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Consolidated Financial Report
for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027
(Japanese GAAP)

November 12, 2026

Company: Chikaranomoto Holdings Co., Ltd. Tokyo Stock Exchange
Stock Code: 3561
URL: http://www.chikaranomoto.com/
Representative: (Title) President and CEO (Name) Tomoyuki Yamane
Contact: (Title) General Manager, IR Office (Name) Yoshitaka Fujisawa Tel: +81-(0)3-6264-3899
Scheduled date of filing of semi-annual securities report: November 12, 2026
Scheduled start date of dividend payment: December 7, 2026
Preparation of Supplementary Explanation Material for Financial Results: Yes
Presentation Meeting for Financial Results (for institutional investors and analysts): No

1. Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (April 1, 2026 – September 30, 2026) (Rounded down to the nearest Million JPY)

(1) Results of Consolidated Operations (Cumulative) (% indicates variance from the same period of the previous fiscal year)

	Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
Q2 FY2026-27	18,504	7.0	460	△51.9	496	△49.9	173	△82.8
Q2 FY2025-26	17,295	4.1	956	△23.3	990	△15.9	1,007	30.5

Note: Comprehensive Income Q2 FY2026-27 323 Million JPY (△65.4%) Q2 FY2025-26 936 Million JPY (△29.4%)

	Interim earnings per share	Interim earnings per share after adjusting for dilution
	JPY	JPY
Q2 FY2026-27	5.76	-
Q2 FY2025-26	33.50	33.49

(2) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio
	Million JPY	Million JPY	%
Q2 FY2026-27	19,601	12,199	62.2
FY2025-26	20,071	12,112	60.3

Reference : Shareholders' Equity Q2 FY2026-27 12,199 Million JPY FY2025-26 12,112 Million JPY

2. Dividends

	Dividends per share (annual)				
	Q1	Q2	Q3	Q4	Total
	JPY	JPY	JPY	JPY	JPY
FY2025-26	-	10.00	-	10.00	20.00
FY2026-27	-	12.00			
FY2026-27 (Forecast)			-	12.00	24.00

Note: Changes from previously announced dividends projection: None

3. Forecast of Consolidated Operating Performance for the FY 2026-27 (April 1, 2026 to March 31, 2027)

(% indicates variance from the previous fiscal year)

	Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	JPY
FY2026-27	38,408	5.9	1,512	△34.9	1,564	△39.4	843	△53.9	28.02

Note: Revisions to the most recently announced performance forecast: Yes

For details on the revision of the consolidated earnings forecast, please refer to the "Notice Regarding Differences between Consolidated Forecasts and Actual Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 and Revision of Full-Year Consolidated Forecast" announced today (November 12, 2026).

Notes

(1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Application of accounting treatments specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatement of error corrections:

1) Changes in accounting policies arising from revision of accounting standards: None

2) Changes in accounting policies due to reasons other than 1): None

3) Changes in accounting estimates: None

4) Restatement of prior period financial statements after error correction: None

(4) Number of Shares Issued (Common stock)

① Number of shares issued at the end of the period (including treasury stock)	As of September 30, 2026	30,284,700 shares	As of March 31, 2026	30,318,000 shares
② Number of treasury stock at the end of the period	As of September 30, 2026	142,492 shares	As of March 31, 2026	212,258 shares
③ Average number of shares during the period (interim period)	Six months ended September 30, 2026	30,116,306 shares	Six months ended September 30, 2025	30,085,442 shares

Note: The total number of treasury shares at the end of the period includes shares of the Company held by the Employee Stock-ownership Program (ESOP) trust (as of the end of Q2 FY2026-27: 70,112 shares; at the end of FY2025-26: 77,780 shares) and the Board Benefit Trust (at the end of FY2025-26: 62,100 shares). Shares of the Company held by the Board Benefit Trust and the ESOP trust are included in the treasury shares deducted in calculating the average number of shares during the period (123,674 shares for the six months ended September 30, 2026 and 150,180 shares for the six months ended September 30, 2025).

These interim consolidated financial reports (Tanshin) are not subject to review by certified public accountants or audit firms.

Cautionary Statement on the forecast of consolidated financial performance and other notes

(Cautions concerning forward-looking statements)

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") and on certain assumptions that the Company considers reasonable. Actual results may differ materially due to various factors. For the assumptions underlying the performance forecasts and notes on their use, please refer to "(3) Explanation of Forward-Looking Information such as the Consolidated Financial Forecast" under "1. Qualitative Information regarding the Current Interim Financial Results" in the attached materials.

(Supplementary Explanation Material)

Supplementary Explanation Material are available via TDnet on the same day.

1. Qualitative Information regarding the Current Interim Financial Results

The following forward-looking statements are based on the information available to the Company at the end of the current interim consolidated financial period.

(1) Summary of Operating Results for the Interim Period

During the six months ended September 30, 2026 (the "interim period under review"), the global economy remained resilient, supported by expanding AI-related investment, even as inflationary pressure intensified worldwide on higher energy prices and supply disruptions stemming from prolonged tensions in the Middle East. Growth varied by region. In Japan, prices continued to rise, driven by higher import costs from elevated crude oil prices and the weak yen, as well as by wage increases, and the Bank of Japan raised its policy interest rate in June and September, advancing the normalization of monetary policy. The outlook remains uncertain because of rising raw material and energy prices and higher labor costs.

In the food service industry to which the Group belongs, overall market sales in Japan continued to exceed the previous year, supported by higher spend per customer. However, consumers remained thrifty amid high prices, and customer traffic fluctuated from month to month under the influence of typhoons and extreme summer heat. On inbound demand, visitors from East Asia, including South Korea and Taiwan, and from Europe and the Americas increased, but a sharp decline in visitors from China pushed the total number of foreign visitors to Japan below the previous year's level. Higher raw material, logistics and energy costs, higher import costs due to the weak yen, and rising labor costs kept conditions difficult. Overseas, energy and fuel price increases linked to the Middle East situation raised store operating costs, including raw materials, logistics and utilities, as well as labor costs, and consumers became more budget-conscious amid high prices. As in Japan, the continuation of monetary tightening in response to persistently high inflation, further energy price increases from prolonged Middle East tensions, and the effect of U.S. tariff policy on prices remain factors that warrant continued attention.

Under these conditions, the Group continued to operate under its corporate philosophy, "Keep changing to remain Unchanged." In Japan, new store openings progressed steadily, and customer traffic benefited from launching the seasonal favorite Futo Tsukemen one month earlier than the previous year, a limited-time offering of Aburi Mentai Mayo Chashu Rice, summer-limited items such as Tantan Tsukemen and Hakata Hiyakake Chuka Soba, a limited-time offering in September of IPPUDO Abura Soba and Kara Abura Soba, which were very popular last year, and increased media exposure. The operating margin declined, however, as the cost of sales ratio rose on higher raw material and logistics costs, and as initial costs of stores opened during the interim period, one-time factors such as store relocations and temporary closures, higher labor costs, and weaker customer counts due to the weather all weighed on results. Spend per customer has risen following the price revision of certain products effective August 12, 2026, and the Group expects the operating margin to improve going forward. To further improve QSC (quality, service and cleanliness) and profitability, the Group is strengthening its "frontline-

capability promotion blocks," established in April 2026 to enhance customer service and in-store production capabilities, together with DX initiatives such as introducing automated fried-rice cooking equipment.

Overseas, raw material prices, labor costs and rent continued to rise due to inflation. Profitability also deteriorated as consumer spending softened amid inflation and abnormal weather affected multiple regions. Consumption has also become increasingly polarized, with demand concentrating on low-price and high-value-added formats. Same-store sales on a local-currency basis, excluding foreign exchange effects, varied by region, and structural changes in trading conditions have emerged in some areas. During the current period, the Group is proceeding with the strategic closure of unprofitable stores and optimizing its store portfolio by reassessing target areas for new openings. Building on business platforms that have already recovered their investment, the Group has begun operating in new trading areas and under new models, including the Ramen Mania format and a new location in Bentonville, in the U.S. Midwest. Reorganizing these businesses is expected to take time and involve additional costs, but the Group has consistently strengthened its business platforms in the past by adapting its business models to overcome various challenges. The Group's policy of positioning global expansion as a pillar of growth remains unchanged, and it will continue to pursue sustainable growth while steadily improving profitability.

In Merchandising, the Group continued to strengthen B2B sales of IPPUDO-related products in Japan to expand transactions and brand awareness. With the in-home and ready-to-eat meal markets expected to expand on the back of more single-person and dual-income households, the Group launched Hakata Tonkotsu Ramen IPPUDO Shiromaru Motoaji, its first cup noodles since its founding, at mass retailers nationwide in September 2026, and sales are progressing steadily. Overseas, it worked to strengthen sales in existing markets and expand into new countries for dried noodle products developed to meet diverse dietary needs, including Plant-Based Shiromaru and Akamaru, and Plant-Based Karaka, and began transactions with mass retailers in Mexico during the current period. This segment is becoming a more significant revenue source for the Group, independent of store operations. The Group will continue to expand its lineup of core IPPUDO-related products and sales channels, both in Japan and overseas.

During the interim period under review, results were difficult on the profit side owing to initial costs of opening new stores, temporary factors associated with store relocations, and higher raw material prices, labor costs and other expenses. At the same time, the Group has already put in place measures to improve profitability and support future growth: price revisions and stronger frontline capabilities in Japan, the closure of unprofitable stores and expansion into new formats and trading areas overseas, and new sales channels in Merchandising.

As of the end of the interim period under review, the Group operated a total of 326 stores, including those operated under license, comprising 181 stores in Japan and 145 stores overseas (an increase of 8 stores in Japan and 1 store overseas from the end of the previous fiscal year).

As a result, net sales for the interim period under review were ¥18,504 million (up 7.0% YoY). Operating profit was ¥460 million (down 51.9% YoY). Ordinary profit was ¥496 million (down 49.9% YoY) and profit attributable to owners of parent was ¥173 million (down 82.8% YoY).

Overview of Results by Business Segment

Effective from the interim period under review, the Group revised its reportable segments, reclassifying wholesale revenue to franchisees and related profit or loss from Merchandising to Domestic Store Operations. Year-on-year comparisons below are based on prior-year figures restated to reflect the revised segment classification. For details, please refer to "2. Changes in Reportable Segments" under "Notes on Segment Information, etc." in "2. Interim Consolidated Financial Statements and Significant Notes."

(Domestic Store Operations)

In Domestic Store Operations, the Group opened 8 new IPPUDO stores and 2 new Najimatei stores, while closing 2 IPPUDO stores. In addition, 1 IPPUDO store was converted to the Najimatei brand. As a result, the number of stores at the end of the interim period under review was 181 (an increase of 8 stores from the end of the previous fiscal year).

Sales in this segment benefited from a recovery in personal consumption driven by improving income levels and from resilient inbound tourism spending, particularly from East Asia, Europe, the Americas and Oceania. Steady new store openings, the earlier launch of the seasonal Futo Tsukemen one month ahead of the previous year, summer-limited items and increased media exposure also supported customer traffic. However, the operating margin declined because the cost of sales ratio rose 0.9 percentage points from the same period of the previous year on higher raw material and logistics costs, and because of initial costs for new stores opened this period, the temporary closure of a large store for relocation, higher labor and other costs, the decrease in inbound demand from China, and lower customer counts at some stores caused by extreme summer heat. Of these, initial opening costs and relocation-related costs are one-time in nature, and the Group regards them as investments in future growth. Spend per customer has risen following the price revision of certain products effective August 12, 2026. To further improve QSC (quality, service and cleanliness) and profitability, the Group is also strengthening its "frontline-capability promotion blocks," established in April 2026 to enhance customer service and in-store production capabilities, together with DX initiatives such as introducing automated fried-rice cooking equipment.

As a result, net sales for this segment in the interim period under review were ¥9,673 million (up 6.3% YoY), and segment profit was ¥577 million (down 16.9% YoY).

(International Store Operations)

In International Store Operations, the Group opened 3 new stores in Thailand, 2 in Taiwan, 1 in the United States and 1 in Indonesia, while closing 2 stores in Singapore and 1 each in Taiwan, Malaysia, Thailand and Myanmar. As a result, the number of stores at the end of the interim period under review was 145 (an increase of 1 store from the end of the previous fiscal year).

Results for this segment in the interim period under review reflect the six months from January 1 to June 30, 2026, the period covered for this segment due to the reporting lag applied to certain overseas subsidiaries. Raw material prices, wages and rent continued to rise due to inflation. The Group has been reducing costs through price revisions, menu changes and workforce allocation reviews, but cost increases outpaced these reductions. Customer counts declined year on year amid weaker consumer sentiment, abnormal weather and changes in foot traffic, and consumption has become increasingly polarized, with demand concentrating on low-price and high-value-added formats, which weakened profitability. During the current period, the Group is proceeding with the strategic closure of unprofitable stores and optimizing its store portfolio by reassessing target areas for new openings, while opening stores in Thailand, Taiwan, the United States and Indonesia. It has also begun operating in new trading areas and under new models, including the Ramen Mania format and a new location in Bentonville, in the U.S. Midwest.

As a result, net sales for this segment in the interim period under review were ¥7,213 million (up 6.2% YoY), and segment loss was ¥51 million (compared with segment profit of ¥295 million in the same period of the previous year).

(Merchandising Segment)

In Merchandising, the Group continued to raise brand awareness in Japan through collaboration products with convenience stores and food manufacturers. Overseas, it began new sales to mass retailers in Mexico and continued to expand the number of items and stores handled through existing overseas sales channels. This export-driven expansion of overseas sales channels is increasing the segment's presence within the Group as a revenue source independent of store operations. The Group will continue to expand its lineup of core IPPUDO-related products and sales channels, both in Japan and overseas, and to develop the segment into one of the Group's earnings pillars.

As a result, net sales for this segment in the interim period under review were ¥1,617 million (up 15.4% YoY), and segment profit was ¥189 million (down 13.0% YoY), reflecting higher selling, general and administrative expenses.

The distribution of the Group's stores by segment, country and brand at the end of the interim period under review is as follows.

Segment	Country	Brand	End of previous fiscal year		Change	End of interim period	
			Total	Of which licensed		Total	Of which licensed
Domestic Store Operations	Japan	IPPUDO	143	26	+5	148	25
		RAMEN EXPRESS	8	-	-	8	-
		Inaba Udon	9	-	-	9	-
		Others	13	1	+3	16	2
Subtotal (Japan)			**173**	**27**	**+8**	**181**	**27**
International Store Operations	United States	IPPUDO	7	-	+1	8	1
		Others	4	-	-	4	-
	Singapore	IPPUDO	15	-	△2	13	-
		IPPUDO EXPRESS	1	-	-	1	-
	China (including Hong Kong)	IPPUDO	10	10	-	10	10
		Others	1	1	-	1	1
	Taiwan	IPPUDO	19	-	+1	20	-
	Australia	IPPUDO	11	3	-	11	3
		Others	2	-	-	2	-
	Malaysia	IPPUDO	11	11	△1	10	10
	Thailand	IPPUDO	21	21	-	21	21
		Others	4	4	+2	6	6
	Philippines	IPPUDO	12	12	-	12	12
	Indonesia	IPPUDO	7	-	-	7	-
		Others	1	-	+1	2	-
	United Kingdom	IPPUDO	5	-	-	5	-
	France	IPPUDO	5	-	-	5	-
	Myanmar	IPPUDO	1	1	△1	-	-
	Vietnam	IPPUDO	4	4	-	4	4
	New Zealand	IPPUDO	2	2	-	2	2
	Spain	IPPUDO	1	-	-	1	-
Subtotal (Overseas)			**144**	**69**	**+1**	**145**	**70**
Group total			**317**	**96**	**+9**	**326**	**97**

(2) Overview of Financial Position for the Interim Period

Assets

Total assets at the end of the interim period under review decreased by ¥470 million from the end of the previous fiscal year, to ¥19,601 million. This was mainly due to a ¥1,115 million decrease in cash and deposits, partly offset by a ¥139 million increase in accounts receivable - trade, a ¥164 million increase in inventories, and a ¥326 million increase in property, plant and equipment from new store openings.

Liabilities

Total liabilities at the end of the interim period under review decreased by ¥556 million from the end of the previous fiscal year, to ¥7,402 million. This was mainly due to a ¥177 million decrease in accounts payable - other and a ¥386 million decrease in income taxes payable.

Net Assets

Net assets at the end of the interim period under review increased by ¥86 million from the end of the previous fiscal year, to ¥12,199 million, and the equity ratio was 62.2%. This mainly reflected a ¥173 million increase in retained earnings from recording profit attributable to owners of parent for the interim period, a ¥160 million increase in foreign currency translation adjustment, and a ¥116 million decrease in treasury shares due to the disposal and cancellation of treasury shares following the termination of the Board Benefit Trust, partly offset by a ¥302 million decrease in retained earnings due to dividend payments.

Cash Flows

As of the end of the interim period, cash and cash equivalents amounted to ¥5,834 million, a decrease of ¥1,167 million compared to the end of the previous fiscal year. The cash flow details are as follows:

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥43 million (compared to ¥848 million provided in the previous interim period). Major sources included ¥456 million in income before income taxes and non-cash expenses such as ¥521 million in depreciation, while major uses included a ¥161 million increase in inventories, a ¥138 million decrease in consumption taxes payable and ¥638 million in income tax payments.

(Cash flows from investing activities)

Net cash used in investing activities was ¥954 million (compared to ¥443 million used in the previous interim period). This was primarily due to ¥857 million in payments for the acquisition of tangible fixed assets related to new store openings and ¥71 million in payments for leasehold and guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥257 million (compared to ¥755 million used in the previous interim period), mainly due to ¥710 million in proceeds from long-term borrowings, ¥637 million in payments for repayment of long-term borrowings and ¥302 million in dividend payments.

(3) Explanation of Forward-Looking Information such as the Consolidated Financial Forecast

In light of recent business trends, the Company has revised the consolidated financial forecast for the fiscal year ending March 31, 2027, which was announced on May 14, 2026.

For details, please refer to the "Notice Regarding Differences between Consolidated Forecasts and Actual Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 and Revision of Full-Year Consolidated Forecast" announced today (November 12, 2026).

2. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	7,588,990	6,473,899
Notes and accounts receivable - trade	908,223	1,047,397
Inventories	637,832	802,125
Other	1,352,526	1,383,056
Allowance for doubtful accounts	(327)	(300)
Total current assets	10,487,246	9,706,177
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,917,338	5,210,926
Machinery, equipment and vehicles, net	308,982	287,994
Land	470,756	470,756
Leased assets, net	2,423	23,548
Construction in progress	25,075	22,878
Other, net	387,399	422,567
Total property, plant and equipment	6,111,975	6,438,671
Intangible assets		
Goodwill	82,045	69,734
Other	37,921	31,716
Total intangible assets	119,966	101,450
Investments and other assets		
Investment securities	272,629	267,810
Long-term loans receivable	12,730	11,410
Deferred tax assets	507,066	451,481
Leasehold and guarantee deposits	1,947,511	2,001,957
Other	624,773	634,068
Allowance for doubtful accounts	(12,050)	(11,350)
Total investments and other assets	3,352,661	3,355,378
Total non-current assets	9,584,603	9,895,500
Total assets	20,071,849	19,601,677

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	993,130	1,088,808
Short-term borrowings	140,000	100,000
Current portion of long-term borrowings	1,031,569	1,084,739
Lease liabilities	1,118	6,222
Accounts payable - other	1,086,362	908,763
Income taxes payable	715,881	328,945
Provision for share awards	19,314	28,504
Reserve for interlocking type of monetary benefit	2,385	10,549
Provision for bonuses	11,124	60,375
Provision for shareholder benefit program	115,284	120,452
Asset retirement obligations	11,716	6,904
Other	1,233,309	1,090,989
Total current liabilities	5,361,196	4,835,255
Non-current liabilities		
Long-term borrowings	882,074	901,866
Lease liabilities	1,304	17,472
Deferred tax liabilities	2,242	—
Provision for share awards for directors (and other officers)	59,664	—
Provision for share awards	64,351	45,138
Provision for ESOP benefits for non-residents	10,723	—
Retirement benefit liability	185,391	171,682
Asset retirement obligations	1,239,671	1,278,613
Other	152,350	152,387
Total non-current liabilities	2,597,774	2,567,159
Total liabilities	7,958,971	7,402,415
Net assets		
Shareholders' equity		
Share capital	3,149,715	3,149,715
Capital surplus	2,980,744	2,965,464
Retained earnings	5,132,074	4,967,009
Treasury shares	(292,372)	(175,856)
Total shareholders' equity	10,970,161	10,906,333
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,995	3,862
Foreign currency translation adjustment	1,128,722	1,289,066
Total accumulated other comprehensive income	1,142,717	1,292,929
Total net assets	12,112,878	12,199,262
Total liabilities and net assets	20,071,849	19,601,677

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income

Interim Consolidated Statement of Income

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	17,295,838	18,504,481
Cost of sales	5,211,134	5,844,524
Gross profit	12,084,703	12,659,957
Selling, general and administrative expenses	11,128,470	12,199,729
Operating profit	956,233	460,228
Non-operating income		
Interest income	9,200	23,503
Dividend income	5,870	5,728
Lease income	73,333	58,545
Other	23,305	43,524
Total non-operating income	111,709	131,302
Non-operating expenses		
Interest expenses	11,447	13,904
Foreign exchange losses	3,082	18,966
Rental costs	62,613	52,975
Other	368	9,124
Total non-operating expenses	77,512	94,972
Ordinary profit	990,430	496,557
Extraordinary income		
Gain on sale of non-current assets	357,133	833
Gain on reversal of asset retirement obligations	5,293	2,084
Total extraordinary income	362,427	2,917
Extraordinary losses		
Loss on sale of non-current assets	—	5,331
Loss on retirement of non-current assets	2,910	28,635
Impairment losses	8,715	8,769
Total extraordinary losses	11,625	42,735
Profit before income taxes	1,341,232	456,739
Income taxes - current	426,378	229,394
Income taxes - deferred	(92,879)	53,985
Total income taxes	333,499	283,380
Profit	1,007,732	173,359
Profit attributable to owners of parent	1,007,732	173,359

Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	1,007,732	173,359
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,755)	(10,132)
Foreign currency translation adjustment	(69,734)	160,344
Total other comprehensive income	(71,490)	150,211
Comprehensive income	936,242	323,571
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	936,242	323,571

(3) Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,341,232	456,739
Depreciation	429,890	521,593
Impairment losses	8,715	8,769
Amortization of goodwill	12,850	13,660
Increase (decrease) in allowance for doubtful accounts	(769)	(727)
Increase (decrease) in provision for bonuses	50,564	48,566
Increase (decrease) in provision for shareholder benefit program	57,191	5,167
Increase (decrease) in provision for share awards for directors (and other officers)	(22,557)	(17,750)
Increase (decrease) in provision for share awards	1,338	(1,531)
Increase (decrease) in reserve for interlocking type of monetary benefit	(9,386)	(2,559)
Increase (decrease) in retirement benefit liability	(4,454)	(12,928)
Interest and dividend income	(15,071)	(29,232)
Interest expenses	11,447	13,904
Foreign exchange losses (gains)	(1,429)	(5,458)
Loss (gain) on sale of non-current assets	(357,133)	4,497
Loss on retirement of non-current assets	2,910	28,635
Decrease (increase) in trade receivables	(4,551)	(135,325)
Decrease (increase) in inventories	(70,755)	(161,005)
Increase (decrease) in trade payables	(49,675)	90,209
Increase (decrease) in accounts payable - other	17,296	(111,200)
Increase (decrease) in accrued/prepaid consumption taxes	(50,950)	(138,493)
Other	(244,593)	5,496
Subtotal	1,102,109	581,026
Interest and dividends received	15,071	28,595
Interest paid	(11,383)	(13,829)
Income taxes paid	(256,954)	(638,979)
Net cash provided by (used in) operating activities	848,843	(43,187)
Cash flows from investing activities		
Payments into time deposits	—	(247,340)
Proceeds from withdrawal of time deposits	224,940	247,340
Purchase of property, plant and equipment	(883,658)	(857,603)
Proceeds from sale of property, plant and equipment	482,628	2,525
Purchase of intangible assets	(4,191)	(122)
Purchase of investment securities	(109,264)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(19,323)	—
Loan advances	(406)	—
Proceeds from collection of loans receivable	2,755	4,224
Payments of leasehold and guarantee deposits	(143,108)	(71,600)
Proceeds from refund of leasehold and guarantee deposits	32,692	38,652
Payments for performance of asset retirement obligations	(5,046)	(34,441)
Other	(21,095)	(36,311)
Net cash provided by (used in) investing activities	(443,078)	(954,676)

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(40,000)
Proceeds from long-term borrowings	100,000	710,000
Repayments of long-term borrowings	(583,057)	(637,038)
Repayments of lease liabilities	(671)	(3,327)
Proceeds from disposal of treasury shares	—	14,864
Dividends paid	(272,022)	(302,485)
Net cash provided by (used in) financing activities	(755,752)	(257,986)
Effect of exchange rate change on cash and cash equivalents	7,870	88,633
Net increase (decrease) in cash and cash equivalents	(342,117)	(1,167,216)
Cash and cash equivalents at beginning of period	6,497,938	7,001,357
Cash and cash equivalents at end of period	6,155,821	5,834,140