

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Nine Months ended December 31, 2025 〔Under Japanese GAAP〕

February 10, 2026

Listing: TSE PRIME

Company name KAPPA-CREATE CO., LTD.
Securities code 7421 U R L <https://www.kappa-create.co.jp>
Representative (Title) President and Representative
Director (Name) Tsuyoshi Yamakado
Inquiries (Title) General Manager, Finance &
Accounting (Name) Nobuo Takei TEL +81-45-224-7095
Scheduled date to commence
dividend payments —
Preparation for supplementary material of
financial results : None
Holding of financial results briefing :
None

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (Cumulative) (% indicates year-on-year changes)

| | Revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--|-------------|-------|------------------|--------|-----------------|--------|--|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended December 31, 2025 | 55,013 | (0.0) | 442 | (41.6) | 493 | (37.6) | 360 | (49.2) |
| December 31, 2024 | 55,025 | 1.6 | 757 | (22.2) | 789 | (22.4) | 709 | (12.1) |

(Note)

Comprehensive income FY2026/3 3rd quarter 349 Million yen ((51.7)%)) FY2025/3 3rd quarter 722 Million yen ((9.3)%))

| | Basic earnings per share | Dilute earnings per share |
|--|--------------------------|---------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2025 | 7.31 | — |
| December 31, 2024 | 14.37 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to assets ratio | Net assets per share |
|----------------------------|--------------|-------------|------------------------|----------------------|
| | Million yen | Million yen | % | yen |
| As of December 31, 2025 | 31,869 | 10,999 | 34.4 | 222.12 |
| March 31, 2025 | 31,072 | 10,889 | 34.9 | 219.66 |

(Reference) Equity As of December 31, 2025 10,961 Million yen As of March 31, 2025 10,847 Million yen

2. Cash dividends

| | Annual dividends per share | | | | |
|----------------------------------|----------------------------|--------------------|-------------------|-----------------|-------------|
| | First quarter end | Second quarter end | Third quarter end | Fiscal year end | Total |
| Fiscal year ended March 31, 2025 | Yen — | Yen 0.00 | Yen — | Yen 5.00 | Yen 5.00 |

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter end | Second quarter end | Third quarter end | Fiscal year end | Total |
| Fiscal year ending March 31, 2026 | — | 0.00 | — | | |
| Fiscal year ending March 31, 2026 (Forecast) | | | | — | — |

(Note) Revisions to the forecast of cash dividends most recently announced: None

(Note) Dividends for the fiscal year ending March 31, 2026 have currently been undecided.

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

(% indicates year-on-year changes)

| | 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 | 29.6 | 1,445 | 39.9 | 29.28 |

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

※ Notes

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

Newly added — (Company name)

Excluded — (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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) Total number of issued shares at the end of the period (including treasury shares)

| | As of December 31, 2025 | Sh 49,414,578are s | As of March 31, 2025 | Sh 49,414,578are s |
|---|-------------------------|--------------------|-------------------------|--------------------|
| (2) Number of treasury shares at the end of the period | As of December 31, 2025 | Sh 62,202are s | As of March 31, 2025 | Sh 65,702are s |
| (3) Average number of shares outstanding during the period (cumulative quarterly total) | As of December 31, 2025 | Sh 49,350,656are s | As of December 31, 2024 | Sh 49,346,186are s |

※ Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

※ Explanation for the appropriate use of earnings forecasts and other special notes:

(Regarding the review by a certified public accountant or auditing firm of the attached quarterly consolidated financial statements)

We plan to disclose Consolidated Financial Results for the Nine Months Ended December 31, 2025 with the review report attached after the review is completed.

Scheduled disclosure date: February 13, 2026

(Caution regarding statements of the future)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the company and on certain assumptions that the company considers reasonable, and actual results may differ significantly due to various factors. Please refer to "1. Qualitative Information on the Current Quarterly Financial Results (3) Consolidated Earnings Forecast and Other Future Forecast Information" on page 5 of the attached document.

○Table of contents

| | |
|---|----|
| 1 . Qualitative Information on the Current Quarterly Financial Results | 4 |
| (1) Operating Results | 4 |
| (2) Financial Position | 9 |
| (3) Consolidated Earnings Forecast and other Future Forecast Information | 9 |
| 2 . Quarterly Consolidated Financial Statements and key Notes | 10 |
| (1) Quarterly Consolidated Balance Sheet | 10 |
| (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income | 12 |
| Quarterly Consolidated Statement of Income | 12 |
| Quarterly Consolidated Statement of Comprehensive Income | 13 |
| (3) Notes on Quarterly Consolidated Financial Statements | 14 |
| (Preparation of Quarterly Consolidated Financial Statements)..... | 14 |
| (Notes on Quarterly Consolidated Balance Sheet) | 14 |
| (Segment Information) | 14 |
| (Notes on Significant Changes in the Amount of Shareholders' Equity)..... | 15 |
| (Going Concern Assumption) | 15 |
| (Notes on Quarterly Consolidated Statement of Cash Flows) | 16 |

1 . Qualitative Information on the Current Quarterly Financial Results

(1) Operating Results

During the first nine months of the current consolidated fiscal year, Japan's economy maintained a moderate recovery trend, supported by expanding inbound consumption, improvements in employment and income, and the effects of various policy measures. However, the outlook remains uncertain due to persistent high prices for raw materials and energy driven by geopolitical risks, concerns over deteriorating business sentiment due to global trade policies, and inflation outpacing wage growth.

The food service industry is showing signs of recovery due to increased inbound demand and a rebound in consumer spending. However, the business environment remains challenging, with persistently high raw material and energy prices, as well as rising labor costs driven by labor shortages. Furthermore, rising prices have led to increased consumer thriftiness and lifestyle changes, further diversifying consumer values.

Amidst these circumstances, guided by our corporate philosophy that "Our customers' happiness is our happiness," we have pursued our core management strategies: strengthening existing stores, growth investments, sustainability, and expansion of related businesses. We have also promoted brand development to enhance customer support. Furthermore, we revised our main menu and pricing in response to customer trends. However, due to the impact of rising raw material costs, particularly for rice, our gross profit margin decreased by 0.3 percentage points compared to the same period last year. As a result, revenue for the cumulative third quarter of the current consolidated period was 55,013 million yen (a 0.0% decrease year-on-year) and operating profit was 442 million yen (a 41.6% decrease year-on-year). ordinary profit was 493 million yen (a 37.6% decrease year-on-year), and profit attributable to owners of parent was 360 million yen (a 49.2% decrease 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 worked to enhance customer loyalty through measures such as revising specifications for select strategic products, distributing discount cards for active seniors, and implementing all-you-can-eat options. Additionally, we addressed diverse consumer needs by offering brunch options through earlier opening times at select stores and introducing delivery-exclusive items like our "Minami Tuna Medium Tuna Belly" double-layered product.

To enhance brand awareness and favorability, we are launching a nostalgic song revived after a decade across various media platforms and sharing information on social media. Additionally, we conducted a pilot test for digital signage vehicle advertising and installed lead signs in 33 stores during the current third quarter consolidated cumulative period, confirming their effect on increasing revenue.

At our stores, we are focusing on training Kitchen Meisters and Service Meisters, working to enhance the customer experience value through improvements in cooking techniques and customer service skills.

For our limited-time fair, we offered Kappa's Gochisushi featuring luxurious ingredients, such as the "Extra Large! Indulgent Gunkan Assortment" and "Indulgent Fresh Sea Urchin Assortment." Additionally, our "Moon Viewing with Kappa" fair featured the "Autumn Moon Viewing Assortment," allowing customers to enjoy the essence of autumn and experiencing the seasonal appeal that is the true delight of Japanese cuisine. Furthermore, we offered winter delicacies like "Kappa's Domestic Live-Caught Winter Yellowtail," "Salt-Grilled Nodoguro," and "Snow Crab Meat Wrap" for 110 yen (tax included), appealing to customers on both price and value.

Additionally, we offer items like the "Karashibi Miso Ramen" supervised by the ever-popular restaurant "Kikanbo," and the

“New Toro-Nama Tiramisu” supervised by the frequently sold-out dessert brand “toroa.” We also run collaboration campaigns with popular children’s content like “Tomica,” aiming to attract a diverse range of customers with varied values.

2) Store Renovations

During the first nine months of the current consolidated period, we renovated 20 stores. In these renovated stores, we have enhanced services that enhance customer convenience and reduce labor requirements by introducing dedicated high-speed ordering lanes, automated guidance systems, self-checkout registers, smartphone ordering that allows customers to use their own smartphones as touch panels, and dedicated takeout lockers.

Additionally, at our renovated stores, we are working to create stores that are beloved by local customers and refresh our image by providing opportunities to interact with Kappa Sushi’s popular characters, “Kaa-kun” and “Paa-ko-chan.”

3) Pricing

In a business environment where cost-saving tendencies are increasing due to rising prices, we have revised the prices of some items, primarily through price reductions, to provide deliciousness and satisfaction to more customers.

Additionally, we introduced value-driven pricing initiatives such as offering “Kake Udon” and “Roasted Onigiri” at a daily support price of 90 yen (tax included). We also implemented weekday-only or limited-time promotions including “Weekday Discounts” and “Weekday Student Discounts” for our all-you-can-eat options, along with 39% OFF on children’s 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: “Major City Station Fronts,” “Suburban Commercial Facilities/Roadside Locations,” and “Establishing a Position in New Commercial Areas.” During the third quarter of the current consolidated fiscal year, we opened a store in Komatsu-shi, Ishikawa-ken to advance our “Establishing a Position in New Commercial Areas” strategy, and also opened a store within a “suburban commercial facility” in Sagamihara-shi, Kanagawa-ken. As a result, the number of stores at the end of the third quarter of the current consolidated fiscal year reached 299.

2) DX • AI

During the third quarter of the current fiscal year, we introduced automated guidance systems at two additional stores (bringing the cumulative total to 287 stores) and self-checkout registers at two stores (bringing the cumulative total to 249 stores), aiming to enhance customer convenience and store productivity. Furthermore, we are striving to improve customer satisfaction by advancing the multilingual capabilities of the automated guidance systems and developing efficient guidance logic.

We also continued test operations for AI-powered work scheduling, shift creation, and the digital transformation of training manuals, advancing 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 our Management Foundation

In addition to conducting employee engagement surveys, we are promoting action plans aimed at raising scores to enhance employee motivation and productivity. Furthermore, we are advancing initiatives that enable employees with diverse backgrounds and values to succeed, such as establishing a process where the DEI (Diversity, Equity & Inclusion) Promotion Committee gathers opinions and suggestions from employees to improve the work environment. Furthermore, we are working to create an environment where everyone can work comfortably, including increasing the proportion of female employees, improving the childcare leave uptake rate among male regular employees, and raising the proportion of female and foreign managers. Furthermore, based on health checkup results, we actively encourage employees to undergo secondary health examinations and utilize remote corporate clinics to connect them to medical care online at an early stage. Through these efforts, we are working to create an environment where all employees can perform effectively over the long term. Additionally, we are enhancing employee training programs and strengthening internal training initiatives 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 development of store environments, while also establishing an organizational structure capable of responding swiftly and accurately in emergencies, thereby rebuilding our defense lines. Furthermore, we are advancing product development with a focus on health and nutrition, aiming to build a brand where customers of all generations can enjoy the “pleasure of eating” for years to come by offering nutritionally balanced menus. We are also committed to creating an environment where customers can choose products with confidence by accurately and clearly disclosing information such as allergens and nutritional content.

3) Contributing to Local Communities, Society, and the Global Environment

We consider contributing to local communities and the global environment a critical responsibility and continue our sustainable initiatives. During the first nine months of the current consolidated period, we advanced activities creating opportunities for children to engage with food and careers. We sponsored the “Kappa Sushi Sushi Chef Experience” at the work experience theme park “Kandu Dainichi,” providing a simulated social experience and career opportunity where participants explored the background of food and considered a sustainable food future. Furthermore, we implemented initiatives for a sustainable society and food through activities such as hosting the “FURUSATO job seminar” at a junior high school in Nagano-ken, our founding location, and conducting mobile food education classes at the “Environmental Fair” in Natori-shi, Miyagi-ken.

At our stores, we are implementing equipment investments aimed at increasing the efficiency of air conditioning systems and replacing equipment to save electricity, thereby reducing CO₂ emissions through lower power consumption. We will continue to invest in measures that contribute to reducing water, electricity, and gas usage to lessen our environmental impact.

Furthermore, we are working to reduce food waste and promote the effective use of resources by developing and selling products that utilize every last bit of the 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.

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 continue to expand the Delicatessen business while strengthening collaboration to maximize synergies with the Conveyor-belt Sushi business. Beyond supplying ingredients to the Conveyor-belt Sushi business, we are jointly developing products with restaurant-quality standards to expand production scale and enhance efficiency.

Furthermore, we are pursuing new market development by continuing to propose new offerings to industries with which we have not traditionally done business, such as frozen boxed lunches and theme park operations. We are also working to expand our business scope with an eye toward external sales of ingredients and products.

2) Overseas Businesses

In our Korean Conveyor-belt Sushi business, we are working to enhance our revenue model and build a stable income structure by adjusting pricing and reducing various expenses in response to rising raw material costs.

In our Indonesian Conveyor-belt Sushi business, various marketing initiatives proved effective, leading to significant revenue growth. During the first nine months of the current consolidated period, we renovated one store and opened one new store, advancing investments for further growth.

Furthermore, we are continuing to investigate a third candidate country for overseas expansion and strengthening relationships with local partners and real estate developers, planning to expand our overseas Conveyor-belt Sushi business.

As a result of the above, revenue for the Conveyor-belt Sushi business was 44,483 million yen (a decrease of 0.8% year-on-year) and segment profit was 425 million yen (a decrease of 45.5% year-on-year).

<Delicatessen business>

In the Delicatessen business, we advanced price pass-through measures in response to rising rice costs to stabilize our earnings structure. While the surge in rice prices temporarily impacted sales of rice-based products, sales have shown a recovery trend since the second half of the fiscal year.

Furthermore, by shifting our sales strategy focus to prepared breads and at-room-temperature breads, and implementing

aggressive promotional measures, sales in both categories grew significantly.

In the Dessert business, sales expansion is anticipated through acquiring new customers, and demand for group-produced products is growing, placing the segment on a growth trend.

On the production side, continuous enhancement activities aimed at increasing productivity proved effective, contributing to higher manufacturing efficiency and cost control.

Going forward, we will continue to pursue profitability and product development aligned with market needs, aiming to strengthen the foundation for sustainable growth.

As a result, the Delicatessen business recorded revenue of 10,529 million yen (an increase of 3.5% year-on-year) and a segment loss of 30 million yen (compared to a segment loss of 70 million yen in the same period last year).

(2) Financial Position

(Assets)

Total assets at the end of the third quarter of the current consolidated fiscal year amounted to 31,869 million yen, an increase of 796 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a 466 million yen decrease in cash and deposits, a 209 million yen increase in accounts receivable, a 755 million yen increase in buildings and structures, a 393 million yen increase in tools, furniture, and fixtures, and a 48 million yen decrease in security and guarantee deposits.

(Liabilities)

Total liabilities at the end of the third quarter of the current consolidated fiscal year amounted to 20,870 million yen, an increase of 687 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 634 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 and bonds due within one year, and a decrease of 780 million yen in long-term accounts payable-other and accounts payable-other.

(Net assets)

Net assets at the end of the third quarter of the current consolidated fiscal year amounted to 10,999 million yen, an increase of 109 million yen compared to the end of the previous consolidated fiscal year. This increase was primarily due to a rise in retained earnings resulting from quarterly profit attributable to owners of parent of 360 million yen, despite a decrease of 246 million yen due to the payment of dividends from surplus.

(3) Consolidated Earnings Forecast and other Future Forecast Information

There is no change to the consolidated earnings forecast for the full fiscal year announced in the “Consolidated Financial Results for the Fiscal Year ended March 31, 2025” released on May 9, 2025.

2. Quarterly Consolidated Financial Statements and key Notes

(1) Quarterly Consolidated Balance Sheet

(Unit : Millions of yen)

| | Previous consolidated fiscal year (March 31, 2025) | Current third quarter consolidated fiscal year (December 31, 2025) |
|-------------------------------------|---|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,940 | 7,474 |
| Accounts receivable | 3,581 | 3,790 |
| Goods and products | 449 | 553 |
| Raw materials and supplies | 434 | 660 |
| Others | 1,041 | 1,118 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current accounts | 13,445 | 13,595 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 27,317 | 28,072 |
| Machinery and vehicles | 7,811 | 8,310 |
| Tools, equipment and fixtures | 9,707 | 10,100 |
| Land | 1,645 | 1,645 |
| Lease assets | 135 | 297 |
| Construction in progress | 29 | 2 |
| Accumulated depreciation | (34,347) | (35,391) |
| Total property, plant and equipment | 12,299 | 13,036 |
| Intangible assets | | |
| Software | 97 | 61 |
| Facility usage rights | 1 | 2 |
| Others | 3 | 47 |
| Total intangible assets | 102 | 111 |
| Investments and other assets | | |
| Investment securities | 861 | 875 |
| Security and guarantee deposits | 3,604 | 3,556 |
| Deferred tax assets | 586 | 584 |
| Others | 173 | 111 |
| Allowance for doubtful accounts | (2) | (2) |
| Total investment and other assets | 5,224 | 5,125 |
| Total non-current assets | 17,626 | 18,273 |
| Deferred assets | | |
| Bond issuance costs | 0 | - |
| Total deferred assets | 0 | - |
| Total assets | 31,072 | 31,869 |

(Unit : Millions of yen)

| | Previous consolidated fiscal year (March 31, 2025) | Current third quarter consolidated fiscal year (December 31, 2025) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 3,734 | 4,369 |
| Long-term borrowings due within one year | 2,490 | 2,800 |
| Bonds due within one year | 100 | - |
| Accounts payable-other | 2,543 | 2,380 |
| Accrued expenses | 1,610 | 1,687 |
| Lease liabilities | 2 | 41 |
| Income taxes payable | 181 | 135 |
| Provision for bonuses | 87 | 50 |
| Provision for sales promotion expenses | 138 | 206 |
| Others | 765 | 693 |
| Total current liabilities | 11,655 | 12,366 |
| Non-current liabilities | | |
| Long-term borrowings | 4,650 | 5,100 |
| Long-term accounts payable-other | 2,014 | 1,396 |
| Liabilities for retirement benefits | 75 | 79 |
| Lease liabilities | 5 | 99 |
| Asset retirement liabilities | 1,677 | 1,726 |
| Others | 104 | 102 |
| Total non-current liabilities | 8,527 | 8,503 |
| Total liabilities | 20,182 | 20,870 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 100 | 100 |
| Capital surplus | 8,591 | 8,593 |
| Retained earnings | 2,211 | 2,325 |
| Treasury shares | (55) | (52) |
| Total shareholders' equity | 10,846 | 10,966 |
| Accumulated other comprehensive income | | |
| Unrealized gains on other securities | 1 | 10 |
| Deferred gains (losses) on hedges | (11) | (11) |
| Currency translation adjustment accounts | 10 | (3) |
| Total accumulated other comprehensive income | 0 | (4) |
| Non-controlling interests | 42 | 37 |
| Total net assets | 10,889 | 10,999 |
| Total liabilities and net assets | 31,072 | 31,869 |

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
 (Quarterly Consolidated Statement of Income)

(Unit : Millions of yen)

| | Previous third quarter consolidated cumulative period (From April 1, 2024 to December 31, 2024) | Current third quarter consolidated cumulative period (From April 1, 2025 to December 31, 2025) |
|--|--|---|
| Revenue | 55,025 | 55,013 |
| Cost of sales | 26,373 | 26,503 |
| Gross profit | 28,652 | 28,509 |
| Selling, general and administrative expenses | 27,895 | 28,067 |
| Operating profit | 757 | 442 |
| Non-operating income | | |
| Interest income | 14 | 21 |
| Dividend income | 75 | 85 |
| Rental revenue | 156 | 154 |
| Vending machine revenue | 21 | 18 |
| Sponsorship income | 2 | 0 |
| Foreign exchange translation gains | - | 12 |
| Miscellaneous income | 46 | 34 |
| Total non-operating income | 316 | 327 |
| Non-operating expenses | | |
| Interest expenses | 148 | 157 |
| Interest expenses on bonds | 2 | 0 |
| Cost of rental revenue | 114 | 110 |
| Foreign exchange translation losses | 2 | - |
| Miscellaneous losses | 15 | 8 |
| Total non-operating expenses | 283 | 276 |
| Ordinary profit | 789 | 493 |
| Extraordinary profit | | |
| Gain on sale of non-current assets | 1 | - |
| Reversal of provision for losses on store closing | 6 | - |
| Negative goodwill gain | 9 | - |
| Total extraordinary profit | 17 | - |
| Extraordinary loss | | |
| Loss on disposal of non-current assets | 11 | 5 |
| Litigation related loss | 30 | - |
| Total extraordinary loss | 41 | 5 |
| Profit before taxes and other adjustments | 766 | 487 |
| Corporate, inhabitants and enterprise taxes | 139 | 135 |
| Corporate tax adjustments | (72) | (2) |
| Total corporate taxes, etc. | 66 | 132 |
| Quarterly profit | 699 | 354 |
| Quarterly profit (loss) attributable to non-controlling interests | (9) | (6) |
| Quarterly profit attributable to owners of parent | 709 | 360 |

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit : Millions of yen)

| | Previous third quarter consolidated cumulative period (From April 1, 2024 to December 31, 2024) | Current third quarter consolidated cumulative period (From April 1, 2025 to December 31, 2025) |
|--|--|---|
| Quarterly profit | 699 | 354 |
| Other comprehensive income | | |
| Unrealized gains on other securities | 2 | 8 |
| Deferred gains (losses) on hedges | 18 | (0) |
| Currency translation adjustment accounts | 2 | (13) |
| Total other comprehensive income | 23 | (5) |
| Quarterly comprehensive income | 722 | 349 |
| (Breakdown) | | |
| Quarterly comprehensive income attributable to owners of parent | 732 | 354 |
| Quarterly comprehensive income attributable to non- controlling interests | (9) | (5) |

(3) Notes on Quarterly Consolidated Financial Statements

(Preparation of Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements and other related standards, and the Accounting Standard for Quarterly Financial Statements Generally Accepted as Fair and Proper in Japan (however, the omissions of disclosure specified in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements and other related standards have been applied).

(Notes on Quarterly Consolidated Balance Sheet)

(Contingent liabilities)

(Litigations)

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

(Segment information)

I Previous third quarter consolidated cumulative period (From April 1, 2024 to December 31, 2024)

1. Information on the amounts of revenue and profit or loss by reportable segments

(Unit : Millions of yen)

| | Conveyor-belt Sushi business | Delicatessen business | Total |
|---|------------------------------|-----------------------|--------|
| Revenue | | | |
| External revenue | 44,848 | 10,177 | 55,025 |
| Internal revenue and transfers between segments | — | 260 | 260 |
| Total | 44,848 | 10,437 | 55,286 |
| Segment profit (loss) | 779 | (70) | 709 |

2. Difference between the total amount reported by reportable segments and the amount recorded in the consolidated financial statements, and the main details of such difference (matters related to differences adjustments)

(Unit : Millions of yen)

| Profit | Amount |
|---|--------|
| Reportable segments total | 709 |
| Elimination between segments | 48 |
| Operating profit recorded on quarterly consolidated statement of income | 757 |

II Current third quarter consolidated cumulative period (From April 1, 2025 to December 31, 2025)

1. Information on the amounts of revenue and profit or loss by reportable segments

(Unit : Millions of yen)

| | Conveyor-belt Sushi business | Delicatessen business | Total |
|---|------------------------------|-----------------------|--------|
| Revenue | | | |
| External revenue | 44,483 | 10,529 | 55,013 |
| Internal revenue and transfers between segments | — | 268 | 268 |
| Total | 44,483 | 10,798 | 55,281 |
| Segment profit (loss) | 425 | (30) | 394 |

2. Difference between the total amount reported by reportable segments and the amount recorded in the consolidated financial statements, and the main details of such difference (matters related to differences adjustments)

(Unit : Millions of yen)

| Profit | Amount |
|---|--------|
| Reportable segments total | 394 |
| Elimination between segments | 48 |
| Operating profit recorded on quarterly consolidated statement of income | 442 |

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Going Concern assumption)

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash flows)

We have not prepared a quarterly consolidated statement of cash flows for the nine-month period ended December 31, 2025. Depreciation and amortization (including amortization of intangible assets) and goodwill amortization for the nine-month period ended December 31, 2025 are as follows:

| | Previous third quarter consolidated cumulative period (From April 1, 2024 to December 31, 2024) | Current third quarter consolidated cumulative period (From April 1, 2025 to December 31, 2025) |
|-------------------------------|--|---|
| Depreciation and amortization | 1,694 Million yen | 1,712 Million yen |
| Goodwill amortization | — | 7 |