MANAGEMENT DISCUSSION & ANALYSIS

THE OPERATING RESULTS OF
MAGURO GROUP PUBLIC COMPANY LIMITED

For the 2nd period ended 30 June 2026

No. CS097/2026

August 13, 2026

Subject Management Discussion and Analysis for the 2ndquarter of 2025and 6-months period of 2026

Attention President

The Stock Exchange of Thailand

Maguro Group Public Company Limited (the "Company") would like to provide the Management Discussion and Analysis for the 2nd quarter and the first half of 2026, as follows:

1. Business Overview, Economic Conditions, and Industry Environment Affecting the Company's Operations

Overview of the Thai Economy

According to forecasts by the SCB Economic Intelligence Center (SCB EIC) and Kasikorn Research Center (KResearch), Thailand's economy in 2026 is expected to expand by approximately 2.0%. SCB EIC revised its forecast upward from 1.7%, while KResearch maintained its forecast at 2.0% and expects the Thai economy to gradually recover in the second half of the year, particularly in the third quarter, supported by government measures.

The easing of tensions in the Middle East has led to a decline in oil prices, although they remain above pre-conflict levels. This has helped alleviate cost pressures on businesses, including the tourism sector through lower travel costs. Meanwhile, exports, particularly in the electronics industry, have continued to expand, supported by continued growth in foreign investment. However, the impact of previously elevated energy and raw material costs continues to gradually pass through to product prices, the cost of living, and household purchasing power, while also putting pressure on corporate profitability.

On inflation, SCB EIC expects the average inflation rate in 2026 to be approximately 2.6%, while KResearch estimates it at approximately 3.1%, with headline inflation expected to accelerate during the third and fourth quarters. Regarding monetary policy, both SCB EIC and KResearch expect the Monetary Policy Committee (MPC) to maintain the policy interest rate at 1.0%, while continuing to closely monitor economic and inflation developments.

At the same time, the economic recovery remains uneven. SCB EIC estimates that part of the economic momentum remains concentrated among large businesses and technology-related industries, such as AI, data centers, electronics, and digital infrastructure. Meanwhile, low- to middle-income households and small and medium-sized enterprises (SMEs) continue to face constraints from a slow recovery in income, elevated costs and living expenses, and high household debt, resulting in a still-limited recovery in private consumption.

For the tourism sector, KResearch expects foreign tourist arrivals in 2026 to reach approximately 30 million, below approximately 33 million in the previous year. The recovery in Chinese tourist arrivals may not be sufficient to offset declines in certain long-haul markets, while reductions in flight capacity on some routes may also affect the recovery of the tourism sector, particularly during the third quarter.

Restaurant and Beverage Industry Overview

In 2026, the restaurant and beverage industry continues to face pressure from higher energy, food ingredients, and packaging costs, prompting some operators to gradually adjust selling prices in line with rising costs, while domestic consumer purchasing power remains relatively weak. KResearch estimates that the value of Thailand's restaurant and beverage market will expand by approximately 2.5% in 2026, slowing from approximately 4.5% growth in the previous year, with part of the growth driven by higher price levels rather than an increase in consumption volume.

The impact is expected to vary across restaurant formats and customer segments. Buffet restaurants continue to face pressure from intense competition and higher raw material costs, while premium restaurants may be affected by changes in customer visit frequency and higher imported ingredient costs. Businesses with a high proportion of delivery revenue also continue to face constraints from platform fees, packaging costs, and price competition. As a result, operators are placing greater emphasis on cost management, reducing raw material waste, managing sourcing channels, and offering quality products and services together with value for money.

For the Company, the uneven recovery in consumer purchasing power, together with pressures from raw material, energy, packaging, and operating costs, may affect customer traffic, visit frequency, and profitability. The Company therefore continues to focus on developing its brand portfolio to cover a broader range of target customer segments, managing menu mix and promotional activities, improving procurement and branch-level operating efficiency, and maintaining effective cost management in order to preserve competitiveness and support sustainable business growth.

Source: SCB Economic Intelligence Center and Kasikorn Research Center Co., Ltd.

Business Overview

The Company operates restaurant businesses offering food and beverage products across a wide range of price points, serving customers from the premium segment to the mass market, under the brands "MAGURO", "SSAMTHING TOGETHER", "HITORI SHABU", "TONKATSU AOKI", "COUCOU", "BINCHO", "MAGURO KAPPO", "KIWAMIYA", "CHOP MAN", and "IPPE KOPPE", as well as food delivery and off-site catering services.

Subsequent to the end of the second quarter of 2026, the Company further expanded its restaurant portfolio with the opening of "KAITEN SUSHI GINZA ONODERA" in July 2026. The addition of this brand further enhances the diversity of the Company's portfolio and broadens its reach within the Japanese restaurant market. The operating results of this brand are not included in the Company's results for the second quarter and the first six months of 2026.

The Company continues to focus on developing and managing its brand portfolio to serve a broad range of customer segments and dining occasions, while pursuing appropriate branch expansion, maintaining product quality and service standards, managing menu mix and promotional activities, and improving procurement, cost management, and branch-level operating efficiency in order to support revenue growth and sustain the Company's long-term profitability.

Operational Plans and Business Strategies for 2026

MAGURO Group Public Company Limited focuses on sustainable growth by strengthening its existing brands alongside the development of new brands, expansion into high-potential locations, and enhancement of operational efficiency across the value chain in order to support revenue growth and sustain long-term profitability. The Company's key strategic directions are as follows:

1) Existing Brands – Same Store Sales Growth

The Company focuses on increasing customer traffic and average spending per visit through menu and product development aligned with evolving consumer preferences, appropriate promotional and marketing activities, and continuous enhancement of customer experience and service quality. These initiatives aim to increase visit frequency, retain existing customers, expand the customer base, and support sustainable same-store sales growth over the long term.

2) New Brand Development and Launching

The Company places importance on developing and launching new brands to respond to changing consumer behavior and preferences, expand its customer base into new segments and dining occasions, and diversify revenue sources to enhance the Group's long-term growth potential.

During the second quarter of 2026, the Company launched "IPPE KOPPE," a Japanese restaurant featuring tonkatsu rice bowls and Japanese-style fried dishes as its core offerings, with the aim of broadening the brand portfolio and expanding opportunities to reach new customer segments. In addition, subsequent to the end of the quarter, the Company opened "KAITEN SUSHI GINZA ONODERA" in July 2026 as part of its strategy to further diversify the restaurant portfolio and strengthen the Company's growth potential in the Japanese restaurant market.

3) Existing Brands – New Store Expansion

The Company continues to expand branches of its existing brands, with an emphasis on selecting high-potential locations that are aligned with the target customer groups of each brand. The Company also develops store formats and service concepts appropriate for each location in order to enhance customer accessibility, strengthen brand awareness, and support long-term revenue growth. At the same time, the Company places importance on evaluating investment feasibility and the return potential of each branch alongside business expansion.

4) Value Chain Optimization

The Company focuses on enhancing operational efficiency and cost management across the value chain, from raw material sourcing and management, inventory management, and food cost control to branch operating expenses and appropriate management of selling and administrative expenses (SG&A). The Company continues to maintain product quality and service standards while integrating environmental, social, and governance (ESG) principles into its business operations to enhance efficiency, sustain profitability, and support sustainable long-term growth.

2. Summary of Significant Events and Developments in the Second Quarter

• On 1 April 2026, the Company launched its new brand, **IPPE KOPPE**, and opened its first branch at CentralWorld Shopping Center.

• On 4 April 2026, the Company opened **the 17th branch of HITORI SHABU** at Central Bangna Shopping Center.

• On 10 April 2026, the Company opened **the 18th branch of HITORI SHABU** at One Bangkok.

• On 10 April 2026, the Company opened **the second branch of BINCHO** at One Bangkok.

3. Summary of the Operating Result

Statement of Comprehensive Income (Million Baht)	Second Quarter (April to June)				First Half (January to June)			
	2025	2026	Change		2025	2026	Change	
Revenue from sales and services	447.5	577.8	130.3	29.1%	862.4	1,138.6	276.2	32.0%
Cost of sales and services	(229.5)	(298.9)	(69.4)	30.2%	(445.2)	(601.1)	(155.8)	35.0%
Gross profit	218.0	278.9	60.9	27.9%	417.2	537.6	120.4	28.9%
Gross profit margin (%)	48.7%	48.3%			48.4%	47.2%		
Other income	2.6	2.9	0.2	9.3%	3.5	4.3	0.7	21.1%
Selling expenses	(128.5)	(172.1)	(43.6)	33.9%	(242.7)	(332.2)	(89.5)	36.9%
Administrative expenses	(41.9)	(47.3)	(5.4)	12.9%	(78.0)	(92.0)	(14.1)	18.0%
Other gains (net)	0.4	0.0	(0.4)		0.6	0.0	(0.6)	
EBIT	50.6	62.4	11.8	23.4%	100.6	117.6	16.9	16.8%
Finance costs	(10.4)	(12.9)	(2.4)	23.4%	(19.9)	(25.2)	(5.4)	27.0%
Profit before tax	40.1	49.5	9.4	23.4%	80.8	92.3	11.6	14.3%
Income tax expense	(8.0)	(9.9)	(1.9)	23.0%	(16.2)	(18.5)	(2.3)	14.4%
Net profit	32.1	39.6	7.5	23.4%	64.6	73.8	9.2	14.3%
Net profit margin (%)	7.2%	6.9%			7.5%	6.5%		

3.1 Revenue from Sales and Services

Item (Million Baht)	Second Quarter (April to June)				First Half (January to June)			
	2025		2026		2025		2026	
	M.	Ratio	M.	Ratio	M.	Ratio	M.	Ratio
Revenue from sales and services								
1) Revenue from restaurant business	447.0	99.9%	576.7	99.8%	861.1	99.9%	1,136.6	99.8%
• Maguro	219.2	49.0%	224.0	38.8%	441.7	51.2%	469.2	41.3%
• Ssamthing Together	46.4	10.4%	41.7	7.2%	93.4	10.9%	83.4	7.3%
• Hitori Shabu	118.6	26.5%	161.5	27.9%	235.6	27.3%	318.0	27.9%
• Tonkatsu Aoki	50.7	11.3%	52.0	9.0%	70.6	8.2%	100.4	8.8%
• Cou Cou	12.1	2.7%	10.9	1.9%	19.8	2.3%	23.7	2.1%
• Bincho	0.0	0.0%	28.7	5.0%	0.0	0.0%	41.3	3.6%
• Kiwamiya	0.0	0.0%	44.1	7.6%	0.0	0.0%	86.6	7.6%
• Ippe koppe	0.0	0.0%	14.0	2.4%	0.0	0.0%	14.0	1.2%
2) Revenue from catering and delivery	0.5	0.1%	1.0	0.2%	1.3	0.1%	2.0	0.2%
Total revenue from sales and services	447.5	100.0%	577.8	100.0%	862.4	100.0%	1,138.6	100.0%

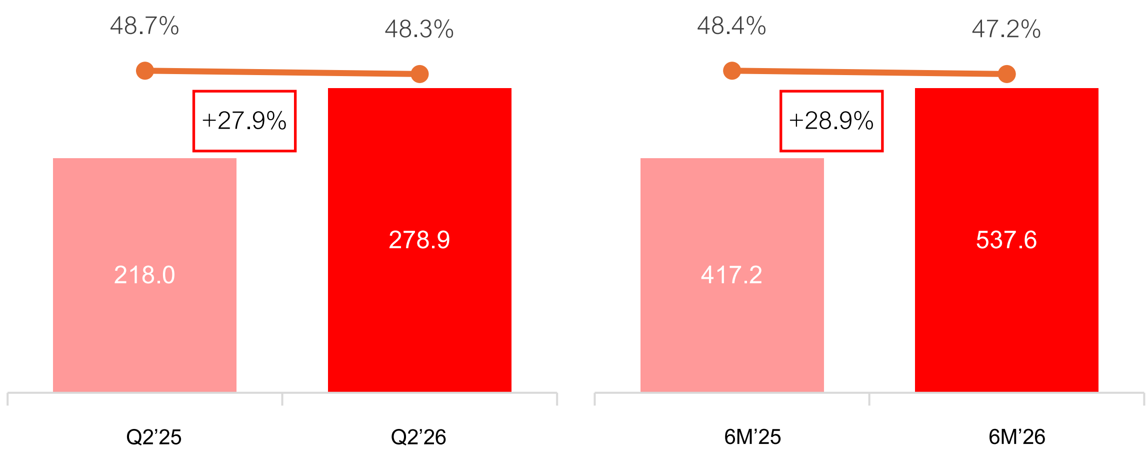
The Company recorded revenue from sales and services of 577.8 million baht in the second quarter of 2026 and 1,138.6 million baht for the first half of 2026, representing increases of 29.1% and 32.0%, respectively, compared to the same periods of the previous year. The increase was primarily driven by continued revenue recognition from branches opened in prior periods, together with the opening of 5 additional branches during the first half of 2026, comprising 1 KIWAMIYA branch, 2 HITORI SHABU branches, 1 BINCHO branch, and 1 branch of the newly launched IPPE KOPPE brand. As a result, the Company had a total of 58 branches as of the end of the second quarter of 2026, increasing from 45 branches as of the end of the same quarter of the previous year, which was a key factor supporting the Company's overall revenue growth.

Meanwhile, same-store sales growth (SSSG) in the second quarter of 2026 was (5.5%), representing a smaller decline compared with (9.8%) in the same period of the previous year. For the first half of 2026, SSSG was (3.1%), also representing a smaller decline compared with (7.6%) in the same period of the previous year.

The Company continues to focus on developing menu offerings in line with consumer preferences, appropriately managing promotional activities, delivering value for money, and enhancing customer experience in order to increase visit frequency and support the recovery of same-store sales in the periods ahead.

Branch Expansion and SSSG	Second Quarter		First Half	
	2025	2026	2025	2026
Number of branches				
Net number of new branches opened	5	4	7	5
Number of branches at the end of the period	45	58	45	58
Performance and Growth rate				
Revenue from sales and services (THB million)	447.5	577.8	862.4	1,138.6
Revenue growth (percent	39.4	29.1	39.6	32.0
Same-store sales growth (percent)	(9.8)	(5.5)	(7.6)	(3.1)

3.2 Gross Profit and Gross Profit Margin



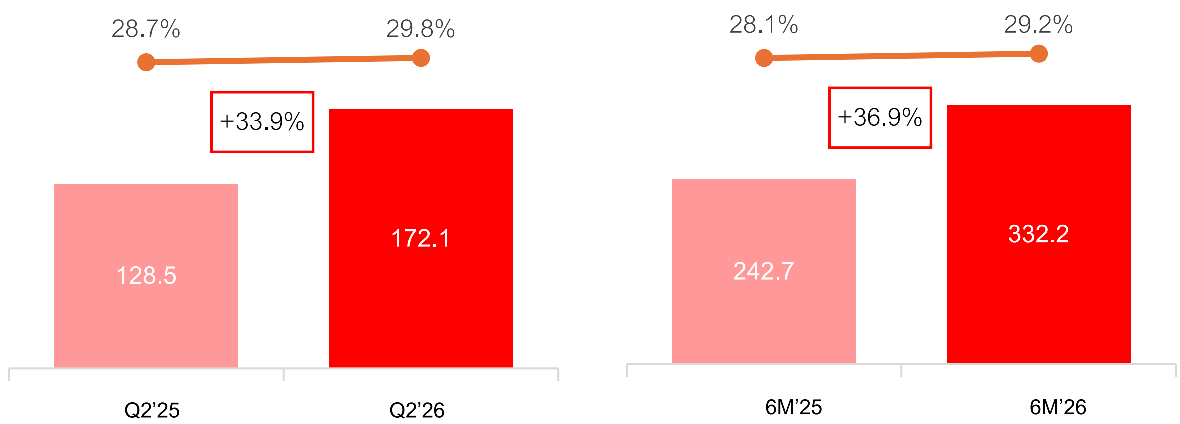
In the second quarter of 2026, the Company's gross profit amounted to 278.9 million baht, increasing by 60.9 million baht, or 27.9%, and for the first half of 2026, the Company's gross profit amounted to 537.6 million baht, increasing by 120.4 million baht, or 28.9%, compared to the same periods of the previous year. The increase in gross profit was in line with the growth in revenue from sales and services, supported by branch expansion and continued revenue recognition from newly opened branches.

The Company's gross profit margin in the second quarter of 2026 was 48.3%, slightly decreasing from 48.7% in the same period of the previous year, mainly due to higher food raw material cost ratios in certain brands and menu categories. Nevertheless, the Company continues to closely manage raw material costs and sales mix in order to maintain profitability amid challenging cost conditions and consumer purchasing power.

For the first half of 2026, the gross profit margin was 47.2%, decreasing from 48.4% in the same period of the previous year, mainly due to higher food raw material cost ratios in certain brands and menu categories, together with the impact of Sales and Campaign Mix implemented to support sales and maintain the customer base during the first half of the year.

The Company continues to focus on raw material cost management, Menu Mix and Campaign Structure, enhancing procurement efficiency and raw material utilization, as well as Value Chain Optimization, in order to maintain gross profit margin and support the Company's long-term profitability

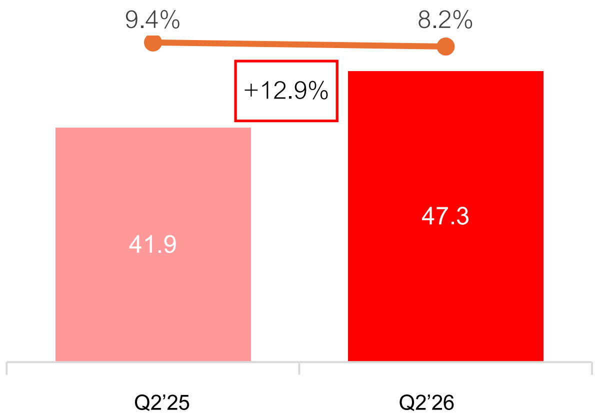
3.3 Selling Expenses

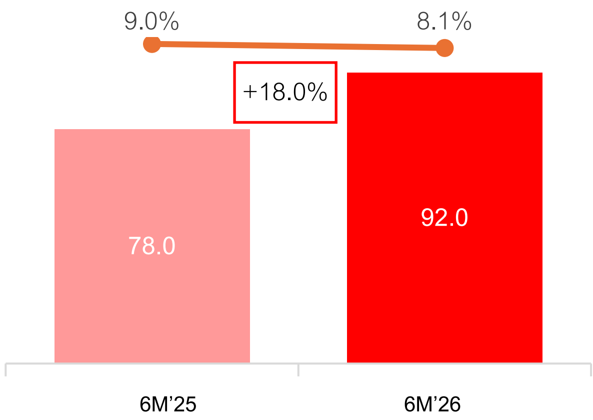


In the second quarter of 2026, the Company's selling expenses amounted to 172.1 million baht, increasing by 43.6 million baht, or 33.9%, and for the first half of 2026, the Company's selling expenses amounted to 332.2 million baht, increasing by 89.5 million baht, or 36.9%, compared to the same periods of the previous year. The increase was primarily attributable to higher branch operating expenses in line with business expansion and the increase in the number of branches, together with the opening of 5 new branches during the first half of the year, including the launch of the new brand IPPE KOPPE. As a result, branch personnel expenses, rental expenses, utility expenses, and depreciation expenses increased, together with certain expenses related to preparations for new branch openings in subsequent periods.

However, when considered as a percentage of revenue from sales and services, selling expenses in the second quarter of 2026 were 29.8%, increasing from 28.7% in the same period of the previous year, while selling expenses for the first half of 2026 were 29.2%, increasing from 28.1% in the same period of the previous year. The change was partly attributable to the higher branch cost structure associated with business expansion and preparations to support new branch openings. The Company continues to closely monitor and manage the operating efficiency of each branch, including space utilization, appropriate workforce management and allocation, and operating expenses, in order to maintain an appropriate cost structure relative to sales levels and support long-term profitability.

3.4 Administrative Expenses

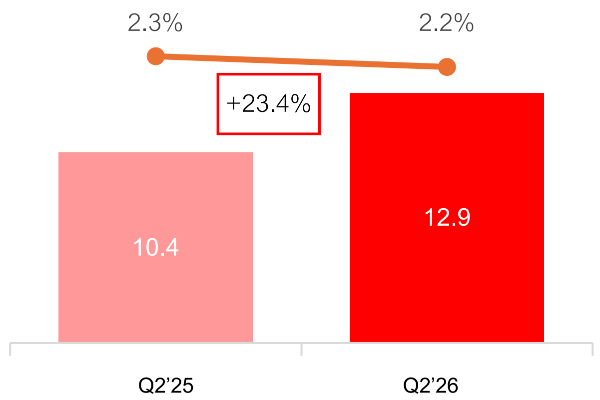


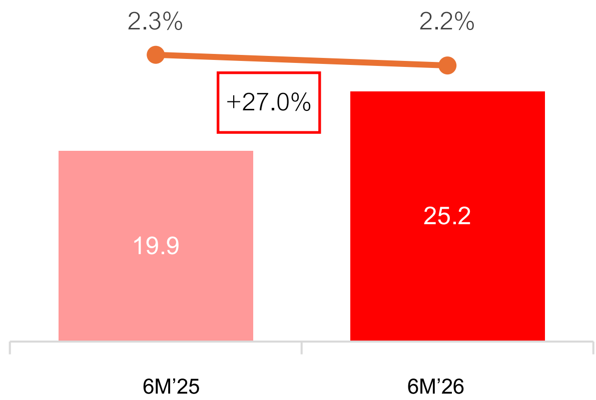


In the second quarter of 2026, the Company's administrative expenses amounted to 47.3 million baht, increasing by 5.4 million baht, or 12.9%, compared to the same period of the previous year. For the first half of 2026, the Company's administrative expenses amounted to 92.0 million baht, increasing by 14.1 million baht, or 18.0%, compared to the same period of the previous year. The increase was in line with business expansion and investments in supporting infrastructure, including head office personnel, information technology systems, operational support systems, and administrative expenses, to support the continued expansion of the business and the increasing number of branches.

However, when considered as a percentage of revenue from sales and services, administrative expenses decreased from 9.4% in the second quarter of 2025 to 8.2% in the second quarter of 2026 and decreased from 9.0% in the first half of 2025 to 8.1% in the first half of 2026, reflecting improved efficiency in central expense management as the business expanded. The Company continues to focus on appropriate expense management while investing in systems and personnel necessary to support long-term business growth.

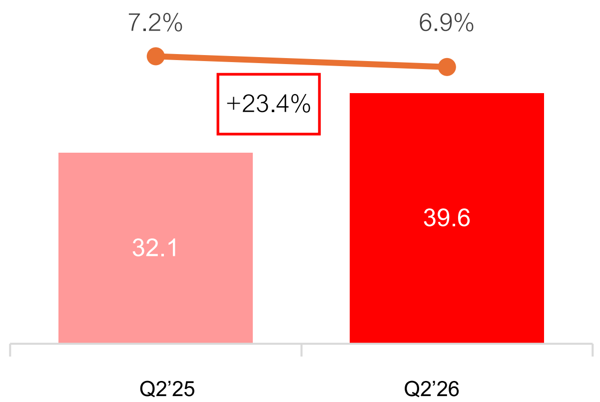
3.5 Finance Costs

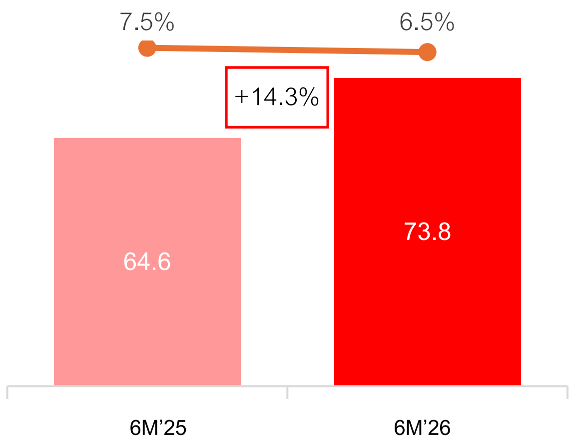




In the second quarter of 2026, the Company's finance costs increased by 2.4 million baht, or 23.4%, and for the first half of 2026, finance costs increased by 5.4 million baht, or 27.0%, compared to the same periods of the previous year. The increase was primarily attributable to higher lease liabilities resulting from branch expansion and additional lease agreements entered into to support business growth, leading to higher interest expenses on lease liabilities in line with the increase in the number of branches. The increase in finance costs was in line with the Company's business expansion and the increase in the number of branches operating.

3.6 Net Profit and Net Profit Margin





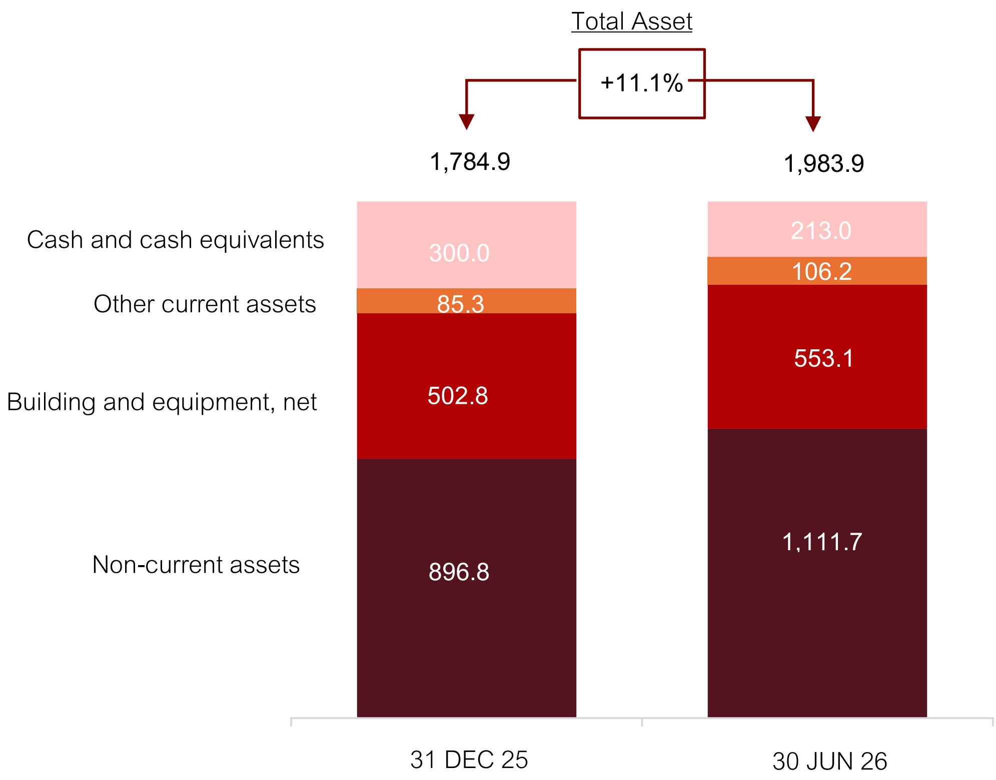
In the second quarter of 2026, the Company's net profit amounted to 39.6 million baht, increasing by 7.5 million baht, or 23.4%, and for the first half of 2026, the Company's net profit amounted to 73.8 million baht, increasing by 9.2 million baht, or 14.3%, compared to the same periods of the previous year. The increase was supported by growth in revenue from sales and services following branch expansion and revenue recognition from newly opened branches, together with more efficient management of central expenses.

However, the net profit margin in the second quarter of 2026 was 6.9%, decreasing from 7.2% in the same period of the previous year, while the net profit margin for the first half of 2026 was 6.5%, decreasing from 7.5% in the same period of the previous year. The decrease in net profit margin was mainly attributable to a higher proportion of selling expenses following branch expansion and preparations to support new branch openings, together with a lower gross profit margin compared to the same period of the previous year. Nevertheless, more efficient management of central expenses helped support the Company's profitability during the period.

The Company continues to focus on improving branch operating efficiency, managing raw material costs and expenses, closely monitoring the performance of newly opened branches, and appropriately managing central expenses in order to support profit growth and sustain the Company's long-term profitability.

4. Financial Position

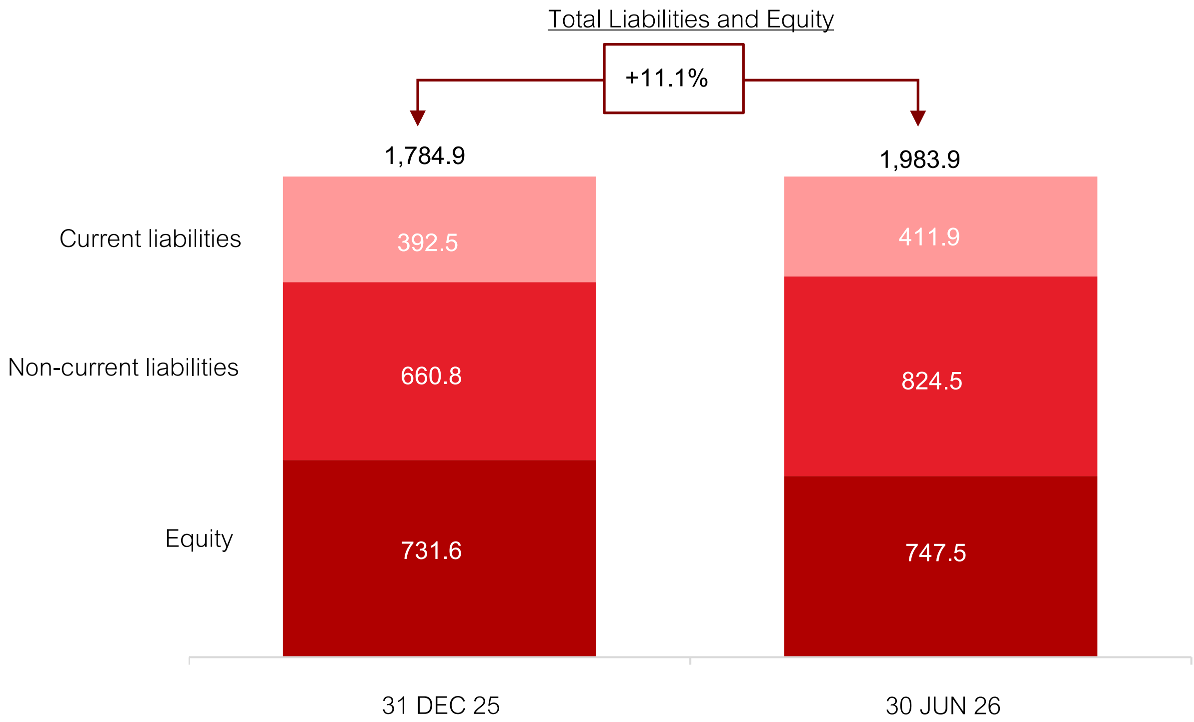
4.1 Assets



As of June 30, 2026, the Company had total assets of 1,983.9 million baht, increasing from 1,784.9 million baht as of December 31, 2025, or an increase of 199.0 million baht, representing 11.1%. The key changes were as follows:

- Cash and cash equivalents: decreased from 300.0 million baht to 213.0 million baht, or a decrease of 87.1 million baht, mainly due to cash utilization for investments in new branch openings and branch expansion, as well as dividend payments during the period.
- Other current assets: increased from 85.3 million baht to 106.2 million baht, or an increase of 20.9 million baht, mainly due to an increase of 14.4 million baht in inventories and 5.0 million baht in other current assets, to support the increase in the number of branches and business expansion.
- Building and equipment, net: increased from 502.8 million baht to 553.1 million baht, or an increase of 50.3 million baht, mainly due to investments to support the opening and expansion of new branches.
- Other non-current assets (including right-of-use assets): increased from 896.8 million baht to 1,111.7 million baht, or an increase of 214.9 million baht, mainly due to an increase of 189.1 million baht in right-of-use assets arising from lease agreements entered into for new branch locations, together with an increase of 20.2 million baht in other non-current assets.

4.2 Liabilities



As of June 30, 2026, the Company had total liabilities of 1,236.4 million baht, increasing from 1,053.3 million baht as of December 31, 2025, or an increase of 183.1 million baht, representing 17.4%. The key changes were as follows:

- Current liabilities: increased from 392.5 million baht to 411.9 million baht, or an increase of 19.4 million baht, mainly due to an increase in the current portion of lease liabilities due within one year in line with branch expansion. This increase was partially offset by decreases in trade payables, other current liabilities, and corporate income tax payable, following the settlement of outstanding balances during the period.
- Non-current liabilities: increased from 660.8 million baht to 824.5 million baht, or an increase of 163.7 million baht, mainly due to an increase of 155.9 million baht in lease liabilities arising from additional lease agreements entered into to support new branch openings and branch expansion. In addition, provisions for restoration costs and employee benefit obligations increased by 5.0 million baht and 2.8 million baht, respectively.

The Company had no borrowings from financial institutions as of June 30, 2026.

4.3 Shareholders' Equity

As of June 30, 2026, the Company had shareholders' equity of 747.5 million baht, increasing from 731.6 million baht as of December 31, 2025, or an increase of 15.9 million baht, representing 2.2%. The increase was attributable to unappropriated retained earnings, which increased on a net basis from 154.1 million baht to 170.0 million baht.

During the period, the Company recorded net profit for the six-month period of 73.8 million baht, while dividends of 58.0 million baht were paid to shareholders, resulting in a net increase of 15.9 million baht in retained earnings and shareholders' equity. Meanwhile, issued and paid-up share capital, share premium, and legal reserve remained unchanged from the end of 2025.

5. Factors That May Affect Future Operations or Growth

In 2026, the restaurant industry continues to face challenges arising from economic conditions and the uneven recovery in consumer purchasing power, together with intense competition in the restaurant industry in terms of pricing, promotional activities, product quality, and value for money. These factors may affect customer traffic, visit frequency, and the Company's same-store sales, particularly in higher-priced restaurant segments. The Company therefore places importance on developing menu offerings and marketing activities in line with consumer behavior, as well as utilizing membership data and sales data to support customer traffic and increase visit frequency.

At the same time, the Company continues to pursue its growth strategy through branch expansion in high-potential locations, expansion of existing brands, and the launch of new brands in order to diversify its portfolio and reach customer segments across a broader range of price points and dining occasions. However, such business expansion may result in higher preparation and opening-related expenses in the short term, while newly opened branches may require time to build a customer base and improve operating efficiency. The Company therefore places importance on location selection, investment feasibility assessments, and closely monitoring the performance of newly opened branches.

In terms of costs, the Company continues to closely monitor fluctuations in raw material prices, particularly imported raw materials, meat, and seafood, as well as other operating-related costs, which may affect the Company's cost of sales and gross profit margin. The Company manages these potential impacts through procurement planning, raw material utilization management, product mix management, and improvements in operating efficiency, together with the benefits of economies of scale resulting from business expansion.

In addition, the Company continues to develop technology systems and utilize data to monitor the performance of each brand and branch in order to improve the efficiency of sales, cost, and internal resource management. The Company will continue to closely monitor economic conditions, consumer behavior, competition, and costs, while appropriately adjusting its operating strategies in response to changing circumstances in order to maintain competitiveness and support sustainable long-term growth.

6. Sustainability Developments

6.1 Environmental

• The Company continues to develop its restaurants in accordance with Green Restaurant guidelines. HITORI SHABU at The Flavorhood achieved a Silver Level (Very Good) assessment in June 2026. In 2026, the Company also submitted three additional restaurants for assessment, namely HITORI SHABU at CentralWorld, One Bangkok, and The Promenade.

• The Company installed a solar power generation system at The Flavorhood and commenced operation in June 2026, while the installation of an electric vehicle (EV) charger is currently under contract review for further implementation.

• The Company continues to apply Circular Economy principles and upcycled materials in space development, as well as improve packaging for sauces and delivery services, in order to reduce plastic usage and minimize waste generated from operations.

6.2 Social

• The Company places importance on promoting occupational opportunities and income generation for persons with disabilities by engaging services provided by persons with disabilities through various Company activities, with the aim of promoting participation and creating equal economic opportunities.

• The Company aims to promote engagement with communities and society through food-sharing activities for local communities, while encouraging employees to participate in volunteer and environmental activities in order to create shared value and positive impacts on society, communities, and the environment.

6.3 Governance

• The Company places importance on conducting business with transparency and integrity in accordance with good corporate governance principles. The Company continues to develop its internal governance processes and practices in order to support responsible and sustainable business operations.

• The Company is in the process of applying for certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC) and is currently submitting additional documents and information for the certification review process.