Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2026 (Based on Japanese GAAP)

August 6, 2026

Company name: HOSHIZAKI CORPORATION
Stock exchange listing: Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code: 6465 URL: https://www.hoshizaki.com
Representative: Representative Director, President & CEO Yasuhiro Kobayashi
Inquiries: Director, Senior Executive Officer Ryuichiro Seki TEL: +81-562-96-1112
Scheduled date to file Semi-annual Securities Report: August 7, 2026
Scheduled date to commence dividend payments: September 14, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Adjusted operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2026	273,646	14.7	32,705	7.3	39,330	16.1	34,053	6.9	22,297	1.6
Six months ended June 30, 2025	238,528	9.4	30,480	11.2	33,886	10.7	31,854	(1.2)	21,952	12.6

Note: Comprehensive income Six months ended June 30, 2026 ¥32,737 million [668.4%]
Six months ended June 30, 2025 ¥4,260 million [(91.8)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2026	159.04	–
Six months ended June 30, 2025	155.17	–

Notes: 1. The Company discloses "adjusted operating profit" as an indicator of consolidated results in addition to "operating profit." Adjusted operating profit is calculated by deducting the amortization related to investment differences from business combinations (such as goodwill and intangible assets) and the amount of the effect of hyperinflation accounting from operating profit.
2. The Company finalized provisional accounting treatment pertaining to business combination during the fourth quarter of the previous fiscal year. Accordingly, each figure for the six months ended June 30, 2025 reflects the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2026	595,210	420,676	67.0	2,884.10
As of December 31, 2025	575,646	413,914	68.2	2,772.73

Reference: Equity As of June 30, 2026 ¥398,797 million
As of December 31, 2025 ¥392,608 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	–	50.00	–	65.00	115.00
Year ending December 31, 2026	–	55.00			
Year ending December 31, 2026 (Forecast)			–	60.00	115.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Adjusted operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	520,000	7.0	55,600	7.1	68,200	11.6	59,000	4.8	38,200	0.1	274.20

Notes: 1. Revision of consolidated financial results forecast most recently announced: No
2. The calculation of the earnings per share does not include the impact of the purchase of treasury shares resolved at the meeting of the Board of Directors held on February 13, 2026, for the portion acquired on or after July 1, 2026.

*Notes

(1) Significant changes in the scope of consolidation during the six months ended June 30, 2026: No

(2) Application of special accounting for preparing semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

a. Changes in accounting policies due to revisions to accounting standards and other regulations: No
b. Changes in accounting policies due to other reasons: No
c. Changes in accounting estimates: No
d. Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	144,890,100 shares	As of December 31, 2025	144,890,100 shares

b. Number of treasury shares at the end of the period

As of June 30, 2026	6,615,580 shares	As of December 31, 2025	3,293,885 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	140,206,041 shares	Six months ended June 30, 2025	141,470,077 shares

* **Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.**

* **Proper use of earnings forecasts, and other special matters**
The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

Attached Materials
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1. Overview of operating results

The forward-looking matters stated herein are judgments made by the Hoshizaki Group (the "Group") as of June 30, 2026.

(1) Overview of operating results during the period

During the six months ended June 30, 2026, the Japanese economy continued to demonstrate a moderate recovery despite challenges such as ongoing rising prices and labor shortages. This recovery was supported by positive factors including the establishment of high levels of wage hikes implemented by companies, the resilience of service consumption, and the steady trend in inbound tourism demand.

Overseas, while robust economic growth continues in India, the global economic outlook remains uncertain mainly due to the uncertainty surrounding policy trends in the U.S., economic stagnation in Europe and China, the increasing geopolitical risks in the Middle East region, and the accompanying concerns over fluctuations in energy prices. The IMF World Economic Outlook released in July indicated that the global economy would grow 3.0% in 2026, down from the previously predicted 3.1%.

Amid such circumstances, the Group expanded sales in the restaurant market as well as in non-restaurant markets such as hospitality and the retail industry in Japan. Overseas, the Group focused on product supply to meet continued demand and worked to improve profitability, although it was affected by an intensifying competitive environment and the amortization of goodwill and intangible assets, etc. related to acquired companies and other factors in some regions.

As a result of the above initiatives, the Group reported operating results for the six months ended June 30, 2026 with net sales of ¥273,646 million (up 14.7% year-on-year), operating profit of ¥32,705 million (up 7.3% year-on-year), ordinary profit of ¥34,053 million (up 6.9% year-on-year), and profit attributable to owners of parent of ¥22,297 million (up 1.6% year-on-year).

The Group has disclosed "adjusted operating profit," which is calculated by deducting amortization of investment differences from business combinations (such as goodwill and intangible assets) and the impact of hyperinflation accounting from operating profit, as one of the indicators of consolidated business performance. Adjusted operating profit for the six months ended June 30, 2026 was ¥39,330 million, an increase of 16.1% compared to the same period last year.

The operating results by segment are as follows.

From the six months ended June 30, 2026, in order to manage the profit of each reportable segment more appropriately, amortization of goodwill and amortization of intangible assets, etc. related to business combinations, which were previously included in the reconciliation amount, are now allocated to each reportable segment. The following year-on-year comparisons are based on figures for the same period of the previous fiscal year that have been reclassified into the reportable segments after the change. For details, please refer to "Notes to segment information, etc." in the Notes below.

a. Japan

In Japan, the Group expanded sales focusing on its flagship products such as refrigerators and ice machines using HFC-free natural refrigerants, and dishwashers for the restaurant market with which it deepens engagement and the non-restaurant markets in which it proactively aims to develop. In the restaurant and service industries in particular, the Group focused on responding to rising demand for capital investment and the increasing demand for repair and maintenance amid continued inbound tourism demand, etc., although it continued to struggle with cost increases in raw materials, labor, etc., serious labor shortage, and other difficulties. As a result, the Group generated net sales of ¥126,318 million (up 6.2% year-on-year), segment profit of ¥19,534 million (up 11.1% year-on-year), and adjusted operating profit of ¥19,598 million (up 11.1% year-on-year).

b. Americas

In the Americas, we strove to expand sales of ice machines, refrigerators, dispensers, dishwashers, and other products, focusing on initiatives that include customer development and relationship building. While there was a contribution from the company acquired in the previous fiscal year, we were also affected by goodwill amortization and other factors. As a result, the Group generated net sales of ¥74,773 million (up 29.3% year-on-year), segment profit of ¥4,764 million (down 16.8% year-on-year), and adjusted operating profit of ¥7,636 million (up 33.3% year-on-year).

c. Europe

In Europe, we focused our efforts on mainly strengthening collaboration between Group companies and strove to expand sales of its flagship products, such as ice machines and refrigerators. As a result, the Group generated net sales of ¥30,352 million (up 10.5% year-on-year), segment profit of ¥375 million (up 89.2% year-on-year), and adjusted operating profit of ¥3,525 million (up 15.5% year-on-year).

d. Asia

As for Asia, sales of refrigerators were strong mainly in India. As a result, the Group generated net sales of ¥47,986 million (up 21.8% year-on-year), segment profit of ¥7,984 million (up 25.0% year-on-year), and adjusted operating profit of ¥8,523 million (up 23.9% year-on-year).

(2) Overview of financial position during the period

Total assets as of June 30, 2026 increased by ¥19,563 million from December 31, 2025 to ¥595,210 million.

Current assets increased by ¥9,004 million from December 31, 2025 to ¥351,318 million. The main factor was an increase in notes and accounts receivable - trade, and contract assets.

Non-current assets increased by ¥10,558 million from December 31, 2025 to ¥243,891 million. The main factor was an increase in investments and other assets.

Total liabilities as of June 30, 2026 increased by ¥12,802 million from December 31, 2025 to ¥174,533 million.

Current liabilities increased by ¥18,534 million from December 31, 2025 to ¥154,133 million. The main factors were increases in income taxes payable, contract liabilities, and notes and accounts payable - trade.

Non-current liabilities decreased by ¥5,732 million from December 31, 2025 to ¥20,400 million.

Total net assets as of June 30, 2026 increased by ¥6,761 million from December 31, 2025 to ¥420,676 million. The main factors were an increase in retained earnings due to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment, despite a decrease in net assets due to purchase of treasury shares.

(3) Overview of cash flows during the period

Cash and cash equivalents as of June 30, 2026 decreased by ¥2,082 million from December 31, 2025 to ¥157,360 million. The respective cash flow positions and the factors thereof in the six months ended June 30, 2026 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥29,098 million (¥13,541 million provided in the same period of the previous fiscal year). The main factor was profit before income taxes of ¥34,166 million, despite an increase in accounts receivable - trade, and contract assets of ¥11,528 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥5,184 million (¥10,610 million used in the same period of the previous fiscal year). The main factor was purchase of investment securities of ¥5,627 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥30,695 million (¥7,747 million used in the same period of the previous fiscal year). The main factors were purchase of treasury shares of ¥17,206 million and dividends paid of ¥9,202 million.

(4) Explanation of consolidated earnings forecasts and other forward-looking statements

There are currently no changes to the earnings forecasts announced on February 13, 2026.

2. Semi-annual consolidated financial statements
(1)Consolidated balance sheets

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	177,089	169,412
Notes and accounts receivable - trade, and contract assets	76,736	88,921
Merchandise and finished goods	35,459	35,670
Work in process	8,256	7,636
Raw materials and supplies	37,218	40,285
Other	9,825	11,498
Allowance for doubtful accounts	(2,273)	(2,105)
Total current assets	342,313	351,318
Non-current assets		
Property, plant and equipment	91,630	96,611
Intangible assets		
Goodwill	76,352	75,400
Other	24,725	24,652
Total intangible assets	101,077	100,052
Investments and other assets	40,624	47,227
Total non-current assets	233,332	243,891
Total assets	575,646	595,210
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,255	37,438
Short-term borrowings	6,390	6,753
Income taxes payable	5,787	12,010
Contract liabilities	44,276	49,293
Provision for bonuses	4,994	5,887
Other provisions	4,602	5,187
Other	33,292	37,561
Total current liabilities	135,598	154,133
Non-current liabilities		
Retirement benefit liability	6,580	2,273
Other provisions	2,610	2,867
Other	16,942	15,259
Total non-current liabilities	26,133	20,400
Total liabilities	161,731	174,533
Net assets		
Shareholders’ equity		
Share capital	8,138	8,138
Capital surplus	14,559	14,052
Retained earnings	317,873	330,967
Treasury shares	(18,527)	(35,577)
Total shareholders’ equity	322,042	317,581
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	822
Foreign currency translation adjustment	65,636	76,163
Remeasurements of defined benefit plans	4,329	4,230
Total accumulated other comprehensive income	70,565	81,216
Non-controlling interests	21,306	21,879
Total net assets	413,914	420,676
Total liabilities and net assets	575,646	595,210

(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	238,528	273,646
Cost of sales	147,529	170,566
Gross profit	90,999	103,080
Selling, general and administrative expenses	60,518	70,374
Operating profit	30,480	32,705
Non-operating income		
Interest income	2,428	1,209
Foreign exchange gains	–	495
Share of profit of entities accounted for using equity method	141	–
Gain on net monetary position	362	761
Other	501	782
Total non-operating income	3,434	3,250
Non-operating expenses		
Interest expenses	741	1,221
Foreign exchange losses	896	–
Share of loss of entities accounted for using equity method	–	196
Other	423	484
Total non-operating expenses	2,061	1,901
Ordinary profit	31,854	34,053
Extraordinary income		
Gain on sale of investment securities	22	72
Gain on sale of non-current assets	49	87
Total extraordinary income	71	160
Extraordinary losses		
Loss on abandonment of non-current assets	16	43
Other	0	3
Total extraordinary losses	17	47
Profit before income taxes	31,908	34,166
Income taxes - current	13,429	15,830
Income taxes - deferred	(3,762)	(4,331)
Total income taxes	9,666	11,499
Profit	22,241	22,666
Profit attributable to non-controlling interests	289	368
Profit attributable to owners of parent	21,952	22,297

Consolidated statements of comprehensive income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	22,241	22,666
Other comprehensive income		
Valuation difference on available-for-sale securities	86	222
Foreign currency translation adjustment	(17,576)	10,267
Remeasurements of defined benefit plans, net of tax	37	(98)
Share of other comprehensive income of entities accounted for using equity method	(528)	(320)
Total other comprehensive income	(17,981)	10,070
Comprehensive income	4,260	32,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,942	32,948
Comprehensive income attributable to non-controlling interests	(2,681)	(211)

(3)Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	31,908	34,166
Depreciation	5,268	6,200
Amortization of goodwill	807	3,782
Contribution of securities to retirement benefit trust	(4,325)	(4,325)
Increase (decrease) in provision for product warranties	201	703
Increase (decrease) in provision for bonuses	747	851
Increase (decrease) in allowance for doubtful accounts	267	(154)
Interest and dividend income	(2,450)	(1,246)
Interest expenses	741	1,221
Foreign exchange losses (gains)	686	(295)
(Loss) gain on net monetary position	(362)	(761)
Share of loss (profit) of entities accounted for using equity method	(141)	196
Decrease (increase) in accounts receivable - trade, and contract assets	(15,726)	(11,528)
Decrease (increase) in inventories	(6,073)	(1,493)
Increase (decrease) in trade payables	1,647	1,275
Increase (decrease) in accounts payable - other	(3,685)	(3,050)
Increase (decrease) in accrued expenses	9,227	8,548
Increase (decrease) in advances received	149	152
Increase (decrease) in contract liabilities	2,682	5,016
Increase (decrease) in accrued consumption taxes	(9)	(200)
Other, net	(1,244)	(1,409)
Subtotal	20,317	37,650
Interest and dividends received	2,575	1,315
Interest paid	(740)	(1,224)
Income taxes paid	(8,611)	(8,642)
Net cash provided by (used in) operating activities	13,541	29,098
Cash flows from investing activities		
Payments into time deposits	(7,538)	(2,660)
Proceeds from withdrawal of time deposits	10,941	8,056
Purchase of property, plant and equipment	(4,520)	(5,399)
Purchase of intangible assets	(1,578)	(566)
Purchase of investment securities	(6,421)	(5,627)
Proceeds from sale of investment securities	3,149	2,046
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,183)	–
Purchase of long-term prepaid expenses	(163)	(971)
Payments for acquisition of businesses	(3,458)	–
Other, net	162	(62)
Net cash provided by (used in) investing activities	(10,610)	(5,184)

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from financing activities		
Repayments of lease liabilities	(410)	(495)
Proceeds from disposal of treasury shares	89	152
Purchase of treasury shares	(5,494)	(17,206)
Decrease (increase) in deposits for purchase of treasury shares	5,684	(2,000)
Dividends paid	(8,437)	(9,202)
Dividends paid to non-controlling interests	(61)	(119)
Proceeds from share issuance to non-controlling shareholders	465	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(1,787)
Other, net	416	(36)
Net cash provided by (used in) financing activities	(7,747)	(30,695)
Effect of exchange rate change on cash and cash equivalents	(6,354)	2,945
Net increase (decrease) in cash and cash equivalents	(11,170)	(3,836)
Effect of hyperinflation	1,120	1,754
Cash and cash equivalents at beginning of period	214,391	159,442
Cash and cash equivalents at end of period	204,341	157,360

(4)Notes to semi-annual consolidated financial statements

Notes on special accounting for preparing semi-annual consolidated financial statements

Omitted due to immateriality.

Notes to segment information, etc.

I. Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information related to net sales and profit or loss and revenue breakdown for each reportable segment

(Millions of yen)

	Reportable segment					Reconcili-ation (Note 1)	Amount recorded in the semi-annual consolidated statements of income (Note 2)
	Japan	Americas	Europe	Asia	Total		
Net sales							
Ice machines	10,444	21,024	11,012	2,925	45,405	–	45,405
Refrigerators	28,682	6,334	3,678	25,878	64,574	–	64,574
Dishwashers	9,799	5,920	1,997	152	17,870	–	17,870
Dispensers	3,162	16,947	–	416	20,526	–	20,526
Non Hoshizaki products	19,647	406	–	4,856	24,910	–	24,910
Maintenance and repairs	24,858	5,464	1,263	2,983	34,570	–	34,570
Other products	18,694	1,360	8,880	1,502	30,438	–	30,438
Revenue from contracts with customers	115,287	57,458	26,833	38,715	238,295	–	238,295
Other revenue	232	–	–	–	232	–	232
Sales to external customers	115,520	57,458	26,833	38,715	238,528	–	238,528
Intersegment sales or transfers	3,430	352	638	676	5,097	(5,097)	–
Total	118,950	57,811	27,471	39,392	243,626	(5,097)	238,528
Segment profit	17,584	5,728	198	6,388	29,898	581	30,480

Notes
1. The reconciliation amount of ¥581 million for segment profit includes ¥563 million from reconciliation of inventories and ¥17 million from reconciliation of transactions with other segments and miscellaneous items.
2. Segment profit has been reconciled with operating profit in the semi-annual consolidated statements of income.
3. The Company finalized provisional accounting treatment pertaining to business combination during the fourth quarter of the previous fiscal year. Accordingly, segment profit reflects the content of the finalized provisional accounting treatment.

2. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

There was no applicable information for significant impairment losses pertaining to non-current assets and significant changes in goodwill, etc.

Reference information

Adjusted operating profit by reportable segment is as follows.

(Millions of yen)

	Reportable segment					Reconcili-ation	Total amount
	Japan	Americas	Europe	Asia	Total		
Segment profit	17,584	5,728	198	6,388	29,898	581	30,480
Amortization of investment differences from business combinations	63	–	1,074	489	1,627	–	1,627
Effect of applying hyperinflationary accounting	–	–	1,778	–	1,778	–	1,778
Adjusted operating profit	17,647	5,728	3,051	6,877	33,305	581	33,886

Note “Amortization of investment differences from business combinations” includes amortization of goodwill and amortization of intangible assets, etc. Additionally, “Effect of applying hyperinflationary accounting” includes the effects of such accounting related to the amortization of goodwill and amortization of intangible assets, etc. in our consolidated subsidiary in Türkiye.

II.Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

1. Information related to net sales and profit or loss and revenue breakdown for each reportable segment

(Millions of yen)

	Reportable segment					Reconcili-ation (Note 1)	Amount recorded in the semi-annual consolidated statements of income (Note 2)
	Japan	Americas	Europe	Asia	Total		
Net sales							
Ice machines	11,289	22,651	12,874	4,116	50,932	–	50,932
Refrigerators	30,250	19,990	4,550	32,283	87,075	–	87,075
Dishwashers	10,234	6,330	1,974	234	18,774	–	18,774
Dispensers	3,143	16,378	–	671	20,193	–	20,193
Non Hoshizaki products	20,050	385	–	3,841	24,276	–	24,276
Maintenance and repairs	27,365	7,006	1,533	3,459	39,365	–	39,365
Other products	20,077	1,413	8,776	2,514	32,782	–	32,782
Revenue from contracts with customers	122,411	74,156	29,709	47,120	273,399	–	273,399
Other revenue	247	–	–	–	247	–	247
Sales to external customers	122,659	74,156	29,709	47,120	273,646	–	273,646
Intersegment sales or transfers	3,658	616	642	866	5,784	(5,784)	–
Total	126,318	74,773	30,352	47,986	279,430	(5,784)	273,646
Segment profit	19,534	4,764	375	7,984	32,658	46	32,705

Notes 1. The reconciliation amount of ¥46 million for segment profit includes ¥29 million from reconciliation of inventories and ¥17 million from reconciliation of transactions with other segments and miscellaneous items.

2. Segment profit has been reconciled with operating profit in the semi-annual consolidated statements of income.

2. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

There was no applicable information for significant impairment losses pertaining to non-current assets and significant changes in goodwill, etc.

3. Information about changes in reportable segment

From the six months ended June 30, 2026, in order to manage the profit of each reportable segment more appropriately, amortization of goodwill and amortization of intangible assets, etc. related to business combinations, which were previously included in the reconciliation amount, are now allocated to each reportable segment.

The segment information for the six months ended June 30, 2025 indicates figures in the reclassified segments after the change.

Reference information

Adjusted operating profit by reportable segment is as follows.

(Millions of yen)

	Reportable segment					Reconcili-ation	Total amount
	Japan	Americas	Europe	Asia	Total		
Segment profit	19,534	4,764	375	7,984	32,658	46	32,705
Amortization of investment differences from business combinations	63	2,871	1,093	539	4,567	–	4,567
Effect of applying hyperinflationary accounting	–	–	2,056	–	2,056	–	2,056
Adjusted operating profit	19,598	7,636	3,525	8,523	39,283	46	39,330

Note “Amortization of investment differences from business combinations” includes amortization of goodwill and amortization of intangible assets, etc. Additionally, “Effect of applying hyperinflationary accounting” includes the effects of such accounting related to the amortization of goodwill and amortization of intangible assets, etc. in our consolidated subsidiary in Türkiye.

Notes on significant changes in the amount of shareholders’ equity

Pursuant to a resolution of the meeting of the Board of Directors held on February 13, 2026, the Company purchased 3,348,000 treasury shares during the six months ended June 30, 2026. In addition, pursuant to a resolution of the meeting of the Board of Directors held on April 16, 2026, the Company disposed of 29,000 treasury shares as restricted share-based remuneration during the six months ended June 30, 2026.

As a result of the acquisition and disposal of treasury shares, including these transactions, the value of the Company’s treasury shares increased by ¥17,049 million. As of June 30, 2026, the value of the Company’s treasury shares was ¥35,577 million.

Notes on premise of going concern

Not applicable

Additional information

Accounting practices under hyperinflationary economies

Due to the three-year cumulative inflation rate in Türkiye exceeding 100%, the Group has adjusted the financial statements of its subsidiary in Türkiye in accordance with IAS 29, “Financial Reporting in a Hyperinflationary Economies” before consolidation.

Significant subsequent events

Disposal of treasury shares by way of third-party allotment based on the strategic partnership agreement with Japan Activation Capital, Inc.

The Company conducted the disposal of treasury shares by way of a third-party allotment (the "Disposal of Treasury Shares"), which was resolved at a meeting of its Board of Directors held on June 16, 2026.

1. Overview of the Disposal of Treasury Shares

(1)	Date of disposal	July 9, 2026
(2)	Type and number of shares of disposal	Common shares of the Company: 2,329,100 shares
(3)	Price of disposal	¥5,196 per share
(4)	Total amount of proceeds	¥12,102,003,600
(5)	Method of allotment and allottees	All shares have been allotted by way of a third-party allotment as follows: Japan Activation Capital I L.P. 554,000 shares Japan Activation Capital II Alpha L.P. 1,775,100 shares

2. Purpose and reason for the disposal

   In the new Medium-Term Management Plan commencing in 2027, the Company has identified the improvement of capital efficiency and profitability, as well as the promotion of corporate value enhancement measures, as key priorities. Japan Activation Capital, Inc. ("JAC") possesses expertise, human networks, and various resources related to supporting the enhancement of corporate value for listed companies. Accordingly, the Company has determined that JAC is an appropriate strategic partner for realizing the medium- to long-term enhancement of the corporate value of the Group.

   Under this partnership agreement, the Company aims to accelerate the execution of corporate value enhancement measures by leveraging JAC's expertise and networks, thereby striving for sustainable corporate value enhancement.

   Furthermore, in addition to the shares acquired through the Disposal of Treasury Shares, including those acquired from existing shareholders, the shareholding ratio of the funds managed by JAC and those with JAC involvement after the Disposal of Treasury Shares will be approximately 2.7%.

Stock split and partial amendments to the Articles of Incorporation in connection with the stock split

Based on the resolution of the Board of Directors on August 6, 2026, the Company will conduct a stock split and make partial amendments to the Articles of Incorporation effective January 1, 2027.

(1) Purpose of the stock split

The purpose is to increase share liquidity and to expand the investor base by reducing the investment unit of shares through the stock split.

(2) Outline of the stock split

(i) Method of the stock split

Each share of common stock held by shareholders who are recorded in the final shareholder register as of December 31, 2026 (or, in practice, December 30, 2026, due to the shareholder registrar's holiday schedule) will be split into two shares.

(ii) Number of shares to be increased as a result of the stock split

Total number of shares issued prior to the stock split	144,890,100 shares
Number of increasing shares by the stock split	144,890,100 shares
Total number of issued shares after the stock split	289,780,200 shares
Total number of authorized shares after the stock split	1,000,000,000 shares

(iii) Stock split schedule

Public notice of the record date	December 15, 2026
Record date	December 31, 2026
Effective date	January 1, 2027

(iv) Impact on per share information

Under the assumption that the stock split was conducted at the beginning of the previous fiscal year, information per share is as follows:

(Yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Basic earnings per share	77.59	79.52

(v) Others

There will be no change in the amount of share capital as a result of this stock split.

(3) Partial amendment to the Articles of Incorporation

(i) Reason for the amendment

In connection with this stock split, the Company will, pursuant to Article 184, Paragraph 2 of the Companies Act, amend the total number of authorized shares stipulated in Article 6 of its Articles of Incorporation, effective January 1, 2027.

(ii) Details of the amendment

The details of the amendment are as follows:

(Amended portions are underlined.)

Before the amendment	Article 6 : (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be five hundred million (<u>500,000,000</u>).
After the amendment	Article 6 : (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be one billion (<u>1,000,000,000</u>).

(iii) Schedule of the amendment

Board resolution date	August 6, 2026
Effective date	January 1, 2027