



# Results of Operations

for the Second Quarter of the Fiscal Year  
Ending March 31, 2024 (FY3/24)

November 17, 2023

Tokyo Stock Exchange, Prime

**9936**

OHSHO FOOD SERVICE CORP.

# Today's Agenda

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01

# 1H FY3/24 Financial Highlights

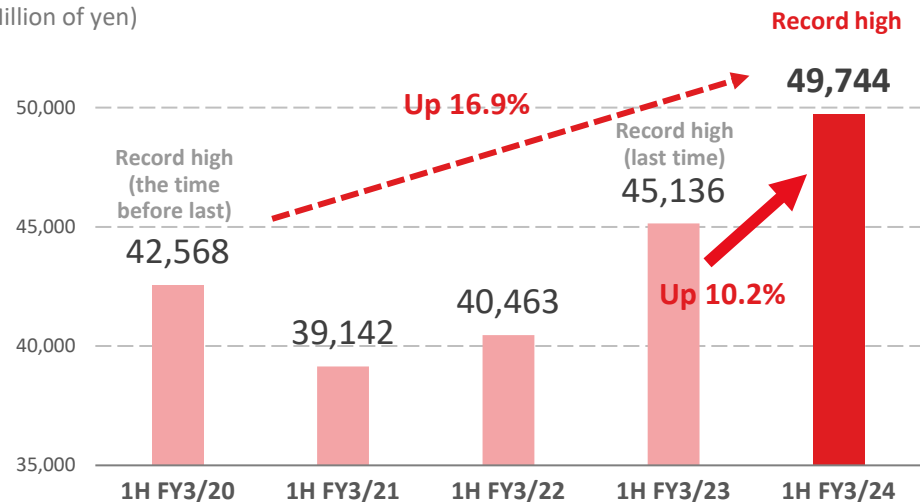
# 1H FY3/24 Financial Highlights (1)

## Consolidated Sales

¥**49,744** million Up **10.2%** YoY

- Record-high first half sales as COVID-19 was downgraded and due to consistent QSC improvements, highly effective advertising campaigns and other activities
- **Record-high** YoY monthly sales for 20 consecutive months (February 2022 to September 2023)

(Million of yen)

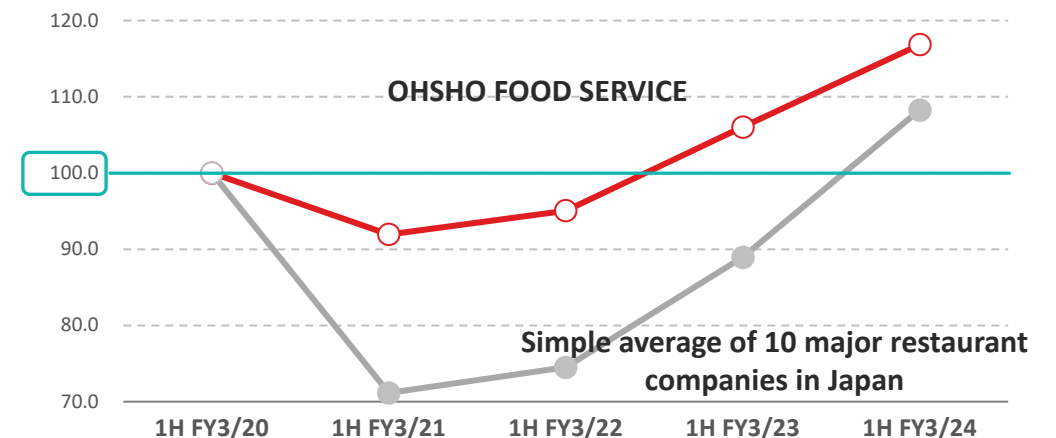


## Consolidated Sales Index (FY3/20=100)

1H FY3/24 sales index was **116.9**  
compared with 1H FY3/20

- Ohsho sales were 116.9 compared with 1H FY3/20; the average for 10 major restaurant companies in Japan is 108.3 as this average finally surpassed the 1H FY3/20 level for the first time.
- The FY3/21 downturn in sales was relatively small, demonstrating the resilience of Ohsho restaurants to a challenging and changing business climate as well as the ability to recover quickly.

1H FY3/20=100



\*Fiscal year second half figures are used for some companies.

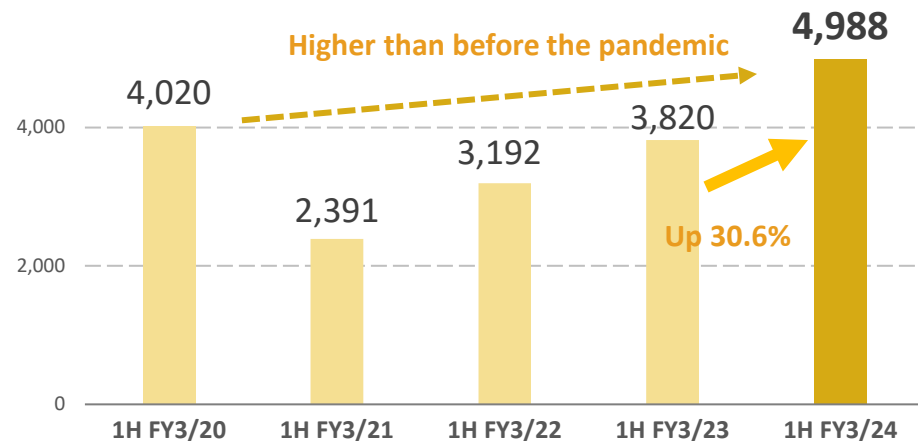
# 1H FY3/24 Financial Highlights (2)

## Consolidated Operating Profit

¥**4,988** million Up **30.6%** YoY

- **Operating profit up** 30.6% despite the negative effects of higher prices of raw materials.
- Operating profit was higher than the pre-pandemic level (1H FY3/20).

(Millions of yen)

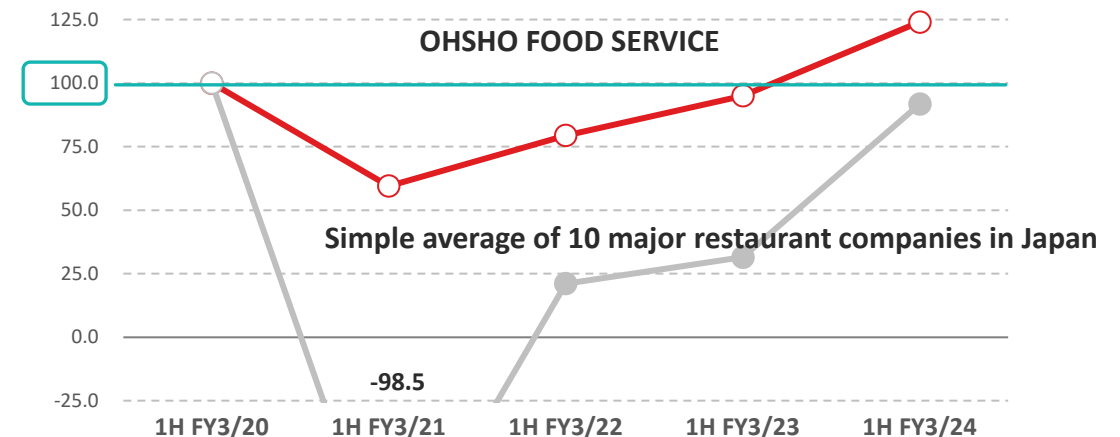


## Consolidated Operating Profit Index (FY3/20=100)

1H FY3/24 operating profit index was **124.1**  
compared with 1H FY3/20

- The average index for 10 major restaurant companies in Japan is 91.7 as earnings are still below the 1H FY3/20 performance. This index is 124.1 at Ohsho.
- Ohsho was able to maintain a consistently high operating profit even as the pandemic severely impacted the restaurant industry in Japan.

(1H FY3/20=100)



\*Fiscal year second half figures are used for some companies.

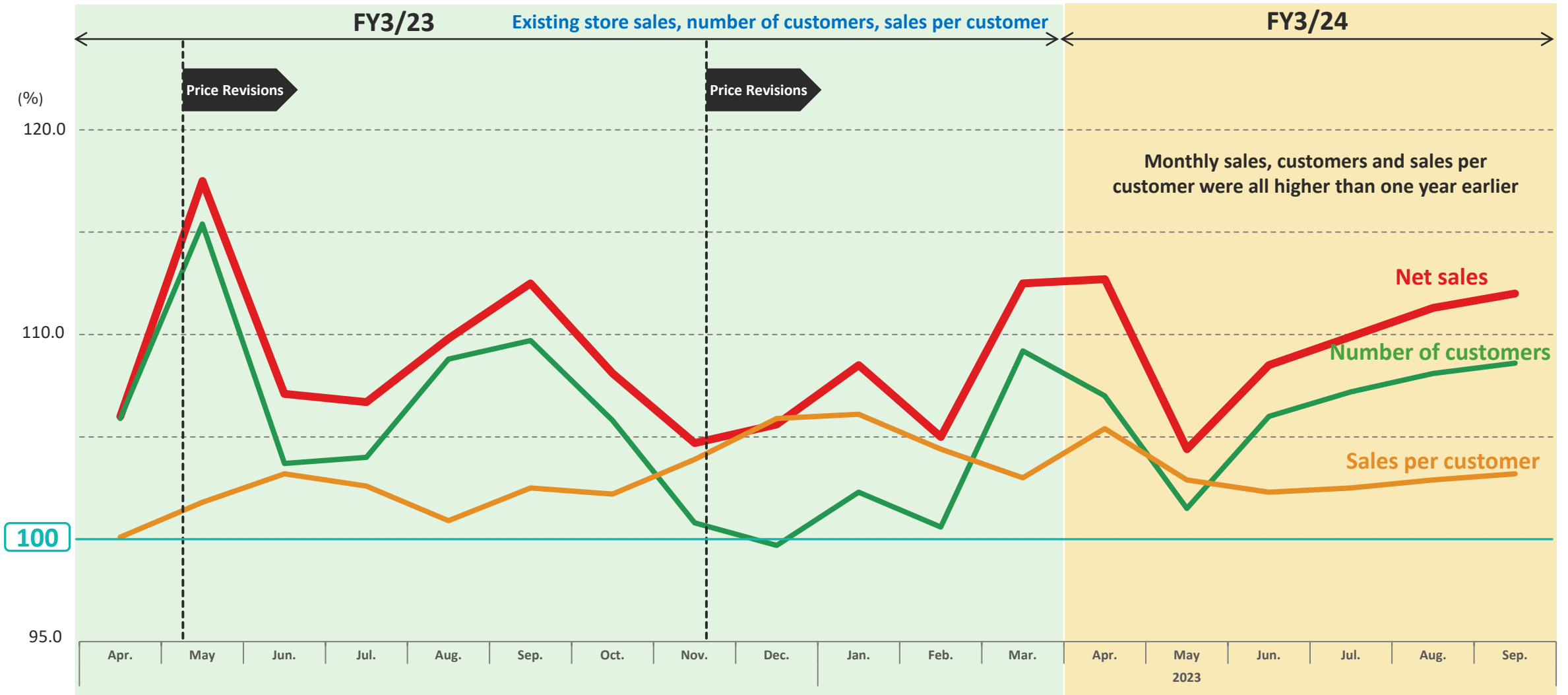


02

## 1H FY3/24 Major Activities

# Existing store sales strong even after two price revisions in FY3/23

– At existing stores in 1H FY3/24, there were increases of 9.7% in sales, 6.3% in the number of customers and 3.2% in sales per customer.

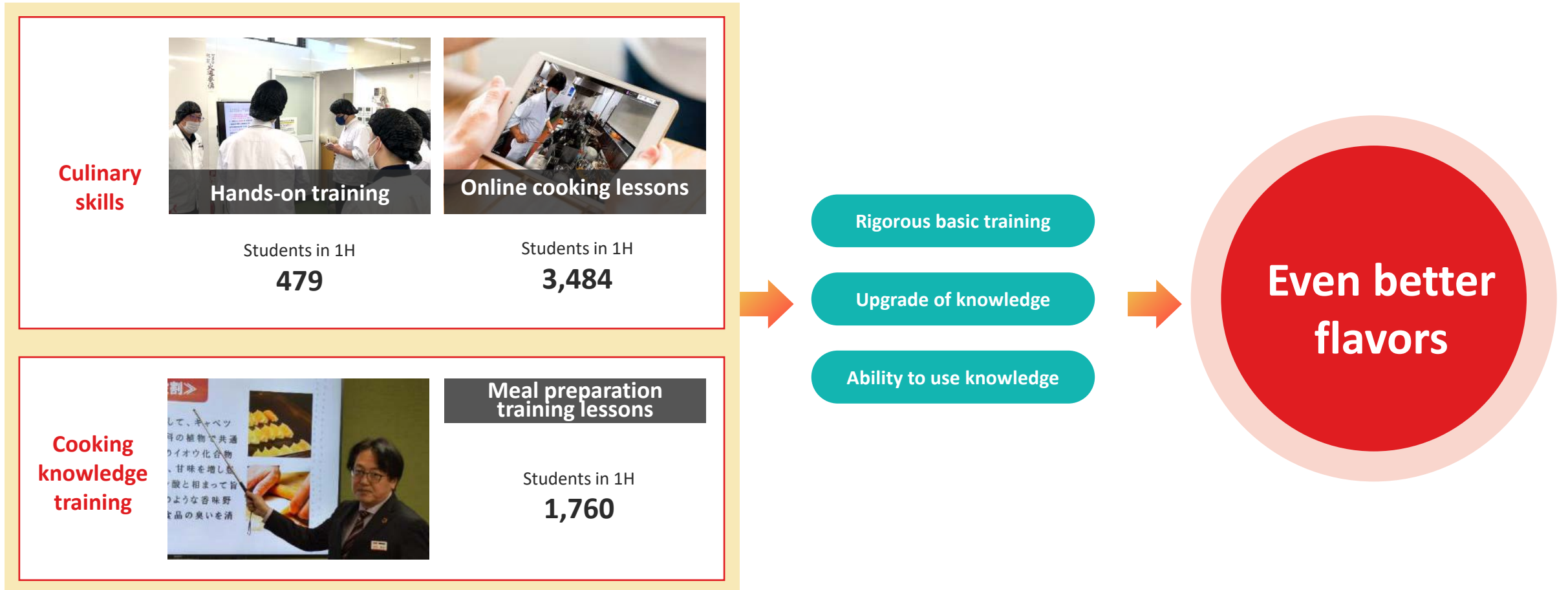






# Constantly increasing the “power of good taste”

- Always making upgrades to provide food that people enjoy no matter how many times they order it.
- For even higher culinary skills, more opportunities to learn by increasing the number of people attending hands-on cooking classes and holding more of these classes.



# Continuing and upgrading “Science of Good Taste” training that started in 2023



- Classes on the theory of cooking and other knowledge to enable people to broaden the use of culinary skills.
- Recent cooking knowledge training programs have focused on improving knowledge about “cooking with heat.”

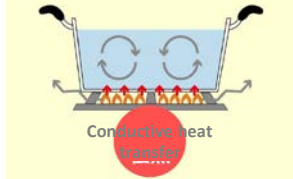
## Summary of Recent Cooking Knowledge Training Programs

### • Thermal conductivity of food

Heat reaches the interior of food mainly by passing through water from the place where heat is applied. **Low water content means low thermal conductivity.** Therefore, even if a high temperature is used to cook something quickly, the heat will increase the evaporation of water in the food. The result is a dry exterior that prevents most heat from reaching the interior.

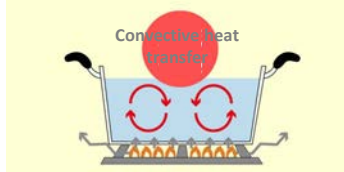
### • Three thermal conductivity principles for cooking with heat

#### Conductive heat transfer



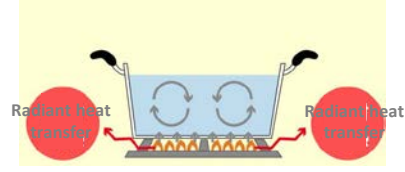
Heat is transferred from a hot surface (pan or other cooking utensil) to food touching the surface. This one-way transfer of heat to food requires frequent stirring for even heating of the food.

#### Convective heat transfer



Heat is transferred uniformly to all food surfaces by passing through air or a liquid. Using a liquid such as water or an oil heats food faster than when relying on air for the heat transfer.

#### Radiant heat transfer



The transfer of heat through invisible infrared rays heats only areas of food facing the heat source. Too much radiation will harden the surface of the food, making it difficult for heat to reach the center.

### Classes about the theory of cooking with heat and different techniques

#### Heating with moisture



Boil



Simmer



Steam



Cook

#### Heating without moisture



Grill



Stir-fry



Fry

# Success of planning and development for constantly creating new challenges

- The Corporate Planning Department plays the central role in taking on new challenges nationwide that reflect Ohsho’s technologies, innovative ideas and feedback from restaurants.
- Make Ohsho even more appealing to the public by creating new products and restaurant formats and conducting marketing campaigns covering all operations.

**Create new restaurant formats**  
Includes rebuilding or relocating existing Ohsho restaurants



GYOZA OHSHO



Joy Naho

**Marketing campaigns that bring more customers to Ohsho restaurants**







**New and highly distinctive products**





**Simple but flavors with depth.  
Reviving the origins of chuka soba.**

The broth is based on seafood and is flavored with soy sauce incorporating negiyu (leek oil) for an extra aroma. The soba, made using flour produced in Hokkaido, is smooth and firm. Flavors bring back memories of food of many years ago.

This unforgettable chuka soba ramen went on sale in April 2023, featuring delicious broth combined with carefully chosen ingredients, instead of luxurious rich flavors ramen of the post-pork bone broth boom days.



# Wasurerarenai Chukasoba and monthly fair menu item sales

- Wasurerarenai Chukasoba (unforgettable Chinese Noodles), launched nationwide in April, have been popular among people of all ages.
- In addition, all restaurants have monthly fair menu items that are also very successful.

**Wasurerarenai Chukasoba**  
(Chinese noodles that can be never forgotten)

**Monthly fair menu items in the current fiscal year**



**Total sales**  
**2,360,000 bowls**

As of Sep. 30, 2023

April



May



June



July



August



September



# Many sales activities by using a variety of campaigns

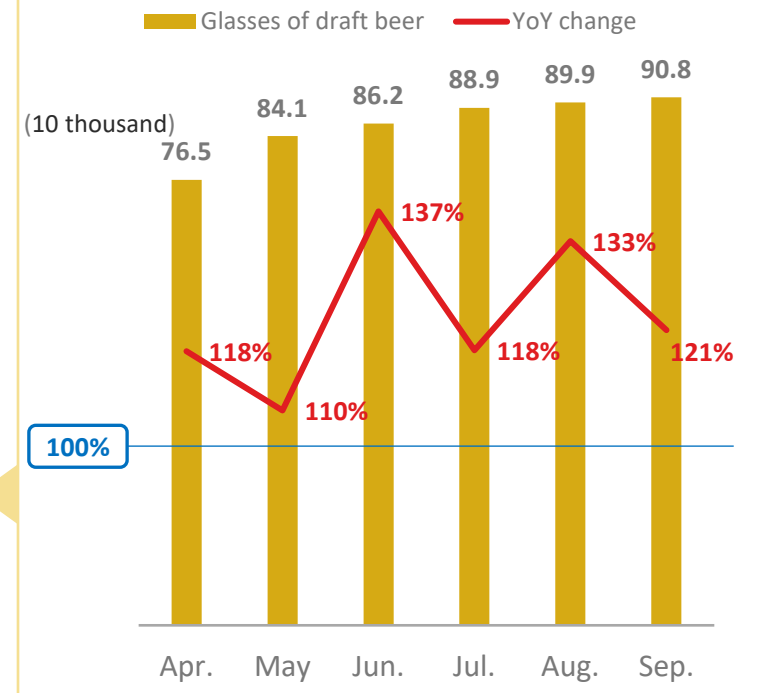
- Campaigns that bring in many people so that even more customers can enjoy Ohsho's delicious menu items.
- Very successful draft beer campaign due partly to downgrade of COVID-19 and hot summer weather.



	2023						
	Apr.	May	Jun.	Jul.	Aug.	Sep.	
<b>Major campaigns in 1H FY3/24</b>							
Gyoza Club customer appreciation campaign for 2023	Jan. 16 - Jun. 11						
Gyoza Club customer appreciation campaign for 2024				Jun. 23 - Dec. 10			
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	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. 30 ¥30 discount	Aug. 1 - Aug. 15 ¥100 discount coupon	Sep. 1 - Sep. 30 ¥100 discount after the second glass of beer	
Campaign to celebrate Wasurerarenai Chukasoba (Unforgettable Chinese Noodles) surpassing 1 million bowls				Jul. 7 - Jul. 23			

## Draft Beer Sales (including franchised locations)

Efforts to avoid repeating the same discounting methods have also been successful.





# Highly effective TV commercials

- TV commercials were linked to marketing campaigns.
- Large pct. of commercials were in the Osaka area; also other activities using other media to raise awareness of Ohsho.

## TV Commercials (Since March)

TV commercials tell viewers about Ohsho's dedication to using gyoza and other delicious menu items to be a source of happiness and energy for people throughout Japan. Commercials feature actors Taiga Nakano and Hiyori Sakurada enjoying an Ohsho meal.



Taiga Nakano



Hiyori Sakurada



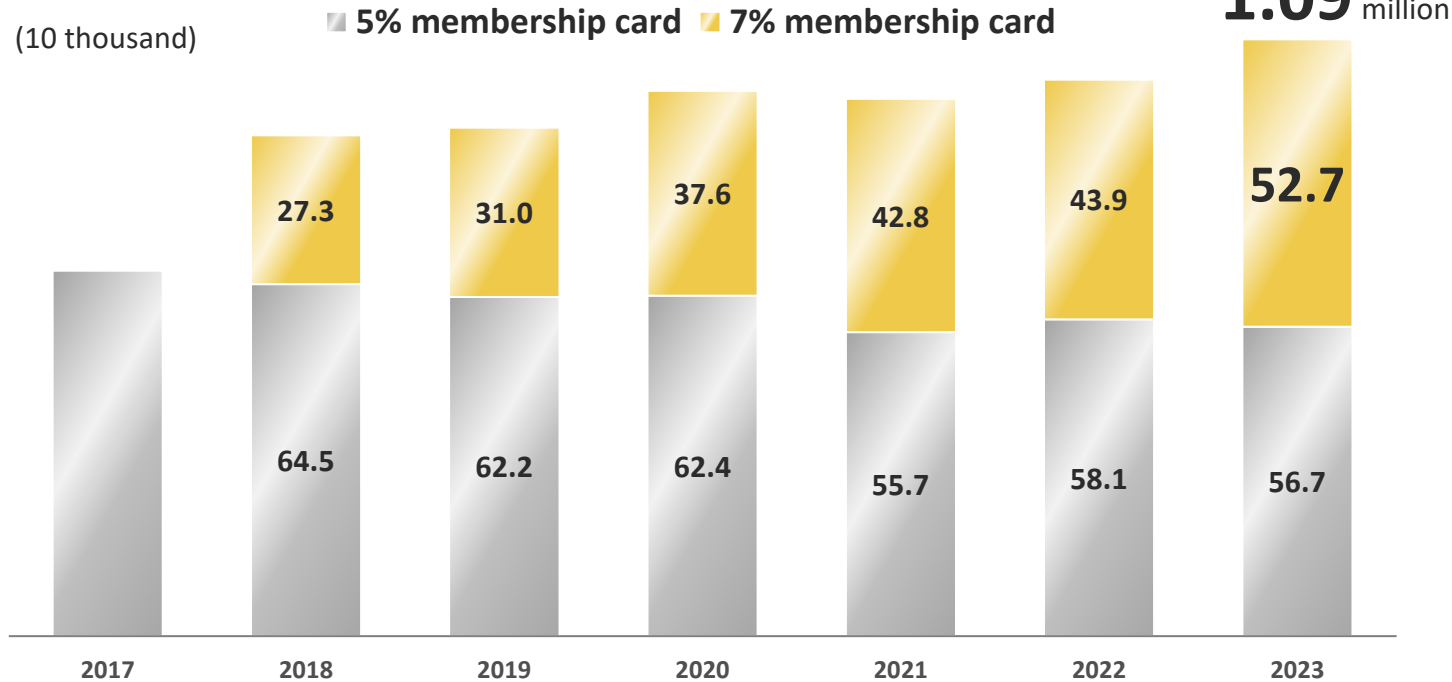
# Record number of Gyoza Club members

- The number of cards used during the 2023 Gyoza Club Customer Appreciation Campaign was an all-time high 1.09 million.
- The increase in the use of 7% discount club cards contributed to an increase in the number of the most loyal customers, who eat at Ohsho very frequently.
- The 2024 Gyoza Club continued its strong performance in the first half of FY3/24.

## Number of Gyoza Club Cards Used

Record high

1.09 million



5% card: Received after accumulating 25 stamps  
 7% card: Given to 5% card holders who accumulate an additional 25 stamps

Exchanges of points for 2024 Ohsho products  
 Up 18% YoY (June-September 2023)

### Products for 35 points



Noodle utensils

Towels



Smart phone case

### Products for 50 points



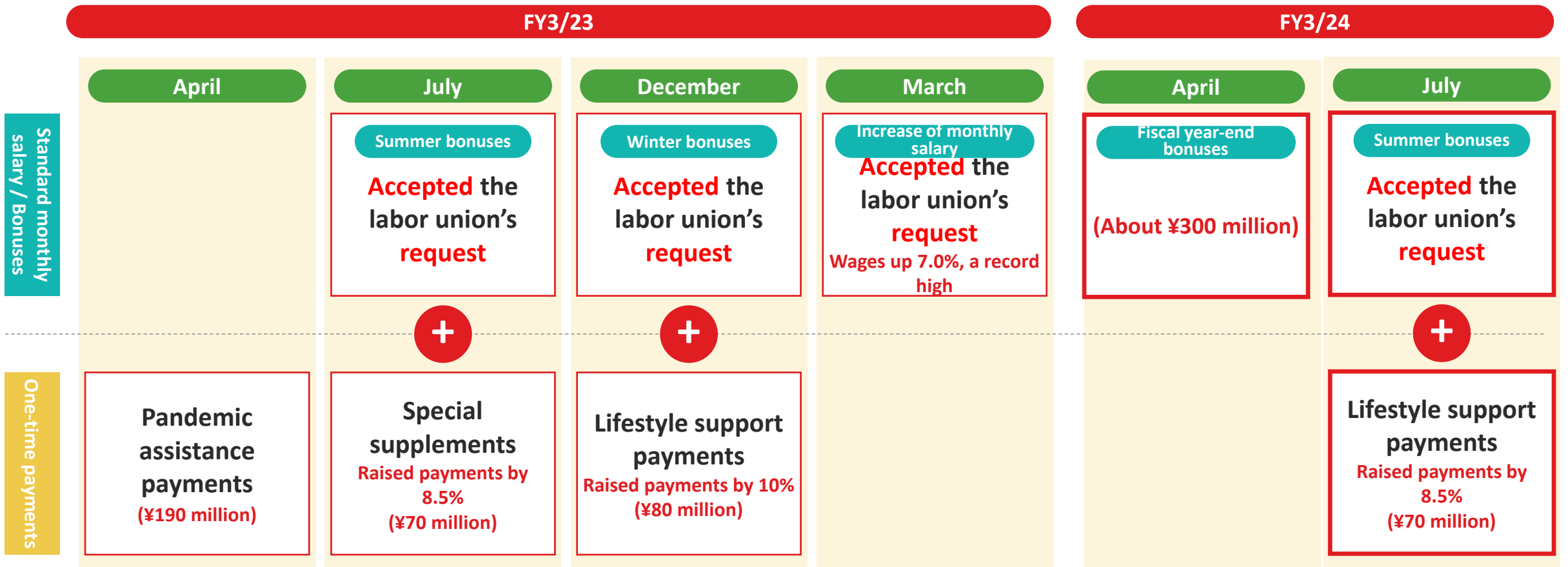
Wireless charger

Ramen bowl

\*Based on point exchanges using the app.

# Big investments in human resources to recognize the hard work of employees

- Bonuses for employees who helped achieve record-high sales even during the pandemic.
- Average summer bonus payments per employee in 2023 at a record high.
- Proper recognition of the hard work of employees increases their motivation.





# New restaurants

– Opened six locations and converted one location from directly operated to franchised restaurant, and one location from franchised to directly operated restaurant, resulting in 731 restaurants at the end of September 2023.

**New locations**  
6 stores



Franchise  
→ Direct operation  
1 store  
Direct operation  
→ Franchise  
1 store



# 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 2023 and about 100,000 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	96,000
	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)	1,342	101,000
Total of seven meal distributions, starting in summer 2021			6,424	501,000

## Bento for Kids for 2023 summer break

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



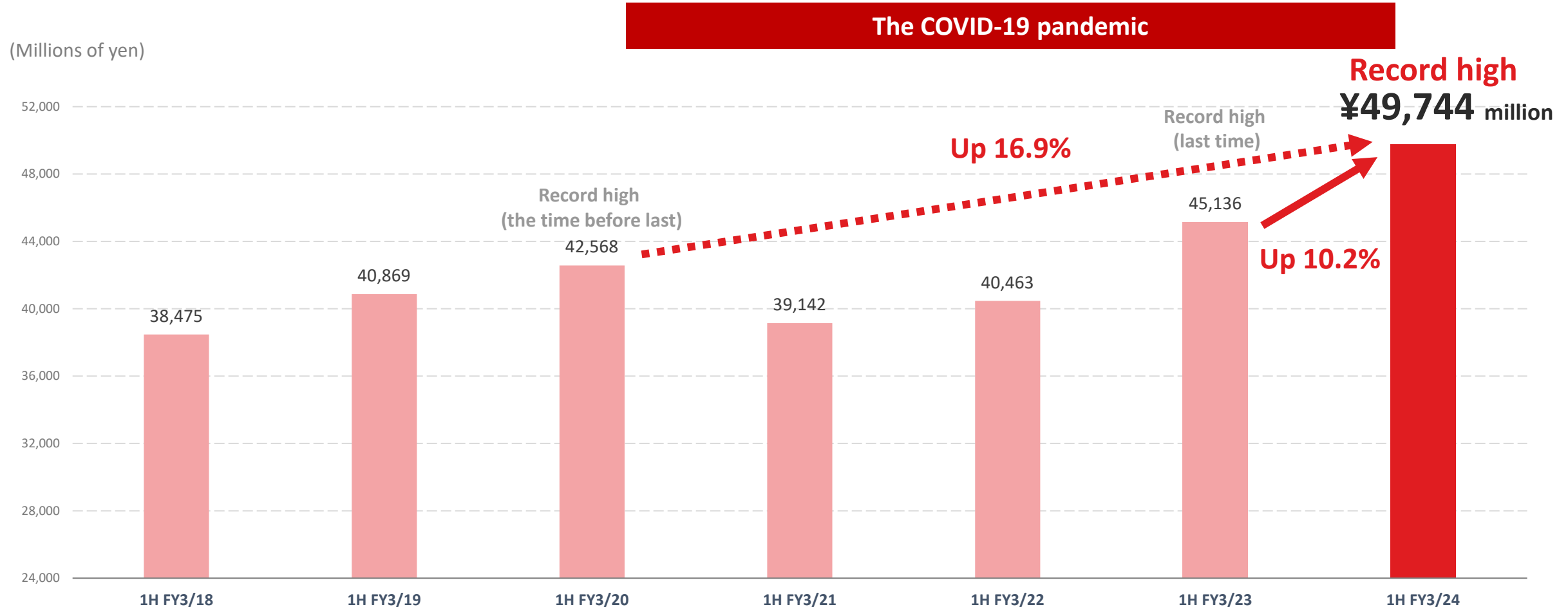
\*The free meal program includes the support of Asahi Soft Drinks Co., Ltd.



03 1H FY3/24 Results

# 1H FY3/24 Net sales

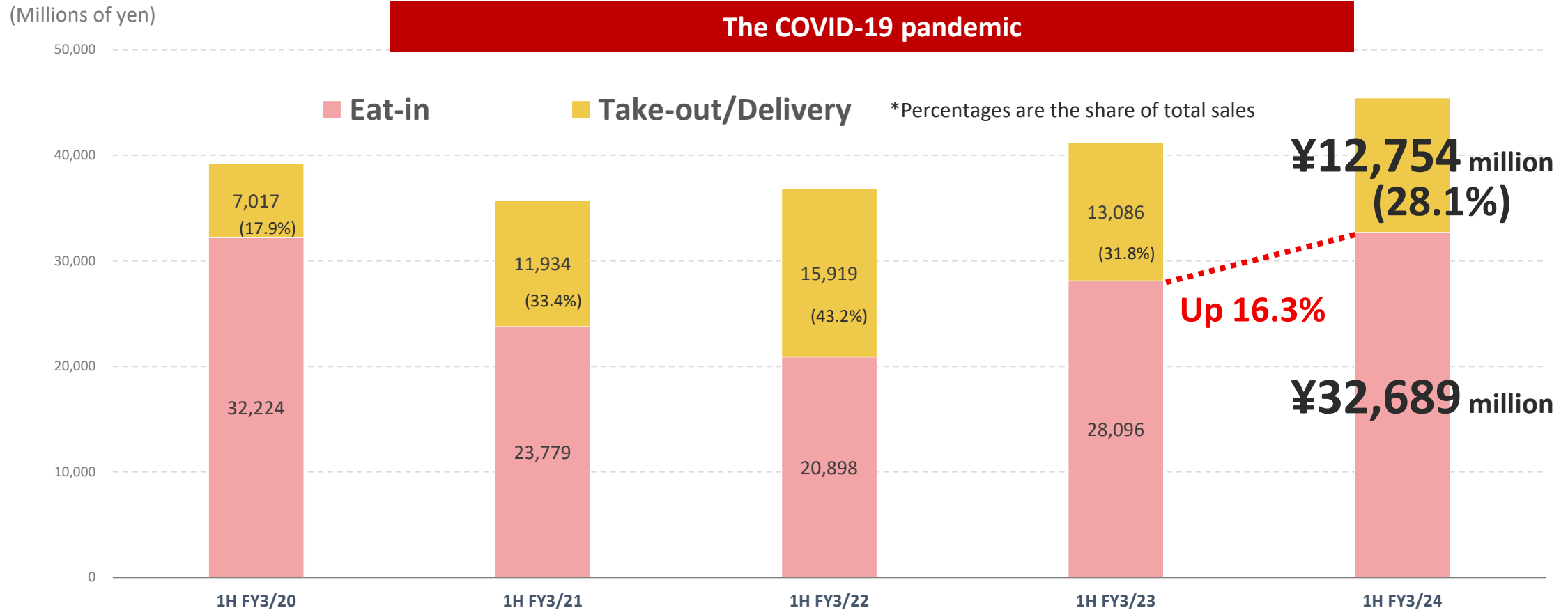
- 1H FY3/24 sales increased 10.2% YoY to a **record high** ¥ 49,744 million.
- Sales were 16.9% higher than in 1H FY3/20 (¥42,568 million), which was before the pandemic started.





# Eat-in and takeout/delivery sales at directly operated restaurants

- Eat-in sales increased 16.3% YoY and were the primary source of sales growth in 1H FY3/24.
- Takeout/delivery remained at a high 28.1% of sales and a new restaurant format was added.

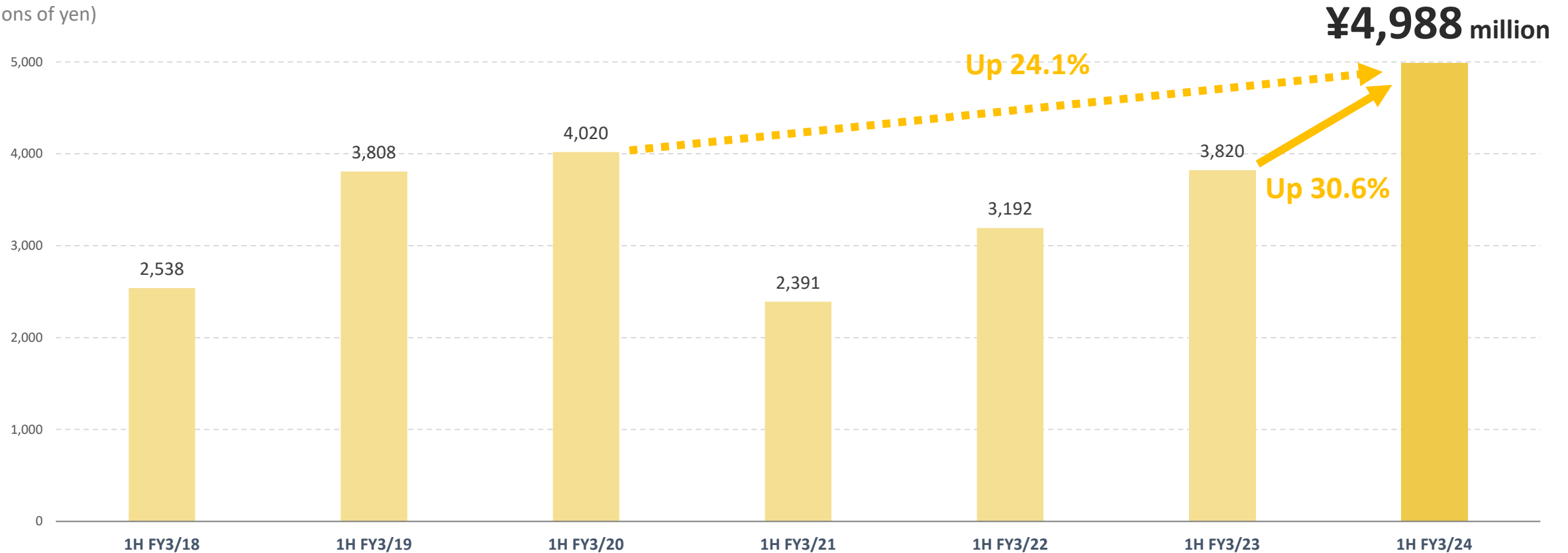


# 1H FY3/24 Operating profit

- Operating profit significantly increased 30.6% YoY to ¥4,988 million.
- Operating profit was much higher than in 1H FY3/20, which was before the pandemic started.

The COVID-19 pandemic

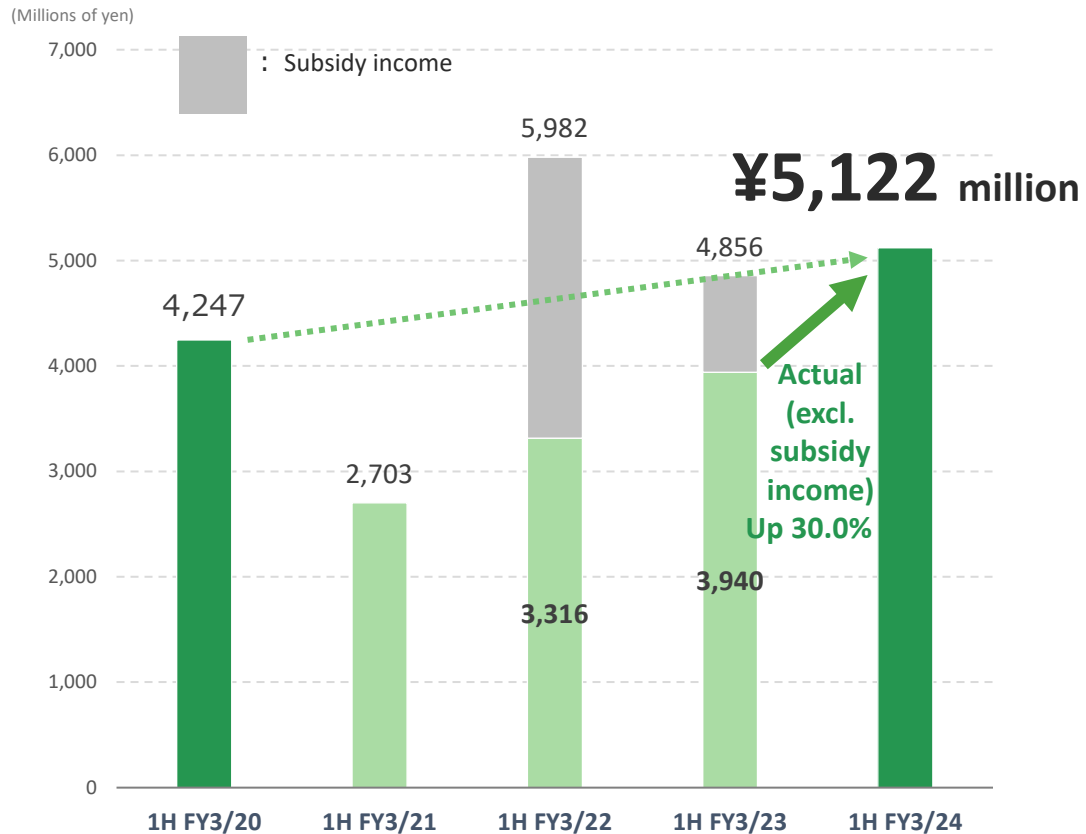
(Millions of yen)



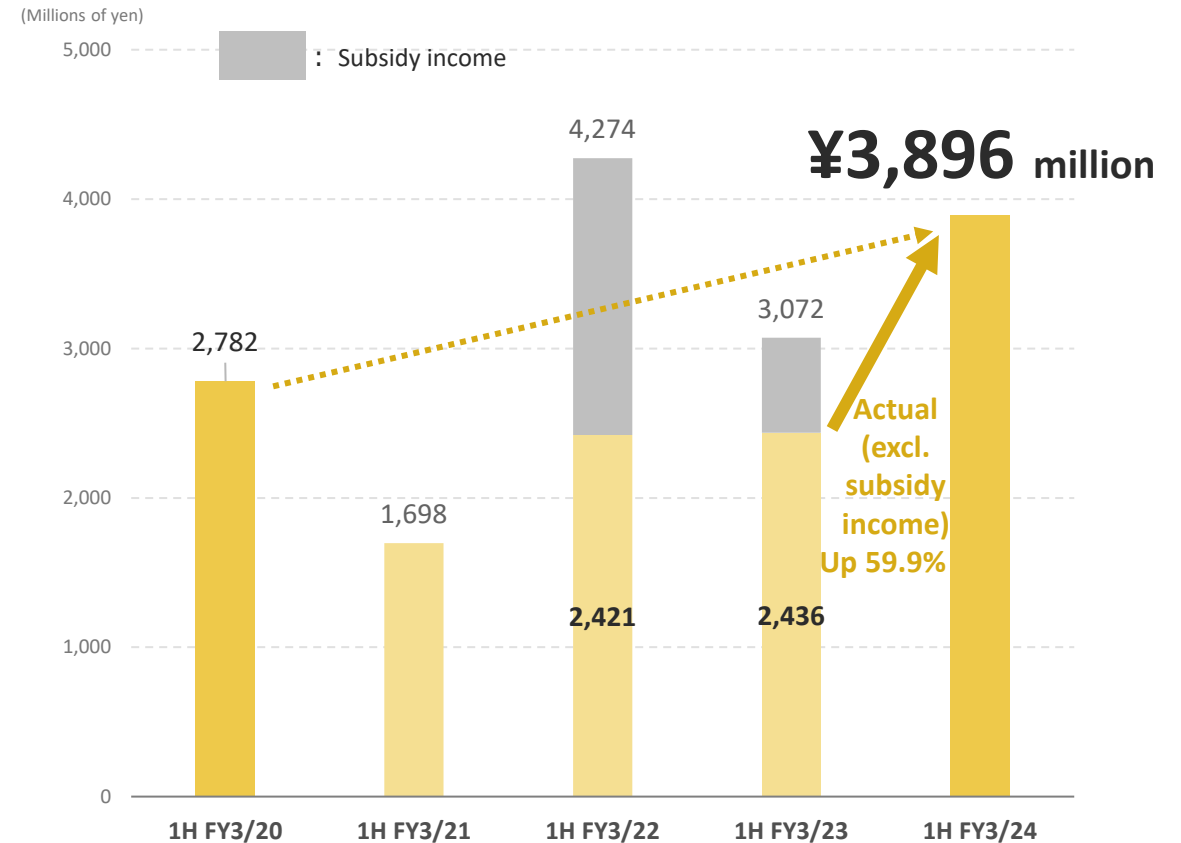
# 1H FY3/24 Ordinary Profit/Profit

- Ordinary profit and profit up YoY despite lower pandemic subsidies for reduced operating hours.
- Excluding one-time subsidy income, ordinary profit and profit were much higher than one year earlier.

Ordinary profit



Profit



# 2Q FY3/24 Balance Sheets

– A further increase in financial soundness. The equity ratio as of September 30, 2023 was 75.8%.

## Assets

(Millions of yen, %)	FY3/23	2Q FY3/24		Change
	Amount	Amount	%	
<b>Current assets</b>	35,869	<b>37,831</b>	<b>43.8%</b>	<b>+1,961</b>
Cash and deposits	32,029	<b>33,713</b>	<b>39.1%</b>	<b>+1,684</b>
<b>Non-current assets</b>	48,234	<b>48,449</b>	<b>56.2%</b>	<b>+215</b>
<b>Property, plant and equipment</b>	36,129	<b>36,216</b>	<b>42.0%</b>	<b>+87</b>
Buildings and structures	12,176	<b>12,301</b>	<b>14.3%</b>	<b>+124</b>
Land	20,134	<b>19,994</b>	<b>23.2%</b>	<b>-139</b>
<b>Intangible assets</b>	197	<b>167</b>	<b>0.2%</b>	<b>-30</b>
<b>Investments and other assets</b>	11,907	<b>12,065</b>	<b>14.0%</b>	<b>+158</b>
Investment securities	3,855	<b>4,015</b>	<b>4.7%</b>	<b>+159</b>
Guarantee deposits	4,510	<b>4,639</b>	<b>5.4%</b>	<b>+129</b>
Deferred tax assets	2,316	<b>2,181</b>	<b>2.5%</b>	<b>-135</b>
Allowance for doubtful accounts	(14)	<b>(14)</b>	<b>(0.0)%</b>	<b>0</b>
<b>Total assets</b>	84,103	<b>86,280</b>		<b>+2,176</b>

## Liabilities and Net Assets

(Millions of yen, %)	FY3/23	2Q FY3/24		Change
	Amount	Amount	%	
<b>Current liabilities</b>	12,624	<b>13,207</b>	<b>15.3%</b>	<b>+583</b>
Current portion of long-term borrowings	2,000	<b>2,000</b>	<b>2.3%</b>	<b>0</b>
<b>Non-current liabilities</b>	8,709	<b>7,711</b>	<b>8.9%</b>	<b>-997</b>
Long-term borrowings	7,000	<b>6,000</b>	<b>7.0%</b>	<b>-1,000</b>
<b>Total non-current liabilities</b>	21,333	<b>20,919</b>	<b>24.2%</b>	<b>-414</b>
<b>Shareholders' equity</b>	63,561	<b>65,419</b>	<b>75.8%</b>	<b>+1,858</b>
Share capital	8,166	<b>8,166</b>	<b>9.5%</b>	<b>0</b>
Capital surplus	9,393	<b>9,459</b>	<b>11.0%</b>	<b>+65</b>
Retained earnings	56,630	<b>58,386</b>	<b>67.7%</b>	<b>+1,755</b>
Treasury shares	(10,629)	<b>(10,529)</b>	<b>(12.3)%</b>	<b>+36</b>
<b>Total valuation and translation adjustments</b>	(791)	<b>(57)</b>	<b>(0.1)%</b>	<b>+733</b>
<b>Total net assets</b>	62,770	<b>65,361</b>	<b>75.8%</b>	<b>+2,591</b>
<b>Total liabilities and net assets</b>	84,103	<b>86,280</b>		<b>+2,176</b>



# 1H FY3/24 Cash Flows

– A much higher free cash flow due to a big increase in cash from operating activities.

(Millions of yen)	1H FY3/23	1H FY3/24	Change
<b>Cash flows from operating activities</b>	3,096	5,424	+2,327
Profit before income taxes	4,608	5,469	+860
Depreciation	1,283	1,338	+55
Income taxes paid	(3,080)	(211)	+2,869
<b>Cash flows from investing activities</b>	(1,267)	(1,328)	-61
Purchase of property, plant and equipment	(1,393)	(1,637)	-244
<b>Free cash flow</b>	1,829	4,095	+2,266
<b>Cash flows from financing activities</b>	(7,332)	(2,410)	+4,921
Net decrease in borrowings	(6,016)	(1,000)	+5,016
Dividends paid	(1,315)	(1,410)	-95
<b>Cash and cash equivalents at end of period</b>	31,939	33,713	+1,774



04

# FY3/24 Plan

# FY3/24 Outlook

- Planning on a 4.4% increase in existing store sales backed by eat-in sales that have exceeded the pre-pandemic level and more measures to increase takeout and delivery sales.
- Increased the FY3/24 operating profit plan (no change in 2H plan) because 1H earnings were higher than planned even though the cost of ingredients continue to climb.

(Millions of yen)	FY3/21 Results	FY3/22 Results	FY3/23 Results	FY3/24					(Reference) vs. FY3/20
				Full year Plan	YoY change		Initial plan		
					Amount	%		Vs. initial plan	
<b>Net sales</b>	80,616	84,775	93,022	<b>101,394</b>	+8,372	+9.0%	98,320	+3,074	+18.5%
<b>Gross profit</b>	56,088	58,175	63,657	<b>68,557</b>	+4,899	+7.9%	66,261	+2,295	+14.0%
<b>Operating profit</b>	6,073	6,959	7,981	<b>9,300</b>	+1,318	+16.5%	8,167	+1,132	+20.8%
Operating profit to net sales	7.5%	8.2%	8.6%	<b>9.2%</b>	+0.6pt	-	8.3%	+0.9pt	
<b>Ordinary profit</b>	6,867	13,024	9,140	<b>9,527</b>	+387	+4.2%	8,386	+1,141	+17.9%
Ordinary profit to net sales	8.5%	15.4%	9.8%	<b>9.4%</b>	-0.4pt	-	8.5%	+0.9pt	
<b>Profit attributable to owners of parent</b>	4,287	8,807	6,213	<b>6,669</b>	+455	+7.3%	5,388	+1,280	+25.6%
Profit to net sales	5.3%	10.4%	6.7%	<b>6.6%</b>	-0.1pt	-	5.5%	+1.1pt	
Net income per share	228.42 yen	469.01 yen	330.50 yen	<b>354.35 yen</b>	+23.85 yen	-	286.54 yen	+67.81	

# Price revisions of some menu items in October 2023

- Prices were revised for the third time on October 17, following revisions in May and November 2022. Revisions were limited to seven items in the Grand Menu and implemented due to the sharply higher cost of ingredients.
- The prices of flour, used to make gyoza and Chinese noodles, and pork are much higher. In addition, the cost of eggs and chicken is high, although the upturn in their prices has slowed down.

## Prices of some menu items were revised on October 17



**Gyoza: Pan-fried Pork Dumplings**  
Ginger Gyoza with No Garlic  
Gyoza with extra garlic



**Chahan:**  
Pork Fried Rice



**Tenshin-Han:**  
Omelette on Fried Rice



Fried chicken fillet



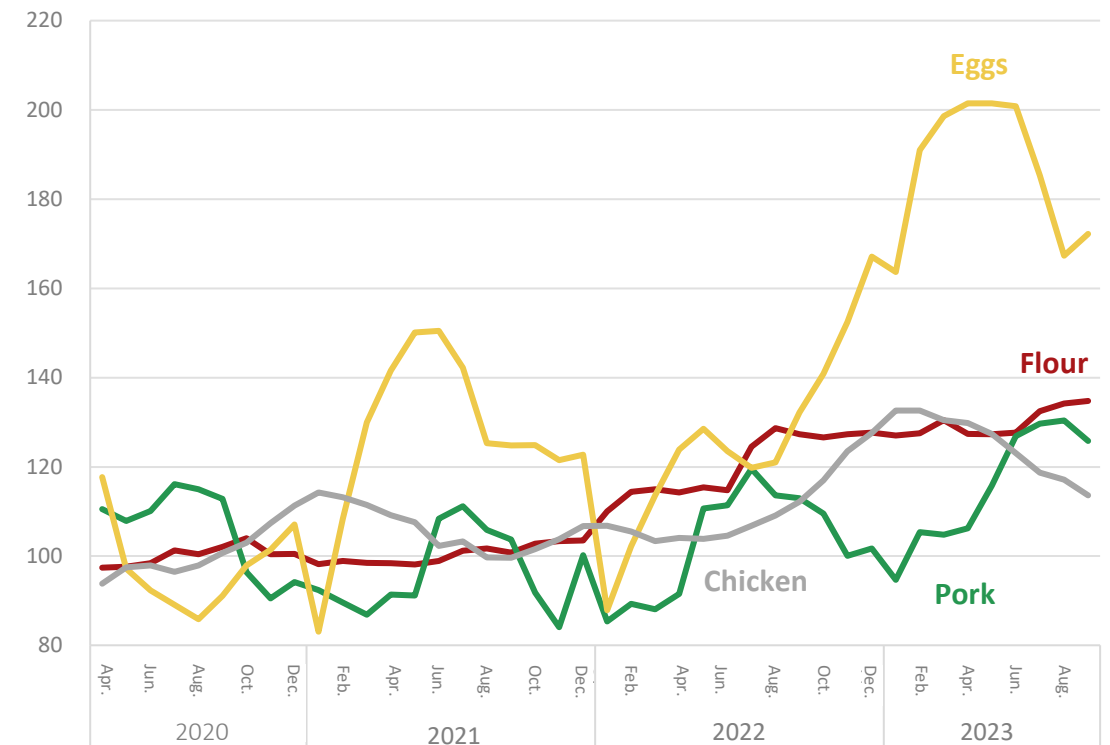
Gyoza no Ohsho Ramen

## 7 Grand Menu items

Prices increased by ¥20 to ¥50 (before tax)

## Wholesale Price Index for Selected Ingredients in Japan

(2020 average = 100)





# More fairs and special menu items in the second half of FY3/24

- In October, ginger tanmen with a generous amount of vegetables was featured in the monthly fair that takes place at all restaurants and sales were brisk. Activities will continue for creating products and special events that exceed customers' expectations.
- Another promotion is "Ninniku (garlic) Nubo," which is Ohsho's name for the season for enjoying gyoza incorporating garlic grown in Aomori prefecture and harvested in this summer.

## More Monthly Fair Menu Specials

October

**野菜たっぷり 生姜タンメン**

10月限定価格 単品 682円(税込750円)

ランチやディナーにぴったりのセットをご用意!

フェアセットA	フェアセットB
861円(税込950円)	900円(税込990円)

November

**豚肉たっぷり あんかけ焼そば**

11月限定価格 単品 682円(税込750円)

ランチやディナーにぴったりのセットをご用意!

フェアセットA	フェアセットB
874円(税込961円)	910円(税込1,001円)

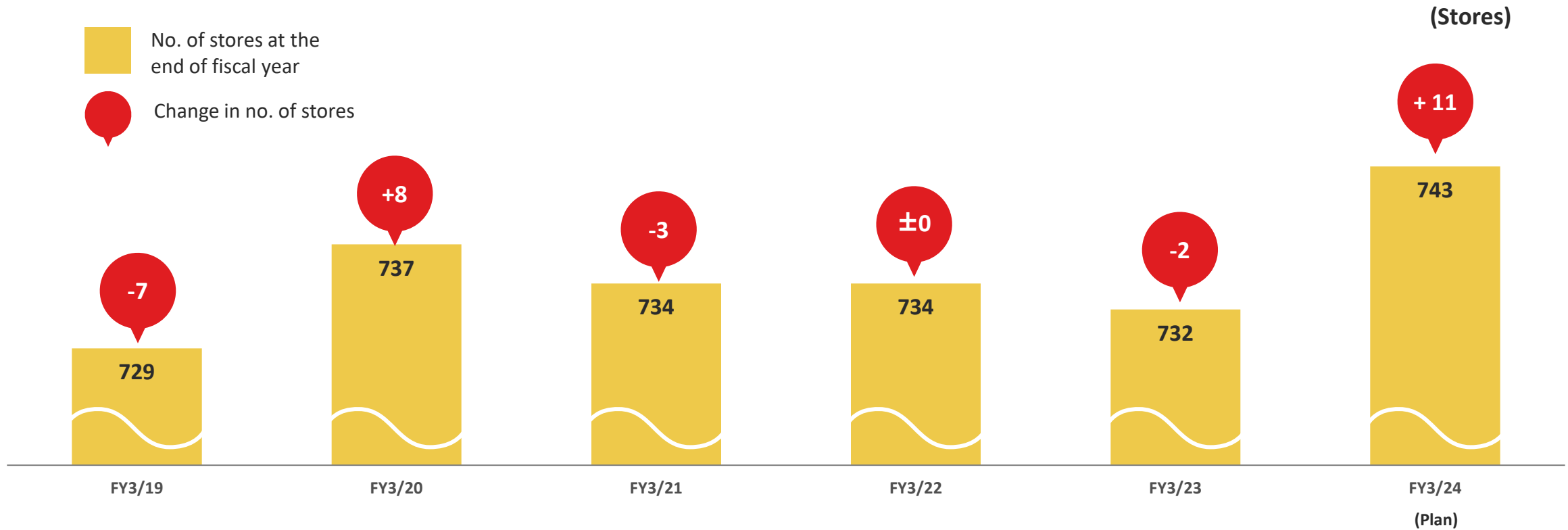
## Increased Promotions for Gyoza with Freshly Grown Garlic



- Starting on November 4, restaurants are serving "summer harvest" gyoza that incorporates garlic harvested in June and July in Aomori prefecture.
- When heated, Aomori garlic produces a rich aroma and is only mildly spicy yet still flavorful.
- The season for enjoying gyoza with this special and very flavorful garlic is being promoted as "Ninniku Nubo."

# FY3/24 Plan for opening and closing restaurants

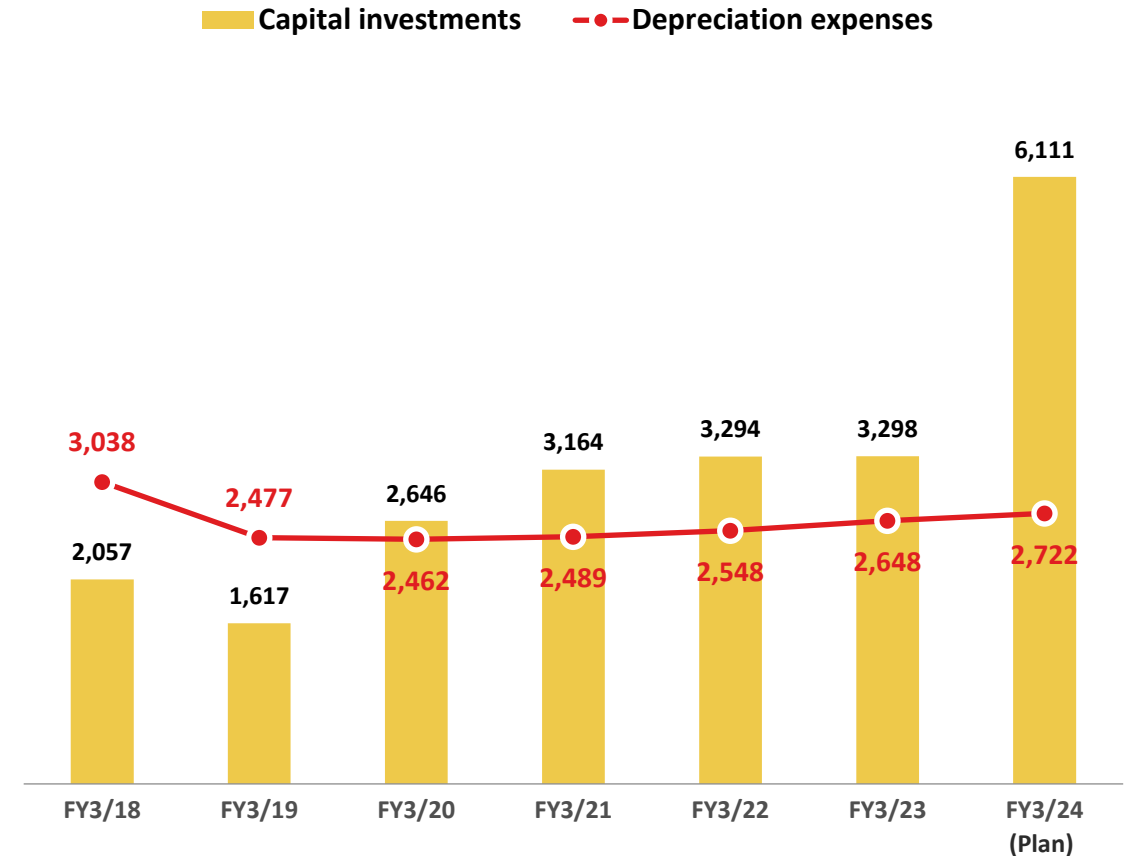
- Plan to open 17 locations and close 6 during FY3/24, resulting in an increase of 11 to 743 at the end of March 2024.
- 556 directly operated locations (up 14) and 187 franchised locations (down 3)
- Plan to increase the pace of opening Joy Naho restaurants in the Tokyo and Osaka areas.



# Capital expenditures and depreciation

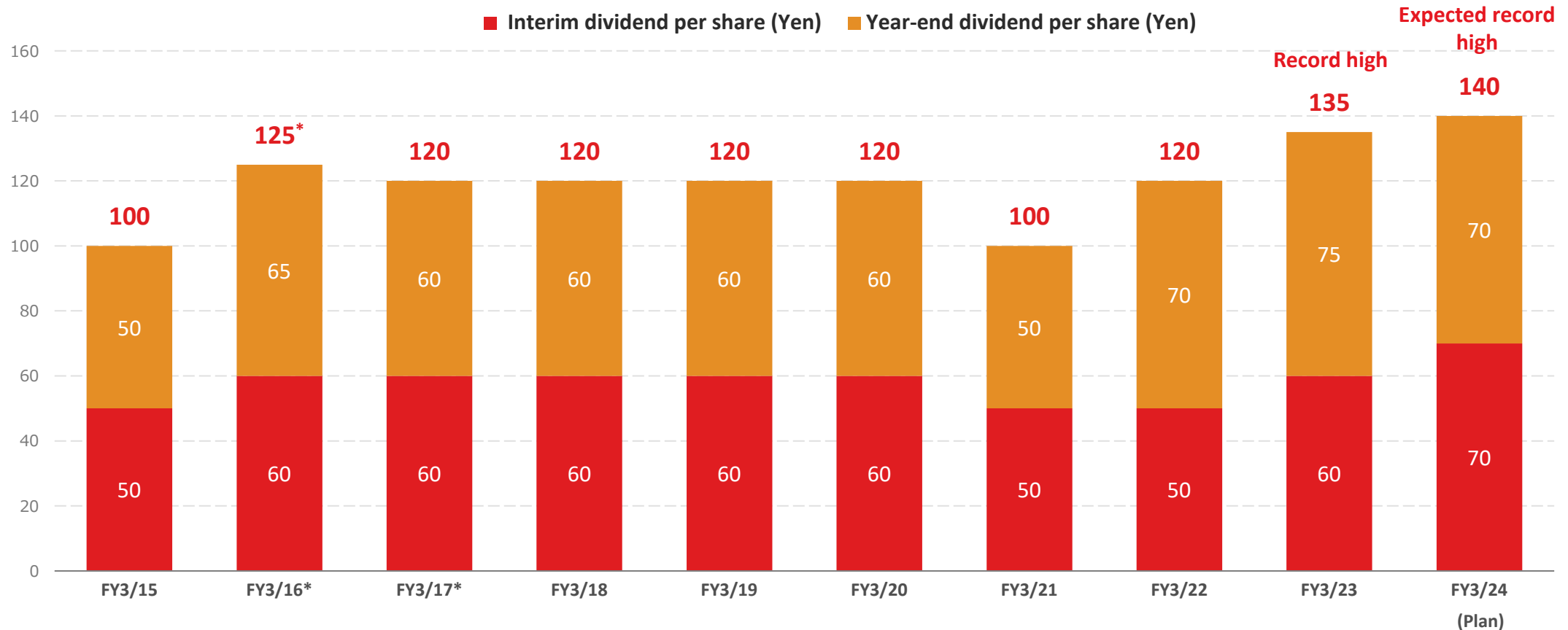
- Planning on substantial investments in FY3/24 with capital expenditures of ¥6,100 million.
- Planning on a large volume of expenditures for opening new locations and remodeling existing restaurants.

Capital Expenditures		
(Millions of yen)	FY3/23 results	FY3/24 plan
Opening of new stores	587	2,462
Renovation of existing stores	2,226	2,319
Central kitchens	350	1,015
Others	133	313
<b>Total</b>	<b>3,298</b>	<b>6,111</b>



# Shareholder returns

- Plan to pay ¥70 per share for the interim dividend, ¥70 year-end dividend and ¥140 dividend for FY3/24.
- A dividend increase of ¥135 per share from the initial plan by taking into account dividends on equity (DOE).
- Record high dividend is expected for the second consecutive year.



\*FY3/16 includes a commemorative dividend of ¥5

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





05

## Growth Strategy

# Faster investments for growth due to strong sales and earnings

- Due to the consistently strong performance of restaurants since before the pandemic, Ohsho is stepping up the pace of investments in people and capital expenditures for more growth.
- Large investments in people will reinforce the position of the workforce as the key component for further increasing the satisfaction of all stakeholders.

## Sales and earnings growth



**Faster investments for growth**

## Investments for Growth

### People



#### Training programs

Constantly working on QSC by using classes on cooking knowledge and techniques and customer service as well as by upgrading what employees learn and how classes are held.



#### Sound benefits for employees

Salaries, bonuses and other benefits for employees, the source of value that only people can create, further increases their motivation and job satisfaction.

### Restaurants



#### Strategy for Japan

The goal is to increase sales at existing stores as 10 to 20 new locations are added every year with the aim of a network of 1,000 stores.



#### Overseas strategy

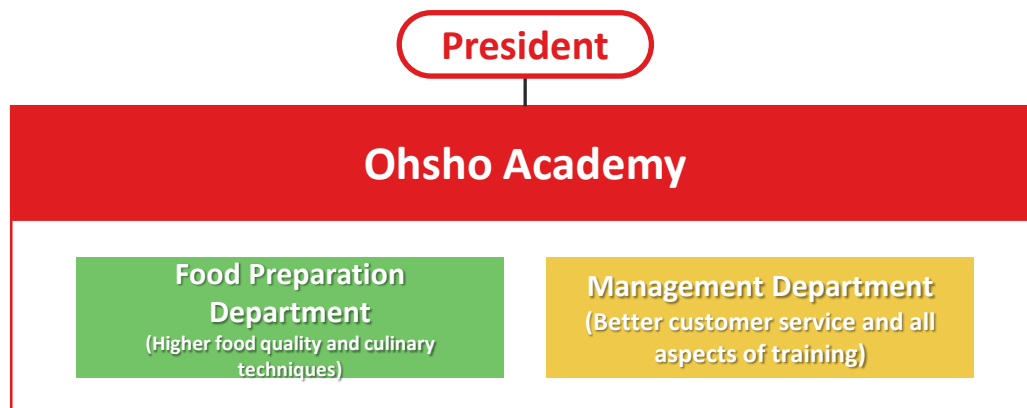
Starting preparations to open the third location in Taiwan and considering expansion of overseas operations to more regions of Asia.



# Investments in people

- The Ohsho Dojo and Ohsho University have been reorganized to create the Ohsho Academy under the direct supervision of the President, a move to provide training that reflects ongoing changes in the business climate as Japan’s extended period of deflation ends.
- Enable the people of Ohsho to create even more value by investing in people and giving people compensation and other benefits that reflect their hard work and dedication.

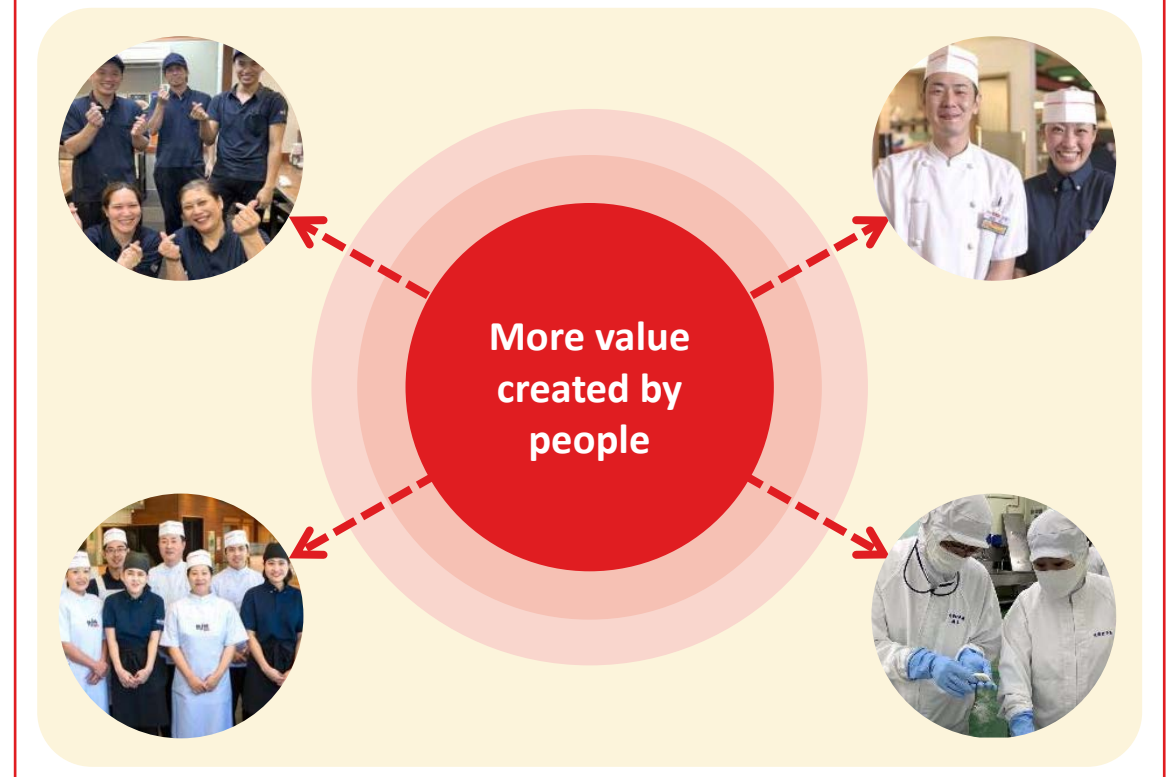
## Training programs



### Objective:

Continue increasing QSC in today’s inflationary environment to reinforce everyone’s commitment to operating restaurants in a manner that makes all customers happy they chose Ohsho.

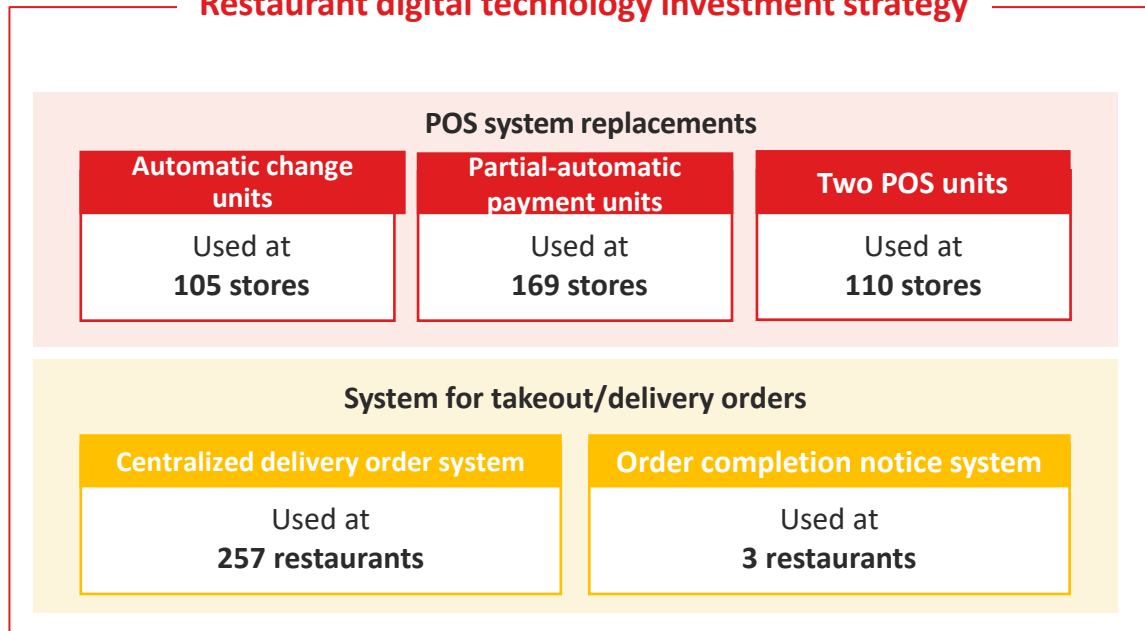
## Sound benefits for employees



# Use digital technologies for raising value that only people can provide

- Large digital technology investments at restaurants started in 2H FY3/23 for improvements in QSC and productivity.
- Higher efficiency due to digital technologies gives restaurant employees more time for customer services and other communications with employees.

## Restaurant digital technology investment strategy



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

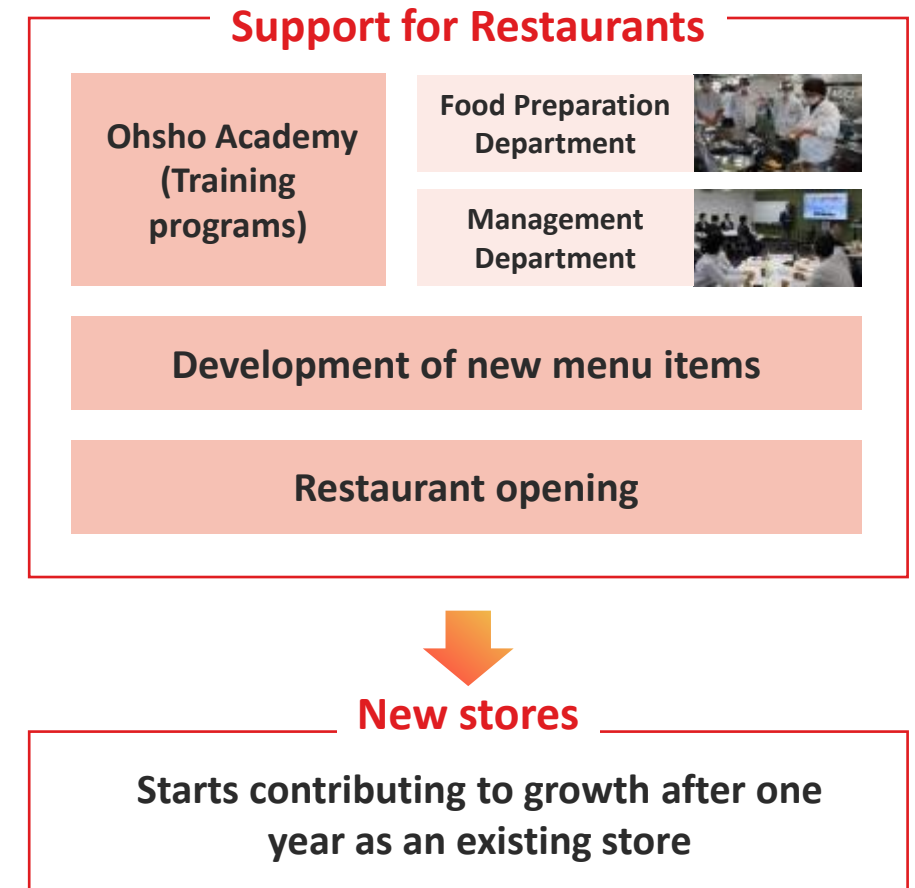
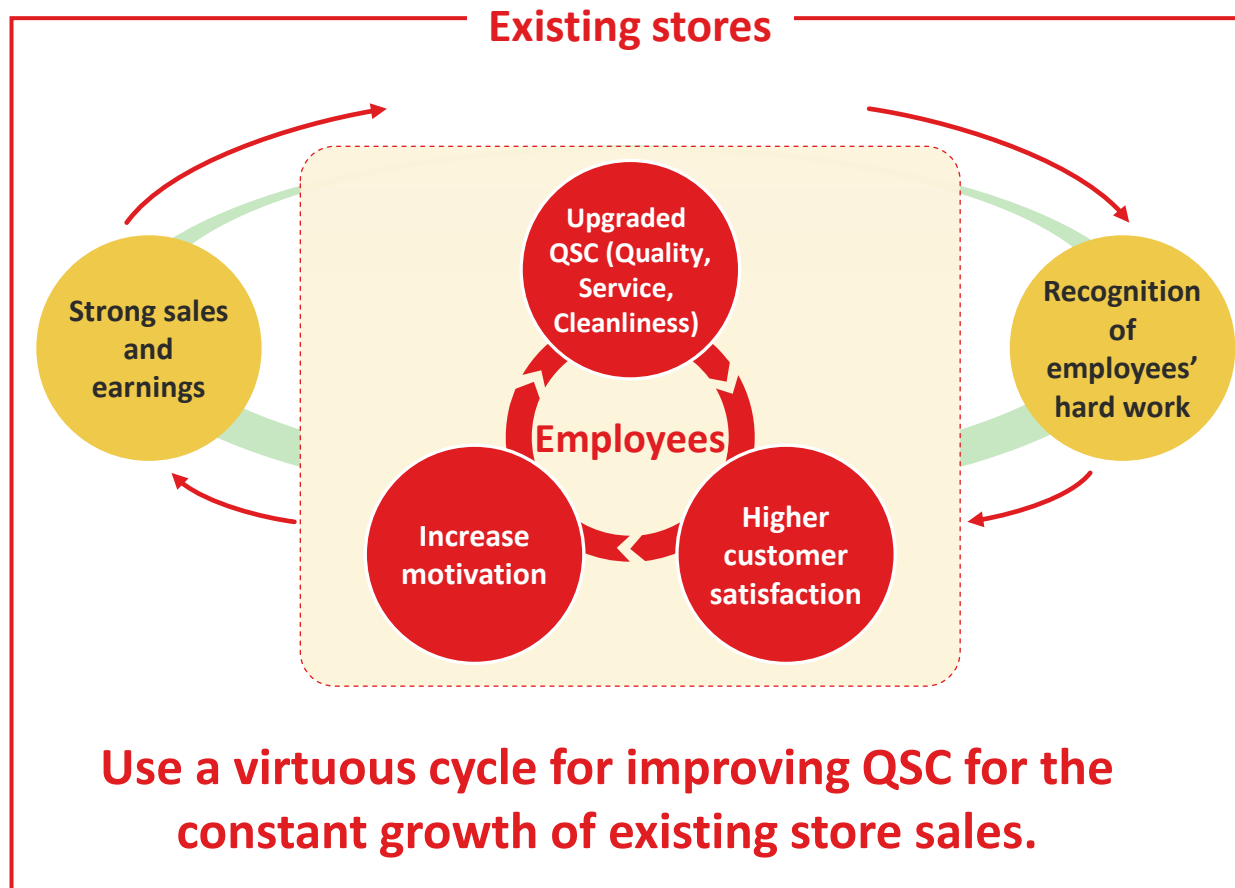
## Strategy for digital investments for restaurant operations



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

# Faster growth fueled by growth at existing stores and new restaurants

- Continue the growth of existing store sales by maintaining a virtuous cycle for the constant improvement of QSC.
- Build a framework capable of growth based only on existing stores by making investments in people and raising the effectiveness of training programs.



# Restaurant network expansion strategy

- Investments in human resources, use of digital technologies and more locations, including the Joy Naho format. Speeding up the addition of new locations in the Kanto region, Tokai region, Osaka-Kobe-Kyoto areas and in northern Kyushu by increasing output capacity at plants.
- The plan is to add 10 to 20 stores every year with the goal of 1,000 nationwide while benefiting from a better recruiting environment and upgrading training programs.

## Directly operated stores

### New stores in key areas and places in key areas without an Ohsho restaurant

#### Key areas

Kanto

Osaka-Kobe-Kyoto

Tokai

Northern Kyushu

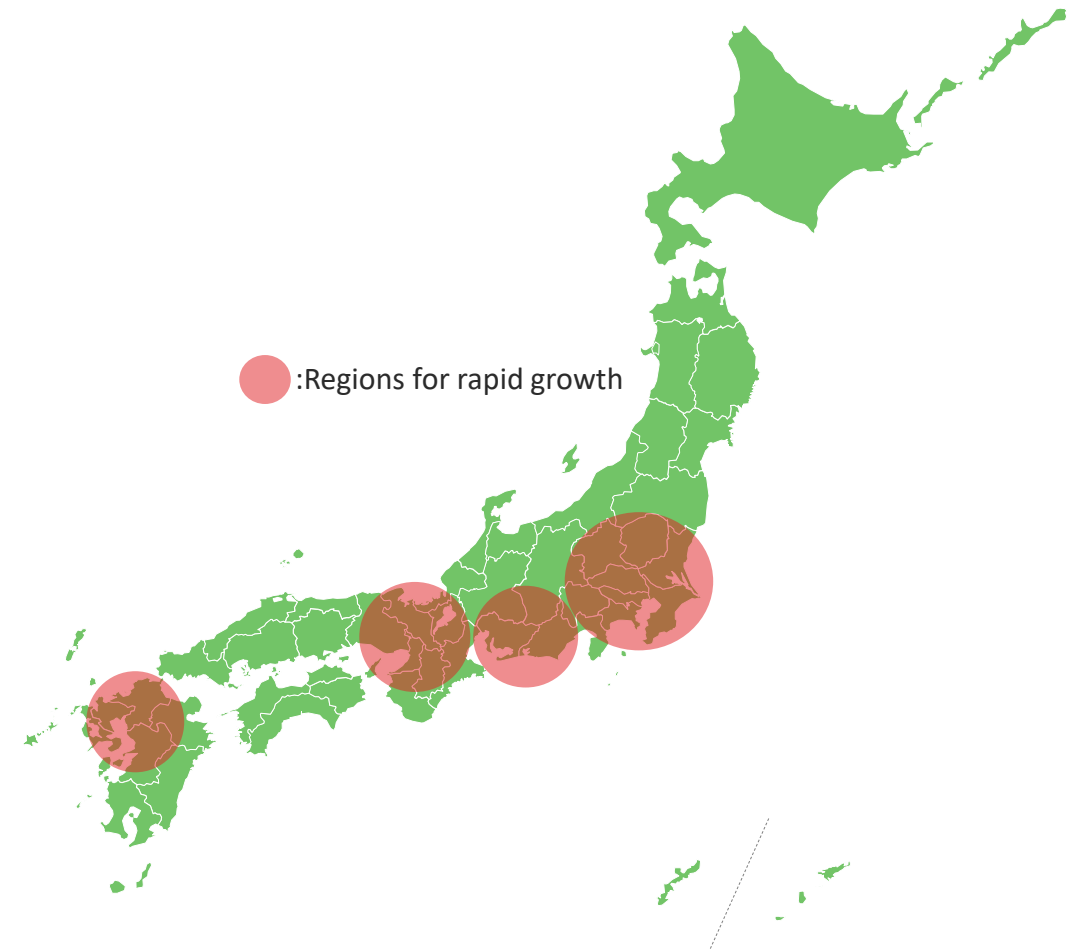
#### Major formats

Roadside

Large building

Shopping center

Joy Naho





# Relocation strategy

- Many older restaurants are moving to other locations.
- New restaurants provide a better environment for customers and increase the motivation of the restaurant's staff.

Kawachi Hanazono Ekimae store (Higashi Osaka, Osaka)



After relocation



Kokudo Okubo store (Uji, Kyoto)



After relocation



# Factory strategy

- Plan to establish next-generation manufacturing and logistics systems using advanced technologies at the Kumiyaama Plant and Kyushu Plant.

## Kumiyaama Plant

Considering investments to increase output for supporting a larger number of restaurants in the Nagoya and Osaka-Kobe-Kyoto regions.



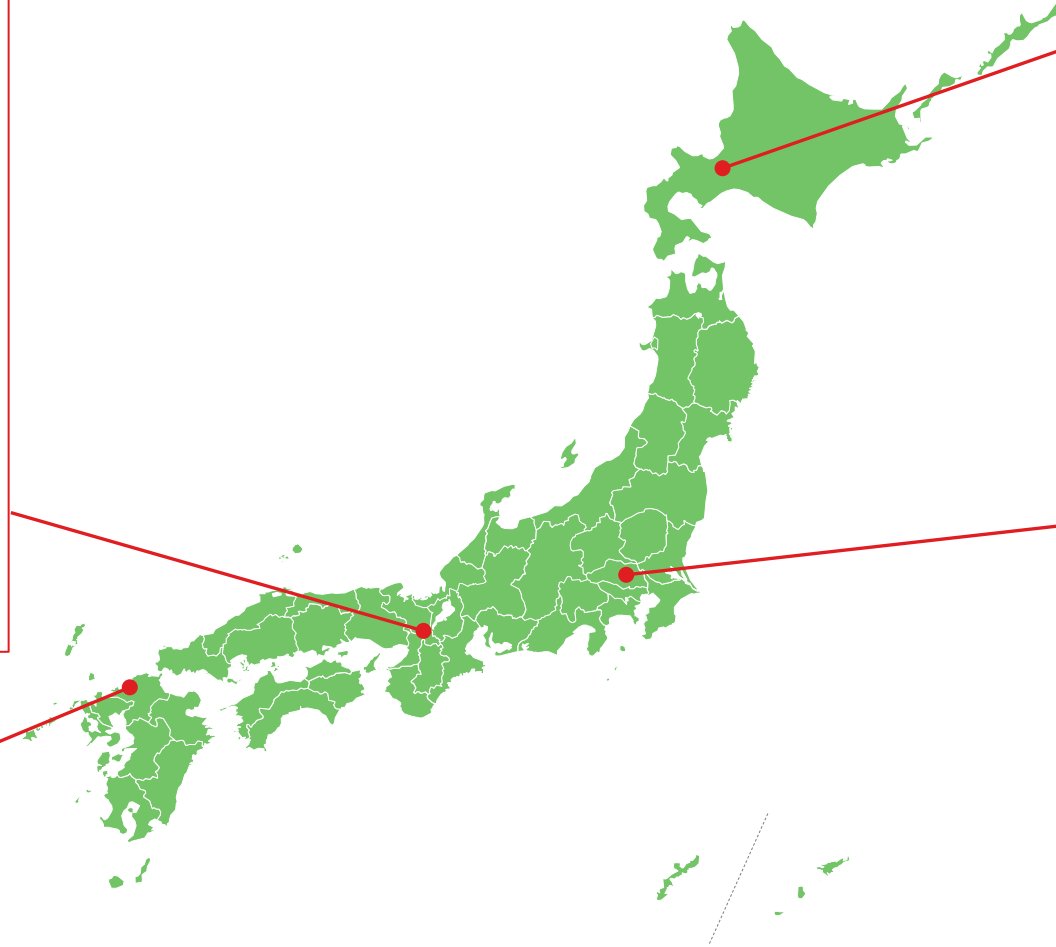
## Sapporo plant

## Higashimatsuyama Plant

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



## Kyushu plant





# Overseas expansion

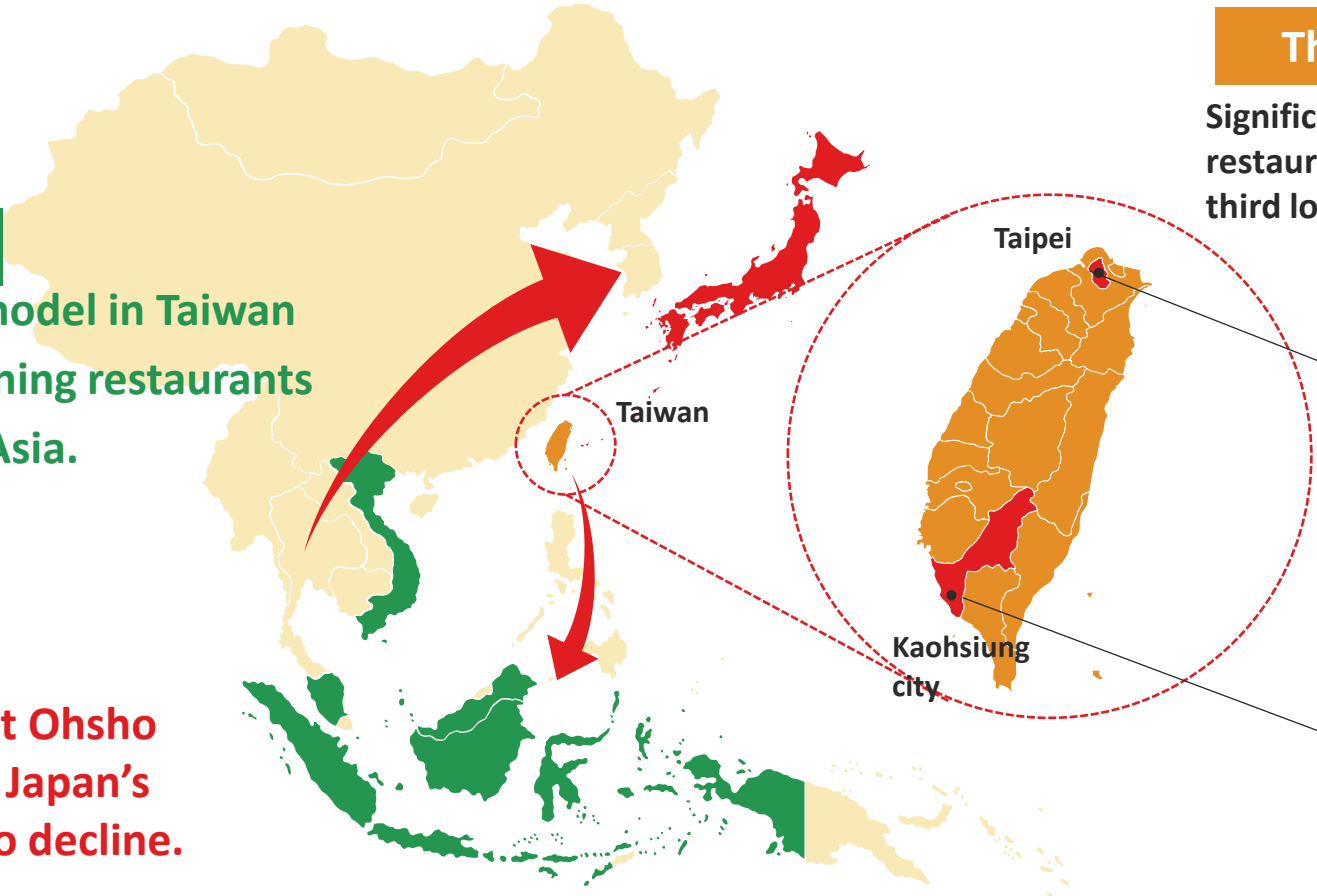
- The plan for Taiwan is to significantly increase efficiency in order to support expansion to more business sectors.
- Long-term activities may include starting operations in other regions of Asia or bringing people from Asia to restaurants in Japan as Japan’s population continues to decline.

## Our vision (1)

Use the operating model in Taiwan as the basis for opening restaurants in other regions of Asia.

## Our vision (2)

Use people from Asia at Ohsho restaurants in Japan as Japan’s population continues to decline.



## The next step

Significantly boosting the efficiency of existing restaurants in preparation for the opening of a third location in Taiwan



GYOZA OHSO at Uni-President Department Store Taipei

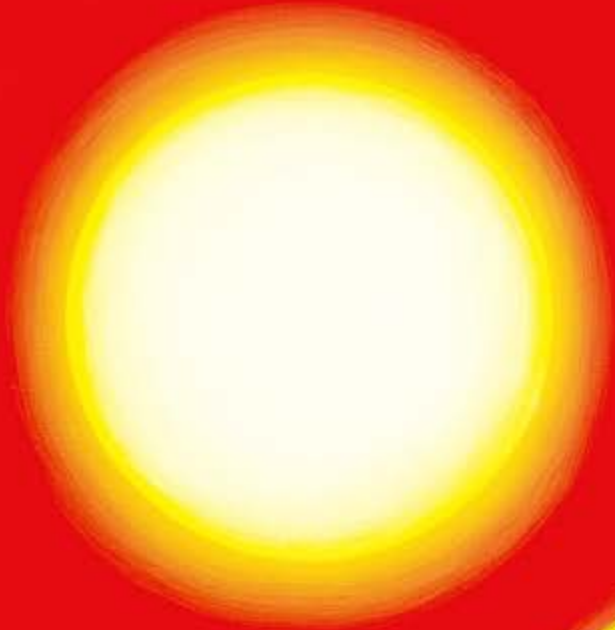


Gyoza no Ohsho Kaohsiung Hanshin Arena Shopping Plaza



The power of good taste will change the future.

おいしい力が、  
未来を変える。





06

# Appendix



# 1H FY3/24 Financial summary

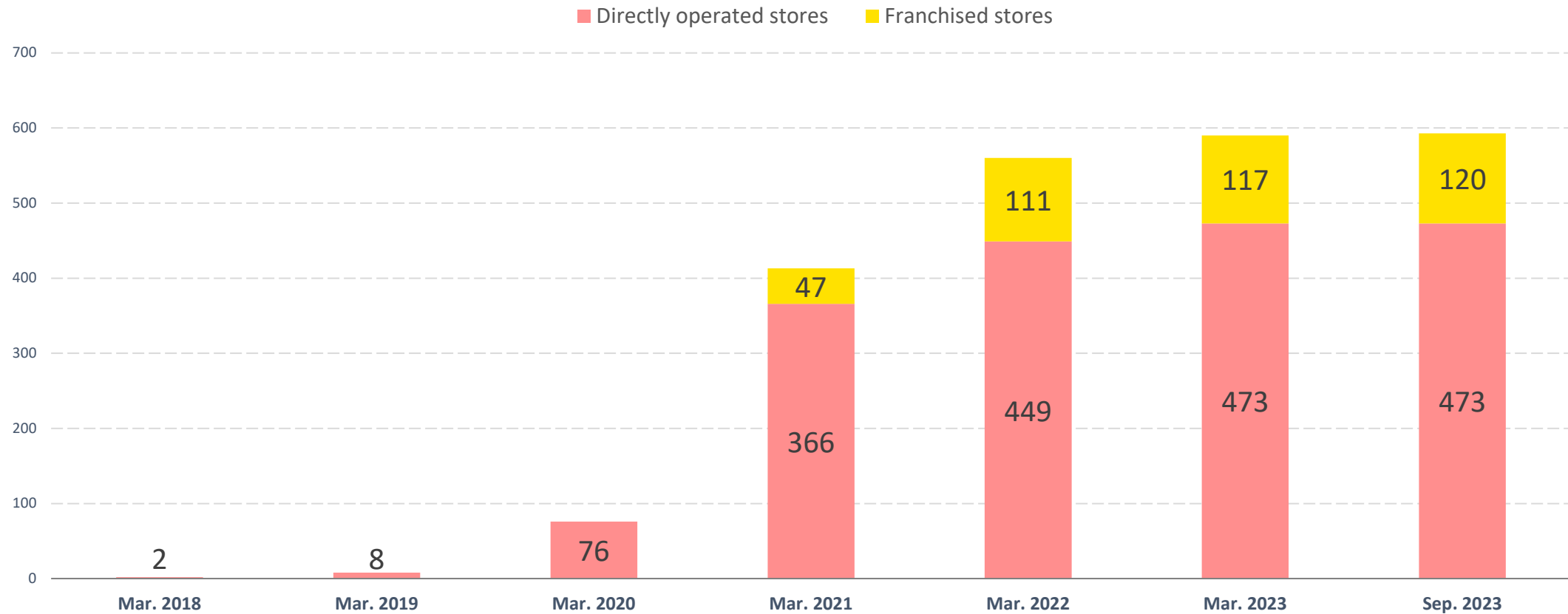


(Millions of yen)	1H FY3/23	1H FY3/24					YoY change	
		1Q	2Q	1H	YoY change			
					Amount	%		
<b>Net sales</b>	45,136	24,623	25,121	<b>49,744</b>	+4,608	+10.2%		
Eat-in*	28,096	16,151	16,538	<b>32,689</b>	+4,593	+16.3%		
Takeout/delivery*	13,086	6,322	6,431	<b>12,754</b>	-332	-2.5%		
Franchised stores*	3,832	2,053	2,053	<b>4,106</b>	+274	+7.2%		
<b>Gross profit</b>	30,968	16,785	17,127	<b>33,913</b>	+2,945	+9.5%		
<b>Operating profit</b>	3,820	2,415	2,573	<b>4,988</b>	+1,168	+30.6%		
Operating profit to net sales	8.5%	9.8%	10.2%	<b>10.0%</b>	+1.5pt	-		
<b>Ordinary profit</b>	4,856	2,517	2,605	<b>5,122</b>	+266	+5.5%		
Ordinary profit to net sales	10.8%	10.2%	10.4%	<b>10.3%</b>	-0.5pt	-		
<b>Profit attributable to owners of parent</b>	3,072	2,135	1,761	<b>3,896</b>	+824	+26.8%		
Profit to net sales	6.8%	8.7%	7.0%	<b>7.8%</b>	+1.0pt	-		
<b>Net income per share</b>	163.5 yen	113.54 yen	93.63 yen	<b>207.15 yen</b>	+44 yen	-		

\* Stores in Japan

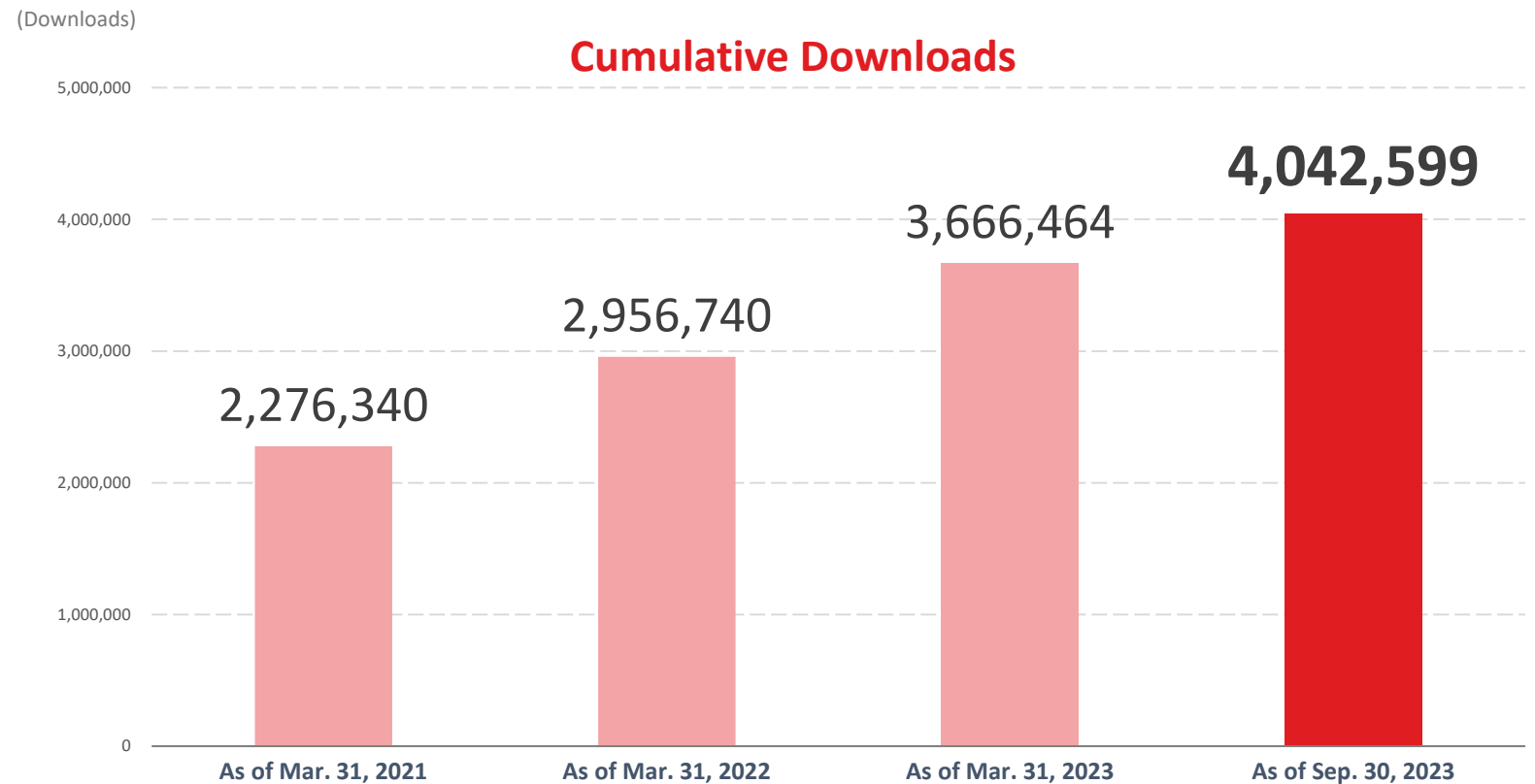
# Restaurants with a delivery service

- The number of locations with a delivery service started increasing rapidly in 2020. As of the end of September 2023, about 90% of directly operated restaurants have a delivery service.
- Takeout/delivery sales were high at 28.1% of 1H FY3/24 sales as restaurants shifted to a new sales structure to meet the needs of customers.



# 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.
- More than 4.04 million downloads as of September 30, 2023.



# Sustainability initiatives (1) – Reduce plastic use

- More environmental measures from the standpoint of sustainability.
- Many activities for lowering use of supplies made of plastic.

## Summary of measures to lower the volume of plastic supplies used

### No plastic straws and spoons

- Replaced plastic straws and spoons with paper straws and biomass plastic spoons (for takeout orders)

### Bags with biomass material for takeout orders

- A biomass substance is 25% of the material used for bags for takeout orders

### Customers now pay for biomass plastic spoons and soup spoons

- Charging ¥5 for each spoon and soup spoon to reduce the use of these spoons



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# Sustainability initiatives (2) – Syndicated sustainability linked loan

- Procured funds by using a sustainability linked loan.
- Cost reduction due to lower interest rate if KPI is achieved is to be donated to Save the Children.

## Summary of syndicated sustainability linked loan

Amount procured	¥10 billion
Date and period	July 29, 2022, five years
Key performance indicator	15% reduction of total plastic use at all Gyoza-no-Ohsho restaurants from FY3/22 to FY3/26
Application of interest rate cost reduction if KPI is achieved	Ohsho plans to donate an amount equivalent to the interest rate expense reduction resulting from accomplishing the KPI to Save the Children, an international non-government organization that helps ensure children grow up healthy, educated and safe.



- 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)