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November 13, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: WATAMI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7522
URL: https://www.watami.co.jp/
Representative: MIKI WATANABE, Representative Director, Chairman and President CEO
Inquiries: Toru Nishizawa, Executive Officer, Senior Director of Corporate Planning Division
Telephone: +81-3-5737-2288

Scheduled date to file semi-annual securities report: November 16, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		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	%
September 30, 2026	49,274	10.2	2,055	(3.9)	2,264	1.0	1,578	(8.1)
September 30, 2025	44,716	3.1	2,139	(4.1)	2,242	17.9	1,717	17.9

Note: Comprehensive income For the six months ended September 30, 2026: ¥2,264 million [-%]
For the six months ended September 30, 2025: ¥(96) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	33.36	-
September 30, 2025	36.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	71,788	30,658	42.0	446.42
March 31, 2026	74,556	30,493	40.4	440.77

Reference: Equity
As of September 30, 2026: ¥30,147 million
As of March 31, 2026: ¥30,156 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 March 31, 2026	-	0.00	-	10.00	10.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)					

Note: The dividend forecast for the fiscal year ending March 31, 2027 has not yet been determined.
The above "Cash dividends" refers to dividends on common shares. Please refer to "Cash dividends on class shares" below for the status of dividends on class shares (unlisted) that have different rights from those of common shares issued by the Company.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

The Company does not disclose consolidated financial results for the fiscal year ending March 31, 2027 due to the difficulty of reasonably calculating the outlook due to uncertainties in the Middle East, the conflict in Ukraine, and other factors, as well as uncertainties on the global economy.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 3 companies (Onigilly, Inc.、Onigilly Franchise LLC、Onigilly IP, Inc.)

Note: For details, please refer to Appendix P.13, "2. Interim Consolidated Financial Statements and Main Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Changes to the Scope of Consolidation or Scope of Application by the Equity Method)"

(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 September 30, 2026	42,684,880 shares
As of March 31, 2026	42,684,880 shares

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

As of September 30, 2026	2,571,678 shares
As of March 31, 2026	2,580,448 shares

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

Six months ended September 30, 2026	40,107,410 shares
Six months ended September 30, 2025	40,077,195 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

Status of Dividends on Class Shares

The breakdown of dividends per share for common shares and different class shares with rights is as follows.

Class A Preferred Shares	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	end of term	sum
	Yen	Yen	Yen	Yen	Yen
The fiscal year ending March 31, 2026	0.00	0.00	0.00	4,000,000.00	4,000,000.00
The fiscal year ending March 31, 2027	0.00	0.00			
The fiscal year ending March 31, 2027 (Forecast)			0.00	4,000,000.00	4,000,000.00

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	43,570	36,582
Trade receivables and contract asset	4,948	5,601
Securities	2,384	5,432
Merchandise and finished goods	1,648	1,466
Work in process	327	322
Raw materials and supplies	415	399
Other	2,960	2,506
Allowance for doubtful accounts	(72)	(74)
Total current assets	56,183	52,237
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,497	4,097
Machinery, equipment and vehicles	1,191	1,308
Land	329	330
Leased assets	757	929
Construction in progress	331	90
Other	705	1,055
Total property, plant and equipment	6,813	7,811
Intangible assets		
Goodwill	295	1,633
Other	935	988
Total intangible assets	1,231	2,621
Investments and other assets		
Investment securities	4,409	3,214
Guarantee deposits	4,588	4,579
Deferred tax assets	843	842
Invested fixed asset, invested other asset	3	3
Other	659	651
Allowance for doubtful accounts	(175)	(175)
Total investments and other assets	10,328	9,116
Total non-current assets	18,373	19,550
Total assets	74,556	71,788

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,651	3,459
Short-term borrowings	6,720	5,764
Lease liabilities	590	573
Accounts payable - other	2,850	2,491
Income taxes payable	753	607
Accrued expenses	2,261	2,435
Provision for bonuses	622	688
Provision for bonuses for directors (and other officers)	50	-
Provision for sales promotion cost reserve	8	9
Other	1,141	3,007
Total current liabilities	18,651	19,037
Non-current liabilities		
Long-term borrowings	21,289	18,518
Lease liabilities	402	515
Asset retirement obligations	1,652	1,652
Other	2,066	1,404
Total non-current liabilities	25,411	22,092
Total liabilities	44,062	41,130
Net assets		
Shareholders' equity		
Share capital	4,910	4,910
Capital surplus	15,618	14,230
Retained earnings	6,468	7,165
Treasury shares	(3,540)	(3,525)
Total shareholders' equity	23,456	22,780
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71	88
Foreign currency translation adjustment	6,629	7,279
Total accumulated other comprehensive income	6,700	7,367
Non-controlling interests	337	510
Total net assets	30,493	30,658
Total liabilities and net assets	74,556	71,788

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	44,716	49,274
Cost of sales	19,779	22,466
Gross profit	24,936	26,807
Selling, general and administrative expenses	22,797	24,752
Operating profit	2,139	2,055
Non-operating income		
Interest income	412	291
Interest on securities	61	158
Income from facility leasing	90	104
Share of profit of entities accounted for using equity method	1	-
Subsidy income	16	13
Compensation income	-	291
Miscellaneous income	149	105
Total non-operating income	732	965
Non-operating expenses		
Interest expenses	270	342
Rental expenses on facilities	80	90
Share of loss of entities accounted for using equity method	-	0
Foreign exchange losses	183	274
Miscellaneous losses	93	47
Total non-operating expenses	629	755
Ordinary profit	2,242	2,264
Extraordinary losses		
Loss on retirement of non-current assets	7	2
Impairment losses	113	178
Total extraordinary losses	121	180
Profit before income taxes	2,120	2,084
Income taxes - current	433	494
Income taxes - deferred	(32)	(3)
Total income taxes	400	491
Profit	1,719	1,592
Profit attributable to non-controlling interests	2	13
Profit attributable to owners of parent	1,717	1,578

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	1,719	1,592
Other comprehensive income		
Valuation difference on available-for-sale securities	3	17
Foreign currency translation adjustment	(1,820)	654
Total other comprehensive income	(1,816)	672
Comprehensive income	(96)	2,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(96)	2,245
Comprehensive income attributable to non-controlling interests	(0)	18

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,120	2,084
Depreciation	1,102	1,260
Impairment losses	113	178
Amortization of goodwill	62	118
Increase (decrease) in provision for bonuses	(18)	14
Increase in sales promotion cost reserve	0	1
Interest and dividend income	(474)	(450)
Interest expenses	270	342
Foreign exchange losses (gains)	49	215
Loss on retirement of non-current assets	7	2
Amortization of guarantee deposits	14	8
Decrease (increase) in trade receivables	52	(567)
Decrease (increase) in inventories	110	249
Decrease (increase) in advances paid	44	41
Decrease (increase) in accounts receivable - other	13	(123)
Decrease (increase) in consumption taxes refund receivable	(15)	(0)
Increase (decrease) in trade payables	(509)	(264)
Increase (decrease) in accounts payable - other	176	(491)
Increase (decrease) in accrued expenses	(121)	153
Increase (decrease) in accrued consumption tax	(345)	97
Increase (decrease) in deposits received	(47)	(135)
Other, net	124	82
Subtotal	2,730	2,816
Interest and dividends received	426	403
Interest paid	(271)	(347)
Income taxes paid	(587)	(704)
Income taxes refund	13	83
Net cash provided by (used in) operating activities	2,311	2,252

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,273)	(1,862)
Purchase of intangible assets	(78)	(256)
Payments for asset retirement obligations	(28)	(50)
Payments into time deposits	(29,268)	(27,723)
Proceeds from withdrawal of time deposits	31,404	29,002
Purchase of investment securities	(1,758)	(1,776)
Proceeds from redemption of investment securities	1,735	847
Payments of guarantee deposits	(133)	(119)
Proceeds from refund of guarantee deposits	153	161
Loan advances	(39)	(8)
Proceeds from collection of loans receivable	14	21
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,478)
Other, net	(63)	(33)
Net cash provided by (used in) investing activities	663	(3,277)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	2
Repayments of short-term borrowings	-	(12)
Repayments of long-term borrowings	(3,286)	(3,822)
Repayments of finance lease liabilities	(598)	(422)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	-	0
Dividends paid	(880)	(879)
Dividends paid to non-controlling interests	(301)	-
Net cash provided by (used in) financing activities	(5,067)	(5,134)
Effect of exchange rate change on cash and cash equivalents	(101)	51
Net increase (decrease) in cash and cash equivalents	(2,194)	(6,109)
Cash and cash equivalents at beginning of period	13,946	14,704
Cash and cash equivalents at end of period	11,752	8,595

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (from April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note)	sum	Reconciling items	Interim Consolidated Statements of Income
	Domestic Restaurant Business	Food Catering Business for Elderly People	Overseas Business	Environment Business	Agriculture Business	Total				
Sales										
Japan	17,824	19,964	-	1,015	381	39,185	84	39,270	-	39,270
Southeast Asia	-	-	4,918	-	-	4,918	45	4,964	-	4,964
United States	186	-	294	-	-	480	-	480	-	480
Revenue generated from customer contracts	18,010	19,964	5,213	1,015	381	44,585	130	44,716	-	44,716
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	18,010	19,964	5,213	1,015	381	44,585	130	44,716	-	44,716
Transactions with other segments	0	12	-	449	116	579	67	646	(646)	-
Total	18,011	19,976	5,213	1,465	498	45,164	198	45,363	(646)	44,716
Segment profit (loss)	884	2,078	35	158	(30)	3,125	4	3,129	(990)	2,139

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes agricultural theme park business and worker dispatch business.

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(Millions of yen)

benefit	amount of money
Total Reporting Segments	3,125
Other	4
Company-wide expenses (Note)	(990)
Operating income in the interim consolidated statement of income	2,139

Note: Company-wide expenses are mainly related to administrative operations for the entire Group.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Impairment losses on store assets such as planned withdrawals were recorded in the "Domestic and Overseas Food" segment of 31 million yen and in the "Overseas" segment of 82 million yen.

The amount of the impairment loss recorded was 113 million yen in the interim consolidated accounting period.

(Significant fluctuations in the amount of goodwill)

There is nothing to be included.

(Significant Negative Goodwill Accrual)

There is nothing to be included.

II. The Interim Consolidated Accounting Period (April 1, 2026 to September 30, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments						Other (Note)	sum	Reconciling items	Interim Consolidated Statements of Income
	Domestic Restaurant Business	Food Catering Business for Elderly People	Overseas Business	Environment Business	Agriculture Business	Total				
Sales										
Japan	18,986	21,907	-	1,145	482	42,521	151	42,672	-	42,672
Southeast Asia	-	-	5,601	-	-	5,601	71	5,672	-	5,672
United States	157	-	771	-	-	929	-	929	-	929
Revenue generated from customer contracts	19,143	21,907	6,372	1,145	482	49,052	222	49,274	-	49,274
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	19,143	21,907	6,372	1,145	482	49,052	222	49,274	-	49,274
Transactions with other segments	0	99	-	504	151	756	49	806	(806)	-
Total	19,144	22,006	6,372	1,650	633	49,808	272	50,080	(806)	49,274
Segment profit (loss)	958	2,204	99	28	(52)	3,237	(52)	3,184	(1,129)	2,055

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes agricultural theme park business and worker dispatch business.

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(Millions of yen)

benefit	amount of money
Total Reporting Segments	3,237
Other	(52)
Company-wide expenses (Note)	(1,129)
Operating income in the interim consolidated statement of income	2,055

Note: Company-wide expenses are mainly related to administrative operations for the entire Group.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Impairment losses on store assets such as planned withdrawals were recorded in the "Domestic and Overseas Food" segment of 159 million yen and in the "Overseas" segment of 18 million yen.

The amount of the impairment loss recorded was 178 million yen in the interim consolidated accounting period.

(Significant fluctuations in the amount of goodwill)

In the Overseas Business segment, goodwill was recorded as a result of the acquisition of shares in Onigilly, Inc. by Watami US Corp, a consolidated subsidiary of the Company. In the interim consolidated accounting period under review, the increase in goodwill due to this event was 1,379 million yen.

The amount of goodwill is provisionally calculated because the allocation of acquisition costs has not been completed in the interim consolidated accounting period.

(Significant Negative Goodwill Accrual)

There is nothing to be included.

(Notes on significant subsequent events)

(Implementation of Management Buyout (MBO))

At the Board of Directors meeting held on November 13, 2026, the Company resolved to express its opinion in favor of the tender offer (hereinafter the "Tender Offer") for the Company's common shares (hereinafter the "Company Shares") by Wisdom Co., Ltd. (hereinafter the "Tender Offeror"), which is being conducted as part of a so-called management buyout (MBO) (Note), and to recommend that the Company's shareholders tender their shares in the Tender Offer.

This resolution by the Board of Directors was made on the premise that the Tender Offeror intends to make the Tender Offeror the sole shareholder on the Company's register of shareholders through the Tender Offer and a subsequent series of procedures, thereby taking the Company Shares private, and that the Company Shares are scheduled to be delisted.

In addition, at the Board of Directors meeting held on the same day, subject to the successful completion of the Tender Offer by the Tender Offeror, the Company resolved to acquire all of the Class A Preferred Shares (hereinafter the "Preferred Shares") issued by the Company pursuant to the provisions of Article 169, Paragraph 2 of the Companies Act (Act No. 86 of 2005, including subsequent amendments; hereinafter the "Companies Act") and Article 13-13 of the Articles of Incorporation of the Company, and to cancel all of the acquired Preferred Shares pursuant to the provisions of Article 178 of the Companies Act. This resolution is conditional upon obtaining the written consent of the DBJ Dining and Accommodation Support Fund Investment Limited Partnership (hereinafter the "DBJ Fund"), which is the shareholder of the Preferred Shares, and the Company has received a letter of consent from the DBJ Fund dated November 13, 2026, agreeing to the execution of the said transaction.

(Note) A "management buyout (MBO)" generally refers to a tender offer where the tender offeror is an officer of the target company or a person conducting the tender offer at the request of an officer of the target company and who shares common interests with the officer of the target company.

1. Overview of the Implementation of the Management Buyout (MBO)

(1) Overview of the Tender Offeror

Name: Wisdom Co., Ltd.

Location: 1-1-3 Haneda, Ota-ku, Tokyo (Note 1)

Title and name of representative: Miki Watanabe, Representative Director (Note 2)

Business description: Acquisition and holding of the Company Shares

Share capital: 500,000 yen

Date of establishment: October 2, 2026

Major shareholder and shareholding ratio: Ken-i-ten Co., Ltd. (100.0%)

Relationship between the Company and the Tender Offeror:

Capital relationship: As of today, the Tender Offeror owns 100 Company Shares (ownership ratio: 0.00%). In addition, Ken-i-ten Co., Ltd., the wholly-owning parent company of the Tender Offeror, owns 11,460,425 Company Shares (ownership ratio: 28.57%) as of today, and falls under the category of an other affiliated company of the Company. (Note 3)

Personal relationship: As of today, Mr. Miki Watanabe, Representative Director, Chairman and President CEO of the Company, concurrently serves as a Director of the Tender Offeror.

Business relationship: Not applicable.

Status as a related party: The Tender Offeror is a related party of the Company, as all of its voting rights are owned by Ken-i-ten Co., Ltd., which is an other affiliated company of the Company.

(Note 1) As of November 11, 2026, the Tender Offeror's location was 2-16-12 Haginaka, Ota-ku, Tokyo, but on November 12, 2026, it relocated its head office to 1-1-3 Haneda, Ota-ku, Tokyo. We are informed that, as of today, an application for the registration of this change of location is currently being processed.(Note 2) The Tender Offeror is a company established with Ms. Akiko Kikumoto as the director at the time of incorporation; however, we are informed that she submitted a notice of resignation as director on November 12, 2026, and Mr. Watanabe assumed the office of Representative Director of the Tender Offeror. We are informed that, as of today, an application for the registration of this change of representative director is currently being processed.(Note 3) "Ownership ratio" means the ratio (rounded to the nearest two decimal places) against the number of shares (40,113,202 shares) obtained by deducting the number of treasury shares owned by the Company as of September 30, 2026 (2,571,678 shares) from the total number of issued common shares as of the same date (42,684,880 shares).

(2) Overview of the Tender Offer

Class of share certificates, etc. to be purchased: Common shares

Period of purchase, etc.: From November 16, 2026 (Monday) to December 28, 2026 (Monday) (30 business days)

Price of purchase, etc.: 1,284 yen per common share

Minimum number of shares to be purchased: 11,545,500 shares (Note)

Maximum number of shares to be purchased: -

(Note) The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 11,545,500 shares (ownership ratio: 28.78%), and if the total number of share certificates, etc. tendered in the Tender Offer (hereinafter the "Tendered Share Certificates, etc.") falls short of the minimum number of shares to be purchased (11,545,500 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc.

2. Overview of Acquisition and Cancellation of Class A Preferred Shares

(1) Reason for acquiring and canceling the Preferred Shares

At the request of the Tender Offeror, and subject to conditions such as the successful completion of the Tender Offer, the Company has decided to acquire all of the Preferred Shares owned by the DBJ Fund in exchange for money calculated based on the formula stipulated in the Articles of Incorporation of the Company pursuant to Article 13-13 of the Articles of Incorporation, and to cancel all of them.

(2) Details of matters relating to the acquisition of the Preferred Shares

Class of shares to be acquired: Class A Preferred Shares

Total number of shares to be acquired: 120 shares (100% of the total number of issued Class A Preferred Shares)

Details and total amount of money, etc. to be delivered in exchange for the acquisition of shares: 12,387,952,454 yen (Note 1) (103,232,937.12 yen per share)

Party from which shares are acquired: DBJ Dining and Accommodation Support Fund Investment Limited Partnership

Date of acquisition (Redemption date): January 6, 2027 (Scheduled) (Note 2)

Other (Conditions of acquisition): Successful completion of the Tender Offer, and satisfaction of procedural requirements under the Companies Act, including the Company's distributable amount regulations, etc.

(Note 1) The total amount of money to be delivered in exchange for the acquisition of the shares is calculated based on the provisions of Article 13-13 of the Articles of Incorporation of the Company.(Note 2) If the period of purchase, etc. for the Tender Offer is extended, the date of acquisition may be changed.

(3) Overview of the cancellation of the Preferred Shares

Class of shares to be cancelled: Class A Preferred Shares

Total number of shares to be cancelled: 120 shares (All of the acquired Preferred Shares)

Scheduled date of cancellation: January 6, 2027 (Scheduled)