

Consolidated Financial Results for the Three Months Ended May 31, 2025 (Under Japanese GAAP)

Company name: DOUTOR·NICHIREN Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3087
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2025	39,315	6.5	2,787	(6.5)	2,850	(8.1)	2,074	(12.8)
May 31, 2024	36,906	4.9	2,981	37.6	3,100	37.5	2,379	18.1

Note: Comprehensive income For the three months ended May 31, 2025: ¥1,697 million [(29.2)%]
 For the three months ended May 31, 2024: ¥2,399 million [17.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	47.83	-
May 31, 2024	54.30	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of May 31, 2025	133,537	101,206	75.5
February 28, 2025	134,232	104,350	77.5

Reference: Equity
 As of May 31, 2025: ¥100,855 million
 As of February 28, 2025: ¥104,002 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 February 28, 2025	-	23.00	-	27.00	50.00
Fiscal year ending February 28, 2026	-				
Fiscal year ending February 28, 2026 (Forecast)		27.00		27.00	54.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 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
Six months ending August 31, 2025	78,237	4.0	5,959	4.0	6,019	5.0	4,093	(2.9)	94.38
Fiscal year ending February 28, 2026	154,514	3.8	10,599	10.4	10,723	11.5	7,156	4.0	165.02

Note: Revisions to the earnings forecasts most recently announced: None

***Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly 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: Yes
- (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 May 31, 2025	45,609,761 shares
As of February 28, 2025	45,609,761 shares

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

As of May 31, 2025	3,117,810 shares
As of February 28, 2025	1,765,730 shares

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

Three months ended May 31, 2025	43,365,353 shares
Three months ended May 31, 2024	43,818,291 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (optional)

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, see "1. Qualitative Information on the Financial Results for the this quarter (3) Explanation of Forecast Information such as Consolidated Earnings Forecasts."

Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	38,990	33,336
Notes and accounts receivable - trade	6,733	9,133
Merchandise and finished goods	3,639	3,778
Work in process	187	232
Raw materials and supplies	1,520	1,735
Other	7,809	9,233
Allowance for doubtful accounts	(88)	(90)
Total current assets	58,792	57,360
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,339	22,979
Machinery, equipment and vehicles, net	1,022	1,112
Land	22,692	22,879
Leased assets, net	2,679	2,593
Other, net	1,992	1,772
Total property, plant and equipment	50,727	51,336
Intangible assets	791	743
Investments and other assets		
Investment securities	1,087	1,087
Deferred tax assets	1,605	1,845
Leasehold and guarantee deposits	20,069	20,111
Retirement benefit asset	15	15
Other	1,142	1,036
Total investments and other assets	23,920	24,097
Total non-current assets	75,439	76,177
Total assets	134,232	133,537

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,193	9,792
Short-term borrowings	470	470
Current portion of long-term borrowings	126	126
Income taxes payable	2,399	1,209
Provision for bonuses	1,322	684
Provision for bonuses for directors (and other officers)	75	23
Provision for shareholder benefit program	141	-
Other	9,356	11,167
Total current liabilities	21,084	23,473
Non-current liabilities		
Long-term borrowings	82	53
Lease liabilities	1,434	1,394
Retirement benefit liability	2,353	2,345
Asset retirement obligations	2,414	2,438
Other	2,513	2,626
Total non-current liabilities	8,797	8,858
Total liabilities	29,882	32,331
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	16,648	16,648
Retained earnings	89,887	90,778
Treasury shares	(3,381)	(7,033)
Total shareholders' equity	104,154	101,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	368	371
Deferred gains or losses on hedges	57	(243)
Foreign currency translation adjustment	(520)	(611)
Remeasurements of defined benefit plans	(57)	(54)
Total accumulated other comprehensive income	(152)	(537)
Non-controlling interests	348	350
Total net assets	104,350	101,206
Total liabilities and net assets	134,232	133,537

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Net sales	36,906	39,315
Cost of sales	14,357	15,938
Gross profit	22,549	23,376
Selling, general and administrative expenses	19,567	20,588
Operating profit	2,981	2,787
Non-operating income		
Interest income	3	5
Dividend income	0	1
Rental income from real estate	24	27
Foreign exchange gains	91	50
Other	21	12
Total non-operating income	141	98
Non-operating expenses		
Interest expenses	5	6
Rental expenses on real estate	11	16
Share of loss of entities accounted for using equity method	5	0
Other	0	11
Total non-operating expenses	23	35
Ordinary profit	3,100	2,850
Extraordinary income		
Gain on sale of non-current assets	0	0
Compensation for transfer-EI2	243	160
Other	-	16
Total extraordinary income	244	178
Extraordinary losses		
Loss on retirement of non-current assets	22	36
Impairment losses	29	15
Other	-	1
Total extraordinary losses	51	53
Profit before income taxes	3,293	2,975
Income taxes	904	891
Profit	2,389	2,083
Profit attributable to non-controlling interests	10	9
Profit attributable to owners of parent	2,379	2,074

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	2,389	2,083
Other comprehensive income		
Valuation difference on available-for-sale securities	52	3
Deferred gains or losses on hedges	12	(300)
Foreign currency translation adjustment	(85)	(91)
Remeasurements of defined benefit plans, net of tax	30	3
Total other comprehensive income	10	(385)
Comprehensive income	2,399	1,697
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,389	1,688
Comprehensive income attributable to non-controlling interests	10	9

(Notes on segment information, etc.)

Segment Information

I. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Group, of which the Company is the holding company, consists of two core operating companies, with the business segments "Japan Restaurant System Group," "Doutor Coffee Group," and "Others."

The Japan Restaurant System Group operates a chain of restaurants mainly directly managed by the Group, and its business activities include the purchase, manufacture and sale of food ingredients.

The Doutor Coffee Group mainly operates coffee chains through directly managed stores and franchise systems, and its business activities include the purchase of coffee beans, roasting and processing of coffee beans, sales at directly managed stores, wholesale to franchise stores, royalties and other income, and the sale of coffee products to convenience stores.

"Other" refers mainly to retail and wholesale business activities related to the restaurant business in Japan and overseas.

II. the three months of the previous fiscal year (March 1, 2024 to May 31, 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

(in millions of yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	NICHIRE GROUP	DOUTOR GROUP	Other	Total		
Sales						
Retail	13,343	9,628	1,350	24,321	-	24,321
Wholesale	113	11,506	352	11,973	-	11,973
Other	15	595	0	611	-	611
Revenue generated from customer contracts	13,472	21,730	1,703	36,906	-	36,906
Other Earnings	-	-	-	-	-	-
Revenues from external customers	13,472	21,730	1,703	36,906	-	36,906
Transactions with other segments	423	174	1,294	1,891	(1,891)	-
Total	13,896	21,904	2,997	38,798	(1,891)	36,906
Segment Profit	1,350	1,301	329	2,980	0	2,981

Note: 1. Segment profit adjustment of 0 million yen includes operating expenses that cannot be assigned, which are mainly expenses related to the administrative department of the parent company.

This includes 194 million yen and 194 million yen for inter-segment transaction elimination.

2. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

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

(Significant impairment loss on fixed assets)

In the Japan Restaurant System Group and Doutor Coffee Group segments, we have reduced the book value of business assets scheduled for disposal to recoverable value, and recorded this decrease as an extraordinary loss as an impairment loss. The amount of impairment loss recorded was 13 million yen for the Japan Restaurant System Group, 15 million yen for the Doutor Coffee Group, and 1 million yen for others.

III. the three months of the current fiscal year (March 1, 2025 to May 31, 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

(in millions of yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	NICHIRE GROUP	DOUTOR GROUP	Other	Total		
Sales						
Retail	13,999	10,408	1,278	25,687	-	25,687
Wholesale	123	12,494	371	12,989	-	12,989
Other	20	605	11	638	-	638
Revenue generated from customer contracts	14,144	23,509	1,662	39,315	-	39,315
Other Earnings	-	-	-	-	-	-
Revenues from external customers	14,144	23,509	1,662	39,315	-	39,315
Transactions with other segments	429	214	1,297	1,940	(1,940)	-
Total	14,573	23,723	2,959	41,256	(1,940)	39,315
Segment Profit	1,136	1,391	313	2,841	(53)	2,787

Note: 1. Segment profit adjustment of (53) million yen includes operating expenses that cannot be assigned, which are mainly expenses related to the administrative department of the parent company.

This includes 234 million yen and 180 million yen for inter-segment transactions.

2. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

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

(Significant impairment loss on fixed assets)

In the Japan Restaurant System Group and Doutor Coffee Group segments, we have reduced the book value of business assets scheduled for disposal to recoverable value, and recorded this decrease as an extraordinary loss as an impairment loss. The amount of impairment loss recorded was 2 million yen for the Japan Restaurant System Group, 13 million yen for the Doutor Coffee Group, and 0 million yen for others.