Presentation Material of Financial Results for the First Half of FY2025

COLOWIDE Co., Ltd.

(TSE, Prime Market
Securities Code: 7616)

November 2024

COLOWIDE

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Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Note 1) All figures in this document are consolidated (IFRS)

Note 2) The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

I. BISINESS RESULTS HIGHLIGHTS

BISINESS RESULTS HIGHTS

Results in First Half of FY2025

Number of stores at end of period	**2,605 stores**	
	(Directly managed : 1,445 stores, FC : 1,160 stores)	
	- Restaurants	2,352 stores
	- Izakaya	253 stores
Revenue	**132,199 Million yen**	
	- **YoY comparison for existing stores** : 103.4%	
Profit	**Business profit**	**3,571 Million yen**
	EBITDA	**7,872 Million yen**

BUSINESS RESULTS BY REGION

Results in First Half of FY2025

(Unit: Millions of yen)

		First half of the fiscal year ended March 31, 2024	First half of the fiscal year ending March 31, 2025	Difference
Japan	Revenue	102,386	115,649	+13,263
	Business profit	1,467	2,104	+637
North America	Revenue	8,536	8,809	+273
	Business profit	613	467	(146)
Asia	Revenue	7,093	7,740	+647
	Business profit	1,161	1,000	(161)

(Unit: stores)

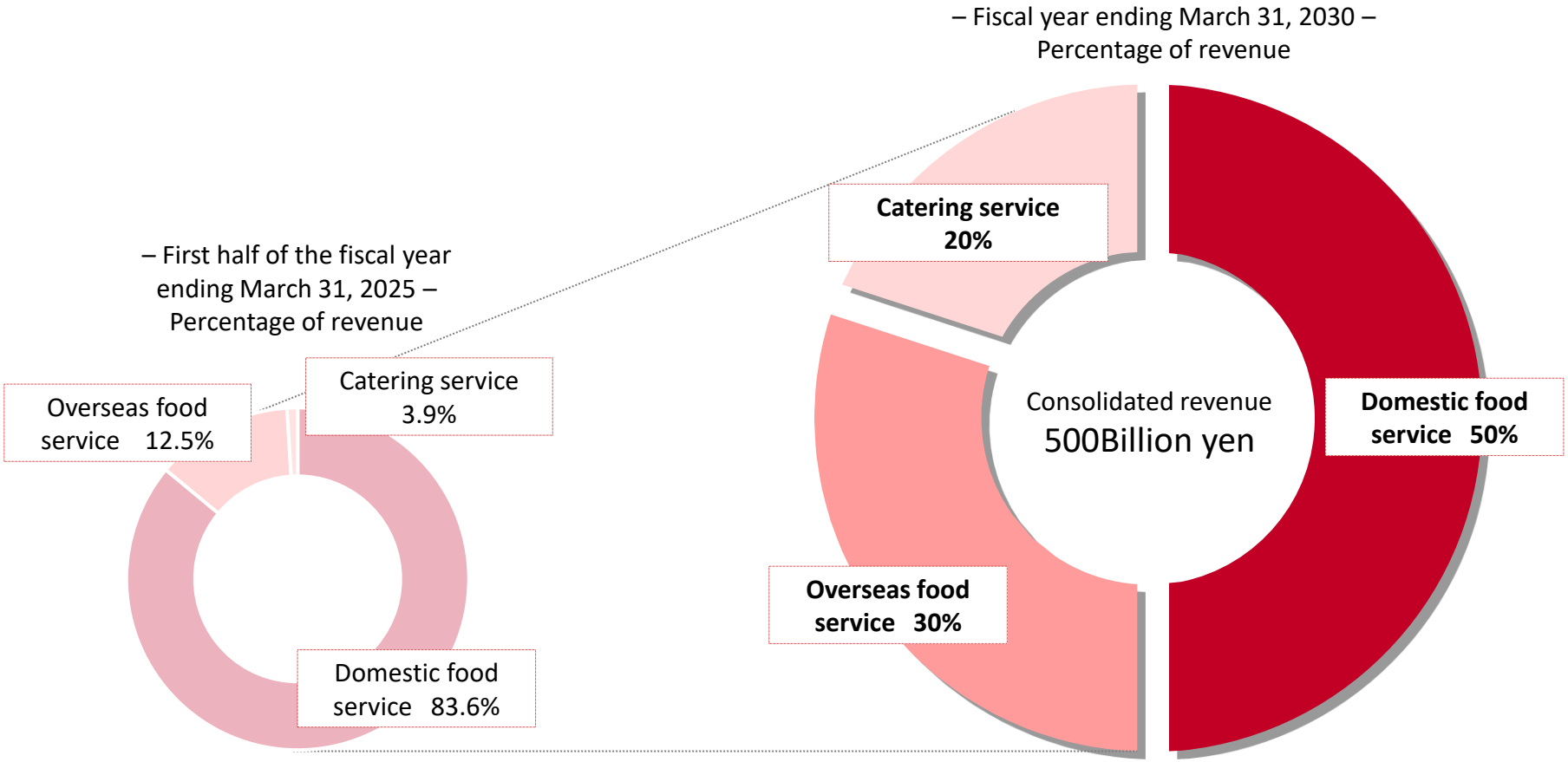
		End of March 31, 2024	End of September 30, 2024	Difference
Number of stores	Japan	2,194	2,219	+25
	North America	77	74	(3)
	Asia	312	312	0

II. ACTIVITY TOPICS

COLOWIDE Vision 2030

While maintaining the domestic food service business as core business, the Company aims to achieve consolidated revenue of 500 billion yen by the fiscal year ending March 31, 2030, through the growth of the overseas food service business and catering service business (hospitals and nursing care facilities), where market expansion is expected

Consolidated revenue targets



Progress in the Medium-term Management Plan

Progress on policies by business

Domestic Food Service	**Continue to actively open restaurants in suburban areas, roadside, and shopping center locations**	**[+63stores]**
	Refurbishment aimed at refreshing stores that have deteriorated over time and replacing them with the latest systems	**[+45stores]**
Overseas Food Service	**Continue to open new stores, aiming to expand in existing areas (Asian countries and North America)**	**[+14stores]**
	As part of our expansion into the Middle East, where economic growth is expected, plan to open our first store in Dubai in November 2024	
Catering service	**Acquired all shares of Socio Food Service, which operates a food service business centered on healthcare**	
	Began to optimize the procurement and logistics networks of companies that have joined the Group through M&A	
Others	**Raised funds through the issuance of new shares, to be used as M&A standby funds**	
	Integrated Report Published as Part of IR Activities	

*The number of stores is the actual number of stores from April to September 2024

Fundraising for Growth

Raised 31.7 billion yen in funds for M&A through the issuance of new shares and the secondary offering of shares

・The criteria for M&A candidates include: sufficient scale for increasing market share, affinity with new lifestyles, receptiveness to changes in existing business categories, expectations of synergy through group infrastructure, and stable operation after the Group's participation

	Number of shares issued/number of shares offered	Proceeds from the issuance of new shares
Issuance of new shares through public offering	17,000 thousand shares	-
Issuance of new shares by third-party allotment	2,550 thousand shares	-
Total	19,550 thousand shares	31.7 billion yen

・The entire amount will be used as standby funds for M&A and will be allocated to M&A that contributes to the expansion of the Group's business by the end of September 2026

Domestic Store Policy

Actively opening restaurants in suburbs, roadside and shopping centers, and promoting the renovation of aged stores

- The number of Gyu-Kaku Yakiniku Shokudo restaurants has grown to 45, and Tonkatsu Kagurazaka Sakura restaurants has grown to 39, as the company has been opening more stores after the corona crisis
- Kappa Sushi is opening more restaurants in downtown areas and is also investing in facilities such as automated guidance systems in conjunction with renovations

Fiscal year ending March 31, 2025: New openings and renovations etc.













*Number of stores at end of September 2024

Overseas Store Policy

Continue to allocate stores in existing areas (Asian countries and North America) where there is room for expansion

- Indonesia, which is a driving force in ASEAN, has expanded to 60 stores
  (48 Gyu-Kaku, 8 OOTOYA, 4 Kappa Sushi)

Fiscal year ending March 31, 2025: New openings and renovations etc.









*Number of stores at end of September 2024

*1 On-Yasai store included in Gyu-Kaku

Development in the Middle East Region

Plans to open and Gyu-Kaku and GYU BOSS which is quick-service restaurants for food courts

・Gyu-Kaku and GYU BOSS: Currently in negotiations with a major mall regarding properties for stores 1 to 3

[GYU BOSS: Dubai “Mall of the Emirates” (Scheduled to open in 2024), Abu Dhabi “Yas Mall” (scheduled for January 2025)]

Development image





Mall of the Emirates

-Dubai's second biggest mall

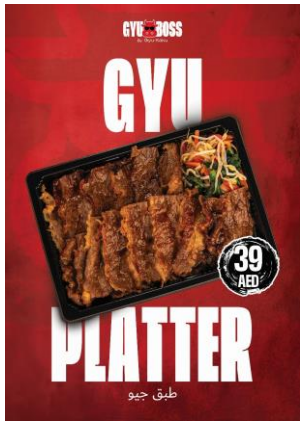
Yas Mall

-Abu Dhabi's biggest mall located in the center of Yas Island









Activity Summary 1/3

REINS international inc.

- In order to respond to the rising procurement prices, reviewed the balance between value and price by changing specifications, etc.
- Through continuing to use the talents that were effective last year, and attract customers, especially young people, by combining TV commercials and fairs
- Implementing collaboration projects with characters aimed at families and the “Oshikatsu” demand







ATOM CORPORATION

- To celebrate the 50th anniversary of the founding of Steak Miya, offering new products using the long-loved Miya sauce, as well as a menu that recreates nostalgic flavors
- Working with COLOWIDE MD Co., Ltd. on product planning, and are promoting activities to maximize group synergies, such as selling the “Super Amazing Hamburger Steak”, which balances a 460g volume with store profitability
- Selling Kyushu salmon and other fish that are raised in land-based aquaculture using pure spring water (or underground water) that is constantly flowing, and without the use of any medication









Activity Summary 2/3

KAPPA-CREATE CO., LTD.

- In addition to famous celebrities, also used professional chefs in our TV commercials to increase awareness of the "Kappa Sushi" brand and encouraged customers to visit our restaurants
- Offer sushi made with thick, sweet ”Hokkaido scallops” and well-rounded ”Hokkaido salmon roe” for just 100 yen per plate (110 yen including tax), and also offer other cost-effective ingredients for a limited time.
- Pursuing new customer experience value by selling “New concept! Kappa Gunkan”, which is a healthy sushi roll made with cucumber, and also by introducing side dishes that are collaborations with long-established and famous restaurants







OOTOYA Holdings Co., Ltd.

- Offering dishes that add a little extra value to seasonal ingredients, such as “Deep-fried Bonito & Ume Plum Sandwiches” and “Deep-Fried Big Horse Mackerel”
- To promote the image of the “cafeteria for everyone”, a TV commercial using an original song was broadcast
- Boosting sales at existing stores by strengthening takeout and delivery sales







Activity Summary 3/3

Freshness Co., Ltd.

- Under the annual theme of “Gourmet food from around the world in authentic adult-style burgers”, released limited-time-only burgers and drinks that go well with them
- Entered the “Classic Avocado Cheeseburger” in the Japan Food Selection and won the highest award, the Grand Prix







Catering service

- Established JV of Heartful Dining Co., Ltd. with Nippon General Food Co., Ltd. in April, which operates catering service business centered on the Chukyo region
- Acquired in June all shares of Socio food Service Co., Ltd., which operates businesses centered on hospital and nursing home catering services









Merchandising Initiatives 1/2

Procurement & Product Planning

▪ Efforts to improve procurement efficiency

- Promoting menu development based on ingredients
- Continuing to standardize and unify ingredients

Conducting verification for the introduction of new production areas and parts in livestock products

- Consolidating the same products, starting with agricultural products



Own factories

▪ In-house production of products at our own Factories

- We have switched to factory production for the hamburgers used at Steak Miya, and we have also been working to process the products used at Gyu-Kaku and its related business formats from raw materials to the specifications for yakiniku at the factory, reducing the workload in stores

▪ Expand sales of products made at our own factories both internally and externally

- Begin selling soy meat used within the Group to external customers
- Begin delivering fully cooked meals made at our own factories to catering companies that have newly joined the Group



Merchandising Initiatives 2/2

Logistics infrastructure development

- Optimization of procurement and logistics Networks

  - Promote the unification of suppliers and optimization of the logistics network using the Group infrastructure at companies that have newly joined the Group

- Improving inventory management efficiency

  - As part of our efforts with Yamato Transport Co., Ltd., with whom we have a lead logistics partner agreement, we have consolidated product inventory from our central kitchen to the Yamato Transport Co., Ltd.'s Logistics Center







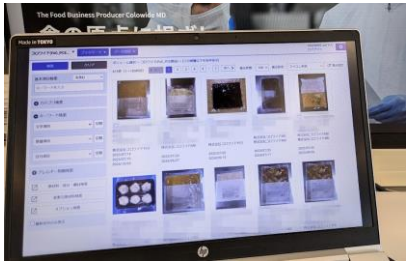


IT

- Maintenance of factory systems

  - By integrating the production management system in our own factory, we aim to improve the efficiency of purchasing and production operations, etc., and gradually start operating the new system









Sustainability Initiatives 1/2

Contribution to the Environment

- Loss Reduction and Recycling
  - Started accepting used cooking oil from restaurants as a raw material for domestically produced SAF

*Biofuel for aircraft is expected to significantly reduce greenhouse gas emissions



- Sustainable food procurement
  - Kappa Sushi sells "Tsukimi Ikura®", which is completely farmed

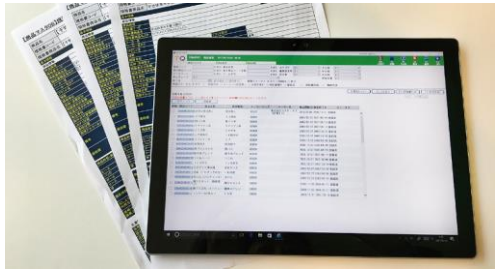


Food Safety and Security

- Improving safety management level
  - In order to improve the level of food safety management at company cafeterias, the "Bank of Yokohama Head Office Cafeteria" has obtained JFS Food Service Standard certification as a model

jfsm Food Service
JFS-024000132-00

- Allergen labeling
  - In addition to the eight specified raw materials, began sequentially disclosing on the web 28 items in total, including the 20 recommended items, for all business categories



Workplace diversity and Growth

- Providing opportunities to play an active role
  - The target for the ratio of female employees by fiscal year 2026 (30%) was achieved as of the end of June 2024 (31.1%)



- Promotion of Employment of People with Disabilities
  - Held a meeting with the parents of employees working at the Yokosuka office at Cocot Co., Ltd. and implemented other initiatives to promote employment



Sustainability Initiatives 2/2

Contribution to Our Community and Society

- Food Education Project

  - The toys in the children's menu have been replaced with paper crafts that are linked to food education, and special content in collaboration with Otsuka Pharmaceutical Co., Ltd. is being distributed via the official app.



- Industry-academia collaboration

  - Ongoing collaboration with OOTOYA, including the sale of products devised by the students of Higashiichigao Elementary School in Kanagawa Prefecture



Strengthen Business Management Foundation

- Expansion of English disclosure

  - Prior to the April 2025 introduction of mandatory English disclosure of financial results and timely disclosure information on the TSE Prime Market, expanding our English disclosure information

[English disclosure information]

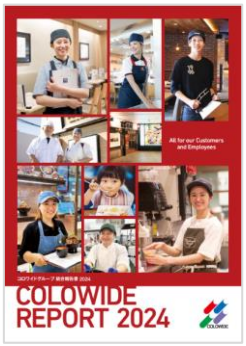
- Financial results, Timely disclosure information
- Presentation material on business activities
- Annual Securities Report
- Corporate Governance Report
- Integrated Report, etc.



—COLOWIDE English website
https://www.colowide.co.jp/en_us/

- Integrated Report (Japanese & English)

  - Issued with the aim of providing various stakeholders in Japan and overseas with a deeper understanding of the Group's initiatives to enhance its corporate value over the medium to long term





III. SUMMARY OF FINANCIAL RESULTS FOR THE FIRST HALF OF FY2025

Number of Stores by Segment

Results of the First Half of FY2025

Type		Major brands	Directly Managed stores (% to all)		Directly Managed stores + FC (% to all)	
Restaurant	Yakiniku Shabu shabu	■ Gyu-Kaku ■ Karubi Taisho ■ Shabu Shabu On-Yasai	397 stores (27.5%)	84.9%	1,155 stores (44.3%)	90.3%
	Teishoku (Set meal)	■ OOTOYA	151 stores (10.4%)		414 stores (15.9%)	
	Conveyor belt sushi	■ Kappa Sushi ■ Nigiri no Tokube	342 stores (23.7%)		349 stores (13.4%)	
	Steak	■ Steak Miya	114 stores (7.9%)		114 stores (4.4%)	
	Others	■ FRESHNESS BURGER etc.	223 stores (15.4%)		320 stores (12.3%)	
Izakaya		■ Amataro ■ Hokkaido ■ Izakaya Doma Doma etc.	218 stores	15.1%	253 stores	9.7%
			Total 1,445 stores		**Total 2,605 stores**	

*Number of stores as of End of September 2024

Status of Store Openings, Closings, and Renovations

Status by segment

(Unit: stores)

	Company	End of March 2024	Store Opened	Store Closed	Inter-group transfers	Newly consolidated	End of September 2024	Brand Conversion	Renovation
Directly Managed	REINS international, Japan	248	31	11	(2)		266	1	2
	ATOM	324	0	6			318	2	16
	KAPPA-CREATE	296	3	6			293		20
	OOTOYA, Japan	149	3	4			148		
	Freshness	64	5	1	1		69		1
	Others	180	4	9	1	35	211	1	6
	Japan	**1,261**	**46**	**37**		**35**	**1,305**	**4**	**45**
	Overseas	**142**	**4**	**6**			**140**		**2**
	Directly managed stores Total	**1,403**	**50**	**43**	**0**	**35**	**1,445**	**4**	**47**
FC	Japan	933	17	36			914	2	
	Overseas	247	10	11			246		
	FC stores Total	**1,180**	**27**	**47**	**0**	**0**	**1,160**	**2**	
Total		**2,583**	**77**	**90**	**0**	**35**	**2,605**	**6**	**47**

*Number of stores as at end of September 2024

*Renovations includes only large stores

Consolidated Statement of Financial Position

Results as at End of the First Half of FY2025

(Unit: Millions of yen)

	FY2024 Amount	FY2025 Amount	First Half Increase /Decrease
Current assets	**67,275**	**86,125**	**18,850**
Cash & cash equivalent	46,307	64,599	18,292
Trade & other receivables	13,158	12,953	(205)
Inventories	3,932	4,342	410
Others	3,878	4,231	353
Non-current assets	**197,840**	**217,380**	**19,540**
Property, plant and equipment	48,100	54,503	6,403
Right-of-use assets	23,253	24,281	1,028
Goodwill	82,534	94,656	12,122
Other financial assets	20,719	21,012	293
Others	23,234	22,929	(305)
Total assets	**265,115**	**303,506**	**38,391**

(Unit: Millions of yen)

	FY2024 Amount	FY2025 Amount	First Half Increase /Decrease
Current liabilities	**94,765**	**98,430**	**3,665**
Trade and other payables	23,999	25,776	1,777
Short term borrowings	39,098	43,324	4,226
Short term lease liabilities	14,826	13,224	(1,602)
Others	16,842	16,105	(737)
Non-current liabilities	**116,216**	**118,907**	**2,691**
Long term borrowings	82,893	82,137	(756)
Long term lease liabilities	18,388	20,329	1,941
Others	14,935	16,441	1,506
Total liabilities	**210,981**	**217,336**	**6,355**
Total equity	**54,135**	**86,169**	32,034
Total liabilities･equity	**265,115**	**303,506**	**38,391**

◆**Total consolidated equity ratio：36.1%**（Total equity/（Total assets－Cash））　◆**Ratio of equity attributable to owners of parent：25.2%**

Consolidated Statement of Income

Results as at end of the First Half of FY2025

(Unit: Millions of yen)

	FY2024 First Half		FY2025 First Half		
	Amount	Revenue composition	Amount	Revenue composition	Comparing to previous year
Revenue	**118,015**	**100.0%**	**132,199**	**100.0%**	**112.0%**
Gross profit	**67,719**	**57.4%**	**76,463**	**57.8%**	**112.9%**
Selling, general and administrative expenses	64,477	54.6%	72,892	55.1%	113.1%
Business profit*	**3,241**	**2.7%**	**3,571**	**2.7%**	**110.2%**
Other operating income	1,620	1.4%	428	0.3%	26.4%
Other operating expenses	679	0.6%	631	0.5%	93.0%
IFRS operating profit	**4,182**	**3.5%**	**3,367**	**2.5%**	**80.5%**
Profit	2,842	2.4%	**1,264**	**1.0%**	**44.5%**
Profit attributable to owners of parent	**2,310**	**2.0%**	**385**	**0.3%**	**16.7%**

(First half of the previous fiscal year: Foreign exchange gains of 1,269 million yen)

(First half of the current period: foreign exchange loss of 561 million yen)

*Business profit = Revenue − Cost of sales − Selling, general and administrative expenses

Summary of Results by Major Subsidiaries

Summary of reportable segments (IFRS)

(Unit: Millions of yen)

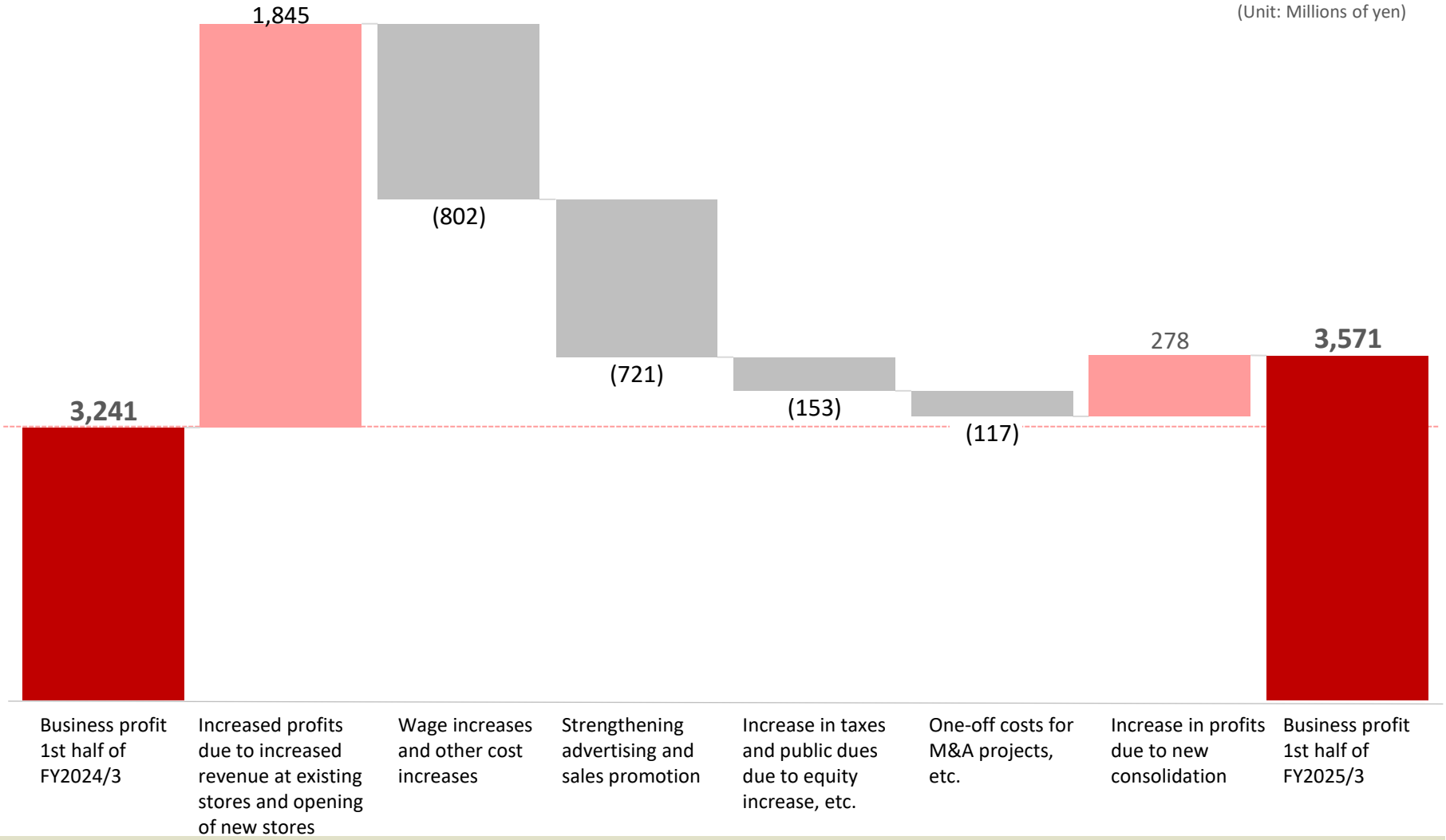
	REINS international consolidated		ATOM		KAPPA-KREATE consolidated		OOTOYA consolidated		COLOWIDE MD	
	Amount	Revenue composition	Amount	Revenue composition	amount	Revenue composition	Amount	Revenue composition	Amount	Revenue composition
Revenue	**46,036**	**-**	**18,204**	**-**	**36,965**	**-**	**15,062**	**-**	**46,717**	**-**
Gross profit	**24,271**	**52.7%**	**11,755**	**64.6%**	**19,245**	**52.1%**	**9,138**	**60.7%**	**2,656**	**5.7%**
Selling, general and administrative expenses	21,375	46.4%	11,577	63.6%	18,704	50.6%	8,393	55.7%	767	1.6%
Business profit*	**2,896**	**6.3%**	**178**	**1.0%**	**541**	**1.5%**	**745**	**4.9%**	**1,889**	**4.0%**
Other operating income	169	0.4%	93	0.5%	167	0.5%	41	0.3%	128	0.3%
Other operating expenses	225	0.5%	90	0.5%	122	0.3%	30	0.2%	371	0.8%
IFRS Operating profit	**2,840**	**6.2%**	**181**	**1.0%**	**586**	**1.6%**	**756**	**5.0%**	**1,646**	**3.5%**

* Business profit = Revenue − Cost of sales − Selling, general and administrative expenses

Factors Affecting Business Profit

Year-on-year comparison of changes（IFRS）

(Unit: Millions of yen)



IV. EARNINGS FORECAST FOR FY2025

Consolidated Earnings Forecast

Full year Outlook for FY2025

(Unit: Millions of yen)

	Outlook for FY2025		
	Amount	Ratio over revenue	Comparing to previous year
Revenue	**263,443**	**-**	**109.2%**
Gross profit	**153,523**	**58.3%**	**110.2%**
Selling, general and administrative expenses	142,518	54.1%	109.1%
Business profit*	**11,005**	**4.2%**	**126.3%**
Other operating income	924	0.4%	43.1%
Other operating expenses	2,055	0.8%	55.0%
IFRS operating profit	**9,875**	**3.7%**	**138.8%**
Profit	**3,877**	**1.5%**	**95.4%**
Profit attributable to owners of parent	**2,034**	**0.8%**	**70.0%**

* Business profit = Revenue − Cost of sales − Selling, general and administrative expenses
*Exchange rate=140yen/US$ is assumed. 858 million yen is factored in as a loss on revaluation of dollar-denominated claims

COLOWIDE GROUP

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