

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (FY3/25)

[Japanese GAAP]

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Stock code: 9936

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Listing: Tokyo Stock Exchange

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Scheduled date of Annual General Meeting of Shareholders: June 26, 2025

Scheduled date of payment of dividend: June 27, 2025

Scheduled date of filing of Annual Securities Report: June 25, 2025

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024–March 31, 2025)

(1) Consolidated results of operations

(Percentages represent 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	%
Fiscal year ended Mar. 31, 2025	111,033	9.5	10,904	6.0	11,312	7.8	8,071	2.0
Fiscal year ended Mar. 31, 2024	101,401	9.0	10,286	28.9	10,496	14.8	7,911	27.3

Note: Comprehensive income (millions of yen) Fiscal year ended Mar. 31, 2025: 8,287 (down 2.4%)

Fiscal year ended Mar. 31, 2024: 8,490 (up 41.6%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2025	142.88	—	11.3	12.0	9.8
Fiscal year ended Mar. 31, 2024	140.15	—	12.0	12.0	10.1

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Mar. 31, 2025: —

Fiscal year ended Mar. 31, 2024: —

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2025	96,632	74,238	76.8	1,313.71
As of Mar. 31, 2024	91,462	68,635	75.0	1,215.61

Reference: Equity (millions of yen) As of Mar. 31, 2025: 74,238 As of Mar. 31, 2024: 68,635

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net assets per share were calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2025	11,215	(4,574)	(4,826)	38,120
Fiscal year ended Mar. 31, 2024	12,217	(3,222)	(4,728)	36,296

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2024	—	70.00	—	75.00	145.00	2,728	34.5	4.2
Fiscal year ended Mar. 31, 2025	—	75.00	—	28.00	—	2,995	37.1	4.2
Fiscal year ending Mar. 31, 2026 (forecasts)	—	28.00	—	28.00	56.00		39.1	

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Without the stock split, the forecast year-end dividend and the annual dividends for the fiscal year ended March 31, 2025 would be 84 yen per share and 159 yen per share, respectively, and the forecast dividends for the fiscal year ending March 31, 2026 would be 84 yen per share at the end of the second quarter and 84 yen at the year-end, totaling 168 yen per share.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	59,607	10.6	5,505	4.9	5,606	2.3	3,775	3.6	66.81
Full year	119,731	7.8	11,271	3.4	11,417	0.9	8,085	0.2	143.08

* Notes

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

Newly added: –

Excluded: –

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Restatements: None

Note: Please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Estimates” on page 16.

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2025: 69,858,690 shares As of Mar. 31, 2024: 69,858,690 shares

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

As of Mar. 31, 2025: 13,348,629 shares As of Mar. 31, 2024: 13,396,917 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2025: 56,495,204 shares Fiscal year ended Mar. 31, 2024: 56,447,535 shares

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period were calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024–March 31, 2025)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2025	110,571	9.5	10,863	5.9	11,268	7.6	8,028	1.8
Fiscal year ended Mar. 31, 2024	100,985	8.9	10,258	28.4	10,470	14.5	7,885	26.8

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2025	142.12		–	
Fiscal year ended Mar. 31, 2024	139.70		–	

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	Net assets per share
	Millions of yen		Millions of yen		%	Yen
As of Mar. 31, 2025	96,062		73,713		76.7	1,304.43
As of Mar. 31, 2024	90,689		67,906		74.9	1,202.70

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2025: 73,713 As of Mar. 31, 2024: 67,906

Note: We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net assets per share were calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

2. Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	59,382	10.7	5,589	2.4	3,758	3.4	66.52
Full year	119,266	7.9	11,374	0.9	8,043	0.2	142.33

* The current financial report is not subject to audit by certified public accountants or an auditing firm.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to “1. Overview of Results of Operations, Etc. (5) Outlook” on page 7 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

Supplementary materials for financial results will be available on the Company's website on Tuesday, May 27, 2025.

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1. Overview of Results of Operations, Etc.

(1) Results of Operations

Summary of consolidated results of operations for the fiscal year (April 1, 2024 to March 31, 2025)			
	Amount (millions of yen)	% to sales	YoY change
Net sales	111,033	100.0%	109.5%
Operating profit	10,904	9.8%	106.0%
Ordinary profit	11,312	10.2%	107.8%
Profit attributable to owners of parent	8,071	7.3%	102.0%
<ul style="list-style-type: none"> Achieved record high net sales with sales growth for four consecutive years. (Have continued to set a new monthly sales record for 38 consecutive months.) Also achieved record high operating profit with profit growth for four consecutive years. 			

During the current fiscal year, the Japanese economy continued to be on a gradual recovery trend backed by solid corporate earnings, but growth in personal consumption generally lacked strength due to stagnant real wage increases with rising prices. Like last year, the 2025 Spring Wage Negotiation (abbreviated as *Shun-to* in Japanese) was concluded with many companies agreeing to fully meet wage hike demands. This gives hope for a rise in incomes subsequently leading to recovery of personal consumption, but the outlook remains clouded.

In the restaurant industry, we saw strong demand in dining out thanks to a tailwind from steady inbound tourism demand as well as recovery of outings and foot traffic. At the same time, however, the business environment has become even more challenging because various cost increases, such as increased labor costs due to a growing workforce shortage, soaring prices for energy and raw materials such as rice, and increased distribution costs attributed to the 2024 logistics issue, are weighing on earnings.

Under such circumstances, the Group proactively invested in human capital to fulfill our social mission to provide “comfortable dining space,” “heartwarming hospitality,” and “delicious foods” to our customers. In addition, the Group focused on further improvement of a fundamental level of quality, service, and cleanliness (QSC) and continued to implement effective sales promotion measures. As a result, customer traffic continued to grow, with a large increase in in-store dining, and our takeout and delivery services also remained strong. Since February 2022, we have been setting a new monthly sales record every month, and net sales for the current fiscal year marked a record high. We also achieved record high operating profit and rising profits for four years straight.

The following is an overview of our initiatives and achievements during the current fiscal year.

1) Improvement of QSC and revision of prices

The rise of raw materials, logistics, and utility costs far exceeded the initial prediction and reached the level where corporate efforts alone could no longer address it. This led us to revise product prices twice during the current fiscal year. After each time, customer traffic grew and remained strong.

This was due to steady improvement of employees’ cooking skills and cooking methods by Ohsho Academy’s in-house and on-line training programs, the cooking knowledge training program, and cooking skill tests. In addition, we made strenuous efforts to improve QSC: pursuing more delicious Gyoza as the first step of “More Delicious Gyoza no Ohsho, Challenge 2024”, learning hospitality that only humans can provide through customer service training, and practicing thorough hygiene management by improving the cleaning manuals.

Based on this notion, when we revised the price on June 21, 2024, we released easy-to-understand information on how we improved and changed preparation of the 13 dishes on the grand menu, for which the prices were revised, to help customers understand the situation. When we revised the price on February 14, 2025, we placed a full-page national ad in the Nihon Keizai Shimbun to announce the serious commitment by our professional chefs (our employees) to deliver higher value for the price in order to motivate customers to visit our stores.

2) Effective sales promotion measures

For sales promotion, we ran the “Gyoza Club customer appreciation campaign for 2024,” which resulted in the acquisition of a record number of 1.24 million Gyoza Club members. In the “Gyoza Club customer appreciation campaign for 2025” carried out from June 28 to December 15, 2024, our uniquely designed campaign prizes were

well received by customers, including stainless steel water bottles printed with the names of Ohsho menu items and their nicknames used by our staff when sending orders to the kitchen and a set of reusable grocery bags designed by the leading fashion company Adastra. In the current round of the campaign that began on January 17, we encouraged Gold members to come to the store by introducing the Platinum membership card (that gives a 10% discount from the bill after tax), a level above the Gold membership card, that Gold members can receive by collecting 50 stamps. Furthermore, we held events as a gesture of customer appreciation including the “Great Appreciation Festival” to commemorate annual net sales exceeding 100 billion yen and the “Founding Anniversary” to express our gratitude for 57 years of business. We also carried out a variety of sales promotions such as a stamp campaign for uncooked gyoza purchases and a new television commercial aired to coincide with the arrival of “*Ninniku Nouveau*,” summer harvested garlic grown in Aomori Prefecture in 2024.

3) Expansion of investment

a. Investment in human capital

We, as a company where people create value, have regarded development of human resources as an important key and therefore provide all employees with a wide variety of learning opportunities for various training programs, including the above-mentioned programs and e-learning programs.

The Company raised pay an average of 39,162 yen per employee (an 11.5% increase including the base pay increase) in the revision of monthly salary for FY3/25, exceeding the record high monthly salary of FY3/24. Furthermore, to reward all employees who contributed to achievement of the strong business performance, the Company fully met the labor union’s wage hike demand (100% of the bonus table plus an extra 13%) for the 2024 summer bonus. Moreover, for the winter bonus in 2024, the Company fully met the demand (100% payment of the bonus table for the actual winter bonus payment in 2023) from the labor union. In addition to the above, 10% of the bonus table was added as an “additional bonus,” resulting in a total of 110% of the bonus table being paid. As a result, the average annual income per employee significantly exceeded a record high. Compared to 2014, 10 years ago, each employee’s annual income has increased by more than 1 million yen.

In addition, we significantly increased the starting salary for new university graduates by 52,000 yen, amounting to 278,500 yen, thus producing results in the area of securing promising human resources.

In April 2025, in light of the strong business performance of the current fiscal year, we used 342 million yen to pay employees a fiscal year-end closing bonus like the previous year.

In the revision of monthly salary for FY3/26, we raised pay on an average of 30,139 yen per employee (an 8.2% increase), exceeding the labor union’s wage hike demand, achieved an approximately 29% wage increase over the last three years by raising the base pay for three consecutive years, and set the starting salary for new university graduates to 300,000 yen, adding another 21,500 yen from the previous round.

b. Investment in equipment

For a central kitchen system, we renewed a conventional production line for noodles to the newest equipment in Kumiyama Factory, our main factory. This renewal enabled achieving improvement of production capability, reduction of material losses, and labor saving. Furthermore, the renewal enhanced the factory’s product quality and expanded the possibilities for future product development.

During the current fiscal year, we opened the Kinkakuji store in May 2024, Joy-Naho-Akasakamitsuke store in June, Kokudo-16go-Iwatsuki store in July, Namba-Grand-Kagetsu store in August, Kisshoin Hachijo-dori store in October, Kuki store in November, Konan and Aeon-Shinurayasu stores in December, and the Mikage, Hirate, and Chacha-Town-Kokura stores in March 2025.

The Kinkakuji store is a newly opened store in Kyoto City for the first time in about eight years. It is located near Kinkakuji Temple and along Nishioji-dori, a major artery. It is a roadside store with a parking lot. Various customers including tourists visiting Kinkakuji Temple and nearby university students come to the store.

The Joy-Naho-Akasakamitsuke store is a 3-minute walk from Akasakamitsuke Subway Station. Office buildings are crowded around there. Thus, at the place where lunch demand was highly expected, it opened as the fourth Joy-Naho store. It is our policy to open more stores of this type actively as a new store opening format for urban areas in the future.

The Kokudo-16go-Iwatsuki store is located on Route 16, a major traffic route to the suburbs of the Tokyo

metropolitan area. Being located near an expressway interchange, the store is a roadside store with a parking lot expected to attract customers from a wide area.

The Namba-Grand-Kagetsu store opened on the first floor of the Namba Grand Kagetsu comedy theater located in Namba, Chuo-ku, Osaka City. We have served many customers including theater visitors and tourists to the Namba area.

The Kisshoin Hachijo-dori store is a relocated branch of Nishi Hachijo store, which has been in business for about 49 years since it opened in November 1972. Within walking distance of Nishioji Station, it is a spacious in-building store with a parking lot and cycle parking space and facing Hachijo-dori, which runs east to west through Kyoto City.

The Kuki store is a roadside store with a parking lot on Prefectural Road No. 3, a major traffic route near the Kuki Interchange on the Tohoku Expressway. The location is close to an expressway interchange, so it is expected to attract customers from a wide area.

The Aeon-Shinurayasu store opened in the food court on the first floor of AEON STYLE Shin-urayasu Store. It is a commercial facility with the highest customer-drawing power in the area, located in a highly convenient location in front of Shin-Urayasu Station on the JR Keiyo Line. We can expect our store to attract many customers not only on holidays but also on weekdays.

We converted the Konan, Mikage, and Hirate stores from long-time franchised stores of about 17 years, 45 years, and 33 years of operation, respectively, into directly operated stores. During the conversion, we changed the store layout to improve the operational efficiency in the kitchen and seating efficiency in the dining area, and as a result, we were able to capture new customers while keeping regular customers.

The Chacha-Town-Kokura store opened in the food court on the first floor of the commercial facility, Chacha Town Kokura. It is our first food court store in the Kyushu region and is expected to attract many customers not only on holidays but also weekdays.

Each store has been enjoying strong sales since its opening.

c. Investment in digital transformation

We started optimizing IT infrastructure such as renewal of host systems and review of core systems as investments for promotion of digital transformation. All of our directly operated stores introduced a *Take-out Online Order* system to promote digitalization of store operations and effectively meet the take-out demand. This system enables processes from a take-out reservation to settlement by using the Company's official app on a smartphone. Going forward, we plan to develop highly convenient services for our customers in succession through smartphone apps.

d. Overseas investment

Our overseas consolidated subsidiary, OHSO FOOD SERVICE TAIWAN CORP., has been in operation for eight years. Its two restaurants that are currently open in Kaohsiung and Taipei, Taiwan have been highly praised for their seasoning and Japanese-style fried Gyoza that suits the tastes of local customers. Having gotten through the pandemic, they are performing well.

Based on the results of these two stores, including the growth of local staff and the establishment of store operations, we increased our capital in the subsidiary (capital increase of 26 million TWD, or approximately 118 million yen) in September 2024 to prepare for future proactive expansion in Taiwan, including the opening of a third store.

4) Sustainability initiatives

Because of the pandemic that lasted for a long time and rising prices, living circumstances around children remain ever challenging. In view of the matter, the Company supplies "Bento for Kids" (featured with Gyoza and fried chicken) free of charge to "Kodomo Shokudo" or Children's Cafeteria and other similar organizations all over Japan during the school spring, summer, and winter breaks, which is an ongoing initiative from the summer break of 2021. During the school winter break in December 2024, marking the eleventh time, our 388 stores supplied about 90,000 meals, and the cumulative number of meals we offered to children so far reached as many as 850,000. The number of participating organizations including "Kodomo Shokudo" increased from 377 in the beginning to about 1,300. In areas where there are few Ohsho stores, this is also an opportunity for children to learn about our Gyoza for the first time. We prepared 100 boxes of "Bento for Kids" at a maximum from one store per day. We have received many thankful comments from those children that the meal was delicious, which encourages and motivates our employees to

participate in this all-hands initiative.

For climate change issues, we have updated equipment leading to GHG emissions in compliance with the recommendations by the TCFD, an international organization that aims to disclose information on climate change. At the same time, following FY3/22 and FY3/23, we calculated CO₂ emissions in our business activities (Scopes 1 and 2) and in our supply chain (Scope 3) in FY3/24.

In response to the logistics issue in 2024, first, as a store effort, we reduced delivery work hours. Second, we reduced the number of delivery-destination stores per truck, promoted the division of delivery and picking operations, and made conveyance loss of internal logistics visible. As a result of these efforts, we are confident that our delivery system is fully sustainable now.

By executing sustainability-focused management and pursuing our management philosophy “Creating stores praised by our customers,” we aim to help create a sustainable society, let alone enhance our corporate value.

As a result, we achieved record high monthly sales for 38 consecutive months from February 2022, and net sales for the current fiscal year increased 9,632 million yen or 9.5% year-on-year to a record high of 111,033 million yen with sales growth for four consecutive years.

Operating profit grew for four consecutive years and reached a record high of 10,904 million yen with a year-on-year increase of 618 million yen (6.0%) due to increased sales despite raw material and packaging material unit prices rising even more sharply than the previous year.

Ordinary profit increased 815 million yen or 7.8% year-on-year to 11,312 million yen.

Profit attributable to owners of parent increased 160 million yen or 2.0% year-on-year to 8,071 million yen because although, in the previous fiscal year, there was a profit increase due to an extraordinary gain (resulting in an increase of 463 million yen in profit) from non-current asset sales associated with land sales, the profit increase in the current fiscal year exceeded such gain.

Regarding the store network during the current fiscal year, we opened eleven directly operated stores and two franchised stores, and closed five directly operated stores and eleven franchised stores, and as a result, there was a net decrease of three stores for directly operated stores and franchised stores combined. The result was a total network of 551 directly operated stores and 177 franchised stores, totaling 728 stores at the end of the current fiscal year.

(2) Financial Position

Assets

The balance of total assets at the end of the current fiscal year was 96,632 million yen, up 5,170 million yen or 5.7% from the end of the previous fiscal year. The main factors for the increase are as follows.

Current assets increased 2,484 million yen or 6.1% to 43,092 million yen. This was mainly due to an increase in cash and deposits.

Non-current assets increased 2,686 million yen or 5.3% to 53,540 million yen. This was mainly due to an increase in buildings and structures.

Liabilities

The balance of total liabilities at the end of the current fiscal year was 22,394 million yen, down 432 million yen or 1.9% from the end of the previous fiscal year. The main factors for the change are as follows.

Current liabilities increased 1,035 million yen or 6.9% to 16,011 million yen. The main reason was an increase in accounts payable-trade.

Non-current liabilities decreased 1,467 million yen or 18.7% to 6,383 million yen. The main reason was a decrease in long-term borrowings. The balance of borrowings at the end of the current fiscal year was 5,000 million yen.

Net assets

The balance of net assets at the end of the current fiscal year was 74,238 million yen, up 5,602 million yen or 8.2% from the end of the previous fiscal year. This increase was mainly attributable to the recording of profit attributable

to owners of parent of 8,071 million yen, while there were dividend payments of 2,824 million yen. As a result, the equity ratio increased from 75.0% at the end of the previous fiscal year to 76.8%.

(3) Cash Flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the current fiscal year amounted to 38,120 million yen, up 1,823 million yen from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities decreased 1,002 million yen or 8.2% year-on-year to 11,215 million yen. The main reason was an increase in income taxes paid.

The main factors include profit before income taxes of 11,156 million yen and depreciation of 3,107 million yen, which were partially offset by income taxes paid of 3,027 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 1,351 million yen or 41.9% year-on-year to 4,574 million yen. This was mainly due to an increase in purchase of property, plant and equipment.

The main factors include purchase of property, plant and equipment of 4,180 million yen.

Cash flows from financing activities

Net cash used in financing activities increased 97 million yen or 2.1% year-on-year to 4,826 million yen. This was mainly due to an increase in the dividend payment.

The main factors include repayments of long-term borrowings of 2,000 million yen and dividends paid of 2,824 million yen.

Reference: Cash flow indicators

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Equity ratio (%)	58.1	66.1	74.6	75.0	76.8
Equity ratio based on market value (%)	119.9	126.1	134.6	161.1	188.0
Interest-bearing debt to cash flow ratio (years)	4.6	1.2	1.2	0.6	0.4
Interest coverage ratio (times)	95.7	224.2	240.4	471.8	300.8

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Cash flows are based on net cash provided by operating activities in the consolidated and non-consolidated statements of cash flows.

* Interest-bearing debt is calculated using total loans payable on the consolidated and non-consolidated balance sheets that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated and non-consolidated statements of cash flows.

(4) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company strives to increase medium- to long-term corporate value by proactively investing in human capital and in equipment for future business development, while continuously enhancing shareholder return. In line with this policy, we target a certain level of dividends on equity (DOE), while considering the business results for the current fiscal year.

For the current fiscal year, as mentioned above, net sales achieved an all-time high, and operating profit also hit a record high. Accordingly, we plan to increase the year-end dividend from the previously announced 25 yen per share (75 yen on a pre-stock-split basis) to 28 yen (84 yen on a pre-stock-split basis), and the annual dividend not reflecting the stock split will be a record high 159 yen, increasing for the fourth consecutive years.

This matter will be proposed in the 51st Annual General Meeting of Shareholders to be held on June 26, 2025.

Based on the aforementioned policy, we plan to pay in the next period an interim dividend of 28 yen per share (84 yen on a pre-stock-split basis) and a year-end dividend of 28 yen per share (84 yen on a pre-stock-split basis), which will result in an annual dividend of 56 yen (168 yen on a pre-stock-split basis), increasing for the fifth consecutive year reaching a record high.

(5) Outlook

Since the pandemic, we have successfully grown sales and earnings constantly despite a business environment with a clouded outlook due to the unstable global situation and increased prices and labor costs and, in the current fiscal year, achieved the highest net sales and operating profit since our founding. The business environment is predicted to remain uncertain, but we will continue to pursue our management philosophy “Creating stores praised by our customers” under this year’s slogan “Professional skills, professional taste, and professional pride.” Based on this notion, we believe we will be able to sustainably improve performance by proactively investing in human capital and equipment, strengthening frontline capabilities, and further enhancing the basic service level.

In the fiscal year ending March 31, 2026, we plan to open eight directly operated stores and four franchised stores, convert four franchised stores into directly operated stores, and close one directly operated store and three franchised stores. As a result, there will be a net increase of eight stores for directly operated stores and franchised stores combined. Our full-year earnings forecast includes a 7.8% year-on-year increase in net sales to 119,731 million yen, a 3.4% year-on-year increase in operating profit to 11,271 million yen, which will be a record high enabled by the increased sales and earnings for the fifth year in a row, a 0.9% year-on-year increase in ordinary profit to 11,417 million yen, and a 0.2% year-on-year increase in profit attributable to owners of parent to 8,085 million yen.

The Group performance and other aspects of our operations may change for a number of reasons, but we are determined to achieve this forecast for sales and earnings.

2. Basic Approach to the Selection of Accounting Standards

We consider it is imperative to prepare the financial data in a format that can enhance international comparability for the benefits of our stakeholders if we consider store openings in overseas markets or mutually beneficial M&A deals. With respect to the above, we have decided to adopt International Financial Reporting Standards (IFRS) in the future, though we have yet to decide when to start.

Nevertheless, Japanese GAAP is also of high quality and is not inferior to any internationally recognized accounting standards as a result of the convergence with them. In fact, Japanese GAAP is regarded as being equivalent to IFRS in Europe. Furthermore, almost all of the Group’s stakeholders are in Japan and there is not much need to procure funds from capital markets outside Japan at the moment.

Therefore, we apply Japanese GAAP for the moment while focusing on the following survey activities such as acquiring information and learning about IFRS, analyzing the gaps between these standards and Japanese GAAP, and assessing the impact of the adoption to facilitate the future application of IFRS.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	36,296	38,120
Accounts receivable-trade	2,890	3,508
Merchandise and finished goods	147	152
Raw materials	395	519
Other	876	794
Allowance for doubtful accounts	—	(2)
Total current assets	40,607	43,092
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,406	62,530
Accumulated depreciation	(45,611)	(47,135)
Buildings and structures, net	13,795	15,394
Machinery, equipment and vehicles	7,226	7,282
Accumulated depreciation	(5,535)	(5,512)
Machinery, equipment and vehicles, net	1,690	1,769
Tools, furniture and fixtures	7,375	8,389
Accumulated depreciation	(5,390)	(5,933)
Tools, furniture and fixtures, net	1,985	2,455
Land	19,902	19,902
Construction in progress	375	73
Total property, plant and equipment	37,750	39,596
Intangible assets	145	318
Investments and other assets		
Investment securities	4,166	4,894
Long-term loans receivable	13	6
Retirement benefit asset	2,012	2,099
Deferred tax assets	2,011	1,858
Guarantee deposits	4,702	4,705
Other	67	75
Allowance for doubtful accounts	(14)	(13)
Total investments and other assets	12,959	13,626
Total non-current assets	50,854	53,540
Total assets	91,462	96,632

	(Millions of yen)	
	FY3/24	FY3/25
	(As of Mar. 31, 2024)	(As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	2,612	3,087
Current portion of long-term borrowings	2,000	2,000
Income taxes payable	1,927	2,002
Contract liabilities	73	72
Provision for bonuses	1,034	1,065
Other	7,327	7,783
Total current liabilities	14,975	16,011
Non-current liabilities		
Long-term borrowings	5,000	3,000
Long-term contract liabilities	97	76
Deferred tax liabilities for land revaluation	498	513
Asset retirement obligations	2,010	2,566
Other	243	226
Total non-current liabilities	7,851	6,383
Total liabilities	22,827	22,394
Net assets		
Shareholders' equity		
Share capital	8,166	8,166
Capital surplus	9,459	9,562
Retained earnings	61,096	66,344
Treasury shares	(10,593)	(10,556)
Total shareholders' equity	68,129	73,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,340	2,817
Revaluation reserve for land	(2,526)	(2,540)
Foreign currency translation adjustment	(1)	7
Remeasurements of defined benefit plans	693	437
Total accumulated other comprehensive income	505	721
Total net assets	68,635	74,238
Total liabilities and net assets	91,462	96,632

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Millions of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023–Mar. 31, 2024)	(Apr. 1, 2024–Mar. 31, 2025)
Net sales	101,401	111,033
Cost of sales	31,841	35,431
Gross profit	69,560	75,602
Selling, general and administrative expenses		
Packing and transportation costs	2,278	2,566
Advertising expenses	1,050	1,215
Promotion expenses	4,714	4,967
Provision of allowance for doubtful accounts	–	2
Remuneration for directors (and other officers)	279	289
Share-based payment expenses	103	141
Salaries and allowances and bonuses	28,189	30,931
Provision for bonuses	998	1,025
Retirement benefit expenses	(96)	(204)
Welfare expenses	5,267	5,650
Taxes and dues	347	351
Depreciation	1,968	2,250
Rent expenses	4,489	4,642
Utilities expenses	4,326	4,849
Repair expenses	1,239	1,422
Other	4,116	4,596
Total selling, general and administrative expenses	59,273	64,697
Operating profit	10,286	10,904
Non-operating income		
Interest income	0	5
Dividend income	81	87
Rental income from land and buildings	59	58
Insurance claim income	33	169
Franchise chain accession fee	110	109
Equipment usage fee	108	120
Miscellaneous income	104	128
Total non-operating income	498	679
Non-operating expenses		
Interest expenses	25	37
Rental expenses	110	97
Meal support expenses for Kodomo Shokudo	66	80
Miscellaneous losses	84	56
Total non-operating expenses	287	271
Ordinary profit	10,496	11,312

	(Millions of yen)	
	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)
Extraordinary income		
Gain on sale of non-current assets	389	1
Compensation for expropriation	49	–
Total extraordinary income	439	1
Extraordinary losses		
Loss on retirement of non-current assets	74	108
Loss on sale of non-current assets	0	–
Impairment losses	107	48
Total extraordinary losses	182	157
Profit before income taxes	10,753	11,156
Income taxes-current	2,795	3,079
Income taxes-deferred	46	5
Total income taxes	2,842	3,084
Profit	7,911	8,071
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	7,911	8,071

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023–Mar. 31, 2024)	(Apr. 1, 2024–Mar. 31, 2025)
Profit	7,911	8,071
Other comprehensive income		
Valuation difference on available-for-sale securities	215	477
Revaluation reserve for land	–	(14)
Foreign currency translation adjustment	2	9
Remeasurements of defined benefit plans, net of tax	361	(256)
Total other comprehensive income	579	215
Comprehensive income	8,490	8,287
Comprehensive income attributable to:		
Owners of parent	8,490	8,287
Non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,166	9,393	56,630	(10,629)	63,561
Changes during period					
Dividends of surplus			(2,727)		(2,727)
Profit attributable to owners of parent			7,911		7,911
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		65		37	103
Reversal of revaluation reserve for land			(717)		(717)
Net changes in items other than shareholders' equity					
Total changes during period	–	65	4,466	36	4,568
Balance at end of period	8,166	9,459	61,096	(10,593)	68,129

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,124	(3,243)	(4)	332	(791)	62,770
Changes during period						
Dividends of surplus						(2,727)
Profit attributable to owners of parent						7,911
Purchase of treasury shares						(1)
Disposal of treasury shares						103
Reversal of revaluation reserve for land		717			717	–
Net changes in items other than shareholders' equity	215	–	2	361	579	579
Total changes during period	215	717	2	361	1,296	5,865
Balance at end of period	2,340	(2,526)	(1)	693	505	68,635

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,166	9,459	61,096	(10,593)	68,129
Changes during period					
Dividends of surplus			(2,824)		(2,824)
Profit attributable to owners of parent			8,071		8,071
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		102		38	141
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	102	5,247	36	5,387
Balance at end of period	8,166	9,562	66,344	(10,556)	73,516

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,340	(2,526)	(1)	693	505	68,635
Changes during period						
Dividends of surplus						(2,824)
Profit attributable to owners of parent						8,071
Purchase of treasury shares						(1)
Disposal of treasury shares						141
Reversal of revaluation reserve for land						–
Net changes in items other than shareholders' equity	477	(14)	9	(256)	215	215
Total changes during period	477	(14)	9	(256)	215	5,602
Balance at end of period	2,817	(2,540)	7	437	721	74,238

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023–Mar. 31, 2024)	(Apr. 1, 2024–Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	10,753	11,156
Depreciation	2,801	3,107
Impairment losses	107	48
Increase (decrease) in allowance for doubtful accounts	(1)	2
Decrease (increase) in retirement benefit asset	(325)	(447)
Interest and dividend income	(81)	(92)
Interest expenses	25	37
Compensation for expropriation	(49)	–
Loss (gain) on sale of non-current assets	(389)	(1)
Loss on retirement of non-current assets	74	108
Decrease (increase) in trade receivables	(372)	(615)
Decrease (increase) in inventories	67	(128)
Increase (decrease) in trade payables	86	473
Increase (decrease) in accrued consumption taxes	256	(192)
Other, net	526	730
Subtotal	13,480	14,187
Interest and dividends received	81	92
Interest paid	(25)	(37)
Proceeds from compensation for expropriation	49	–
Income taxes paid	(1,368)	(3,027)
Net cash provided by (used in) operating activities	12,217	11,215
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,482)	(4,180)
Proceeds from sale of property, plant and equipment	636	2
Loan advances	(39)	(35)
Proceeds from collection of loans receivable	48	45
Payments of guarantee deposits	(282)	(139)
Other, net	(103)	(266)
Net cash provided by (used in) investing activities	(3,222)	(4,574)
Cash flows from financing activities		
Repayments of long-term borrowings	(2,000)	(2,000)
Purchase of treasury shares	(1)	(1)
Dividends paid	(2,727)	(2,824)
Net cash provided by (used in) financing activities	(4,728)	(4,826)
Effect of exchange rate change on cash and cash equivalents	2	8
Net increase (decrease) in cash and cash equivalents	4,267	1,823
Cash and cash equivalents at beginning of period	32,029	36,296
Cash and cash equivalents at end of period	36,296	38,120

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in Accounting Estimates

Change in estimate of asset retirement obligations

In the current fiscal year, we changed our estimate regarding the asset retirement obligations that had been recorded for the restoration obligations associated with the Group's real estate lease contracts, as we obtained new information on the restoration costs required upon vacating the stores.

The increase of 496 million yen resulting from this change in estimate was added to the balance of asset retirement obligations before the change.

Segment Information

The Group does not provide segment information because it has only a single business segment, which is the Chinese food business.

Per-share Information

(Yen)

	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)
Net assets per share	1,215.61	1,313.71
Net income per share	140.15	142.88

- Notes:
1. Diluted net income per share is not presented because there are no potentially dilutive shares.
 2. We conducted a 3-for-1 stock split of common shares with the effective date of October 1, 2024. Net assets per share and net income per share were calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.
 3. The basis of calculating the net income per share is as follows:

	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	7,911	8,071
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders of parent (Millions of yen)	7,911	8,071
Average number of common shares outstanding during the period (Shares)	56,447,535	56,495,204

Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.