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

February 12, 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. Q3 Financial Year Ending March 31, 2026 (April 1, 2025 – December 31, 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	%
Q3 FY2025-26	26,891	5.9	1,714	△17.2	1,917	△10.8	1,573	10.0
Q3 FY2024-25	25,385	8.7	2,071	△14.8	2,150	△14.5	1,431	△18.6

Note: Comprehensive Income Q3 FY2025-26 1,504 Million JPY (0.1%) Q3 FY2024-25 1,502 Million JPY (△29.8%)

	Quarterly earnings per share	Quarterly Earnings per share after adjusting for dilution
	JPY	JPY
Q3 FY2025-26	52.31	52.30
Q3 FY2024-25	47.48	47.45

(2) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio
	Million JPY	Million JPY	%
Q3 FY2025-26	19,896	11,621	58.4
Q3 FY2024-25	18,541	10,661	57.5

Reference : Shareholders' Equity Q3 FY2025-26 11,621 Million JPY Q3 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 : None
- 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 December 31, 2025	30,318,000shares	As of March 31, 2025	30,308,000shares
② Number of treasury stock at the period end	As of December 31, 2025	212,258shares	As of March 31, 2025	226,498shares
③ Average number of shares	Nine months ended December 31, 2025	30,089,972shares	Nine months ended December 31, 2024	30,143,235shares

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: 77,780 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: 146,814 shares and as of FY2024-25: 155,056 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:

In the first three quarters of the current fiscal year (from April 1 to December 31, 2025), the global economy remained uncertain due to rising raw material prices caused by deteriorating geopolitical situations, 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, 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 declining consumer sentiment 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." on October 16, 2025, our core brand, IPPUDO, celebrated its 40th anniversary, with the continued support of our customers and stakeholders. 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 items of "Futo Tsukemen," "Hiyakake Chuka Soba," and "Abura Soba," as well as the launch of 40th-anniversary commemorative items including "High-Brix Ramen" and "U400," various collaboration ramen releases, 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 and in December 2025, Ippudo opened its first location in Kagoshima Prefecture, "Amu Plaza Kagoshima," which received significant media coverage. Separately, although we have implemented base wage increases for employees, the Group has not raised prices for approximately two years since the price revision in October 2024, which coincided with a product renewal. 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. Separately, the Group organized 40th-anniversary commemorative events across multiple countries. As our focus this fiscal year is on improving existing stores and refining our business model, the Group is making prudent decisions regarding new store openings. Meanwhile, cost-reduction initiatives, including shift optimization and the review of raw material usage, have begun to yield measurable benefits in our recent operating performance. Furthermore, the Group is pursuing business expansion into new regions and markets, including the opening of its first store in Spain in September 2025 and the launch of a halal-format restaurant in Indonesia in October 2025. To support further global expansion, the Group is advancing human resource development through programs such as overseas training initiatives.

In the Merchandising segment, we renewed Ippudo souvenir ramen, which is our flagship product. We continued strengthening B2B sales for Ippudo-related items in Japan and expanded business of plant-based "Shiro-maru" and "Aka-maru" dry noodles to meet diverse dietary preferences —both in existing markets and in new countries such as the U.S. and Taiwan.

At the end of the third quarter of the current fiscal year, the Group operated a total of 312 stores (171 domestic, 141 overseas), marking a net increase of 16 stores (domestic +15, overseas +1).

As a result, the revenue for the third quarter fiscal year reached ¥26,891 million (+5.9% YoY), operating profit was ¥1,714 million (-17.2% YoY), ordinary profit was ¥1,917 million (-10.8% YoY), and net profit attributable to owners of the parent was ¥1,573 million (+10.0% YoY).

(2) Segment Results

(Domestic Store Operations)

In the domestic store operations segment, we opened 9 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 171, representing a net increase of 15 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 40th-anniversary commemorative limited-edition ramen, 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 ¥12,993 million (+12.6% YoY), and segment profit was ¥1,047 million (-11.0% YoY).

(International Store Operations)

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

During the period from January 1 to September 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. The Group will continue to assess changes in trade areas and market needs in each country and examine new store openings and brand strategies accordingly.

As a result, net sales for the segment were ¥10,411 million (-3.8% YoY), while segment profit declined to ¥491 million (-31.9% YoY).

(Merchandising Segment)

In this segment domestically, we renewed our signature item of 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 the U.S and 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.

As a result, net sales for the segment reached ¥3,486 million (+15.1% YoY), with segment profit totaling ¥498 million (+16.0% YoY).

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	(Thousands of yen)	
	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	7,150,814	6,879,851
Notes and accounts receivable - trade	837,010	1,286,650
Inventories	514,066	586,885
Other	1,277,475	1,584,022
Allowance for doubtful accounts	△503	△375
Total current assets	9,778,862	10,337,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,419,757	5,069,605
Machinery, equipment and vehicles, net	225,719	270,017
Land	636,855	518,178
Leased assets, net	3,598	2,702
Construction in progress	232,826	48,377
Other, net	324,399	390,431
Total property, plant and equipment	5,843,157	6,299,312
Intangible assets		
Goodwill	76,927	87,803
Other	46,300	39,786
Total intangible assets	123,228	127,589
Investments and other assets		
Investment securities	149,527	261,361
Long-term loans receivable	10,458	15,705
Deferred tax assets	386,883	450,850
Leasehold and guarantee deposits	1,699,119	1,836,721
Other	563,184	580,646
Allowance for doubtful accounts	△13,150	△12,250
Total investments and other assets	2,796,022	3,133,035
Total non-current assets	8,762,407	9,559,938
Total assets	18,541,270	19,896,973

(Thousands of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	907,136	1,088,618
Short-term borrowings	140,000	140,000
Current portion of long-term borrowings	1,095,030	1,089,882
Lease liabilities	1,175	1,118
Accounts payable - other	1,000,957	1,057,901
Income taxes payable	344,001	511,591
Provision for share awards	5,816	19,846
Reserve for interlocking type of monetary benefit	1,096	2,385
Provision for bonuses	4,233	76,878
Provision for shareholder benefit program	10,626	59,824
Asset retirement obligations	30,869	15,348
Other	1,296,869	1,314,565
Total current liabilities	4,837,812	5,377,962
Non-current liabilities		
Long-term borrowings	1,370,868	1,121,796
Lease liabilities	2,423	1,584
Provision for share awards for directors (and other officers)	76,400	56,753
Provision for share awards	68,314	59,743
Reserve for interlocking type of monetary benefit	22,441	10,723
Retirement benefit liability	180,942	182,109
Asset retirement obligations	1,121,719	1,246,369
Other	198,821	218,084
Total non-current liabilities	3,041,931	2,897,165
Total liabilities	7,879,743	8,275,127
Net assets		
Shareholders' equity		
Share capital	3,148,390	3,149,715
Capital surplus	2,979,419	2,980,744
Retained earnings	3,877,444	4,876,954
Treasury shares	△319,981	△292,372
Total shareholders' equity	9,685,272	10,715,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,901	12,149
Foreign currency translation adjustment	964,352	894,654
Total accumulated other comprehensive income	976,254	906,803
Total net assets	10,661,526	11,621,845
Total liabilities and net assets	18,541,270	19,896,973

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

(Thousands of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	25,385,943	26,891,321
Cost of sales	7,621,401	8,243,445
Gross profit	17,764,542	18,647,876
Selling, general and administrative expenses	15,693,089	16,933,366
Operating profit	2,071,452	1,714,509
Non-operating income		
Interest income	25,096	32,325
Dividend income	1,520	5,880
Foreign exchange gains	36,724	125,841
Lease income	116,057	108,541
Other	39,791	42,573
Total non-operating income	219,191	315,163
Non-operating expenses		
Interest expenses	14,824	16,416
Rental costs	98,418	93,717
Other	27,153	2,304
Total non-operating expenses	140,396	112,437
Ordinary profit	2,150,247	1,917,235
Extraordinary income		
Gain on sale of non-current assets	9,404	357,312
Gain on reversal of asset retirement obligations	33,367	5,293
Total extraordinary income	42,772	362,606
Extraordinary losses		
Loss on sale of non-current assets	546	189
Loss on retirement of non-current assets	268	29,123
Impairment losses	36,533	16,862
Other	88	5,643
Total extraordinary losses	37,436	51,819
Profit before income taxes	2,155,582	2,228,023
Income taxes - current	451,633	718,458
Income taxes - deferred	272,737	△64,421
Total income taxes	724,371	654,036
Profit	1,431,211	1,573,986
Profit attributable to owners of parent	1,431,211	1,573,986

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	1,431,211	1,573,986
Other comprehensive income		
Valuation difference on available-for-sale securities	△9,983	247
Foreign currency translation adjustment	81,583	△69,697
Total other comprehensive income	71,600	△69,450
Comprehensive income	1,502,811	1,504,536
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,502,811	1,504,536