Financial Results Explanatory Materials for the First Quarter of the Fiscal Year Ending March 2026

August 4, 2025

SRS HOLDINGS CO., LTD. (Securities Code: 8163)

Consolidated Financial Highlights

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Net sales

17,874 million yen

Up 18.6% YoY

Operating profit

577 million yen

Down 7.0% YoY

Ordinary profit

558 million yen

Down 2.3% YoY

Number of restaurants

Number of Group restaurants: 781

Number of directly-managed restaurant openings including contracted restaurants: 14

<Annual target for directly-managed restaurant openings>

34 (progress rate: 41.2%)

Overview

- **Net sales increased significantly year on year.** This was mainly due to steady demand for eating out stemming from external factors, a rise in average sales per customer through merchandise measures, an increase in revenues resulting from M&As in the previous year, and the contribution of new restaurant openings.
- On the other hand, although each profit decreased year on year due to a higher cost ratio caused by a sharp rise in raw material prices and increased personnel expenses as a result of securing human resources and strengthening education in anticipation of future restaurant openings, **profit exceeded the initial plan.**

1Q FY3/26 Consolidated Profit and Loss (YoY Change)

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- Net sales increased by 2,802 million yen due to the aforementioned increases in average sales per customer and revenues resulting from M&As, and the contribution of new restaurant openings.
- The gross profit margin decreased by 0.5% due to a sharp rise in raw material costs. The SG&A ratio increased by 0.3% due to an increase in personnel expenses resulting from the strategic hiring of human resources and strengthening of education, and an increase in amortization of goodwill following M&As in the previous fiscal year.

(Millions of yen)

	1Q FY3/25		1Q FY3/26		YoY change		Progress ratio against the plan	
	Amount	Sales ratio	Amount	Sales ratio	Amount	Sales ratio	Full-year plan	Progress ratio
Net sales	**15,071**	**-**	**17,874**	**-**	**+2,802**	**-**	**76,000**	**23.5%**
Cost of sales	5,066	33.6%	6,105	34.2%	+1,039	+0.5%	-	-
Gross profit	**10,005**	**66.4%**	**11,768**	**65.8%**	**+1,762**	**(0.5%)**	**-**	**-**
SG&A	9,384	62.3%	11,190	62.6%	+1,806	+0.3%	-	-
Operating profit	**621**	**4.1%**	**577**	**3.2%**	**(43)**	**(0.9%)**	**3,000**	**19.2%**
Ordinary profit	**572**	**3.8%**	**558**	**3.1%**	**(13)**	**(0.7%)**	**2,800**	**19.9%**
Extraordinary income	0	0.0%	0	0.0%	+0	+0.0%	-	-
Extraordinary losses	2	0.0%	4	0.0%	+1	+0.0%	-	-
Profit attributable to owners of parent	**331**	**2.2%**	**275**	**1.5%**	**(56)**	**(0.7%)**	**1,600**	**17.2%**

1Q FY3/26 Consolidated Balance Sheet

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- Decrease in current assets: mainly due to a decrease in cash and cash equivalents
- Decrease in non-current assets: mainly due to decreases in deferred tax assets and goodwill
- Decrease in non-current liabilities: mainly due to decreases in deferred tax liabilities, long-term borrowings, and bonds payable

(Millions of yen)

	End of FY3/25	End of 1Q FY3/26	Change
Total assets	45,944	43,876	(2,067)
Current assets	18,090	16,777	(1,313)
(Cash and cash equivalents)	12,567	11,486	(1,081)
Non-current assets	27,743	26,997	(746)
Total deferred assets	109	102	(6)
Total liabilities and net assets	45,944	43,876	(2,067)
Total liabilities	28,922	26,909	(2,013)
(Interest-bearing debt)	12,783	12,193	(590)
Current liabilities	11,184	10,290	(894)
Non-current liabilities	17,737	16,619	(1,118)
Total net assets	17,021	16,967	(53)

1Q FY3/26 YoY Changes in Consolidated Net Sales

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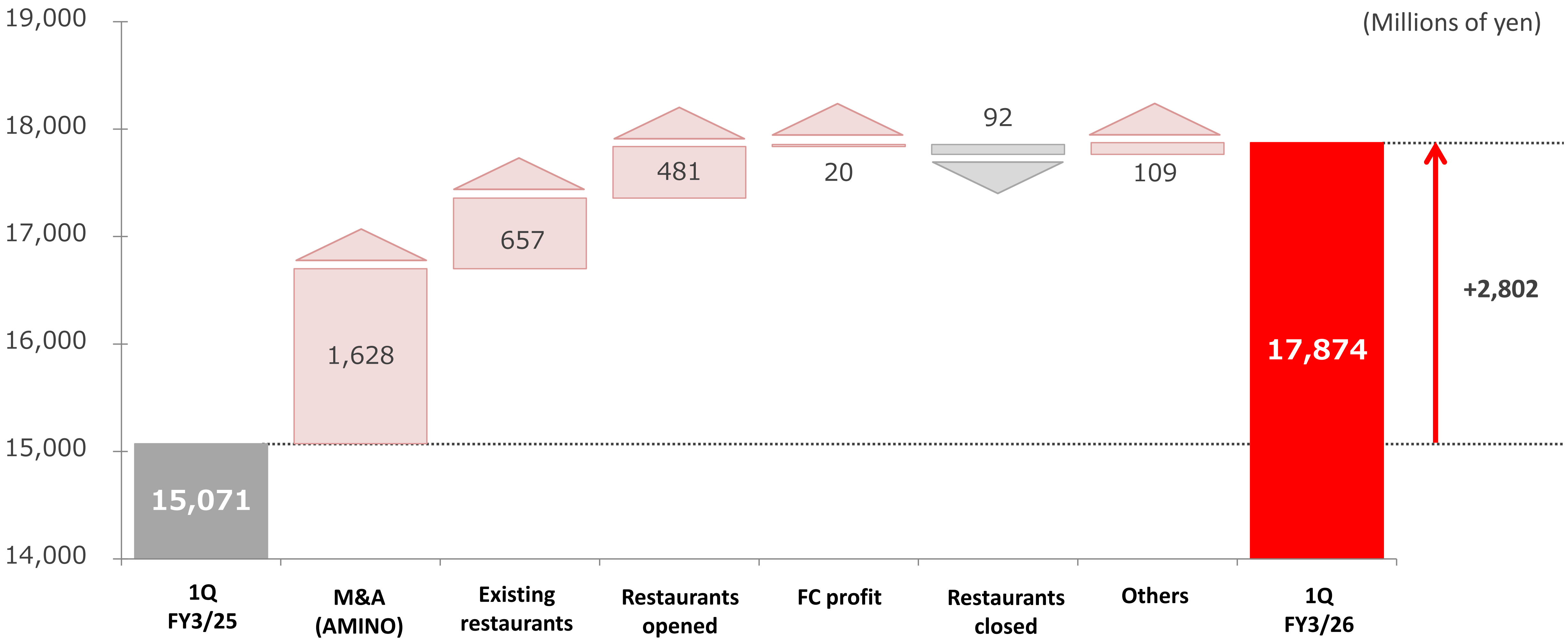
- As aforementioned, net sales significantly exceeded the previous year's results (up 2,802 million yen YoY).
- 7 new restaurants opened (including 3 directly-managed restaurants) and 6 restaurants closed (0 directly-managed restaurants).



1Q FY3/26 YoY Changes in Consolidated Net Sales by Business

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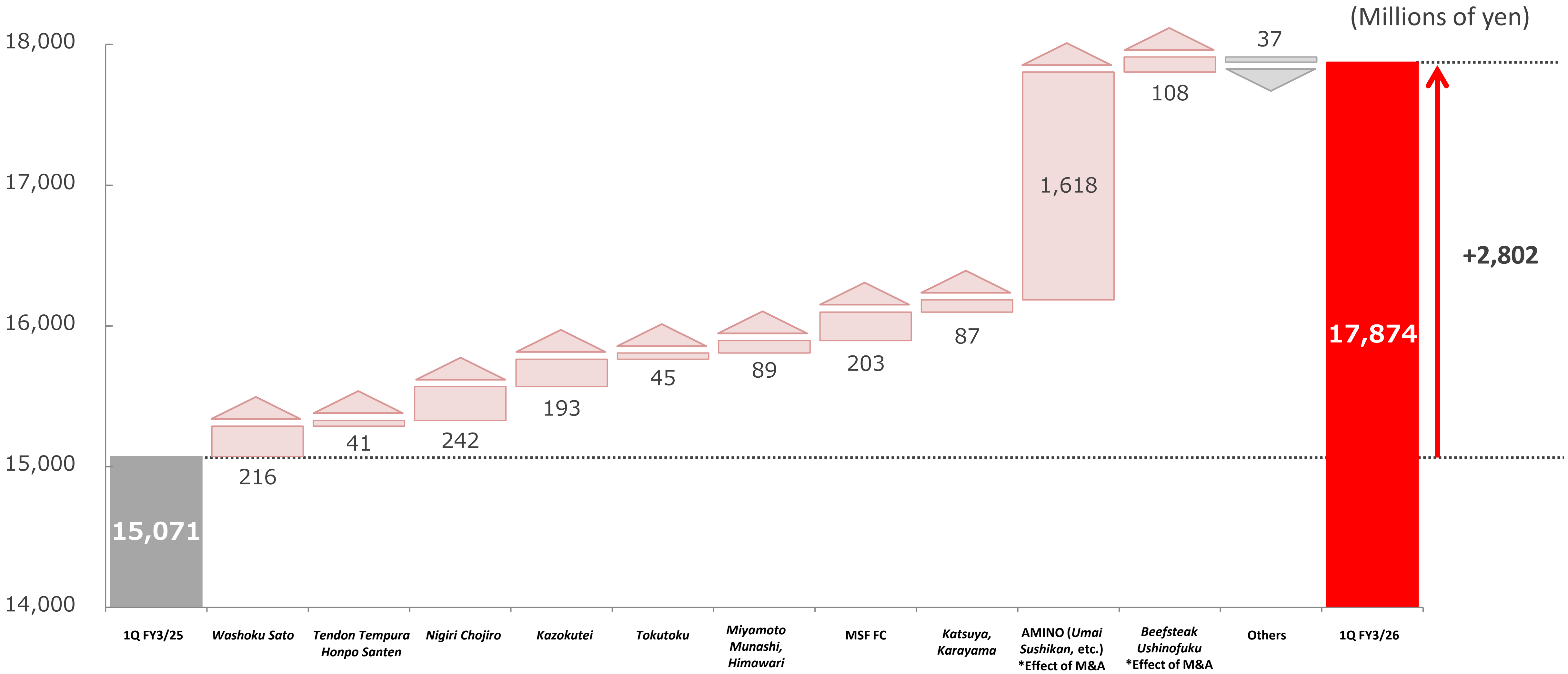
- Exceeded the previous year's net sales in all businesses.
- The acquisition of AMINO significantly contributed to revenue growth.



1Q FY3/26 YoY Changes in Consolidated Operating Profit

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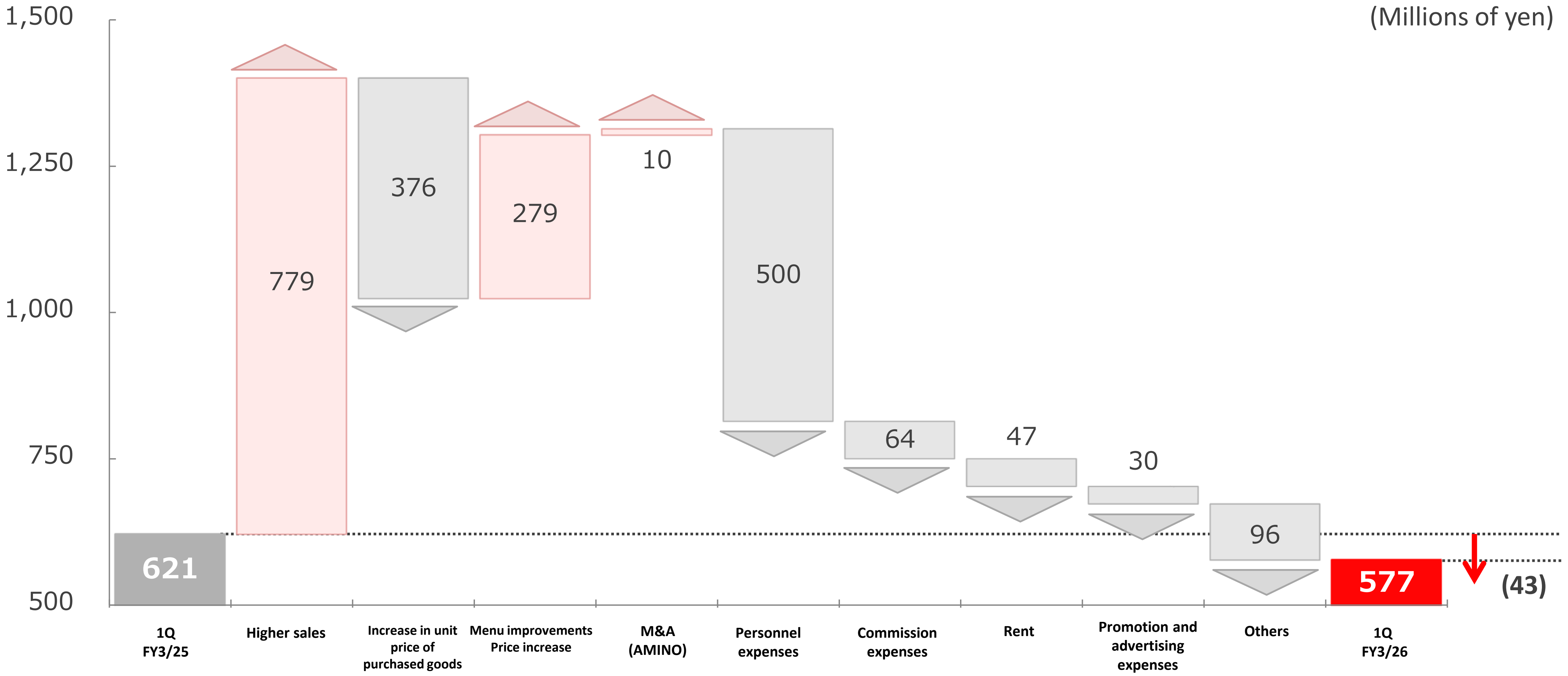
- Operating profit decreased (down 43 million yen YoY) due to an increase in personnel expenses resulting from active investment in education and a sharp rise in raw material prices.
- Although we implemented measures to improve gross profit margins, such as menu improvements and changes in purchased goods, costs rose due to soaring raw material expenses.



1Q FY3/26 Quarterly Results

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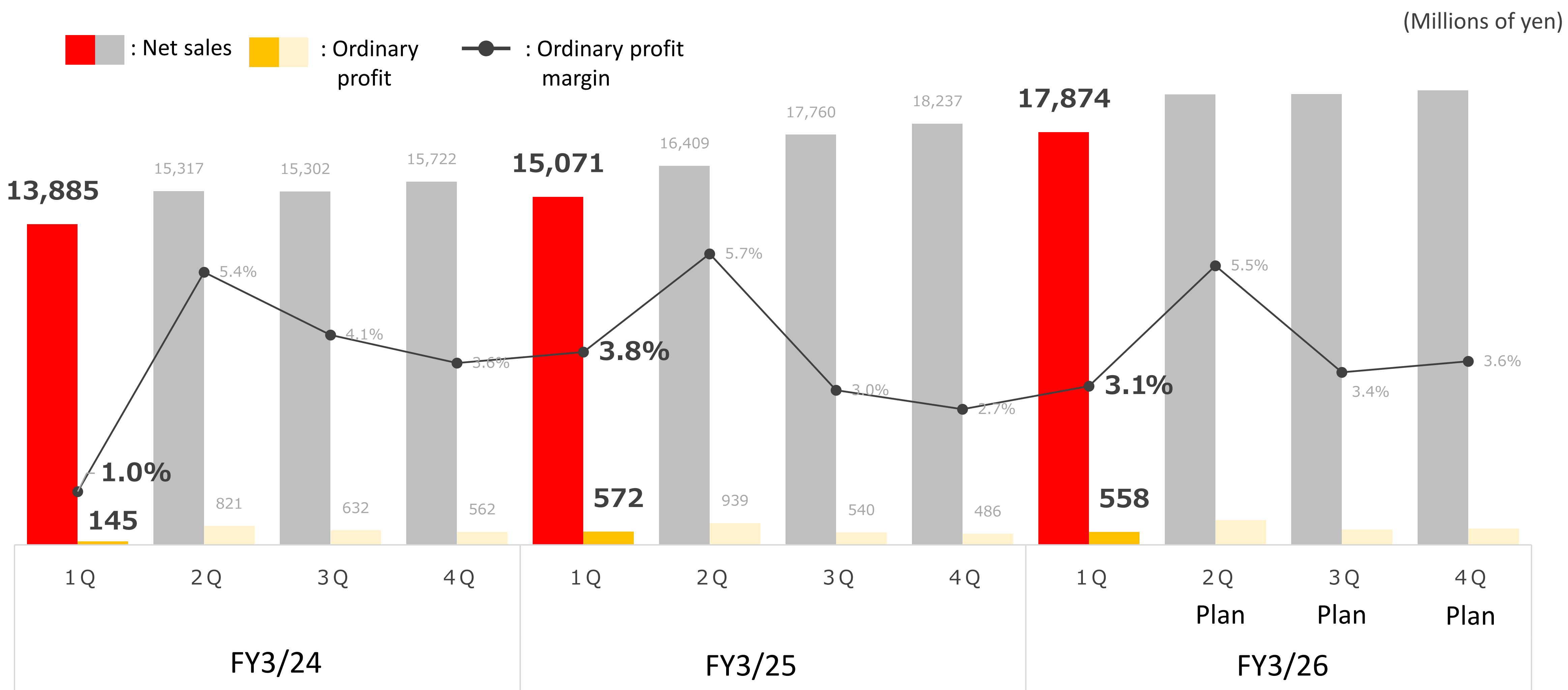
- Both net sales and ordinary profit for 1Q tend to be lower than other periods due to the nature of our portfolio, in which businesses that perform strongly during busy seasons, such as *Washoku Sato*, *Nigiri Chojiro* and *Umai Sushikan*. These business format account for more than 60% of the entire Group's net sales.



1Q FY3/26 Existing Restaurant Sales by Major Business Format

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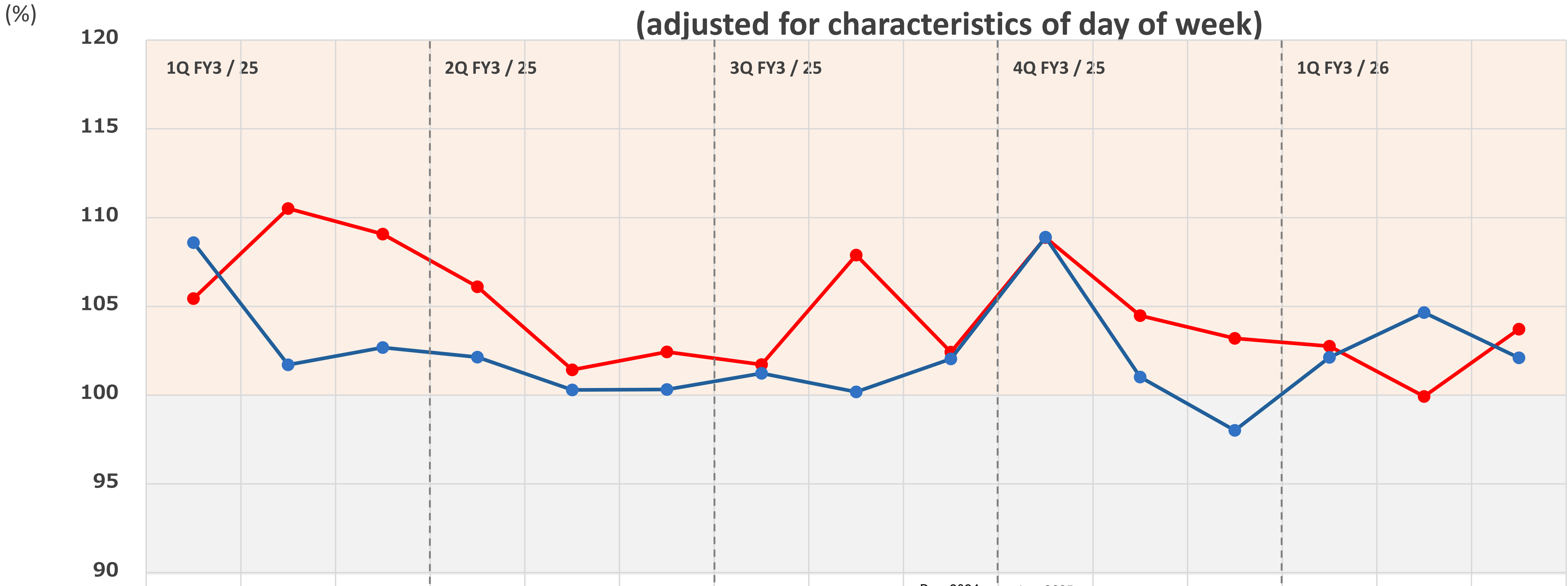
- Net sales for 1Q at existing restaurants increased year on year for both *Washoku Sato* and *Nigiri Chojiro.*
- Existing restaurant sales of low-price range brands within the SRS Group performed even better than those of mid- to high-price range brands.

YoY change in existing restaurant sales for two main business formats (adjusted for characteristics of day of week)



	Apr. 2024	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
Washoku Sato	105.4	110.5	109.1	106.1	101.4	102.4	101.7	107.9	102.4	108.9	104.5	103.2	102.8	99.9	103.7
Nigiri Chojiro	108.6	101.7	102.7	102.1	100.3	100.3	101.2	100.2	102.0	108.9	101.0	98.0	102.1	104.7	102.1

1Q FY3/26 Existing Restaurant Sales by Major Business Format

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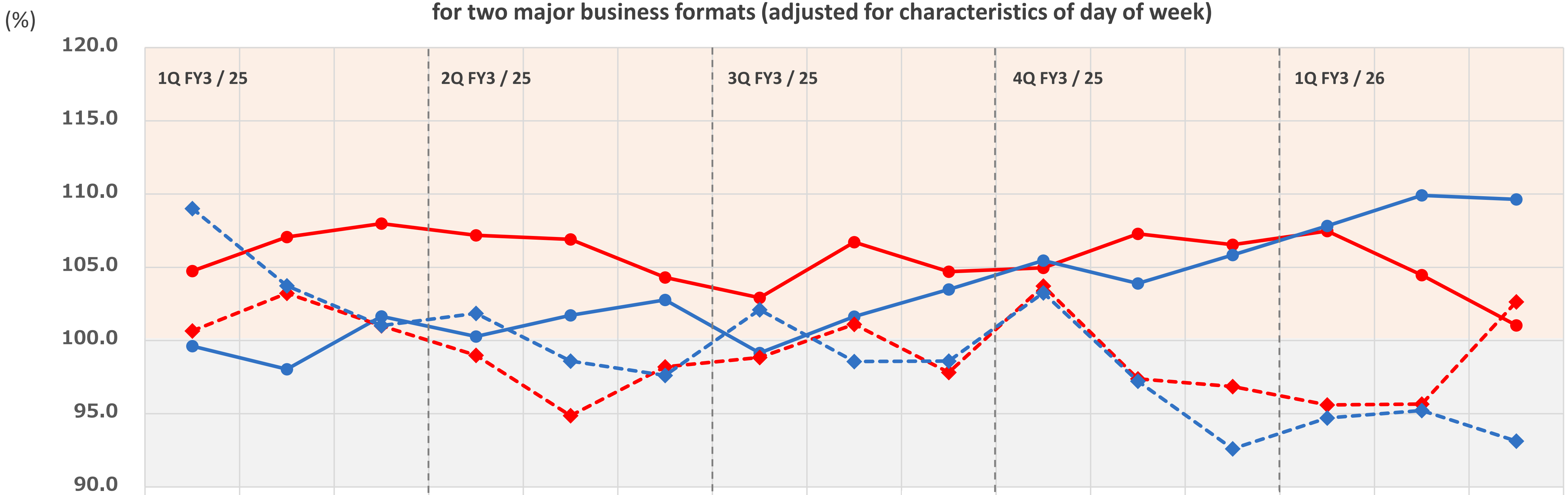
- For *Washoku Sato*, the number of customers significantly improved in June due to the success of price-appeal measures in line with the decline in consumer sentiment.
- *Nigiri Chojiro* saw a significant increase in the average sales per customer in 1Q due to the impact of keeping prices unchanged in the previous fiscal year and this year's menu improvements.

YoY changes in the number of customers and in average sales per customer at existing restaurants for two major business formats (adjusted for characteristics of day of week)



	Apr. 2024	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
Average sales per customer (*Washoku Sato*)	104.8	107.1	108.0	107.2	106.9	104.3	102.9	106.7	104.7	105.0	107.3	106.5	107.5	104.5	101.0
Average sales per customer (*Nigiri Chojiro*)	99.6	98.0	101.7	100.3	101.7	102.8	99.1	101.6	103.5	105.5	103.9	105.8	107.8	109.9	109.6
Number of customers (*Washoku Sato*)	100.7	103.2	101.0	99.0	94.9	98.2	98.8	101.1	97.8	103.7	97.4	96.9	95.6	95.7	102.6
Number of customers (*Nigiri Chojiro*)	109.0	103.7	101.0	101.8	98.6	97.6	102.1	98.6	98.6	103.3	97.2	92.6	94.7	95.2	93.1

First Restaurant of *Washoku Sato* Opened in Okayama, a New Business Area

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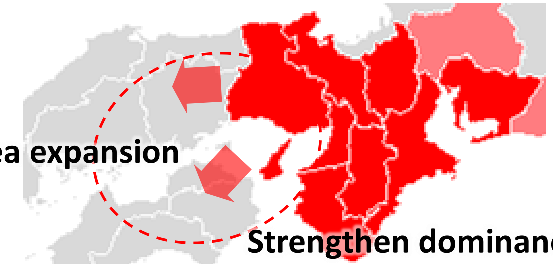
■ Aiming to make *Washoku Sato* a national brand, one of the key strategies of our new Medium-term Business Plan, we opened *Washoku Sato* Kurashiki Higashitomii in **Okayama, which is our new business area**.

Started expanding into new business areas for national branding

Washoku Sato Kurashiki Higashitomii opened on June 20, 2025



Plan to open three restaurants in the current fiscal year for full-scale development in the Chugoku region

By carrying out aggressive promotions in line with entry into new business areas, the Kurashiki Higashitomii has been successful since its opening.
Aim to expand the service area to further increase our presence in the Chugoku region.

■ Sales comparison for one month after new restaurant opening

Sales at the Kurashiki Higashitomii after its opening were the strongest among our recently opened new restaurants.

■ Opening schedule in Okayama Prefecture for this period

<Kurashiki City>

Kurashiki-kita

<Okayama City>

Okayama Koshinden

Scheduled to open November or later

Accelerating Restaurant Openings to Achieve the New Medium-term Business Plan Targets.

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- We will strengthen dominant areas in each business format and formulate the plan on aggressive restaurant openings to take on the challenge of developing new business areas based on the new Medium-term Business Plan. The number of Group restaurants is expected to be 819 at the end of FY3/26.
- Measures are being taken to improve profitability of existing restaurants through renovations while opening new restaurants at the same time.

		No. of restaurants planned to open	FY3/26 progress status of restaurant openings			No. of restaurants opened in new business areas (including contracted restaurants)	No. of restaurants opened at end of FY3/26
			No. of restaurants opened in 1Q	No. of contracted restaurants	Progress rate for this term		
Key strategy of the new Medium-term Business Plan (1) Turning *Washoku Sato* into a National Brand							
	Washoku Sato	5 stores	1 store	3 stores	**80.0%**	3 stores (Okayama Pref.)	202 stores
Key strategy of the new Medium-term Business Plan (2) *Nigiri Chojiro* and *Umai Sushikan* to become the No. 1 gourmet sushi chain							
	Total No. of gourmet sushi chains	6 stores	0 stores	3 stores	**50.0%**	1 store (Gunma Pref.)	109 stores

Current Action Plan to Achieve Aggressive New Restaurant Openings

- **Securing human resources by actively promoting recruitment**
- **Strengthening education systems and expanding investment in education**

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- **Development of properties in new business areas**
- **Development of a new prototype of gourmet sushi**

FY3/26 Restaurant Opening Progress Ratio by Business Format

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Figures in parentheses represent franchised restaurants and joint venture restaurants.

	No. of restaurants at end of FY3/25		1Q FY3/26						No. of restaurants planned to open during FY3/26 ②		No. of contracted restaurants in FY3/26 ③		FY3/26 restaurant opening progress ratio (① + ③) / ②
			Restaurants opened ①		Restaurants closed		No. of restaurants at end of 1Q						
Washoku Sato	198	(-)	1	(-)	-		199	(-)	5	(-)	3	(-)	**80.0%**
Nigiri Chojiro/CHOJIRO	72	(-)	-		-		72	(-)	4	(-)	1	(-)	**25.0%**
Kazokutei (*1)	59	(7)	-		-		59	(7)	1	(-)	-	(-)	**0.0%**
Tokutoku	57	(45)	-		-		57	(45)	4	(-)	1	(-)	**25.0%**
Katsuya	51	(17)	-		-		51	(17)	5	(2)	1	(1)	**20.0%**
Tendon Tempura Honpo Santen	34	(1)	-		-		34	(1)	1	(-)	-	(-)	**0.0%**
AMINO sushi business (*2)	32	(-)	-		-		32	(-)	2	(-)	2	(-)	**100.0%**
Miyamoto Munashi	24	(-)	-		-		24	(-)	-		-		**-**
Sushi delivery business	11	(3)	-		-		11	(3)	-		-		**-**
Karayama	11	(-)	-		-		11	(-)	2	(-)	1	(-)	**50.0%**
Himawari	8	(-)	-		-		8	(-)	2	(-)	-		**0.0%**
Beefsteak Ushinofuku	7	(-)	-		-		7	(-)	3	(-)	-		**0.0%**
M&S FC Business (*3)	32	(1)	2	(-)	-		34	(1)	6	(-)	3	(-)	**83.3%**
Others	12	(-)	-		-		12	(-)	1	(-)	-		**0.0%**
Torisho	148	(148)	4	(4)	6	(6)	146	(146)	31	(31)	1	(1)	**16.1%**
Overseas restaurants	24	(23)	-		-		24	(23)	8	(8)	-		**0.0%**
Group Total	**780**	**(245)**	**7**	**(4)**	**6**	**(6)**	**781**	**(243)**	**75**	**(41)**	**13**	**(2)**	**26.7%**
Group Total (directly-managed restaurants only)	**535**	**(-)**	**3**	**(-)**	**-**		**538**	**(-)**	**34**	**(-)**	**11**	**(-)**	**41.2%**

(*1) *Kazokutei* includes *Kashunan*, *Sanpoan*, *Kazokuan*, *Kyoshun*, and *Kyosai* restaurants.
(*2) AMINO sushi business includes *Umai Sushikan*, *Umai Sushikan Yutorogi*, *Umai Sushikan Bekkan Sushimasa*, *Ginza Sushimasa*, *Kaiten Sushi Marukuni*, and *Hokkai Sanriku Sumibiyaki Marukan* restaurants.
(*3) M&S FC Business is the total number of stores operated by M&S FOODSERVICE CO., LTD. in the *Popolamama*, *Mister Donut*, *Doutor Coffee*, *Oogamaya*, and *Shinpachi Shokudo* restaurants.

FY3/26 Business Plan (No Revisions)

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- Forecasts for FY3/26, the first year of the new Medium-term Business Plan, are based on the continuation of the customer traffic trend from the previous fiscal year and a certain increase in the average sales per customer through price revisions. A surge in raw material prices, including for rice, and a rise in personnel expenses have also been factored in.
- Full-year dividend of 10.0 yen per share planned, exceeding the level of the previous fiscal year.

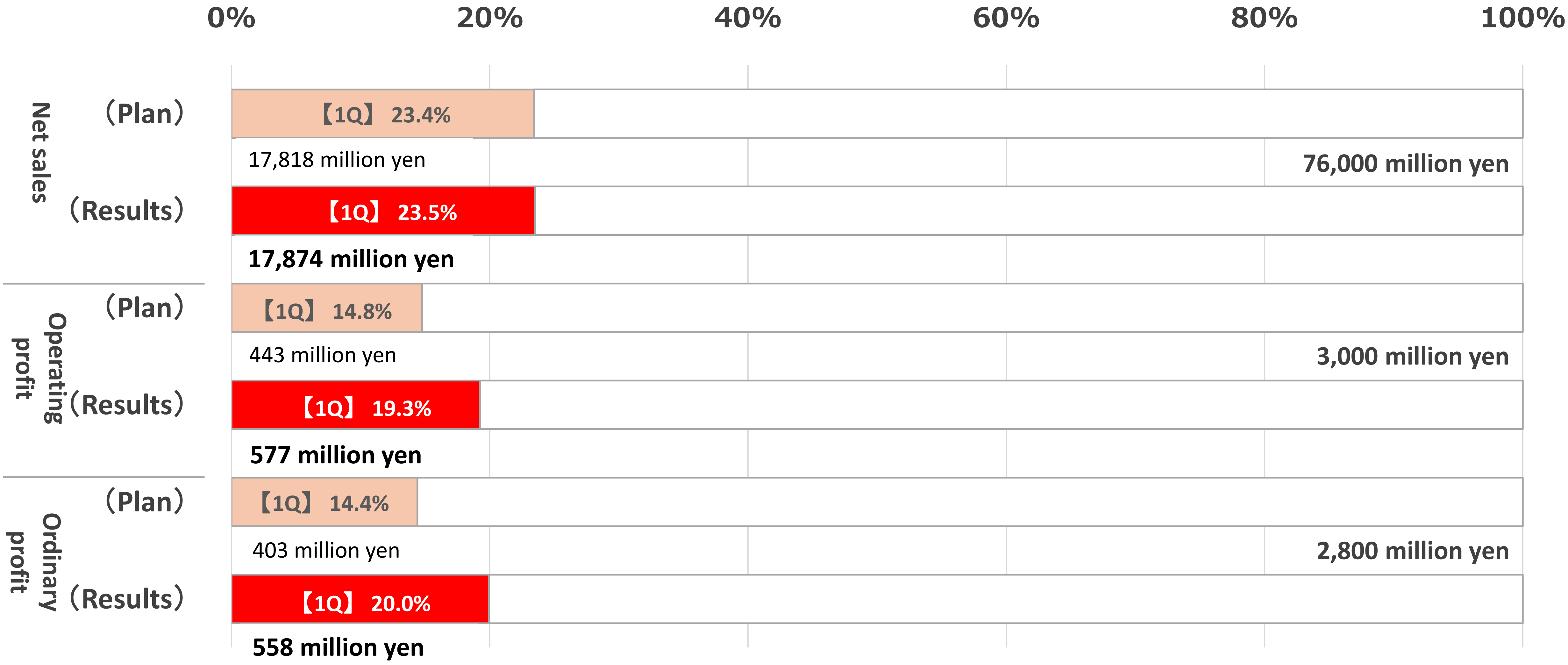
(Millions of yen)

	FY3/25 results	**FY3/26 Plan**	Vs. FY3/25 Results
Net sales	67,478	**76,000**	+8,522
Operating profit	2,678	**3,000**	+322
Ordinary profit	2,539	**2,800**	+261
Profit attributable to owners of parent	925	**1,600**	+675

	FY3/25 (Full year)	FY3/26 Forecast (Full year)
Dividends per share	7.5 yen	10.0 yen

1Q FY3/26 Business Performance Progress Rate Against the Plan

- In 1Q, net sales were in line with the plan, and **operating profit and ordinary profit significantly exceeded the initial plan**.



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Management Initiatives Focused on Cost of Capital

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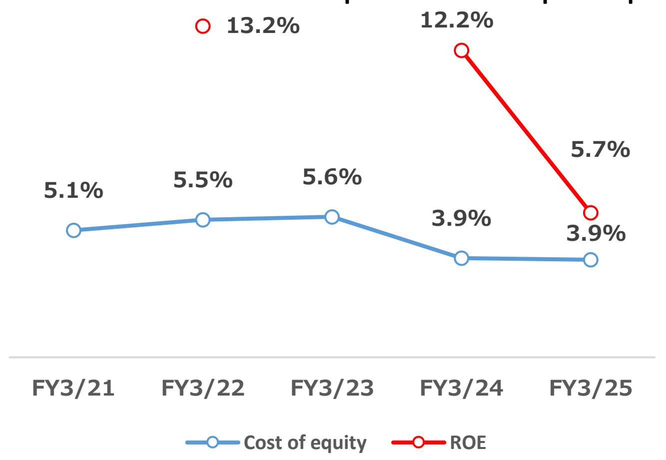
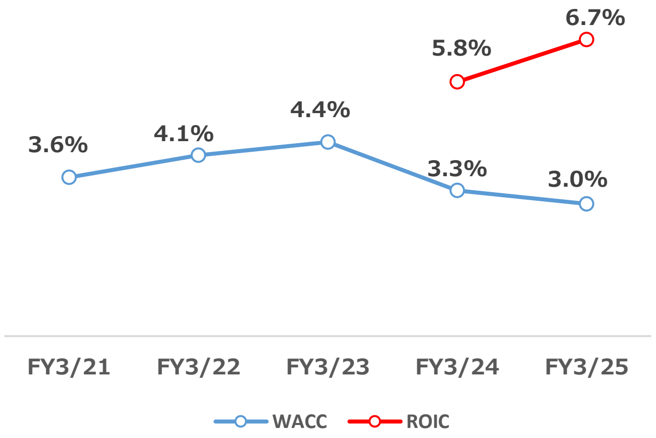
■ Policy on initiatives aimed at enhancing corporate value

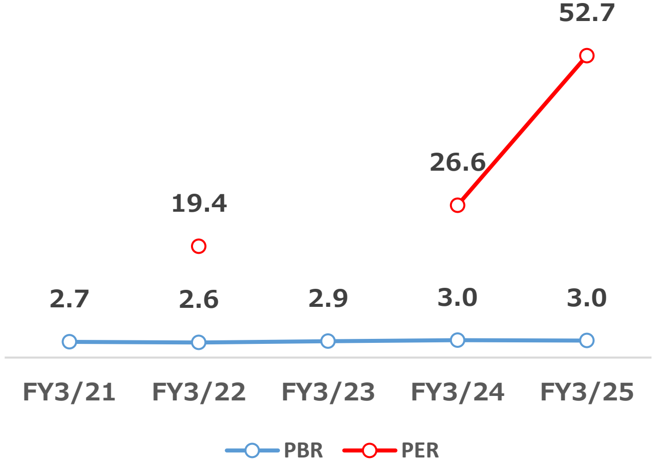
Policy	Specific Initiatives	KPIs
Improvement of ROE	• Improve profitability of existing businesses. • Appropriate return to shareholders.	Maintain **ROE of over 8%** FY3/30 target: **Over 12%**
Thorough implementation of ROIC>WACC	• Resolve stores with negative EBITDA and implement strict store opening and closing standards. • Continue to invest in facilities with high ROI (open stores in suburban areas with low rent, continue to open small-sized stores with a short payback period, and reduce construction costs by reviewing store models).	Maintain **ROIC of over 5%**
Strengthening IR strategy	• Increase the number of IR measures (issue integrated reports, expand the scope of disclosures in English). • Continue holding financial results briefings, IR interviews, and issuing sponsored research reports.	-

■ Trends in cost of capital and capital profitability





■ Trends in PER and PBR



*ROE not shown for FY3/21 and FY3/22 due to net losses. ROIC not shown for FY3/21-23 due to operating losses.

*Cost of equity is calculated using the CAPM-based formula.

*WACC is calculated by taking the weighted average of the market capitalization and the total amount of interest-bearing liabilities for cost of equity and cost of debt.

* PER not shown for FY3/21 and FY3/22 due to net losses.

Return to Shareholders

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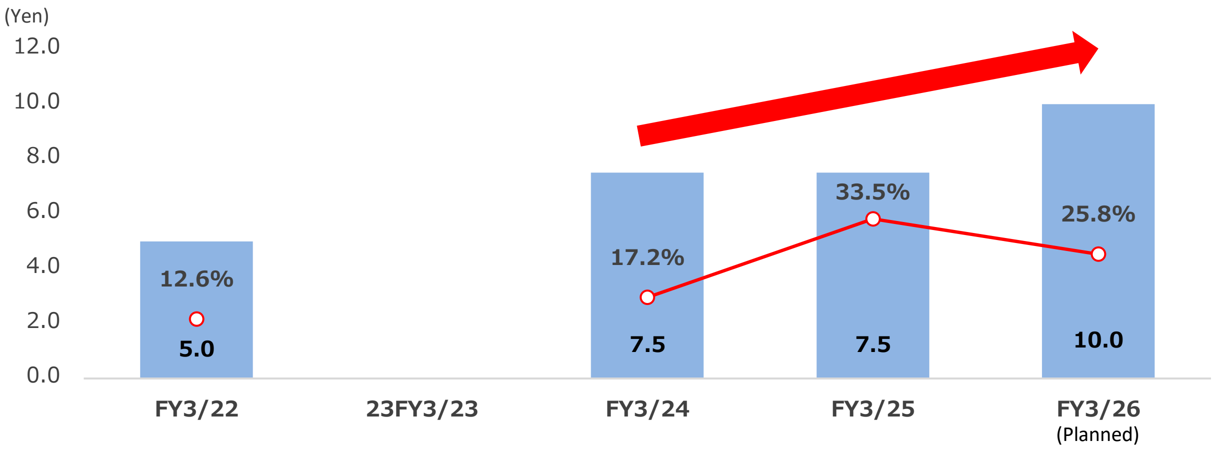
■ Dividend results and dividend forecast

- In principle, **the basic policy is to determine dividends to aim for a consolidated dividend payout ratio of 20% or more**. We will promote a flexible dividend policy with the aim of achieving sustainable increases in corporate value, while considering the status of business performance and the need for future growth investment.

FY3/25 annual dividend per share : 7.5 yen

FY3/26 annual dividend per share: **10.0 yen** (planned)

▼ Dividends per share and consolidated dividend payout ratio



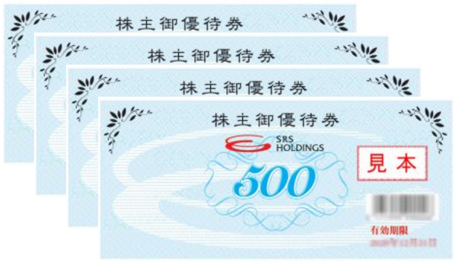
* Consolidated dividend payout ratio is not shown for FY3/23 due to a net loss caused by the COVID-19 pandemic.

■ Shareholder Benefit Program

- **Continue to implement the shareholder benefit program** to thank shareholders, promote understanding of the Company's business, and promote holding shares over the medium- to long-term.

Record date	Number of shares held	Gift details
As of March 31	1,000 shares	Complimentary coupons for shareholders worth 12,000 yen (500 yen x 24 coupons)
As of September 30	1,000 shares	Complimentary coupons for shareholders worth 12,000 yen (500 yen x 24 coupons)

[Examples business where coupons can be used]



⇒ Gift 24,000 yen worth of coupons per year

*Please refer to the following for the Company's shareholder benefit program.
https://srs-holdings.co.jp/ir/shareholder/program/

2Q FY3/26 Financial Results Briefing

- The Company holds financial results briefings for institutional investors and analysts for the interim and full-year periods.
- The next interim financial results briefing is scheduled for 11:00 a.m. on Thursday, November 13, 2025.

<Information on financial results briefing for 2Q FY3/26>

[Date and Time]	11 a.m.-12 p.m., Thursday, November 13, 2025 (scheduled)
[Venue]	SAAJ Seminar Room 3 (Kabutocho Heiwa Building 3rd Floor, 3-3 Nihonbashi Kabutocho, Chuo-ku, Tokyo 103-0026)
[Eligibility]	Institutional investors and analysts
[Application method]	Please send your application to "873@sato-rs.jp" with the details below. Subject: Request for viewing financial results briefing Body: (1) Your company name (2) Your name (3) Preferred participation method (on-site or online)
[Notes]	Online streaming will be also available.

IR Information

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■ Official website <IR site>

Providing information for shareholders and investors.
Monthly information and various IR materials are also posted on the IR website.

https://srs-holdings.co.jp/ir/

<English Page>

https://srs-holdings.co.jp/global/ir/

■ Shared Research

As a sponsored research report,
detailed information on IR is posted.

https://sharedresearch.jp/ja/companies/8163

<English Page>

https://sharedresearch.jp/en/companies/8163

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