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Consolidated Financial Results for the Fiscal Year Ended July 31, 2026 (Under Japanese GAAP)

September 11, 2026

Company name: Eternal Hospitality Group Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3193
URL: https://eternal-hospitality.co.jp/
Representative: Tadashi Okura, Representative Director, President, and CEO
Inquiries: Hidetoshi Omoto, General Manager of Corporate Management Department
TEL 06-6206-0808
Scheduled date of annual general meeting of shareholders: October 28, 2026
Scheduled date to commence dividend payments: October 29, 2026
Scheduled date to file annual securities report: October 27, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the fiscal year ended July 31, 2026 (from August 1, 2025, to July 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2026	51,254	10.6	2,797	(10.4)	2,800	(9.8)	1,318	(23.4)
Fiscal year ended July 31, 2025	46,356	10.6	3,121	(3.9)	3,103	(4.9)	1,720	(19.1)

Note: Comprehensive income Fiscal year ended July 31, 2026 1,382 Millions of yen [(13.1%)]
Fiscal year ended July 31, 2025 1,591 Millions of yen [(26.6%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2026	57.13	-	12.9	12.6	5.5
Fiscal year ended July 31, 2025	74.61	-	18.6	14.8	6.7

Reference: Share of profit (loss) of entities accounted for using equity method
Fiscal year ended July 31, 2026 (14) Millions of yen
Fiscal year ended July 31, 2025 (11) Millions of yen

Note: The Company conducted a 2-for-1 stock split on August 1, 2026. "Basic earnings per share" is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2026	23,003	10,628	46.2	460.65
As of July 31, 2025	21,382	9,774	45.7	423.72

Reference: Equity As of July 31, 2026 10,628 Millions of yen
As of July 31, 2025 9,774 Millions of yen

Note: The Company conducted a 2-for-1 stock split on August 1, 2026. "Net assets per share" is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended July 31, 2026	4,050	(2,491)	(1,919)	7,167
Fiscal year ended July 31, 2025	2,492	(2,694)	(689)	7,485

2. Cash dividends

	Annual dividends per share					Total cash dividend (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2025	-	23.00	-	23.00	46.00	534	30.8	5.7
Fiscal year ended July 31, 2026	-	23.00	-	23.00	46.00	534	40.3	5.2
Fiscal year ending July 31, 2027 (Forecast)	-	11.50	-	11.50	23.00		28.1	

Note: Note: The Company conducted a 2-for-1 stock split on August 1, 2026. For the fiscal years ended July 31, 2025 and July 31, 2026, the actual dividend amounts before the stock split are stated. For the fiscal year ending July 31, 2027 (forecast), figures after the stock split are stated.

3. Forecast of consolidated financial results for the fiscal year ending July 31, 2027 (from August 1, 2026 to July 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	27,990	10.2	1,532	(5.2)	1,510	(6.9)	936	(11.3)	40.59
Full year	57,231	11.7	3,078	10.0	3,050	9.0	1,891	43.5	81.98

Note: The Company conducted a 2-for-1 stock split on August 1, 2026. Basic earnings per share in the consolidated earnings forecast for the fiscal year ending July 31, 2027 is the figure after the stock split.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name) Eternal Hospitality Japan Co., Ltd., Excluded: - companies

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i)	Changes in accounting policies due to revisions to accounting standards and other regulations:	None
(ii)	Changes in accounting policies due to other reasons:	None
(iii)	Changes in accounting estimates:	None
(iv)	Restatement:	None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of July 31, 2026	23,244,600 shares	As of July 31, 2025	23,244,600 shares
(ii) Number of treasury shares at the end of the period	As of July 31, 2026	172,032 shares	As of July 31, 2025	175,450 shares
(iii) Average number of shares outstanding during the period	Fiscal year ended July 31, 2026	23,071,463 shares	Fiscal year ended July 31, 2025	23,062,893 shares

Note: 1. The Company conducted a 2-for-1 stock split on August 1, 2026. "Number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" are calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Please refer to "Per Share Information" on page 15 of the attached document for the number of shares used for the calculation of basic earnings per share.

* Financial results are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forecasts of financial results and other forward-looking statements herein are based on information available to the Company (Eternal Hospitality Group Co., Ltd.) at the time of submission and certain assumptions deemed reasonable by the Company. They do not constitute guarantees of future performance and actual results, etc., may differ materially from these forecasts due to a variety of factors. Please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" on page 3 of the attached document for the assumptions underlying the forecast and cautionary statements regarding use of the forecast.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of July 31, 2025	As of July 31, 2026
Assets		
Current assets		
Cash and deposits	7,415,194	7,098,830
Accounts receivable - trade	1,348,390	1,543,946
Inventories	209,501	247,333
Accounts receivable - other	806,582	910,625
Other	688,709	1,138,042
Total current assets	10,468,378	10,938,778
Non-current assets		
Property, plant and equipment		
Buildings	15,811,941	17,358,036
Accumulated depreciation and impairment	(10,047,839)	(10,931,909)
Buildings, net	5,764,102	6,426,127
Tools, furniture and fixtures	2,331,564	2,719,388
Accumulated depreciation and impairment	(1,338,108)	(1,723,673)
Tools, furniture and fixtures, net	993,455	995,714
Other	272,861	550,722
Accumulated depreciation and impairment	(198,432)	(370,677)
Other, net	74,429	180,045
Construction in progress	120,480	75,202
Total property, plant and equipment	6,952,467	7,677,089
Intangible assets		
Software	130,398	111,238
Goodwill	201,683	174,490
Other	133,671	108,171
Total intangible assets	465,753	393,900
Investments and other assets		
Investment securities	145,447	394,315
Guarantee deposits	2,073,147	2,162,735
Deferred tax assets	897,309	999,237
Other	387,638	468,656
Allowance for doubtful accounts	(7,563)	(31,435)
Total investments and other assets	3,495,980	3,993,509
Total non-current assets	10,914,201	12,064,499
Total assets	21,382,579	23,003,277

(Thousands of yen)

	As of July 31, 2025	As of July 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,096,606	2,245,659
Current portion of long-term borrowings	1,223,268	829,563
Accounts payable - other	1,943,178	2,355,869
Income taxes payable	406,322	871,805
Accrued consumption taxes	398,800	1,194,268
Unearned revenue	465,750	313,009
Provision for bonuses	466,298	511,097
Provision for bonuses for directors (and other officers)	26,798	54,266
Provision for shareholder benefit program	42,577	39,519
Other	772,902	767,925
Total current liabilities	7,842,503	9,182,983
Non-current liabilities		
Long-term borrowings	2,067,034	1,237,471
Provision for share awards for directors (and other officers)	45,037	66,301
Retirement benefit liability	124,503	132,130
Asset retirement obligations	1,229,955	1,290,131
Guarantee deposits received	251,524	259,821
Other	47,120	206,053
Total non-current liabilities	3,765,175	3,191,909
Total liabilities	11,607,679	12,374,893
Net assets		
Shareholders' equity		
Share capital	1,491,829	1,491,829
Capital surplus	1,481,829	1,481,829
Retained earnings	7,138,770	7,922,249
Treasury shares	(286,919)	(281,329)
Total shareholders' equity	9,825,508	10,614,577
Accumulated other comprehensive income		
Foreign currency translation adjustment	(24,977)	26,591
Remeasurements of defined benefit plans	(25,631)	(12,786)
Total accumulated other comprehensive income	(50,608)	13,805
Total net assets	9,774,900	10,628,383
Total liabilities and net assets	21,382,579	23,003,277

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended July 31, 2025	Fiscal year ended July 31, 2026
Net sales	46,356,977	51,254,445
Cost of sales	14,581,993	16,373,436
Gross profit	31,774,984	34,881,008
Selling, general and administrative expenses	28,653,501	32,083,781
Operating profit	3,121,482	2,797,226
Non-operating income		
Interest income	3,782	12,124
Surrender value of insurance policies	22,201	9,466
Gain on sale of goods	4,439	11,489
Foreign exchange gains	1,341	52,092
Sponsorship money income	6,280	-
Miscellaneous income	12,853	14,713
Other	1,478	9,140
Total non-operating income	52,376	109,026
Non-operating expenses		
Interest expenses	28,436	38,173
Fees paid	7,552	11,164
Provision of allowance for doubtful accounts	-	24,792
Share of loss of entities accounted for using equity method	11,628	14,374
Miscellaneous losses	23,142	17,745
Total non-operating expenses	70,760	106,250
Ordinary profit	3,103,098	2,800,002
Extraordinary income		
Gain on sale of non-current assets	50	-
Compensation for forced relocation	-	127,818
Total extraordinary income	50	127,818
Extraordinary losses		
Loss on retirement of non-current assets	8,127	30,050
Loss on sale of non-current assets	1,198	-
Impairment losses	48,534	391,549
Loss on valuation of shares of subsidiaries and associates	-	7,000
Loss on store closings	16,271	1,380
Total extraordinary losses	74,131	429,979
Profit before income taxes	3,029,016	2,497,841
Income taxes - current	944,521	1,288,453
Income taxes - deferred	363,674	(108,708)
Total income taxes	1,308,195	1,179,744
Profit	1,720,820	1,318,096
Profit attributable to owners of parent	1,720,820	1,318,096

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended July 31, 2025	Fiscal year ended July 31, 2026
Profit	1,720,820	1,318,096
Other comprehensive income		
Foreign currency translation adjustment	(103,869)	42,945
Remeasurements of defined benefit plans, net of tax	(24,382)	12,845
Share of other comprehensive income of entities accounted for using equity method	(1,190)	8,623
Total other comprehensive income	(129,441)	64,414
Comprehensive income	1,591,379	1,382,511
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,591,379	1,382,511
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity
Fiscal year ended July 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,829	1,481,829	5,952,568	(312,400)	8,613,826
Changes during period					
Dividends of surplus			(534,619)		(534,619)
Profit attributable to owners of parent			1,720,820		1,720,820
Purchase of treasury shares				(179)	(179)
Disposal of treasury shares				25,660	25,660
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,186,201	25,480	1,211,682
Balance at end of period	1,491,829	1,481,829	7,138,770	(286,919)	9,825,508

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	80,082	(1,249)	78,833	8,692,659
Changes during period				
Dividends of surplus				(534,619)
Profit attributable to owners of parent				1,720,820
Purchase of treasury shares				(179)
Disposal of treasury shares				25,660
Net changes in items other than shareholders' equity	(105,059)	(24,382)	(129,441)	(129,441)
Total changes during period	(105,059)	(24,382)	(129,441)	1,082,241
Balance at end of period	(24,977)	(25,631)	(50,608)	9,774,900

Fiscal year ended July 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,829	1,481,829	7,138,770	(286,919)	9,825,508
Changes during period					
Dividends of surplus			(534,617)		(534,617)
Profit attributable to owners of parent			1,318,096		1,318,096
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares				5,622	5,622
Net changes in items other than shareholders' equity					
Total changes during period	-	-	783,479	5,589	789,068
Balance at end of period	1,491,829	1,481,829	7,922,249	(281,329)	10,614,577

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(24,977)	(25,631)	(50,608)	9,774,900
Changes during period				
Dividends of surplus				(534,617)
Profit attributable to owners of parent				1,318,096
Purchase of treasury shares				(32)
Disposal of treasury shares				5,622
Net changes in items other than shareholders' equity	51,568	12,845	64,414	64,414
Total changes during period	51,568	12,845	64,414	853,483
Balance at end of period	26,591	(12,786)	13,805	10,628,383

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended July 31, 2025	Fiscal year ended July 31, 2026
Cash flows from operating activities		
Profit before income taxes	3,029,016	2,497,841
Depreciation	1,194,079	1,427,234
Amortization of goodwill	27,193	27,193
Impairment losses	48,534	391,549
Loss on valuation of shares of subsidiaries and associates	-	7,000
Increase (decrease) in allowance for doubtful accounts	(1,069)	23,872
Increase (decrease) in provision for bonuses	(251,440)	44,798
Increase (decrease) in provision for bonuses for directors (and other officers)	(55,028)	26,595
Increase (decrease) in provision for shareholder benefit program	10,334	(3,057)
Increase (decrease) in retirement benefit liability	4,102	27,253
Increase (decrease) in provision for share awards for directors (and other officers)	17,296	26,886
Interest and dividend income	(3,782)	(12,124)
Interest expenses	28,436	38,173
Foreign exchange losses (gains)	(1,341)	(52,092)
Loss (gain) on sale of non-current assets	1,198	-
Loss on retirement of non-current assets	8,127	30,050
Compensation for forced relocation	-	(127,818)
Share of loss (profit) of entities accounted for using equity method	11,628	14,374
Decrease (increase) in trade receivables	(330,388)	(181,964)
Decrease (increase) in inventories	(20,214)	(36,958)
Decrease (increase) in accounts receivable - other	(175,852)	(85,001)
Increase (decrease) in trade payables	318,306	143,452
Increase (decrease) in accounts payable - other	191,990	399,575
Increase (decrease) in unearned revenue	8,973	(152,778)
Other	(30,711)	348,157
Subtotal	4,029,388	4,822,214
Interest and dividends received	3,782	12,293
Interest paid	(28,454)	(37,449)
Income taxes paid	(1,512,004)	(828,705)
Income taxes refund	-	32,245
Proceeds from compensation for forced relocation	-	50,366
Cash flows from operating activities	2,492,711	4,050,964
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,317,674)	(2,033,110)
Proceeds from sale of property, plant and equipment	13,686	-
Purchase of intangible assets	(111,138)	(33,785)
Purchase of shares of affiliates accounted for using equity method	-	(166,432)
Purchase of shares of subsidiaries	(8,000)	(88,186)
Purchase of long-term prepaid expenses	(38,025)	(21,027)
Payments of guarantee deposits	(185,455)	(137,706)
Proceeds from refund of guarantee deposits	16,583	49,988
Other	(64,066)	(61,550)
Cash flows from investing activities	(2,694,090)	(2,491,810)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,000,000	-
Repayments of long-term borrowings	(1,120,223)	(1,223,268)
Repayments of lease liabilities	(36,300)	(155,841)
Purchase of treasury shares	(179)	(32)
Dividends paid	(533,171)	(534,695)
Other	-	(5,591)
Cash flows from financing activities	(689,874)	(1,919,428)
Effect of exchange rate change on cash and cash equivalents	(69,216)	42,674
Net increase (decrease) in cash and cash equivalents	(960,470)	(317,600)
Cash and cash equivalents at beginning of period	8,445,903	7,485,432
Cash and cash equivalents at end of period	7,485,432	7,167,831