May 8, 2026

To whom it may concern,

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Notice of Recognition of Impairment Losses, Discrepancies Between Earnings Forecast and Actual Results, Disparities Between Non-Consolidated Actual Results and Previous Fiscal Year's Non-consolidated Results, and Dividend for the current period (no dividend)

We hereby announce that we have recognized impairment losses for the fiscal year ended March 2026.We also like to announce the following regarding discrepancies between the full-year consolidated earnings forecast for the fiscal year ended March 2026, which we announced on May 9, 2025, and the actual results announced today, as well as between the non-consolidated actual results for the fiscal year ended March 2026 and the previous fiscal year's non-consolidated results; and regarding Dividend for the current period (no dividend).

Record

1.Recognition of impairment losses

While continuing our efforts to enhance profitability, in light of the impact on our financial results from soaring prices of raw materials, energy, and other factors, and after carefully assessing future profitability, we reviewed the recoverability of certain non-current assets related to stores and other properties owned by our group based on the "Accounting Standard for Impairment of Non-current Assets." As a result, we have decided to recognize impairment losses of 715 million yen in the fourth quarter of the current consolidated fiscal year for 85 domestic stores, 2 overseas stores, and 1 domestic factory.2.Discrepancies Between Full-Year Earnings Forecast and Actual Results

(1) Discrepancies Between Full-Year Earnings Forecast for the Fiscal Year ended March 2026 and Actual Results　(April 1, 2025 ~ March 31, 2026)

	Revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen and Sen
Previous forecast(A)	80,118	1,951	1,901	1,444	29.28
Actual results(B)	73,193	532	592	(394)	(7.99)
Amount of changes(B-A)	(6,924)	(1,418)	(1,308)	(1,838)	
Ratio of changes(%)	(8.6)	(72.7)	(68.9)	―	
(Reference) Actual results in previous fiscal year (FY2025/March)	73,208	1,433	1,467	1,032	20.77

(2) Reasons for Discrepancies Between Full-Year Earnings Forecast and Actual Results

In our consolidated financial results for the fiscal year ended March 2026, we focused on refining our strategic products and communicating their price and value, while also working to improve store operational capabilities through employee training and various promotional activities aimed at enhancing brand awareness. Although we achieved some success through the development and expansion of various services and products, revenue decreased by 6,924 million yen compared to the previous forecast. This was due to consumers' thriftiness in response to rising prices, as well as the fact that our efforts to address their discerning tastes and diverse values did not yield the results we had anticipated.

In terms of profitability, while we have been working to improve store operations and optimize various costs, both operating profit and ordinary profit fell short of the previous forecast due to lower-than-planned revenue, persistently high raw material and energy prices, and soaring labor costs. Furthermore, while we continued our efforts to improve profitability, we carefully assessed future profitability in light of the impact on our financial performance caused by soaring prices for raw materials, energy, and other items. As a result, we recorded an impairment loss as mentioned earlier, leading to profit that also fell short of the previous forecast.

3. Discrepancies Between Non-Consolidated Actual Results for the Fiscal Year ended March 2026 and Previous Fiscal Year's Non-consolidated Results

(1)Discrepancies Between Non-Consolidated Actual Results for the Fiscal year ended March 2026 and Previous Fiscal Year's Non-consolidated Results　(April 1, 2025 ~ March 31, 2026)

	Revenue	Operating profit	Ordinary profit	Profit	Basic earnings per share(Yen)
	Million yen	Million yen	Million yen	Million yen	Yen and Sen
Actual results in previous FY (A) (FY2025/March)	59,311	1,478	1,401	1,155	23.27

Actual results in current FY (B) (FY2026/March)	57,805	639	591	(380)	(7.72)
Amount of changes（B-A）	(1,506))	(839)	(810)	(1,536)	
Ratio of changes（%）	(2.5)	(56.8)	(57.8)	ー	

(2) Reasons for Discrepancies Between Non-Consolidated Actual Results and Previous Fiscal Year's Non-consolidated Results

During the fiscal year ended March 2026, we focused on refining our strategic products and communicating their value proposition, while also undertaking various promotional activities including efforts to raise brand awareness and enhancing store operational capabilities through employee development. Although we achieved some success through the development and expansion of various services and products, revenue decreased by 1,506 million yen compared to the previous fiscal year. because our efforts to address consumers' thriftiness in the face of rising prices, as well as their discerning tastes and diverse values, did not yield the results we had anticipated.

In terms of profitability, while we have been working to enhance store operations and optimize various costs, both operating profit and ordinary profit fell short of the previous fiscal year due to lower-than-expected revenue, persistently high raw material and energy prices, and soaring labor costs. In addition, while we continued our efforts to enhance profitability, we carefully assessed our future profitability in light of the impact on our financial results from soaring prices of raw materials, energy, and other factors. As a result of recording the impairment losses mentioned earlier, profit for the current fiscal year was lower than that of the previous fiscal year.

4. Dividend for the current period (no dividend)

Our basic policy is to provide stable and consistent returns to our shareholders while strengthening our financial position and management foundation.

However, in light of the aforementioned impairment losses and the discrepancy with our full-year earnings forecast, we regret to announce that we will not be paying a year-end dividend for the fiscal year ended March 2026. We sincerely apologize to our shareholders and ask for your continued support as we strive to resume dividend payments.

End

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.