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## Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

Company name: Sagami Holdings Corporation  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 9900  
 URL: <https://www.sagami-holdings.co.jp>  
 Representative: Hisashi Onishi President  
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 Scheduled date of Annual General Meeting of Shareholders: June 27, 2024  
 Scheduled date of commencing dividend payments: June 28, 2024  
 Scheduled date of filing annual securities report: June 27, 2024  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	31,006	17.3	1,656	81.9	1,722	9.4	909	2.6
March 31, 2023	26,423	23.8	910	-	1,574	(30.1)	886	(25.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 1,054 million [ 2.4%]  
 Fiscal year ended March 31, 2023: ¥ 1,029 million [ (16.9)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	30.14	-	5.5	7.0	5.3
March 31, 2023	29.38	-	5.7	6.5	3.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million  
 Fiscal year ended March 31, 2023: ¥ - million

(Note) Diluted earnings per share are not provided as there are no potential shares with dilutive effect.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	24,943	16,815	67.4	557.15
March 31, 2023	24,156	15,936	65.9	528.51

(Reference) Equity: As of March 31, 2024: ¥ 16,815 million  
 As of March 31, 2023: ¥ 15,936 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	2,458	(3,828)	(1,347)	8,011
March 31, 2023	1,725	(1,408)	(1,172)	10,725

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	7.00	7.00	211	23.8	1.3
March 31, 2024	-	0.00	-	10.00	10.00	302	33.1	1.8
Fiscal year ending								
March 31, 2025 (Forecast)	-	-	-	8.00	8.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023

Ordinary dividend 5.00 yen

Special dividend 2.00 yen

Breakdown of the year-end dividend for the fiscal year ended March 31, 2024

Ordinary dividend 8.00 yen

Special dividend 2.00 yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	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 September 30, 2024	16,000	6.4	980	5.3	1,000	3.0	740	0.7	24.51
Full year	32,000	3.2	1,750	5.6	1,800	4.4	1,000	9.9	33.13

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 30,301,784 shares

March 31, 2023: 30,301,784 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 18,017 shares

March 31, 2023: 17,762 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 30,170,770 shares

Fiscal Year ended March 31, 2023: 30,153,374 shares

(Note) The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) related to the "Board Benefit Trust (BBT)" plan are included in the treasury shares to be deducted in calculating the average number of shares during the period, but not included in the total number of treasury shares at the end of the period above.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	3,140	22.4	431	659.7	465	580.9	447	629.3
March 31, 2023	2,565	(9.2)	56	(85.6)	68	(85.0)	61	(87.2)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	14.81	-
March 31, 2023	2.03	-

(Note) Diluted earnings per share are not provided as there are no potential shares with dilutive effect.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	20,923	16,558	79.1	548.60
March 31, 2023	20,637	16,137	78.1	535.16

(Reference) Equity: As of March 31, 2024: ¥ 16,558 million

As of March 31, 2023: ¥ 16,137 million

\* Consolidated financial results reports are outside the scope of audit by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual performance and other results may be significantly different from the forecasts due to various factors. For details on the assumptions for financial results forecasts and notes on the use of financial results forecasts, etc., please refer to "1. Overview of Operating Results, etc. (4) Outlook" on page 5 of the attachments of this consolidated financial results report.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024), the Japanese economy experienced a gradual recovery mainly as a result of the reclassification of COVID-19's category to Class 5 under the Infectious Diseases Control Act, which resolved the factors that had restricted the autonomous cycle of the economy, and improvement in consumer confidence and people's traffic due to the measures for economic promotion activities by the governments and an increase in the number of foreign tourists visiting Japan. On the other hand, the outlook of the Japanese economy remained uncertain, mainly due to the unstable international situation, soaring fuel and resource prices, as well as rising prices and increased import costs resulting from the progressive depreciation of the yen in the exchange market.

In the food service industry, amid the ongoing normalization of economic and social activities, we saw an improvement in customer gathering, mainly due to the increased domestic consumption and a rising demand for food service as a result of the resumption of various events and increased occasions of going out, as well as an expansion of inbound consumption. Meanwhile, the business environment remained challenging, with rising costs, including food supplies, labor, utilities, and logistics, as well as difficult conditions in recruitment, which have become noticeable since the COVID-19 pandemic.

Under these circumstances, the Group is implementing the Medium-term Management Plan 2023–2025, "Together". In accordance with the Plan, we are striving to improve our basic value of "deliciousness and hospitality" and to "pursue to provide values by food" aiming for good health both in "mind and body" under the theme of pursuing "sustainability" and realizing "regrowth". In addition, we will endeavor to achieve the "material and spiritual richness" of our human resources, our greatest management resource, and support employees so that they can feel both "worth living" and "rewarding" in their works. In this way, we will remain committed to improve the value we provide to our customers and our corporate value.

The overview of our business segments is as follows.

### Food Service Business

#### 1) Sagami

Sagami held a "Cooking Fair" seven times as sales promotion measures in all restaurants.

In addition, we carried out "Golden Week Coupon Distribution" promotion and "Distribution of Advertising Inserts of New Menu" each once in April, "Mother's Day Menu" offer once in May, "Father's Day" promotion once in June to promote items using eel, "Summer Gratitude Fair" once in July, "Silver Week Coupon Distribution" promotion and "Respect for the Aged Day Fair" each once in September, "Winter Gratitude Fair" once in November, and "Year-End and New Year Discount Coupon Distribution" promotion once in December, "Distribution of Leaflet with Kita no Megumi (blessings of the north) and Ehomaki (a rolled sushi)" promotion once in January, and "Foundation Anniversary Fair" once in March. Additionally, we broadcasted television advertisements for "Summer Gratitude Fair" in July, for "Hokkaido Taste Tour Menu" in August, for "Winter Gratitude Fair" in November, and for "Year-End and New Year Menu" in December, and "Foundation Anniversary Fair" in March.

As the local sales promotions limited to some areas, we conducted "Senkyowari (Election Day Discount)" campaign in April and "Invitation to Misono-za" project in July. During the year-end season in December, we carried out "All-you-can-eat Soba" promotion and "Toshikoshi Soba (soba noodles eaten at night on New Year's Eve)" promotion as seasonal projects.

As a result of these measures, the number of customers at existing restaurants increased by 12.6% year on year, the average spending per customer increased by 4.1% year on year, and sales from existing restaurants increased by 17.2% year on year.

As for restaurants, the Company opened "Sagami Kawana Restaurant" (in May 2023), "Sagami Anjo Sakurai Restaurant" (in July), "Sagami Togo Restaurant" (in September), "Sagami Tokoname Restaurant" (in October), "Sagami Tsushima Umeda Restaurant" (in October), "Sagami Gifu Motosu Restaurant" (in December), "Sagami Kameoka Chiyokawa Restaurant" (in February), and "Sagami Iida Inter Restaurant" (in March). On the

other hand, the Company closed “Sagami Koshigayaminami Restaurant” (in July) and “Sagami Shimizu Restaurant” (in November).

The number of Sagami restaurants was 139 at the end of the fiscal year under review.

## 2) Ajino-Mingei

Ajino-Mingei held a “Cooking Fair” eight times as a sales promotion project for all restaurants.

In addition, we offered “Mother’s Day Set Meal” menu in May, held “Father’s Day Fair” in June, “All-you-can-eat Tenobe Udon (hand-stretched udon noodles)” promotion for six days in total in June and July, “Summer Delicacy Fair”, in which Tebasaki (chicken wing-tip) foods and alcoholic beverages were sold at a reasonable price, in July, “Respect for the Aged Day Fair” in September, “Autumn Delicacy Fair” in October, and “Japanese Food Day Fair” in November, distributed promoting inserts of seasonal menus (Toshikoshi Soba and banquet) in December, and held “Winter Doyo Fair” in January, “Setsubun (the close of winter day) and Ehomaki Fair” and “Motsu Nabe General Election” in February, and “Spring Gratitude Fair” in March, each once, respectively.

Additionally, we broadcasted television advertisements to promote “Tenobe Udon and seasonal menus” in Okayama and Chiba regions in April, and to promote “Spring Gratitude Fair and Gozen Menu” in Kanto region in March. Furthermore, we participated in the “Eat and support! Seafood Campaign” in November, targeting 18 Ajino-Mingei restaurants in Tokyo, and “Kurashi Support! Tokyo Genki Campaign” in March.

As for restaurants, the Company closed “Ajino-Mingei Higashiyamato Restaurant” (in June).

The number of Ajino-Mingei restaurants, including franchise restaurants, was 50 at the end of the fiscal year under review.

## 3) Don Don An

Don Don An held a “Cooking Fair” twelve times as a sales promotion project for all restaurants.

In addition, we held “Don Don Festival Fair” in April and conducted “Go! Don Don An Campaign” in November and January.

As for restaurants, the Company closed “Don Don An Meiekinishi Restaurant” (in October), with the conversion of the type of business operation.

The number of Don Don An restaurants, including franchise restaurants, was 31 at the end of the fiscal year under review.

## 4) Other Restaurants

In the Other Restaurants segment, Aiso-Ya held a “Cooking Fair” eight times.

Large-sized, self-service-type Udon noodles restaurant “Seimen-Daigaku” held a “Cooking Fair” twelve times. Self-service-type Juwari Soba noodles restaurant “Chosuke” held a “Cooking Fair” at “Kakiage Juwari Soba Chosuke” ten times and at “Juwari Soba Second Generation Chosuke” ten times. In addition, we carried out “All-you-can-eat Juwari Soba” promotion at “Juwari Soba Second Generation Chosuke Noda Store” ten times.

As for restaurants in Japan, the Company opened “SUIZAN Shinjuku Kinokuniya Restaurant” (in October), “JINJIN Shinjuku Kinokuniya Restaurant” (in October), and “Kakiage Juwari Soba Chosuke Meiekinishi Restaurant” (in December), “Wamen Sagami Restopia Fujita Restaurant” (in January), and “Juwari Soba Second Generation Chosuke Toyota Wakabayashi Store” (in January). On the other hand, the Company closed “Dela PASTA Kitchen Toki Restaurant” (in August). We closed “Aiso-Ya Togo Restaurant” (in August) and “Aiso-Ya Tsushima Restaurant” (in October) as well, with the conversion of the type of business operation.

As for restaurants overseas, the Company opened “SAGAMI Verona” (in August) as a franchise restaurant in Verona, Italy. On the other hand, the Company closed “SAGAMI Bologna” (in January).

The number of restaurants, including franchise restaurants, was 27 in Japan and 9 overseas, for a total of 36 restaurants at the end of the fiscal year under review.

As a result, for the fiscal year ended March 31, 2024, net sales were ¥31,006 million, operating profit was

¥1,656 million, ordinary profit was ¥1,722 million, and profit attributable to owners of parent was ¥909 million. In addition, the number of group restaurants was 256 at the end of the fiscal year under review.

\* In the fiscal year ended March 31 2023 (from April 1, 2022 to March 31, 2023), we posted the subsidy for cooperation to prevent the spread of COVID-19 of ¥566 million as “subsidy income” under non-operating income.

## (2) Overview of Financial Position for the Fiscal Year under Review

The total assets at the end of the fiscal year under review were ¥24,943 million, an increase of ¥786 million from the end of the previous fiscal year.

Current assets decreased by ¥2,310 million from the end of the previous fiscal year to ¥10,158 million. The main factors were a decrease of ¥2,713 million in cash and deposits and an increase of ¥344 million in accounts receivable - trade.

Non-current assets increased by ¥3,097 million from the end of the previous fiscal year to ¥14,784 million. The main factors were an increase of ¥743 million in buildings and structures, an increase of ¥253 million in tools, furniture and fixtures, an increase of ¥182 million in machinery, equipment and vehicles, an increase of ¥2,000 million in long-term time deposits, and a decrease of ¥140 million in construction in progress.

Current liabilities increased by ¥587 million from the end of the previous fiscal year to ¥5,288 million. The main factors were an increase of ¥69 million in notes and accounts payable - trade, an increase of ¥362 million in accounts payable - other, and an increase of ¥161 million in income taxes payable, an increase of ¥264 million in provision for bonuses, and a decrease of ¥351 million in current portion of long-term borrowings.

Non-current liabilities decreased by ¥680 million from the end of the previous fiscal year to ¥2,838 million. The main factors were a decrease of ¥772 million in long-term borrowings, an increase of ¥16 million in provision for share awards, and an increase of ¥81 million in asset retirement obligations.

Net assets increased by ¥879 million from the end of the previous fiscal year to ¥16,815 million. The main factors were an increase of ¥697 million in retained earnings and an increase of ¥149 million in valuation difference on available-for-sale securities.

## (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review amounted to ¥8,011 million, a decrease of ¥2,713 million from the end of the previous fiscal year.

The status of respective cash flows and underlying factors for the fiscal year under review are as follows:

### (Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,458 million. The main inflows include ¥1,261 million in profit before income taxes, ¥529 million in depreciation, ¥458 million in impairment losses, ¥264 million in increase (decrease) in provision for bonuses, and ¥298 million in increase (decrease) in accounts payable - other, while the main outflow includes ¥344 million in decrease (increase) in trade receivables.

### (Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3,828 million. The main inflow includes ¥91 million in proceeds from refund of guarantee deposits, while the main outflows include ¥2,000 million in payments into time deposits and ¥1,876 million in purchase of property, plant and equipment.

### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,347 million. The main outflows include ¥1,124 million in repayments of long-term borrowings and ¥211 million in dividends paid.

(Reference) Changes in indicators related to cash flow

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Capital adequacy ratio (%)	67.3	54.4	62.3	65.9	67.4
Capital adequacy ratio based on fair value (%)	171.7	150.9	149.6	160.8	183.3
Interest-bearing debt to cash flow ratio (%)	1,022.5	–	161.7	224.1	111.3
Interest coverage ratio (times)	60.7	–	386.7	270.6	555.0

(Notes) Capital adequacy ratio: Equity / Total Assets

Capital adequacy ratio based on fair value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Net cash flows from operating activities

Interest coverage ratio: Net cash flows from operating activities / Interest paid

- 1) All indicators were calculated using the consolidated financial statement.
- 2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of outstanding shares at the end of the period.
- 3) Net cash flows from operating activities are the figure of net cash provided by (used in) operating activities stated in the Consolidated Statements of Cash Flows. Interest-bearing debt includes all debts stated in the Consolidated Balance Sheets for which interest is paid. Interest paid is the amount of interest paid stated in the Consolidated Statements of Cash Flows.
- 4) Interest-bearing debt to cash flow ratio and interest coverage ratio for the fiscal year ended March, 31 2021 is not provided as net cash flows from operating activities for the period were negative.

#### (4) Outlook

The environment surrounding our Group is expected to show a gradual recovery, centering on personal consumption, as a result of the reclassification of COVID-19's category to Class 5 under the Infectious Diseases Control Act, which resolved the factors that had restricted the autonomous cycle of the economy, the measures for economic promotion activities by the government and an increase in the number of foreign tourists visiting Japan, and an improvement in real wages.

On the other hand, it is expected that the upward pressure on prices will remain strong against a backdrop of upward pressure on costs affected by geopolitical risks, including food procurement prices and energy costs, as well as rising labor costs, and this will lead to households becoming thriftier, resulting in weak personal consumption and a potential impact on earnings.

While firmly keeping the viewpoint of putting ourselves in customers' places as a key principle, the Group will continue its medium-term initiatives under the theme of "Co-creation (together) and Co-running" to "improve taste and hospitality" and "pursue value provided by food" and strive to improve the intrinsic value provided by the food service industry. We will steadily progress with the opening of our mainstays, Sagami and Ajino-Mingei, as well as small-sized franchise stores within Japan, and strengthen business development in overseas countries.

In addition, as a drastic response to the declining population and market changes, we will promote IT-based DX for the work aspect of store operations, promote initiatives for productivity improvement measures, and accelerate the opening of self-service-type Soba noodle restaurants.

Furthermore, we will further promote specific initiatives to address global warming and promote ESG, centering on Sustainability Promotion Office established in the fiscal year ended March 31, 2024, in an effort to enhance corporate value.

For the fiscal year ending March 31, 2025, we forecast net sales of ¥32,000 million, operating profit of ¥1,750 million, ordinary profit of ¥1,800 million, and profit attributable to owners of parent of ¥1,000 million, on a consolidated basis.

## 2. Basic Policy on Selection of Accounting Standards

The Group adopts Japanese generally accepted accounting principles (Japanese GAAP) because its business is currently centered around Japan. However, we intend to consider adopting the International Financial Reporting Standards (IFRS) by taking into consideration the changes in our foreign shareholders' ratio and the trend of IFRS adoption among other Japanese companies.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	10,725,470	8,011,517
Accounts receivable - trade	693,270	1,037,529
Merchandise and finished goods	148,159	155,418
Raw materials and supplies	401,068	520,028
Other	501,235	434,047
Total current assets	12,469,205	10,158,541
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,111,675	15,135,346
Accumulated depreciation and impairment	(11,973,140)	(12,253,282)
Buildings and structures, net	2,138,535	2,882,064
Machinery, equipment and vehicles	3,417,765	3,738,639
Accumulated depreciation and impairment	(3,035,086)	(3,173,311)
Machinery, equipment and vehicles, net	382,679	565,328
Tools, furniture and fixtures	971,472	1,288,820
Accumulated depreciation and impairment	(893,667)	(957,677)
Tools, furniture and fixtures, net	77,805	331,143
Leased assets	357,123	89,217
Accumulated depreciation and impairment	(336,938)	(73,664)
Leased assets, net	20,184	15,552
Land	6,442,133	6,442,133
Construction in progress	153,134	12,839
Total property, plant and equipment	9,214,472	10,249,062
Intangible assets		
Other	94,603	95,538
Total intangible assets	94,603	95,538
Investments and other assets		
Investment securities	712,077	872,278
Long-term loans receivable	43,017	38,889
Guarantee deposits	1,414,253	1,371,404
Long-term time deposits	-	2,000,000
Deferred tax assets	129,853	110,401
Other	79,284	47,017
Total investments and other assets	2,378,485	4,439,990
Total non-current assets	11,687,561	14,784,591
Total assets	24,156,766	24,943,132

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	772,579	842,288
Current portion of long-term borrowings	1,160,629	808,802
Accounts payable - other	1,841,692	2,204,147
Income taxes payable	124,524	285,559
Contract liabilities	98,248	65,206
Provision for bonuses	246,107	510,544
Provision for bonuses for directors (and other officers)	49,970	49,980
Provision for loss on store closings	10,711	-
Other	396,001	521,702
Total current liabilities	4,700,464	5,288,231
Non-current liabilities		
Long-term borrowings	2,681,188	1,908,892
Long-term accounts payable - other	165,952	163,650
Provision for share awards	84,511	100,665
Asset retirement obligations	477,123	559,097
Long-term guarantee deposits	69,129	70,381
Other	41,835	36,218
Total non-current liabilities	3,519,739	2,838,905
Total liabilities	8,220,204	8,127,137
Net assets		
Shareholders' equity		
Share capital	9,090,653	9,090,653
Capital surplus	6,192,923	6,192,923
Retained earnings	633,337	1,330,941
Treasury shares	(184,531)	(147,983)
Total shareholders' equity	15,732,382	16,466,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	204,695	354,054
Foreign currency translation adjustment	(515)	(4,594)
Total accumulated other comprehensive income	204,179	349,460
Total net assets	15,936,562	16,815,995
Total liabilities and net assets	24,156,766	24,943,132

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	26,423,094	31,006,212
Cost of sales	8,490,260	10,069,149
Gross profit	17,932,833	20,937,063
Total selling, general and administrative expenses	17,022,483	19,281,020
Operating profit	910,350	1,656,043
Non-operating income		
Interest income	686	556
Dividend income	27,866	26,862
Foreign exchange gains	38,937	7,604
Insurance claim income	19,670	1,868
Subsidy income	566,950	-
Income from recycling	8,423	10,192
Miscellaneous income	37,715	29,076
Total non-operating income	700,249	76,160
Non-operating expenses		
Interest expenses	6,376	4,429
Loss on cancellation of insurance policies	-	4,014
Bad debt expenses	29,124	-
Miscellaneous losses	412	876
Total non-operating expenses	35,913	9,320
Ordinary profit	1,574,686	1,722,884
Extraordinary income		
Gain on sale of non-current assets	-	94
Gain on sale of investment securities	-	2,433
Compensation income	34,216	-
Total extraordinary income	34,216	2,528
Extraordinary losses		
Loss on sale of non-current assets	-	345
Loss on retirement of non-current assets	1,339	4,367
Impairment losses	443,107	458,400
Loss on liquidation of subsidiaries and associates	18,296	-
Loss on sale of investment securities	-	1,201
Loss on midterm cancellation of contracts	35,168	-
Total extraordinary losses	497,912	464,314
Profit before income taxes	1,110,990	1,261,097
Income taxes - current	250,848	355,082
Income taxes - deferred	(26,010)	(3,577)
Total income taxes	224,837	351,504
Profit	886,153	909,592
Profit attributable to owners of parent	886,153	909,592

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	886,153	909,592
Other comprehensive income		
Valuation difference on available-for-sale securities	138,446	149,358
Foreign currency translation adjustment	4,924	(4,078)
Total other comprehensive income	143,371	145,280
Comprehensive income	1,029,524	1,054,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,029,640	1,054,873
Comprehensive income attributable to non-controlling interests	(115)	-

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,090,653	6,192,923	(101,395)	(184,400)	14,997,781
Changes during period					
Dividends of surplus			(151,420)		(151,420)
Profit attributable to owners of parent			886,153		886,153
Purchase of treasury shares				(131)	(131)
Disposal of own shares to stock benefit trust					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	734,732	(131)	734,600
Balance at end of period	9,090,653	6,192,923	633,337	(184,531)	15,732,382

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	66,249	(5,556)	60,692	-	696	15,059,170
Changes during period						
Dividends of surplus						(151,420)
Profit attributable to owners of parent						886,153
Purchase of treasury shares						(131)
Disposal of own shares to stock benefit trust						-
Net changes in items other than shareholders' equity	138,446	5,040	143,487	-	(696)	142,790
Total changes during period	138,446	5,040	143,487	-	(696)	877,391
Balance at end of period	204,695	(515)	204,179	-	-	15,936,562

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,090,653	6,192,923	633,337	(184,531)	15,732,382
Changes during period					
Dividends of surplus			(211,988)		(211,988)
Profit attributable to owners of parent			909,592		909,592
Purchase of treasury shares				(348)	(348)
Disposal of own shares to stock benefit trust				36,895	36,895
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	697,604	36,547	734,152
Balance at end of period	9,090,653	6,192,923	1,330,941	(147,983)	16,466,534

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	204,695	(515)	204,179	-	-	15,936,562
Changes during period						
Dividends of surplus						(211,988)
Profit attributable to owners of parent						909,592
Purchase of treasury shares						(348)
Disposal of own shares to stock benefit trust						36,895
Net changes in items other than shareholders' equity	149,358	(4,078)	145,280	-	-	145,280
Total changes during period	149,358	(4,078)	145,280	-	-	879,433
Balance at end of period	354,054	(4,594)	349,460	-	-	16,815,995

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,110,990	1,261,097
Depreciation	385,011	529,561
Impairment losses	443,107	458,400
Bad debt expenses	29,124	-
Foreign exchange losses (gains)	(38,937)	(7,604)
Loss (gain) on sale of investment securities	-	(1,232)
Increase (decrease) in provision for bonuses	33,276	264,436
Increase (decrease) in provision for bonuses for directors (and other officers)	49,970	10
Increase (decrease) in provision for share awards	55,607	16,154
Increase (decrease) in provision for loss on store closings	10,711	(10,711)
Interest and dividend income	(28,552)	(27,419)
Subsidy income	(566,950)	-
Interest expenses	6,376	4,429
Loss (gain) on sale of property, plant and equipment	-	250
Loss on retirement of non-current assets	1,339	4,367
Loss (gain) on liquidation of subsidiaries and associates	18,296	-
Decrease (increase) in trade receivables	(112,566)	(344,164)
Decrease (increase) in inventories	7,561	(126,023)
Increase (decrease) in trade payables	164,284	69,557
Increase (decrease) in accounts payable - other	89,654	298,154
Other, net	(20,699)	198,807
Subtotal	1,637,605	2,588,074
Interest and dividends received	27,934	26,947
Interest paid	(6,376)	(4,429)
Subsidies received	566,950	-
Income taxes paid	(547,204)	(194,687)
Income taxes refund	47,041	42,316
Net cash provided by (used in) operating activities	1,725,951	2,458,221
<b>Cash flows from investing activities</b>		
Payments into time deposits	-	(2,000,000)
Purchase of property, plant and equipment	(1,353,858)	(1,876,136)
Proceeds from sale of property, plant and equipment	-	1,944
Proceeds from sale of investment securities	-	13,787
Payments of guarantee deposits	(19,179)	(43,957)
Proceeds from refund of guarantee deposits	50,969	91,132
Other, net	(86,280)	(15,038)
Net cash provided by (used in) investing activities	(1,408,348)	(3,828,269)

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(1,012,296)	(1,124,123)
Purchase of treasury shares	(131)	(348)
Dividends paid	(150,682)	(211,128)
Repayments of lease liabilities	(9,600)	(11,492)
Net cash provided by (used in) financing activities	(1,172,711)	(1,347,091)
Effect of exchange rate change on cash and cash equivalents	6,435	3,186
Net increase (decrease) in cash and cash equivalents	(848,672)	(2,713,953)
Cash and cash equivalents at beginning of period	11,574,143	10,725,470
Cash and cash equivalents at end of period	10,725,470	8,011,517



## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

“Income from recycling” (in the amount of ¥8,423 thousand for the fiscal year ended March 31, 2023), which was included in “Other” under non-operating income for the fiscal year ended March 31, 2023, is presented separately from the fiscal year ended March 31, 2024, as it exceeded 10% of the total amount of non-operating income.

(Changes in accounting estimates)

For asset retirement obligations recorded as restoration obligations in connection with real estate lease contracts for stores, etc., estimated amount has been changed in accordance with new information obtained, including the most recent actual restoration costs. The increase of ¥73 million due to the estimate was added to the balance of asset retirement obligations before the change.

As a result, for the fiscal year ended March 31, 2024, operating profit and ordinary profit decreased by ¥43 million and profit before income taxes decreased by ¥73 million.

(Segment information, etc.)

(Segment information)

The Group’s only business segment is “food services”. Since other business segments are considered to be immaterial, segment information is omitted.

(Per share information)

Items	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥528.51	¥557.15
Basic earnings per share	¥29.38	¥30.14

(Notes) 1) Diluted earnings per share are not provided as there are no potential shares with dilutive effect.

2) The Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) related to the “Board Benefit Trust (BBT)” plan are included in the treasury shares to be deducted in calculating the average number of shares during the period for the purpose of calculating basic earnings per share. The average number of treasury shares during the period that was deducted for the purpose of calculating basic earnings per share was 113,109 shares. The number of treasury shares at the end of the period that was deducted for the purpose of calculating net assets per share was 101,700 shares.

3) The basis for the calculation of basic earnings per share is as follows:

Items	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	886,153	909,592
Profit not attributable to common shareholders (Thousand yen)	–	–
Profit attributable to owners of parent relating to common shares (Thousand yen)	886,153	909,592
Average number of common shares during the period (Thousand shares)	30,153	30,170

(Significant subsequent events)

Not applicable.