September 14, 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 of Provision of Allowance for Doubtful Accounts and Loss on Valuation of Shares of Subsidiaries and Associates (Non-Consolidated)

The Company recognized a provision of allowance for doubtful accounts (non-operating expense) and a loss on valuation of shares of subsidiaries and associates (extraordinary loss) in its non-consolidated financial results for the fiscal year ended July 31, 2026. Although this announcement is being made after the fact, details are as follows.

1. Description of the provision of allowance for doubtful accounts (non-operating expense, non-consolidated)
   The Company holds loans receivable from Torikizoku Shanghai Co., Ltd. (hereinafter referred to as "TK-SH"), a consolidated subsidiary of the Company. Due to the deterioration of TK-SH's financial position and other factors, the Company recognized a provision of allowance for doubtful accounts of 234 million yen as a non-operating expense in its non-consolidated financial results for the fiscal year ended July 31, 2026.

2. Description of the loss on valuation of shares of subsidiaries and associates (extraordinary loss, non-consolidated)
   With respect to the shares of TK-SH held by the Company, as TK-SH has not yet achieved profitability and upfront losses have continued, a decline in the actual value of these shares was recognized. Accordingly, the Company implemented impairment accounting for the shares and recognized a loss on valuation of shares of subsidiaries and associates of 336 million yen as an extraordinary loss in its non-consolidated financial results for the fiscal year ended July 31, 2026.

3. Impact on consolidated financial results
   The provision of allowance for doubtful accounts and the loss on valuation of shares of subsidiaries and associates described above both relate to the Company's non-consolidated financial results and are offset and eliminated in its consolidated financial statements. Accordingly, there is no impact on the Company's consolidated financial results.

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