CHIKARA NO MOTO

Consolidated Financial Report
for the First Quarter of the Fiscal Year Ending March 31, 2027
(Japanese GAAP)

August 13, 2026

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

Scheduled start date of dividend payment: -

Preparation of Supplementary Explanation Material for Financial Results: Yes

Presentation Meeting for Financial Results (for institutional investors and analysts): No

1 . Q1 Financial Year Ending March 31, 2027 (April 1, 2026 – June 30, 2026) (Rounded down to the nearest Million JPY)

(1) Results of Consolidated Operations (% indicates variance from the same quarter of the previous fiscal year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
Q1 FY2026-27	9,006	5.9	239	△48.6	319	△27.8	185	△71.0
Q1 FY2025-26	8,505	4.1	466	△18.9	442	△35.3	639	43.1

Note: Comprehensive Income Q1 FY2026-27 219 Million JPY (-53.0%) Q1 FY2025-26 466 Million JPY (0.4%)

	Quarterly earnings per share	Quarterly Earnings per share after adjusting for dilution
	JPY	JPY
Q1 FY2026-27	6.16	-
Q1 FY2025-26	21.28	21.27

(2) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio
	Million JPY	Million JPY	%
Q1 FY2026-27	19,342	12,029	62.2
FY2025-26	20,071	12,112	60.3

Reference : Shareholders' Equity Q1 FY2026-27 12,029 Million JPY FY2025-26 12,112 Million JPY

2 . Dividends

	Dividends per share (annual)				
	Q1	Q2	Q3	Q4	Total
	JPY	JPY	JPY	JPY	JPY
FY2025-26	-	10.00	-	10.00	20.00
FY2026-27	-				
FY2026-27 (Forecast)		12.00	-	12.00	24.00

Note: Changes from previously announced dividends projection: None

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

(% indicates variance: full year vs. previous fiscal year, quarter vs. same quarter of previous fiscal year)

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

Note: Revisions to the most recently announced performance forecast: None

Notes

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

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

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

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

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

3) Changes in accounting estimates: None

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

(4) Number of Shares Issued (Common stock)

① Number of shares issued at the end of the period (including treasury stock)	Q1 FY2026-27	30,318,000 shares	As of March 31, 2026	30,318,000 Shares
② Number of treasury stock at end of period	Q1 FY2026-27	212,258 Shares	As of March 31, 2026	212,258 Shares
③ Average number of shares during the period	Q1 FY2026-27	30,105,742 Shares	Q1 FY2025-26	30,081,502 Shares

Note: The total number of treasury shares at the end of period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (at the end of FY2026-27 77,780 shares and at the end of the previous fiscal year 77,780 shares), the Board Benefit Trust (at the end of FY2026-27 62,100 shares and at the end of the previous fiscal year 62,100 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (at the end of FY2026-27 139,880 shares and at the end of FY2025-26 154,120 shares).

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

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

(Cautions concerning forward-looking statements)

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

(Supplementary Explanation Material)

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

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

(1) Summary of Operating Results:

During the three months ended June 30, 2026 (the "first quarter under review"), the global economy remained uncertain, reflecting higher raw material and energy prices driven by ongoing geopolitical risks such as tensions in the Middle East, global inflationary pressure stemming from U.S. trade policy, and rising labor costs amid a shrinking workforce.

In the food service industry to which the Group belongs, conditions in Japan remained challenging overall. Inbound tourism spending, particularly from East Asia, Europe, the Americas and Oceania, stayed resilient, and personal consumption continued to recover on the back of improving income levels, supporting more active economic activity. At the same time, inbound demand from China continued to decline, and rising raw material, logistics and energy costs, combined with a prolonged weak yen that pushed up import costs and shifting consumer behavior amid high prices, kept conditions difficult. Overseas, geopolitical instability continued to drive up raw material prices, labor costs and other expenses. As in Japan, the possibility of renewed monetary tightening in response to inflation, and further inflationary pressure stemming from Middle East tensions and U.S. tariff policy, remain factors that warrant continued attention.

Under these conditions, the Group continued to operate under its corporate philosophy, "Keep changing to remain Unchanged." In Japan, new store openings progressed steadily, and customer traffic benefited from launching the seasonal favorite Futo Tsukemen one month earlier than the previous year, a limited-time offering of Aburi Mentai Mayo Chashu Rice, and increased media exposure. The operating margin declined due to higher raw material, logistics and labor costs as well as the effects of extreme summer heat. To improve profitability, the Group revised prices on certain products effective August 12, 2026, and is strengthening the Frontline Capability Promotion Block established in April 2026 to enhance customer service and production capabilities, together with DX initiatives such as introducing automated fried-rice cooking equipment, to further improve QSC (quality, service and cleanliness) and profitability.

Overseas, raw material prices, labor costs and rent continued to rise due to inflation. The operating margin also declined, as consumer spending softened amid inflation and extreme weather affected multiple regions. Same-store sales on a local-currency basis, excluding foreign exchange effects, were roughly in line with the previous year, although structural changes in trading conditions have emerged in some areas. During the current period, the Group is proceeding with the strategic closure of unprofitable stores and optimizing its store portfolio by reassessing target areas for new openings. Building on business platforms that have already recovered their investment, the Group has begun operating in new trading areas and under new models, including the Ramen Mania format and a new location in Bentonville, in the U.S. Midwest. Reorganizing these businesses is expected to take time and involve additional costs, but the Group has consistently strengthened its business platforms in the past by adapting its business models to overcome various challenges. The Group's policy of positioning global expansion as a pillar of growth remains unchanged, and it will continue to pursue sustainable growth while steadily improving profitability.

In Merchandising, the Group continued to strengthen B2B sales of IPPUDO-related products in Japan to expand transactions and brand awareness. Overseas, it worked to strengthen sales in existing markets and expand into new countries for dried noodle products developed to meet diverse dietary needs, including Plant-Based Shiromaru and Akamaru, and Plant-Based

Karaka, and began selling to mass retailers in Mexico during the current quarter. This segment is becoming a more significant revenue source for the Group, independent of store operations. The Group will continue to expand its lineup of core IPPUDO-related products and sales channels, both in Japan and overseas.

As of the end of the first quarter under review, the Group operated a total of 323 stores, including those operated under license, comprising 178 stores in Japan and 145 stores overseas (an increase of 5 stores in Japan and 1 store overseas from the end of the previous fiscal year).

As a result, net sales for the first quarter under review were ¥9,006 million (up 5.9% YoY). Operating profit was ¥239 million (down 48.6% YoY). Ordinary profit was ¥319 million (down 27.8% YoY) and profit attributable to owners of parent was ¥185 million (down 71.0% YoY).

Overview of Results by Business Segment

Effective from the first quarter under review, the Group revised its reportable segments, reclassifying wholesale revenue to franchisees and related profit or loss from Merchandising to Domestic Store Operations. Year-on-year comparisons below are based on prior-year figures restated to reflect the revised segment classification. For details, please refer to "2. Changes in Reportable Segments" under "Notes on Segment Information, etc." in "2. Quarterly Consolidated Financial Statements and Significant Notes."

Segment Results

(Domestic Store Operations)

In Domestic Store Operations, the Group opened 4 new IPPUDO stores and 2 new Najimatei stores, while closing 1 IPPUDO store. As a result, the number of stores at the end of the first quarter under review was 178 (an increase of 5 stores from the previous fiscal year).

Sales in this segment benefited from a recovery in personal consumption driven by improving income levels and from resilient inbound tourism spending, particularly from East Asia, Europe, the Americas and Oceania. Steady new store openings, the earlier launch of the seasonal Futo Tsukemen one month ahead of the previous year, and increased media exposure also supported customer traffic. However, the operating margin declined due to the continued decrease in inbound demand from China, higher raw material, logistics and labor costs, and lower customer counts at some stores caused by extreme summer heat. The Group is working to improve profitability through price revisions on certain products effective August 12, 2026, and by strengthening the Frontline Capability Promotion Block established in April 2026 to enhance customer service and production capabilities, together with DX initiatives such as introducing automated fried-rice cooking equipment, to further improve QSC and profitability.

As a result, net sales for this segment in the first quarter under review were ¥4,603 million (up 4.4% YoY), and segment profit was ¥186 million (down 42.9% YoY).

(International Store Operations)

In International Store Operations, the Group opened 2 new stores and closed 1 store, both in Thailand. As a result, the number of stores at the end of the first quarter under review was 145 (an increase of 1 store from the end of the previous fiscal year).

Results for this segment in the first quarter under review reflect the three months from January 1 to March 31, 2026, the period covered for this segment due to the reporting lag applied to certain overseas subsidiaries. Raw material prices, wages and rent continued to rise due to inflation. In response, the Group has been reducing costs through price revisions, menu changes and workforce optimization. However, cost increases outpaced these reductions, and operating profit was affected by inflation-driven weakness in consumer sentiment toward dining out, as well as a year-on-year decline in customer counts caused by extreme weather in various regions and changes in foot traffic. During the current period, the Group is proceeding with the strategic closure of unprofitable stores and optimizing its store portfolio by reassessing target areas for new openings. Building on business platforms that have already recovered their investment, the Group has begun operating in new trading areas and under new models, including the Ramen Mania format and a new location in Bentonville, in the U.S. Midwest.

As a result, net sales for this segment in the first quarter under review were ¥3,627 million (up 4.8% YoY), and segment profit was ¥37 million (down 79.6% YoY).

(Merchandising Segment)

In Merchandising, the Group continued to raise brand awareness in Japan through collaboration products with convenience stores and food manufacturers. Overseas, it began new sales to mass retailers in Mexico and continued to expand the number of items and stores handled through existing overseas sales channels. This export-driven expansion of overseas sales channels is increasing the segment's presence within the Group as a revenue source independent of store operations. The Group will continue to expand its lineup of core IPPUDO-related products and sales channels, both in Japan and overseas.

As a result, net sales for this segment in the first quarter under review were ¥776 million (up 22.6% YoY), and segment profit was ¥100 million (up 66.9% YoY).

(2) Overview of Financial Position

Assets

Total assets at the end of the first quarter under review decreased by ¥728 million from the end of the previous fiscal year, to ¥19,342 million. This was mainly due to a ¥675 million decrease in cash and deposits.

Liabilities

Total liabilities at the end of the first quarter under review decreased by ¥645 million from the end of the previous fiscal year, to ¥7,313 million. This was mainly due to a ¥476 million decrease in income taxes payable and a ¥71 million decrease in accounts payable-other.

Net Assets

Net assets at the end of the first quarter under review decreased by ¥83 million from the end of the previous fiscal year, to ¥12,029 million, and the equity ratio was 62.2%. This mainly reflected a ¥185 million increase in retained earnings from recording profit attributable to owners of parent for the quarter and a ¥48 million increase in foreign currency translation adjustments, partly offset by a ¥302 million decrease in retained earnings due to dividend payments.

(3) Explanation of forward-looking information such as the consolidated financial forecast

There is no change to the consolidated earnings forecast for the fiscal year ending March 31, 2027, from the forecast announced on May 14, 2026.

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	7,588,990	6,913,500
Notes and accounts receivable - trade	908,223	932,303
Inventories	637,832	642,763
Other	1,352,526	1,214,968
Allowance for doubtful accounts	△327	△288
Total current assets	10,487,246	9,703,246
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,917,338	4,978,963
Machinery, equipment and vehicles, net	308,982	295,430
Land	470,756	470,756
Leased assets, net	2,423	2,143
Construction in progress	25,075	64,910
Other, net	387,399	388,223
Total property, plant and equipment	6,111,975	6,200,427
Intangible assets		
Goodwill	82,045	75,587
Other	37,921	34,477
Total intangible assets	119,966	110,064
Investments and other assets		
Investment securities	272,629	260,920
Long-term loans receivable	12,730	12,121
Deferred tax assets	507,066	454,125
Leasehold and guarantee deposits	1,947,511	1,979,308
Other	624,773	634,422
Allowance for doubtful accounts	△12,050	△11,750
Total investments and other assets	3,352,661	3,329,148
Total non-current assets	9,584,603	9,639,641
Total assets	20,071,849	19,342,888

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	993,130	925,283
Short-term borrowings	140,000	100,000
Current portion of long-term borrowings	1,031,569	1,084,859
Lease liabilities	1,118	1,118
Accounts payable - other	1,086,362	1,015,089
Income taxes payable	715,881	239,040
Provision for share awards	19,314	39,160
Reserve for interlocking type of monetary benefit	2,385	12,603
Provision for bonuses	11,124	36,240
Provision for shareholder benefit program	115,284	88,837
Asset retirement obligations	11,716	6,805
Other	1,233,309	1,173,284
Total current liabilities	5,361,196	4,722,323
Non-current liabilities		
Long-term borrowings	882,074	893,634
Lease liabilities	1,304	1,025
Deferred tax liabilities	2,242	—
Provision for share awards for directors (and other officers)	59,664	59,664
Provision for share awards	64,351	42,575
Provision for ESOP benefits for non-residents	10,723	—
Retirement benefit liability	185,391	181,397
Asset retirement obligations	1,239,671	1,261,958
Other	152,350	150,587
Total non-current liabilities	2,597,774	2,590,842
Total liabilities	7,958,971	7,313,165
Net assets		
Shareholders' equity		
Share capital	3,149,715	3,149,715
Capital surplus	2,980,744	2,980,744
Retained earnings	5,132,074	5,015,102
Treasury shares	△292,372	△292,372
Total shareholders' equity	10,970,161	10,853,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,995	△475
Foreign currency translation adjustment	1,128,722	1,177,008
Total accumulated other comprehensive income	1,142,717	1,176,532
Total net assets	12,112,878	12,029,722
Total liabilities and net assets	20,071,849	19,342,888

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

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	8,505,695	9,006,964
Cost of sales	2,549,158	2,845,963
Gross profit	5,956,537	6,161,000
Selling, general and administrative expenses	5,490,052	5,921,337
Operating profit	466,485	239,663
Non-operating income		
Interest income	1,489	8,063
Dividend income	5,879	5,709
Foreign exchange gains	—	47,664
Lease income	38,124	29,813
Other	12,334	21,951
Total non-operating income	57,828	113,201
Non-operating expenses		
Interest expenses	6,029	5,997
Foreign exchange losses	44,177	—
Rental costs	31,543	27,274
Other	221	258
Total non-operating expenses	81,971	33,530
Ordinary profit	442,342	319,334
Extraordinary income		
Gain on sale of non-current assets	356,810	99
Gain on reversal of asset retirement obligations	5,293	—
Total extraordinary income	362,103	99
Extraordinary losses		
Loss on retirement of non-current assets	196	15,509
Impairment losses	8,227	8,769
Total extraordinary losses	8,424	24,278
Profit before income taxes	796,022	295,155
Income taxes - current	216,231	58,723
Income taxes - deferred	△60,205	50,948
Total income taxes	156,026	109,671
Profit	639,996	185,484
Profit attributable to owners of parent	639,996	185,484

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	639,996	185,484
Other comprehensive income		
Valuation difference on available-for-sale securities	1,621	△14,471
Foreign currency translation adjustment	△175,286	48,286
Total other comprehensive income	△173,665	33,815
Comprehensive income	466,331	219,299
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	466,331	219,299