FY2027.3 2Q Financial Results Briefing Summary

At the financial results briefing held on November 12, 2026, President Masahiko Sugino provided an overview of "Analysis of Present States and Future Prospects FY2027.3 2Q," as well as an update on sales for October of FY2027.3.
This document contains a summary, prepared by us, of the content of the briefing on the FY2027.3 2Q, and the question-and-answer session held on the above date.
This English version of the document is provided solely for reference purposes. In the event of any discrepancy in the content, interpretation, or nuances between the Japanese and English versions, the Japanese version shall prevail as the official original version.

1. 2Q Performance and Growth Drivers in Japan

In 2Q, consolidated net sales increased 21% year on year to ¥111.9 billion, operating profit rose 25% to ¥18.6 billion, and net income grew 13% to ¥10.0 billion. Both sales and profit increased. In particular, crane games in Japan contributed to sales growth.
(See page 3 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

We launched "Toresugi~no Island," a crane game area featuring mainly food and everyday necessities as prizes, around Golden Week and have since expanded it to 86 stores. Of the average of 300 crane game machines per store, approximately 60 are configured to make prizes easier to win. This has helped prevent customer attrition while attracting new customer groups.

Although competition may intensify as the number of so-called warehouse-style crane game specialty stores increases, we will strengthen our multiple sources of earnings by expanding the lineup of original crane game prizes, primarily featuring intellectual property (IP), in crane game areas outside "Toresugi~no Island," and by further enhancing collaboration campaigns in divisions other than amusement as well.
(See page 7 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

Consolidated operating profit for the first half exceeded the plan by approximately ¥3.6 billion, driven primarily by strong performance in crane games, Bowling, Karaoke, and Spo-Cha in Japan.
(See page 4 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

2. Full Year Forecast and Price Revisions

The full-year forecast was revised upward to reflect operating profit for the first half exceeding the original plan by approximately ¥3.6 billion, while the original plan for the second half was maintained.

Recent performance has remained strong, and we aim to sustain the performance through busy periods such as the year-end and New Year holidays and spring break.
(See page 5 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

To address rising costs, including labor and procurement costs, we intend to consider implementing price revisions in line with inflation as a Group. Rising hourly wages for part-time workers and starting salaries among certain core customers— including high school students, university students, and people in their 20s— are also viewed as factors supporting spending. We will continue to pursue profit growth through store expansion while assessing opportunities for new locations.

3. Expansion of Japanese Food Hall in the United States

In the United States, we opened our first location featuring Japanese Food Hall in the northwestern part of Los Angeles, bringing together more than a dozen Japanese restaurants serving dishes such as Takoyaki, Ramen, and Yakitori. The expanded offering builds on conventional food offerings and aims to attract additional customers visiting specifically to dine.
(See page 14 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

4. Expansion of Round One Delicious

Round One Delicious plans to open locations for its upscale restaurant business in Las Vegas this month and Los Angeles next month. The third and fourth units are also scheduled to open in New York next fiscal year.
(See page 16 of "Analysis of Present States and Future Prospects FY2027.3 2Q" for details.)

Average spending per customer, including food and alcoholic beverages, is expected to be approximately ¥120,000, with initial prices set about 20% lower through the end of the calendar year. The business targets a broad range of customers, including families celebrating special occasions, rather than only ultra-high-net-worth-individuals. Participating restaurants will refer customers to one another to encourage repeat visits across the entire unit, as well as to individual restaurants.

5. Future Growth Strategy

While maintaining our current strong performance, we recognize that growth at existing stores may eventually slow. We have plans to strengthen promotions and collaboration campaigns at existing stores and continue investing in new game machines, store interiors and exteriors, and new locations while generating profits. By securing stable profits at existing stores, differentiating ourselves from competitors, and making continued investments, we aim to achieve sustained growth.

Q&A

Revised Forecast and Risks in the Second Half

Question: The full-year forecast was revised to reflect the stronger-than-planned first half results, while the original plan for the second half was maintained. Given the current strong performance, what risks does the Company anticipate?

Answer: Our view of the business environment has not changed significantly from three months ago. However, uncertainties remain, including those relating to global developments. We therefore reflected only the results for the period already completed in the revised forecast and maintained the original plan for the second half.

Growth from Next Fiscal Year and the Outlook for Existing Stores in Japan

Question: Existing stores in Japan are performing well, but the comparison with the prior year is likely to become more challenging next fiscal year. How does the Company plan to achieve growth, including in areas other than crane games?

Answer: Assuming that sales and costs at existing stores remain unchanged, opening new stores provides a means of increasing profits. In Japan, although higher construction costs make it difficult to open newly built stores, there is still room to expand by taking over previously occupied premises in shopping malls and similar locations.

We expect the benefits from the introduction of "Toresugi~no Island" to continue until around the first quarter of next fiscal year, while year-on-year comparisons are likely to become more challenging from the second quarter onward. For divisions other than amusement, we will also consider price revisions in line with inflation, while assessing their impact on customer traffic in light of factors such as wage growth among younger customers.

Impact of Price Revisions on Customer Traffic

Question: How does the Company assess price revisions implemented to date? Is it correct to understand that they have not affected customer traffic?

Answer: Conditions vary by division. Although price revisions have affected customer traffic in some areas, we believe they have generally been accepted.

Trends in Customer Traffic and Providing In Person Experiences

Question: With many young people enjoying games at home, how has customer traffic been trending? How does the Company plan to encourage visits going forward?

Answer: Average spending per customer is increasing, and customer traffic is also rising in absolute terms. Young people tend to concentrate their spending on things they are passionate about, such as supporting their favorite artists or characters. At the same time, following the pandemic, there is

demand to go out and enjoy activities together with friends and others.
In Japan, we plan to restore full operating hours at all stores shortly, while in the United States we continue to operate in most locations until 2 a.m., as before. By providing opportunities for people to enjoy activities together, we aim to maintain and increase customer traffic.

Target Customers and Promotion for Round One Delicious

Question: Who are the main target customers, and what is the approach to promotion ahead of the openings?
Answer: We envisage a broad range of customers, including Japanese residents in the area, tourists, Americans who have visited Japan, and visitors from around the world.
We have already listed the restaurants on reservation websites. For the Las Vegas pre-opening, we invited hotel concierges and others to introduce them to each restaurant's interior and service. We will focus on word of mouth rather than large-scale promotion, with the aim of encouraging repeat visits across the entire unit.