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## Consolidated Financial Results for the Year Ended February 29, 2024 [Japanese GAAP]

April 11, 2024

Company name: EAT&HOLDINGS Co.,Ltd

Stock exchange listing: Tokyo

Code number: 2882

URL: <https://www.eat-and.jp/>

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Scheduled date of Annual General Meeting of Shareholders: May 24, 2024

Scheduled date of commencing dividend payments: May 27, 2024

Scheduled date of filing annual securities report: May 27, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 01, 2023 to February 29, 2024)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 29, 2024	35,922	8.7	1,059	15.8	1,068	1.5	(106)	-
February 28, 2023	33,033	7.0	915	9.7	1,053	(28.7)	385	(50.2)

(Note) Comprehensive income: Fiscal year ended February 29, 2024: ¥ (153) million [ -%]  
Fiscal year ended February 28, 2023: ¥ 350 million [ (55.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended February 29, 2024	Yen (9.82)	Yen -	% (1.2)	% 4.4	% 3.0
February 28, 2023	37.91	37.87	4.9	4.8	2.8

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 29, 2024	Million yen 25,597	Million yen 10,177	% 39.6	Yen 894.30
February 28, 2023	23,133	8,139	34.9	794.80

(Reference) Equity: As of February 29, 2024: ¥ 10,133 million  
As of February 28, 2023: ¥ 8,081 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
February 29, 2024	2,077	(3,412)	2,389	2,618
February 28, 2023	1,272	(3,626)	2,275	1,558

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 28, 2023	-	5.00	-	5.00	10.00	101	26.4	1.2
February 29, 2024	-	5.00	-	5.00	10.00	110	-	1.1
Fiscal year ending February 28, 2025 (Forecast)	-	5.00	-	5.00	10.00		9.0	

(Note) Breakdown of the year-end dividend for the fiscal year ended February 29, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 01, 2024 to February 28, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 31, 2024	19,100	7.5	660	6.0	660	4.0	893	146.9	78.83
Full year	39,100	8.8	1,280	20.8	1,280	19.8	1,265	-	111.64

#### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

February 29, 2024: 11,331,813 shares

February 28, 2023: 10,169,506 shares

2) Total number of treasury shares at the end of the period:

February 29, 2024: 959 shares

February 28, 2023: 959 shares

3) Average number of shares during the period:

Fiscal Year ended February 29, 2024: 10,831,777 shares

Fiscal Year ended February 28, 2023: 10,164,982 shares

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year under review, the Japanese economy showed a gradual recovery trend as restrictions on daily life and social activities eased and consumer activities started to normalize following the reclassification of COVID-19's category to Class V under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases in May 2023. However, the outlook remains uncertain mainly due to soaring raw material and energy costs affected by the continued depreciation of the yen against a backdrop of the interest rate gap and trade deficits between Japan and the U.S. and by the prolonged situation in Ukraine, along with sharp price hikes in Japan.

Regarding market trends in the mainstay businesses of the Company, the frozen food market and the Chinese food category remained firm, exceeding the previous year's levels. In addition, the restaurant market showed a steady recovery in line with the recovery of the flow of people.

Under such circumstances, in the Food Business, we strove to expand sales by further increasing sales of our mainstay products, "OSAKA OHSHO Hanetsuki Gyoza" and "OSAKA OHSHO Purumochi Boiled Gyoza," and by introducing new products. Meanwhile, in response to recent increases in raw material, logistics, and energy costs, we revised the prices of some of our products in October 2023 to improve profitability. In the Restaurant Business, progress was made in terms of the number of restaurants supplied by the central kitchen (Hanyu City, Saitama Prefecture), where wrapping of our original gyoza and precooking of some ingredients for our mainstay "OSAKA OHSHO" brand take place, as well as in its utilization rate. We also proceeded to build the foundations for concentrating our store openings in the Kanto region through our dominant strategy. In new businesses, we actively worked to expand overseas by launching "Hokkaido Menkoi Nabe Kuma-chan Onsen" overseas and starting the sales of frozen gyoza in Taiwan and China.

Moreover, in our production plants, which are the heart of our operations as a manufacturer, one of the largest and fastest baked gyoza production lines in Japan is operating as planned at the newly built Kanto 3<sup>rd</sup> Plant. In March 2024, we started operating a hybrid-type production line for "OSAKA OHSHO Hanetsuki Gyoza" and "OSAKA OHSHO Taretsuki Meat Shumai." We will continue our efforts to further increase in-house production volume and improve efficiency. As a result, net sales for the fiscal year under review were ¥35,922 million (up 8.7% YoY) and operating profit was ¥1,059 million (up 15.8% YoY), the highest figures ever since we listed on the stock exchange.

On the other hand, due to the posting of income from the compensation for cooperation in preventing the spread of COVID-19 as non-operating income in the previous fiscal year, the Company recorded ordinary profit of ¥1,068 million (up 1.5% YoY), and due to the posting of loss on fire at the Kanto 1<sup>st</sup> Plant and a portion of fire insurance recovery gain, the Company recorded loss attributable to owners of parent of ¥106 million.

The operating results for each segment are as follows.

#### 1) Food Business

In the Food Business, in addition to strengthening the gyoza category with the introduction of new products following the release of "OSAKA OHSHO Hanetsuki Gyoza" and "OSAKA OHSHO Purumochi Boiled Gyoza," we worked to strengthen the Chinese food category, including "OSAKA OHSHO Naniwa no Juicy Shumai." In response to recent increases in raw material, logistics, and energy costs, we revised the prices of some of our products in October 2023 to improve profitability. In addition, the operation of the Kanto 3<sup>rd</sup> Plant is progressing as planned, and in March 2024, we started operating a hybrid-type production line for "OSAKA OHSHO Hanetsuki Gyoza" and "OSAKA OHSHO Taretsuki Meat Shumai." We will continue our efforts to further increase in-house production volume and improve efficiency. As a result, in the Food Business for the fiscal year under review, the net sales were ¥21,433 million (up 6.9% YoY) and the segment profit was ¥1,275 million (up 2.4% YoY).

#### 2) Restaurant Business

Regarding the Restaurant Business, each business category achieved a steady recovery as the flow of people recovered. In our mainstay "OSAKA OHSHO" brand, progress was made in terms of the number of restaurants

supplied by the central kitchen (Hanyu City, Saitama Prefecture), and in its utilization rate. We proceeded to build the foundations for concentrating our store openings in the Kanto region through our dominant strategy, and we strove to improve stores' earning power through various measures, including the introduction of "I-Robo" cooking robots. In addition, a new central kitchen (Koshu City, Yamanashi Prefecture) was established for the bakery & cafes "R Baker" to start production of frozen bread and frozen dough. We will aggressively roll out new model "R Baker mini" stores utilizing the same products. As a result, in the fiscal year under review, the net sales were ¥14,488 million (up 11.6% YoY) and the operating profit was ¥280 million (up 353.6% YoY).

In the fiscal year under review, the Group opened a total of 22 stores (including 6 overseas stores), including 12 FC stores (including 5 overseas stores) and 10 directly managed stores (including 1 overseas store), and closed a total of 43 stores (including 7 overseas stores), including 26 FC stores (including 5 overseas stores) and 17 directly managed stores (including 2 overseas stores) including 12 Sapporo Miso Gyoza unmanned stores. At the end of the fiscal year under review, the total number of stores was 442 (including 28 overseas stores), with 341 FC stores (including 20 overseas stores) and 101 directly managed stores (including 8 overseas stores). Furthermore, in line with the switch in operational model, 6 stores were changed from directly managed stores to FC stores, and 1 store was changed from an FC store to a directly managed store.

The breakdown of the number of stores in the Restaurant Business is as follows.

Name of business category	End of previous fiscal year (February 28, 2023)			End of fiscal year under review (February 29, 2024)		
	Directly managed stores	FC stores	Total	Directly managed stores	FC stores	Total
OSAKA OHSHO	46	304	350	43	294	337
Ramen	11	12	23	14	10	24
Bakery & cafes	21	11	32	20	12	32
Ippinko	8	2	10	9	2	11
Other businesses	18	1	19	7	3	10
Overseas	9	20	29	8	20	28
Total	113	350	463	101	341	442

## (2) Overview of Financial Position for the Fiscal Year under Review

### Status of Assets, Liabilities and Net Assets

#### (Assets)

Total assets at the end of the fiscal year under review increased by ¥2,464 million from the end of the previous fiscal year to ¥25,597 million.

Current assets increased by ¥1,612 million from the end of the previous fiscal year to ¥11,364 million. The main contributing factors were an increase in cash and deposits of ¥1,059 million, an increase in raw materials and supplies of ¥120 million, and an increase in other under current assets of ¥516 million.

Non-current assets increased by ¥851 million from the end of the previous fiscal year to ¥14,233 million. The main contributing factors were an increase in property, plant and equipment of ¥456 million and an increase in investments and other assets of ¥230 million.

#### (Liabilities)

Liabilities at the end of the fiscal year under review increased by ¥425 million from the end of the previous fiscal year to ¥15,420 million.

Current liabilities increased by ¥604 million from the end of the previous fiscal year to ¥10,953 million. The main contributing factors were an increase in short-term borrowings of ¥370 million, and an increase in other under current liabilities of ¥229 million.

Non-current liabilities decreased by ¥178 million from the end of the previous fiscal year to ¥4,467 million. The main contributing factor was a decrease in long-term borrowings.

#### (Net Assets)

Net assets at the end of the fiscal year under review increased by ¥2,038 million from the end of the previous fiscal year to ¥10,177 million. The main contributing factors were an increase in share capital and capital surplus of ¥2,260 million due to the issuance of new shares and a decrease in retained earnings of ¥211 million.

As a result, the capital adequacy ratio was 39.6% (34.9% at the end of the previous fiscal year).

### (3) Overview of Cash Flows for the Fiscal Year under Review

#### Status of Cash Flows

Cash and cash equivalents at the end of the fiscal year under review (hereinafter “funds”) increased by ¥1,059 million from the end of the previous fiscal year to ¥2,618 million.

#### (Cash Flows from Operating Activities)

Funds provided by operating activities amounted to ¥2,077 million. The main contributing factors were depreciation of ¥1,331 million, impairment losses of ¥186 million, loss on fire of ¥1,454 million, fire insurance recovery gain of ¥641 million, consumption taxes refund of ¥199 million, and an increase in trade payables of ¥69 million, which offset an increase in inventories of ¥125 million.

#### (Cash Flows from Investing Activities)

Funds used in investing activities were ¥3,412 million. The main contributing factor was the purchase of property, plant and equipment.

#### (Cash Flows from Financing Activities)

Funds provided by financing activities amounted to ¥2,389 million. The main contributing factors were repayments of long-term borrowings of ¥955 million, and dividends paid of ¥105 million, despite proceeds from long-term borrowings of ¥800 million, an increase in short-term borrowings of ¥370 million, and proceeds from issuance of shares of ¥2,197 million.

#### (Trends in cash flow-related indicators)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Capital adequacy ratio (%)	34.9	39.6
Capital adequacy ratio based on market value (%)	98.1	90.7
Cash flow to debt ratio (times)	4.7	3.0
Interest coverage ratio (times)	103.4	86.0

(Notes) 1. The calculation formulas of the above indicators are as follows.

Capital adequacy ratio: Shareholders' equity / Total assets

Capital adequacy ratio based on market value: Market capitalization / Total assets

Cash flow to debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

2. Market capitalization is calculated based on the total number of shares issued excluding treasury shares.

3. Cash flows refer to cash flows from operating activities.

Interest-bearing debt refers to all liabilities for which interest is paid among the liabilities recorded on the Consolidated Balance Sheets. Interest payments refer to the amount of interest paid in the Statements of Cash Flows.

#### (4) Future Outlook

The business environment surrounding the Group in FY2024 is expected to remain tough largely due to the significant impact on the economy of the increasingly tense situation in Russia and Ukraine and in the Middle East, as well as the 2024 problem in the logistics industry and a shortage of human resources combined with ongoing wage increases in Japan.

With an eye on further growth in the future, in the Food Business, the Group will work to further expand its supply system, such as by introducing (adding) a hybrid-type production line at the Kanto 3<sup>rd</sup> Plant that will enable production of “OSAKA OHSHO Hanetsuki Gyoza” and “OSAKA OHSHO Taretsuki Meat Shumai.” We will also construct our own large-scale logistics facility, Kanto Logistics Base (KLB), adjacent to the Kanto 3<sup>rd</sup> Plant, in an effort to reduce logistics and other costs.

In addition, with the intention of strengthening our production system in the western Japan area, we have acquired preferential negotiating rights to Lot G (site area: 8,259.88 m<sup>2</sup>) in the Sakuragi area of the Miyakonojo Inter Industrial Park. Accordingly, we will move forward with the construction of a new plant in Miyakonojo City in Miyazaki Prefecture as a new supply base in the western Japan area, with the aim of starting operations in 2026.

In the Restaurant Business, our mainstay “OSAKA OHSHO” brand is aiming for further growth by making maximum use of the Hanyu Central Kitchen and robotics and aggressively concentrating our store openings (directly managed stores, FC stores) in the Kanto region through our dominant strategy. In addition, the “R Baker” bakery & cafes business category will promote the franchise development of “R Baker mini,” a small package using frozen bread and frozen dough. In the Overseas Business, which is positioned as a new business, we will start collaborating with Yuanji Food Group and Tasty Investment Co., Ltd. in China to promote the expansion of business performance and stores. As a result of these initiatives, regarding the financial results for the fiscal year ending February 28, 2025, the Group expects to achieve the net sales of ¥39,100 million (up 8.8% YoY), the operating profit of ¥1,280 million (up 20.8% YoY), the ordinary profit of ¥1,280 million (up 19.8% YoY), and the profit attributable to owners of parent of ¥1,265 million.

A “Notice Concerning Extension of the Period of the Medium-Term Management Plan” was released today.

#### (Background to extension of the period of the Medium-Term Business Plan)

On April 12, 2022, the Group announced its Medium-term Three-year Business Plan, “Sustainable Growth 2024,” which ends in FY2024, and we have been working to achieve the management targets in the plan. However, the business environment in Japan has changed drastically compared to when the plan was formulated, including the soaring cost of raw materials and energy.

While the expansion of the Food Business is progressing steadily according to the plan, the revitalization of the Restaurant Business has been delayed due to a decrease in the number of “OSAKA OHSHO” stores. In addition, due to the delay in the progress of the Overseas (Asian) Business, our new business segment, caused by the operational constraints imposed resulting from COVID-19, we have determined that it will be difficult to achieve the management targets in the final year of the original Medium-term Three-year Business Plan (FY2024, the fiscal year ending February 28, 2025). We, therefore, decided to extend the period of the plan to make FY2026, the fiscal year ending February 28, 2027, the final year for achieving the management targets.

#### (Management Targets)

	FY2026 (fiscal year ending February 28, 2027)
Net sales	¥50.0 billion
Operating profit	¥2.5 billion
Operating profit ratio	5%
ROE (Return on Equity)	8%
EPS (Basic earnings per share)	¥100
Number of restaurant business stores	650 stores (Domestic: 550 stores) (Overseas: 100 stores)



## 2. Basic Stance Regarding Selection of Accounting Standards

The Group shall prepare its consolidated financial statements based on the Japanese accounting standards for the time being, taking into account the comparability of consolidated financial statements between periods and between companies.

Regarding the application of International Financial Reporting Standards (IFRS), we will make an appropriate response upon considering various conditions both in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,558	2,618
Accounts receivable - trade	6,086	5,995
Merchandise and finished goods	1,161	1,166
Raw materials and supplies	321	441
Other	624	1,141
Total current assets	9,751	11,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,393	5,971
Machinery, equipment and vehicles	3,166	2,710
Tools, furniture and fixtures	545	582
Land	1,080	1,080
Leased assets	12	5
Construction in progress	293	1,597
Total property, plant and equipment	11,492	11,949
Intangible assets		
Software	147	147
Other	13	177
Total intangible assets	160	325
Investments and other assets		
Investment securities	18	21
Deferred tax assets	618	851
Other	1,100	1,093
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	1,729	1,959
Total non-current assets	13,381	14,233
Total assets	23,133	25,597

(Million yen)

	As of February 28, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,254	2,325
Short-term borrowings	1,794	2,164
Current portion of long-term borrowings	902	881
Accounts payable - other	3,118	2,998
Income taxes payable	137	178
Provision for bonuses	197	233
Provision for bonuses for directors (and other officers)	45	47
Refund liabilities	1,015	992
Provision for repairs	-	18
Other	882	1,112
Total current liabilities	10,348	10,953
Non-current liabilities		
Long-term borrowings	3,272	3,137
Retirement benefit liability	185	214
Other	1,188	1,115
Total non-current liabilities	4,645	4,467
<b>Total liabilities</b>	<b>14,994</b>	<b>15,420</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,029	3,159
Capital surplus	1,960	3,089
Retained earnings	4,078	3,867
Treasury shares	(0)	(0)
Total shareholders' equity	8,067	10,115
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	8
Foreign currency translation adjustment	9	15
Remeasurements of defined benefit plans	0	(5)
Total accumulated other comprehensive income	14	17
Share acquisition rights	22	3
Non-controlling interests	34	41
Total net assets	8,139	10,177
<b>Total liabilities and net assets</b>	<b>23,133</b>	<b>25,597</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	33,033	35,922
Cost of sales	19,657	21,596
Gross profit	13,375	14,326
Selling, general and administrative expenses	12,460	13,266
Operating profit	915	1,059
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	-	79
Subsidy income	126	1
Cancellation income	25	39
Other	11	14
Total non-operating income	163	136
Non-operating expenses		
Share acquisition rights issuance costs	-	16
Interest expenses	22	25
Repair expenses	-	57
Provision for repairs	-	18
Other	3	11
Total non-operating expenses	25	128
Ordinary profit	1,053	1,068
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on state subsidy	58	-
Gain on reversal of share acquisition rights	-	16
Fire insurance recovery gain	-	641
Total extraordinary income	58	662
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	58	-
Loss on sale and retirement of non-current assets	10	8
Loss on store closings	32	32
Impairment losses	295	186
Loss on fire	-	1,454
Other	-	23
Total extraordinary losses	397	1,706
Profit before income taxes	714	24
Income taxes - current	369	416
Income taxes - deferred	(8)	(232)
Total income taxes	361	184
Profit (loss)	352	(159)
Loss attributable to non-controlling interests	(32)	(52)
Profit (loss) attributable to owners of parent	385	(106)

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Profit (loss)	352	(159)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	4
Foreign currency translation adjustment	(0)	7
Remeasurements of defined benefit plans, net of tax	(2)	(6)
Total other comprehensive income	(2)	5
Comprehensive income	350	(153)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	383	(103)
Comprehensive income attributable to non-controlling interests	(32)	(50)

## (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 28, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,016	1,947	3,816	(0)	7,779
Changes during period					
Issuance of new shares - exercise of share acquisition rights					-
Issuance of new shares - restricted stock compensation	12	12			25
Dividends of surplus			(101)		(101)
Profit attributable to owners of parent			385		385
Change in scope of consolidation			(22)		(22)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	12	12	261	-	287
Balance at end of period	2,029	1,960	4,078	(0)	8,067

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3	5	3	12	13	-	7,805
Changes during period							
Issuance of new shares - exercise of share acquisition rights							-
Issuance of new shares - restricted stock compensation							25
Dividends of surplus							(101)
Profit attributable to owners of parent							385
Change in scope of consolidation							(22)
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	0	4	(2)	2	9	34	46
Total changes during period	0	4	(2)	2	9	34	334
Balance at end of period	4	9	0	14	22	34	8,139

For the fiscal year ended February 29, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,029	1,960	4,078	(0)	8,067
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,117	1,117			2,235
Issuance of new shares - restricted stock compensation	12	12			25
Dividends of surplus			(104)		(104)
Loss attributable to owners of parent			(106)		(106)
Change in scope of consolidation					-
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Net changes in items other than shareholders' equity					-
Total changes during period	1,130	1,129	(211)	-	2,047
Balance at end of period	3,159	3,089	3,867	(0)	10,115

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4	9	0	14	22	34	8,139
Changes during period							
Issuance of new shares - exercise of share acquisition rights							2,235
Issuance of new shares - restricted stock compensation							25
Dividends of surplus							(104)
Loss attributable to owners of parent							(106)
Change in scope of consolidation							-
Change in ownership interest of parent due to transactions with non-controlling interests							(1)
Net changes in items other than shareholders' equity	4	5	(6)	3	(19)	6	(9)
Total changes during period	4	5	(6)	3	(19)	6	2,038
Balance at end of period	8	15	(5)	17	3	41	10,177

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	714	24
Depreciation	1,139	1,331
Impairment losses	295	186
Loss on store closings	32	32
Loss on fire	-	1,454
Fire insurance recovery gain	-	(641)
Increase (decrease) in retirement benefit liability	5	23
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(481)	-
Increase (decrease) in provision for bonuses	(52)	35
Increase (decrease) in provision for bonuses for directors (and other officers)	(5)	2
Increase (decrease) in refund liabilities	97	(23)
Interest and dividend income	(0)	(0)
Interest expenses	22	25
Loss (gain) on sale and retirement of non-current assets	10	4
Decrease (increase) in trade receivables	(368)	93
Decrease (increase) in inventories	(97)	(125)
Increase (decrease) in trade payables	150	69
Increase (decrease) in accounts payable - other	(14)	(138)
Increase (decrease) in accrued consumption taxes	(144)	(106)
Increase (decrease) in guarantee deposits received	(60)	(4)
Increase (decrease) in long-term accounts payable - other	487	(4)
Other, net	12	94
Subtotal	1,745	2,334
Interest and dividends received	0	0
Interest paid	(12)	(24)
Income taxes paid	(636)	(305)
Consumption taxes refund	-	199
Payments loss related to fire	-	(127)
Income of penalty for lease contract	175	-
Net cash provided by (used in) operating activities	1,272	2,077



(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,625)	(3,312)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(24)	(51)
Proceeds from sale of investment securities	-	2
Payments of guarantee deposits	(52)	(78)
Proceeds from refund of guarantee deposits	75	26
Other, net	1	1
Net cash provided by (used in) investing activities	(3,626)	(3,412)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	803	370
Proceeds from long-term borrowings	2,200	800
Repayments of long-term borrowings	(613)	(955)
Proceeds from issuance of shares	-	2,197
Proceeds from share issuance to non-controlling shareholders	-	56
Dividends paid	(101)	(105)
Repayments of lease liabilities	(12)	(7)
Proceeds from exercise of employee share options	-	20
Proceeds from issuance of share acquisition rights	-	13
Net cash provided by (used in) financing activities	2,275	2,389
Effect of exchange rate change on cash and cash equivalents	2	4
Net increase (decrease) in cash and cash equivalents	(76)	1,059
Cash and cash equivalents at beginning of period	1,622	1,558
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	12	-
Cash and cash equivalents at end of period	1,558	2,618

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Due to the exercise of stock acquisition rights, share capital and capital surplus each increased by ¥1,117 million in the fiscal year under review.

In addition, the Company issued new shares as restricted stock compensation on June 23, 2023 by resolution of the Board of Directors held on May 26, 2023, and share capital and capital surplus each increased by ¥12 million.

As a result, share capital and capital surplus at the end of the fiscal year under review were ¥3,159 million and ¥3,092 million, respectively.

(Additional Information)

(Application of the treatment of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system)

The Company and its domestic consolidated subsidiaries made a transition from the consolidated taxation system to the group tax sharing system in the first quarter of the fiscal year under review. Accordingly, we will comply with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021, “ASBJ PITF No. 42”), with regard to the accounting method and disclosure of corporate tax, local corporation tax, and tax effect accounting. In accordance with Paragraph 32 (1) of ASBJ PITF No. 42, the Company has deemed that there is no impact from changes in accounting policies resulting from the application of ASBJ PITF No. 42.

(Issuance of new shares as restricted stock compensation)

The Company resolved to issue new shares as restricted stock compensation at the meeting of the Board of Directors held on May 26, 2023, and completed the payment on June 23, 2023.

(1) Purpose and reason of the issuance

At the meeting of the Board of Directors held on April 26, 2022, the Company resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) as a new compensation plan for directors of the Company (excluding outside directors; hereinafter the “Eligible Directors”) in order to provide them with incentives to continuously improve the Company’s corporate value, while also promoting further sharing of value with its shareholders. At the 45th Annual General Meeting of Shareholders held on May 27, 2022, the following matters were also approved. Under the Plan, monetary claims of up to ¥60,000 thousand per year shall be paid to the Eligible Directors as compensation to be used as assets contributed for the acquisition of restricted stock, and up to 40,000 shares of common shares of the Company per year shall be issued or disposed of. In addition, the period of transfer restriction of the restricted stock shall be from the date of allotment of common shares of the Company in accordance with the restricted stock allotment contract to be executed between the Company and the Eligible Directors until the time immediately following his/her retirement from his/her position as an officer or employee of the Company or its subsidiaries as determined by the Board of Directors of the Company.

(2) Overview of the issuance

(1) Date of payment	June 23, 2023
(2) Type and number of shares to be issued	11,507 shares of common shares of the Company
(3) Issue price	¥2,185 per share
(4) Total issue price	¥25,142,795
(5) Persons eligible for allotment of shares, number of such persons, and number of shares to be allotted	6 directors of the Company (excluding outside directors), 11,507 shares
(6) Other	The written notice of securities in accordance with the Financial Instruments and Exchange Act has been filed for this issuance of new shares.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the constituent business units of the Group for which separate financial data are available and that are examined periodically to allow the Board of Directors to determine the allocation of management resources and evaluate performance.

The Group has adopted a holding company system, and develops its business by formulating comprehensive strategies for each operating company.

Accordingly, the Group has two reportable segments, the Food Business and the Restaurant Business, based on factors including similarities by product and service, with each of the operating companies as the foundation.

In the Food Business, we sell frozen foods, etc. under the "OSAKA OHSHO" brand to consumer Co-op and general mass retailers nationwide through wholesalers, as well as through e-commerce business goods sales sites. In the Restaurant Business, we operate directly managed restaurants centering on OSAKA OHSHO, as well as franchise chains of such in-house brands.

2. Calculation methods of net sales, profit, assets, liabilities and other items for each reportable segment

The accounting method for the reported business segments is the same as the accounting method adopted in the preparation of the consolidated financial statements.

Profit figures in the reportable segments are based on operating profit.

Inter-segment net sales or transfers are based on market prices, manufacturing costs, etc.

3. Information on net sales, profit, assets, liabilities and other items by reportable segment

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Million yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Food Business	Restaurant Business	Total		
Net sales					
Revenue from contracts with customers	20,053	12,901	32,955	—	32,955
Other revenue	—	77	77	—	77
Net sales to external customers	20,053	12,979	33,033	—	33,033
Inter-segment net sales or transfers	860	—	860	(860)	—
Total	20,913	12,979	33,893	(860)	33,033
Segment profit	1,246	61	1,307	(392)	915
Segment assets	17,158	4,066	21,225	1,908	23,133
Other items					
Depreciation	736	403	1,139	—	1,139
Increase in property, plant and equipment and intangible assets	3,391	639	4,030	27	4,058

(Notes) 1. Details of the adjustments are as follows:

(1) The ¥(392) million adjustment to segment profit consists of company-wide expenses not allocated to each reportable segment, and mainly includes general and administrative expenses that do not belong to the reportable segments.

(2) The ¥1,908 million adjustment to segment assets consists of company-wide assets not allocated to each reportable segment, and mainly includes surplus assets and working capital (cash and deposits) of the Head Office and deferred tax assets that do not belong to the reportable segments.

- (3) The ¥27 million adjustment to the increase in property, plant and equipment and intangible assets consists of company-wide assets not allocated to each reportable segment, and mainly includes software and equipment of the Head Office that do not belong to the reportable segments.
2. Segment profit has been adjusted to correspond with operating profit in the Consolidated Statement of Income.

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Million yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Food Business	Restaurant Business	Total		
Net sales					
Revenue from contracts with customers	21,433	14,395	35,829	—	35,829
Other revenue	—	93	93	—	93
Net sales to external customers	21,433	14,488	35,922	—	35,922
Inter-segment net sales or transfers	967	—	967	(967)	—
Total	22,400	14,488	36,889	(967)	35,922
Segment profit	1,275	280	1,555	(495)	1,059
Segment assets	18,230	4,496	22,727	2,870	25,597
Other items					
Depreciation	907	424	1,331	—	1,331
Increase in property, plant and equipment and intangible assets	2,541	503	3,044	196	3,241

(Notes) 1. Details of the adjustments are as follows:

- (1) The ¥(495) million adjustment to segment profit consists of company-wide expenses not allocated to each reportable segment, and mainly includes general and administrative expenses that do not belong to the reportable segments.
- (2) The ¥2,870 million adjustment to segment assets consists of company-wide assets not allocated to each reportable segment, and mainly includes surplus assets and working capital (cash and deposits) of the Head Office and deferred tax assets that do not belong to the reportable segments.
- (3) The ¥196 million adjustment to the increase in property, plant and equipment and intangible assets consists of company-wide assets not allocated to each reportable segment, and mainly includes software and equipment of the Head Office that do not belong to the reportable segments.
2. Segment profit has been adjusted to correspond with operating profit in the Consolidated Statement of Income.

[Related information]

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

1. Information by product or service

As the same information has been stated in “Segment information,” this information is omitted.

2. Information by region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales in the Consolidated Statement of Income, this information is omitted.

(2) Property, plant and equipment

As the property, plant and equipment in Japan exceed 90% of the value of property, plant and equipment in the Consolidated Balance Sheets, this information is omitted.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Name of related segment
Mitsubishi Shokuhin Co., Ltd.	6,299	Food Business
ITOCHU Corporation	3,200	Food Business

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

1. Information by product or service

As the same information has been stated in “Segment information,” this information is omitted.

2. Information by region

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales in the Consolidated Statement of Income, this information is omitted.

(2) Property, plant and equipment

As the property, plant and equipment in Japan exceed 90% of the value of property, plant and equipment in the Consolidated Balance Sheets, this information is omitted.

3. Information by major customer

(Million yen)

Name of customer	Net sales	Name of related segment
Mitsubishi Shokuhin Co., Ltd.	6,657	Food Business
ITOCHU Corporation	3,290	Food Business

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Million yen)

	Reportable segment		Total
	Food Business	Restaurant Business	
Impairment losses	—	295	295

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Million yen)

	Reportable segment		Total
	Food Business	Restaurant Business	
Impairment losses	—	186	186

[Information on amortized amount and unamortized balance of goodwill by reportable segment]

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net assets per share	¥794.80	¥894.30
Basic earnings (loss) per share	¥37.91	¥(9.82)
Diluted earnings per share	¥37.87	—

(Notes) 1. Although there are diluted shares, diluted earnings per share for the fiscal year under review are not shown because basic loss per share was recorded.

2. The basis for calculating basic earnings (loss) per share and diluted earnings per share is as follows.

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
(1) Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Million yen)	385	(106)
Amount not attributable to common shareholders (Million yen)	—	—
Profit (loss) attributable to owners of parent relating to common shares (Million yen)	385	(106)
Average number of common shares outstanding during the period (Shares)	10,164,982	10,831,777
(2) Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Million yen)	—	—
Increase in number of common shares (Shares)	10,745	—
(Out of the above: Share acquisition rights (Shares))	(10,745)	—
Overview of dilutive shares not included in the calculation of diluted earnings per share due to a lack of dilutive effect	—	—

(Significant subsequent events)

Not applicable.