

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2025 (Japanese Accounting Standards)

February 12, 2025

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 Code Number: 7550 URL <https://www.zensho.co.jp/>
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 Scheduled date for payment of dividends: —
 Supplementary documents for financial results : None
 Financial results briefing : None

(Figures rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (April 1, 2024 to December 31, 2024)

(1) Consolidated Financial Results (Percentages (%) indicate changes from the previous year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2024	846,760	19.8	58,094	55.2	55,246	55.9	34,102	56.3
December 31, 2023	706,803	22.0	37,441	156.4	35,426	67.6	21,821	96.0

Note: Comprehensive income
 Nine months ended December 31, 2024 45,097 million yen (97.9 %)
 Nine months ended December 31, 2023 22,793 million yen (69.1 %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	209.89	—
December 31, 2023	141.10	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	827,597	248,142	29.9	1,388.02
March 31, 2024	748,056	214,652	28.7	1,171.76

Reference: Shareholders' Equity: December 31, 2024 247,860 million yen March 31, 2024 214,385 million yen

2. Dividends

	Dividend per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Full year
Fiscal Year ended March 31, 2024	—	25.00	—	25.00	50.00
Fiscal Year ending March 31, 2025	—	35.00	—		
Fiscal Year ending March 31, 2025 (forecast)				35.00	70.00

Note: Revisions to dividend forecasts published recently: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages (%) indicate changes from the previous year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,080,000	11.8	62,500	16.4	61,500	20.8	37,000	20.5	231.37

Note: Revisions to consolidated financial forecasts published recently: None

Notes

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Application of particular accounting procedures in the preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies caused by revision of accounting standards : None
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(4) Shares issued and outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury stock)	As of December 31, 2024	160,733,225 shares	As of March 31, 2024	160,733,225 shares
(ii) Number of treasury stocks at the end of the period	As of December 31, 2024	4,069,066 shares	As of March 31, 2024	4,068,435 shares
(iii) Average number of shares outstanding during the term (quarter cumulative)	Nine months ended December 31, 2024	156,664,528 shares	Nine months ended December 31, 2023	151,697,910 shares

Note: In the calculation of the number of treasury stocks at the end of the period and the average number of shares outstanding during the term, the number of shares of the Company's common stock held by Custody Bank of Japan, Ltd. (Trust Account) as assets in the Board Benefit Trust (BBT) are treated as treasury shares to be deducted.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified accountants and/or auditing firms : None

* Explanation and other special notes concerning the appropriate use of forecasted business performance (Notes on forecast business performance and others)

The forecast figures indicated above are projections based on the information available at the time of the announcement and certain assumptions include some degree of uncertainty. Actual business performance and other results may differ from the forecast depending on the changes in business conditions and others. Please refer to p.4 of the Appendix for information on the above forecast.

Dividends for Class Shares

The details of dividends per share for class shares with different rights from common stock are as follows.

Class A preferred share	Dividend per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Full year
Fiscal Year ended March 31, 2024	Yen —	Yen 29,589.04	Yen —	Yen 2,707,397.26	Yen 2,736,986.30
Fiscal Year ending March 31, 2025	—	2,707,397.26	—		
Fiscal Year ending March 31, 2025 (forecast)				2,692,602.74	5,400,000.00

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1. Qualitative Information on Results for the Third Quarter Ended December 31, 2024

(1) Details of Consolidated Financial Results

In the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024), consolidated business performance was net sales of 846,760 million yen (up 19.8% year-on-year), operating profit of 58,094 million yen (up 55.2% year-on-year), ordinary profit of 55,246 million yen (up 55.9% year-on-year), and profit attributable to owners of parent of 34,102 million yen (up 56.3% year-on-year).

The business environment surrounding the Group was affected by the prolonged situation in Ukraine and soaring prices of rice and increased prices of imported beef and other ingredients in Japan. Meanwhile, the recovery of foot traffic, normalization of economic activity and improvement in employment and income conditions continued to support a rebound in personal consumption from the previous period.

In the Group as well, demand was on the rise, with more families and groups utilizing relevant services mainly in the restaurant industry.

Under these circumstances, year-on-year comparisons of the same restaurant and store sales in each reporting segment were 109.1% in Global Sukiya, 117.2% in Global Hamasushi, 108.7% in Global Fast Food, 111.7% in Restaurants, and 97.8% in Retail.

As of the end of the third quarter ended December 31, 2024, the number of restaurants and stores was 15,370 (including 8,405 franchised stores), the result of 733 restaurant and store openings and 472 closures.

An overview of conditions by business segment is provided below. Additionally, references to net sales are net sales to external customers.

(Global Sukiya)

Net sales of Global Sukiya during the nine months ended December 31, 2024, were 222,175 million yen (up 11.6% year-on-year) with operating profit of 20,205 million yen (up 42.7% year-on-year).

“Sukiya” has locations in Japan, China, Southeast Asia, and Central and South America, providing its mainstay Gyudon to families and groups with safety, good flavor, and reasonable pricing.

At domestic “Sukiya,” the Group provided “Gyudon with Cod Caviar Mayo & Cheese,” “Gyudon with Mekabu Seaweed & Okra,” “Sukiyaki Style Gyudon with Raw Egg,” “Gyudon with Green Onion & Leek Kimchi,” “Gyudon with Shredded White Leek,” and “Salmon Caviar Rice Bowl,” among others.

The number of restaurants in this reporting segment as of the end of the third quarter ended December 31, 2024, was 2,615 (1,965 domestic, 650 overseas), the result of 68 restaurant openings and 85 closures.

(Global Hamasushi)

Net sales of Global Hamasushi during the nine months ended December 31, 2024, were 180,191 million yen (up 25.9% year-on-year) with operating profit of 14,407 million yen (up 96.2% year-on-year).

“Hamasushi” has locations mainly in Japan and China. In addition to sushi using fresh seafood, it offers a wide range of side dishes such as noodles, desserts, and drinks, which are enjoyed by both children and adults. These foods are enjoyed by everyone, from children to adults.

The number of restaurants in this reporting segment as of the end of the third quarter ended December 31, 2024, was 718 (631 domestic, 87 overseas), the result of 52 restaurant openings and 1 closure.

(Global Fast Food)

Net sales of Global Fast Food during the nine months ended December 31, 2024, were 236,139 million yen (up 38.6% year-on-year) with operating profit of 22,211 million yen (up 177.3% year-on-year).

“Nakau,” a Japanese fast food chain, provides a wide variety of foods at affordable prices, mainly with oyakodon rice bowl dishes and Kyoto style udon noodles. “AFC,” “Snowfox,” “Yo!,” “Bento” and “Sushi Circle” provide sushi and other takeout foods mainly in North America and Europe. This reporting segment also includes “Lotteria,” a hamburger restaurant chain, “Katsuan,” a tonkatsu specialty restaurant, “Kyubeiya,” which serves Musashino style udon noodles and “The Chicken Rice Shop,” a halal certified chicken rice specialty restaurant.

The number of restaurants and stores in this reporting segment as of the end of the third quarter ended December 31, 2024, was 10,703 (969 domestic, 9,734 overseas; including 8,328 franchises), the result of 604 restaurant and store openings and 373 closures.

(Restaurants)

Net sales of Restaurants during the nine months ended December 31, 2024, were 115,679 million yen (up 11.1% year-on-year) with operating profit of 7,810 million yen (up 67.1% year-on-year).

“Coco’s,” a standard restaurant chain, has made efforts to improve its business performance by enhancing product competitiveness through active introduction of fair menus with a focus on seasonality, pursuing authentic taste rivaling specialty restaurants, and improving the standard of services to enable customers to enjoy meals with satisfaction. This reporting segment also includes “Jolly Pasta,” a pasta specialty restaurant chain, “Big Boy,” a chain of hamburger steak and steak restaurants, “Jukusei Yakiniku Ichiban,” a barbeque chain that offers carefully selected beef, “OLIVE HILL,” an Italian cuisine specialty restaurant chain, and “Hanaya Yohei,” a Japanese cuisine chain.

The number of restaurants in this reporting segment as of the end of the third quarter ended December 31, 2024, was 1,187 (1,186 domestic, 1 overseas; including 77 franchises), the result of 6 restaurant openings and 8 closures.

(Retail)

Net sales of Retail during the nine months ended December 31, 2024, were 57,725 million yen (down 2.7% year-on-year) with operating loss of 1,153 million yen (operating loss of 606 million yen in the nine months ended December 31, 2023).

This reporting segment includes “Maruya” and “Joy Foods,” supermarkets with locations primarily in the North Kanto area, and “United Veggies,” which operates fruit and vegetable stores.

The number of stores in this reporting segment as of the end of the third quarter ended December 31, 2024, was 128, the result of 1 store opening and 5 closures.

(Corporate and Support)

Net sales of Corporate and Support during the nine months ended December 31, 2024, were 4,055 million yen (up 24.9% year-on-year) with operating loss of 3,613 million yen (operating profit of 4,136 million yen in the nine months ended December 31, 2023).

This reporting segment includes GFF CO., LTD, which manufactures and processes food, Global Fresh Supply Co., Ltd., which handles logistics functions, and Global Table Supply Co., Ltd., which procures uniforms, equipment, etc.

(Others)

Net sales of Others during the nine months ended December 31, 2024, were 30,794 million yen (up 12.0% year-on-year) with operating loss of 1,655 million yen (operating loss of 202 million yen in the nine months ended December 31, 2023).

This segment includes Tolona Japan Co., Ltd., which plans, develops, and sells frozen foods for home use, etc., Sanbishi Co., Ltd., which manufactures and sells soy sauce and dressing, etc., Kagayaki Co., Ltd., which operates the nursing business, and Zensho Rice Co., Ltd., which sells brown and milled rice.

(2) Details of Consolidated Financial Position

(Assets)

Assets amounted to 827,597 million yen as of the end of the third quarter ended December 31, 2024, an increase of 79,541 million yen compared with the previous fiscal year-end. This was mainly due to an increase in property, plant and equipment.

(Liabilities)

Liabilities amounted to 579,455 million yen as of the end of the third quarter ended December 31, 2024, an increase of 46,051 million yen compared with the previous fiscal year-end. This was mainly due to an increase in interest-bearing liabilities.

(Net Assets)

Net Assets came at 248,142 million yen as of the end of the third quarter ended December 31, 2024, an increase of 33,489 million yen compared with the previous fiscal year-end. This was mainly due to increases in retained earnings and foreign currency translation adjustment.

(3) Information on Future Outlook, Including Consolidated Business Performance Forecast

There are no changes to the consolidated business performance forecasts for the fiscal year ending March 31, 2025, announced on May 14, 2024.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance sheets

(Million yen)

	End of Previous fiscal year (As of March 31, 2024)	End of 3Q, Current fiscal year (As of December 31, 2024)
Assets		
Current Assets		
Cash and deposits	82,171	84,311
Accounts receivable - trade	46,727	57,200
Securities	19,907	11,925
Merchandise and finished goods	5,113	5,244
Work in process	2,731	4,027
Raw materials and supplies	41,058	63,495
Other	27,112	36,357
Allowance for doubtful accounts	(365)	(412)
Total current assets	224,457	262,150
Non-current assets		
Property, plant and equipment, net		
Buildings and structures	253,223	274,853
Accumulated depreciation	(147,862)	(153,827)
Buildings and structures, net	105,360	121,025
Machinery, equipment and vehicles	26,085	30,266
Accumulated depreciation	(14,146)	(15,845)
Machinery, equipment and vehicles, net	11,939	14,420
Other	220,917	250,842
Accumulated depreciation	(106,204)	(119,652)
Other, net	114,713	131,190
Total property, plant and equipment	232,013	266,636
Intangible assets		
Trade mark right	201,169	210,070
Goodwill	13,616	12,562
Other	5,493	5,916
Total intangible assets	220,279	228,549
Investments and other assets		
Investment securities	2,162	1,546
Guarantee deposits	38,074	39,386
Other	30,323	28,722
Allowance for doubtful accounts	(105)	(62)
Total investments and other assets	70,453	69,593
Total non-current assets	522,746	564,778
Deferred assets	852	668
Total assets	748,056	827,597

(Million yen)

	End of Previous fiscal year (As of March 31, 2024)	End of 3Q, Current fiscal year (As of December 31, 2024)
Liabilities		
Current Liabilities		
Accounts payable - trade	43,148	56,670
Short-term borrowings	7,542	6,383
Current portion of bonds payable	10,000	—
Current portion of long-term borrowings	26,735	27,985
Income taxes payable	14,966	10,325
Contract liabilities	860	947
Provisions	4,082	2,395
Other	73,368	83,677
Total current liabilities	180,704	188,386
Non-current liabilities		
Bonds payable	15,000	35,000
Long-term borrowings	224,369	234,760
Provisions	378	480
Retirement benefit liability	274	287
Asset retirement obligations	6,814	6,915
Other	105,862	113,625
Total non-current liabilities	352,699	391,069
Total liabilities	533,403	579,455
Net assets		
Shareholders' equity		
Share capital	47,497	47,497
Capital surplus	74,112	74,112
Retained earnings	85,461	107,909
Treasury shares	(13,715)	(13,721)
Total shareholders' equity	193,355	215,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24	46
Deferred gains or losses on hedges	158	(75)
Foreign currency translation adjustment	20,845	32,091
Total accumulated other comprehensive income	21,029	32,062
Non-controlling interests	267	281
Total net assets	214,652	248,142
Total liabilities and net assets	748,056	827,597

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Nine months ended December 31)

(Million yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Net sales	706,803	846,760
Cost of sales	323,858	382,585
Gross profit	382,944	464,174
Selling, general and administrative expenses	345,502	406,079
Operating profit	37,441	58,094
Non-operating income		
Interest income	575	1,572
Dividend income	5	6
Share of profit of entities accounted for using equity method	5	20
Other	1,089	1,483
Total non-operating income	1,675	3,083
Non-operating expenses		
Interest expenses	2,805	4,166
Foreign exchange losses	1	104
Other	884	1,661
Total non-operating income	3,690	5,932
Ordinary profit	35,426	55,246
Extraordinary income		
Compensation income	—	608
Gain on termination of retirement benefit plan	179	—
Other	243	315
Total extraordinary income	422	923
Extraordinary losses		
Loss on retirement of non-current assets	1,276	1,815
Other	735	1,996
Total extraordinary losses	2,011	3,812
Profit before income taxes	33,837	52,357
Income taxes - current	12,550	17,095
Income taxes - deferred	(539)	1,146
Total income taxes	12,010	18,241
Profit	21,826	34,115
Profit (loss) attributable to non-controlling interests	5	12
Profit attributable to owners of parent	21,821	34,102

(Quarterly Consolidated Statements of Comprehensive Income)

(Nine months ended December 31)

(Million yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Profit	21,826	34,115
Other comprehensive income		
Valuation difference on available-for-sale securities	64	21
Deferred gains or losses on hedges	527	(233)
Remeasurements of defined benefit plans	(58)	—
Foreign currency translation adjustment	412	11,176
Share of other comprehensive income of entities accounted for using equity method	20	18
Total other comprehensive income	966	10,982
Comprehensive income	22,793	45,097
(Breakdown)		
Comprehensive income attributable to owners of parent	22,784	45,082
Comprehensive income attributable to non-controlling interests	9	15

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Case Where Shareholders' Equity Underwent Significant Changes in Value)

Not applicable.

(Segment Information)

[Segment Information]

I Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information on net sales, profit or loss by reporting segment

(Million yen)

	Reporting segment							Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on Quarterly Consolidated Statements of Income (Note 3)
	Global Sukiya	Global Hamasushi	Global Fast Food	Restaurants	Retail	Corporate and Support	Total				
Net sales											
Net sales to external customers	199,140	143,118	170,431	104,077	59,298	3,247	679,314	27,488	706,803	—	706,803
Intersegment sales or transfers (Note 4)	208	6	14	112	394	265,151	265,887	8,618	274,506	(274,506)	—
Total	199,348	143,124	170,446	104,190	59,692	268,398	945,201	36,107	981,309	(274,506)	706,803
Segment profit (loss)	14,163	7,343	8,009	4,673	(606)	4,136	37,720	(202)	37,517	(75)	37,441

- (Notes) 1. The “Other” category is a business segment not included in the reporting segments, and includes the Manufacturing and wholesaling business for external sales, Nursing care business, and Livestock and aquaculture business.
2. The adjustment of (75) million yen to segment profit (loss) primarily consists of elimination of intersegment transactions and inventory adjustments.
3. The total amount of segment profit (loss) is adjusted with the operating profit in the quarterly consolidated statements of income.
4. Intersegment sales or transfers amounts are calculated based on prevailing market prices.
5. The segment information above shows amounts reflecting the finalization of the provisional accounting treatment described in “Business combinations.”

2. Information by reporting segment on impairment loss or goodwill on non-current assets

(Significant impairment loss on non-current assets)

Not applicable.

(Significant change in goodwill)

Owing to the acquisition of shares in Lotteria Co., Ltd. and Sushi Circle Gastronomie GmbH in Global Fast Food and making these companies subsidiaries, goodwill increased by 3,007 million yen and 565 million yen, respectively.

The increase in goodwill is the amount reflecting the finalization of the provisional accounting treatment described in “Business combinations.”

(Significant profit on negative goodwill)

Not applicable.

II Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information on net sales, profit or loss by reporting segment

(Million yen)

	Reporting segment							Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on Quarterly Consolidated Statements of Income (Note 3)
	Global Sukiya	Global Hamasushi	Global Fast Food	Restaurants	Retail	Corporate and Support	Total				
Net sales											
Net sales to external customers	222,175	180,191	236,139	115,679	57,725	4,055	815,965	30,794	846,760	—	846,760
Intersegment sales or transfers (Note 4)	225	0	10	99	581	303,810	304,727	11,243	315,970	(315,970)	—
Total	222,400	180,191	236,149	115,779	58,306	307,865	1,120,692	42,037	1,162,730	(315,970)	846,760
Segment profit (loss)	20,205	14,407	22,211	7,810	(1,153)	(3,613)	59,868	(1,655)	58,212	(117)	58,094

- (Notes) 1. The “Other” category is a business segment not included in the reporting segments, and includes the Manufacturing and wholesaling business for external sales, Nursing care business, and Livestock and aquaculture business.
2. The adjustment of (117) million yen to segment profit (loss) primarily consists of elimination of intersegment transactions and inventory adjustments.
3. The total amount of segment profit (loss) is adjusted with the operating profit in the quarterly consolidated statements of income.
4. Intersegment sales or transfers amounts are calculated based on prevailing market prices.

2. Information by reporting segment on impairment loss or goodwill on non-current assets
(Significant impairment loss on non-current assets)

Not applicable.

(Significant change in goodwill)

Not applicable.

(Significant profit on negative goodwill)

Not applicable.

(Notes on Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

Amortization of goodwill for the nine months ended December 31, 2023 is the amount reflecting the finalization of the provisional accounting treatment described in “Business combinations.”

	(Million yen)	
	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Depreciation	26,358	33,050
Amortization of goodwill	1,324	1,106

(Business combinations)

Regarding the business combination with SnowFox Topco Limited (current Wonderfield Topco Limited) on September 15, 2023 (deemed acquisition date: September 30, 2023), although the Company applied a provisional accounting treatment for the nine months ended December 31, 2023, this treatment was finalized for the fiscal year ended March 31, 2024. As a result, goodwill of 89,561 million yen provisionally calculated decreased by the full amount.

Consequently, in the quarterly consolidated statements of income for the nine months ended December 31, 2023, selling, general and administrative expenses decreased by 1,130 million yen and operating profit, ordinary profit, profit before income taxes, profit, and profit attributable to owners of parent increased by the same amount.