

August 1, 2025

Notice Concerning Revisions to Business Forecasts

Royal Holdings Co., Ltd. announces that we have revised its consolidated business forecasts for the first half of the fiscal year ending December 31, 2025, which were announced on February 14, 2025. Details are as follows.

● Revision to Business Forecasts

(1) First half of the fiscal year ending December 31, 2025 (January 1, 2025 to June 30, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	79,300	2,280	2,300	1,300	26.41
Revised forecasts (B)	78,800	3,200	3,300	2,000	40.62
Change (B-A)	-500	920	1,000	700	
Percentage change (%)	-0.6	40.4	43.5	53.8	
(Reference) Previous results (FY12/24 H1)	72,633	3,443	3,386	2,968	60.32

Reasons for the revision

Regarding the consolidated business forecasts for the first half of the fiscal year ending December 31, 2025 (January 1, 2025 – June 30, 2025), we initially anticipated a modest recovery in personal consumption in Japan, supported by continued wage growth and an increase in inbound tourism, despite concerns over a slowdown in the global economy due to prolonged conflict in Ukraine, escalating tensions in the Middle East, and the impact of U.S. trade policies. We also expected a steady rise in demand for dining out and accommodation.

Since the previous forecasts, our domestic restaurant business has generally performed in line with expectations, aided in part by increasing selling prices through the introduction of high value-added offerings. However, in the overseas restaurants, delays in new store openings resulted in sales falling short of initial expectations. In the Contract Food Service Business, airport locations performed solidly due to the recovery in air travel demand. Nevertheless, sales at highway service areas and business facilities underperformed relative to projections. Meanwhile, the Hotel Business significantly exceeded expectations by effectively capturing strong and resilient tourism demand.

On the cost side, although rising raw material prices—particularly for U.S. beef and rice—and continued labor cost increases due to wage improvements have persisted, these pressures were offset by the positive impact of increased revenues, improved profitability through various management initiatives, and better equity-method earnings from airline catering affiliates and other related businesses. As a result, profits at each level exceeded previous forecasts.

Based on the above, for the first half of the fiscal year ending December 31, 2025 (January 1, 2025 – June 30, 2025), although net sales are now expected to fall short of the previous forecast, operating profit, ordinary profit, and profit attributable to owners of parent are all projected to exceed the prior outlook.

With regard to the consolidated forecasts for the full fiscal year ending December 31, 2025 (January 1, 2025 – December 31, 2025), uncertainties remain due to persistent domestic inflation, adverse weather conditions, changes in consumption behavior among inbound tourists influenced by currency trends, and the potential materialization of geopolitical risks. In addition, the upward trend in various costs must also be taken into account. Therefore, at this point, we have not revised the full-year forecasts announced on February 14, 2025.

Our company plans to announce its financial results for the first half of the fiscal year ending December 31, 2025 on August 5.

* The above forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecasts due to various factors.