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## Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: Sagami Holdings Corporation

Listing: Tokyo, Nagoya

Securities code: 9900

URL: <https://www.sagami-holdings.co.jp/en/>

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President

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	8,123	14.7	571	69.6	599	68.5	483	91.3
June 30, 2023	7,077	13.4	336	(7.8)	355	(52.4)	252	(58.7)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 499 million [ 69.6%]  
Three months ended June 30, 2023: ¥ 294 million [ (55.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	16.00	-
June 30, 2023	8.37	-

(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
As of	Millions of yen	Millions of yen	%
June 30, 2024	24,281	17,012	70.0
March 31, 2024	24,943	16,815	67.4

(Reference) Equity: As of June 30, 2024: ¥ 17,012 million  
As of March 31, 2024: ¥ 16,815 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen -	Yen 0.00	Yen -	Yen 10.00	Yen 10.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		0.00	-	8.00	8.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. 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)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending 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

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name: )

Excluded: - (Company name: )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 30,301,784 shares

March 31, 2024: 30,301,784 shares

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

June 30, 2024: 18,077 shares

March 31, 2024: 18,017 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 30,182,063 shares

Three months ended June 30, 2023: 30,153,321 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.

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

\* 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. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments of this quarterly consolidated financial results report.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Quarterly Period under Review

During the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024), the Japanese economy showed a gradual recovery trend as economic activities were further normalized against the backdrop of improvements in an employment situation and income. Meanwhile, with a decrease in real wage and other factors due to impacts of rising prices resulting from the progressive depreciation of the yen, a stance on consumption got more cautious.

In the food service industry, the number of customers was steadily recovering thanks to a recovery in inbound consumption in addition to an increase in people's traffic caused by the normalization of economic activities. However, the environment surrounding business remained harsh as consumers' awareness of saving increased due to continuously rising prices in addition to soaring purchase prices and utility costs, as well as an increase in labor costs.

Under these circumstances, while firmly keeping the viewpoint of putting ourselves in customers' places, the Group is aiming at "pursuing sustainability" and "realizing regrowth" with a basic strategy of "Co-creation (together) and Co-running" based on the Medium-term Management Plan "Together".

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". 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.

During the first quarter of the fiscal year under review, we worked on activities such as promoting openings of new restaurants and introduction of digital equipment, increasing wages and starting salaries of new graduates for the purpose of ensuring and retaining human resources, and setting all-restaurant closure days with the aim of improving a working environment.

The overview of our business segments is as follows.

#### (Overview of business segments)

##### 1) Sagami

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

In addition, we carried out "Distribution of Advertising Inserts to Introduce Spring and Summer Grand Menu" and "Golden Week Coupon Distribution", and broadcasted television advertisements to promote the "Spring and Summer Grand Menu" each once in April, and broadcasted television advertisements for "Morning Menu" and carried out "Distribution of Advertising Inserts to Promote Items Using Bluefin Tuna and Father's Day Campaign" each once in May. In addition, we continuously provide information on campaigns on official SNSs and apps such as Instagram and X.

As a result of these measures, sales from existing restaurants increased by 12.5% year on year, the number of customers at existing restaurants increased by 5.7% year on year, and the average spending per customer increased by 6.4% year on year.

As for restaurants, the Company opened "Sagami Higashiura Restaurant" and "Sagami Okazaki Daiju-ji Restaurant" (in April), "Sagami Toyota Nishiki Restaurant" (in May), "Sagami Minato Chita Restaurant" and "Sagami Kawagoe Restaurant" (in June).

The number of Sagami restaurants was 144 at the end of the first quarter of the fiscal year under review.

##### 2) Ajino-Mingei

Ajino-Mingei held a "Cooking Fair" three times as a sales promotion project for all restaurants. In addition, we broadcasted television advertisements to introduce "Spring Gratitude Fair", and carried out "Spring Doyo Fair" each once in April, "Mother's Day Fair" and "All-you-can-eat Tenobe Udon (hand-stretched udon noodles)"

promotion each once in May, and carried out “Father’s Day Fair” to sell items using eels and draft beer at a good price, and broadcasted television advertisements to introduce the type of business operation of Ajino-Mingei and promote Seasonal Menu each once in June.

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

### 3) Don Don An

Don Don An held a “Cooking Fair” twice as a sales promotion project for all restaurants. In addition, we held “Go! Don Don An Campaign” in April.

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

### 4) Other Restaurants

Large-sized, self-service-type Udon noodles restaurant “Seimen-Daigaku” held a “Cooking Fair” twice.

Self-service-type Juwari Soba noodles restaurant “Chosuke” held “Cooking Fair” twice. As a sales promotion project, we held “New Life Support Campaign” (at Juwari Soba Second Generation Chosuke) in April, and “Extra-large Helping Fair” (at Kakiage Juwari Soba Chosuke) and “New Menu Introduction Project” with some standard items changed (at Juwari Soba Second Generation Chosuke) in June.

As for restaurants in Japan, the Company opened “Juwari Soba Second Generation Chosuke Gifu Kitagata Restaurant” (in June).

On the other hand, the Company closed “Aiso-Ya Higashiura Restaurant”, “Aiso-Ya Daiju-ji Restaurant”, and “Aiso-Ya Toyota Restaurant” (in April), “Aiso-Ya Minato Chita Restaurant” and “Aiso-Ya Kawagoe Restaurant” (in May), and “Aiso-Ya Tendo Restaurant” (in June), with the conversion of the type of business operation.

As for restaurants overseas, the Company opened “SAGAMI Bologna” (in April) as a franchise restaurant in Bologna, Italy.

The number of restaurants, including franchise restaurants, was 22 in Japan and 10 overseas, for a total of 32 restaurants at the end of the first quarter of the fiscal year under review.

As a result, for the three months ended June 30, 2024, net sales were ¥8,123 million, operating profit was ¥571 million, ordinary profit was ¥599 million, and profit attributable to owners of parent was ¥483 million. In addition, the number of group restaurants was 257 at the end of the first quarter of the fiscal year under review.

## (2) Overview of Financial Position for the Quarterly Period under Review

The total assets at the end of the first quarter of the fiscal year under review were ¥24,281 million, a decrease of ¥661 million from the end of the previous fiscal year. Current assets decreased by ¥973 million from the end of the previous fiscal year to ¥9,184 million, while non-current assets increased by ¥311 million to ¥15,096 million. Current liabilities decreased by ¥651 million from the end of the previous fiscal year to ¥4,636 million, while non-current liabilities decreased by ¥206 million to ¥2,632 million. Net assets increased by ¥196 million from the end of the previous fiscal year to ¥17,012 million.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

No revisions have been made to the consolidated financial results forecasts for the fiscal year ending March 31, 2025, from the forecasts which were announced on May 13, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,011,517	6,890,318
Accounts receivable - trade	1,037,529	978,954
Merchandise and finished goods	155,418	168,049
Raw materials and supplies	520,028	581,862
Other	434,047	565,810
Total current assets	10,158,541	9,184,995
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,882,064	3,093,874
Machinery, equipment and vehicles, net	565,328	621,723
Land	6,442,133	6,442,133
Other, net	359,535	405,158
Total property, plant and equipment	10,249,062	10,562,889
Intangible assets		
Other	95,538	95,113
Total intangible assets	95,538	95,113
Investments and other assets		
Investment securities	872,278	880,828
Long-term loans receivable	38,889	38,081
Guarantee deposits	1,371,404	1,392,219
Long-term time deposits	2,000,000	2,000,000
Deferred tax assets	110,401	91,312
Other	47,017	35,893
Total investments and other assets	4,439,990	4,438,335
Total non-current assets	14,784,591	15,096,338
Total assets	24,943,132	24,281,334

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	842,288	851,490
Current portion of long-term borrowings	808,802	808,802
Accounts payable - other	2,204,147	2,069,968
Income taxes payable	285,559	109,127
Contract liabilities	65,206	52,251
Provision for bonuses	510,544	108,111
Provision for bonuses for directors (and other officers)	49,980	49,980
Other	521,702	586,637
<b>Total current liabilities</b>	<b>5,288,231</b>	<b>4,636,368</b>
Non-current liabilities		
Long-term borrowings	1,908,892	1,715,818
Long-term accounts payable - other	163,650	150,608
Provision for share awards	100,665	101,547
Asset retirement obligations	559,097	559,463
Long-term guarantee deposits	70,381	70,578
Other	36,218	34,776
<b>Total non-current liabilities</b>	<b>2,838,905</b>	<b>2,632,791</b>
<b>Total liabilities</b>	<b>8,127,137</b>	<b>7,269,159</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,090,653	9,090,653
Capital surplus	6,192,923	6,192,923
Retained earnings	1,330,941	1,511,235
Treasury shares	(147,983)	(148,081)
<b>Total shareholders' equity</b>	<b>16,466,534</b>	<b>16,646,730</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	354,054	362,459
Foreign currency translation adjustment	(4,594)	2,984
<b>Total accumulated other comprehensive income</b>	<b>349,460</b>	<b>365,443</b>
<b>Total net assets</b>	<b>16,815,995</b>	<b>17,012,174</b>
<b>Total liabilities and net assets</b>	<b>24,943,132</b>	<b>24,281,334</b>



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

## Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	7,077,620	8,123,455
Cost of sales	2,322,256	2,584,700
Gross profit	4,755,363	5,538,755
Selling, general and administrative expenses	4,418,538	4,967,464
Operating profit	336,824	571,291
Non-operating income		
Interest income	147	102
Dividend income	13,414	14,181
Foreign exchange gains	964	-
Insurance claim income	1,217	13,800
Miscellaneous income	4,803	4,213
Total non-operating income	20,548	32,298
Non-operating expenses		
Interest expenses	1,447	666
Foreign exchange losses	-	3,270
Miscellaneous losses	155	127
Total non-operating expenses	1,602	4,063
Ordinary profit	355,770	599,525
Extraordinary income		
Gain on sale of investment securities	2,433	-
Total extraordinary income	2,433	-
Extraordinary losses		
Loss on retirement of non-current assets	1,179	1,897
Impairment losses	26,001	13,022
Loss on sale of investment securities	1,201	-
Total extraordinary losses	28,382	14,920
Profit before income taxes	329,821	584,604
Income taxes - current	63,991	83,419
Income taxes - deferred	13,292	18,053
Total income taxes	77,283	101,473
Profit	252,537	483,131
Profit attributable to owners of parent	252,537	483,131

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	252,537	483,131
Other comprehensive income		
Valuation difference on available-for-sale securities	42,349	8,405
Foreign currency translation adjustment	(605)	7,578
Total other comprehensive income	41,743	15,983
Comprehensive income	294,280	499,115
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	294,280	499,115

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to segment information, etc.)

[Segment Information]

For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

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

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes to statements of cash flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2024 was not prepared.

Depreciation for the three months ended June 30, 2024 (including amortization related to intangible assets) is as follows.

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Depreciation	103,046	153,028