2,943
Increase (decrease) in accrued consumption taxes	(4,475)	(29,340)
Other, net	(4,010)	(18,362)
Subtotal	21,661	125,759
Interest and dividends received	4	183
Interest paid	(1,415)	(1,329)
Income taxes paid	(5,490)	(5,218)
Other, net	220	2,049
Net cash provided by (used in) operating activities	14,979	121,444
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(16,870)	(20,298)
Purchase of long-term prepaid expenses	(2,563)	(780)
Payments for asset retirement obligations	(5,424)	(909)
Proceeds from refund of leasehold and guarantee deposits	25,733	11,854
Other, net	-	50
Net cash provided by (used in) investing activities	874	(10,084)
Cash flows from financing activities		
Proceeds from short-term borrowings	22,650	119,655
Repayments of short-term borrowings	(67,160)	(39,310)
Proceeds from long-term borrowings	150,000	-
Repayments of long-term borrowings	(107,008)	(163,500)
Dividends paid	(32,000)	(32,000)
Net cash provided by (used in) financing activities	(33,518)	(115,155)
Net increase (decrease) in cash and cash equivalents	(17,663)	(3,794)
Cash and cash equivalents at beginning of period	338,695	321,031
Cash and cash equivalents at end of period	321,031	317,237