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Consolidated Financial Results for the Fiscal Year Ended July 31, 2025 (Under Japanese GAAP)

September 12, 2025

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 Global Business Management Department
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Scheduled date of annual general meeting of shareholders: October 29, 2025
 Scheduled date to commence dividend payments: October 30, 2025
 Scheduled date to file annual securities report: October 28, 2025
 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, 2025 (from August 1, 2024, to July 31, 2025)

(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, 2025	46,356	10.6	3,121	(3.9)	3,103	(4.9)	1,720	(19.1)
Fiscal year ended July 31, 2024	41,914	25.3	3,248	129.2	3,261	128.3	2,127	245.2

Note: Comprehensive income For the fiscal year ended July 31, 2025 ¥1,591 million (-26.6%)
 For the fiscal year ended July 31, 2024 ¥2,167 million (235.6%)

	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, 2025	149.23	-	18.6	14.8	6.7
Fiscal year ended July 31, 2024	183.67	-	27.3	16.3	7.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended July 31, 2025 -¥11 million
 For the fiscal year ended July 31, 2024 ¥ - million

(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, 2025	21,382	9,774	45.7	847.44
As of July 31, 2024	20,654	8,692	42.1	754.13

Reference: Equity As of July 31, 2025 ¥9,774 million
 As of July 31, 2024 ¥8,692 million

(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, 2025	2,492	(2,694)	(689)	7,485
Fiscal year ended July 31, 2024	4,441	(1,990)	(2,721)	8,445

2. Cash dividends

	Annual dividends per share					Total cash dividends (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, 2024	-	6.00	-	23.00	29.00	334	15.8	4.3
Fiscal year ended July 31, 2025	-	23.00	-	23.00	46.00	534	-30.8	5.7
Fiscal year ending July 31, 2026 (Forecast)	-	23.00	-	23.00	46.00		29.1	

3. Forecast of consolidated financial results for the fiscal year ending July 31, 2026 (from August 1, 2025, to July 31, 2026)

(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)	24,946	12.4	1,339	1.5	1,331	0.1	766	1.6	66.49
Full year	52,355	12.9	3,152	1.0	3,140	1.2	1,839	-6.9	159.45

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name) Torikizoku Shanghai 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, 2025	11,622,300 shares	As of July 31, 2024	11,622,300 shares
(ii) Number of treasury shares at the end of the period	As of July 31, 2025	87,725 shares	As of July 31, 2024	95,524 shares
(iii) Average number of shares outstanding during the period	Fiscal year ended July 31, 2025	11,531,446 shares	Fiscal year ended July 31, 2024	11,582,624 shares

* 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, 2024	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	8,361,112	7,415,194
Accounts receivable - trade	1,018,569	1,348,390
Inventories	189,573	209,501
Accounts receivable - other	632,454	806,582
Other	545,558	688,709
Total current assets	10,747,268	10,468,378
Non-current assets		
Property, plant and equipment		
Buildings	14,428,887	15,811,941
Accumulated depreciation and impairment	(9,630,015)	(10,047,839)
Buildings, net	4,798,872	5,764,102
Tools, furniture and fixtures	1,774,669	2,331,564
Accumulated depreciation and impairment	(1,072,358)	(1,338,108)
Tools, furniture and fixtures, net	702,310	993,455
Other	116,393	272,861
Accumulated depreciation and impairment	(77,027)	(198,432)
Other, net	39,365	74,429
Construction in progress	249,357	120,480
Total property, plant and equipment	5,789,905	6,952,467
Intangible assets		
Software	86,240	130,398
Goodwill	228,877	201,683
Other	154,803	133,671
Total intangible assets	469,920	465,753
Investments and other assets		
Investment securities	161,375	145,447
Guarantee deposits	1,917,135	2,073,147
Deferred tax assets	1,248,113	897,309
Other	329,475	387,638
Allowance for doubtful accounts	(8,632)	(7,563)
Total investments and other assets	3,647,467	3,495,980
Total non-current assets	9,907,293	10,914,201
Total assets	20,654,561	21,382,579

(Thousands of yen)

	As of July 31, 2024	As of July 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,778,579	2,096,606
Current portion of long-term borrowings	1,056,760	1,223,268
Accounts payable - other	1,792,439	1,943,178
Income taxes payable	980,199	406,322
Accrued consumption taxes	394,687	398,800
Unearned revenue	456,786	465,750
Provision for bonuses	717,738	466,298
Provision for bonuses for directors (and other officers)	82,050	26,798
Provision for shareholder benefit program	32,242	42,577
Other	719,610	772,902
Total current liabilities	8,011,093	7,842,503
Non-current liabilities		
Long-term borrowings	2,353,765	2,067,034
Provision for share awards for directors (and other officers)	53,401	45,037
Retirement benefit liability	83,148	124,503
Asset retirement obligations	1,207,374	1,229,955
Guarantee deposits received	250,783	251,524
Other	2,337	47,120
Total non-current liabilities	3,950,809	3,765,175
Total liabilities	11,961,902	11,607,679
Net assets		
Shareholders' equity		
Share capital	1,491,829	1,491,829
Capital surplus	1,481,829	1,481,829
Retained earnings	5,952,568	7,138,770
Treasury shares	(312,400)	(286,919)
Total shareholders' equity	8,613,826	9,825,508
Accumulated other comprehensive income		
Foreign currency translation adjustment	80,082	(24,977)
Remeasurements of defined benefit plans	(1,249)	(25,631)
Total accumulated other comprehensive income	78,833	(50,608)
Total net assets	8,692,659	9,774,900
Total liabilities and net assets	20,654,561	21,382,579

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

(Thousands of yen)

	Fiscal year ended July 31, 2024	Fiscal year ended July 31, 2025
Net sales	41,914,070	46,356,977
Cost of sales	12,827,697	14,581,993
Gross profit	29,086,372	31,774,984
Selling, general and administrative expenses	25,837,491	28,653,501
Operating profit	3,248,880	3,121,482
Non-operating income		
Interest income	399	3,782
Surrender value of insurance policies	11,270	22,201
Insurance claim income	11,652	-
Gain on sale of goods	4,109	4,439
Foreign exchange gains	3,420	1,341
Sponsorship money income	-	6,280
Other	12,325	14,331
Total non-operating income	43,179	52,376
Non-operating expenses		
Interest expenses	14,511	28,436
Fees paid	8,169	7,552
Cash over and short	5,398	-
Share of loss of entities accounted for using equity method	-	11,628
Miscellaneous losses	2,166	23,142
Total non-operating expenses	30,246	70,760
Ordinary profit	3,261,813	3,103,098
Extraordinary income		
Gain on sale of non-current assets	-	50
Total extraordinary income	-	50
Extraordinary losses		
Loss on retirement of non-current assets	6,842	8,127
Loss on sale of non-current assets	-	1,198
Impairment losses	95,318	48,534
Loss on store closings	-	16,271
Total extraordinary losses	102,160	74,131
Profit before income taxes	3,159,652	3,029,016
Income taxes - current	1,154,021	944,521
Income taxes - deferred	(121,706)	363,674
Total income taxes	1,032,314	1,308,195
Profit	2,127,337	1,720,820
Profit attributable to owners of parent	2,127,337	1,720,820

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended July 31, 2024	Fiscal year ended July 31, 2025
Profit	2,127,337	1,720,820
Other comprehensive income		
Foreign currency translation adjustment	46,588	(103,869)
Remeasurements of defined benefit plans, net of tax	(6,376)	(24,382)
Share of other comprehensive income of entities accounted for using equity method	-	(1,190)
Total other comprehensive income	40,211	(129,441)
Comprehensive income	2,167,549	1,591,379
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,167,549	1,591,379
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity
Fiscal year ended July 31, 2024

(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	3,964,697	(86,841)	6,851,514
Changes during period					
Dividends of surplus			(139,466)		(139,466)
Profit attributable to owners of parent			2,127,337		2,127,337
Purchase of treasury shares				(225,558)	(225,558)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,987,870	(225,558)	1,762,312
Balance at end of period	1,491,829	1,481,829	5,952,568	(312,400)	8,613,826

	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	33,494	5,126	38,621	6,890,135
Changes during period				
Dividends of surplus				(139,466)
Profit attributable to owners of parent				2,127,337
Purchase of treasury shares				(225,558)
Net changes in items other than shareholders' equity	46,588	(6,376)	40,211	40,211
Total changes during period	46,588	(6,376)	40,211	1,802,523
Balance at end of period	80,082	(1,249)	78,833	8,692,659

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

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended July 31, 2024	Fiscal year ended July 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,159,652	3,029,016
Depreciation	887,148	1,194,079
Amortization of goodwill	27,193	27,193
Impairment losses	95,318	48,534
Increase (decrease) in allowance for doubtful accounts	(1,683)	(1,069)
Increase (decrease) in provision for bonuses	236,673	(251,440)
Increase (decrease) in provision for bonuses for directors (and other officers)	7,960	(55,028)
Increase (decrease) in provision for shareholder benefit program	(11,727)	10,334
Increase (decrease) in retirement benefit liability	(8,360)	4,102
Increase (decrease) in provision for share awards for directors (and other officers)	29,384	17,296
Interest and dividend income	(399)	(3,782)
Interest expenses	14,511	28,436
Foreign exchange losses (gains)	(3,420)	(1,341)
Loss (gain) on sale of non-current assets	-	1,198
Loss on retirement of non-current assets	6,842	8,127
Share of loss (profit) of entities accounted for using equity method	-	11,628
Decrease (increase) in trade receivables	(159,714)	(330,388)
Decrease (increase) in inventories	(33,410)	(20,214)
Decrease (increase) in accounts receivable - other	(63,736)	(175,852)
Increase (decrease) in trade payables	279,525	318,306
Increase (decrease) in accounts payable - other	303,391	191,990
Increase (decrease) in unearned revenue	(106,798)	8,973
Other	9,304	(30,711)
Subtotal	4,667,653	4,029,388
Interest and dividends received	399	3,782
Interest paid	(14,486)	(28,454)
Income taxes paid	(335,214)	(1,512,004)
Income taxes refund	123,376	-
Cash flows from operating activities	4,441,729	2,492,711
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,554,702)	(2,317,674)
Proceeds from sale of property, plant and equipment	-	13,686
Purchase of intangible assets	(80,260)	(111,138)
Purchase of shares of affiliates accounted for using equity method	(157,766)	-
Purchase of shares of subsidiaries	-	(8,000)
Purchase of long-term prepaid expenses	(66,939)	(38,025)
Payments of guarantee deposits	(131,547)	(185,455)
Proceeds from refund of guarantee deposits	41,999	16,583
Other	(41,370)	(64,066)
Cash flows from investing activities	(1,990,588)	(2,694,090)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,500,000	1,000,000
Repayments of long-term borrowings	(3,848,646)	(1,120,223)
Repayments of lease liabilities	(3,907)	(36,300)
Purchase of treasury shares	(225,558)	(179)
Dividends paid	(139,506)	(533,171)
Other	(4,242)	-
Cash flows from financing activities	(2,721,861)	(689,874)
Effect of exchange rate change on cash and cash equivalents	26,955	(69,216)
Net increase (decrease) in cash and cash equivalents	(243,765)	(960,470)
Cash and cash equivalents at beginning of period	8,689,668	8,445,903
Cash and cash equivalents at end of period	8,445,903	7,485,432