FY2026 Q1 Financial Results Briefing

Skylark Holdings Co., Ltd.

May 13, 2026

First Quarter Financial Summary

Executive Summary

- **Sales 121.3 bn yen (+8.6% YoY), Business profit 9.1 bn yen (+10.6% YoY), Operating profit 8.9 bn yen (+17.0% YoY)**

Unit: Bn yen

	Q1 FY2026 (3-month)		Q1 FY2025 (3-month)		% YoY	
	Results	% of sales	Results	% of sales	Variance	% YoY
Sales	**121.3**	**100.0%**	**111.7**	**100.0%**	**9.6**	**+8.6%**
Gross margin	**80.6**	**66.4%**	**74.5**	**66.7%**	**6.1**	**+8.2%**
Business profit	**9.1**	**7.5%**	**8.2**	**7.4%**	**0.9**	**+10.6%**
Operating profit	**8.9**	**7.3%**	**7.6**	**6.8%**	**1.3**	**+17.0%**
Income before income tax	**7.9**	**6.5%**	**6.8**	**6.1%**	**1.1**	**+15.8%**
Net income	**5.5**	**4.6%**	**4.3**	**3.9%**	**1.2**	**+27.0%**
Adjusted EBITDA	22.5	18.6%	20.4	18.3%	2.1	+10.3%

Q1 FY2026 Results			
Same-store sales YoY	106%	**New stores**	5 stores
Same-store traffic YoY	101%	**Brand conversion**	14 stores
Same-store ATP YoY	105%	**Remodeling**	50 stores

*Adjusted EBITDA = EBITDA + Loss on disposal of fixed assets + Impairment loss of non-financial assets + Public offering related expenses

*Same stores YoY are based on restaurants in Japan.

*Number of stores is the total for Japan and overseas.

Condensed Consolidated Income Statement

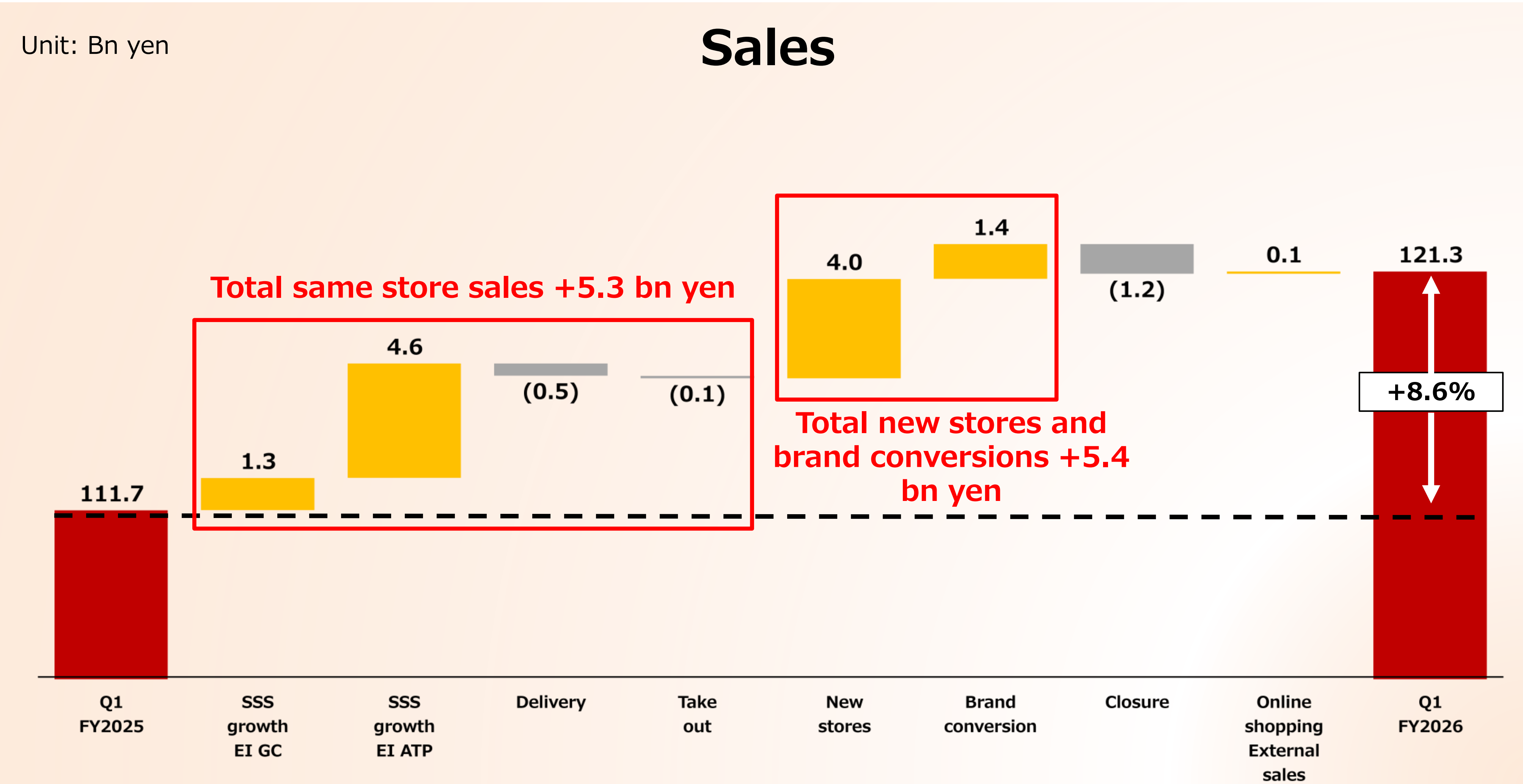
- Control COGS and labor costs to secure a certain amount of business profits even in the face of inflation

Unit: Bn yen

	Q1 FY2026 (3-month)		Q1 FY2025 (3-month)		YoY	
	Results	% of sales	Results	% of sales	Variance	% YoY
Sales	**121.3**	**100.0%**	**111.7**	**100.0%**	**9.6**	**+8.6%**
COGS	(40.7)	33.6%	(37.2)	33.3%	3.5	+9.5%
Gross margin	**80.6**	**66.4%**	**74.5**	**66.7%**	**6.1**	**+8.2%**
Labor cost	(38.5)	31.7%	(35.2)	31.5%	3.3	+9.3%
Other SG&A	(33.0)	27.2%	(31.1)	27.8%	1.9	+6.2%
Business profit	**9.1**	**7.5%**	**8.2**	**7.4%**	**0.9**	**+10.6%**
Non-operating income	0.6	0.5%	0.5	0.4%	0.1	+30.5%
Non-operating expenses	(0.8)	0.7%	(1.1)	1.0%	0.3	(25.6%)
Operating profit	**8.9**	**7.3%**	**7.6**	**6.8%**	**1.3**	**+17.0%**
Financing costs	(1.0)	0.9%	(0.8)	0.7%	(0.2)	+27.0%
Income before income tax	7.9	6.5%	6.8	6.1%	1.1	+15.8%
Tax expenses	(2.3)	1.9%	(2.4)	2.2%	0.1	(4.0%)
Net income	**5.5**	**4.6%**	**4.3**	**3.9%**	**1.2**	**+27.0%**
Adjusted EBITDA	22.5	18.6%	20.4	18.3%	2.1	+10.3%

Sales Q1FY2026 vs. Q1FY2025 (3 months)

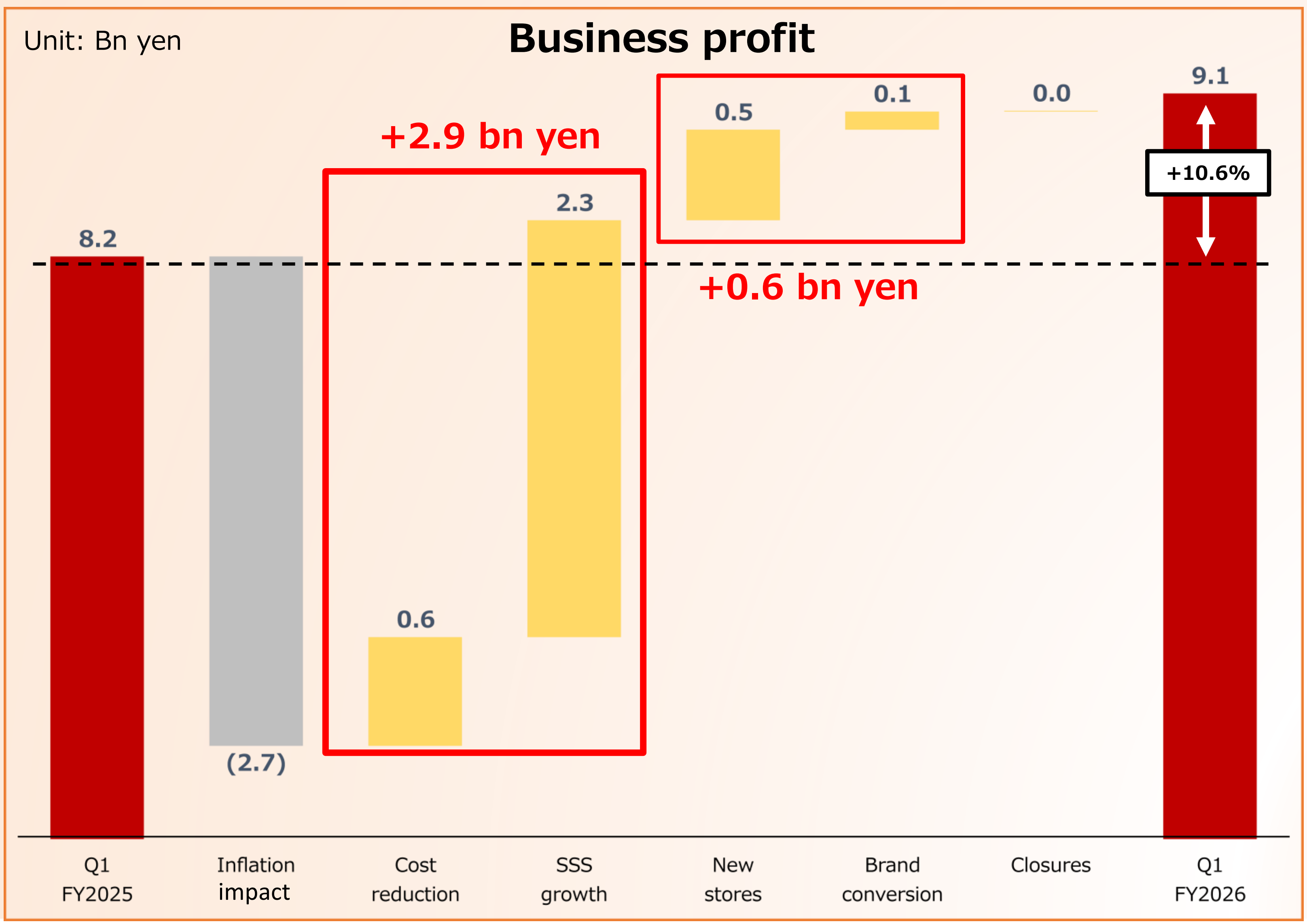
- **Sales amounted to 121.3 bn yen, up 8.6% YoY**
  - ⇒ Same-store sales increased by 5.3 bn yen, driven by growth in both traffic and ATP.
  - ⇒ New stores and brand conversions increased sales by 5.4 bn yen, significantly contributing to performance.

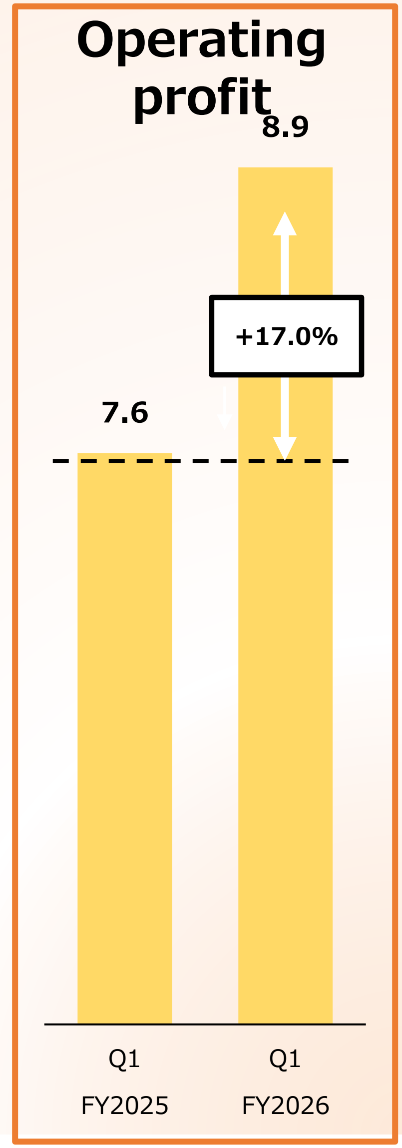


BP Q1FY2026 vs. Q1FY2025 (3 months)

・**Business profit increased 10.6% YoY (Operating profit increased 17.0% YoY)**

⇒ Despite negative impact on cost of 2.7 bn yen due to inflation, 2.9 bn yen was generated through existing-store growth and cost reduction measures, and 0.6 bn yen was generated through new stores and brand conversions, totaling 3.5 billion yen.





Consolidated Balance Sheet and Statements of Cash Flows

- BS: Strengthening financial stability by shifting to longer-term interest-bearing debt financing
- CF: Increased operating cash flow and free cash flow

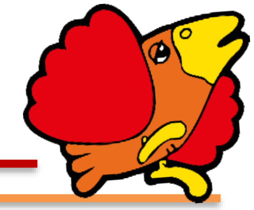
Balance Sheet (BS)

Unit: Bn yen	Q1 FY2026	FY2025	increase/ decrease
Total Assets	**521.2**	**518.5**	**2.6**
Current assets	**69.1**	**67.6**	**1.5**
Non-current assets	**452.1**	**451.0**	**1.1**
of which, goodwill	162.8	162.7	0.1
Total liabilities	**331.1**	**331.0**	**0.1**
Current liabilities	**100.5**	**105.4**	**(4.9)**
Non-current liabilities	**230.6**	**225.6**	**5.0**
interest-bearing liabilities	129.3	123.7	5.6
of which, long-term interest-bearing liabilities	114.9	109.3	5.6
Total equities	**190.1**	**187.6**	**2.5**
Equity attributable to owners of the company	**190.1**	**187.6**	**2.5**

Statements of Cash Flows (CF)

Unit: Bn yen	Q1 FY2026	Q1 FY2025	YoY
Operating cash flow	**16.0**	**12.8**	**3.2**
Investment cash flow	**(7.7)**	**(14.2)**	**6.5**
Free cash flow	**8.3**	**(1.4)**	**9.7**
Financial cash flow	**(6.9)**	**(1.0)**	**(6.0)**
Loan	**5.7**	**11.5**	**(5.9)**
Bonds	**0**	**0**	**0**
Lease debt repayment	**(9.0)**	**(8.9)**	**(0.1)**
Dividend	**(3.1)**	**(2.4)**	**(0.7)**
Others	**(0.5)**	**(1.2)**	**0.7**
Change in cash	**1.4**	**(2.5)**	**4.0**
Cash balance at beginning	**34.3**	**19.2**	**15.2**
Cash balance at closing	**35.8**	**16.7**	**19.1**

Key Financial Indicators



- **Book value per share (BPS) increased to 835.9 yen**
- **Equity ratio and net D/E ratio remained stable.**

	Q1 FY2026	[Reference] 2024	[Reference] 2025
Book value per share (BPS)	835.9 yen	762.2 yen	824.5 yen
Equity ratio	36.5%	36.8%	36.2%
Net D/E ratio	0.50 times	0.51 times	0.48 times

*BPS = equity attributable to owners of the parent (end of period) / total number of shares outstanding at end of period
*Equity ratio = equity attributable to owners of the parent (end of period) / total assets (end of period)
*Net D/E ratio = (borrowings at end of period + other financial liabilities at end of period - cash and cash equivalents at end of period - lease obligations) / total equity (end of period)

Progress on FY2026 Guidance

・**Progressing steadily toward the 2026 guidance.**

Unit: Bn yen

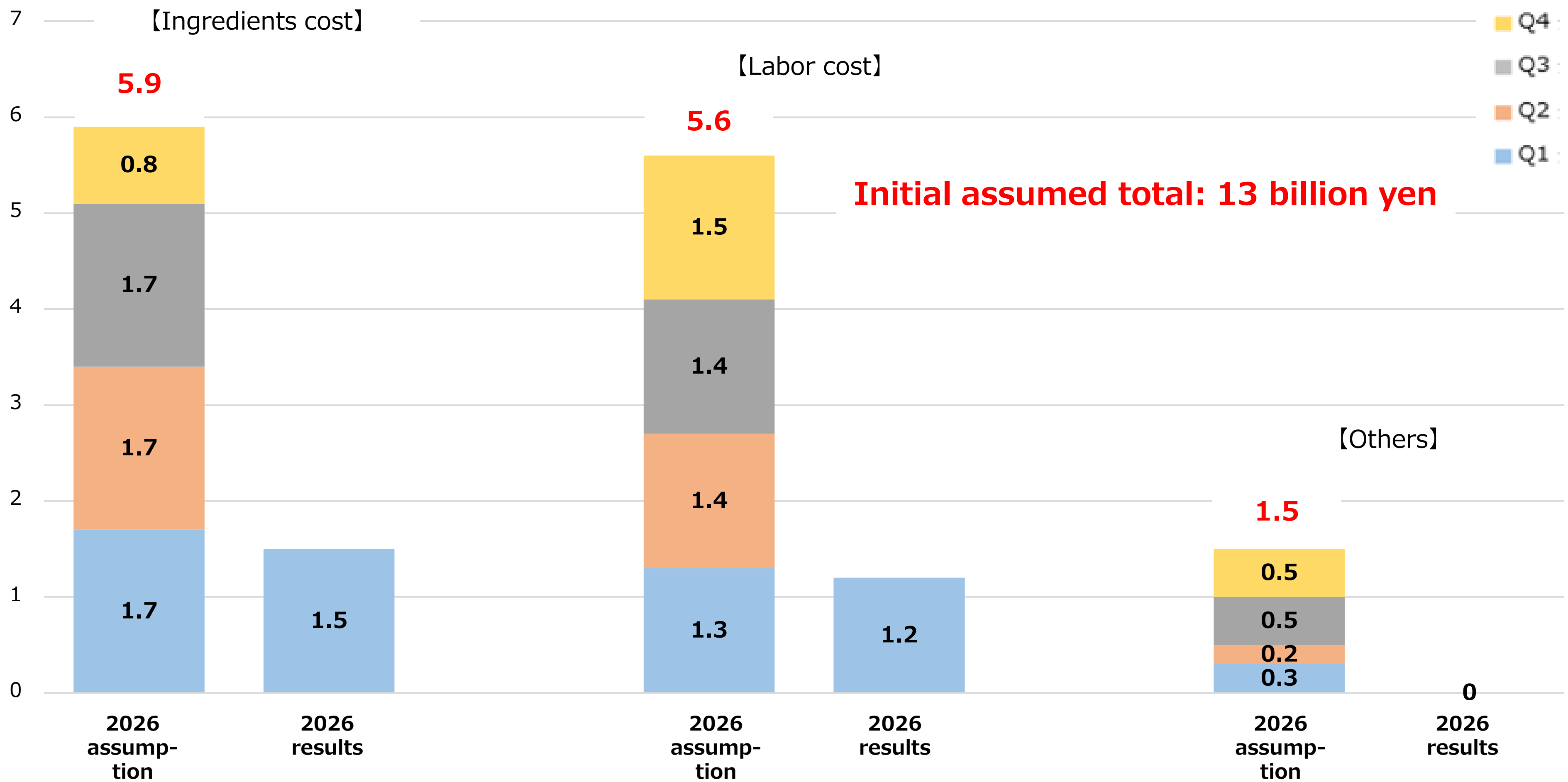
	FY2026 Q1 Results	FY2026 FY Guidance	Progress (%)
Sales	**121.3**	**490.0**	**25%**
Business profit	**9.1**	**36.0**	**25%**
Operating profit	**8.9**	**33.5**	**27%**
Income before income tax	**7.9**	**29.7**	**27%**
Net income	**5.5**	**19.5**	**28%**

【For reference】

Assumptions for FY2026 Full-Year Guidance			
Same-store sales YoY	105%	ROE	10%
Same-store traffic YoY	102%	Earnings per share (EPS)	85.71 yen
Same-store ATP YoY	103%	Dividend per share	26.00 yen
New stores	70 stores	CAPEX (including M&A)	50 bn yen
Brand conversion	50 stores	Exchange rate	JPY160/USD
Remodeling	230-240 stores	-	-

2026 Guidance Progress: Inflation Assumptions

- The impact of inflation in the first quarter was **in line with expectations**
- The impact of inflation is accelerating, and **the outlook for the annual impact may increase**.
- **We have been considering and implementing various countermeasures from an early stage,** and there is **no change to the full-year sales and profit guidance announced at the beginning of the year.**



2026 Q1 Topics

- **April 2026: Acquisition of shares in "Shinpachi Co., Ltd."**
  ⇒ Expand dried and grilled fish, a part of Japan's rich food culture, nationwide, while also considering future overseas expansion.

M&A Overview

Company name: Shinpachi Co., Ltd.
Business: Operation of Japanese-style restaurant chains
Acquisition method: Acquisition of all shares (100%)
Acquisition value: Approximately 11.0 bn yen

Recent Results

FY2025/10 Full-year results

【Performance】
Sales: 6,452 million yen
Operating profit: 76 million yen
EBITDA: 366 million yen

[Number of new stores]
End of Oct. 2025: 23
End of Oct. 2026 (plan): 29
(Total stores planned at the end of Oct. 2026: 131)
*Actively opening new stores.

Features & Strengths

- High-quality grilled fish set meals at affordable prices.
- Strong customer experience through distinctive interiors and charcoal-grilled cooking presentation.
- Broad appeal across a wide range of customer segments.
- Flexible store formats ranging from small station-front locations to regional roadside sites.

Expected Synergies

- Accelerated store expansion through collaboration with the Group's site development team.
- Reduced procurement and sourcing costs.
  - Lower costs through shared sourcing/procurement routes and use of central kitchens.
- Complement and strengthen our brand and store portfolio

2026: Our Strategy

Assumptions of the domestic economic environment and our strategy

2026 Domestic Economic Environment

- Assumptions for each indicator
  - Real GDP Growth Rate: +0.9%~1.3%
  - Inflation rate: approximately +2%
  - Wage increase: +5%
- Government Measures
  - Energy subsidies
  - Child-rearing support, etc.

Source: Cabinet Office and Bank of Japan release materials

- Autonomous economic expansion despite inflation
- In particular, **demand for dining out as an accessible leisure activity remains strong**

Our Strategy for 2026

- Promoting measures to capture **the polarization of consumption**
  - **(1) Provision of high-value-added products**
  - **(2) Improvement of experience value**

  Increase customer spending per visit

  - **(3) Enhancement of value products**

  Increase the number of customers
- **Responding to temporary cost pushes** due to the situation in the Middle East

Using SNS, etc. valid for each target promotions

2026 Main Strategy: Domestic Same-Store Growth

Main strategy: Domestic same-store growth

■ **Store-centered management (operational reform)**

・Productivity improvement through grand menu standardization

・Hospitality services ⇒ Improving customer experience value

■ **Menu and promotion strategy**

・Seasonal collaboration menus to enhance the dining experience

・IP collaborations, evolution of SNS and digital promotions

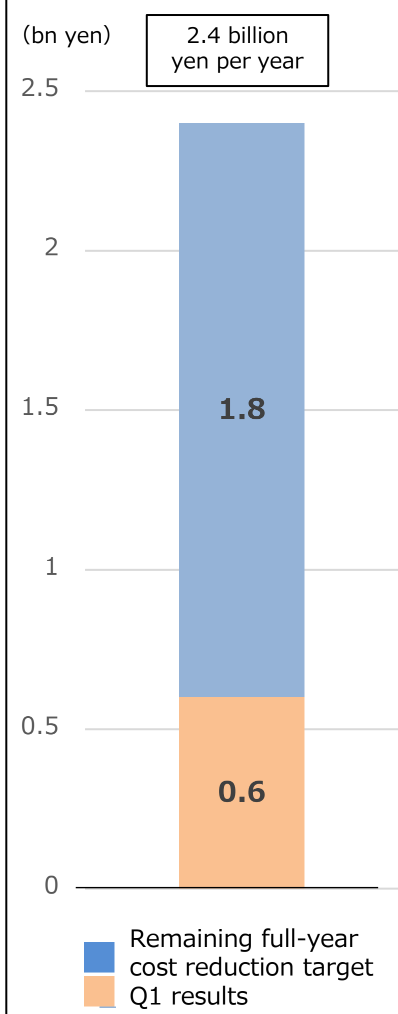
・Hybrid home delivery and expansion of same-price eat-in products

Responding to temporary cost pushes due to the situation in the Middle East - Cost reduction project -

- **Q1 cost reduction results totaled 600 million yen, achieving 25% of the annual target.**
- **Given the possibility that the full-year inflation impact may increase, we will pursue further cost reductions.**

Cost Reduction Project	**Procurement Reform**	• Price negotiations involving softening of procurement requirements and revisions to transaction terms • Supplier selection through bidding • Bulk purchasing and long-term contracts
	Production and Logistics Reform	• Improvements in manufacturing operations • Expansion of in-house production and automation • Improvements in logistics efficiency • Promotion of ingredient modularization
	Price and cost optimization	• Review of recipes and ingredients • Gross margin improvement through price optimization • Reduction of food waste at stores

Progress on cost reduction measures



2026 Growth Strategy: Accelerating M&A and Overseas Expansion

M&A Progress

(1) Sukesan Udon (acquired in October 2024)

・Number of stores in Japan

At the time of acquisition: 74 stores

⇓

Expanded to 101 stores as of the end of March 2026

・First overseas expansion

June 2026: Taiwan (Tenmu Dayeh Takashimaya Store)

(2) Shinpachi Shokudo (acquired in April 2026)

・Number of stores

At the time of acquisition: 110 stores

⇓

Planned expansion to 131 stores by the end of October 2026 (including one overseas store)

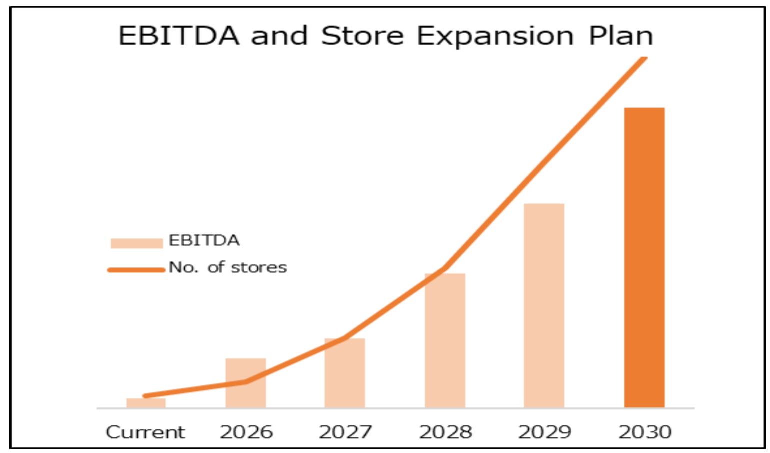
・2030 Targets

Number of stores (including overseas): More than 300 stores

EBITDA: More than 6 billion yen

Strengthening Brand Portfolio

Growth image of Shinpachi Shokudo



Accelerating Overseas Expansion

Taiwan

・Progressing steadily toward the plan to exceed 100 stores by the end of 2026

・Sukesan udon store

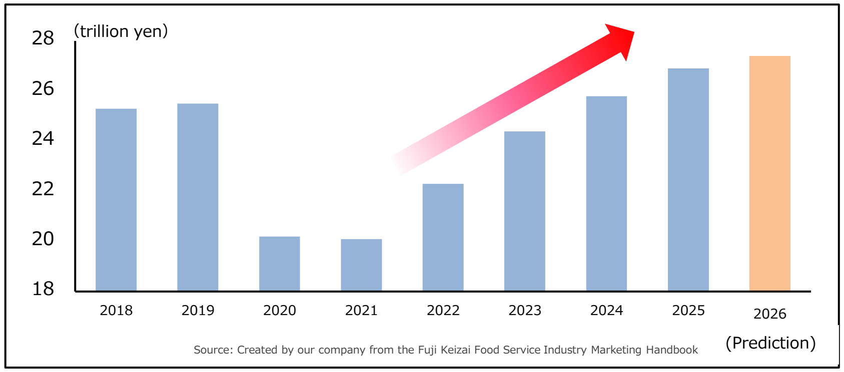
⇒ Three stores are scheduled to open during 2026

Appendix

Domestic foodservice market size and our growth potential

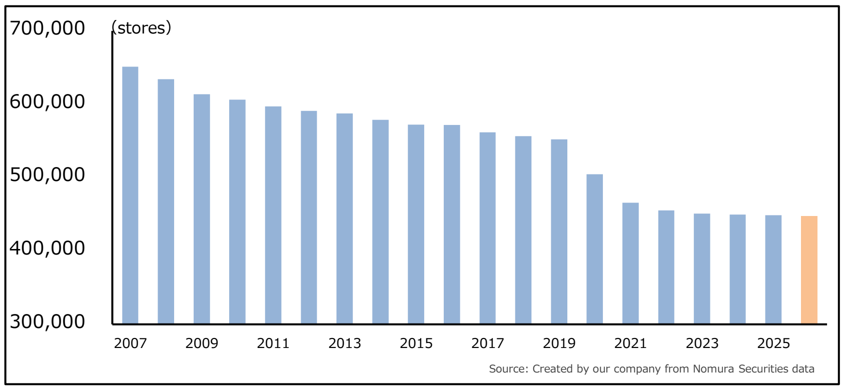
- The domestic foodservice market is growing due to the increase in dual-income households
- Decline in the number of non-chain restaurants, creating room for market share expansion

Trends in domestic foodservice market size



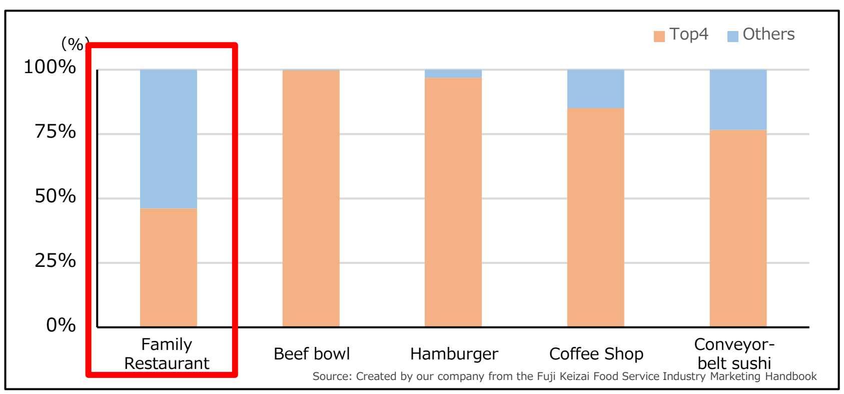
2026
The restaurant market size grew to 27 trillion yen

Trends in the number of non-chain restaurants



The number of non-chain restaurants is decreasing

Market share of top four companies by segment



The oligopoly of the family restaurant industry has not yet progressed

Significant growth potential

Progress of Medium-Term Business Plan

- **Progressing steadily toward the Medium-term Business Plan**

Item	Target values (2025-2027)	January 2025 ~ March 2026 Results (excluding same-store growth)
1. Same-store growth	Sales growth: Annual average 3-4%	**Q1 FY2026 Results: 106%** Traffic: 101% ATP: 105%
2. New stores (Japan)	Approx. 300 new stores in Japan in 3 years	**247 stores** **Existing brands** Syabu-Yo: 21 stores Gusto: 15 stores Sukesan Udon: 9 stores Others: 18 stores Total: 63 stores ➕ **M&A** Sukesan Udon: 74 stores Shinpachi Shokudo: 110 stores Total: 184 stores
3. Overseas expansion	Approx. 100 new overseas stores in 3 years	**32 stores** Taiwan: 12 stores Malaysia: 20 stores (including 13 stores by M&A)
4. Promotion of M&A	3-5 cases in 3 years	**April 2026 – Shinpachi Shokudo** 110 stores at the time of acquisition in April 2026 ⇒ **Scheduled for the end of October 2026: 131 stores** **(of which 1 overseas)** **January 2025 – SUKI-YA (Malaysia)** 13 stores at the time of acquisition in 2025 ⇒ **18 stores as of March 2026** **October 2024 – Sukesan Udon** 74 stores at the time of acquisition in 2024 ⇒ **101 stores as of March 2026** **(of which 3 overseas)**

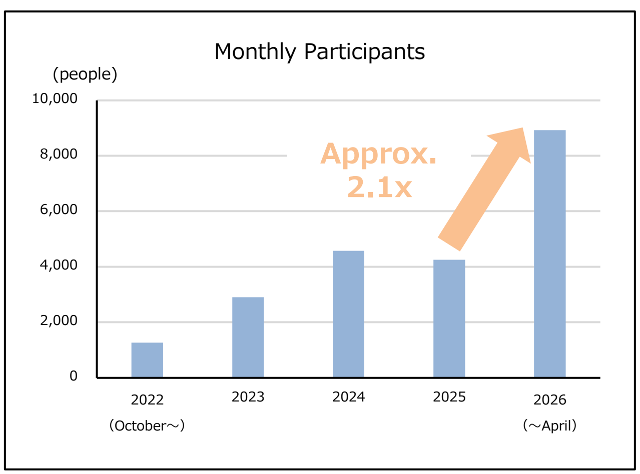
2026 Growth Roadmap – Progress on Main Strategies

- **Improve customer satisfaction through grand menu standardization, while aiming to acquire new customers and increase repeat visits through limited-time fair menus.**

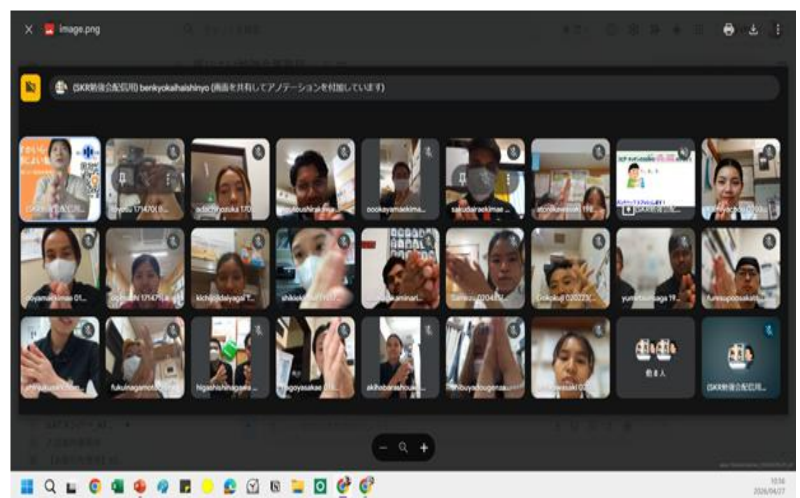
	Grand menu standardization	Promotional menus
Overview	Fixation of popular standard menus	Offering new menues tailored to customers' needs
Purpose	• Improving customer satisfaction • Improving the productivity of store operations	• Acquiring new customers • Increasing repeat visits

- **With the aim of improving customer experience through enhanced hospitality, we have strengthened online study sessions for part-time workers (hereinafter referred to as "crew members").**

Monthly participants 2.1 times that of the previous year



Study sessions specifically for global crew members have been introduced from this fiscal year.



2026 Growth Roadmap Main Strategic Progress

・Menu Promotion Strategy

Developing attractive collaboration products for target customers
Attract customers through multi-channel promotions, including SNS, influencer marketing, newspaper inserts, and banners

【Measures targeting young people】

・Collaboration with the highly popular winter ice cream brand "Yukimi Daifuku"
・Developed products designed to generate buzz on social media
⇒ Average spending per customer increased by approximately 3% during the campaign period

【Measures targeting a wide range of customers】

・Collaboration with the popular restaurant brand "Yamaya"
・Further enhanced the "Yamaya-supervised Motsu Nabe" collaboration menu
① Introduced increased portions of motsu in response to strong customer demand from the previous year
② Expanded topping options
⇒ Average spending per customer increased by approximately 1% during the campaign period

---

・Expansion of home delivery: Implementation of measures to improve sales and profit margins

2025 : Switch to external delivery
・At some stores, deliveries ordered through our own website were switched from in-house delivery to external delivery providers to reduce costs.

→ **Improving profitability**

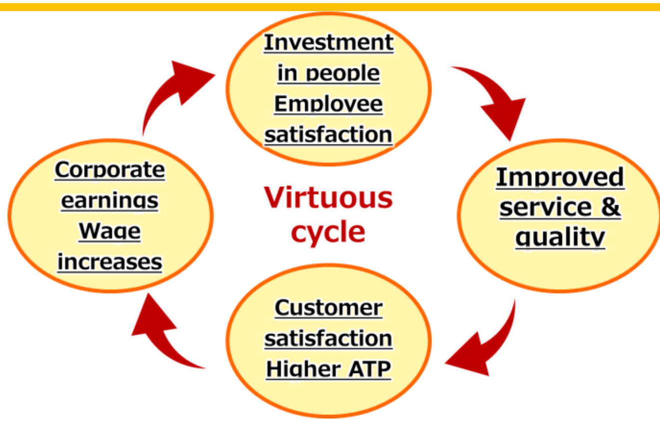
2026 : Development for Hybrid Home Delivery
・Both in-house and external delivery personnel are utilized.
・AI-based optimization of in-house and external delivery personnel allocation
・Trials are being conducted at high-order-volume stores
⇒ Aiming to shorten delivery times and increase order volume

→ **+ Increasing sales**

Store Centered Management

・Promoting a store-centered management to create a virtuous cycle of growth

Virtuous cycle in management



Concept of "Store Centered Management"

Concrete efforts for "Store Centered Management"

Strengthening management capabilities

1. Revised manager evaluation system
2. Updated manager grading framework
3. Introduction of performance-based incentives
4. Expanded authority for managers regarding crew member evaluations

Recruitment, training, and retention initiatives

1. Enhanced OJT training
2. Review of crew evaluation system
3. Introduction of a crew point system
4. Monthly online training sessions for crew members

DX Initiatives ⇒ Productivity improvement

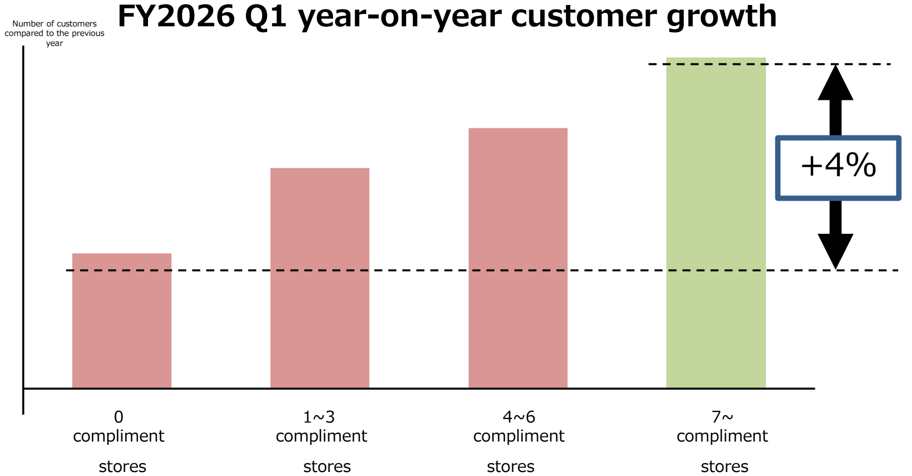
1. Introduction of CU time※1
2. Implementation of a schedule management app
3. Introduction of spot crew system※2
4. Implementation of product management system
5. Installation of self-checkout counters
6. Automation of store PC closing process
7. Installation of table clearing display boards

*1 Clean-up time: time from last customer leaving to next customer seating
*2 Spot crew system: Company's on-demand staffing feature

Store-centered management effect

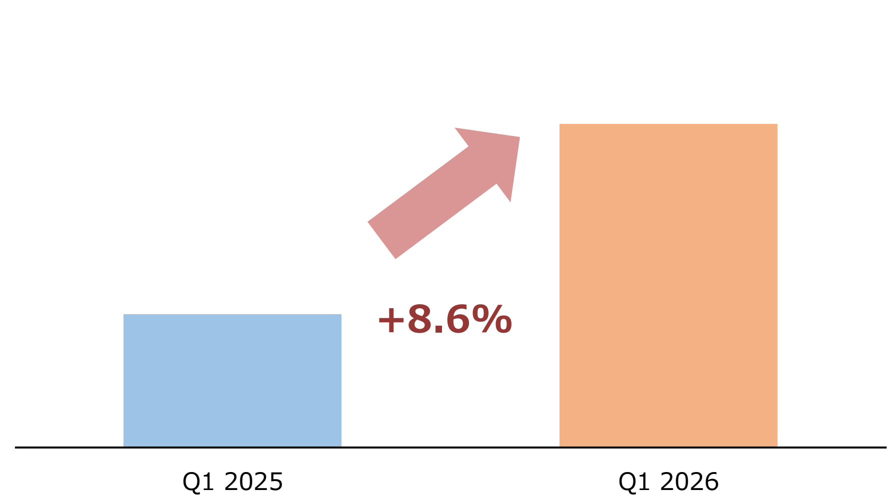
- **Stores with more customer compliments tend to achieve higher year-on-year customer growth.**
  ⇒ Significant increase in sales, business profit margin, and operating profit margin

Number of customer compliments and FY2026 Q1 year-on-year customer growth

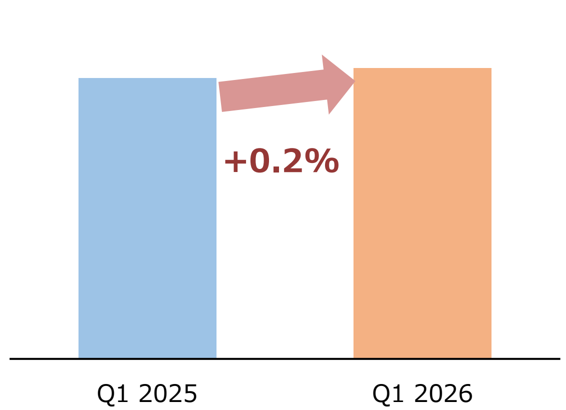


*Includes all brands of Skylark Restaurants Co., Ltd.

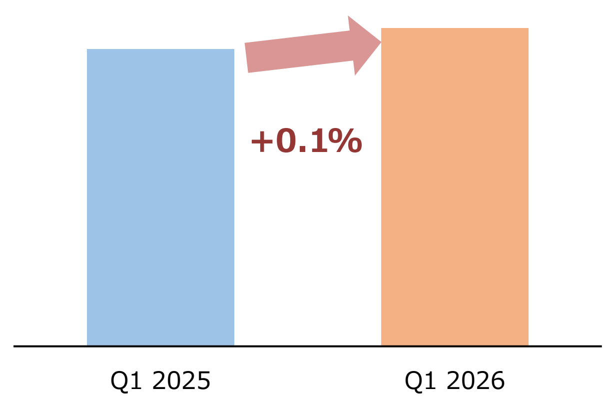
Sales



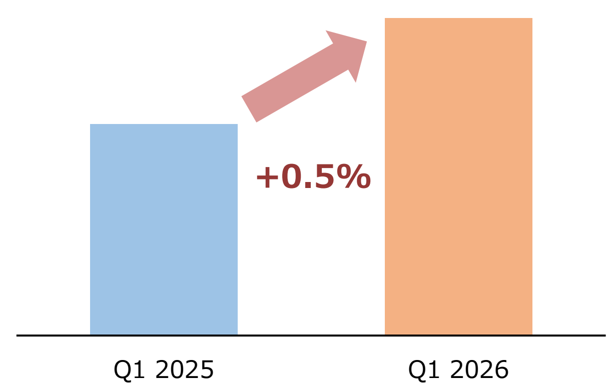
Labor Cost



Business profit margin

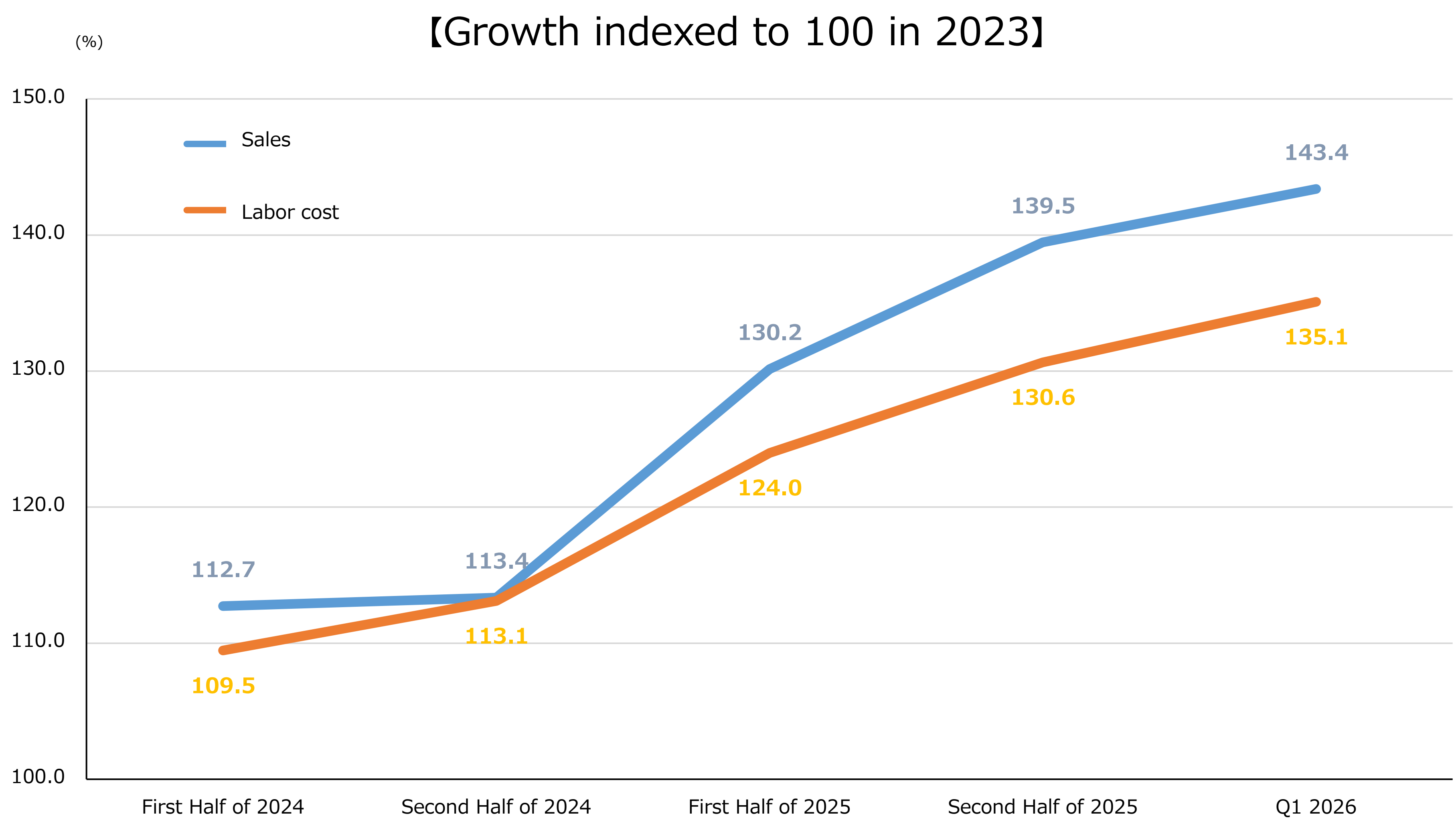


Operating margin



Sales and labor costs

・**Sales grew steadily due to human resource investments in previous fiscal years**

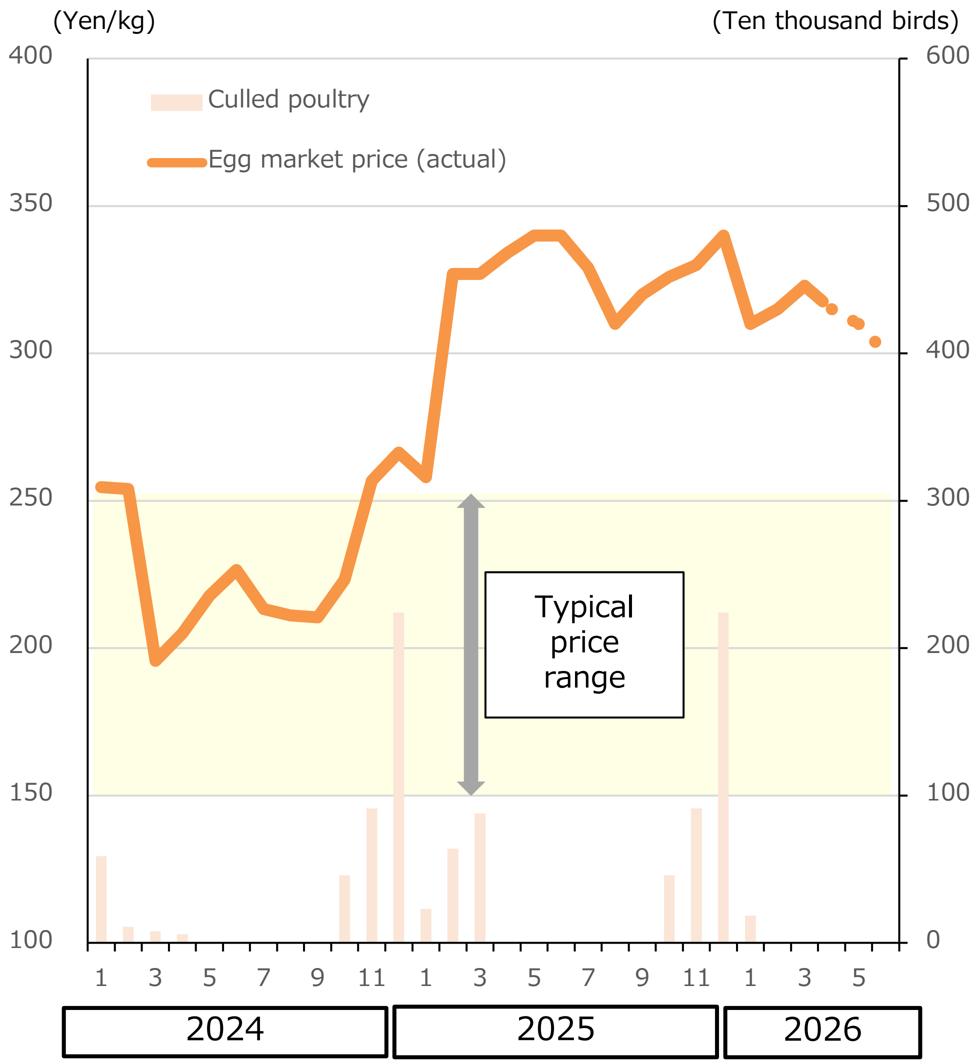


*Q1 FY2026 compared with Q1 FY2023

Inflation Trends (Eggs & Chicken)

【Egg Prices】

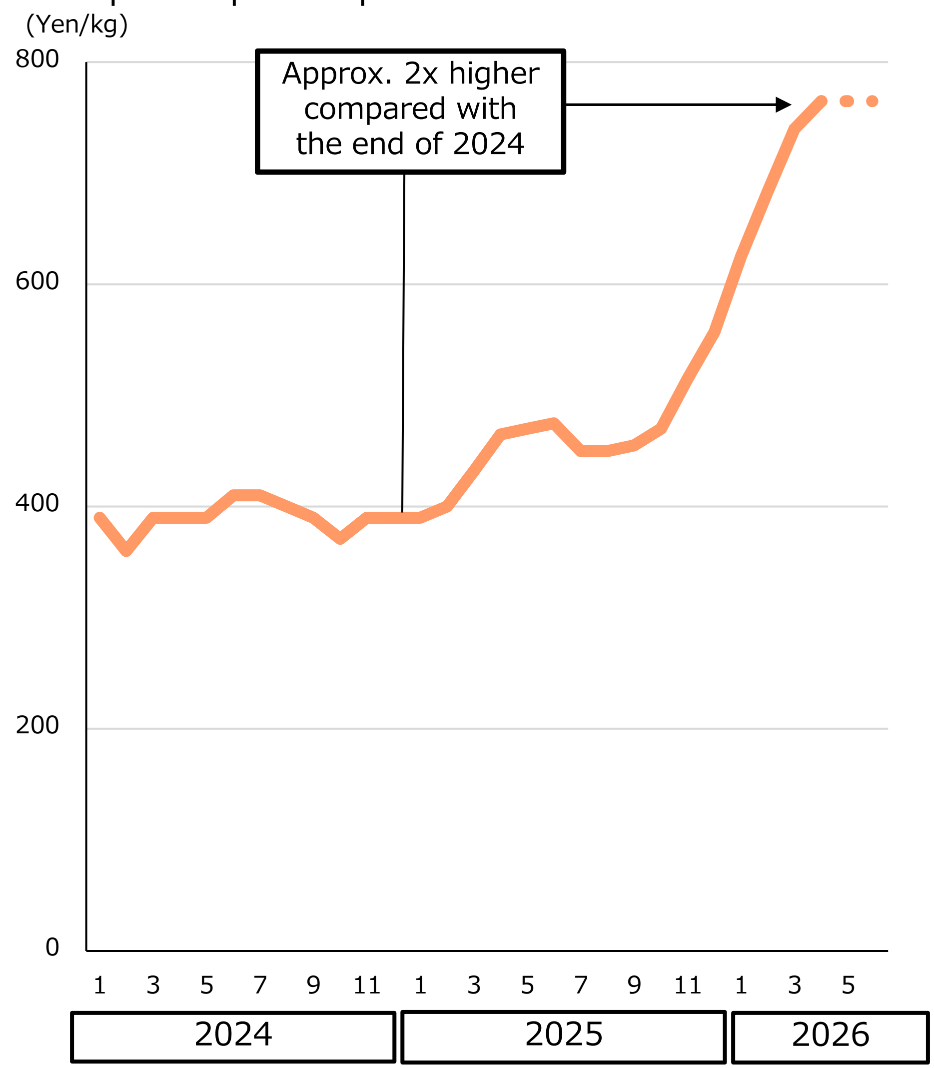
Prices remain near record highs due to supply shortages caused by avian influenza and higher feed costs



*Source: ja.z-tamago. Co., Ltd.

【Chicken Prices】

- Higher feed and logistics costs have been passed on to prices
- Chicken demand increased following the suspension of Spanish pork imports



* Source: Agriculture & Livestock Industries Corporation (ALIC)

2026 Countermeasures to inflation

- **In addition to further improving customer experience value, we will leverage the Skylark Group's strengths, including its wide range of brands and vertically integrated supply chain, to secure sales and profits amid inflation.**

Measures to increase sales

- Fair menus, small plates, and topping menus that meet customer needs
- Product planning that meets the needs of a wide range of customers (including collaborations with characters and well-known chefs/restaurants)
- Appropriate pricing strategy in consideration of the market environment
- Optimizing operations through grand menu standardization Improving table turnover by reallocating resources to floor services
- Responding to diverse demand through a broad brand portfolio (including conversion)
- Improving customer satisfaction through aggressive investment in human resources

Cost Reduction Measures

- Fundamental cost reductions through a multifaceted approach combining bidding, bulk purchasing, and long-term contracts
- Leverage a vertically integrated supply chain model to control costs in-house
- Variable cost of home delivery (effective use of external delivery)

FY2026 Store Development Summary (by Brand)

- **5 new stores, mainly Syabu-Yo, Gusto, Sukesan Udon, and SUKI-YA**
- **14 brand conversions, mainly Sukesan Udon and Syabu-Yo**
- **As of the end of April, 110 Shinpachi Shokudo stores are added**

Brand	New stores	Brand conversion (+)	Brand conversion (-)	Closure	End of March 2026	Remodeling
Gusto	1	-	(7)	(6)	1,226	24
Bamiyan	1	-	-	-	370	8
Syabu-Yo	2	2	-	(1)	327	-
Yumean	-	-	(2)	(1)	173	5
Jonathan’s	-	-	-	-	157	8
Musashinomori Coffee	-	-	-	-	83	-
Steak Gusto	-	-	(3)	-	70	-
Chawan	-	-	-	-	30	-
Tonkaratei	-	-	(1)	(4)	23	-
FLO Prestige	-	-	-	(4)	118	-
Sukesan Udon	-	7	-	-	101	-
Jyu-Jyu Karubi	-	-	(1)	(1)	44	-
Taiwan Skylark	-	-	-	-	89	2
SUKI-YA	1	-	-	-	18	-
Others	-	5	(4)	-	270	3
Group total	5	14	(18)	(17)	3,099 12 decreased from the end of FY2025	50

*The difference between brand conversions (+) and (−) reflects temporary store closures due to construction work associated with the conversions
*As of the end of March 2026

Active store development

・With the addition of Shinpachi Shokudo to the group, new store development has accelerated

[Store distribution]	High-density commercial areas	Major metropolitan private railway lines	Regional city station fronts	Shopping centers	Roadside locations	Total
2019	3.1%	12.5%	-	6.3%	78.1%	100.0%
2026 plan	8.0%	34.0%	12.0%	34.0%	12.0%	100.0%
Potential store locations	857 stores			126 stores	521 stores	1,504 stores

*Existing brands only

	High-density commercial areas	Major metropolitan private railway lines	Regional city station fronts	Shopping centers	Roadside locations
Key brands considered for new store openings	ガスト, バーミヤン, しゃぶ葉, ジョナサン, chawan, 魚屋路, TOMATO & ONION, じゅうじゅうカルビ, PERTICA, しんぱち食堂	ガスト, バーミヤン, 夢庵, とんから亭, から好し, 八郎そば, じゅうじゅうカルビ, しんぱち食堂	ガスト, バーミヤン, しゃぶ葉, chawan, むさしの森珈琲, しんぱち食堂	ガスト, バーミヤン, しゃぶ葉, ジョナサン, 夢庵, chawan, くし葉, Festa Garden, 包包點心, しんぱち食堂	しゃぶ葉, TOMATO & ONION, PERTICA, とんから亭, じゅうじゅうカルビ, から好し, しんぱち食堂

ESG Initiatives

Categories	Progress in Q1 FY2026
Decarbonization	• Expanded cumulative solar power installations to 1,100 facilities. • Already exceeded the 2026 KPI target of 900 facilities. 
Biodiversity	• First restaurant company in Japan to disclose TNFD-based nature-related information in its annual securities report.
ESG Recognition	• First restaurant company in Japan selected for the global ESG equity index “Dow Jones Best-in-Class World Index.” • Received double A List recognition for both “Climate Change” and “Water Security” from global environment NGO CDP for the second consecutive year. • First restaurant company to receive the Bronze Award in the Environmentally Sustainable Company category at ESG Finance Awards Japan organized by the Ministry of the Environment.

Disclaimer

This document is prepared for general publication of information concerning Skylark Holdings Co., Ltd. (“Skylark”) and will not constitute an offer to sell or a solicitation of an offer to buy shares of Skylark’s common stock or any other securities issued by it.

Any information related to market trends or industries mentioned in this document is based on information available at present, and Skylark does not guarantee the feasibility, accuracy, or reasonableness and completeness of this information. Skylark disclaims any obligation to update any information contained herein.

Any plan, estimation, calculation, quotation, evaluation, prediction, expectation or other forward-looking information in this document is based on the current assumptions and beliefs of Skylark in light of the information currently available to it, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors include, without limitation: economic conditions, trends in the market for food industry, shifts in customer preferences and fluctuations in the price of raw materials.

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.