FY2025 Q3 Financial Results Briefing

Skylark Holdings Co., Ltd.

November 13, 2025

Executive Summary

・Sales up 45.0 bn yen (15.3%), business profit 6.0 bn yen up(31.0%), operating profit 4.6 bn yen up (23.7%) YoY

Unit: Bn yen

	FY2025 Q3 (9-month)		FY2024 Q3 (9-month)		YoY		FY2025 Forecast	Progress (%)
	Bn	% of sales	Bn	% of sales	variance	%YoY		
Sales	**339.6**	**100.0%**	**294.7**	**100.0%**	**45.0**	**+15.3%**	**445.0**	**76.3**
Business profit	**25.4**	**7.5%**	**19.4**	**6.6%**	**6.0**	**+31.0%**	**27.5**	**92.2**
Operating profit	**23.9**	**7.0%**	**19.3**	**6.5%**	**4.6**	**+23.7%**	**25.0**	**95.4**
Income before income tax	**21.2**	**6.2%**	**17.3**	**5.9%**	**3.9**	**+22.5%**	**22.3**	**95.1**
Net income	**13.7**	**4.0%**	**10.5**	**3.5%**	**3.3**	**+31.2%**	**14.8**	**92.7**
Adjusted EBITDA	64.4	18.9%	56.2	19.1%	8.2	+14.6%	-	-
ROE(%)	**10.3**	**-**	**8.4**	**-**	**1.9**	**-**	**8.3**	**-**
ROA(%)	5.0	-	4.1	-	0.8	-	4.1	-
Financial leverage (times)	2.07	-	2.03	-	0.03	-	2.03	-

FY2025 Q3 Results			
Same stores YoY (Sales%)	107.8	**New store openings (YoY)**	54 (+34)
Same stores YoY (Traffic%)	102.3	**Brand conversions (YoY)**	24 (▲36)
Same stores YoY (ATP%)	105.4	**Remodeled stores (YoY)**	159 (+107)

*Adjusted EBITDA = EBITDA + Loss on disposal of fixed assets + Impairment loss of non-financial assets - Reversal of impairment loss of non-financial assets + Public offering related expenses

*Same stores YoY are based on restaurants in Japan.

*Number of stores are total of Japan and overseas.

Condensed Consolidated Income Statement

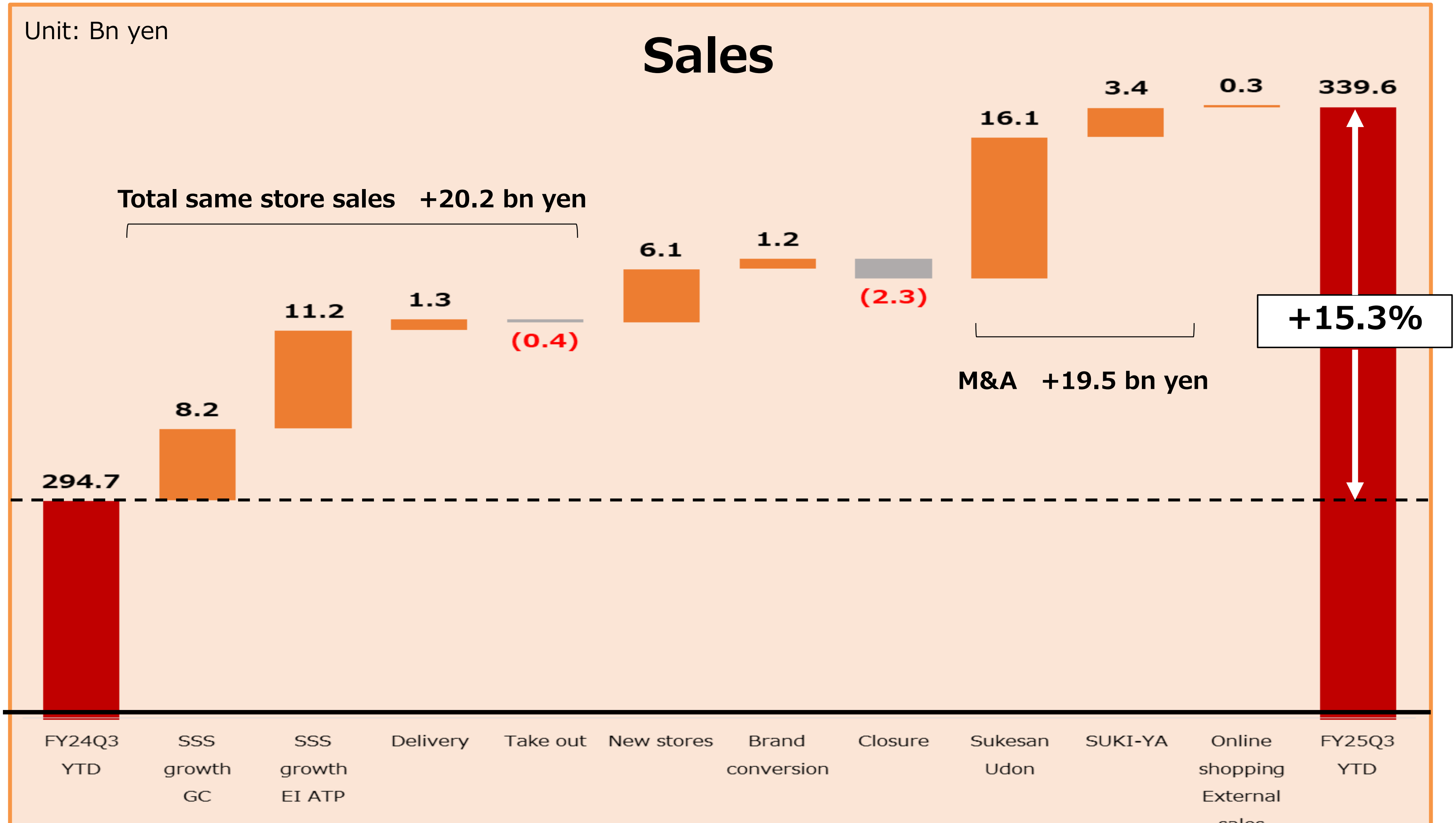
・**Improvement in labor cost ratio(32.6%→31.7%) and other SG&A ratios led to higher business profit margin (6.6%→7.4%).**

	FY2025 Q3 (9-month)		FY2024 Q3 (9-month)		YoY	
	Bn	% of sales	Bn	% of sales	variance	%YoY
Sales	**339.6**	**100.0%**	**294.7**	**100.0%**	**45.0**	**+15.3%**
COGS	112.4	33.1%	95.0	32.2%	17.4	+18.3%
Gross margin	**227.2**	**66.9%**	**199.7**	**67.8%**	**27.6**	**+13.8%**
Labor	107.8	31.7%	96.0	32.6%	11.9	+12.4%
Other SG&A	94.1	27.7%	84.4	28.6%	9.7	+11.5%
Business profit	**25.4**	**7.5%**	**19.4**	**6.6%**	**6.0**	**+31.0%**
Non-operating income	1.1	0.3%	1.5	0.5%	▲0.4	▲26.0%
Non-operating expenses	2.6	0.8%	1.6	0.5%	1.0	+64.1%
Operating profit	**23.9**	**7.0%**	**19.3**	**6.5%**	**4.6**	**+23.7%**
Financing costs	2.6	0.8%	2.0	0.7%	0.7	+34.3%
Income before income tax	21.2	6.2%	17.3	5.9%	3.9	+22.5%
Tax expenses	7.5	2.2%	6.9	2.3%	0.6	+9.2%
Net income	**13.7**	**4.0%**	**10.5**	**3.5%**	**3.3**	**+31.2%**
Adjusted EBITDA*	64.4	18.9%	56.2	19.1%	8.2	+14.6%

*Adjusted EBITDA = EBITDA + Loss on disposal of fixed assets + Impairment loss of non-financial assets - Reversal of impairment loss of non-financial assets + Public offering related expenses

Sales Q3FY2025 vs. Q3FY2024 (9 months)

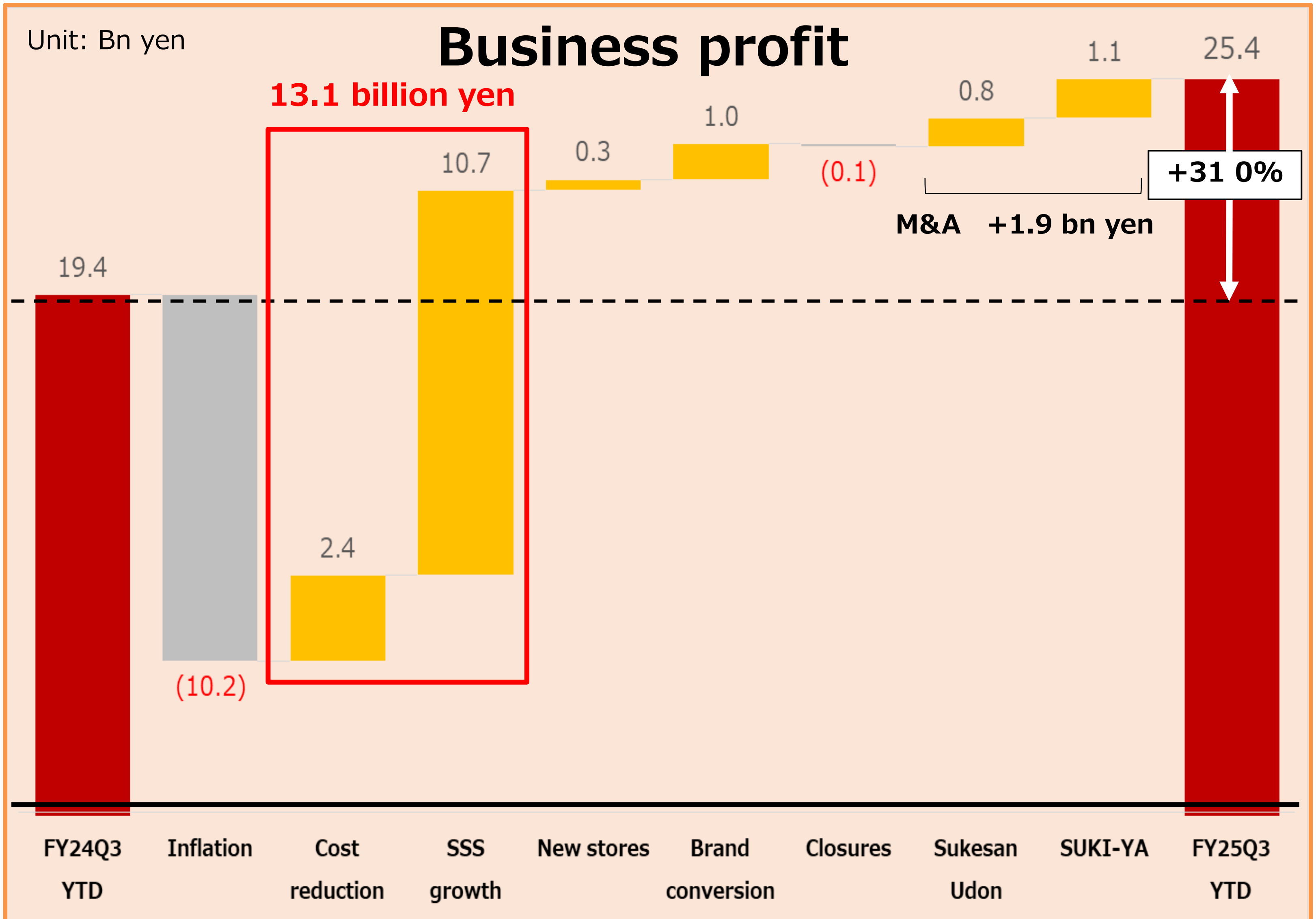
- **Sales increased by 15.3% YoY, driven by strong existing store performance and impact of M&A.**
  - Existing stores: +20.2 bn yen, mainly due to higher traffic and ATP.
  - M&A: +19.5 bn yen increase reflecting the impact of Sukesan Udon and SUKI-YA acquisitions.

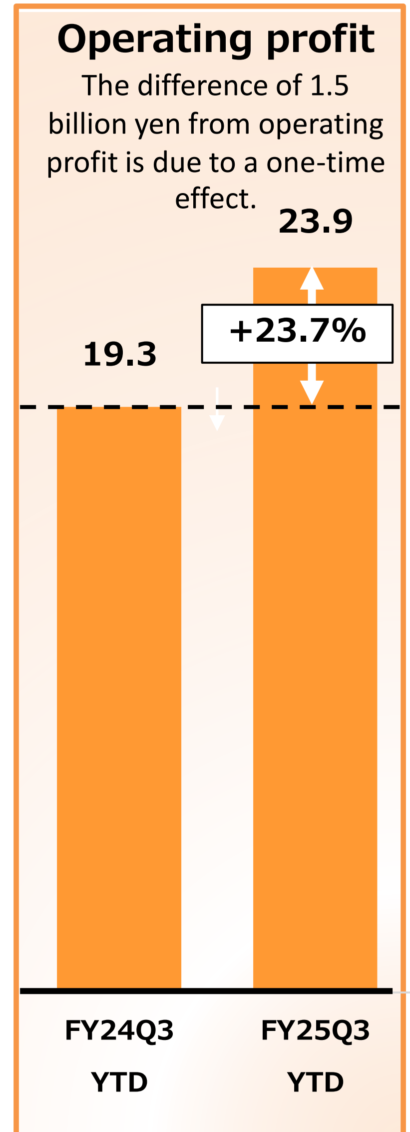


*Excluding Sukesan Udon and SUKI-YA from new stores and brand conversion.

BP Q3FY2025 vs. Q3FY2024 (9 months)

- **Business profit up 31.0% YoY** (Operating profit up 23.7%)
  - Inflation impact (10.2) bn yen, offset by +13.1 bn yen from higher existing store sales and cost reduction initiatives.





*Excluding Sukesan Udon and SUKI-YA from new stores and brand conversion.

Balance Sheet/Statement of Cash Flows

・BS: Prolonging financing through the issuance of sustainable bonds (10-year bonds)
・CF: Free cash flow decreased due to active investments in M&A and new store openings/brand conversions.

Balance Sheet (BS)

Unit: Bn yen

	FY2025 Q3	FY2024 Q4	Variance
Assets			
Current assets	**50.3**	**49.1**	**1.2**
Non-current assets	**446.7**	**421.8**	**25.0**
including goodwill	162.2	157.6	4.5
Total assets	**497.0**	**470.9**	**26.1**
Liabilities			
Current liabilities	**97.7**	**117.5**	**▲19.9**
Non-current liabilities	**216.1**	**180.0**	**36.1**
*Interest-bearing liabilities	116.7	106.3	10.4
including long-term interest-bearing liabilities	102.2	74.4	27.8
Total liabilities	**313.8**	**297.5**	**16.3**
Equities			
Equity attributable to owners of the company	**183.2**	**173.4**	**9.9**
Total shareholders' equity	**183.2**	**173.4**	**9.9**

Statement of Cash Flows (CF)

Unit: Bn yen

	FY2025 Q3YTD	FY2024 Q3YTD	Variance
Operating cash flow	**53.1**	**49.8**	**3.3**
Investment cash flow	**▲26.5**	**▲11.2**	**▲15.3**
Free cash flow	**26.5**	**38.6**	**▲12.0**
Financial cash flow	**▲23.1**	**▲21.1**	**▲2.0**
Loan	**▲3.7**	**▲11.3**	**7.6**
Bonds	**14.2**	**19.9**	**▲5.7**
Lease debt repayment	**▲28.0**	**▲26.3**	**▲1.7**
Dividend	**▲4.3**	**▲3.2**	**▲1.1**
Others	**▲1.3**	**▲0.1**	**▲1.2**
Change in cash	**3.5**	**17.5**	**▲14.0**
Cash balance at beginning	**19.2**	**26.8**	**▲7.6**
Cash balance at closing	**22.7**	**44.2**	**▲21.6**

Key Financial Indicators

・ROE of 10.3%, capital efficiency continues to improve

	Unit	2019	2023	2024	2024 Q3	2025 Q3
ROE	**(%)**	**7.2**	**3.0**	**8.3**	**8.4**	**10.3**
ROA	**(%)**	**2.9**	**1.5**	**4.0**	**4.1**	**5.0**
Financial leverage	(times)	2.50	2.05	2.06	2.03	2.07
Earnings per share (EPS)	**(yen)**	**48.07**	**21.01**	**61.38**	**-**	**-**
Book value per share (BPS)	(yen)	672.5	713.4	762.2	-	-
Equity ratio	**(%)**	**29.3**	**38.1**	**36.8**	**38.5**	**36.9**
Net D/E ratio	**(times)**	**0.86**	**0.46**	**0.51**	**0.38倍**	**0.52**

*ROE = net income attributable to owners of the parent / term average total equity (2025 (Q3 net income/3*4)/ term average total equity)
*ROA = net income attributable to owners of the parent / term average total assets (excluding right-of-use assets) (2025 (Q3 net income/3*4)/ term average total assets)
*Financial leverage = Average total assets during the period (excluding right-of-use assets) / Average equity during the period
*EPS = net income attributable to owners of the parent / average number of shares outstanding during the period
*BPS = equity attributable to owners of the parent (end of period) / total number of shares outstanding at end of period
*Equity ratio = equity attributable to owners of the parent (end of period) / total assets (end of period)
*Net D/E ratio = (borrowings at end of period + other financial liabilities at end of period - cash and cash equivalents at end of period - lease obligations) / total equity (end of period)
*"End of period" refers to end of Q3

2025 Full-Year Guidance Revision

(Earnings forecast)

Unit (Bn yen)	Revised FY2025 Guidance	Initial FY2025 Guidance	Variance	FY2024 Actual
Sales	**454.0**	**445.0**	**+9.0**	**401.1**
Business profit	**31.0**	**27.5**	**+3.5**	**24.2**
Operating profit	**29.0**	**25.0**	**+4.0**	**24.2**
Income before income tax	**25.6**	**22.3**	**+3.3**	**21.5**
Net income	**16.7**	**14.8**	**+1.9**	**14.0**
Earnings per share (EPS)	**73.41 yen**	**65.05 yen**	**+8.36 yen**	**61.38 yen**

(Dividend forecast)

	Interim	Year-end	Total
Fiscal Year Ending March 2024 Results	7.50 yen	11.00 yen	18.50 yen
Fiscal Year Ending March 2025	8.00 yen	-	-
Forecast for the fiscal year ending March 2025	**-**	**14.00 yen**	**22.00 yen**
	Initial forecast	12.00 yen	20.00 yen

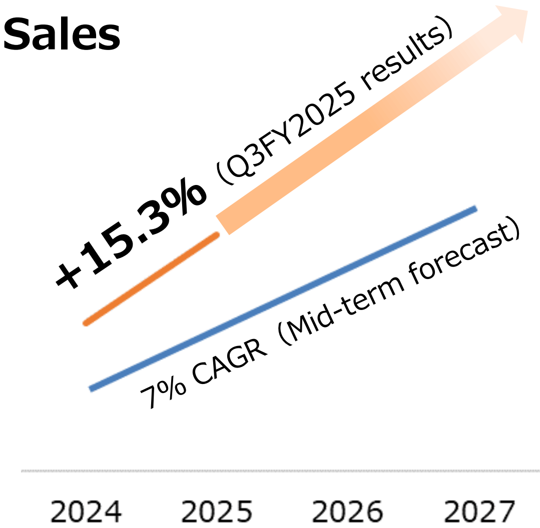
Progress of Medium-Term Business Plan

・Both sales and business profit exceeded the plan's projections.

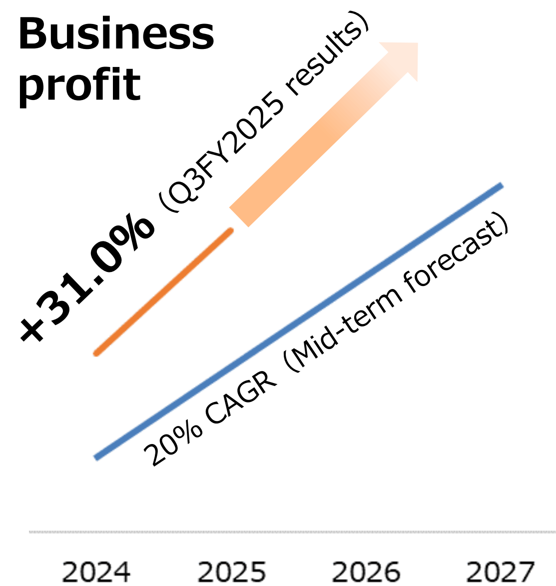
Item	Target values	Progress
1. Existing store growth	Sales growth: Annual average 3-4%	Q3FY2025 Results **+7.8%**
2. New store openings (Japan)	Approx. 300 new store openings in Japan in 3 years	Q3FY2025 Results **54 stores** (including 7 Sukesan Udon) *Store openings limited to around 180 stores ⇒ Responding to rising construction costs ⇒ On track to meet sales and profit targets through selective, high-profit openings
3. Overseas expansion	Approx. 100 new store openings internationally in 3 years	Q3FY2025 Results **25 stores** (including 13 SUKI-YA acquired through M&A) ・Taiwan 7 stores ・Malaysia 5 stores ・Syabu-Yo 2 stores ・SUKI-YA 3 stores
4. Pursuit of M&A	3 to 5 cases in 3 years	**①FY2024 Sukesan Udon** End-Sep 2025: 86 stores Q4FY2025: 8 openings planned *incl. 6 brand conversions **②FY2025 SUKI-YA** End-Sep 2025: 16 stores Q4FY2025: 1 opening planned

Sales and business profit growth

Sales



Business profit



M&A Progress

・Both Sukesan Udon and SUKI-YA contribute to business performance

Sukesan Udon

Both existing and new stores are doing well

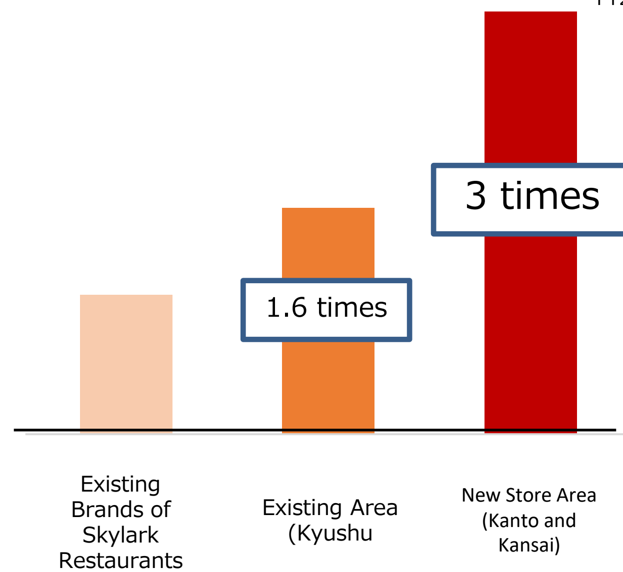
With overwhelming customer attraction,
Monthly sales per store are 1.6~3 times that of existing brands

Progress of Integration Synergies

(1) Low cost and short-term store opening due to conversion
⇒ 11 stores planned for this fiscal year (5 of which have already opened)
(2) In-house production at our own factory
⇒ Udon noodles (Kansai in August, Kanto in September)
⇒ Soba noodles, tempura soup production
(3) Efficiency of logistics and purchasing

[Comparison of existing brands]

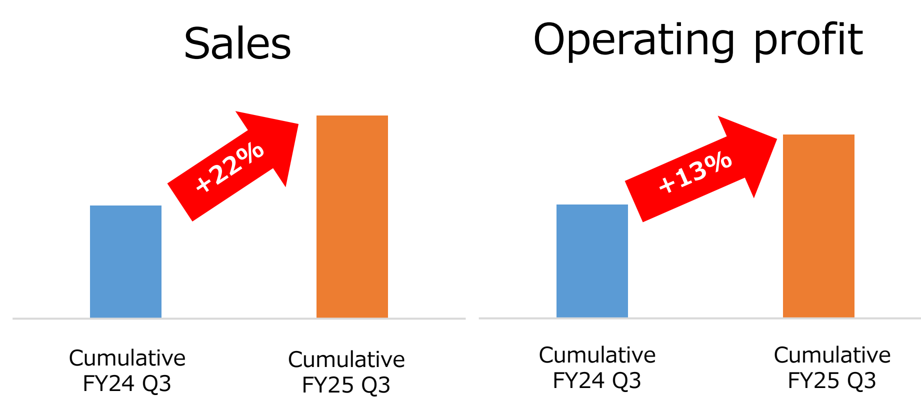
*FY25Q3 cumulative



SUKI-YA

・Growth in both sales and operating profit
・4 stores scheduled to open this term (3 stores already open)
・Considering opening a store in Indonesia in the future

【Year-on-year comparison】



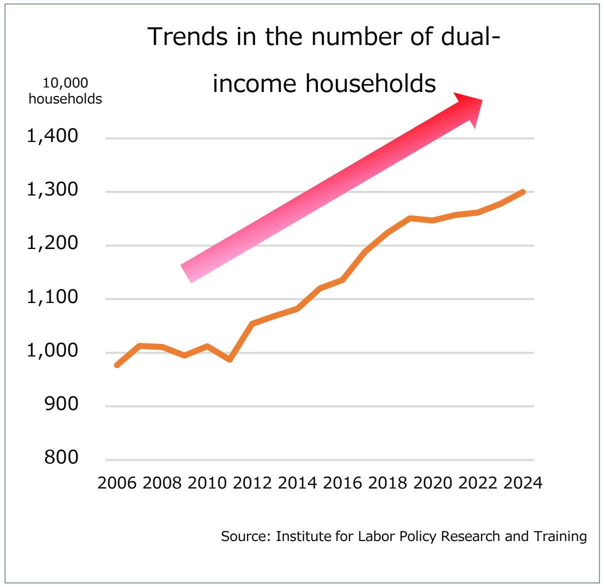
Domestic Growth Strategy (Food Service Market)

・**Expansion of the domestic restaurant market due to the increase in dual-income households and high demand for enjoyable dining out.**

Dual-income households increase

The number of dual-income households is Increasing trend

Externalization of food is progressing (Decrease in dine-in)

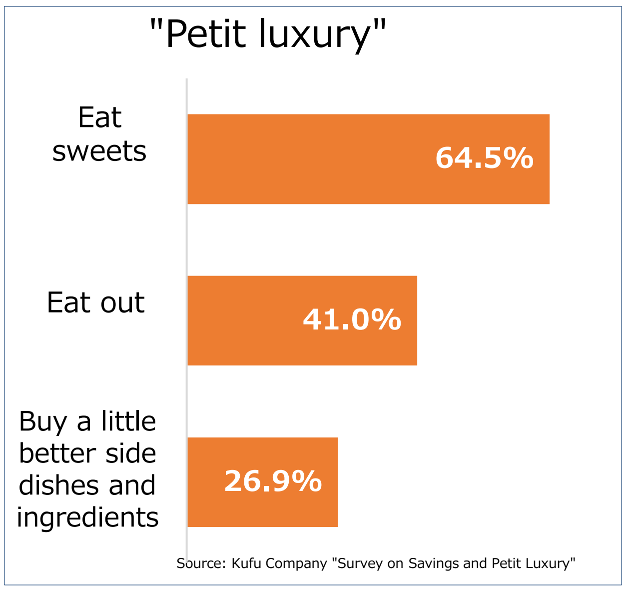


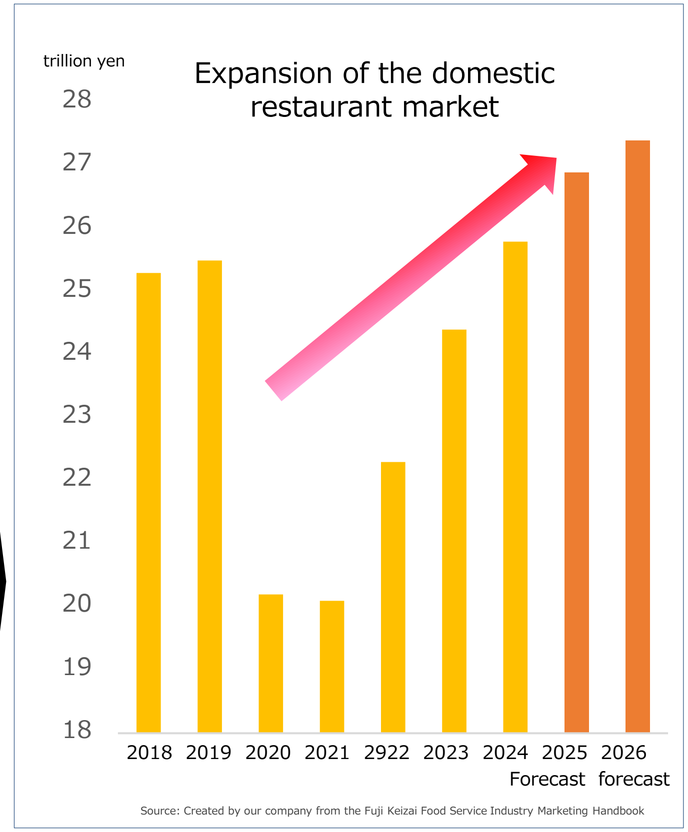
Demand for enjoyable dining out remains high, even among value-conscious consumers

Save fatigue
About 70% of people feel it

About 40% of people
Solve it with "petit luxury"

"Petit luxury"
At the top of the list is "eating out"



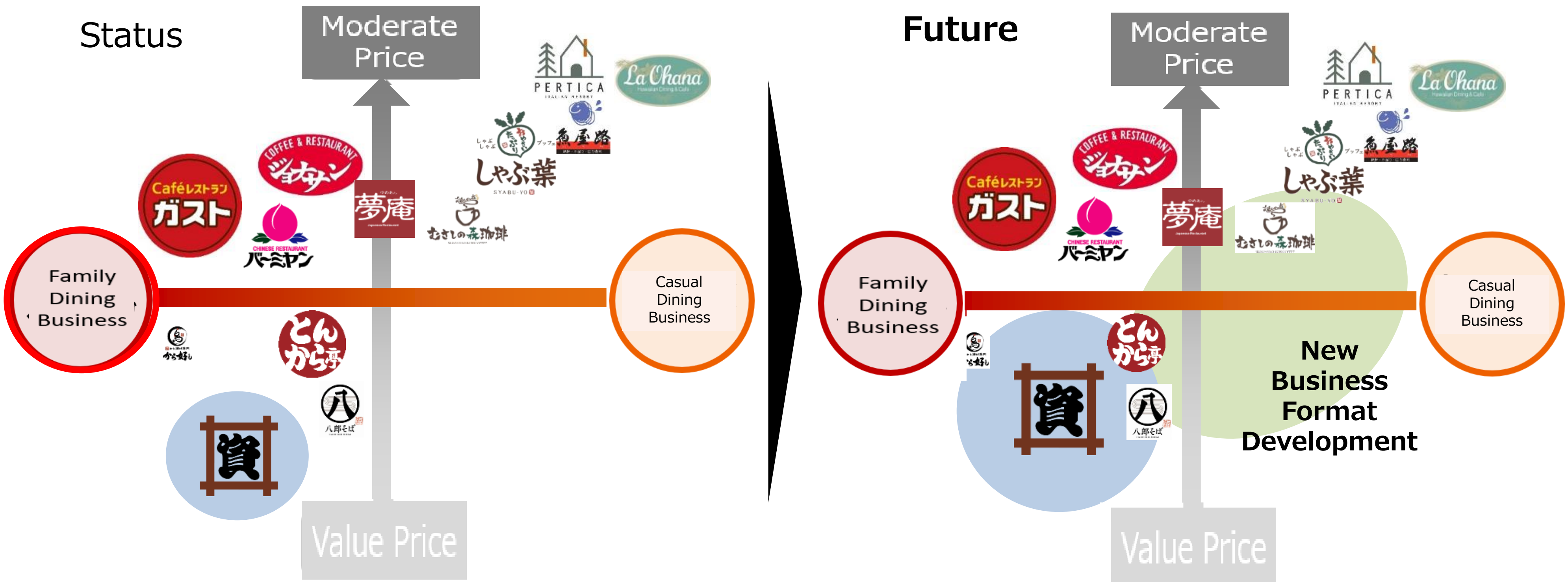


(1) Increase in dual-income households
(2) Demand for enjoyable dining out is high

Expansion of the domestic restaurant market

Domestic Growth Strategy (New Business Formats)

・The blank area in our portfolio will be supplemented by expanding “Sukesan Udon” and promoting the development of new business formats



・The acquired "Sukesun Udon" complements the white space in our brand portfolio

・Accelerating the opening of "Sukesan Udon"
・Promoting new brand development and M&A

A seamless brand portfolio

Accelerating Domestic Growth

Domestic Growth Strategy (New Store Opening)

・Accelerating domestic growth by opening stores in the company's blank areas such as in front of stations and shopping centers

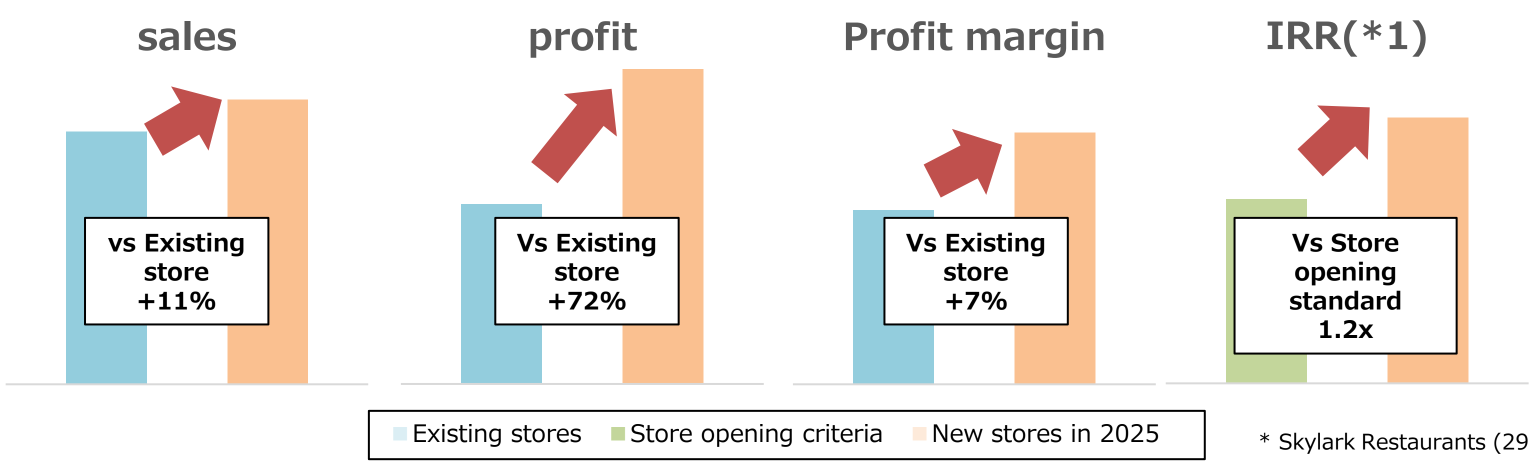
■ Changes in store locations

Store development shifted from roadside to station fronts, shopping centers, and downtown areas

	Roadside	Along the private railway lines in large cities	shopping center	High commercial agglomeration	In front of the regional city station	Opening of multi-format stores in local medium-sized cities	Total
2019	78.1%	12.5%	6.3%	3.1%	-	-	100.0%
2025 Q3 cumulative	3.4%	17.2%	34.5%	20.7%	17.2%	6.9%	100.0%

■ New stores have high sales and profit margins, which contribute significantly to business performance

2025 New Store Performance



＊ Skylark Restaurants (29 stores)

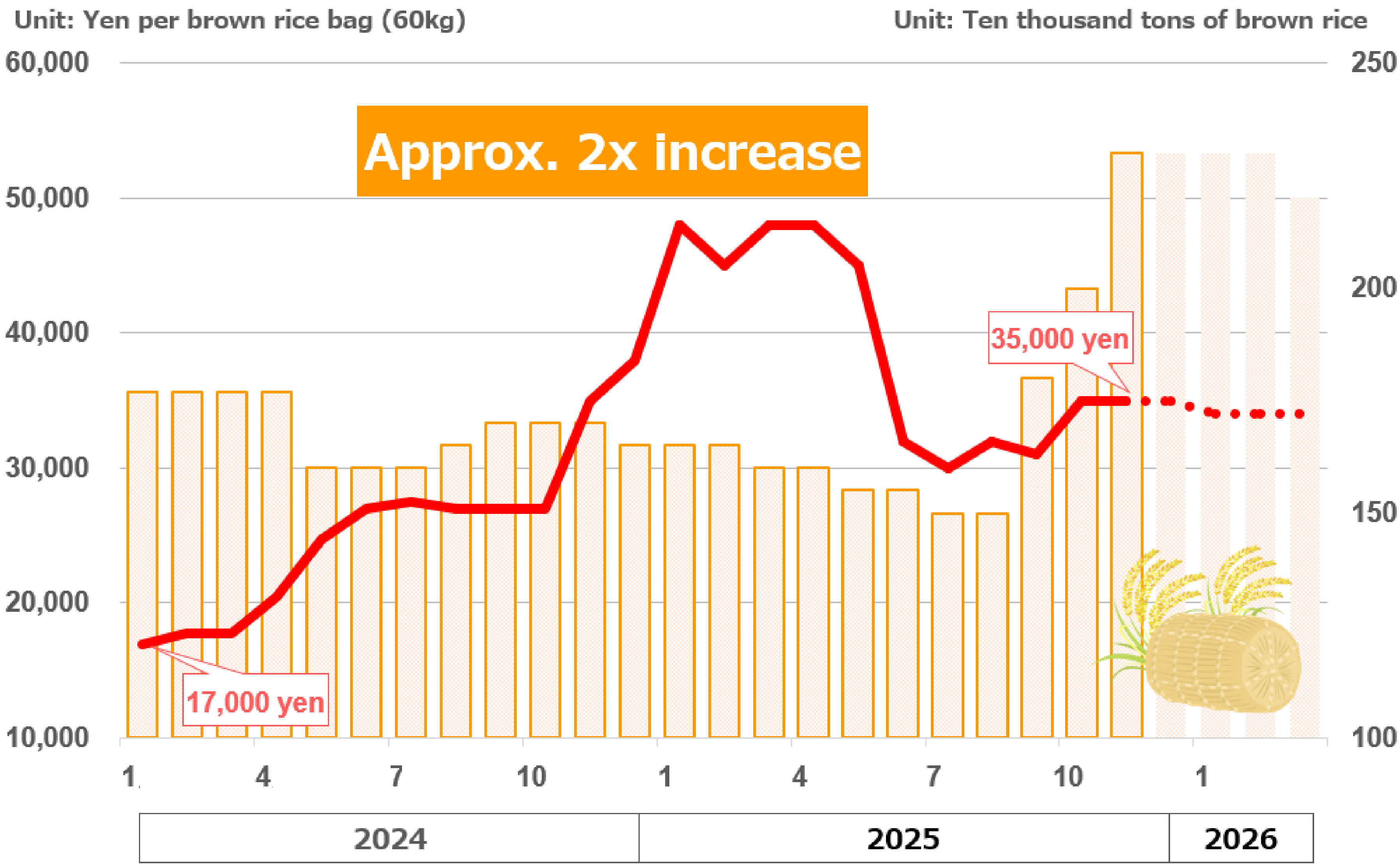
(*1) IRR (Internal Rate of Return) = A discount rate at which the present value of future cash flows obtained from an investment is equal to the present value of the investment amount.

Appendix

Food Inflation Status (rice)

- Expected to remain high

Trends in private-sector inventories of rice and brown rice market prices

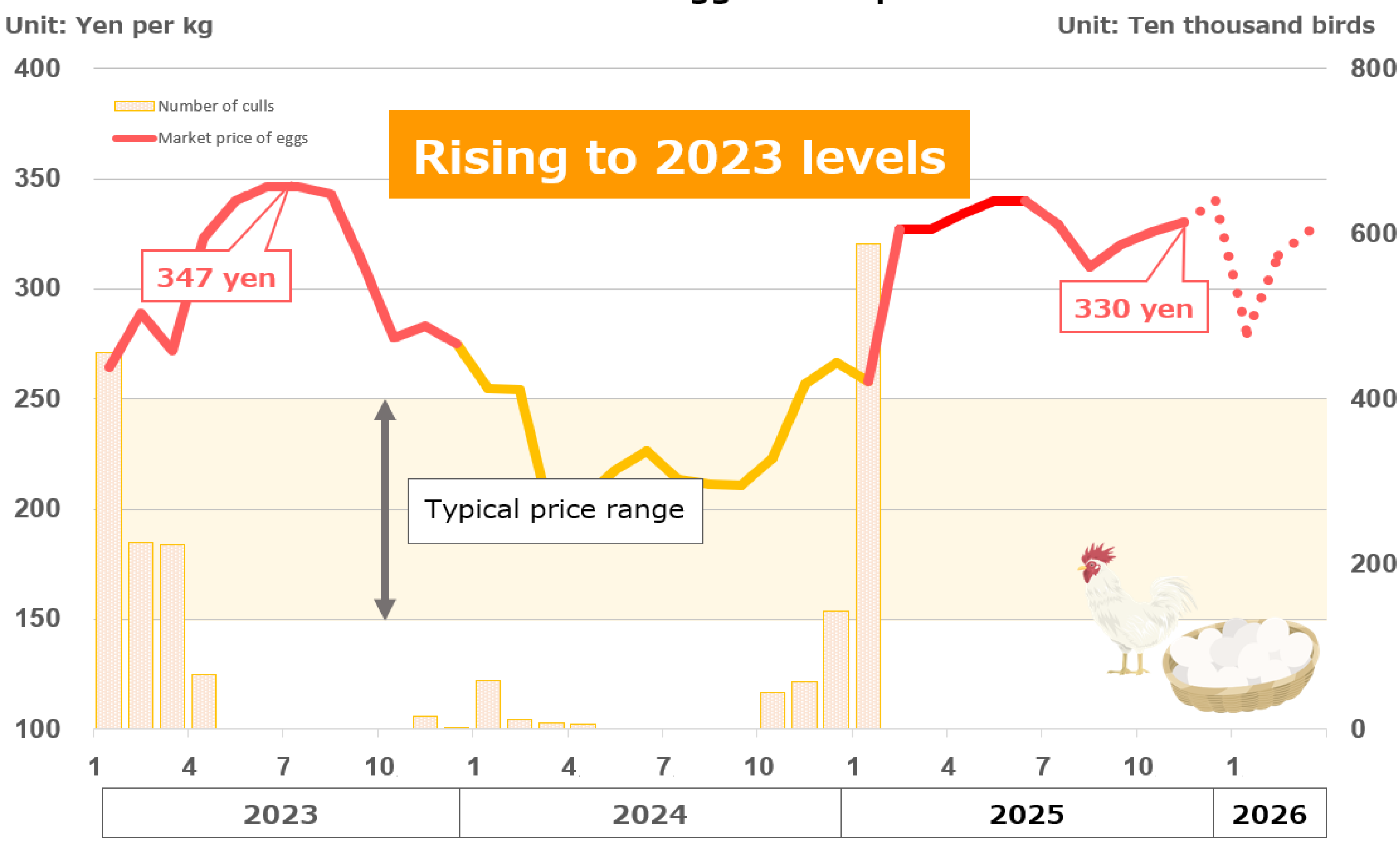


*Source: Company data

Food Inflation Status (eggs)

・Avian influenza outbreak in November; prices expected to remain high

Trends in the number of culls due to avian influenza control measures and egg market prices



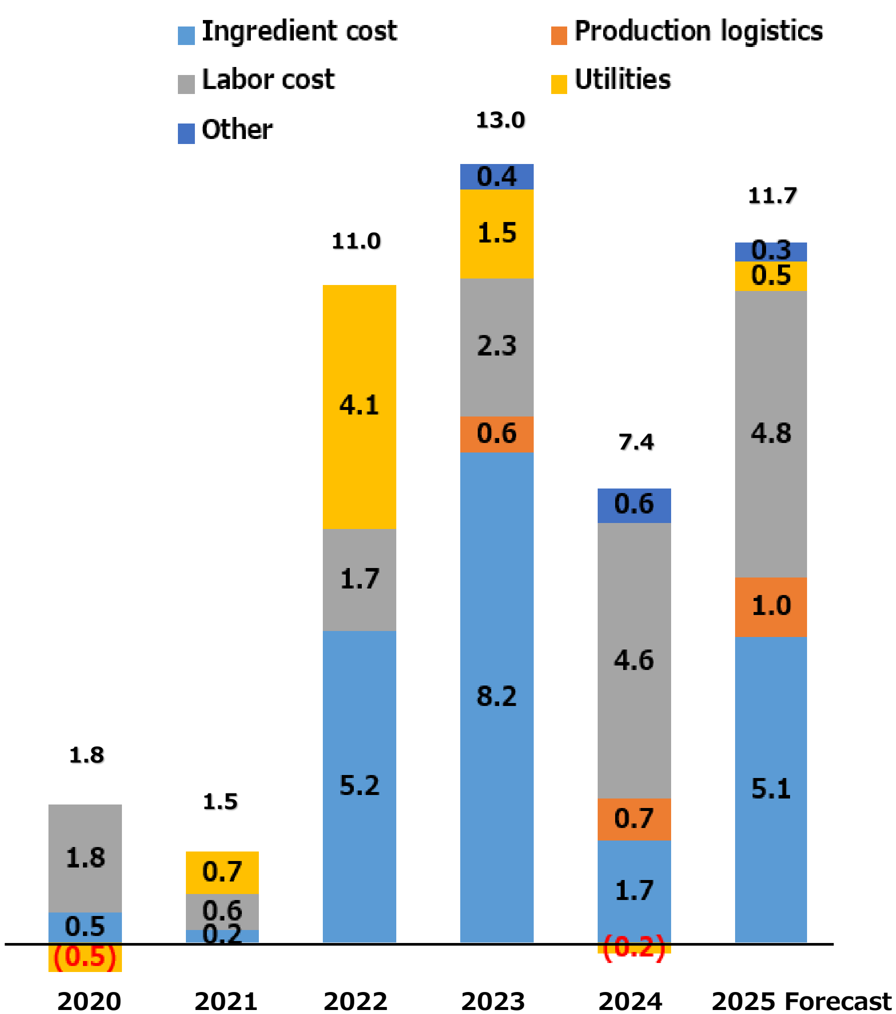
*Source: ja.z-tamago. Co., Ltd.

Inflation: Assumption vs. Actual

- **Cumulative inflation impact for Q3FY2025 was 0.4 bn yen higher than the initial guidance.**

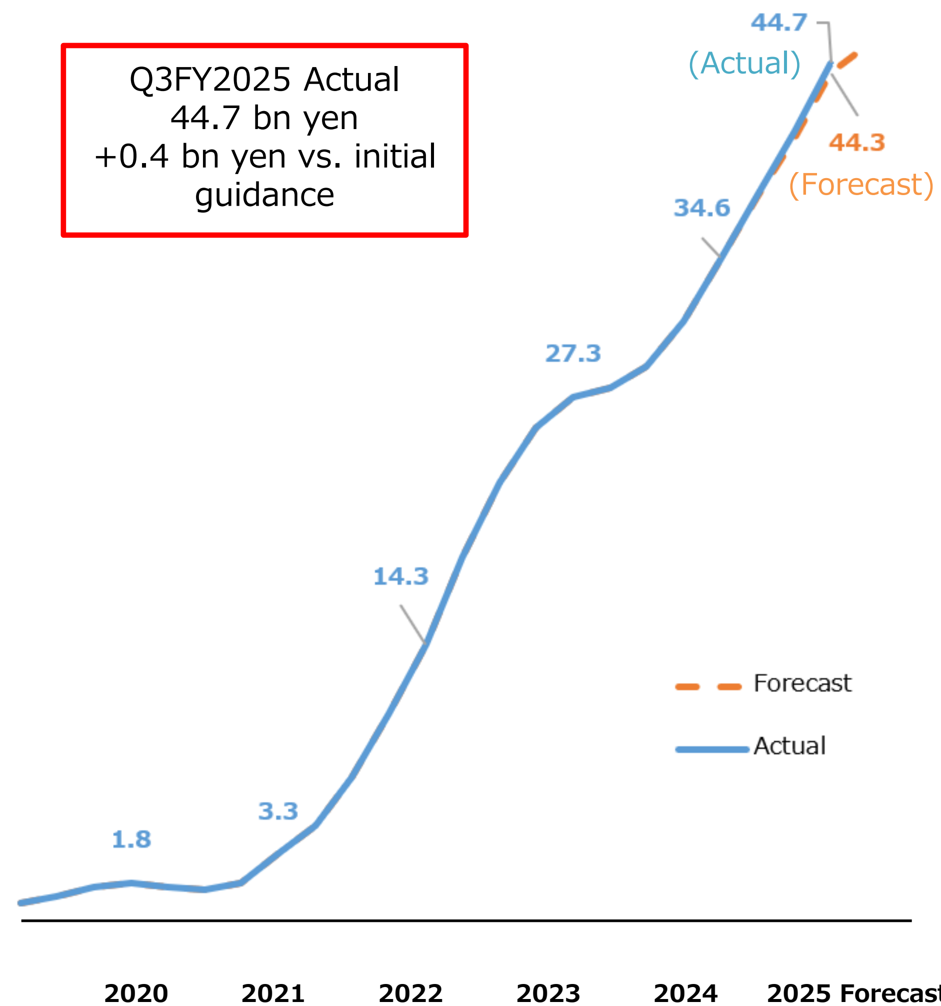
Unit: Bn yen

Inflation by year



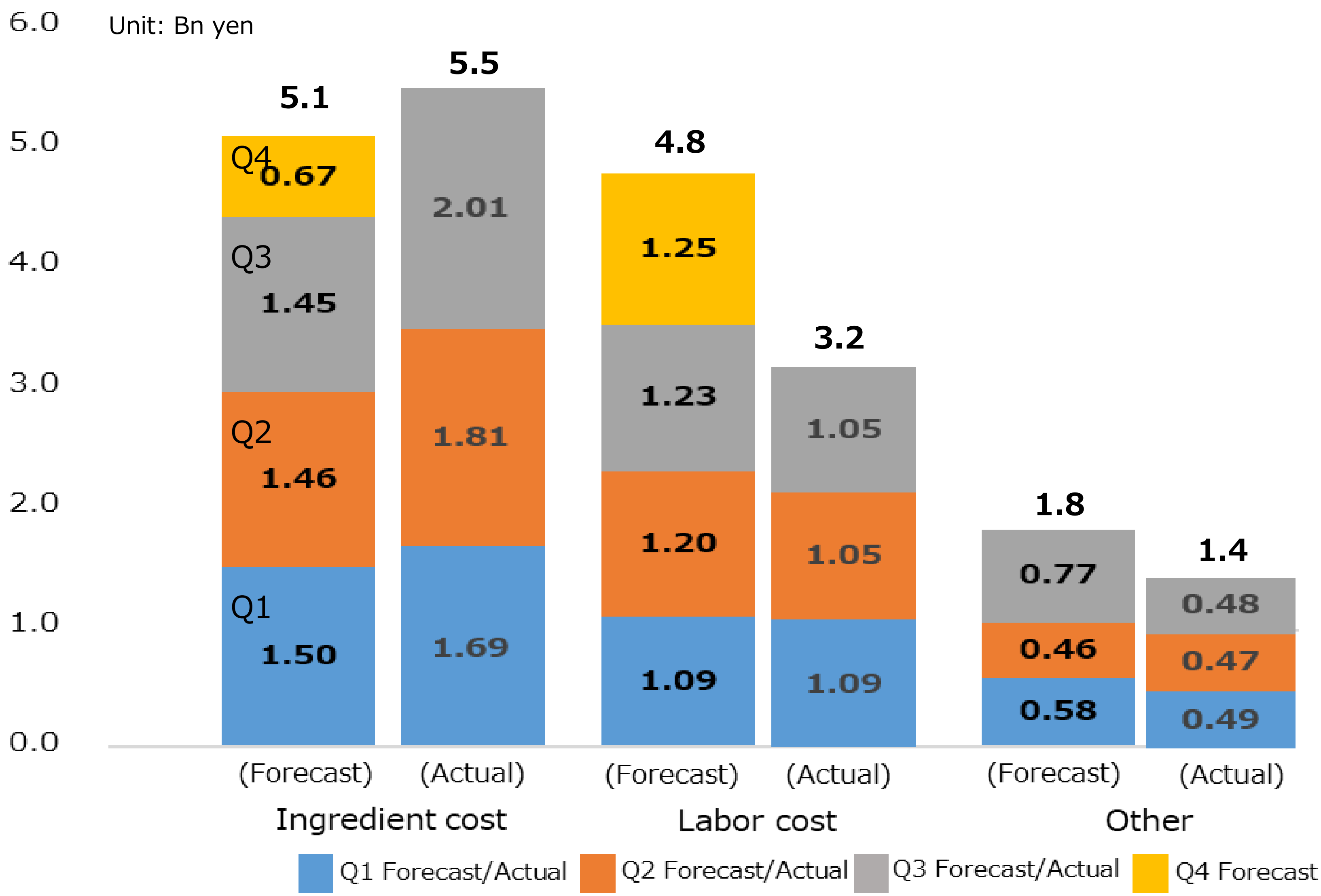
*Initial FY2025 guidance assumption

Cumulative inflation



Inflation: Assumption vs. Actual (Quarterly)

- **+0.4 bn yen compared with the initial guidance**
  - Of which, ingredient costs increased by 1.1 bn yen, while labor and other costs were below expectations.



Existing store growth

・The number of customers and the unit price per customer increased due to the trinity strategy. Contributed 10.7 billion yen to increased profit in Q3

Sales Strategy

Store operation reform

1. Reduced cleanup time*

・The number of compliments increases by shortening the waiting time for table seating

2. Service Enhancement

・All part-time jobs are eligible. "What is a good service?" Online training session

Menu Strategy

1. Respond to the polarization of consumption

・Provides the fun of choosing for everyday dining out

・Providing a fun experience unique to eating out

2. Enhancement of the main dish

・Make the main dish more attractive and provide additional value

Promotion Strategies

1. Dynamic Coupons

・Coupons are issued according to the situation of the store.

2. Folded flyer

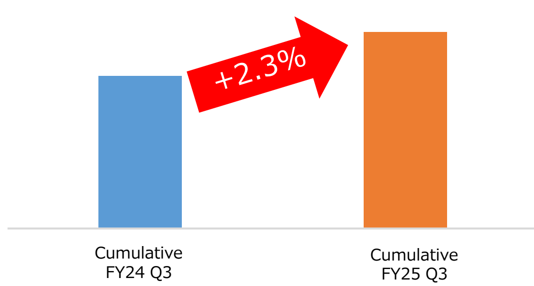
・Issuing coupons for seniors

3. SNS flyer

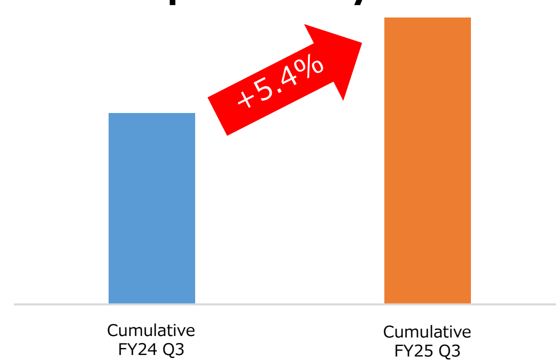
・Issuing coupons for young people

* Preparation time of setting table for next customer

Number of customers compared to the previous year



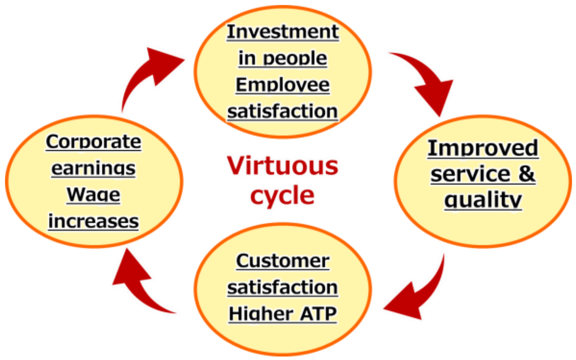
Price per customer compared to the previous year



Store Centered Management

- **Create a Virtuous Cycle in Management through "Store Centered Management"**

Virtuous Cycle in management



Concept of "Store Centered Management"

Concrete efforts for "Store Centered Management"

Managerial Development of Management Skills

1. Change the Manager Evaluation System
2. Change in the Managerial Grading System
3. Introduction of Performance Incentive System
4. Expansion of Managerial Crew Evaluation Authority

Promotion of Recruitment, Development, and Retention

5. Strengthening OJT Training
6. Review of the Crew Evaluation System
7. Introduction of the Crew Point System

Improvement of Productivity

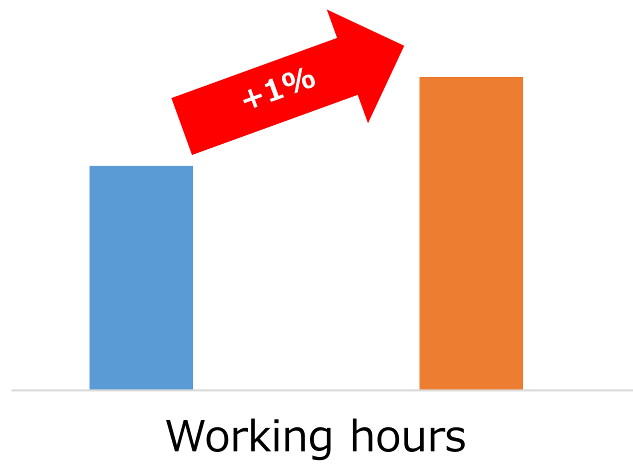
8. Introduction of the Spot Crew System
9. Introduction of a Schedule Management App
10. Fundamental Review of Store Labor Hour Allocation

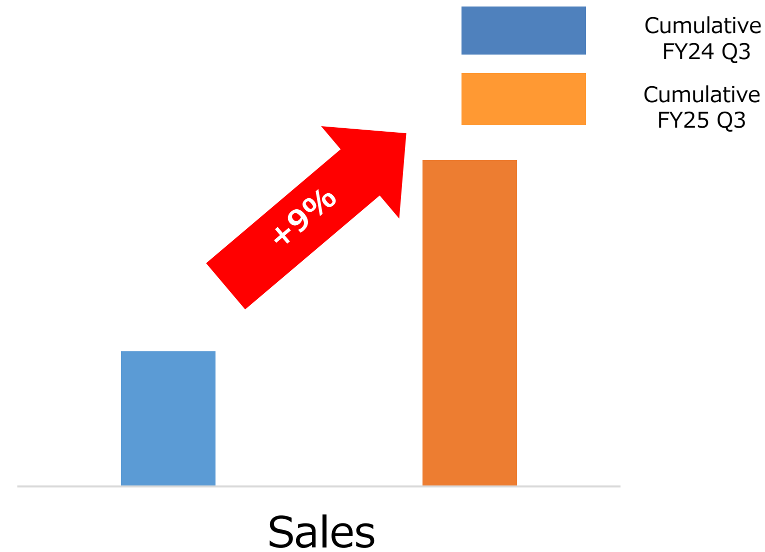
※OJT : 'On the Job Training,' which means teaching through actual work rather than classroom instruction.

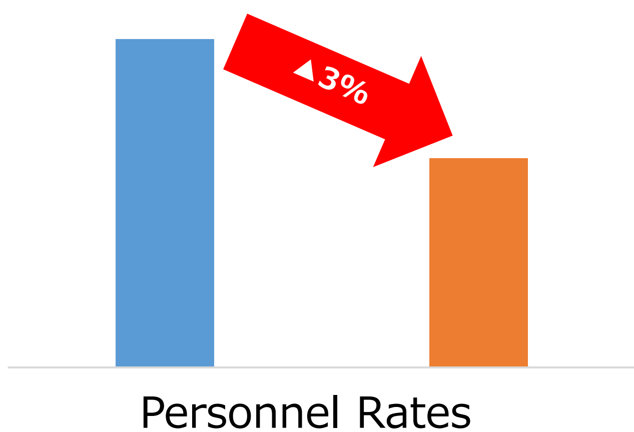
Store-centered management effect

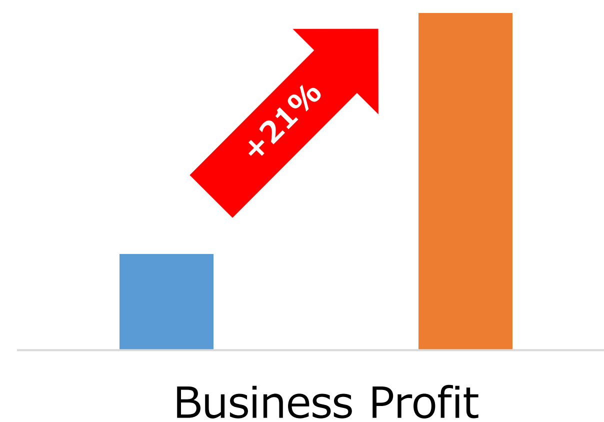
・**Continue to generate profits through “store-centered management”**

⇒ By reviewing the allocation of working hours and strengthening OJT training, sales and profits have increased beyond the investment in labor hours.









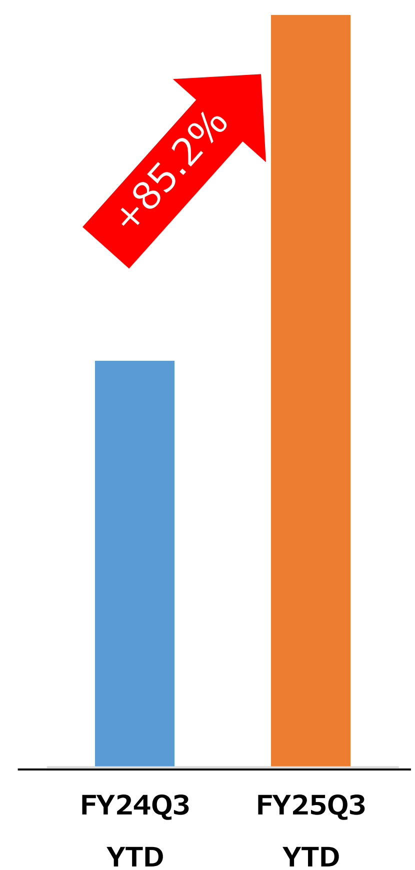
*All graphs Skylark Restaurants Co., Ltd. All brands

Cost Reduction Initiatives

・Achieved a cumulative cost reduction of 2.4 billion yen in Q3 through a company-wide cost reduction project across departments

Cost Reduction Project	**Procurement Reform**	• Price negotiations involving deregulation and changes in terms and conditions • Supplier selection through bidding • Bulk purchasing and long-term contracts
	Production and Logistics Reform	• Improvements in manufacturing operations • Expansion of in-house production and automation • Enhanced logistics efficiency • Promotion of food ingredient modularization
	Value and Cost Optimization	• Menu segmentation • Review of recipes and ingredients • Gross margin improvement through price optimization • Reduction of food waste at stores

Cost reduction impact



Status of store development measures

・New stores, brand conversions, store renovations, lead signs, and in-store signage also contribute to business performance.

policy		Number of stores (Consolidated)	effect
New store		54 stores	Same-store sales ratio：+11% *Excluding open economy
Brand conversion		24 stores	・Sales Effect：+81% ・Effect of the number of customers at stores around the business format conversion store:+4.4%
	Remodel	71 stores	Effect of increased customer numbers：+4.1%
	Partial renovation	88 stores	Effect of increased customer numbers ：+3.8%
Store Renovations Total		159 stores	-
Lead Signs		226 stores	Effect of increased customer numbers：+1.9%
Storefront signage		245 stores	Effect of increased customer numbers ： +1.1%

*Breakdown of the number of stores
・ New stores: 42 in Japan, 12 overseas (excluding SUKI-YA's M&A increase of 13 stores)
・ Conversion: 22 domestic, 2 overseas
・ Store renovations: 155 in Japan, 4 overseas
・ Lead signs/in-store signs: Japan only

Domestic store opening plan (Sukesan Udon)

・30 stores in Japan in 2026, more than 50 stores in 2027 and beyond

- While preparing the foundation for opening a store (business format conversion package and training manual), expand the number of store openings
- From 2027 onwards, the store area will be expanded nationwide, with more than 50 stores planned to open each year.

year	New store	Brand conversion	Total
2024	9 stores	-	9 stores
2025	9 stores	11 stores	20 stores
2026	30 stores		30 stores

Store Development Summary

- **Opened 67 new stores, mainly Gusto, Syabu-Yo, and Sukesan Udon** (including SUKI-YA acquired through M&A)
- **Implemented 24 brand conversions, mainly Sukesan Udon, Syabu-Yo, Bamiyan, and Yumean**

Brand	New openings	Brand conversion (+)	Brand conversion (-)	Closure	End of Sep.2025	Remodeling
Gusto	11	-	▲13	▲13	1,240	85
Bamiyan	1	4	-	-	368	33
Syabu-Yo	11	4	-	▲1	315	-
Yumean	1	4	-	▲2	174	7
Jonathan's	-	-	▲3	▲4	157	22
Musashinomori Coffee	2	-	-	▲1	83	-
Steak Gusto	-	-	▲5	▲4	76	-
Tonkaratei	-	-	-	▲5	28	-
chawan	3	-	-	-	29	1
FLO Prestige	3	-	-	▲3	124	1
Sukesan Udon	7	5	-	-	86	-
Jyu-Jyu Karubi	2	1	-	▲2	45	-
Taiwan Skylark	7	2	▲2	▲1	84	4
SUKI-YA*	16	-	-	-	16	-
Others	3	4	▲11	▲7	268	6
Group Total	67	24	▲34	▲43	3,093 # of stores compared to end FY2024: +24	159

*Including 13 new SUKI-YA stores acquired through M&A in FY2025

*The difference between business conversion (+) and (-) is that the store is temporarily closed due to construction work associated with the conversion

Promotion of ESG

Item	Activity status (Q3 2025)
Decarbonization	・Expanded the number of facilities introducing solar power generation to a total of 398 facilities. Exceeded the 2025 KPI for a total of 300 facilities. 
Biodiversity	・Based on the framework of the TNFD recommendations, natural capital and summarized risks and opportunities related to biodiversity publication of the TNFD Report on the website
Investing in ESG	・As investment funds related to "food loss reduction" and "decarbonization" issuance of sustainability bonds
ESG Rating	・Selected for the second consecutive year as Constituent stocks of all six ESG indices adopted by GPIF. ・Selected in CDP supplier engagement evaluation as the first company to receive the highest rating of A in Domestic and international food.

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