Financial Results for the Six Months Ended June 30, 2026

ROYAL

Royal Holdings Co., Ltd.

Bringing joy to communities and society through food and hospitality

August 7, 2026

(Listed on TSE Prime / FSE; Securities code: 8179)

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Ⅰ. Summary

- Net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the first half of the fiscal year ending December 31, 2026 (January–June) increased year on year.
- Net sales and ordinary profit reached record highs for the first half, while ordinary profit exceeded our initial first-half forecast.
- In the Hotel Business, both occupancy rates and average daily room rates (ADR) exceeded the prior-year levels, supported by solid domestic and inbound tourism demand, resulting in higher sales and profit.
- In the Contract Food Service Business, profit increased due to solid sales growth at airport terminals and expressway service areas, as well as improved profitability at business and institutional facilities. We also expanded newly contracted operations at sports facilities.
- In the domestic Restaurant Business, net sales increased on the back of solid same-store sales growth; however, profit declined due to higher operating expenses.
- In the overseas Restaurant Business, we accelerated new store openings in Vietnam and the United States.

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Ⅱ-1. Profit and Loss

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- ✓ Net sales increased as same-store sales grew following menu price revisions and other pricing initiatives, together with contributions from new store openings.
- ✓ Although ordinary profit was affected by higher raw material costs and startup expenses associated with new store openings, it increased year on year, supported by solid same-store sales, particularly in the Hotel Business.

(Million yen)

	Q2 FY12/25	**Q2 FY12/26**	Change	Pct. Change	**FY12/26 Full-year Forecasts**	Progress rate
Net sales	78,805	**82,275**	+3,469	+4.4%	**174,800**	47.1%
Operating profit	3,195	**3,315**	+120	+3.8%	**8,950**	37.0%
(Ratio to sales)	(4.1%)	**(4.0%)**	(-0.0%)		**(5.1%)**	—
Ordinary profit	3,356	**3,526**	+169	+5.0%	**8,800**	40.1%
(Ratio to sales)	(4.3%)	**(4.3%)**	(+0.0%)		**(5.0%)**	—
Profit attributable to owners of parent	1,986	**2,201**	+214	+10.8%	**5,700**	38.6%
(Ratio to sales)	(2.5%)	**(2.7%)**	(+0.2%)		**(3.3%)**	—
EBITDA	7,599	**8,297**	+697	+9.2%	—	—
(Ratio to sales)	(9.6%)	**(10.1%)**	(+0.4%)		—	—

Note: EBITDA = Ordinary profit + depreciation and amortization + amortization of goodwill + net interest expense.

Ⅱ-2. Changes in Net Sales and Ordinary Profit (First Half)

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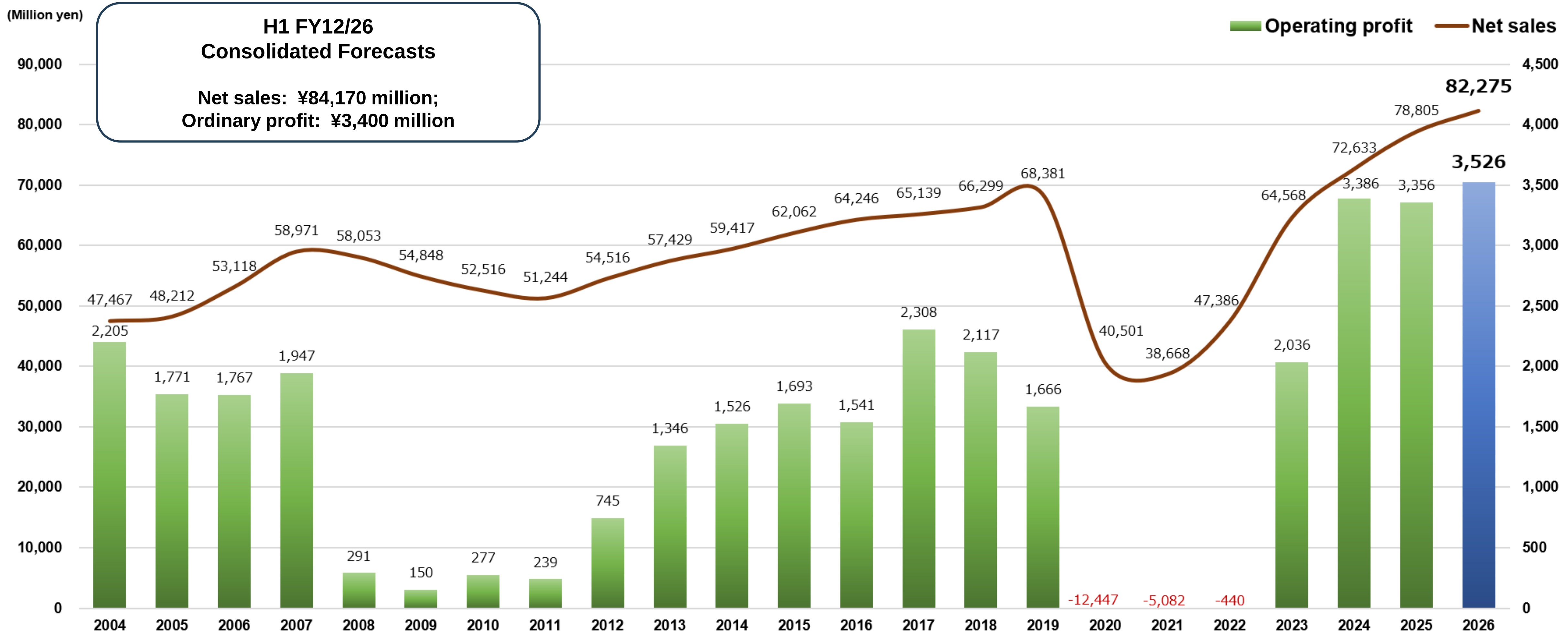
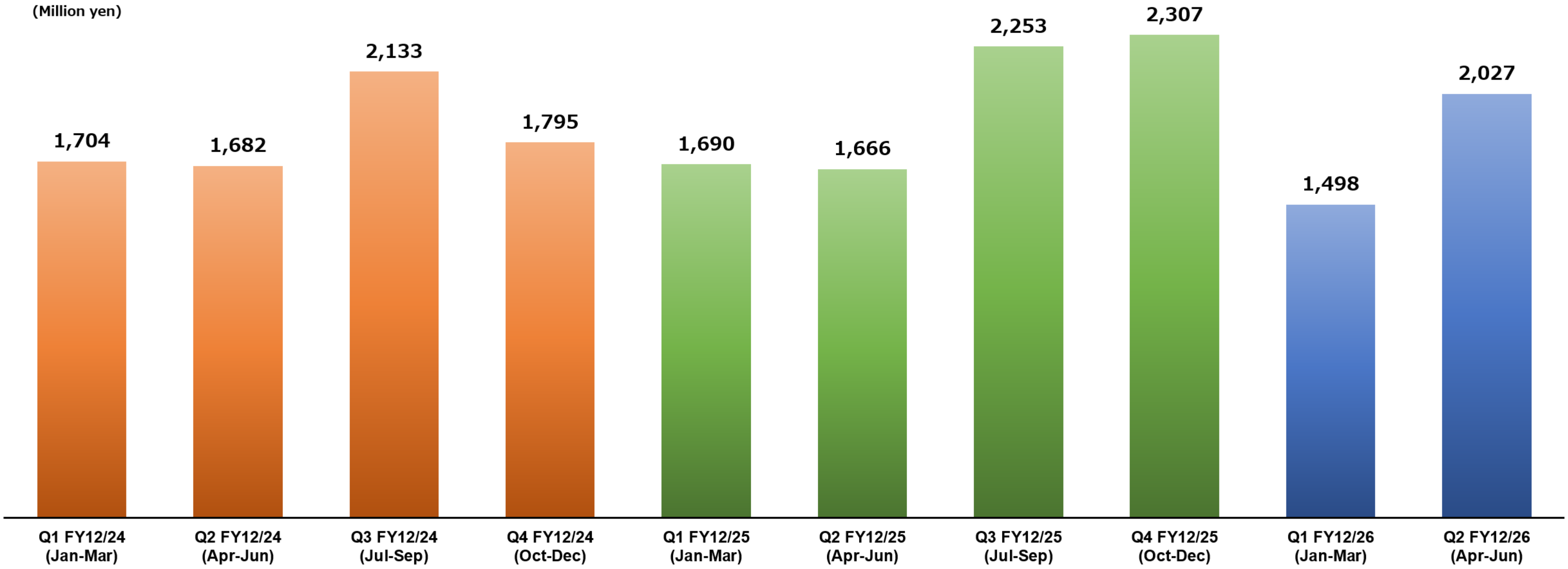
- ✓ Both net sales and ordinary profit reached record highs for the first half of FY12/26.
- ✓ Although net sales fell short of our initial forecast due to factors including a decline in Chinese tourists and unfavorable weather conditions, ordinary profit exceeded the initial forecast, supported by menu price revisions across business segments and ongoing cost reduction initiatives.



Ⅱ-3. Quarterly Changes in Ordinary Profit

- ✓ Ordinary profit for the second quarter of FY12/26 (April–June) increased year on year.
- ✓ Supported by solid same-store sales growth across all business segments, ordinary profit reached a record high for the second quarter (April–June) .



Ⅱ-4. Impact of Soaring Purchase Prices (YoY)

- ✓ During the first half, procurement costs for food ingredients, including Brazilian chicken and U.S. beef, continued to rise.
- ✓ Procurement cost increases are expected to moderate toward the fiscal year-end, supported by measures such as revising our beef procurement strategy and switching to the new rice harvest.
- ✓ At present, the impact of the Middle East situation remains limited, although procurement costs have increased for certain items, including nitrile gloves and packaging materials.

	First Half (Actual)	From Q3 Onward (Forecast)	Full-year FY12/26 (Forecast)
Raw materials	+¥1.0 billion	+¥1.2 billion	+¥2.2 billion
Electricity and gas	-¥0.1 billion	+¥0.3 billion	+¥0.2 billion
Total impact	+¥0.9 billion	+¥1.5 billion	+¥2.4 billion

* FY12/22 Full Year: Raw materials +¥1.3 billion; Electricity and gas +¥1.0 billion; Total impact +¥2.3 billion
* FY12/23 Full Year: Raw materials +¥2.4 billion; Electricity and gas -¥0.0 billion; Total impact +¥2.4 billion
* FY12/24 Full Year: Raw materials +¥0.8 billion; Electricity and gas +¥0.1 billion; Total impact +¥0.9 billion
* FY12/25 Full Year: Raw materials +¥2.1 billion; Electricity and gas +¥0.2 billion; Total impact +¥2.3 billion

Ⅱ -5. Balance Sheet

- ✓ As of June 30, 2026, total assets stood at ¥133.7 billion, down ¥5.9 billion from the end of the previous fiscal year. The equity ratio was 42.0%, and the fixed assets to long-term capital ratio was 98.8%.
- ✓ Cash and deposits declined due mainly to the repayment of borrowings, resulting in decreases in both assets and liabilities.

(Million yen)

	FY12/25 End-Jun.	FY12/25 End-FY	FY12/26 End-Jun.	H1 FY12/26		FY12/25 End-Jun.	FY12/25 End-FY	FY12/26 End-Jun.	H1 FY12/26
Current assets	43,886	36,974	**29,671**	-7,302	Liabilities	84,903	84,281	**76,968**	-7,312
(Cash and deposits)	28,752	19,554	**15,439**	-4,114	(Borrowings)	(32,450)	(26,500)	**(23,775)**	(-2,725)
Non-current assets	91,829	102,789	**104,093**	+1,304	(Lease liabilities)	(26,820)	(26,964)	**(25,737)**	(-1,226)
Property, plant and equipment	51,115	52,365	**52,661**	+295					
(Leased assets)	(18,913)	(19,278)	**(18,311)**	(-966)					
Intangible assets	16,424	22,293	**21,715**	-578	Net assets	50,813	55,481	**56,795**	+1,314
(Goodwill)	(4,794)	(8,769)	**(8,528)**	(-241)	(Shareholders' equity)	(50,431)	(54,725)	**(56,181)**	(+1,456)
(Rights to operate the facility, Customer-related intangible assets)	(10,350)	(12,119)	**(11,753)**	(-365)					
Investments and other assets	24,289	28,129	**29,716**	+1,587					
Total assets	135,716	139,763	**133,764**	-5,998	**Total liabilities and net assets**	135,716	139,763	**133,764**	-5,998

(Ref.)

	FY12/25 End-Jun.	FY12/25 End-FY	FY12/26 End-Jun.	H1 FY12/26		FY12/25 End-Jun.	FY12/25 End-FY	FY12/26 End-Jun.	H1 FY12/26
Non-current assets to long-term capital ratio	87.3%	96.4%	**98.8%**	+2.4%	Shareholders' equity ratio	37.2%	39.2%	**42.0%**	+2.8%

Ⅱ-6. Cash Flow Statement

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- Compared with the previous fiscal year, operating cash flow decreased due to higher income tax payments. Investing cash flow improved as capital expenditures declined. Financing cash flow decreased, primarily due to differences in the timing of annual financing activities compared with the previous fiscal year.

(Million yen)

	FY12/25 Q2	**FY12/26 Q2**	Change
Cash flows from operating activities	6,564	**5,993**	-570
Cash flows from investing activities	-5,295	**-4,245**	+1,050
(Purchases of property, plant and equipment and intangible assets)	(-5,225)	**(-3,978)**	(+1,247)
(Purchase of shares of affiliates)	(-60)	**(0)**	(+60)
Cash flows from financing activities	7,837	**-5,880**	-13,717
(Net increase/decrease in borrowings)	(10,750)	**(-2,725)**	(-13,475)
(Dividend payments)	(-1,591)	**(-1,740)**	(-149)
Total Cash flows	9,105	**-4,131**	-13,237

Ⅱ-7. Revised Cash Allocation Forecast

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- ✓ In light of the rapid rise in construction costs, we are carefully reviewing the timing of capital expenditures.
- ✓ Operating cash flow will be allocated to growth investments and shareholder returns.
- ✓ We will continue providing stable shareholder returns in line with our dividend policy, targeting a DOE of 3.5% and a consolidated dividend payout ratio of approximately 30%.

FY12/26 Initial Forecast

Cash In

Utilization of Cash and Deposits: ¥3.1 billion
Growth investments (including equity investments) under consideration

Operating Cash Flow before Income Taxes: ¥17.5 billion

Cash Out

Capital Expenditures: ¥15.0 billion

Shareholder Returns (Dividends) : ¥1.6 billion

Income Tax Payments: ¥4.0 billion

FY12/26 Revised Forecast

Cash In

Operating Cash Flow before Income Taxes: ¥17.6 billion

Cash Out

Capital Expenditures: ¥12.0 billion

Shareholder Returns (Dividends) : ¥1.6 billion

Income Tax Payments: ¥4.0 billion

Ⅱ-8. Capital Expenditures by Segment

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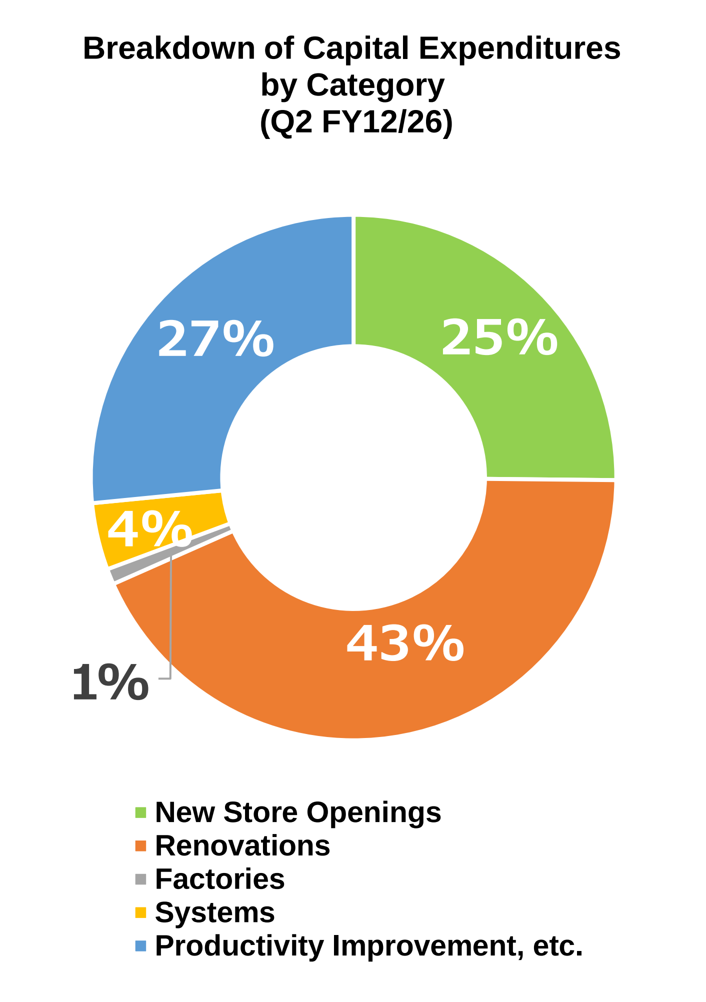
	H1 FY12/26 Results	Breakdown	Three-Year Investment Plan (2025–2027)	Progress Rate * As of Q2 FY12/26 (cumulative from 2025)
Restaurant Business	¥2.5 billion	・New Store Openings : ¥0.82 billion ・Renovations : ¥1.16 billion ・Productivity Improvement, etc. : ¥0.52 billion	¥17.0 billion	47.1% (¥8.02 billion)
(Overseas)	(¥0.1 billion)	・New Store Openings : ¥0.10 billion ・Productivity Improvement, etc. : ¥0.0 billion	(¥2.5 billion)	(12.6%) (¥0.32 billion)
Contract Food Service Business	¥0.31 billion	・New Store Openings : ¥0.16 billion ・Renovations : ¥0.01 billion ・Productivity Improvement, etc. : ¥0.13 billion	¥4.0 billion	34.7% (¥1.39 billion)
Hotel Business	¥0.89 billion	・New Store Openings : ¥0.08 billion ・Renovations : ¥0.66 billion ・Productivity Improvement, etc. : ¥0.15 billion	¥19.0 billion	23.9% (¥4.54 billion)
Food Manufacturing Business	¥0.06 billion	・Factories : ¥0.04 billion ・Systems : ¥0.02 billion	¥1.5 billion	40.3% (¥0.60 billion)
Other Businesses	¥0.16 billion	・Productivity Improvement, etc.: ¥0.16 billion	–	–
Corporate Functions *Business infrastructure development, etc.	¥0.32 billion	・Systems : ¥0.16 billion ・Productivity Improvement, etc.: ¥0.16 billion	¥5.0 billion	22.7% (¥1.14 billion)
Group Total	**¥4.22 billion**		**¥46.5 billion**	**34.3% (¥15.94 billion)**
		Including acquisition cost of shares of TABISUL Co., ltd., etc. (2025)		**46.5% (¥21.41 billion)**



* Capital expenditures represent additions to tangible and intangible fixed assets (including leased assets).

Ⅱ-9. Profit and Loss by Segment

- ✓ In the Hotel Business, both occupancy rates and average daily room rates (ADR) increased from the same period of the previous year, resulting in higher sales and profit.
- ✓ In the Contract Food Service Business, profitability improved across each business line, leading to higher profit despite lower sales.
- ✓ In the Restaurant Business, both domestic and overseas same-store sales remained solid, resulting in higher sales; however, profit declined due to higher costs.

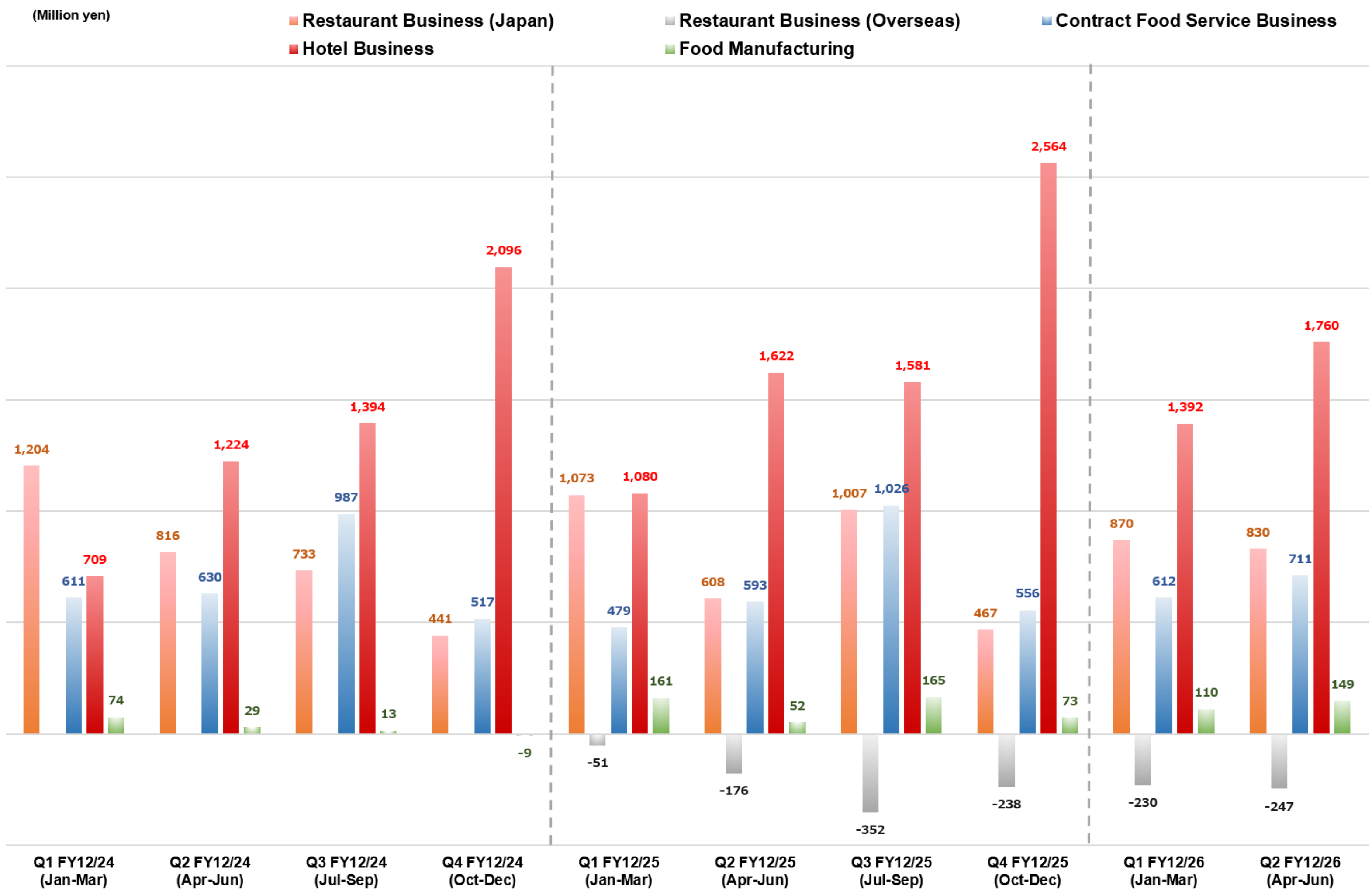
(Million yen)

	FY12/25 Q2		**FY12/26 Q2**		YoY				**FY12/26 Full-year Plan**		Vs. Full-year Plan	
	Net sales	Ordinary profit	**Net sales**	**Ordinary profit**	Net sales		Ordinary profit		**Net sales**	**Ordinary profit**	Net sales	Ordinary profit
					Change	(Pct. Change)	Change	(Pct. Change)			(Progress rate)	(Progress rate)
Restaurant Business	32,400	1,453	**34,209**	**1,224**	+1,809	+5.6%	-228	-15.8%	**72,300**	**4,000**	47.3%	30.6%
(Japan)	(32,091)	(1,833)	(33,765)	(1,702)	(+1,673)	+5.2%	(-131)	-7.2%	(70,400)	(4,300)	(48.0%)	(39.6%)
(Overseas)	(308)	(-380)	(444)	(-478)	(+135)	+44.0%	(-97)	(－)	(1,900)	(-300)	(23.4%)	(－%)
Contract Food Service	25,392	1,073	**24,732**	**1,323**	-660	-2.6%	+250	+23.3%	**53,000**	**2,900**	46.7%	45.6%
Hotel Business	19,365	2,703	**20,770**	**3,152**	+1,405	+7.3%	+449	+16.6%	**43,800**	**7,100**	47.4%	44.4%
Food Manufacturing Business	6,063	213	**7,010**	**259**	+946	+15.6%	+45	+21.3%	**15,400**	**200**	45.5%	129.5%
Other Business	156	465	**170**	**371**	+13	+8.7%	-94	-20.2%	**400**	**900**	42.5%	41.2%
Intersegment Eliminations	-4,573	－	**-4,617**	**－**	-44	－	－	－	**-10,100**	**－**	－	－
Company-wide	－	-2,552	**－**	**-2,805**	－	－	-253	－	**－**	**-6,300**	－	－
Total	78,805	3,356	**82,275**	**3,526**	+3,469	+4.4%	+169	+5.0%	**174,800**	**8,800**	47.1%	40.1%

*Note 1: Figures for the "(Overseas)" in the Restaurant Business have been included in the aggregation starting from Q1 FY12/25.

*Note 2: Following the consolidation of TABISUL Co., ltd. as a consolidated subsidiary, its results have been included in the Food Manufacturing Business segment starting from Q4 FY12/25.

- ✓ During the second quarter (April–June), net sales remained solid across all business segments. The Restaurant (Japan), Contract Food Service, Hotel, and Food businesses each achieved year-on-year profit growth.
- ✓ In the Restaurant Business (Overseas), profit declined due to startup costs associated with new store openings in Vietnam and the United States.



Ⅱ-11. Profit and Loss by Core Business Line

- ✓ Richmond Hotels and Expressway Operations achieved higher sales and profit. Airport Terminal Operations recorded higher sales but lower profit due to higher raw material costs and other factors.
- ✓ Royal Host and Tenya posted higher sales but lower profit due to higher operating expenses. Other Restaurant Operations recorded higher sales but lower profit, reflecting startup costs for overseas store openings and other factors. In addition, the consolidation of indirect operations contributed to higher profit at the Restaurant Business Headquarter and the Contract Food Service Headquarter.

(Million yen)

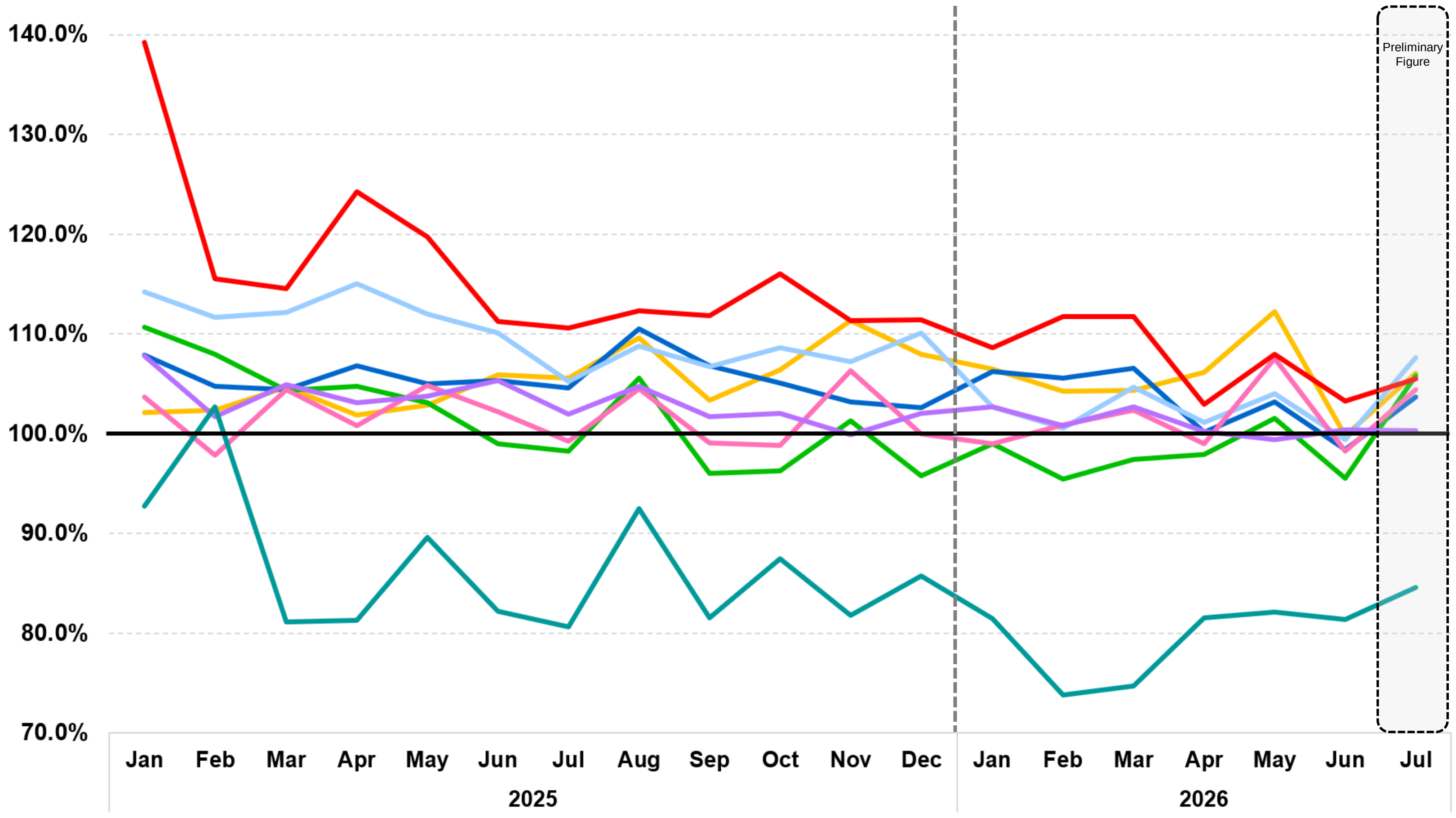
		FY12/25 Q2		**FY12/26 Q2**		YoY	
		Net sales	Ordinary profit	**Net sales**	**Ordinary profit**	Net sales	Ordinary profit
Restaurant Business	Royal Host	21,561	1,740	**22,391**	**1,440**	+830	-299
	Tenya	5,931	358	**6,188**	**312**	+256	-46
	Other Restaurants	4,906	-158	**5,629**	**-284**	+722	-126
	Restaurant Business Headquarter	0	-488	**0**	**-244**	+0	+243
	(Overseas)	(308)	(-380)	**(444)**	**(-478)**	+135	-97
	Total	32,400	1,453	**34,209**	**1,224**	+1,809	-228
Contract Food Service Business	Airport Terminals	5,695	576	**6,000**	**548**	+305	-27
	Expressways	11,769	371	**12,102**	**434**	+332	+62
	Offices	6,093	370	**5,123**	**442**	△970	+71
	Entertainment Facilities	1,833	190	**1,505**	**170**	△327	-20
	Contract Food Serv ice Business Headquarter	0	-435	**0**	**-271**	+0	+164
	Total	25,392	1,073	**24,732**	**1,323**	△660	+250
Hotel Business	Richmond Hotel	19,365	3,134	**20,770**	**3,617**	+1,405	+482
	Hotel Business Headquarter	0	-431	**0**	**-464**	+0	-33
	Total	19,365	2,703	**20,770**	**3,152**	+1,405	+449
Food Manufacturing Business	Factories, Purchasing & Logistics, etc.	6,063	351	**7,010**	**413**	+946	+61
	Food Manufacturing Business Headquarter	0	-137	**0**	**-153**	+0	-15
	Total	6,063	213	**7,010**	**259**	+946	+45

*Note 1: Figures for “Other Restaurants” include net sales and ordinary profit/loss of overseas subsidiaries and equity-method affiliates. Figures for “Richmond Hotel” include ordinary profit/loss of equity-method affiliates.

*Note 2: Following the consolidation of TABISUL Co., Ltd. as a consolidated subsidiary, its results have been included in the Food Business segment starting from Q4 FY12/25.

Ⅱ-12. YoY Changes in Same-store Sales

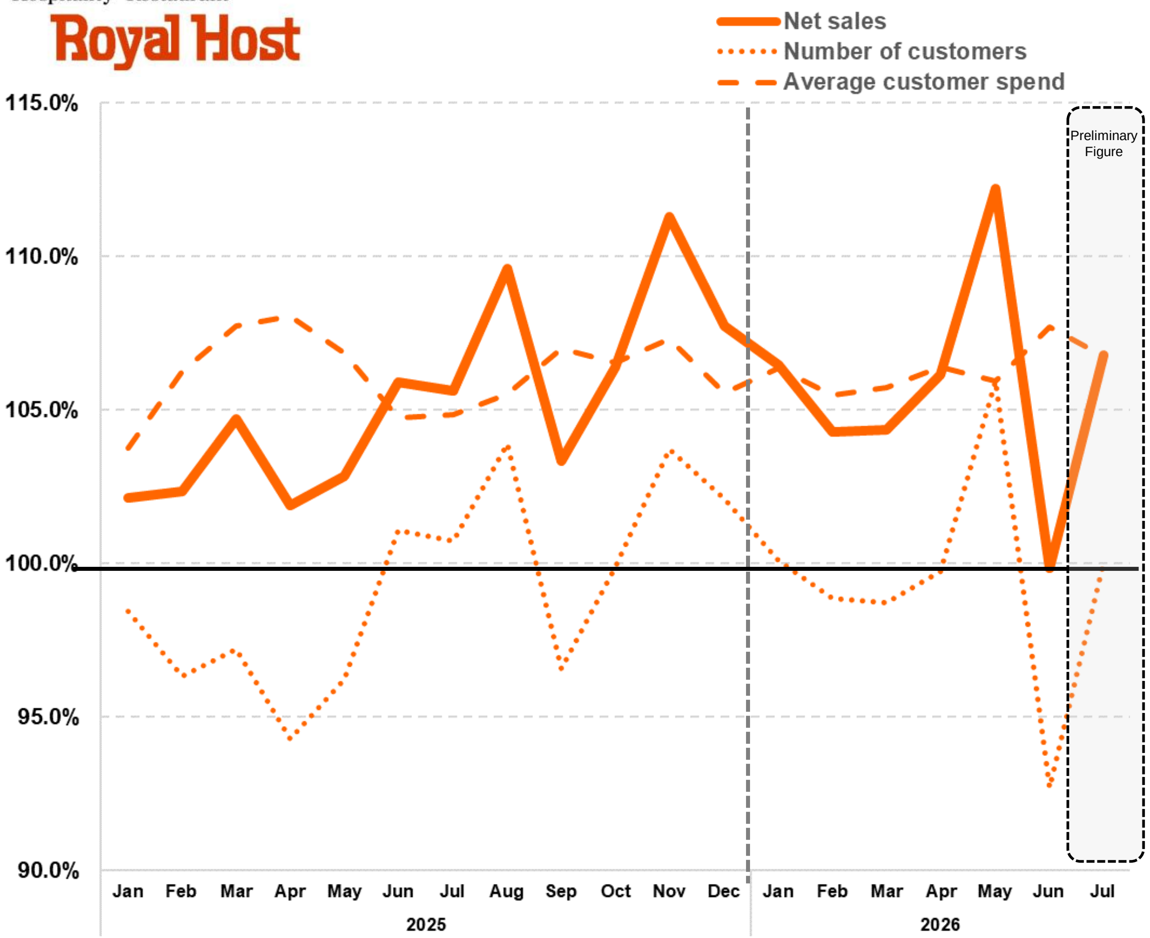
- ✓ Richmond Hotels continued to perform strongly by capturing solid domestic and inbound tourism demand.
- ✓ Although many business lines recorded year-on-year declines in June due to unfavorable weather conditions, including typhoons, July performance has recovered, with Royal Host, Tenya, and most other business lines exceeding the prior-year level.
- ✓ Entertainment Facility Operations remained weak due to a decline in group travelers from China.

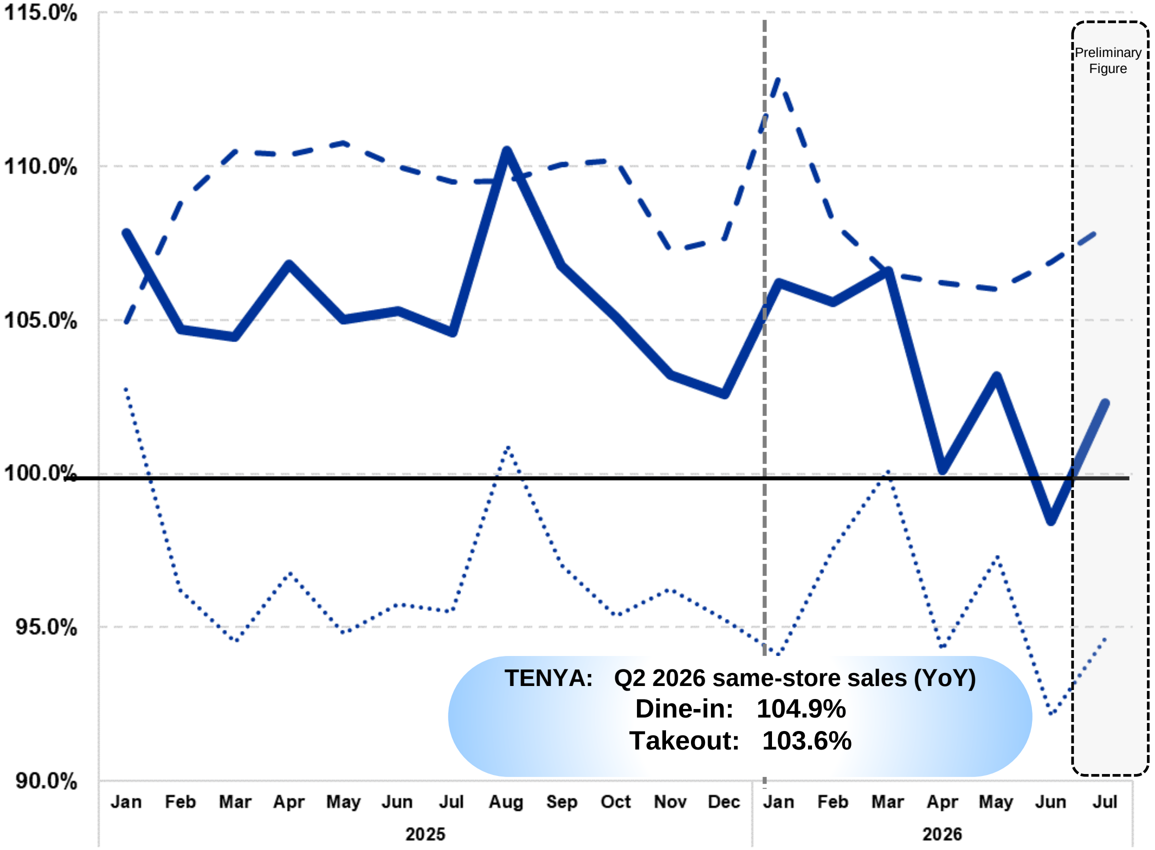


	Apr	May	Jun	Jul (Preliminary Figure)
Royal Host	106.1%	112.2%	99.8%	106.8%
Airport terminals	101.1%	104.0%	99.4%	105.5%
Richmond Hotel	102.9%	108.0%	103.3%	105.3%
Expressways	99.0%	107.6%	98.2%	105.2%
Other restaurants	97.9%	101.6%	95.5%	104.0%
Tenya	100.1%	103.2%	98.4%	102.3%
Offices	100.2%	99.4%	100.3%	102.1%
Entertainment facilities	81.5%	82.1%	81.4%	84.5%

- ✓ Royal Host revised its grand menu in February 2026, resulting in an increase of more than 5% in average spending per customer compared with the previous year.
- ✓ Tenya revised its menu in December 2025 and again in June 2026, leading to higher average spending per customer.
- ✓ In June, sales and customer traffic fell below the prior-year level due to unfavorable weather conditions. However, July sales have recovered to exceed the prior-year level.

Hospitality Restaurant Royal Host





Ⅱ-14. Occupancy Rate and ADR of Directly Operated Hotels

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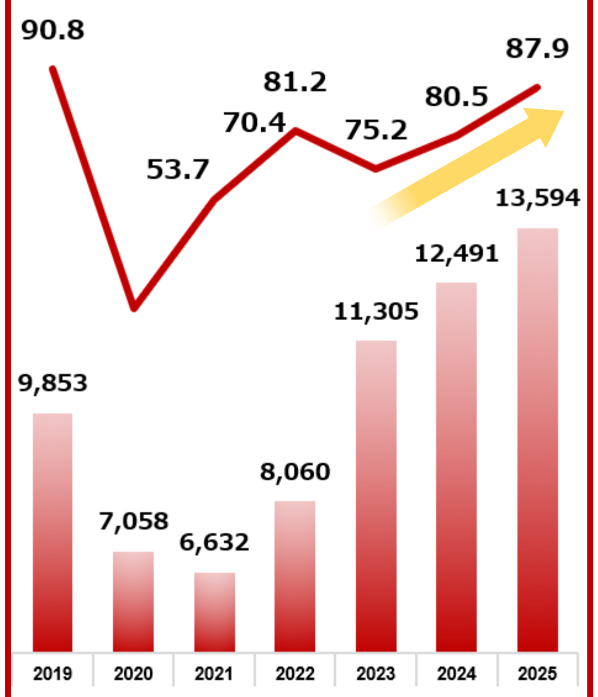
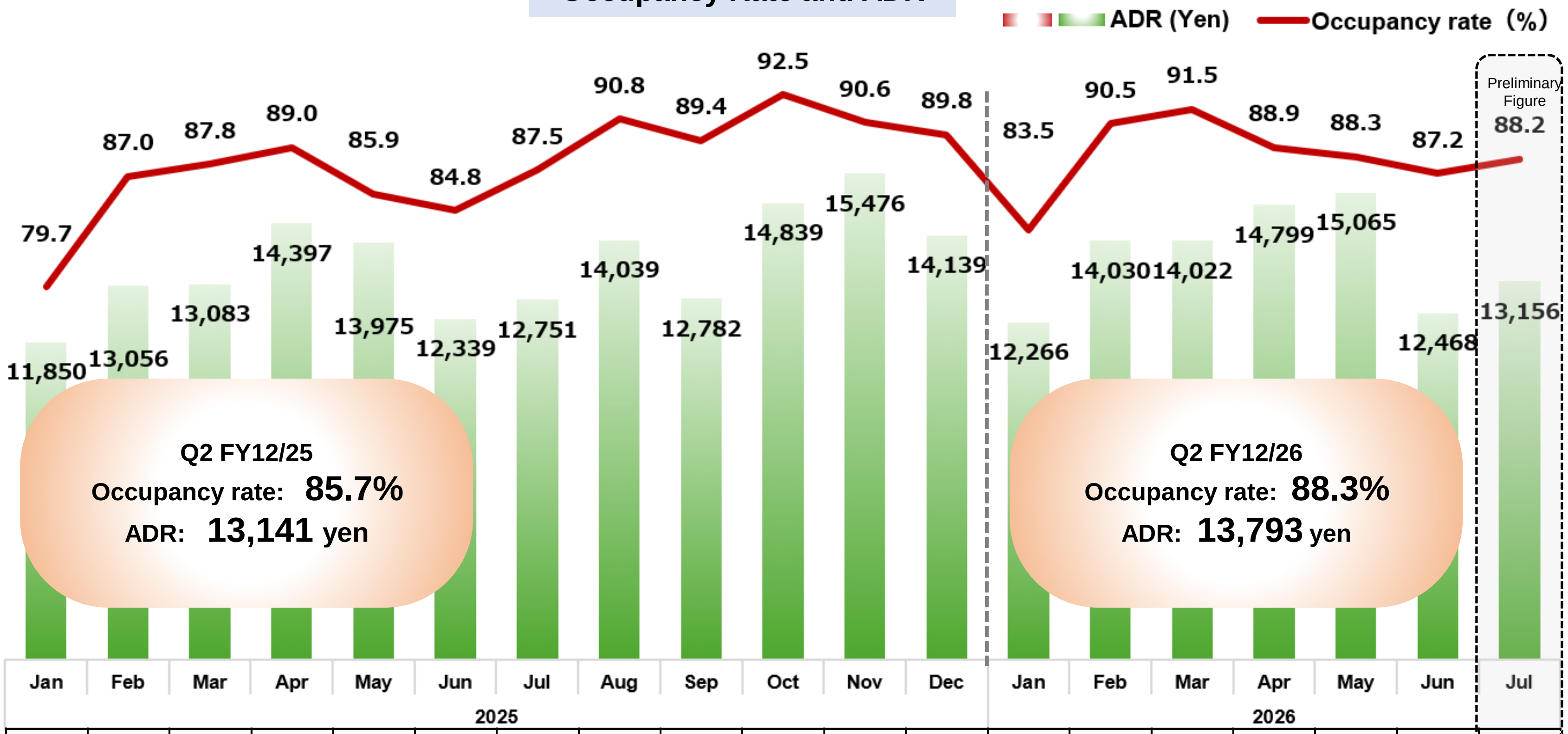
- ✓ During the second quarter, the occupancy rate across our directly operated hotels was 88.3%, while the average daily room rate (ADR) was ¥13,793. Supported by a higher proportion of inbound guests, occupancy increased by 2.6 percentage points and ADR rose by ¥652 compared with the previous year.
- ✓ Although travel demand from China to Japan remains subdued, its impact has been limited, while demand from other countries and regions continues to be solid.

Annual Trends in Occupancy Rate and ADR



Inbound Customer Sales Ratio (%)	2019	2020	2021	2022	2023	2024	2025
	16.2	4.7	1.3	3.1	17.2	21.0	26.4

Monthly Trends in Occupancy Rate and ADR



Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
26.7	24.5	23.8	29.5	27.2	24.8	24.0	23.9	23.9	29.8	29.1	29.5	29.3	28.8	29.5	29.3	28.8	28.8	27.3
H1: 26.1												H1: 28.9						

* Directly operated hotels consist of 43 Richmond Hotels and one THE BASEMENT HOTEL.

Notes

- Operating profit, ordinary profit, and profit attributable to owners of parent stated in this document are indicated with a mark (-) when they represent an operating loss, ordinary loss, or loss attributable to owners of parent, respectively.
- The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable. Actual results may differ materially due to various factors.

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Bringing joy to communities and society through food and hospitality