Consolidated Financial Report
For the Fiscal Year ended December 31, 2024 (IFRS)

February 13, 2025

Company Name	SKYLARK HOLDINGS CO., LTD.	Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
Securities Code	3197	URL: https://corp.skylark.co.jp/en/
Representative	Minoru Kanaya, President and Chief Operating Officer	
Contact for enquiries	Takuya Aizawa, Executive Officer and Managing Director of Corporate Planning Office	(TEL) 0422-51-8111

Date of general shareholders' meeting (as planned)	March 28, 2025
Dividends payable date (as planned)	March 13, 2025
Annual securities report filing date (as planned)	March 31, 2025
Supplemental material of annual results	Yes
Convening briefing of annual results	Yes (for analysts and institutional investors)

(Millions of yen; amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal year ended December 31, 2024

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Revenue		Business profit		Operating profit		Income before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended December 31, 2024	401,130	13.0	24,250	47.7	24,184	106.9	21,470	147.0	13,965	192.1	13,965	192.1	14,381	213.9
Fiscal year ended December 31, 2023	354,831	16.8	16,420	—	11,688	—	8,691	—	4,781	—	4,781	—	4,582	—

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of income before income taxes to total assets	Ratio of operating profit to revenue
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended December 31, 2024	61.38	61.38	8.3	4.8	6.0
Fiscal year ended December 31, 2023	21.01	21.01	3.0	2.0	3.3

(Reference)

Profit of investments accounted for using the equity method	Fiscal year ended December 31, 2024	— million yen		Fiscal year ended December 31, 2023	— million yen	
EBITDA	Fiscal year ended December 31, 2024	72,116 million yen	[19.3%]	Fiscal year ended December 31, 2023	60,453 million yen	[44.0%]
Adjusted EBITDA	Fiscal year ended December 31, 2024	73,888 million yen	[11.2%]	Fiscal year ended December 31, 2023	66,474 million yen	[35.5%]
Adjusted net income	Fiscal year ended December 31, 2024	13,965 million yen	[192.1%]	Fiscal year ended December 31, 2023	4,781 million yen	[—%]

(Note1) We use business profit, EBITDA, adjusted EBITDA and adjusted net income to evaluate the results of its operations. Refer to "* Notes for using forecasted information and other matters (3) - (5)" below for details.

(Note2) Business profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue, and operating profit is calculated by adding or subtracting other operating income and other operating expenses from business profit.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	Yen
As of December 31, 2024	470,866	173,372	173,372	36.8	762.07
As of December 31, 2023	426,093	162,290	162,290	38.1	713.36

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended December 31, 2024	67,923	(39,228)	(36,429)	19,170
Fiscal year ended December 31, 2023	70,717	(14,861)	(44,471)	26,790

2. Dividends

	Dividends per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended December 31, 2023	—	0.00	—	7.00	7.00	1,593	33.3	1.0
Fiscal year ended December 31, 2024	—	7.50	—	11.00	18.50	4,209	30.1	2.5
Fiscal year ending December 31, 2025 (Forecasted)	—	8.00	—	12.00	20.00		30.7	

(Note 1) The year-end dividend per share for the fiscal year ended December 31, 2024 has been changed from 10.00 yen to 11.00 yen. For details, refer to the "Notice Regarding Payment of Dividends" announced today (February 13, 2025).

(Note 2) The dividend resource at the end of the fiscal year ended December 31, 2024 includes capital surplus. For details, please refer to "The breakdown of dividends paid out from capital surplus" below.

3. Forecasts on the Consolidated Financial Results for the Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(Percentages represent year-on-year changes)

	Revenue		Business profit		Operating profit		Income before income taxes		Net income attributable to owners of the Company		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Year ending December 31, 2025	445,000	10.9	27,500	13.4	25,000	3.4	22,300	3.9	14,800	6.0	65.05

(Reference)

Adjusted net income Year ending December 31, 2025 (Forecasted) 14,800 million yen [6.0%]

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Number of subsidiaries newly consolidated: 2 (Company name: Sukesan Co., Ltd. , SUKESAN TAIWAN CO.,LTD.)
Number of subsidiaries excluded from consolidation: —

(2) Changes in accounting policies and accounting estimates
(i) Changes in accounting policies required by IFRS: Yes
(ii) Changes in accounting policies other than those in (i): No
(iii) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)	As of December 31, 2024	227,502,200	As of December 31, 2023	227,502,200
(ii) Number of treasury stock	As of December 31, 2024	120	As of December 31, 2023	4
(iii) Average number of issued shares during the period	Fiscal year ended December 31, 2024	227,502,128	Fiscal year ended December 31, 2023	227,502,196

* This financial report is not subject to audit procedures by certified public accountants or independent auditors.

* Notes for using forecasted information and other matters

(1) We have adopted International Financial Reporting Standards (IFRS).

(2) The forecasts above are based on information available as of the date of this report and certain assumptions deemed to be reasonable. We do not provide any assurance as to achievement of these forecasts. In addition, the actual results may vary materially from the forecasts due to various factors. Refer to page 5 of Appendix "1. Overview of Consolidated Operating Results (4) Forecast for the Next Fiscal Year" for further details and disclaimer regarding the use of the forecasts and certain assumptions used in developing those forecasts.

(3) Refer to page 2 of the Appendix "1. Overview of Consolidated Operating Results (1) Overview of Consolidated Operating Results for the Current Fiscal Year" for details on business profit, EBITDA, adjusted EBITDA and adjusted net income.

(4) Business profit, EBITDA, adjusted EBITDA and adjusted net income are not measures prescribed in accordance with IFRS but are financial measures that we believe are useful for investors to assess the operating results of our business. These financial measures exclude the effect of non-cash items and non-recurring expense items, such as public offering-related expenses, loss on redemption of borrowings before the repayment date and gain or loss on the associated hedge transactions, and gain or loss on modification of financial liabilities in accordance with the adoption of IFRS 9, Financial Instruments (2014) (including readjustment of the amount of impact from the retroactive application of changes in accounting policies), that we do not consider to be indicative of the results of its normal operations or comparable to its competitors' operating results.

(5) The business profit, EBITDA, adjusted EBITDA and adjusted net income may not be comparable to those of other companies in the same industry due to the difference in calculation methods, and, as a result, their usefulness may decrease.

The breakdown of dividends paid out from capital surplus

Out of the year-end dividends paid for the fiscal year ended December 31, 2024, those paid out from capital surplus are as follows:

Record date	Second quarter	Year-end
Dividends per share (Yen)	7.50	11.00
Total dividends (Millions of yen)	1,706	2,503

(Note) Ratio of decrease in net assets: 0.000

(Appendix)

Table of Contents

1. Overview of Consolidated Operating Results…… 2
(1) Overview of Consolidated Operating Results for the Current Fiscal Year…… 2
(2) Overview of Consolidated Financial Position for the Current Fiscal Year…… 3
(3) Overview of Consolidated Cash Flows for the Current Fiscal Year …... 4
(4) Forecast for the Next Fiscal Year…... 5
(5) Fundamental Policy for Distribution of Profit and Dividends for the Current and Next Fiscal Years…... 9
2. Basic Policy Regarding Selection of Accounting Standards…... 10
3. Consolidated Financial Statements and Notes…… 11
(1) Consolidated Statements of Financial Position ……... 11
(2) Consolidated Statements of Income ……... 13
(3) Consolidated Statements of Comprehensive Income ……... 14
(4) Consolidated Statements of Changes in Equity …… 15
(5) Consolidated Statements of Cash Flows ……... 17
(6) Notes to Consolidated Financial Statements……. 18

1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results for the Current Fiscal Year

During the fiscal year ended December 31, 2024, the Japanese economy showed a steady recovery in the restaurant industry as a whole, with an overall recovery in consumption trends, as evidenced by an increase in people returning to their hometowns during the New Year holidays, and in people traveling during the spring break, Golden Week, and Silver Week in the fall. In the annual labor talks, companies responded positively toward request for salary increases, either fully accepting the labor union's requests or agreeing to pay more than the percentage increase requested by the union, and a general mood of salary increases spread among consumers. On the other hand, the restaurant industry continues to face a challenging business environment due to continued high costs, including the longer-than-expected depreciation of the yen, and soaring prices of raw materials, logistics and utilities due to the geopolitical risks caused by the prolonged situations from the war in Ukraine and the Israeli-Palestinian conflict.

Under these circumstances, our Group's comparable store sales for the fiscal year ended December 31, 2024 were 111.6% compared to the previous fiscal year. Based on an analysis of recent customer trends, the grand menu for the family dining brands was revised in November 2023 to introduce menus that can cater to a wider-range of customer motives. In the menu revision, we enhanced low-priced side menu items, reduced the price of alcohol beverages, and provided set menus at affordable prices, and thereby provided customers with the enjoyment of choosing menus. The new menu also encouraged customers to order "one more dish," and increased the number of plates ordered, resulting in an increase in the average ticket per customer. The expanded lineup of small dishes has improved the usability of our stores for a wider range of occasions, contributing to an increase in the frequency of visits to our stores.

As for gross profit margin, the impact of increases in ingredient cost for items like eggs was restrained to a certain extent by improving the gross margin through each menu revisions, reducing food losses at the store level, and implementing measures through a cross-divisional COGS reduction project. As a result, the gross profit margin for the fiscal year ended December 31, 2024 was 67.4%, down 0.3% from the same period in the previous year, but it still maintains the highest level in the industry.

Although selling, general and administrative expenses increased compared to the same period in the previous year, we were able to substantially reduce expenses through the company-wide profitability improvement project. By thoroughly eliminating unreasonable, wasteful, and inconsistent expenditures at all stores, we were able to properly manage store labor hours in line with the stable recovery in sales. As a result, selling, general and administrative expenses for the fiscal year ended December 31, 2024 amounted to 245,925 million yen, an increase of 22,460 million yen from the same period in the previous year.

In other operating expenses, a loss on disposal of goodwill of 672 million yen related to closed stores was recorded during the fiscal year ended December 31, 2024. This was due to the closure of 22 stores during the fiscal year ended December 31, 2024, and these stores were primarily those for which the decision to close was made in the previous fiscal year. However, the amount of the loss on disposal of goodwill recorded was lower than expected as some stores have withdrawn their closure due to the recovery of business performance.

During the fiscal year ended December 31, 2024, we opened 43 new stores and converted 64 stores. 12 of the 43 new stores were opened overseas, including 4 stores of Syabu-Yo, 3 stores of Musashino Mori Coffee and 3 stores of Yokohama Steakhouse in Taiwan. Store renovations (remodeling) also continued, with 87 stores remodeled during the fiscal year ended December 31, 2024.

As a result of the above, for the fiscal year ended December 31, 2024, revenue was 401,130 million yen (an increase of 46,299 million yen compared to the same period in the previous year), business profit (Note 2) was 24,250 million yen (an increase of 7,830 million yen compared to the same period in the previous year), operating profit was 24,184 million yen (an increase of 12,496 million yen compared to the same period in the previous year), profit before income taxes was 21,470 million yen (an increase of 12,779 million yen compared to the same period in the previous year), and net income attributable to owners of the Company was 13,965 million yen (an increase of 9,184 million yen compared to the same period in the previous year).

EBITDA (Note 3) was 72,116 million yen (an increase of 11,662 million yen compared to the same period in the previous year), adjusted EBITDA (Note 4) was 73,888 million yen (an increase of 7,414 million yen compared to the same period in the previous year), and adjusted net income (Note 5) was 13,965 million yen (an increase of 9,184 million yen compared to the same period in the previous year). As of December 31, 2024, the number of stores was 3,068 (including 1 stores temporarily closed for renovations; the number of stores at the beginning of the period was2,796).

(Note 1) (Note 2) to (Note 5) are not measures as defined in IFRS.
(Note 2) Business profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
(Note 3) EBITDA = Income before income taxes + Interest Expense + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Other financial expenses[(a)] (excluding loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions) - Interest income - Other financial income[(b)] + Depreciation and amortization + Amortization of long-term prepaid expense + Amortization of long-term prepaid expense (deposit)

(a) Other financial expenses are disclosed as “Other expenses” in the Consolidated Statements of Income.
(b) Other financial income is disclosed as “Other income” in the Consolidated Statements of Income.

(Note 4) Adjusted EBITDA = EBITDA + Loss on disposal of fixed assets + Impairment loss of non-financial assets – Reversal of impairment loss of non-financial assets + Public offering-related expenses(Note 6)

(Note 5) Adjusted net income (loss) = Net income (loss) + Public offering-related expenses + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Gain and loss from modification of financial liabilities in accordance with the adoption of IFRS 9 “Financial Instruments” (2014) (including readjustment of the amount of impact from the retroactive application of changes in accounting policies) + Tax effects of adjustments

(Note 6) Public offering-related expenses are one-time expenses incurred at the time of IPO and public offering of the Company’s shares, including advisory fees.

(2) Overview of Consolidated Financial Position for the Current Fiscal Year

Analysis of assets, liabilities, and equity as of the end of the current consolidated fiscal year is summarized as follows:

Current assets were 49,110 million yen (a decrease of 1,976 million yen compared to the end of the previous fiscal year), mainly due to a decrease in cash and cash equivalents. Non-current assets were 421,756 million yen (an increase of 46,749 million yen compared to the end of the previous fiscal year), mainly due to an increase in property, plant and equipment and an increase in goodwill.

Total assets were 470,866 million yen (an increase of 44,773 million yen compared to the end of the previous fiscal year).

Current liabilities were 117,528 million yen (an increase of 7,926 million yen from the end of the previous fiscal year), mainly due to an increase in trade and other payables. Non-current liabilities were 179,965 million yen (an increase of 25,765 million yen from the end of the previous fiscal year), mainly due to an increase in other financial liabilities.

Total liabilities were 297,493 million yen (an increase of 33,691 million yen from the end of the previous fiscal year).

Equity was 173,372 million yen (an increase of 11,082 million yen from the end of the previous fiscal year). This was mainly due to an increase from the recording of net income for the fiscal year ended December 31, 2024 (13,965 million yen).

(3) Overview of Consolidated Cash Flows for the Current Fiscal Year

Cash and cash equivalents as of the end of the current consolidated fiscal year were 19,170 million yen (a decrease of 7,620 million yen compared to the end of the previous fiscal year). Each category of cash flows and its factors for the current consolidated fiscal year are summarized as follows:

Cash flows from operating activities:

Net cash from operating activities was 67,923 million yen (a decrease of 2,795 million yen compared to the same period in the previous year). This was primarily due to an increase of 3,307 million yen in trade and other receivables, an increase of 3,110 million yen in inventories, a decrease of 3,478 million yen in other current liabilities and the recording of income before income taxes of 21,470 million yen (an increase of 12,779 million yen compared to the same period in the previous year).

Cash flows from investing activities:

Net cash used in investing activities was 39,228 million yen (an increase of 24,366 million yen compared to the same period in the previous year). This was primarily due to a 22,860 million yen purchase of Sukesan Co., Ltd., a 2,319 million yen increase in the acquisition of property, plant and equipment, including investments in new, converted and remodeled restaurants, and a 1,514 million yen increase in the proceeds from sale of property, plant and equipment. We normally make payments of cash and cash equivalents one or two months after an increase in assets from investing activities.

Cash flows from financing activities:

Net cash used in financing activities was 36,429 million yen (a decrease of 8,042 million yen compared to the same period in the previous year). This was primarily due to a decrease of 25,000 million yen in the proceeds from short-term borrowings, an increase of 19,893 million yen in the proceeds from issuance of corporate bonds, a decrease of 27,000 million yen in the repayments of short-term borrowings, and an increase of 15,148 million yen in the repayments of long-term borrowings.

(Reference) Indexes Related to Cash Flows

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Fiscal Year Ended December 31, 2024
Ratio of equity attributable to owners of the Company to total assets (%)	25.8	36.3	37.1	38.1	36.8
Ratio of equity attributable to owners of the Company to total assets based on a fair value basis (%)	71.4	75.1	81.8	110.3	118.4
Net leverage ratio (multiple)	6.5	2.6	3.9	2.6	2.7
Interest coverage ratio (multiple)	16.6	20.2	21.2	33.6	30.7

(Note) Ratio of equity attributable to owners of the Company to total assets: Equity attributable to owners of the Company / Total assets
Ratio of equity attributable to owners of the Company to total assets based on a fair value basis: Total market value of the Company's shares / Total assets
Net leverage ratio: Net interest-bearing liabilities / Adjusted EBITDA
Interest coverage ratio: Cash flows from operating activities / Interest paid
* Each index is calculated using financial figures on a consolidated basis (IFRSs).
* Total market value of the Company's shares is calculated using share price at the end of the period multiplied by the

number of issued shares at the end of the period (after deducting treasury stock).

* Net interest-bearing liabilities are calculated by subtracting cash and deposits from interest-bearing liabilities.
* The amounts of cash flows from operating activities and interest paid are obtained from “Cash flows from operating activities” and “Interest paid” on the consolidated statements of cash flows.

(4) Forecast for the Next Fiscal Year

We expect to achieve revenue of 445,000 million yen (an increase of 43,900 million yen), business profit of 27,500 million yen, operating profit of 25,000 million yen, income before income taxes of 22,300 million yen, net income attributable to owners of the Company of 14,800 million yen, and adjusted net income of 14,800 million yen.

The business environment surrounding our Group is becoming more challenging due to the rising cost of living, which has led to an increase in consumers becoming more demanding in their consumption. Additionally, the Group is continuing to face high costs such as soaring raw material, logistics, and utility costs due to the effects of geopolitical risks such as the war in Ukraine and Israeli-Palestinian conflict, as well as the unexpectedly prolonged depreciation of the yen. However, a shift to a positive inflationary environment with wages rising could potentially arrive in the near future, and the Company will work to further enhance customer support in such a market environment.

As a management strategy envisioned by our Group, we aim to maximize the use of our management assets and to increase our earnings in a challenging business environment, taking into account the changes in consumer behavior and the continued rise in prices. Our Group will steadily implement four key management strategies: (i) growth of existing stores, (ii) new store openings in Japan, (iii) international store growth, and (iv) mergers and acquisitions (M&A), in parallel with (v) other measures to expand earnings.

(i) Growth of Existing Stores

We will improve the profitability of our stores by implementing management focusing on stores, which are the source of earnings and will achieve guest count growth by converting brands to better suit each market and remodeling stores with old facilities, while achieving growth in average ticket through a consumer-friendly menu line-up with an enhanced variety of small dishes, an appropriate menu pricing strategy in response to rising ingredient costs, and an improved menu mix.

-Brand Conversions

In order to continue our growth, in regions where the growth rate has been recently declining, we will analyze the latest consumption trends and demographic trends, and utilize our diverse brand portfolio to proactively convert stores into more suitable brands in order to maximize area sales. As brands which contribute to sales increase by raising the market potential in each region, we will continue to convert to specialty brands that are highly popular with customers, such as Syabu-Yo (an all-you-can-eat restaurant that serves shabu-shabu, curry and dessert), La Ohana (a restaurant where customers can enjoy the atmosphere of a Hawaiian resort), and Musashino Mori Coffee (a café where customers can relax and enjoy the ambience of a highland resort). We are also actively promoting brand conversions with the aim of resolving self-cannibalization among our own brands. In regions where there are multiple stores of our brands, we aim to stimulate new demand and resolve self-cannibalization by converting one or more of these stores, thereby targeting sales expansion for the entire region. In fiscal 2025, we plan to convert approximately 60 to 70 stores to other brands.

-Remodeling

We will also increase the number of store remodels where we restore the interior and exterior of our stores as well as improve the comfort and convenience of our stores for our customers. We plan to remodel approximately 230 to 240 stores in fiscal 2025.

-Menu and Pricing Strategies

In terms of menu strategy, starting from October 2023, we drastically revised our grand menus for our family dining brands, including Gusto, Bamiyan, and Yumean, taking into account the new consumption trends following the end of the COVID-19 pandemic. We implemented price reductions for some products and introduced low-priced small portion menu items and set menus, thereby providing customers with the fun of choosing menus and leading to an increase in the bundle-sales ratio. We will pursue both an increase in the average ticket per customer due to an increase in the number of plates ordered, and an increase in the frequency of visits to stores through a new grand menu that can be used for a wider range of occasions by

allowing customers to choose from a wide variety of affordable menu items.
In terms of pricing strategy, after seeing that many companies reached agreements with their labor unions on salary increases since the beginning of 2024, anticipating a favorable inflation in the Japanese economy as a whole, we implemented a price increase in April and November 2024 for each of our major brands, including Gusto.
There are three reasons why we are able to implement a price increase. First, as a result of fully accepting the labor union's demands for a salary increase, a virtuous cycle is created where employees become more motivated, the quality of our products and services improves, and customer satisfaction increases. Second, we are investing in store labor hours, improving the quality of store products and services, and raising customer satisfaction levels. Third, we are not simply raising prices, although we are passing on some of the increases in ingredient costs. Instead, we are revising prices in line with quality improvement and value enhancement, including for our core menu items, so that customers would be willing to pay the increased prices.
Since this price increase was implemented in a way where more value is given to the customers in the form of improved quality of products and services, no major decline in guest count has been recognized at this point. As a result, in addition to an increase in the average ticket per customer, we have achieved a decrease in the labor cost as a percentage of sales and have been able to maintain the gross profit margin levels.
Furthermore, in September 2024, we implemented pricing for rice and rice-related set products under our five major brands in response to rising rice prices.

(ii) New Store Openings in Japan
We have fully resumed new store openings that had been restrained during the COVID-19 pandemic. We opened 31 new stores in fiscal 2024 and plan to open approximately 65 to 75 stores in fiscal 2025. In addition to opening stores with specialty store brands such as Syabu-Yo and Musashino Mori Coffee, which are performing well, we will actively consider opening stores with daily-use brands such as Gusto and Bamiyan, mainly in the commercial districts in front of train stations and in city center areas, where we have yet to open a sufficient number of stores.

(iii) International Store Growth
As for our international business growth, sales in Taiwan, where we currently have 78 stores, have recovered to a level that exceeds pre-COVID sales. Musashino Mori Coffee, which opened its first store in April 2023, is also doing well, with the second store opened in March 2024, the third in April 2024, and the fourth in June 2024. In Malaysia, the fifth Syabu-Yo store has also opened, and in the United States, the first Syabu-Yo is selling well, and the second Syabu-Yo store has opened.

(iv) Mergers and Acquisitions (M&A)
In October 2024, we acquired all shares of Sukesan Co., Ltd., realizing M&A that is beneficial to both Sukesan Udon, which aims to expand its business nationwide, and our Company, which needed a low-priced business conversion candidate with the ability to attract customers in order to resolve self-cannibalization of our local roadside restaurants. In December 2024, we resolved to acquire the shares of Createries Consultancy, a popular sukiyaki and shabu-shabu restaurant among Muslim customers, and completed its acquisition in January 2025. Going forward, we will actively consider M&As that can generate synergies utilizing the Group's business foundation, both in Japan and overseas, with the aim of expanding the scale of our business.

(v) Other Measures to Expand Earnings
In addition to implementing the above four measures as priority measures for fiscal 2024, we also continued to work on the following areas to raise earnings.

-Maximization of sales during peak hours on weekends
In order to improve profitability at existing stores, we worked on increasing the turnover during peak hours on weekends. By assigning more employees during peak hours on weekends, we shortened the time customers wait at the entrance and the time taken to serve food, which not only increased customer satisfaction but also improved the turnover rate, leading to increased sales. By implementing digital menu books in our stores, we are now able to measure the clean-up time (the time taken after a customer pays until the table is cleaned and ready for the next customer). We are working towards reducing this clean-up time to quickly accommodate the next customer and improve our turnover rate.

-Installation of lead signs (signs that guide customers to stores) and changing the design of IN-signs at the parking lot entrance
As a means of expanding sales, we have improved the visibility of our stores to passers-by, including car- and bicycle-

drivers. To this end, we have installed additional lead signs (signs placed in advance of the actual store to indicate the location of the store) and changed the design of IN-signs that indicate the entrance to parking lots. We have been installing lead signs for most of our stores, and in fiscal 2024, we double-checked that all lead signs were installed in the most appropriate locations and installed additional lead signs in more effective locations. Additional lead signs installed at test stores in the second half of fiscal 2023 improved sales by an average of 2%, and we plan to install additional lead signs at approximately 300 stores in fiscal 2025. It is very important to clearly indicate the location of the entrance of the store parking lot to those who are driving a car in order to ensure their visit to the store. We will check all IN-signs at the entrances of the store parking lots, and revise the design to indicate the location of the parking lot entrance more clearly. This will increase the probability of potential customers entering the store and lead to sales growth. In the second half of fiscal 2023, we redesigned IN-signs at the parking lot entrances of several test stores, resulting in an average improvement of 1.5% in sales. In fiscal 2024, we redesigned IN-signs at parking lot entrances for approximately 1,200 stores.

-Improving Store Productivity

Our aggressive DX investments in stores are beginning to bear fruit. In fiscal 2023, table payment service was introduced at approximately 2,400 stores in August. Although credit cards could not be used for table payments, since December 2024, approximately 2,100 stores have been able to accept credit card payments through the Skylark app, improving convenience for customers. From October 2023, we gradually added self-checkout functions to the existing manned cash registers, and by the end of April 2024, self-checkout functions have been installed in all 2,400 manned cash registers as planned. We have also made use of the floor service robots that have already been introduced, the independent cashless self-serve checkout counters, and the renewed POS cash registers to improve customer convenience, and simplify and improve the efficiency of customer service for employees.

We also improved store productivity by simplifying cooking operations in store kitchens by narrowing down the number of menus, unifying the ingredients used as side dishes, and standardizing menu cooking procedures. Through such measures as making multilingual video manuals, we are creating an environment where our cooking staff can quickly improve their skills, including training for new employees, which also contributes to improving store productivity.

-Improvement of Store Profitability

We are working to significantly improve the profitability of each existing store with the aim of transforming ourselves into a highly profitable structure. In fiscal 2023, based on the results of the profitability improvement experiments conducted at the model stores in each brand in the previous year, we compiled a manual of initiatives and success stories that effectively contribute to increasing profits and distributed it to all stores by brand to raise the level of our store profitability structure. In 2024, we continued to reduce store operating expenses while also striving to maximize sales during peak hours on weekends and holidays by strengthening employee recruitment, enhancing training, and shortening clean-up time.

-Cost Reductions

We are also making sincere efforts to deal with soaring food ingredient prices. As a result of our efforts to control procurement prices through large-scale purchases and long-term contracts in a cross-divisional COGS reduction project of the purchasing, production, and menu development departments, as well as our efforts to internalize outsourced products, revise manufacturing processes, and revise recipes, we achieved an annual profit improvement of approximately 2.0 billion yen in fiscal 2024. As we expect the cost increases to continue, we will continue with these cross-divisional COGS reduction measures in fiscal 2025.

-Resuming of Promotions

Promotions, which had been temporarily suspended due to the COVID-19 pandemic, resumed in full scale in 2023. To accelerate the recovery of guest count, strategic promotions were developed through a well-balanced combination of owned media and external media, as well as digital and analog measures, including the distribution of flyers and coupons on the day of pension and child allowance payments, campaigns on special days such as Mother’s Day and Halloween, and measures targeting family-segment customers utilizing popular characters. In 2024, we continue to implement various campaigns to attract customers, not to our competitors, but to our stores, through promotions such as conducting collaborations with popular animations, characters, and famous chefs as well as promotions utilizing Skylark point program, which was introduced in May 2024, to coincide with the timing when customers want to spend money and when consumption is more active. In addition to traditional paper distribution, we have enhanced our promotional efforts by distributing flyers with discount coupons through our own social media channels such as Instagram, X, and Facebook. This allows us to reach a different target audience and increase coupon redemption rates. Following improvements in store operations observed in August, we have strengthened our promotion to drive more traffic to our stores.

-Retail Sales and EC Business
We are steadily expanding the scale of our retail sales and EC businesses. As for retail sales, Skylark Group's popular menu items have been made into cook-at-home products and are sold at more than 100 supermarkets and mass retailers. In the EC business, in addition to sales on Rakuten and Amazon, we are strengthening sales on our own website. We are also focusing on expanding sales by selling our products as return gifts for the hometown tax donation program, as well as selling products on Yahoo! Shopping and auPAY Market websites. The total of retail sales and EC business increased approximately twice year-on-year in fiscal 2024.

(vi) ESG initiatives
In December 2020, we established the Group Sustainability Committee to promote our responsibilities towards achieving the Sustainable Development Goals (SDGs) and realizing a sustainable society across our Group.
In 2021, we defined our purpose as "To contribute to enriching people's lives and to the advancement of society as a whole by creating the future of dining," and our long-term strategic vision for 2030 as "Help all people lead enriched lives; Contribute to realizing an enriched society; Environmental conservation." We have specified the issues that we should prioritize as materiality and disclosed them on our website.

https://corp.skylark.co.jp/en/sustainability/management/materiality/

ESG initiatives aim to simultaneously realize a sustainable society and improve corporate value through corporate activities.

-As a decarbonization measure, we aim to reduce CO2 emissions by 50.4% from the 2018 level by 2030, with a target of achieving net zero CO2 emissions by 2050. To achieve this, we are promoting energy conservation and optimizing logistics, and in August 2023, we opened our first Gusto store operating with net zero CO2 emissions. By the end of 2024, we introduced solar power generation at 158 facilities in total. We will accelerate the shift to renewable energy in the future.
-As a measure against food loss, we produce only the necessary amount of food at our plants and deliver it to our stores. At our stores, we allow customers to choose how much rice they want and offer a la carte menus and small side dishes so that customers can enjoy the food without leaving much behind. At Syabu-Yo, a shabu-shabu all-you-can-eat restaurant, we launched the "Komamedori Project," where customers can take only the ingredients they will eat to avoid leftovers. We are working to promote environmentally friendly eating habits by, for example, giving all-you-can-drink coupons to customers who finish their meals without leftovers. In addition, we are working to reduce food loss by encouraging customers to take home the food that they are unable to finish, using take-out container "Skylark Mottainai Pack®."
-As a measure against plastics, we are switching to biomass materials, paper materials, wood, and bamboo in order to reduce the amount of petroleum-based plastics used in disposable plastic products such as delivery and take-out packaging containers, cutlery, and plastic shopping bags. Since January 2023, we have reduced the overall amount of plastics used by charging fees for plastic shopping bags.
-When procuring raw materials, we prioritize suppliers who fulfill their social responsibilities based on ESG Standards, such as employee management by suppliers, human rights considerations, environmental considerations, ethical compliance, and other anti-social behavior. In addition, we seek the understanding and cooperation of our suppliers in providing information on our environmental policy, in communication with our company and in training, with the aim of coexistence and co-prosperity between our corporate activities and society and the environment. Currently, we procure from suppliers in 40 countries around the world, but rather than judging based on local laws, customs, or current conditions, we assess whether there is a significant deviation in light of applicable Japanese law. We strive for responsible procurement by implementing a strict policy of not initiating transactions if there is a problem.
-In selecting raw materials, we are actively using FSC/PEFC-certified paper products, and we are in discussions with our suppliers regarding the introduction of RSPO-certified palm oil for frying oil. In the future, we plan to develop new production areas to increase the ratio of production areas with JGAP certification or equivalent farm management standards for domestic vegetables and rice. In addition, we have acquired *ISO20400 certification, an international standard for sustainable procurement that enables companies and organizations to pursue social, environmental, and economic sustainability through procurement activities. This certification enables procurement that addresses a wide range of risks, including not only quality, cost, and delivery time, but also environmental issues, human rights, and country risks. *ISO20400 certification is a private certification of the Union of Japanese Scientists and Engineers.
-We are working to ensure that our customers can enjoy their meals with peace of mind by showing salt content, calories, allergens, and production location information of major ingredients. In addition, considering the severity of allergic reactions, we provide an allergy information website where customers can search not only for a list of allergens, but also for

information on designated allergens.
-We promote diversity and create a rewarding work environment for all employees.
-As stated in our Declaration of Employee Health Management, we are promoting health management, focusing on 100% health checkups for employees, continued implementation of Quit Smoking movement, and BMI control measures.

Our various ESG initiatives are disclosed on the following website.
https://corp.skylark.co.jp/en/sustainability/
Information on health management is disclosed on the following website.
https://corp.skylark.co.jp/en/sustainability/basic_policy/health/

(vii) Initiatives of Food Safety and Assurance
Our Quality Charter stipulates that our basic policy is to establish standards for quality and hygiene management and to thoroughly control the food ingredients provided by our Group against various risks that can be foreseen in all processes, from procurement to processing, distribution, cooking, and serving.
We have acquired ISO22000 certification, an international food-safety management standard, for our own central kitchen (10 factories) in Japan, procurement department, menu development department, quality control department, and internal audit department. We are building a food-safety management system for the entire supply chain by adopting hygiene management methods that incorporate the HACCP concept at our stores.

Regarding fund procurement, we recognize that stable and flexible fundraising is key to support these initiatives. In the fiscal year 2024, we have made progress in diversifying our fundraising methods, such as obtaining a new credit rating and issuing ¥20 billion in publicly offered corporate bonds.
Our management philosophy is “Creating Richness with Value to Society,” and we aim to be the first to create a true sense of well-being by offering “good value” that meets the needs of the times and by having customers enjoy their time in our stores.
We will strive to enhance our corporate value by realizing our mission, “To offer great tasting food at affordable prices with good service in our comfortable restaurants to as many people as possible,” and by aiming to create a comfortable store environment and offer services which enrich the lives of our customers. To this end, we have established the “Skylark Group Charter of Corporate Behavior,” which is shared by all executives and employees, and each of us strive to comply with laws, international rules, and the spirit of these rules, as well as to act in a socially responsible manner. In addition, various initiatives are implemented to enhance corporate governance to ensure sound, efficient, and transparent management of our Group.

(5) Fundamental Policy for Distribution of Profit and Dividends for the Current and Next Fiscal Years
We aim to provide stable dividend payments to our shareholders while ensuring that adequate internal reserve is maintained in preparation for future business deployment and investments to further improve corporate value.
Under this basic policy, we have decided to pay dividends of 11.00 yen per share for the current fiscal year, which is an increase of 1.00 yen from 10.00 yen per share as announced in the forecast.
With regard to dividends in the next fiscal year, we have decided to pay dividends in a stable manner with the aim of achieving a consolidated dividend payout ratio of approximately 30% on the basis of adjusted net income, taking into consideration investments for future growth. Accordingly, an annual dividend of 20.00 yen per share is planned to be paid, based on the assumption that the business forecast as discussed in “1. Overview of Consolidated Operating Results (4) Forecast for the Next Fiscal Year” on page 5 of the Appendix will be achieved.
(Note) Adjusted net income= Net income + public offering related expenses + Loss on redemption of borrowings before the repayment date and gain and loss from associated hedge transactions + Gain and loss from modification of financial liabilities in accordance with the adoption of IFRS 9 “Financial Instruments” (2014) (including readjustment of the amount of impact from the retroactive application of changes in accounting policies) + Tax effects of adjustments

2. Basic Policy Regarding Selection of Accounting Standards

The Group has adopted the International Financial Reporting Standards (IFRSs) effective from the fiscal year ended December 31, 2013 to improve effective usage for stakeholders such as domestic and foreign shareholders, investors, and trading partners.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

As of December 31, 2023 and December 31, 2024 (Unaudited)

(Millions of yen)

	As of December 31, 2023	**As of December 31, 2024**
Assets		
Current assets		
Cash and cash equivalents	¥ 26,790	**¥ 19,170**
Trade and other receivables	17,038	**20,808**
Other financial assets	93	**93**
Inventories	5,927	**7,772**
Other current assets	1,237	**1,267**
Total current assets	51,085	**49,110**
Non-current assets		
Property, plant and equipment	188,824	**210,718**
Goodwill	141,790	**157,636**
Other intangible assets	4,999	**15,451**
Other financial assets	22,183	**23,615**
Deferred tax assets	16,862	**13,955**
Other non-current assets	349	**380**
Total non-current assets	375,007	**421,756**
Total assets	426,093	**470,866**

(1) Consolidated Statements of Financial Position－Continued

As of December 31, 2023 and December 31, 2024 (Unaudited)

(Millions of yen)

	As of December 31, 2023	**As of December 31, 2024**
Liabilities and equity		
Liabilities		
Current liabilities		
Corporate bonds and short-term borrowings	¥ 33,874	**¥ 31,943**
Trade and other payables	26,500	**32,558**
Other financial liabilities	27,370	**27,762**
Income tax payable	1,085	**3,175**
Provisions	1,381	**1,465**
Other current liabilities	19,392	**20,626**
Total current liabilities	109,602	**117,528**
Non-current liabilities		
Corporate bonds and long-term borrowings	65,437	**74,388**
Other financial liabilities	73,746	**86,874**
Provisions	14,007	**14,170**
Deferred tax liabilities	－	**3,502**
Other non-current liabilities	1,011	**1,031**
Total non-current liabilities	154,201	**179,965**
Total liabilities	263,803	**297,493**
Equity		
Share capital	25,134	**25,134**
Capital surplus	60,539	**57,240**
Treasury shares	(0)	(0)
Other components of equity	727	**1,137**
Retained earnings	75,890	**89,861**
Equity attributable to owners of the Company	162,290	**173,372**
Total equity	162,290	**173,372**
Total liabilities and equity	¥ 426,093	**¥ 470,866**

(2) Consolidated Statements of Income

For the Fiscal Years Ended December 31, 2023 and 2024 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2023	**For the Fiscal year ended December 31, 2024**
Revenue	¥ 354,831	**¥ 401,130**
Cost of sales	(114,946)	**(130,955)**
Gross profit	239,885	**270,175**
Other operating income	1,898	**2,057**
Selling, general and administrative expenses	(223,465)	**(245,925)**
Other operating expenses	(6,630)	**(2,122)**
Operating profit	11,688	**24,184**
Interest income	16	**28**
Other income	5	**5**
Interest expense	(2,484)	**(2,587)**
Other expenses	(534)	**(160)**
Income before income taxes	8,691	**21,470**
Income taxes	(3,910)	**(7,505)**
Net income	¥ 4,781	**¥ 13,965**
Net income attributable to:		
Owners of the Company	¥ 4,781	**¥ 13,965**
Net income	¥ 4,781	**¥ 13,965**
Earnings per share		
Basic (Yen)	¥ 21.01	**¥ 61.38**
Diluted (Yen)	21.01	**61.38**

(3) Consolidated Statements of Comprehensive Income

For the Fiscal Years Ended December 31, 2023 and 2024 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2023	**For the Fiscal year ended December 31, 2024**
Net income	¥ 4,781	**¥ 13,965**
Other comprehensive income		
Items that are not reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	29	**(18)**
Remeasurement of the net defined benefit liability (asset)	(11)	**7**
Total items that are not reclassified to profit or loss	18	**(11)**
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	155	**73**
Cash flow hedges	(372)	**355**
Total items that may be reclassified to profit or loss	(217)	**428**
Other comprehensive income, net of tax	(199)	**417**
Total comprehensive income	¥ 4,582	**¥ 14,381**
Comprehensive income attributable to:		
Owners of the Company	¥ 4,582	**¥ 14,381**
Total comprehensive income	¥ 4,582	**¥ 14,381**

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Financial assets measured at fair value through other comprehensive income	Remeasurements of the net defined benefit liability (asset)	Exchange differences on translation of foreign operations	Cash flow hedges	Total
As of January 1, 2023	¥ 25,134	¥ 75,233	¥ (0)	¥ 33	¥ —	¥ 641	¥ 240	¥ 915
Net income	—	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	29	(11)	155	(372)	(199)
Total comprehensive income	—	—	—	29	(11)	155	(372)	(199)
Acquisition of treasury stock	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1)	11	—	—	10
Deficit disposition	—	(14,694)	—	—	—	—	—	—
Total contributions by and distributions to owners of the Company	—	(14,694)	—	(1)	11	—	—	10
Total transactions with owners of the Company	—	(14,694)	—	(1)	11	—	—	10
As of December 31, 2023	**¥ 25,134**	**¥ 60,539**	**¥ (0)**	**¥ 62**	**¥ —**	**¥ 796**	**¥ (131)**	**¥ 727**
Net income	—	—	—	—	—	—	—	—
Other comprehensive income, net of tax	—	—	—	(18)	7	73	355	417
Total comprehensive income	—	—	—	(18)	7	73	355	417
Acquisition of treasury stock	—	—	(0)	—	—	—	—	—
Dividends	—	(3,299)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	(7)	—	—	(7)
Total contributions by and distributions to owners of the Company	—	(3,299)	(0)	—	(7)	—	—	(7)
Total transactions with owners of the Company	—	(3,299)	(0)	—	(7)	—	—	(7)
As of December 31, 2024	**¥ 25,134**	**¥ 57,240**	**¥ (0)**	**¥ 44**	**¥ —**	**¥ 869**	**¥ 224**	**¥ 1,137**

Consolidated Statements of Changes in Equity – Continued

	Retained earnings	Equity attributable to owners of the Company	Total equity
As of January 1, 2023	¥ 56,425	¥ 157,708	¥ 157,708
Net income	4,781	4,781	4,781
Other comprehensive income, net of tax	—	(199)	(199)
Total comprehensive income	4,781	4,582	4,582
Acquisition of treasury stock	—	—	—
Dividends	—	—	—
Transfer from other components of equity to retained earnings	(10)	—	—
Deficit disposition	14,694	—	—
Total contributions by and distributions to owners of the Company	14,684	—	—
Total transactions with owners of the Company	14,684	—	—
As of December 31, 2023	**¥ 75,890**	**¥ 162,290**	**¥ 162,290**
Net income	**13,965**	**13,965**	**13,965**
Other comprehensive income, net of tax	**—**	**417**	**417**
Total comprehensive income	**13,965**	**14,381**	**14,381**
Acquisition of treasury stock	**—**	**(0)**	**(0)**
Dividends	**—**	**(3,299)**	**(3,299)**
Transfer from other components of equity to retained earnings	**7**	**—**	**—**
Total contributions by and distributions to owners of the Company	**7**	**(3,299)**	**(3,299)**
Total transactions with owners of the Company	**7**	**(3,299)**	**(3,299)**
As of December 31, 2024	**¥ 89,861**	**¥ 173,372**	**¥ 173,372**

(5) Consolidated Statements of Cash Flows

For the Fiscal Years Ended December 31, 2023 and 2024 (Unaudited)

(Millions of yen)

	For the Fiscal year ended December 31, 2023	**For the Fiscal year ended December 31, 2024**
Cash flows from operating activities		
Income before income taxes	¥ 8,691	**¥ 21,470**
Adjustments for:		
Depreciation and amortization	48,649	**47,827**
Loss on impairment of non-financial assets	2,473	**861**
Profit and loss on sale and disposal of fixed assets	3,772	**564**
Interest income	(16)	**(28)**
Other income	(5)	**(5)**
Interest expense	2,484	**2,587**
Other expenses	534	**160**
	66,581	**73,436**
Changes in working capital and other:		
Decrease (increase) in trade and other receivables	(40)	**(3,347)**
Decrease (increase) in inventories	1,416	**(1,694)**
Increase (decrease) in trade and other payables	1,557	**4,198**
Increase (decrease) in other financial liabilities (current)	(191)	**(325)**
Increase (decrease) in other current liabilities	3,904	**425**
Others	(499)	**(693)**
Cash generated from operations	72,727	**72,000**
Interest and dividends received	15	**27**
Interest paid	(2,103)	**(2,213)**
Income taxes paid	(1,480)	**(2,206)**
Income taxes refund	1,559	**315**
Net cash from operating activities	70,717	**67,923**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,777)	**(15,096)**
Proceeds from sale of property, plant and equipment	8	**1,522**
Acquisition of intangible assets	(2,070)	**(1,951)**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(22,860)
Payments of lease deposits and guarantee deposits	(325)	**(951)**
Proceeds from collection of lease deposits and guarantee deposits	993	**472**
Others	(690)	**(365)**
Net cash used in investing activities	(14,861)	**(39,228)**
Cash flows from financing activities		
Proceeds from short-term borrowings	25,000	—
Repayments of short-term borrowings	(27,000)	—
Proceeds from long-term borrowings	12,983	**16,722**
Repayments of long-term borrowings	(18,866)	**(34,013)**
Proceeds from issuance of corporate bonds	—	**19,893**
Repayments of lease liabilities	(35,932)	**(35,586)**
Dividends paid	(7)	**(3,286)**
Payments of commissions related to borrowings	(649)	**(160)**
Others	—	**(0)**
Net cash from (used in) financing activities	(44,471)	**(36,429)**
Effect of exchange rate on the balance of cash and cash equivalents held in foreign currency	129	**114**
Net increase (decrease) in cash and cash equivalents	11,515	**(7,620)**
Cash and cash equivalents at the beginning of the period	15,275	**26,790**
Cash and cash equivalents at the end of the period	¥ 26,790	**¥ 19,170**

(6) Notes to Consolidated Financial Statements

(i) Notes on the Going Concern Assumption

No items to report.

(ii) Changes in Accounting Policies

Application of New Accounting Standards

The Group has adopted the following standards from the current consolidated fiscal year.

IAS/IFRS	Title	Description of New Standards/Amendments
IAS 1	Presentation of Financial Statements	・ Clarifies requirements for classification of liabilities as current or noncurrent ・ Amendment to require disclosure of information on non-current liabilities with covenants
IFRS 16	Lease	・ Clarifies post-transaction accounting treatment for sale-and-leaseback transactions
IAS 7 IFRS 7	Statement of Cash Flows Financial Instruments: Disclosures	・ Disclosure requirements to enhance the transparency of supplier finance arrangements

The adoption of the above standards had no material impact on the consolidated financial statements.

(iii) Segment Information

The reportable segments of the Group are determined based on the operating segments that are components of the Group for which discrete financial information is available and whose operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess its performance. Operating segments are components of business activities from which the Group may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments.

The Group's business segment includes Gusto, Jonathan's, Bamiyan, Syabu-Yo, Yumean, Steak Gusto and others. These are aggregated in the "Restaurant Business". The gross profit ratio of each business segment in the restaurant business is at a similar level, and it shares similar economic characteristics. In addition, each business segment in the restaurant segment has similarities in procurement, production, cooking, and distribution methods to each restaurant as the "table service" restaurant business which targets consumers.

1) Revenues and Performance of Segments

The restaurant business is the only reportable segment. Accordingly, the Group has not disclosed reportable segment information.

2) Geographic Information

The Group's revenue in the consolidated statements of income mainly consists of revenues from domestic sales to external customers. Accordingly, the Group has not disclosed revenue by region or geographic information.

In addition, the carrying amount of non-current assets in the consolidated statements of financial position mainly consists of those attributable to domestic locations. Accordingly, the Group has not disclosed non-current assets by region or geographic information.

3) Information about Major Customers

The Group operates in the consumer industry and has no single external customer (and a group of customers) that accounts for 10% or more of revenue of the Group. Accordingly, the Group has not disclosed major customer information.

(iv) Earnings per Share

(Millions of yen, except per share amounts)

	For the Fiscal year ended December 31, 2023	**For the Fiscal year ended December 31, 2024**
Net income attributable to common shareholders of the Company	¥ 4,781	**¥ 13,965**
Net income not attributable to common shareholders of the Company	—	—
Net income attributable to common shareholders used for calculation of basic earnings per share	4,781	**13,965**
Adjustment	—	—
Net income attributable to common shareholders used for calculation of diluted earnings per share	¥ 4,781	**¥ 13,965**
Weighted-average number of common shares during the period (Shares)	227,502,196	**227,502,128**
Weighted-average number of common shares used for calculation of diluted earnings per share (Shares)	227,502,196	**227,502,128**
Basic earnings per share (Yen)	¥ 21.01	**¥ 61.38**
Diluted earnings per share (Yen)	21.01	**61.38**

(Note) Diluted earnings per share was the same as the basic earnings per share, because there were no dilutive potential common stocks.

(v) Significant Subsequent Events

No items to report.