CHIKARA NO MOTO

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

November 13, 2025

Company: Chikaranomoto Holdings Co., Ltd. Tokyo Stock Exchange
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 – September 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 | % |
| Q2 FY2025-26 | 17,295 | 4.1 | 956 | △23.3 | 990 | △15.9 | 1,007 | 30.5 |
| Q2 FY2024-25 | 16,611 | 11.6 | 1,247 | △7.7 | 1,177 | △21.0 | 772 | △25.2 |

Note: Comprehensive Income Q2 FY2025-26 466 Million JPY ( 0.4% ) Q2 FY2024-25 464 Million JPY ( 2.8% )

| | Quarterly earnings per share | Quarterly Earnings per share after adjusting for dilution |
|---|---|---|
| | JPY | JPY |
| Q2 FY2025-26 | 33.50 | 33.49 |
| Q2 FY2024-25 | 25.63 | 25.61 |

( 2 ) Consolidated Financial Position

| | Total Assets | Net Equity | Equity Ratio |
|---|---|---|---|
| | Million JPY | Million JPY | % |
| Q2 FY2025-26 | 18,720 | 11,352 | 60.6 |
| Q2 FY2024-25 | 18,541 | 10,661 | 57.5 |

Reference : Shareholders' Equity Q2 FY2025-26 11,352 Million JPY Q2 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 | - | 10.00 | | | |
| FY2025-26 (Forecast) | | | - | 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 |
| FY2025-26 | 37,287 | 9.1 | 3,169 | 12.7 | 3,262 | 14.8 | 2,187 | 24.4 | 72.17 |

Note: Revisions to the earnings forecasts most recently announced : None

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

2) Changes in accounting policies due to other reasons : None

3) Changes in accounting estimates : None

4) Restatement : None

(4) Number of issued shares (common shares)

| | | | | |
|---|---|---|---|---|
| ① Number of issued and outstanding shares at the period end (including treasury stock) | As of September 30, 2025 | 30,308,000shares | As of March 31, 2025 | 30,308,000shares |
| ② Number of treasury stock at the period end | As of September 30, 2025 | 212,498shares | As of March 31, 2025 | 226,498shares |
| ③ Average number of shares | Six months ended September 30, 2025 | 30,085,442shares | Six months ended September 30, 2024 | 30,141,548shares |

Note: The total number of treasury shares at the end of the period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (as of the interim period of FY2025-26: 78,020 shares and at the end of FY2024-25: 81,020 shares), and the Board Benefit Trust (as of the interim period of FY2025-26: 62,100 shares and at the end of FY2024-25: 73,100 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (as of the interim period of FY2025-26: 155,527 shares and as of FY2024-25: 150,180 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 second quarter of the current fiscal year (from April 1, 2025 to September 30, 2025), the global economy remained uncertain due to rising raw material prices caused by deteriorating geopolitical conditions, increasing labor costs stemming from a declining workforce, and concerns over a global economic slowdown influenced by U.S. tariff policy developments.

In the food service industry, to which our group belongs, domestic economic activity has been gaining momentum due to expanding personal consumption driven by improved income conditions and increased mobility, as well as further growth 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 has led to continued increases in the prices of various goods, including raw materials and labor. While monetary tightening in response to inflation is showing signs of easing, concerns over inflation driven by U.S. tariff policies persist. As such, the situation requires 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 store-specific menu offerings, the continued popularity of the seasonal signature item "Futo Tsukemen", " Hiyakake Chuka Soba", " Abura Soba" 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.

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 pursuing business expansion into new areas and markets, including the opening of our first store in Spain in September 2025 and the launch of a halal-format restaurant in Indonesia in October 2025.

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 transaction of plant-based "Shiro-maru" and "Aka-maru" dry noodles to meet diverse dietary preferences —both in existing markets and in new countries.

At the end of the second quarter of the current fiscal year, the Group operated a total of 308 stores (167 domestic, 141 overseas), marking a net increase of 12 stores (domestically +11, internationally +1).

As a result, the revenue for the second quarter fiscal year reached ¥17,295 million (+4.1% YoY), operating profit was ¥956 million (-23.3% YoY), ordinary profit was ¥990 million (-15.9% YoY), and net profit attributable to owners of the parent was ¥1,007 million (+30.5% YoY), which was primarily driven by the recognition of a gain on the sale of fixed assets.

(2) Segment Results

(Domestic Store Operations)

In the domestic store operations segment, we opened 5 new "Ippudo" locations and 1 "Inaba Udon" location. Meanwhile, we closed 3 "Ippudo" locations. 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 167, representing a net increase of 11 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", "Hiyakake Chuka Soba", "Abura Soba" 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 and lingering late-summer heat in September, 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. In addition, improvements in labor conditions are expected to reduce employee turnover and enhance workforce skills, ultimately contributing to an improvement in 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. We will continue to pursue business expansion through new store openings, while also actively exploring growth opportunities through mergers and acquisitions.

As a result, net sales for the segment were ¥8,469 million (+12.5% YoY), and segment profit was ¥647 million (-9.9% YoY).

(International Store Operations)

In the international store operation business, we opened 2 stores in Singapore, 2 in Australia, 1 in the U.S., 1 in Taiwan, 1 in United Kingdom, 1 in China, 1 in Philippines. On the other hand, we closed 2 stores in Hong Kong, 1 in the U.S.(Kuro-obi), 1 in Taiwan, 1 in Indonesia, 1 in China, 1 in Thailand, 1 in Myanmar. As a result, the number of overseas stores at fiscal year-end stood at 141.

During the period from January 1 to June 30, 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 staffing arrangements to reduce costs. However, global economic instability, extreme weather conditions, and deteriorating public safety caused by demonstrations have led to a decline in customer traffic. As a result, sales decreased YoY, and the rising ratio of fixed costs such as labor expenses has put pressure on operating profit. Additionally, initial costs associated with entering new countries and developing new areas, as well as delays in the opening of planned new stores, have further negatively impacted operating profit.

As a result, net sales for the segment were ¥6,794 million (-7.0% YoY), while segment profit declined to ¥295 million (-37.6% YoY).

(Merchandising Segment)

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

As a result, net sales for the segment reached ¥2,031 million (+14.3% YoY), with segment profit totaling ¥265 million (+30.1% YoY).

## Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Thousands of yen)

| | As of March 31, 2025 | As of September 30, 2025 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,150,814 | 6,573,745 |
| Notes and accounts receivable - trade | 837,010 | 853,642 |
| Inventories | 514,066 | 584,084 |
| Other | 1,277,475 | 1,270,273 |
| Allowance for doubtful accounts | (503) | (334) |
| Total current assets | 9,778,862 | 9,281,411 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,419,757 | 4,861,085 |
| Machinery, equipment and vehicles, net | 225,719 | 228,041 |
| Land | 636,855 | 518,178 |
| Leased assets, net | 3,598 | 2,982 |
| Construction in progress | 232,826 | 185,362 |
| Other, net | 324,399 | 382,360 |
| Total property, plant and equipment | 5,843,157 | 6,178,009 |
| Intangible assets | | |
| Goodwill | 76,927 | 94,429 |
| Other | 46,300 | 43,222 |
| Total intangible assets | 123,228 | 137,651 |
| Investments and other assets | | |
| Investment securities | 149,527 | 256,395 |
| Long-term loans receivable | 10,458 | 16,911 |
| Deferred tax assets | 386,883 | 479,684 |
| Leasehold and guarantee deposits | 1,699,119 | 1,808,208 |
| Other | 563,184 | 574,501 |
| Allowance for doubtful accounts | (13,150) | (12,550) |
| Total investments and other assets | 2,796,022 | 3,123,151 |
| Total non-current assets | 8,762,407 | 9,438,813 |
| Total assets | 18,541,270 | 18,720,224 |

(Thousands of yen)

| | As of March 31, 2025 | As of September 30, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 907,136 | 861,168 |
| Short-term borrowings | 140,000 | 140,000 |
| Current portion of long-term borrowings | 1,095,030 | 1,016,048 |
| Lease liabilities | 1,175 | 1,118 |
| Accounts payable - other | 1,000,957 | 947,098 |
| Income taxes payable | 344,001 | 473,701 |
| Provision for share awards | 5,816 | 20,113 |
| Reserve for interlocking type of monetary benefit | 1,096 | 3,428 |
| Provision for bonuses | 4,233 | 55,992 |
| Provision for shareholder benefit program | 10,626 | 67,817 |
| Asset retirement obligations | 30,869 | 10,890 |
| Other | 1,296,869 | 1,078,267 |
| Total current liabilities | 4,837,812 | 4,675,643 |
| Non-current liabilities | | |
| Long-term borrowings | 1,370,868 | 966,762 |
| Lease liabilities | 2,423 | 1,864 |
| Provision for share awards for directors (and other officers) | 76,400 | 53,842 |
| Provision for share awards | 68,314 | 55,356 |
| Reserve for interlocking type of monetary benefit | 22,441 | 10,723 |
| Retirement benefit liability | 180,942 | 174,083 |
| Asset retirement obligations | 1,121,719 | 1,223,350 |
| Other | 198,821 | 205,606 |
| Total non-current liabilities | 3,041,931 | 2,691,589 |
| Total liabilities | 7,879,743 | 7,367,233 |
| 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 | 4,613,056 |
| Treasury shares | (319,981) | (292,638) |
| Total shareholders' equity | 9,685,272 | 10,448,227 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 11,901 | 10,145 |
| Foreign currency translation adjustment | 964,352 | 894,617 |
| Total accumulated other comprehensive income | 976,254 | 904,763 |
| Total net assets | 10,661,526 | 11,352,991 |

| | | |
|---|---|---|
| Total liabilities and net assets | 18,541,270 | 18,720,224 |

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

(Thousands of yen)

| | Six months ended September 30, 2024 | Six months ended September 30, 2025 |
|---|---|---|
| Net sales | 16,611,109 | 17,295,838 |
| Cost of sales | 4,942,109 | 5,211,134 |
| Gross profit | 11,669,000 | 12,084,703 |
| Selling, general and administrative expenses | 10,421,777 | 11,128,470 |
| Operating profit | 1,247,222 | 956,233 |
| Non-operating income | | |
| Interest income | 13,313 | 9,200 |
| Dividend income | 1,524 | 5,870 |
| Lease income | 78,658 | 73,333 |
| Other | 25,035 | 23,305 |
| Total non-operating income | 118,532 | 111,709 |
| Non-operating expenses | | |
| Interest expenses | 9,468 | 11,447 |
| Foreign exchange losses | 96,251 | 3,082 |
| Rental costs | 66,814 | 62,613 |
| Other | 15,562 | 368 |
| Total non-operating expenses | 188,097 | 77,512 |
| Ordinary profit | 1,177,657 | 990,430 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 9,404 | 357,133 |
| Gain on reversal of asset retirement obligations | - | 5,293 |
| Total extraordinary income | 9,404 | 362,427 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 553 | - |
| Loss on retirement of non-current assets | 267 | 2,910 |
| Impairment losses | 35,264 | 8,715 |
| Other | 88 | - |
| Total extraordinary losses | 36,174 | 11,625 |
| Profit before income taxes | 1,150,888 | 1,341,232 |
| Income taxes - current | 244,378 | 426,378 |
| Income taxes - deferred | 134,099 | (92,879) |
| Total income taxes | 378,478 | 333,499 |
| Profit | 772,409 | 1,007,732 |
| Profit attributable to owners of parent | 772,409 | 1,007,732 |

## Consolidated Statement of Comprehensive Income

(Thousands of yen)

| | Six months ended September 30, 2024 | Six months ended September 30, 2025 |
|---|---|---|
| Profit | 772,409 | 1,007,732 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (8,716) | (1,755) |
| Foreign currency translation adjustment | 562,371 | (69,734) |
| Total other comprehensive income | 553,655 | (71,490) |
| Comprehensive income | 1,326,064 | 936,242 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,326,064 | 936,242 |