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October 8, 2026

Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: MINISTOP CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 9946
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Scheduled date to file semi-annual securities report: October 9, 2026
Scheduled date to commence dividend payments: November 12, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Gross operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	51,073	4.8	(2,836)	-	(2,611)	-	(3,995)	-
August 31, 2025	48,727	9.5	1,116	-	1,348	-	502	-

Note: Comprehensive income For the six months ended August 31, 2026: ¥ (3,982) million [-%]
For the six months ended August 31, 2025: ¥ 319 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	(137.73)	-
August 31, 2025	17.32	17.32

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	59,655	22,890	37.2
February 28, 2026	69,013	27,163	38.3

Reference: Equity
As of August 31, 2026: ¥ 22,171 million
As of February 28, 2026: ¥ 26,457 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 February 28, 2026	-	10.00	-	10.00	20.00
Fiscal year ending February 28, 2027	-	10.00			
Fiscal year ending February 28, 2027 (Forecast)			-	10.00	20.00

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

3. Consolidated financial result forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Gross operating revenue		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
Full year	97,000	5.7	(2,800)	-	(2,300)	-	(5,000)	-	(172.37)

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

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

Newly included: -

Excluded: -

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of August 31, 2026	29,372,774 shares
As of February 28, 2026	29,372,774 shares

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

As of August 31, 2026	365,114 shares
As of February 28, 2026	364,892 shares

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

Six months ended August 31, 2026	29,007,789 shares
Six months ended August 31, 2025	29,008,259 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements contained in this document, including financial results forecast, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual financial results, etc. may significantly differ from the projections due to various factors. For the use of financial results forecast, please see “1. Qualitative Information on Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forecasts” on page 8 of the attachments.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

□ Consolidated operating results

Consolidated operating results for the six months ended August 31, 2026 were gross operating revenue of ¥51,073 million (up 4.8% compared with the same period of the previous fiscal year), operating loss of ¥2,836 million (operating profit of ¥1,116 million in the same period of the previous fiscal year), ordinary loss of ¥2,611 million (ordinary profit of ¥1,348 million in the same period of the previous fiscal year), and loss attributable to owners of parent of ¥3,995 million (profit attributable to owners of parent of ¥502 million in the same period of the previous fiscal year).

During the six months ended August 31, 2026, the socioeconomic environment remained highly uncertain, as tension in the Middle East continued and there were concerns about rising crude oil and raw material prices. Although real wages in Japan showed signs of improvement and consumer spending also showed signs of recovery, consumers' awareness of the need to protect their living has been persistently deep-rooted against the backdrop of prolonged high prices. While consumers have been curbing spending on daily necessities, the trend of selective spending, which is spending selectively on products and services that provide a high level of satisfaction, has grown even stronger. In addition, the weather was unstable in June due to factors such as the rainy season front, and from July onward, there was an increase in demand for going out due to fine weather and high temperature. Meanwhile, the business environment remained uncertain due to natural disasters such as earthquakes and local heavy rains, affecting the flow of people and spending activities depending on the time and region.

Under this business environment, as for MINISTOP alone, we worked to expand our lineup of products that meets customers' spending behavior, implement special sales promotion campaigns to support their lives, and expand sales of high-value-added cold sweets. In addition, we made steady progress with business structural reforms such as systematical closure of unprofitable stores and an overhaul of our support system for franchised stores, to build a foundation for the recovery of operating results. However, sales fell short of the plan due to a delay in the lineup of high-priced products, mainly for the meal category in convenient store products, combined with a decrease in related purchases such as beverages. As for fast food products processed in store, sales were affected by a delay in the launch of hot snacks products and sluggish sales of cold sweets due to poor weather in June. Sales and operating gross profit ratio per store fell below the plan, resulting in a decrease in profit for MINISTOP alone, affecting consolidated operating results.

□ Fiscal 2026 policy progress

With a mission of 'We realize a society full of beaming smiles with "deliciousness" and "convenience,"' we promoted business structural reforms and profit structural reforms with a focus on merchandising (hereinafter referred to as "MD") to achieve "No.1 in food safety and security" and to complete structural reforms, our medium-term strategic policy.

As for the business structural reforms, in order to improve operating profit through the optimization of the composition of franchised stores and directly managed stores, we had systematically closed 75 stores out of 80 unprofitable stores, which are scheduled for closure this fiscal year, by the end of the six months ended August 31, 2026. In addition, as for our support system for franchised stores, which was overhauled in the three months ended May 31, 2026, it was set to be operated to promote the improvement of store sales, etc. As a result, the composition of stores developed generally as planned. To strengthen and streamline the company headquarters functions, we worked to recruit and develop specialized personnel, strengthen marketing functions, review and organize operations to reduce the company headquarters operations, and decide on specific measures and formulate a roadmap.

As for the profit structural reforms, we worked on the product lineup and creating sales floors that receive support from customers throughout the year, and as a result, sales of rice, dressed breads, and deli products, which are convenience store products, exceeded those of the same period of the previous fiscal year. In addition, chilled sweets and parfaits, which are fast food products processed in store, were highly evaluated on a TV program about elaborately produced products, which we emphasized at stores, leading to strong sales. As for sales promotion campaigns, large

serving fair and other measures were well received, and we also expanded the number of MINISTOP app coupons, which led to acquiring membership and increased customer visits. As for delivery services, sales grew as a result of expanding our product lineup to meet customers' time-based needs and improving order-taking systems, as well as expanding seasonal and event-based sales promotions.

Regarding store management, in order to improve quality, service, and cleanliness (hereinafter referred to as "QSC"), which is our basic principle for store management, and to improve profitability of stores, we increased the number of store advisors (hereinafter referred to as "SA") in May and strengthened a system to support franchised stores through the review of assigned representative system for each franchisee. In the six months ended August 31, 2026, we clarified issues and policies for improving the quality of store management through a third-party evaluation, as well as promoted the utilization of tools to improve management of each franchisee and reduction of food waste by selling products at discount prices.

Under the new format, in order to establish a "new combo store model" that offers new provided values, which are unique to MINISTOP, we organized the direction of our store model and improved existing experimental stores under the overhauled project system. We developed a foundation for future experiments, and achieved the improvement in profitability of stores.

Regarding the occupational field business, as a result of the expansion of locations and improved product lineup per location, as well as profitability improvement due to improved quality of services, operating profit exceeded that of the same period of the previous fiscal year, and we achieved our plan. In the Vietnam business, to establish a Vietnamese version of combo store, as for MD, we remodeled sales floor as planned, in addition to reviewing our pricing policies and composition of our product lineup, and rolling out high-value-added products, and for store management, we promoted employee training and optimization of operating expenses. We promoted the improvement in profitability of stores, and per day sales and operating gross profit ratio grew, resulting in the improvement in each income level of stores, and in the six months ended August 31, 2026, operating profit returned to the black.

The operating results of each segment are as follows.

[Domestic business]

□ Key indicators of the domestic MINISTOP business

For the six months ended August 31, 2026, net sales per day per existing store compared with the same period of the previous fiscal year for MINISTOP stores decreased by 5.2%. Average per day per existing store customer numbers decreased by 6.3%, while per day per existing store average customer purchase increased by 1.2%. Furthermore, due to systematical closure of unprofitable stores, net sales at all stores of MINISTOP alone decreased by 7.7% compared with the same period of the previous fiscal year. Per day per existing store sales in the convenience store category decreased by 2.1% and per day per existing store sales in the category of fast food products processed in store decreased by 19.1% due to delays in expanding our product lineup of hot snacks and sluggish sales of cold sweets resulting from unseasonable weather . This resulted in a change in sales proportion, with that of the category of fast food products processed in store declining. As a result, operating gross profit ratio decreased by 1.2 percentage points from the same period of the previous fiscal year to 30.2%.

□ MD reforms

In the domestic MINISTOP business, we set daily goods such as rice, dressed breads, and deli products, which are convenience store products, as key categories, and worked to expand our lineup of both low-priced and high-value-added products, to meet customers' needs for visiting stores during the morning, evening, and late-night hours. As for fast food products processed in store, we rolled out high-value-added products for hot snacks and cold sweets, and emphasized their value while working on special sales promotion campaign and promotional measures utilizing MINISTOP app.

□ Fast food products processed in store

As for cold sweets, while sales were affected by unseasonable weather and the temperature drops in the middle of

summer, we launched new products made with seasonal and carefully-selected ingredients. In addition, we rolled out sales promotion utilizing TV programs following TV commercials, to work to increase customers' recognition and emphasize product value. As for parfait category, we worked to increase recognition of *Smooth Pudding Parfait*, which was renewed to feature a taste that is easy to enjoy even in summer, while increasing the amount of fresh milk, by rolling out TV commercials from May to June. The product was also highly evaluated on a TV program in July, and we worked to emphasize it at store, resulting in strong sales. In addition, we rolled out products made with seasonal ingredients such as *Fully Ripe While Peach Parfait* and *Fragrant Pear Parfait* in August, and sales of parfait category exceeded those of the same period of the previous fiscal year. As for dessert drinks category, in July, we launched *Strawberry Milk Float*, featuring a mild taste combined with *Soft-serve Ice Cream Hokkaido Milk*, our signature product, which was well received, and sales exceeded those of the same period of the previous fiscal year.

As for coffee freshly brewed in store, we launched a Free Small-sized Coffee Campaign on Fridays as a coupon campaign for MINISTOP app, starting in June, to encourage customers to visit stores. In addition, we rolled out campaigns to increase the frequency of customer visits to stores such as One Free Small-sized Coffee for Every Five Cups of Cafe Latte, and sales of coffee exceeded those of the same period of the previous fiscal year.

As for hot snacks, regarding potato fries, we made efforts to strengthen our product lineup by launching variety products, and intermittently conducted large serving campaigns of *X-cut French Fries*, our popular product, and sales exceeded those of the same period of the previous fiscal year. In addition, as for chicken, in June, we newly launched *Mini Chiki-chan (plain/hot)*, a renewed version of *Juicy Chicken*, our staple product. At the same time, we conducted a campaign to elect a mascot based on customer votes, working to create a hot topic and increase recognition through branding. In addition, we strengthened our product lineup such as products to meet the demand for finger food during the late-night hours, and sales of chicken improved through the end of August.

□ Convenience store products

As for rice, we worked to expand our lineup of our staple hand-rolled rice balls and rice balls made with pearled barley with low pricing ranges, as well as *Large Rice Balls* series with high pricing ranges, resulting in strong sales. As for sushi, we expanded our lineup of reasonably priced products, including inari sushi and other products that lead to customers' related purchases, and also rolled out products such as large-volume-sized nigiri sushi with high pricing ranges to meet the needs of customers during the evening and late-night hours, and sales exceeded those of the same period of the previous fiscal year. As for dressed breads, we conducted large serving campaigns and sales promotion measures including app coupon campaigns to offer customers good value, as well as launched dessert sandwiches using fruits such as *Pineapple Sandwich*, as a high-value-added product, which boosted sales.

As for sweets, we rolled out products made with carefully-selected ingredients and products with a striking appearance that offer value such as *Fortune Swiss Roll*, and *Souffle Burger (Salty Vanilla Whipped Cream & Whipped Cream)*, using fresh cream from Hokkaido, which were well received. In addition, due to increased recognition resulting from high evaluation on a TV program and strengthened emphasis at stores, sales of sweets remained strong.

As for grocery products, we worked to expand our lineup of MINISTOP's original products for snacks and strengthen sales of key products, as well as displayed products at a uniform price as a set to emphasize related purchases, and sales remained strong. For ice cream, we rolled out products unique to MINISTOP such as *HALOHALO Ramune-like Ice Cream*, inspired by *HALOHALO*, and expanded our lineup of TOPVALU products, unique products of the Aeon Group, and sales of ice cream exceeded those of the same period of the previous fiscal year.

□ Overhauling a system to support store management

To achieve "No.1 in food safety and security" and improve QSC, in May, we reviewed the number of stores per SA engaged in providing management guidance to franchised stores and reviewed the assigned representative system for each franchisee. In this way, we enhanced opportunities for communication with franchised stores and strengthened a system to support store management. In particular, we worked to reform work processes at stores and develop systems and provide operational training to provide safe and secure products for hand-made rice balls, etc., which have become firmly established in terms of store management. To improve hygiene management at stores and service quality, we

conducted a mystery shopping survey by a third party in June, which visualized improvement in basic store management quality, including hygiene environment, and identification of issues from customers' perspective and planning of measures progressed. In addition, in store staff training, we enhanced the training content for new staff, starting in the current fiscal year and promoted the utilization of employee training program whose content had been reviewed, and worked to increase skills of store employees and develop in-store operation system through examination using management tablets that have been introduced across all stores and online training.

As for improving the profitability of stores, we analyzed management figures for each individual store utilizing monitoring tools to clarify issues and countermeasures and store records, and promoted measures to address those issues. We also utilized monthly key product lists and sales strategies to work to strengthen sales of key products and reduce opportunity losses. In addition, we promoted the systematical implementation of operations to be carried out at stores through the use of work schedules, and worked to realize appropriate staffing and product lineup. At the same time, we promoted the utilization of price discount, and reduction of food waste progressed.

As for directly managed stores, we promoted the establishment of a unit system, under which operation managers form teams to implement operational management of multiple stores in an integrated manner, and worked to manage the progress of financial performance on a weekly basis. In addition, we managed labor costs by utilizing work schedules and promoted the reduction of food waste utilizing price discount, and optimization of expenses progressed.

□ Promotion of occupational field business

As for the occupational field business, the number of locations of MINISTOP POCKET stores, unmanned convenience stores set up in offices and other facilities, increased to 2,290 as of August 31, 2026, including locations for related services, an increase of over 10% compared with the same period of the previous fiscal year. In addition to cultivating new markets as well as working to expand our location, we improved our product lineup and rolled out new services, resulting in increased sales and service revenue per location. As a result, the occupational field business generated operating profit exceeding that of the same period of the previous fiscal year as planned. We will continue to work to improve convenience for customers in offices and other facilities and expand our market share as a pillar of our growth business.

□ Promotion of delivery services

In delivery services, we rolled out services at 1,352 stores as of August 31, 2026. By leveraging our strengths of offering both fast food products processed in store and convenience store products, which are unique to MINISTOP, we increased our lineup of convenience store products by 2,500SKU, expanding items we offer to meet customers' daily needs, including frozen foods, beverages, processed foods, just as we offer at stores. At the same time, we expanded our lineup of large-volume-sized products to meet the demand growth, particularly during sporting events and the Bon holiday period and demand for daily drinking at home, and rolled out special sales promotion campaigns. We also worked to develop an operation system to meet orders received during the late-night hours and prevent stockouts. As a result, net sales from delivery services increased by over 50% compared with the same period of the previous fiscal year.

□ Efforts to implement purpose management

Aimed at implementing purpose management, based on the MINISTOP's mission and the "AEON Group Future Vision," we have been promoting business activities to directly connect business growth with the resolution of social issues.

As for environmental activities, we set fiscal 2030 as the fiscal year in which the goals are to be achieved and worked to reduce CO_2 emissions, food waste, and plastic use, to realize a sustainable society. As for cutting CO_2 emissions, we promoted changing the lights in stores to LEDs based on the plan, as well as prepared "Guidebook for Energy and Power Saving (spring and summer version)" and worked on power saving with franchised stores. Regarding food waste reduction, we began a food drive experiment in June, limited to stores. Customers have donated ready-to-eat foods, confectioneries, and other items, which are being delivered to those in need of support. We are also continuing

to work on the reduction of food waste by utilizing stickers for selling products at discount prices and sales promotion items that emphasize *Save Money and Be Friendly to the Planet!* Regarding the reduction of plastic use, we conducted an experiment at 10 stores to offer *HALOHALO*, our staple product for summer, in paper cups instead of plastic cups. The taste and volume are the same as that in the plastic cup for customers to enjoy the product. In addition, starting in August, we newly established a "Sustainability News" section on our corporate website to begin posting the initiatives for our activities to contribute to society, including reducing CO_2 emissions, food waste, and plastic use.

Regarding the initiatives for the connection with local communities, we implemented the "Child Internship" program, a work experience course for elementary and junior high school students, from 2005, and many students participated in our work experience course at stores. The "Circle of Flowers" program will mark its 36th year this fiscal year, under which we present flower seedlings to elementary schools, funded by 1% of net sales of soft-serve ice cream on Saturdays and fundraising from customers. This fiscal year, flower seedlings will be presented to 620 elementary schools, surpassing the previous fiscal year.

In our social contribution activities, we conducted fundraising activities such as the "Circle of Flowers" program, the AEON-UNICEF Safe Water Campaign Donation, emergency support for the Kumamoto earthquake in 2026, and the 49th telethon of 24-Hour Television Love Saves the Earth Donations. We donated a total of ¥7,334,000 to be utilized for support activities in the three areas of welfare, environment, and disaster recovery with cooperation of customers.

We are making efforts to create a work environment where each and every employee working at MINISTOP can fully demonstrate their individuality and abilities. In our human rights due diligence efforts, which aim to realize a society where all people's human rights are respected, in accordance with the Aeon Human Rights Policy, as for key human right issues selected for the current fiscal year, we promoted strengthening communication and providing education to prevent harassment, monitoring and providing corrective guidance on the proper labor management of foreign nationals and younger employees, and strengthening human rights and compliance systems at manufacturing subcontractors and overseas businesses. We will continue to work to realize sustainable business activities with franchised stores.

□ Network Service Inc.

Network Service Inc. runs a cooperative distribution business for stores in Japan, operating 13 fixed-temperature centers, six ambient centers, and 10 frozen food distribution centers. It optimized the number of delivery routes and the mileage per route, and has reduced a total of 16 routes as planned by the end of the six months ended August 31, 2026 to improve efficiency. It will continue to work on initiatives to improve streamlining of distribution, including cost reduction, and to reduce environmental impact through the reduction of CO_2 emissions.

□ Store development

Regarding store development, four new stores were opened, and 75 unprofitable stores were systematically closed. There were 1,722 stores as of August 31, 2026. We will work to establish a new format to improve competitiveness and profitability of each individual store and promote store rollout based on our area strategy.

As a result of the above, gross operating revenue in the domestic business for the six months ended August 31, 2026 was ¥45,899 million (up 4.1% compared with the same period of the previous fiscal year), and operating loss was ¥2,810 million (operating profit of ¥1,375 million for the same period of the previous fiscal year).

[Overseas business]

□ Business environment in Vietnam

The real GDP growth rate from January to June 2026 was 8.18% (estimated) year on year in Vietnam, exceeding that of the same period of the previous fiscal year, and maintained steady growth. The service industry grew by 8.09%, of which the wholesale and retail sector grew by 9.67%, continuing to perform strongly. While the GDP growth target is over 10% under its socioeconomic development plan in 2026 and the government is making further efforts to achieve

double-digit growth, there are concerns about the negative impact of the escalating tensions in the Middle East, and the economic outlook remains unclear.

□ Policy on the Vietnam business

In these circumstances, MINISTOP VIETNAM COMPANY LIMITED worked to establish a Vietnamese version of combo store, which would be a new format, toward the growth of the business. As a result of steady progress in the MD reforms, a core of the new format, per day per existing store sales grew and net sales at all stores increased by 11.3% compared with the same period of the previous fiscal year.

□ MD reforms

In the MD reforms, to realize the lineup of products that would meet the needs of customers in Vietnam where economic growth is accelerating, we worked to strengthen elements of cafe, street food stalls, and dining out.

As for convenience store products, we promoted the review of our pricing, composition of our lineup of high-value-added products, and sales floor with a focus on categories that occupy a large sales proportion such as beverages, confectioneries, and snacks, based on customers' purchasing behavior, and competing store and market trends. In our high-value-added fast food products, we worked to develop drink category, which serves as reasons for customers to visit stores, and to expand our lineup of bakery and deli products to respond to demand for meals. For drinks processed in store, we continued to offer products with tastes in line with the changes in season, as well as promoted the development of products that can be provided through efficient operations. In addition, we systematically increased the number of stores with dedicated cases for drinks to be rolled out as a set near cash register counters. As for bakery, we newly expanded our lineup of savory products and installed dedicated cases for bakery at 71 stores, and sales at stores with dedicated cases was more than 40% higher of that at stores without them. As a result, sales and gross profit per day per store exceeded those of the same period of the previous fiscal year.

□ Operational reforms

In an environment where rising electricity and labor costs associated with inflation driven by economic growth increase operating costs, we worked on optimizing labor costs and reducing waste and losses. To achieve both improving QSC, which is our basic principle for store management, and optimizing labor costs, we worked to strengthen employee training and utilize work schedules. As for waste and losses, we promoted proper shelf allocation and layout construction by product category, and conducted daily progress management, leading to a reduction in waste and losses. As a result, operating expenses per store were lower than those of the same period of the previous fiscal year, and improvements in profit for each individual store steadily progressed along with the MD reforms, resulting in operating profit returning to the black in the six months ended August 31, 2026.

□ Store development

Regarding store development, three new stores were opened, and seven unprofitable stores were systematically closed. There were 178 stores as of June 30, 2026. We will continue to work on establishing an individual store model and opening new stores for growth.

As a result of the above, gross operating revenue in the overseas business for the six months ended August 31, 2026 was ¥5,173 million (up 11.3% year on year), and operating loss was ¥25 million (operating loss of ¥259 million for the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Overview of assets, liabilities, and net assets)

Total assets at the end of the six months ended August 31, 2026 decreased by ¥9,357 million compared with the end of the previous fiscal year to ¥59,655 million. This was mainly attributable to decreases of ¥7,000 million in deposits paid to subsidiaries and associates and ¥1,275 million in accounts receivable - due from franchised stores.

Liabilities decreased by ¥5,084 million compared with the end of the previous fiscal year to ¥36,765 million. This was mainly attributable to a decrease of ¥5,226 million in accounts payable - trade.

Net assets decreased by ¥4,273 million compared with the end of the previous fiscal year to ¥22,890 million. This was mainly due to the recording of ¥3,995 million in loss attributable to owners of parent.

(Overview of cash flows)

Cash and cash equivalents at the end of the six months ended August 31, 2026 amounted to ¥15,126 million, a decrease of ¥8,034 million from the end of the previous fiscal year.

1) Cash flows from operating activities

Net cash used in operating activities was ¥6,401 million (an inflow of ¥14,234 million in the same period of the previous fiscal year). The main contributing factors were ¥3,892 million in loss before income taxes, in addition to factors reducing cash flows, which included a ¥5,253 million decrease in trade payables, a ¥1,301 million increase in accounts receivable - other, and factors increasing cash flows, which included a ¥1,275 million decrease in accounts receivable - due from franchised stores.

2) Cash flows from investing activities

Net cash used in investing activities was ¥1,258 million (an inflow of ¥588 million in the same period of the previous fiscal year). The main contributing factors were factors reducing cash flows, which included ¥1,266 million in purchase of property, plant and equipment and ¥280 million in purchase of intangible assets, and factors increasing cash flows, which included ¥485 million in proceeds from restoration of guarantee deposits.

3) Cash flows from financing activities

Net cash used in financing activities was ¥397 million (an inflow of ¥177 million in the same period of the previous fiscal year). The main contributing factors were a factor reducing cash flows, which included ¥290 million in dividends paid.

(3) Explanation of Consolidated Financial Results Forecast and Other Forecasts

In the first half of the fiscal year ending February 28, 2027, in order to recover the decline in sales of hand-made rice balls, etc., we expanded our product lineup with a focus on daily goods, which are convenience store products, and hot snacks and cold sweets, which are fast food products processed in store, and rolled out measures to encourage customers to visit stores based on the plan made at the beginning of the fiscal year. However, while sales of hand-made rice balls, etc. remained generally in line with the plan, sales of product categories which we worked on for recovery were lower than planned, and sales and operating gross profit ratio fell short of the plan. As a result, the full-year financial results forecast is expected to be lower than the previously announced forecast. To improve business performance, we will promote the following initiatives.

1) Strengthening fast food products processed in store such as hand-made rice balls, etc. and daily goods, which are convenience store products

In order to meet customers' needs for meals, as for hand-made rice balls, etc., in light of the completion of the development of our operational and guidance systems to provide safe and secure products, we will strengthen our guidance to stores authorized to resume sales, based on the production schedule, expand the number of items by launching new products, and improve production efficiency. In addition, we will work to improve product value following the rice price revision and expand our product lineup, with a focus on rice and deli products, which are convenience store products, and strengthen our staple products, as well as expand the number of products in the growth category. As for fast food products processed in store, we will launch new products for hot snacks, expand our product lineup of cold sweets, and strengthen promotional activities to highlight their value, thereby working to recover sales and operating gross profit ratio.

2) Strengthening growth areas

We will further strengthen our delivery services, and leverage the strengths of combo stores that offer both fast food products processed in store and convenience store products to strengthen the emphasis at stores, and establish an operation system that meets the trust of customers who order online.

3) Further promoting business structural reforms

We will support store management of franchised stores, and at the same time, to improve financial performance of the company headquarters, we will work to reduce the number of directly managed stores by utilizing our support system for franchised stores, under the management guidance system overhauled in the first half of the current fiscal year. At the same time, to reduce and streamline the company headquarters operations by utilizing digital technology, on which we are working as our project, we will implement measures based on the review and organization of the company headquarters operations conducted in the first half of the current fiscal year and the roadmap, and optimize expenses.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	11,170	10,237
Accounts receivable - due from franchised stores	8,173	6,898
Merchandise	2,826	2,654
Accounts receivable - other	9,218	10,528
Deposits paid to subsidiaries and associates	12,000	5,000
Other	3,902	3,585
Allowance for doubtful accounts	(43)	(54)
Total current assets	47,249	38,851
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,234	3,994
Machinery, equipment and vehicles, net	865	763
Furniture and fixtures, net	3,616	3,601
Land	906	908
Leased assets, net	589	345
Construction in progress	175	145
Total property, plant and equipment	10,388	9,758
Intangible assets		
Software	685	712
Other	124	246
Total intangible assets	809	958
Investments and other assets		
Investment securities	139	146
Long-term loans receivable	0	0
Guarantee deposits	9,080	8,409
Retirement benefit asset	896	960
Deferred tax assets	3	3
Other	573	688
Allowance for doubtful accounts	(129)	(122)
Total investments and other assets	10,565	10,086
Total non-current assets	21,764	20,803
Total assets	69,013	59,655

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	19,192	13,966
Accounts payable - due to franchised stores	281	497
Accounts payable - other	4,519	4,090
Income taxes payable	332	275
Deposits received	9,710	10,189
Provision for bonuses	128	127
Provision for loss on store closings	187	192
Other	1,052	1,172
Total current liabilities	35,405	30,512
Non-current liabilities		
Lease liabilities	635	576
Long-term guarantee deposits	3,431	3,345
Deferred tax liabilities	387	408
Asset retirement obligations	1,823	1,764
Other	166	157
Total non-current liabilities	6,444	6,252
Total liabilities	41,849	36,765
Net assets		
Shareholders' equity		
Share capital	7,491	7,491
Capital surplus	6,032	6,032
Retained earnings	13,303	9,018
Treasury shares	(644)	(644)
Total shareholders' equity	26,183	21,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68	72
Foreign currency translation adjustment	(199)	(180)
Remeasurements of defined benefit plans	404	380
Total accumulated other comprehensive income	273	273
Share acquisition rights	3	3
Non-controlling interests	701	715
Total net assets	27,163	22,890
Total liabilities and net assets	69,013	59,655

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Gross operating revenue	48,727	51,073
Operating costs	25,793	29,886
Operating gross profit	22,933	21,187
Selling, general and administrative expenses	21,817	24,023
Operating profit (loss)	1,116	(2,836)
Non-operating income		
Interest income	241	203
Dividend income	1	1
Penalty income	13	29
Other	17	4
Total non-operating income	274	239
Non-operating expenses		
Interest expenses	19	7
Foreign exchange losses	17	2
Other	5	3
Total non-operating expenses	42	13
Ordinary profit (loss)	1,348	(2,611)
Extraordinary income		
Gain on sale of non-current assets	0	4
Other	-	0
Total extraordinary income	0	4
Extraordinary losses		
Impairment losses	422	933
Loss on store closings	76	211
Provision for loss on store closings	280	141
Other	4	0
Total extraordinary losses	783	1,286
Profit (loss) before income taxes	565	(3,892)
Income taxes - current	184	88
Income taxes - deferred	16	20
Total income taxes	200	109
Profit (loss)	364	(4,001)
Loss attributable to non-controlling interests	(137)	(6)
Profit (loss) attributable to owners of parent	502	(3,995)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Profit (loss)	364	(4,001)
Other comprehensive income		
Valuation difference on available-for-sale securities	7	3
Foreign currency translation adjustment	(45)	39
Remeasurements of defined benefit plans, net of tax	(7)	(24)
Total other comprehensive income	(45)	18
Comprehensive income	319	(3,982)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	463	(3,995)
Comprehensive income attributable to non-controlling interests	(144)	13

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	565	(3,892)
Depreciation	892	841
Impairment losses	422	933
Increase (decrease) in allowance for doubtful accounts	(8)	4
Decrease (increase) in retirement benefit asset	(69)	(63)
Interest and dividend income	(243)	(205)
Interest expenses	19	7
Loss (gain) on sale and retirement of non-current assets	3	(4)
Decrease (increase) in accounts receivable-due from franchised stores	1,080	1,275
Decrease (increase) in inventories	193	142
Decrease (increase) in accounts receivable - other	(2,367)	(1,301)
Decrease (increase) in other current assets	348	256
Increase (decrease) in trade payables	9,058	(5,253)
Increase (decrease) in due to franchised stores	210	216
Increase (decrease) in accounts payable - other	2,177	(224)
Increase (decrease) in deposits received	921	477
Increase (decrease) in other current liabilities	524	87
Other, net	492	262
Subtotal	14,223	(6,439)
Interest and dividends received	210	199
Interest paid	(19)	(7)
Income taxes refund (paid)	(180)	(152)
Net cash provided by (used in) operating activities	14,234	(6,401)
Cash flows from investing activities		
Proceeds from redemption of securities	800	-
Purchase of property, plant and equipment	(983)	(1,266)
Proceeds from sale of property, plant and equipment	12	9
Purchase of intangible assets	(362)	(280)
Proceeds from sale of investment securities	1	-
Proceeds from collection of loans receivable	0	0
Payments of guarantee deposits	(49)	(11)
Proceeds from restoration of guarantee deposits	464	485
Proceeds from guarantee deposited	137	166
Payments for repayment of guarantee deposits	(257)	(208)
Other, net	(433)	(152)
Net cash provided by (used in) investing activities	(669)	(1,258)

(Millions of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	285	-
Repayments of short-term borrowings	(285)	-
Purchase of treasury shares	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	557	-
Dividends paid	(290)	(290)
Repayments of lease liabilities	(59)	(66)
Other, net	(30)	(40)
Net cash provided by (used in) financing activities	177	(397)
Effect of exchange rate change on cash and cash equivalents	(52)	22
Net increase (decrease) in cash and cash equivalents	13,689	(8,034)
Cash and cash equivalents at beginning of period	23,086	23,160
Cash and cash equivalents at end of period	36,775	15,126

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

1. Information on amounts of gross operating revenue, income (loss) and breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment		
	Domestic Business	Overseas Business	Total
Gross operating revenue			
Revenue from franchised stores (*1)	16,251	147	16,399
Sale of goods (*2)	18,716	4,369	23,086
Other (*3)	1,370	132	1,503
Revenue from contracts with customers	36,339	4,650	40,989
Other revenue (*4)	7,737	—	7,737
Gross operating revenue from outside customers	44,076	4,650	48,727
Inter-segment gross operating revenue or transfers	61	—	61
Total	44,138	4,650	48,788
Segment profit (loss) (*5)	1,375	(259)	1,116

Notes 1: Revenue from franchised stores includes income such as royalty income from franchised stores and net sales of products to franchised stores.

2. Sale of goods refers to the sale of goods to customers at directly managed stores.

3. Other includes royalty income, digital signage advertising fees, solar-power-generated electricity sale income, etc. received from area franchisers.

4. Other revenue includes transportation service charges and fees received from product vendors and other business partners.

5. Segment profit (loss) corresponds to operating profit in the Semi-annual Consolidated Statements of Income.

2. Information on impairment losses on non-current assets by reportable segment

(Millions of yen)

	Domestic Business	Overseas Business	Total
Impairment losses	422	—	422

II. For the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

1. Information on amounts of gross operating revenue, income (loss) and breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment		
	Domestic Business	Overseas Business	Total
Gross operating revenue			
Revenue from franchised stores (*1)	12,802	86	12,888
Sale of goods (*2)	24,500	4,963	29,463
Other (*3)	1,420	124	1,544
Revenue from contracts with customers	38,723	5,173	43,896
Other revenue (*4)	7,176	—	7,176
Gross operating revenue from outside customers	45,899	5,173	51,073
Inter-segment gross operating revenue or transfers	70	—	70
Total	45,970	5,173	51,143
Segment loss (*5)	(2,810)	(25)	(2,836)

Notes 1: Revenue from franchised stores includes income such as royalty income from franchised stores and net sales of products to franchised stores.

2. Sale of goods refers to the sale of goods to customers at directly managed stores.

3. Other includes royalty income, digital signage advertising fees, solar-power-generated electricity sale income, etc. received from area franchisers.

4. Other revenue includes transportation service charges and fees received from product vendors and other business partners.

5. Segment loss corresponds to operating loss in the Semi-annual Consolidated Statements of Income.

2. Information on impairment losses on non-current assets by reportable segment

(Millions of yen)

	Domestic Business	Overseas Business	Total
Impairment losses	933	—	933

(Revenue recognition)

Breakdown of revenue from contracts with customers

The breakdown of revenue from contracts with customers is as stated in “Notes to Semi-annual Consolidated Financial Statements (Segment information, etc.).”