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. In addition, the independent auditor's interim review reports attached to the Japanese original, which are the subject of this translation, are not included in the scope of this translation.

Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year ending March 31, 2027〔Under Japanese GAAP〕

November 6, 2026

Company name KAPPA-CREATE CO., LTD. TSE Prime Market
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 file the Semiannual Securities Report November 16, 2026
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)

(Yen amounts are rounded down to millions)

1. Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal year ending March 31, 2027 (From April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent YoY interim period changes)

	Revenue		Operating profit		Ordinary profit		Interim profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim period of FY ending March 2027	36,723	(0.9)	(905)	—	(888)	—	(1,260)	—
Interim period of FY ended March 2026	37,049	0.2	832	54.4	840	48.9	738	56.8

(Note) Comprehensive income: Interim period of FY ending March 2027 (1,301) Million yen [—%]; Interim period of FY ended March 2026 726 Million yen [51.6%]

	Interim basic earnings per share	Interim diluted earnings per share
	Yen	Yen
Interim period of FY ending March 2027	(25.53)	—
Interim period of FY ended March 2026	14.97	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
Interim period of FY ending March 2027	26,469	8,947	33.8	181.05
FY ended March 2026	28,987	10,244	35.2	206.88

(Reference) equity: Interim period of FY ending March 2027 8,935 Million yen; FY ended March 2026 10,210 Million yen

2. Cash dividends

	Annual dividends				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2026	—	0.00	—	0.00	0.00
FY ending March 2027	—	0.00			
FY ending March 2027 (Forecast)			—	—	—

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

（Note）The dividend for the fiscal year ending March 31,2027 is currently undetermined.

3．Consolidated earnings forecast for the fiscal year ending March 2027（April 1, 2026 to March 31, 2027）

（Percentage figures represent 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）Revision to the most recently announced earnings forecast: None

※ Notes

（１）Significant changes in the scope of consolidation during current interim period：Yes
Newly included 1 company （Company name）Kappa Create Vietnam Co., Ltd.
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 of FY ending March 2027	49,414,578 shares	FY ended March 2026	49,414,578 shares
② Number of treasury shares at the end of the period	Interim period of FY ending March 2027	58,752 shares	FY ended March 2026	62,202 shares
③ Average number of outstanding shares during the period（interim period）	Interim period of FY ending March 2027	49,353,299 shares	Interim period of FY ended March 2026	49,349,791 shares

※ 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 12, 2026.
The materials for this presentation will be posted on our website at a later date.

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1．Qualitative information on interim consolidated financial results

（1）Operating results

During this interim consolidated fiscal year, the Japanese economy continued on a moderate recovery trend. This was driven by a pickup in consumer spending—fueled by wage increases, improvements in the job market, and the government's measures to address rising prices—along with the continued expansion of inbound tourism demand. At the same time, the business environment remains challenging due to soaring prices for raw materials, consumables, and energy resulting from geopolitical risks—including the situation in the Middle East—as well as fluctuations in exchange rates and interest rates influenced by trade policies, rising labor costs caused by labor shortages, and a growing tendency toward thriftiness among consumers. Furthermore, consumer needs are becoming even more diversified, with customers choosing among various dining formats—not only eat-in but also takeout and delivery—depending on the occasion.

Amid these circumstances, guided by our corporate philosophy that "Our customers' happiness is our happiness," we have focused on strengthening our existing stores, making investments in growth, promoting sustainability, and expanding related businesses as the pillars of our management strategy, while working to cultivate brands that enhance customer loyalty. However, despite implementing various product fairs and sales promotion initiatives, average spending per customer at existing stores in the domestic Conveyor-belt Sushi business decreased by 2.3% year on year. In addition, due to the impact of rising raw material prices and other factors, the gross profit margin declined by 1.7 percentage points year on year, resulting in lower profitability compared to the same period of the previous fiscal year.

In order to enhance profitability and optimize the allocation of resources, we carefully evaluated the future profitability of our stores and have determined to close 15 domestic stores during the current interim period. Consequently, after assessing the recoverability of certain non-current assets related to stores and other properties owned by our group in accordance with the "Accounting Standards for Impairment of Non-Current Assets," we recognized impairment on 15 domestic stores during the current interim period and have determined to record an impairment loss of 223 million yen and a provision for store closing losses of 74 million yen.

Based on the above results, revenue for the current interim consolidated fiscal year was 36,723 million yen (down 0.9% compared to the same period of the previous year), operating loss of 905 million yen (compared to operating profit of 832 million yen in the same period of the previous year), ordinary loss of 888 million yen (compared to ordinary profit of 840 million yen in the same period of the previous year), and loss attributable to owners of parent of 1,260 million yen (compared to profit attributable to owners of parent of 738 million yen in the same period of the previous year).

As part of our efforts to restore earnings in the near term, we are revising our menu to strike a balance among customer satisfaction, operational burden, and optimal pricing, with the aim of improving gross profit and enhancing productivity. In addition, we are reviewing the cycle of product promotions and sales campaigns and promoting activities designed to create more incentives for customers to use our services; we expect these measures to contribute to earnings starting in the third quarter.

Next, we will provide an overview of our business segments by type.

＜Conveyor-belt Sushi business＞

・Our group's management strategy

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

① Enhancing the competitiveness of existing stores

We recognize that strengthening the profitability of our existing stores is the top priority for the sustainable enhancement of corporate value, and during the current interim consolidated period, we have implemented the following measures.

1）Training and Operations Plans

At our stores, we are focusing on training "sashimi-cutting Meisters" and "Service Meisters" to enhance the customer experience value by raising both cooking and customer service skills. Furthermore, while advancing digital transformation (DX) in our stores, we are formulating operations plans that create touchpoints with customers, aiming to achieve both operational efficiency and the creation of customer value through our talent.

２）Enhancing Store Operations

We identify challenges and drive corrective actions through customer feedback and AI-powered analysis. At the same time, we continue to refine 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 looking to save money due to rising prices, we have reopened sales of our value-priced lunch sets. Additionally, at stores registered with Uber Eats, we are offering items at the same prices as in-store, striving to reduce the financial burden on customers both in-store and online.

At the same time, through the sale of our high-end “Gochi Sushi” series—based on the concept of “Treat yourself today”—we are working to offer a product lineup that caters to everything from everyday meals to special occasions.

４）Attracting Customers Centered on Price Appeals

We held a fair offering items such as “Nordic Salmon Ikura Rolls,” “Sea Urchin Gunkan,” “Premium Tuna Chutoro,” and “Hokkaido Pacific Saury” at prices starting in the 100-yen range for a limited time, with the aim of increasing customer satisfaction relative to price. In addition, we are working to enhance the customer experience by offering a diverse range of products at affordable prices, such as the “Rich Chicken Paitan Ramen” developed under the supervision of “Ginza-KAGARI”—a popular ramen shop renowned for its exquisite chicken broth—and the “Seafood Shin Ramyun with Red Seabream Soup,” created in collaboration with the popular Korean ramen brand “Shin Ramyun,” both available for a limited time.

We also featured collaborations with "Star Detective Precure! The Movie: The Mysterious Garden and a Secret Pair", "Yo-kai Watch", the movie "Spider-Man: Brand New Day", the hugely popular Korean character "MOMOREI", the masterpiece "The Very Hungry Caterpillar" by Eric Carle—a picture book author beloved worldwide—and the lifestyle brand "SWIMMER", known for its retro and pop designs. We are also implementing initiatives for app members, such as offering 39% off any number of “Medium Draft Beers” during the summer sales season, to attract a diverse customer base with varied values.

５）Streamlining Revenue and Expense Structures

We are working to create value by enhancing operational efficiency, with a focus on the use of AI.

②　Optimizing our store portfolio

We are working to optimize our store portfolio to meet customer needs and achieve business growth. During the current interim consolidated fiscal year, we opened two stores in Nagoya-shi, Aichi-ken, and one store in Imizu-shi, Toyama-ken, bringing the total number of stores to 298 as of the end of the current interim consolidated fiscal year.

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 also working to diversify our store locations by establishing store models tailored to the specific characteristics of each location, with the aim of attracting new customers and expanding revenue opportunities.

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 of these areas, we aim to enhance brand awareness and acquire new customers, thereby establishing our position as a brand that is more accessible to consumers. During the current interim consolidated fiscal year, we opened two stores in commercial hubs.

３）Opening Stores in New Market Areas

We view new market areas as important locations for store openings and will continue to promote the establishment of a dominant presence in key regions, enhance brand awareness, and contribute to the development of local food infrastructure. The aforementioned store opening in Toyama-ken will be our second store there, following the one opened in the previous fiscal year.

４）Restructuring the Store Network

By opening and closing stores in light of market conditions and store characteristics, and by promoting the restructuring of our store network, we are working to maximize performance per store and strengthen our revenue base. As mentioned above, in addition to opening new stores, we closed four stores due to the expiration of their lease agreements.

③ Sustainability

Guided by our corporate philosophy, “Our customers’ happiness is our happiness,” we, as a company bearing responsibility for the food infrastructure, have adopted a basic policy of simultaneously contributing to the sustainable development of society and enhancing 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 store operations.

In addition, we are promoting the disclosure of information tailored to customer needs—such as comprehensive allergen information, nutritional labeling, and disclosure of product origins—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 female managers, expanding the hiring of foreign nationals, utilizing flexible work arrangements, and establishing mechanisms to listen to employee feedback.

As part of our employee development initiatives, we are conducting trials of learning apps designed to deepen understanding of our customers and facilitating the participation of headquarters staff in supporting children’s cafeterias within Kanagawa-ken.

Furthermore, as part of our efforts to develop the next generation of talent and foster collaboration with the local community, we are promoting an appreciation for the appeal of food and a better understanding of careers through initiatives such as hosting company visits, thereby contributing to the sustainable development of our industry.

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 improvements that help reduce water, electricity, and gas consumption—such as the pilot implementation of an air conditioning burden control system utilizing AI-enabled thermostats. To reduce food waste, in addition to appropriately managing ingredient quantities, we are working to improve ingredient yield by enhancing cutting techniques through our “sashimi-cutting Meister” program and promoting certified training.

Furthermore, we have implemented an initiative to donate non-perishable ingredients that are no longer needed to children’s cafeterias in Kanagawa-ken. This effort has not only helped reduce food waste but has also contributed to the local community and reduced storage costs.

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

JAPAN FRESH CO., LTD., our subsidiary that operates the Delicatessen business, continues to strengthen collaboration with our domestic Conveyor-belt Sushi business to maximize synergies. Dessert products utilizing quick-freezing technology continue to be adopted in campaigns and other initiatives by our domestic Conveyor-belt Sushi business, contributing to sales growth in the Delicatessen business and increased customer traffic for the Conveyor-belt Sushi business. Furthermore, adoption across Group companies is progressing—for example, JAPAN FRESH’s products are being used in dessert offerings at brands such as CAFFE VELOCE, operated by C-United Co., Ltd., which recently joined the COLOWIDE Group—thereby 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, to address rising raw material and labor costs, we are working to enhance revenue/cost structure by offering a wide range of menu options across various price points—which helps increase average customer spending—revising our pricing strategies, and optimizing various costs. We will continue to strive to enhance profitability and build a stable business foundation.

３）Conveyor-belt Sushi in Indonesia

In our Conveyor-belt Sushi business in Indonesia, revenue has been growing steadily thanks to the success of marketing initiatives and other measures aimed at increasing the number of customers per party. The new stores opened during the previous consolidated fiscal year are also performing well, and we will continue to pursue further business expansion by developing prime locations.

４）Conveyor-belt Sushi in Vietnam

As part of our Conveyor-belt Sushi business in Vietnam, we opened our first store in Binh Duong New City, Ho Chi Minh City, in September 2026 during the current interim consolidated fiscal year. The store features an open kitchen, where we prepare and serve fresh ingredients right in front of customers to enhance their dining experience value. We will continue to build our business foundation by offering products and services tailored to local food culture and preferences.

５）Fourth Overseas Country

We are continuing to research potential new countries for store openings that are expected to see future growth, with a view to establishing a global brand and expanding our store network.

As a result, revenue from the Conveyor-belt Sushi business totaled 30,202 million yen (up 0.1% year-over-year), and the segment loss was 794 million yen (compared to a segment profit of 838 million yen in the same period of the previous year).

＜Delicatessen business＞

During this interim consolidated fiscal year, we continued to aim for further enhancement of the value we provide to customers through product development, and we advanced initiatives focused on not only our “product manufacturing function” but also our “value creation function.” The initiatives we have been pursuing since the first quarter—such as generating business opportunities and enhancing our proposal capabilities—have begun to yield results, and we have secured several new contracts, including test sales. On the other hand, due to the impact of rising rice prices, revenue in the cooked rice and sushi categories continues to decline. Going forward, we will work to ensure the full-scale adoption of the new contracts we have secured and turn them into ongoing business relationships, while simultaneously advancing both the acquisition of new customers and the deepening of relationships with existing customers, with the aim of achieving further growth.

In addition, segment profit fell below the level of the same period last year due to rising costs—including those for packaging materials—resulting from the situation in the Middle East. In addition to initiatives aimed at driving revenue growth, we will review various costs to enhance profitability.

As a result, the Delicatessen business recorded revenue of 6,520 million yen (down 5.3% year-on-year) and a segment loss of 142 million yen (compared to a segment loss of 37 million yen in the same period of the previous year).

（２）Financial position

①Assets, Liabilities and Net assets

(Assets)

Total assets as of the end of the current interim consolidated fiscal year amounted to 26,469 million yen, a decrease of 2,518 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 1,912 million yen in cash and deposits, an increase of 299 million yen in buildings and structures, an increase of 236 million yen in tools, equipment and fixtures, an increase of 854 million yen in accumulated depreciation, and a decrease of 120 million yen in security and guarantee deposits.

(Liabilities)

Total liabilities at the end of the current interim consolidated fiscal year amounted to 17,521 million yen, a decrease of 1,221 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 110 million yen in accounts payable and a decrease of 1,150 million yen in long-term borrowings and long-term borrowings due within one year.

(Net assets)

Net assets at the end of the current interim consolidated fiscal year amounted to 8,947 million yen, a decrease of 1,296 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 23 million yen in foreign currency translation adjustment and a decrease in retained earnings resulting from an interim loss attributable to owners of parent of 1,260 million yen.

②Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current interim consolidated fiscal year increased by 448 million yen in cash flows from operating activities, decreased by 633 million yen in cash flows from investing activities, and decreased by 1,732 million yen in cash flows from financing activities. As a result, cash and cash equivalents decreased by 1,912 million yen from the end of the previous consolidated fiscal year, amounting to 4,122 million yen (compared to 6,034 million yen at the end of the previous consolidated fiscal year).

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 448 million yen (compared to 1,533 million yen in the same period of the previous fiscal year).

This was primarily due to an interim loss before income taxes adjustments of 1,186 million yen, depreciation and amortization of 1,112 million yen, impairment losses of 223 million yen, interest expense and interest on bonds of 103 million yen, and an increase in accounts payable-other etc. of 165 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 633 million yen (compared to 1,151 million yen used in the same period of the previous fiscal year).

This was primarily due to expenditures of 653 million yen for the acquisition of property, plant, and equipment, among other factors.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 1,732 million yen (compared to 204 million yen in the same period of the previous fiscal year).

This was primarily due to proceeds from long-term borrowings of 200 million yen, expenditures for the repayment of long-term borrowings of 1,350 million yen, and expenditures for the repayment of installment obligations of 581 million yen, among other factors.

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

There are no changes to the full-year consolidated earnings forecasts announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” released on May 8, 2026. Furthermore, we are currently examining the impact of the impairment losses and other related items on our consolidated financial results for the fiscal year ending March 31, 2027, and will promptly make an announcement should any matters requiring disclosure arise.

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, 2026)	Current interim consolidated fiscal year (September 30, 2026)
Assets		
Current assets		
Cash and deposits	6,034	4,122
Accounts receivable	3,437	3,486
Goods and products	369	440
Raw materials and supplies	464	532
Others	1,542	1,149
Allowance for doubtful accounts	(1)	(2)
Total current assets	11,846	9,729
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,845	28,145
Machinery and vehicles	8,188	8,273
Tools, equipment and fixtures	9,932	10,168
Land	1,644	1,644
Lease assets	346	335
Construction in progress	93	93
Accumulated depreciation	(35,947)	(36,802)
Total property, plant and equipment	12,103	11,858
Intangible assets		
Software	51	35
Facility usage rights	2	2
Others	45	63
Total intangible assets	98	101
Investments and other assets		
Investment securities	871	874
Security and guarantee deposits	3,492	3,372
Deferred tax assets	489	481
Others	87	54
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	4,938	4,780
Total non-current assets	17,140	16,740
Total assets	28,987	26,469

(Unit：Millions of yen)

	Previous consolidated fiscal year (March 31, 2026)	Current interim consolidated fiscal year (September 30, 2026)
Liabilities		
Current liabilities		
Accounts payable	3,835	3,725
Long-term borrowings due within one year	2,500	2,340
Accounts payable-other	2,202	2,215
Accrued expenses	1,671	1,634
Lease liabilities	61	32
Income taxes payable	177	89
Provision for bonuses	91	103
Provision for sales promotion expenses	137	150
Provision for store closing losses	—	65
Others	657	1,011
Total current liabilities	11,333	11,367
Non-current liabilities		
Long-term borrowings	3,950	2,960
Long-term accounts payable-other	1,444	1,231
Retirement benefit liabilities	75	67
Lease liabilities	105	97
Asset retirement obligations	1,731	1,698
Others	102	97
Total non-current liabilities	7,409	6,153
Total liabilities	18,743	17,521
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	8,593	8,596
Retained earnings	1,570	310
Treasury shares	(52)	(49)
Total shareholders' equity	10,211	8,956
Accumulated other comprehensive income		
Unrealized gains on other securities	8	10
Deferred gains (losses) on hedges	(14)	(12)
Foreign currency translation adjustment	4	(18)
Total accumulated other comprehensive income	(1)	(21)
Non-controlling interests	33	11
Total net assets	10,244	8,947
Total liabilities and net assets	28,987	26,469

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

（Interim Consolidated Statement of Income）

（Unit：Millions of yen）

	Previous interim consolidated fiscal year (From April 1, 2025 to September 30, 2025)	Current interim consolidated fiscal year (From April 1, 2026 to September 30, 2026)
Revenue	37,049	36,723
Cost of sales	17,609	18,065
Gross profit	19,440	18,657
Selling, general and administrative expenses	18,607	19,562
Operating profit (loss)	832	(905)
Non-operating income		
Interest income	9	9
Dividend income	55	55
Rental revenue	102	102
Vending machine revenue	12	11
Sponsorship income	-	5
Miscellaneous income	11	22
Total non-operating income	191	207
Non-operating expenses		
Interest expense	95	103
Interest expense on bonds	0	-
Cost of rental revenue	73	73
Foreign exchange losses	8	7
Miscellaneous losses	6	6
Total non-operating expenses	184	190
Ordinary profit (loss)	840	(888)
Extraordinary profit		
Gain on sale of non-current assets	-	0
Total extraordinary profit	-	0
Extraordinary losses		
Loss on disposal of non-current assets	5	0
Impairment losses	-	223
Provision for store closing losses	-	74
Total extraordinary losses	5	298
Profit (loss) before taxes and other adjustments	834	(1,186)
Corporate, inhabitants and enterprise taxes	90	89
Corporate income tax adjustments	12	6
Total corporate income taxes	102	95
Interim profit (loss)	731	(1,282)
Interim (loss) attributable to non-controlling interests	(7)	(21)
Interim profit (loss) attributable to owners of parent	738	(1,260)

（Interim Consolidated Statement of Comprehensive Income）

（Unit：Million yen）

	Previous interim consolidated fiscal year (From April 1, 2025 to September 30, 2025)	Current interim consolidated fiscal year (From April 1, 2026 to September 30, 2026)
Interim profit (loss)	731	(1,282)
Other comprehensive income		
Unrealized gains on other securities	5	2
Deferred gains (losses) on hedges	2	1
Foreign currency translation adjustment	(12)	(23)
Total other comprehensive income	(5)	(19)
Interim comprehensive income	726	(1,301)
（Breakdown）		
Interim comprehensive income attributable to owners of parent	733	(1,279)
Interim comprehensive income attributable to non-controlling interests	(6)	(22)

（３）Interim Consolidated Statement of Cash Flows

（Unit：Millions of yen）

	Previous interim consolidated fiscal year (From April 1, 2025 to September 30, 2025)	Current interim consolidated fiscal year (From April 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Profit (loss) before taxes and other adjustments	834	(1,186)
Depreciation expenses	1,135	1,112
Impairment losses	—	223
Amortization for goodwill	5	16
Increase (decrease) in provision for bonuses	6	12
Increase (decrease) in provision for store closing losses	—	65
Interest income and dividend income	(64)	(64)
Interest expenses and interest on bonds	95	103
Loss on disposal of non-current assets	5	0
Loss (profit) on sale of non-current assets	—	(0)
Decrease (increase) in accounts receivable	431	(49)
Decrease (increase) in inventory	(3)	(139)
Increase (decrease) in accounts payable	(199)	(110)
Increase (decrease) in accounts payable-other	(301)	165
Increase (decrease) in accrued expenses	(59)	28
Increase (decrease) in consumption tax payable	(36)	(12)
Others	(70)	542
Subtotal	1,776	706
Interest and dividends received	64	64
Interest paid	(141)	(162)
Corporate income tax paid	(165)	(159)
Cash flows from operating activities	1,533	448
Cash flows from investing activities		
Expenditures for acquisition of property, plant and equipment	(1,135)	(653)
Proceeds from sale of property, plant and equipment	—	0
Expenditures for acquisition of intangible assets	(6)	(35)
Expenditures for security and guarantee deposits	(34)	(29)
Proceeds from collection of security and guarantee deposits	24	85
Others	0	(0)
Cash flows from investing activities	(1,151)	(633)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,000	200
Expenditures for repayment of long-term borrowings	(1,240)	(1,350)
Expenditures for repayment of lease liabilities	(1)	(1)
Expenditures for redemption of bonds	(100)	—
Expenditures for repayment of installment liabilities	(617)	(581)
Dividend paid	(245)	(0)
Cash flows from financing activities	(204)	(1,732)
Exchange differences on cash and cash equivalents	(19)	5
Increase (decrease) in cash and cash equivalents	157	(1,912)
Cash and cash equivalents at beginning of the period	7,940	6,034
Cash and cash equivalents at end of interim period	8,098	4,122

（４）Notes on Interim Consolidated Financial Statements

（Notes on Interim Consolidated Statement of 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, 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 elimination	32
Operating profit recorded on interim consolidated statement of income	832

II　Current interim consolidated fiscal year (From April 1, 2026 to September 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	30,202	6,520	36,723
Inter-segment revenue or transfers	―	245	245
Total	30,202	6,766	36,968
Segment (loss)	(794)	(142)	(937)

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	(937)
Inter-segment transaction elimination	31
Operating (loss) recorded on interim consolidated statement of income	(905)

３．**Information on impairment losses on non-current assets or goodwill, etc. by reportable segment**

Impairment losses on non-current assets were recorded in the Conveyor-belt Sushi business segment. The amount of such impairment losses was 223 million yen in the current interim consolidated period.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.