



# Results of Operations

for the Second Quarter of the Fiscal Year  
Ending March 31, 2022 (FY3/22)

Friday, November 26, 2021

OHSO FOOD SERVICE CORP.

Tokyo Stock Exchange, First Section  
Stock code; 9936



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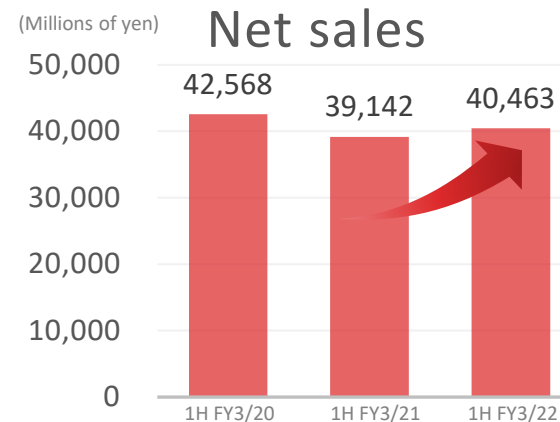
## Financial Highlights

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## ■ Consolidated sales

**¥40,463 million (up 3.4% YoY)**

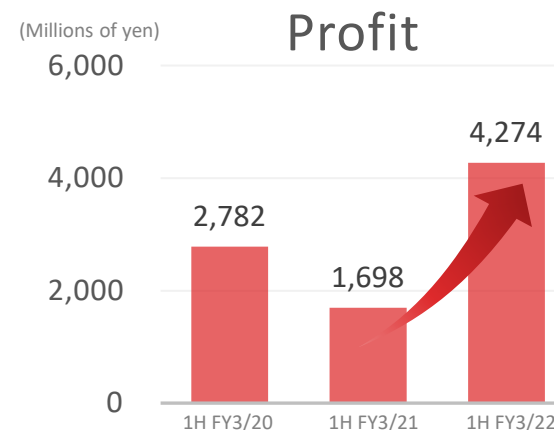
Sales were up because we improved the level of QSC to offer safer environment and provide delicious meals, and responded to demand for takeout and delivery services



## ■ Profit attributable to owners of parent

**¥4,274 million (up 151.7% YoY)**

Earnings increased due to an increase in net sales, the efforts to keep personnel expenses under control by reorganizing work shifts in a more efficient way and to cut down utilities expenses, and subsidy income for reduced operating hours and other factors.





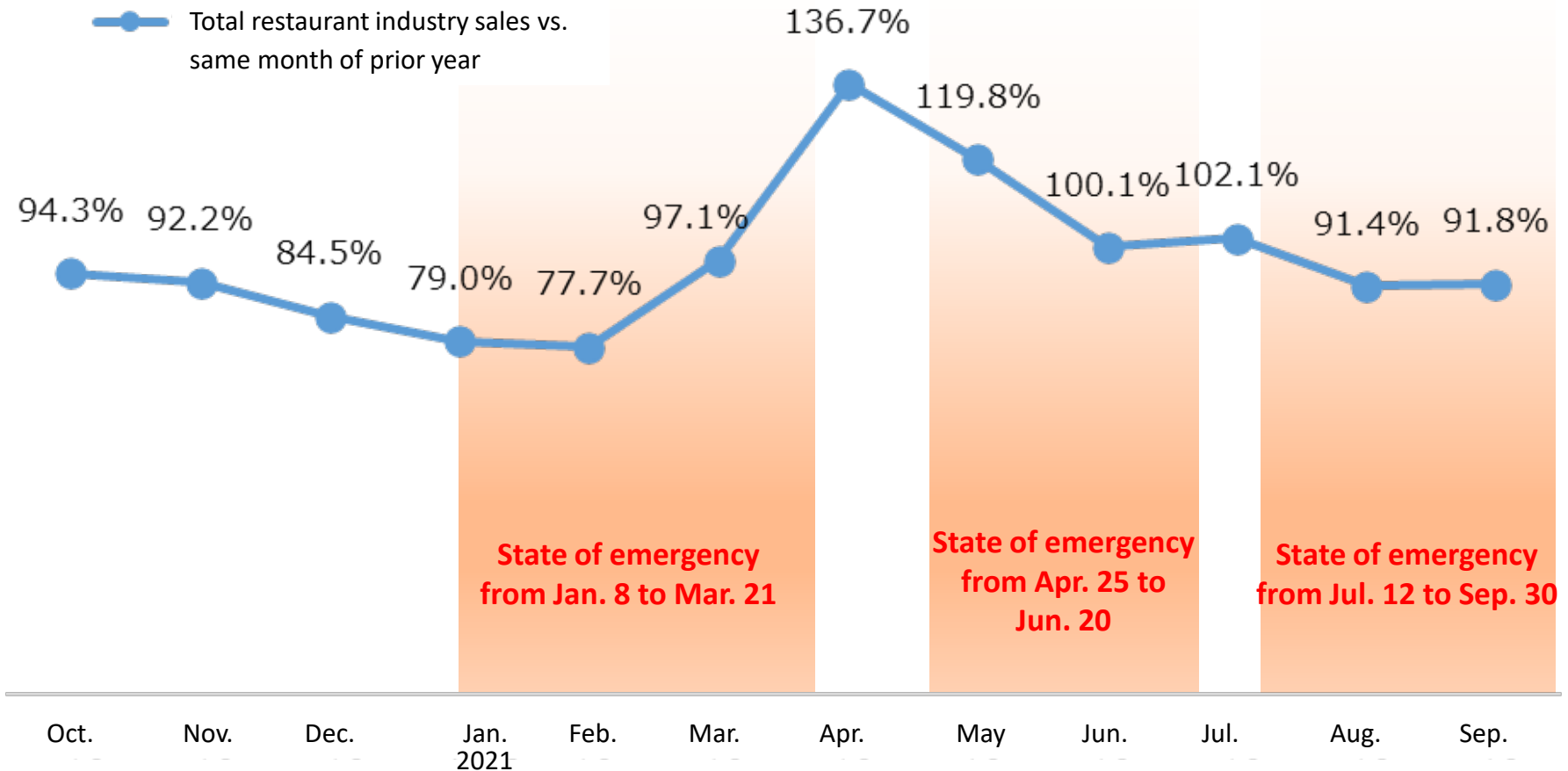
## 1H FY3/22 Major Activities

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# The Severe Impact of the Pandemic on Restaurant Industry in Japan



◆ During almost the entire first half of FY3/22, restaurants in Japan were required to reduce operating hours, suspend sales of alcoholic beverages and restrict operations in other ways.



Source: Restaurant Industry Sales Year-on-Year Change, website of The Japan Food Service Association  
Note: Dates of states of emergency are for Tokyo

# Numerous Measures to Prevent COVID-19 Infections

- ◆ Highest priority on the protection of the safety and health of our customers and employees
- ◆ All restaurants implement safety measures based on The Japan Food Service Association guidelines and requests from local governments
  - Rigorous disinfection and cleaning of frequently used and other key areas of restaurants



Panels between tables



Panel separating cashier and customers

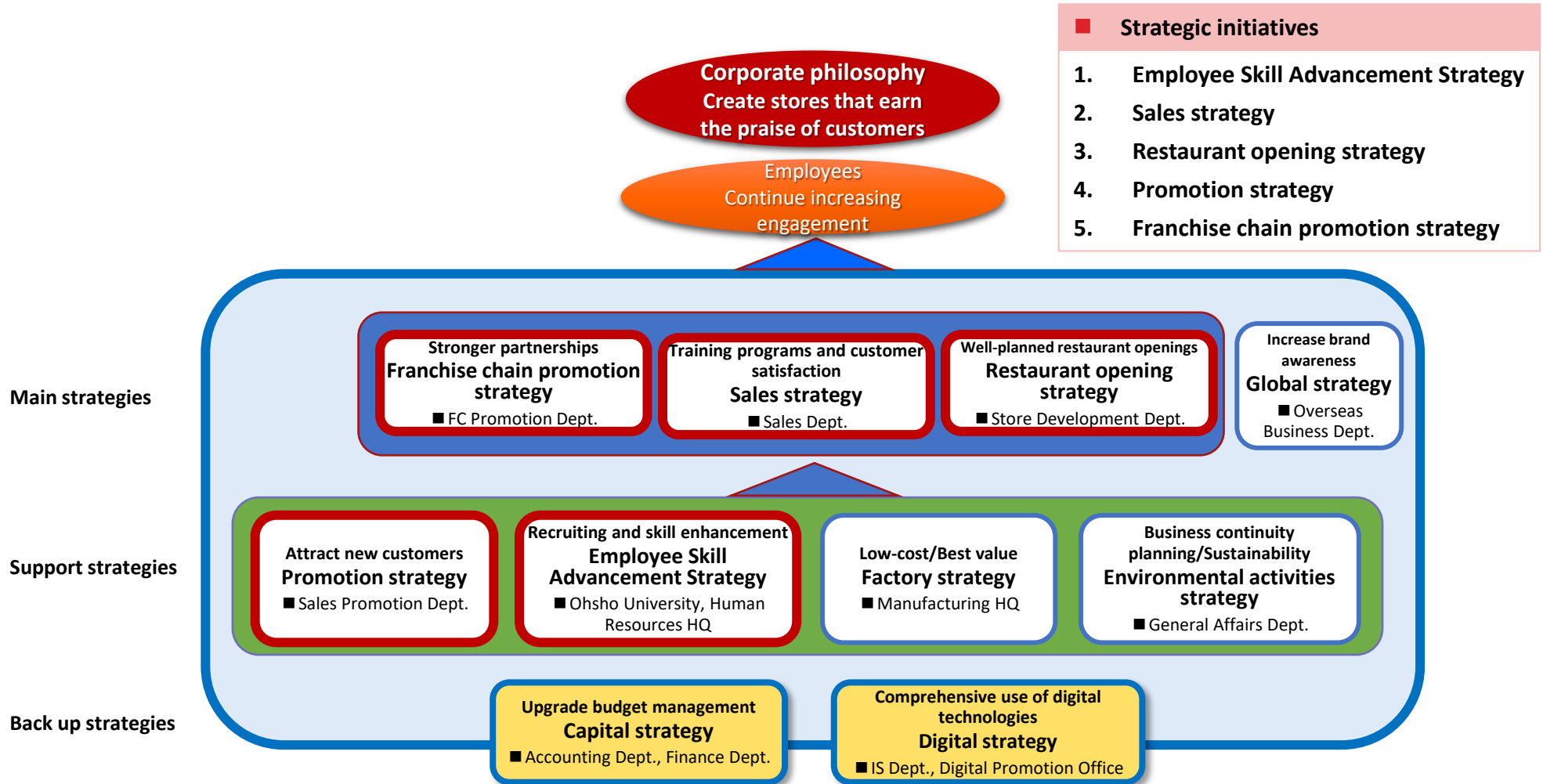


Disinfecting and cleaning all surfaces

- ◆ In addition to these actions, every restaurant has its own pandemic safety measures. At many locations, customers can receive takeout orders in their cars.

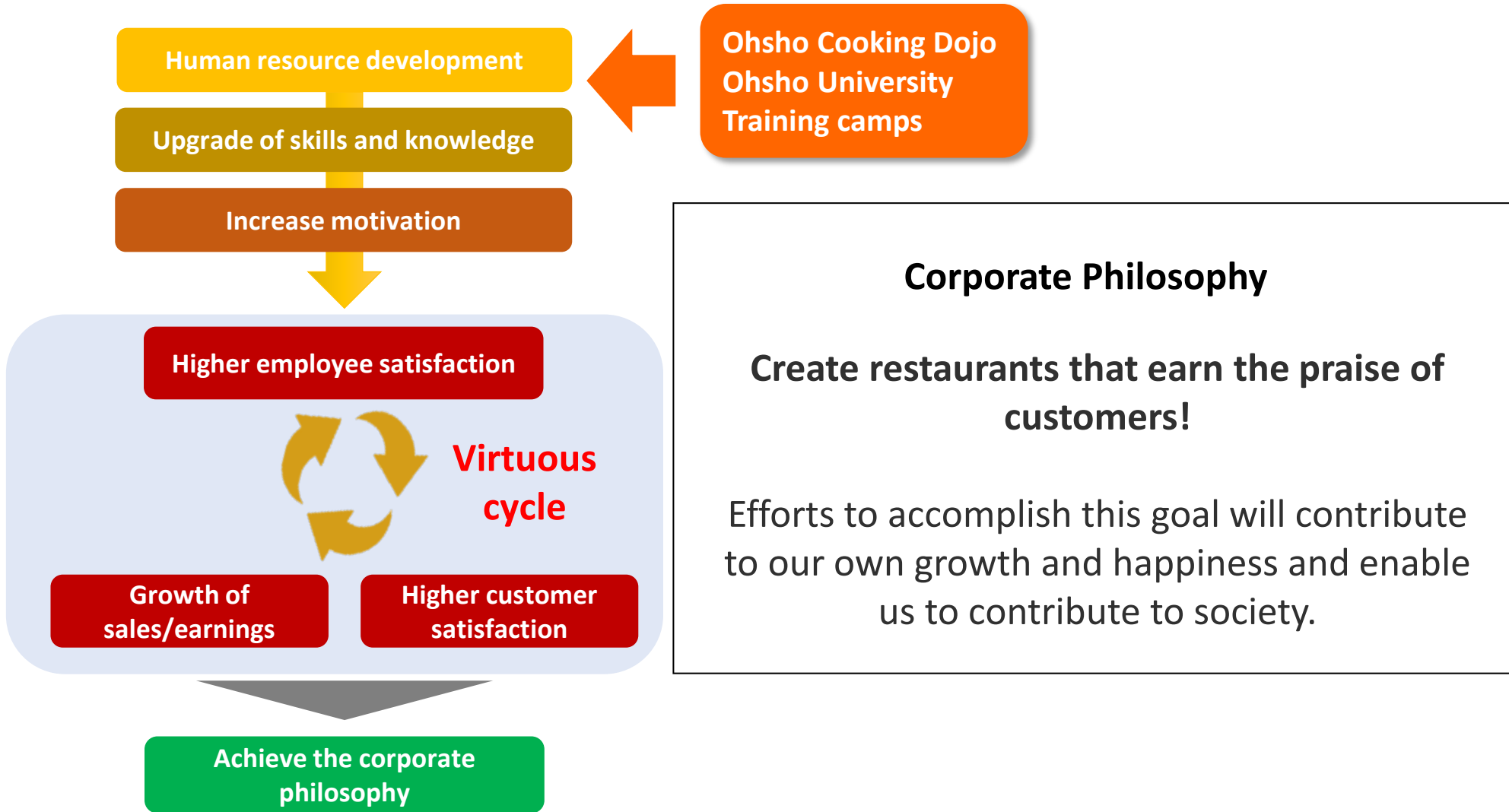


# Strategies for Achieving the Corporate Philosophy





# 1. Employee Skill Advancement Strategy: Training Programs are Vital to Business Operations



# 1. Employee Skill Advancement Strategy: More Advances in Food Preparation Techniques and Food Quality



## ◆ Established Ohsho Cooking Dojo in FY3/18

- Located beside the Kyoto head office, the Ohsho Cooking Dojo has programs to upgrade food preparation techniques of restaurant personnel and enhance their skills and dedication involving outstanding food and customer service.



# 1. Employee Skill Advancement Strategy: More Training for Operations During the Pandemic

## ◆ Start of online lessons for food preparation personnel

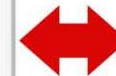
- Food quality and appeal will be even more important after the pandemic ends
- Started in Aug. 2020 the live distribution of cooking lessons using the Ohsho Cooking Dojo and iPads at restaurants
- Lessons are for both full-time and part-time personnel
- Cumulative attendance of all classes is about 28,000



Restaurant staff  
view lessons on  
iPads



Live distribution of lessons to iPads at  
restaurants



Live distribution of  
lessons from the  
Ohsho Cooking Dojo

**Two-way links allow restaurant employees to communicate with instructors**

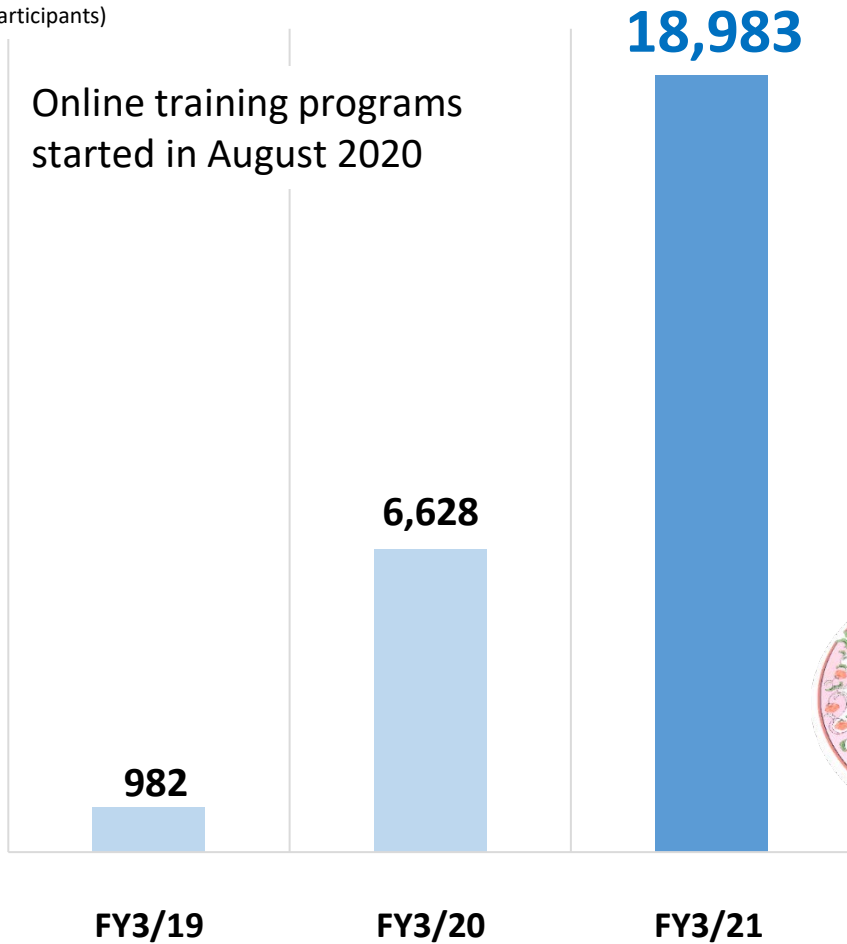
# 1. Employee Skill Advancement Strategy: More Advances in Food Preparation Techniques and Food Quality



**Continue upgrading cooking techniques during the pandemic**

(No. of participants)

Online training programs started in August 2020



Cumulative attendance of classes is **28,000**



**More flavorful menu items**

# 1. Employee Skill Advancement Strategy: More QSC (Quality, Service, Cleanliness) Improvements



## ◆ Expansion of food preparation certification activities

- Assistant managers and all employees in addition to restaurant managers

## ◆ Online lessons

- Customer service training to upgrade customer services and lessons about disinfecting and cleaning frequently used and other key areas of restaurants

Major Training Programs



Name	Subjects
Ohsho Cooking Dojo (FY3/18-)	Traditional cooking techniques, commitment to excellence
Ohsho University (FY3/18-)	Restaurant management and human resource management beginning with basic skills for all grades
Training camps (FY3/17-)	Building personal character to embrace and pass on the Ohsho Spirit
Food preparation certification (FY3/20-)	Cooking techniques for preparing high-quality food that complies with the demanding Ohsho Standard

## 2. Sales Strategy: Reinforce Delivery Services

- ◆ Strengthen delivery services to target the strong demand in this restaurant category
- ◆ More delivery menu items
  - Larger gyoza selection by adding Gyoza with Extra Garlic to the delivery menu
  - More restaurants are serving Goku-Oh Series menu items (fried rice, Tianjin rice, Tianjin noodles, yakisoba)
- ◆ Increase in the number of stores that can provide delivery services
  - 484 locations with delivery vs. 413 at end of FY3/21, about 65% of all restaurants
    - At directly operated stores, delivery increased from 366 in FY3/21 to 424, about 79% of all these restaurants
- ◆ More convenience for customers

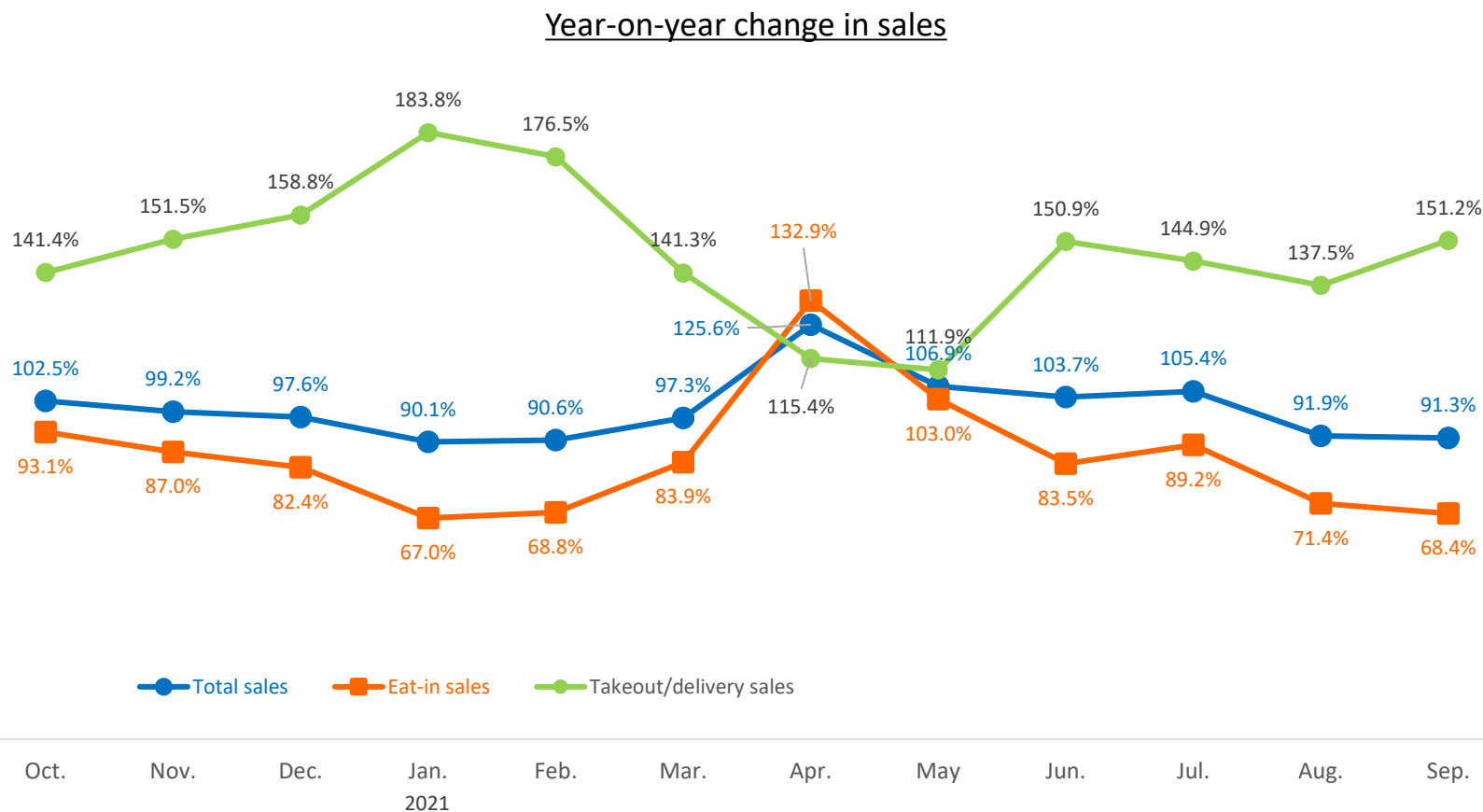
Increase in the number of restaurants using multiple platforms (Demaecan, Uber Eats, menu), sharply raise the pct. of menu items that can be delivered



## 2. Consistently High Takeout and Delivery Sales



- ◆ Big increase in takeout/delivery sales offset the decline in eat-in sales
- ◆ Record-high takeout/delivery sales at directly operated stores
- ◆ Ohsho is giving customers more options as the pandemic dramatically alters customer behavior



## 2. Opened Joy Naho, a Restaurant Solely for Takeout/Delivery Orders



- ◆ Opened a store in a new restaurant format, “Joy-Naho,” which specializes in takeout and delivery services
  - A wide variety of takeout menus served in microwavable containers
  - Customers can pre-order takeout and receive it without waiting
  - Customers can place orders through the platform run by three food delivery operators
- ◆ Open the first store in Setagaya-ku, Tokyo (Ikejiriohashi)
  - Located in an area with no other Ohsho restaurants
  - First floor of an office building, a new type of site for Ohsho
    - This format creates the potential to expand to small sites in city-center locations

### The new Joy Naho business model

The name is derived from the words “joy” and “naho,” which is a term used by Ohsho at restaurants for takeout orders sent to the kitchen. The name expresses the ability to purchase takeout and delivery items with ease.

The foot underneath Joy in the sign conveys the speed and efficiency of enjoying takeout and delivery food from these restaurants.

The dialogue balloon around the logo symbolizes the communication of customers’ orders among the restaurant staff.



■ Joy-Naho-Ikejiri-ohashi Store





### 3. Restaurant Opening Strategy: Continue Opening Many Locations Even as the Pandemic Continues



- ◆ 531 directly operated stores and 204 franchised stores at the end of the second quarter
  - New roadside restaurants make pandemic safety measures a priority from the design stage onward
- ◆ Activities with large retail stores
  - Ohsho stores are located near the grocery sales area to enable customers to pick up takeout food at the takeout-only section when they finish shopping.
  - Expect synergistic effects from being in a location near the local supermarket



463go-bypass-Tokorozawa-Hayashi Store  
(Saitama Pref.)



SunLiveCity-Kokura Store  
(Fukuoka Pref.)



Kokudo-293go-Ashikaga-Minami Store  
(Tochigi Pref.)

# 4. Promotion Strategy: Numerous Promotional Activities



- ◆ A variety of promotions to bring customers to restaurants more often and increase the number of Ohsho fans
  - Launched an uncooked gyoza stamp campaign and a sale of uncooked gyoza
- ◆ New ideas for enjoying Ohsho gyoza at home
  - Uploaded videos demonstrating how to perfectly cook our uncooked gyoza and posted recipes for creative dishes that use our uncooked gyoza on YouTube and our homepage
- ◆ Measures to offset pandemic restrictions on operations are leading to new ideas for restaurant operations after the pandemic
  - Started and focused on selling Asahi Beery that contains 0.5 percent alcohol but tastes like typical beer to appeal this product as a substitute for beer

## ■ Uncooked gyoza sale

Held every month, raises sales

## ■ Ideas for cooking gyoza at home

Information about cooking gyoza, recipes using gyoza and other ways to enjoy gyoza at home



## ■ A new beverage

An innovative substitute for beer

# 4. Promotion Strategy: Gyoza Club Customer Appreciation Campaign



**2022年版ぎょうざ倶楽部 お客様感謝キャンペーン!!**

スタンプ集めて 会員カードや限定グッズをもらおう!!

各店舗引込処理のお会計金額税込500円毎にスタンプを1個押印! 集まったスタンプの数に応じて賞品と交換できます!!

数量限定 オリジナルエプロン&ランチバッグセット

数量限定 オリジナル餃子型デジタル時計

数量限定 オリジナルショッピングエコバッグ

数量限定 ぎょうざ倶楽部ロゴ入りラメール鉢

2021 6/25から 12/12 まで

2021 7/1から 12/26 まで

スタンプ5個まで	スタンプ10個まで	スタンプ25個まで	スタンプ35個まで	スタンプ50個まで
賞品100円割引券1枚	賞品100円割引券3枚	ぎょうざ倶楽部会員カード + 賞品100円割引券4枚	ぎょうざ倶楽部会員カード + 選べる賞品 (100円割引券5枚 + オリジナルショッピングエコバッグ)	ぎょうざ倶楽部会員カード + 選べる賞品 (100円割引券6枚 + オリジナル餃子型デジタル時計)

**餃子の王将 スマホアプリ**

お得なクーポン配信 | 最新の情報をお届け | 便利な店舗検索機能

ぎょうざ倶楽部会員様へ

最新のアップデート版に便利な機能が追加  
ぎょうざ倶楽部会員カードがアプリに登録できるようになりました!!

**会員カード登録方法**

- 公式アプリをダウンロード 既にアプリをご利用の方は最新版にアップデートをお願いいたします。
- 2021年版ぎょうざ倶楽部会員カードをお持ちの方
- 会員証ページを起動 会員証ボタンをタップしてください。
- 会員カード登録 会員カード裏面のバーコードを読み取り、PINコードを入力。

最新のアップデート版は各アプリストアから検索!

App Store | Google Play | 餃子の王将 | 検索

Cumulative members for the 2021 campaign

985,000

Official app downloads

2,604,000

Increases the number of loyal customers

\*Member pct. of sales is for April-September 2021  
\*Number of downloads is as of September 30, 2021

# 4. Promotion Strategy: Special Monthly Menu Items



**餃子の王将**  
日本を笑顔しく  
1974年創業

美味しさ際立つ  
旨味とコク!  
オイスターソース仕立て  
麺の小麦粉 北海道産

いろいろ  
**春の彩**  
**あんかけ**  
**焼そば**

カリッと  
焼麺!!

**4月**  
限定販売

お得なセット!!  
864円(税込950円)~

単品 682円(税込750円)  
持ち帰り (税込736円)

餃子の王将 レンチンシリーズ

TAKE OUT

レンチンでさらに熱々!!  
お店の味そのままに!!

※お持ち帰りは、容器1個につき税込10円お持ち帰ります。容器の再利用はできません。  
※写真イメージです。食材や価格は店舗により異なる場合がございます。予めご了承ください。

**餃子の王将**  
日本を笑顔しく  
1974年創業

**野菜たっぷり**  
**五目あんかけ**  
**タンメン**

生姜の  
風味が  
アクセント!

野菜の旨みたっぷりの  
とろみ白湯餡と  
上湯スープが麺に絡む!!

麺の小麦粉 北海道産

単品 682円(税込750円)

**9月**  
限定販売

お得なセット!!  
891円(税込980円)~

お持ち帰りできます!!  
おうちで温め直しお召し上がりいただけます。

持ち帰り 682円(税込736円)

電子レンジ対応容器

※お持ち帰りは「麺」と「あんかけ」の容器に分けるため、容器代として税込200円がかかります。容器の再利用はできません。※お持ち帰りに対応する容器はございません。  
※写真イメージです。食材や価格は店舗により異なる場合がございます。予めご了承ください。

Number of items sold  
**More than 1.4million**

Monthly specials fair sales  
**¥1,080 million**

**Strong takeout sales**  
**for these items too**

\*Number of items sold and pct. of total sales are for April-September 2021

# 4. Promotion Strategy: Highly Effective Media Mix



## ◆ New television commercials



## ◆ Ads targeting areas near Ohsho stores ◆ Promotions using FM radio programs

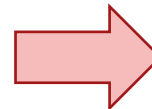
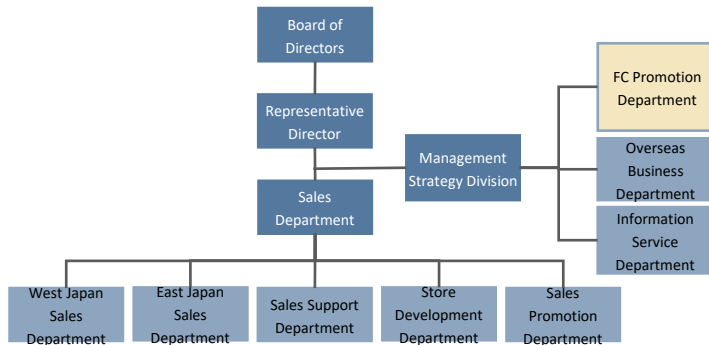


# 5. Franchise Chain Promotion Strategy: Extensive Support for Solving Issues at Franchised Stores

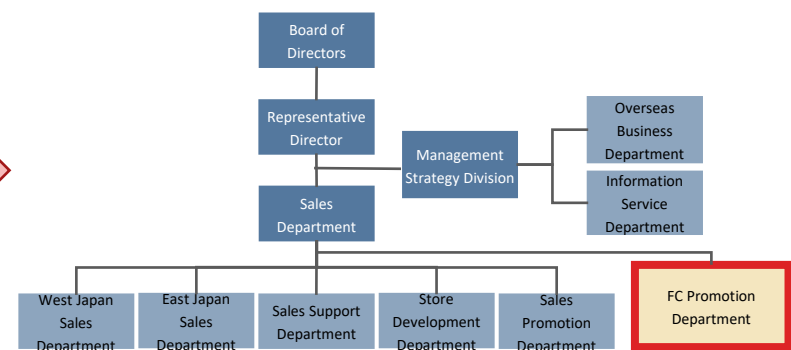


- ◆ Strengthen partnership with our franchised stores and enhance the brand value of Gyoza no Ohsho
  - The FC Promotion Dept. was transferred from the Management Strategy Division to the Sales Department
  - Established the internal system to provide group-wide support that will help franchised stores find a solution to issues they are facing
    - Upgrade food preparation skills
      - Current and future franchise owners and current and future restaurant managers attend Ohsho University and the Ohsho Cooking Dojo
    - Check the level of quality, service, and cleanliness, and support improvements
      - Ohsho franchise consultants periodically make the rounds of franchised stores to provide guidance
    - Lift the service level of franchised stores
      - Conduct sales promotions in line with those conducted in directly operated stores; increase franchised stores providing delivery and EPARK takeout services; and make a credit card payment option available at more franchised stores

■ Before revision



■ After revision



## ◆ Topics

**(S) Offered “Takeout-only Bento (meal box) for Kids” to support families in preparing meals for their children during a school summer break and “Bento for Kids” free of charge to Kodomo Shokudo and facilities that support single-mother families for their living**

- Offered “Bento for Kids” free of charge in response to the results of a survey that children’s nutritional status is likely to be compromised during a summer break in which school lunch is not available for children
- 184 directly operated stores offered a total of 32,000 meals to 360 groups from August to September.



Bento for Kids

## ◆ Ongoing activities

**(E) No plastic straws, spoons and takeout bags**

- Biodegradable resins are used for straws and biomass plastics for spoons provided with takeout meals
- Switching to takeout bags made of a biomass material (continue providing at no fee)



Biomass takeout bags

**(S) More ingredients sourced in Japan for greater confidence for customers**

- Major ingredients for gyoza, noodles and other items have been procured in Japan since 2014
- Building a stronger organic network with suppliers

**(G) Further upgrading governance**

- Activities for strengthening governance in anticipation of the stock market listing move to the new Prime Market



Main gyoza ingredients and noodle flour produced in Japan



## 1H FY3/22 Results

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# 1H FY3/22 Financial Summary



- ◆ Higher sales due to a significant increase in sales from takeout and delivery services as a result of meeting demand during the COVID-19 crisis (Takeout/delivery sales increased from 33.4% to 43.2% of total sales\*1)
- ◆ YoY increase in operating profit due to an increase in net sales as well as the efforts to keep personnel expenses under control by reorganizing work shifts in a more efficient way and to cut down utilities expenses

(Millions of yen)		1H FY3/21	FY3/22				YoY change	
			1Q	2Q	1H	YoY change		
						Amount	%	
<b>Net sales</b>		39,142	20,213	20,249	<b>40,463</b>	+1,320	+3.4%	
Directly operated stores *2	Eat-in	23,779	10,574	10,324	<b>20,898</b>	-2,880	-12.1%	
	Takeout/delivery	11,934	7,803	8,115	<b>15,919</b>	+3,985	+33.4%	
Franchised stores		3,298	1,754	1,764	<b>3,519</b>	+220	+6.7%	
<b>Gross profit</b>		27,278	13,932	13,863	<b>27,795</b>	+516	+1.9%	
<b>Operating profit</b>		2,391	1,706	1,486	<b>3,192</b>	+801	+33.5%	
Operating profit to net sales		6.1%	8.4%	7.3%	<b>7.9%</b>	+1.8pt	-	
<b>Ordinary profit</b>		2,703	3,151	2,831	<b>5,982</b>	+3,278	+121.3%	
Ordinary profit to net sales		6.9%	15.6%	14.0%	<b>14.8%</b>	+7.9pt	-	
<b>Profit attributable to owners of parent</b>		1,698	2,144	2,129	<b>4,274</b>	+2,575	+151.7%	
Profit to net sales		4.3%	10.6%	10.5%	<b>10.6%</b>	+6.3pt	-	
<b>Net income per share</b>		90.5 yen	114.2 yen	113.4 yen	<b>227.6 yen</b>	+137.1 yen	-	

\*1 Percentage of sales at directly operated stores in Japan \*2 Stores in Japan

# 1H FY3/22 Factors of Changes in Operating Profit

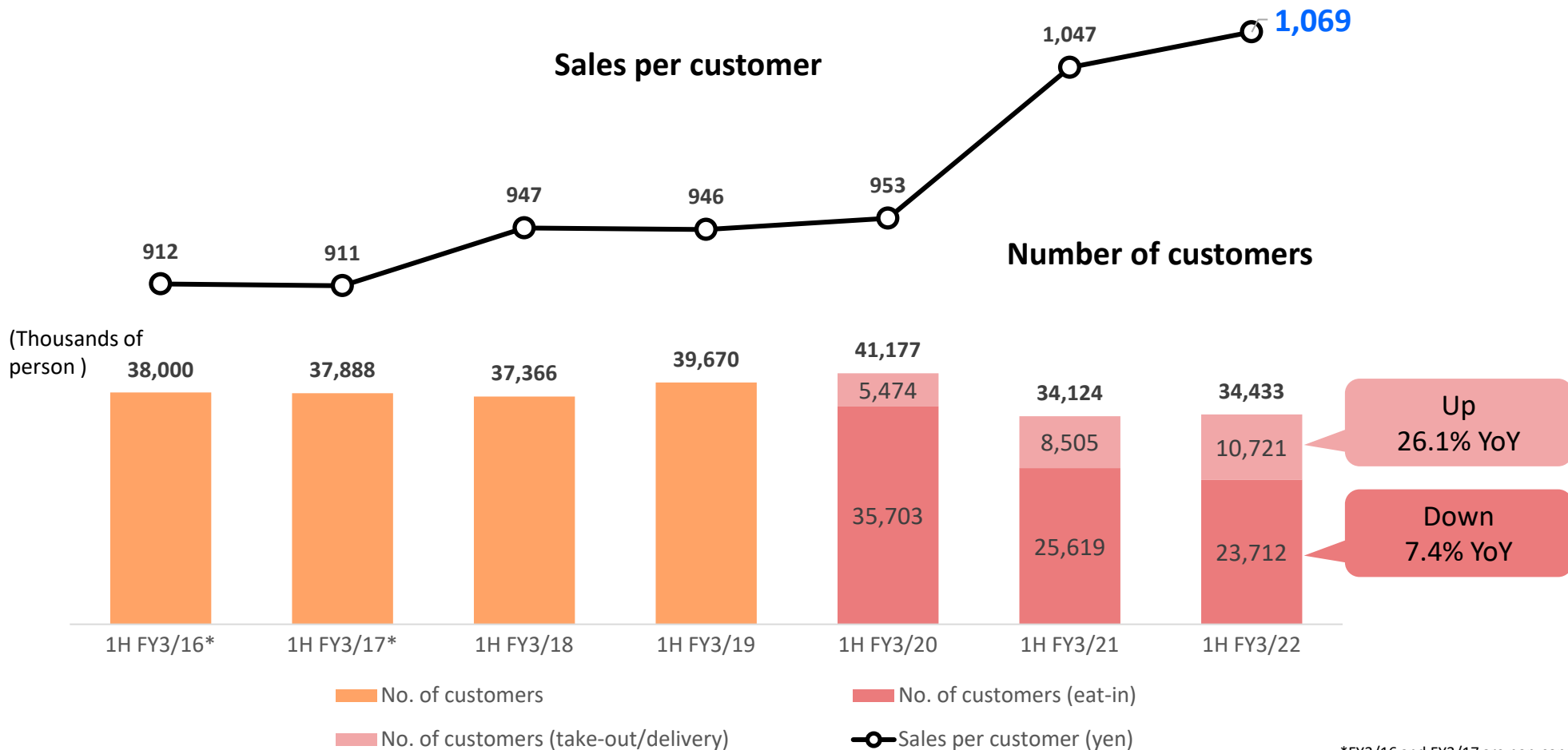


- Operating profit **increased ¥1,164 million** YoY due to higher sales
  - Higher cost of sales ratio 1H FY3/21: 30.3% ➡ **1H FY3/22: 31.3% (+1.0pt)**
    - Higher costs due to an increase in delivery services
  - Lower SG&A ratio 1H FY3/21: 63.6% ➡ **1H FY3/22: 60.8% (-2.8pt)**
    - Kept personnel expenses under control by reorganizing work shifts in a more efficient way and cut down utilities expenses
- ➡ Operating profit **increased ¥801 million to ¥3,192 million**  
**(Operating margin: 7.9%)**

# Number of Customers and Sales per Customer (All Directly Operated Stores in Japan)



- ◆ Although the pandemic reduced the number of customers, the rapid start of takeout/delivery services has resulted in steady growth in the number of customers using these services.
- ◆ Sales per customer continue to climb because of basic QSC improvements and increasing pandemic-related delivery demand.

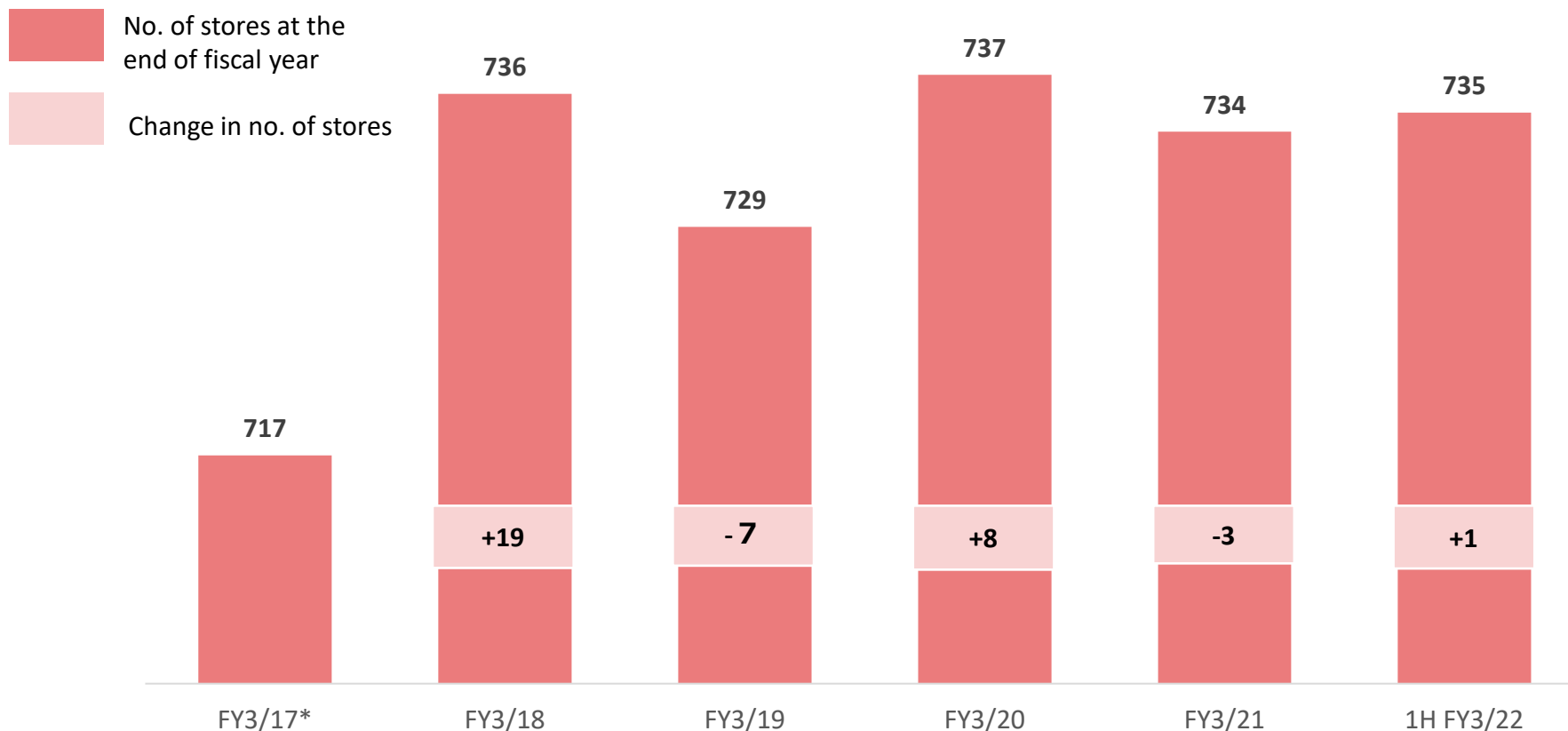


\*FY3/16 and FY3/17 are non-consolidated

# Number of Stores



- ◆ The number of stores at the end of the first half was 735, an increase of 1 store from the end of FY3/21 (531 directly operated stores and 204 franchised stores)
  - Opened 7 stores (4 directly operated stores and 3 franchised stores) and closed 6 stores (1 directly operated store and 5 franchised stores)



\*FY3/17 is non-consolidated

# 2Q FY3/22 Balance Sheets



- ◆ Started repaying long-term loans obtained in FY3/21 to prepare for an extended pandemic
- ◆ The balance of borrowings decreased ¥4,071 million from the end of FY3/21 to ¥22,923 million
- ◆ The equity ratio raised from 58.1% at the end of FY3/21 to 62.0%

(Millions of yen, %)	FY3/21	2Q FY3/22		Change	(Millions of yen, %)	FY3/21	2Q FY3/22		Change
		Amount	%				Amount	%	
<b>Current assets</b>	42,452	<b>41,736</b>	<b>45.9</b>	<b>-716</b>	<b>Current liabilities</b>	20,582	<b>23,364</b>	<b>25.7</b>	<b>+2,782</b>
Cash and deposits	39,590	<b>38,528</b>	42.4	-1,062	Current portion of long-term borrowings	10,931	13,482	14.8	+2,551
<b>Non-current assets</b>	48,701	<b>49,134</b>	<b>54.1</b>	<b>+432</b>	<b>Non-current liabilities</b>	17,619	<b>11,144</b>	<b>12.3</b>	<b>-6,474</b>
<b>Property, plant and equipment</b>	36,092	<b>36,257</b>	<b>39.9</b>	<b>+164</b>	Long-term borrowings	16,063	9,441	10.4	-6,622
Buildings and structures	12,118	<b>11,917</b>	13.1	-200	<b>Total non-current liabilities</b>	38,201	<b>34,509</b>	<b>38.0</b>	<b>-3,692</b>
Land	20,649	<b>20,633</b>	22.7	-15	<b>Shareholders' equity</b>	52,764	<b>56,027</b>	<b>61.7</b>	<b>+3,263</b>
<b>Intangible assets</b>	143	<b>126</b>	<b>0.1</b>	<b>-17</b>	Share capital	8,166	8,166	9.0	0
<b>Investments and other assets</b>	12,465	<b>12,751</b>	<b>14.0</b>	<b>+285</b>	Capital surplus	9,259	9,287	10.2	+27
Investment securities	5,286	<b>5,548</b>	6.1	+261	Retained earnings	46,045	49,262	54.2	+3,216
Guarantee deposits	4,274	<b>4,423</b>	4.9	+149	Treasury shares	(10,707)	(10,688)	(11.8)	+18
Deferred tax assets	2,029	<b>1,887</b>	2.1	-141	<b>Total valuation and translation adjustments</b>	188	<b>333</b>	<b>0.4</b>	<b>+145</b>
Allowance for doubtful accounts	(15)	<b>(14)</b>	0.0	+1	<b>Total net assets</b>	52,952	<b>56,361</b>	<b>62.0</b>	<b>+3,408</b>
<b>Total assets</b>	91,154	<b>90,871</b>		<b>-283</b>	<b>Total liabilities and net assets</b>	91,154	<b>90,871</b>		<b>-283</b>

# 1H FY3/22 Cash Flows



- ◆ Operating cash flows increased to ¥5,417 million mainly due to higher profit
- ◆ Investing cash flows decreased to ¥(1,472) million due to purchase of property, plant and equipment
  - Capital expenditures in 1H FY3/21 at the Kumiya Plant and in 1H FY3/22 for property, plant and equipment for opening new restaurants
- ◆ Free cash flow was ¥3,944 million and cash and cash equivalents was up ¥446 million

(Millions of yen)	1H FY3/21	1H FY3/22	Change
<b>Cash flows from operating activities</b>	1,281	5,417	4,135
Profit before income taxes	2,655	6,286	3,631
Increase (decrease) in accrued consumption taxes	(690)	101	792
Income taxes paid	(1,294)	(1,050)	244
<b>Cash flows from investing activities</b>	(2,551)	(1,472)	1,079
Purchase of property, plant and equipment	(2,436)	(1,252)	1,184
<b>Free cash flow</b>	(1,269)	3,944	5,214
<b>Cash flows from financing activities</b>	22,233	(5,009)	-27,243
Net decrease in borrowings	23,360	(4,071)	-27,431
Dividends paid	(1,125)	(938)	187
<b>Cash and cash equivalents at end of period</b>	38,082	38,528	446



## FY3/22 Plan

- ◆ Planning on higher sales and earnings based on the outlook for a slow recovery even as the pandemic continues to affect operations
- ◆ Plan on a 2.1% increase in sales at existing directly operated stores in Japan

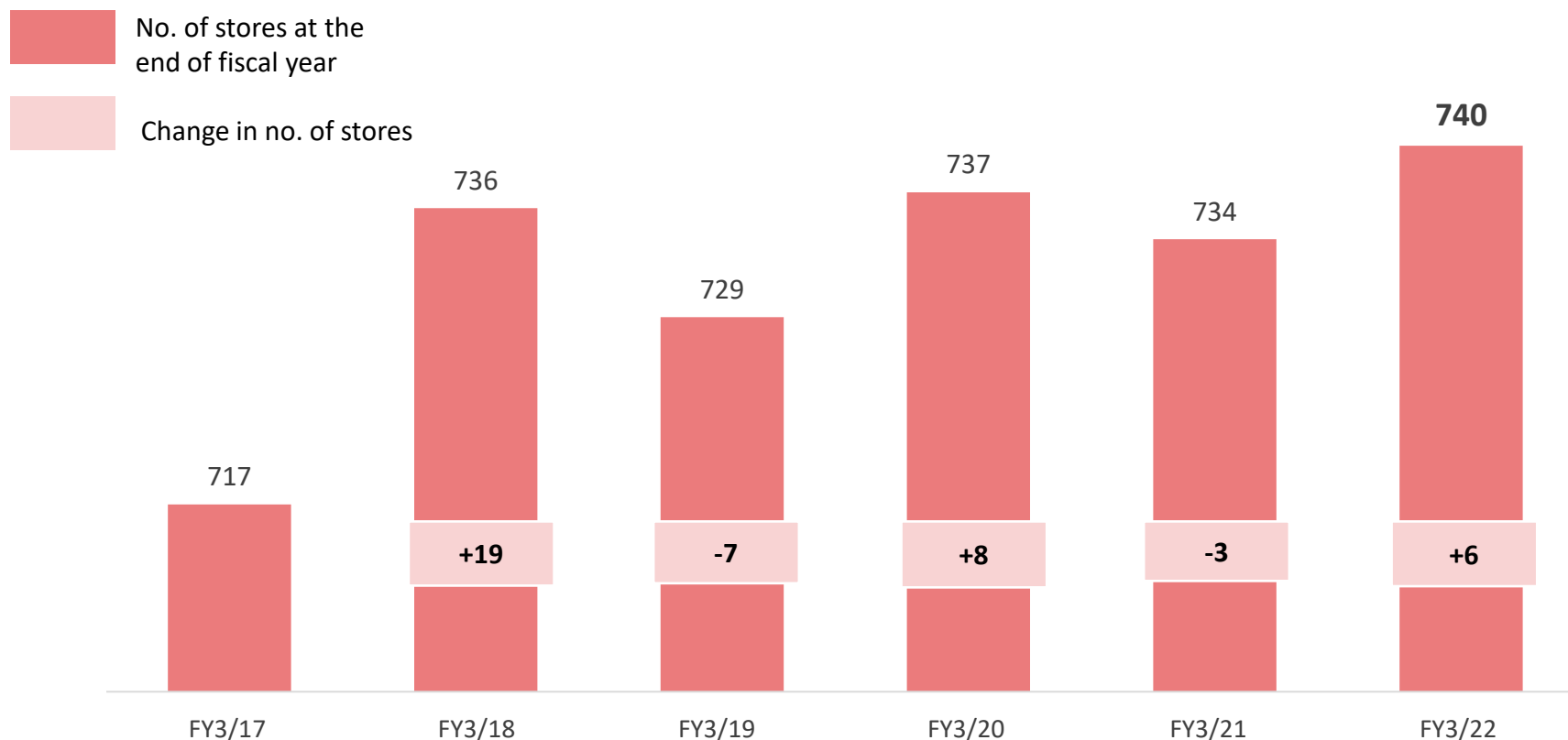
(Millions of yen)	FY3/21 Results	FY3/22				
		1H Results	2H Plan	Full year Plan	YoY change	
					Amount	%
Net sales	80,616	40,463	<b>43,391</b>	<b>83,854</b>	+3,237	+4.0
Gross profit	56,088	27,795	<b>30,278</b>	<b>58,074</b>	+1,985	+3.5
Operating profit	6,073	3,192	<b>3,797</b>	<b>6,989</b>	+916	+15.1
Operating profit to net sales	7.5%	7.9%	<b>8.8%</b>	<b>8.3%</b>	+0.8pt	-
Ordinary profit	6,867	5,982	<b>5,482</b>	<b>11,465</b>	+4,597	+66.9
Ordinary profit to net sales	8.5%	14.8%	<b>12.6%</b>	<b>13.7%</b>	+5.2pt	-
Profit attributable to owners of parent	4,287	4,274	<b>3,525</b>	<b>7,799</b>	+3,512	+81.9
Profit to net sales	5.3%	10.6%	<b>8.1%</b>	<b>9.3%</b>	+4.0pt	-
Net income per share	228.4 yen	227.64 yen	-	<b>415.30</b>	+186.88	-



# FY3/22 Plan for Opening and Closing Restaurants



◆ As of May 2021, planned on 748 restaurants as of the end of FY3/22, but now plan on closing of 2 directly operated and 6 franchised stores (536 directly operated stores and 204 franchised stores planned at the end of FY3/22)

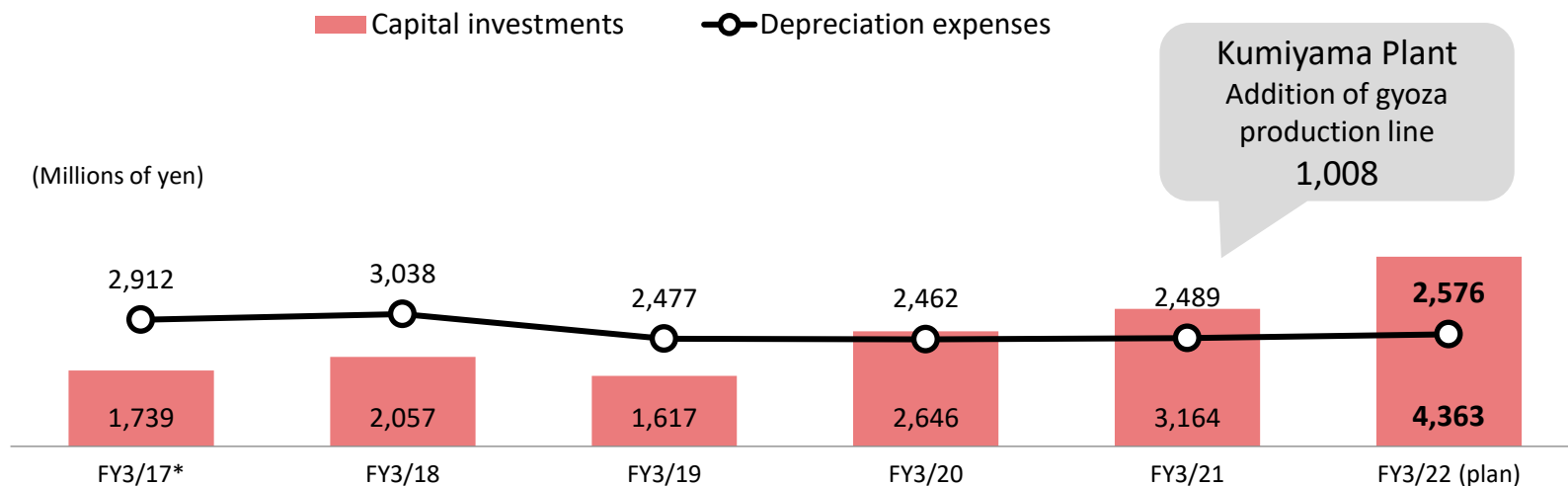


\* FY3/17 is non-consolidated

# FY3/22 Plan for Capital Expenditures



- ◆ In FY3/21, planned on expenditures for restaurant renovations and openings, but pandemic-related expenditures became a priority instead
- ◆ In FY3/22, capital expenditures are primarily for restaurant openings and renovations



\*FY3/17 is non-consolidated

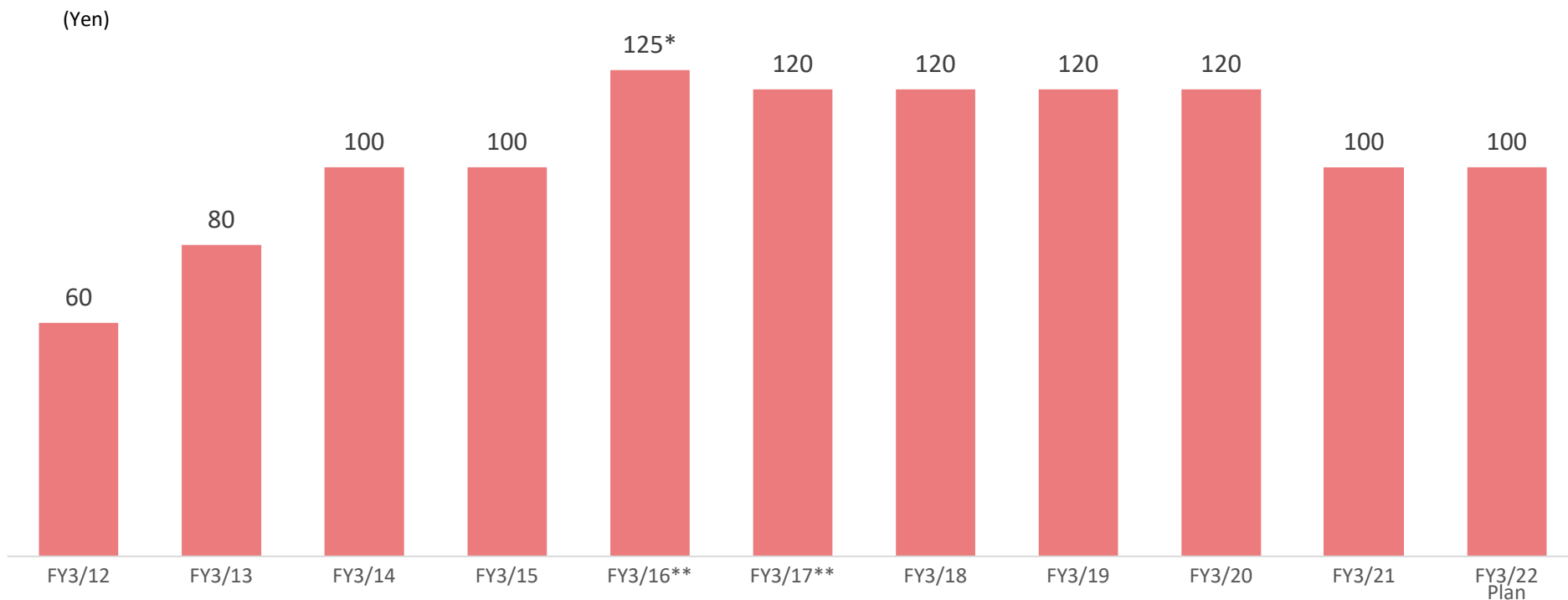
## Composition of Capital Expenditures

(Millions of yen)	Opening of new stores	Renovation of existing stores	Central kitchens	Others	Total
FY3/21 results	499	1,390	1,228	47	3,164
<b>FY3/22 plan</b>	<b>990</b>	<b>2,105</b>	<b>946</b>	<b>320</b>	<b>4,363</b>

# Shareholder Returns



- ◆ Plan to maintain a stable dividend even during the pandemic as sales and earnings growth are expected in FY3/22.
- ◆ Plan to pay 50 yen per share for the interim dividend and 50 yen per share for the year-end dividend as in FY3/21



\*Includes a commemorative dividend of 5 yen

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



# Looking Ahead to Life with COVID-19



# The Spirit of the Founder

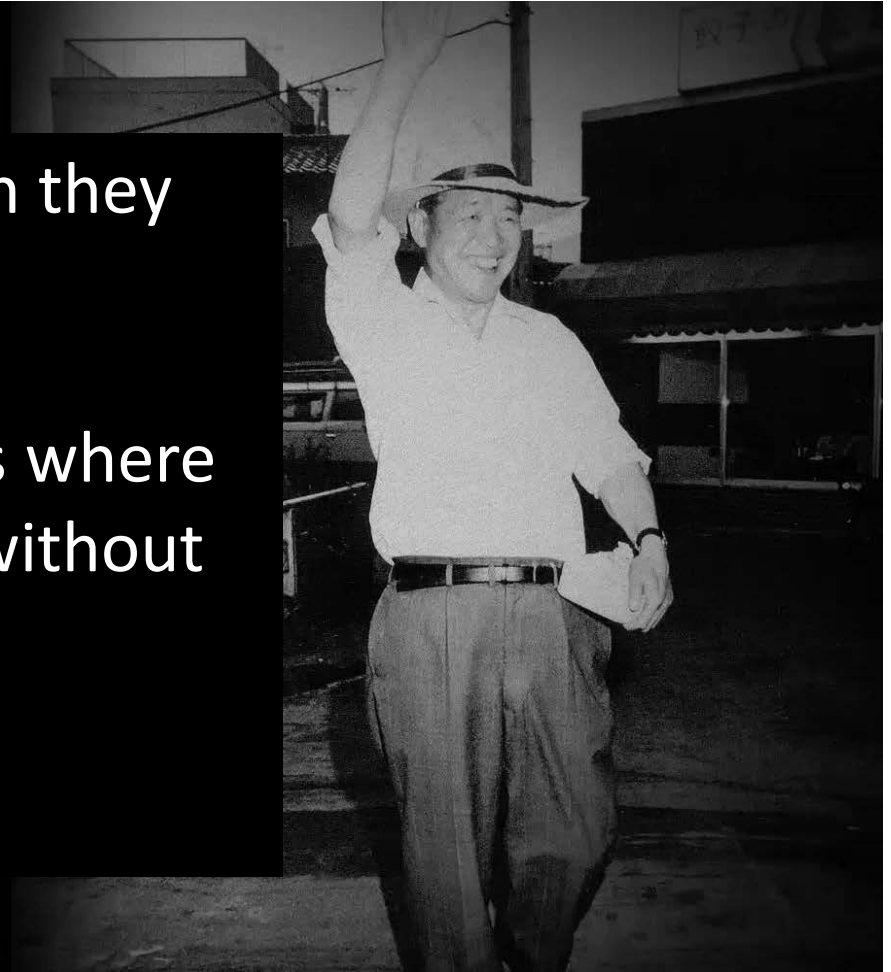


- We will never forget the spirit behind the founding of Ohsho as we continue to evolve and advance as the business climate and our customers' needs change.

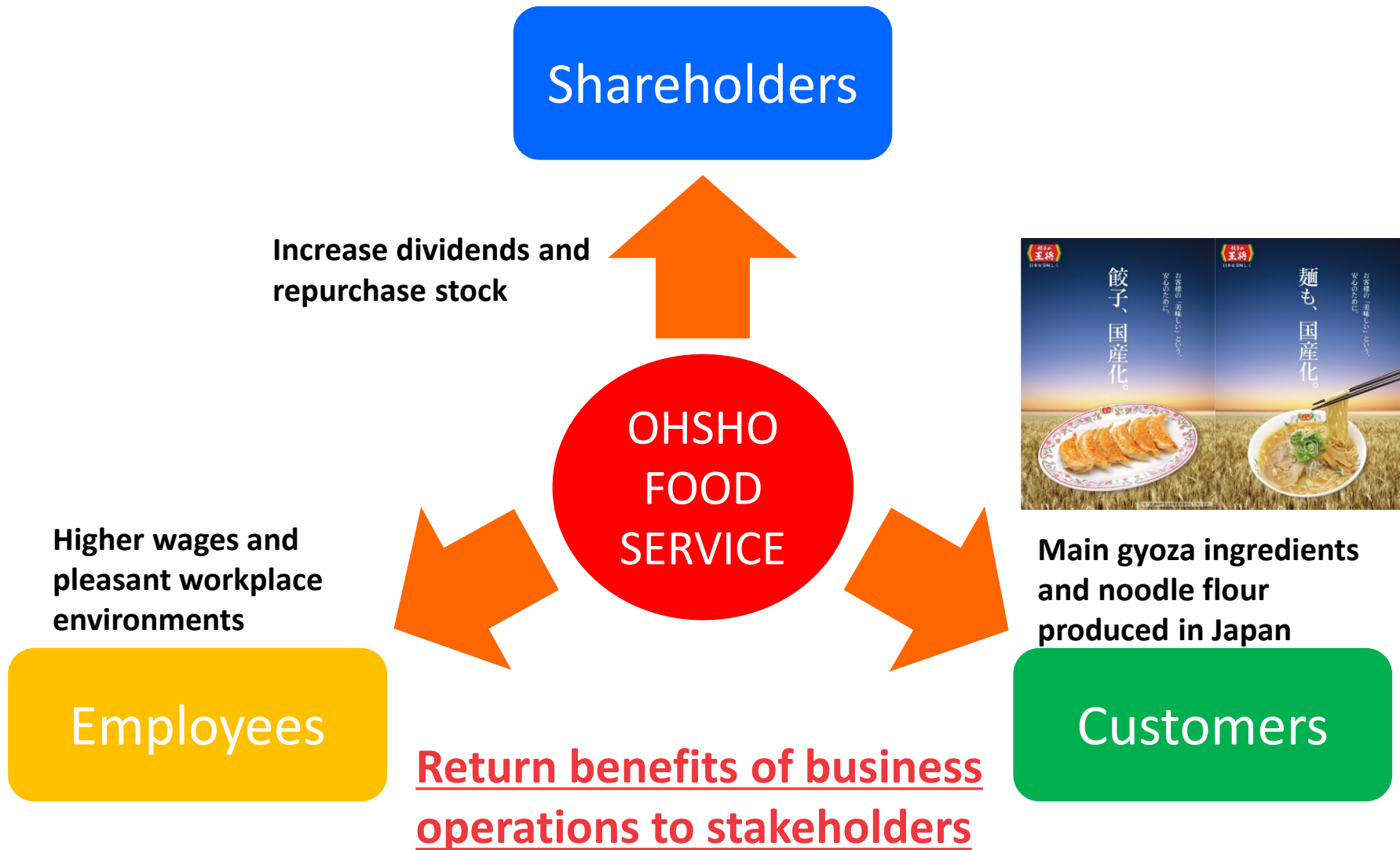
People forget bad things when they are enjoying delicious food.

This is why I made restaurants where people can eat all they want without spending a lot of money.

Asao Kato



# Building Stakeholder Relationships Backed by Trust



## ■ Increase investments in people and equipment

- People: Improve salaries and other benefits, provide training
- Equipment: Investments in central kitchens (about ¥10 billion) to improve quality and productivity



**The flagship Higashi-Matsuyama Plant started operating in March 2016**

**Fully automated gyoza production for even better quality and productivity**



**August 2020, an investment of ¥1 billion at the Kumiya Plant**

**Supplies quality gyoza to all restaurants in the Kansai region**

# Ohsho's Management Strategies During the COVID-19 Pandemic



**Achieve the corporate philosophy**

**Higher customer satisfaction**

**Growth of sales/earnings**



**Higher employee satisfaction**

**Employees**  
Increase engagement

**Creative jobs**  
Increase achievements

**Combination of people skills and digital technologies**  
Aim for creating new value and achieving rapid progress and growth

**People skills**

**Digital technologies**

**Strengthen training programs and pass on the traditional Ohsho Spirit to the next generation**

**Human resource development**  
Technologies, personal strengths, management, expertise

**Traditions and Ohsho spirit**  
Handmade food, warm hospitality, vitality



**Work process innovations and higher productivity**

**Work process innovations**  
Use of AI, higher quality, logistics innovations, inventory management

**Higher productivity**  
Sales forecasts, work shift management, business process improvement





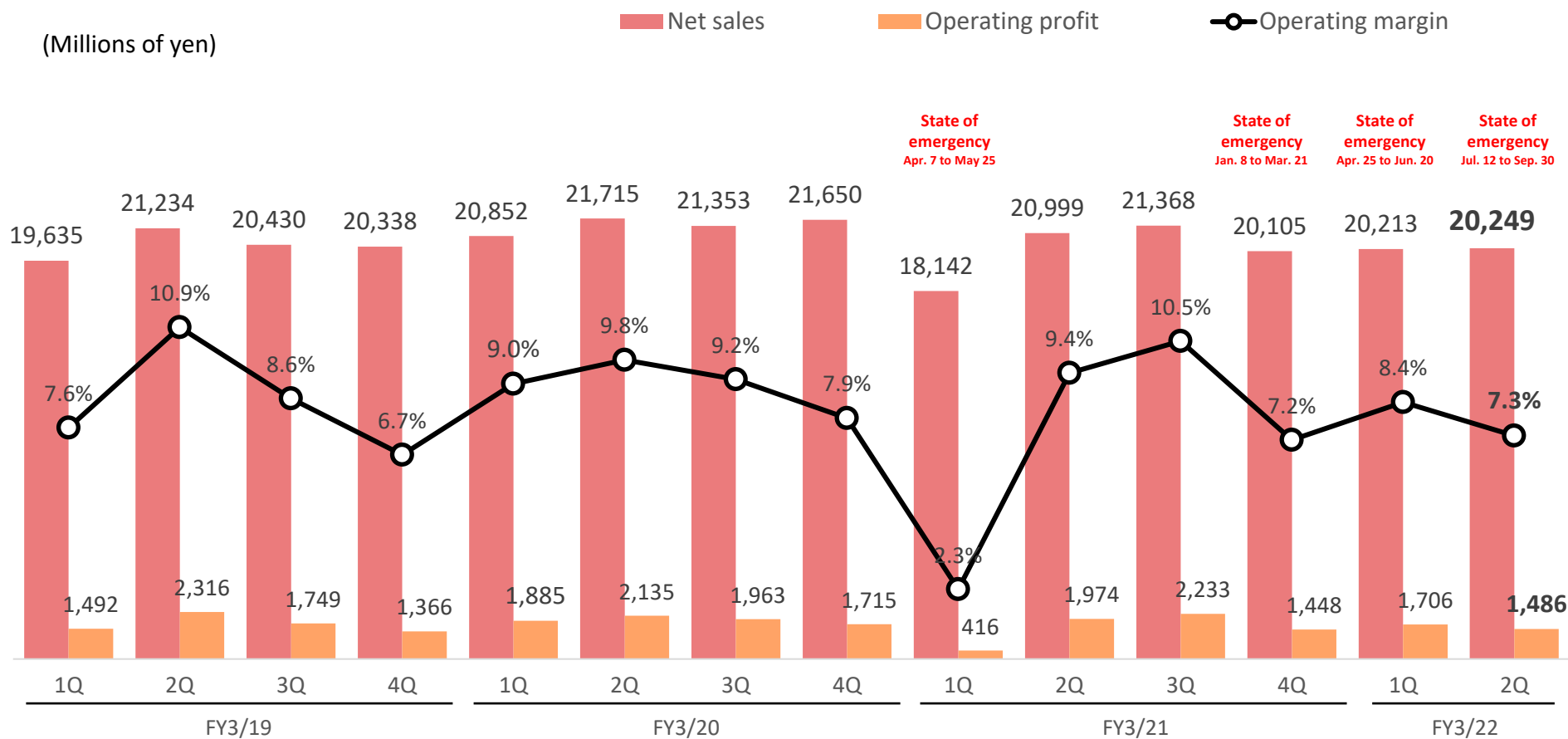
## Appendix

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# Quarterly Results



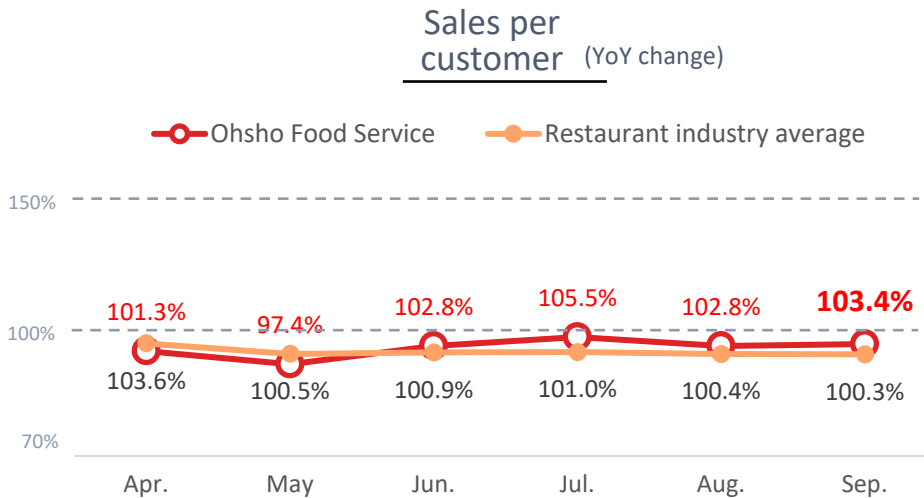
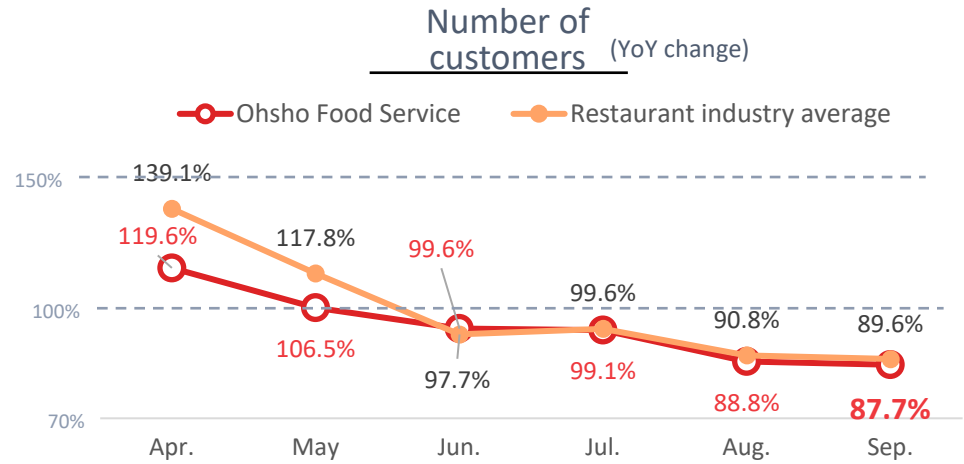
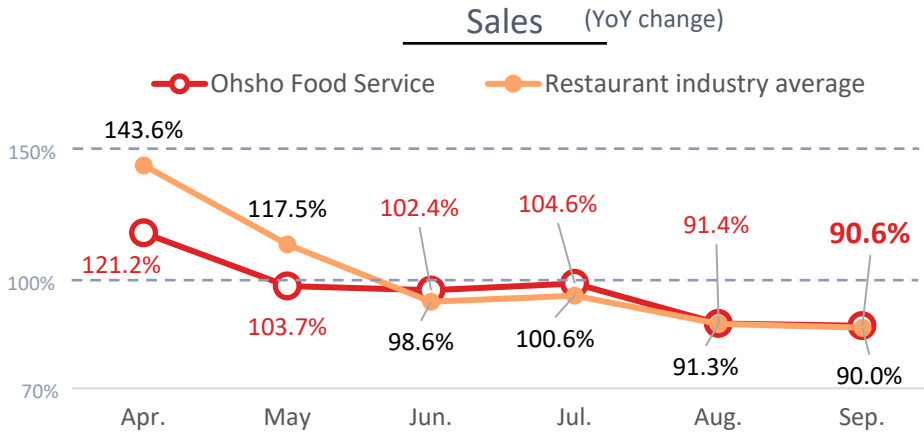
- ◆ Although the pandemic continues to affect business operations, takeout/delivery sales are increasing and there are measures to hold down expenses, such as the use of efficient work shifts to reduce personnel expenses and activities to reduce utility expenses.



# Monthly Sales, Customers and Sales per Customer (Existing Stores in Japan)



- ◆ Existing restaurant sales in the Japanese restaurant industry have been low since June 2021.
- ◆ By acting quickly, Ohsho succeeded at targeting increasing takeout/delivery demand. As a result, existing restaurant sales since June have been higher than the restaurant industry average.



\*Ohsho delivery sales per customer include delivery fees

Ohsho Food Service YoY change	1H FY3/21	1H FY3/22
Sales	90.9%	<b>101.3%</b>
Number of customers	82.8%	<b>99.0%</b>
Sales per customer	109.8%	<b>102.3%</b>

\* The restaurant industry average is the average for 17 companies selected by Ohsho and exclude the fast food, sushi, coffee shop and izakaya categories (OOTOYA Holdings, ARCLAND SERVICE HOLDINGS, SKYLARK HOLDINGS, TORIDOLL Holdings, Chikaranomoto Holdings, ZENSHO HOLDINGS, KOURAKUEN HOLDINGS, Saizeriya, HIDAY HIDAKA, ICHIBANYA, ROYAL HOLDINGS (Royal Host), Ringerhut, GIFT, YOSHINOYA HOLDINGS, MATSUYA FOODS HOLDINGS, Joyfull, OHSHO). Figures are a simple average of monthly data (April to Sept. 2021).



- 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

E-mail: [ir@ohsho.co.jp](mailto:ir@ohsho.co.jp)