



Consolidated Financial Report For the Fiscal Year ended December 31, 2025 (IFRS)

February 13, 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	Minoru Kanaya, President and Chief Operating Officer	
Contact for enquiries	Yoshiaki Kita, Executive Director and Chief Finance Officer, Managing Director of Finance Division (TEL) 0422-51-8111	
Date of general shareholders' meeting (as planned)	March 27, 2026	
Dividends payable date (as planned)	March 12, 2026	
Annual securities report filing date (as planned)	March 26, 2026	
Supplemental material of annual results	Yes	
Convening briefing of annual results	Yes (for analysts and institutional investors)	

(Millions of yen; amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal year ended December 31, 2025

(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)	(%)
Fiscal year ended December 31, 2025	457,794	14.1	32,987	36.0	29,957	23.9	26,279	22.4	16,748	19.9	16,748	19.9	18,517	28.8
Fiscal year ended December 31, 2024	401,130	13.0	24,250	47.7	24,184	106.9	21,470	147.0	13,965	192.1	13,965	192.1	14,381	213.9

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of income before income taxes to total assets	Ratio of operating profit to revenue
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended December 31, 2025	73.62	73.62	9.3	5.3	6.5
Fiscal year ended December 31, 2024	61.38	61.38	8.3	4.8	6.0

(Reference)

Profit of investments accounted for using the equity method	Fiscal year ended December 31, 2025	— million yen	Fiscal year ended December 31, 2024	— million yen
EBITDA	Fiscal year ended December 31, 2025	82,265 million yen	Fiscal year ended December 31, 2024	72,116 million yen [19.3%]
Adjusted EBITDA	Fiscal year ended December 31, 2025	86,331 million yen	Fiscal year ended December 31, 2024	73,888 million yen [11.2%]
Adjusted net income	Fiscal year ended December 31, 2025	16,748 million yen	Fiscal year ended December 31, 2024	13,965 million yen [192.1%]

(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.

(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	Equity per share attributable to owners of the Company
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	Yen
As of December 31, 2025	518,549	187,567	187,567	36.2	824.46
As of December 31, 2024	470,866	173,372	173,372	36.8	762.07

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended December 31, 2025	74,495	(34,051)	(25,524)	34,331
Fiscal year ended December 31, 2024	67,923	(39,228)	(36,429)	19,170

2. Dividends

	Dividends per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended December 31, 2024	—	7.50	—	11.00	18.50	4,209	30.1	2.5
Fiscal year ended December 31, 2025	—	8.00	—	14.00	22.00	5,005	29.9	2.8
Fiscal year ending December 31, 2026 (Forecasted)	—	10.00	—	16.00	26.00		30.3	

(Note) The dividend resource at the end of the fiscal year ended December 31, 2025 includes capital surplus. For details, please refer to “The breakdown of dividends paid out from capital surplus” below.

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	490,000	7.0	36,000	9.1	33,500	11.8	29,700	13.0	19,500	16.4	85.71

(Reference)

Adjusted net income Year ending December 31, 2026 (Forecasted) 19,500 million yen [16.4%]

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
 Number of subsidiaries newly consolidated: 6 (Company name: Createries Consultancy Sdn. Bhd., KKT Consultancy Sdn. Bhd., MKK2 Consultancy Sdn. Bhd., Sukiya Sdn. Bhd., Sukiya2 Sdn. Bhd., Sukiya3 Sdn. Bhd.)
 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 December 31, 2025	227,502,200	As of December 31, 2024	227,502,200
As of December 31, 2025	120	As of December 31, 2024	120
Fiscal year ended December 31, 2025	227,502,080	Fiscal year ended December 31, 2024	227,502,128

(ii) Number of treasury stock

(iii) Average number of issued shares
during the period

* This financial report is not subject to audit 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. Refer to page 5 of Appendix “1. Overview of Consolidated Operating Results (4) Forecast for the Next Fiscal Year” for further details and disclaimer regarding the use of the forecasts and certain assumptions used in developing those forecasts.
- (3) Refer to page 2 of the Appendix “1. Overview of Consolidated Operating Results (1) Overview of Consolidated Operating Results for the Current Fiscal Year” for details on 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, and gain or loss on modification of financial liabilities in accordance with the adoption of IFRS 9, Financial Instruments (2014) (including readjustment of the amount of impact from the retroactive application of changes in accounting policies), 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.

The breakdown of dividends paid out from capital surplus

Out of the year-end dividends paid for the fiscal year ended December 31, 2025, those paid out from capital surplus are as follows:

Record date	Second quarter	Year-end
Dividends per share (Yen)	8.00	14.00
Total dividends (Millions of yen)	1,820	3,185

(Note) Ratio of decrease in net assets: 0.000

(Appendix)

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1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results for the Current Fiscal Year

During the fiscal year ended December 31, 2025, although wage increases were observed in the Japanese economy, real wages tended to decline due to soaring energy prices and higher raw material costs, leading consumers to become increasingly selective in their spending. At the same time, experience-based consumption (“koto consumption”) and selective, value-focused spending became more deeply entrenched. This diversification of consumer spending behavior created new opportunities for the food service industry to respond to evolving social needs.

In our menu and promotional strategies, in response to the polarization of consumer behavior between cost-consciousness and an emphasis on experiential value, we expanded our lineup of low-priced small-portion dishes to offer customers a wider range of choices, while also introducing high value-added menu items that can only be experienced through dining out. In addition, by distributing “dynamic coupons” through our official mobile application, we implemented optimized promotions tailored to specific regions and customer segments, thereby enhancing the return on promotional investments. As a result of these initiatives, both customer traffic and average spending per customer increased, significantly contributing to growth in same-store sales.

Meanwhile, we further deepened our “store-centered management” initiatives, which have been in place since the previous fiscal year, and accelerated investment in our people as a key driver of sustainable growth. These efforts included the delegation of authority to store managers, the introduction of performance-linked incentives, a crew point system, and the utilization of our proprietary single-day part-time work system known as “Spot Crew” to secure sufficient staffing during weekends and peak periods. In addition, we thoroughly implemented operational reforms by leveraging DX, including the visualization and reduction of table cleanup time, to improve table turnover during peak hours and minimize opportunity losses. As a result, store productivity and service quality improved, enabling us to secure sales revenue exceeding investments in labor hours and to achieve an improvement in profit margins.

As a result of the accumulation of these marketing initiatives and store operation reforms, same-store sales for the fiscal year ended December 31, 2025 reached 107.5% compared to the same period in the previous year, achieving steady growth.

As for gross profit margin, the impact of increases in ingredient costs was restrained to a certain extent through price increases on certain menu items, reductions in food losses at stores, and measures implemented under a cross-divisional COGS reduction project. As a result, the gross profit margin for the fiscal year ended December 31, 2025 was 66.7%, down 0.7% compared to the same period in the previous year.

Selling, general and administrative expenses were 272,144 million yen for the fiscal year ended December 31, 2025, an increase of 26,219 million yen compared to the same period in the previous year. As part of our personnel system reforms, we introduced a performance-based compensation system designed to reward results and enhance employee satisfaction. This led to a lower employee turnover rate and improved operational proficiency among staff, thereby increasing store productivity. Consequently, personnel cost control was optimized, and the ratio of selling, general and administrative expenses to revenue was significantly reduced.

In other operating expenses, a loss on disposal of goodwill of 1,169 million yen related to store closures was recorded during the fiscal year ended December 31, 2025. This was due to the closure of 48 stores during the fiscal year ended December 31, 2025.

During the fiscal year ended December 31, 2025, we opened 77 new stores and converted 36 stores. Of the new store openings, 59 stores were opened in Japan, mainly comprising 19 Syabu-Yo, 14 Gusto, and 9 Sukesan Udon. For overseas store openings, we opened a total of 18 stores, including 12 stores in Taiwan - 5 Yokohama Steakhouse, 3 Syabu-Yo, 2 Musashinomori Coffee, 1 Café Grazie, and 1 La Ohana - and 6 stores in Malaysia, consisting of 4 SUKI-YA and 2 Syabu-Yo. We also continued with store renovations (remodeling), implementing renovations at 220 stores during the fiscal year ended December 31, 2025.

As a result of the above, for the fiscal year ended December 31, 2025, revenue was 457,794 million yen (an increase of 56,664 million yen compared to the same period in the previous year), business profit (Note 2) was 32,987 million yen (an

increase of 8,737 million yen compared to the same period in the previous year), operating profit was 29,957 million yen (an increase of 5,772 million yen compared to the same period in the previous year), profit before income taxes was 26,279 million yen (an increase of 4,809 million yen compared to the same period in the previous year), and net income attributable to owners of the Company was 16,748 million yen (an increase of 2,783 million yen compared to the same period in the previous year).

EBITDA (Note 3) was 82,265 million yen (an increase of 10,150 million yen compared to the same period in the previous year), adjusted EBITDA (Note 4) was 86,331 million yen (an increase of 12,443 million yen compared to the same period in the previous year), and adjusted net income (Note 5) was 17,705 million yen (an increase of 3,740 million yen compared to the same period in the previous year). As of December 31, 2025, the number of stores was 3,111 (including 4 stores temporarily closed for renovations).

(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 Consolidated Statements of Income.

(b) Other financial income is disclosed as "Other income" in the 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 + 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 Consolidated Financial Position for the Current Fiscal Year

Analysis of assets, liabilities, and equity as of the end of the current consolidated fiscal year is summarized as follows:

Current assets were 67,578 million yen (an increase of 18,468 million yen compared to the end of the previous fiscal year), mainly due to an increase in cash and cash equivalents and trade and other receivables. Non-current assets were 450,971 million yen (an increase of 29,215 million yen compared to the end of the previous fiscal year), mainly due to an increase in property, plant and equipment, goodwill, and other intangible assets.

Total assets were 518,549 million yen (an increase of 47,683 million yen compared to the end of the previous fiscal year).

Current liabilities were 105,372 million yen (a decrease of 12,156 million yen from the end of the previous fiscal year), mainly due to a decrease in corporate bonds and short-term borrowings. Non-current liabilities were 225,610 million yen (an increase of 45,644 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 330,982 million yen (an increase of 33,489 million yen from the end of the previous fiscal year).

Equity was 187,567 million yen (an increase of 14,195 million yen from the end of the previous fiscal year). This was mainly due to a decrease from dividend payments (4,323 million yen) and an increase from the recording of net income

for the fiscal year ended December 31, 2025 (16,748 million yen).

(3) Overview of Consolidated Cash Flows for the Current Fiscal Year

Cash and cash equivalents as of the end of the current consolidated fiscal year were 34,331 million yen (an increase of 15,161 million yen compared to the end of the previous fiscal year). Each category of cash flows and its factors for the current consolidated fiscal year are summarized as follows:

Cash flows from operating activities:

Net cash from operating activities was 74,495 million yen (an increase of 6,573 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as an increase of 4,030 million yen in income taxes paid and a decrease of 3,354 million yen in changes in trade and other payables, and cash inflows such as an increase of 4,809 million yen in income before income taxes and an increase of 1,677 million yen in changes in inventories.

Cash flows from investing activities:

Net cash used in investing activities was 34,051 million yen (a decrease of 5,177 million yen compared to the same period in the previous year). This was primarily due to cash outflows such as a decrease of 14,106 million yen in purchase of shares of subsidiaries, an increase of 7,474 million yen in acquisition of property, plant and equipment, including investments in new, converted and remodeled restaurants, and a decrease of 1,518 million yen in proceeds from sale of property, plant and equipment. 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 used in financing activities was 25,524 million yen (a decrease of 10,905 million yen compared to the same period in the previous year). This was primarily due to cash inflows such as an increase of 24,500 million yen in proceeds from short-term borrowings, an increase of 18,878 million yen in proceeds from long-term borrowings, and a decrease of 2,014 million yen in repayments of long-term borrowings, and cash outflows such as an increase of 24,500 million yen in repayments of short-term borrowing, an increase of 1,816 million yen in repayments of lease liabilities, a decrease of 5,698 million yen in proceeds from issuance of corporate bonds, an increase of 1,438 million yen in payments of commissions related to borrowings, and an increase of 1,034 million yen in dividends paid.

(Reference) Indexes Related to Cash Flows

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Ratio of equity attributable to owners of the Company to total assets (%)	36.3	37.1	38.1	36.8	36.2
Ratio of equity attributable to owners of the Company to total assets based on a fair value basis (%)	75.1	81.8	110.3	118.4	147.6
Net leverage ratio (multiple)	2.6	3.9	2.6	2.7	2.5
Interest coverage ratio (multiple)	20.2	21.2	33.6	30.7	24.9

(Note) Ratio of equity attributable to owners of the Company to total assets: Equity attributable to owners of the Company / Total assets

Ratio of equity attributable to owners of the Company to total assets based on a fair value basis: Total market value of the Company's shares / Total assets

Net leverage ratio: Net interest-bearing liabilities / Adjusted EBITDA

Interest coverage ratio: Cash flows from operating activities / Interest paid

* Each index is calculated using financial figures on a consolidated basis (IFRSs).

* Total market value of the Company's shares is calculated using share price at the end of the period multiplied by the number of issued shares at the end of the period (after deducting treasury stock).

* Net interest-bearing liabilities are calculated by subtracting cash and deposits from interest-bearing liabilities.

* The amounts of cash flows from operating activities and interest paid are obtained from "Cash flows from operating activities" and "Interest paid" on the consolidated statements of cash flows.

(4) Forecast for the Next Fiscal Year

We expect to achieve revenue of 490,000 million yen (an increase of 32,200 million yen), business profit of 36,000 million yen, operating profit of 33,500 million yen, income before income taxes of 29,700 million yen, net income attributable to owners of the Company of 19,500 million yen, and adjusted net income of 19,500 million yen.

The business environment surrounding our Group is becoming increasingly challenging. Due to rising prices and declining real wages, consumers remain highly selective in their spending. In addition, costs such as raw materials, logistics, and utilities continue to rise, and the outlook remains uncertain. Under these circumstances, in order to address our key priorities of achieving sustainable revenue growth and improving productivity, we will steadily and concurrently pursue the following initiatives: (i) growth of existing stores, (ii) new store openings in Japan, (iii) international store growth, (iv) mergers and acquisitions (M&A), and (v) store-centered management. At the same time, we will continue to strengthen our initiatives in (vi) ESG and (vii) food safety and assurance, striving to further expand customer support and trust.

(i) Growth of Existing Stores

We will achieve sustainable growth by expanding affordable, high-value menu offerings that respond to the polarization of consumer spending, while enhancing customer experience through improvements in in-store service quality, thereby increasing both customer traffic and average spending per customer. In addition, with a particular focus on Sukesan Udon, we will drive further growth by promoting optimal brand conversions and store renovations (remodeling) tailored to local market characteristics.

(ii) New Store Openings in Japan

For fiscal year 2026, we plan to open 50 new stores. Focusing primarily on station-front locations and commercial facilities where we currently have limited presence, we will deploy brands such as Gusto and Syabu-Yo that best match the customer demographics and needs of each location. By accelerating store openings in these prime locations with high population density, we aim to achieve further growth.

(iii) International Store Growth

We will continue to focus our overseas expansion efforts on Taiwan and Southeast Asia. In 2026, we plan to open 14 stores in Taiwan and 6 stores in Southeast Asia, achieving sustainable growth in overseas markets as well. In Taiwan, in addition to our multi-brand strategy utilizing existing brands, we will newly roll out Sukesan Udon. In Southeast Asia, where the proportion of younger populations is high and markets continue to expand, we will continue to develop our Syabu-Yo and SUKI-YA brands, primarily in Malaysia.

(iv) Mergers and Acquisitions (M&A)

In October 2024, we acquired shares of Sukesan Co., Ltd., and in January 2025, we acquired shares of Createries Consultancy Sdn. Bhd., group which operates popular Muslim-friendly shabu-shabu restaurants in Malaysia. Going forward, we will continue to actively consider M&A opportunities both domestically and internationally that can generate synergies by leveraging our Group's business platform, with the aim of further expanding our business scale.

(v) Store-Centered Management

Store-centered management is a management philosophy that shifts away from a store operating model that generates profit primarily by treating people as costs to be reduced, toward an approach in which stores themselves take the initiative. Under this philosophy, organizations are built through store operations tailored to the characteristics of each local market and the voices of customers, enabling each manager to grow as a business leader. By enhancing the capabilities of individual

managers, productivity is improved, and through the creation of added value, competitive advantages are established in each region, thereby strongly driving improvements in profitability across the entire Group. Furthermore, the on-site skills and ingenuity cultivated through this approach are shared as successful practices throughout the Group, elevating overall organizational capabilities and building a foundation for sustainable growth even in rapidly changing market environment.

(vi) ESG initiatives

In December 2020, our Group established the Group Sustainability Committee. In 2021, we defined our purpose as “To contribute to enriching people’s lives and to the advancement of society as a whole by creating the future of dining,” while formulating and disclosing our long-term strategic vision for 2030 and materiality to aim for a sustainable society. We have identified the issues that we should prioritize as materiality and have disclosed them on our website.

<https://corp.skylark.co.jp/en/sustainability/management/materiality/>

Our ESG initiatives are designed to simultaneously enhance both corporate value and social sustainability through our business activities. During the fiscal year ended December 31, 2025, as part of our decarbonization efforts, we installed solar power generation systems at the Nishinomiya Merchandising Center, 33 stores in the Kansai region, 40 stores in the Kanto region, and 47 stores in the Chugoku region, contributing to an annual reduction of approximately 2,400 tons of CO₂ emissions. Going forward, we will further accelerate our transition to renewable energy sources.

(vii) Initiatives of Food Safety and Assurance

Our Group has established its Quality Charter, which sets forth a basic policy of implementing rigorous quality and hygiene control standards to address various foreseeable risks at every stage of the process, from procurement of ingredients through processing, distribution, cooking, and serving.

We have obtained ISO22000 certification, an internationally recognized food safety management standard, covering our domestic central kitchens (10 factories) as well as our procurement, menu development, quality control, and internal audit functions. In addition, by introducing hygiene management methods based on HACCP principles at our stores, we have established a food safety management framework across the entire supply chain.

From a financial perspective, we recognize the importance of securing stable and flexible funding to support these initiatives. In 2025, we entered into a commitment line with a borrowing limit of 50,000 million yen, designated for capital expenditures, and, following the previous fiscal year, issued 14,300 million yen of publicly offered straight bonds, of which 5,000 million yen were issued as sustainability bonds. Furthermore, we are diversifying our funding sources by promoting long-term borrowings at fixed interest rates through the use of syndicated loans, thereby strengthening our financial foundation.

(5) Fundamental Policy for Distribution of Profit and Dividends for the Current and Next Fiscal Years

We aim to provide stable dividend payments to our shareholders while ensuring that adequate internal reserve is maintained in preparation for future business deployment and investments to further improve corporate value.

Under this basic policy, we have decided to pay dividends of 16.00 yen per share for the current fiscal year.

With regard to dividends in the next fiscal year, we have decided to pay dividends in a stable manner with the aim of achieving a consolidated dividend payout ratio of approximately 30% on the basis of adjusted net income, taking into consideration investments for future growth. Accordingly, an annual dividend of 26.00 yen per share is planned to be paid, based on the assumption that the business forecast as discussed in “1. Overview of Consolidated Operating Results (4) Forecast for the Next Fiscal Year” on page 5 of the Appendix will be achieved.

(Note) Adjusted net income= Net income + public offering related expenses + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Gain and loss from modification of financial liabilities in accordance with the adoption of IFRS 9 “Financial Instruments” (2014) (including readjustment of the amount of impact from the retroactive application of changes in accounting policies) + Tax effects of adjustments

2. Basic Policy Regarding Selection of Accounting Standards

The Group has adopted the International Financial Reporting Standards (IFRSs) effective from the fiscal year ended December 31, 2013 to improve effective usage for stakeholders such as domestic and foreign shareholders, investors, and trading partners.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

As of December 31, 2024 and December 31, 2025 (Unaudited)

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	¥ 19,170	¥ 34,331
Trade and other receivables	20,808	23,569
Other financial assets	93	74
Inventories	7,772	7,832
Other current assets	1,267	1,771
Total current assets	49,110	67,578
Non-current assets		
Property, plant and equipment	210,718	230,208
Goodwill	157,636	162,683
Other intangible assets	15,451	20,028
Other financial assets	23,615	24,732
Deferred tax assets	13,955	12,221
Other non-current assets	380	1,100
Total non-current assets	421,756	450,971
Total assets	470,866	518,549

(1) Consolidated Statements of Financial Position — Continued
As of December 31, 2024 and December 31, 2025 (Unaudited)

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Corporate bonds and short-term borrowings	¥ 31,943	¥ 14,339
Trade and other payables	32,558	33,935
Other financial liabilities	27,762	29,524
Income tax payable	3,175	5,233
Provisions	1,465	1,481
Other current liabilities	20,626	20,861
Total current liabilities	117,528	105,372
Non-current liabilities		
Corporate bonds and long-term borrowings	74,388	109,330
Other financial liabilities	86,874	95,457
Provisions	14,170	15,219
Deferred tax liabilities	3,502	4,516
Other non-current liabilities	1,031	1,088
Total non-current liabilities	179,965	225,610
Total liabilities	297,493	330,982
Equity		
Share capital	25,134	25,134
Capital surplus	57,240	52,918
Treasury shares	(0)	(0)
Other components of equity	1,137	2,905
Retained earnings	89,861	106,611
Equity attributable to owners of the Company	173,372	187,567
Total equity	173,372	187,567
Total liabilities and equity	¥ 470,866	¥ 518,549

(2) **Consolidated Statements of Income**
For the Fiscal Years Ended December 31, 2024 and 2025 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2024	For the Fiscal year ended December 31, 2025
Revenue	¥ 401,130	¥ 457,794
Cost of sales	(130,955)	(152,663)
Gross profit	270,175	305,131
Other operating income	2,057	2,018
Selling, general and administrative expenses	(245,925)	(272,144)
Other operating expenses	(2,122)	(5,048)
Operating profit	24,184	29,957
Interest income	28	46
Other income	5	2
Interest expense	(2,587)	(3,520)
Other expenses	(160)	(206)
Income before income taxes	21,470	26,279
Income taxes	(7,505)	(9,531)
Net income	¥ 13,965	¥ 16,748
Net income attributable to:		
Owners of the Company	¥ 13,965	¥ 16,748
Net income	¥ 13,965	¥ 16,748
Earnings per share		
Basic (Yen)	¥ 61.38	¥ 73.62
Diluted (Yen)	61.38	73.62

(3) Consolidated Statements of Comprehensive Income
For the Fiscal Years Ended December 31, 2024 and 2025 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2024	For the Fiscal year ended December 31, 2025
Net income	¥ 13,965	¥ 16,748
Other comprehensive income		
Items that are not reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(18)	16
Remeasurement of the net defined benefit liability (asset)	7	2
Total items that are not reclassified to profit or loss	(11)	18
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	73	1,014
Cash flow hedges	355	739
Total items that may be reclassified to profit or loss	428	1,752
Other comprehensive income, net of tax	417	1,770
Total comprehensive income	¥ 14,381	¥ 18,517
Comprehensive income attributable to:		
Owners of the Company	¥ 14,381	¥ 18,517
Total comprehensive income	¥ 14,381	¥ 18,517

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Financial assets measured at fair value through other comprehensive income	Remeasurements of the net defined benefit liability (asset)	Exchange differences on translation of foreign operations	Cash flow hedges	Total
As of January 1, 2024	¥ 25,134	¥ 60,539	¥ (0)	¥ 62	¥—	¥ 796	¥ (131)	¥ 727
Net income	—	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(18)	7	73	355	417
Total comprehensive income	—	—	—	(18)	7	73	355	417
Acquisition of treasury stock	—	—	(0)	—	—	—	—	—
Dividends	—	(3,299)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(7)	—	—	(7)
Total contributions by and distributions to owners of the Company	—	(3,299)	(0)	—	(7)	—	—	(7)
Total transactions with owners of the Company	—	(3,299)	(0)	—	(7)	—	—	(7)
As of December 31, 2024	¥ 25,134	¥ 57,240	¥ (0)	¥ 44	¥—	¥ 869	¥ 224	¥ 1,137
Net income	—	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	16	2	1,014	739	1,770
Total comprehensive income	—	—	—	16	2	1,014	739	1,770
Acquisition of treasury stock	—	—	—	—	—	—	—	—
Dividends	—	(4,323)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(2)	—	—	(2)
Total contributions by and distributions to owners of the Company	—	(4,323)	—	—	(2)	—	—	(2)
Total transactions with owners of the Company	—	(4,323)	—	—	(2)	—	—	(2)
As of December 31, 2025	¥ 25,134	¥ 52,918	¥ (0)	¥ 60	¥—	¥ 1,883	¥ 963	¥ 2,905

Consolidated Statements of Changes in Equity – Continued

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2024	¥ 75,890	¥ 162,290	¥ 162,290
Net income	13,965	13,965	13,965
Other comprehensive income, net of tax	—	417	417
Total comprehensive income	13,965	14,381	14,381
Acquisition of treasury stock	—	(0)	(0)
Dividends	—	(3,299)	(3,299)
Transfer from other components of equity to retained earnings	7	—	—
Total contributions by and distributions to owners of the Company	7	(3,299)	(3,299)
Total transactions with owners of the Company	7	(3,299)	(3,299)
As of December 31, 2024	¥ 89,861	¥ 173,372	¥ 173,372
Net income	16,748	16,748	16,748
Other comprehensive income, net of tax	—	1,770	1,770
Total comprehensive income	16,748	18,517	18,517
Acquisition of treasury stock	—	—	—
Dividends	—	(4,323)	(4,323)
Transfer from other components of equity to retained earnings	2	—	—
Total contributions by and distributions to owners of the Company	2	(4,323)	(4,323)
Total transactions with owners of the Company	2	(4,323)	(4,323)
As of December 31, 2025	¥ 106,611	¥ 187,567	¥ 187,567

(5) Consolidated Statements of Cash Flows
For the Fiscal Years Ended December 31, 2024 and 2025 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2024	For the Fiscal year ended December 31, 2025
Cash flows from operating activities		
Income before income taxes	¥ 21,470	¥ 26,279
Adjustments for:		
Depreciation and amortization	47,827	52,191
Loss on impairment of non-financial assets	861	2,421
Profit and loss on sale and disposal of fixed assets	564	1,820
Interest income	(28)	(46)
Other income	(5)	(2)
Interest expense	2,587	3,520
Other expenses	160	206
	73,436	86,389
Changes in working capital and other:		
Decrease (increase) in trade and other receivables	(3,347)	(2,694)
Decrease (increase) in inventories	(1,694)	(17)
Increase (decrease) in trade and other payables	4,198	844
Increase (decrease) in other financial liabilities (current)	(325)	(230)
Increase (decrease) in other current liabilities	425	133
Others	(693)	(753)
Cash generated from operations	72,000	83,671
Interest and dividends received	27	40
Interest paid	(2,213)	(2,988)
Income taxes paid	(2,206)	(6,236)
Income taxes refund	315	8
Net cash from operating activities	67,923	74,495
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,096)	(22,570)
Proceeds from sale of property, plant and equipment	1,522	4
Acquisition of intangible assets	(1,951)	(2,211)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(22,860)	(8,754)
Payments of lease deposits and guarantee deposits	(951)	(714)
Proceeds from collection of lease deposits and guarantee deposits	472	599
Others	(365)	(404)
Net cash used in investing activities	(39,228)	(34,051)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	24,500
Repayments of short-term borrowings	—	(24,500)
Proceeds from long-term borrowings	16,722	35,600
Repayments of long-term borrowings	(34,013)	(31,999)
Proceeds from issuance of corporate bonds	19,893	14,195
Repayments of lease liabilities	(35,586)	(37,401)
Dividends paid	(3,286)	(4,320)
Payments of commissions related to borrowings	(160)	(1,598)
Others	(0)	—
Net cash from (used in) financing activities	(36,429)	(25,524)
Effect of exchange rate on the balance of cash and cash equivalents held in foreign currency	114	240
Net increase (decrease) in cash and cash equivalents	(7,620)	15,161
Cash and cash equivalents at the beginning of the period	26,790	19,170
Cash and cash equivalents at the end of the period	¥ 19,170	¥ 34,331

(6) Notes to Consolidated Financial Statements

(i) Notes on the Going Concern Assumption

No items to report.

(ii) Changes in Accounting Policies

Application of New Accounting Standards

The Group has adopted the following standards from the current consolidated fiscal year.

IAS	Title	Description of New Standards/Amendments
IAS 12	Income Taxes	Amendments requiring the disclosure of an entity's exposure to income taxes arising from tax regimes enacted or substantively enacted to implement the OECD's Pillar Two Model Rules.
IAS 21	The Effects of Changes in Foreign Exchange Rates	Clarifying a consistent approach to assessing whether currencies are convertible into other currencies and, if not, determining the exchange rates to be used and the disclosures to be provided.

The adoption of the above standards had no material impact on the consolidated financial statements.

(iii) 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 Group's business segment includes Gusto, Bamiyan, Syabu-Yo, Jonathan's, Yumean, Steak Gusto, Sukesan Udon and others. These are aggregated in the "Restaurant Business". The gross profit ratio of each business segment in the restaurant business is at a similar level, and it shares similar economic characteristics. In addition, each business segment in the restaurant segment has similarities in procurement, production, cooking, and distribution methods to each restaurant as the "table service" restaurant business which targets consumers.

1) Revenues and Performance of Segments

The restaurant business is the only reportable segment. Accordingly, the Group has not disclosed reportable segment information.

2) Geographic Information

The Group's revenue in the consolidated statements of income mainly consists of revenues from domestic sales to external customers. Accordingly, the Group has not disclosed revenue by region or geographic information.

In addition, the carrying amount of non-current assets in the consolidated statements of financial position mainly consists of those attributable to domestic locations. Accordingly, the Group has not disclosed non-current assets by region or geographic information.

3) Information about Major Customers

The Group operates in the consumer industry and has no single external customer (and a group of customers) that accounts for 10% or more of revenue of the Group. Accordingly, the Group has not disclosed major customer information.

(iv) Earnings per Share

(Millions of yen, except per share amounts)

	For the Fiscal year ended December 31, 2024	For the Fiscal year ended December 31, 2025
Net income attributable to common shareholders of the Company	¥ 13,965	¥ 16,748
Net income not attributable to common shareholders of the Company	—	—
Net income attributable to common shareholders used for calculation of basic earnings per share	13,965	16,748
Adjustment	—	—
Net income attributable to common shareholders used for calculation of diluted earnings per share	¥ 13,965	¥ 16,748
Weighted-average number of common shares during the period (Shares)	227,502,128	227,502,080
Weighted-average number of common shares used for calculation of diluted earnings per share (Shares)	227,502,128	227,502,080
Basic earnings per share (Yen)	¥ 61.38	¥ 73.62
Diluted earnings per share (Yen)	61.38	73.62

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

(v) Significant Subsequent Events

Acquisition of Treasury Shares

The Company hereby announces that its Board of Directors, at a meeting held on February 13th 2026, resolved to acquire its own shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act.

1. Reason for the Acquisition of Own Shares

The acquisition will be conducted to prepare for the delivery of shares associated with the introduction of a restricted stock compensation plan.

2. Details of the Acquisition

(1) Class of shares to be acquired	Common shares
(2) Total number of shares to be acquired	250,000 shares(maximum) (0.11% of the total number of issued shares)
(3) Total acquisition price	400 million yen (maximum)
(4) Acquisition period	February 16, 2026-February 20, 2026
(5) Method of acquisition	Market purchase on the Tokyo Stock Exchange