

Financial Results for the Three Months Ended March 31, 2026

May 14, 2026

(Listed on TSE Prime / FSE;
Securities code: 8179)

ROYAL

Royal Holdings Co., Ltd.

Bringing joy to communities and
society through
food and hospitality

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I Summary

II Financial Results for Q1 FY12/26

- Net sales for Q1 FY12/26 (January–March) increased YoY, driven by steady performance at existing stores, reaching a record high for the quarter.
- Operating profit, ordinary profit, and profit attributable to owners of parent decreased due to rising operating costs and the recording of initial expenses associated with overseas business expansion.
- The Hotel business achieved higher sales and profit, supported by solid tourism demand both in Japan and overseas.
- The Contract Food Service business recorded higher profit due to steady sales growth at airport terminals and highway service area stores, as well as improved profitability at office locations. We also expanded newly contracted operations at sports facilities.
- In the overseas restaurant business, we promoted multiple new store openings in Vietnam and the United States.
- In Japan, the Restaurant business and the Food Manufacturing business recorded lower profit due to rising raw material costs and other factors.

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II Financial Results for Q1 FY12/26

II -1. Profit and Loss

- ✓ Net sales increased due to growth at existing stores driven by revisions to selling prices, in addition to contributions from new store openings.
- ✓ Ordinary profit declined despite profit growth in the Hotel business and the Contract Food Service business, due to higher raw material and labor costs in the Restaurant and Food Manufacturing businesses, the recording of initial expenses related to new store openings, and a decrease in equity in earnings of affiliates.

(Million yen)

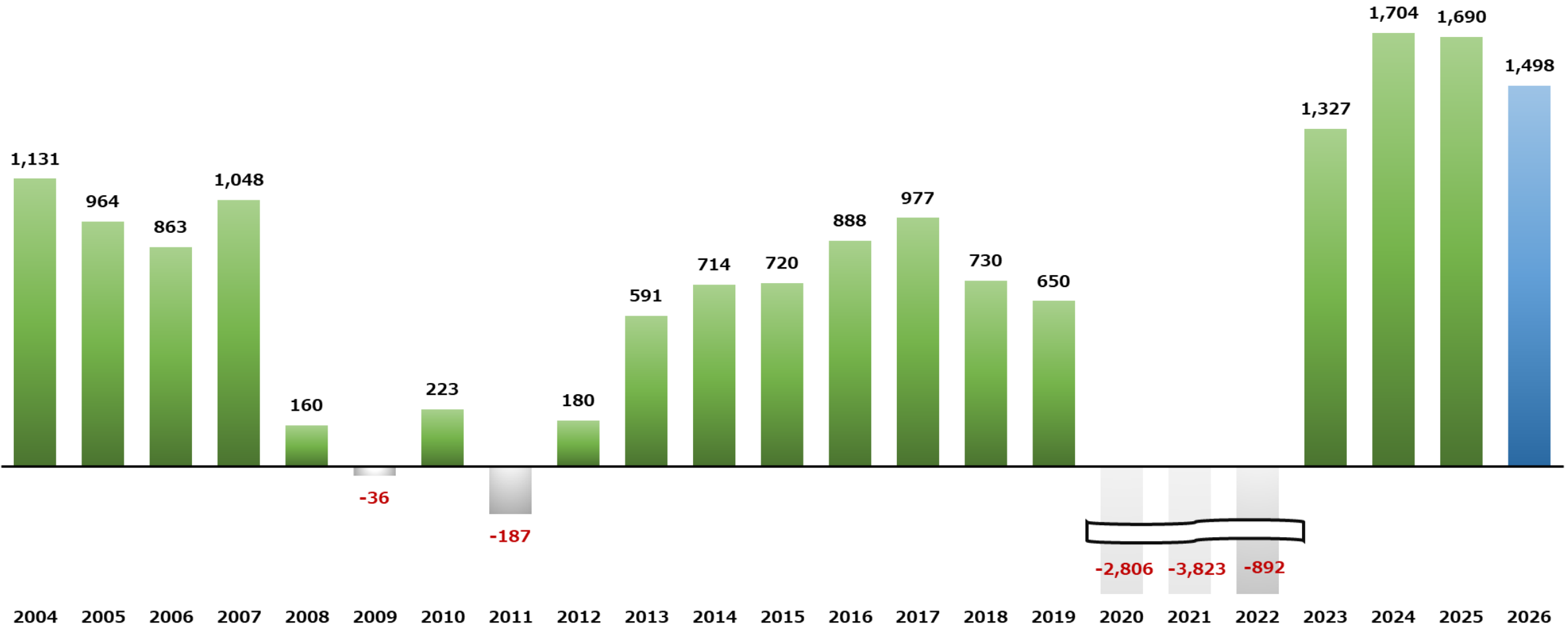
	Q1 FY12/25	Q1 FY12/26	Change	Pct. Change	FY12/26 Full-year Forecasts	Progress rate
Net sales	38,351	40,585	+2,233	+5.8%	174,800	23.2%
Operating profit	1,595	1,566	-29	-1.8%	8,950	17.5%
(Ratio to sales)	(4.2%)	(3.9%)	(-0.3%)		(5.1%)	—
Ordinary profit	1,690	1,498	-191	-11.3%	8,800	17.0%
(Ratio to sales)	(4.4%)	(3.7%)	(-0.7%)		(5.0%)	—
Profit attributable to owners of parent	959	930	-29	-3.0%	5,700	16.3%
(Ratio to sales)	(2.5%)	(2.3%)	(-0.2%)		(3.3%)	—
EBITDA	3,717	3,843	+125	+3.4%	—	—
(Ratio to sales)	(9.7%)	(9.5%)	(-0.2%)		—	—

Note: EBITDA = Ordinary profit + depreciation and amortization + amortization of goodwill + net interest expense.

II -2. Quarterly Changes in Ordinary Profit (Q1)

✓ During Q1 FY12/26, we captured strong tourism demand both in Japan and overseas, resulting in profit growth in the Hotel business and Contract Food Service business. However, ordinary profit decreased YoY due to higher costs in the Restaurant business and the Food Manufacturing business, as well as a decline in equity in earnings of affiliates.

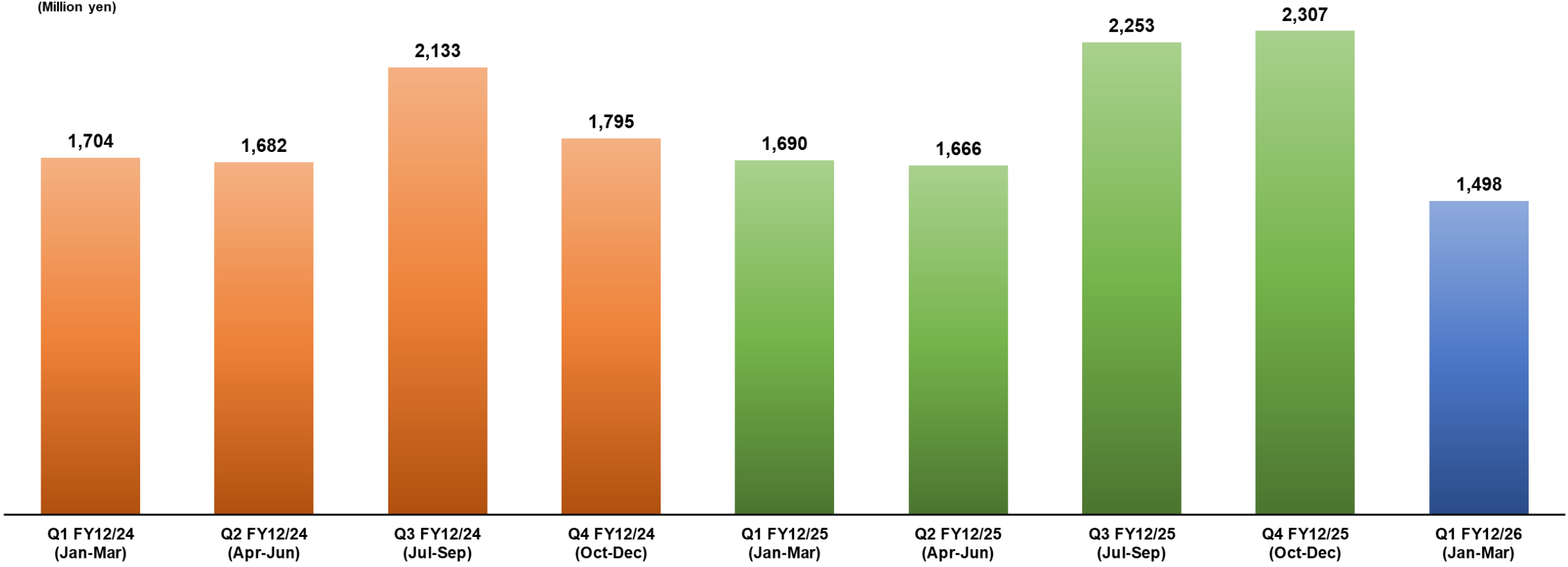
(Million yen)



II -3. Quarterly Changes in Ordinary Profit

- ✓ Ordinary profit for Q1 FY12/26 (January–March) declined YoY.
- ✓ This decrease was attributable to higher raw material costs, including rising rice prices since April of the previous year, expenses related mainly to overseas store openings, and a decline in equity in earnings of affiliates.

(Million yen)



II -4. Impact of Soaring Purchase Prices (YoY)

- ✓ Procurement prices for meat products (U.S. beef and Brazilian chicken) increased significantly.
- ✓ From Q2 onward, procurement prices for U.S. beef and other items are expected to remain high.
- ✓ At this stage, the impact of heightened tensions in the Middle East has not been factored into the outlook.

	Three months (Actual)	From Q2 Onward (Forecast)	Full-year FY12/26 (Forecast)
Raw materials	+0.7 billion yen	+1.5 billion yen	+2.2 billion yen
Electricity and gas	-0.1 billion yen	+0.3 billion yen	+0.2 billion yen
Total impact	+0.6 billion yen	+1.8 billion yen	+2.4 billion yen

* FY12/22 Full Year: Raw materials +1.3 billion yen; Electricity and gas +1.0 billion yen; Total impact +2.3 billion yen

* FY12/23 Full Year: Raw materials +2.4 billion yen; Electricity and gas -0.0 billion yen; Total impact +2.4 billion yen

* FY12/24 Full Year: Raw materials +0.8 billion yen; Electricity and gas +0.1 billion yen; Total impact +0.9 billion yen

* FY12/25 Full Year: Raw materials +2.1 billion yen; Electricity and gas +0.2 billion yen; Total impact +2.3 billion yen

1. Higher costs due to rising crude oil prices

- ✓ Rising prices for packaging materials (takeout containers, food storage containers, etc.) and materials (hotel unit bathrooms, etc.)
- ✓ Increases in utility expenses and logistics costs

2. Lower sales and customer traffic due to decline in consumer sentiment

- ✓ Weakening consumer spending due to inflation
- ✓ Decline in domestic and international travelers
- ✓ Reduced automobile travel due to higher gasoline prices and weaker air travel demand caused by rising fuel surcharges

3. Supply constraints for packaging materials and equipment

[Future Response]

Given the high level of uncertainty surrounding the current situation in the Middle East, our company has not quantified the financial impact on earnings for the current fiscal year at this stage. However, while closely monitoring future developments, we will take necessary measures to address fluctuations in raw material and other costs, including cost reductions through operational efficiencies and reflecting cost increases in selling prices. In addition, we will promptly disclose any material developments requiring disclosure.

II -6. Balance Sheet

- ✓ Total assets as of the end of March 2026 were 132.7 billion yen, a decrease of 6.9 billion yen from the end of the previous fiscal year. The equity ratio was 40.9%, and the non-current assets to long-term capital ratio was 98.9%.
- ✓ Cash and deposits decreased due to repayment of borrowings and payment of income taxes, resulting in decreases in both assets and liabilities.

(Million yen)

	FY12/25		FY12/26	Q1 FY12/26 Change		FY12/25		FY12/26	Q1 FY12/26 Change
	End-Mar.	End-FY	End-Mar.			End-Mar.	End-Mar.	End-FY	
Current assets	39,677	36,974	30,079	-6,894	Liabilities	81,460	84,281	77,998	-6,283
(Cash and deposits)	24,024	19,554	14,463	-5,090	(Borrowings)	(27,475)	(26,500)	(23,525)	(-2,975)
Non-current assets	91,349	102,789	102,712	-77	(Lease liabilities)	(27,547)	(26,964)	(26,357)	(-607)
Property, plant and equipment	50,139	52,365	52,104	-261					
(Leased assets)	(19,369)	(19,278)	(18,812)	(-466)					
Intangible assets	16,647	22,293	21,990	-302	Net assets	49,565	55,481	54,793	-688
(Goodwill)	(4,862)	(8,769)	(8,648)	(-120)	(Shareholders' equity)	(49,341)	(54,725)	(54,289)	(-435)
(Rights to operate the facility, Customer-related intangible assets)	(10,498)	(12,119)	(11,936)	(-182)					
Investments and other assets	24,561	28,129	28,616	+486					
Total assets	131,026	139,763	132,792	-6,971	Total liabilities and net assets	131,026	139,763	132,792	-6,971

(Ref.)

(Ref.)

Non-current assets to long-term capital ratio	91.4%	96.4%	98.9%	+2.5%	Shareholders' equity ratio	37.7%	39.2%	40.9%	+1.7%
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II -7. Cash Flow Statement

- ✓ Compared with the previous fiscal year, operating cash flow decreased due to higher income tax payments, investing cash flow improved due to lower capital expenditures, and financing cash flow decreased due to the rebound from borrowings received in the previous fiscal year.
- ✓ Total cash flow was negative 5.0 billion yen, representing a decline of 9.7 billion yen YoY. (Million yen)

	FY12/25 Q1	FY12/26 Q1	Change
Cash flows from operating activities	3,751	2,048	-1,702
Cash flows from investing activities	-2,506	-1,542	+964
(Purchases of property, plant and equipment and intangible assets)	(-2,510)	(-1,501)	(+1,008)
(Purchase of shares of affiliates)	(0)	(0)	(+0)
Cash flows from financing activities	3,445	-5,594	-9,039
(Net increase/decrease in borrowings)	(5,775)	(-2,975)	(-8,750)
(Dividend payments)	(-1,591)	(-1,740)	(-149)
Total Cash flows	4,689	-5,088	-9,778

II -8. Profit and Loss by Segment

- ✓ The Hotel business achieved higher sales and profit as both occupancy rates and average daily room rates (ADR) improved compared with the same quarter of the previous fiscal year.
- ✓ The Contract Food Service business recorded higher profit despite lower sales, as profitability improved across each business line.
- ✓ The Restaurant business posted higher sales due to solid performance at existing stores both in Japan and overseas; however, profit declined due to rising costs across various categories.

(Million yen)

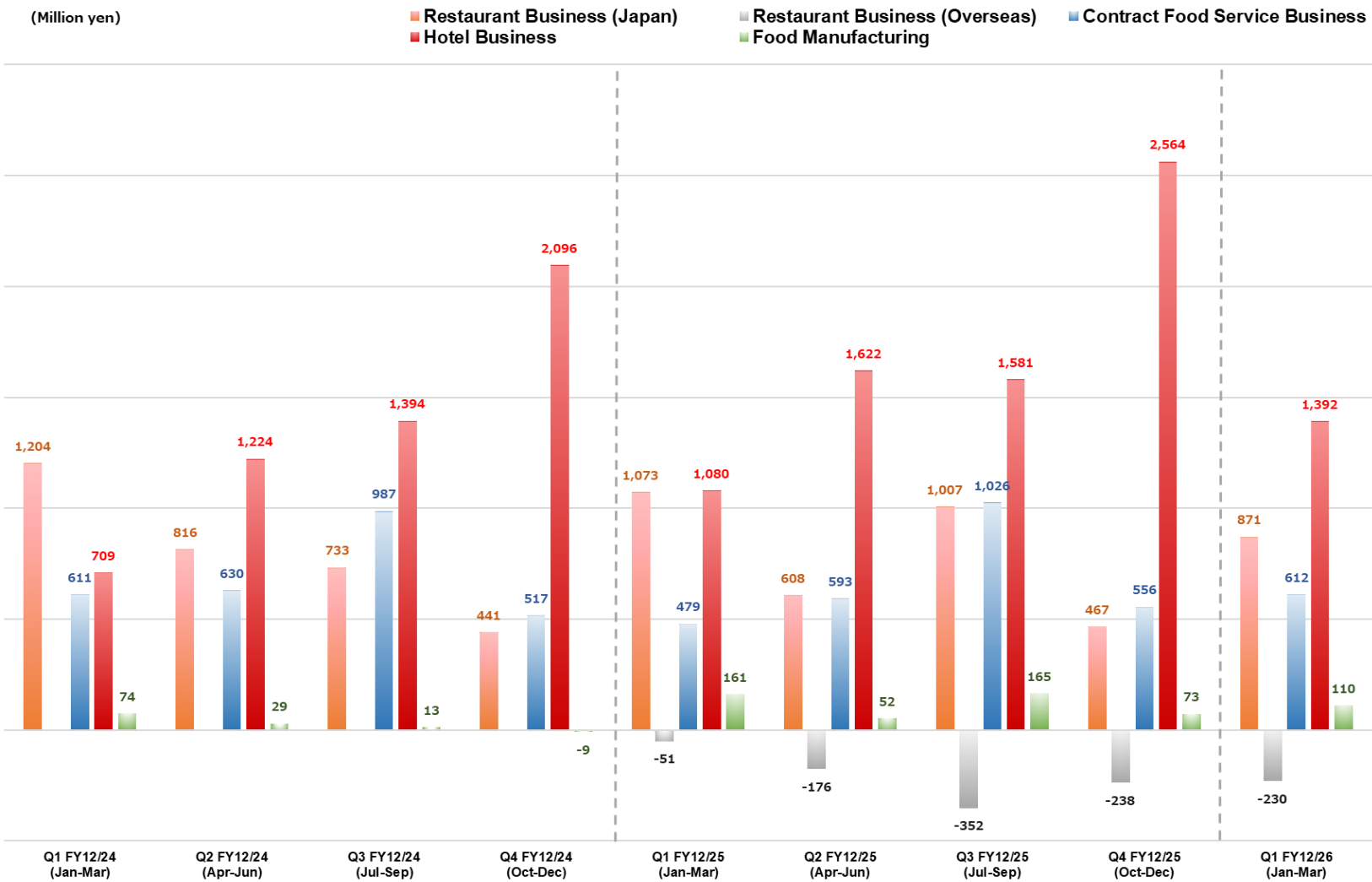
	FY12/25 Q1		FY12/26 Q1		YoY				FY12/26 Full-year Plan		Vs. Full-year Plan	
	Net sales	Ordinary profit	Net sales	Ordinary profit	Net sales		Ordinary profit		Net sales	Ordinary profit	Net sales	Ordinary profit
					Change	(Pct. Change)	Change	(Pct. Change)				
Restaurant Business	16,082	1,021	16,938	640	+855	+5.3%	-381	-37.3%	72,300	4,000	23.4%	16.0%
(Japan)	(15,935)	(1,138)	(16,720)	(871)	(+785)	+4.9%	(-266)	-23.4%	(70,400)	(4,300)	(23.8%)	(20.3%)
(Overseas)	(147)	(-116)	(217)	(-230)	(+70)	+47.7%	(-114)	(-)	(1,900)	(△300)	(11.4%)	(-)
Contract Food Service	12,314	479	12,222	612	-91	-0.7%	+133	+27.8%	53,000	2,900	23.1%	21.1%
Hotel Business	9,164	1,080	10,135	1,392	+971	+10.6%	+311	+28.9%	43,800	7,100	23.1%	19.6%
Food Manufacturing Business	3,009	161	3,477	110	+467	+15.5%	-51	-31.8%	15,400	200	22.6%	55.0%
Other Business	78	249	86	111	+8	+11.2%	-138	-55.4%	400	900	21.5%	12.3%
Intersegment Elimination	-2,296	-	-2,275	-	+21	-	-	-	-10,100	-	-	-
Company-wide	-	-1,303	-	-1,368	-	-	-65	-	-	-6,300	-	-
Total	38,351	1,690	40,585	1,498	+2,233	+5.8%	-191	-11.3%	174,800	8,800	23.2%	17.0%

*Note 1: Figures for the "(Overseas)" in the Restaurant Business have been included in the aggregation starting from Q1 FY12/25.

*Note 2: Following the consolidation of TABISUL Co., Ltd. as a consolidated subsidiary, its results have been included in the Food Manufacturing Business segment starting from Q4 FY12/25.

II -9. Quarterly Changes in Ordinary Profit by Core Segment

- ✓ During Q1 (January–March), we captured strong tourism demand both in Japan and overseas, resulting in a significant increase in ordinary profit in the Hotel business. Improved profitability at office locations also contributed to YoY profit growth in the Contract Food Service business.
- ✓ The Restaurant business (Japan) recorded lower profit due to rising costs across various categories, while the Restaurant business (Japan) incurred expenses related to new store openings.



II -10. Profit and Loss by Core Business Line

- ✓ Supported by solid tourism demand, “Richmond Hotel,” “Airport Terminals,” and “Expressways” achieved higher sales and profit.
- ✓ Within the Restaurant business, “Royal Host” recorded higher sales but lower profit due to increased SG&A expenses, while “Tenya” achieved higher sales and profit driven by higher customer spending per visit. “Other Restaurants” posted higher sales but lower profit, including expenses related to overseas store openings.

(Million yen)

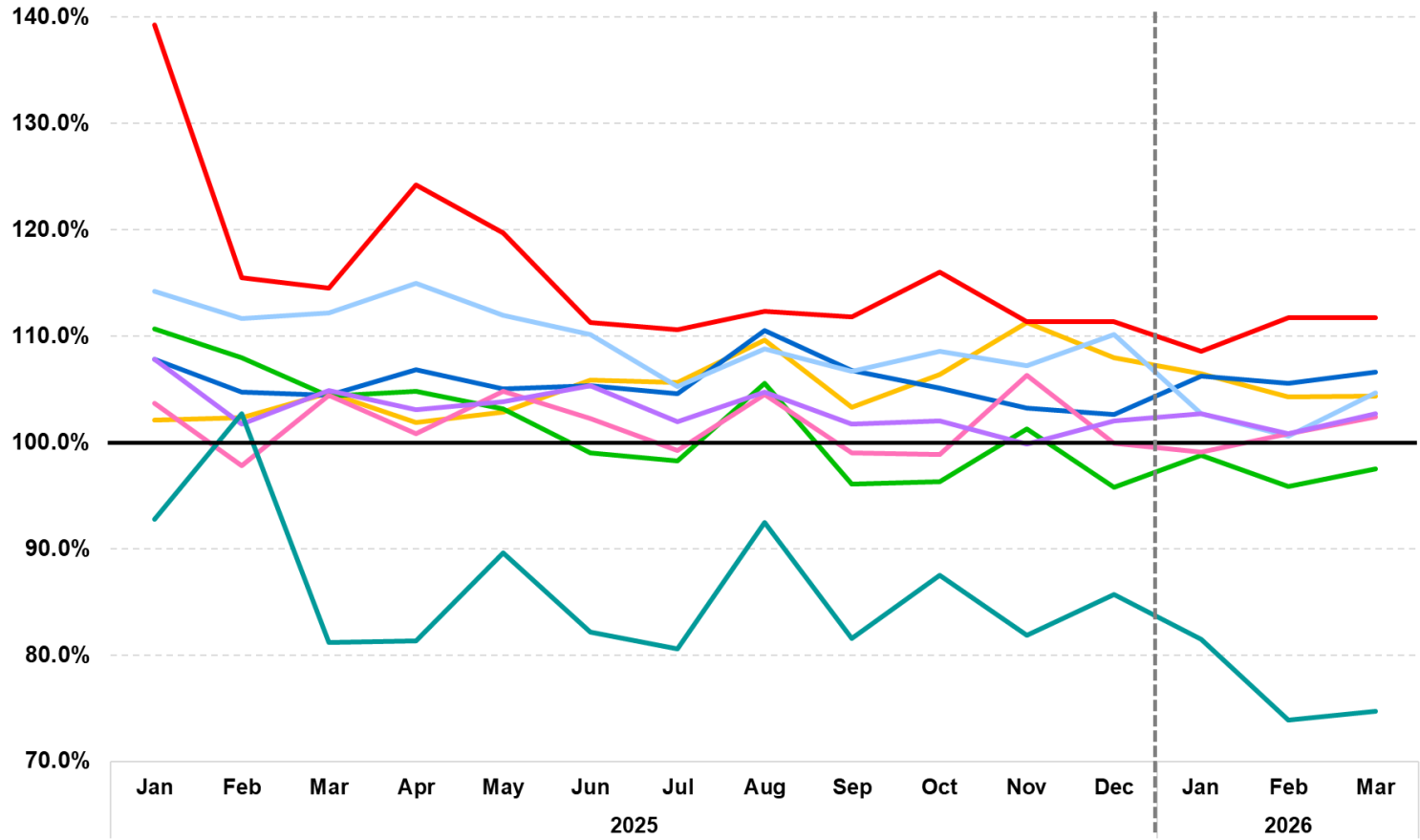
		FY12/25 Q1		FY12/26 Q1		YoY	
		Net sales	Ordinary profit	Net sales	Ordinary profit	Net sales	Ordinary profit
Restaurant Business	Royal Host	10,931	1,082	11,215	773	+284	-308
	Tenya	2,918	174	3,129	184	+211	+10
	Other Restaurants	2,233	-10	2,593	-156	+359	-145
	Restaurant Business Headquarter	0	-223	0	-160	+0	+62
	(Overseas)	(147)	(-116)	(217)	(-230)	+70	-114
	Total	16,082	1,021	16,938	640	+855	-381
Contract Food Service Business	Airport Terminals	2,899	315	3,060	321	+160	+5
	Expressways	5,888	211	6,005	220	+117	+8
	Offices	2,537	67	2,369	141	-167	+73
	Entertainment Facilities	989	111	786	84	-202	-26
	Contract Food Service Business Headquarter	0	-226	0	-154	+0	+71
	Total	12,314	479	12,222	612	-91	+133
Hotel Business	Richmond Hotel	9,164	1,293	10,135	1,600	+971	+307
	Hotel Business Headquarter	0	-212	0	-207	+0	+4
	Total	9,164	1,080	10,135	1,392	+971	+311
Food Manufacturing Business	Factories, Purchasing & Logistics, etc.	3,009	233	3,477	196	+467	-36
	Food Manufacturing Business Headquarter	0	-71	0	-86	+0	-14
	Total	3,009	161	3,477	110	+467	-51

*Note 1: Figures for “Other Restaurants” include net sales and ordinary profit/loss of overseas subsidiaries and equity-method affiliates. Figures for “Richmond Hotel” include ordinary profit/loss of equity-method affiliates.

*Note 2: Following the consolidation of TABISUL Co., Ltd. as a consolidated subsidiary, its results have been included in the Food Business segment starting from Q4 FY12/25.

II -11. YoY Changes in Same-store Sales

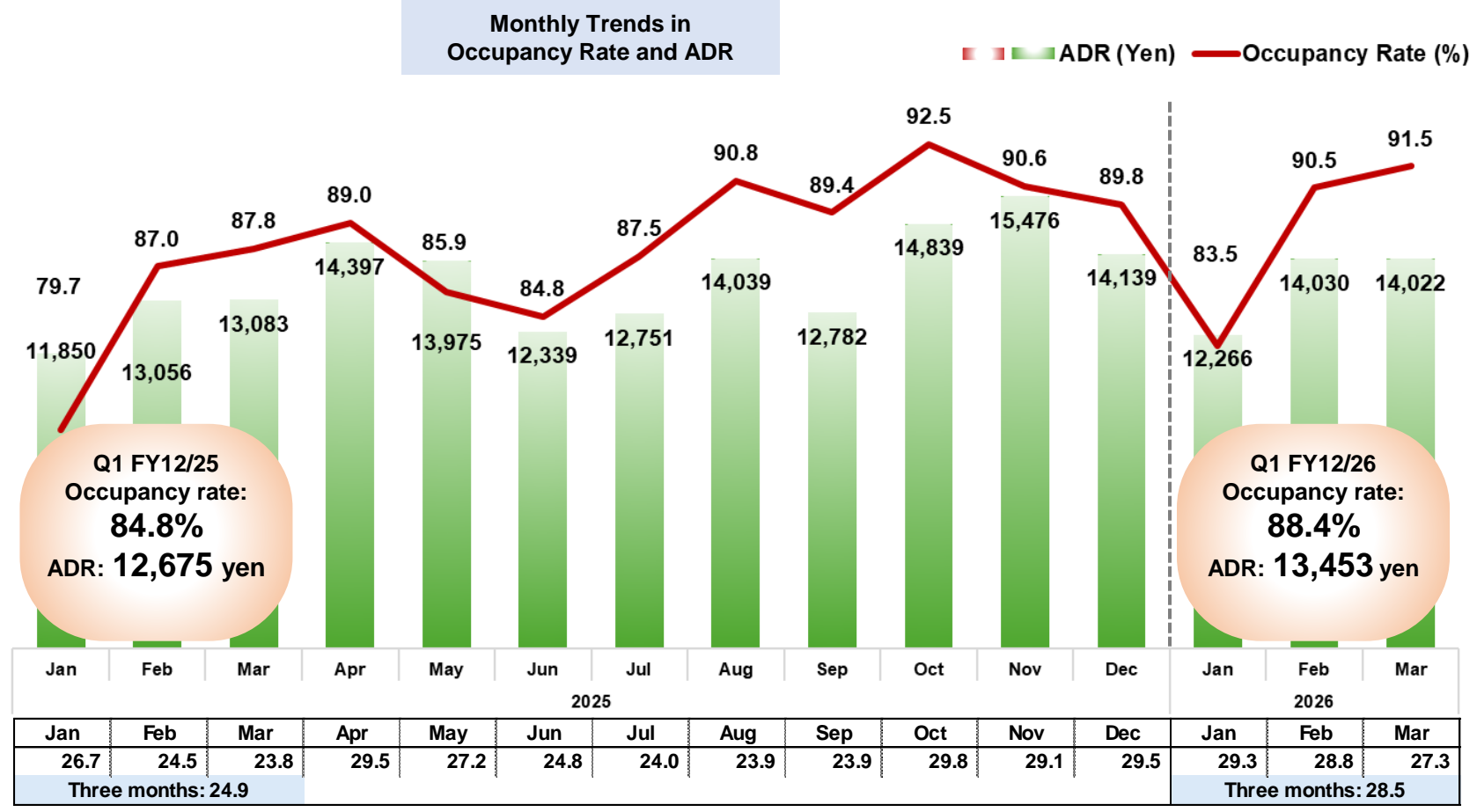
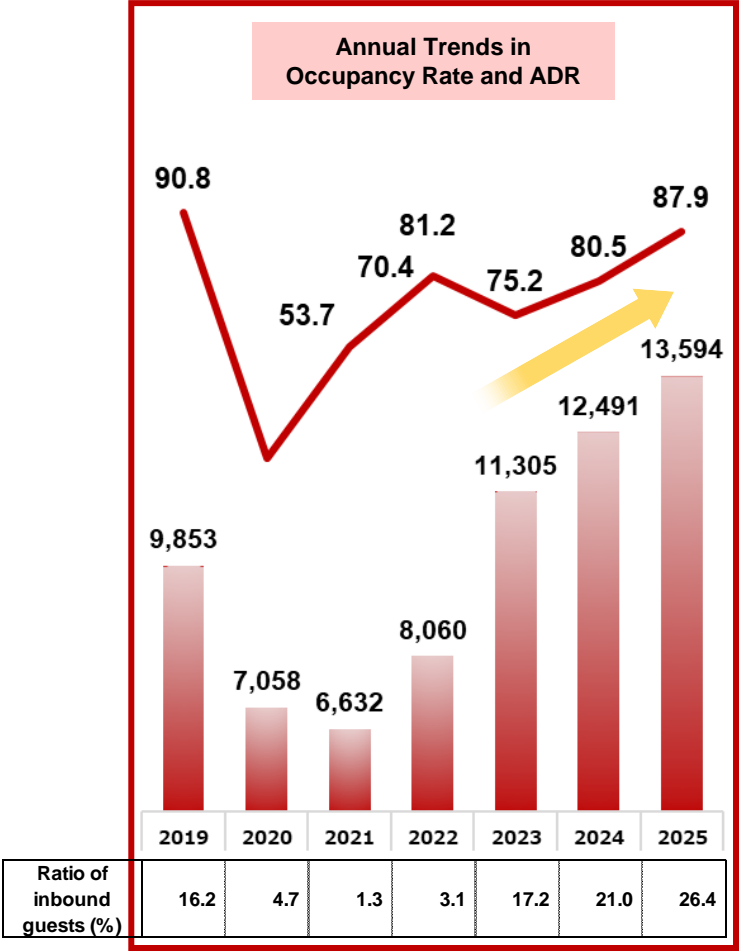
- ✓ Supported by strong tourism demand both in Japan and overseas, “Richmond Hotel” and “Airport Terminals” continued to perform well.
- ✓ “Tenya” exceeded the previous year’s level for 61 consecutive months (since March 2021), while “Royal Host” exceeded the previous year’s level for 20 consecutive months (since August 2024).
- ✓ Operations at “Entertainment Facilities” remained weak due to a decline in group travelers from China.



	Jan	Feb	Mar
Richmond Hotel	108.6%	111.8%	111.7%
Tenya	106.2%	105.6%	106.6%
Airport terminals	102.7%	100.6%	104.7%
Royal Host	106.5%	104.3%	104.4%
Offices	102.7%	100.8%	102.7%
Expressways	99.1%	100.9%	102.4%
Other restaurants	98.8%	95.9%	97.5%
Entertainment facilities	81.5%	73.8%	74.7%

II -12. Occupancy Rate and ADR of Directly Operated Hotels

- ✓ During Q1, the occupancy rate across all directly operated hotels was 88.4%, while the average daily room rate (ADR) was 13,453 yen. Supported by a higher ratio of inbound guests, occupancy improved by 3.6 percentage points and ADR increased by 778 yen compared with the previous period.
- ✓ Although the impact of continued restraint in travel from China to Japan persisted, its effect remained limited, while demand from other countries and regions stayed solid.



* Directly operated hotels: 43 Richmond Hotel properties and 1 THE BASEMENT HOTEL property.

- The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable. Actual results may differ materially due to various factors.

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Hospitality Restaurant
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Shakey's

 *Royal Garden Cafe*



 Mrs. Elizabeth Muffin



THE **B**ASEMENT



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