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October 15, 2026

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



Company name: SLD Entertainment Inc.

Listing: Tokyo Stock Exchange

Securities code: 3223

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Scheduled date to file semi-annual securities report: October 15, 2026

Scheduled date to commence dividend payments: -

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 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.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	1,721	(7.5)	33	(63.1)	35	(62.3)	(15)	-
August 31, 2025	1,862	(2.3)	89	(9.3)	93	(5.2)	82	(14.0)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	(19.98)	-
August 31, 2025	42.41	-

Note: Diluted interim net income per share is not presented as there are no dilutive potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	1,077	505	46.9
February 28, 2026	1,007	552	54.8

Reference: Equity

As of August 31, 2026: ¥ 505 million

As of February 28, 2026: ¥ 552 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	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2027	-	0.00			
Fiscal year ending February 28, 2027 (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, 2027 :

Commemorative dividend - yen

Special dividend - yen

Note: Dividend forecasts for the fiscal year ending February 28, 2027, remain undetermined at this time. The "Cash dividends" section above refers to dividends on common stock. For information regarding dividends on class shares (unlisted) with different rights from the common stock issued by the Company, please refer to the "Dividend Payments for class share" section below.

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.)

	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	3,307	(9.5)	37	(69.9)	39	(69.9)	(52)	-	(53.97)

Note: Revisions to the financial result forecast most recently announced: Yes

For details regarding the revision of financial forecasts, please refer to the 'Notice Concerning Revision of Financial Forecasts for the Fiscal Year Ending February 2027' released today (October 15, 2026).

* Notes

(1) Adoption of accounting treatment specific to the preparation of interim 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, 2026	1,560,864 shares
As of February 28, 2026	1,560,864 shares

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

As of August 31, 2026	129 shares
As of February 28, 2026	129 shares

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

Six months ended August 31, 2026	1,560,735 shares
Six months ended August 31, 2025	1,560,735 shares

* Interim 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 forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to SLD Entertainment 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 per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
(Class A preferred stock)	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	-	-	32,000.00	32,000.00
Fiscal year ending February 28, 2027	-	-			
Fiscal year ending February 28, 2027 (Forecast)			-	32,000.00	32,000.00

Interim Interim Non-consolidated Financial Statements and Primary Notes

Interim Non-consolidated Balance Sheet

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	224,393	338,197
Accounts receivable - trade	296,207	312,627
Raw materials and supplies	24,231	32,305
Prepaid expenses	32,107	33,438
Accounts receivable - other	24,093	10,135
Current portion of guarantee deposits	19,689	49,352
Other	25,548	30,309
Total current assets	646,270	806,367
Non-current assets		
Property, plant and equipment		
Buildings	338,437	338,882
Accumulated depreciation	(292,661)	(298,709)
Buildings, net	45,776	40,172
Machinery and equipment	9,000	9,000
Accumulated depreciation	(8,999)	(8,999)
Machinery and equipment, net	0	0
Tools, furniture and fixtures	135,288	138,677
Accumulated depreciation	(112,669)	(117,780)
Tools, furniture and fixtures, net	22,618	20,897
Total property, plant and equipment	68,394	61,069
Intangible assets		
Other	21	21
Total intangible assets	21	21
Investments and other assets		
Investment securities	0	0
Long-term prepaid expenses	1,853	5,235
Deferred tax assets	58,071	14,337
Leasehold and guarantee deposits	232,530	190,527
Other	110	110
Total investments and other assets	292,565	210,211
Total non-current assets	360,981	271,302
Total assets	1,007,252	1,077,669

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	92,157	111,484
Current portion of long-term borrowings	-	50,004
Accounts payable - other	50,686	53,248
Accrued expenses	142,662	151,901
Unearned revenue	3,426	1,025
Income taxes payable	5,144	2,692
Deposits received	31,489	36,524
Accrued consumption taxes	32,931	27,132
Asset retirement obligations	2,807	20,521
Other	6,787	3,934
Total current liabilities	368,093	458,467
Non-current liabilities		
Long-term borrowings	-	41,662
Asset retirement obligations	82,772	69,233
Other	4,260	3,233
Total non-current liabilities	87,032	114,128
Total liabilities	455,126	572,596
Net assets		
Shareholders' equity		
Share capital	48,876	48,876
Capital surplus	351,808	351,808
Retained earnings	151,609	104,556
Treasury shares	(168)	(168)
Total shareholders' equity	552,125	505,072
Total net assets	552,125	505,072
Total liabilities and net assets	1,007,252	1,077,669

Interim Non-consolidated Statement of Income

(Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Net sales	1,862,451	1,721,949
Cost of sales	357,759	340,559
Gross profit	1,504,691	1,381,390
Selling, general and administrative expenses	1,415,186	1,348,376
Operating profit	89,505	33,014
Non-operating income		
Interest income	274	405
Guarantee commission income	2,471	-
Subsidy income	200	635
Other	1,334	1,610
Total non-operating income	4,281	2,650
Non-operating expenses		
Interest expenses	426	330
Other	118	192
Total non-operating expenses	544	523
Ordinary profit	93,242	35,141
Extraordinary income		
Gain on reversal of share acquisition rights	1,000	-
Total extraordinary income	1,000	-
Extraordinary losses		
Impairment losses	9,225	3,769
Total extraordinary losses	9,225	3,769
Profit before income taxes	85,017	31,372
Income taxes - current	2,692	2,692
Income taxes - deferred	-	43,733
Total income taxes	2,692	46,425
Profit (loss)	82,325	(15,052)

Interim Non-consolidated Statement of Cash Flows

(Thousands 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	85,017	31,372
Depreciation	11,920	12,499
Impairment losses	9,225	3,769
Interest and dividend income	(274)	(405)
Interest expenses	426	330
Gain on reversal of share acquisition rights	(1,000)	-
Decrease (increase) in trade receivables	(94,042)	(16,420)
Decrease (increase) in inventories	1,890	(8,074)
Increase (decrease) in trade payables	24,749	19,326
Increase (decrease) in accounts payable - other	39,271	2,201
Increase (decrease) in accrued expenses	35,297	9,239
Increase (decrease) in deposits received	33,458	5,034
Increase (decrease) in accrued consumption taxes	(2,452)	(5,799)
Other, net	(28,675)	2,303
Subtotal	114,809	55,379
Interest and dividends received	274	405
Interest paid	(405)	(478)
Income taxes refund (paid)	(5,384)	(5,144)
Subsidies received	200	635
Net cash provided by (used in) operating activities	109,494	50,797
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(15,776)	(4,814)
Purchase of long-term prepaid expenses	-	(1,115)
Payments of leasehold and guarantee deposits	-	(1,879)
Proceeds from refund of leasehold and guarantee deposits	-	11,150
Net cash provided by (used in) investing activities	(15,776)	3,341
Cash flows from financing activities		
Proceeds from short-term borrowings	50,000	-
Repayments of short-term borrowings	(100,000)	-
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	-	(8,334)
Dividends paid	(32,000)	(32,000)
Net cash provided by (used in) financing activities	(82,000)	59,666
Net increase (decrease) in cash and cash equivalents	11,717	113,804
Cash and cash equivalents at beginning of period	317,237	224,393
Cash and cash equivalents at end of period	328,955	338,197