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## Consolidated Financial Results for the Six Months Ended August 31, 2025 [Japanese GAAP]

October 7, 2025

Company name: PAL GROUP Holdings CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2726

URL: <http://www.palgroup.holdings/>

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Scheduled date of filing semi-annual securities report: October 7, 2025

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on financial results: Not available

Schedule of financial results briefing session: Scheduled (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Six Months Ended August 31, 2025 (March 1, 2025 to August 31, 2025)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended August 31, 2025	117,082	15.6	14,095	19.4	14,069	17.7	9,186	19.8
Six months ended August 31, 2024	101,259	7.6	11,806	14.6	11,956	15.1	7,668	9.5

(Note) Comprehensive income: Six months ended August 31, 2025: ¥9,208 million [19.9%]

Six months ended August 31, 2024: ¥7,681 million [9.7%]

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended August 31, 2025	52.90	—
Six months ended August 31, 2024	44.16	—

(Note) The Company conducted a 2-for-1 stock split of common stock with a record date of September 10, 2025 and an effective date of September 11, 2025. Accordingly, basic earnings per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended February 28, 2025.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of August 31, 2025	160,563	77,352	46.6
As of February 28, 2025	147,929	73,353	47.9

(Reference) Equity: As of August 31, 2025: ¥74,831 million

As of February 28, 2025: ¥70,893 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended February 28, 2025	—	0.00	—	60.00	60.00
Fiscal year ending February 28, 2026	—	0.00			
Fiscal year ending February 28, 2026 (Forecast)			—	30.00	30.00

(Notes) 1. Revision of dividend forecast: No

- The Company conducted a 2-for-1 stock split of common stock with a record date of September 10, 2025 and an effective date of September 11, 2025. The forecast for the annual dividends per share, on a pre-stock-split basis, is 60 yen for the year-end dividend and 60 yen for the total dividends.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	231,000	11.2	26,400	11.6	26,400	10.3	16,850	42.2	97.03

(Notes) 1. Revision of consolidated financial results forecast: No

- The Company conducted a 2-for-1 stock split of common stock with a record date of September 10, 2025 and an effective date of September 11, 2025. Basic earnings per share in the consolidated financial results forecast reflect the impact of the stock split. Basic earnings per share, on a pre-stock-split basis, are 194.07 yen.

**\* Notes**

(1) Significant changes in the scope of consolidation during the period under review: No

(2) Adoption of special accounting methods for preparing semi-annual consolidated financial statement: No

(3) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Any changes other than 1) above: No

3) Changes in accounting estimates: No

4) Corrections of errors: No

(4) Total number of issued shares (common shares)

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

As of August 31, 2025	185,088,000 shares
As of February 28, 2025	185,088,000 shares

2) Total number of treasury shares at the end of the period:

As of August 31, 2025	11,441,734 shares
As of February 28, 2025	11,441,734 shares

3) Average number of shares during the period:

Six months ended August 31, 2025	173,646,266 shares
Six months ended August 31, 2024	173,646,574 shares

(Note) The Company conducted a 2-for-1 stock split of common stock with a record date of September 10, 2025 and an effective date of September 11, 2025. Accordingly, basic earnings per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended February 28, 2025.

\* These semi-annual consolidated financial results are not covered by the review conducted by certified public accountants or audit corporations.

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

The statements regarding financial results forecast in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and do not guarantee the achievement of the projections. Therefore, there might be cases in which actual results differ from forecast values.

## Appendix

1. Qualitative Information on Consolidated Financial Results for the Period under Review	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections	3
2. Semi-annual Consolidated Financial Statements	4
(1) Semi-annual Consolidated Balance Sheets	4
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	6
Semi-annual Consolidated Statements of Income	6
Six months ended August 31	6
Semi-annual Consolidated Statements of Comprehensive Income	7
Six months ended August 31	7
(3) Semi-annual Consolidated Statements of Cash Flows	8

## 1. Qualitative Information on Consolidated Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the six months ended August 31, 2025 (March 1, 2025 to August 31, 2025), the Japanese economy saw prices remain at elevated levels, primarily due to rising food prices and increased labor costs, while wage increases partially supported personal consumption. Real wages turned negative, and personal consumption failed to gain momentum. The ruling party's defeat in the House of Councillors election has destabilized the political situation, and the formulation of economic stimulus measures based on supplementary budgets and tax cuts are unlikely in the near term. Consequently, the consumption environment is expected to remain highly uncertain.

The global economy is showing signs of slowing down, with capital investment excluding AI-related sectors and personal consumption struggling to grow amid heightened uncertainty stemming from U.S. tariff policies. While the adverse effects of U.S. tariff policies have not materialized to the extent previously feared, ongoing negotiations between the U.S. and China, as well as the U.S. and India, remain a concern as a potential drag on economic growth through reduced global trade volumes. In the foreign exchange market, a depreciation of the U.S. dollar, reflecting lower U.S. interest rates, and a depreciation of the yen, reflecting Japan's low real interest rates, progressed simultaneously, with the yen's exchange rate against the U.S. dollar remaining mostly around the level of 140 yen.

Under such a business environment, leveraging the strength, where influencers, who are our employees, have established strong connections with customers through their social networking service accounts, the Group has disseminated new product information through social networking services with regard to the Apparel Business. With this, we have achieved an increase in sales without discounting, primarily through pre-orders. In addition, we have been working on improving gross profit by flexibly adjusting order quantities based on customer response and reducing unsold inventory. Furthermore, NOLLEY'S co., Ltd., which became a consolidated subsidiary in the fourth quarter of the previous fiscal year, has contributed to the increase in net sales. As a result, both net sales and operating profit of the Apparel Business increased during the six months ended August 31, 2025.

We have also achieved significant growth in sales and profits in the Miscellaneous Goods/Accessories Business, by continuously opening new large-scale stores, actively introducing new products priced above 300 yen, and setting prices commensurate with added value to improve gross profit. As the first step in our renewed overseas expansion, we opened our first regional stores in Hong Kong in July and in Malaysia in August, both of which have gotten off to a smooth start. Regarding our overseas operations, we will carefully analyze local sales trends while pursuing further business expansion.

Through these measures, net sales in the Apparel Business increased by ¥10,724 million year on year to ¥70,581 million and net sales in the Miscellaneous Goods/Accessories Business increased by ¥5,034 million year on year to ¥46,279 million.

As a result of the above, net sales for the six months ended August 31, 2025 increased by 15.6% year on year to ¥117,082 million. In terms of profit, operating profit increased by 19.4% year on year to ¥14,095 million, ordinary profit increased by 17.7% year on year to ¥14,069 million, and profit attributable to owners of parent increased by 19.8% year on year to ¥9,186 million.

## (2) Explanation of Financial Position

### (Assets)

Current assets increased by ¥11,305 million compared with the end of the previous fiscal year, due mainly to increases in cash and deposits by ¥4,829 million, notes and accounts receivable - trade by ¥4,482 million, and merchandise and finished goods by ¥2,259 million.

Non-current assets increased by ¥1,328 million compared with the end of the previous fiscal year, due primarily to increases in buildings and structures by ¥709 million and in guarantee deposits by ¥245 million.

### (Liabilities)

Current liabilities increased by ¥12,872 million compared with the end of the previous fiscal year, due mainly to an increase in notes and accounts payable - trade by ¥12,196 million.

Non-current liabilities decreased by ¥4,236 million compared with the end of the previous fiscal year, due primarily to decreases in long-term borrowings by ¥523 million and provision for retirement benefits for directors (and other officers) by ¥3,722 million.

### (Net assets)

Net assets increased by ¥3,998 million compared with the end of the previous fiscal year, due mainly to an increase in retained earnings by ¥3,977 million.

## (3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

There is no change to the consolidated financial results forecast for the fiscal year ending February 28, 2026 from the financial results forecasts announced on April 8, 2025 in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2025.”

## 2. Semi-annual Consolidated Financial Statements

### (1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	85,715	90,544
Notes and accounts receivable - trade	10,473	14,955
Merchandise and finished goods	16,731	18,991
Other	1,371	1,100
Allowance for doubtful accounts	(5)	—
Total current assets	114,287	125,592
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,189	10,898
Other, net	2,775	2,930
Total property, plant and equipment	12,965	13,829
Intangible assets	816	724
Investments and other assets		
Guarantee deposits	13,817	14,063
Other	6,098	6,434
Allowance for doubtful accounts	(54)	(81)
Total investments and other assets	19,861	20,416
Total non-current assets	33,642	34,971
Total assets	147,929	160,563
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	29,252	41,449
Short-term borrowings	800	923
Current portion of long-term borrowings	246	235
Income taxes payable	5,918	5,033
Provision for bonuses	3,767	3,677
Provision for point card certificates	249	246
Provisions	1,080	1,044
Other	9,271	10,848
Total current liabilities	50,586	63,458
Non-current liabilities		
Long-term borrowings	12,184	11,660
Retirement benefit liability	1,813	1,869
Provision for retirement benefits for directors (and other officers)	4,245	522
Asset retirement obligations	4,728	4,930
Other	1,017	770
Total non-current liabilities	23,989	19,752
Total liabilities	74,576	83,211

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Net assets		
Shareholders' equity		
Share capital	3,181	3,181
Capital surplus	4,478	4,478
Retained earnings	66,761	70,738
Treasury shares	(3,672)	(3,672)
Total shareholders' equity	70,748	74,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	9
Foreign currency translation adjustment	18	(5)
Remeasurements of defined benefit plans	117	102
Total accumulated other comprehensive income	144	105
Non-controlling interests	2,460	2,520
Total net assets	73,353	77,352
Total liabilities and net assets	147,929	160,563



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

## Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Net sales	101,259	117,082
Cost of sales	44,586	50,208
Gross profit	56,673	66,874
Selling, general and administrative expenses	44,866	52,778
Operating profit	11,806	14,095
Non-operating income		
Interest income	1	10
Share of profit of entities accounted for using equity method	158	—
Royalty income	6	4
Foreign exchange gains	19	21
Other	32	55
Total non-operating income	218	92
Non-operating expenses		
Interest expenses	51	79
Other	17	38
Total non-operating expenses	68	117
Ordinary profit	11,956	14,069
Extraordinary income		
Subsidy income	220	—
Total extraordinary income	220	—
Extraordinary losses		
Loss on retirement of non-current assets	45	3
Impairment losses	219	131
Loss on tax purpose reduction entry of non-current assets	220	—
Total extraordinary losses	484	135
Profit before income taxes	11,691	13,934
Income taxes - current	4,042	4,684
Income taxes - deferred	(19)	3
Total income taxes	4,023	4,688
Profit	7,668	9,245
Profit attributable to non-controlling interests	—	59
Profit attributable to owners of parent	7,668	9,186

## Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Profit	7,668	9,245
Other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Foreign currency translation adjustment	26	(24)
Remeasurements of defined benefit plans, net of tax	(12)	(14)
Share of other comprehensive income of entities accounted for using equity method	(2)	–
Total other comprehensive income	12	(37)
Comprehensive income	7,681	9,208
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,681	9,147
Comprehensive income attributable to non-controlling interests	–	60

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

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,691	13,934
Depreciation	1,125	1,502
Impairment losses	219	131
Share of loss (profit) of entities accounted for using equity method	(158)	—
Increase (decrease) in allowance for doubtful accounts	—	21
Increase (decrease) in provision for bonuses	(174)	(89)
Increase (decrease) in provision for point card certificates	3	(2)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	61	(3,722)
Increase (decrease) in other provisions	(197)	(35)
Interest expenses	51	79
Subsidy income	(220)	—
Loss on retirement of non-current assets	45	3
Loss on tax purpose reduction entry of non-current assets	220	—
Decrease (increase) in trade receivables	(2,182)	(4,483)
Decrease (increase) in inventories	824	(2,261)
Increase (decrease) in trade payables	7,465	12,408
Increase (decrease) in consumption taxes receivable payable	115	(493)
Other, net	619	1,507
Subtotal	19,510	18,499
Interest paid	(54)	(78)
Subsidies received	18	—
Income taxes refund (paid)	(2,075)	(5,510)
Net cash provided by (used in) operating activities	17,398	12,910
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,516)	(1,810)
Payments for asset retirement obligations	(173)	(57)
Decrease (increase) in short-term loans receivable	—	0
Payments of guarantee deposits	(620)	(560)
Proceeds from refund of guarantee deposits	368	314
Purchase of intangible assets	(443)	(15)
Net cash provided by (used in) investing activities	(2,386)	(2,129)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	150	123
Proceeds from long-term borrowings	11,391	10,964
Repayments of long-term borrowings	(10,811)	(11,498)
Purchase of treasury shares	(0)	—
Repayments of finance lease liabilities	(300)	(306)
Repayments of installment payables	(1)	—
Dividends paid	(4,339)	(5,209)
Net cash provided by (used in) financing activities	(3,912)	(5,927)
Effect of exchange rate change on cash and cash equivalents	—	(24)
Net increase (decrease) in cash and cash equivalents	11,100	4,829
Cash and cash equivalents at beginning of period	67,228	85,715
Cash and cash equivalents at end of period	78,329	90,544