July 31, 2026

Company Name	Eternal Hospitality Group Co., Ltd.
Representative	Tadashi Okura, Representative Director, President, and CEO (Securities code: 3193 TSE Prime)
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Notice Regarding Occurrence of Loss on Valuation of Stocks of Subsidiaries and Affiliates (Non-Consolidated)

The Company hereby announces that it expects to recognize a loss on valuation of stocks of subsidiaries and affiliates in its non-consolidated financial results for the fiscal year ending July 31, 2026. Details of this matter are as follows.

1. Description of loss on valuation of stocks of subsidiaries and affiliates
   As it announced in the "Notice Regarding Establishment of Intermediate Holding Company (Specified Subsidiary) in the U.S." dated June 5, 2026, the Company has been working on the establishment of ETERNAL HOSPITALITY USA INC. as an intermediate holding company through a contribution in kind of TORIKIZOKU USA INC. (hereinafter referred to as “TK-US”) shares held by the Company. Following a revaluation of the TK-US shares in connection with the contribution in kind, the actual value of the shares has declined. Accordingly, the Company has resolved to reduce the carrying amount of the TK-US shares from 876 million JPY to 428 million JPY. The Company expects to recognize a loss on valuation of stocks of subsidiaries and affiliates of 448 million JPY as an extraordinary loss.

2. Impact on consolidated financial results
   The above loss on valuation of stocks of subsidiaries and affiliates is expected to be recognized only in the Company's non-consolidated financial statements, and is offset and eliminated in its consolidated financial statements.

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