Consolidated Financial Report
For the Nine -month Period Ended September 30, 2026 (IFRS)

November 12, 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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Dividend payable date (as planned)	—	
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 Nine -month Period Ended September 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)	(%)
Nine -month period ended September 30, 2026	370,372	9.0	26,697	5.3	26,364	10.5	22,855	7.8	15,979	16.5	15,979	16.5	16,368	15.4
Nine -month period ended September 30, 2025	339,642	15.3	25,356	31.0	23,854	23.7	21,209	22.5	13,714	31.2	13,714	31.2	14,185	33.8

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Nine -month period ended September 30, 2026	70.26	70.26
Nine -month period ended September 30, 2025	60.28	60.28

(Reference)

EBITDA	Nine -month period ended September 30, 2026	67,204 million yen	[8.2%]	Nine -month period ended September 30, 2025	62,094 million yen	[13.4%]
Adjusted EBITDA	Nine -month period ended September 30, 2026	68,728 million yen	[6.8%]	Nine -month period ended September 30, 2025	64,353 million yen	[14.6%]
Adjusted net income	Nine -month period ended September 30, 2026	15,979 million yen	[16.5%]	Nine -month period ended September 30, 2025	13,714 million yen	[31.2%]

(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 nine-month period ended September 30, 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 September 30, 2026	577,459	198,081	198,081	34.3
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

(Note) Revision of dividend forecast: No

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: No

(Reference)

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

*** 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 September 30, 2026	227,502,200	As of December 31, 2025	227,502,200
(ii) Number of treasury stock	As of September 30, 2026	80,362	As of December 31, 2025	120
(iii) Average number of issued shares during the period	Nine month-period ended September 30, 2026	227,426,976	Nine month-period ended September 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.

(Appendix)

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Nine-Month Period

During the nine-month period of the consolidated fiscal year under review, expectations grew that ongoing wage increases would have a positive impact on the Japanese economy. However, the outlook remained uncertain due to prolonged price increases, rising interest rates, and geopolitical risks. Furthermore, unseasonable weather, including prolonged rains and typhoons since summer, temporarily depressed consumption. 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 driven existing-store growth by advancing "Store-Centered Management" and promoting menu and promotional strategies as key priorities for the current fiscal year. As part of operational reforms, the Group further enhanced our staff's culinary skills around our core menu to improve both quality and productivity. At the same time, we established frameworks such as utilizing digital tools and improving the convenience of ordering and payment, creating an environment that allows us to concentrate human resources on customer service. Through these initiatives, we are striving to further elevate customer satisfaction, including the customer experience value.

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 attractive seasonal fair menus, thereby offering value that cannot be experienced at home. In addition, the Group stimulated new incentives to visit restaurants through measures to increase official app users, distribution of campaign information, media exposure such as television programs, and timely dissemination of information using social media. As a result of these successful initiatives, both the number of customers and average spending per customer increased, and existing-store sales rose 5.8% year on year during the nine-month period of the consolidated fiscal year under review.

With regard to store development during the nine-month period of the consolidated fiscal year under review, the Group opened 41 new restaurants, primarily under the Gusto, Syabu-Yo, and Shinpachi Shokudo brands, completed 42 brand conversions, primarily to the Sukesan Udon and Pertica brands, and actively refurbished 159 restaurants. The Group also accelerated growth investments in its overseas operations, proceeding as planned with the opening of the first Sukesan Udon restaurant in Taiwan and the first Shinpachi Shokudo restaurant in Singapore. As a result, the total number of restaurants at the end of the third quarter under review stood at 3,226 (including 7 un-opened restaurants undergoing conversion).

Although the Group partially mitigated the impact of prolonged 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 nine-month period of the consolidated fiscal year under review was 66.5%, down 0.4 percentage points year on year.

With regard to expenses, selling, general and administrative expenses amounted to 219,632 million yen, an increase of 17,743 million yen year on year, mainly due to higher personnel expenses associated with new restaurant openings and brand conversions aimed at accelerating growth. However, the ratio to revenue was 59.3%, an improvement of 0.1 percentage points year on year. In addition, following the closure of 35 restaurants, the Group recorded a loss on the write-off of goodwill of 356 million yen under other operating expenses.

As a result of the above, for the nine-month period of the consolidated fiscal year under review, Revenue amounted to 370,372 million yen, an increase of 30,730 million yen year on year; Business profit (Note 2) amounted to 26,697 million yen, an increase of 1,341 million yen year on year; Operating profit amounted to 26,364 million yen, an increase of 2,510 million yen year on year; Profit before tax amounted to 22,855 million yen, an increase of 1,646 million yen year on year; and Profit attributable to owners of the Company amounted to 15,979 million yen, an increase of 2,265 million yen year on year.

EBITDA (Note 3) amounted to 67,204 million yen, an increase of 5,110 million yen year on year; adjusted EBITDA (Note 4) amounted to 68,728 million yen, an increase of 4,375 million yen year on year; and adjusted quarterly profit (Note 5)

amounted to 15,979 million yen, an increase of 2,265 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 Nine-Month Period

(i) Assets, Liabilities and Equity

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

Current assets were 93,718 million yen (an increase of 26,140 million yen compared to the end of the previous fiscal year), mainly due to an increase in cash and cash equivalents. Non-current assets were 483,741 million yen (an increase of 32,770 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 577,459 million yen (an increase of 58,910 million yen compared to the end of the previous fiscal year).

Current liabilities were 102,938 million yen (a decrease of 2,435 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 other current liabilities and other financial liabilities. Non-current liabilities were 276,440 million yen (an increase of 50,831 million yen from the end of the previous fiscal year), mainly due to an increase in corporate bonds and long-term borrowings and other financial liabilities.

Total liabilities were 379,378 million yen (an increase of 48,396 million yen from the end of the previous fiscal year).

Equity was 198,081 million yen (an increase of 10,514 million yen from the end of the previous fiscal year). This was mainly due to a decrease from dividend payments (5,459 million yen) and an increase from the recording of income for the nine-month period ended September 30, 2026 (15,979 million yen).

(ii) Cash Flows

Cash and cash equivalents as of September 30, 2026 were 60,565 million yen (an increase of 26,234 million yen compared to the end of the previous fiscal year). Each category of cash flows and its factors for the nine-month period

ended September 30, 2026 are summarized as follows:

Cash flows from operating activities:

Net cash from operating activities was 54,757 million yen (an increase of 1,697 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as an increase of 4,249 million yen in income taxes paid and a decrease of 1,677 million yen in changes in inventories, and cash inflows such as an increase of 1,185 million yen in changes in trade and other receivables, an increase of 1,661 million yen in changes in other current liabilities, and an increase of 1,646 million yen in income before income taxes.

Cash flows from investing activities:

Net cash used in investing activities was 33,751 million yen (an increase of 7,234 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as an increase of 3,307 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 2,416 million yen in payments into time deposits, partially offset by an increase of 1,149 million yen in proceeds from withdrawal of 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 from financing activities was 5,618 million yen, compared with net cash used in financing activities of 23,103 million yen in the same period of the previous year. This was primarily due to cash inflows such as an increase of 11,633 million yen in proceeds from issuance of corporate bonds, and decrease of 23,895 million yen in repayments of short-term borrowings, a decrease of 16,478 million yen in repayments of long-term borrowings, and cash outflows such as a decrease of 24,195 million yen in proceeds from short-term borrowings, and an increase of 1,108 million yen in dividends paid.

2. Condensed Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statements of Financial Position

As of December 31, 2025 and September 30, 2026 (Unaudited)

(Millions of yen)

	As of December 31, 2025	**As of September 30, 2026**
Assets		
Current assets		
Cash and cash equivalents	¥ 34,331	**¥ 60,565**
Trade and other receivables	23,569	**20,506**
Other financial assets	74	**1,713**
Inventories	7,832	**9,045**
Other current assets	1,771	**1,889**
Total current assets	67,578	**93,718**
Non-current assets		
Property, plant and equipment	230,208	**247,874**
Goodwill	162,683	**171,117**
Other intangible assets	20,028	**24,923**
Other financial assets	24,732	**26,087**
Deferred tax assets	12,221	**12,821**
Other non-current assets	1,100	**919**
Total non-current assets	450,971	**483,741**
Total assets	¥ 518,549	**¥ 577,459**

(Millions of yen)

	As of December 31, 2025	**As of September 30, 2026**
Liabilities and equity		
Liabilities		
Current liabilities		
Corporate bonds and short-term borrowings	¥ 14,339	**¥ 14,653**
Trade and other payables	33,935	**31,818**
Other financial liabilities	29,524	**30,395**
Income tax payable	5,233	**2,757**
Provisions	1,481	**1,306**
Other current liabilities	20,861	**22,009**
Total current liabilities	105,372	**102,938**
Non-current liabilities		
Corporate bonds and long-term borrowings	109,330	**151,599**
Other financial liabilities	95,457	**102,890**
Provisions	15,219	**15,239**
Deferred tax liabilities	4,516	**5,890**
Other non-current liabilities	1,088	**821**
Total non-current liabilities	225,610	**276,440**
Total liabilities	330,982	**379,378**
Equity		
Share capital	25,134	**25,134**
Capital surplus	52,918	**47,359**
Treasury shares	(0)	**(296)**
Other components of equity	2,905	**3,294**
Retained earnings	106,611	**122,589**
Equity attributable to owners of the Company	187,567	**198,081**
Total equity	187,567	**198,081**
Total liabilities and equity	¥ 518,549	**¥ 577,459**

(2) Condensed Interim Consolidated Statements of Income

For the Nine-Month Period Ended September 30, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the nine-month period ended September 30, 2025	**For the nine-month period ended September 30, 2026**
Revenue	¥ 339,642	**¥ 370,372**
Cost of sales	(112,397)	**(124,044)**
Gross profit	227,245	**246,329**
Other operating income	1,137	**1,681**
Selling, general and administrative expenses	(201,889)	**(219,632)**
Other operating expenses	(2,639)	**(2,014)**
Operating profit	23,854	**26,364**
Interest income	35	**153**
Other income	2	**5**
Interest expense	(2,534)	**(3,526)**
Other expenses	(149)	**(142)**
Income before income taxes	21,209	**22,855**
Income taxes	(7,494)	**(6,876)**
Net income	¥ 13,714	**¥ 15,979**
Net income (loss) attributable to:		
Owners of the Company	¥ 13,714	**¥ 15,979**
Net income	¥ 13,714	**¥ 15,979**
Interim earnings (loss) per share		
Basic (Yen)	¥ 60.28	**¥ 70.26**
Diluted (Yen)	60.28	**70.26**

(3) Condensed Interim Consolidated Statements of Comprehensive Income

For the Nine-Month Period Ended September 30, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the nine-month period ended September 30, 2025	**For the nine-month period ended September 30, 2026**
Net income	¥ 13,714	**¥ 15,979**
Other comprehensive income		
Items that are not reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	29	**9**
Total items that are not reclassified to profit or loss	29	**9**
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	120	**(163)**
Cash flow hedges	322	**542**
Total items that may be reclassified to profit or loss	442	**380**
Other comprehensive income (loss), net of tax	471	**389**
Total comprehensive income	¥ 14,185	**¥ 16,368**
Comprehensive income attributable to:		
Owners of the Company	¥ 14,185	**¥ 16,368**
Total comprehensive income	¥ 14,185	**¥ 16,368**

(4) Condensed Interim Consolidated Statements of Changes in Equity
For the Nine-Month Period Ended September 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	Exchange differences on translation of foreign operations	Cash flow hedges	Total
As of January 1, 2025	¥ 25,134	¥ 57,240	¥ (0)	¥ 44	¥ 869	¥ 224	¥ 1,137
Net income	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	29	120	322	471
Total comprehensive income	—	—	—	29	120	322	471
Purchase of treasury shares	—	—	—	—	—	—	—
Disposition of treasury shares	—	—	—	—	—	—	—
Stock-based compensation transactions	—	—	—	—	—	—	—
Dividends	—	(4,323)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	—
Total contributions by and distributions to owners of the Company	—	(4,323)	—	—	—	—	—
Total transactions with owners of the Company	—	(4,323)	—	—	—	—	—
As of September 30, 2025	¥ 25,134	¥ 52,918	¥ (0)	¥ 73	¥ 989	¥ 546	¥ 1,608

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2025	¥ 89,861	¥ 173,372	¥ 173,372
Net income	13,714	13,714	13,714
Other comprehensive income, net of tax	—	471	471
Total comprehensive income	13,714	14,185	14,185
Purchase of treasury shares	—	—	—
Disposition of treasury shares	—	—	—
Stock-based compensation transactions	—	—	—
Dividends	—	(4,323)	(4,323)
Transfer from other components of equity to retained earnings	—	—	—
Total contributions by and distributions to owners of the Company	—	(4,323)	(4,323)
Total transactions with owners of the Company	—	(4,323)	(4,323)
As of September 30, 2025	¥ 103,576	¥ 183,235	¥ 183,235

Condensed Interim Consolidated Statements of Changes in Equity – Continued
For the Nine-Month Period Ended September 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	Exchange differences on translation of foreign operations	Cash flow hedges	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	—	—	—	**9**	**(163)**	**542**	**389**
Total comprehensive income	—	—	—	**9**	**(163)**	**542**	**389**
Purchase of treasury shares	—	**(0)**	**(400)**	—	—	—	—
Disposition of treasury shares	—	**(63)**	**104**	—	—	—	—
Stock-based compensation transactions	—	**(36)**	—	—	—	—	—
Dividends	—	**(5,459)**	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	**0**	—	—	**0**
Total contributions by and distributions to owners of the Company	—	**(5,558)**	**(296)**	**0**	—	—	**0**
Total transactions with owners of the Company	—	**(5,558)**	**(296)**	**0**	—	—	**0**
As of September 30, 2026	**¥ 25,134**	**¥ 47,359**	**¥ (296)**	**¥ 69**	**¥ 1,720**	**¥ 1,505**	**¥ 3,294**

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2026	**¥ 106,611**	**¥ 187,567**	**¥ 187,567**
Net income	**15,979**	**15,979**	**15,979**
Other comprehensive income, net of tax	—	**389**	**389**
Total comprehensive income	**15,979**	**16,368**	**16,368**
Purchase of treasury shares	—	**(400)**	**(400)**
Disposition of treasury shares	—	**41**	**41**
Stock-based compensation transactions	—	**(36)**	**(36)**
Dividends	—	**(5,459)**	**(5,459)**
Transfer from other components of equity to retained earnings	**(0)**	—	—
Total contributions by and distributions to owners of the Company	**(0)**	**(5,854)**	**(5,854)**
Total transactions with owners of the Company	**(0)**	**(5,854)**	**(5,854)**
As of September 30, 2026	**¥ 122,589**	**¥ 198,081**	**¥ 198,081**

(5) Condensed Interim Consolidated Statements of Cash Flows

For the Nine-Month Period Ended September 30, 2025 and 2026 (Unaudited)

(Millions of yen)

	For the nine-month period ended September 30, 2025	**For the nine-month period ended September 30, 2026**
Cash flows from operating activities		
Income before income taxes	¥ 21,209	**¥ 22,855**
Adjustments for:		
Depreciation and amortization	38,157	**40,709**
Loss on impairment of non-financial assets	636	**782**
Profit and loss on sale and disposal of fixed assets	1,622	**737**
Interest income	(35)	**(153)**
Other income	(2)	**(5)**
Interest expense	2,534	**3,526**
Other expenses	149	**142**
	64,270	**68,593**
Changes in working capital and other:		
Decrease (increase) in trade and other receivables	2,368	**3,553**
Decrease (increase) in inventories	498	**(1,179)**
Increase (decrease) in trade and other payables	(4,441)	**(3,925)**
Increase (decrease) in other financial liabilities (current)	(137)	**115**
Increase (decrease) in other current liabilities	(650)	**1,011**
Others	(1,035)	**(673)**
Cash generated from operations	60,872	**67,496**
Interest and dividends received	32	**151**
Interest paid	(2,012)	**(2,802)**
Income taxes paid	(5,840)	**(10,089)**
Income taxes refund	8	**—**
Net cash from operating activities	53,059	**54,757**
Cash flows from investing activities		
Payments into time deposits	—	**(2,416)**
Proceeds from withdrawal of time deposits	—	**1,149**
Acquisition of property, plant and equipment	(15,681)	**(18,988)**
Proceeds from sale of property, plant and equipment	1	**10**
Acquisition of intangible assets	(1,572)	**(2,595)**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,754)	**(10,161)**
Payments of lease deposits and guarantee deposits	(586)	**(780)**
Proceeds from collection of lease deposits and guarantee deposits	316	**360**
Others	(241)	**(329)**
Net cash used in investing activities	(26,516)	**(33,751)**
Cash flows from financing activities		
Proceeds from short-term borrowings	24,500	**305**
Repayments of short-term borrowings	(24,500)	**(605)**
Proceeds from long-term borrowings	22,300	**24,143**
Repayments of long-term borrowings	(26,009)	**(9,531)**
Proceeds from issuance of corporate bonds	14,195	**25,828**
Repayments of lease liabilities	(28,013)	**(28,350)**
Dividends paid	(4,268)	**(5,376)**
Payments of commissions related to borrowings	(1,308)	**(395)**
Purchase of treasury shares	—	**(400)**
Net cash from (used in) financing activities	(23,103)	**5,618**
Effect of exchange rate on the balance of cash and cash equivalents held in foreign currency	67	**(391)**
Net increase (decrease) in cash and cash equivalents	3,508	**26,234**
Cash and cash equivalents at the beginning of the period	19,170	**34,331**
Cash and cash equivalents at the end of the period	¥ 22,678	**¥ 60,565**

(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 nine-month period ended September 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) Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses for each reporting period is as follows:

(Millions of yen)

	For the nine-month period ended September 30, 2025	**For the nine-month period ended September 30, 2026**
Salaries	¥ 107,816	**¥ 118,561**
Utilities expenses	15,470	**16,194**
Depreciation and amortization	34,963	**37,504**
Others	43,640	**47,373**
Total	¥ 201,889	**¥ 219,632**

(vi) Interim Earnings per Share

(Millions of yen, except per share amounts)

	For the nine-month period ended September 30, 2025	**For the nine-month period ended September 30, 2026**
Net income attributable to common shareholders of the Company	¥ 13,714	**¥ 15,979**
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	13,714	**15,979**
Adjustment	—	**—**
Net income attributable to common shareholders used for calculation of diluted interim earnings per share	13,714	**15,979**
Weighted-average number of common shares during the period (Shares)	227,502,080	**227,426,976**
Weighted-average number of common shares used for calculation of diluted interim earnings per share (Shares)	227,502,080	**227,426,976**
Basic interim earnings per share (Yen)	¥ 60.28	**¥ 70.26**
Diluted interim earnings per share (Yen)	60.28	**70.26**

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