May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (FY3/26)

[Japanese GAAP]

Company name:	OHSHO FOOD SERVICE CORP.	Listing: Tokyo Stock Exchange	
Stock code:	9936	URL: https://www.ohsho.co.jp/english/	
Representative:	Naoto Watanabe, President		
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2026
Scheduled date of payment of dividend: June 26, 2026
Scheduled date of filing of Annual Securities Report: June 24, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2026	116,838	5.2	10,410	(4.5)	10,702	(5.4)	7,470	(7.5)
Fiscal year ended Mar. 31, 2025	111,033	9.5	10,904	6.0	11,312	7.8	8,071	2.0

Note: Comprehensive income (millions of yen) Fiscal year ended Mar. 31, 2026: 7,549 (down 8.9%)
Fiscal year ended Mar. 31, 2025: 8,287 (down 2.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2026	140.84	–	10.7	11.8	8.9
Fiscal year ended Mar. 31, 2025	142.88	–	11.3	12.0	9.8

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Mar. 31, 2026: –
Fiscal year ended Mar. 31, 2025: –

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2026	85,087	65,069	76.5	1,238.68
As of Mar. 31, 2025	96,632	74,238	76.8	1,313.71

Reference: Equity (millions of yen) As of Mar. 31, 2026: 65,069 As of Mar. 31, 2025: 74,238

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2026	10,709	(4,774)	(19,538)	24,527
Fiscal year ended Mar. 31, 2025	11,215	(4,574)	(4,826)	38,120

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2025	–	75.00	–	28.00	–	2,995	37.1	4.2
Fiscal year ended Mar. 31, 2026	–	28.00	–	28.00	56.00	2,936	39.8	4.4
Fiscal year ending Mar. 31, 2027 (forecasts)	–	28.00	–	28.00	56.00		41.5	

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. The dividend at the end of the second quarter of the fiscal year ended March 31, 2025 would have been 25 yen per share and the annual dividend would have been 53 yen per share, on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	60,179	2.9	4,902	(7.8)	5,045	(7.6)	3,257	(10.9)	62.01
Full year	121,357	3.9	10,951	5.2	11,036	3.1	7,096	(5.0)	135.09

*** Notes**

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

Newly added: – Excluded: –

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(3) Number of issued shares (common shares)

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

As of Mar. 31, 2026:	64,858,690 shares	As of Mar. 31, 2025:	69,858,690 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2026:	12,327,429 shares	As of Mar. 31, 2025:	13,348,629 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2026:	53,039,302 shares	Fiscal year ended Mar. 31, 2025:	56,495,204 shares

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. The average number of shares outstanding during the period was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2026	116,351	5.2	10,359	(4.6)	10,652	(5.5)	7,420	(7.6)
Fiscal year ended Mar. 31, 2025	110,571	9.5	10,863	5.9	11,268	7.6	8,028	1.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2026	139.91	–
Fiscal year ended Mar. 31, 2025	142.12	–

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2026	84,059	64,109	76.3	1,220.41
As of Mar. 31, 2025	96,062	73,713	76.7	1,304.43

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2026: 64,109 As of Mar. 31, 2025: 73,713

2. Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	59,889	2.8	5,027	(7.6)	3,240	(10.9)	61.68
Full year	120,708	3.7	10,980	3.1	7,040	(5.1)	134.02

*** The current financial report is not subject to audit by certified public accountants or an auditing firm.**

*** Explanation of appropriate use of earnings forecasts, and other special items**

Notes regarding forecasts of future performance

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, Etc. (5) Outlook" on page 7 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results and financial results presentation materials

The supplementary materials for financial results are disclosed on TDnet on the same day and are also posted on the Company's website.

The Company plans to hold the financial results meeting for institutional investors and analysts on Tuesday, May 26, 2026. Materials to be used at this event will be available on the Company's website immediately thereafter.

Contents of Attachments

1. Overview of Results of Operations, Etc.

(1) Results of Operations

Summary of consolidated results of operations for the fiscal year (April 1, 2025 to March 31, 2026)			
	Amount (millions of yen)	% to sales	YoY change
Net sales	116,838	100.0%	105.2%
Operating profit	10,410	8.9%	95.5%
Ordinary profit	10,702	9.2%	94.6%
Profit attributable to owners of parent	7,470	6.4%	92.5%

- Achieved record high net sales for four consecutive years and sales growth for five consecutive years.
- Posted operating profit roughly in line with the previous year’s record high, surpassing 10 billion yen for three consecutive years, despite a year-on-year decrease due to the heavy impact of rising costs.

During the current fiscal year, the Japanese economy remained on a gradual recovery trend, backed by improvements in employment and income conditions and robust capital investments. On the other hand, the economic outlook remains unpredictable due mainly to uncertainty surrounding the U.S. trade policies and materializing geopolitical risks, as well as to a further rise in the defensive spending mindset caused by prolonged inflation.

In the restaurant industry, supported by steady inbound demand, demand for dining out generally remained firm. However, inflation of various costs, including rising labor costs and persistently high raw material prices, and increased store construction and equipment expenses, have put downward pressure on earnings. Combined with a growing consumer frugality, the business environment for securing profits is facing a challenging phase.

Under these circumstances, the Group proactively invested in human capital as well as in stores and factories to fulfill our social mission to provide “comfortable dining space,” “heartwarming hospitality,” and “delicious foods” to our customers. In addition, the Group focused on further improvement of the quality, service, and cleanliness (QSC) standards, and continued to implement various sales promotion measures.

As a result, net sales for the current fiscal year reached a record high for four consecutive years and increased revenue for five consecutive years. The Company delivered exceptionally strong growth in net sales, achieving record high monthly sales on a same month basis for 49 consecutive months through February 2026. Leveraging the solid customer base built during this period, we will strive for further leaps from the next fiscal year onward.

Operating profit was roughly in line with the record-high level of the previous fiscal year, surpassing 10 billion yen for three consecutive years, despite a year-on-year decrease due to the heavy impact of rising costs.

The following is an overview of our initiatives and achievements during the current fiscal year.

1) Steady Improvement in QSC

Under the slogan, “Professional skills, professional taste, and professional pride. The power of delicious meals will change the future,” we continued initiatives such as cooking training programs, culinary knowledge training, and cooking skills certification examinations conducted by the Ohsho Academy, thereby steadily enhancing cooking knowledge and skills. Meanwhile, backed by the enhancement of our qualification support system, the number of licensed chefs increased by 84, demonstrating that our human resource development efforts are steadily bearing fruit. Going forward, we will continue to take pride as professionals and endeavor to further refine our skills.

In addition, under the theme “More Delicious Gyoza no Ohsho, Challenge 2025,” we carried out a full-scale renewal of our noodles, pursuing improved chewiness, richness, and flavor. Furthermore, we have developed new thick flat noodles that hold ramen soup better and provide a strong presence and satisfying texture that stand up to other ingredients, thereby further enhancing the appeal of our existing menu offerings.

In terms of customer service, we conducted customer service training programs and the development of customer service trainers aimed at fostering hospitality that only humans can offer. In addition, aiming to enhance on-site performance, we introduced new kitchen staff uniforms that embody the pride of “professional chefs” while offering both comfort and functionality.

In terms of cleanliness, by thoroughly implementing the cleaning manual, we ensured rigorous hygiene management. In parallel, we actively renovated stores to establish a safe, secure, and comfortable dining environment.

2) Sales promotion measures

For the “Gyoza Club customer appreciation campaigns” that support our solid customer base, we acquired a record high 1.32 million Gyoza club members in the campaign for 2025, thanks to the three-tier membership program introduced in the same year. In the subsequent campaign for 2026, the number of members as of the end of March grew steadily, outpacing the previous year’s pace, successfully expanding our loyal fan base even further. This growth was driven by the popularity of our original merchandise, coupled with the attractive three-tier membership program where members advance to a higher tier based on their stamp accumulation.

In addition, we implemented various sales promotion initiatives, including the continued rollout of draft beer campaigns, uncooked gyoza sales, double stamp campaigns, and the “Grand Appreciation Festival” and “Founding Anniversary Festival,” through which we distributed 250 yen discount coupons to express our sincere gratitude to customers for their continued support of Gyoza no Ohsho.

For our merchandising strategy, we launched seven new menu items on January 14 as part of the premium “Goku-Oh (Ultimate Ohsho)” series menu. We also worked to further increase the quality of “Goku-Oh Gyoza no Ohsho Ramen” previously launched in November 2025. Starting in February, we offered “Shin Goku-Oh Ninki Sanpin Just Size Set,” a new set menu featuring our three popular items, at a special price, further promoting awareness of the menu series. Meanwhile, we began nationwide sales of three types of “Gyoza no Ohsho Lunch,” offering a quick and good-value dining option as a weekday, time-limited menu, to strengthen customer traffic during lunchtime. In this way, in light of growing consumption polarization, we are driving our merchandising strategy that caters for a wide range of customer needs, spanning from “Goku-Oh” series offering premium value to lunch-time menu that provides affordable enjoyment.

3) Expansion of investment

a. Investment in human capital

We, as a company where people create value, are actively investing in human capital, which serves as the source of our sustainable growth.

In terms of the recruitment of human resources, we are working to strengthen our recruitment competitiveness, which is positioned as our top priority to achieve the target of 1,000 stores set forth in the medium-term management plan. In the revision of salaries for FY3/26, the Company implemented a significant pay raise of an average of 30,139 yen per employee (an 8.2% wage increase) and raised the starting salary for university graduates to 300,000 yen, achieving the industry’s highest level of compensation. We also organized “Top Seminars” where the President himself took the stage to directly communicate our management philosophy and carried out other recruitment activities focused on dialogue with students. As a result, the number of university graduates joining the Company in April 2026 reached 154% of the previous year’s level. Additionally, by continuously conducting executive interviews and directly conveying the Company’s appeal to candidates, we have successfully secured highly capable talent.

As part of our human resource development initiatives, we provide all employees with a wide variety of learning opportunities for various training programs, including the above-mentioned programs and e-learning programs. In particular, in order to support the acceleration of store openings in the eastern Japan region from a human resource perspective, we have established a new “Ohsho Cooking Dojo” and a training facility in Chuo-ku, Tokyo to serve as a hub for cooking skills and education, with operations starting in May 2026. By co-locating the human resources office, which serves as our recruitment hub, on the same floor, we are establishing an integrated framework from hiring through to training, thereby accelerating the development of next-generation talent into key operational assets at an early stage.

To improve employee engagement, we are actively reinvesting in our employees, who support our sustainable growth. Regarding bonuses, the Company fully met or exceeded the demands from the labor union for both the summer and winter terms. Besides, we granted restricted stock, totaling 682 million yen, to 2,469 employees and significantly increased the incentive contribution rate under the employee stock ownership plan from 5% to 20% of the contribution amount to enhance employees' motivation to contribute to medium- to long-term value creation. Through these initiatives, we actively invested in human capital to support employees' asset building.

In the revision of salaries for FY3/27, the Company will implement a pay raise of an average of 22,594 yen per employee (a 5.9% wage increase), representing a full response to the demand from the labor union. Through this revision, our cumulative wage increase rate over the last four years has reached approximately 37%. We will continue to invest in our people to drive the sustainable enhancement of our corporate value.

b. Investment in equipment

The Company upgraded foreign object inspection equipment to state-of-the-art systems at the Kumiyama Factory and the Higashimatsuyama Factory, thereby enhancing its quality assurance framework. In addition, we renewed the gyoza production line at the Kyushu Factory with the latest equipment, achieving improvements in product quality and an expansion of production capacity, and greater efficiency in manufacturing processes. Furthermore, we implemented the automation of the noodle production line at the Kumiyama Factory in January 2026. Along with improving quality, these initiatives enhance productivity and mitigate risks arising from human error, thereby further solidifying our stable supply system to stores.

Regarding new store openings during the current fiscal year, the Company opened the Kameido store in May 2025, the Hanshin Amagasaki store in September, and the BLiX Chigasaki store in November. Since their opening, customer traffic has been strong, and sales have been performing steadily.

Looking ahead, the Company plans to actively expand into the Tokyo metropolitan area and has already reviewed approximately 300 potential store locations. To ensure the successful execution of this strategy, the Company will fully utilize the new human resource development and recruitment bases described above. Through this initiative, the Company aims to accelerate store openings in the eastern Japan region. Furthermore, we are also taking steps toward global expansion for future growth, including establishing the Global Business Department in April 2026 and opening the "Taichung Hanshin Intercontinental Store," the first store opening in Taichung City, Taiwan.

c. Investment in digital transformation

We started optimizing IT infrastructure such as renewal of host systems and review of core systems as investments for promotion of digital transformation. Following the full rollout of the *Take-out Mobile Order* system, we have begun sequentially introducing it to franchise stores while also enhancing user convenience by linking the system with our official smartphone app to enable Gyoza Club member discounts at the time of pre-payment.

In addition, recognizing that proactive investment in the IT field is essential for improving operational efficiency and enhancing customer convenience, the Company newly established the IT Advisory Council as an advisory body to the Board of Directors. The council includes two external experts with specialized knowledge and experience in IT who are capable of providing objective evaluation and insight. Building on the establishment of this framework for optimizing system investments and promoting innovation, the Company will accelerate investments aimed at advancing digital transformation and AI (artificial intelligence) initiatives going forward.

4) Sustainability promotion

The free provision of "Bento for Kids" meals to "Kodomo Shokudo" or Children's Cafeteria and other similar organizations nationwide, which has continued since 2021, has reached a cumulative total of 1.23 million meals with a value of approximately 300 million yen, deepening the Company's contribution to local communities. In areas where there are few Ohsho stores, this is also an opportunity for children to learn about our Gyoza for the first time. Additionally, we donated a portion of the sales of March-only dish, "Yasai Nikomi Ramen (noodle with stewed vegetable," to Save the Children to support their initiatives to protect children from the poverty crisis, which is worsening due to ongoing inflation.

To support the disaster-affected areas of the Noto Peninsula Earthquake, we dispatched a kitchen truck to Notojima Island, Ishikawa Prefecture, and carried out in-store fundraising across "Gyoza no Ohsho" stores nationwide, delivering a cumulative total of 31,778,725 yen over a one-year and ten-month period ended in November 31, 2025 to the earthquake victims through the Japanese Red Cross Society.

In addressing diversity, our special subsidiary OHSHO HEARTFUL does not only offer a safe working environment where individuals with disabilities can thrive; it also functions as a place to give members a sense of fulfillment and support their independence. As a result, OHSHO HEARTFUL has maintained accident-free operations since its founding in 2017, sustaining this record for over 3,000 consecutive days.

For climate change issues, in line with the recommendations of the TCFD, we have implemented measures such as upgrading equipment to help reduce GHG emissions. In addition, we calculated CO_2 emissions from our business activities (Scopes 1 and 2) and from our supply chain (Scope 3) in FY3/25, and confirmed that CO_2 emissions per unit of sales decreased compared with the previous fiscal year.

As a result, net sales for the current fiscal year increased 5,804 million yen or 5.2% year-on-year to 116,838 million yen, achieving a record high for four consecutive years, with sales growth for five consecutive years.

Operating profit decreased by 494 million yen or 4.5% year-on-year to 10,410 million yen. This was partly due to soaring raw material prices and rising labor costs.

Ordinary profit decreased by 609 million yen or 5.4% year-on-year to 10,702 million yen. This was mainly due to the impact of temporary insurance income recorded in the previous fiscal year.

Profit attributable to owners of parent decreased by 601 million yen or 7.5% year-on-year to 7,470 million yen mainly due to the above reason.

Regarding the store network during the current fiscal year, we opened two directly operated stores and six franchised stores, and closed two directly operated stores and six franchised stores. The result was a total network of 551 directly operated stores and 177 franchised stores, totaling 728 stores at the end of the current fiscal year.

(2) Financial Position

In May 2025, the Company acquired 4,200 thousand treasury shares for 14,490 million yen and canceled 5,000 thousand treasury shares in order to further enhance shareholder returns and improve capital efficiency. As a result, cash and deposits as well as retained earnings were reduced, leading to a significant decrease in total assets and net assets compared to the end of the previous fiscal year.

Assets

The balance of total assets at the end of the current fiscal year was 85,087 million yen, down 11,545 million yen or 11.9% from the end of the previous fiscal year. The main factors for the change are as follows.

Current assets decreased by 13,258 million yen or 30.8% from the end of the previous fiscal year to 29,833 million yen. This was mainly due to a decrease in cash and deposits.

Non-current assets increased by 1,712 million yen or 3.2% from the end of the previous fiscal year to 55,253 million yen. This was mainly due to an increase in retirement benefit asset.

Liabilities

The balance of total liabilities at the end of the current fiscal year was 20,017 million yen, down 2,377 million yen or 10.6% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities decreased by 404 million yen or 2.5% from the end of the previous fiscal year to 15,606 million yen. The main reason was a decrease in income taxes payable.

Non-current liabilities decreased 1,972 million yen or 30.9% from the end of the previous fiscal year to 4,410 million yen. The main reason was a decrease in long-term borrowings. The balance of borrowings at the end of the current fiscal year was 3,000 million yen.

Net assets

The balance of net assets at the end of the current fiscal year was 65,069 million yen, down 9,168 million yen or 12.4% from the end of the previous fiscal year. The primary factor for the decrease was the acquisition of treasury shares amounting to 14,490 million yen. As a result, the equity ratio decreased from 76.8% at the end of the previous fiscal year to 76.5%.

(3) Cash Flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year amounted to 24,527 million yen, down 13,592 million yen from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities decreased 505 million yen or 4.5% year-on-year to 10,709 million yen. This was mainly due to a decrease in profit before income taxes.

The main factors include profit before income taxes of 10,583 million yen and depreciation of 3,264 million yen, which were partially offset by income taxes paid of 3,256 million yen.

Cash flows from investing activities

Net cash used in investing activities increased by 199 million yen or 4.4% year-on-year to 4,774 million yen. This was mainly due to an increase in purchase of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 4,356 million yen.

Cash flows from financing activities

Net cash used in financing activities increased by 14,712 million yen or 304.9% year-on-year to 19,538 million yen. This was mainly due to an increase in purchase of treasury shares.

The main factors include repayments of long-term borrowings of 2,000 million yen, purchase of treasury shares of 14,490 million yen, and dividends paid of 3,048 million yen.

Reference: Cash flow indicators

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio (%)	66.1	74.6	75.0	76.8	76.5
Equity ratio based on market value (%)	126.1	134.6	161.1	188.0	190.8
Interest-bearing debt to cash flow ratio (years)	1.2	1.2	0.6	0.4	0.3
Interest coverage ratio (times)	224.2	240.4	471.8	300.8	245.9

Note: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
* Cash flows are based on net cash provided by operating activities in the consolidated and non-consolidated statements of cash flows.
* Interest-bearing debt is calculated using total loans payable on the consolidated and non-consolidated balance sheets that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated and non-consolidated statements of cash flows.

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

The Company strives to increase medium- to long-term corporate value by proactively investing in human capital and in equipment for future business development, while continuously enhancing shareholder returns. In line with this policy, from the standpoint of steering corporate management to balance growth investments with shareholder returns, we target a certain level of dividends on equity (DOE), while considering the business results for the current fiscal year.

For the current fiscal year, as mentioned above, net sales achieved an all-time high. Despite a year-on-year decrease, operating profit was roughly in line with the record-high level of the previous fiscal year, surpassing 10 billion yen for three consecutive years. Accordingly, we plan to keep the year-end dividend at the previously announced 28 yen per share, and the annual dividend will be a record-high of 56 yen, increasing for five consecutive years.

This matter will be proposed in the 52nd Annual General Meeting of Shareholders to be held on June 25, 2026.

Based on the aforementioned policy, we plan to pay an interim dividend of 28 yen per share and a year-end dividend of 28 yen per share for the next fiscal year, which will result in an annual dividend of 56 yen, maintaining the current record high.

(5) Outlook

The business environment will likely remain challenging due to the unstable global situation and rising prices and labor costs; nevertheless, we take this situation as an opportunity to reinforce our corporate structure for sustainable growth. We will proactively invest in equipment and human capital—the source of our growth—to radically enhance our frontline capabilities, thereby building a solid earnings base that is resilient to changes in the external environment.

Specifically, we will seek to expand our sales scale by accelerating store openings, centered on the eastern Japan region. At the same time, we will actively renovate existing stores to enhance customer experience and steadily boost same-store sales. Furthermore, we will step up our investments in AI and other digital transformation initiatives to establish frontline operations driven by precise data. This will create an environment that maximizes our signature frontline capabilities, allowing us to relentlessly enhance productivity by improving time efficiency.

Through the execution of these growth strategies, we plan to set new record highs for both net sales and operating profit. Regarding store openings and closures, we expect a net increase of 16 stores for directly operated and franchised stores combined, with the opening of 15 directly operated stores and three franchised stores, offset by the closure of one directly operated store and one franchised store. Our full-year earnings forecast includes a 3.9% year-on-year increase in net sales to 121,357 million yen, a 5.2% year-on-year increase in operating profit to 10,951 million yen, and a 3.1% year-on-year increase in ordinary profit to 11,036 million yen. Meanwhile, profit attributable to owners of parent is projected to be 7,096 million yen, down 5.0% year-on-year, factoring in an increase in corporate and other income taxes due to tax reform.

The Group performance and other aspects of our operations may change for a number of reasons, but we are determined to achieve this forecast for sales and earnings.

2. Basic Approach to the Selection of Accounting Standards

We consider it is imperative to prepare the financial data in a format that can enhance international comparability for the benefits of our stakeholders if we consider store openings in overseas markets or mutually beneficial M&A deals. With respect to the above, we have decided to adopt International Financial Reporting Standards (IFRS Accounting Standards) in the future, though we have yet to decide when to start.

Nevertheless, Japanese GAAP is also of high quality and is not inferior to any internationally recognized accounting standards as a result of the convergence with them. In fact, Japanese GAAP is regarded as being equivalent to IFRS Accounting Standards in Europe. Furthermore, nearly all the Group’s stakeholders are in Japan and there is not much need to procure funds from capital markets outside Japan at the moment.

Therefore, we apply Japanese GAAP for the moment while focusing on the following survey activities such as acquiring information and learning about IFRS Accounting Standards, analyzing the gaps between these standards and Japanese GAAP and assessing the impact of the adoption to facilitate the future application of IFRS Accounting Standards.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	38,120	24,527
Accounts receivable-trade	3,508	3,546
Merchandise and finished goods	152	184
Raw materials	519	522
Other	794	1,057
Allowance for doubtful accounts	(2)	(5)
Total current assets	43,092	29,833
Non-current assets		
Property, plant and equipment		
Buildings and structures	62,530	64,521
Accumulated depreciation	(47,135)	(48,788)
Buildings and structures, net	15,394	15,733
Machinery, equipment and vehicles	7,282	7,830
Accumulated depreciation	(5,512)	(5,783)
Machinery, equipment and vehicles, net	1,769	2,047
Tools, furniture and fixtures	8,389	9,101
Accumulated depreciation	(5,933)	(6,435)
Tools, furniture and fixtures, net	2,455	2,666
Land	19,902	19,902
Construction in progress	73	76
Total property, plant and equipment	39,596	40,426
Intangible assets	318	531
Investments and other assets		
Investment securities	4,894	4,447
Long-term loans receivable	6	3
Retirement benefit asset	2,099	3,030
Deferred tax assets	1,858	1,743
Guarantee deposits	4,705	4,637
Other	75	447
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	13,626	14,295
Total non-current assets	53,540	55,253
Total assets	96,632	85,087

(Millions of yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	3,087	3,172
Current portion of long-term borrowings	2,000	2,000
Income taxes payable	2,002	1,777
Contract liabilities	72	74
Provision for bonuses	1,065	1,123
Provision for bonuses for directors (and other officers)	–	46
Other	7,783	7,413
Total current liabilities	16,011	15,606
Non-current liabilities		
Long-term borrowings	3,000	1,000
Long-term contract liabilities	76	71
Deferred tax liabilities for land revaluation	513	513
Asset retirement obligations	2,566	2,598
Other	226	226
Total non-current liabilities	6,383	4,410
Total liabilities	22,394	20,017
Net assets		
Shareholders’ equity		
Share capital	8,166	8,166
Capital surplus	9,562	9,026
Retained earnings	66,344	64,667
Treasury shares	(10,556)	(17,591)
Total shareholders’ equity	73,516	64,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,817	2,510
Revaluation reserve for land	(2,540)	(2,540)
Foreign currency translation adjustment	7	18
Remeasurements of defined benefit plans	437	811
Total accumulated other comprehensive income	721	800
Total net assets	74,238	65,069
Total liabilities and net assets	96,632	85,087

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net sales	111,033	116,838
Cost of sales	35,431	37,922
Gross profit	75,602	78,916
Selling, general and administrative expenses		
Packing and transportation costs	2,566	2,624
Advertising expenses	1,215	1,254
Promotion expenses	4,967	5,020
Provision of allowance for doubtful accounts	2	2
Remuneration for directors (and other officers)	289	342
Share-based payment expenses	141	220
Salaries, allowances and bonuses	30,931	33,124
Provision for bonuses	1,025	1,081
Provision for bonuses for directors (and other officers)	–	46
Retirement benefit expenses	(204)	(143)
Welfare expenses	5,650	5,981
Taxes and dues	351	370
Depreciation	2,250	2,602
Rent expenses	4,642	4,757
Utilities expenses	4,849	4,755
Repair expenses	1,422	1,506
Other	4,596	4,958
Total selling, general and administrative expenses	64,697	68,505
Operating profit	10,904	10,410
Non-operating income		
Interest income	5	6
Dividend income	87	134
Rental income from land and buildings	58	44
Franchise chain accession fee	109	105
Equipment usage fee	120	140
Miscellaneous income	298	186
Total non-operating income	679	618
Non-operating expenses		
Interest expenses	37	42
Rental expenses	97	132
Meal support expenses for Kodomo Shokudo	80	98
Miscellaneous losses	56	54
Total non-operating expenses	271	326
Ordinary profit	11,312	10,702

(Millions of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Extraordinary income		
Gain on sale of non-current assets	1	3
Compensation for eviction	–	120
Total extraordinary income	1	124
Extraordinary losses		
Loss on retirement of non-current assets	108	164
Loss on sale of non-current assets	–	0
Impairment losses	48	79
Total extraordinary losses	157	244
Profit before income taxes	11,156	10,583
Income taxes-current	3,079	3,027
Income taxes-deferred	5	85
Total income taxes	3,084	3,112
Profit	8,071	7,470
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	8,071	7,470

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Profit	8,071	7,470
Other comprehensive income		
Valuation difference on available-for-sale securities	477	(306)
Revaluation reserve for land	(14)	–
Foreign currency translation adjustment	9	11
Remeasurements of defined benefit plans, net of tax	(256)	374
Total other comprehensive income	215	78
Comprehensive income	8,287	7,549
Comprehensive income attributable to:		
Owners of parent	8,287	7,549
Non-controlling interests	–	–

(3) Consolidated Statements of Changes in Equity

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,166	9,459	61,096	(10,593)	68,129
Changes during period					
Dividends of surplus			(2,824)		(2,824)
Profit attributable to owners of parent			8,071		8,071
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		102		38	141
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	102	5,247	36	5,387
Balance at end of period	8,166	9,562	66,344	(10,556)	73,516

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,340	(2,526)	(1)	693	505	68,635
Changes during period						
Dividends of surplus						(2,824)
Profit attributable to owners of parent						8,071
Purchase of treasury shares						(1)
Disposal of treasury shares						141
Cancellation of treasury shares						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	477	(14)	9	(256)	215	215
Total changes during period	477	(14)	9	(256)	215	5,602
Balance at end of period	2,817	(2,540)	7	437	721	74,238

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,166	9,562	66,344	(10,556)	73,516
Changes during period					
Dividends of surplus			(3,048)		(3,048)
Profit attributable to owners of parent			7,470		7,470
Purchase of treasury shares				(14,490)	(14,490)
Disposal of treasury shares		502		318	820
Cancellation of treasury shares		(7,136)		7,136	–
Transfer from retained earnings to capital surplus		6,098	(6,098)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(535)	(1,676)	(7,035)	(9,247)
Balance at end of period	8,166	9,026	64,667	(17,591)	64,269

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income	
Balance at beginning of period	2,817	(2,540)	7	437	721	74,238
Changes during period						
Dividends of surplus						(3,048)
Profit attributable to owners of parent						7,470
Purchase of treasury shares						(14,490)
Disposal of treasury shares						820
Cancellation of treasury shares						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	(306)	–	11	374	78	78
Total changes during period	(306)	–	11	374	78	(9,168)
Balance at end of period	2,510	(2,540)	18	811	800	65,069

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	11,156	10,583
Depreciation	3,107	3,264
Impairment losses	48	79
Increase (decrease) in allowance for doubtful accounts	2	2
Decrease (increase) in retirement benefit asset	(447)	(385)
Interest and dividend income	(92)	(141)
Interest expenses	37	42
Compensation for eviction	–	(120)
Loss (gain) on sale of non-current assets	(1)	(3)
Loss on retirement of non-current assets	108	164
Decrease (increase) in trade receivables	(615)	(37)
Decrease (increase) in inventories	(128)	(34)
Increase (decrease) in trade payables	473	84
Increase (decrease) in accrued consumption taxes	(192)	140
Other, net	730	110
Subtotal	14,187	13,746
Interest and dividends received	92	141
Interest paid	(37)	(43)
Proceed from compensation for eviction	–	120
Income taxes paid	(3,027)	(3,256)
Net cash provided by (used in) operating activities	11,215	10,709
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,180)	(4,356)
Proceeds from sale of property, plant and equipment	2	4
Loan advances	(35)	–
Proceeds from collection of loans receivable	45	7
Payments of guarantee deposits	(139)	(63)
Other, net	(266)	(367)
Net cash provided by (used in) investing activities	(4,574)	(4,774)
Cash flows from financing activities		
Repayments of long-term borrowings	(2,000)	(2,000)
Purchase of treasury shares	(1)	(14,490)
Dividends paid	(2,824)	(3,048)
Net cash provided by (used in) financing activities	(4,826)	(19,538)
Effect of exchange rate change on cash and cash equivalents	8	10
Net increase (decrease) in cash and cash equivalents	1,823	(13,592)
Cash and cash equivalents at beginning of period	36,296	38,120
Cash and cash equivalents at end of period	38,120	24,527

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment Information

The Group does not provide segment information because it has only a single business segment, which is the Chinese food business.

Per-share Information

(Yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net assets per share	1,313.71	1,238.68
Net income per share	142.88	140.84

Notes: 1. Diluted net income per share is not presented because there are no potentially dilutive shares.

2. We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. The basis of calculating the net income per share is as follows:

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	8,071	7,470
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to common shareholders of parent (Millions of yen)	8,071	7,470
Average number of common shares outstanding during the period (shares)	56,495,204	53,039,302

Subsequent Events

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.