CHIKARA NO MOTO

Consolidated Financial Report
for the Fiscal Year Ending March 31, 2026
(Japanese GAAP)

May 14, 2026

Company:	Chikaranomoto Holdings Co., Ltd.		Tokyo Stock Exchange
Stock Code:	3561		
URL:	http://www.chikaranomoto.com/		
Representative:	(Title) President and CEO	(Name) Tomoyuki Yamane	
Contact:	(Title) IR Manager	(Name) Yoshitaka Fujisawa	Tel: +81-(0)3-6264-3899

Scheduled date of the ordinary general meeting of shareholders:	June 29, 2026
Scheduled start date of dividend payment:	June 8, 2026
Scheduled date of submission of annual securities report:	June 26, 2026
Preparation of Supplementary Explanation Material for Financial Results:	Yes
Presentation Meeting for Financial Results (for institutional investors and analysts):	Yes

1 . Financial Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Rounded down to the nearest Million JPY)

(1) Results of Consolidated Operations

(% indicates variance from the previous fiscal year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
FY2025-26	36,261	6.1	2,325	△17.3	2,582	△9.1	1,829	4.0
FY2024-25	34,166	7.5	2,809	△14.8	2,841	△18.5	1,758	△19.6

Note: Comprehensive Income FY2025-26 1,995 Million JPY (-5.5%) FY2024-25 2,112 Million JPY (-12.0%)

	Earnings per share	Earnings per share after adjusting for dilution	Return on Equity	Return on Assets	Operating margin
	JPY	JPY	%	%	%
FY2025-26	60.78	60.77	16.1	13.4	6.4
FY2024-25	58.35	58.32	17.6	15.9	8.2

(2) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio	Net Equity Per share
	Million JPY	Million JPY	%	JPY
FY2025-26	20,071	12,112	60.3	402.34
FY2024-25	18,541	10,661	57.5	354.42

Reference : Shareholders' Equity FY2025-26 12,112 Million JPY FY2024-25 10,661 Million JPY

（3）Consolidated Cash Flow

	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash and Equivalents
	Million JPY	Million JPY	Million JPY	Million JPY
FY2025-26	2,778	△1,232	△1,120	7,001
FY2024-25	3,083	△1,588	△828	6,497

2．Dividends

	Dividends per share (annual)					Total Dividends	Payout Ratio	Dividend over Equity
	Q1	Q2	Q3	Q4	Total			
	JPY	JPY	JPY	JPY	JPY	Million JPY	%	%
FY2024-25	-	9.00	-	9.00	18.00	545	30.8	5.4
FY2025-26	-	10.00	-	10.00	20.00	604	32.9	5.0
FY2026-27 (Forecast)	-	12.00	-	12.00	24.00		40.3	

3．Forecast of Consolidated Operating Performance for the FY 2026-27 (April 1, 2026 to March 31, 2027)

(% indicates variance from the previous year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company		Earnings per share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	JPY
Half year (up to Q2)	19,152	10.7	930	△2.7	957	△3.4	626	△37.8	20.67
FY2026-27	40,125	10.7	2,595	11.6	2,638	2.2	1,807	△1.2	59.61

Notes

(1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates, and restatement of error corrections:

1) Changes in accounting policies arising from revision of accounting standards: None

2) Changes in accounting policies due to reasons other than 1): None

3) Changes in accounting estimates: None

4) Restatement of prior period financial statements after error correction: None

(3) Number of Shares Issued (Common stock)

① Number of shares issued at the end of the period (including treasury stock)	As of March 31,2026	30,318,000 Shares	As of March 31,2025	30,308,000 Shares
② Number of treasury stock at end of period	As of March 31,2026	212,258 Shares	As of March 31,2025	226,498 Shares
③ Average number of shares during the period	FY2025-26	30,093,860 Shares	FY2024-25	30,128,017 Shares

Note: The total number of treasury shares at the end of period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (at the end of FY2025-26 77,780 shares and at the end of the previous fiscal year 81,020 shares), the Board Benefit Trust (at the end of FY2025-26 62,100 shares and at the end of the previous fiscal year 73,100 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (at the end of FY2025-26 145,104 shares and at the end of FY2024-25 154,825 shares).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025-26	2,174	(26.6)	276	(78.1)	578	(56.8)	709	(44.2)
FY2024-25	2,961	59.6	1,261	646.6	1,338	223.9	1,270	386.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025-26	23.57	23.57
FY2024-25	42.17	42.15

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2025-26	10,100	7,332	72.6	243.56
FY2024-25	10,186	7,167	70.4	238.27

Reference:Owner's equity As of March 31, 2026 7,332Millions of yen As of March 31, 2025 7,167Millions of yen

These consolidated financial reports (Tanshin) are exempt from the audit procedures by certified public accountants or audit firms.

Cautionary Statement on the forecast of consolidated financial performance and other notes

(Cautions concerning forward-looking statements)

Performance forecasts presented herein are based on the information available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") as of the date of this document. Accordingly, there remains the possibility that the actual performance results may differ from projections.

(Supplementary Explanation Material)

Supplementary Explanation Material are available via TDnet on the same day.

Qualitative Information regarding the current quarterly financial results: The following forward-looking statements are based on the information available to the Company at the end of the current consolidated financial period.

(1) Summary of Operating Results:

During the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), the global economy remained uncertain, with continued headwinds from persistently high raw material and energy prices stemming from the Russia-Ukraine and Middle East conflicts, rising labor costs driven by wage increases and a shrinking workforce, and concerns over a global economic slowdown arising from inflationary pressures linked to U.S. tariff policies.

In the food service industry, to which our Group belongs, domestic economic activity has been gaining momentum due to resilient inbound consumption, particularly from East Asia, Europe, and Australia, as well as a recovery in personal consumption supported by improved income conditions. However, the industry continues to face a challenging economic environment due to a visible decline in Chinese inbound tourism, rising raw material and energy prices, increased import costs stemming from the prolonged weak yen, concerns over economic slowdown driven by soaring prices, and rising labor costs from labor shortages. Overseas, geopolitical instability has continued to drive up the prices of raw materials and energy. While major economies have begun shifting toward interest rate cuts, concerns over inflation driven by U.S. tariff policies continue to require close monitoring, as is the case domestically.

Amid such an environment, under our corporate philosophy "Keep Changing to Remain Unchanged," our core brand IPPUDO celebrated its 40th anniversary on October 16, 2025, with the continued support of our customers and stakeholders. In the domestic market, new store openings have progressed steadily. Customer traffic was supported by an increase in store-specific menu offerings, sales of seasonal signature items such as "Futo Tsukemen," "Hiyakake Chuka Soba," "Abura Soba," "Miso Akamaru," and "Malatama," the launch of 40th-anniversary commemorative items including "High-Brix Ramen," "U400," and various collaboration ramen, as well as increased media exposure. In April 2025, Inaba Udon marked its first expansion outside Fukuoka Prefecture with the opening of "Inaba Udon Harakado" in Harajuku, Tokyo, and in December 2025, IPPUDO opened its first location in Kagoshima Prefecture, "Amu Plaza Kagoshima," both of which received significant media coverage. Although base wage increases for employees have been implemented, the Group has not raised prices for approximately two and a half years since the price revision and product renewal in October 2023. To further enhance QSC (Quality, Service, and Cleanliness) and improve profitability, starting in April 2026, the Group established "Genba-ryoku Suishin Blocks" (field capability promotion units) targeting 9 stores with the aim of strengthening customer service and kitchen operations. Through improved customer service and in-store soup preparation, the Group aims to enhance customer satisfaction and employee skills, while also creating new store value and improving profitability through DX initiatives such as the introduction of automated fried rice cookers.

Internationally, inflation continues to drive up costs for raw materials, labor, and rent. Economic conditions remain unstable across various regions, leading to a decline in consumer sentiment toward dining out. In addition, record-breaking extreme weather events and deteriorating public safety due to demonstrations have negatively impacted customer traffic at several key location's year-on-year. Separately, the Group organized 40th-anniversary commemorative events across multiple countries. During the period, the Group focused on improving existing stores and refining its business model and making prudent decisions regarding new store openings. Cost-reduction initiatives, including shift optimization and a review of raw material usage, have begun to yield measurable benefits. Furthermore, the Group has pursued business expansion into new regions and markets, including the opening of its first store in Spain in September 2025 and the launch of a halal-format restaurant "Ramen Mania" in Indonesia in October 2025. To support further global expansion, the Group is advancing human resource development through overseas training programs.

In the Merchandising segment, we renewed our flagship product, Ippudo souvenir ramen. We continued to strengthen B2B sales of Ippudo-related products in Japan, while overseas, we commenced transactions with mass retailers in the U.S., Taiwan, and South Korea for plant-based "Shiro-maru" and "Aka-maru" dry noodles, catering to diverse dietary preferences. We will continue to strengthen our presence in existing markets while expanding sales channels into new countries.

As of the end of the fiscal year ended March 31, 2026, the Group operated a total of 317 stores (173 domestic, 144 overseas), marking a net increase of 21 stores (domestically +17, internationally +4).

As a result, revenue for the fiscal year ended March 31, 2026, reached ¥36,261 million (+6.1% YoY), operating profit was ¥2,325 million (-17.3% YoY), ordinary profit was ¥2,582 million (-9.1% YoY), and net profit attributable to owners of the parent was ¥1,829 million (+4.0% YoY).

Segment Results

(Domestic Store Operations)

In the domestic store operations segment, we opened 12 new "IPPUDO" locations and 1 "Inaba Udon" location, while closing 4 "IPPUDO" locations. Through an acquisition, 6 stores were added under the "Kaede" brand and 2 under the "Kanade" brand. Additionally, 1 "RAMEN EXPRESS" location and 1 "Najimatei" location were rebranded as "IPPUDO," while 1 "IPPUDO" location was converted to the "Najimatei" brand. As a result, the total number of domestic stores at fiscal year-end was 173, representing a net increase of 17 stores compared to the previous fiscal year-end. The Group is expanding its store coverage to new regional areas in line with trade area developments.

The segment benefited from increased foot traffic driven by a recovery in personal consumption amid improved income conditions, as well as resilient inbound consumption from East Asia, Europe, and Australia. Steady new store openings, the launch of 40th-anniversary commemorative limited-edition ramen, an increase in seasonal limited-time offerings, and greater media exposure contributed to customer acquisition. However, a visible decline in Chinese inbound tourism, rising costs for raw materials, logistics, and labor, as well as a decrease in existing store customer traffic due to extreme summer heat and lingering late-summer heat, led to a deterioration in operating profit. To further enhance QSC (Quality, Service, and Cleanliness) and improve profitability, starting in April 2026, the Group established "Genba-ryoku Suishin Blocks" at nine stores, combining improvements in customer service and in-store soup production with DX initiatives such as automated fried rice cookers, aiming to create new store value and improve the operating profit margin.

As a result, net sales for the segment were ¥17,417 million (+12.0% YoY), and segment profit was ¥1,447 million (- 6.5% YoY).

(International Store Operations)

In the international store operations segment, we opened 2 stores in Singapore, 2 in Australia, 2 in the U.S., 2 in Taiwan, 2 in Thailand, 1 in the United Kingdom, 1 in Indonesia, 1 in Spain, 1 in China, 1 in the Philippines, and 1 in Vietnam. On the other hand, we closed 2 stores in Hong Kong, 2 in China, 2 in Thailand, 2 in Taiwan, 1 in the U.S., 1 in Indonesia, 1 in Malaysia, and 1 in Myanmar. Additionally, 1 "IPPUDO" location in the U.S. was converted to the "ippudo V" brand, and 1 "IPPUDO" location in Thailand was converted to the "Ramen Neo" brand. As a result, the total number of overseas stores at fiscal year-end was 144, representing a net increase of 4 stores compared to the previous fiscal year-end.

During the relevant period for this segment (January 1 to December 31, 2025), inflation continued to drive up raw material costs, wages, and rents. In response, the Group implemented price adjustments, menu changes, and staffing reviews to reduce costs. However, a slowdown in global economic growth, persistently high energy and logistics costs due to geopolitical factors, abnormal weather conditions, and declining public safety contributed to a decrease in customer traffic and a year-on-year decline in revenue, resulting in a deterioration in the operating profit margin. Initial costs associated with entering new countries and developing new areas, as well as delays in planned new store openings, also negatively impacted operating profit. The Group opened its first "IPPUDO" store in Spain as a new country and launched the new halal-format brand "Ramen Mania" in Indonesia. The Group will continue to monitor trade developments and market needs in each country and will consider new store openings and brand strategies accordingly.

As a result, net sales for the segment were ¥14,427 million (-1.8% YoY), and segment profit was ¥870 million (- 22.6% YoY).

(Merchandising Segment)

In the Merchandising segment, we renewed our flagship product, Ippudo souvenir ramen, and worked to enhance brand recognition and expand sales channels through collaborative products with convenience stores and food manufacturers. Overseas, we commenced transactions with mass retailers in the U.S., Taiwan, and South Korea. We will continue to expand the lineup and sales channels of our core Ippudo-related products and develop new transactions in additional countries.

As a result, net sales for the segment were ¥4,416 million (+12.7% YoY), and segment profit was ¥562 million (+9.6% YoY).

The total number of store by segment, country / region and brand are indicated in the below.

Segment	Conutry / Rgion	Brand	Number of stores at the end of the previous year		Increase / Decrease	Number of stores at the end of year	
				Of which licensed stores			Of which licensed stores
Domestic Store Operations	Japan	IPPUDO	134	25	+9	143	26
		RAMEN EXPRESS	9	-	△1	8	-
		Inaba Udon	8	-	+1	9	-
		Other.	5	1	+8	13	1
Domestic Total			156	26	+17	173	27
International Store Operations	USA	IPPUDO	7	-	-	7	-
		Other.	3	-	+1	4	-
	Singapore	IPPUDO	13	-	+2	15	-
		IPPUDO EXPRESS	1	-	-	1	-
	China(including Hong Kong)	IPPUDO	13	13	△3	10	10
		Other.	1	1	-	1	1
	Taiwan	IPPUDO	19	-	-	19	-
	Australia	IPPUDO	9	3	+2	11	3
		Other.	2	-	-	2	-
	Malaysia	IPPUDO	12	12	△1	11	11
	Thailand	IPPUDO	24	24	△3	21	21
		Other.	1	1	+3	4	4
	Philippines	IPPUDO	11	11	+1	12	12
	Indonesia	IPPUDO	8	-	△1	7	-
		Other.	-	-	+1	1	-
	United Kingdom	IPPUDO	4	-	+1	5	-
	France	IPPUDO	5	-	-	5	-
	Myanmar	IPPUDO	2	2	△1	1	1
	Vietnam	IPPUDO	3	3	+1	4	4
	New Zealand	IPPUDO	2	2	-	2	2
	Spain	IPPUDO	-	-	+1	1	-
International Total			140	72	+4	144	69
Group Total			296	98	+21	317	96

(2) Summary of Financial Position for the Year Ended March 31, 2026

(Assets)

As of the end of the fiscal year, total assets amounted to ¥20,071 million, an increase of ¥1,530 million from the previous fiscal year-end. This was mainly attributable to an increase of ¥438 million in cash and deposits, an increase of ¥123 million in inventories, an increase of ¥268 million in property, plant and equipment, and an increase of ¥248 million in lease deposits and guarantee deposits.

(Liabilities)

Total liabilities amounted to ¥7,958 million, an increase of ¥79 million from the previous fiscal year-end. This was mainly attributable to increases of ¥85 million in notes and accounts payable, ¥85 million in other payables, ¥371 million in income taxes payable, and ¥104 million in the provision for shareholder benefit programs, together with a decrease of ¥553 million in interest-bearing debt.

(Net Assets)

Total net assets stood at ¥12,112 million, an increase of ¥1,451 million from the previous fiscal year-end. The equity ratio was 60.3%. This was mainly attributable to an increase of ¥1,829 million in retained earnings resulting from the net income attributable to owners of the parent, and an increase of ¥2 million in capital stock and capital surplus due to the exercise of stock acquisition rights. In addition, foreign currency translation adjustments increased by ¥164 million. These increases were partially offset by a decrease of ¥574 million in retained earnings due to dividend payments and a disposal of treasury shares amounting to ¥27 million.

(3) Overview of Cash Flows

As of the end of the fiscal year, cash and cash equivalents amounted to ¥7,001 million, an increase of ¥503 million compared to the end of the previous fiscal year. The cash flow details are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,778 million (compared to ¥3,083 million in the previous fiscal year). Major sources included ¥2,641 million in income before income taxes, ¥941 million in depreciation, and ¥214 million in impairment losses, while major uses included ¥486 million in income tax payments.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥1,232 million (compared to ¥1,588 million in the previous fiscal year). This was primarily due to ¥1,341 million in payments for time deposits and ¥1,436 million in payments for the acquisition of tangible fixed assets related to new store openings, partially offset by ¥1,383 million in proceeds from the withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,120 million (compared to ¥828 million in the previous fiscal year), mainly due to ¥548 million in payments for repayment of long-term borrowings and ¥574 million in dividend payments.

(4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Our basic policy is to provide stable and continuous returns to shareholders while taking into consideration the need for internal reserves to support future business development and strengthen our management foundation.

Our basic policy is to pay dividends twice a year—interim and year-end. According to Article 459, Paragraph 1 of the Companies Act, the Company’s Articles of Incorporation stipulate that dividends and other matters related to surplus may be decided by a resolution of the Board of Directors.

The year-end dividend for the current fiscal year is ¥20 per share of common stock. Of this amount, an interim dividend of ¥10 per share was paid on December 8, 2025, and a year-end dividend of ¥10 per share is scheduled to be paid.

For the fiscal year ending March 31, 2027, in accordance with the above policy, we plan to pay an ordinary dividend of ¥22 per share (interim dividend of ¥11, year-end dividend of ¥11), along with a special commemorative dividend of ¥2 per share (interim dividend of ¥1, year-end dividend of ¥1) to mark the Company's 40th anniversary, bringing the total planned dividend to ¥24 per share (interim dividend of ¥12, year-end dividend of ¥12). The ordinary dividend represents the fifth consecutive year of dividend increases. In determining dividend levels, we will make a comprehensive assessment of the appropriate level commensurate with the scale of our equity, taking into account not only the payout ratio but also DOE (Dividends on Equity).

The Company has previously navigated phases of business expansion combining rapid growth with large-scale investment. When accelerating the renewed growth of our overseas and other businesses, we intend to direct capital actively toward growth investments. In such cases, dividend levels may be lower than at present; however, we believe that business expansion will lead to the maximization of shareholder value over the medium-to-long term. Our sound financial foundation — with an equity ratio of 60.3% and a low level of interest-bearing debt — enables us to fund growth investments through low-cost borrowings, and we have no intention of issuing new shares in a manner that would result in dilution.

(5) Outlook for the future

In the global economy, persistently high raw material and energy prices stemming from the Russia-Ukraine and Middle East conflicts, rising labor costs driven by wage increases and a shrinking workforce, uncertainty surrounding U.S. trade policies, logistics risks related to the Strait of Hormuz, and concerns over economic slowdown are expected to keep the outlook uncertain.

In the food service industry, while inbound consumption from East Asia, Europe, and Australia remains resilient and personal consumption is recovering amid improved income conditions, a visible decline in Chinese inbound tourism, rising raw material and energy prices, increased import costs due to the prolonged weak yen, concerns over economic slowdown from soaring prices, and rising labor costs from labor shortages continue to create a challenging environment.

Against this backdrop, in Japan, the Group aims to grow its business and increase the value it provides by actively opening new locations of its core brand "IPPUDO" not only in densely populated areas and high-traffic commercial facilities, but also in mid-scale trading areas near urban centers and roadside locations. The Group will also pursue strategic closures and brand conversions of stores where future profitability is expected to decline, thereby improving the overall earnings structure. Business expansion of "Inaba Udon" and "Najimatei" is also under consideration.

In terms of products, the Group will continue to make ongoing improvements to its signature ramen while regularly launching new products to drive repeat customer visits. For plant-based ramen catering to diverse dietary preferences, the Group has increased the number of stores offering plant-based ramen on a permanent basis. Overseas, given the anticipated demand for "Plant-Based Shiro-maru and Aka-maru" dry noodles, the Group will continue to expand plant-based ramen offerings, contributing to the diversification of raw material sourcing risk and the realization of a sustainable society. The Group will also continue to expand the sales channels of Ippudo-related products.

Regarding store operations, the Group remains committed to maintaining and improving QSC (Quality, Service, and Cleanliness) — the fundamentals of the restaurant business — and will enforce rigorous hygiene management in accordance with HACCP standards, striving to build stores that are beloved by local customers and where guests can enjoy their meals with confidence.

Internationally, having established flagship stores incorporating production facilities in major markets across 16 countries and regions as a foundation for scale-up, the Group is formulating its financial forecasts while taking into account various unstable economic conditions, including global inflation and recession concerns. Going forward, the Group plans to open stores in Germany as a new country, expand into the Midwest region of the U.S. through a license model, develop new areas in other existing markets, and further expand the halal-format "Ramen Mania" brand.

Based on these circumstances, the consolidated earnings forecast for the next fiscal year and the consolidated sales forecast by segment are as follows.

<Consolidated financial forecasts>.

	Year ending 31 Mar 2026. actual	Year ending 31 Mar 2027 Forecast.	Change from previous year
Revenue	36,261 million.	40,125 million.	+10.7%
Operating profit	2,325 million.	2,595 million.	+11.6%
Ordinary profit	2,582 million.	2,638 million.	+2.2%
Attributable to shareholders of the parent company Net profit for the year	1,829 million.	1,807 million.	△1.2%

<Consolidated sales forecast by segment>.

	Year ending 31 Mar 2026 actual	Year ending 31 Mar 2027 Forecast.	Change from previous year
Domestic store Operations	17,417 million.	19,332 million.	+11.0%
International Store Operations	14,427 million.	15,516 million.	+7.5%
Products and Merchandizing	4,416 million.	5,276 million.	+19.5%

<Consolidated operating income forecast by segment>.

	Year ending 31 Mar 2026 actual	Year ending 31 Mar 2027 Forecast.	Change from previous year
Domestic store Operations	1,447 million.	1,612 million.	+11.4%
International Store Operations	870 million.	878 million.	+0.9%
Products and Merchandizing	562 million.	725 million.	+29.0%

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	7,150,814	7,588,990
Notes and accounts receivable - trade	837,010	908,223
Inventories	514,066	637,832
Other	1,277,475	1,352,526
Allowance for doubtful accounts	(503)	(327)
Total current assets	9,778,862	10,487,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,461,343	12,376,027
Accumulated depreciation	(7,041,585)	(7,458,689)
Buildings and structures, net	4,419,757	4,917,338
Machinery, equipment and vehicles	1,409,083	1,583,552
Accumulated depreciation	(1,183,363)	(1,274,570)
Machinery, equipment and vehicles, net	225,719	308,982
Land	636,855	470,756
Leased assets	14,416	14,416
Accumulated depreciation	(10,818)	(11,993)
Leased assets, net	3,598	2,423
Construction in progress	232,826	25,075
Other	1,713,872	1,843,485
Accumulated depreciation	(1,389,472)	(1,456,086)
Other, net	324,399	387,399
Total property, plant and equipment	5,843,157	6,111,975
Intangible assets		
Goodwill	76,927	82,045
Other	46,300	37,921
Total intangible assets	123,228	119,966
Investments and other assets		
Investment securities	149,527	272,629
Long-term loans receivable	10,458	12,730
Deferred tax assets	386,883	507,066
Leasehold and guarantee deposits	1,699,119	1,947,511
Other	563,184	624,773
Allowance for doubtful accounts	(13,150)	(12,050)
Total investments and other assets	2,796,022	3,352,661
Total non-current assets	8,762,407	9,584,603
Total assets	18,541,270	20,071,849

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	907,136	993,130
Short-term borrowings	140,000	140,000
Current portion of long-term borrowings	1,095,030	1,031,569
Lease liabilities	1,175	1,118
Accounts payable - other	1,000,957	1,086,362
Income taxes payable	344,001	715,881
Provision for share awards	5,816	19,314
Reserve for interlocking type of monetary benefit	1,096	2,385
Provision for bonuses	4,233	11,124
Provision for shareholder benefit program	10,626	115,284
Asset retirement obligations	30,869	11,716
Other	1,296,869	1,233,309
Total current liabilities	4,837,812	5,361,196
Non-current liabilities		
Long-term borrowings	1,370,868	882,074
Lease liabilities	2,423	1,304
Provision for share awards for directors (and other officers)	76,400	59,664
Provision for share awards	68,314	64,351
Provision for ESOP benefits for non-residents	22,441	10,723
Retirement benefit liability	180,942	185,391
Asset retirement obligations	1,121,719	1,239,671
Other	198,821	154,592
Total non-current liabilities	3,041,931	2,597,774
Total liabilities	7,879,743	7,958,971
Net assets		
Shareholders' equity		
Share capital	3,148,390	3,149,715
Capital surplus	2,979,419	2,980,744
Retained earnings	3,877,444	5,132,074
Treasury shares	(319,981)	(292,372)
Total shareholders' equity	9,685,272	10,970,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,901	13,995
Foreign currency translation adjustment	964,352	1,128,722
Total accumulated other comprehensive income	976,254	1,142,717
Total net assets	10,661,526	12,112,878
Total liabilities and net assets	18,541,270	20,071,849

(2) Consolidated Statement on Profit and Loss and Comprehensive Income Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	34,166,110	36,261,804
Cost of sales	10,171,265	11,060,288
Gross profit	23,994,845	25,201,515
Selling, general and administrative expenses	21,184,884	22,876,426
Operating profit	2,809,961	2,325,088
Non-operating income		
Interest income	38,706	44,917
Dividend income	2,138	6,276
Foreign exchange gains	-	159,729
Lease income	153,455	142,900
Other	60,172	54,401
Total non-operating income	254,473	408,224
Non-operating expenses		
Interest expenses	21,106	22,856
Foreign exchange losses	48,483	-
Rental costs	130,023	124,966
Financial Commission fee	14,794	190
Other	8,057	2,352
Total non-operating expenses	222,464	150,365
Ordinary profit	2,841,969	2,582,947
Extraordinary income		
Gain on sale of non-current assets	10,435	373,186
Gain on reversal of asset retirement obligations	32,586	5,868
Total extraordinary income	43,021	379,055
Extraordinary losses		
Loss on sale of non-current assets	1,111	191
Loss on retirement of non-current assets	3,203	100,071
Impairment losses	250,232	214,706
Other	7,509	5,643
Total extraordinary losses	262,057	320,613
Profit before income taxes	2,622,933	2,641,389
Income taxes - current	539,762	933,169
Income taxes - deferred	325,156	(120,885)
Total income taxes	864,918	812,283
Profit	1,758,015	1,829,106
Profit attributable to owners of parent	1,758,015	1,829,106

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,758,015	1,829,106
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,247)	2,093
Foreign currency translation adjustment	365,351	164,369
Total other comprehensive income	354,103	166,463
Comprehensive income	2,112,119	1,995,569
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,112,119	1,995,569

(3) Consolidated Statement of Changes in Shareholders' Equity

For the previous fiscal year (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,141,103	2,972,131	2,785,486	(251,145)	8,647,575
Changes during period					
Issuance of new shares	7,287	7,287	-	-	14,575
Dividends of surplus	-	-	(666,057)	-	(666,057)
Profit (loss) attributable to owners of parent	-	-	1,758,015	-	1,758,015
Purchase of treasury shares	-	-	-	(70,522)	(70,522)
Disposal of treasury shares	-	-	-	1,687	1,687
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	7,287	7,287	1,091,958	(68,835)	1,037,697
Balance at end of period	3,148,390	2,979,419	3,877,444	(319,981)	9,685,272

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	23,149	599,001	622,150	9,269,725
Changes during period				
Issuance of new shares	-	-	-	14,575
Dividends of surplus	-	-	-	(666,057)
Profit (loss) attributable to owners of parent	-	-	-	1,758,015
Purchase of treasury shares	-	-	-	(70,522)
Disposal of treasury shares	-	-	-	1,687
Net changes in items other than shareholders' equity	(11,247)	365,351	354,103	354,103
Total changes during period	(11,247)	365,351	354,103	1,391,801
Balance at end of period	11,901	964,352	976,254	10,661,526

For the current fiscal year (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,148,390	2,979,419	3,877,444	(319,981)	9,685,272
Changes during period					
Issuance of new shares	1,325	1,325	-	-	2,650
Dividends of surplus	-	-	(574,476)	-	(574,476)
Profit (loss) attributable to owners of parent	-	-	1,829,106	-	1,829,106
Purchase of treasury shares	-	-	-	-	-
Disposal of treasury shares	-	-	-	27,609	27,609
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	1,325	1,325	1,254,629	27,609	1,284,888
Balance at end of period	3,149,715	2,980,744	5,132,074	(292,372)	10,970,161

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	11,901	964,352	976,254	10,661,526
Changes during period				
Issuance of new shares	-	-	-	2,650
Dividends of surplus	-	-	-	(574,476)
Profit (loss) attributable to owners of parent	-	-	-	1,829,106
Purchase of treasury shares	-	-	-	-
Disposal of treasury shares	-	-	-	27,609
Net changes in items other than shareholders' equity	2,093	164,369	166,463	166,463
Total changes during period	2,093	164,369	166,463	1,451,351
Balance at end of period	13,995	1,128,722	1,142,717	12,112,878

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,622,933	2,641,389
Depreciation	928,749	941,951
Impairment losses	250,232	214,706
Amortization of goodwill	20,792	26,470
Amortization of long-term prepaid expenses	24,762	18,799
Increase (decrease) in allowance for doubtful accounts	(1,212)	(1,275)
Increase (decrease) in provision for bonuses	1,800	6,625
Increase (decrease) in provision for shareholder benefit program	(1,646)	104,658
Increase (decrease) in provision for share awards for directors (and other officers)	21,831	(16,735)
Increase (decrease) in provision for share awards	21,517	9,533
Increase / decrease in provision for ESOP benefits for non-residents	17,902	(10,428)
Increase (decrease) in retirement benefit liability	2,013	5,732
Interest and dividend income	(40,844)	(51,193)
Interest expenses	21,106	22,856
Foreign exchange losses (gains)	(37,841)	(81,477)
Loss (gain) on sale of non-current assets	(9,323)	(372,995)
Loss on retirement of non-current assets	3,203	100,071
Decrease (increase) in trade receivables	100,032	(49,583)
Decrease (increase) in inventories	(29,208)	(115,224)
Increase (decrease) in trade payables	55,336	65,313
Increase (decrease) in accounts payable - other	(27,569)	5,399
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(102,594)	6,690
Other, net	(67,027)	(232,691)
Subtotal	3,774,945	3,238,592
Interest and dividends received	40,844	49,627
Interest paid	(21,112)	(22,792)
Income taxes paid	(711,227)	(486,549)
Net cash provided by (used in) operating activities	3,083,450	2,778,878
Cash flows from investing activities		
Payments into time deposits	(1,365,044)	(1,341,700)
Proceeds from withdrawal of time deposits	1,203,842	1,383,953
Purchase of property, plant and equipment	(1,282,429)	(1,436,846)
Proceeds from sale of property, plant and equipment	27,624	554,806
Purchase of intangible assets	(4,590)	(6,021)
Purchase of investment securities	-	(111,615)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(19,323)

Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	13,733	-
Loan advances	-	(4,157)
Proceeds from collection of loans receivable	842	3,894
Payments of leasehold and guarantee deposits	(233,027)	(291,777)
Proceeds from refund of leasehold and guarantee deposits	120,413	79,801
Payments for asset retirement obligations	(34,109)	(9,398)
Other, net	(35,759)	(33,752)
Net cash provided by (used in) investing activities	(1,588,503)	(1,232,136)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,906,214	600,000
Repayments of long-term borrowings	(2,012,346)	(1,148,201)
Repayments of lease liabilities	(1,915)	(1,292)
Proceeds from issuance of shares	14,575	2,650
Purchase of treasury shares	(70,522)	-
Dividends paid	(664,969)	(574,102)
Net cash provided by (used in) financing activities	(828,964)	(1,120,946)
Effect of exchange rate change on cash and cash equivalents	256,247	77,622
Net increase (decrease) in cash and cash equivalents	922,230	503,418
Cash and cash equivalents at beginning of period	5,575,708	6,497,938
Cash and cash equivalents at end of period	6,497,938	7,001,357