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June 13, 2025

Consolidated Financial Results for the Six Months Ended April 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 9279
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 Scheduled date to file semi-annual securities report: June 13, 2025
 Scheduled date to commence dividend payments: July 18, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended April 30, 2025 (from November 1, 2024 to April 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2025	17,195	26.9	1,547	0.1	1,543	(3.2)	1,032	(2.1)
April 30, 2024	13,552	26.3	1,545	51.3	1,594	51.6	1,054	45.2

Note: Comprehensive income Six months ended April 30, 2025: ¥1,144 million [5.1%]
 Six months ended April 30, 2024: ¥1,089 million [55.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
April 30, 2025	51.68	51.61
April 30, 2024	52.85	52.76

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
April 30, 2025	19,756	9,451	47.6
October 31, 2024	17,099	8,377	49.0

Reference: Equity
 As of April 30, 2025: ¥9,412 million
 As of October 31, 2024: ¥8,372 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 October 31, 2024	–	9.00	–	9.00	18.00
Fiscal year ending October 31, 2025	–	11.00			
Fiscal year ending October 31, 2025 (Forecast)			–	11.00	22.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending October 31, 2025	36,000	26.4	3,600	23.7	3,620	21.8	2,200	17.3	110.18

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 4 companies (GIFT USA FRANCHISE INC., Machida Shoten Philippines Inc., Ramen Master Switzerland AG, Gift Toronto Inc.)

Excluded: 1 company (Ramen TENKA K.K.)

- (2) Adoption of accounting treatment specific to the preparation of interim consolidated financial statements: Yes

Note: For details, please refer to “2. Interim consolidated financial statements and significant notes thereto, (4) Notes to interim consolidated financial statements, Notes on accounting treatment specific to the preparation of interim consolidated financial statements” on page 13 of the attached material.

- (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 April 30, 2025	19,995,431 shares
As of October 31, 2024	19,965,684 shares

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

As of April 30, 2025	850 shares
As of October 31, 2024	784 shares

- (iii) Average number of shares outstanding during the period

Six months ended April 30, 2025	19,977,047 shares
Six months ended April 30, 2024	19,949,449 shares

* Interim financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual results, etc. may differ substantially from these forecasts due to various factors. Please refer to “1. Overview of operating results, etc., (3) Explanation of consolidated earnings forecasts and other forward looking statements” on page 6 of the attached material for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts, etc.

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1. Overview of operating results, etc.

(1) Overview of operating results during the period

During the six months ended April 30, 2025, the Japanese economy continued to move forward under highly uncertain conditions. In the foreign exchange market, the yen remained weak and is still at an historically low level. Under this environment, import prices remained at high levels, and inflationary pressures have not subsided, giving rise to inflation. The Bank of Japan, citing reasons such as characterizing the current inflationary situation as temporary price increases centered on imported goods and the absence of a virtuous cycle being formed between wages and prices, decided at its Monetary Policy Meeting on April 30, 2025 to maintain the policy interest rate of 0.5% revised in January of this year, among other measures, currently struggling to steer monetary policy.

While the domestic economy has maintained a gradual recovery trend, supported by steady employment conditions and a recovery in companies' appetite to make capital investments, despite ongoing price increases, the pace of economic recovery has slowed due to sluggish consumer spending and a slowdown in external demand. In particular, the sharp rise in grocery and energy prices has significantly reduced real incomes, placing a heavy burden on household finances and leading to a cooling of consumer sentiment. Relative to this, while the 2025 spring wage negotiations are expected to see a higher level of wage increases than those in the 2024 spring wage negotiations, constraints on disposable income persist, as last year's wage increases did not result in a rise in real wages that exceeded the inflation rate.

The Cabinet Office announced that the preliminary gross domestic product (GDP) figure (seasonally adjusted real GDP) for the January-March period of 2025 showed a 0.2% decrease from the previous quarter (0.7% decrease on an annualized basis), marking the first negative growth in four quarters. The main factors include a decline in external demand (negative contribution from net exports) and sluggish consumer spending. In particular, shipments in key export sectors such as automobiles and electronic components have notably declined, resulting in a 0.6% decrease in exports compared to the previous quarter. On the other hand, companies' capital investment has remained steady, with advanced equipment investment in semiconductors and AI-related serving as a support, leading to a 1.4% increase compared to the previous quarter. Public works investment also remained positive, but its effect on boosting overall GDP was limited.

Against this backdrop, the number of foreign visitors to Japan reached a record high, and inbound-related consumption showed strong growth. According to the Japan National Tourism Organization (JNTO), the total cumulative number of foreign visitors to Japan in the January-March period of this year exceeded 10.5 million, representing a 23.1% increase compared to the same period last year (an increase of 30.8% compared to the January-March period of 2019, before the COVID-19 pandemic). The depreciation of the yen made Japanese prices less expensive for foreign visitors, leading to increased spending on travel, accommodation, and other expenses. This strong inbound consumption also contributed to the support in GDP. If the current weak yen environment continues and leads to a further increase in the number of foreign visitors to Japan as well as higher unit prices for travel and longer stays, a further increase in inbound consumption is expected. This expected increase is also because the number of Chinese visitors to Japan, who accounted for more than 30% of all foreign visitors to Japan in 2019, has recovered to 90% of pre-COVID levels.

Meanwhile, looking at the global economy, with the inauguration of the second Trump administration in the U.S. in January of this year, protectionist trade policies have been reinstated, and in addition to stronger tariffs on China, there are also indications of higher tariffs on Japanese cars, leading to growing uncertainty about the future of international trade. Furthermore, with regard to the situation in the Middle East and the war in Ukraine, the Trump administration has presented a peace plan since taking office and has sought a political solution to the situation, but a resolution has yet to be reached, and the prolongation of these conflicts is causing instability in global resource prices.

Amid this situation, in the U.S., the preliminary GDP for the January-March period of 2025 announced by the U.S. Department of Commerce showed a 0.3% decrease from the previous quarter on an annualized basis, marking the first negative growth in 12 quarters after a 2.4% increase in the previous quarter. The main reason for this was a significant slowdown in personal consumption, which accounts for nearly 70% of GDP, due to uncertainty over the future of trade policies such as additional tariffs being implemented by the Trump administration (slowed from a 4.0% increase in the previous quarter

to a 1.8% increase in the current quarter). The Federal Reserve Board (FRB), the central bank of the U.S., cited the uncertainty surrounding the impact of the Trump administration's trade policies on the economy and inflation rates as the reason for maintaining the federal funds (FF) rate target range at 4.25% to 4.50% at the Federal Open Market Committee (FOMC) meeting held in May 2025, marking the third consecutive meeting where the rate was kept unchanged.

In China, the preliminary GDP for the January-March period of 2025 announced by the National Bureau of Statistics of China showed 5.4% year-on-year increase, maintaining the government's target of 5.0% increase. However, lack of strength in personal consumption and prolonged adjustments in the real estate market continue to weigh on the economy. Even amid concerns about trade friction with the U.S. over the tariff policies being pursued by the Trump administration, the Chinese government remains cautious about large-scale fiscal spending on the domestic economy, and is seeking to shift to a path of sustainable growth through measures to stimulate domestic demand and structural reforms.

The restaurant industry in Japan continues to face cost pressures due to rising prices, with high procurement prices and rising logistics and labor costs putting pressure on profits. In particular, the sharp increase in prices of agricultural produce (rice, cabbage, etc.) from the end of 2024 to the beginning of 2025 has made the decision of whether to pass on price increases for main ingredients a key focus of management decision making. In addition, with the rapid increase in inbound demand, the number of visitors to tourist destinations and urban stores is on the rise, and average customer spending is also increasing. On the other hand, in regional stores and suburban locations, consumers are highly sensitive to price increases, making it difficult to set prices. In addition, labor shortages are becoming increasingly more severe in the labor market, and regional increases in the minimum wage are also affecting cost structures due to rising labor costs, particularly for part-time workers. As such, the restaurant industry is being called upon to absorb these costs through efforts to maintain customer traffic and improve operational efficiency, while also implementing price revisions.

In order to respond flexibly to these changes in the external environment, the Group has been actively addressing various important management issues facing restaurant industry companies and has been working vigorously to resolve them, such as maintaining profit structures through flexible price revisions, strengthening Supply Chain Management (SCM) systems with the aim of improving the freshness of products offered and reducing logistics costs, actively opening new stores, and securing the appropriate number of staff to support these new stores. In particular, with regard to the price revisions that have been implemented in the past, the Group has strategically implemented a careful and gradual response, which has enabled it to minimize the negative impact on the number of customers, and existing stores sales at company-owned domestic stores achieved 105% or more growth compared to the same period last year, and leveraging the effect of opening new stores, it has been able to achieve 130% for all store sales at company-owned stores, reflecting steady profit growth. As a result, even amid rising external cost pressures such as rising prices of cabbage and rice and rising labor costs, we have been able to maintain a sufficient profit structure similar to the previous period, excluding one-off expenses. The Group will continue to develop pricing strategies for the products it offers going forward, always remaining mindful of customer satisfaction levels. In addition, the Group is will not stop at the "Machida Shoten" (EAK ramen brand), "BUTAYAMA" (wild pork mountain ramen brand) and "GANSO ABURADO" (soupless ramen brand) businesses, which became the three business pillars through the pandemic, but will constantly develop the next formats and brands, while expanding its business by vigorously seeking new store locations in various genres, including those near train stations, on roadsides, and in shopping complexes.

In addition, from the comprehensive viewpoint, including business efficiency and Business Continuity Planning (BCP), we have been strategically reviewing our production system, including production location and items produced, for the supply system for the Group's Company-owned stores and produced stores over the past several years. In the six months ended April 30, 2025, in addition to six domestic factories where we established production systems in the previous quarter, we started up the Kamisu soup factory in April of this year. There is a seven-factory system in Japan, including four noodle factories, one chasiu factory, and two soup factories, and the Group intends to continue efforts such as aggressively increasing production sites and production items. Furthermore, the Group has been making significant improvements in efficiency, cost and lead time in logistics from a strategic Supply Chain Management (SCM) perspective. Thanks to our ceaseless efforts to optimize coordination of the distribution centers deployed so far in the Kanto, Chukyo and Kansai, and

Kitakanto and Tohoku regions with the aforementioned production system, we have been able to establish an efficient logistics support system for Company-owned and produced stores. Meanwhile, continuing from the previous fiscal year, during the six months ended April 30, 2025, we have made progress in the gradual switch to induction heaters at stores with the aim of stabilizing the quality of products offered, and continued actively renovating stores to improve store operations and customer comfort.

Our various brands with stores, despite the significant increase in the number of stores, have managed to maintain the sales and customer numbers of existing stores from the previous fiscal year. However, the biggest challenge is whether we can promptly secure an adequate number of staff from the labor market to achieve both the acceleration of new store openings and the maintenance of store quality. To address this issue, we have established our head office in Shibuya to secure human resources in a timely and appropriate manner.

As described above, the Group, which has been working on strengthening its capabilities as a Group in its production and distribution systems and head office structure without focusing solely on its new store opening strategy for Company-owned stores and produced stores, has been able to secure employment for its employees, aggressively open new stores, and conduct other business activities that set it apart from other food service providers. As a result, the Group has secured robust results. During the six months ended April 30, 2025, the Group has been able to expand sales by increasing the number of both Company-owned and produced stores in Japan.

As a result of the above, net sales was ¥17,195,166 thousand (up 26.9% year-on-year), operating profit was ¥1,547,387 thousand (up 0.1% year-on-year), ordinary profit was ¥1,543,816 thousand (down 3.2% year-on-year), while profit attributable to owners of parent reached ¥1,032,506 thousand (down 2.1% year-on-year).

Since the Group has a single-segment business, the business overview by segment for the six months ended April 30, 2025 is presented by business division as follows.

Company-owned store business division

In the Company-owned domestic store business division, the Group continued to aggressively open new stores throughout the six months ended April 30, 2025, and we opened 20 new Company-owned stores. During the period, we achieved a good balance in store openings, with 11 new Company-owned stores for our main brand “Machida Shoten” (EAK ramen brand), two stores for “BUTAYAMA” (wild pork mountain ramen brand), five stores for “GANSO ABURADO” (soupless ramen brand), and two stores for another brand.

During the six months ended April 30, 2025, we opened nine roadside stores and two stores near a train station for the “Machida Shoten” brand. This brings our roadside store openings to seven stores in the Kanto region (two in Kanagawa Prefecture, two in Chiba Prefecture, one in Saitama Prefecture, one in Tochigi Prefecture, and one in Gunma Prefecture), one store in the Chubu region (one in Aichi Prefecture), and one store in the Tohoku region (one in Iwate Prefecture). Also, for the two stores opened in areas near a train station, one new store opening was at Motosumiyoshi Station on the Toyoko Line, where the Company has been expanding its presence, and the second store opening was in front of Sendai Station.

For our wild pork mountain ramen brand “BUTAYAMA,” our second brand after “Machida Shoten,” the Group opened two roadside stores in Musashimurayama-shi, Tokyo and Sendai-shi, Miyagi Prefecture during the six months ended April 30, 2025. We started opening new “BUTAYAMA” roadside stores in 2023, and as a full-fledged wild pork mountain ramen brand from roadside stores complete with parking lots, all of the stores have been evaluated favorably to a certain degree, indicating that we have uncovered new customer needs.

Furthermore, during the six months ended April 30, 2025, we opened five stores for our soupless ramen brand “GANSO ABURADO,” which has established its position as the Group’s third brand. The locations for the store openings include the third store at the Yokohama Station, Yokohama Tsuruyacho Store, as well as in the areas near Odawara Station and Mizonokuchi Station, inside Tama-Center Station, and in the area near Sendai Station, which is the first store in the Tohoku Region. Compared to the brands that the Company has developed to date, it is easier to make adjustments for “GANSO

ABURADO” when opening new stores, and this brand has sufficient competitiveness for in-building stores. Therefore, it has become a strong brand for aggressively opening new stores in the 23 wards of Tokyo and other Tokyo metropolitan areas. Now the Company is also looking at store openings in regional cities, starting with the store opening in Sendai Station.

In addition, the Group, led by the product development division, has been actively working on various themes for the development of new products and new brands, and is vigorously developing a fourth competitive brand after “Machida Shoten,” “BUTAYAMA,” and “GANSO ABURADO.” During the six months ended April 30, 2025, we opened two stores for another brand.

In the Company-owned foreign store business division, we had previously developed the business only in New York State, U.S. under the “E.A.K. RAMEN” brand. However, we opened “Machida Shoten” as the first store in Shanghai, China, in September 2024, and it maintained steady operations during the six months ended April 30, 2025. Additionally, in the U.S., we opened one new store in New Jersey in February of this year. Since this store is located within a commercial facility, we were able to open stores at three different locations in the U.S., including one roadside store, one food court store at Pennsylvania Station, and one store within a commercial facility. We will continue to measure the effectiveness of these locations as we develop our location strategy.

As a result of the above, the number of the Group’s stores at the end of the six months ended April 30, 2025, totaled 254, including 246 Company-owned stores (242 in Japan and four foreign stores) and eight outsourced stores. Net sales of the Company-owned store business division totaled ¥14,726,216 thousand.

Produced store business division

In the domestic produced store business division, we continued to open new stores in areas where we have already opened stores, making detailed adjustments between produced stores and Company-owned stores in accordance with rules for opening stores based on estimates of potential demand in the trade area. Existing produced stores each continued to achieve strong results in the six months ended April 30, 2025. This is the result of the detailed support rooted in our successful expertise involving the Group’s Company-owned stores that we have provided. There has also been an increase in the number of situations where owners of existing produced stores are considering expansion using new brands the Group developed. In addition to the existing produced business centering on the EAK ramen brand, we are also offering a franchise business with the “BUTAYAMA” wild pork mountain ramen brand and the “GANSO ABURADO” souplless ramen brand. Thus, in the produced store business division, we have been making various preparations to enhance our business lineup and developed proposals with higher added value.

In the foreign produced store business division, we have been supporting the opening of new stores while confirming existing owners’ willingness to open new stores. We have rolled out full-scale operation of the franchise business with the “Machida Shoten” store name, and there has been high demand for opening new “Machida Shoten” stores in Southeast Asia in particular. The Group has therefore been promoting strategic store opening negotiations with franchisees in this region. As a result, we have opened one store in Thailand, four stores in Vietnam, one store in Cambodia, two stores in Philippines, one store in Hong Kong, one store in South Korea and one store in Mongolia to date. We have also newly opened one “GANSO ABURADO” store in South Korea. Thus, since the franchise business has made such a successful start in Southeast Asia and franchise agreements are also being concluded with franchisees in various countries, we will continue to proactively conduct sales activities related to the franchise business, focusing on the “Machida Shoten” brand in regions including North America and Asia.

As a result, the number of the Group’s produced stores increased by a net of 21 during the six months ended April 30, 2025, resulting in a total of 595 stores (558 produced stores in Japan and 13 foreign stores, and 12 franchise stores in Japan and 12 foreign stores). Net sales of the produced store business division totaled ¥2,468,949 thousand.

(2) Overview of financial position during the periodAssets

Total assets as of April 30, 2025 increased by ¥2,656,986 thousand from the end of the previous fiscal year to ¥19,756,661 thousand. This was mainly due to a ¥1,977,154 thousand increase in property, plant and equipment, including buildings and structures, and a ¥90,040 thousand increase in leasehold and guarantee deposits.

Liabilities

Liabilities as of April 30, 2025 increased by ¥1,582,557 thousand from the end of the previous fiscal year to ¥10,304,680 thousand. This was mainly due to an ¥85,138 thousand increase in income taxes payable and a ¥1,438,685 thousand increase in long-term borrowings (including current portion).

Net assets

Net assets as of April 30, 2025 increased by ¥1,074,428 thousand from the end of the previous fiscal year to ¥9,451,980 thousand, resulting in an equity-to-asset ratio of 47.6%. This was mainly due to a decrease in retained earnings of ¥179,807 thousand as a result of dividend payments, and an increase in retained earnings due to the posting of ¥1,032,506 thousand in profit attributable to owners of parent.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

There is no change in the full-year consolidated earnings forecasts in the “Summary of Consolidated Financial Results for the Year Ended October 31, 2024,” announced December 13, 2024.

2. Interim consolidated financial statements and significant notes thereto

(1) Interim consolidated balance sheet

(Thousands of yen)

	As of October 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	2,442,672	2,746,820
Accounts receivable - trade	714,498	852,430
Merchandise and finished goods	440,845	508,346
Work in process	6,394	7,866
Raw materials and supplies	115,867	153,152
Other	648,146	574,389
Total current assets	4,368,424	4,843,005
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,170,389	10,933,609
Accumulated depreciation	(1,929,015)	(2,219,259)
Buildings and structures, net	7,241,373	8,714,349
Land	141,782	141,782
Other	3,153,607	3,756,133
Accumulated depreciation	(1,086,074)	(1,184,421)
Other, net	2,067,533	2,571,711
Total property, plant and equipment	9,450,690	11,427,844
Intangible assets		
Goodwill	162,210	143,847
Other	74,112	67,864
Total intangible assets	236,323	211,712
Investments and other assets		
Leasehold and guarantee deposits	1,708,938	1,798,979
Other	1,335,298	1,475,120
Total investments and other assets	3,044,237	3,274,099
Total non-current assets	12,731,250	14,913,656
Total assets	17,099,675	19,756,661

(Thousands of yen)

	As of October 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	931,219	1,057,581
Short-term borrowings	14,619	25,934
Current portion of long-term borrowings	1,198,630	1,544,333
Income taxes payable	618,035	532,896
Provision for bonuses	179,827	200,178
Provision for shareholder benefit program	12,958	16,935
Other	2,401,332	2,368,648
Total current liabilities	5,356,621	5,746,507
Non-current liabilities		
Long-term borrowings	2,786,751	3,879,733
Asset retirement obligations	573,289	626,510
Other	5,460	51,929
Total non-current liabilities	3,365,501	4,558,173
Total liabilities	8,722,123	10,304,680
Net assets		
Shareholders' equity		
Share capital	824,550	862,280
Capital surplus	1,052,839	1,090,569
Retained earnings	6,278,082	7,130,904
Treasury shares	(1,062)	(1,305)
Total shareholders' equity	8,154,409	9,082,449
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	105,291
Foreign currency translation adjustment	217,851	224,353
Total accumulated other comprehensive income	217,851	329,645
Non-controlling interests	5,290	39,885
Total net assets	8,377,551	9,451,980
Total liabilities and net assets	17,099,675	19,756,661

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income**Interim consolidated statement of income**

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Net sales	13,552,736	17,195,166
Cost of sales	4,367,295	5,768,986
Gross profit	9,185,441	11,426,180
Selling, general and administrative expenses	7,639,798	9,878,792
Operating profit	1,545,642	1,547,387
Non-operating income		
Interest income	25,596	13,300
Foreign exchange gains	2,826	–
Subsidy income	297	783
Compensation income	25,963	5,375
Other	1,076	3,901
Total non-operating income	55,759	23,359
Non-operating expenses		
Interest expenses	2,697	15,611
Foreign exchange losses	–	2,537
Other	3,800	8,782
Total non-operating expenses	6,497	26,930
Ordinary profit	1,594,904	1,543,816
Extraordinary income		
Gain on sale of non-current assets	114	2,397
Compensation for damage income	–	47,183
Total extraordinary income	114	49,581
Extraordinary losses		
Loss on sale of non-current assets	–	883
Loss on retirement of non-current assets	44,573	42,939
Loss on store closings	–	31,890
Total extraordinary losses	44,573	75,712
Profit before income taxes	1,550,445	1,517,684
Income taxes	495,083	484,933
Profit	1,055,361	1,032,750
Profit attributable to non-controlling interests	1,057	244
Profit attributable to owners of parent	1,054,304	1,032,506

Interim consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Profit	1,055,361	1,032,750
Other comprehensive income		
Valuation difference on available-for-sale securities	–	105,291
Foreign currency translation adjustment	34,119	6,934
Total other comprehensive income	34,119	112,226
Comprehensive income	1,089,481	1,144,976
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,088,355	1,144,299
Comprehensive income attributable to non-controlling interests	1,125	677

(3) Interim consolidated statement of cash flows

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,550,445	1,517,684
Depreciation	373,349	533,210
Amortization of goodwill	18,363	18,363
Increase (decrease) in allowance for doubtful accounts	–	29
Interest and dividend income	(25,596)	(13,300)
Interest expenses	2,697	15,611
Subsidy income	(297)	(783)
Loss (gain) on sale of non-current assets	(114)	(1,514)
Loss on retirement of non-current assets	44,573	42,939
Decrease (increase) in trade receivables	(41,684)	(137,836)
Decrease (increase) in inventories	(71,349)	(106,166)
Increase (decrease) in trade payables	109,017	126,294
Increase (decrease) in provision for bonuses	15,695	20,362
Compensation income	(25,963)	(5,375)
Increase (decrease) in contract liabilities	30,534	14,758
Compensation for damage income	–	(47,183)
Loss on store closings	–	31,890
Other, net	(221,438)	(221,972)
Subtotal	1,758,232	1,787,013
Interest and dividends received	25,596	13,132
Interest paid	(3,015)	(17,148)
Income taxes paid	(351,957)	(596,979)
Proceeds from subsidy income	297	783
Proceeds from compensation	25,963	5,375
Proceeds from compensation for damage	–	47,183
Net cash provided by (used in) operating activities	1,455,115	1,239,359
Cash flows from investing activities		
Payments into time deposits	(376,197)	–
Proceeds from withdrawal of time deposits	380,951	315,879
Purchase of property, plant and equipment	(1,478,989)	(2,191,773)
Proceeds from sale of property, plant and equipment	114	1,583
Loan advances	(10,517)	(26,270)
Payments of leasehold and guarantee deposits	(157,064)	(96,439)
Other, net	49,558	70,126
Net cash provided by (used in) investing activities	(1,592,145)	(1,926,893)

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	105,193	10,968
Proceeds from long-term borrowings	670,000	2,100,000
Repayments of long-term borrowings	(376,946)	(661,315)
Proceeds from share issuance to non-controlling shareholders	–	33,918
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(24,500)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	409	166
Dividends paid	(179,290)	(179,807)
Other, net	(232)	(242)
Net cash provided by (used in) financing activities	194,633	1,303,687
Effect of exchange rate change on cash and cash equivalents	9,280	7,520
Net increase (decrease) in cash and cash equivalents	66,885	623,674
Cash and cash equivalents at beginning of period	1,855,272	2,123,145
Cash and cash equivalents at end of period	1,922,157	2,746,820

(4) Notes to interim consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on segment information

[Segment information]

The Group operates in a single segment of the food and beverage business, so information has been omitted.

Notes on accounting treatment specific to the preparation of interim consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the six months ended April 30, 2025, and multiplying profit before income taxes by the estimated effective tax rate.