August 14, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: WATAMI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7522
URL: https://www.watami.co.jp/
Representative: MIKI WATANABE, Representative Director, Chairman and President CEO
Inquiries: Toru Nishizawa, Senior Director of Corporate Planning Division
Telephone: +81-3-5737-2288
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	24,159	9.3	1,058	(7.1)	1,978	193.6	1,621	221.9
June 30, 2025	22,112	3.3	1,139	8.4	673	(69.0)	503	(70.5)

Note: Comprehensive income For the three months ended June 30, 2026: ¥1,957 million [-%]
For the three months ended June 30, 2025: ¥(744) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	37.46	-
June 30, 2025	9.59	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	73,287	30,344	40.7	441.97
March 31, 2026	74,556	30,493	40.4	440.77

Reference: Equity
As of June 30, 2026: ¥29,844 million
As of March 31, 2026: ¥30,156 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	10.00	10.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)					

Note: The dividend forecast for the fiscal year ending March 31, 2027 has not yet been determined.
The above "Cash dividends" refers to dividends on common shares. Please refer to "Cash dividends on class shares" below for the status of dividends on class shares (unlisted) that have different rights from those of common shares issued by the Company.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

The Company does not disclose consolidated financial results for the fiscal year ending March 31, 2027 due to the difficulty of reasonably calculating the outlook due to uncertainties in the Middle East, the conflict in Ukraine, and other factors, as well as uncertainties on the global economy.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 3 companies (Onigilly, Inc. and other 2 companies)

Note: For details, please refer to Appendix P.13, "2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes on Quarterly Consolidated Financial Statements (Notes on Changes to the Scope of Consolidation or Scope of Application by the Equity Method)"

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	42,684,880 shares
As of March 31, 2026	42,684,880 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	2,581,428 shares
As of March 31, 2026	2,580,448 shares

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

Three months ended June 30, 2026	40,103,859 shares
Three months ended June 30, 2025	40,062,999 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

* Proper use of earnings forecasts, and other special matters
Status of Dividends on Class Shares
The breakdown of dividends per share for common shares and different class shares with rights is as follows.

Class A Preferred Shares	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	end of term	sum
	Yen	Yen	Yen	Yen	Yen
The fiscal year ending March 31, 2026	0.00	0.00	0.00	4,000,000.00	4,000,000.00
The fiscal year ending March 31, 2027	0.00				
The fiscal year ending March 31, 2027 (Forecast)		0.00	0.00	4,000,000.00	4,000,000.00

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	43,570	38,959
Trade receivables and contract asset	4,948	4,951
Securities	2,384	5,779
Merchandise and finished goods	1,648	1,537
Work in process	327	265
Raw materials and supplies	415	393
Other	2,960	2,311
Allowance for doubtful accounts	(72)	(73)
Total current assets	56,183	54,123
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,497	4,000
Machinery, equipment and vehicles	1,191	1,338
Land	329	329
Leased assets	757	888
Construction in progress	331	212
Other	705	837
Total property, plant and equipment	6,813	7,608
Intangible assets		
Goodwill	295	1,653
Other	935	946
Total intangible assets	1,231	2,599
Investments and other assets		
Investment securities	4,409	3,186
Guarantee deposits	4,588	4,559
Deferred tax assets	843	722
Invested fixed asset, invested other asset	3	3
Other	659	658
Allowance for doubtful accounts	(175)	(175)
Total investments and other assets	10,328	8,955
Total non-current assets	18,373	19,163
Total assets	74,556	73,287

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,651	3,466
Short-term borrowings	6,720	6,278
Lease liabilities	590	606
Accounts payable - other	2,850	2,855
Income taxes payable	753	322
Accrued expenses	2,261	2,409
Provision for bonuses	622	372
Provision for bonuses for directors (and other officers)	50	-
Provision for sales promotion cost reserve	8	24
Other	1,141	1,115
Total current liabilities	18,651	17,452
Non-current liabilities		
Long-term borrowings	21,289	19,901
Lease liabilities	402	457
Asset retirement obligations	1,652	1,664
Other	2,066	3,465
Total non-current liabilities	25,411	25,490
Total liabilities	44,062	42,942
Net assets		
Shareholders' equity		
Share capital	4,910	4,910
Capital surplus	15,618	14,234
Retained earnings	6,468	7,209
Treasury shares	(3,540)	(3,540)
Total shareholders' equity	23,456	22,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71	80
Foreign currency translation adjustment	6,629	6,950
Total accumulated other comprehensive income	6,700	7,030
Non-controlling interests	337	500
Total net assets	30,493	30,344
Total liabilities and net assets	74,556	73,287

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	22,112	24,159
Cost of sales	9,656	10,945
Gross profit	12,456	13,213
Selling, general and administrative expenses	11,316	12,155
Operating profit	1,139	1,058
Non-operating income		
Interest income	179	155
Interest on securities	32	55
Income from facility leasing	41	51
Share of profit of entities accounted for using equity method	0	-
Subsidy income	14	307
Foreign exchange gains	-	474
Miscellaneous income	27	104
Total non-operating income	294	1,149
Non-operating expenses		
Interest expenses	137	160
Rental expenses on facilities	38	44
Share of loss of entities accounted for using equity method	-	0
Foreign exchange losses	502	-
Miscellaneous losses	81	23
Total non-operating expenses	760	228
Ordinary profit	673	1,978
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	-	0
Impairment losses	19	-
Total extraordinary losses	19	0
Profit before income taxes	654	1,977
Income taxes - current	132	227
Income taxes - deferred	13	124
Total income taxes	145	352
Profit	508	1,625
Profit attributable to non-controlling interests	4	3
Profit attributable to owners of parent	503	1,621

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	508	1,625
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	9
Foreign currency translation adjustment	(1,241)	322
Total other comprehensive income	(1,253)	331
Comprehensive income	(744)	1,957
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(744)	1,952
Comprehensive income attributable to non-controlling interests	0	5

Quarterly consolidated statement 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 income taxes	654	1,977
Depreciation	526	597
Impairment losses	19	-
Amortization of goodwill	31	17
Increase (decrease) in provision for bonuses	(332)	(300)
Increase in sales promotion cost reserve	6	15
Interest and dividend income	(212)	(211)
Interest expenses	137	160
Foreign exchange losses (gains)	474	(353)
Loss on retirement of non-current assets	-	0
Amortization of guarantee deposits	4	4
Decrease (increase) in trade receivables	191	18
Decrease (increase) in inventories	65	211
Decrease (increase) in advances paid	(9)	42
Decrease (increase) in accounts receivable - other	(458)	(567)
Decrease (increase) in consumption taxes refund receivable	(21)	(7)
Increase (decrease) in trade payables	(414)	(193)
Increase (decrease) in accounts payable - other	20	(131)
Increase (decrease) in accrued expenses	(52)	145
Increase (decrease) in accrued consumption taxes	(157)	228
Increase (decrease) in deposits received	162	9
Other, net	876	(31)
Subtotal	1,512	1,633
Interest and dividends received	201	144
Interest paid	(138)	(163)
Income taxes paid	(621)	(671)
Net cash provided by (used in) operating activities	954	942

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(695)	(1,223)
Purchase of intangible assets	(5)	(139)
Payments for asset retirement obligations	(9)	-
Payments into time deposits	(17,968)	(16,537)
Proceeds from withdrawal of time deposits	17,332	16,415
Purchase of investment securities	(1,758)	(1,776)
Proceeds from redemption of investment securities	1,735	1,423
Payments of guarantee deposits	(73)	(79)
Proceeds from refund of guarantee deposits	89	132
Loan advances	(3)	(3)
Proceeds from collection of loans receivable	4	2
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,474)
Other, net	(40)	(7)
Net cash provided by (used in) investing activities	(1,394)	(3,266)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	2
Repayments of short-term borrowings	-	(9)
Repayments of long-term borrowings	(1,631)	(1,884)
Repayments of finance lease liabilities	(339)	(223)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	-	0
Dividends paid	(783)	(868)
Net cash provided by (used in) financing activities	(2,755)	(2,983)
Effect of exchange rate change on cash and cash equivalents	(79)	24
Net increase (decrease) in cash and cash equivalents	(3,276)	(5,282)
Cash and cash equivalents at beginning of period	13,946	14,704
Cash and cash equivalents at end of period	10,670	9,421

(Notes on segment information, etc.)

I. The three months of the previous fiscal year (April 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note)	Total	Reconciling items	Quarterly Consolidated Statements of Income
	Domestic Restaurant Business	Food Catering Business for Elderly People	Overseas Business	Environment Business	Agriculture Business	Total				
Sales										
Japan	8,945	9,875	-	409	142	19,372	40	19,412	-	19,412
Southeast Asia	-	-	2,451	-	-	2,451	20	2,472	-	2,472
United States	78	-	149	-	-	227	-	227	-	227
Revenue generated from customer contracts	9,023	9,875	2,601	409	142	22,051	60	22,112	-	22,112
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	9,023	9,875	2,601	409	142	22,051	60	22,112	-	22,112
Transactions with other segments	11	2	-	212	54	280	31	312	(312)	-
Total	9,035	9,877	2,601	621	196	22,332	92	22,424	(312)	22,112
Segment profit (loss)	514	1,116	8	113	(83)	1,670	(0)	1,669	(529)	1,139

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes agricultural theme park business and worker dispatch business.

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the quarterly consolidated statements of income and the main details of the difference (matters related to adjustment of differences)

(Millions of yen)

benefit	amount of money
Total Reporting Segments	1,670
Other	(0)
Company-wide expenses (Note)	(529)
Operating Income in Quarterly Consolidated Statements of Income	1,139

Note: Company-wide expenses are mainly related to administrative operations for the entire Group.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Impairment losses on store assets such as planned withdrawals were recorded in the "Domestic Restaurant Business" segment of 13 million yen and in the "Overseas Business" segment of 5 million yen.

The amount of the impairment loss recorded was 19 million yen in the three months of the current fiscal year.

(Significant fluctuations in the amount of goodwill)

There is nothing to be included.

(Significant Negative Goodwill Accrual)

There is nothing to be included.

II. The three months of the current fiscal year (April 1, 2026 to June 30, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note)	Total	Reconciling items	Quarterly Consolidated Statements of Income
	Domestic Restaurant Business	Food Catering Business for Elderly People	Overseas Business	Environment Business	Agriculture Business	Total				
Sales										
Japan	9,540	10,790	-	504	209	21,045	60	21,105	-	21,105
Southeast Asia	-	-	2,781	-	-	2,781	35	2,816	-	2,816
United States	75	-	162	-	-	237	-	237	-	237
Revenue generated from customer contracts	9,615	10,790	2,943	504	209	24,064	95	24,159	-	24,159
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	9,615	10,790	2,943	504	209	24,064	95	24,159	-	24,159
Transactions with other segments	0	41	-	208	44	294	37	332	(332)	-
Total	9,615	10,831	2,943	713	254	24,358	133	24,492	(332)	24,159
Segment profit (loss)	583	979	103	47	(68)	1,645	(7)	1,638	(580)	1,058

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes agricultural theme park business and worker dispatch business.

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the quarterly consolidated statements of income and the main details of the difference (matters related to adjustment of differences)

(Millions of yen)

benefit	amount of money
Total Reporting Segments	1,645
Other	(7)
Company-wide expenses (Note)	(580)
Operating Income in Quarterly Consolidated Statements of Income	1,058

Note: Company-wide expenses are mainly related to administrative operations for the entire Group.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

There is nothing to be included.

(Significant fluctuations in the amount of goodwill)

In the Overseas Business segment, goodwill was recorded as a result of the acquisition of shares in Onigilly, Inc. by Watami US Corp, a consolidated subsidiary of the Company. In the three months of the current fiscal year, the increase in goodwill due to this event was 1,368 million yen.

The amount of goodwill is provisionally calculated because the allocation of acquisition costs has not been completed in the three months of the current fiscal year.

(Significant Negative Goodwill Accrual)

There is nothing to be included.