

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Six Months Ended January 31, 2026 (Interim) (Under Japanese GAAP)

March 13, 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 Global Business Management Department
 TEL: 06-6206-0808

Scheduled date to file semiannual securities report: March 13, 2026
 Scheduled date to commence dividend payments: April 6, 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 six months ended January 31, 2026 (from August 1, 2025 to January 31, 2026)

(1) Consolidated operating results (cumulative) (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 | % |
| Six months ended January 31, 2026 | 25,393 | 14.5 | 1,617 | 22.5 | 1,622 | 21.9 | 1,056 | 39.9 |
| January 31, 2025 | 22,186 | 10.7 | 1,320 | (20.5) | 1,330 | (20.6) | 755 | (28.8) |

Note: Comprehensive income For the six months ended January 31, 2026 1,142 Millions of yen [56.1%]
 For the six months ended January 31, 2025 731 Millions of yen [(30.3%)]

| | Basic earnings per share | Diluted earnings per share |
|-----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended January 31, 2026 | 91.57 | - |
| January 31, 2025 | 65.50 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|------------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of January 31, 2026 | 22,734 | 10,655 | 46.9 |
| July 31, 2025 | 21,382 | 9,774 | 45.7 |

Reference: Equity
 As of January 31, 2026 10,655 Millions of yen
 As of July 31, 2025 9,774 Millions of yen

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended July 31, 2025 | - | 23.00 | - | 23.00 | 46.00 |
| Fiscal year ending July 31, 2026 | - | 23.00 | - | - | - |
| Fiscal year ending July 31, 2026 (Forecast) | - | - | - | 23.00 | 46.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

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 |
| Full year | 52,801 | 13.9 | 3,430 | 9.9 | 3,435 | 10.7 | 2,113 | 22.8 | 183.19 |

Note: Revisions to the forecast of financial results most recently announced: Yes

For the full-year earnings forecast for the fiscal year ending July 31, 2026, please refer to the “Notice Regarding Difference Between Forecast and Actual Results for the Six Months Ended January 31, 2026 (Interim) and Revision of Full-Year Earnings Forecast” announced today (March 13, 2026).

*** Notes**

- (1) Significant changes in the scope of consolidation during the current interim period: Yes
Newly included: 1 company (Eternal Hospitality Japan Co., Ltd.), Excluded: - companies
- (2) Adoption of accounting treatment specific to the preparation of interim consolidated financial statements:
None
- (3) 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

(4) Number of issued shares (common shares)

| | | | | |
|--|-----------------------------------|-------------------|-----------------------------------|-------------------|
| (i) Total number of issued shares at the end of the period (including treasury shares) | As of January 31, 2026 | 11,622,300 shares | As of July 31, 2025 | 11,622,300 shares |
| (ii) Number of treasury shares at the end of the period | As of January 31, 2026 | 86,016 shares | As of July 31, 2025 | 87,725 shares |
| (iii) Average number of shares outstanding during the period (interim period) | Six months ended January 31, 2026 | 11,535,188 shares | Six months ended January 31, 2025 | 11,528,369 shares |

* Second quarter (interim) financial results are exempt from review 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.

2. Interim consolidated financial statements and primary notes

(1) Interim consolidated balance sheet

(Thousands of yen)

| | As of July 31, 2025 | As of January 31, 2026 |
|---|---------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,415,194 | 8,013,383 |
| Accounts receivable - trade | 1,348,390 | 1,459,394 |
| Inventories | 209,501 | 257,575 |
| Accounts receivable - other | 806,582 | 787,621 |
| Other | 688,709 | 673,586 |
| Total current assets | 10,468,378 | 11,191,561 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 5,764,102 | 6,094,128 |
| Other, net | 1,188,364 | 1,304,765 |
| Total property, plant and equipment | 6,952,467 | 7,398,893 |
| Intangible assets | | |
| Goodwill | 201,683 | 188,087 |
| Other | 264,069 | 233,217 |
| Total intangible assets | 465,753 | 421,305 |
| Investments and other assets | | |
| Deferred tax assets | 897,309 | 928,623 |
| Guarantee deposits | 2,073,147 | 2,077,245 |
| Other | 533,086 | 724,052 |
| Allowance for doubtful accounts | (7,563) | (6,878) |
| Total investments and other assets | 3,495,980 | 3,723,043 |
| Total non-current assets | 10,914,201 | 11,543,242 |
| Total assets | 21,382,579 | 22,734,804 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,096,606 | 2,196,499 |
| Current portion of long-term borrowings | 1,223,268 | 1,019,880 |
| Accounts payable - other | 1,943,178 | 2,195,966 |
| Income taxes payable | 406,322 | 680,460 |
| Provision for bonuses | 466,298 | 492,395 |
| Provision for bonuses for directors (and other officers) | 26,798 | 55,885 |
| Provision for shareholder benefit program | 42,577 | 39,645 |
| Other | 1,637,453 | 1,848,775 |
| Total current liabilities | 7,842,503 | 8,529,509 |
| Non-current liabilities | | |
| Long-term borrowings | 2,067,034 | 1,641,848 |
| Provision for share awards for directors (and other officers) | 45,037 | 51,984 |
| Retirement benefit liability | 124,503 | 133,891 |
| Asset retirement obligations | 1,229,955 | 1,250,739 |
| Other | 298,644 | 471,631 |
| Total non-current liabilities | 3,765,175 | 3,550,095 |
| Total liabilities | 11,607,679 | 12,079,604 |

(Thousands of yen)

| | As of July 31, 2025 | As of January 31, 2026 |
|--|---------------------|------------------------|
| 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 | 7,927,718 |
| Treasury shares | (286,919) | (281,329) |
| Total shareholders' equity | 9,825,508 | 10,620,047 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | (24,977) | 57,650 |
| Remeasurements of defined benefit plans | (25,631) | (22,498) |
| Total accumulated other comprehensive income | (50,608) | 35,152 |
| Total net assets | 9,774,900 | 10,655,199 |
| Total liabilities and net assets | 21,382,579 | 22,734,804 |

(2) Interim consolidated statement of income and consolidated statement of comprehensive income
(Interim Consolidated Statement of Income)

(Thousands of yen)

| | Six months ended January 31, 2025 | Six months ended January 31, 2026 |
|---|--------------------------------------|--------------------------------------|
| Net sales | 22,186,521 | 25,393,038 |
| Cost of sales | 6,859,629 | 8,038,735 |
| Gross profit | 15,326,891 | 17,354,302 |
| Selling, general and administrative expenses | 14,006,773 | 15,736,870 |
| Operating profit | 1,320,118 | 1,617,432 |
| Non-operating income | | |
| Interest income | 635 | 5,182 |
| Surrender value of insurance policies | 17,645 | 5,038 |
| Foreign exchange gains | - | 23,441 |
| Other | 15,006 | 19,934 |
| Total non-operating income | 33,287 | 53,596 |
| Non-operating expenses | | |
| Interest expenses | 10,884 | 19,716 |
| Foreign exchange losses | 6,500 | - |
| Fees paid | 4,183 | 13,745 |
| Share of loss of entities accounted for using equity method | - | 6,988 |
| Other | 1,170 | 8,511 |
| Total non-operating expenses | 22,740 | 48,961 |
| Ordinary profit | 1,330,664 | 1,622,067 |
| Extraordinary income | | |
| Compensation for forced relocation | - | 101,518 |
| Total extraordinary income | - | 101,518 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 928 | - |
| Loss on retirement of non-current assets | 1,967 | 8,361 |
| Impairment losses | 11,040 | - |
| Loss on store closings | 16,271 | 1,987 |
| Total extraordinary losses | 30,208 | 10,348 |
| Profit before income taxes | 1,300,456 | 1,713,236 |
| Income taxes - current | 349,851 | 689,947 |
| Income taxes - deferred | 195,469 | (32,968) |
| Total income taxes | 545,321 | 656,979 |
| Profit | 755,134 | 1,056,257 |
| Profit attributable to owners of parent | 755,134 | 1,056,257 |

(Interim Consolidated Statement of Comprehensive Income)

(Thousands of yen)

| | Six months ended January 31, 2025 | Six months ended January 31, 2026 |
|--|--------------------------------------|--------------------------------------|
| Profit | 755,134 | 1,056,257 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | (24,490) | 74,592 |
| Remeasurements of defined benefit plans, net of tax | 753 | 3,133 |
| Share of other comprehensive income of entities accounted for using equity method | - | 8,034 |
| Total other comprehensive income | (23,737) | 85,761 |
| Comprehensive income | 731,397 | 1,142,018 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | 731,397 | 1,142,018 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Interim Consolidated Statements of Cash Flows

(Thousands of yen)

| | Six months ended January 31, 2025 | Six months ended January 31, 2026 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,300,456 | 1,713,236 |
| Depreciation | 535,001 | 678,893 |
| Amortization of goodwill | 13,596 | 13,596 |
| Impairment losses | 11,040 | - |
| Increase (decrease) in allowance for doubtful accounts | (489) | (684) |
| Increase (decrease) in provision for bonuses | (267,247) | 26,097 |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (54,157) | 28,874 |
| Increase (decrease) in provision for shareholder benefit program | 6,846 | (2,931) |
| Increase (decrease) in retirement benefit liability | 7,112 | 14,175 |
| Increase (decrease) in provision for share awards for directors (and other officers) | 13,760 | 12,570 |
| Interest and dividend income | (635) | (5,182) |
| Interest expenses | 10,884 | 19,716 |
| Foreign exchange losses (gains) | 6,500 | (23,441) |
| Loss (gain) on sale of non-current assets | 928 | - |
| Loss on retirement of non-current assets | 1,967 | 8,361 |
| Compensation for forced relocation | - | (101,518) |
| Share of loss (gains) of entities accounted for using equity method | - | 6,988 |
| Decrease (increase) in trade receivables | (132,620) | (109,857) |
| Decrease (increase) in inventories | (15,794) | (47,267) |
| Decrease (increase) in accounts receivable - other | (68,114) | 19,142 |
| Increase (decrease) in trade payables | 159,305 | 96,509 |
| Increase (decrease) in accounts payable - other | 78,947 | 250,976 |
| Increase (decrease) in unearned revenue | 142,351 | (93,532) |
| Other | 78,725 | 431,604 |
| Subtotal | 1,828,365 | 2,936,328 |
| Interest and dividends received | 635 | 5,182 |
| Interest paid | (11,052) | (18,661) |
| Income taxes paid | (960,863) | (419,248) |
| Income taxes refund | - | 32,245 |
| Proceeds from compensation for forced relocation | - | 24,066 |
| Cash flows from operating activities | 857,085 | 2,559,914 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,451,882) | (873,579) |
| Proceeds from sale of property, plant and equipment | 13,636 | - |
| Purchase of intangible assets | (86,370) | (5,915) |
| Purchase of long-term prepaid expenses | (15,562) | (7,179) |
| Purchase of shares of subsidiaries | - | (88,186) |
| Payments of guarantee deposits | (139,423) | (55,308) |
| Proceeds from refund of guarantee deposits | 12,974 | 41,509 |
| Payments of loans | - | (50,000) |
| Other | (35,003) | 1,106 |
| Cash flows from investing activities | (1,701,633) | (1,037,553) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (528,380) | (628,574) |
| Repayments of lease liabilities | (10,288) | (76,505) |
| Purchase of treasury shares | (179) | (32) |
| Dividends paid | (266,564) | (266,858) |
| Other | - | (5,591) |
| Cash flows from financing activities | (805,411) | (977,562) |
| Effect of exchange rate change on cash and cash equivalents | (25,707) | 46,772 |
| Net increase (decrease) in cash and cash equivalents | (1,675,667) | 591,569 |
| Cash and cash equivalents at beginning of interim period | 8,445,903 | 7,485,432 |
| Cash and cash equivalents at end of interim period | 6,770,235 | 8,077,002 |