



Consolidated Financial Report for the The Fiscal Year Ending March 31, 2026 (Japanese GAAP)

August 14, 2025
Tokyo Stock Exchange

Company: Chikaranomoto Holdings Co., Ltd.
Stock Code: 3561
URL: <http://www.chikaranomoto.com/>
Representative: (Title) President and CEO (Name) Tomoyuki Yamane
Contact: (Title) IR Manager (Name) Yoshitaka Fujisawa Tel: +81-(0)3-6264-3899
Scheduled start date of dividend payment: -
Preparation of Supplementary Explanation Material for Financial Results: Yes
Presentation Meeting for Financial Results (for institutional investors and analysts): No

1. Q1 Financial Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025) (Rounded down to the nearest Million JPY)

(1) Results of Consolidated Operations (% indicates variance from the previous fiscal year)

| | Revenue | | Operating Income | | Ordinary Income | | Income Attributable to the Company | |
|--------------|-------------|------|------------------|-------|-----------------|-------|------------------------------------|------|
| | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % |
| Q1 FY2025-26 | 8,505 | 4.1 | 466 | -18.9 | 442 | △35.3 | 639 | 43.1 |
| Q1 FY2024-25 | 8,171 | 15.9 | 575 | 0.4 | 684 | 0.1 | 447 | -5.0 |

Note: Comprehensive Income Q1 FY2025-26 466 Million JPY (0.4%) Q1 FY2024-25 464 Million JPY (2.8%)

| | Quarterly earnings per share | Quarterly Earnings per share after adjusting for dilution |
|--------------|------------------------------|---|
| | JPY | JPY |
| Q1 FY2025-26 | 21.28 | 21.27 |
| Q1 FY2024-25 | 14.84 | 14.82 |

(2) Consolidated Financial Position

| | Total Assets | Net Equity | Equity Ratio |
|--------------|--------------|-------------|--------------|
| | Million JPY | Million JPY | % |
| Q1 FY2025-26 | 18,196 | 10,855 | 59.7 |
| Q1 FY2024-25 | 18,541 | 10,661 | 57.5 |

Reference : Shareholders' Equity Q1 FY2025-26 10,855 Million JPY Q1 FY2024-25 10,661 Million JPY

2 . Dividends

| | Dividends per share (annual) | | | | |
|----------------------|------------------------------|-------|-----|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| | JPY | JPY | JPY | JPY | JPY |
| FY2024-25 | - | 9.00 | - | 9.00 | 18.00 |
| FY2025-26 | - | | | | |
| FY2025-26 (Forecast) | | 10.00 | - | 10.00 | 20.00 |

Note: Changes from previously announced dividends projection: None

3 . Forecast of Consolidated Operating Performance for the FY 2025-26 (April 1, 2025 to March 31, 2026)

(% indicates variance from the previous year)

| | Revenue | | Operating Income | | Ordinary Income | | Income Attributable to the Company | | Earnings per share |
|----------------------|-------------|-----|------------------|------|-----------------|------|------------------------------------|------|--------------------|
| | Million JPY | % | Million JPY | % | Million JPY | % | Million JPY | % | JPY |
| Half year (up to Q2) | 17,803 | 7.1 | 1,283 | 2.8 | 1,335 | 13.4 | 911 | 17.9 | 30.06 |
| FY2025-26 | 37,287 | 9.1 | 3,169 | 12.7 | 3,262 | 14.8 | 2,187 | 24.4 | 72.17 |

Notes

(1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates, and restatement of error corrections:

- 1) Changes in accounting policies arising from revision of accounting standards: None
- 2) Changes in accounting policies due to reasons other than 1): None
- 3) Changes in accounting estimates: None
- 4) Restatement of prior period financial statements after error correction: None

(3) Number of Shares Issued (Common stock)

- ① Number of shares issued at the end of the period (including treasury stock)
- ② Number of treasury stock at end of period
- ③ Average number of shares during the period

| | | | |
|--------------|-------------------|----------------------|-------------------|
| Q1 FY2024-25 | 30,308,000 shares | As of March 31, 2024 | 30,308,000 Shares |
| Q1 FY2024-25 | 226,498 Shares | As of March 31, 2024 | 226,498 Shares |
| Q1 FY2024-25 | 30,081,502 Shares | Q1 FY2023-24 | 30,130,604 Shares |

Note: The total number of treasury shares at the end of period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (at the end of FY2025-26 81,020 shares and at the end of the previous fiscal year 81,020 shares), the Board Benefit Trust (at the end of FY2025-26 73,100 shares and at the end of the previous fiscal year 73,100 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (at the end of FY2025-26 154,120 shares and at the end of FY2024-25 155,640 shares).

These consolidated financial reports (Tanshin) are exempt from the audit procedures by certified public accountants or audit firms.

Cautionary Statement on the forecast of consolidated financial performance and other notes

(Cautions concerning forward-looking statements)

Performance forecasts presented herein are based on the information available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") as of the date of this document. Accordingly, there remains the possibility that the actual performance results may differ from projections.

(Supplementary Explanation Material)

Supplementary Explanation Material are available via TDnet on the same day.

Qualitative Information regarding the current quarterly financial results: The following forward-looking statements are based on the information available to the Company at the end of the current consolidated financial period.

(1) Summary of Operating Results:

During the first quarter of the current fiscal year (from April 1, 2025 to June 30, 2025), the global economy continues to face uncertainty due to factors such as rising raw material and energy prices stemming from the war in Ukraine and escalating tensions in the Middle East, increasing labor costs caused by a declining workforce, and concerns over an economic slowdown triggered by global inflation linked to U.S. tariff policies.

In the domestic food service industry, to which our group belongs, economic activity is becoming more vibrant due to expanding personal consumption driven by increased mobility and a further rise in inbound tourism. However, the industry continues to face a challenging economic environment, with rising costs for raw materials, labor, and logistics, the prolonged impact of a weak yen, and concerns over an economic slowdown caused by soaring prices.

Internationally, geopolitical instability continues to drive up various costs, including raw materials and labor. Although monetary tightening due to inflation is showing signs of easing, concerns over further inflation caused by U.S. tariff policies remain, requiring continued close monitoring—similar to the situation in Japan.

Amid such an environment, under our corporate philosophy “Keep Changing to Remain Unchanged,” in the domestic market, the Group has achieved steady progress in new store openings. Customer traffic has been positively impacted by the introduction of location-specific menu offerings, the continued popularity of the seasonal signature item “Futo Tsukemen,” and increased media exposure. In April 2025, Inaba Udon marked its first expansion outside Fukuoka Prefecture with the opening of “Inaba Udon Harakado” in Harajuku, Tokyo. To further enhance QSC (Quality, Service, and Cleanliness) and accelerate the pace of store development, the Group has increased staffing levels and expanded training programs. Furthermore, as of April 2025, Rise Co., Ltd., operator of miso ramen restaurants, has joined the Group, contributing to the expansion of our business.

Internationally, inflation continues to drive up costs for raw materials, labor, and rent. Economic conditions remain unstable across various regions, leading to a decline in consumer sentiment toward dining out. In addition, record-breaking heatwaves and civil unrest, including demonstrations, have negatively impacted customer traffic at several key locations. While our focus this fiscal year is on improving existing stores and refining our business model, we are also exploring opportunities for expansion, including new store openings in untapped areas and the launch of halal-format ramen restaurants in Indonesia.

In the Merchandising segment, we renewed our flagship product, the Ippudo souvenir ramen. We continued strengthening B2B sales for Ippudo-related items in Japan, and expanded exports of plant-based “Shiro-maru” and “Aka-maru” dry noodles to meet diverse dietary preferences overseas.

At the end of the first quarter of the current fiscal year, the Group operated a total of 306 stores (166 domestic, 140 overseas), marking a net increase of 10 stores (domestically +10, internationally ±0).

As a result, the revenue for the first quarter fiscal year reached ¥8,505 million (+4.1% YoY), operating profit was ¥466 million (-18.9% YoY), ordinary profit was ¥442 million (-35.3% YoY), and net profit attributable to owners of the parent was ¥639 million (+43.1% YoY).

(2) Segment Results

(Domestic Store Operations)

In the domestic store operations segment, we opened 2 new “Ippudo” locations and 1 “Inaba Udon” location. Meanwhile, we closed 1 “Ippudo” location. Through an acquisition, 6 stores were added under the “Kaede” brand and 2 under the “Kanade” brand. As a result, the total number of domestic stores was 166, representing a net increase of 10 stores compared to the previous fiscal year-end.

Increased foot traffic and a further rise in inbound tourism contributed positively to sales. The steady progress of new store openings, the launch of seasonal items such as "Futo Tsukemen," and the introduction of store-exclusive products, along with enhanced media exposure, have all supported customer acquisition. However, rising costs of raw materials and labor, as well as a decline in customer visits due to the extreme heat in June, have led to a deterioration in the operating profit margin. To address this, we are promoting digital transformation initiatives, including the introduction of automated fried rice cookers, and working to improve labor conditions. These efforts are expected to reduce turnover rates and enhance employee skills, ultimately contributing to the improvement of our operating profit margin. To further enhance QSC (Quality, Service, and Cleanliness) and accelerate the pace of store development, the Group has increased staffing levels and expanded training programs.

As a result, net sales for the segment were ¥4,098 million (+12.1% YoY), and segment profit was ¥284 million (-14.8% YoY).

(International Store Operations)

In the international store operation business, we opened 1 store in Singapore, 1 in Taiwan, 2 in China. On the other hand, we closed 1 store in the U.S.(Kuro-obi), 1 in Taiwan, 1 in Hong Kong. As a result, the number of overseas stores at fiscal year-end stood at 140.

During the period from January 1 to March 31, 2025 (the relevant period for this segment), due to inflation, rising costs of raw materials, wages, and rent have impacted profitability. In response, we implemented price adjustments and reviewed our cost structure; however, these measures were insufficient to fully offset the cost increases. While the operating profit margin exceeded internal projections, it declined year-on-year due to lower sales and a higher ratio of fixed costs such as labor expenses. We are working to reduce fixed costs through optimization of staffing and operations. Global economic instability weakened consumer sentiment toward dining out, record-breaking heatwaves, and deteriorating public safety due to demonstrations have led to a decline in customer traffic compared to the same period last year. Additionally, initial costs related to new area development and delays in planned store openings have negatively affected operating profit. We will continue to pursue profitability improvements through further price revisions and cost optimization measures.

As a result, net sales for the segment were ¥3,461 million (-5.5% YoY), while segment profit declined to ¥183 million (-28.9% YoY).

(Merchandising Segment)

In this segment domestically, we renewed our flagship product, Ippudo souvenir ramen, and have been working to enhance brand recognition through collaborative products with convenience stores and food manufacturers. Overseas, we have newly commenced exports to mass retailers in Taiwan. We will continue to expand the lineup and sales channels of our core Ippudo-related products both domestically and internationally. Although results fell short of the plan, certain sales and operating profit figures are expected to be recorded in the second quarter and beyond.

As a result, net sales for the segment reached ¥946 million (+10.7% YoY), with segment profit totaling ¥102 million (+46.3% YoY).

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,150,814 | 6,731,567 |
| Notes and accounts receivable - trade | 837,010 | 825,375 |
| Inventories | 514,066 | 520,226 |
| Other | 1,277,475 | 1,186,342 |
| Allowance for doubtful accounts | △503 | △325 |
| Total current assets | 9,778,862 | 9,263,185 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,419,757 | 4,470,122 |
| Machinery, equipment and vehicles, net | 225,719 | 214,639 |
| Land | 636,855 | 518,178 |
| Leased assets, net | 3,598 | 3,262 |
| Construction in progress | 232,826 | 326,346 |
| Other, net | 324,399 | 352,761 |
| Total property, plant and equipment | 5,843,157 | 5,885,308 |
| Intangible assets | | |
| Goodwill | 76,927 | 94,154 |
| Other | 46,300 | 42,415 |
| Total intangible assets | 123,228 | 136,570 |
| Investments and other assets | | |
| Investment securities | 149,527 | 149,314 |
| Long-term loans receivable | 10,458 | 10,258 |
| Deferred tax assets | 386,883 | 441,355 |
| Leasehold and guarantee deposits | 1,699,119 | 1,761,252 |
| Other | 563,184 | 562,593 |
| Allowance for doubtful accounts | △13,150 | △12,950 |
| Total investments and other assets | 2,796,022 | 2,911,823 |
| Total non-current assets | 8,762,407 | 8,933,702 |
| Total assets | 18,541,270 | 18,196,887 |

(Thousands of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 907,136 | 822,390 |
| Short-term borrowings | 140,000 | 140,000 |
| Current portion of long-term borrowings | 1,095,030 | 1,051,929 |
| Lease liabilities | 1,175 | 1,118 |
| Income taxes payable | 344,001 | 325,148 |
| Provision for share awards | 5,816 | 23,443 |
| Reserve for interlocking type of monetary benefit | 1,096 | 4,187 |
| Provision for bonuses | 4,233 | 29,870 |
| Provision for shareholder benefit program | 10,626 | 27,214 |
| Asset retirement obligations | 30,869 | 31,908 |
| Accounts payable - other | 1,000,957 | 892,018 |
| Other | 1,296,869 | 1,212,787 |
| Total current liabilities | 4,837,812 | 4,562,016 |
| Non-current liabilities | | |
| Long-term borrowings | 1,370,868 | 1,125,064 |
| Lease liabilities | 2,423 | 2,143 |
| Provision for share awards for directors (and other officers) | 76,400 | 76,400 |
| Provision for share awards | 68,314 | 47,668 |
| Provision for ESOP benefits for non-residents | 22,441 | 21,441 |
| Retirement benefit liability | 180,942 | 174,809 |
| Asset retirement obligations | 1,121,719 | 1,136,667 |
| Other | 198,821 | 194,938 |
| Total non-current liabilities | 3,041,931 | 2,779,133 |
| Total liabilities | 7,879,743 | 7,341,150 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,148,390 | 3,148,390 |
| Capital surplus | 2,979,419 | 2,979,419 |
| Retained earnings | 3,877,444 | 4,245,320 |
| Treasury shares | △319,981 | △319,981 |
| Total shareholders' equity | 9,685,272 | 10,053,148 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 11,901 | 13,523 |
| Foreign currency translation adjustment | 964,352 | 789,065 |
| Total accumulated other comprehensive income | 976,254 | 802,588 |
| Total net assets | 10,661,526 | 10,855,737 |
| Total liabilities and net assets | 18,541,270 | 18,196,887 |

(2) Consolidated Statement on Profit and Loss and Comprehensive Income Consolidated Statement of Income

| | (Thousands of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
| Net sales | 8,171,487 | 8,505,695 |
| Cost of sales | 2,419,867 | 2,549,158 |
| Gross profit | 5,751,619 | 5,956,537 |
| Selling, general and administrative expenses | 5,176,079 | 5,490,052 |
| Operating profit | 575,540 | 466,485 |
| Non-operating income | | |
| Interest income | 3,659 | 1,489 |
| Dividend income | 1,488 | 5,879 |
| Foreign exchange gains | 109,740 | - |
| Lease income | 39,154 | 38,124 |
| Other | 7,923 | 12,334 |
| Total non-operating income | 161,966 | 57,828 |
| Non-operating expenses | | |
| Interest expenses | 4,536 | 6,029 |
| Foreign exchange losses | - | 44,177 |
| Rental costs | 33,819 | 31,543 |
| Other | 15,073 | 221 |
| Total non-operating expenses | 53,429 | 81,971 |
| Ordinary profit | 684,076 | 442,342 |
| Extraordinary income | | |
| Gain on sale of non-current assets | - | 356,810 |
| Gain on reversal of asset retirement obligations | - | 5,293 |
| Total extraordinary income | - | 362,103 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 148 | - |
| Loss on retirement of non-current assets | - | 196 |
| Impairment losses | 8,779 | 8,227 |
| Total extraordinary losses | 8,927 | 8,424 |
| Profit before income taxes | 675,148 | 796,022 |
| Income taxes - current | 157,409 | 216,231 |
| Income taxes - deferred | 70,534 | △60,205 |
| Total income taxes | 227,944 | 156,026 |
| Profit | 447,204 | 639,996 |
| Profit attributable to owners of parent | 447,204 | 639,996 |

Consolidated Statement of Comprehensive Income

(Thousands of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Profit | 447,204 | 639,996 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △3,823 | 1,621 |
| Foreign currency translation adjustment | 21,133 | △175,286 |
| Total other comprehensive income | 17,309 | △173,665 |
| Comprehensive income | 464,514 | 466,331 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 464,514 | 466,331 |