October 30, 2026

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2027 (FY3/27) (Six Months Ended September 30, 2026)

[Japanese GAAP]

Company name: OHSHO FOOD SERVICE CORP.
Listing: Tokyo Stock Exchange
Stock code: 9936
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Scheduled date of filing of Semi-Annual Securities Report: November 13, 2026
Scheduled date of payment of dividend: December 2, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter (April 1, 2026–September 30, 2026) of FY3/27

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2026	57,203	(2.2)	3,068	(42.3)	3,262	(40.3)	2,023	(44.6)
Six months ended Sep. 30, 2025	58,503	8.6	5,314	1.3	5,462	(0.1)	3,655	0.3

Note: Comprehensive income (millions of yen) Six months ended Sep. 30, 2026: 1,552 (down 54.7%)
Six months ended Sep. 30, 2025: 3,430 (down 2.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2026	38.51	–
Six months ended Sep. 30, 2025	68.30	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2026	87,789	65,260	74.3
As of Mar. 31, 2026	85,087	65,069	76.5

Reference: Equity (millions of yen) As of Sep. 30, 2026: 65,260 As of Mar. 31, 2026: 65,069

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2026	–	28.00	–	28.00	56.00
Fiscal year ending Mar. 31, 2027	–	28.00			
Fiscal year ending Mar. 31, 2027 (forecasts)			–	28.00	56.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	118,381	1.3	9,117	(12.4)	9,254	(13.5)	5,862	(21.5)	111.54

Note: Revisions to the most recently announced consolidated forecasts: Yes
For more details, please refer to the press release titled “Notice of Differences between the First Half Forecast and Actual Performance, and Revisions to Consolidated Forecasts for the Fiscal Year Ending March 31, 2027” (Japanese version only) that was announced today (October 30, 2026).

*** Notes**

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

Newly added: 1 (Ohsho Food Service Australia Pty Ltd) Excluded: –

(2) Application of special accounting methods for presenting semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others:	None
2) Changes in accounting policies other than 1) above:	None
3) Changes in accounting estimates:	None
4) Restatements:	None

(4) Number of outstanding shares (common shares)

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

As of Sep. 30, 2026:	64,858,690 shares	As of Mar. 31, 2026:	64,858,690 shares

2) Number of treasury shares at the end of the period

As of Sep. 30, 2026:	12,295,258 shares	As of Mar. 31, 2026:	12,327,429 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2026:	52,544,819 shares	Six months ended Sep. 30, 2025:	53,526,422 shares

*** The semi-annual financial report is not subject to review procedures by certified public accountants or an audit firm.**

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

Notes regarding forecasts of future performance

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, Etc., (3) Consolidated Forecasts and Other Forward-Looking Statements" on page 6 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for semi-annual financial results and the presentation materials for the financial results meeting

The supplementary materials for semi-annual financial results are disclosed on TDnet on the same day and are also posted on the Company's website.

The Company plans to hold the financial results meeting for institutional investors and analysts on Thursday, November 19, 2026. Materials to be used at this event will be available on the Company's website immediately thereafter.

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1. Overview of Results of Operations, Etc.

(1) Results of Operations

(Amounts are rounded down to the nearest million yen)

Summary of consolidated results of operations						
	First quarter of FY3/27		Second quarter of FY3/27		First six months of FY3/27 (cumulative)	
	Amounts	YoY change	Amounts	YoY change	Amounts	YoY change
Net sales	28,214	95.1%	28,989	100.5%	57,203	97.8%
Operating profit	1,415	47.2%	1,653	71.4%	3,068	57.7%
Ordinary profit	1,608	51.6%	1,654	70.4%	3,262	59.7%
Profit attributable to owners of parent	988	46.3%	1,035	68.1%	2,023	55.4%

- In the first quarter, experienced a decline in net sales due to the reactionary effects of media exposure in the same period of the previous fiscal year and the stabilization of delivery demand. However, starting from the second quarter, the proactive rollout of seasonal limited products and renewed items proved successful, leading to record-high sales for three consecutive months from July compared to the same months in previous fiscal year.
- Although profits decreased due to factors such as rising ingredient prices, financial results have been on a recovery trend after bottoming out in the first quarter.

During the first six months of the fiscal year ending March 31, 2027 (the “period under review”), the Japanese economy showed a moderate recovery trend, supported by improvements in the employment and income environment. However, uncertainty about the future increased due to soaring prices, rising long-term interest rates, unstable conditions in the Middle East, and the impact of natural disasters.

In the restaurant industry, supported by solid inbound tourism demand, demand for dining out generally remained firm. However, various cost increases, including persistent rising labor costs, high raw material prices, and increased packaging and store construction expenses driven by soaring naphtha prices due to worsening conditions in the Middle East, have put strong downward pressure on earnings. Coupled with a growing consumer frugality due to prolonged high prices, the business environment for securing profits continues to face a challenging phase.

Under these tough business circumstances, during the first quarter ended June 30, 2026, net sales fell year on year. This was due to a reactionary decline following the significant increase in sales from media exposure such as TV programs in the same period of the previous fiscal year, a stabilization of delivery demand that had remained strong to some extent post-COVID-19, and a deterioration in consumer sentiment due to prolonged price hikes. However, as part of a new product strategy, the seasonal limited products “Summer Gyoza” and “Summer Ramen,” which were launched consecutively in July, drove the recovery of sales in the second quarter ended September 30, 2026. As a result, net sales from July onward set record highs on a same-month basis for three consecutive months.

Furthermore, following the seasonal limited product “Summer Ramen,” we launched “Autumn Ramen.” In addition, responding to the popularity of Summer Gyoza, we renewed the popular product “Garlic-Free Ginger Gyoza” by adding shiso leaves, rebranding it as “Garlic-Free Ginger Gyoza Dumplings with Perilla.” Since their release in September, both products have recorded strong sales.

In addition, the Group has been actively executing investments from a medium- to long-term perspective looking toward future sustainable growth and new challenges. While sustaining our longstanding focus on investments in human capital, we established a recruitment and training base in Chuo-ku, Tokyo, in order to support business expansion in the eastern Japan region from a human resource perspective. In taking on the challenge of entering new overseas markets following Taiwan, we furthermore established a subsidiary in Sydney, Australia, in August 2026, and advanced the preparation of a framework for the opening of a Japan-originated fast-casual gyoza diner, thereby carrying out developments toward the next stage.

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

1) Steady improvement in QSC

Under the slogan, “Professional skills, professional taste, and professional pride. The next stage lies beyond the challenge,” we continued initiatives such as cooking training programs, culinary knowledge training, and cooking

skills certification examinations conducted by the Ohsho Academy, thereby steadily enhancing cooking knowledge and skills. In order to reduce customer waiting times and further enhance customer satisfaction, we have made efforts to improve time performance by reviewing the processes and flow at each stage from customer entry to exit. This includes the introduction of new cooking recipes aimed at improving cooking speed while maintaining the quality of the dishes.

In terms of customer service, we conducted customer service training programs aimed at fostering hospitality that only humans can offer, and actively advanced the development of customer service trainers to horizontally expand this to all stores. We are working to ensure that all our stores become places where customers can truly enjoy their meals by spreading the improvement in customer service skills from these trainers to all staff members.

In terms of cleanliness, by steadily operating the cleaning manual, we ensured rigorous hygiene management across all stores. In parallel, we systematically carried out store renovations and repairs to realize a safe, secure, and comfortable dining environment.

Going forward, we will continue to strengthen company-wide efforts towards the sustainable enhancement of QSC.

2) Sales promotion measures

For the annual “Gyoza Club customer appreciation campaigns,” we achieved a record high of 1.36 million Gyoza club members in the campaign for 2026. This success was driven by the support from many customers for our original merchandise and the three-tier membership program, where members advance to a higher tier based on their stamp accumulation. In addition, starting on June 24, we launched the 2027 edition, featuring a new lineup of original goods that prominently showcase the Ohsho brand. These include a set consisting of a clear bottle and a bottle case decorated with Ohsho jargon, and a versatile folding umbrella with a gyoza-shaped cover, all of which have been well-received.

For our merchandising strategy, as a new demand stimulation measure, we sequentially launched the seasonal limited gyoza “Summer Gyoza” on July 3 and the special summer menu item “Summer Ramen” on July 22. Both products have performed well. Responding to the popularity of Summer Gyoza, we launched the renewed product “Garlic-Free Ginger Gyoza Dumplings with Perilla,” which adds shiso leaves to the “Garlic-Free Ginger Gyoza,” on September 14. Starting on the same day, we also launched the “Autumn Ramen” as a special autumn menu item. Through a product strategy that captures customer needs according to the season, we are continuously implementing measures to create motivation for store visits.

Regarding take-out services, we sought to deliver the fun of cooking gyoza at home and the unique delicious taste of freshly cooked gyoza with our launch of the “Uncooked Gyoza Sale” starting September 26, offering discounts compared to regular prices on uncooked gyoza for take-out starting from single portions, with greater discounts for bulk purchases. Starting October 1, moreover, we launched the “Uncooked Gyoza Stamp Campaign” and the “Cook at Home! Gyoza no Ohsho Uncooked Gyoza Photo Campaign” utilizing Instagram, thereby working to further stimulate demand.

In addition, with delivery services we have been striving to uncover new delivery demand by implementing a 30% discount campaign targeting five popular menu items at stores offering Uber Eats.

Starting on October 1, we began offering “Gyoza” and “Gyoza with extra garlic” made with “summer harvest” garlic harvested in Aomori Prefecture in June. We will work to further expand the sales of our signature products by actively promoting the distinctive umami and rich flavor unique to freshly harvested ingredients.

3) Expansion of investment

a. Investment in human capital

Even in the current challenging management environment, we are not slowing down, but actively promoting investment in “people,” our greatest differentiator and the source of value creation, to maintain and strengthen our medium- to long-term growth potential.

In terms of the recruitment of human resources, we have positioned it as an important management task to achieve the target of 1,000 stores set forth in the medium-term management plan, and we are continuously working to strengthen it.

By raising the starting salary for university graduates to the industry’s highest level of compensation of 300,000 yen in FY3/26, organizing “Top Seminars” where the President himself took the stage to directly communicate our management philosophy, and carrying out other recruitment activities focused on dialogue with students, the

number of university graduates joining the Company in April 2026 increased significantly to 154% of the previous year's level. Furthermore, by continuously conducting executive interviews and directly conveying the Company's appeal to candidates, we have successfully secured highly capable talent.

As part of our human resource development initiatives, we provide all employees with a wide variety of learning opportunities for various training programs, including the above-mentioned programs and e-learning programs. In particular, to strongly support the acceleration of store openings in the eastern Japan region and other upcoming challenges from a human resource perspective, we have created a new "Ohsho Cooking Dojo" and a training facility in Chuo-ku, Tokyo to serve as a new base for cooking skills and training programs, with operations having started in May 2026. By co-locating the human resources office, which serves as our recruitment hub, we are establishing an integrated framework from hiring through to training, thereby promoting the early development of next-generation talent.

To improve employee engagement, we are actively reinvesting in our employees, who support our sustainable growth. In the revision of salaries for FY3/27, the Company implemented a wage increase that fully met the labor union's demands, with an average raise of 22,594 yen per employee (a 5.9% wage increase). This marked the fourth consecutive year of both base pay raises and regular salary increases, bringing the total wage increase over the past four years to approximately 37%. For the summer bonus, we paid bonuses at 100% of the standard bonus table, representing a full response to the demand from the labor union.

We will continue to invest in our people to drive the sustainable enhancement of our corporate value.

b. Investment in equipment

In terms of manufacturing, the Company introduced a new production line using a gyoza molding machine at the Sapporo Factory. This has enabled all factories to produce molded gyoza, thereby further solidifying its system for the stable supply of high-quality gyoza to stores.

Regarding new store openings, the Company opened the Rakuhoku HANKYU SQUARE store, its first food court store in Kyoto Prefecture, in April 2026. Since its opening, customer traffic has been strong and sales have been performing steadily.

Looking ahead to new store openings from the third quarter onward, we plan to open 11 stores (8 directly operated stores and 3 franchised stores), including those already opened in October, based on properties for which lease agreements have already been concluded. With additional projects currently under negotiation, we anticipate progress with store openings generally aligned with our initial fiscal year plans.

Regarding renovation investments in existing stores, our basic policy is to conduct renovations that not only involve simple repairs but also encourage customer visits, enhance satisfaction, and improve store productivity. These renovations are implemented first in stores where the investment effect is expected to be high.

In terms of overseas expansion, we have established the Overseas Business Department to position overseas operations as one of our main businesses in the future. In Taiwan, we opened our third store in Taiwan and our first store in Taichung City, "Gyoza no Ohsho Taichung Hanshin Intercontinental Store," in April 2026. In addition, we established a wholly-owned subsidiary on August 13, 2026, in the new frontier of Sydney, Australia. In Australia, we will proceed with business development closely aligned with local communities while maintaining our DNA as "Japanese Gyoza Diner Ohsho," a Japan-originated fast-casual gyoza diner, which will involve serving fried rice, noodle dishes, and set meals that are hot, prepared quickly, and offered at affordable prices, with a focus on gyoza, a staple of everyday Japanese food culture.

c. Investment in digital transformation

We started optimizing IT infrastructure such as renewal of host systems, which is scheduled for release during this fiscal year, and review of core systems as investments for promotion of digital transformation. At the same time, we are also strengthening our cybersecurity measures, and are steadily implementing more advanced defense and recovery strategies in accordance with our plan.

As for initiatives to enhance customer convenience, we upgraded our take-out mobile order system to ensure that available coupons are clearly displayed on the order confirmation screen. Going forward, we will sequentially introduce a function to optimize the earliest possible pick-up times according to the day of the week and time slot, thereby enhancing order convenience and expanding sales opportunities. In addition, we are actively promoting the introduction of digital transformation (DX) not only for take-out but also within our restaurants, which has involved

introducing in-store mobile ordering on a preliminary basis at 10 locations in areas such as Tokyo and Osaka. We will sequentially expand the number of participating stores from late October onward taking into account outcomes verified at each store location.

As a new initiative towards optimizing store operations, we are promoting the development of an advanced demand forecasting system utilizing AI (artificial intelligence). This system aims to shorten food ordering processes, reduce waste loss, and optimize personnel allocation, thereby creating a productive store operation where employees can focus on sales and service. In addition, we have embarked on construction of a next-generation analytical platform that combines our large volume of proprietary data with external information, which we plan to utilize in promoting future business strategies.

4) Sustainability promotion

The free provision of “Bento for Kids” meals to “Kodomo Shokudo” or Children’s Cafeteria and other similar organizations nationwide, which has continued since 2021, is an all-participation activity by our employees who wish to bring smiles to children’s faces through food, especially amid the challenging living conditions caused by rising prices. Through 16 rounds by the summer break of 2026, the cumulative total of meals provided has reached 1.51 million (equivalent to 496 million yen). This initiative deepens our contribution to the local community, and in areas where there are few Ohsho stores, it serves as an opportunity for children to learn about our gyoza for the first time.

To support the disaster-affected areas and victims of the 2026 Kumamoto Earthquake, we donated 10 million yen in disaster relief funds to Kumamoto Prefecture with the aims of helping to rebuild the lives of those affected and aiding in the recovery and reconstruction of the disaster-stricken regions. In addition, we conducted fundraising activities through donation boxes placed at store locations nationwide, and furthermore offered a measure of encouragement to those affected by dispatching a kitchen truck to an evacuation shelter in Yatsushiro City, Kumamoto Prefecture, where we prepared hot meals consisting of freshly made gyoza and ramen.
To address climate change, we have been continuously upgrading equipment and implementing other such measures that help reduce GHG emissions. In addition, we calculated CO_2 emissions from our business activities (Scopes 1 and 2) and from our supply chain (Scope 3) in FY3/26 based on the TCFD recommendations in order to examine the impact of climate change-related risks and opportunities on our business, and confirmed that CO_2 emissions per unit of sales decreased compared with the previous fiscal year.

As a result, net sales for the period under review decreased by 1,300 million yen or 2.2% year on year to 57,203 million yen.

Operating profit decreased by 2,246 million yen or 42.3% year on year to 3,068 million yen. This was mainly due to a decrease in net sales as well as soaring raw material prices and rising labor costs.

Ordinary profit decreased by 2,200 million yen or 40.3% year on year to 3,262 million yen.

Profit attributable to owners of parent decreased by 1,631 million yen or 44.6% year on year to 2,023 million yen, due to proceed from compensation for eviction received in the same period of the previous fiscal year, in addition to the above-mentioned reasons.

Regarding the store network during the interim consolidated accounting period, we opened two directly operated stores (including one in Taiwan) and one franchised store, and closed one directly operated store and one franchised store. The result was a total network of 552 directly operated stores and 177 franchised stores, totaling 729 stores at the end of the period under review.

(2) Financial Position

Assets

The balance of total assets at the end of the period under review was 87,789 million yen, up 2,701 million yen or 3.2% from the end of the previous fiscal year. The main factors for the change are as follows.

Current assets increased by 2,346 million yen or 7.9% from the end of the previous fiscal year to 32,180 million yen. This was mainly due to an increase in cash and deposits.

Non-current assets increased by 355 million yen or 0.6% from the end of the previous fiscal year to 55,609 million yen. This was mainly due to an increase in property, plant and equipment.

Liabilities

The balance of total liabilities at the end of the period under review was 22,529 million yen, up 2,511 million yen or 12.5% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities increased by 145 million yen or 0.9% from the end of the previous fiscal year to 15,752 million yen. The main reason was an increase in current portion of long-term borrowings.

Non-current liabilities increased by 2,365 million yen or 53.6% from the end of the previous fiscal year to 6,776 million yen. The main reason was an increase in long-term borrowings. The balance of borrowings at the end of the period under review was 7,000 million yen.

Net assets

The balance of net assets at the end of the period under review was 65,260 million yen, up 190 million yen or 0.3% from the end of the previous fiscal year. The primary factors include an increase in profit attributable to owners of parent of 2,023 million yen, which is offset by a decrease in dividends paid of 1,470 million yen, and a decrease in accumulated other comprehensive income of 471 million yen, among others. As a result, the equity ratio decreased from 76.5% at the end of the previous fiscal year to 74.3%.

Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the period under review amounted to 26,870 million yen, up 2,342 million yen from the end of the previous fiscal year.

The main changes in cash flows from operating, investing, and financing activities for the period under review are described below.

Cash flows from operating activities

Net cash provided by operating activities decreased by 2,344 million yen or 48.0% year on year to 2,542 million yen. This change was mainly due to a decrease in profit before income taxes.

The main factors include profit before income taxes of 3,204 million yen and depreciation of 1,758 million yen, which were partially offset by income taxes paid of 1,478 million yen and decrease in accrued consumption taxes of 456 million yen.

Cash flows from investing activities

Net cash used in investing activities increased by 471 million yen or 20.8% year on year to 2,734 million yen. This change was mainly due to an increase in purchase of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 2,179 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 2,528 million yen (a cash outflow of 17,072 million yen in the same period of the previous fiscal year). This change was mainly due to a decrease in purchase of treasury shares.

The main factors include proceeds from a net increase in borrowings of 4,000 million yen, which was partially offset by dividends paid of 1,470 million yen.

(3) Consolidated Forecasts and Other Forward-looking Statements

For the earnings forecasts of the fiscal year ending March 31, 2027, please refer to the “Notice of Differences between the First Half Forecast and Actual Performance, and Revisions to Consolidated Forecasts for the Fiscal Year Ending March 31, 2027” (Japanese version only) that was announced today (October 30, 2026).

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Assets		
Current assets		
Cash and deposits	24,527	26,870
Accounts receivable-trade	3,546	3,177
Merchandise and finished goods	184	182
Raw materials	522	620
Other	1,057	1,334
Allowance for doubtful accounts	(5)	(4)
Total current assets	29,833	32,180
Non-current assets		
Property, plant and equipment		
Buildings and structures	64,521	65,739
Accumulated depreciation	(48,788)	(49,773)
Buildings and structures, net	15,733	15,965
Machinery, equipment and vehicles	7,830	7,909
Accumulated depreciation	(5,783)	(5,904)
Machinery, equipment and vehicles, net	2,047	2,004
Tools, furniture and fixtures	9,101	9,612
Accumulated depreciation	(6,435)	(6,824)
Tools, furniture and fixtures, net	2,666	2,788
Land	19,902	19,902
Construction in progress	76	147
Total property, plant and equipment	40,426	40,808
Intangible assets	531	873
Investments and other assets		
Investment securities	4,447	4,041
Guarantee deposits	4,637	4,674
Other	5,224	5,223
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	14,295	13,926
Total non-current assets	55,253	55,609
Total assets	85,087	87,789

(Millions of yen)

	FY3/26 (As of Mar. 31, 2026)	Second quarter of FY3/27 (As of Sep. 30, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	3,172	2,923
Current portion of long-term borrowings	2,000	3,666
Income taxes payable	1,777	1,312
Provision for bonuses	1,123	1,148
Other	7,534	6,701
Total current liabilities	15,606	15,752
Non-current liabilities		
Long-term borrowings	1,000	3,333
Asset retirement obligations	2,598	2,622
Other	811	820
Total non-current liabilities	4,410	6,776
Total liabilities	20,017	22,529
Net assets		
Shareholders' equity		
Share capital	8,166	8,166
Capital surplus	9,026	9,082
Retained earnings	64,667	65,220
Treasury shares	(17,591)	(17,538)
Total shareholders' equity	64,269	64,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,510	2,232
Revaluation reserve for land	(2,540)	(2,540)
Foreign currency translation adjustment	18	25
Remeasurements of defined benefit plans	811	611
Total accumulated other comprehensive income	800	329
Total net assets	65,069	65,260
Total liabilities and net assets	85,087	87,789

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

Semi-annual Consolidated Statements of Income

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026–Sep. 30, 2026)
Net sales	58,503	57,203
Cost of sales	18,926	18,945
Gross profit	39,577	38,257
Selling, general and administrative expenses	34,262	35,188
Operating profit	5,314	3,068
Non-operating income		
Interest income	3	4
Dividend income	87	95
Franchise chain accession fee	51	55
Rental income from land and buildings	23	20
Insurance claim income	24	75
Equipment usage fee	66	74
Miscellaneous income	45	41
Total non-operating income	303	365
Non-operating expenses		
Interest expenses	22	18
Rental expenses	64	67
Meal support expenses for Kodomo Shokudo	52	55
Miscellaneous losses	15	30
Total non-operating expenses	155	171
Ordinary profit	5,462	3,262
Extraordinary income		
Gain on sale of non-current assets	2	3
Compensation for eviction	120	–
Total extraordinary income	123	3
Extraordinary losses		
Loss on retirement of non-current assets	86	61
Impairment losses	7	–
Total extraordinary losses	93	61
Profit before income taxes	5,492	3,204
Income taxes-current	1,667	1,043
Income taxes-deferred	169	137
Total income taxes	1,836	1,180
Profit	3,655	2,023
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	3,655	2,023

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026–Sep. 30, 2026)
Profit	3,655	2,023
Other comprehensive income		
Valuation difference on available-for-sale securities	(120)	(278)
Foreign currency translation adjustment	10	7
Remeasurements of defined benefit plans, net of tax	(115)	(200)
Total other comprehensive income	(225)	(471)
Comprehensive income	3,430	1,552
Comprehensive income attributable to:		
Owners of parent	3,430	1,552
Non-controlling interests	–	–

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)	First six months of FY3/27 (Apr. 1, 2026–Sep. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	5,492	3,204
Depreciation	1,563	1,758
Impairment losses	7	–
Increase (decrease) in allowance for doubtful accounts	1	(0)
Decrease (increase) in retirement benefit asset	(194)	(330)
Interest and dividend income	(90)	(99)
Interest expenses	22	18
Compensation for eviction	(120)	–
Loss (gain) on sale of non-current assets	(2)	(3)
Loss on retirement of non-current assets	86	61
Decrease (increase) in trade receivables	559	369
Decrease (increase) in inventories	(123)	(95)
Increase (decrease) in trade payables	(164)	(248)
Increase (decrease) in accrued consumption taxes	(62)	(456)
Other, net	(566)	(237)
Subtotal	6,408	3,941
Interest and dividends received	90	99
Interest paid	(24)	(19)
Proceed from compensation for eviction	120	–
Income taxes paid	(1,708)	(1,478)
Net cash provided by (used in) operating activities	4,887	2,542
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,088)	(2,179)
Proceeds from sale of property, plant and equipment	2	3
Proceeds from collection of loans receivable	5	2
Payments of guarantee deposits	(16)	(86)
Other, net	(164)	(473)
Net cash provided by (used in) investing activities	(2,262)	(2,734)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	5,000
Repayments of long-term borrowings	(1,000)	(1,000)
Purchase of treasury shares	(14,490)	(0)
Dividends paid	(1,582)	(1,470)
Net cash provided by (used in) financing activities	(17,072)	2,528
Effect of exchange rate change on cash and cash equivalents	10	5
Net increase (decrease) in cash and cash equivalents	(14,436)	2,342
Cash and cash equivalents at beginning of period	38,120	24,527
Cash and cash equivalents at end of period	23,683	26,870

(4) Notes to Semi-annual Consolidated Financial Statements

Segment Information

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

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

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