

Securities Report

[Half Year]

FY2026

From Oct. 01, 2025
To Mar. 31, 2026

FOOD & LIFE COMPANIES LTD.

FY26 Securities Report　[Half Year]

[Cover]

[Filed Document]	Securities Report (Half Year)
[Relevant Laws and Regulations]	Item 1 of the table in Article 24-5(1) of the Financial Instruments and Exchange Act
[Filed With]	Director-General, Kinki Financial Bureau
[Filing Date]	May 14, 2025
[Interim Accounting Period]	11th fiscal year (from Oct. 1, 2024 to Mar. 31, 2025)
[Company Name]	FOOD & LIFE COMPANIES LTD.
[English Name of the Company]	FOOD & LIFE COMPANIES LTD.
[Title and Name of Representative]	President & CEO Masahiro Yamamoto
[Location of the Head Office]	1-22-2 Esaka-cho, Suita-shi, Osaka prefecture, Japan
[Telephone Number]	+81 - 6 -6368 - 1001
[Name of Administrative Contact Person]	Corporate Officer, Takeshi Yoshida
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[Telephone Number]	+81 - 6 - 6368 - 1001
[Name of administrative liaison]	Corporate Officer, Takeshi Yoshida
[Locations for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

Section Ⅰ [Corporate Information]

Part 1 [Overview of the Company]

1. [Trends in Management KPIs]

Period		11th Period Interim Consolidated Accounting Period	12th Period Interim Consolidated Accounting Period	11th Period
Accounting Period		From Oct. 1, 2024 To Mar. 31, 2025	From Oct. 1, 2025 To Mar. 31, 2026	From Oct. 1, 2024 To Sep. 30, 2025
Revenue	(millions, JPY)	203,814	254,182	429,574
Operating profit	(millions, JPY)	19,535	28,080	36,093
(Interim) Income before income taxes	(millions, JPY)	18,206	27,119	33,777
(Interim) Profit for the period attributable to the owners of parent	(millions, JPY)	11,869	17,788	22,937
Comprehensive income attributable to owners of the parent	(millions, JPY)	12,135	20,249	23,855
Equity attributable to owners of the parent	(millions, JPY)	85,585	114,666	97,869
Total Assets	(millions, JPY)	374,371	429,704	398,596
Basic (interim) earnings per share	(JPY)	104.91	156.81	202.71
Diluted (interim) earnings per share	(JPY)	103.69	154.95	199.97
Ratio of equity attributable to owners of the parent	(%)	22.3	26.3	24.0
Cash flows from operating activities	(millions, JPY)	26,219	40,553	64,429
Cash flows from investing activities	(millions, JPY)	△11,632	△20,753	△25,436
Cash flows from financing activities	(millions, JPY)	△16,135	△17,709	△29,235
Ending balance of cash and cash equivalents	(millions, JPY)	47,336	62,400	58,822

(NOTE)

1. The above indicators have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").
2. As the Company prepares condensed interim consolidated financial statements, the trend of key management KPIs of the filing company are not presented.
3. Amounts less than one million yen have been rounded to the nearest million yen.

2. [Description of Business]

During the interim consolidated accounting period, there were no significant changes in the business activities conducted by the Group (the Company and its affiliates). Additionally, there were no changes in major affiliates.

Part 2 [Business Conditions]

1. [Business Risks]

During the interim consolidated accounting period, no new business or other risks arose. Additionally, there were no significant changes to the business and other risks described in the securities report for the previous fiscal year.

2. [Management's Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows]

Forward-looking statements in this document are based on judgments made as of the end of the interim consolidated accounting period.

(1) Financial Conditions and Operating Results

During the interim consolidated accounting period, the Japanese economy showed a gradual recovery in economic activity due to a recovery in personal consumption associated with wage increases and other factors. On the other hand, the outlook remains uncertain due to global political instability and rising prices associated with the yen's depreciation beyond expectations. In the food service industry as well, challenging conditions continue due to soaring prices of raw materials including rice, rising energy prices associated with supply constraints on certain international shipping routes, and chronic labor shortages. Under these circumstances, the Group has been working on product development, in-store cooking, safety and security initiatives, and service improvement, guided by our VISION "Discovering new tastiness, Sharing moments of joy." with the aspiration to enrich customers' lives by making their daily meals more delicious.

Store counts by business segment are as follows.

Business format	At the End of FY2025 (Sep 30, 2025)	Opening	Closure	At the End of Consolidated Interim Accounting Period (Mar 31, 2026)
Japan: Sushiro brand (Takeout specialty stores)	667 (8)	3	2 (1)	668 (7)
Japan: Sugidama brand (FC)	95 (17)	7 (5)	-	102 (22)
Japan: Kyotaru brand	100 (-)	1	15	86 (-)
Japan: Kaiten Sushi Misaki, Misakimaru Brand	87 (-)	-	2	85 (-)
Japan: Other brands	15 (-)	-	4	11 (-)
Japan : Total	964 (25)	11 (5)	23 (1)	952 (29)
Int'l: Sushiro brand (Takeout specialty stores)	227 (-)	46	1	272 (-)
Int'l: Other brands	7 (-)	-	-	7 (-)
Int'l : Total	234 (-)	46	1	279 (-)
Total of Japan and int'l stores	1,198 (25)	57 (5)	24 (1)	1,231 (29)

Figures in parentheses indicate the number of takeout specialty stores and FC stores as a subset of the total

As a result of the above, the financial position and operating results are as follows.

① Financial position

(Assets)
Total assets increased by JPY 31,109mn compared to the end of the previous consolidated fiscal year to JPY 429,704mn. Current assets increased by JPY 14,181mn compared to the end of the previous consolidated fiscal year to JPY 102,577mn. This was mainly due to increases of JPY 3,578mn in cash and cash equivalents, JPY 2,948mn in trade and other receivables, and JPY 5,778mn in other financial assets. Non-current assets increased by JPY 16,927mn compared to the end of the previous consolidated fiscal year to JPY 327,127mn. This was mainly due to an increase of JPY 15,596mn in property, plant and equipment.

(Liabilities)
Total liabilities increased by JPY 13,116mn compared to the end of the previous consolidated fiscal year to JPY 310,810mn. Current liabilities increased by JPY 8,472mn compared to the end of the previous consolidated fiscal year to JPY 93,328mn. This was mainly due to increases of JPY 2,704mn in trade and other payables, JPY 2,807mn in income taxes payable, and JPY 2,726mn in lease liabilities. Non-current liabilities increased by JPY 4,644mn compared to the end of the previous consolidated fiscal year to JPY 217,482mn. This was mainly due to an increase of JPY 6,107mn in lease liabilities.

(Equity)
Total equity increased by JPY 17,993mn compared to the end of the previous consolidated fiscal year to JPY 118,895mn. This was mainly due to an increase of JPY 17,788mn from the recording of interim profit attributable to owners of the parent company, while there was a decrease of JPY 3,964mn from dividend payments.

② Operating results

Operating results for the interim consolidated accounting period were as follows: revenue of JPY 254,182mn (up 24.7% year-on-year), operating profit of JPY 28,080mn (up 43.7% year-on-year), interim profit before tax of JPY 27,119mn (up 49.0% year-on-year), and interim profit attributable to owners of the parent company of JPY 17,788mn (up 49.9% year-on-year).

Operating results by segment are as follows.

(Japan Sushiro Business)

In the Japan Sushiro Business, under the theme of "Mastering the Art of Sushi!", we committed ourselves to the deliciousness that Sushiro has pursued since its founding, working to provide products that satisfy our customers and implementing various campaigns. From the beginning of the year, Sushiro offered "Premium Chutoro (Medium Fatty Tuna)" and "Rich Sea Urchin Wrap" starting from JPY 110 (including tax). Customers enjoyed the distinctive aroma and umami of tuna, along with the exquisite balance of fat in "Premium Chutoro." "Rich Sea Urchin Wrap," which we confidently source with meticulous attention to ingredients and processing, offered customers a creamy texture and rich umami flavor. We also held the "Hokkaido Delicacy Festival," offering the satisfying "Whole Hokkaido Scallop" (starting from JPY 110 including tax) and "Super Hokkaido 3-Piece Assortment" featuring three types of Hokkaido toppings for comparison. Furthermore, we collaborated for the second time with the popular character "Puppet SUNSUN" and the highly popular series "JoJo's Bizarre Adventure," which captivates fans both in Japan and overseas with its unique world view. We sold sushi with collaboration-exclusive cards and products with collaboration-exclusive stickers. We operated special collaboration stores at four domestic locations (Tokyo, Miyagi, Osaka, and Hyogo) where customers could enjoy the world of "JoJo's Bizarre Adventure," and in addition to enjoying sushi at Sushiro, we continued to provide content that customers can enjoy along with their sushi.
As a result of the above, revenue for the Japan Sushiro Business was JPY 144,539mn (up 12.0% year-on-year), and segment profit was JPY 12,299mn (up 10.0% year-on-year).

(International Sushiro Business)

In the Int'l Sushiro Business, we are steadily expanding our business through an approach of carefully selecting properties and locations for new store openings. In Jan., we opened "Sushiro Breeze Nanshan," the first Digiro store in Taiwan. In mainland China, we opened "Sushiro Jinan MixC" in Feb., marking our first expansion into the Shandong Province area. In Mar., we opened "Sushiro Jiangmen Lihe Plaza," marking our first expansion into Jiangmen City. From the beginning of the year through spring, we implemented strategic promotional and marketing initiatives aimed at further increasing customer traffic. In Thailand, we launched "3-2-1 Let's GO!" offering various 3-piece assortments including "Sea Bream 3-Piece" and "Salmon 3-Piece," which many customers enjoyed. In Hong Kong, we launched a collaboration with "Chiikawa." We received favorable responses by operating collaboration stores where customers could enjoy the world view through panel decorations and other elements. In Taiwan, we collaborated with the hunting action game "Monster Hunter," striving to provide higher experiential value through dining at Sushiro. As a result of the above, revenue for the Int'l Sushiro Business was JPY 94,066mn (up 60.0% year-on-year), and segment profit was JPY 12,762mn (up 100.3% year-on-year).

(Kyotaru Business)

[Kyotaru Brand] Continued to strengthen e-commerce sales and streamline unprofitable stores, working to further improve profitability. We continuously held campaigns offering seasonal products, and customers enjoyed "Kyotaru's Kaiseki Osechi" for New Year's, "Kyotaru's Ehomaki" for Setsubun, and "Spring Wappa Sushi" and "Spring Nishiki Chirashi" featuring spring ingredients in March.
[Misaki Brand] Continued efforts to further evolve brand strength and improve performance by enhancing product appeal and customer service capabilities centered on our flagship stores. In addition to the popular "Weekly Value Festival," we also held "Super Misaki Day" in Feb., offering excellently marbled medium fatty tuna at JPY 150 per piece including tax, which was well received by customers.
Kyotaru Business results for the 1H of FY 26 was, JPY 11,292mn (down 6.4% year on year), and segment profit was JPY 392mn (up 763.8% year on year).

(Japan Sugidama Business)

The popular sushi Izakaya " Sugidama" maximizes the strengths of FOOD & LIFE COMPANIES, offering sushi with a commitment to freshness, taste, and presentation, as well as specialty dishes unique to Izakaya and drinks that perfectly complement the meals. Entering the ninth year since the brand's establishment, the total number of domestic stores has exceeded 100, and we are working to further expand our store network through both directly operated and franchise stores. We also continuously conduct promotional campaigns so that customers can fully enjoy dining in our carefully designed Japanese-modern interior spaces that create an extraordinary atmosphere. In Jan.'s "Sugidama JPY 290 Flat-Rate Festival," we sold sushi that pairs well with sake, such as thick-cut seared yellowtail and marinated albacore tuna, at great value prices. In Feb., we held "Sugidama's Big Challenge," where customers could enjoy sushi made with carefully selected ingredients at affordable prices, including soft and tender simmered conger eel and well-marbled Pacific herring from Hokkaido, which were well received by customers.
As a result of the above, revenue from the domestic Sugidama business was JPY 4,372mn (up 10.9% year on year), and segment profit was JPY 124mn (up 448.9% year on year).

(2) Cash Flow

Cash and cash equivalents (hereinafter referred to as "funds") during the interim consolidated accounting period increased by JPY 3,578mn compared to the end of the previous consolidated fiscal year, totaling JPY 62,400mn.
The status of each cash flow and their factors during the interim consolidated accounting period are as follows.

Cash flows from operating activities:

Funds obtained from operating activities totaled JPY 40,553mn (up 54.7% year on year). This was mainly due to interim profit before tax of JPY 27,119mn and depreciation and amortization of JPY 20,828mn, while income tax payments amounted to JPY 5,286mn and trade and other receivables increased by JPY 3,183mn.

Cash flows from investing activities:

Funds used in investing activities totaled JPY 20,753mn (up 78.4% year on year). This was mainly due to expenditures of JPY 13,923mn for the acquisition of property, plant and equipment.

Cash flows from financing activities:

Funds used in financing activities totaled JPY 17,709mn (up 9.8% year on year). This was mainly due to repayments of lease liabilities of JPY 11,964mn, dividend payments of JPY 3,957mn, and repayments of long-term borrowings of JPY 2,005mn.

(3) Prioritized Business and Financial Challenges

There were no significant changes to the priority business and financial issues to be addressed by our Group during the interim consolidated accounting period.

(4) Research and Development

Not applicable.

3. [Significant Contracts]

(1) Commitment Line Agreement

The Company entered into a commitment line agreement with two domestic financial institutions on Mar. 26, 2026, for the purpose of establishing a stable and flexible financing structure to meet the funding needs for the future business development of our Group.

The main terms of the agreement are as follows.

1. Counterparty
   Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation
2. Commitment Amount (Maximum Amount)
   Total of JPY 20,000mn
3. Commitment Period
   From Mar. 31, 2026 to Mar. 28, 2031
4. Borrowing Interest Rate
   Floating rate (base rate plus a fixed margin)
5. Main Obligations of the Borrower
   (a) Not to provide collateral for the benefit of third parties without prior written consent, except as permitted under this agreement.
   (b) To comply with financial covenants
   - To maintain the total equity in the consolidated statement of financial position at the end of each consolidated fiscal year at or above 50% of the amount as of the end of Sep. 2025.
   - Not to record a loss in the Consolidated Statement of Profit or Loss for two consecutive consolidated fiscal years.

Part 3 [Status of the Reporting Company]

1. [Status of Shares]

(1) Total Number of Shares, etc.

① Total Number of Shares

Class	Total number of authorized shares
Common stock	436,000,000
Total	436,000,000

② [Issued Shares]

Class	Number of shares issued as of the end of the interim accounting period (shares) (Mar. 31, 2026)	Number of shares issued as of the filing date (shares) (May 14, 2026)	Name of the financial instruments exchange on which the shares are listed or the name of the registered certified financial instruments business association	Content
Common stock	116,069,184	116,069,184	Tokyo Stock Exchange Prime market	Unit share: 100 shares
Total	116,069,184	116,069,184	—	—

(NOTE) The "Number of shares issued as of the filing date" column does not include shares issued through the exercise of stock options from May. 1, 2026 to the filing date of this half-year securities report. Additionally, pursuant to a resolution of the Board of Directors held on May. 8, 2026, a stock split is scheduled to become effective on Jul. 1, 2026, which will result in an increase of 116,069,184 shares on that date, bringing the total to 232,138,368 shares.

(2) Status of Stock options

① Details of Stock Option Plan

The stock options issued during the interim accounting period are as follows.

Date of resolution	Dec. 23, 2025 (28th)
Category and number of grantees (persons)	Director of the Company: 1 Corporate Officers of the Company: 15
Number of stock options (units)*	533

Class of shares underlying the stock options*	Common stock
Number of shares underlying the stock options (shares)*	213,200 (Note) 2
Amount to be paid upon exercise of stock options (JPY)*	1
Exercise period of stock options*	From Jan. 15, 2026 to Jan. 14, 2066
Issue price and amount to be incorporated into equity when shares are issued upon exercise of stock options (JPY)*	(Note) 3, 4
Conditions for exercise of stock options*	(Note) 5
Matters concerning transfer of stock options*	Acquisition of stock options through transfer will require approval by resolution of the Company's Board of Directors.
Matters concerning delivery of stock options in connection with corporate reorganization*	(Note) 7

※ The Company is scheduled to implement a stock split at a ratio of 2 shares for every 1 share of common stock, effective Jul. 1, 2026; however, as a report for the interim accounting period, the details as of the issuance date of these stock options (Jan. 15, 2026) are stated.

(NOTE)

1. Directors who are Audit and Supervisory Committee members and outside directors are not included.

2. In each fiscal year, the annual upper limit is 1,282 units, and the number of shares underlying each stock option (hereinafter referred to as "granted shares") will be 400 shares of the Company's common stock. The number of granted shares will be adjusted by the following formula if the Company conducts a stock split (including a gratis allotment of common stock of the Company; the same applies hereinafter) or a reverse stock split of common stock after the allotment date of these stock options. The adjusted number of granted shares will be applied from the day following the record date for the stock split (or the effective date if no record date is set) in the case of a stock split, or from the effective date in the case of a reverse stock split. However, such adjustment will only be made for the number of shares underlying the stock options that have not been exercised at the time of the stock split or reverse stock split, and any fractional shares resulting from the adjustment will be rounded down.

[Number of granted shares after adjustment] = [Number of shares granted before adjustment] x [Rate of stock split or stock consolidation]

Additionally, if after the allotment date of these stock options, the Company conducts a merger, company split, or capital stock reduction, or if other unavoidable circumstances arise that require adjustment of the number of granted shares in a manner similar to these cases, the number of granted shares will be appropriately adjusted within a reasonable range.

3. The issue price of shares when shares are issued upon exercise of these stock options is the sum of the exercise price at the time of exercise (JPY 1 per share) and the fair value of these stock options calculated by the Monte Carlo simulation, which is a common option pricing model, as of the allotment date. A minimum vesting ratio (hereinafter referred to as "minimum vesting ratio") is set for these stock options according to the position of the recipient. The issue prices corresponding to the minimum vesting ratios of these stock options are as follows:

① Minimum vesting ratio 16.60% (106 units)
JPY 1,874,800 per stock option (JPY 4,687 per share)
② Minimum vesting ratio 17.60% (204 units)
JPY 1,887,200 per stock option (JPY 4,718 per share)
③ Minimum vesting ratio 18.60% (0 units)
JPY 1,899,200 per stock option (JPY 4,748 per share)
④ Minimum vesting ratio 19.60% (223 units)
JPY 1,911,600 per stock option (JPY 4,779 per share)

In addition, the Company will pay monetary compensation equivalent to the total amount of the payment to those who receive the allotment of the Share Options as Directors and Corporate Officers of the Company, and offset such monetary compensation claim against the payment obligation for the Share Options. For those who receive the allotment of the Share Options as Directors and Corporate Officers of the Company's subsidiaries, the Company's subsidiaries will pay monetary compensation equivalent to the total amount of the payment for the Share Options, after which the Company will assume such monetary compensation claim as a debt and offset it against the payment obligation for the Share Options.

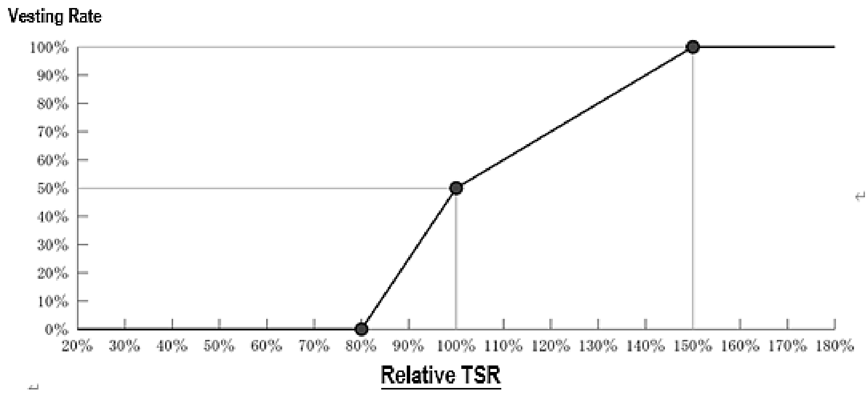
4. The amount to be incorporated into capital stock will be one-half of the maximum amount of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting, and if the calculation results in a fraction of less than JPY 1, it will be rounded up.

5. Condition to exercise the stock options

(1) The Share Option holders may exercise the Share Options only in a lump sum within the period from the day following the date on which they lose their position as either a Director or Corporate Officer of the Company or its subsidiaries until 10 days have elapsed (if the 10th day falls on a holiday, the preceding business day) within the exercise period. If the Share Option holder loses their position as either a Director or Corporate Officer of the Company or its subsidiaries before the date that is 3 years from the allotment date (if the eligible Director loses their position as either a Director or Corporate Officer of the Company or its subsidiaries before the date that is 3 years from the allotment date, this refers to the date of such loss of position; the same applies hereinafter), the vesting ratio will be calculated by multiplying the vesting ratio calculated based on the graph below by the ratio obtained by dividing the number of months of service from the allotment date (fractions of less than one month will be rounded down) by 36. However, depending on the position of the person who subscribes to the Share Options, the minimum vesting ratio will be 16.60% to 27.66% (provided that the minimum vesting ratio for the 18th, 20th, 22nd, 24th, 26th and 28th Share Options will be 16.60% to 19.60%) (hereinafter referred to as the "minimum vesting ratio"), and if the person resigns before the date of the first Annual General Meeting of Shareholders of the Company following the allotment date, the vesting ratio will be adjusted to the number obtained by multiplying the minimum vesting ratio by the ratio obtained by dividing the number of months of service (for periods of less than one month, periods of 15 days or less will be rounded down and periods of 16 days or more will be rounded up to one month) by 12. In addition, if the absolute TSR falls below 1 (100%) or if the stock price at the end of the period (the average closing price of the Company's common shares on the Tokyo Stock Exchange for each day of the month preceding the month in which

the date that is 3 years from the allotment date falls (if the grant recipient loses their position as a Director or Corporate Officer of the Company or its subsidiaries before the date that is 3 years from the allotment date, this refers to such date of loss)) falls below the stock price at the beginning of the period (the average closing price of the Company's common shares on the Tokyo Stock Exchange for each day of the month in which the allotment date of the Share Options falls), the minimum vesting ratio will apply.

(2) The number of Share Options that the Share Option holder may exercise will vary incrementally based on a comparison between the absolute TSR (calculated by adding the total amount of dividends per share of the Company's common shares during the period from the allotment date to the date that is 3 years from the allotment date to the average closing price of the Company's common shares on the Tokyo Stock Exchange for each day of the month preceding the month in which the date that is 3 years from the allotment date falls, and dividing this by the average closing price of the Company's common shares on the Tokyo Stock Exchange for each day of the month in which the allotment date of the Share Options falls) from the allotment date of the Share Options to the commencement date of the exercise period and the TOPIX growth rate (calculated by dividing the average closing price of the Tokyo Stock Price Index (hereinafter referred to as "TOPIX") for each day of the month preceding the month in which the date that is 3 years from the allotment date falls by the average closing price of TOPIX for each day of the month in which the allotment date of the Share Options falls)) and will vary incrementally according to such ratio. In the above calculation, the average closing price will be rounded to the first decimal place. The graph used for calculating the specific vesting ratio is as follows.



(3) If the Share Option holder dies, the heirs may exercise the Share Options.

(4) If the exercise of the Share Options would cause the total number of issued shares of the Company to exceed the total number of authorized shares at that time, such Share Options may not be exercised.

(5) Exercise of less than one Share Option will not be permitted.

6. Matters concerning acquisition of the Share Options

(1) In the event that approval is granted at a general meeting of shareholders (or by resolution of the Board of Directors if approval of the general meeting of shareholders is not required) for a merger agreement in which the Company becomes the absorbed company, a company split agreement or company split plan for a company split in which the Company becomes the splitting company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, an amendment to the Articles of Incorporation establishing provisions requiring the Company's approval for the acquisition of all shares issued by the Company through transfer, an amendment to the Articles of Incorporation establishing provisions requiring the Company's approval for the acquisition of the class of shares that are the object of the Share Options through transfer or provisions for the Company to acquire all of such class of shares by resolution of the general meeting of shareholders, a consolidation of shares of the class of shares that are the object of the Share Options (limited to cases where a fraction of less than one arises when the number of shares constituting one unit of such shares is multiplied by the consolidation ratio), or a proposal for approval of a demand for sale of shares by a special controlling shareholder, the Company may acquire all of the Share Options without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.

(2) If the Share Option holder becomes unable to exercise the Share Options pursuant to the provisions set forth in 5 above before exercising the rights, the Company may acquire the Share Options without consideration.

7. In the event that the Company undertakes a merger in which the Company becomes the absorbed company, an absorption-type company split or incorporation-type company split in which the Company becomes the splitting company, or a share exchange or share transfer in which the Company becomes a wholly-owned subsidiary (collectively referred to hereinafter as "organizational restructuring"), share options of the stock company listed in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (hereinafter referred to as the "reorganized company") will be delivered to the Share Option holders on the effective date of the organizational restructuring based on the following conditions in each case. However, this will be limited to cases where it is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan that share options of the reorganized company will be delivered in accordance with the following conditions.:

(1) Number of the stock options of a reorganized company to be granted :
The same number as the number of Stock options held by the Stock option holder will be granted.

(2) Class of shares of the reorganized company that are the object of the stock options :
Common stock of the reorganized company

(3) Number of shares of the reorganized company that are the object of the stock options:
This will be determined in accordance with 2 above, taking into consideration the conditions of the organizational restructuring.

(4) Value of assets contributed upon exercise of the stock options:
The value of assets to be contributed upon exercise of the Stock options to be delivered will be the amount obtained by multiplying the post-reorganization exercise price set forth below by the number of shares of the reorganized company that are the object of the Stock options determined in accordance with (3) above. The post-reorganization exercise price will be JPY 1 per share of the reorganized company that can be received by exercising the stock options to be granted..

(5) Period during which the stock options may be exercised :
The first day of the exercise period of stock options and the effective date of the Organizational Restructuring, whichever is later, will be the last day of such exercise period.

(6) Matters concerning increase in capital stock and capital reserve when shares are issued upon exercise of the stock options :
This will be determined in accordance with the amount to be incorporated into equity when shares are issued upon exercise of the Stock options described above.
(7) Restriction on acquisition of stock options by transfer :
With respect to restrictions on acquisition through transfer, approval by resolution of the Board of Directors of the reorganized company will be required.
(8) Other conditions for exercise of the stock options :
Determined in accordance with 5 above.
(9) Reasons and conditions for acquisition of stock options :
Determined in accordance with 6 above.
(10) Other conditions will be determined in accordance with the conditions of the reorganized company.

8. Matters concerning stock option certificates for the stock options :
The Company will not issue stock option certificates for the stock options.

Date of resolution	Dec. 23, 2025 (29th)
Classification and number of grantees	Employees of the Company: 219 Employees of the Company's subsidiaries: 791
Number of stock options (unit) ※	1,235
The class(es) of shares subject to the share options ※	Common stock
Number of shares for Stock options (shares) ※	123,500 (Note) 1
Amount to be paid in upon exercise of stock option (JPY) ※	7,637 (Note) 2
Exercise period of stock options ※	From Dec. 24, 2027 to Dec. 23, 2035
Issue price and amount to be incorporated into equity when shares are issued upon exercise of stock options (JPY) *	Issue price: 7,637 Amount to be incorporated into equity: 3,819
Conditions for exercising stock options ※	(Note) 4
Matters concerning transfer of stock options ※	Acquisition of stock options through transfer will require approval by resolution of the Company's Board of Directors.
Matters concerning delivery of stock options in connection with corporate reorganization ※	(Note) 6

※ The Company is scheduled to implement a stock split at a ratio of 2 shares for every 1 share of common stock, effective Jul. 1, 2026; however, as a report for the interim accounting period, the details as of the issuance date of these stock options (Jan. 15, 2026) are stated.

(NOTE)

1. The number of shares subject to each stock option (hereinafter referred to as the "number of shares granted") will be 100 common shares of the Company. If the number of shares to be delivered to a Stock option holder who exercises the Stock options includes a fraction of less than one share, such fraction will be rounded down. However, if the Company conducts a stock split (including gratis allotment of shares; the same applies hereinafter) or stock consolidation of common shares after the allotment date, the number of subject shares will be adjusted according to the following formula. The effective date of the adjusted number of shares will be the same date as the date on which the adjusted exercise price specified in Note 3 below regarding the adjustment of the exercise price related to such adjustment event is applied. Such adjustment will be made only with respect to the number of shares underlying the share warrants that have not been exercised at the time of the stock split or stock consolidation, and any fractional shares of less than one share resulting from the adjustment will be rounded down.

   [Number of shares subject to adjustment] = [Number of shares before adjustment] x [Rate of stock split or stock consolidation]

   In addition, if the Company conducts a merger, company split, or reduction of capital stock after the allotment date of the share warrants, or in other cases where it is appropriate to change the number of shares, the Company will make adjustment deemed necessary by resolution of the Board of Directors.

2. The issue price of shares to be issued upon exercise of the share warrants will be equal to the amount to be paid upon exercising of the share warrants. In addition, the amount to be incorporated into capital stock will be one-half of the maximum amount of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting, and if the calculation results in a fraction of less than one yen, such fraction will be rounded up.

3. If a stock split or stock consolidation of the Company's common stock is conducted after the issuance of the share warrants, the exercise price will be adjusted according to the following formula. The adjusted exercise price will be applied from the day following the record date for the stock split (in the case of a gratis allotment of shares, the date on which the gratis allotment of shares becomes effective, or if a record date for the gratis allotment of shares is specified, such record date) or from the day following the date on which the stock consolidation becomes effective.

$$[\text{Exercise price after the adjustment}] = [\text{Exercise price before the adjustment}] \times \frac{1}{[\text{Split or consolidation ratio}]}$$

   In addition to the above events, if it is appropriate to change the exercise price, the Company will make adjustment deemed necessary by resolution of the Board of Directors. If a fraction of less than one yen results from the adjustment of the exercise price, such fraction will be rounded up.

4. Conditions for exercise of the stock options:
   (1) The share warrant holder (or the heir in the case of (ii)) may not exercise the share warrants if any of the following events occur.:

① If the share warrant holder loses all positions as director, audit & supervisory board member, Corporate Officer, or employee of the Company, Akindo Sushiro Co. Ltd., FOOD & LIFE INNOVATIONS Co., Ltd., or any other affiliated company of the Company (hereinafter collectively referred to as the "Company Group") (except in cases where the Company recognizes mandatory retirement or other legitimate reasons).
② In the event of the death of the holder of stock options
③ Other cases specified in the share warrant allotment agreement concluded with the person who received the allotment of the share warrants based on a resolution of the Board of Directors.
④ If the share warrant holder receives or files a petition for commencement of bankruptcy proceedings or civil rehabilitation proceedings.
⑤ If the Board of Directors of the relevant company (or an equivalent body under the laws of the relevant country for overseas companies) determines that the share warrant holder has committed misconduct, breach of duties, neglect of duties, or other acts in violation of the Company Group's internal regulations applicable to such person, and may be subject to salary reduction, suspension from work, demotion, recommended resignation, dismissal for cause, or other similar disciplinary actions

(2) A portion of a single share warrant may not be exercised.

5. Acquisition provisions for the share warrants:
(1) If the share warrant holder loses all positions as director, audit & supervisory board member, Corporate Officer, or employee of the Company Group, the Company may acquire all or part of the share warrants held by such share warrant holder without consideration. In the case of acquiring a portion of the share warrants, the number of share warrants to be acquired will be determined by resolution of the Company's Board of Directors.
(2) In the event that approval is granted at a general meeting of shareholders (or by resolution of the Board of Directors if approval of the general meeting of shareholders is not required) for a merger agreement in which the Company becomes the absorbed company, a company split agreement or company split plan for a company split in which the Company becomes the splitting company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, an amendment to the Articles of Incorporation establishing provisions requiring the Company's approval for the acquisition of all shares issued by the Company through transfer, an amendment to the Articles of Incorporation establishing provisions requiring the Company's approval for the acquisition of the class of shares that are the object of the Stock options through transfer or provisions for the Company to acquire all of such class of shares by resolution of the general meeting of shareholders, a consolidation of shares of the class of shares that are the object of the Stock options (limited to cases where a fraction of less than one arises when the number of shares constituting one unit of such shares is multiplied by the consolidation ratio), or a proposal for approval of a demand for sale of shares by a special controlling shareholder, the Company may acquire all of the Stock options without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.

6. In the event that the Company conducts a merger in which the Company becomes the absorbed company, an absorption-type split or incorporation-type split in which the Company becomes the splitting company, or a share exchange or share transfer in which the Company becomes a wholly-owned subsidiary (hereinafter collectively referred to as "organizational restructuring"), share warrants of the stock company listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter collectively referred to as the "reorganized company") will be delivered in exchange for the share warrants that have not been exercised and have not been acquired by the Company at the time the organizational restructuring becomes effective (hereinafter referred to as "remaining share warrants") to the share warrant holders holding such remaining share warrants, based on the following conditions. However, this will be limited to cases where the delivery of share warrants of the reorganized company in accordance with the following conditions is specified in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan.
(1) Number of the stock options of a reorganized company to be granted: The same number as the number of remaining share warrants held by the share warrant holder of the remaining share warrants will be granted.
(2) Class of shares of the reorganized company that are the object of the stock options. : Common shares of the reorganized company.
(3) Number of shares of the reorganized company that are the object of the stock options : The number will be reasonably adjusted with respect to the number of underlying shares, considering the conditions of the organizational restructuring, etc. (hereinafter referred to as the "number of shares after succession"). However, any fractional shares of less than one share resulting from the adjustment will be rounded down.
(4) Period during which the share warrants may be exercised : From the effective date of the organizational restructuring to the expiration date of the period during which the share warrants may be exercised as described above.
(5) Matters concerning increase in capital stock and capital reserve when shares are issued upon exercise of the stock options : This will be determined in accordance with the amount to be incorporated into equity when shares are issued upon exercise of the stock options described above.
(6) Value of assets to be contributed upon exercise of the stock options : The exercise price will be the price obtained by reasonably adjusting the exercise price of the share warrants as described above, considering the conditions of the organizational restructuring, etc.
(7) Other conditions for exercising the share warrants and acquisition provisions for the share warrants : This will be determined in accordance with 4 and 5 above.
(8) Restrictions on acquisition of the stock options through transfer : The acquisition of the stock options through transfer requires the approval of the reorganized company.
(9) If the number of shares to be delivered to a share option holder who exercises the stock options includes a fraction of less than one share, such fraction will be rounded down.

7. Matters concerning stock option certificates for the stock options : The Company will not issue stock option certificates for the stock options.

② Status of other stock options

Not applicable

(3) [Status of Exercise of Bonds with Stock options with Exercise Price Adjustment, etc.]

Not applicable

(4) [Trends in Total Number of Issued Shares and Capital Stock]

Date	Change in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Change in capital stock	Change in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Change in capital stock
From Oct. 1, 2025 To Mar. 31, 2026	—	116,069,184	—	100	—	1,747

(5) [Major Shareholders]

As of Mar. 31, 2026

Name	Address	Number of shares held (shares)	Percentage of shares held in total number of Issued shares (excl. treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo, Akasaka Intercity AIR	16,640,200	14.65
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	7,476,000	6.58
National Federation of Agricultural Cooperative Associations	1-3-1 Otemachi, Chiyoda-ku, Tokyo	3,744,400	3.30
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo, Shinagawa Intercity Tower A)	3,294,966	2.90
JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO (Standing Proxy: MUFG Bank, Ltd.)	1 CHURCHILL PLACE LONDON - NORTH OF THE THAMES UNITED KINGDOM E14 5HP (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	3,034,150	2.67
GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	2,030,226	1.79
JP JPMSE LUX RE SOCIETE GENERALE EQ CO (Standing Proxy: MUFG Bank, Ltd.)	29 BOULEVARD HAUSS MANN PARIS FRANCE 75009 (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	1,931,751	1.70
GOVERNMENT OF NORWAY-CFD (Standing Proxy: Citibank, N.A., Tokyo Branch)	BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	1,781,600	1.57
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO (Standing Proxy: MUFG Bank, Ltd.)	BAHNHOFSTRASSE 45 ZURICH SWITZERLAND 8098 (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	1,726,700	1.52
JP JPMSE LUX RE J.P. MORGAN SEC PLC EQ CO (Standing Proxy: MUFG Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP UNITED KINGDOM (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	1,724,440	1.52
Total	—	43,384,433	38.20

(NOTE)

1. The ratio of shares owned to the total number of issued shares (excluding treasury stock) is displayed rounded off from the third decimal place (to two decimal places).
2. All shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) are related to trust operations.
3. All shares held by Custody Bank of Japan, Ltd. (Trust Account) are related to trust operations.
4. Although the Report of Possession of Large Volume made available for public inspection as of Nov. 20, 2025 states that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder Amova Asset Management Co., Ltd. held shares as follows as of Nov. 14, 2025, we were unable to confirm the actual number of shares owned as of Mar. 31, 2026, and therefore they have been excluded from the major shareholders listed above. The contents of the Report on Large-Volume Holdings are as follows.

Name or designation	Address	Number of shares held	Percentage of shares held (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shiba Koen, Minato-ku, Tokyo	3,275,000	2.82
Amova Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	2,550,100	2.20
Total	—	5,825,100	5.02

5. Although the Amendment Report made available for public inspection as of Jan. 21, 2026 states that Nomura Securities Co., Ltd., Nomura International plc, and Nomura Asset Management Co., Ltd. held shares as follows as of Jan. 15, 2026, we were unable to confirm the actual number of shares owned as of Mar. 31, 2026, and therefore they have been excluded from the major shareholders listed above. The contents of the Amendment Report are as follows.

Name or designation	Address	Number of shares held	Percentage of shares held (%)
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	674,731	0.58
Nomura Asset Management Co., Ltd.	2-1 Toyosu 2-chome, Koto-ku, Tokyo	5,243,100	4.52
Total		5,917,831	5.10

(6) [Status of voting rights]

① [Issued Shares]

As of Mar. 31, 2026

Classification	Number of shares (share)	Number of voting rights (unit)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	Common stock 2,457,900	—	—
Shares with full voting rights (others)	Common stock 113,528,600	1,135,286	These are standard shares of the Company with no restrictions on rights, and the number of shares per unit is 100 shares.
Shares less than one unit	Common stock 82,684	—	—
Total number of issued shares	116,069,184	—	—
Total voting rights of all shareholders	—	1,135,286	—

(NOTE) The common stock in the "Shares less than one unit" column includes 31 shares of treasury stock owned by the Company.

② [Treasury stock, etc.]

As of Mar. 31, 2025

Name of owner	Address of the holder	Number of shares held in treasury (share)	Number of shares held in other person's name (share)	Total number of shares held (share)	Percentage of shares held in total issued shares (%)
FOOD & LIFE COMPANIES LTD.	1-22-2, Esaka-cho, Suita-shi, Osaka	2,457,900	—	2,457,900	2.12
Total	—	2,457,900	—	2,457,900	2.12

(NOTE) The ratio of shares owned to the total number of issued shares is rounded to the nearest hundredth.

2. [Directors and Officers]

(1) Number of Officers by Gender and Ratio of Female Officers

Male: 5, Female: 4 (Ratio of female officers: 44.4%)

3. [Compensation of Officers]

(1) Matters Concerning the Policy for Determining the Amount of Compensation for Officers or the Method of Calculation Thereof :

- Compensation for directors (excluding Audit and Supervisory Committee members) is determined by the Board of Directors within the total compensation amount approved by the General Meeting of Shareholders, after deliberation and recommendation by the Nomination and Compensation Committee, which is a voluntary advisory body. The Company has resolved a policy for determining the content of individual compensation for directors at the Board of Directors meeting. The content of the decision policy is as follows.

① Basic Policy :

The basic policy for director compensation at the Company is to establish a compensation system linked to shareholder interests that functions sufficiently as an incentive to achieve sustainable enhancement of corporate value, and to set compensation at an appropriate level based on each director's responsibilities. Specifically, compensation for executive directors consists of basic compensation as fixed compensation and performance-linked compensation, while outside directors who fulfill a supervisory function receive only basic compensation in consideration of their duties.

② Policy for Determining the Amount of Individual Basic Compensation (Monetary Compensation) (Including Policies for Determining the Timing or Conditions for Granting Compensation) :

Basic compensation for directors of the Company is a fixed monthly amount, determined comprehensively based on position and responsibilities, considering the compensation levels of peer companies, business performance, and employee salary levels.

③ Policy for Determining Performance-Linked Compensation (Including Policies for Determining the Timing or Conditions for Granting Compensation) :

For directors (excluding outside directors), the basic principle is to pay a lump sum at a certain time after business results are finalized, within the range of 0% to 200%, calculated based on targets set to increase incentives for improving business performance (consisting of the consolidated revenue growth rate in business forecasts and the achievement level of profit for the period attributable to the owner of parent), with the amount paid upon achieving the targets set at 50% of basic compensation, the maximum payment at peak performance set at 200%, and the payment when performance falls below the minimum set at 0%.

④ Policy for Determining Non-monetary Compensation (Including Policies for Determining the Timing or Conditions for Granting Compensation) :

- With the aim of further sharing value awareness with shareholders and enhancing incentives for improving corporate value, stock option as stock compensation-type stock options will be allocated to directors (excluding outside directors) within the annual limit of JPY 200mn approved at the 3rd Annual General Meeting of Shareholders held on Dec. 21, 2017. The timing of grants, allocation, and other matters will be determined by the Board of Directors as appropriate.
- Company housing will be provided free of charge to directors (excluding outside directors) only when they must live in a location away from their home due to commuting to the office.

⑤Policy for Determining the Ratio of Each Type of Compensation :

For directors (excluding outside directors), the approximate ratio of each type of compensation when 100% of performance indicators are achieved is set as basic compensation: performance-linked compensation: non-monetary compensation = 2:1:3.

⑥ Method for Determining the Content of Individual Compensation :

Compensation for directors is determined by the Board of Directors within the total compensation amount approved by the General Meeting of Shareholders, after deliberation and recommendation by the Nomination and Compensation Committee, which is a voluntary advisory body. The Nomination and Compensation Committee will be composed of members selected by resolution of the Board of Directors, with the majority being independent outside directors.

The maximum compensation for directors (excluding directors who are Audit and Supervisory Committee members; the same applies hereinafter) was set at JPY 600mn per year (of which JPY 100mn per year is for outside directors) by resolution of the Annual General Meeting of Shareholders held on Dec. 21, 2023. The number of directors at the conclusion of the Annual General Meeting of Shareholders on Dec. 23, 2025 was 6 (1 executive director and 5 non-executive directors).

The maximum compensation for directors who are Audit and Supervisory Committee members was set at JPY 100mn per year by resolution of the Annual General Meeting of Shareholders held on Dec. 16, 2015. The number of directors who are Audit and Supervisory Committee members at the conclusion of the General Meeting of Shareholders on Dec. 23, 2025 was 3.

The Company has established the Nomination and Compensation Committee, a voluntary committee, to ensure objectivity and transparency regarding compensation for directors (excluding Audit and Supervisory Committee members), including the design of compensation systems and determination of compensation amounts, and conducts deliberations. Furthermore, the committee is composed of members selected by resolution of the Board of Directors, with the majority being independent outside directors. Compensation for directors (excluding Audit and Supervisory Committee members) is resolved by the Board of Directors after consultation with the committee.

Compensation for directors who are Audit and Supervisory Committee members consists solely of fixed compensation in order to ensure the effectiveness of auditing the execution of duties at the Company and to fulfill the responsibilities of Audit and Supervisory Committee members independently from executive officers, and is determined through deliberation among Audit and Supervisory Committee members within the scope approved by the General Meeting of Shareholders.

There is no retirement benefit system for directors (except for those whose payment was determined before the abolition of this system).

The Board of Directors has determined that the content of individual compensation for directors for the current fiscal year is in accordance with the decision policy, as it was determined through the prescribed procedures after receiving recommendations from the Nomination and Compensation Committee, a voluntary advisory body, and respecting the content of those recommendations.

At the Company, the Board of Directors has determined the following regarding variable compensation for directors who are not Audit and Supervisory Committee members (excluding outside directors), after deliberation and recommendation by the Nomination and Compensation Committee.

- Method for calculating variable compensation for directors who are not Audit and Supervisory Committee members (excluding outside directors): Among directors who are not Audit and Supervisory Committee members (excluding outside directors), the variable compensation for the Representative Director consists solely of company-wide performance.

  "Company-wide performance evaluation"

  Basic compensation (50% of annual compensation) x [Payment rate based on the achievement level of consolidated revenue growth rate in business forecasts (*1) x 50% + Payment rate based on the achievement level of profit for the period attributable to the owner of parent in business forecasts x 50%]

  Among directors who are not Audit and Supervisory Committee members (excluding outside directors), the variable compensation for executive directors other than the Representative Director consists of company-wide performance evaluation and the individual performance evaluation of each officer. It consists of company performance evaluation and individual performance evaluation of each officer.

  "Company-wide performance evaluation"

  Basic compensation (35% of annual compensation) x [payment rate based on achievement level of consolidated revenue growth rate in earnings forecast (*1) x 50% + payment rate based on achievement level of profit for the period attributable to the owner of parent in earnings forecast x 50%]

  "Individual performance evaluation"

  Basic compensation (15% of annual compensation) x [payment rate based on achievement level of consolidated revenue growth rate in earnings forecast x 50% + payment rate based on achievement level (*1) of profit for the period attributable to owners of parent in earnings forecast x 50%] x achievement level of individual performance indicators for each officer x variable rate

  *1 : Achievement level of consolidated revenue growth rate in earnings forecast (%) (rounded at the third decimal place) = (actual consolidated revenue for the current period (rounded to the nearest million yen) + actual consolidated revenue for the previous period (rounded to the nearest million yen) × 100) / (forecasted consolidated revenue for the current period + actual consolidated revenue for the previous period × 100)

  *2 : Achievement level of profit for the period attributable to the owner of parent in earnings forecast (%) (rounded to two decimal places) = (actual profit for the period attributable to the owner of parent (rounded to the nearest million yen) + forecasted profit for the period attributable to the owner of parent in earnings forecast (rounded to the nearest million yen)) × 100.

  For eligible persons whose tenure is less than one fiscal year, variable compensation is calculated by multiplying the amount obtained from the calculation by the ratio of months of tenure (for periods less than one month, 15 days or less are rounded down, and 16 days or more are rounded up to one month) divided by 12 (rounded to two decimal places).

Part 4 [Financial Information]

1. Preparation of Condensed Consolidated interim Financial Statements

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter referred to as "IAS 34") pursuant to Article 312 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the "Consolidated Financial Statements Regulation"). In addition, the Company falls under the category of companies listed in the upper column of Item 1 of the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act, and prepares Type 1 interim consolidated financial statements in accordance with the provisions of Part 1 and Part 5 of the Consolidated Financial Statements Regulation.

2. Audit Certification

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's condensed interim consolidated financial statements for the interim consolidated accounting period (from Oct. 1, 2025 to Mar. 31, 2026) have been reviewed by KPMG AZSA LLC.

1 [Consolidated Interim Financial Statements]

(1) [Consolidated Interim Statement of Financial Position]

(Millions, JPY)

	Notes	Previous consolidated fiscal year (Sep. 30, 2025)	Current interim consolidated period (Mar. 31, 2026)
Assets			
Current assets			
Cash and cash equivalents		58,822	62,400
Trade and other receivables		15,284	18,232
Inventories		10,242	11,389
Other financial assets		690	6,468
Other current assets		3,357	4,088
Current assets (Total)		88,396	102,577
Non-current assets			
Property, plant and equipment	6	203,820	219,416
Goodwill	6	30,371	30,371
Intangible assets	6	57,002	56,879
Equity method investment		52	52
Lease and guarantee deposits	13, 14	15,795	16,685
Other financial assets	13, 14	801	773
Deferred tax liabilities		1,664	1,673
Other non-current assets		694	1,279
Non-current assets (Total)		310,200	327,127
Assets (Total)		398,596	429,704
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		42,091	44,796
Bonds and borrowings	7, 13, 14	4,009	4,009
Income taxes payable		4,926	7,733
Lease liabilities		21,685	24,410
Other financial liabilities		1,339	1,494
Provisions		4,381	4,178
Other current liabilities		6,426	6,707
Current liabilities (Total)		84,857	93,328
Non-current liabilities			
Trade and other payables		22	7
Bonds and borrowings	7, 13, 14	76,519	74,526
Lease liabilities		116,447	122,554
Other financial liabilities		100	104
Provisions		5,462	5,759
Deferred income taxes liabilities		14,287	14,531
Non-current liabilities (Total)		212,837	217,482
Liabilities (Total)		297,694	310,810
Equity			
Capital stock		100	100
Capital surplus		15,806	15,575
Retained earnings		85,355	99,179
Treasury stock		△8,749	△7,640
Other components of equity		5,357	7,452
Equity attributable to parent owners (Total)		97,869	114,666
Non-controlling interests		3,032	4,229
Equity (Total)		100,902	118,895
Liabilities and equity (Total)		398,596	429,704

(2) [Consolidated Statement of Profit & Loss]

(Millions, JPY)

	Notes	Previous interim period (From Oct. 1, 2024 to Mar. 31, 2025)	Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Revenue	5,9	203,814	254,182
Cost of sales		△86,068	△109,386
Gross profit		117,745	144,796
Selling, general and administrative expenses	10	△97,861	△116,840
Other income		377	719
Other expenses	6,11	△726	△595
Operating profit	5	19,535	28,080
Financial income		96	619
Financial expenses		△1,425	△1,580
Profit before income tax		18,206	27,119
Income taxes		△5,610	△8,287
Profit for the period		12,596	18,832
Profit attributable to;			
Owners of the parent		11,869	17,788
Non-controlling interests		727	1,044
Profit for the period		12,596	18,832
Basic profit for the period;			
Basic earnings per share (JPY)	12	104.91	156.81
Diluted earnings per share (JPY)	12	103.69	154.95

(3) [Consolidated Statements of Comprehensive Income]

(Millions, JPY)

	Notes	Previous interim consolidated accounting period (From Oct. 1, 2024 to Mar. 31, 2025)	Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Profit for the period		12,596	18,832
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income		△2	-
Total of items that will not be reclassified to profit or loss		△2	-
Items that may be reclassified to profit of loss			
Exchange differences on translation of foreign operations		249	2,614
Total of items that may be reclassified to profit or loss		249	2,614
Other comprehensive income after taxes		248	2,614
Total comprehensive income for the period		12,843	21,446
Comprehensive income attributable to;			
Owners of the parent		12,135	20,249
Non-controlling interests		709	1,197
Total comprehensive income for the period		12,843	21,446

(4) [Consolidated Statement of Change in Equity]

FY2025 / Previous Consolidated Interim Accounting Period (From Oct. 1, 2024 To Mar. 31, 2025)

(Millions, JPY)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at Oct. 1, 2024		100	15,734	65,818	△9,156	4,073	76,568	1,269	77,837
Profit for the period				11,869			11,869	727	12,596
Other comprehensive income						266	266	△18	248
Total comprehensive income		-	-	11,869	-	266	12,135	709	12,843
Disposal of treasury stock			1		48	△13	36		36
Purchase of treasury stock					△0		△0		△0
Expiration of stock options			8			△8	-		-
Share-based payment transactions						257	257		257
Dividends	8			△3,394			△3,394		△3,394
Transfer to retained earnings				△6		6	-		-
Purchase of shares of shares of consolidated subsidiaries			△17				△17	△20	△37
Total transactions with owners		-	△8	△3,399	48	242	△3,118	△20	△3,138
Balance at Mar. 31, 2025		100	15,726	74,287	△9,108	4,580	85,585	1,958	87,542

FY2026 / Current Consolidated Interim Accounting Period (From Oct. 1, 2025 To Mar. 31, 2026)

(Millions, JPY)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at Oct. 1, 2025		100	15,806	85,355	△8,749	5,357	97,869	3,032	100,902
Profit for the period				17,788			17,788	1,044	18,832
Other comprehensive income						2,461	2,461	153	2,614
Total comprehensive income		-	-	17,788	-	2,461	20,249	1,197	21,446
Disposal of treasury stock			△493		1,109	△396	219		219
Expiration of stock options			262			△262	-		-
Share-based payment transactions						292	292		292
Dividends	8			△3,964			△3,964		△3,964
Total transactions with owners		-	△231	△3,964	1,109	△366	△3,453	-	△3,453
Balance at Mar. 31, 2026		100	15,575	99,179	△7,640	7,452	114,666	4,229	118,895

(5) [Consolidated Statement of Cash Flows]

(Millions, JPY)

	Notes	Previous interim period (From Oct. 1, 2024 to Mar. 31, 2025)	Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Cash flows from operating activities			
Income before income taxes		18,206	27,119
Depreciation and amortization		17,227	20,828
Impairment loss	6	567	274
Financial income		△96	△619
Financial expenses		1,425	1,580
Increase (decrease) in bonus provisions (△decrease)		△1,865	△229
Amount of rent offset by Lease and guarantee deposits		133	-
Decrease (△increase) in trade and other receivables		△2,088	△3,183
Decrease (△increase) in inventories		△1,739	△1,037
Increase (△decrease) in trade and other payables		1,648	1,933
Others		△1,163	411
Subtotal		32,255	47,076
Interest and dividends income received		71	137
Interest paid		△1,213	△1,535
Income taxes paid		△4,893	△5,286
Income taxes refund		-	160
Cash flow from operating activities		26,219	40,553
Cash flow from investing activities			
Purchase of property, plant and equipment		△11,289	△13,923
Proceeds from sale of property, plant and equipment		12	10
Purchase of intangible assets		△822	△709
Payments into time deposits		△985	△5,092
Proceeds from withdrawal of time deposits		2,163	-
Payments for lease and guarantee deposits		△1,173	△988
Others		462	△50
Cash flow from investing activities		△11,632	△20,753
Cash flow from financing activities			
Redemption of bonds		△5,000	-
Proceeds from issuance of bonds		4,974	-
Repayment of long-term borrowings		△2,005	(2,005)
Repayment of lease liabilities		△10,717	△11,964
Payments of commissions paid		△9	△8
Purchase of treasury stock		△0	-
Proceeds from exercise of stock options		38	219
Dividends paid	8	△3,386	△3,957
Payments for acquisition of interests in subsidiaries from non-controlling interests		△37	-
Others		8	6
Cash flow from financing activities		△16,135	△17,709
Increase (△decrease) in cash and cash equivalents		△1,548	2,091
Cash and cash equivalents at beginning of the period		48,695	58,822
Effect of exchange rate changes on cash and cash equivalents		189	1,487
Cash and cash equivalents at end of the period		47,336	62,400

[Notes to Condensed Interim Consolidated Financial Statements]

1.Reporting company

FOOD & LIFE COMPANIES LTD. (the "Company") is a corporation located in Japan, with its registered head office located in Osaka Prefecture. The Company's condensed interim consolidated financial statements for the interim period ended Mar. 31, 2026 comprise the Company and its subsidiaries (hereinafter referred to as "the Group"). The Group operates a restaurant business specializing in sushi. In Japan, the Group primarily operates directly managed kaiten (revolving) sushi restaurants under the "Sushiro," "Sugidama," "Kyotaru," and "Kaiten Sushi Misaki/Misakimaru" brands. Overseas, the Group operates directly managed kaiten (revolving) sushi restaurants in South Korea, Taiwan, Singapore, Hong Kong, Thailand, Mainland China, Indonesia, the United States, and Malaysia.

2.Basis of preparation

(1) Compliance with IFRS : The Group's condensed interim consolidated financial statements have been prepared in accordance with IAS 34. As the Group meets the requirements of a "Specified IFRS Company" as set forth in Article 1-2, Item 2 of the Consolidated Financial Statements Regulation, it applies the provisions of Article 312 of the same regulation. These condensed interim consolidated financial statements were approved on May. 13, 2026 by Representative Director and President Masahiro Yamamoto and Corporate Officer Takeshi Yoshida. These condensed interim consolidated financial statements do not include all the information required in annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the previous fiscal year.

(2) Basis of Measurement : The condensed interim consolidated financial statements of the Group have been prepared on the historical cost basis, except for financial instruments measured at fair value.

(3) Functional and Presentation Currencies : The condensed interim consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, and amounts are rounded to the nearest million yen.

3. Significant Accounting Policies

The significant accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year. Income taxes for the interim consolidated accounting period are calculated based on the estimated annual effective tax rate.

4. Significant Accounting Estimates and Judgments

In preparing the condensed interim consolidated financial statements, management makes estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Due to their nature, the results of accounting estimates may differ from actual results. Estimates and their underlying assumptions are reviewed on an ongoing basis, and the effects of revisions to accounting estimates are recognized in the accounting period in which the estimates are revised and in future accounting periods. The estimates, judgments, and assumptions that have a significant impact on the amounts in these condensed interim consolidated financial statements are, in principle, the same as those in the consolidated financial statements for the previous fiscal year.

5. Segment Information

(1) Reportable Segment : The reportable segments of the Group consist primarily of business-specific segments.
Major brands included in each reportable segment are as follows.

Japan Sushiro Business	: "Sushiro" and takeout specialty stores operated in Japan
International Sushiro Business	: "Sushiro" and takeout specialty stores operated outside Japan
Kyotaru Business	: All brands operated by KYOTARU CO., LTD. (main brands: "Kyotaru," "Kaiten Sushi Misaki," and "Kaisen Misakiko")
Japan Sugidama Business	: All brands operated by FOOD & LIFE INNOVATIONS Co., Ltd. (main brand: "Sugidama")
Other Business	: Sushiro operated at 2025 EXPO and external sales of product inventory

(2) Reportable Segment Revenue and Performance

Revenue and performance by reportable segment are as follows:

FY2025 Previous interim consolidated accounting period (From Oct. 1, 2024 to Mar. 31, 2025)

(Millions, JPY)

	Reportable Segments					Total	Total Adjustments (Note 2)	Consolidated Total
	Japan Sushiro Business	International Sushiro Business	Kyotaru Business	Japan Sugidama Business	Other businesses			
Revenue								
External revenue	129,097	58,805	12,029	3,875	7	203,814	-	203,814
Inter-segment revenue	-	2	32	68	-	103	△103	-
Total	129,097	58,807	12,061	3,944	7	203,916	△103	203,814
Segment income (△loss) (NOTE 1)	11,178	6,371	45	23	7	17,625	1,910	19,535
Other items								
Depreciation and amortization	8,673	6,737	859	426	-	16,695	533	17,227
Impairment loss	17	488	48	15	-	567	-	567

(NOTE)
1. Segment profit is reconciled with operating profit in the condensed interim consolidated statement of profit or loss.
2. The adjustment amount of JPY 1,910mn for segment profit mainly includes elimination of inter-segment transactions and corporate profit and loss not allocated to each reportable segment.

FY2026 Current consolidated interim period (From Oct. 1, 2025 to Mar. 31, 2026)

(Millions, JPY)

	Reportable Segments					Total	Total Adjustments (Note 2)	Consolidated Total
	Japan Sushiro Business	International Sushiro Business	Kyotaru Business	Japan Sugidama Business	Other businesses			
Revenue								
External revenue	144,539	94,065	11,192	4,312	74	254,182	-	254,182
Inter-segment revenue	-	1	100	60	-	160	△160	-
Total	144,539	94,066	11,292	4,372	74	254,342	△160	254,182
Segment income (△loss) (NOTE 1)	12,299	12,762	392	124	△55	25,523	2,557	28,080
Other items								
Depreciation and amortization	9,551	9,360	827	496	3	20,237	591	20,828
Impairment loss	105	108	51	9	-	274	-	274

(NOTE)
1. Segment profit or loss is reconciled with operating profit in the condensed interim consolidated statement of profit or loss.
2. The adjustment amount of JPY 2,557mn for segment profit or loss mainly includes elimination of inter-segment transactions and corporate profit and loss not allocated to each reportable segment.

(3) Matters Related to Changes in Reportable Segments

From 3Q of the previous fiscal year, the reportable segments have been changed from the previous four segments of "Japan Sushiro Business," "Int'l Sushiro Business," "Kyotaru Business," and "Other Businesses" to five segments of "Japan Sushiro Business," "Int'l Sushiro Business," "Kyotaru Business," "Japan Sugidama Business," and "Other Businesses." This change was made to establish "Japan Sugidama Business," which was previously included in "Other Businesses," as an independent reportable segment, considering its future significance. Segment information for the previous interim consolidated accounting period has been disclosed based on the revised reportable segment classification.

6. Impairment of Non-Financial Assets

(1) Impairment of Operating Assets

The impairment losses recorded by the Group in the condensed interim consolidated statement of profit or loss for stores with deteriorating performance are as follows.

(Millions, JPY)

	Previous interim period (From Oct. 1, 2024 to Mar. 31, 2025)	Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Buildings	190	79
Structures	-	2
Machinery and equipment	1	20
Tools, furniture, and fixtures	78	68
Right-of-use assets	273	105
Intangible assets	26	1
Total	567	274

(NOTE)
1. All impairment losses arose from operating assets and are included in other expenses in the condensed interim consolidated statement of profit or loss.
2. Impairment tests for operating assets are conducted with each store as a cash-generating unit.
3. The recoverable amounts of these assets were JPY 355mn in the previous interim consolidated accounting period and JPY 649mn in the current interim consolidated accounting period.
4. The number of stores for which impairment losses were recognized was 23 stores in the previous interim consolidated accounting period and 27 stores in the current interim consolidated accounting period.

(2) Impairment of Assets Acquired in Business Combinations

The Group conducts impairment tests for goodwill and brands with indefinite useful lives annually or whenever there are indications of impairment. There were no acquisitions, disposals, or indications of impairment of goodwill or brands with indefinite useful lives in the previous and current interim consolidated accounting periods.

7. Bonds and Borrowings

(1) The Breakdown of Bonds and Borrowings of the Group is as Follows:

(Millions, JPY)

	Previous Consolidated Fiscal Year (Sep. 30, 2025)	Current Interim Consolidated Accounting Period (Mar. 31, 2026)	Average Interest Rate (%)	Repayment Due Date
Current liabilities				
Long-term borrowings due within 1 year	4,009	4,009	0.72	March, 2027
Subtotal	4,009	4,009	-	-
Non-current liabilities				
Bonds (excluding bonds due within 1 year)	29,569	29,580	—	—
Long-term borrowings (excluding those due within one year)	46,950	44,946	0.43	March, 2032
Subtotal	76,519	74,526	-	-
Total	80,528	78,535	-	-

(NOTE)
1. Bonds and borrowings are classified as financial liabilities measured at amortized cost.
2. The average interest rate represents the weighted average interest rate for the period-end balance of borrowings in the current interim consolidated accounting period.
3. Some of the Group's borrowings are subject to financial covenants that require maintenance of certain equity levels, among other requirements. There were no events that violated these covenants in the current interim consolidated accounting period or the previous consolidated fiscal year.
4. A summary of the issuance terms of the bonds is as follows.

(Millions, JPY)

Company name	Brand	Issue Date	Previous consolidated fiscal year (Sep. 30, 2025)	Current consolidated interim period (Mar. 31, 2026)	Interest rate (%)	Collateral	Redemption Date
F&LC	Second series of unsecured bonds	Jan 23, 2020	4,998	4,996	0.350	Unsecured	Jan. 23, 2030
F&LC	Fourth series of unsecured bonds	Dec 20, 2023	11,985	11,992	1.062	Unsecured	Dec. 20, 2028
F&LC	Fifth Unsecured Bonds	Dec 14, 2023	7,597	7,601	1.062	Unsecured	Dec. 14, 2028
F&LC	Sixth Unsecured Bonds	Jan 23, 2025	4,989	4,991	1.351	Unsecured	Jan. 23, 2030
Total	—	—	29,569	29,580	—	—	—

8. Dividends

(1) Dividends Paid

FY2025 Previous interim consolidated period (From Oct. 1, 2024 to Mar. 31, 2025)

Resolution Date	Class of shares	Source of dividends	Total dividends (Millions, JPY)	Dividends per share (JPY)	Record Date	Effective date
Dec. 26, 2024 Annual General Shareholders' Meeting	Common stock	Retained earnings	3,394	30.00	Sep. 30, 2024	Dec. 27, 2024

FY2026 Consolidated interim accounting period (From Oct. 1, 2025 To Mar. 31, 2026)

Resolution Date	Class of shares	Source of dividends	Total dividends (Millions, JPY)	Dividends per share (JPY)	Record Date	Effective date
Dec. 23, 2025 Annual General Shareholders' Meeting	Common stock	Retained earnings	3,964	35.00	Sep. 30, 2025	Dec. 24, 2025

(2) Dividends With a Record Date in the Current Interim Consolidated Accounting Period for Which the Effective Date Falls After the End of the Current Interim Consolidated Accounting Period

FY2025 / Previous Interim Consolidated Accounting Period (From Oct. 1, 2024 to Mar. 31, 2025)
Not applicable

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FY2026 / Current Interim Consolidated Accounting Period (From Oct. 1, 2025 to Mar. 31, 2026)
Not applicable

9. Revenue

The Group presents revenue generated from the restaurant business and other operations as revenue, and disaggregates revenue (external revenue) by type of goods or services based on the reportable segment classification as follows. The reportable segment classification has been changed from the previous consolidated fiscal year. Figures for the previous interim consolidated accounting period have been disclosed based on the revised reportable segment classification. Details are described in "Note 5 Segment information (1) Overview of reportable segments."

FY2025 Previous Interim Consolidated Accounting Period (From Oct. 1, 2024 to Mar. 31, 2025)

(Millions, JPY)

	Reportable Segments					Total
	Japan Sushiro Business	International Sushiro Business	Kyotaru Business	Japan Sugidama Business	Other businesses	
Store sales	128,968	58,791	12,029	3,811	-	203,599
Others	129	14	0	64	7	214
Total	129,097	58,805	12,029	3,875	7	203,814

FY2026 Current Interim Consolidated Period (From Oct. 1, 2025 to Mar. 31, 2026)

(Millions, JPY)

	Reportable Segments					Total
	Japan Sushiro Business	International Sushiro Business	Kyotaru Business	Japan Sugidama Business	Other businesses	
Store sales	144,408	94,061	11,192	4,235	47	253,943
Others	131	4	0	76	28	239
Total	144,539	94,065	11,192	4,312	74	254,182

10. Selling, General, and Administrative Expenses

The Breakdown of Selling, General and Administrative Expenses is as Follows.:

(Millions, JPY)

	FY2025 Previous interim period (From Oct. 1, 2024 to Mar. 31, 2025)	FY2026 Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Employee benefit expenses	54,716	66,207
Depreciation and amortization (Note)	17,185	20,783
Utility costs	4,846	4,995
Commissions Paid	3,985	4,711
Others	17,129	20,144
Total	97,861	116,840

11. Other Expenses

(Millions, JPY)

	FY2025 Previous interim consolidated accounting period (From Oct. 1, 2024 to Mar. 31, 2025)	FY2026 Current interim period (From Oct. 1, 2025 to Mar. 31, 2026)
Impairment loss	567	274
Others	159	321
Total	726	595

12. Earnings Per Share

	FY2025 Previous interim consolidated accounting period (From Oct. 1, 2024 to Mar. 31, 2025)	FY2026 Current interim consolidated accounting period (From Oct. 1, 2025 to Mar. 31, 2026)
Interim profit attributable to common-share holders of the parent company (millions, JPY)	11,869	17,788
Interim profit attributable to common shares used in calculating basic interim earnings per share (millions, JPY)	11,869	17,788
Interim profit attributable to common shares used in calculating diluted interim earnings per share (millions, JPY)	11,869	17,788
Basic weighted average number of common shares (shares)	113,127,810	113,433,627
Increase in common shares used in calculating diluted interim earnings per share (shares)	1,338,060	1,361,959
Diluted weighted average number of common shares (shares)	114,465,870	114,795,586
Basic interim earnings per share (JPY)	104.91	156.81
Diluted interim earnings per share (JPY)	103.69	154.95
Summary of potential shares not included in the calculation of interim diluted earnings per share as they have no dilutive effect	3 types of stock options (176,000 common shares)	1 types of stock options (15,000 common shares)

13. Fair Value of Financial Instruments

The carrying amounts and fair values of financial instruments are as follows. Notes are omitted for financial instruments whose carrying amounts approximate fair values.

(Millions, JPY)

	FY2025 Previous consolidated fiscal year (Sep. 30, 2025)		FY2026 Current interim consolidated accounting period (Mar. 31, 2026)	
	Book value	Fair value	Book value	Fair value
Financial assets measured at amortized cost :				
Lease and guarantee deposits	15,795	14,911	16,685	15,519
Financial assets measured at fair value :				
Unlisted shares	773	773	773	773
Financial liabilities measured at amortized cost :				
Bonds	29,569	28,811	29,580	28,537
Borrowings	50,959	49,314	48,955	46,951

The fair values of financial assets and financial liabilities are calculated as follows.:

(a) Lease and Guarantee Deposits

As the credit risk of the property owners who are counterparties to lease and guarantee deposits is currently judged to be extremely low, the fair values are calculated based on the present value of future cash flows over the lease period discounted using appropriate indicators such as government bond yields, and are classified as Level 3.

(b) Unlisted Shares

The fair value of unlisted shares is measured by the relevant department of the Group using the most recent available figures for each reporting period in accordance with Group accounting policies, and is classified as Level 3.

(c) Bonds

The fair value of bonds is calculated based on market prices, and is classified as Level 2.

(d) Borrowings

Regarding the fair value of borrowings, for short-term borrowings, the fair value approximates the carrying amount as they are settled within a short period. For long-term borrowings with fixed interest rates, the fair value is calculated as the present value of the total principal and interest discounted at the interest rate that would be assumed if similar new borrowings were made. For those with variable interest rates, as they reflect market interest rates within a short period and the Company's credit standing has not changed significantly since the borrowings were made, the contractual amounts approximate fair value. These are classified as Level 2.

14. Fair Value Measurement

Fair value hierarchy

The level of the fair value hierarchy used in fair value measurement is determined based on the lowest level of significant inputs used in the fair value measurement.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the assets or liabilities

FY2025 Previous Consolidated Fiscal Year (Sep. 30, 2025) (Millions, JPY)

	Level 1	Level 2	Level 3	Total
Assets:				
Lease and guarantee deposits	-	-	14,911	14,911
Other financial assets (non-current):				
Unlisted shares	-	-	773	773
Total	-	-	15,684	15,684
Liabilities:				
Bonds	-	28,811	-	28,811
Borrowings	-	49,314	-	49,314
Total	-	78,125	-	78,125

FY2026 Current Interim Consolidated Accounting Period (Mar. 31, 2026) (Millions, JPY)

	Level 1	Level 2	Level 3	Total
Assets:				
Lease and guarantee deposits	-	-	15,519	15,519
Other financial assets (non-current):				
Unlisted shares	-	-	773	773
Total	-	-	16,292	16,292
Liabilities:				
Corporate bonds	-	28,537	-	28,537
Borrowings	-	46,951	-	46,951
Total	-	75,488	-	75,488

(NOTE)

1. For assets and liabilities that are regularly recorded in the condensed interim consolidated financial statements, the Group reassesses the classification at the end of each reporting period to determine whether any transfers between levels of the hierarchy have occurred.
2. There were no transfers between Level 1 and Level 2 of fair value measurements, nor transfers from or to Level 3 during the previous fiscal year and the current interim consolidated accounting period.

The Reconciliation of Financial Instruments Measured at Fair Value on a Recurring Basis Classified as Level 3 is as Follows.: (Millions, JPY)

	FY2024 Previous interim period (From Oct. 1, 2024 to Mar. 31, 2025)	FY2025 Current interim consolidated accounting period (From Oct. 1, 2025 to Mar. 31, 2026)
Balance at beginning of period	1,232	773
Balance at end of interim period	1,232	773

15. Subsequent Events

(Regarding Stock Split and Partial Amendment to the Articles of Incorporation Associated with the Stock Split)

The Company resolved at the Board of Directors meeting held on May. 8, 2026 to implement a stock split and partially amend the Articles of Incorporation associated with the stock split.

1. Regarding the Stock Split

(1) Purpose of the Stock Split

The purpose is to create an environment where it is easier for investors to invest by reducing the investment amount per unit (100 shares) through the stock split, thereby improving share liquidity and expanding the investor base.

(2) Overview of the Stock Split

① Method of Split

Each share held by shareholders recorded in the final shareholder registry as of Jun. 30, 2026 will be split at a ratio of 2 shares for every 1 share.

② Number of Shares to Be Increased by the Split

Total number of issued shares before the stock split	:	116,069,184 shares
Number of shares to be increased by this split	:	116,069,184 shares
Total number of issued shares after the stock split	:	232,138,368 shares
Total number of authorized shares after the stock split	:	872,000,000 shares

③ Schedule of the Split

Record date announcement date　: Jun. 12, 2026, Friday
Record date　: Jun. 30, 2026, Tuesday
Effective date　: Jul. 1, 2026, Wednesday

(3) Other Matters

There will be no increase in capital stock associated with this stock split.

2. Regarding Partial Amendment to the Articles of Incorporation Associated with the Stock Split

(1) Reason for the Amendment to the Articles of Incorporation

In connection with this stock split, a partial amendment to the Company's Articles of Incorporation will be made with an effective date of Jul. 1, 2026, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of the Amendment to the Articles of Incorporation

The details of the amendment are as follows.　(Underlined portions indicate changes)

Current Articles of Incorporation	After Amendment
(Total Number of Authorized Shares) Article 7: The total number of authorized shares of the Company will be <u>436,000,000mn shares</u>.	(Total Number of Authorized Shares) Article 7: The total number of authorized shares of the Company will be <u>872,000,000 shares</u>.

(3) Schedule of the Amendment to the Articles of Incorporation

Board of Directors resolution date　: May. 8, 2026, Friday
Effective date　: Jul. 1, 2026, Wednesday

2 [Others]

Not applicable