Consolidated Financial Report
For the Six-month Period Ended June 30, 2026 (IFRS)

August 13, 2026

Company Name	SKYLARK HOLDINGS CO., LTD.	Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
Securities Code	3197	URL: https://corp.skylark.co.jp/en/
Representative	Takuo Sato, President and Chief Operating Officer	
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Quarterly statement filing date (as planned)	August 13, 2026
Dividend payable date (as planned)	September 17, 2026
Supplemental material of quarterly results	Yes
Convening briefing of quarterly results	Yes (for analysts and institutional investors)

(Millions of yen; amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Six-month Period Ended June 30, 2026

(1) Consolidated Operating Results (Percentages represent year-on-year changes)

	Revenue		Business profit		Operating profit		Income before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Six-month period ended June 30, 2026	242,457	9.7	16,959	13.4	16,857	20.9	14,654	20.0	10,181	29.2	10,181	29.2	10,795	37.4
Six-month period ended June 30, 2025	220,975	15.4	14,954	26.0	13,946	16.4	12,216	14.2	7,881	25.2	7,881	25.2	7,858	17.3

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Six-month period ended June 30, 2026	44.77	44.77
Six-month period ended June 30, 2025	34.64	34.64

(Reference)

EBITDA	Six-month period ended June 30, 2026	43,699 million yen	[12.1%]	Six-month period ended June 30, 2025	38,980 million yen	[9.9%]
Adjusted EBITDA	Six-month period ended June 30, 2026	44,768 million yen	[10.4%]	Six-month period ended June 30, 2025	40,564 million yen	[10.5%]
Adjusted net income	Six-month period ended June 30, 2026	10,181 million yen	[29.2%]	Six-month period ended June 30, 2025	7,881 million yen	[25.2%]

(Note1) We use business profit, EBITDA, adjusted EBITDA and adjusted net income to evaluate the results of its operations. Refer to "* Notes for using forecasted information and other matters (3) - (5)" below for details.

(Note2) Business profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue, and operating profit is calculated by adding or subtracting other operating income and other operating expenses from business profit.

(Note3) During the three-month period ended December 31, 2025, the provisional accounting treatment for the business combination was finalized, and the relevant figures for the three-month period ended March 31, 2025 have been revised to reflect the finalization of such provisional accounting treatment.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2026	545,247	194,780	194,780	35.7
As of December 31, 2025	518,549	187,567	187,567	36.2

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended December 31, 2025	—	8.00	—	14.00	22.00
Year ending December 31, 2026	—	10.00			
Year ending December 31, 2026 (Forecasted)			—	17.00	27.00

(Note1) Revision of dividend forecast: Yes

(Note 2) Concerning the revision of the dividend forecast, please refer to the "Notice Regarding Revisions to the Consolidated Financial Forecast (IFRS) and Year-End Dividend Forecast for the Fiscal Year Ending December 2026" announced on August 13, 2026.

(Note 3) The dividend resource for the six-month period ended June 30, 2026 includes capital surplus. For details, please refer to "Breakdown of dividends with capital as the source of dividends" below.

3. Forecasts on the Consolidated Financial Results for the Year Ending December 31, 2026 (January 1, 2026 - December 31, 2026)

(Percentages represent year-on-year changes)

	Revenue		Business profit		Operating profit		Income before income taxes		Net income attributable to owners of the Company		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Year ending December 31, 2026	500,000	9.2	37,000	12.2	35,000	16.8	30,000	14.2	20,500	22.4	90.14

(Note) Revision of forecasts on the results of operations: Yes

(Reference)

Adjusted net income Year ending December 31, 2026 (Forecasted) 20,500 million yen (22.4%)

The above Forecasts on the Consolidated Financial Results has been changed from the Forecasts on the Consolidated Financial Results in the "Consolidated Financial Report for the Fiscal Year Ended December 31, 2025 (IFRS)" announced on February 13, 2026. Please refer to "Notice Regarding Revisions to the Consolidated Financial Forecast (IFRS) and Year-End Dividend Forecast for the Fiscal Year Ending December 2026" announced on August 13, 2026, for further details.

*** Notes**

(1) Changes in status of significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in scope of consolidation): Yes

Number of subsidiaries newly consolidated: 2（Company name: Shinpachi Co., Ltd., Echigoya Co., Ltd.）

Number of subsidiaries excluded from consolidation: —

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies other than those in (i): No

(iii) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)	As of June 30, 2026	227,502,200	As of December 31, 2025	227,502,200
(ii) Number of treasury stock	As of June 30, 2026	80,362	As of December 31, 2025	120
(iii) Average number of issued shares during the period	Six month-period ended June 30, 2026	227,429,587	Six month-period ended June 30, 2025	227,502,080

* This quarterly financial report is not subject to quarterly review procedures by certified public accountants or independent auditors.

* Notes for using forecasted information and other matters

(1) We have adopted International Financial Reporting Standards (IFRS).

(2) The forecasts above are based on information available as of the date of this report and certain assumptions deemed to be reasonable. We do not provide any assurance as to achievement of these forecasts. In addition, the actual results may vary materially from the forecasts due to various factors.

(3) Refer to page 2 of Appendix “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Interim Period” for the details of business profit, EBITDA, adjusted EBITDA and adjusted net income.

(4) Business profit, EBITDA, adjusted EBITDA and adjusted net income are not measures prescribed in accordance with IFRS but are financial measures that we believe are useful for investors to assess the operating results of our business. These financial measures exclude the effect of non-cash items and non-recurring expense items, such as public offering-related expenses, loss on redemption of borrowings before the repayment date and gain or loss on the associated hedge transactions, that we do not consider to be indicative of the results of its normal operations or comparable to its competitors’ operating results.

(5) The business profit, EBITDA, adjusted EBITDA and adjusted net income may not be comparable to those of other companies in the same industry due to the difference in calculation methods, and, as a result, their usefulness may decrease.

* Breakdown of dividends with capital as the source of dividends

The following is a breakdown of the interim dividend for the six-month period ended June 30, 2026, which will be paid out of capital surplus.

Reference date	Six-month period ended June 30, 2026
Dividends per share	10.00 yen
Total dividends	2,274 million yen

(Note) Ratio of decrease in net assets (The ratio prescribed in Article 61, Paragraph 2, Item 3 of the Order for Enforcement of the Income Tax Act) 0.000

(Appendix)

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Interim Period

During the interim consolidated accounting period, expectations grew that ongoing wage increases would have a positive impact on the Japanese economy. However, consumer sentiment showed signs of weakening amid geopolitical risks and rising prices. Meanwhile, experience-oriented consumption and selective spending—whereby consumers economize in certain areas while concentrating their spending on products and services they consider worthwhile—became increasingly prevalent. This diversification of consumption patterns created new opportunities for the restaurant industry to respond to evolving consumer and societal needs.

Against this backdrop, the Group has identified the further advancement of Store-Centered Management and the menu and promotional strategies as key priorities for the growth of existing-store sales this fiscal year.

We enhanced our staff's culinary skills around our core menu to improve both quality and productivity. This allowed us to reallocate resources toward customer service, further elevating the overall customer experience.

With regard to menu and promotional strategies, the Group implemented initiatives designed to address the polarization of consumer preferences between a stronger focus on saving money and greater emphasis on experiential value. These initiatives included expanding the range of affordably priced small dishes to make selecting menu items more enjoyable, providing added value unique to dining out through collaborations with renowned chefs and popular IPs, and launching effective limited-time promotional menus based on analyses of customer needs.

In addition, we generated new customer visits by broadly promoting the appeal of our menus through media exposure, such as TV programs, as well as timely information updates via social media..

As a result of these initiatives, both the number of customers and average spending per customer increased, and existing-store sales rose 6.4% year on year during the interim consolidated accounting period.

With regard to store development during the interim consolidated accounting period, the Group opened 21 new restaurants, primarily under the Syabu-Yo and Gust brands, completed 26 brand conversions, primarily to the Sukesan Udon brand, and actively refurbished 113 restaurants.

The Group also accelerated growth investments in its overseas operations, including the opening of the first Sukesan Udon restaurant in Taiwan and new Suki-Ya store openings in Malaysia.

In addition, with the acquisition of Shinpachi Co., Ltd. as a consolidated subsidiary, 109 new restaurants joined the Group. As a result, the total number of restaurants at the end of the interim consolidated accounting period stood at 3,214 (including 10 un-opened restaurants undergoing conversion).

Although the Group partially mitigated the impact of rising raw material costs by reducing food loss at restaurants and implementing measures developed through a cross-functional cost reduction project, the gross profit margin for the interim consolidated accounting period was 66.6%, down 0.2 percentage points year on year.

With regard to expenses, selling, general and administrative expenses amounted to 144,413 million yen, an increase of 11,767million yen year on year, mainly due to higher personnel expenses associated with new restaurant openings and brand conversions aimed at accelerating growth. In addition, following the closure of 27 restaurants, the Group recorded a loss on the write-off of goodwill of 272 million yen under other operating expenses.

Please note that Shinpachi Co., Ltd. and its subsidiary, Echigoya Co., Ltd. has been included in the scope of consolidation starting from the current interim consolidated accounting period.

As a result, for the interim consolidated accounting period, Revenue amounted to 242,457 million yen, an increase of 21,482 million yen year on year; Business profit (Note 2) amounted to 16,959 million yen, an increase of 205 million year on year; Operating profit amounted to 16,857 million yen, an increase of 2,911 million yen year on year; Income before income taxes amounted to 14,654 million yen, an increase of 2,438 million yen year on year; and Net income attributable to owners of the Company amounted to 10,181 million yen, an increase of 2,300 million yen year on year.

EBITDA (Note 3) amounted to 43,699 million yen, an increase of 4,720 million yen year on year; adjusted EBITDA (Note 4) amounted to 44,768 million yen, an increase of 4,204 million yen year on year; and adjusted interim profit (Note 5) amounted to 10,181 million yen, an increase of 2,300 million yen year on year.

(Note 1) (Note 2) to (Note 5) are not measures as defined in IFRS.
(Note 2) Business profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
(Note 3) EBITDA = Income before income taxes + Interest Expense + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Other financial expenses[a] (excluding loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions) - Interest income - Other financial income[b] + Depreciation and amortization + Amortization of long-term prepaid expense + Amortization of long-term prepaid expense (deposit)

(a) Other financial expenses are disclosed as “Other expenses” in the Condensed Interim Consolidated Statements of Income.
(b) Other financial income is disclosed as “Other income” in the Condensed Interim Consolidated Statements of Income.

(Note 4) Adjusted EBITDA = EBITDA + Loss on disposal of fixed assets + Impairment loss of non-financial assets – Reversal of impairment loss of non-financial assets + public offering-related expenses（Note 6）

(Note 5) Adjusted net income (loss) = Net income (loss) + public offering-related expenses (Note 6) + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Tax effects of adjustments

(Note 6) Public offering-related expenses are one-time expenses incurred at the time of IPO and public offering of the Company’s shares, including advisory fees.

(2) Overview of Financial Position for the Interim Period

(i) Assets, Liabilities and Equity

Analysis of assets, liabilities, and equity as of June 30, 2026 is summarized as follows:

Current assets were 64,386 million yen (a decrease of 3,192 million yen compared to the end of the previous fiscal year), mainly due to decreases in cash and cash equivalents and trade and other receivables, partially offset by an increase in other financial assets. Non-current assets were 480,861 million yen (an increase of 29,890 million yen compared to the end of the previous fiscal year), mainly due to an increase in property, plant and equipment and goodwill and other intangible assets.

Total assets were 545,247 million yen (an increase of 26,698 million yen compared to the end of the previous fiscal year).

Current liabilities were 103,243 million yen (a decrease of 2,130 million yen from the end of the previous fiscal year), mainly due to decreases in trade and other payables and income tax payable, partially offset by increases in corporate bonds and short-term borrowings and other financial liabilities. Non-current liabilities were 247,225 million yen (an increase of 21,615 million yen from the end of the previous fiscal year), mainly due to an increase in corporate bonds and long-term borrowings.

Total liabilities were 350,468 million yen (an increase of 19,486 million yen from the end of the previous fiscal year).

Equity was 194,780 million yen (an increase of 7,212 million yen from the end of the previous fiscal year). This was mainly due to a decrease from dividend payments (3,185 million yen) and an increase from the recording of income for the six-month period ended June 30, 2026 (10,181 million yen).

(ii) Cash Flows

Cash and cash equivalents as of June 30, 2026 were 31,357 million yen (a decrease of 2,974 million yen compared to the end of the previous fiscal year). Each category of cash flows and its factors for the six-month period ended June 30, 2026 are summarized as follows:

Cash flows from operating activities:

Net cash from operating activities was 34,519 million yen (an increase of 3,274 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as an increase of 2,263 million yen in income taxes paid, and cash inflows such as an increase of 1,830 million yen in changes in other current liabilities, and an increase of 42,438 million yen in income before income taxes.

Cash flows from investing activities:

Net cash used in investing activities was 26,168 million yen (an increase of 7,109 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as an increase of 3,866 million yen in acquisition of property, plant and equipment, including investments in new, converted and remodeled restaurants, an increase of 1,407 million yen in purchase of shares of subsidiaries resulting in change in scope of consolidation, as well as an increase of 1,268 million yen in payments into time deposits. Our Group normally make payments of cash and cash equivalents one or two months after an increase in assets from investing activities.

Cash flows from financing activities:

Net cash used in financing activities was 11,410 million yen (a decrease of 4,059 million yen compared to the same period in the previous year). This was primarily due to cash inflows such as a decrease of 18,817 million yen in repayments of short-term borrowings, a decrease of 16,022 million yen in repayments of long-term borrowings, and a decrease of 1,090 million yen in payments of commissions related to borrowings, and cash outflows such as a decrease of 3,311 million yen in proceeds from issuance of corporate bonds, and a decrease of 20,818 million yen in proceeds from short-term borrowings, and a decrease of 6,300 million yen in proceeds from long-term borrowings, and an increase of 674 million yen in dividends paid, and an increase of 400 million yen in purchase of treasury shares.

2. Condensed Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statements of Financial Position
As of December 31, 2025 and June 30, 2026 (Unaudited)

(Millions of yen)

	As of December 31, 2025	**As of June 30, 2026**
Assets		
Current assets		
Cash and cash equivalents	¥ 34,331	**¥ 31,357**
Trade and other receivables	23,569	**21,899**
Other financial assets	74	**1,357**
Inventories	7,832	**7,647**
Other current assets	1,771	**2,127**
Total current assets	67,578	**64,386**
Non-current assets		
Property, plant and equipment	230,208	**244,559**
Goodwill	162,683	**171,424**
Other intangible assets	20,028	**24,863**
Other financial assets	24,732	**25,847**
Deferred tax assets	12,221	**13,275**
Other non-current assets	1,100	**893**
Total non-current assets	450,971	**480,861**
Total assets	¥ 518,549	**¥ 545,247**

(Millions of yen)

	As of December 31, 2025	**As of June 30, 2026**
Liabilities and equity		
Liabilities		
Current liabilities		
Corporate bonds and short-term borrowings	¥ 14,339	**¥ 14,988**
Trade and other payables	33,935	**30,648**
Other financial liabilities	29,524	**30,341**
Income tax payable	5,233	**4,639**
Provisions	1,481	**1,477**
Other current liabilities	20,861	**21,150**
Total current liabilities	105,372	**103,243**
Non-current liabilities		
Corporate bonds and long-term borrowings	109,330	**122,255**
Other financial liabilities	95,457	**102,535**
Provisions	15,219	**15,663**
Deferred tax liabilities	4,516	**5,955**
Other non-current liabilities	1,088	**818**
Total non-current liabilities	225,610	**247,225**
Total liabilities	330,982	**350,468**
Equity		
Share capital	25,134	**25,134**
Capital surplus	52,918	**49,630**
Treasury shares	(0)	**(296)**
Other components of equity	2,905	**3,520**
Retained earnings	106,611	**116,791**
Equity attributable to owners of the Company	187,567	**194,780**
Total equity	187,567	**194,780**
Total liabilities and equity	¥ 518,549	**¥ 545,247**

(2) Condensed Interim Consolidated Statements of Income

For the Six-Month Period Ended March 31, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the six-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**
Revenue	¥ 220,975	**¥ 242,457**
Cost of sales	(73,375)	**(81,085)**
Gross profit	147,599	**161,372**
Other operating income	948	**1,174**
Selling, general and administrative expenses	(132,646)	**(144,413)**
Other operating expenses	(1,956)	**(1,276)**
Operating profit	13,946	**16,857**
Interest income	21	**44**
Other income	0	**3**
Interest expense	(1,644)	**(2,146)**
Other expenses	(107)	**(103)**
Income before income taxes	12,216	**14,654**
Income taxes	(4,335)	**(4,473)**
Net income	7,881	**10,181**
Net income (loss) attributable to:		
Owners of the Company	¥ 7,881	**¥ 10,181**
Net income	¥ 7,881	**¥ 10,181**
Interim earnings (loss) per share		
Basic (Yen)	¥ 34.64	**¥ 44.77**
Diluted (Yen)	34.64	**44.77**

(3) Condensed Interim Consolidated Statements of Comprehensive Income
For the Six-Month Period Ended June 30, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the six-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**
Net income	¥ 7,881	**¥ 10,181**
Other comprehensive income		
Items that are not reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	8	**(22)**
Total items that are not reclassified to profit or loss	8	**(22)**
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(123)	**302**
Cash flow hedges	91	**334**
Total items that may be reclassified to profit or loss	(32)	**636**
Other comprehensive income (loss), net of tax	(23)	**614**
Total comprehensive income	¥ 7,858	**¥ 10,795**
Comprehensive income attributable to:		
Owners of the Company	¥ 7,858	**¥ 10,795**
Total comprehensive income	7,858	**10,795**

(4) **Condensed Interim Consolidated Statements of Changes in Equity**
For the Six-Month Period Ended June 30, 2025 (Unaudited)

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Other components of equity: Financial assets measured at fair value through other comprehensive income	Other components of equity: Exchange differences on translation of foreign operations	Other components of equity: Cash flow hedges	Other components of equity: Total
As of January 1, 2025	¥ 25,134	¥ 57,240	¥ (0)	¥ 44	¥ 869	¥ 224	¥ 1,137
Net income	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	8	(123)	91	(23)
Total comprehensive income	—	—	—	8	(123)	91	(23)
Purchase of treasury shares	—	—	—	—	—	—	—
Disposition of treasury shares	—		—	—	—	—	—
Stock-based compensation transactions	—		—	—	—	—	—
Dividends	—	(2,503)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	—
Total contributions by and distributions to owners of the Company	—	(2,503)	—	—	—	—	—
Total transactions with owners of the Company	—	(2,503)	—	—	—	—	—
As of June 30, 2025	¥ 25,134	¥ 54,738	¥ (0)	¥ 52	¥ 746	¥ 316	¥ 1,114

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2025	¥ 89,861	¥ 173,372	¥ 173,372
Net income	7,881	7,881	7,881
Other comprehensive income, net of tax	—	(23)	(23)
Total comprehensive income	7,881	7,858	7,858
Purchase of treasury shares	—	—	—
Disposition of treasury shares	—	—	—
Stock-based compensation transactions	—	—	—
Dividends	—	(2,503)	(2,503)
Transfer from other components of equity to retained earnings	—	—	—
Total contributions by and distributions to owners of the Company	—	(2,503)	(2,503)
Total transactions with owners of the Company	—	(2,503)	(2,503)
As of June 30, 2025	¥ 97,742	¥ 178,727	¥ 178,727

Condensed Interim Consolidated Statements of Changes in Equity – Continued
For the Six-Month Period Ended June 30, 2026 (Unaudited)

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Other components of equity: Financial assets measured at fair value through other comprehensive income	Other components of equity: Exchange differences on translation of foreign operations	Other components of equity: Cash flow hedges	Other components of equity: Total
As of January 1, 2026	**¥ 25,134**	**¥ 52,918**	**¥ (0)**	**¥ 60**	**¥ 1,883**	**¥ 963**	**¥ 2,905**
Net income	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	**(22)**	**302**	**334**	**614**
Total comprehensive income	—	—	—	**(22)**	**302**	**334**	**614**
Purchase of treasury shares	—	**(0)**	**(400)**	—	—	—	—
Disposition of treasury shares	—	**(63)**	**104**	—	—	—	—
Stock-based compensation transactions	—	**(39)**	—	—	—	—	—
Dividends	—	**(3,185)**	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	**0**	—	—	**0**
Total contributions by and distributions to owners of the Company	—	**(3,287)**	**(296)**	**0**	—	—	**0**
Total transactions with owners of the Company	—	**(3,287)**	**(296)**	**0**	—	—	**0**
As of June 30, 2026	**¥ 25,134**	**¥ 49,630**	**¥ (296)**	**¥ 38**	**¥ 2,185**	**¥ 1,297**	**¥ 3,520**

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2026	**¥ 106,611**	**¥ 187,567**	**¥ 187,567**
Net income	**10,181**	**10,181**	**10,181**
Other comprehensive income, net of tax	—	**614**	**614**
Total comprehensive income	**10,181**	**10,795**	**10,795**
Purchase of treasury shares	—	**(400)**	**(400)**
Disposition of treasury shares	—	**41**	**41**
Stock-based compensation transactions	—	**(39)**	**(39)**
Dividends	—	**(3,185)**	**(3,185)**
Transfer from other components of equity to retained earnings	**(0)**	—	—
Total contributions by and distributions to owners of the Company	**(0)**	**(3,583)**	**(3,583)**
Total transactions with owners of the Company	**(0)**	**(3,583)**	**(3,583)**
As of June 30, 2026	**¥ 116,791**	**¥ 194,780**	**¥ 194,780**

(5) Condensed Interim Consolidated Statements of Cash Flows
For the Six-Month Period Ended June 30, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the six-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**
Cash flows from operating activities		
Income before income taxes	¥ 12,216	**¥ 14,654**
Adjustments for:		
Depreciation and amortization	24,982	**26,760**
Loss on impairment of non-financial assets	583	**534**
Profit and loss on sale and disposal of fixed assets	1,002	**530**
Interest income	(21)	**(44)**
Other income	(0)	**(3)**
Interest expense	1,644	**2,146**
Other expenses	107	**103**
	40,513	**44,681**
Changes in working capital and other:		
Decrease (increase) in trade and other receivables	2,450	**2,210**
Decrease (increase) in inventories	262	**228**
Increase (decrease) in trade and other payables	(5,103)	**(4,557)**
Increase (decrease) in other financial liabilities (current)	(38)	**205**
Increase (decrease) in other current liabilities	(1,605)	**226**
Others	(248)	**(759)**
Cash generated from operations	36,230	**42,234**
Interest and dividends received	17	**42**
Interest paid	(1,283)	**(1,768)**
Income taxes paid	(3,727)	**(5,989)**
Income taxes refund	8	**—**
Net cash from operating activities	31,245	**34,519**
Cash flows from investing activities		
Payments into time deposits	—	**(1,268)**
Acquisition of property, plant and equipment	(8,840)	**(12,707)**
Proceeds from sale of property, plant and equipment	1	**—**
Acquisition of intangible assets	(1,047)	**(1,737)**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,754)	**(10,161)**
Payments of lease deposits and guarantee deposits	(421)	**(395)**
Proceeds from collection of lease deposits and guarantee deposits	194	**286**
Others	(193)	**(186)**
Net cash used in investing activities	(19,060)	**(26,168)**
Cash flows from financing activities		
Proceeds from short-term borrowings	21,000	**182**
Repayments of short-term borrowings	(19,000)	**(182)**
Proceeds from long-term borrowings	19,300	**13,000**
Repayments of long-term borrowings	(23,954)	**(7,932)**
Proceeds from issuance of corporate bonds	9,243	**5,932**
Repayments of lease liabilities	(18,352)	**(18,720)**
Dividends paid	(2,504)	**(3,178)**
Payments of commissions related to borrowings	(1,203)	**(112)**
Purchase of treasury shares	—	**(400)**
Net cash from (used in) financing activities	(15,469)	**(11,410)**
Effect of exchange rate on the balance of cash and cash equivalents held in foreign currency	37	**85**
Net increase (decrease) in cash and cash equivalents	(3,247)	**(2,974)**
Cash and cash equivalents at the beginning of the period	19,170	**34,331**
Cash and cash equivalents at the end of the period	¥ 15,923	**¥ 31,357**

(6) Notes to Condensed Interim Consolidated Financial Statements

(i) Financial Reporting Framework

Condensed Interim Consolidated Financial Statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc., of Tokyo Stock Exchange, Inc. (However, in accordance with Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc., certain disclosures in “IAS 34 Interim Financial Reporting” are omitted.)

(ii) Notes on the Going Concern Assumption

No items to report.

(iii) Changes in Accounting Policies

Newly-adopted accounting standards and amendments

The material accounting policies adopted for the condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2025, except for the following standards, which have been newly adopted.

The Group calculates income taxes for the six-month period ended June 30, 2026 based on the estimated average annual effective tax rate.

The Group has adopted the following standards from the three-month period ended March 31, 2026.

IFRS	Title	Description of New Standards/Amendments
IFRS 9 IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Clarification of classification for some financial instruments, amendment of derecognition timing for financial liabilities, and additional disclosure requirements for financial assets measured at fair value through other comprehensive income
IFRS 9 IFRS 7	Amendments related to nature-dependent electricity contracts	Prescribing the accounting treatment and disclosures for power purchase agreements

The adoption of the above standards had no material impact on the condensed interim consolidated financial statements.

(iv) Segment Information

The reportable segments of the Group are determined based on the operating segments that are components of the Group for which discrete financial information is available and whose operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess its performance. Operating segments are components of business activities from which the Group may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments.

The restaurant business is the only reportable segment of the Group. Accordingly, the Group has not disclosed reportable segment information.

(v) Interim Earnings per Share

(Millions of yen, except per share amounts)

	For the six-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**
Net income attributable to common shareholders of the Company	¥ 7,881	**¥ 10,181**
Net income not attributable to common shareholders of the Company	―	―
Net income attributable to common shareholders used for calculation of basic interim earnings per share	7,881	**10,181**
Adjustment	―	―
Net income attributable to common shareholders used for calculation of diluted interim earnings per share	¥ 7,881	**¥ 10,181**
Weighted-average number of common shares during the period (Shares)	227,502,080	**227,429,587**
Weighted-average number of common shares used for calculation of diluted interim earnings per share (Shares)	227,502,080	**227,429,587**
Basic interim earnings per share (Yen)	¥ 34.64	**¥ 44.77**
Diluted interim earnings per share (Yen)	34.64	**44.77**

(Note) Diluted earnings per share was the same as the basic earnings per share because there were no dilutive potential common stocks.

(vii) Significant Subsequent Events

(Issuance of corporate bonds)

Based on a resolution passed at the Board of Directors' meeting held on July 15, 2026, the Company issued its 6th series of unsecured bonds on July 30, 2026, as follows.

Issue name	The 6th Skylark Holdings Unsecured Straight Corporate Bond (with an inter-bond pari passu clause)
Total issue amount	JPY 20,000 million
Issue price	100% of the denomination per bond
Interest rate	2.564% per annum
Payment date	July 30,2026
Redemption date	July 30,2031
Method of redemption	Lump-sum redemption at maturity
Use of proceeds	Repayment of borrowings and capital investments