Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2026 (IFRS)

August 14, 2026

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Stock exchange listing: Tokyo Stock Exchange
Stock code: 3397
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Starting date of dividend payments: –
Preparation of explanatory materials on quarterly financial results: Yes
Information meetings arranged related to quarterly financial results: No

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

(% figures denote year-on-year change)

	Revenue		Business profit		Operating profit		Profit before tax		Profit for the period	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	72,318	3.5	5,776	(9.3)	5,294	(34.3)	4,939	(26.7)	3,032	(34.8)
June 30, 2025	69,862	6.1	6,367	44.0	8,052	128.9	6,736	67.0	4,649	192.9

	Profit for the period attributable to owners of the parent		Comprehensive income for the period		Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2026	3,031	(31.0)	4,322	120.0	33.25	33.06
June 30, 2025	4,393	190.3	1,965	(75.4)	49.04	48.67

(Reference) EBITDA
Three months ended June 30, 2026: ¥13,384 million (decreased 2.4% year-on-year basis)
Three months ended June 30, 2025: ¥13,715 million
Adjusted EBITDA
Three months ended June 30, 2026: ¥13,582 million (decreased 1.6% year-on-year basis)
Three months ended June 30, 2025: ¥13,803 million

(Note 1) "Earnings per share attributable to owners of the parent (basic)" and "Earnings per share attributable to owners of the parent (diluted)" are calculated as "Profit for the period attributable to owners of the parent" less the amounts not attributable to ordinary shares.

(Note 2) The Company discloses EBITDA and Adjusted EBITDA as useful comparative information.
EBITDA excludes the impact of non-cash expenditures (Depreciation and amortization) from Operating profit.
Adjusted EBITDA excludes the impact of Impairment loss and Extraordinary expenses from EBITDA.
The formulas for calculating EBITDA and Adjusted EBITDA are as follows:

EBITDA = Operating profit + Other operating expenses - Other operating income + Depreciation and amortization

Adjusted EBITDA = EBITDA + Impairment loss + Extraordinary expenses

(Note 3) Business profit is calculated as Revenue less Cost of sales and Selling, general and administrative expenses, and Operating profit is calculated by adjusting Business profit for Impairment loss, Other operating income, and Other operating expenses.
Business profit = Revenue - Cost of sales - Selling, general and administrative expenses
Operating profit = Business profit - Impairment loss + Other operating income - Other operating expenses

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity per share attributable to owners of parent
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2026	301,377	95,538	95,593	31.7	1,087.13
March 31, 2026	309,072	92,356	92,411	29.9	1,051.11

2. Dividends

	Annual dividend per share				
	Q1	Q2	Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2026	–	0.00	–	11.00	11.00
Fiscal Year ending March 31, 2027	–				
Fiscal Year ending March 31, 2027 (Forecast)		0.00	–	12.00	12.00

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

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2027

(Percentages indicate year-on-year changes)

	Revenue		Business profit		Operating profit		Profit before tax		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	287,000	3.0	22,000	2.5	17,000	60.7	14,000	73.1	7,100	158.4

	Profit for the year attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	Millions of yen	%	Yen
Full year	7,000	202.9	75.10

(Note 1) Revisions to the forecast of Financial Result most recently announced: None

(Note 2) "Earnings per share attributable to owners of the parent (basic)" are calculated as "Profit for the year attributable to owners of the parent" less the amounts not attributable to ordinary shares.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No
Newly included: –
Excluded: –

(2) Changes in accounting policies and accounting estimates
1) Changes in accounting policies as required by IFRS: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No

(3) Number of shares outstanding (ordinary shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	88,745,352 shares
As of March 31, 2026	88,731,752 shares

2) Number of treasury shares at the end of the period

As of June 30, 2026	814,195 shares
As of March 31, 2026	814,195 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	87,845,547 shares
Three months ended June 30, 2025	87,603,195 shares

* Review of the attached consolidated quarterly financial statements by the certified public accountants or the audit firm: None

* Appropriate use of financial results forecasts and other notes

Regarding consolidated financial results forecasts

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company, and are not intended to guarantee the achievement of these forecasts by the Company. Actual business and other results may differ substantially due to various factors. Please refer to P. 5 of the attached materials, "1. Overview of Business Results (3) Consolidated Financial Result Forecasts" for information regarding the earnings forecasts.

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1. Overview of Business Results

(1) Qualitative Information Concerning Financial Results for the Current Period

1) Consolidated Financial Results

During the first three months of the fiscal year under review (April 1 to June 30, 2026), the Japanese economy continued on a moderate recovery path, with improvements observed in the employment and income environment, while consumer sentiment remained cautious due to persistent inflationary pressures. Consumers are becoming even more selective in their purchases of products and services, with a greater focus on value. Furthermore, the business environment remains uncertain due to factors such as trends in energy and raw material prices and growing geopolitical risks.

Under these circumstances, the Group worked to review the portfolio in its overseas business and restructure the operations. In addition, domestically, the Group focused on strengthening its business foundation, and further evolving the taste and experiential value centered around its products. Furthermore, under the concept of Happiness Capital Management, the Group worked to implement various initiatives to enhance the well-being of each of its employee.

As a result, the Group posted revenue of ¥72,318 million (up 3.5% year on year), its highest-ever revenue result for the three-month period.

Business profit (Note 1) amounted to ¥5,776 million (down 9.3% year on year). The Marugame Seimen segment and the Other Domestic segment saw a decrease in profit, as increased revenue was insufficient to absorb higher labor costs and other costs. On the other hand, the Overseas segment achieved profit growth mainly due to strong performance of Tam Jai and the contribution of the Marugame Asia business.

In addition, other operating income amounted to ¥1,379 million, and other operating expenses amounted to ¥1,665 million, due to the recording of gains from lease cancellations of closed stores, loss on retirement of fixed assets, one-off restructuring costs, etc. associated with the business restructuring of overseas subsidiaries. As a result, operating profit (Note 2) decreased to ¥5,294 million (down 34.3% year on year), and profit for the period attributable to owners of the parent also decreased to ¥3,031 million (down 31.0% year on year).

(Note 1) Business profit: Revenue - Cost of sales - Selling, general and administrative expenses

(Note 2) Operating profit: Business profit - Impairment loss + Other operating income - Other operating expenses

(Millions of yen)

	Q1 FY3/26	**Q1 FY3/27**	Year-on-year change	
			Amount	Percentage
Revenue	69,862	72,318	+2,456	+3.5%
Business profit	6,367	5,776	(591)	(9.3)%
Operating profit	8,052	5,294	(2,758)	(34.3)%
Profit for the period attributable to owners of the parent	4,393	3,031	(1,362)	(31.0)%

2) Financial Results by Segment

(Millions of yen)

Revenue	Q1 FY3/26	**Q1 FY3/27**	Year-on-year change	
			Amount	Percentage
Marugame Seimen	35,393	36,509	+1,116	+3.2%
Other Domestic	9,961	10,462	+501	+5.0%
Overseas	24,507	25,346	+839	+3.4%
Consolidated	69,862	72,318	+2,456	+3.5%

(Millions of yen)

Business profit	Q1 FY3/26	Q1 FY3/27	Year-on-year change	
			Amount	Percentage
Marugame Seimen	6,743	5,665	(1,078)	(16.0)%
Other Domestic	1,134	964	(170)	(15.0)%
Overseas	1,139	1,853	+713	+62.6%
Adjustments (Note 3)	(2,650)	(2,706)	(57)	–
Consolidated	6,367	5,776	(591)	(9.3)%

(Note 3) Adjustments are corporate expenses that are not allocated to each segment in financial reporting.

(Store)

Number of stores	Marugame Seimen	Other Domestic			Overseas			Total
Business category	Company-owned	Company-owned	Franchise and etc. (Note 4)	Sub-Total	Company-owned	Franchise and etc. (Note 4)	Sub-Total	
At the end of FY3/26	887	287	5	292	436	487	923	2,102
Openings in Q1 FY3/27	12	9	–	9	9	8	17	38
Closings in Q1 FY3/27 (Note 5)	–	2	–	2	49	9	58	60
At the end of Q1 FY3/27	899	294	5	299	396	486	882	2,080

(Note 4) This includes locations other than company-owned stores, including locations operated by franchisees or joint ventures.

(Note 5) The store closures in the Overseas segment include the closures and withdrawals of stores resulting from Fulham Shore's business restructuring.

Marugame Seimen Segment

In the Marugame Seimen segment, we are taking initiatives to raise customer motivation to visit and increase the number of repeat customers, combining genuine customer experiences with new customer experiences, supported by the concept of delivering surprise and excitement to customers. We are working on developing meal categories to generate new value for customers and leveraging the Marugame Seimen strengths to develop new products, while also further investing in human resources development, including the training of Hapikan captains (Note 6).

At Marugame Seimen, which explores KANDO dining experiences, a new category product, "Marugame Udon Meshi," was launched in all its four varieties on April 7. We offer a dining experience that stimulates the senses and unleashes the instincts by cooking on a sizzling grill pan right in front of the customer after the order is placed, and serving it directly. This style has been enjoyed by a wide range of customers, with over 200,000 servings sold within about a week of its launch.

As for seasonal fair menus, the perennially popular "Tomatama Curry Udon Series" was launched on April 21. This year, to deliver deliciousness and surprise, we launched a new product, "Ebi Katsu Tomatama Curry Udon," featuring a striking presentation of three fried shrimp lined up. By the end of June, a total of 2.34 million servings of the series were sold, bringing a great response.

Starting June 2, we launched the summer staple "Oni Oroshi Series," and as seasonal limited cold udon options, we introduced new products such as "Hiyashi Mentai Cream Udon" and "Sudachi Oroshi Hiyakake Udon," offering a wide range of products for the hot summer.

Additionally, the "Sanuki Udon Shokunin Festival 2026," with the concept of connecting, expanding, and enhancing the charm and culture of Sanuki udon, was held at the Kanda-Ogawamachi store from May 25 to 27. Six renowned Sanuki udon restaurants gathered, attracting many udon enthusiasts seeking unique experiences only available there, allowing them to fully enjoy the charm of Sanuki udon.

Furthermore, as part of the delightful and overly attentive service "Dodonto Surprise," a free noodle increase campaign was held for three days from May 27 to 29, allowing many customers to enjoy freshly made udon.

Thanks to these initiatives, the segment posted revenue of ¥36,509 million (up 3.2% year on year), its highest-ever revenue result for the three-month period. However, segment business profit decreased to ¥5,665 million (down 16.0% year on year), as increased revenue was insufficient to absorb higher labor costs and other costs.

(Note 6) Marugame Seimen's store manager system, which aims to achieve store prosperity by enhancing employee happiness and customer excitement.

Other Domestic Segment

The Other Domestic segment covers the following businesses: Kona's Coffee, RAMEN ZUNDO-YA, Niku no Yamagyu, Banpai-ya, Tempura Makino, Toridoll, Buta-ya Tonichi, Nagata Honjyouken, and Yakitate Koppeseipan.

The Kona's Coffee chain, which is built around the brand concept of "The closest Hawaiian dining experience to you," is accelerating its expansion. It opened its second store in Okinawa Prefecture, the Naha Shintoshin Park store, on April 17, followed by the opening of the Natori store (Miyagi Prefecture) on April 23 and the PALM WAGON Sendai Station West Exit store (Miyagi Prefecture) on April 27. Additionally, Kona's Coffee chain is focusing on developing new business formats, and on May 28, it opened a new brand Hawaiian cafe & bar restaurant, "goodNess." With the concept of "Hawaiian Feast," it is located in a highly convenient location directly connected to Shibuya Station. As a dining restaurant where customers can enjoy meals with alcohol, it creates a special, extraordinary feeling as if you have taken a trip to a resort, despite being in the city center. Although the successful store openings led to increased revenue, there was a decrease in profit mainly due to rising labor costs and store opening expenses.

RAMEN ZUNDO-YA, our tonkotsu ramen specialty chain, opened its first food court store at Aeon Mall Kobe Kita (Hyogo Prefecture) on April 20, and opened its fourth store in Mie Prefecture, the Tsu Honmachi store, on April 22.

In other business formats, Nagata Honjyouken opened one store, and Banpai-ya opened one store, both of which have performed well.

As a result, the segment posted revenue of ¥10,462 million (up 5.0% year on year), its highest-ever revenue result for the three-month period. However, segment business profit decreased to ¥964 million (down 15.0% year on year), as increased revenue was insufficient to absorb higher labor costs and other costs.

Overseas Segment

The Overseas segment consists of "Tam Jai," which operates spicy rice noodle restaurants mainly in Hong Kong; "MARUGAME UDON," which operates Marugame Seimen restaurants in Asia, North America, and other regions; and "Fulham Shore," which operates "Franco Manca" Neapolitan pizza restaurants in the UK, along with several other brands.

Tam Jai achieved an increase in both revenue and profit due to the strong performance of existing stores in addition to new store openings, along with the successful control of costs such as food ingredients and labor costs.

MARUGAME UDON achieved an increase in both revenue and profit as its locations in Taiwan as well as other areas of Asia, and North America performed well.

Fulham Shore advanced fundamental business restructuring aimed at enhancing business profitability and sustainability. This included terminating leases of unprofitable stores by utilizing legal schemes and conducting the sale and withdrawal from The Real Greek business.

As a result, segment revenue increased to ¥25,346 million (up 3.4% year on year), and segment business profit increased to a record high for the three-month period of ¥1,853 million (up 62.6% year on year).

(2) Overview of the Financial Position of the Group for the Current Period

1) Assets, Liabilities, and Equity

As of the end of the first quarter consolidated accounting period, total assets declined by ¥7,694 million (down 2.5%), compared to the end of the previous fiscal year, to ¥301,377 million. The decrease in total assets was mainly driven by declines of ¥3,196 million in right-of-use assets, ¥3,157 million in cash and cash equivalents, and ¥1,950 million in intangible assets and goodwill compared to the end of the previous fiscal year, which outweighed increases of ¥578 million in property and equipment, and ¥458 million in other non-current assets compared to the end of the previous fiscal year.

As of the end of the first quarter consolidated accounting period, total liabilities declined by ¥10,876 million (down 5.0%), compared to the end of the previous fiscal year, to ¥205,839 million. This was primarily due to declines of ¥6,621 million in lease liabilities and ¥1,973 million in long-term loans payable compared to the end of the previous fiscal year.

Total equity increased by ¥3,182 million (up 3.4%), compared to the end of the previous fiscal year, to ¥95,538 million. This was primarily due to increases of ¥1,885 million in retained earnings and ¥1,255 million in other components of equity compared to the end of the previous fiscal year.

2) Cash Flows

The balance of cash and cash equivalents as of the end of the first quarter consolidated accounting period declined by ¥3,157 million (down 4.5%), compared to the end of the previous fiscal year, to ¥66,731 million.

The situation concerning each source of cash flows is as follows.

(Cash flows from operating activities)

Cash flows from operating activities resulted in an inflow of ¥11,255 million (down 17.7% year on year). This is primarily the result of ¥7,805 million in depreciation and amortization, and ¥4,939 million in profit before tax.

(Cash flows from investing activities)

Cash flows from investing activities resulted in an outflow of ¥5,638 million (up 6.2% year on year). This is primarily the result of ¥5,151 million in purchases of property and equipment.

(Cash flows from financing activities)

Cash flows from financing activities resulted in an outflow of ¥9,305 million (down 5.5% year on year). This is primarily the result of ¥5,632 million in repayments of lease liabilities and ¥3,528 million in repayments of long-term loans payable, which outweighed ¥1,500 million in proceeds from long-term loans payable.

(3) Consolidated Financial Result Forecasts

Consolidated results for the first three months of the fiscal year ending March 31, 2027 progressed largely in line with the plan, and there is no revision to the full year consolidated results forecast disclosed on May 15, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	69,888	66,731
Trade and other receivables	10,418	9,582
Inventories	1,316	1,123
Other current assets	4,833	5,274
Total current assets	86,455	82,710
Non-current assets		
Property and equipment	51,156	51,734
Right-of-use assets	93,577	90,380
Intangible assets and goodwill	57,290	55,341
Investments accounted for using the equity method	2,518	2,580
Other financial assets	12,589	12,677
Deferred tax assets	3,416	3,427
Other non-current assets	2,071	2,529
Total non-current assets	222,616	218,668
Total assets	309,072	301,377

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Trade and other payables	18,580	17,731
Short-term loans payable	4,555	4,575
Current portion of long-term loans payable	14,974	14,919
Current portion of bonds	800	800
Lease liabilities	21,983	21,784
Income taxes payable	2,799	1,964
Provisions	2,140	1,978
Other current liabilities	10,310	10,302
Total current liabilities	76,141	74,054
Non-current liabilities		
Bonds	24,940	24,605
Long-term loans payable	29,414	27,441
Lease liabilities	77,119	70,697
Provisions	7,319	7,448
Deferred tax liabilities	1,588	1,377
Other non-current liabilities	194	217
Total non-current liabilities	140,574	131,786
Total liabilities	216,715	205,839
Equity		
Equity attributable to owners of the parent		
Capital stock	5,436	5,452
Capital surplus	8,398	8,421
Other equity instruments	13,854	13,854
Retained earnings	40,491	42,376
Treasury stock	(975)	(972)
Other components of equity	25,206	26,461
Total equity attributable to owners of the parent	92,411	95,593
Non-controlling interests	(55)	(54)
Total equity	92,356	95,538
Total liabilities and equity	309,072	301,377

(2) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	69,862	72,318
Cost of sales	(16,756)	(17,390)
Gross profit	53,105	54,928
Selling, general and administrative expenses	(46,738)	(49,152)
Impairment loss	(88)	(197)
Other operating income	2,169	1,379
Other operating expenses	(396)	(1,665)
Operating profit	8,052	5,294
Finance income	203	349
Finance costs	(1,525)	(717)
Finance income (costs), net	(1,322)	(368)
Share of profit (loss) of investments accounted for using the equity method	6	13
Profit before tax	6,736	4,939
Income tax expense	(2,087)	(1,907)
Profit for the period	4,649	3,032
Profit for the period attributable to		
Owners of the parent	4,393	3,031
Non-controlling interests	256	2
Profit for the period	4,649	3,032
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	49.04	33.25
Diluted earnings per share	48.67	33.06

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit for the period	4,649	3,032
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(0)	50
Total of items that will not be reclassified to profit or loss	(0)	50
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(2,492)	1,186
Share of other comprehensive income of investments accounted for using the equity method	(192)	54
Total of items that may be reclassified to profit or loss	(2,684)	1,240
Other comprehensive income	(2,684)	1,290
Comprehensive income for the period	1,965	4,322
Comprehensive income for the period attributable to		
Owners of the parent	2,070	4,322
Non-controlling interests	(105)	0

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent										Non-controlling interests	Total equity
						Other components of equity						
	Capital stock	Capital surplus	Other equity instru-ments	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Financial assets measured at fair value through other comprehensive income	Stock acquisition rights	Total	Total		
As of April 1, 2025	5,145	11,552	13,854	39,424	(984)	17,661	(21)	611	18,251	87,243	9,292	96,535
Profit for the period				4,393					–	4,393	256	4,649
Other comprehensive income						(2,322)	(0)		(2,323)	(2,323)	(361)	(2,684)
Total comprehensive income for the period	–	–	–	4,393	–	(2,322)	(0)	–	(2,323)	2,070	(105)	1,965
Issuance of new shares — Exercise of stock acquisition rights	128	128						(59)	(59)	197		197
Purchase or disposal of treasury stock		5			2				–	7		7
Dividends				(876)					–	(876)		(876)
Distribution to owners of other equity instruments				(190)					–	(190)		(190)
Put options over non-controlling interests		1							–	1		1
Other				14				(14)	(14)	–		–
Total transaction amount with owners	128	134	–	(1,051)	2	–	–	(73)	(73)	(861)	–	(861)
As of June 30, 2025	5,273	11,686	13,854	42,765	(981)	15,338	(21)	537	15,855	88,453	9,187	97,640

For the three months ended June 30, 2026

(Millions of yen)

	Equity attributable to owners of the parent											
						Other components of equity						
	Capital stock	Capital surplus	Other equity instru-ments	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Financial assets measured at fair value through other comprehensive income	Stock acquisition rights	Total	Total	Non-controlling interests	Total equity
As of April 1, 2026	5,436	8,398	13,854	40,491	(975)	24,752	(9)	463	25,206	92,411	(55)	92,356
Profit for the period				3,031					–	3,031	2	3,032
Other comprehensive income						1,241	50		1,291	1,291	(1)	1,290
Total comprehensive income for the period				3,031		1,241	50		1,291	4,322	0	4,322
Issuance of new shares — Exercise of stock acquisition rights	16	16						(8)	(8)	25		25
Purchase or disposal of treasury stock		7			2				–	9		9
Dividends				(967)					–	(967)		(967)
Distribution to owners of other equity instruments				(207)					–	(207)		(207)
Put options over non-controlling interests		(0)							–	(0)		(0)
Transfer to retained earnings from other components of equity				18			(18)		(18)	–		–
Other				10				(10)	(10)	–		–
Total transaction amount with owners	16	23	–	(1,146)	2	–	(18)	(17)	(36)	(1,140)	–	(1,140)
As of June 30, 2026	5,452	8,421	13,854	42,376	(972)	25,993	23	445	26,461	95,593	(54)	95,538

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before tax	6,736	4,939
Depreciation and amortization	7,436	7,805
Impairment loss	88	197
Interest and dividends income	(202)	(161)
Interest expenses	747	708
Share of loss (profit) of investments accounted for using the equity method	(6)	(13)
Decrease (increase) in trade and other receivables	(270)	773
Decrease (increase) in inventories	(68)	132
Increase (decrease) in trade and other payables	1,423	754
Other, net	118	(850)
Subtotal	16,002	14,283
Interest and dividends income received	243	126
Interest expenses paid	(642)	(531)
Income taxes paid	(1,931)	(2,623)
Net cash provided by (used in) operating activities	13,672	11,255
Cash flows from investing activities		
Purchases of property and equipment	(4,556)	(5,151)
Purchases of intangible assets	(1)	(15)
Payments for lease and guarantee deposits	(149)	(285)
Proceeds from collection of lease and guarantee deposits	79	52
Payments of construction assistance fund receivables	–	(33)
Collection of construction assistance fund receivables	110	104
Payments for loss of control of subsidiaries	–	(180)
Other, net	(791)	(132)
Net cash provided by (used in) investing activities	(5,308)	(5,638)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from financing activities		
Payments for redemption of bonds	(400)	(400)
Proceeds from long-term loans payable	1,500	1,500
Repayments of long-term loans payable	(4,076)	(3,528)
Repayments of lease liabilities	(5,414)	(5,632)
Dividends paid	(876)	(967)
Distribution to owners of other equity instruments	(274)	(302)
Other, net	(302)	25
Net cash provided by (used in) financing activities	(9,842)	(9,305)
Net increase (decrease) in cash and cash equivalents	(1,478)	(3,688)
Cash and cash equivalents at the beginning of the period	82,271	69,888
Effect of exchange rate change on cash and cash equivalents	(1,596)	531
Cash and cash equivalents at the end of the period	79,197	66,731

(5) Notes to the Condensed Quarterly Consolidated Financial Statements

1. Notes on Going Concern Assumption

   Not applicable.

2. Notes on Segment Information, Etc.

   (1) Overview of reporting segments

   The reporting segments of the Company are segments of the Company for which separate financial statements are available. These are subject to regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

   A business segment is business unit engaged in business activities that generate income and incur costs, including through transactions with other business segments.

   Segment information includes items directly attributed to each segment, and items attributed to each segment based on reasonable criteria.

   The Company operates a restaurant business that provides products at each of its stores. Overseas affiliates are independently operated, and engage in business activities that are tailored to regional characteristics. As such, the Company is divided into reporting segments based on business format segments or regional segments according to the products and services provided. The three reporting segments are “Marugame Seimen,” “Other Domestic,” and “Overseas.” The Marugame Seimen segment consists of a chain of specialty-Sanuki udon restaurants serving Sanuki udon, tempura, and other products in a self-serve format. The Other Domestic segment covers food service operations provided through the following businesses (among others): Kona’s Coffee, RAMEN ZUNDO-YA, Niku no Yamagyu, Banpai-ya, Tempura Makino, Toridoll, Buta-ya Tonichi, Nagata Honjyouken, and Yakitate Koppeseipan. The Overseas segment serves Sanuki udon and other products at overseas affiliates.

   (2) Information on revenue, profits and losses by reporting segment

   Revenues and performance from continuing operations by the Company’s reporting segments are as follows.

   The accounting treatment for the reported business segments is consistent with the accounting policies adopted in the consolidated financial statements for the previous fiscal year.

For the three months ended June 30, 2025

(Millions of yen)

	Reporting segment				Adjustments (Note 2)	Amount recorded in Condensed Quarterly Consolidated Financial Statements
	Marugame Seimen	Other Domestic	Overseas	Sub-Total		
Revenue						
Revenue to external customers	35,393	9,961	24,507	69,862	–	69,862
Sub-Total	35,393	9,961	24,507	69,862	–	69,862
Segment profit (Note 1)	6,743	1,134	1,139	9,017	(2,650)	6,367
Impairment loss	–	(80)	(8)	(88)	–	(88)
Other operating income and expenses (net)	–	–	–	–	–	1,773
Finance income (costs) (net)	–	–	–	–	–	(1,322)
Share of profit (loss) of investments accounted for using the equity method	–	–	–	–	–	6
Profit before tax	–	–	–	–	–	6,736
(Other items)						
Depreciation and amortization	(2,812)	(903)	(3,571)	(7,285)	(150)	(7,436)

(Notes)
1. Segment profit is revenue less the cost of sales, and selling, general and administrative expenses.
2. The ¥2,650 million reduction in segment profit represents Company-wide expenses not attributed to any specific reporting segment. Company-wide expenses are general and administrative expenses not primarily attributed to reporting segments.

For the three months ended June 30, 2026

(Millions of yen)

	Reporting segment				Adjustments (Note 2)	Amount recorded in Condensed Quarterly Consolidated Financial Statements
	Marugame Seimen	Other Domestic	Overseas	Sub-Total		
Revenue						
Revenue to external customers	36,509	10,462	25,346	72,318	–	72,318
Sub-Total	36,509	10,462	25,346	72,318	–	72,318
Segment profit (Note 1)	5,665	964	1,853	8,483	(2,706)	5,776
Impairment loss	(63)	(99)	(36)	(197)	–	(197)
Other operating income and expenses (net)	–	–	–	–	–	(285)
Finance income (costs) (net)	–	–	–	–	–	(368)
Share of profit (loss) of investments accounted for using the equity method	–	–	–	–	–	13
Profit before tax	–	–	–	–	–	4,939
(Other items)						
Depreciation and amortization	(3,014)	(1,006)	(3,627)	(7,647)	(158)	(7,805)

(Notes)
1. Segment profit is revenue less the cost of sales, and selling, general and administrative expenses.

2. The ¥2,706 million reduction in segment profit represents Company-wide expenses not attributed to any specific reporting segment. Company-wide expenses are general and administrative expenses not primarily attributed to reporting segments.