

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2026 (FY3/26)
(Three Months Ended June 30, 2025)

[Japanese GAAP]

Company name: OHSHO FOOD SERVICE CORP. Listing: Tokyo Stock Exchange
Stock code: 9936 URL: <https://www.ohsho.co.jp/english/>
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Scheduled date of payment of dividend: –
Preparation of supplementary materials for financial results: None
Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter (April 1, 2025–June 30, 2025) of FY3/26

(1) Consolidated results of operations (Percentages represent 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	%
Three months ended Jun. 30, 2025	29,668	12.3	2,998	22.8	3,113	20.9	2,134	25.4
Three months ended Jun. 30, 2024	26,421	7.3	2,441	1.1	2,576	2.4	1,702	(20.3)

Note: Comprehensive income (millions of yen) Three months ended Jun. 30, 2025: 2,299 (up 41.9%)
Three months ended Jun. 30, 2024: 1,620 (down 30.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2025	39.23	–
Three months ended Jun. 30, 2024	30.15	–

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2025	81,868	60,465	73.9
As of Mar. 31, 2025	96,632	74,238	76.8

Reference: Equity (millions of yen) As of Jun. 30, 2025: 60,465 As of Mar. 31, 2025: 74,238

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	–	75.00	–	28.00	–
Fiscal year ending Mar. 31, 2026	–				
Fiscal year ending Mar. 31, 2026 (forecasts)		28.00	–	28.00	56.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. The dividend at the end of the second quarter of the fiscal year ended March 31, 2025 would have been 25 yen per share and the annual dividend would have been 53 yen per share, on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	59,607	10.6	5,505	4.9	5,606	2.3	3,775	3.6	66.81
Full year	119,731	7.8	11,271	3.4	11,417	0.9	8,085	0.2	143.08

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly added: –

Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2025:	64,858,690 shares	As of Mar. 31, 2025:	69,858,690 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2025:	12,548,629 shares	As of Mar. 31, 2025:	13,348,629 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2025:	54,410,061 shares	Three months ended Jun. 30, 2024:	56,461,731 shares
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Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. The average number of shares outstanding during the period was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

*** Review of the attached quarterly consolidated financial statements by a certified public accountant or an auditing firm: None**

*** Explanation of appropriate use of earnings forecasts, and other special items**

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, Etc., (3) Consolidated Forecasts and Other Forward-looking Statements" on page 5 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations, Etc.

(1) Results of Operations

Summary of consolidated results of operations for the first three months of FY3/26 (April 1, 2025 to June 30, 2025)			
	Amounts (millions of yen)	% to sales	YoY change
Net sales	29,668	100.0%	112.3%
Operating profit	2,998	10.1%	122.8%
Ordinary profit	3,113	10.5%	120.9%
Profit attributable to owners of parent	2,134	7.2%	125.4%
<ul style="list-style-type: none"> - Achieved record-high net sales for 1Q for four consecutive years. (Updating record-high monthly sales for 41 consecutive months.) - Achieved record-high operating profit for 1Q for three consecutive years. 			

During the first three months of the fiscal year ending March 31, 2026 (the “period under review”), the Japanese economy showed a moderate recovery trend, supported by improvements in corporate earnings as well as the employment and income environment. However, downside risks increased due to uncertainties stemming from U.S. trade policies and deteriorating consumer sentiment caused by rising prices, resulting in heightened uncertainty over the economic outlook.

In the restaurant industry, supported by the strong recovery in inbound tourism, demand for dining out remained at a high level. On the other hand, various cost increases such as soaring raw material prices including rice, rising labor costs due to a worsening labor shortage, and higher expenses for store interiors and construction put downward pressure on earnings, making the business environment increasingly challenging.

Under such circumstances, the Group proactively invested in human capital as well as in store and factory facilities to fulfill our social mission to provide “comfortable dining space,” “heartwarming hospitality,” and “delicious foods” to our customers. In addition, the Group focused on further improvement of the quality, service, and cleanliness (QSC) standards, and continued to implement effective sales promotion measures.

As a result, the Group has continued to achieve record-high monthly sales for 41 consecutive months. Net sales for the first quarter reached a record high for the fourth consecutive year, and operating profit also hit a record high for the third consecutive year.

The following is an overview of our initiatives and achievements during the period under review.

1) Steady improvement in QSC

Under the slogan, “Professional skills, professional taste, and professional pride. The power of delicious meals will change the future,” the entire Group has worked together to further improve QSC.

Specifically, the Group has made steady efforts to enhance cooking techniques and methods through the continued implementation of in-house and online training programs, cooking knowledge seminars, and cooking skill certification tests organized by the Ohsho Academy. Furthermore, following the improvement of our gyoza implemented last year, we renewed our noodles under the theme “More Delicious Gyoza no Ohsho, Challenge 2025.” By reviewing the egg mixture used in the noodles and achieving a perfect balance in noodle thickness and kneading of the flour, we enhanced both the chewiness and richness of the noodles, allowing customers to better enjoy the flavor of Hokkaido-produced wheat. Furthermore, we developed a new thick flat noodle that blends well with ramen soup and offers a satisfying texture and presence that stands up to the other ingredients, thereby further refining our existing menu offerings.

In addition, we conducted a customer service training program aimed at helping our employees learn to provide hospitable customer service that only humans can provide, while also working to develop service trainers who can roll out these practices across all locations. Finally, by thoroughly implementing the cleaning manual, we ensured rigorous hygiene management. In parallel, we actively renovated stores to establish a safe, secure, and comfortable dining environment. Going forward, the entire Group will continue to make company-wide efforts to further enhance QSC.

2) Effective sales promotion measures

We continued to run our draft beer campaign and also launched the “Gyoza Club customer appreciation campaign for 2025.” As part of this campaign, we newly introduced a Platinum membership card that offers a 10% discount on the post-tax bill, which contributed to the acquisition of a record number of 1.32 million Gyoza Club members. In addition, starting on June 27, we launched the “Gyoza Club customer appreciation campaign for 2026,” featuring a new lineup of original goods such as an insulated soup jar with the same design as last year’s popular thermos bottle decorated with Ohsho jargon, and new items illustrated with our popular menu offerings.

Furthermore, to express our sincere gratitude to customers for their continued support of Gyoza no Ohsho, we promoted various initiatives aimed at deepening fan engagement through delicious meals. These included the “Great Appreciation Festival,” where we distributed discount coupon of 250 yen, as well as the launch of a new TV commercial under the concept “The Power of Delicious Meals Enriches Life.”

3) Expansion of investment

a. Investment in human capital

We, as a company where people create value, have regarded development of human resources as an important key and therefore provide all employees with a wide variety of learning opportunities for various training programs, including the above-mentioned programs and e-learning programs.

The Company implemented a pay raise of an average of 30,139 yen per employee (an 8.2% wage increase) in the revision of monthly salaries for FY3/26, exceeding the demand from the labor union. This marked the third consecutive year of both base pay raises and regular salary increases, bringing the total wage increase over the past three years to approximately 29%. In order to proactively secure future talent, the Company increased the starting salary for new university graduates by 21,500 yen to 300,000 yen, along with ongoing wage increases. Furthermore, to reward all employees who contributed to the Company’s strong performance, we decided to provide a summer bonus in 2025 at 100% of the standard bonus table plus an extra 10%, exceeding the demand from the labor union.

b. Investment in equipment

To ensure thorough food safety and security, the Company introduced state-of-the-art foreign object sorting machines at its main factories, Kumiyama and Higashimatsuyama. These machines automatically detect and remove foreign objects. In addition, the gyoza production line at our Kyushu Factory was renewed with the same state-of-the-art equipment as used at the Kumiyama Factory. This renewal enabled improvement of gyoza quality and production capability, reduction of material losses, and labor saving.

With regard to new store openings, the Company plans to actively expand into the Tokyo metropolitan area, and has already reviewed approximately 300 potential locations.

During the period under review, the Company opened a new store, Kameido, in May 2025. This store represents a new opening at one of the potential locations reviewed as mentioned above.

Kameido store is an in-building location situated along the Kameido Jusan-Gendori Shopping Street, within a three-minute walk from JR Sobu Line Kameido Station. The site is expected to attract a wide range of customers, including station and shopping street users as well as nearby residents, both during the day and at night. Since its opening, the store has attracted more customers than expected and has been recording strong sales.

c. Investment in digital transformation

We started optimizing IT infrastructure such as renewal of host systems and review of core systems as investments for promotion of digital transformation. Following the full rollout of the *Take-out Mobile Order* system to all directly operated stores last year, we have begun sequentially introducing it to franchise stores while also enhancing user convenience by linking the system with our official smartphone app to enable Gyoza Club member discounts at the time of pre-payment. We will continue to develop highly convenient services for our customers by utilizing our smartphone apps and other digital tools, while also actively investing in digital transformation initiatives that contribute to improving productivity.

The Company newly established the IT Advisory Council as an advisory body to the Board of Directors. This council includes external experts with specialized knowledge and experience in IT who are capable of providing objective evaluation and insight, and is designed to help create an environment for optimizing system investments and promoting innovation within the Company.

4) Sustainability promotion

Because of the pandemic that lasted for a long time and rising prices, living circumstances around children remain ever challenging. In view of the matter, the Company supplies “Bento for Kids” (featured with Gyoza and fried chicken) free of charge to “Kodomo Shokudo” or Children’s Cafeteria and other similar organizations all over Japan during the school spring, summer, and winter breaks, which is an ongoing initiative from the summer break of 2021. During the school spring break of this year, marking the twelfth time, approximately 110,000 meal boxes were supplied by 480 stores across Japan, and the cumulative number of meals we offered to children so far reached as many as 960,000. The number of participating organizations including “Kodomo Shokudo” increased from 377 in the beginning to about 1,300. In areas where there are few Ohsho stores, this is also an opportunity for children to learn about our Gyoza for the first time.

In April 2025, we also dispatched a newly introduced kitchen truck to Notojima Island in Nanao City, Ishikawa Prefecture, to serve freshly prepared vegetable stew ramen and gyoza to children affected by the disaster. Leveraging the mobility of the kitchen truck, we will continue our efforts to deliver delicious meals to a wider range of people, including those who have difficulty accessing our stores.

For climate change issues, we have undertaken initiatives such as upgrading equipment to help reduce GHG emissions, in compliance with the recommendations of the TCFD, an international organization that aims to disclose information on climate change. We are also calculating CO₂ emissions from our business activities (Scopes 1 and 2) as well as from our supply chain (Scope 3) in FY2024.

By executing sustainability-focused management and pursuing our management philosophy “Creating stores praised by our customers,” we aim to help create a sustainable society, let alone enhance our corporate value.

As a result, we achieved record-high monthly sales for 41 consecutive months since February 2022. Net sales for the period under review increased by 3,246 million yen, or 12.3% year-on-year, to a record high of 29,668 million yen.

Operating profit increased by 557 million yen, or 22.8% year-on-year, to a record high of 2,998 million yen. This was due to an increase in sales, in spite of soaring raw material prices and rising labor costs.

Ordinary profit increased by 537 million yen or 20.9% year-on-year to 3,113 million yen.

Profit attributable to owners of parent increased by 432 million yen or 25.4% year-on-year.

Regarding the store network during the period under review, we opened one directly operated store, and closed one directly operated store and four franchised stores. The result was a total network of 551 directly operated stores and 173 franchised stores, totaling 724 stores at the end of the period under review.

(2) Financial Position

In May 2025, the Company acquired 4,200 thousand treasury shares for 14,490 million yen and canceled 5,000 thousand treasury shares, in order to further enhance shareholder returns and improve capital efficiency. As a result, cash and deposits as well as retained earnings were reduced, leading to a significant decrease in total assets and net assets compared to the end of the previous fiscal year.

Assets

The balance of total assets at the end of the period under review was 81,868 million yen, down 14,764 million yen or 15.3% from the end of the previous fiscal year. The main factors for the change are as follows.

Current assets decreased by 15,035 million yen or 34.9% from the end of the previous fiscal year to 28,056 million yen. This was mainly due to a decrease in cash and deposits.

Non-current assets increased by 271 million yen or 0.5% from the end of the previous fiscal year to 53,811 million yen. This was mainly due to an increase in investment securities as a result of higher market value.

Liabilities

The balance of total liabilities at the end of the period under review was 21,402 million yen, down 991 million yen or 4.4% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities decreased by 491 million yen or 3.1% to 15,520 million yen from the end of the previous fiscal year.

The main reason was a decrease in income taxes payable.

Non-current liabilities decreased by 500 million yen or 7.8% to 5,882 million yen. The main reason was a decrease in long-term borrowings. The balance of borrowings at the end of the period under review was 4,500 million yen.

Net assets

The balance of net assets at the end of the period under review was 60,465 million yen, down 13,772 million yen or 18.6% from the end of the previous fiscal year. The primary factor for the decrease was the acquisition of treasury shares amounting to 14,490 million yen. As a result, the equity ratio decreased from 76.8% at the end of the previous fiscal year to 73.9%.

Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the period under review amounted to 23,237 million yen, down 14,882 million yen from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities increased by 1,051 million yen or 54.2% year-on-year to 2,989 million yen. This was mainly due to an increase in profit before income taxes.

The main factors include profit before income taxes of 3,199 million yen and depreciation of 768 million yen, which were partially offset by income taxes paid of 1,707 million yen.

Cash flows from investing activities

Net cash used in investing activities increased by 117 million yen or 10.1% year-on-year to 1,286 million yen. This was mainly due to an increase in purchase of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 1,218 million yen.

Cash flows from financing activities

Net cash used in financing activities increased by 14,660 million yen or 766.9% year-on-year to 16,572 million yen. This was mainly due to an increase in expenditures for the acquisition of treasury shares.

The main factors include repayments of long-term borrowings of 500 million yen, expenditures for the acquisition of treasury shares of 14,490 million yen, and dividends paid of 1,582 million yen.

(3) Consolidated Forecasts and Other Forward-looking Statements

We maintain the first-half and full-year consolidated forecasts of the fiscal year ending March 31, 2026 released in “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025” dated May 15, 2025.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheets**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Assets		
Current assets		
Cash and deposits	38,120	23,237
Accounts receivable-trade	3,508	2,983
Merchandise and finished goods	152	164
Raw materials	519	608
Other	794	1,066
Allowance for doubtful accounts	(2)	(4)
Total current assets	43,092	28,056
Non-current assets		
Property, plant and equipment		
Buildings and structures	62,530	62,894
Accumulated depreciation	(47,135)	(47,490)
Buildings and structures, net	15,394	15,403
Machinery, equipment and vehicles	7,282	7,340
Accumulated depreciation	(5,512)	(5,587)
Machinery, equipment and vehicles, net	1,769	1,752
Tools, furniture and fixtures	8,389	8,574
Accumulated depreciation	(5,933)	(6,095)
Tools, furniture and fixtures, net	2,455	2,478
Land	19,902	19,902
Construction in progress	73	67
Total property, plant and equipment	39,596	39,604
Intangible assets	318	357
Investments and other assets		
Investment securities	4,894	5,239
Guarantee deposits	4,705	4,677
Other	4,040	3,946
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	13,626	13,849
Total non-current assets	53,540	53,811
Total assets	96,632	81,868

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	First quarter of FY3/26 (As of Jun. 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	3,087	3,026
Current portion of long-term borrowings	2,000	2,000
Income taxes payable	2,002	1,177
Provision for bonuses	1,065	558
Other	7,855	8,757
Total current liabilities	16,011	15,520
Non-current liabilities		
Long-term borrowings	3,000	2,500
Asset retirement obligations	2,566	2,571
Other	816	810
Total non-current liabilities	6,383	5,882
Total liabilities	22,394	21,402
Net assets		
Shareholders' equity		
Share capital	8,166	8,166
Capital surplus	9,562	9,026
Retained earnings	66,344	60,295
Treasury shares	(10,556)	(17,910)
Total shareholders' equity	73,516	59,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,817	3,054
Revaluation reserve for land	(2,540)	(2,540)
Foreign currency translation adjustment	7	(6)
Remeasurements of defined benefit plans	437	379
Total accumulated other comprehensive income	721	886
Total net assets	74,238	60,465
Total liabilities and net assets	96,632	81,868

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income**

(Millions of yen)

	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)
Net sales	26,421	29,668
Cost of sales	8,345	9,593
Gross profit	18,076	20,074
Selling, general and administrative expenses	15,635	17,076
Operating profit	2,441	2,998
Non-operating income		
Interest income	0	0
Dividend income	70	86
Franchise chain accession fee	27	26
Rental income from land and buildings	14	13
Miscellaneous income	71	55
Total non-operating income	184	181
Non-operating expenses		
Interest expenses	7	11
Rental expenses	22	32
Miscellaneous losses	18	21
Total non-operating expenses	48	66
Ordinary profit	2,576	3,113
Extraordinary income		
Compensation for eviction	–	120
Total extraordinary income	–	120
Extraordinary losses		
Loss on retirement of non-current assets	21	28
Impairment losses	–	7
Total extraordinary losses	21	35
Profit before income taxes	2,554	3,199
Income taxes-current	826	1,042
Income taxes-deferred	25	22
Total income taxes	852	1,064
Profit	1,702	2,134
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,702	2,134

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)
Profit	1,702	2,134
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	236
Foreign currency translation adjustment	1	(13)
Remeasurements of defined benefit plans, net of tax	(68)	(57)
Total other comprehensive income	(81)	165
Comprehensive income	1,620	2,299
Comprehensive income attributable to:		
Owners of parent	1,620	2,299
Non-controlling interests	–	–

(3) Quarterly Consolidated Statement of Cash Flows

	(Millions of yen)	
	First three months of FY3/25 (Apr. 1, 2024–Jun. 30, 2024)	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	2,554	3,199
Depreciation	729	768
Impairment losses	–	7
Increase (decrease) in allowance for doubtful accounts	(0)	1
Decrease (increase) in retirement benefit asset	(112)	(97)
Interest and dividend income	(71)	(86)
Interest expenses	7	11
Compensation for eviction	–	(120)
Loss on retirement of non-current assets	21	28
Decrease (increase) in trade receivables	356	522
Decrease (increase) in inventories	(169)	(101)
Increase (decrease) in trade payables	149	(60)
Increase (decrease) in accrued consumption taxes	(119)	274
Other, net	167	155
Subtotal	3,515	4,502
Interest and dividends received	71	86
Interest paid	(7)	(12)
Proceed from compensation for eviction	–	120
Income taxes paid	(1,639)	(1,707)
Net cash provided by (used in) operating activities	1,938	2,989
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,060)	(1,218)
Loan advances	(10)	–
Proceeds from collection of loans receivable	12	2
Payments of guarantee deposits	(30)	(12)
Other, net	(79)	(57)
Net cash provided by (used in) investing activities	(1,168)	(1,286)
Cash flows from financing activities		
Repayments of long-term borrowings	(500)	(500)
Purchase of treasury shares	(0)	(14,490)
Dividends paid	(1,411)	(1,582)
Net cash provided by (used in) financing activities	(1,911)	(16,572)
Effect of exchange rate change on cash and cash equivalents	1	(13)
Net increase (decrease) in cash and cash equivalents	(1,140)	(14,882)
Cash and cash equivalents at beginning of period	36,296	38,120
Cash and cash equivalents at end of period	35,156	23,237

(4) Notes to Quarterly Consolidated Financial Statements

Segment Information

The Group does not provide segment information because it has only a single business segment, which is the Chinese food business.

Significant Changes in Shareholders' Equity

Acquisition of treasury shares

The Company acquired 4,200 thousand treasury shares based on a resolution of the Board of Directors passed on May 15, 2025. As a result, treasury shares increased by 14,490 million yen during the period under review.

Cancellation of treasury shares

Based on the resolution of the Board of Directors on May 15, 2025, the Company cancelled 5,000 thousand treasury shares on May 30, 2025. As a result, during the period under review, capital surplus decreased by 535 million yen, retained earnings decreased by 6,601 million yen, and treasury shares decreased by 7,136 million yen.

Going Concern Assumption

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.