

# (Translation)



## Consolidated Financial Results for the Six Months Ended June 30, 2025

August 8, 2025

### McDonald's Holdings Company (Japan), Ltd.

Company code number: 2702 (URL <https://www.mcd-holdings.co.jp/en/>)  
 Stock market: Tokyo Securities Exchange, Standard  
 Representative: Thomas Ko  
 Representative Director, President and CEO  
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 Schedule of dividends payment: —  
 Schedule of interim securities report submission: August 12, 2025  
 Preparation of supplementary materials for interim financial results: Yes  
 Interim results briefing: Yes (For analysts)

### 1. Consolidated operating results (From January 1, 2025 to June 30, 2025)

#### (1) Consolidated financial results

(In millions of yen, with fractional amounts discarded)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
June 30, 2025	203,314	1.2	26,222	10.4	26,153	7.7	16,796	12.8
June 30, 2024	200,996	10.2	23,748	31.9	24,278	35.0	14,893	31.0

(Note) Comprehensive income:

Six months ended June 30, 2025: 16,783 million yen <12.8%>

Six months ended June 30, 2024: 14,881 million yen <31.0%>

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
June 30, 2025	126.33	-
June 30, 2024	112.02	-

#### (2) Consolidated financial position

(In millions of yen, with fractional amounts discarded)

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	%
As of June 30, 2025	335,396	263,312	78.5
As of December 31, 2024	337,094	253,044	75.1

(Note) Owner's equity:

As of June 30, 2025: 263,312 million yen.

As of December 31, 2024: 253,044 million yen

## 2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
December 31, 2024	-	0.00	-	49.00	49.00
December 31, 2025	-	0.00	-	-	-
December 31, 2025 (Forecast)	-	-	-	56.00	56.00

(Note) Changes to the dividend forecast from the most recently announced figures: None

## 3. Consolidated earnings forecasts for the year ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	412,500	1.7	51,000	6.2	49,500	4.5	31,000	(3.0)	233.15

(Note) Change to the earnings forecast from the most recently announced figures: Yes

## 4. Others

### (1) Changes in significant subsidiaries (Changes in scope of consolidation): None

Newly consolidated: — Excluded: —

### (2) Application of accounting procedures specific to preparation of interim consolidated financial statements: Yes

### (3) Changes in accounting policies and accounting estimates

- Changes caused by revision of accounting standards: None
- Changes other than (3) - 1. above: None
- Changes in accounting estimates: None
- Restatements: None

### (4) Number of shares outstanding (common stock)

- Number of shares outstanding (including treasury stock)
 

As of June 30, 2025: 132,960,000 shares	As of December 31, 2024: 132,960,000 shares
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- Number of treasury stock
 

As of June 30, 2025: 1,180 shares	As of December 31, 2024: 1,173 shares
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- Average number of common shares outstanding
 

As of June 30, 2025: 132,958,820 shares	As of June 30, 2024: 132,958,888 shares
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(Indication of interim review procedure implementation status)

This interim earnings report is not subject to interim review procedures based upon the Financial Instruments and Exchange Act.

(Forward - looking statements)

The financial forecasts and estimates in this release are based on information available at the time of disclosure and certain assumptions judged to be reasonable by the Company. Actual results may differ materially from expectations due to various factors.

The governing language of this interim earnings report is Japanese. An English translation hereof is provided for reference purpose only.

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## **1. Qualitative information on interim financial results ended June 30, 2025**

### **(1) Qualitative information on consolidated operating results**

In February 2025, McDonald's Holdings Company (Japan) Ltd. and its subsidiary (the "Group" or "we") announced its medium-term management plan (from 2025 to 2027) with the aim of sustainable growth, stronger profitability, and further enhancement of the corporate value of the Group. We will focus and expand our community-rooted franchise business and aim for further growth to meet the increasingly diverse and growing expectations of our customers and continue to be the most beloved restaurant brand in Japan. Specifically, we will focus on the three strategic areas of "Menu & Value", "Restaurant Portfolio & Digital" and "Sustainability & People" with the aim of continuous sales growth and stronger restaurant profitability and realize community-rooted and sustainable growth. Financial targets include an average annual growth rate of 4-6% for system-wide sales, 4-6% for average annual operating income, 13% for operating income ratio and 11% or more for ROE.

In this interim consolidated accounting period, despite concerns about rising costs of restaurant operations, we continued to listen to our customers, strived to enhance QSC and convenience, and strengthened investments in marketing, restaurants, and people. As a result, our System-wide Sales rose on a year-on-year basis and our Same-store Sales increased for 39 consecutive quarters from Q4 2015 to Q2 2025. In terms of profit, operating income increased year-on-year, thanks to the increase in System-wide Sales and efficient restaurant operations. In light of the interim consolidated financial results and other factors, we have revised our full-year forecast for the fiscal year ending December 31, 2025.

Our actions based on the Medium-Term Management Plan are as follows:

#### **(1) Menu & Value**

In addition to offering a lineup of appealing and delicious menu items that meet customer needs throughout all hours and the standard menu items unique to McDonald's, limited time offers are made available to help bring a sense of seasonality and fun to our customers for each of the four seasons here in Japan. We are also strengthening restaurant investment, offer high QSC, and implement marketing promotions to enhance customers' restaurant experience that always offers Value (value beyond price).

In this interim consolidated accounting period, we are continuing to deliver excitement to our customers and increase the number of McDonald's fans, and with operations and services offered through everyday efforts, our surveys have shown high scores for "Has food I want to eat," which has a significant impact on the customers' intention to visit our restaurants. In addition, as a brand that feels familiar and readily accessible, strategic value measures are being rolled out to offer customers a sense of affordability.

In March 2025, price revisions were made to ensure that we continue to offer restaurant experiences that satisfy our customers. By implementing measures to help customers feel a sense of affordability along with promotions in line with customer expectations, our business has kept growing. Indeed, customers are still rating our products as being affordable, and we believe that the initiatives we have taken to enhance our customers' restaurant experiences are being appreciated. We will continue to offer value menu items, exciting marketing promotions, and highly convenient services to deliver Value beyond Price to our customers.

#### **(2) Restaurant Portfolio & Digital**

We are strengthening new restaurant development and closing restaurants with limited capacity and other issues to increase the number of locations that offer an even better dining experience for our customers. We are aiming for a net increase of 100 restaurants or more in the next 3 years starting in 2025 to optimize the restaurant portfolio, and increase sales and profitability per restaurant. We'll also continue to strengthen and expand our franchise business that stays close to each community.

Another key initiative for restaurant development activities has been the remodeling of existing restaurants.

Investments are being made throughout the System to reform our restaurant layouts. Through the further enhancement of capacity and efficiency of operations, we aim to deliver even better restaurant experiences to our customers. System-wide efforts are being made to achieve the target of remodeling 1,000 restaurants and maximize the potential of restaurants by 2027. As for digital, to ensure sound growth over the mid-to-long term, we are focusing on enhancing and evolving our customers' restaurant experiences even further. We have enhanced customer convenience significantly by increasing the number of sales channels to meet customer needs, including Mobile Order, Delivery and the introduction of touch-panel order terminals. Such developments enable our staff to serve customers with even higher hospitality and further improve the efficiency of restaurant operations in the kitchen. We will continue to accelerate the Fusion of Digital and People at all our restaurants to enhance restaurant experiences for our customers and employees.

During this interim consolidated accounting period, 26 new restaurants were opened, and 25 restaurants were closed. As indicated by the increase in System-wide Sales, the replacement of restaurants has been on track, and steady progress is being made to build the optimum restaurant portfolio. We also had 43 restaurants remodeled. We are moving forward to steadily adjust and implement layouts and investments on a restaurant-by-restaurant basis, so as to deliver better restaurant experiences for our customers and enhance profitability.

Classification	Previous year-end	Newly opened	Closed	Classification change		Current reporting period
				Increase	Decrease	
Company-operated	787	11	(10)	6	(14)	780
Franchised	2,201	15	(15)	14	(6)	2,209
Total	2,988	26	(25)	20	(20)	2,989

### (3) Sustainability & People

In order to keep Feeding and Fostering Communities, we are designating Food Quality & Sourcing, Our Planet, Community Connection and Jobs, Inclusion and Empowerment as the four key areas for addressing sustainability challenges and promoting their respective initiatives.

McDonald's has set a goal of achieving Net Zero Emissions to reduce emissions of greenhouse gas -- cited as a cause of global warming -- from our restaurants globally to virtually zero by 2050. As part of our efforts to deliver on this goal, we have introduced corporate PPAs to make use of solar power in the Kansai and Kanto areas last December, promoting the procurement of renewable energy in our restaurants. Additionally, we have committed to replacing all packaging materials offered to customers with renewable, recycled, or certified materials by the end of 2025; accordingly, we have already switched to environmentally friendly materials for our cutlery, muddlers, and other items. A plan was also announced in May 2025 for the nationwide roll-out of plastic carry bags that use more environmentally friendly biomass plastic (from 50% to 95%.) and we are putting this plan into motion sequentially.

At McDonald's, we recognize that our business is supported by people, namely our crew members and employees. An engagement platform for everyone in the McDonald's System including the approximately 210,000 crew nationwide is essential to fully understand the ever-changing needs of customers and deliver an even better restaurant experience. We will continue to provide growth opportunities to all crew and employees, promote work styles where everyone can play an active role and build an even more welcoming and approachable workplace.

As a result of the above initiatives, same-store sales grew by 4.9% during the current interim consolidated accounting period of this year. System-wide sales were 429,786 million yen (a 25,801 million yen increase from the same period last year), revenue was 203,314 million yen (a 2,317 million yen increase from the same period last year), and operating income was 26,222 million yen (a 2,473 million yen increase from the same period last year), ordinary income was 26,153 million yen (a 1,874 million yen increase from the same period last year). Net income attributable to owners of the parent was 16,796 million yen (a 1,902 million yen increase from the same period last year).

- (\*) 1. Same-store sales are the total sales of restaurants operating for 13 months or longer.  
2. System-wide sales are the combined net sales of company-operated and franchised restaurants; the amount does not equal to net sales presented in the interim consolidated statements of income.  
3. Operating results are not presented in relation to the segment information as the business of our Group is based solely on operations of hamburger restaurants.

The cost-of-sales ratio for the second quarter is as follows.

(Unit: Million Yen)

		Six months ended June 30, 2024		Six months ended June 30, 2025		Year-on-year change	
		Amount	%	Amount	%	Amount	%
Company-operated restaurants' cost of sales		121,491	88.5%	117,653	88.2%	(3,837)	(0.3)%
(Breakdown)	Raw material	50,482	36.8%	49,611	37.2%	(870)	0.4%
	Labor	36,916	26.9%	34,642	26.0%	(2,273)	(0.9)%
	Other	34,092	24.8%	33,398	25.0%	(693)	0.2%
Franchised restaurants -occupancy expenses		39,167	61.4%	43,152	61.7%	3,985	0.2%
Total		160,659	79.9%	160,806	79.1%	147	(0.8)%

Selling, general and administrative expenses for the second quarter are as follows.

(Unit: Million Yen)

		Six months ended June 30, 2024		Six months ended June 30, 2025		Year-on-year change	
		Amount	%	Amount	%	Amount	%
Selling, general & administrative expenses		16,588	8.2%	16,285	8.0%	(303)	(0.1)%
(Breakdown)	Advertising & selling	4,284	2.1%	3,941	1.9%	(342)	(0.2)%
	Other	12,304	6.1%	12,343	6.1%	39	0.0%

## **(2) Qualitative information on consolidated financial position**

### **1) Analysis of financial position**

At the end of the first half of the fiscal year, current assets totaled 109,211 million yen, a 2,466 million yen decrease from the end of the previous fiscal year. This was primarily due to a 2,614 million yen decrease in current portion of long-term deferred accounts receivable.

Non-current assets totaled 226,184 million yen, a 767 million yen increase from the end of the previous fiscal year. This was primarily due to a 1,333 million yen increase in property and equipment.

Current liabilities were 64,536 million yen, a 11,532 million yen decrease from the end of the previous fiscal year. This was mainly due to a 9,299 million yen decrease in other and a 1,849 million yen decrease in accounts payable-other.

Non-current liabilities totaled 7,547 million yen, a 433 million yen decrease from the end of the previous fiscal year. This was mainly due to a 164 million yen decrease in provision for directors' retirement benefits and a 109 million yen decrease in asset retirement obligations.

### **2) Cash flow summary**

Cash and cash equivalent at the end of the first half of the fiscal year was 68,823 million yen, increase 1,496 million yen from the end of the previous fiscal year.

#### **(Cash flow from operating activities)**

A total of 29,950 million yen was provided by operating activities. (Increase of 7,532 million yen from the same period previous last year) This was primarily due to a pre-tax income of 25,771 million yen.

#### **(Cash flow from investing activities)**

A total of 21,851 million yen was provided in investing activities. (Decrease of 3,315 million yen from the same period previous last year) This was primarily due to purchases of property and equipment of 21,024 million yen.

#### **(Cash flow from financing activities)**

A total of 6,602 million yen was used in financing activities. (Increase of 897 million yen from the same period last year) This was primarily due to dividend payments of 6,514 million yen.

## **(3) Qualitative information on consolidated earnings forecasts**

For the full-year earnings forecast ending December 31, 2025, some revisions have been made to the earlier forecast announced on February 6, 2025. For more details, please refer to the "Revision of Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025," that is being announced today.

## 2. Interim consolidated financial statements

### (1) Interim consolidated balance sheets

Millions of yen	December 31, 2024	June 30, 2025
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	67,327	68,823
Accounts receivable - trade	25,229	23,359
Current portion of long-term deferred accounts receivable	5,142	2,528
Securities	4,000	6,000
Raw materials and supplies	1,660	1,278
Other	8,323	7,228
Allowance for doubtful accounts	(6)	(6)
Total current assets	111,677	109,211
<b>Non-current assets</b>		
<b>Property and equipment</b>		
Buildings and structures, net	93,483	95,759
Machinery and equipment, net	17,754	16,657
Tools, furniture and fixtures, net	9,170	8,635
Land	27,352	27,410
Lease assets, net	218	160
Construction in progress	1,532	2,222
Total property and equipment	149,512	150,845
<b>Intangible assets</b>		
Goodwill	640	688
Software	9,515	9,198
Other	694	694
Total intangible assets	10,850	10,580
<b>Investments and other assets</b>		
Investment securities	12,056	11,024
Long-term loans receivable	9	9
Long-term deferred accounts receivable	192	0
Deferred tax assets	7,669	7,774
Lease and guarantee deposits	40,944	41,809
Other	5,380	5,330
Allowance for doubtful accounts	(1,198)	(1,190)
Total investments and other assets	65,054	64,758
Total non-current assets	225,416	226,184
<b>Total assets</b>	<b>337,094</b>	<b>335,396</b>



Millions of yen	December 31, 2024	June 30, 2025
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable-trade	354	46
Lease obligations	147	116
Accounts payable-other	35,532	33,682
Accrued expenses	8,738	7,615
Income taxes payable	7,633	9,991
Consumption taxes payable	3,614	3,228
Contract liabilities	5,644	5,595
Provision for bonuses	2,228	1,424
Provision for loss on disposal of inventories	17	30
Asset retirement obligations	84	30
Other	12,074	2,774
Total current liabilities	76,069	64,536
<b>Non-current liabilities</b>		
Lease obligations	116	77
Provision for bonuses	89	1
Provision for directors' bonuses	34	1
Provision for directors' retirement benefits	214	50
Liabilities for retirement benefits	1,174	1,132
Asset retirement obligations	5,832	5,723
Deferred tax liabilities	37	31
Deferred tax liabilities due to land revaluation	289	311
Other	191	218
Total non-current liabilities	7,981	7,547
<b>Total liabilities</b>	84,050	72,083
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Common stock	24,113	24,113
Capital surplus	42,124	42,124
Retained earnings	190,936	201,211
Treasury stock	(3)	(3)
Total shareholders' equity	257,171	267,445
<b>Accumulated other comprehensive income</b>		
Revaluation reserve for land	(4,202)	(4,195)
Remeasurements of retirement benefits	75	62
Total accumulated other comprehensive income	(4,126)	(4,133)
Total net assets	253,044	263,312
<b>Total liabilities and net assets</b>	337,094	335,396

**(2) Interim consolidated statements of income and comprehensive income**

Interim consolidated statements of income for the Six months ended June 30, 2024 and 2025

Millions of yen	Six months ended June 30, 2024	Six months ended June 30, 2025
<b>Net sales</b>	200,996	203,314
<b>Cost of sales</b>	160,659	160,806
<b>Gross profit</b>	40,337	42,507
<b>Selling, general and administrative expenses</b>	16,588	16,285
<b>Operating income</b>	23,748	26,222
<b>Non-operating income</b>		
Interest income	67	131
Reversal of allowance for doubtful accounts	0	1
Compensation income	154	89
Insurance income	267	214
Other	552	455
Total non-operating income	1,042	891
<b>Non-operating expenses</b>		
Interest expenses	4	4
Loss on disposals of company-operated restaurants	178	819
Loss on cancellation of leasehold contracts	219	13
Other	109	123
Total non-operating expenses	512	960
<b>Ordinary income</b>	24,278	26,153
<b>Special income</b>		
Gain on sales of non-current assets	156	89
Total special income	156	89
<b>Special loss</b>		
Loss on disposals of non-current assets	454	314
Impairment loss	427	157
Total special loss	882	471
<b>Income before income taxes</b>	23,552	25,771
Income taxes	8,658	8,975
<b>Net income</b>	14,893	16,796
<b>Net income attributable to owners of parent</b>	14,893	16,796

**Interim consolidated statements of comprehensive income**

For the six months ended June 30, 2024 and 2025

Millions of yen	Six months ended June 30, 2024	Six months ended June 30, 2025
<b>Net income</b>	14,893	16,796
<b>Other comprehensive income</b>		
Remeasurements of defined benefit plans	(12)	(12)
Total accumulated other comprehensive loss	(12)	(12)
<b>Comprehensive income</b>	14,881	16,783
<b>Comprehensive income attributable to:</b>		
Owners of parent	14,881	16,783

**(3) Interim consolidated statements of cash flows**

For the six months ended June 30, 2024 and 2025

Millions of yen	Six months ended June 30, 2024	Six months ended June 30, 2025
<b>Net cash provided by operating activities</b>		
Income before income taxes	23,552	25,771
Depreciation and amortization	8,533	9,179
Impairment loss	427	157
Increase (decrease) in allowance for doubtful accounts	(0)	(7)
Increase (decrease) in other provisions	(1,805)	(1,075)
Increase (decrease) in pension liabilities	(18)	(42)
Interest income	(67)	(131)
Interest expenses	4	4
Gain on sales of non-current assets	(156)	(89)
Loss on disposals of non-current assets	188	386
Decrease (increase) in accounts receivable - trade	5,078	1,870
Decrease (increase) in raw materials and supplies	342	382
Increase in goodwill from acquisition of franchised restaurants	(189)	(132)
Increase in Long-term deferred accounts receivable	3,567	2,806
Decrease (increase) in other assets	(471)	(63)
Increase (decrease) in accounts payable-trade	(1,659)	(307)
Increase (decrease) in accounts payable-other	(3,883)	(1,843)
Increase (decrease) in accrued expenses	(1,222)	(1,123)
Increase (decrease) in other liabilities	(1,259)	478
Other, net	297	285
Subtotal	31,258	36,506
Interest income received	44	101
Interest expenses paid	(4)	(4)
Income taxes paid	(9,955)	(7,411)
Income taxes refunded	1,075	759
Net cash provided by operating activities	22,418	29,950

Millions of yen	Six months ended June 30, 2024	Six months ended June 30, 2025
<b>Net cash used in investing activities</b>		
Purchase of investment securities	(5,000)	(968)
Purchases of property and equipment	(19,498)	(21,024)
Proceeds from sales of property and equipment	2,110	2,708
Payments for lease and guarantee deposits	(1,735)	(1,562)
Refunds of lease and guarantee deposits	1,128	697
Purchases of software	(1,736)	(1,566)
Payments for assets retirement obligations	(442)	(143)
Other, net	7	8
Net cash used in investing activities	(25,166)	(21,851)
<b>Net cash used in financing activities</b>		
Repayments of lease obligations	(120)	(87)
Repurchase of treasury stock	(0)	(0)
Dividends paid	(5,584)	(6,514)
Net cash used in financing activities	(5,704)	(6,602)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	0	(0)
<b>Net increase in cash and cash equivalents</b>	(8,452)	1,496
<b>Cash and cash equivalents at beginning of period</b>	65,240	67,327
<b>Cash and cash equivalents at end of period</b>	56,788	68,823

**(4) Notes to interim consolidated financial statements**

**(Notes for assumption of going concern)**

None

**(Notes for significant changes in the amount of shareholders' equity)**

None

**(Application of accounting procedures specific to preparation of interim consolidated financial statements)**

Income taxes:

Income taxes are determined based on an effective tax rate, multiplied by the estimated annual pre-tax income.

Income tax adjustments are included in income taxes.

**(Segment information)**

Business segment of the Group is only hamburger restaurant operation therefore business segment information is omitted.