

November 12, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: WATAMI CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7522
 URL: <https://www.watami.co.jp/>
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 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Institutional Investors, Securities Analysts, and the Press)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	44,716	3.1	2,139	(4.1)	2,242	17.9	1,717	17.9
September 30, 2024	43,386	7.6	2,229	23.3	1,901	(43.8)	1,457	(47.9)

Note: Comprehensive income For the six months ended September 30, 2025: ¥(96) million [-%]
 For the six months ended September 30, 2024: ¥4,024 million [(8.8)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	36.85	-
September 30, 2024	30.35	-

Note: In the third quarter of the previous fiscal year and the end of the previous consolidated fiscal year, the provisional accounting treatment for the business combination was finalized, and the figures for the interim period ending March 2025 reflect the details of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	67,793	26,201	38.1	339.66
March 31, 2025	71,491	27,134	37.5	357.28

Reference: Equity
 As of September 30, 2025: ¥25,862 million
 As of March 31, 2025: ¥26,796 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	10.00	10.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)				10.00	10.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

The above "Cash dividends" refers to dividends on common shares. Please refer to "Cash dividends on class shares" below for the status of dividends on class shares (unlisted) that have different rights from those of common shares issued by the Company.

3. Earnings Forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	91,000	2.6	4,600	0.7	5,250	0.1	4,000	13.6	87.76

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

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

Newly included: 2 companies (Watami US Franchise LLC、H&W Hospitality Partners, LLC)

Note: For details, please refer to Appendix P.12, "2. Interim Consolidated Financial Statements and Main Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Changes to the Scope of Consolidation or Scope of Application by the Equity Method)"

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

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	42,684,880 shares
As of March 31, 2025	42,684,880 shares

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

As of September 30, 2025	2,579,920 shares
As of March 31, 2025	2,618,843 shares

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

Six months ended September 30, 2025	40,077,195 shares
Six months ended September 30, 2024	40,068,175 shares

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company to realize them. Actual results may vary due to a variety of factors.

Status of Dividends on Class Shares

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

Class A Preferred Shares	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	end of term	Total
	Yen	Yen	Yen	Yen	Yen
The fiscal year ending March 31, 2025	0.00	0.00	0.00	4,011,397.26	4,011,397.26
The fiscal year ending March 31, 2026	0.00	0.00			
The fiscal year ending March 31, 2026 (Forecast)			0.00	4,000,000.00	4,000,000.00

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	45,753	39,841
Trade receivables and contract asset	4,395	4,343
Securities	375	754
Merchandise and finished goods	1,424	1,561
Work in process	607	367
Raw materials and supplies	326	289
Other	3,570	2,059
Allowance for doubtful accounts	(47)	(67)
Total current assets	56,408	49,150
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,055	3,317
Machinery, equipment and vehicles	889	1,145
Land	323	327
Leased assets	1,044	932
Construction in progress	254	124
Other	593	638
Total property, plant and equipment	6,161	6,484
Intangible assets		
Goodwill	681	580
Other	1,425	1,313
Total intangible assets	2,107	1,893
Investments and other assets		
Investment securities	686	4,105
Guarantee deposits	4,683	4,568
Deferred tax assets	801	866
Invested fixed asset, invested other asset	1	37
Other	816	862
Allowance for doubtful accounts	(176)	(176)
Total investments and other assets	6,814	10,264
Total non-current assets	15,083	18,643
Total assets	71,491	67,793

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,554	3,022
Short-term borrowings	6,560	6,536
Lease liabilities	964	669
Accounts payable - other	2,793	4,788
Income taxes payable	602	568
Accrued expenses	2,365	2,215
Provision for bonuses	640	639
Provision for bonuses for directors (and other officers)	20	-
Provision for sales promotion cost reserve	9	9
Other	1,451	1,197
Total current liabilities	18,964	19,647
Non-current liabilities		
Long-term borrowings	21,000	17,736
Lease liabilities	552	480
Asset retirement obligations	1,653	1,635
Other	2,186	2,092
Total non-current liabilities	25,392	21,945
Total liabilities	44,357	41,592
Net assets		
Shareholders' equity		
Share capital	4,910	4,910
Capital surplus	15,633	15,618
Retained earnings	3,242	4,078
Treasury shares	(3,600)	(3,540)
Total shareholders' equity	20,186	21,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49	53
Foreign currency translation adjustment	6,560	4,742
Total accumulated other comprehensive income	6,609	4,796
Non-controlling interests	338	338
Total net assets	27,134	26,201
Total liabilities and net assets	71,491	67,793

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	43,386	44,716
Cost of sales	18,761	19,779
Gross profit	24,625	24,936
Selling, general and administrative expenses	22,395	22,797
Operating profit	2,229	2,139
Non-operating income		
Interest income	412	412
Interest on securities	110	61
Income from facility leasing	65	90
Share of profit of entities accounted for using equity method	-	1
Subsidy income	24	16
Miscellaneous income	45	149
Total non-operating income	658	732
Non-operating expenses		
Interest expenses	238	270
Rental expenses on facilities	53	80
Share of loss of entities accounted for using equity method	6	-
Foreign exchange losses	550	183
Miscellaneous losses	137	93
Total non-operating expenses	986	629
Ordinary profit	1,901	2,242
Extraordinary losses		
Loss on retirement of non-current assets	17	7
Impairment losses	25	113
Total extraordinary losses	43	121
Profit before income taxes	1,857	2,120
Income taxes - current	369	433
Income taxes - deferred	20	(32)
Total income taxes	390	400
Profit	1,467	1,719
Profit attributable to non-controlling interests	10	2
Profit attributable to owners of parent	1,457	1,717

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,467	1,719
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	3
Foreign currency translation adjustment	2,574	(1,820)
Total other comprehensive income	2,556	(1,816)
Comprehensive income	4,024	(96)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,007	(96)
Comprehensive income attributable to non-controlling interests	17	(0)

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,857	2,120
Depreciation	1,146	1,102
Impairment losses	25	113
Amortization of goodwill	49	62
Increase (decrease) in provision for bonuses	(92)	(18)
Increase in sales promotion cost reserve	0	0
Interest and dividend income	(523)	(474)
Interest expenses	238	270
Foreign exchange losses (gains)	498	49
Loss on retirement of non-current assets	17	7
Amortization of guarantee deposits	9	14
Decrease (increase) in trade receivables	(140)	52
Decrease (increase) in inventories	(52)	110
Decrease (increase) in advances paid	93	44
Decrease (increase) in accounts receivable - other	38	13
Decrease (increase) in consumption taxes refund receivable	12	(15)
Increase (decrease) in trade payables	(182)	(509)
Increase (decrease) in accounts payable - other	(812)	176
Increase (decrease) in accrued expenses	(163)	(121)
increase(decrease)in accrued consumption tax	(160)	(345)
Increase (decrease) in deposits received	(101)	(47)
Other, net	882	124
Subtotal	2,641	2,730
Interest and dividends received	565	426
Interest paid	(237)	(271)
Income taxes paid	(768)	(587)
Income taxes refund	0	13
Net cash provided by (used in) operating activities	2,201	2,311

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(715)	(1,273)
Proceeds from sale of property, plant and equipment	644	-
Purchase of intangible assets	(99)	(78)
Payments for asset retirement obligations	(27)	(28)
Payments into time deposits	(30,117)	(29,268)
Proceeds from withdrawal of time deposits	27,725	31,404
Purchase of investment securities	(512)	(1,758)
Proceeds from redemption of investment securities	470	1,735
Payments of guarantee deposits	(349)	(133)
Proceeds from refund of guarantee deposits	315	153
Loan advances	(7)	(39)
Proceeds from collection of loans receivable	24	14
Payments for acquisition of businesses	(883)	-
Other, net	(14)	(63)
Net cash provided by (used in) investing activities	(3,545)	663
Cash flows from financing activities		
Proceeds from short-term borrowings	14	-
Repayments of short-term borrowings	(115)	-
Proceeds from long-term borrowings	900	-
Repayments of long-term borrowings	(3,481)	(3,286)
Redemption of bonds	(50)	-
Repayments of finance lease liabilities	(762)	(598)
Purchase of treasury shares	(0)	(0)
Dividends paid	(848)	(880)
Dividends paid to non-controlling interests	-	(301)
Net cash provided by (used in) financing activities	(4,343)	(5,067)
Effect of exchange rate change on cash and cash equivalents	180	(101)
Net increase (decrease) in cash and cash equivalents	(5,507)	(2,194)
Cash and cash equivalents at beginning of period	13,469	13,946
Cash and cash equivalents at end of period	7,962	11,752

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (April 1, 2024 to September 30, 2024)

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

(Millions of yen)

	Reportable segments						Other (Note)	Total	Reconciling items	Interim Consolidated Statements of Income
	Domestic Restaurant business	Food Catering Business for Elderly People	Overseas business	Environment business	Agriculture business	Total				
Sales										
Japan	16,209	20,150	-	1,244	265	37,870	116	37,987	-	37,987
Southeast Asia	-	-	5,052	-	-	5,052	-	5,052	-	5,052
United States	161	-	185	-	-	346	-	346	-	346
Revenue generated from customer contracts	16,371	20,150	5,237	1,244	265	43,269	116	43,386	-	43,386
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	16,371	20,150	5,237	1,244	265	43,269	116	43,386	-	43,386
Transactions with other segments	1	-	-	363	124	488	266	755	(755)	-
Total	16,372	20,150	5,237	1,608	389	43,758	383	44,141	(755)	43,386
Segment profit (loss)	696	2,340	92	106	(84)	3,152	1	3,153	(924)	2,229

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

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

(Millions of yen)

benefit	amount of money
Total Reporting Segments	3,152
Other	1
Company-wide expenses (Note)	(924)
Operating income in the interim consolidated statement of income	2,229

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

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

(Significant impairment loss on fixed assets)

We recorded an impairment loss of 25 million yen in the "Domestic Restaurant business" segment.

The amount of the impairment loss recorded was 25 million yen in the interim consolidated accounting period under review.

(Significant fluctuations in the amount of goodwill)

In the Overseas Business segment, two consolidated subsidiaries, Watami US Corp and Watami US Nevada LLC, recorded goodwill following the acquisition of assets of SONNY SUSHI COMPANY. In the interim consolidated accounting period under review, the increase in goodwill due to this event was 403 million yen.

The amount of goodwill is the amount after the revision due to the finalization of the provisional accounting treatment related to the business combination.

(Significant Negative Goodwill Accrual)

There is nothing to be included.

II. The Interim Consolidated Accounting Period (April 1, 2025 to September 30, 2025)

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

(Millions of yen)

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

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, and includes the agricultural theme park business and the worker dispatch business.

2. Segment information for the previous interim consolidated accounting period is described in "2. The amount is disclosed after reflecting the significant revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment described in the interim consolidated financial statements and main notes (4) Notes on Interim Consolidated Financial Statements (Notes on Business Combinations, etc.).

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

(Millions of yen)

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

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

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

(Significant impairment loss on fixed assets)

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

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

(Significant fluctuations in the amount of goodwill)

There is nothing to be included.

(Significant Negative Goodwill Accrual)

There is nothing to be included.