



# Consolidated Financial Report for the Third Quarter of The Fiscal Year Ending March 31, 2025 ( Japanese GAAP )

February 14, 2025  
Tokyo Stock Exchange

Company: Chikaranomoto Holdings Co., Ltd.  
Stock Code: 3561  
URL: <http://www.chikaranomoto.com/>  
Representative: (Title) President and CEO (Name) Tomoyuki Yamane  
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Scheduled Date of Q3 report submission February 14, 2025  
Preparation of Supplementary Explanation Material for Financial Results: Yes  
Presentation Meeting for Financial Results (for institutional investors and analysts): No

1. Q3 Financial Year Ending March 31, 2025 (April 1, 2024 – December 31, 2024) (Rounded down to the nearest Million JPY)

## ( 1 ) Results of Consolidated Operations

(% indicates variance from the previous fiscal year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
Q3 FY2024-25	25,385	8.7	2,071	-14.8	2,150	-14.5	1,431	-18.6
Q3 FY2023-24	23,363	24.0	2,431	55.7	2,516	56.3	1,757	46.3

Note: Comprehensive Income Q3 FY2024-25 1,502 Million JPY ( -29.8% ) Q3 FY2023-24 2,142 Million JPY ( 33.3% )

	Quarterly earnings per share	Quarterly Earnings per share after adjusting for dilution
	JPY	JPY
Q3 FY2024-25	47.48	47.45
Q3 FY2023-24	58.61	58.24

## ( 2 ) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio
	Million JPY	Million JPY	%
Q3 FY2024-25	18,065	10,052	55.6
FY2023-24	17,229	9,269	53.8

Reference : Shareholders' Equity Q3 FY2024-25 10,052 Million JPY FY2023-24 9,269 Million JPY

## 2 . Dividends

	Dividends per share (annual)				
	Q1	Q2	Q3	Q4	Total
	JPY	JPY	JPY	JPY	JPY
FY2023-24	-	7.00	-	13.00	20.00
FY2024-25	-	9.00			
FY2024-25 (Forecast)			-	9.00	18.00

Note: Changes from previously announced dividends projection: None

## 3 . Forecast of Consolidated Operating Performance for the FY 2024-25 (April 1, 2024 to March 31, 2025)

(% indicates variance from the previous year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company		Earnings per share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	JPY
FY2024-25	35,000	10.1	3,566	8.2	3,678	5.4	2,408	10.2	79.61

Note: Changes from previously announced projection: None

### Notes

- (1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None
- (2) Application of Specific Accounting Treatments for the Preparation of Quarterly Consolidated Financial Statements: None
- (3) Changes in accounting policies, accounting estimates, and restatement of error corrections:
  - 1) Changes in accounting policies arising from revision of accounting standards: Yes
  - 2) Changes in accounting policies due to reasons other than 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement of prior period financial statements after error correction: None

### (4) Number of Shares Issued ( Common stock )

① Number of shares issued at the end of the period (including treasury stock)	Q3 FY2024-25	30,308,000 shares	As of March 31, 2024	30,253,000 Shares
② Number of treasury stock at end of period	Q3 FY2024-25	226,449 Shares	As of March 31, 2024	155,781 Shares
③ Average number of shares during the period	Q3 FY2024-25	30,145,235 Shares	Q3 FY2023-24	29,996,552 Shares

Note: The total number of treasury shares at the end of period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (at the end of Q3 FY2024-25 81,020 shares and at the end of the previous fiscal year 82,540 shares), the Board Benefit Trust (at the end of Q3 FY2024-25 73,100 shares and at the end of the previous fiscal year 73,100 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (at the end of Q3 FY2024-25 155,056 shares and at the end of Q3 FY2023-24 117,528 shares).

These consolidated financial reports (Tanshin) are exempt from the audit procedures by certified public accountants or audit firms.

### Cautionary Statement on the forecast of consolidated financial performance and other notes

#### (Cautions concerning forward-looking statements)

Performance forecasts presented herein are based on the information available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") as of the date of this document. Accordingly, there remains the possibility that the actual performance results may differ from projections.

(Supplementary Explanation Material)

Supplementary Explanation Material are available via TDnet on the same day.

Qualitative Information regarding the current quarterly financial results: The following forward-looking statements are based on the information available to the Company at the end of the second quarter of the current consolidated financial period.

#### Summary of Operating Results:

During the third quarter of the current fiscal year (1 April to 31 December 2024), the global economy still faces concerns of economic slowdown due to rising raw material and energy prices caused by the situation in Russia and Ukraine and the situation in Israel and Palestine, and rising labor costs due to wage hikes and a shrinking work force, among others. The future of the economy remains uncertain.

In the restaurant industry, to which our group belongs, while economic activity in Japan is gradually picking up with the expansion of personal consumption due to the recovery of human flow and the growth of inbound tourism, the economy continues to be challenging due to the rising prices of raw materials and energy, rising labor costs, the long-term effects of the weak yen, and concerns about an economic slowdown caused by soaring prices. Overseas, raw material and energy prices continue to rise amid geopolitical instability. Although monetary tightening due to inflation is easing, the situation continues to require close monitoring as in Japan.

Under these circumstances, the Group stays true to its principle of "Keep Changing to Remain Unchanged," domestically, the Group has been opening new restaurants, sales at existing restaurants have remained strong, sales of seasonal products such as "Thick Tsukemen" and increased media exposure have attracted more customers. Continued efforts in DX measures, such as the introduction of mobile ordering and tablet ordering, have improved profit margins. In September 2024, the Group opened the first Ippudo store in Ibaraki Prefecture "Ippudo Iias Tsukuba". In October 2024, the Group sold plant base mazesoba "39 LOVE&PEACE", for a limited time for the 39th anniversary event. The Group is hiring more people to accelerate new store openings, and the number of employees is increasing. Although labor costs are increasing, implementing higher base salaries and improving working conditions are helping reduce turnover, and enhanced skills will lead to greater profitability.

Overseas, the Group's operating income has deteriorated due to higher raw material prices and inflationary increases in wages, rent, and other costs. Due to the weak yen, sales have exceeded our initial projections. However, the economic instability and the adoption of remote work by a significant number of people have led to changes in human movement patterns compared to the pre-COVID-19 period, resulting in a decrease in the number of in-store customers. Therefore, the group is making cautious decisions regarding new store openings. Especially in the United States, administrative approvals are delayed, and construction work is significantly behind schedule due to the slow progress of contractors, resulting in substantial delays compared to our initial store opening plans. The Group is promoting human resource development through overseas training programs in order to expand our business. As a result, the related costs have increased, which also contributed to the deterioration of operating profit.

In the Merchandising segment, the Group continue to strengthen B2B sales of Ippudo related products in Japan, while overseas, we are working to expand export sales of “Plant Base Shiromaru/Akamaru” dry noodle type and other products that respond to dietary diversity.

At the end of the third quarter of the current fiscal year, the total number of the Group stores was 291 including licensed stores (151 domestic and 140 overseas; an increase of 6 domestic and a decrease of 2 overseas stores from the end of the previous period).

As such, the revenue for the first three quarters was 25,385 million yen (an increase of 8.7% from the same period of the previous year), operating profit 2,071 million yen (a decrease of 14.8%), ordinary profit 2,150 million yen (a decrease of 14.5%) and the profit attributable to owners of parent 1,431 million yen (a decrease of 18.6%).

## Segment Results

### (Domestic Store Operations)

In the domestic store operation business, the Group opened eleven Ippudo-brand stores, and one Inaba-brand store, while closing three Ippudo-brand stores, two Ramen Express-brand stores, and one Inaba Udon-brand store. As a result, the number of stores at the end of the current consolidated accounting period was 151 (an increase of 6 stores from the end of the previous period). In addition, two restaurants under the “RAMEN EXPRESS” brand were converted to the “Ippudo” brand. The Group is reviewing our regional stores and those with inbound demand to adapt to changes in the market.

The normalization of the economy has led to a recovery in human flow and increased consumption due to an increase in inbound travel, which contributed to the sales. Steady existing store sales, new store openings in areas with high inbound demand, the launch of seasonal products such as “Thick Tsukemen,” as well as the store-only product “Tonkotsu Shoyu” and increased media exposure attracted more customers.

As such, the revenue for the first three quarters totaled 11,535 million yen (an increase of 11.7% from the same period of the previous year) and operating profit 1,177 million yen (an increase of 8.7%).

### (International Store Operations)

In the international store operation business, the Group opened 5 stores in Taiwan, 1 store in the U.S., 1 store in Vietnam, and 1 store in Thailand, while closing 4 stores in Taiwan, 2 stores in China, 1 store in the U.S., 1 store in Singapore, 1 store in Indonesia, 1 store in Hong Kong, resulting in 140 stores at the end of the period (down 2 stores from the end of the previous period). The Group is making cautious decisions regarding new store openings, taking into consideration concerns about economic slowdown and

geopolitical instability. As a result, the plan for new store openings has not been achieved at the end of September 2024.

During the consolidated financial period (1 January 2024 to 30 September 2024), the segment has been hit by soaring raw material prices and rising costs such as wages and rent because of inflation. In response, we are revising prices and reviewing costs, but we have not been able to respond to the cost increases in time. In addition, the number of customers is on a downward trend compared to the previous year due to the end of consumption spree after Covid-19 restrictions were lifted, a decrease in population in office areas with the remote work becoming a new norm, the economic downturn caused by inflation, and concerns about the economic outlook which might be affected by the presidential elections in the countries and areas with our existing stores. Furthermore, the operating income was affected by the start-up costs associated with our expanding into new countries or areas, and expenses caused by delays in the new store opening that had been planned.

As such, revenue for the first third quarters of the current fiscal year totaled 10,821 million yen (an increase of 4.2% from the same period of the previous year) and operating profit 721 million yen (a decrease of 42.9%).

(Merchandising segment)

In this segment domestically, The Group has launched the sale of new products such as Ippudo Clear Noodle, which is low in sugar and high in protein, Juwari Soba, and Plant Base Soba Tsuyu. In addition, the Group have launched a subscription service on our e-commerce site. The Group have jointly developed "Reduced-Salt Shiromaru Motoaji" that is consumed using the Electric Salt Spoon, which enhances the salty and savory flavors of low-sodium products with the power of electricity, provided by Kirin Holdings Company, Limited. The Group is considering selling through e-commerce site and domestic stores in the future.

As such, the revenue for the first third quarters of the current fiscal year totaled 3,029 million yen (an increase of 14.4% from the same period of the previous year) and operating profit 429 million yen (an increase of 13.9%).

## Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,917,540	6,109,957
Notes and accounts receivable - trade	925,886	1,149,539
Inventories	476,402	541,179
Other	1,253,249	1,490,010
Allowance for doubtful accounts	△873	△700
Total current assets	8,572,205	9,289,986
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,257,513	4,500,052
Machinery, equipment and vehicles, net	221,119	227,836
Land	659,411	636,855
Leased assets, net	5,395	4,047
Construction in progress	136,997	170,007
Other, net	304,639	337,210
Total property, plant and equipment	5,585,077	5,876,011
Intangible assets		
Goodwill	93,748	76,789
Other	48,010	41,149
Total intangible assets	141,759	117,938
Investments and other assets		
Investment securities	154,447	148,879
Long-term loans receivable	11,300	10,758
Deferred tax assets	700,074	425,217
Leasehold and guarantee deposits	1,833,892	1,956,161
Other	244,691	253,566
Allowance for doubtful accounts	△13,992	△13,450
Total investments and other assets	2,930,414	2,781,133
Total non-current assets	8,657,251	8,775,083
Total assets	17,229,456	18,065,069

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	833,061	918,673
Short-term borrowings	140,000	200,000
Current portion of long-term borrowings	981,220	1,140,389
Lease liabilities	1,797	1,344
Accounts payable - other	904,864	912,876
Income taxes payable	509,214	228,422
Provision for share awards	2,397	5,150
Reserve for interlocking type of monetary benefit	-	1,518
Provision for bonuses	2,454	97,566
Provision for shareholder benefit program	12,273	18,094
Asset retirement obligations	95,703	31,091
Other	1,345,380	1,177,008
<b>Total current liabilities</b>	<b>4,828,367</b>	<b>4,732,135</b>
Non-current liabilities		
Long-term borrowings	1,590,908	1,602,843
Lease liabilities	3,598	2,702
Provision for share awards for directors (and other officers)	54,569	84,041
Provision for share awards	50,216	60,793
Reserve for interlocking type of monetary benefit	5,635	19,165
Retirement benefit liability	177,364	183,133
Asset retirement obligations	1,016,143	1,095,233
Other	232,926	232,742
<b>Total non-current liabilities</b>	<b>3,131,363</b>	<b>3,280,656</b>
<b>Total liabilities</b>	<b>7,959,730</b>	<b>8,012,791</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,141,103	3,148,390
Capital surplus	2,972,131	2,979,419
Retained earnings	2,785,486	3,550,641
Treasury shares	△251,145	△319,923
<b>Total shareholders' equity</b>	<b>8,647,575</b>	<b>9,358,527</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,149	13,166
Foreign currency translation adjustment	599,001	680,584
<b>Total accumulated other comprehensive income</b>	<b>622,150</b>	<b>693,750</b>
<b>Total net assets</b>	<b>9,269,725</b>	<b>10,052,278</b>
<b>Total liabilities and net assets</b>	<b>17,229,456</b>	<b>18,065,069</b>

(2) Consolidated Statement on Profit and Loss and Comprehensive Income Consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	23,363,391	25,385,943
Cost of sales	6,899,054	7,621,401
Gross profit	16,464,337	17,764,542
Selling, general and administrative expenses	14,032,718	15,693,089
Operating profit	2,431,619	2,071,452
Non-operating income		
Interest income	5,328	25,096
Dividend income	1,202	1,520
Foreign exchange gains	72,275	36,724
Lease income	103,567	116,057
Other	43,171	39,791
Total non-operating income	225,546	219,191
Non-operating expenses		
Interest expenses	42,632	14,824
Rental costs	88,295	98,418
Other	9,952	27,153
Total non-operating expenses	140,881	140,396
Ordinary profit	2,516,284	2,150,247
Extraordinary income		
Gain on sale of non-current assets	210	9,404
Gain on reversal of asset retirement obligations	3,499	33,367
Total extraordinary income	3,710	42,772
Extraordinary losses		
Loss on sale of non-current assets	-	546
Loss on retirement of non-current assets	627	268
Impairment losses	71,858	36,533
Other	-	88
Total extraordinary losses	72,485	37,436
Profit before income taxes	2,447,509	2,155,582
Income taxes - current	494,864	451,633
Income taxes - deferred	194,654	272,737
Total income taxes	689,518	724,371
Profit	1,757,990	1,431,211
Profit attributable to owners of parent	1,757,990	1,431,211



## Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,757,990	1,431,211
Other comprehensive income		
Valuation difference on available-for-sale securities	26,939	△9,983
Foreign currency translation adjustment	357,349	81,583
Total other comprehensive income	384,289	71,600
Comprehensive income	2,142,279	1,502,811
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,142,279	1,502,811