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Consolidated Financial Results for the second quarter (interim period) for the fiscal year ending March 31, 2026 [Under JGAAP]

November 7, 2026
TSE PRIME Market

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Securities CODE 7421 URL <https://www.kappa-create.co.jp>
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Scheduled date to file the Semiannual Securities report November 14, 2025 Scheduled date to commence dividend payment —
Preparation for supplementary material of financial results : Yes
Holding of financial results briefing : Yes (for institutional investors and analysts)

(Round to the nearest million yen)

1. Consolidated Financial results for second quarter (interim period) for the fiscal year ending March 31, 2026 (From April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentage figures represent YoY interim period))

	Revenue		Operating profit		Ordinary profit		Interim profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim period of the fiscal year ending March 31, 2026	37,049	0.2	832	54.4	840	48.9	738	56.8
Interim period of the fiscal year ended March 31, 2025	36,965	2.0	539	(27.8)	564	(27.4)	471	(25.2)

(Note) Interim period for the fiscal year ending March 31, 2026
Comprehensive income 726 Million yen +51.6%
Interim period for the fiscal year ended March 31, 2025
479 Million yen -22.7%

	Interim basic earnings per share	Interim diluted earnings per share
	Yen	Yen
Interim period of the fiscal year ending March 31, 2026	14.97	—
Interim period of the fiscal year ended March 31, 2025	9.55	—

(2) Consolidated balance sheet

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
Interim period of the fiscal year ending March 31, 2026	31,648	11,376	35.8	229.78
Fiscal year ended March 31, 2025	31,072	10,889	34.9	219.66

(Reference) Equity	Interim period of the fiscal year ending March 31, 2026	11,340	Million yen	Fiscal year ended March 31, 2025	10,847	Million yen
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2. Cash dividends

	Annual dividends				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended march 31, 2025	—	0.00	—	5.00	5.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (forecast)			—	—	—

(Note) Revision to the most recently announced dividend forecast: None

(Note) The dividend for the fiscal year ending March 31, 2026 is currently undetermined.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentage figures represent YoY interim period)

	Revenue		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	80,118	9.4	1,951	36.1	1,901	30.7	1,445	39.9	29.28

(Note) Revision to the most recently announced earnings forecast: None

※ Notes

(1) Significant changes in the scope of consolidation during current interim period : None

Newly added — company (Company name) , Excluded — company
(Company name)

(2) Adoption of accounting treatment specific to the preparation of current interim consolidated financial statements: None

(3) 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 than ① : None

③ changes in accounting estimates : None

④ Restatement : None

(4) Number of issued shares (common shares)

① Number of issued shares at the end of the period (including treasury shares)

Interim period for the fiscal year ending March 31, 2026	49,414,578 ^{sha} _{res}	Fiscal year ended March 31, 2025	49,414,578 ^{sha} _{res}
② Number of treasury shares at the end of the period	62,202 ^{sha} _{res}	Fiscal year ended March 31, 2025	65,702 ^{sha} _{res}
③ Average number of shares outstanding at the end of the period (interim period)	49,349,791 ^{sha} _{res}	Interim period for the fiscal year ended March 31, 2025	49,344,803 ^{sha} _{res}

※ The second quarter (interim period) consolidated financial results are not subject to review by a certified public accountant or audit firm.

※ Explanation Regarding the Appropriate Use of Earnings Forecasts and Other Special Notes

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For matters related to earnings forecasts, please refer to page 9 of the attached materials: “1. Qualitative information on interim financial results (3) Forward-looking information such as consolidated earnings forecasts.”

(How to Obtain Supplementary Financial Results Materials and Presentation Content)

We plan to hold a live-streamed presentation for institutional investors and analysts on Thursday, November 13, 2025.

The materials for this presentation will be posted on our website at a later date.

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1. Qualitative information on current interim financial results

(1) Operating results

During the interim consolidated fiscal year under review, Japan's economy maintained a moderate recovery trend, driven by factors such as increased inbound consumption, improvements in employment and income, and the effects of various policy measures. However, the outlook remains uncertain, with persistent concerns including rising raw material and energy prices due to geopolitical risks, worries about deteriorating business sentiment stemming from global trade policies, and inflation outpacing wage growth.

In the food service industry, while the economy is gradually recovering due to increased inbound consumption and a rebound in consumer spending, the business environment remains challenging. This is due to persistent cost increases resulting from soaring raw material and energy prices, as well as labor shortages. Furthermore, rising prices have led to increased consumer thriftiness and lifestyle changes, driving greater diversification in consumer values.

Amidst these circumstances, guided by our corporate philosophy that “Our customers' happiness is our happiness,” we have pursued brand development to enhance customer support. This has been a pillar of our management strategy, focusing on strengthening existing stores, growth investments, sustainability, and expanding related businesses. Furthermore, in response to rising raw material costs, particularly for rice, we revised our main menu and pricing based on customer trends. This resulted in a 0.4% increase in gross profit margin compared to the previous period. Consequently, for the interim consolidated fiscal year under review, net revenue reached 37,049 million yen (a 0.2% increase year-on-year), operating profit was 832 million yen (a 54.4% increase year-on-year), ordinary profit was 840 million yen (a 48.9% increase year-on-year), and interim profit attributable to owners of parent was 738 million yen (a 56.8% increase year-on-year).

Next, we will report on the overview of segments by business type.

< Conveyor-belt Sushi business >

• Our group's management strategy

Amidst a challenging business environment characterized by persistent inflation and diversifying values, our group has established four pillars as its management strategy to achieve our corporate philosophy, expand profits, promote sustainable societal development, and enhance corporate value:

- ① Strengthening existing stores
- ② Growth investment
- ③ Sustainability
- ④ Expansion of related businesses

① Strengthening existing stores

We recognize that enhancing the profitability of our existing stores is crucial for the sustainable growth of corporate value and are promoting the following initiatives.

1) Enhancing customer attraction

We have worked to enhance customer loyalty through measures such as revising specifications for select strategic products, distributing discount cards for active seniors, implementing all-you-can-eat options, and offering weekday-only lunch sets starting at 690 yen (tax included) at select stores. Additionally, we have addressed diverse consumer needs by extending evening operating hours, offering “Kappa's Casual Drinks” as a place to enjoy sake, serving authentic “oden” featuring dashi broth with a rich bonito aroma, and selling rice balls and sushi shop-inspired shari-sweets like “Kappa's Shari Donuts.”

To enhance brand awareness and favorability, we are utilizing television commercials featuring celebrities and disseminating information via social media. Additionally, to increase store recognition, we installed lead signs at 21 stores during the current interim consolidated fiscal year, confirming their effectiveness in boosting revenue.

At our stores, we have introduced the newly established Kitchen Meister role, an enhanced version of the previous sashimi-cutting meister, to upgrade overall cooking techniques. We are focusing on this alongside developing Service Meisters to advance customer service skills, aiming to enhance the customer experience value.

During our limited-time fair, we offered “Hokkaido Scallops” and “Hokkaido Pacific Saury” for 110 yen (tax included) at the “Kappa's Hokkaido Festival.” Additionally, at the “Kappa's Bluefin Tuna, Sea Urchin, Crab, and Salmon Roe Festival,” we sold a piece of “Bluefin Tuna Medium Tuna Belly”—the king of tuna known as the black diamond—for 110 yen (tax included), appealing to customers on both price and value. Furthermore, we held the “110-Yen Perfection Festival” fair, offering carefully selected ingredients at great prices to provide an experience where customers could enjoy a little luxury.

Additionally, we offer products like the “Hokuriku-style Pork Bone Soy Sauce Ramen” supervised by Hajimeya—renowned for its skill and popularity, even being called one of the “Four Heavenly Kings” of the Yoshimura lineage long cherished in

Toyama—the “Chilled Soy Sauce Ramen” supervised by Sakaeya Honten, the original chilled ramen shop, and the “Rumando Premium Pudding” supervised by Bourbon Co., Ltd. We also run collaboration campaigns with popular family-oriented content like “Paw Patrol” and “Movie: You and the Idol PreCure,” aiming to attract diverse customer segments with varied values.

2) Store renovations

During the interim consolidated fiscal year under review, we renovated 19 stores. In these renovated stores, we have enhanced services that increase customer convenience and reduce labor requirements by introducing dedicated high-speed ordering lanes, automated guidance systems, self-checkout registers, smartphone ordering (where customers use their own smartphones as touch panels), and dedicated takeout lockers.

Additionally, at these renovated stores, we are creating opportunities for customers to interact with Kappa Sushi's popular characters, “Kaa-kun” and “Paa-ko-chan.” This initiative aims to foster stores that are beloved by local customers and refresh our brand image.

3) Pricing

We expanded our “one piece per plate” initiative starting at 55 yen (tax included) to all stores, responding to diverse dining needs. In September, we revised our standard menu to feature a variety of autumn flavors, focusing on price appeal by offering over 100 items priced at 110 yen (tax included) or less.

Additionally, we have promoted diverse dining styles ranging from single pieces to large platters by offering limited-time all-you-can-eat “Weekday Discounts” and “Weekday Student Discounts,” implementing 39% OFF children's menus, and selling special-priced set menus.

② Growth Investment

We are pursuing business growth by reviewing our store portfolio to align with customer demand and making capital investments that enhance customer satisfaction and productivity.

1) New Store Openings

Our company is advancing store openings based on three pillars: “locations near major city stations,” “suburban commercial facilities and roadside locations,” and “establishing a position in new commercial areas.” During the current interim consolidated fiscal year, we opened stores in Toyama-shi, Toyama-ken, and Fukui-shi, Fukui-ken, as part of our strategy to “establish a position in new commercial areas.” As a result, the number of stores at the end of the current interim consolidated fiscal year reached 297.

2) DX and AI Utilization

During the current interim consolidated fiscal year, we introduced automated guidance systems at 3 additional store (total of 285 stores) and self-checkout systems at 8 additional store (total of 247 stores), aiming to enhance customer convenience and store productivity. We are also advancing the multilingual capabilities of the automated guidance systems and developing more efficient guidance logic to increase customer satisfaction.

Furthermore, we conducted test operations for AI-powered work scheduling and shift creation, as well as the digital transformation of training manuals, striving for optimal staffing.

③ Sustainability

Based on our corporate philosophy, “Our customers' happiness is our happiness,” we aim to contribute to society's sustainable development and enhance corporate value as a key player in the food infrastructure.

1) Strengthening Management Foundations

In addition to conducting employee engagement surveys, we are promoting action plans aimed at continuously increasing scores to enhance employee motivation and the resulting productivity. Furthermore, we have established a Diversity, Equity & Inclusion (DEI) Promotion Committee to develop and execute a DEI roadmap, while also advancing activities to foster understanding and awareness among all employees. Furthermore, we are working to create an environment where everyone can thrive, including increasing the proportion of female employees, increasing the rate of male regular employees taking childcare leave, and raising the proportion of female and foreign managers. Additionally, to support diverse employees in thriving over the long term, we introduced “Smart One Health,” a remote in-house clinic that connects employees requiring medical attention to healthcare providers online at an early stage based on health checkup results.

We are also enhancing employee training programs to cultivate the next generation of management and leadership talent.

2) Providing Food Safety and Security

At our company, providing safe and secure dining experiences to all customers is our top priority. We promote the creation of safe and secure stores through the maintenance of store environments, while also establishing organizational structures capable of responding swiftly and accurately in emergencies, striving to rebuild our defense lines. Furthermore, we are advancing product development with a focus on health and nutrition, aiming to be a brand where customers of all generations can enjoy the “pleasure of eating” for a long time by offering nutritionally balanced menus. We are also working to create an environment where customers can choose products with confidence by accurately and clearly disclosed information on allergens, nutritional components, and other details.

3) Contributing to local communities, society, and the global environment

We consider contributing to local communities and the global environment a critical responsibility and are promoting sustainable initiatives. We supported Kanagawa-ken's “Children and Youth Future Proposal Realization Project” by providing a career experience program under its initiative to “alleviate children's anxieties about the future and create opportunities to encounter diverse occupations.”

At our stores, we have made capital investments to increase the efficiency of our air conditioning systems, aiming to reduce CO2 emissions by cutting electricity consumption. We will continue investing in measures that reduce water, electricity, and heat usage to lessen our environmental impact.

Furthermore, we strive to reduce food waste and promote resource efficiency by developing and selling products that utilize every last bit of sushi ingredients and rice prepared fresh daily in our stores.

Additionally, based on a management system that incorporates customer feedback, we aim to coexist with society by providing products and services tailored to local needs.

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④ Expansion of related businesses

To enhance sustainable corporate value, we have positioned the expansion of related businesses as a key growth strategy alongside strengthening the profitability of existing stores. We are promoting the following initiatives:

1) Strengthening collaboration with the Delicatessen business

We are strengthening collaboration to maximize synergies with the Conveyor-belt Sushi business and working to expand the Delicatessen business. Beyond supplying ingredients to the Conveyor-belt Sushi business, we are jointly developing products with restaurant-quality standards to achieve scale expansion and efficiency in manufacturing.

Furthermore, we are promoting new market development by making new proposals to industries with which we previously had no transactions, such as frozen bento boxes and theme park operations. We are also working with an eye toward external sales of these ingredients and products.

2) Overseas business

In our South Korean business, we are working to enhance our revenue model to counter the impact of rising raw material costs. We are progressing toward establishing a stable income structure through pricing adjustments and reductions in various expenses.

In our Indonesian business, various marketing initiatives have been successful, leading to significant revenue growth. Building on this momentum, we are considering opening multiple new stores. Additionally, we are implementing performance enhancing measures by renovating one existing store to increase customer satisfaction.

Furthermore, we are continuing to investigate potential locations for our third overseas country and plan to further expand our overseas business operations starting this fiscal year.

As a result of the above, revenue for the Conveyor-belt Sushi business segment was 30,163 million yen (a 0.5% decrease compared to the same quarter of the previous year), and segment profit was 838 million yen (a 51.1% increase compared to the same quarter of the previous year).

< Delicatessen business >

In the Delicatessen business, we revised sales prices with each customer to address the sharp rise in procurement costs for key raw materials, including rice. Furthermore, we strengthened our focus on bread products, which saw increased demand due to the rebound effect from the rice price surge. By expanding our product lineup centered on sandwiches, we successfully acquired new customers at two factories. We also flexibly supported existing customers in expanding their sales areas, thereby broadening our distribution channels.

On the production front, we have maintained productivity levels exceeding those of the same period last year by promoting

the refinement of manuals and the streamlining of manufacturing lines.

In product development, we are shifting our focus from rice-based products to bread and noodle items, continuously implementing proposals that meet customer needs. Furthermore, we are persistently working to reduce factory expenses, resulting in selling, general, and administrative expenses trending below the same period last year.

Going forward, we will steadily advance each initiative, aiming to increase profitability and achieve sustainable business operations.

As a result, the Delicatessen business segment recorded revenue of 6,885 million yen (a 3.6% increase compared to the same period last year) and a segment loss of 37 million yen (compared to a segment loss of 47 million yen in the same quarter last year).

(2) Financial position

① Assets, Liabilities and Net assets

(Assets)

Total assets at the end of the interim consolidated fiscal year under review amounted to 31,648 million yen, an increase of 576 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 157 million yen in cash and deposits, a decrease of 431 million yen in accounts receivable, an increase of 357 million yen in buildings and structures, an increase of 386 million yen in machinery and vehicles, an increase of 138 million yen in tools, furniture, and fixtures, and a decrease of 62 million yen in security and guarantee deposits.

(Liabilities)

Total liabilities at the end of the interim consolidated fiscal year were 20,272 million yen, an increase of 89 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 199 million yen in accounts payable, an increase of 760 million yen in long-term borrowings and long-term borrowings due within one year, a decrease of 100 million yen in bonds due within one year, and a decrease of 441 million yen in accounts payable-other and long-term accounts payable-other.

(Net assets)

Net assets at the end of the interim consolidated fiscal year were 11,376 million yen, an increase of 486 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase in retained earnings resulting from interim profit attributable to owners of parent of 738 million yen, despite a decrease of 246 million yen due to the payment of dividends from surplus.

② Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the interim consolidated fiscal year increased by 1,533 million yen due to cash flows from operating activities, decreased by 1,151 million yen due to cash flows from investing activities, and a decrease of 204 million yen in cash flows from financing activities. Consequently, cash and cash equivalents increased by 157 million yen from the end of the previous fiscal year, reaching 8,098 million yen (compared to 7,940 million yen at the end of the previous fiscal year).

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 1,533 million yen (compared to 1,666 million yen provided in the same period of the previous fiscal year).

This was primarily due to pre-tax interim profit of 834 million yen, depreciation and amortization of 1,135 million yen, interest payments of 141 million yen, and income tax payments of 165 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities amounted to 1,151 million yen (compared to 658 million yen used in the same period of the previous year).

This was primarily due to expenditures of 1,135 million yen for the acquisition of property, plant, and equipment; expenditures of 34 million yen for the payment of security and guarantee deposits; and expenditures of 6 million yen for the acquisition of intangible assets.

(Cash flows from financing activities)

Funds used in financing activities amounted to 204 million yen (compared to 228 million yen of funds provided in the same period of the previous year).

This was primarily due to proceeds from long-term borrowings of 2,000 million yen, repayments of long-term borrowings of 1,240 million yen, repayments of bonds of 100 million yen, repayments of installment obligations of 617 million yen, and dividend payments of 245 million yen.

(3) Forward- looking information such as consolidated earnings forecast

There are no changes to the full-year consolidated earnings forecasts disclosed in the “ Consolidated Financial Results for the fiscal year ending March 31, 2026” announced on May 9, 2025.

2. Interim consolidated financial statements and key notes

(1) Interim consolidated statement of balance sheet

(Unit:Millions of yen)

	Previous consolidated fiscal year (March 31, 2025)	Current interim consolidated fiscal year (September 30, 2025)
Assets		
Current assets		
Cash and deposits	7,940	8,098
Accounts receivable	3,581	3,149
Goods and products	449	410
Raw materials and supplies	434	487
Others	1,041	1,435
Allowance for doubtful accounts	(0)	(0)
Total current assets	13,445	13,581
Non-current assets		
Property, plant and equipment		
Building and structures	27,317	27,674
Machinery and vehicles	7,811	8,197
Tools, equipment and fixtures	9,707	9,846
Land	1,645	1,645
Lease assets	135	271
Construction in progress	29	20
Accumulated depreciation	△34,347	△34,826
Total property, plant and equipment	12,299	12,828
Intangible assets		
Software	97	72
Facility usage rights	1	2
Others	3	49
Total intangible assets	102	124
Investments and other assets		
Investment securities	861	868
Security and guarantee deposits	3,604	3,542
Deferred tax asset	586	573
Others	173	132
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	5,224	5,114
Total non-current assets	17,626	18,067
Deferred assets		
Bond issuance costs	0	-
Total deferred assets	0	-
Total assets	31,072	31,648

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2025)	Current interim consolidated fiscal year (September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable	3,734	3,534
Long-term borrowings due within one year	2,490	2,800
Bonds due within one year	100	-
Accounts payable-other	2,543	2,464
Accrued expenses	1,610	1,511
Lease liabilities	2	59
Income taxes payable	181	90
Provision for bonuses	87	93
Provision for sales promotion expenses	138	139
Others	765	869
Total current liabilities	11,655	11,561
Non-current liabilities		
Long-term borrowings	4,650	5,100
Long-term accounts payable-other	2,014	1,652
Liabilities for retirement benefits	75	80
Lease liabilities	5	80
Asset retirement obligation	1,677	1,696
Others	104	101
Total non-current assets	8,527	8,711
Total liabilities	20,182	20,272
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	8,591	8,593
Retained earnings	2,211	2,703
Treasury shares	(55)	(52)
Total shareholders' equity	10,846	11,344
Accumulated other comprehensive income		
Unrealized gains (losses) on other securities	1	7
Deferred gains (losses) on hedges	(11)	(9)
Exchange rate translation adjustments	10	(2)
Total accumulated other comprehensive income	0	(4)
Non-controlling interests	42	35
Total net assets	10,889	11,376
Total liabilities and net assets	31,072	31,648

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income
(Interim consolidated statement of income)

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2024 to September 30, 2024)	Current interim consolidated fiscal year (From April 1, 2025 to September 30, 2025)
Revenue	36,965	37,049
Cost of sales	17,720	17,609
Gross profit	19,244	19,440
Selling, general and administrative expenses	18,705	18,607
Operating profit	539	832
Non-operating income		
Interest income	9	9
Dividend income	55	55
Rental revenue	104	102
Vending machine revenue	14	12
Sponsorship income	2	-
Miscellaneous income	20	11
Total non-operating income	206	191
Non-operating expenses		
Interest expense	93	95
Interest expense on bond	2	0
Cost of rental revenue	77	73
Foreign exchange losses	-	8
Miscellaneous losses	9	6
Total non-operating expenses	181	184
Ordinary profit	564	840
Extraordinary profit		
Gain on sale of non-current assets	1	-
Reversal of provision for losses on store closing	6	-
Total extraordinary profit	8	-
Extraordinary losses		
Loss on disposal of non-current assets	4	5
Litigation-related losses	30	-
Total extraordinary losses	34	5
Pre-tax interim profit	537	834
Corporate, inhabitants and enterprise taxes	92	90
Corporate income tax adjustments	(18)	12
Total corporate income taxes	74	102
Interim profit	463	731
(Interim losses) attributable to non-interest interests	(7)	(7)
Interim profit attributable to owners of parent	471	738

(Interim consolidated statement of comprehensive income)

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2024 to September 30, 2024)	Current interim consolidated fiscal year (From April 1, 2025 to September 30, 2025)
Interim profit	463	731
Other comprehensive income		
Unrealized gains on other securities	0	5
Deferred gains (losses) on hedges	14	2
Foreign exchange translation adjustment	-	(12)
Total other comprehensive income	15	(5)
Interim comprehensive income	479	726
(Breakdown)		
Interim comprehensive income attributable to owners of parent	486	733
Interim comprehensive income attributable to non- controlling interests	(7)	(6)

(3) Interim consolidated statement of cash flows

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2024 to September 30,2024)	Current interim consolidated fiscal year (from April 1, 2025 to September 30,2025)
Cash flows from operating activities		
Pre-tax interim profit	537	834
Depreciation expenses	1,119	1,135
Amortization on goodwill	—	5
Increase (decrease) in bonus reserve	(21)	6
Increase (decrease) in store closing loss reserve	(16)	—
Interest income and dividend income	(64)	(64)
Interest paid and interest paid on bond	95	95
Loss on disposal of non-current assets	4	5
Loss (profit) on sale of non-current assets	(1)	—
Decrease (increase) in accounts receivable	503	431
Decrease (increase) in inventory	(102)	(3)
Increase (decrease) in accounts payable	(67)	(199)
Increase (decrease) in accounts payable-other	(79)	(301)
Increase (decrease) in accrued expenses	(33)	(59)
Increase (decrease) in unpaid consumption tax	(239)	(36)
Others	243	(70)
Subtotal	1,876	1,776
Interest income and dividend income	64	64
Interest paid	(101)	(141)
Corporate income tax paid	(172)	(165)
Cash flows from operating activities	1,666	1,533
Cash flows from investing activities		
Expenditures for acquisition of property, plant and equipment	(551)	(1,135)
Proceeds from sale of property, plant and equipment	1	—
Expenditures for acquisition of intangible assets	(15)	(6)
Expenditures for security and guarantee deposits	(76)	(34)
Proceeds from collection of security and guarantee deposits	13	24
Others	(29)	0
Cash flows from investing activities	(658)	(1,151)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,500	2,000
Expenditures for repayment of long-term borrowings	(990)	(1,240)
Expenditures for repayment of lease liabilities	(4)	(1)
Expenditures for redemption of bonds	(290)	(100)
Expenditures for repayment of installment liabilities	(741)	(617)
Dividends paid	(245)	(245)
Cash flows from financing activities	228	(204)
Exchange differences on cash and cash equivalents	—	(19)
Increase (decrease) in cash and cash equivalents	1,236	157
Cash and cash equivalents at beginning of period	7,937	7,940
Cash and cash equivalents at end of interim period	9,174	8,098

(4) Notes on interim consolidated financial statements

(Notes on interim consolidated balance sheet)

(Contingent Liabilities)

(Litigation, etc.)

The company is a defendant in a lawsuit filed by Hama Sushi Co., Ltd. with the Tokyo District Court on December 27, 2023, seeking payment of damages amounting to 511 million yen. While future developments may impact the company's consolidated earnings, it is currently difficult to reasonably estimate the amount of such impact. Therefore, this matter has not been reflected in the interim consolidated financial statements.

(Notes on segment information)

【Segment information】

I Previous interim consolidated fiscal year (from April 1, 2024 to September 30, 2024)

1. Information on revenue and profit or loss by reportable segment

(Unit: Millions of yen)

	Conveyor-belt Sushi business	Delicatessen business	Total
Revenue			
External revenue	30,315	6,649	36,965
Inter-segment revenue or transfers	-	170	170
Total	30,315	6,819	37,135
Segment profit (loss)	555	(47)	507

2. Difference between the total amount of profit or loss for reportable segments and the amount recorded in the interim consolidated statement of income, and the main components of such difference (matters related to difference adjustments)

(Unit: Millions of yen)

Profit	Amount
Total reportable segments	507
Inter-segment transaction eliminations	32
Operating profit recorded on interim consolidated statement of income	539

II Current interim consolidated fiscal year (from April 1, 2025 to September 30, 2025)

1. Information on revenue and profit or loss by reportable segment

(Unit: Millions of yen)

	Conveyor-belt Sushi business	Delicatessen business	Total
Revenue			
External revenue	30,163	6,885	37,049
Inter-segment revenue or transfers	-	154	154
Total	30,163	7,040	37,203
Segment profit (loss)	838	(37)	800

2. Difference between the total amount of profit or loss for reportable segments and the amount recorded in the interim consolidated statement of income, and the main components of such difference (matters related to difference adjustments)

(Unit: Millions of yen)

Profit	Amount
Total reportable segments	800
Inter-segment transaction eliminations	32
Operating profit recorded on interim consolidated statement of income	832

(Notes on significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.