Results of Operations

for the Second Quarter of the Fiscal Year Ending March 31, 2025 (FY3/25)

餃子の王将
日本を美味しく
GYOZA OHSHO

OHSHO FOOD SERVICE CORP.

Tokyo Stock Exchange, Prime

9936

November 26, 2024

Executive summary

1H FY3/25 Summary

◆Net sales increased 8.3% to a record high; Operating profit increased 5.2%

- Achieved record high first half sales for three consecutive years and higher sales for four consecutive years
- Monthly sales have increased year-on-year to new record highs for 32 consecutive months. Sales in August set a new record for monthly sales.
- First half operating profit increased for the fourth consecutive year, partly due to price revisions, and was the second highest for a first half

2H FY3/25 Policy

◆There is no change in the FY3/25 forecast; Plan an 8.4% year-on-year increase in net sales and an 8.8% year-on-year increase in operating profit, both to a record high

- More investments in equipment and people to continue growing
- Consider price revisions if prices of goods and labor increase more
- Make restaurant operations even more powerful to provide greater value to customers

Agenda

01 1H FY3/25 Financial Highlights/Full Year Plan 4

02 1H FY3/25 Major Activities 22

03 Growth Strategy for FY3/25 and Beyond 36

04 Appendix 44



1H FY3/25 Financial Highlights/ Full Year Plan

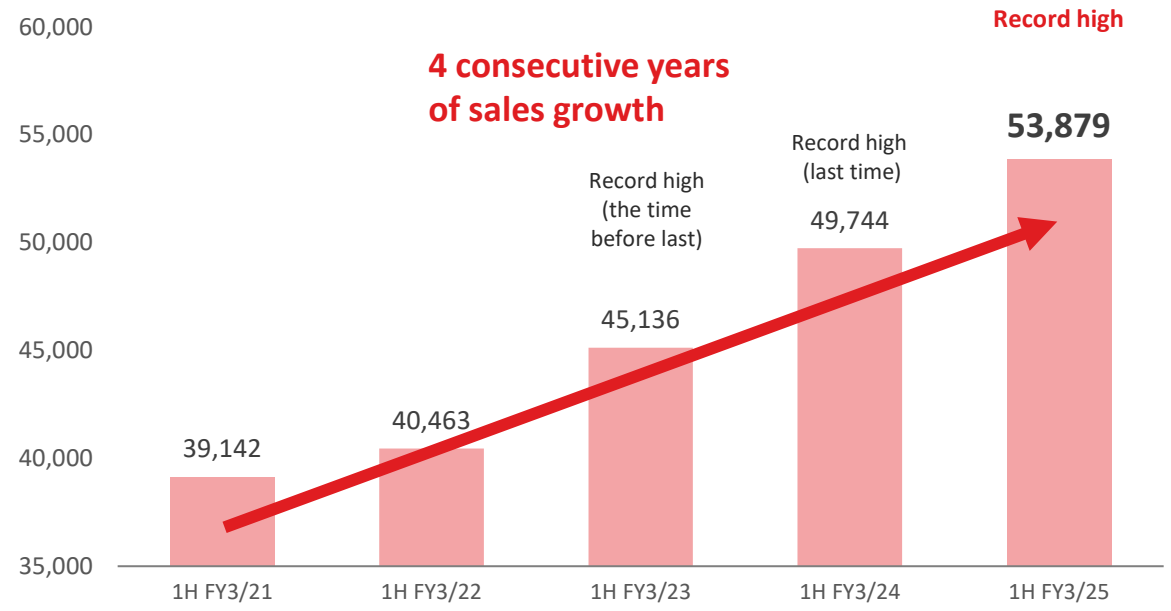


1H FY3/25 Financial highlights

Consolidated Sales

¥53,870 million Up **8.3**% YoY

(Millions of yen)

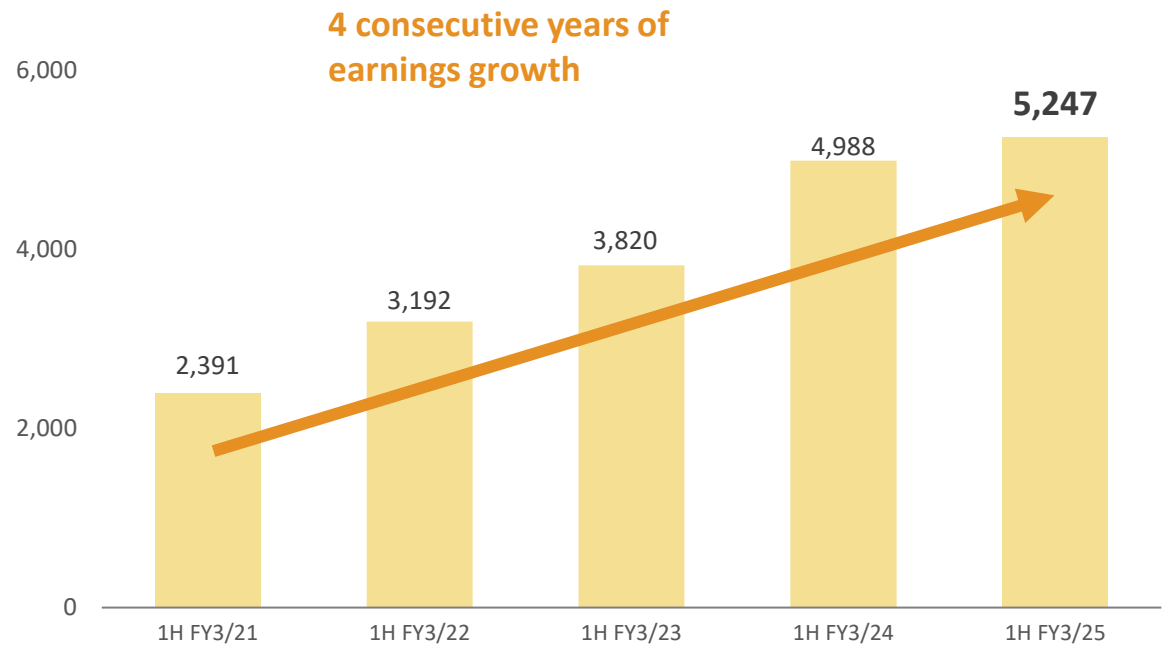


Consolidated Operating Profit

¥5,240 million Up **5.2**% YoY

(Millions of yen)

Second highest since 2009

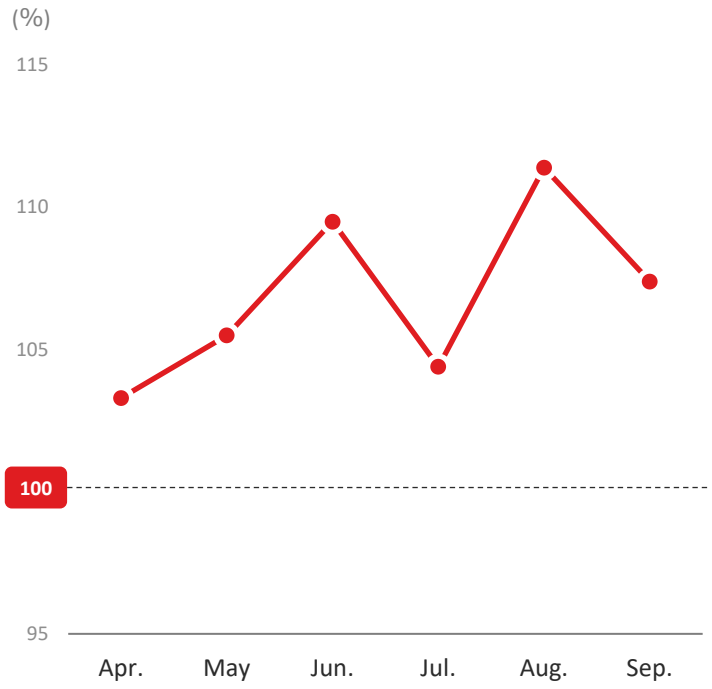


1H FY3/25 Existing store performance

- First half sales at existing stores were all higher on a monthly basis than one year earlier.
- Strong performance continued after the June 21 price revisions with increases in the number of customers and sales per customer

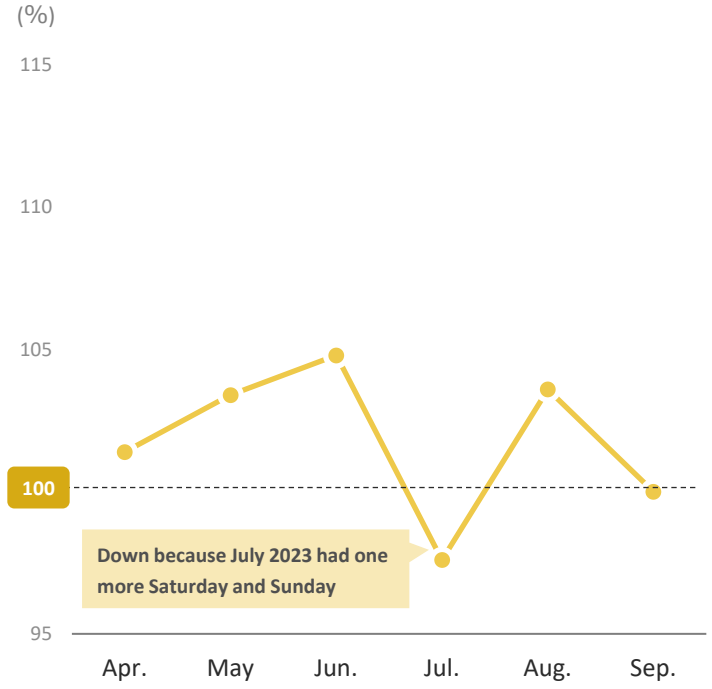
Existing store sales (YoY)

+6.9%



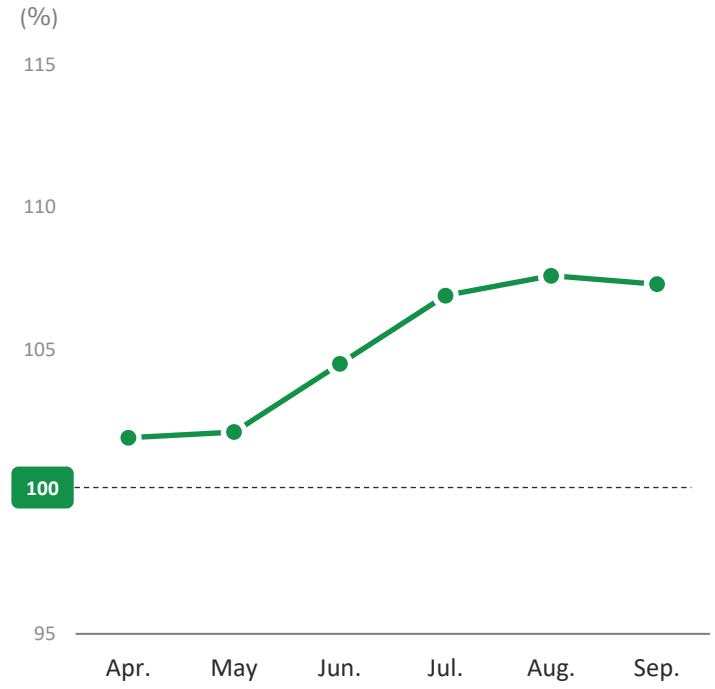
Number of customers in existing stores (YoY)

+1.8%



Sales per customer at existing stores (YoY)

+5.0%



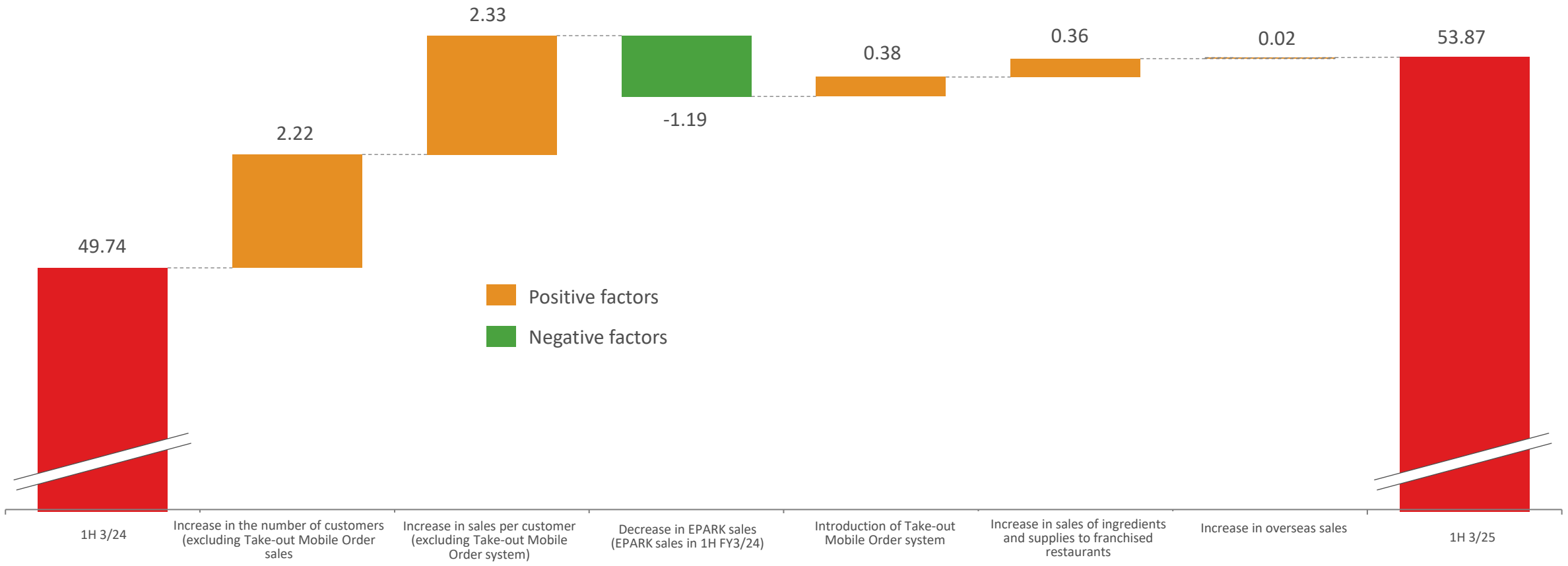
1H FY3/25 Financial summary

(Millions of yen)	1H FY3/23	1H FY3/24	1H FY3/25 Previous forecast (May 15, 2024)	1H FY3/25 Results	1H FY3/25 YoY change Amount	1H FY3/25 YoY change %	1H FY3/25 Vs. Previous forecast	FY3/25 Full year Forecast	FY3/25 Full year 1H Progress ratio
Net sales	45,136	49,744	54,427	**53,879**	+4,134	+8.3%	-548	109,875	49.0%
Eat-in*	28,096	32,689	-	**36,356**	+3,667	+11.2%	-	-	-
Takeout/delivery*	13,086	12,754	-	**12,836**	+82	+0.6%	-	-	-
Franchised stores*	3,832	4,106	-	**4,470**	+363	+8.9%	-	-	-
Gross profit	30,968	33,913	-	**36,953**	+3,040	+9.0%	-	-	-
Operating profit	3,820	4,988	5,542	**5,247**	+258	+5.2%	-294	11,196	46.9%
Operating profit to net sales	8.5%	10.0%	10.1%	**9.7%**	-	-	-	10.2%	-
Ordinary profit	4,856	5,122	5,662	**5,469**	+347	+6.8%	-192	11,373	48.1%
Ordinary profit to net sales	10.8%	10.3%	10.4%	**10.2%**	-	-	-	10.4%	-
Profit attributable to owners of parent	3,072	3,896	3,754	**3,645**	-251	-6.4%	-109	7,970	45.7%
Profit to net sales	6.8%	7.8%	6.8%	**6.8%**	-	-	-	7.3%	-
Net income per share**	54.5 yen	69.05 yen	66.5 yen	**64.55 yen**	-4.5 yen	-	-1.95 yen	141.16 yen	-

1H FY3/25 Changes in net sales

- **Sales per customer were higher because of price revisions and the number of customers continued to increase.**
- **Although the end of sales using the EPARK takeout service in Nov. 2023 lowered sales, the downturn was offset somewhat by completion of expansion of the Take-out Mobile Order system to all stores in August.**

(Billions of yen)



1H FY3/25 Changes in Operating Profit

- **Although the rising cost of ingredients and other items is significantly raising expenses, higher expenses were offset by an increase in sales per customer.**
- **Operating profit increased as the larger number of customers offset higher labor costs, expenses for utilities, logistics and other items.**

(Billions of yen)

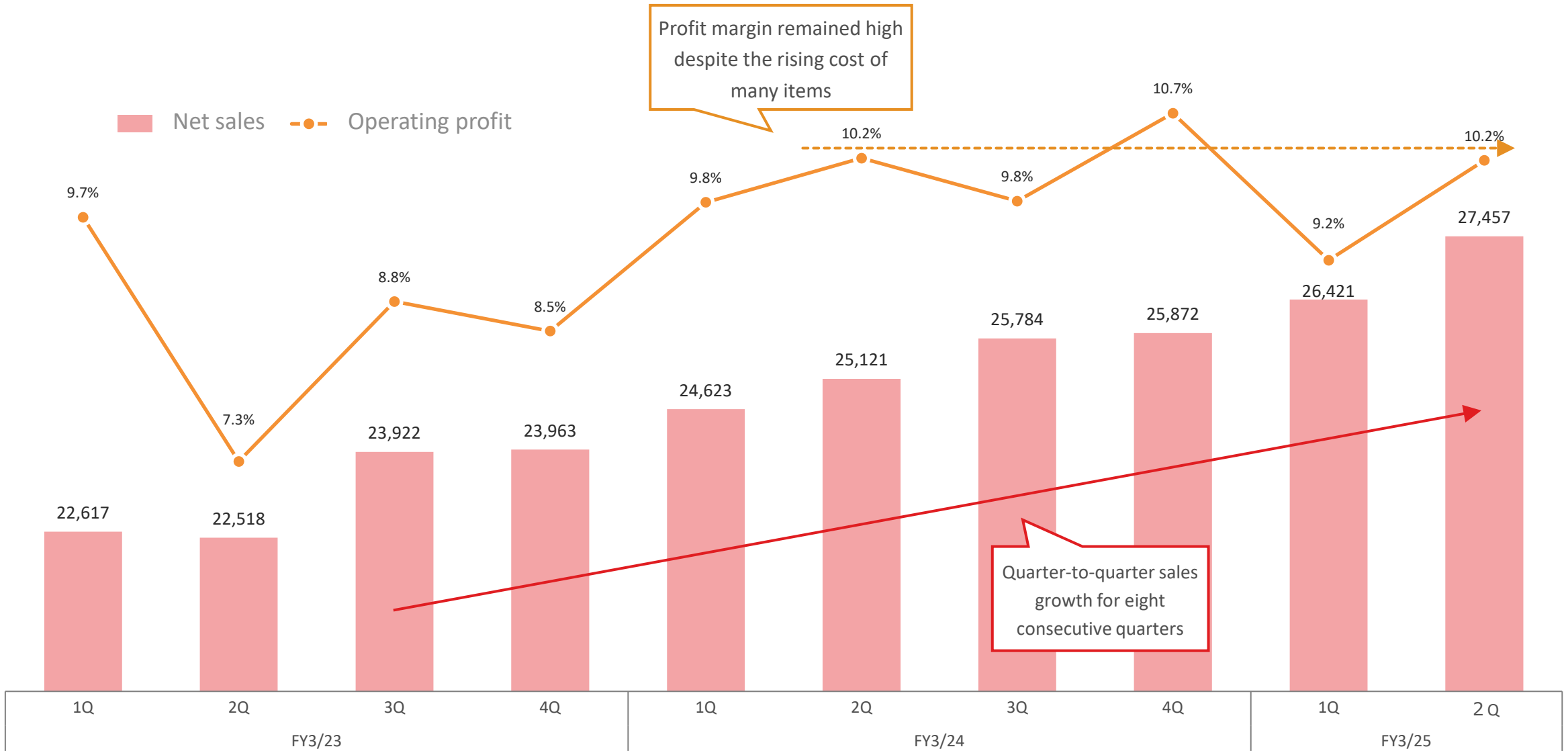


FY3/25 Financial summary (quarterly)

(Millions of yen)	FY3/23				FY3/24				FY3/25	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	22,617	22,518	23,922	23,963	24,623	25,121	25,784	25,872	26,421	27,457
Eat-in*	14,125	13,970	15,191	15,415	16,151	16,538	17,034	17,261	17,813	18,543
Takeout/delivery*	6,517	6,568	6,563	6,464	6,322	6,431	6,434	6,382	6,300	6,535
Franchised stores*	1,912	1,919	2,072	1,986	2,053	2,053	2,202	2,119	2,209	2,260
Gross profit	15,555	15,413	16,288	16,400	16,785	17,127	17,708	17,937	18,076	18,876
Gross profit to net sales	68.8%	68.4%	68.1%	68.4%	68.2%	68.2%	68.7%	69.3%	68.4%	68.7%
Operating profit	2,185	1,635	2,113	2,047	2,415	2,573	2,532	2,764	2,441	2,806
Operating profit to net sales	9.7%	7.3%	8.8%	8.5%	9.8%	10.2%	9.8%	10.7%	9.2%	10.2%
Ordinary profit	3,044	1,811	2,177	2,105	2,517	2,605	2,619	2,754	2,576	2,893
Ordinary profit to net sales	13.5%	8.0%	9.1%	8.8%	10.2%	10.4%	10.2%	10.6%	9.7%	10.5%
Profit attributable to owners of parent	1,872	1,200	1,434	1,706	2,135	1,761	1,732	2,281	1,702	1,943
Profit to net sales	8.3%	5.3%	6.0%	7.1%	8.7%	7.0%	6.7%	8.8%	6.4%	7.1%
Net income per share**	33.2 yen	21.26 yen	25.4 yen	30.23 yen	37.84 yen	31.22 yen	30.71 yen	40.44 yen	30.14 yen	34.41 yen

*Stores in Japan ** There was a stock split of 1-to-3 on October 1, 2024. Net income per share in prior years has been adjusted to reflect this stock split.

(Reference) Quarterly sales and operating profit



2Q FY3/25 Balance sheets

- **A further increase in financial soundness as the equity ratio was 77.0%.**
- **Net cash was ¥30.1 billion and will be used for many investments for growth.**

Assets

(Millions of yen, %)	FY3/23 Amount	FY3/24 Amount	2Q FY3/25 Amount	Change
Current assets	35,869	40,607	**40,498**	-108
Cash and deposits	32,029	36,296	**36,172**	-124
Non-current assets	48,234	50,854	**51,517**	+663
Property, plant and equipment	36,129	37,750	**38,323**	+573
Buildings and structures	12,177	13,795	**14,289**	+493
Land	20,134	19,902	**19,902**	-
Intangible assets	197	145	**272**	+126
Investments and other assets	11,907	12,959	**12,922**	-37
Investment securities	3,855	4,166	**4,188**	+22
Guarantee deposits	4,510	4,702	**4,705**	+2
Allowance for doubtful accounts	(14)	(14)	**(13)**	+0
Total assets	84,103	91,462	**92,016**	+554

Liabilities and Net Assets

(Millions of yen, %)	FY3/23 Amount	FY3/24 Amount	2Q FY3/25 Amount	Change
Current liabilities	12,624	14,975	**14,250**	-725
Current portion of long-term borrowings	2,000	2,000	**2,000**	-
Non-current liabilities	8,709	7,851	**6,873**	-977
Long-term borrowings	7,000	5,000	**4,000**	-1,000
Total liabilities	21,333	22,827	**21,124**	-1,703
Shareholders' equity	63,561	68,129	**70,503**	+2,373
Share capital	8,166	8,166	**8,166**	-
Capital surplus	9,393	9,459	**9,562**	+102
Retained earnings	56,630	61,096	**63,331**	+2,234
Treasury shares	(10,629)	(10,593)	**(10,556)**	+36
Accumulated other comprehensive income	(791)	505	**389**	-116
Total net assets	62,770	68,635	**70,892**	+2,257
Total liabilities and net assets	84,103	91,462	**92,016**	+554

1H FY3/25 Cash flows

- **Operating cash flow remained high due to strong first half earnings.**
- **Free cash flow has been positive for seven consecutive quarters even as cash used for investing activities increases because of investments for more growth.**

	FY3/23				FY3/24				FY3/25	
(Millions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	**1Q**	**2Q**
Cash flows from operating activities	1,353	1,743	478	3,751	3,273	2,151	2,489	4,304	**1,938**	**2,689**
Profit before income taxes	2,804	1,804	2,163	1,987	2,848	2,621	2,596	2,688	**2,554**	**2,876**
Depreciation	636	647	674	715	659	679	710	753	**729**	**763**
Increase (decrease) in assets and liabilities	322	(333)	173	(158)	255	(308)	291	(524)	**505**	**(474)**
Cash flows from investing activities	(654)	(613)	(984)	(978)	(408)	(920)	(1,055)	(839)	**(1,168)**	**(1,174)**
Purchase of property, plant and equipment	(838)	(555)	(940)	(873)	(796)	(841)	(958)	(887)	**(1,060)**	**(1,046)**
Free cash flow	515	1,188	(380)	2,796	2,865	1,231	1,434	3,465	**770**	**1,515**
Cash flows from financing activities	(4,673)	(2,659)	(1,676)	(500)	(1,910)	(500)	(1,818)	(500)	**(1,911)**	**(502)**
Increase (decrease) in borrowings	(3,358)	(2,658)	(547)	(500)	(500)	(500)	(500)	(500)	**(500)**	**(500)**
Dividends paid	(1,315)	0	(1,128)	0	(1,410)	0	(1,317)	0	**(1,411)**	**0**
Cash and cash equivalents at end of period	33,466	31,939	29,757	32,029	32,983	33,713	33,332	36,296	**35,156**	**36,172**

FY3/25 Outlook (YoY Comparison)

- **The outlook assumes 6.7% sales growth at existing stores in FY3/25.**
- **No change in the FY3/25 plan, including an operating profit to net sales of 10.2% and record-high sales and operating profit.**

(Millions of yen)	FY3/22 Results	FY3/23 Results	FY3/24 Results	FY3/25		
				Full year plan	YoY change	
					Amount	%
Net sales	84,775	93,022	101,401	**109,875**	+8,473	+8.4%
Gross profit	58,175	63,657	69,560	**75,037**	+5,477	+7.9%
Operating profit	6,959	7,981	10,286	**11,196**	+909	+8.8%
Operating profit to net sales	8.2%	8.6%	10.1%	**10.2%**	+0.1pt	-
Ordinary profit	13,024	9,140	10,496	**11,373**	+876	+8.4%
Ordinary profit to net sales	15.4%	9.8%	10.4%	**10.4%**	0.0pt	-
Profit attributable to owners of parent	8,807	6,213	7,911	**7,970**	+58	+0.7%
Profit to net sales	10.4%	6.7%	7.8%	**7.3%**	-0.5pt	-
Net income per share*	156.33 yen	110.16 yen	140.15 yen	**141.16 yen**	+1.01 yen	-

* There was a stock split of 1-to-3 on October 1, 2024. Net income per share in prior years has been adjusted to reflect this stock split.

FY3/25 Outlook (half-year comparison)

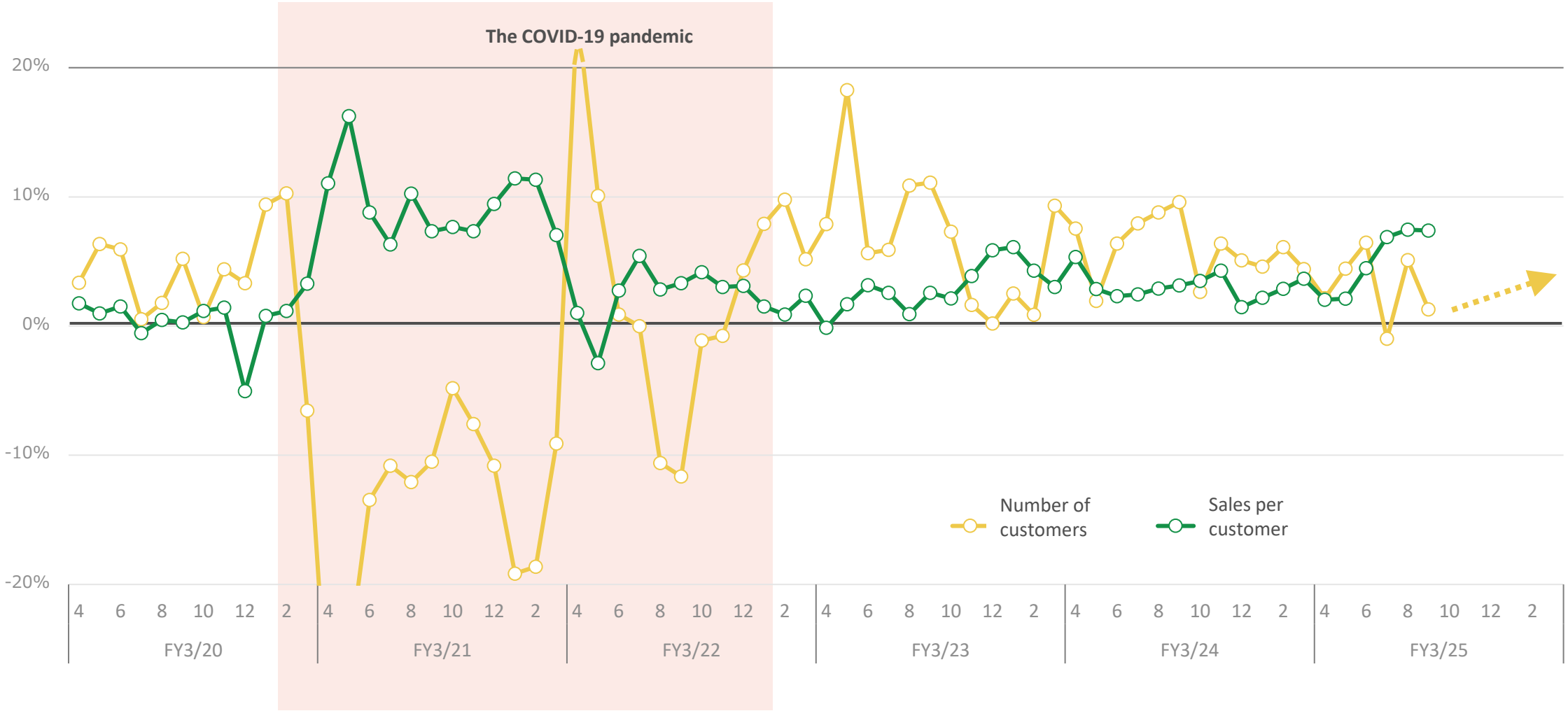
– **The higher cost of food ingredients and other items is expected to be offset by price revisions and the contribution to sales and earnings of the Take-out Mobile Order system that started in August 2024.**

(Millions of yen)	FY3/23		FY3/24		FY3/25			
	1H	2H	1H	2H	1H	2H forecast	Vs. 1H Amount	Vs. 1H %
Net sales	45,136	47,886	49,744	51,656	53,879	**55,996**	+2,117	+3.9%
Gross profit	30,968	32,689	33,913	35,646	36,953	**38,084**	+1,131	+3.1%
Operating profit	3,820	4,160	4,988	5,297	5,247	**5,949**	+702	+13.4%
Operating profit to net sales	8.5%	8.7%	10.0%	10.3%	9.7%	**10.6%**	+0.9pt	-
Ordinary profit	4,856	4,283	5,122	5,374	5,469	**5,904**	+435	+8.0%
Ordinary profit to net sales	10.8%	8.9%	10.3%	10.4%	10.2%	**10.5%**	+0.3pt	-
Profit attributable to owners of parent	3,072	3,140	3,896	4,014	3,645	**4,325**	+680	+18.7%
Profit to net sales	6.8%	6.6%	7.8%	7.8%	6.8%	**7.7%**	+0.9pt	-
Net income per share*	54.5 yen	55.66 yen	69.05 yen	71.11 yen	64.55 yen	**76.61 yen**	+12.06 yen	-

* There was a stock split of 1-to-3 on October 1, 2024. Net income per share in prior years has been adjusted to reflect this stock split.

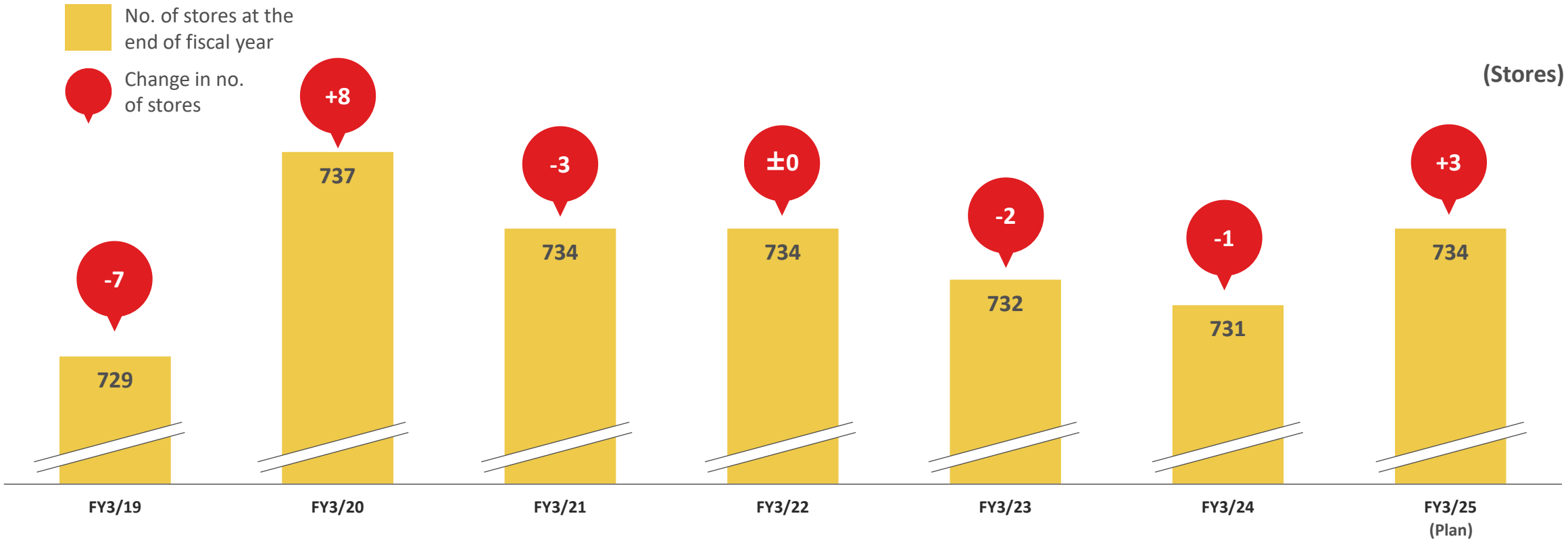
FY3/25 Visits to all directly operated stores

– **Forecast a continuation of the increase in the number of customers in the second half and high sales per customer.**



FY3/25 Plan for opening and closing restaurants

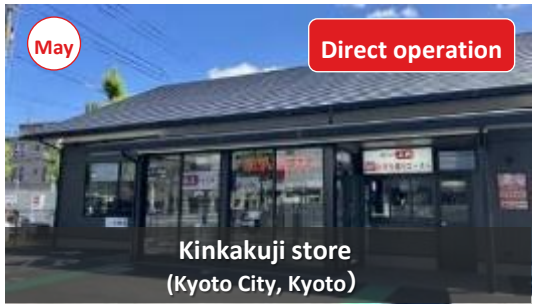
- **Plan to open 10 locations and close 7 during FY3/25**
- **During the first half 5 stores opened and 8 closed. Store openings may be below the FY3/25 plan. Continuing a store opening and closing plan with the goal of a net increase of 3 locations to 734: 550 directly operated locations (up 5) and 184 franchised locations (down 2).**



New restaurants in the first half

- Opened 5 locations, renovated 2 locations
- Number of restaurants was 728 at the end of September 2024

New locations
5 stores



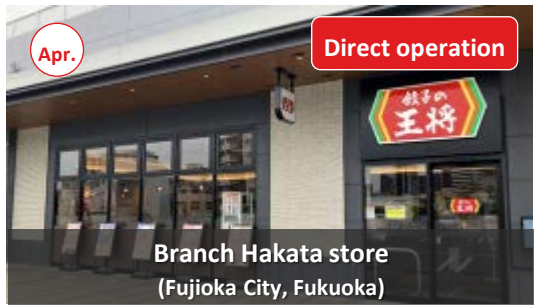








Renovation
2 stores



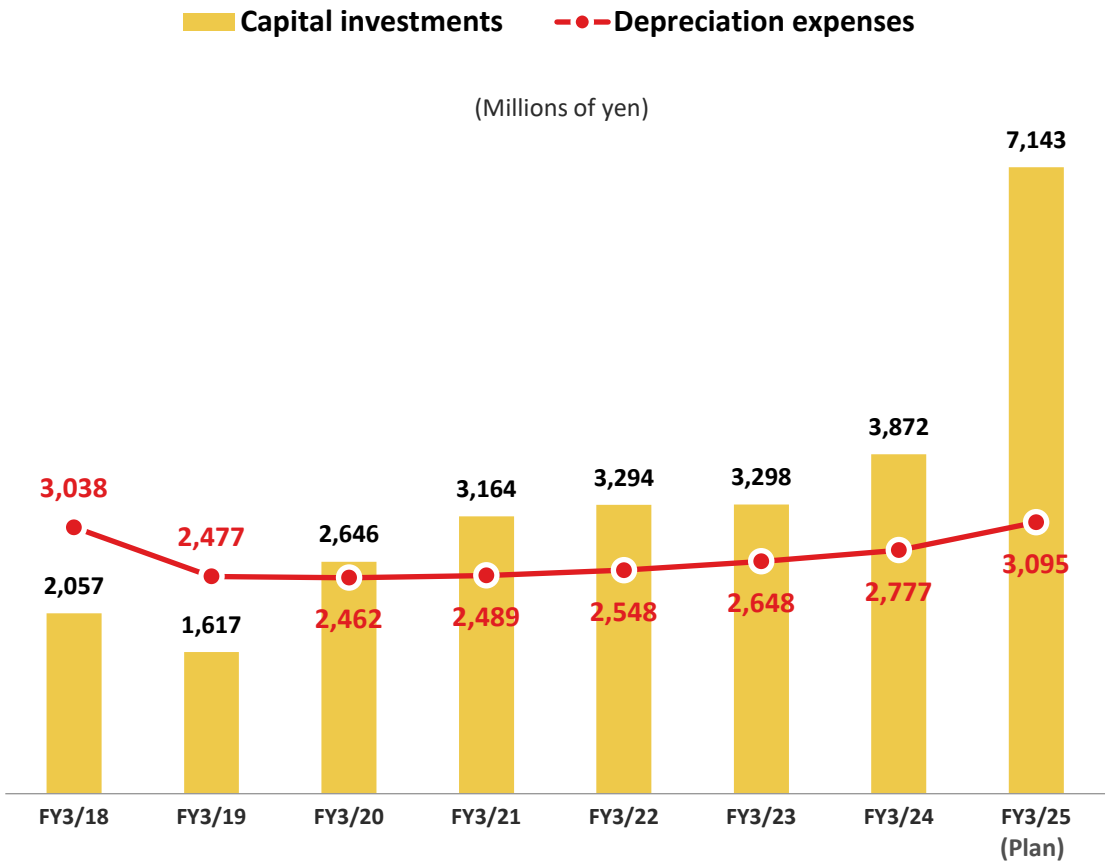


Capital expenditures and depreciation

- Planning on substantial investments in FY3/25 with capital expenditures of ¥7,100 million, an increase of ¥3,300 million from FY3/24. Focusing on central kitchen investments, including expenditures to increase productivity at the Kumiyama Plant.
- Planning on a large volume of expenditures for new stores and renovating existing ones.

Capital expenditures

(Millions of yen)	FY3/24 Results	FY3/25 Plan
Opening of new stores	957	1,711
Renovation of existing stores	2,375	2,778
Central kitchens	476	1,903
Others	64	749
Total	3,872	7,143



Stock split and more shareholder benefits

- **There was a three-for-one stock split to make Ohsho stock more accessible to investors and attract an even broader range of shareholders**
- **Revised the shareholder benefit program to increase benefits**

Revisions to dividend forecast

(Yen)

	Dividend per share		
	Interim	Year-end	Annual
FY3/25 Previous forecast (announced on May 15, 2024)	**75**	**75**	**150**
FY3/25 Forecast	**75**	**25**	-
(Before the stock split)	**(75)**	**(75)**	**(150)**
FY3/24 Results	**70**	**75**	**145**

Note: The interim dividend per share with the record date of September 30, 2024 is based on the number of shares before the stock split.
"Notice of Stock Split, Revisions to Dividend Forecasts, and Changes in Shareholder Benefit Program" announced on May 23, 2024

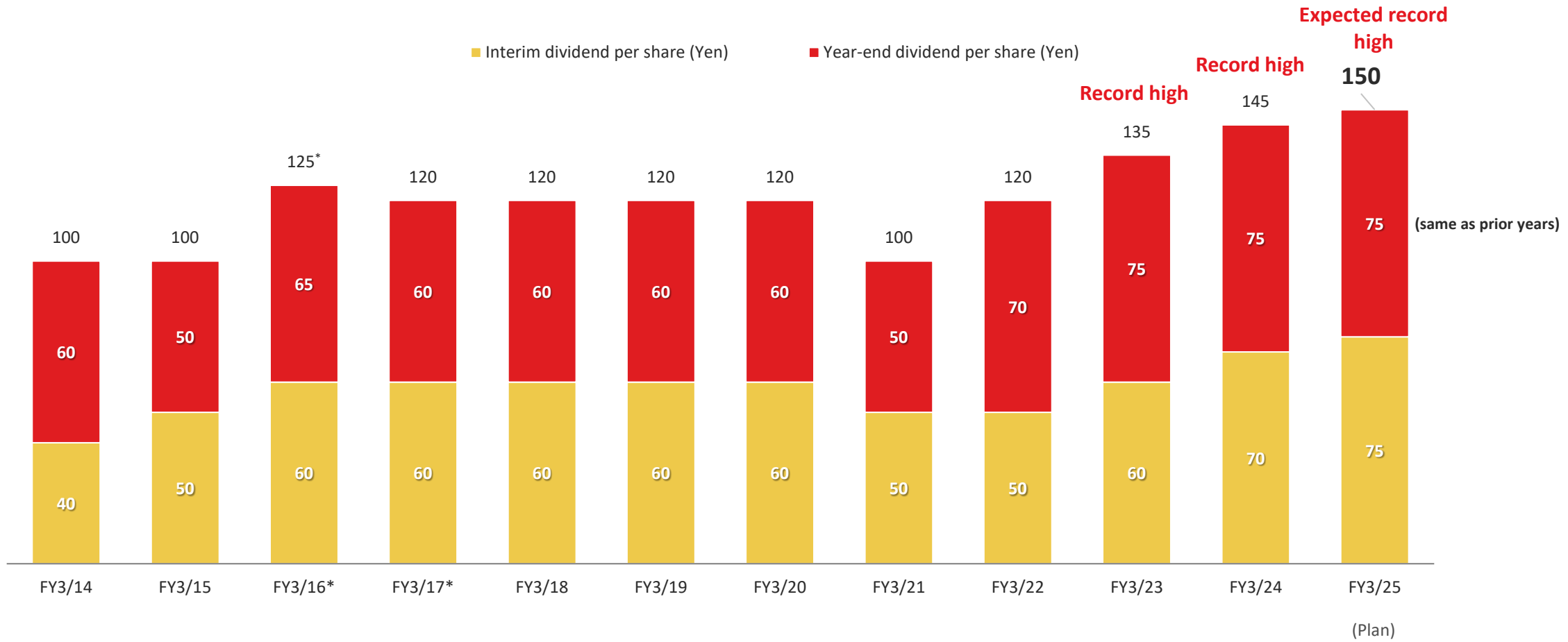
Changes in shareholder benefit program

Current		After change	
Number of shares held	Shareholder gift card	**Number of shares held**	**Shareholder gift card**
100 or more	¥2,000 (¥4,000/fiscal year)	**100 or more**	**¥2,000** (¥4,000/fiscal year)
200 or more	¥3,000 (¥6,000/fiscal year)	**300 or more**	**¥3,000** (¥6,000/fiscal year)
500 or more	¥6,000 (¥12,000/fiscal year)	**500 or more**	**¥4,000** (¥8,000/fiscal year)
1,000 or more	¥12,000 (¥24,000/fiscal year)	**1,000 or more**	**¥6,500** (¥13,000/fiscal year)
-	-	**2,000 or more**	**¥12,500** (¥25,000/fiscal year)
-	-	**4,000 or more**	**¥17,500** (¥35,000/fiscal year)
100 or more (only end of March)	One shareholder gift card	**No change**	

Note: As a one-time bonus for shareholders, Ohsho Food will give shareholders of record holding at least 100 shares at the end of September 2024 gift cards corresponding to three times the number of shares held on that date based on the revised benefit program.

Shareholder returns

- **Plan to pay ¥75 per share for the interim dividend and ¥75 for the year-end dividend (same as prior years), which will result in ¥150 for FY3/25 annual dividend.**
- **Record high dividend is expected for the third consecutive year.**



*Figures for FY3/16 include commemorative dividend of ¥5.

*FY3/16 and FY3/17 are non-consolidated basis

1H FY3/25 Major Activities

More Delicious Gyoza no Ohsho



More than just garlic!
Skillful use of ginger
makes gyoza even better

Prices were revised on June 21 (1)

- Price revisions were made only for some menu items due to the sharply higher cost of ingredients, labor costs and logistics costs.
- Price revisions raised sales 3.2% in the first half of FY3/25.

Prices of some menu items were revised on June 21

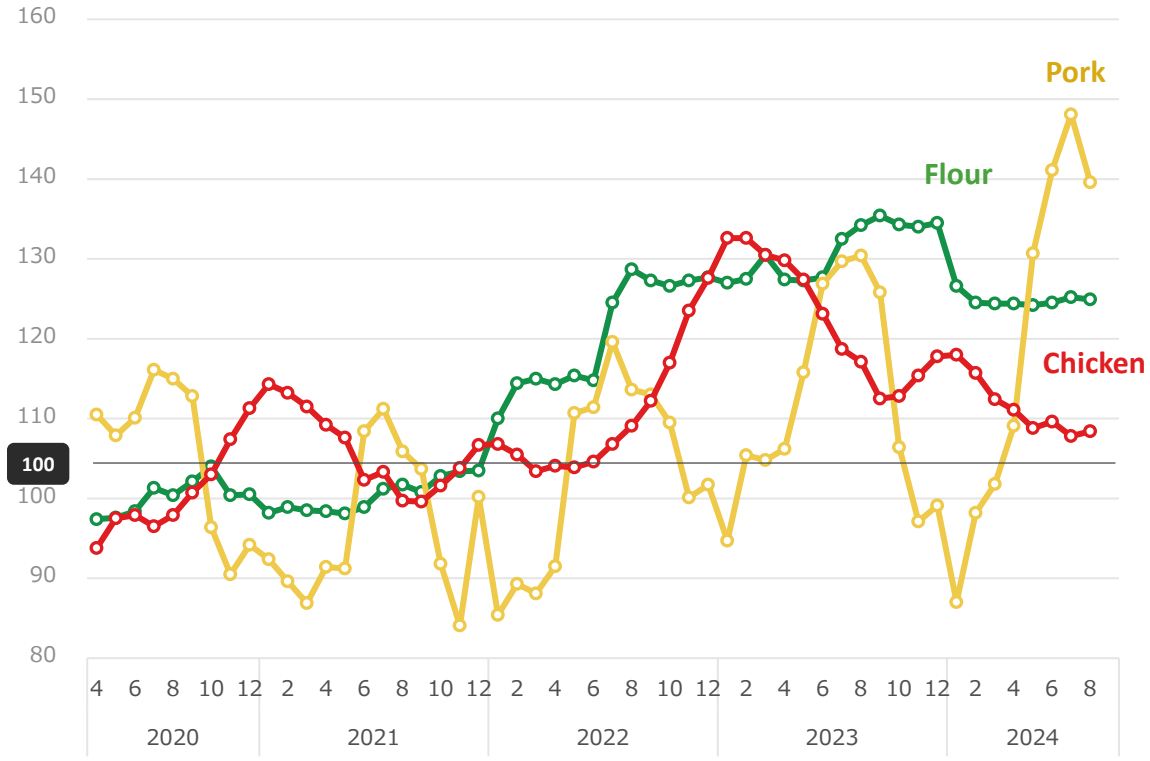


13 Grand Menu items

Prices increased by ¥20 to ¥110 (before tax)

Wholesale Price Index for Selected Ingredients in Japan

The cost of ingredients is continuing to climb.



(Source) Bank of Japan

Prices were revised on June 21 (2)

- **Revisions to menu items to give customers even better flavors**
- **Ads with clearly explained recipe improvements generated much interest; favorable response to price revisions on SNS and internet news**

Examples of menu revisions



Gyoza

Modified the method for preparing ginger to create gyoza with flavors having more clarity. The ideal balance between garlic and ginger.



Chahan

Improved the rice frying method. Using kogashi green onion oil and adding white onions further enhances the taste of chahan.



Gyoza-no-Ohsho ramen

A half-cooked egg and seaweed are added. Carefully cooked with lard and garlic for rich flavors.



Sauteed Pork Liver & Garlic Chives

Improved the preparation of liver for a smooth and soft texture. Increased the amount of garlic and ginger for a much better aroma.

Notice of Price Revisions

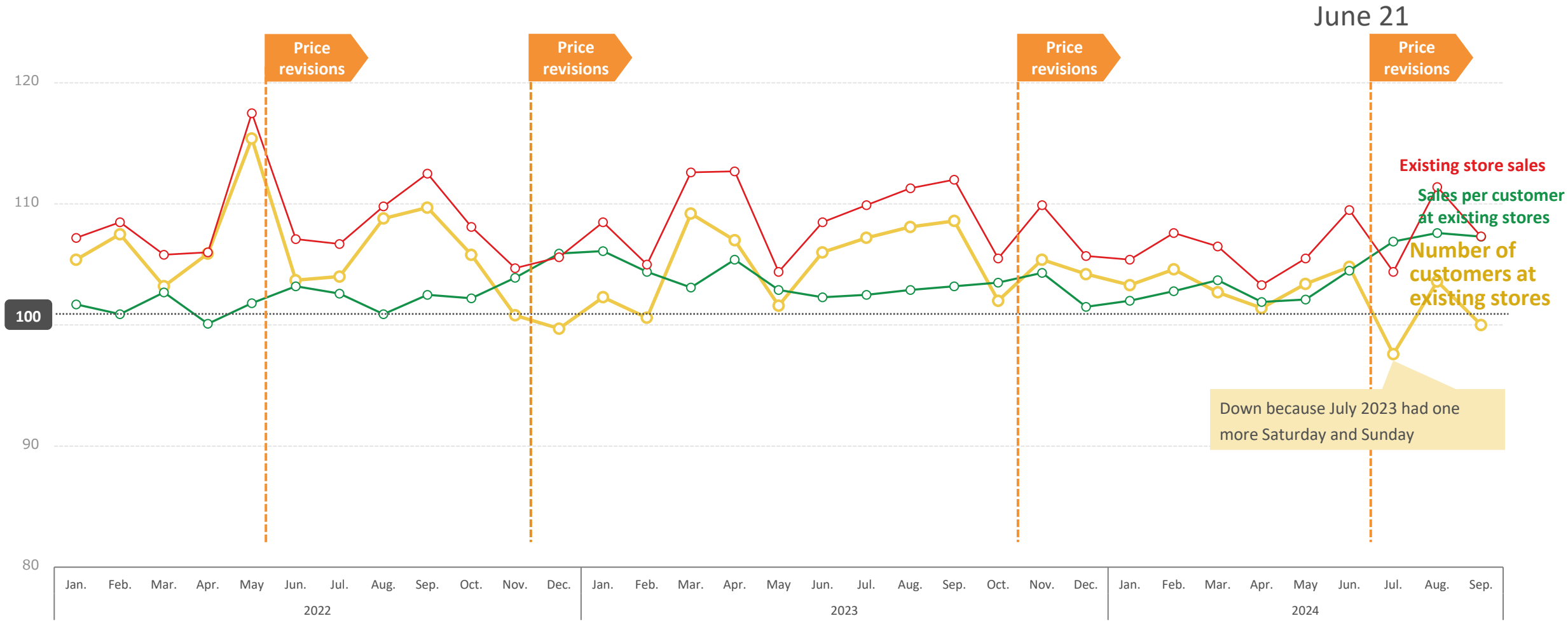
＜価格改定表＞

商品名		西日本 現行 税込	西日本 現行 税抜	西日本 改定 税込	西日本 改定 税抜	東日本 現行 税込	東日本 現行 税抜	東日本 改定 税込	東日本 改定 税抜	商品の改良点
餃子	通常	297	270	**319**	**290**	319	290	**341**	**310**	生姜の調理方法を改良し、よりクリアな風味が味わえる餃子になりました。ニンニクと生姜をベストバランスに。
	にんにく ゼロ生姜	297	270	**319**	**290**	319	290	**341**	**310**	
	にんにく 激増し	341	310	**363**	**330**	341	310	**363**	**330**	
炒飯		517	470	**572**	**520**	572	520	**627**	**570**	炊飯工程を改良。焦がしネギ油を使用し、白ネギを足す事で、香味が格段にアップ。
天津飯		572	520	**627**	**570**	616	560	**671**	**610**	炊飯工程と餡のレシピを改良。香味油が奥行きを与え、よりなめらかな味わいに。
天津炒飯		693	630	**748**	**680**	693	630	**748**	**680**	香味が格段にアップした炒飯となめらかになった餡。ダブルで美味しさアップ。
中華飯		561	510	**616**	**560**	605	550	**660**	**600**	白菜、青梗菜など主要食材を増量。香味野菜を隠し味にした華やかでボリューミーな逸品に。
餃子の王将ラーメン		627	570	**748**	**680**	649	590	**748**	**680**	半熟煮卵と海苔を追加。背脂とニンニクを丁寧に煮込み、リッチで深みのある味わいに。
焼そば	醤油	506	460	**561**	**510**	550	500	**605**	**550**	野菜はよりシャキシャキに仕上がるよう調理工程を改良。自家製麺の焼き時間を見直し、香ばしさがさらに際立ちました。
	ソース	550	500	**605**	**550**	550	500	**605**	**550**	

Customers responded positively to ads with info about price revisions and accompanying upgrades to menu items

Prices were revised on June 21 (3) Customers at existing stores remained higher YoY after the revisions

- Many activities to upgrade the quality of food, services and restaurant cleanliness
- QSC improvements resulted in a continuation of YoY growth in customer numbers at existing restaurants even after the price revisions.



Constantly increasing the “power of delicious meals”

– Hands-on training and online cooking lesson mainly for the 13 menu items with upgraded recipes in the first half

– Started a new initiative for even higher quality meals: More Delicious Gyoza no Ohsho, Challenge 2024

First step: Pursuit of more delicious Gyoza

Culinary skills



Hands-on training

Students in 1H FY3/25
659



Online cooking lesson

Students in 1H FY3/25
12,241

Cooking knowledge training



Cooking knowledge training program

Students in 1H FY3/25
3,002

Challenge 2024



First step

Pursuit of more delicious Gyoza

→ The Ohsho standard at restaurants

→ Culinary training centered on the 13 items with upgraded recipes

→ Rigorous basic training

→ Upgrade of knowledge

→ Ability to use knowledge

→ New ways of cooking at restaurants due to upgraded recipes

→ **Even better flavors**

New training programs for even better Ohsho hospitality

- Customer service training programs using external instructors for an even higher level of hospitality at restaurants
- Planning on a training program to create a team of customer service trainers

Issues identified by some restaurant managers and employees



- Some managers need to improve customer service skills
- Some improvements may not be possible for some people
- Staffing shortages sometimes limit hospitality capabilities
- Some high-school part-timers have poor communication skills

Hospitality Training

- Throw away assumptions and end reliance on standard guidelines
- Examples of sincere services not based on standard guidelines
- Methods for using creative thinking
- Creating a culture and store environment based on compliments

The goals of Ohsho

- Delicious food
- A happy and energetic staff
- Outstanding customer service
- Restaurants people want to visit again and again





Many sales activities by using a variety of campaigns

- **Promoted campaigns that help create loyal customers for the Gyoza Club**
- **In May and June, “Appreciation campaign” was held to commemorate the achievement of annual sales of ¥100 billion.**





	2024					
Major campaigns in 1H FY3/25	Apr.	May	Jun.	Jul.	Aug.	Sep.
Gyoza Club customer appreciation campaign for 2024	Jan. 15 - Jun.9					
Gyoza Club customer appreciation campaign for 2025			Jun. 28 - Dec. 15			
Gyoza Club “Double stamp campaign”	Apr. 16 - Apr. 30	May 16 - May 31				Sep. 16 - Sep. 30
Stamp campaign for uncooked gyoza					Aug. 1 – Nov. 30	
Draft beer discount campaign (discount/discount coupons)	Apr. 1 - Apr. 30 ¥30 discount	May 1 - May 15 ¥100 discount coupon	Jun. 1 – Jun. 30 ¥100 discount after the second glass of beer	Jul. 1 – Jul. 31 ¥30 discount	Aug. 1 - Aug. 15 ¥100 discount coupon	Sep. 1 – Sep. 30 ¥100 discount after the second glass of beer
Appreciation campaign for annual sales surpassing ¥100 billion		May 1 - May 6 Double stamp	Jun. 13 and 14 ¥250 discount coupon gift			

New added value by offering food and beverage packages

- About 10% of customers order beer with their meals.
- In the summer of 2024, restaurants started selling non-alcoholic beverages that match the popularity in Japan of “smart drinking.” Beverages are a perfect match with Chinese cuisine.
- Discount coupon gift campaign in September; this new source of added value is expected to raise sales per customer and total sales.

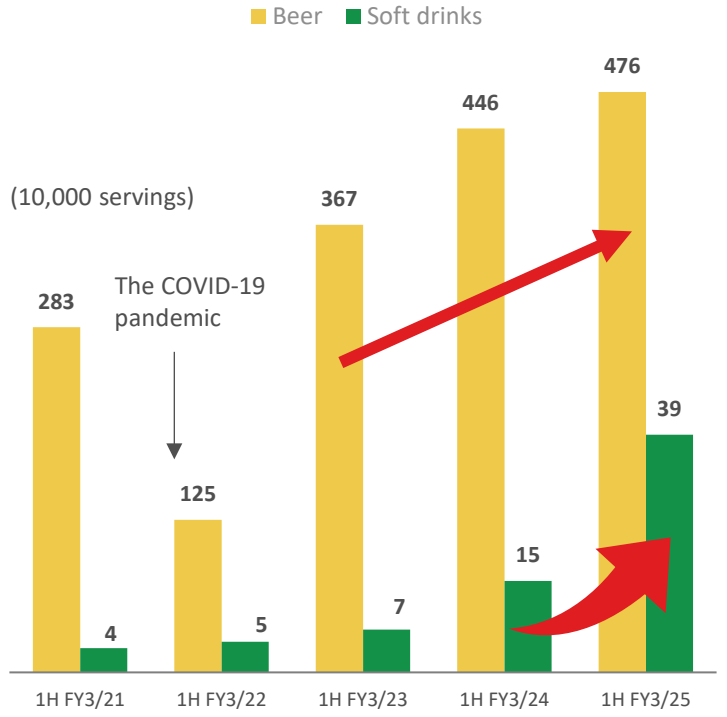
More beverages that are perfect match with Chinese cuisine







Number of beverages served (All directly operated stores)



More Ohsho fans
Record number of Gyoza Club members

- **The number of card users during Gyoza Club customer appreciation campaign for 2024 was an all-time high 1.244 million.**
- **Big increases from FY3/24 in both the 5% and 7% Gyoza Club cards**
- **13.7% increase in loyal customers from FY3/24**

Number of Gyoza Club Cards Users (10 thousand)

5% membership card: Received after accumulating 25 stamps

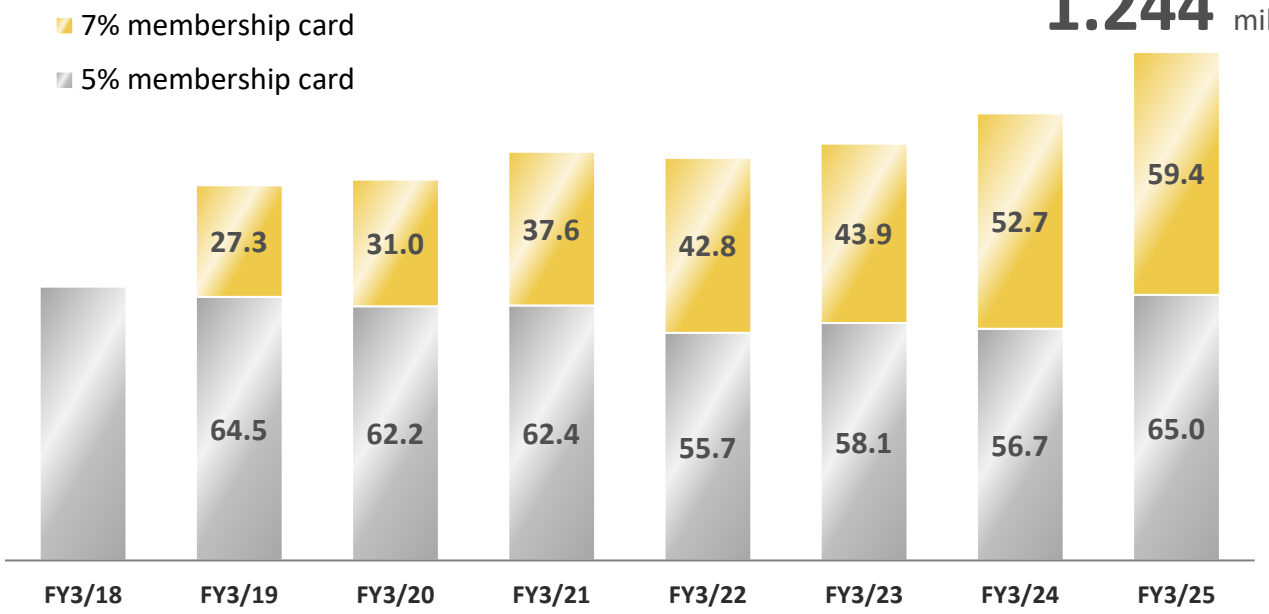
7% membership card: Given to 5% card holders who accumulate an additional 25 stamps





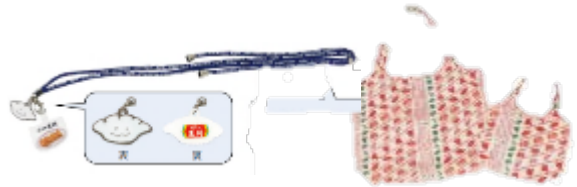
Record high

1.244 million



2025 Ohsho products

Products for 35 points



Smartphone shoulder strap

Large/small eco-friendly shopping bags

Products for 50 points



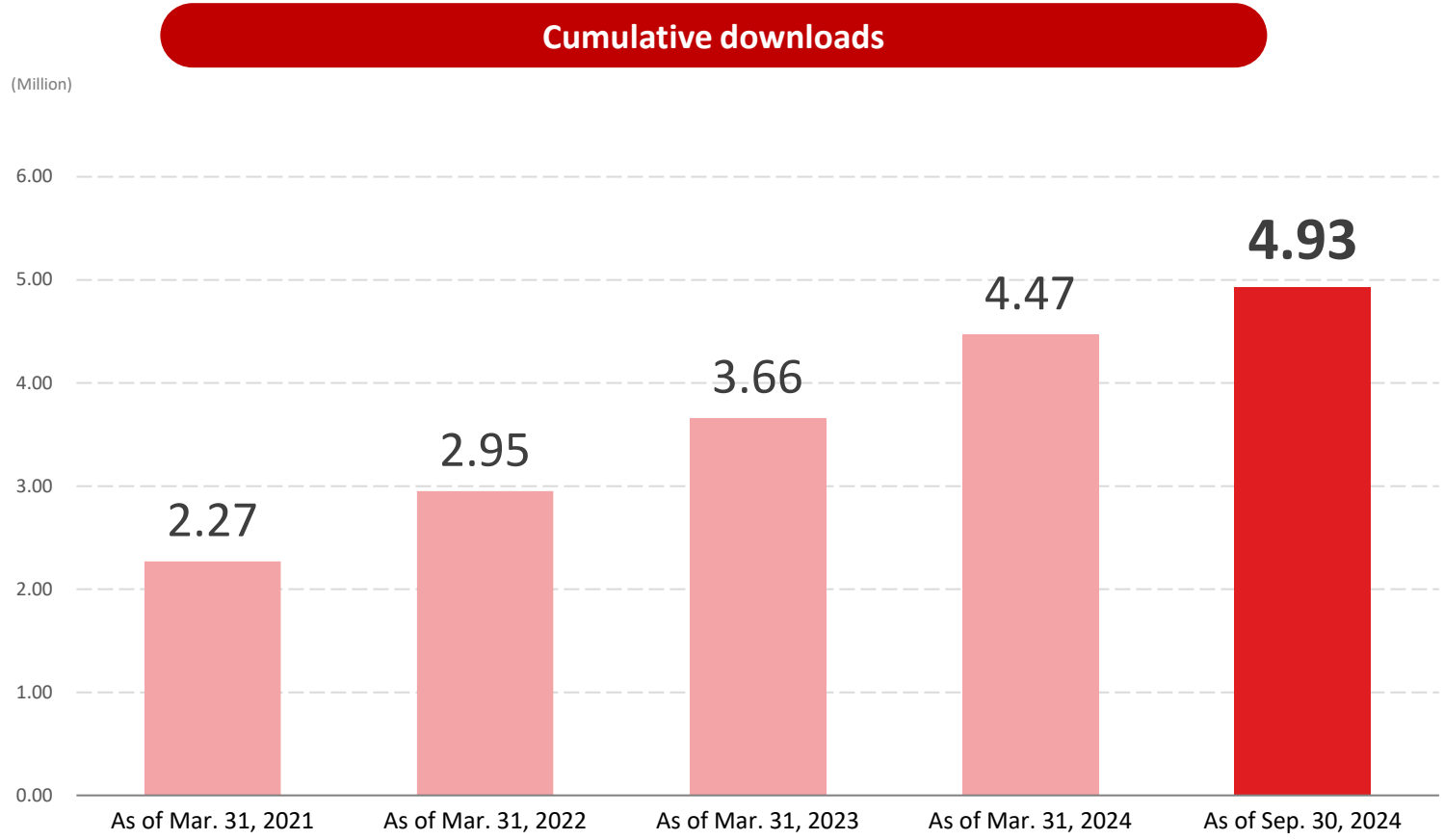
Stainless thermos bottle

Ramen bowl

Sales activities using the Ohsho app

- The app functions as a Gyoza Club card, distributes coupons and has other benefits for bringing people to restaurants more often.
- All directly operated stores allow customers to use smartphones for Take-out Mobile Orders, including making payments (August 2024), as another step for targeting the demand for takeout meals.

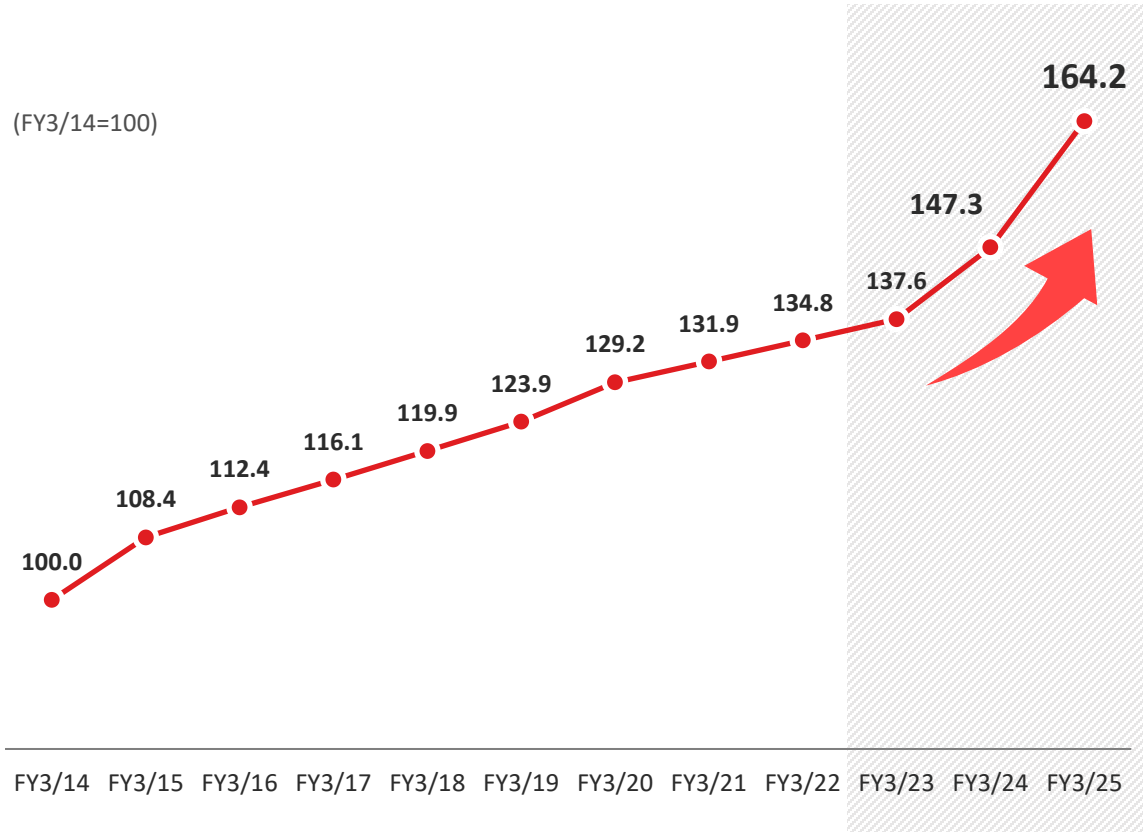




Maintaining a strong workforce due to big investments in human resources

- In March, the largest monthly salary increase ever (avg. of ¥39,162, up 11.5%) raised salaries to more than 60% of the 2013 levels.
- Starting salary for new graduates up ¥52,000 to ¥278,500, one of the highest in the restaurant industry. New graduate job applicants are higher than the target.

Wage increases



Investments in human resources from FY3/23

FY	Month	Results		
3/23	Apr.	Pandemic assistance payments	¥190 million	
	Jul.	Special supplements	¥70 million	Addition of 8.5%, a record high
	Dec.	Lifestyle support payments	¥80 million	Addition of 10.0%, a record high
	Mar.	**Increase of monthly salary**	**¥22,000**	**Wages up 7.0%, a record high**
3/24	Apr.	Year-end closing bonus	About ¥300 million	
	Jul.	Special supplements	¥70 million	Addition of 8.5%
	Dec.	Additional/Special supplements	¥220 million	Addition of more than 20.0% in total, a record high
	Mar.	**Increase of monthly salary**	**¥39,162**	**Wages up 11.5%, a record high**
		Salary for new university graduates	**¥52,000**	**Increase**
3/25	Apr.	Year-end closing bonus	About ¥500 million	A record high*
	Jul.	Additional bonus	¥120 million	Addition of 13.0%, a record high

*Includes Dec. 2023 special supplements of about ¥120 million (payment in advance of fiscal year-end closing bonus).

More Capital Expenditures for Central Kitchens

- **Increased capital expenditures at the Kumiyama Plant to install a noodle production line using the latest technology.**
- **Well-balanced expenditures for human resources and equipment to make restaurants even more profitable**

Kumiyama Plant

New noodle production equipment



The updated noodle line raises quality and output capacity.



Sapporo Plant

Higashimatsuyama Plant

This plant has sufficient production capacity to supply an even larger number of restaurants in the Tokyo area.



Kyushu Plant

Donations of food to help children

- **Ohsho restaurants nationwide donate “Bento for Kids” to children at daycare and other child care facilities.**
- **About 70,000 meals were donated during the spring vacation in 2024 and about 110,000 meals were donated during the summer vacation.**



Date			No. of facilities	No. of meals
2022	Spring break	March 28 - April 7	682	50,000
	Summer break	August 1-31 (Excluding the Bon holiday period)	1,153	95,000
	Winter break	December 26 - January 16, 2023 (Excluding year-end and new-year holidays)	1,161	88,000
2023	Spring break	March 27 - April 7	981	69,000
	Summer break	August 2 - 31 (Excluding the Bon holiday period)	1,295	101,000
	Winter break	December 26 - January 14, 2024 (Excluding year-end and new-year holidays)	1,154	81,000
2024	Spring break	March 26 - April 6	1,022	74,000
	Summer break	August 2 - 30 (Excluding the Bon holiday period)	1,300	112,000
Total of 10 meal distributions, starting in summer 2021			**9,853**	**768,000**

Bento for Kids for 2024 summer break

- Two gyoza
- Two pieces of fried chicken fillet
- Two sausages
- One serving of rice
- A can of Calpis Water® (160g)*



*The free meal program includes the support of Asahi Soft Drinks Co., Ltd.

Using children's meals (bento) and outstanding restaurant employees to increase the number of Ohsho fans

- **Children and members of groups have sent many messages of appreciation. "Ohsho's gyoza is the best!"**
- **Messages from happy customers further motivate the people at our restaurants. This supports a culture of participation by everyone for a steady increase in the breadth of people who are Ohsho fans.**

Messages from children and members of groups



Thank you for the excellent service. As a Gyoza-no-Ohsho fan, I will continue to recommend Ohsho to people who don't know how good your restaurants are. I will see you again.

The people at restaurants always help me with what I'm carrying and really care about me even though they are very busy. In addition to serving food, they are always very kind.

I dropped something while carrying the food to my car. The restaurant manager asked me to wait because they would prepare the item again. I appreciate this thoughtfulness very much.

I am certain that the children are aware of your friendly service. Giving them exposure to excellent service as they grow up will be valuable for them in their future activities. Your restaurants are satisfying for our stomachs as well as for our hearts.

The children know about Ohsho and are very happy to come here. If you had not started "Kodomo Shokudo" or Children's Cafeteria, I would never have known about all the good things that Ohsho is doing. These events are a good way to show that there are ties among many types of people and activities for people to help each other. Everyone loves Ohsho.

Growth Strategy for FY3/25 and Beyond

- Goals with a long-term perspective -



Faster growth by renovating restaurants and opening new ones

– Existing store sales continue to increase due to constant QSC improvements and upgrades of support provided by headquarters.

– Aiming for faster growth by renovating and relocating existing stores and adding new locations

Existing stores

Investments in human resources

Training programs

Higher remuneration

High-quality food

Meals using high-quality preparation skills

High-quality customer services

Hospitality possible only with direct interaction with employees

Investment in equipment

Central kitchens

High-quality central kitchen food

Highly productive central kitchens supply gyoza and other items with outstanding quality to restaurants

More support from headquarters

Ohsho Academy (Training programs)

Food Preparation Department



Management Department



Separate Sales and FC Sales departments for eastern and western Japan

Development of new menu items

Restaurant opening

Renovations and Relocations

Moving stores to better locations
Kitchen updates to handle take-out and delivery orders

New stores

Starts contributing to growth after one year as an existing store

Relocations raise sales

– **Restaurant relocations have significantly increased sales.**

– **Updating kitchens to handle take-out and delivery orders has increased efficiency and boosted eat-at-home sales by 50%.**

A restaurant in a large building was moved to a commercial facility with parking space.

Yoshizuka-Ekimae



Sales area: 103.14m^2

Number of seats: 28

No parking space

Branch Hakata store

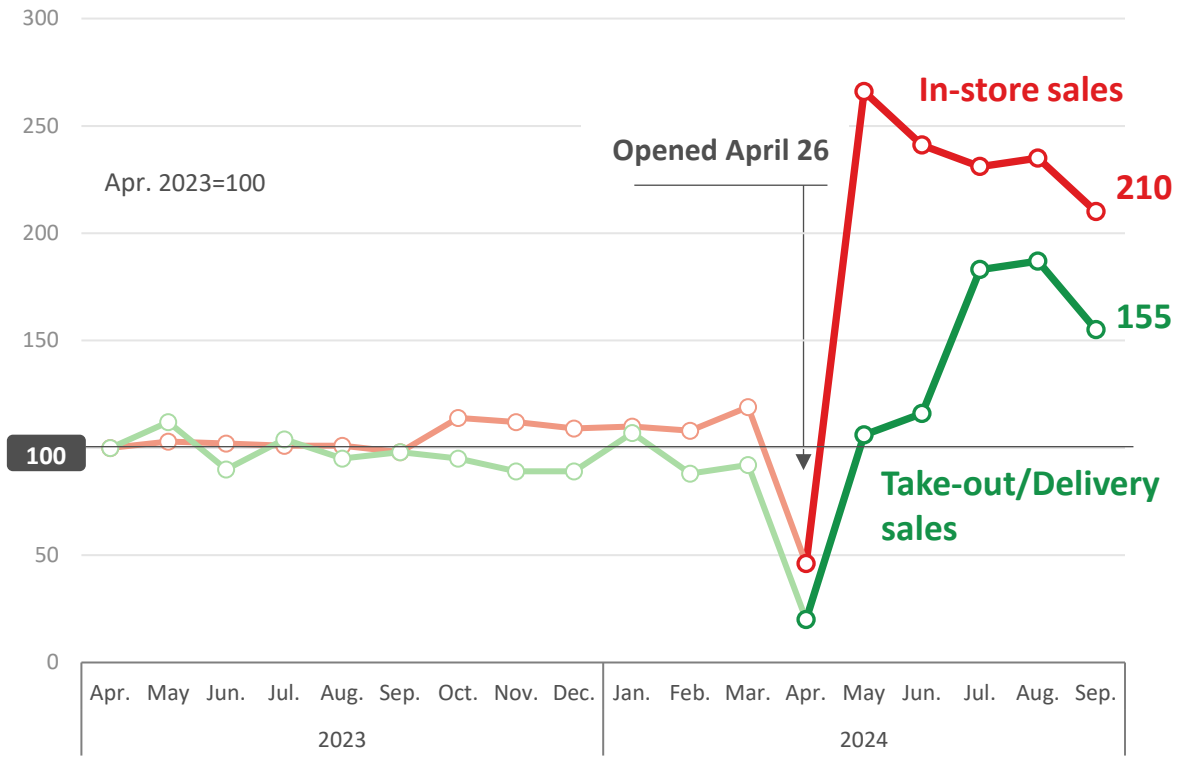


Sales area: 167.93m^2

Number of seats: 42

Shared parking space for 685 vehicles

Sales growth after the relocation

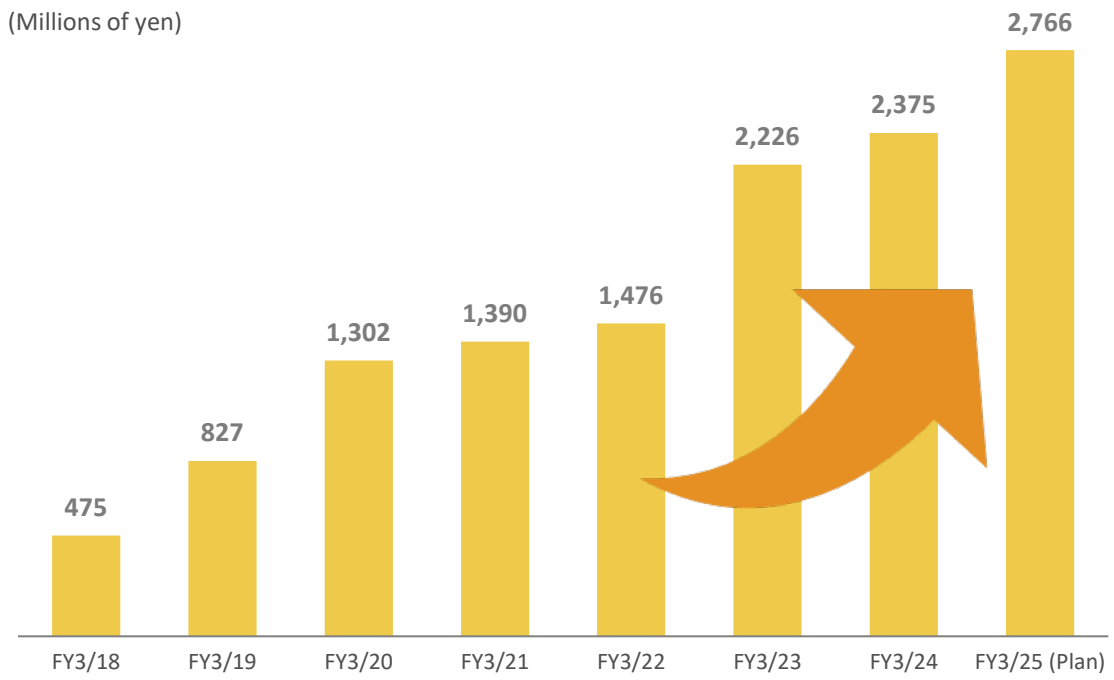


*YoY comparisons of POS data for January-March 2024

Existing store renovation sales growth potential

- **Restaurant renovation expenditures are increasing every year due to growing customer demands about cleanliness.**
- **At some locations, dining area layouts are revised to reflect changes in categories of customers, such as by switching from tatami to table seating. These changes increase capacity utilization.**

Renovation of existing stores





A commitment to cleanliness

Sequential maintenance activities for kitchens and dining areas



New dining area layouts

Revising layouts to reflect changes in customer categories is increasing capacity utilization

Restaurant network expansion strategy

- **In September 2024, Ohsho signed an outsourcing contract with a major real estate services company for the purpose of opening more stores in Tokyo and three neighboring prefectures. This step gives Ohsho an even stronger framework for speeding up store openings in eastern Japan.**
- **Market surveys indicate that there is the potential for more than 300 more stores in the Kanto region.**
- **The East Japan Sales Division* has the goal of using the capacity of the Higashimatsuyama Plant to increase the number of stores in its region to 500.**

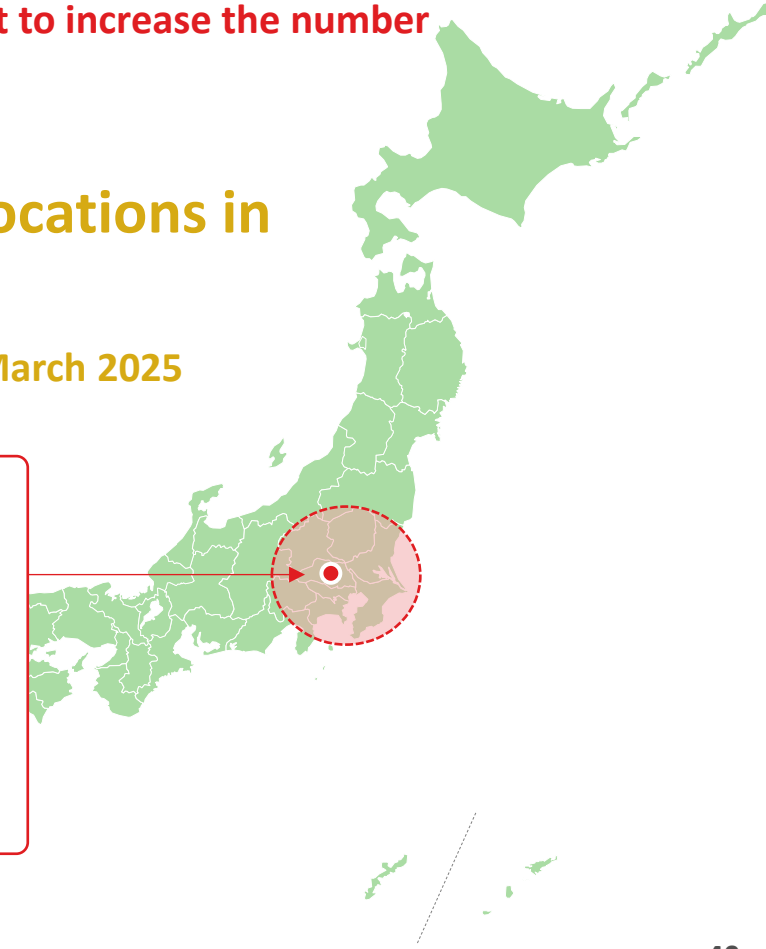
*In October 2024, the Sales Division was divided into separate divisions for eastern and western Japan for a stronger organization able to support more growth in the number of restaurants.

Higashimatsuyama Plant



The goal is 1,000 locations in Japan

Expect 735 by the end of March 2025



Kanto region

Use the Higashimatsuyama Plant's capacity for

Growth to 500 restaurants

220 locations (including franchised stores) at the end of September 2024

Overseas expansion

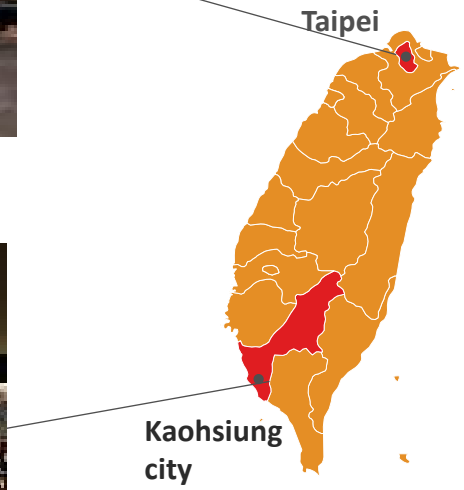
- After the COVID-19 pandemic, sales in Taiwan are increasing due to serving food that matches preferences of local customers and to the popularity of Japanese-style gyoza.
- The Taiwan subsidiary increased its equity in September and is making preparations for more growth, including the opening of a third location.



GYOZA OHSHO at Uni-President Department Store Taipei

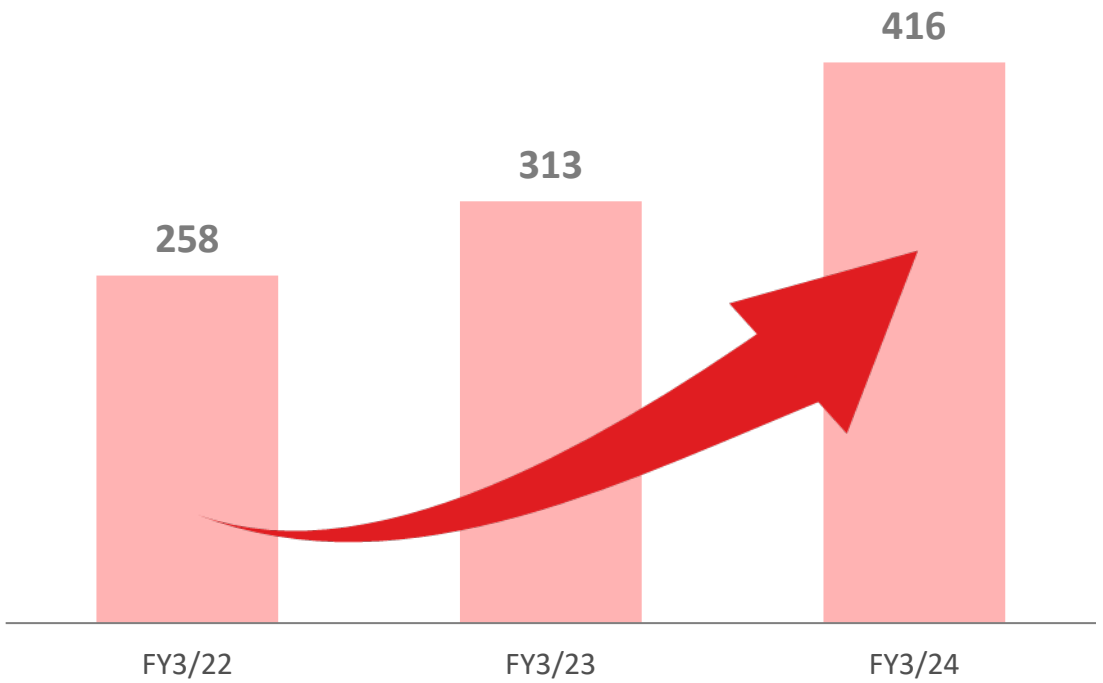


Gyoza no Ohsho Kaohsiung Hanshin Arena Shopping Plaza



Sales in Taiwan (two directly operated stores)

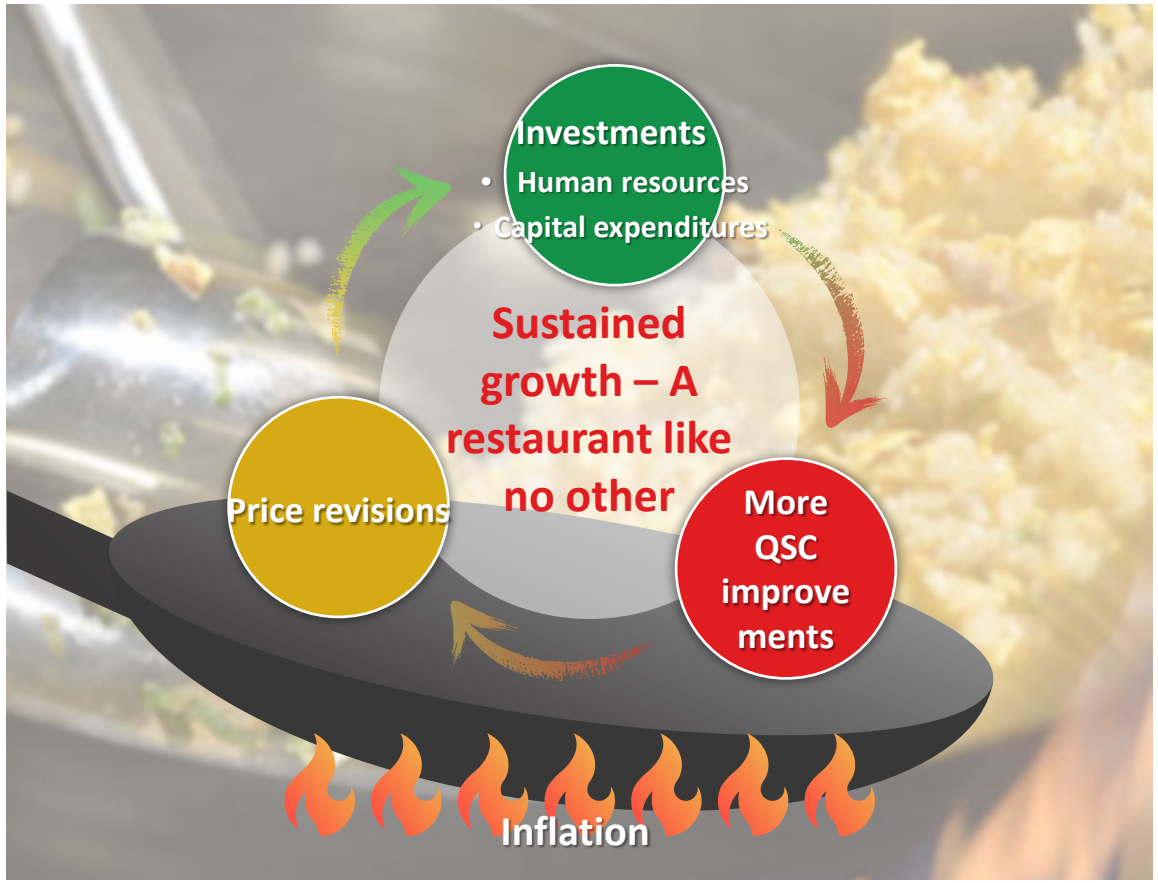
(Millions of yen)

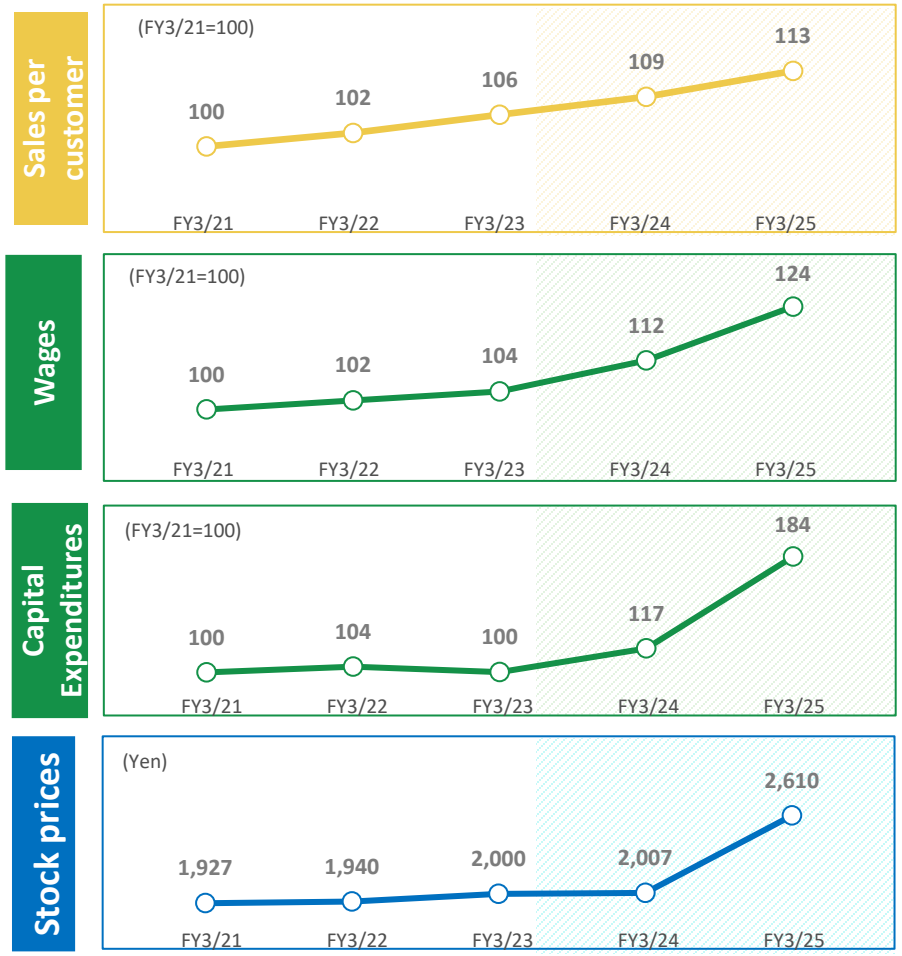


The goal: Consistent growth backed by a virtuous cycle of investments and QSC improvements

- More QSC improvements, price revisions, big investments in people and equipment, more QSC improvements
- The goals are avoiding competition based on low prices and expenses, achieving even higher customer satisfaction, and sustained growth as a restaurant like no other as inflation continues

Even higher QSC in an inflationary environment





*Sales per customer are for directly operated existing stores. For FY3/25, sales per customer are for the first half and capital expenditures are the fiscal year plan. Stock prices are as of the end of March of each fiscal year and the end of September for FY3/25.

The 2024 slogan

餃子の王将
日本を美味しく

Goals with a long-term perspective

Passion is the most powerful driver of progress.

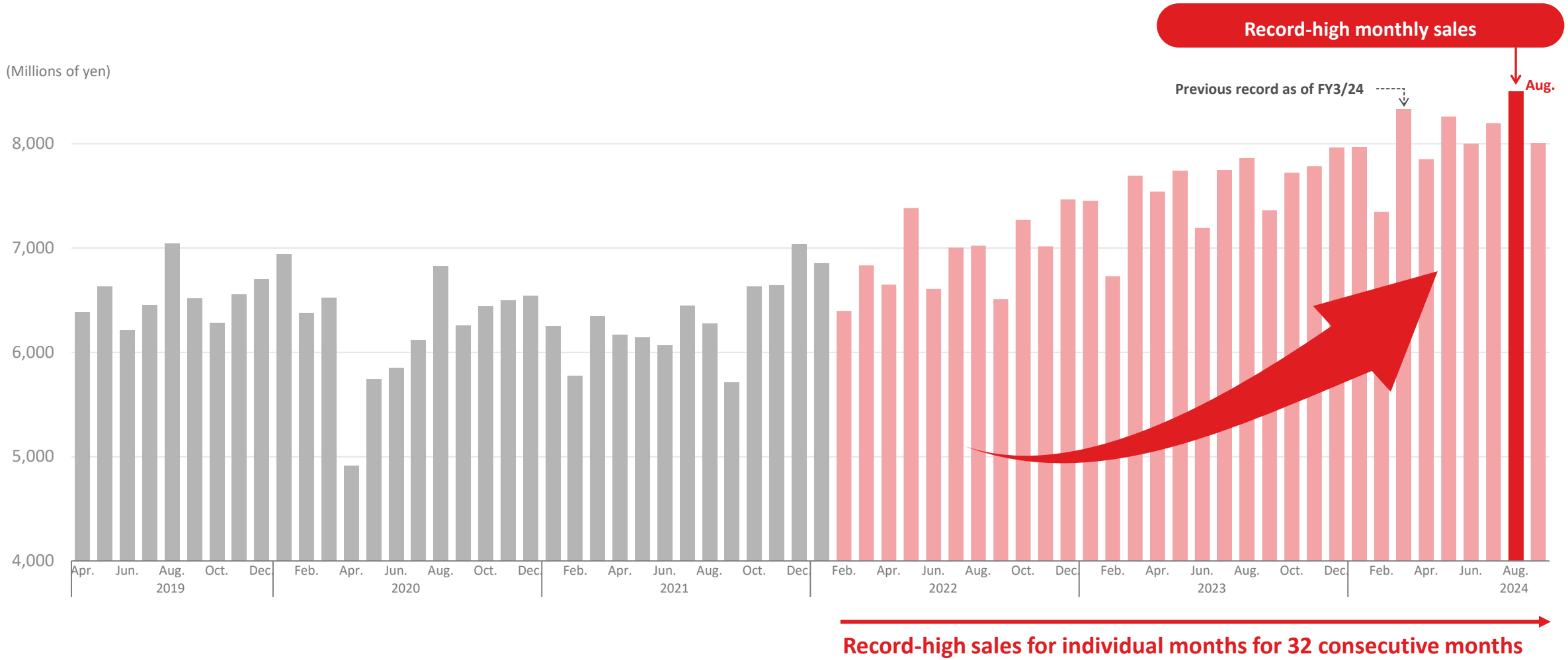
The power of delicious meals will change the future.

Appendix



Record high monthly sales for 32 consecutive months

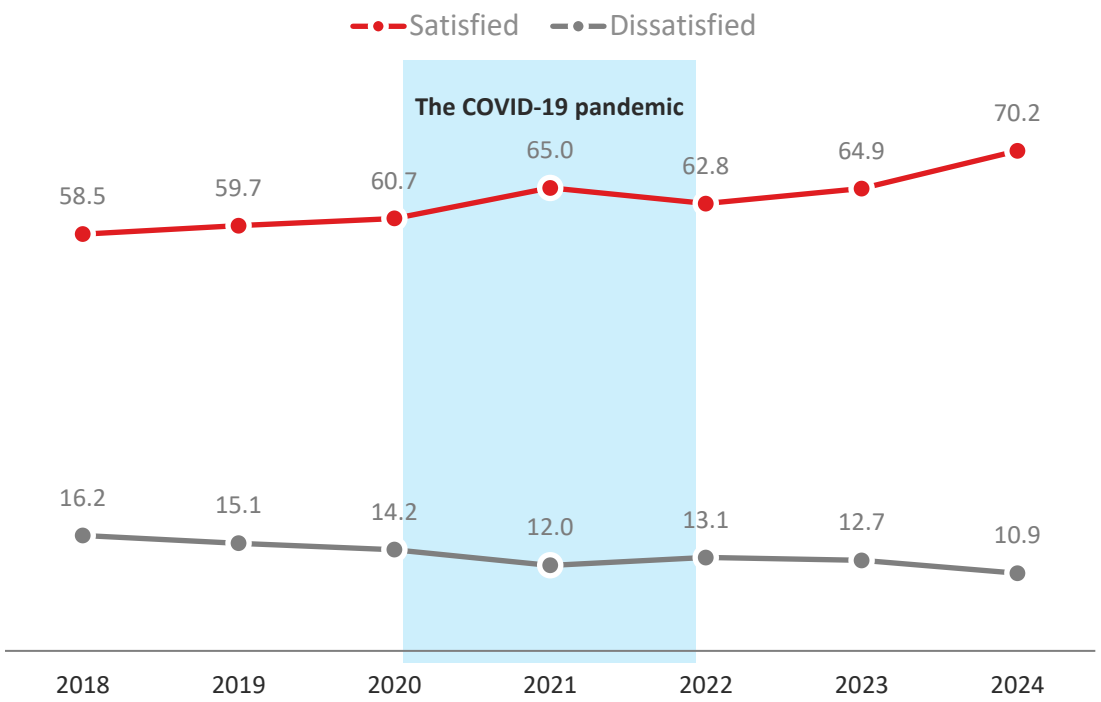
- Monthly sales at all restaurants, including franchised locations, have set a new record for each month for 32 consecutive months.
- Sales in August 2024 set a new record for a single month.



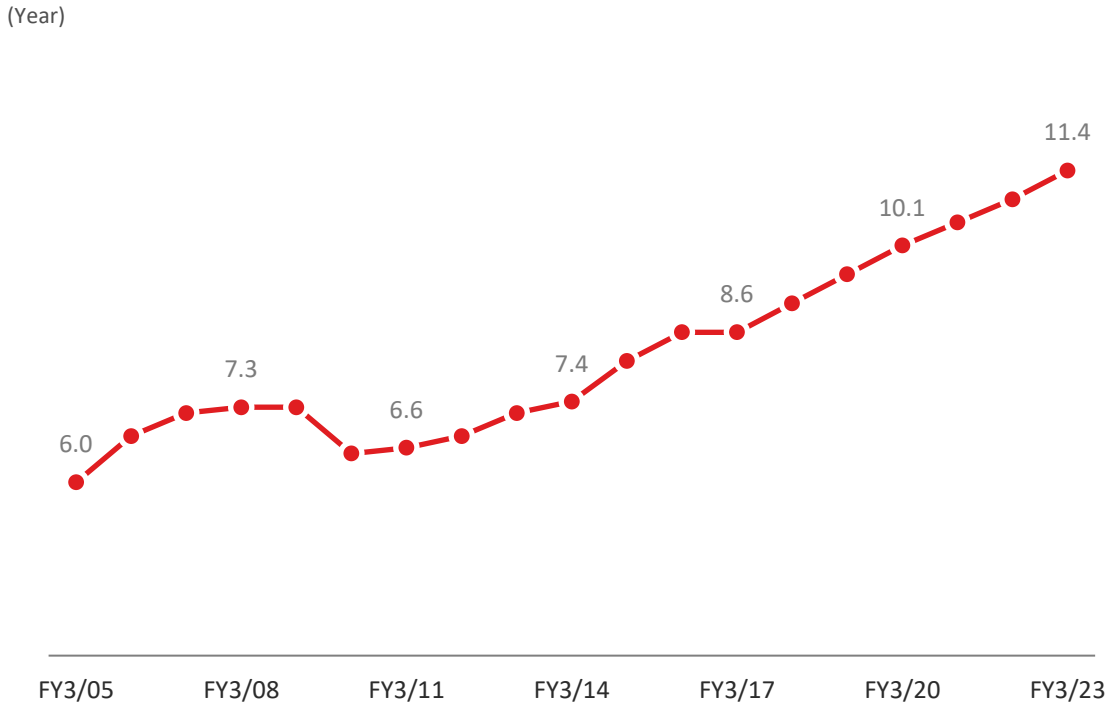
Benefits of big investments in human resources

- **Employee satisfaction is increasing every year and dissatisfaction is declining.**
- **The average length of employment at Ohsho is now about twice as high as in FY3/05.**

Employee satisfaction



Average length of employment



The fourth Joy Naho store – Akasakamitsuke

- On June 7, the fourth Gyoza-no-Ohsho Joy Naho restaurant opened. Adding this location strengthens operations in the take-out and delivery categories.
- This location is designed primarily for take-out and delivery customers but also has a dining area to meet the rising demand for eat-in dining.



Features of Joy Naho stores

- Take-out orders can be placed at a store or in advance, including by telephone, to receive food without waiting.
- All take-home menu items are in microwave safe containers.
- Customers can receive deliveries by using Demaecan, Uber Eats or menu.
- The Akasakamitsuke store has a dining area.

Use digital technologies for raising value that only people can provide

- Large digital technology investments at restaurants for improvements in QSC and productivity.
- Higher efficiency due to digital technologies gives restaurant employees more time for customer services and communications with employees.

Restaurant digital technology investment strategy

POS system replacements

Automatic change units	Partial-automatic payment units	Two POS units
Used at **215 stores**	Used at **170 stores**	Used at **142 stores**

System for takeout/delivery orders

Centralized delivery order system	Order completion notice system	NEW Take-out Mobile Order system
Used at **325 stores**	Used at **12 stores**	Used at all directly operated **543 stores**

Use extra time created by higher efficiency for improving customer services provided by the restaurant staff.

Strategy for digital investments for restaurant operations

Start of shift management support system that uses sales forecasts



Use extra time created by higher efficiency for more communications with employees.

- Forward-looking statements are based on goals and forecasts and are not promises or guarantees regarding business operations in the future.
- Actual results of operations may differ from these forward-looking statements.

Inquiries

Public and Investor Relations

Masahiro Inagaki, General Manager
Hiroya Kato, Deputy General Manager
Tatsuo Shoji, Deputy General Manager
Takashi Aikawa, Manager
E-mail: ir@ohsho.co.jp