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August 12, 2026

To whom it may concern,

Company name: K A P P A - C R E A T E C O . , L T D .
Representative: President and Representative Director Tsuyoshi Yamakado
(Securities CODE 7421 TSE PRIME)
General Manager,
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Consolidated Financial Results for the Three Months Ended June 30, 2026 [Under Japanese GAAP]
(Completion of interim review by certified public accountants, etc.)

We hereby announce that the interim review of the quarterly consolidated financial statements by certified public accountants etc. has been completed for the "Consolidated Financial Results for the Three Months Ended June 30, 2026, [Under Japanese GAAP]" disclosed on August 10, 2026.

Please note that there are no changes to the quarterly consolidated financial statements announced on August 10, 2026.

End



Consolidated Financial Results for The Three Months Ended June 30, 2026 [Under Japanese GAAP]

August 12, 2026
TSE Prime Market

Company name KAPPA-CREATE CO., LTD.
 Securities code 7421 URL <https://www.kappa-create.co.jp>
 Representative (Title) President and Representative Director (Name) Tsuyoshi Yamakado
 Inquiries (Title) General Manager, Finance and Accounting (Name) Nobuo Takei TEL +81-45-224-7095
 Scheduled date to commence dividend payments —
 Preparation of 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 Three Months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Financial Results (Cumulative)

(% indicates year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Quarterly profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2026	17,751	(2.4)	(707)	—	(681)	—	(765)	—
June 30, 2025	18,189	2.0	322	214.5	363	151.5	331	117.0

(Note)

Comprehensive income As of June 30, 2026 (784)Million yen (—%) As of June 30, 2025 301Million yen (85.7%)

	Quarterly basic earnings per share	Quarterly diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	(15.51)	—
June 30, 2025	6.71	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2026	28,415	9,459	33.2	191.24
As of March 31, 2026	28,987	10,244	35.2	206.88

(Reference) Equity As of June 30, 2026 9,438Million yen As of March 31, 2026 10,210Million yen

2. Cash dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended/ending March 31, 2026	—	0.00	—	0.00	0.00
March 31, 2027	—				
March 31, 2027 (Forecast)		—	—	—	—

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

(Note) Dividends for the fiscal year ending March 31, 2027 have currently been undecided.

3. Consolidated Earnings Forecast for the Fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates YoY 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	79,840	9.1	1,366	156.6	1,387	134.2	936	—	18.99

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

※ Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included 1 company (Company name) Kappa Create Vietnam Co., Ltd.

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

② Number of treasury shares at the end of the
period

③ Average number of shares outstanding
during the period (cumulative quarterly
total)

As of June 30, 2026	49,414,578shares	As of March 31, 2026	49,414,578shares
As of June 30, 2026	62,252shares	As of March 31, 2026	62,202shares
As of June 30, 2026	49,352,360shares	As of June 30, 2025	49,348,876shares

※ Review of quarterly consolidated financial statements by certified public accountant or audit firm: Yes (Optional)

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

(Cautionary statement regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the company and certain assumptions that the company deems reasonable. Actual results may differ significantly from these forecasts due to various factors. For matters related to earnings forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results under Review (3) Future outlook” on page 5 of the attached materials.

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1. Qualitative information on quarterly financial results under review

(1) Operating results

During the first quarter of the current consolidated fiscal year, the Japanese economy remained robust, driven by a gradual recovery in personal consumption—fueled by wage increases, improvements in employment, and the government’s measures to address rising prices—as well as the continued expansion of inbound tourism demand. On the other hand, the business environment remains challenging due to soaring prices for raw materials, consumables, and energy driven by geopolitical risks—including the situation in the Middle East—as well as fluctuations in exchange rates and interest rates caused by unstable international conditions and trade policies; rising labor costs due to labor shortages; and a growing tendency toward cost-saving measures resulting from persistent inflation and sluggish growth in real wages. Furthermore, values are becoming increasingly diverse in response to the rise of various dining options and changes in lifestyles.

Amid these circumstances, guided by our corporate philosophy—“Our customers’ happiness is our happiness”—we have focused on the pillars of our business strategy: strengthening the competitiveness of our existing stores, optimizing our store portfolio, promoting sustainability, and expanding related businesses, while working to cultivate brands that enhance customer loyalty. We also held product promotions tailored to customer trends; however, due to the impact of rising raw material prices, our gross profit margin decreased by 2.2% compared to the same period last year.

As a result of the above, revenue for the first quarter of the current consolidated cumulative period was 17,751 million yen (down 2.4% year-on-year), an operating loss of 707 million yen (compared to an operating profit of 322 million yen in the same period of the previous fiscal year), an ordinary loss of 681 million yen (compared to an ordinary profit of 363 million yen in the same period of the previous fiscal year), and a net loss attributable to owners of parent of 765 million yen (compared to a profit attributable to owners of parent of 331 million yen in the same period of the previous fiscal year).

Next, the overview of our business segments by type will be presented.

< Conveyor-belt Sushi business >

• Our group business strategy

Amid a challenging business environment marked by persistent inflation and increasingly diverse values, we are committed to enhancing corporate value by balancing revenue growth with sustainable social development, with the aim of realizing our corporate philosophy. To this end, we have identified four pillars of our management strategy: ①strengthening the competitiveness of our existing stores, ②optimizing our store portfolio, ③sustainability, and ④expanding related businesses.

① Strengthening the competitiveness of our existing stores

We recognize that strengthening the profitability of our existing stores is the top priority for achieving sustainable growth in corporate value, and during the first quarter of the current consolidated period, we implemented the following measures.

1) Training and Operations Plans

At our stores, we are focusing on training Kitchen Meisters and Service Meisters, and are working to enhance the customer experience by improving culinary and customer service skills. We are also conducting trials of employee training programs that utilize digital tools, with the aim of developing talent capable of performing their duties from the customer’s perspective.

2) Enhancing Store Operations

We identify challenges and drive corrective actions through customer feedback and AI-powered analysis. At the same time, we are further refining the fundamental aspects of store operations—such as “safety and security,” “cleanliness,” “greeting customers,” and “freshness”—to enhance customer satisfaction and strengthen profitability.

3) Price Optimization

In a business environment where consumers are increasingly focused on saving money due to rising prices, we have begun selling select items for 90 yen (tax included) on weekdays and have restarted our value-priced lunch sets. Additionally, at stores registered with Uber Eats, we are offering items at the same price as in-store, thereby working to reduce the financial burden on customers both in-store and through delivery.

4) Attracting Customers Through Price Appeal

We held a limited-time “50% More for the Same Price! Big-Cut Special Festival” promotion featuring items such as “Large-Cut Salmon” and “Large-Cut Chutoro,” implementing a campaign designed to boost customer satisfaction with our pricing. In addition, we are working to enhance the customer experience by offering a variety of products at affordable prices, including limited-time sales of spaghetti developed under the supervision of “Italian-style Restaurant iL-CHIANTI” and desserts from “Belle idéep Âtisserie!”—a brand supervised by world-renowned pastry chef Takahiro Komai.

We are also conducting collaborative campaigns with picture book author Q-rai, the South Korean character brand

“BRUNCH BROTHER,” “FUNNYMOVIE”—the creators of the YouTube channel “Mitchy’s Anime”—and “KAMEN RIDER ZEETZ,” among others, in an effort to attract a diverse customer base with varied values.

5) Improving the Revenue and Expense Structure

We are continuing pilot operations to digitize work schedules, shift planning, and training manuals using AI, with the aim of optimizing staffing and accelerating the development of our workforce. At headquarters as well, we are promoting the use of AI and working to create value through operational efficiency.

② Optimizing our store portfolio

We are working to optimize our store portfolio to meet customer needs and achieve business growth.

1) Opening Stores in Areas Near Train Stations and in Commercial Districts

While expanding our presence in high-traffic locations such as areas near train stations and commercial districts, we are working to establish store models tailored to the specific characteristics of each location, with the aim of acquiring new customers and expanding revenue opportunities. During the first quarter of the current consolidated fiscal year, we opened one new store in Nagoya-shi, Aichi-ken, bringing the total number of stores to 300 as of the end of the first quarter of the current consolidated fiscal year.

2) Opening Stores in Large-Scale Retail Complexes

We have identified large-scale retail complexes and commercial hubs as prime locations for new store openings. By capturing the demand generated by shoppers making the rounds, we will enhance brand awareness, acquire new customers, and work to establish our position as a brand that is more accessible to consumers.

3) Expanding into New Market Areas

We view new market areas as key locations for store openings and will continue to promote the establishment of a dominant presence in priority regions, enhance brand awareness, and contribute to the development of local food infrastructure.

4) Restoring the Store Network

By opening and closing stores in light of market conditions and store characteristics, and by promoting the restoration of our store network, we aim to maximize performance per store and strengthen our revenue base.

③ Sustainability

Guided by our corporate motto, “Our customers’ happiness is our happiness,” we, as a company responsible for the food infrastructure, have adopted a basic policy of balancing our contribution to society’s sustainable development with the enhancement of our corporate value.

1) Food safety and security

As a food service company, we are committed to ensuring food safety and security—our most important responsibility. To this end, we are restructuring our defense lines as part of efforts to enhance our hygiene management system, thereby further strengthening our quality control framework from ingredient procurement through to restaurant operations.

In addition, we are promoting the disclosure of information tailored to customer needs—such as comprehensive allergen information, nutritional labeling, and disclosure of country-of-origin information—to create an environment where customers can dine with peace of mind. We are also making calorie and allergen information more transparent for employee meals, thereby ensuring food safety and security both within and outside the company.

2) Workplace diversity and growth

We view human capital as the source of our sustainable growth and are committed to promoting DEI (Diversity, Equity, and Inclusion) and providing opportunities for growth. We are working to create an environment where a diverse workforce can thrive through initiatives such as promoting females to management positions, expanding the hiring of foreign nationals, utilizing flexible work arrangements, and establishing mechanisms to listen to employee feedback.

Furthermore, as part of our efforts to cultivate the next generation of talent and enhance community partnerships, we host company visits and other initiatives to promote an appreciation for the appeal of the food industry and career awareness, thereby contributing to the industry’s sustainable development.

3) Contribution to the environment

We recognize reducing the environmental impact of our business activities as a key priority and are promoting capital investments and operational enhancements that help reduce water, electricity, and gas consumption—such as the pilot

implementation of an air conditioning load control system utilizing AI-enabled thermostats. To reduce food waste, we have expanded our initiative—in partnership with the food waste reduction app “Too Good To Go”—to effectively utilize products expected to become food waste across the four prefectures in the Greater Tokyo Area. Through this initiative, we are generating revenue while reducing food waste.

④ Expanding related businesses

To achieve sustainable growth in corporate value, we have identified the expansion of related businesses—in addition to strengthening the profitability of our existing stores—as a key growth strategy, and we are promoting the following initiatives.

1) Delicatessen business

We are strengthening our collaboration to maximize synergies with our domestic Conveyor-belt Sushi business. Dessert products utilizing quick-freezing technology have been adopted for campaigns and other initiatives in our domestic Conveyor-belt Sushi business, contributing to sales growth in our Delicatessen business and increased customer traffic for our Conveyor-belt Sushi business. Furthermore, adoption of these products is progressing across group companies, contributing to the creation of synergies across the entire group.

2) Conveyor-belt Sushi in South Korea

In our Conveyor-belt Sushi business in South Korea, we are working to enhance profitability by revising our menu offerings and pricing strategies to allow for an increase in average customer spending, as well as by optimizing various costs, in order to address rising raw material and labor costs. We are committed to strengthening our business foundation and enhancing profitability.

3) Conveyor-belt Sushi in Indonesia

In our Conveyor-belt Sushi business in Indonesia, revenue is growing steadily, driven by the effectiveness of marketing initiatives aimed at increasing the number of customers per table. New stores opened during the previous consolidated fiscal year are also showing steady growth, and we will continue to pursue further business expansion by developing prime locations.

4) Conveyor-belt Sushi in Vietnam

In our Conveyor-belt Sushi business in Vietnam, we plan to open our first store during the current consolidated fiscal year. We will strive to create new value rooted in the local food culture and build a business foundation for sustainable growth.

5) Fourth overseas country

With the aim of establishing a global brand and expanding our store network, we are conducting research on new countries where we expect to see growth opportunities for opening new stores.

As a result, revenue for the Conveyor-belt Sushi business amounted to 14,533 million yen (down 2.0% year-on-year), and the segment loss was 647 million yen (compared to a segment profit of 334 million yen in the same period of the previous year).

< Delicatessen business >

During the first quarter of the current consolidated accumulated period, with the aim of further enhancing the value we provide to customers through product development, we promoted initiatives focused not only on “product manufacturing functions” but also on “value-creation functions.” Although we did not secure any new business, we made progress in enhancing our ability to generate sales opportunities and our proposal capabilities, thereby laying the groundwork for acquiring new customers and expanding our order volume. Sales to our key clients are growing steadily, and moving forward, we will pursue growth by advancing both the acquisition of new customers and the deepening of relationships with existing ones.

As a result, the Delicatessen business posted revenue of 3,217 million yen (down 4.2% year-on-year) and a segment loss of 76 million yen (compared to a segment loss of 28 million yen in the same period of the previous year).

(2) Financial position

(Assets)

Total assets at the end of the first quarter of the current consolidated fiscal year amounted to 28,415 million yen, a decrease of 571 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 133 million yen in cash and deposits, a decrease of 456 million yen in accounts receivable, an increase of 184 million yen in buildings and structures, and a decrease of 516 million yen in accumulated depreciation.

(Liabilities)

Total liabilities at the end of the first quarter of the current consolidated fiscal year amounted to 18,956 million yen, an increase of 212 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a 265 million yen increase in accounts payable-other and long-term accounts payable-other, a 132 million yen decrease in income taxes payable, and an 86 million yen increase in the provision for sales promotion expenses.

(Net assets)

Net assets at the end of the first quarter of the current consolidated fiscal year amounted to 9,459 million yen, a decrease of 784 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease in retained earnings resulting from a net loss for the quarter attributable to owners of parent of 765 million yen.

(3) Future outlook

With regard to the consolidated earnings forecast, there are no changes to the full-year consolidated earnings forecast announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” released on May 8, 2026.

2 . Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

(Unit : Millions of yen)

	Previous consolidated fiscal year (March 31, 2026)	Current first quarter of consolidated fiscal year (June 30, 2026)
Assets		
Current assets		
Cash and deposits	6,034	6,168
Accounts receivable	3,437	2,981
Goods and products	369	376
Raw materials and supplies	464	510
Others	1,542	1,372
Allowance for doubtful accounts	(1)	(2)
Total current assets	11,846	11,407
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,845	28,030
Machinery and vehicles	8,188	8,211
Tools, equipment and fixtures	9,932	9,982
land	1,644	1,644
Lease assets	346	340
Construction in progress	93	272
Accumulated depreciation	(35,947)	(36,464)
Total property, plant and equipment	12,103	12,017
Intangible assets		
Software	51	42
Facility usage rights	2	2
Others	45	70
Total intangible assets	98	114
Investments and other assets		
Investments and other assets	871	871
Security and guarantee deposits	3,492	3,441
Deferred tax assets	489	497
Others	87	67
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	4,938	4,876
Total non-current assets	17,140	17,008
Total assets	28,987	28,415

(Unit : Millions of yen)

	Previous consolidated fiscal year (March 31, 2026)	Current first quarter of consolidated fiscal year (June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable	3,835	3,458
Long-term borrowings due within one year	2,500	2,500
Accounts payable-other	2,202	2,551
Accrued expenses	1,671	1,659
Lease liabilities	61	25
Income taxes payable	177	44
Provision for bonuses	91	68
Provision for sales promotion expenses	137	224
Provision for store closing losses	—	10
Others	657	1,081
Total current liabilities	11,333	11,623
Non-current liabilities		
Long-term borrowings	3,950	3,950
Long-term accounts payable-other	1,444	1,360
Retirement benefit liabilities	75	63
Lease liabilities	105	122
Asset retirement obligations	1,731	1,740
Others	102	97
Total non-current liabilities	7,409	7,333
Total liabilities	18,743	18,956
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	8,593	8,593
Retained earnings	1,570	804
Treasury shares	(52)	(52)
Total shareholders' equity	10,211	9,446
Accumulated other comprehensive income		
Unrealized gains on other securities	8	8
Deferred gains (losses) on hedges	(14)	(11)
Foreign currency translation adjustment	4	(5)
Total accumulated other comprehensive income	(1)	(8)
Non-controlling interests	33	21
Total net assets	10,244	9,459
Total liabilities and net assets	28,987	28,415

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)

(Unit : Millions of yen)

	Previous first quarter of consolidated cumulative period (From April 1, 2025 to June 30, 2025)	Current first quarter of consolidated cumulative period (From April 1, 2026 to June 30, 2026)
Revenue	18,189	17,751
Cost of sales	8,625	8,805
Gross profit	9,564	8,946
Selling, general and administrative expenses	9,242	9,653
Operating profit (loss)	322	(707)
Non-operating income		
Interest income	4	3
Dividend income	55	55
Rental revenue	51	51
Vending machine revenue	5	5
Sponsorship income	—	3
Miscellaneous income	12	8
Total non-operating income	129	129
Non-operating expenses		
Interest expense	47	51
Interest expense on bond	0	—
Cost of rental revenue	36	36
Foreign exchange losses	—	11
Miscellaneous losses	3	2
Total non-operating expenses	87	102
Ordinary profit (loss)	363	(681)
Extraordinary losses		
Loss on disposal of non-current assets	4	—
Impairment losses	—	50
Provision for store closing losses	—	10
Total extraordinary losses	4	61
Quarterly profit (loss) before taxes and other adjustments	359	(742)
Corporate, inhabitants and enterprise taxes	49	44
Corporate tax adjustments	(17)	(9)
Total corporate tax, etc.	31	35
Quarterly profit (loss)	327	(777)
Quarterly profit (loss) attributable to non-controlling interests	(3)	(12)
Quarterly profit (loss) attributable to owners of parent	331	(765)

(Quarterly consolidated statement of comprehensive income)

(Unit : Millions of yen)

	Previous first quarter of consolidated cumulative period (From April 1, 2025 to June 30, 2025)	Current first quarter of consolidated cumulative period (From April 1, 2026 to June 30, 2026)
Quarterly profit (loss)	327	(777)
Other comprehensive income		
Unrealized gains on other securities	1	0
Deferred gains (losses) on hedges	5	3
Foreign currency translation adjustment	(33)	(10)
Total other comprehensive income	(26)	(6)
Quarterly comprehensive income (loss)	301	(784)
(Breakdown)		
Quarterly comprehensive income (loss) attributable to owners of parent	304	(771)
Quarterly comprehensive income (loss) attributable to non-controlling interests	(3)	(12)

(3) Notes to the quarterly consolidated financial statements

(Methods for Preparing 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, etc., and the accounting standards generally accepted in Japan for interim consolidated financial statements (provided, however, that the omissions specified in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc., have been applied).

(Notes on Quarterly Consolidated Balance Sheet)

(Contingent liabilities)

(Litigation)

On December 27, 2023, Hama Sushi Co., Ltd. filed a lawsuit against the company with the Tokyo District Court, seeking payment of 511 million yen in damages, among other claims. While the outcome of this litigation could affect the company's future consolidated financial results, it is difficult to reasonably estimate the extent of such impact at this time; therefore, no provision has been made in the quarterly consolidated financial statements.

(Notes on Segment Information)

I Previous first quarter of consolidated fiscal year (From April 1, 2025 to June 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	14,830	3,359	18,189
Intersegment revenue or transfers	—	73	73
Total	14,830	3,432	18,263
Segment profit (loss)	334	(28)	306

2. The difference between the total amount of profit or loss for the reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main components of that difference (matters related to reconciliation of differences)

(Unit : Millions of yen)

Profit	Amount
Reportable segment total	306
Elimination between segments	16
Operating profit recorded on consolidated statement of income	322

II Current first quarter of consolidated fiscal year (From April 1, 2026 to June 30, 2026)

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	14,533	3,217	17,751
Intersegment revenue or transfers	—	123	123
Total	14,533	3,340	17,874
Segment (loss)	(647)	(76)	(723)

2. The difference between the total amount of profit or loss for the reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main components of that difference (matters related to reconciliation of differences)

(Unit : Millions of yen)

Profit	Amount
Reportable segment total	(723)
Elimination between segments	15
Operating (loss) recorded on quarterly consolidated statement of income	(707)

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on 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 first quarter of the current consolidated cumulative period. The depreciation and amortization expenses (including amortization of intangible assets) and goodwill amortization for the first quarter of the current consolidated cumulative period are as follows:

	Previous first quarter of consolidated cumulative period (From April 1, 2025 To June 30, 2025)	Current first quarter of consolidated cumulative period (From April 1, 2026 To June 30, 2026)
Depreciation	573 million yen	570 million yen
Amortization of goodwill	2 million yen	12 million yen