

Presentation Material for  
FY2025 Q1 Financial Results

March 14, 2025



Securities code: 3038

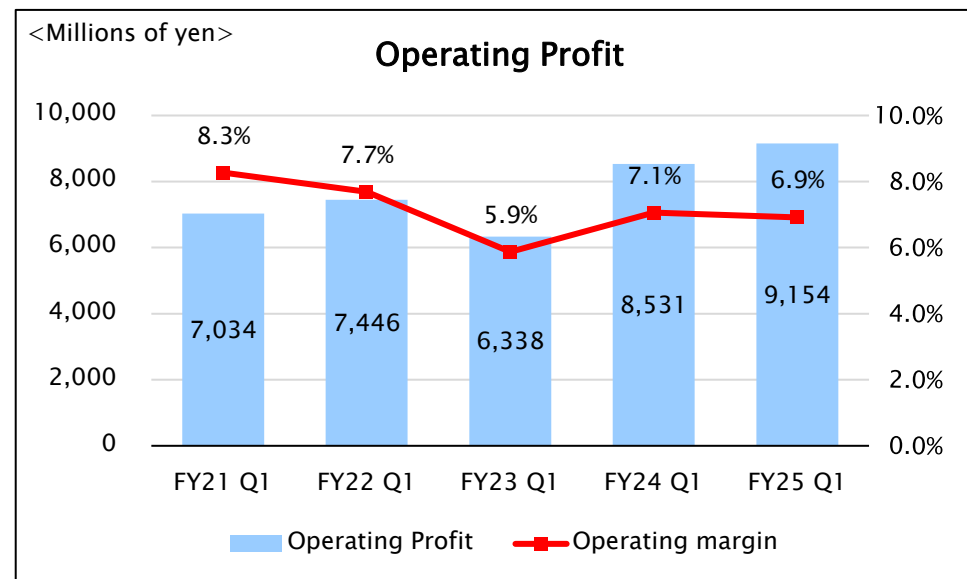
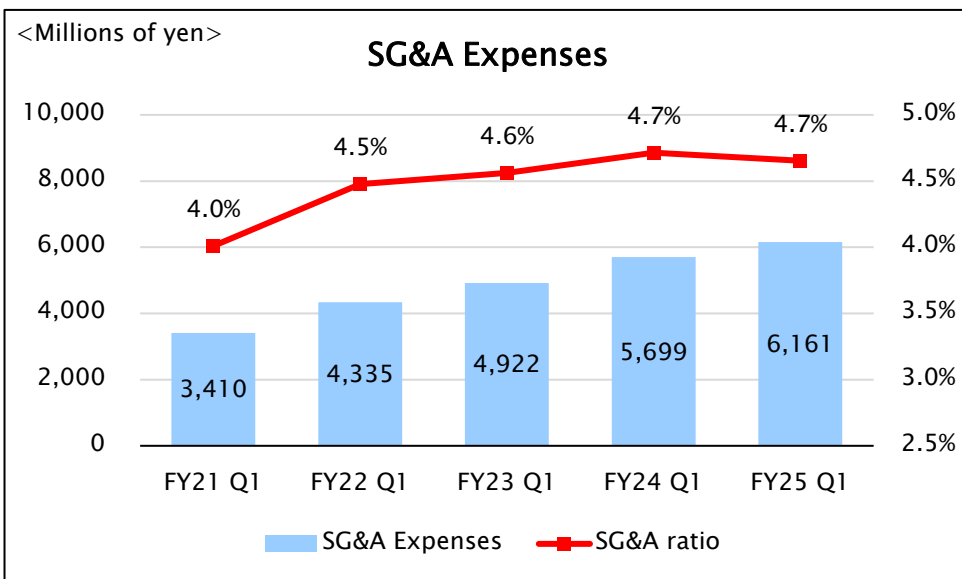
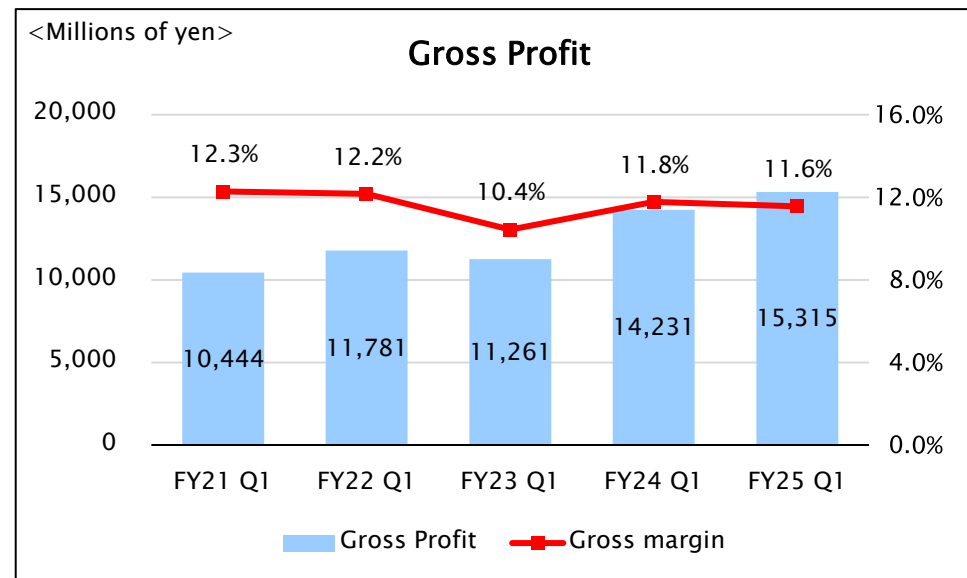
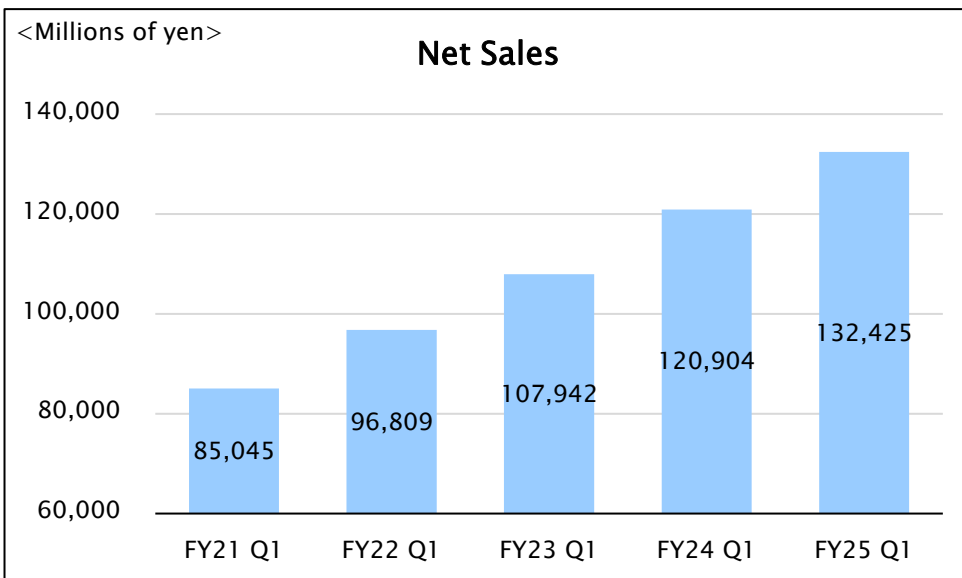
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(Millions of yen)

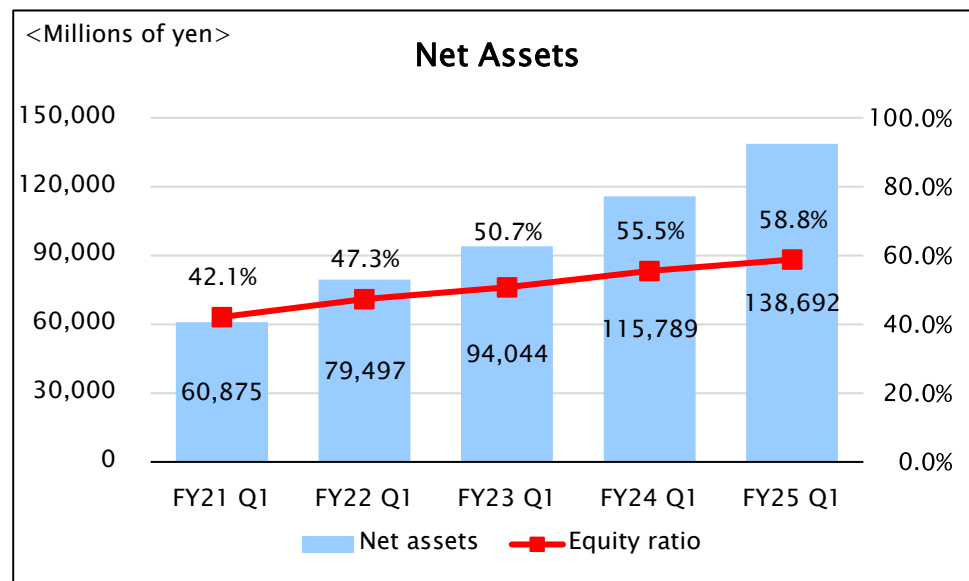
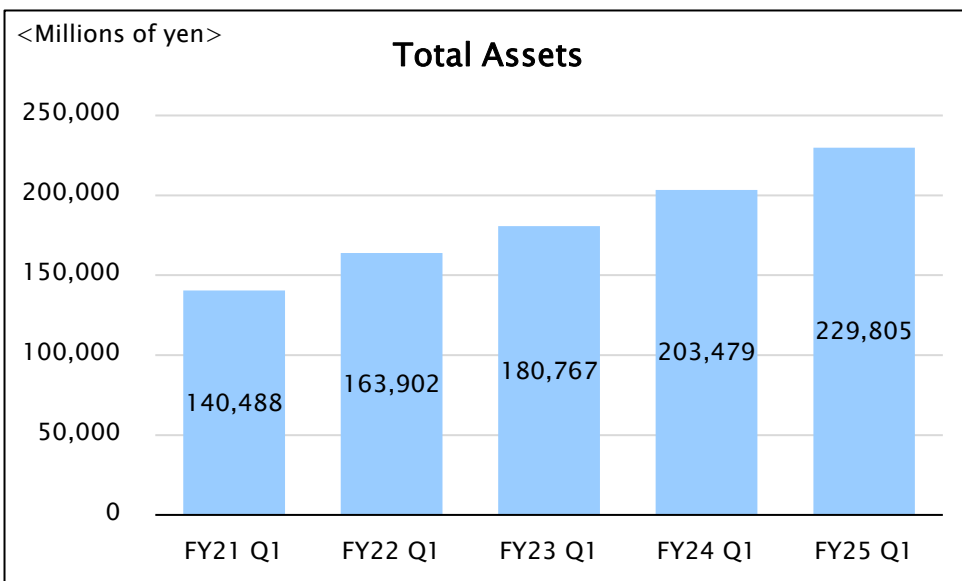
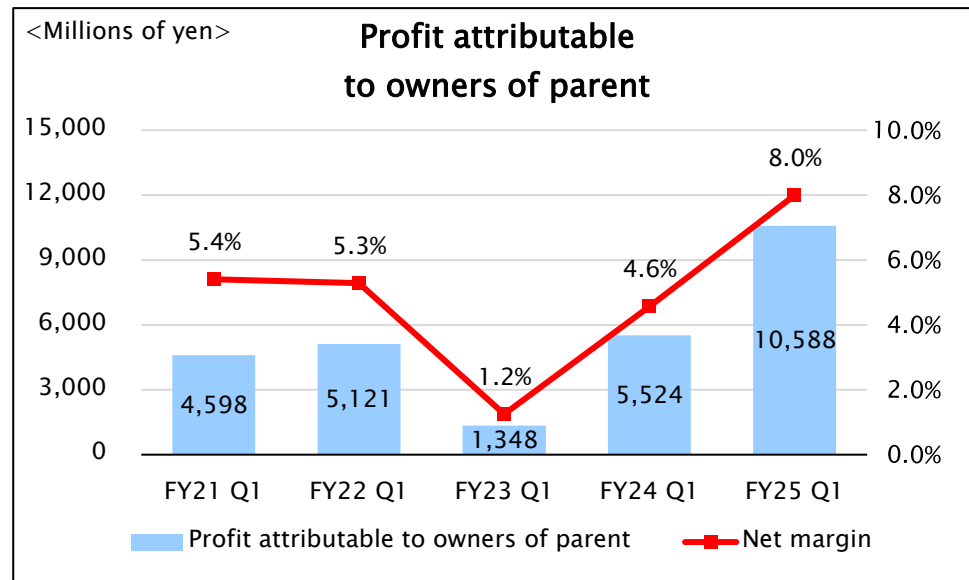
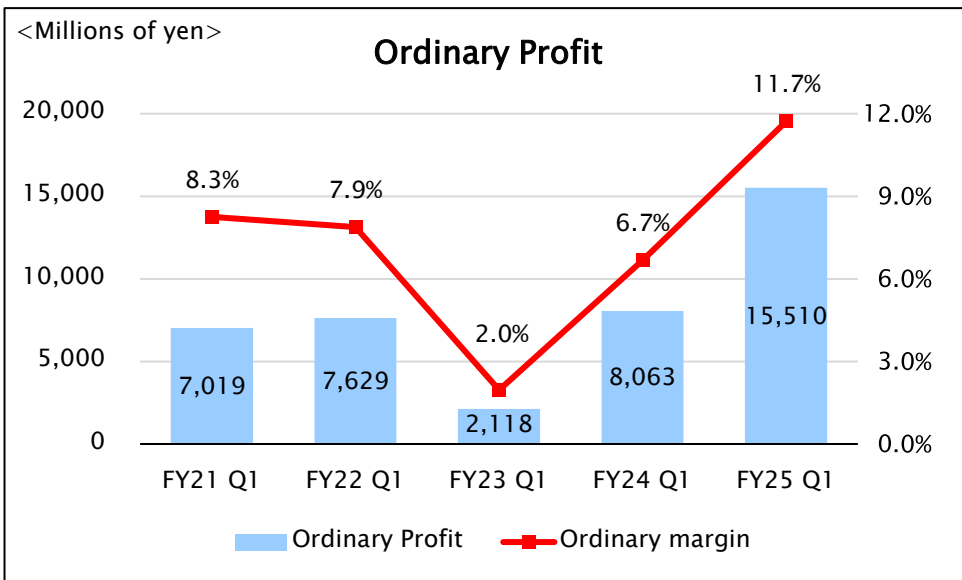
	FY24 Nov.-Jan.	FY25 Nov.-Jan.	Percentage change	FY25 forecast	Achievement rate to full-year forecast
Net sales	120,904	132,425	+9.5%	525,000	25.2%
Gross profit (Gross margin)	14,231 (11.8%)	15,315 (11.6%)	+7.6%	—	—
SG&A expenses (SG&A ratio)	5,699 (4.7%)	6,161 (4.7%)	+8.1%	—	—
Operating profit (Operating margin)	8,531 (7.1%)	9,154 (6.9%)	+7.3%	37,700	24.3%
Ordinary profit (Ordinary margin)	8,063 (6.7%)	15,510 (11.7%)	+92.3%	37,800	41.0%
Profit attributable to owners of parent (Net margin)	5,524 (4.6%)	10,588 (8.0%)	+91.7%	24,000	44.1%

## [Financial Overview]

- Net sales**  
 Net sales increased by ¥11,520 million (9.5%) year on year with robust new store openings and continued strong product shipments to existing stores.
- Gross profit**  
 Gross profit increased by ¥1,084 million (7.6%) year on year due to the continued strong net sales despite the impact of the exchange rate fluctuations.
- SG&A expenses**  
 SG&A expenses increased by ¥461 million (8.1%) year on year due to increases in freight costs along with increased net sales of the Gyomu Super Business and personnel expenses resulting from a wage increase to maintain talented employees. Although the expenses increased, the SG&A ratio slightly decreased.
- Operating profit**  
 As a result of the factors above, operating profit increased by ¥623 million (7.3%) year on year.
- Ordinary profit**  
 Ordinary profit increased by ¥7,446 million (92.3%) year on year, positively affected by the reversal of valuation loss due to the absence of forward exchange contracts.
- Profit attributable to owners of parent**  
 As a result of the factors above, profit attributable to owners of parent increased by ¥5,064 million (91.7%) year on year.



Note: Fiscal year (FY) represents the one-year period from November 1 to October 31 of the following year.

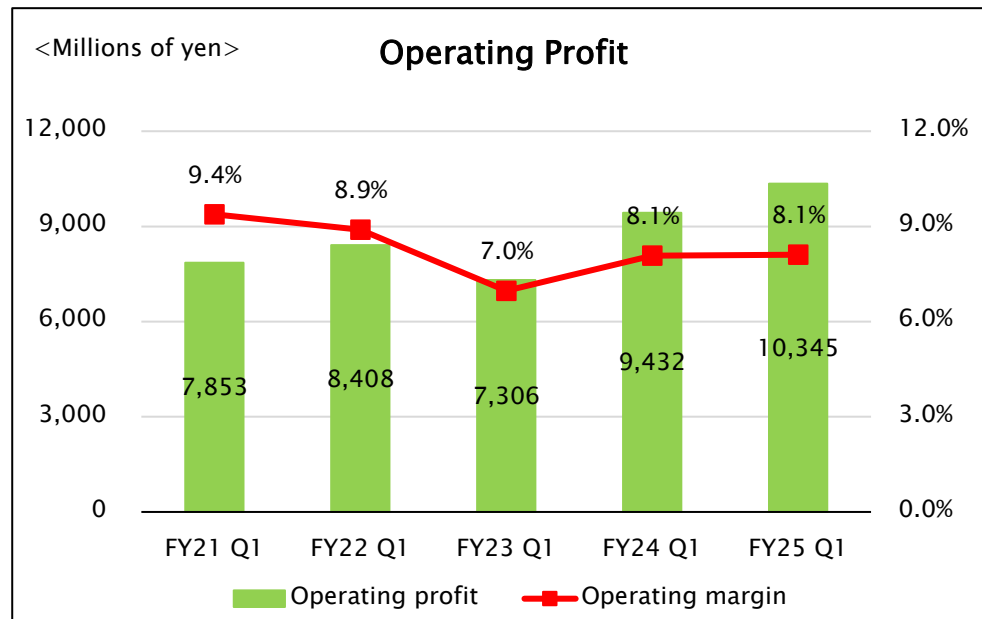
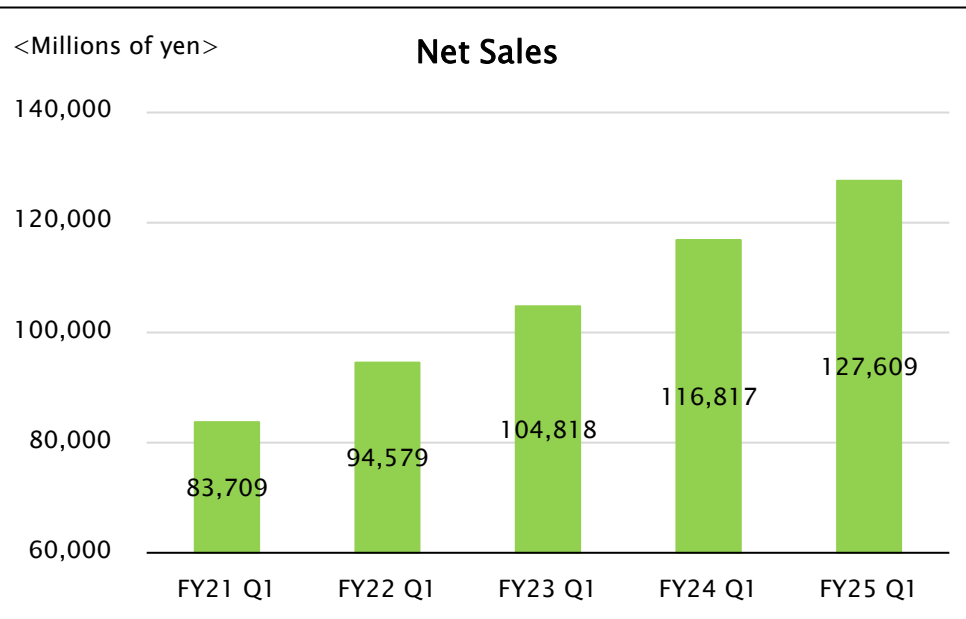


Gyomu Super is our core business. Operating results of this business segment reflect wholesale sales to, and royalty fee from, Gyomu Super franchisees earned by Kobe Bussan, a franchisor (franchising headquarters), as well as earnings of Kobe Bussan Group's plants.

- Gyomu Super stores have expanded nationwide with 1,094 stores as of January 31, 2025.
- Net sales for FY2025 Q1 exceeded those for the same period last year due to strong performance of the existing stores.
- The continued strong savings-oriented attitude of consumers contributed to sales growth.



Inside the Gyomu Super Yokohama Izumi Store



## We operate Gyomu Super stores under a franchise system except 4 stores of our own.

Our franchise agreement has 2 types as follows:

- General franchise contract, which allows a franchisee to open 1 store in our directly managed areas (\*1).
- Area franchise contract, which allows a franchisee to open multiple stores in a defined prefecture in our indirectly managed areas (\*2).

Also, we own 4 stores in Hyogo, Osaka and Kanagawa prefectures under direct operations.

\*1 Directly managed areas

- Hokkaido area: Hokkaido prefecture
- Kanto area: Tokyo, Chiba, Kanagawa, and Saitama prefectures
- Kansai area: Osaka, Kyoto, Hyogo (excl. Awaji Island), Nara, Wakayama, and Shiga prefectures
- Kyushu area: Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima prefectures

\*2 Indirectly managed areas

- Other areas: Prefectures other than those listed above

### Outline of Franchise Contract & Requirements (as of January 31, 2025)

	Directly managed areas	Indirectly managed areas
Number of franchisees	91	14
Type of franchise agreement	Single-unit franchise (A general franchisee can open 1 store per contract.)	Multi-unit franchise (An area franchisee has an exclusive right to open multiple stores in a prefecture defined under the contract.)
Initial franchise fee (excl. consumption taxes)	¥2,000,000	Population in the prefecture x ¥2
Franchise deposit	¥10,000,000	Population in the prefecture x ¥5
Royalty fee	1% of total purchase of goods	1% of purchase of defined goods
Facility expenses	It costs between ¥32 million and ¥38 million to construct racks for shelf-stable foods and refrigeration equipment (the above construction cost is a rough estimate and varies depending on properties). Equipment, construction work, POS registers, and other funds for start-up are required separately.	
Distribution expenses	Principally paid by franchise headquarters	Negotiable

### Simulated Earnings (Standard Store Franchisees)

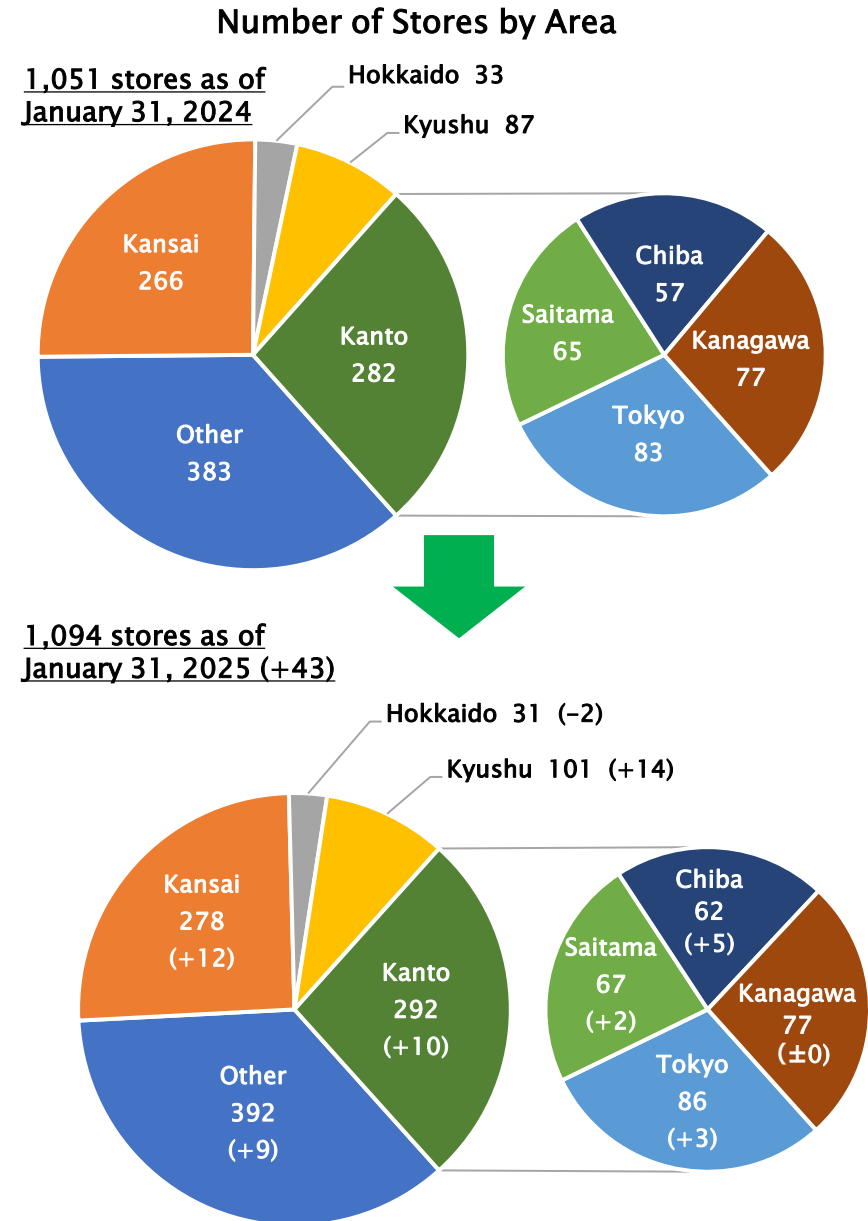
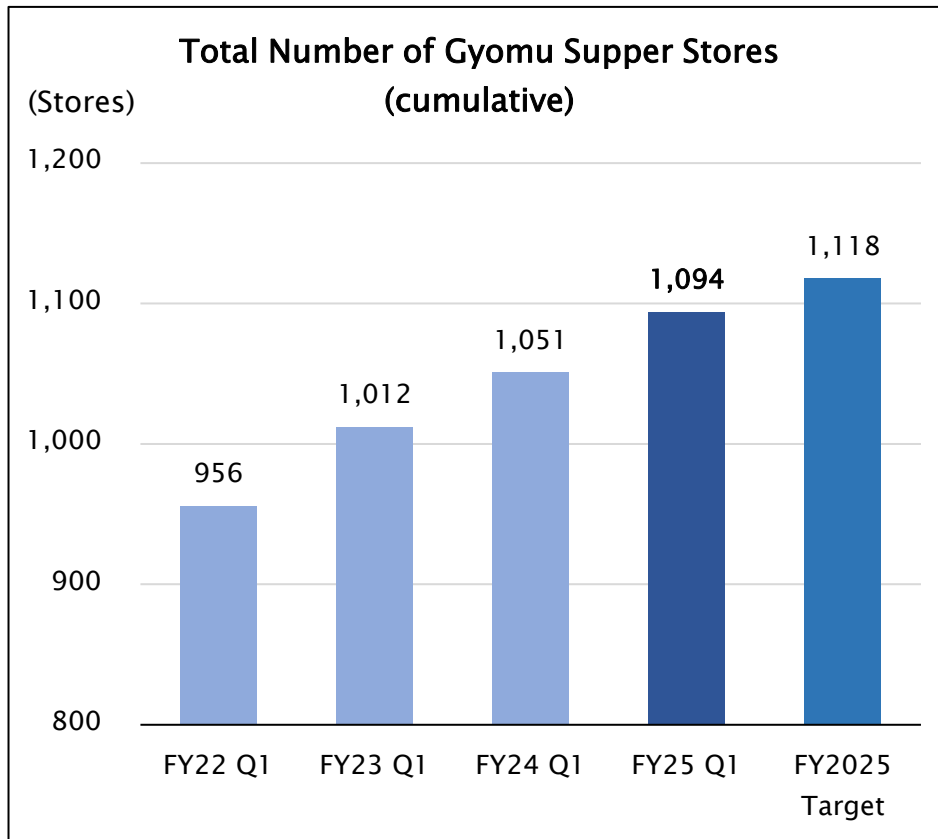
P&L account	Monthly amount	Composition
Net sales	¥43,500,000	100.0%
Gross profit	¥7,395,000	17.0%
SG&A expenses	¥6,499,000	14.9%
(Rent expenses)	¥1,300,000	3.0%
(Personnel expenses)	¥2,393,000	5.5%
Operating profit	¥896,000	2.1%

\* By purchasing items such as fresh food separately, many of franchisees operate more efficiently than the above simulation.

Gyomu Super opened 11 stores and closed 1, resulting in a net increase of 10 stores during FY2025 Q1.

The progress at the end of FY2025 Q1 was 29% toward the full-year target of a net increase of 34 stores.

We expanded store openings mainly in Honshu.

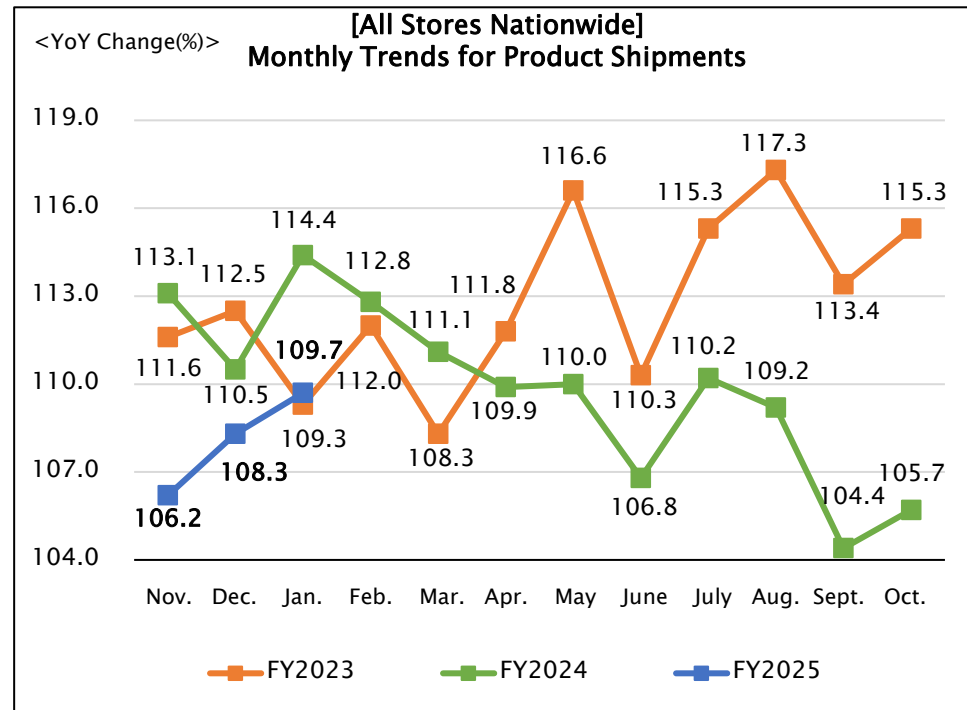
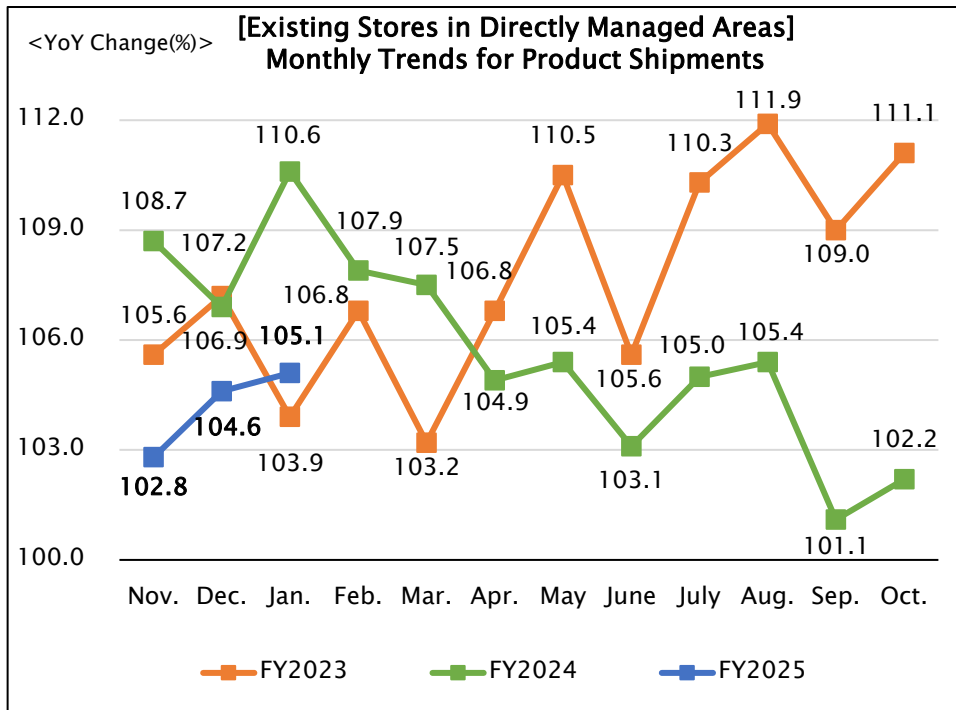


Directly managed areas: Hokkaido, Kanto, Kansai, and Kyushu  
 Indirectly managed areas: Other



# Year-on-year Changes in Product Shipments to Gyomu Super Stores

- Product shipments exceeded the previous year's level as customers became more thrifty and favored our relatively low prices compared to competitors.



## [Year-on-year % Changes in Product Shipments to Gyomu Super Stores]

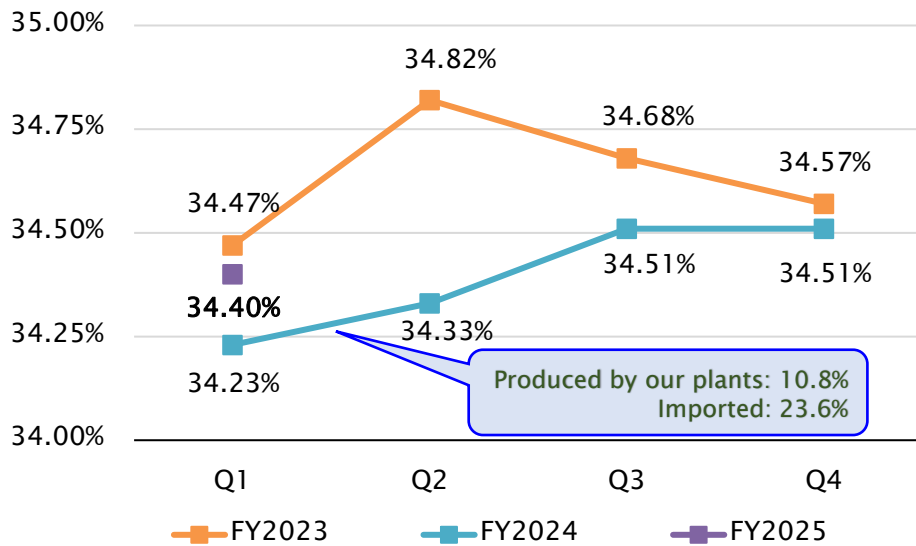
		FY2024															FY2025		
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	H1	May	June	July	Aug.	Sept.	Oct.	H2	Full	Nov.	Dec.	Jan.
Directly Managed areas	Existing stores	108.7	106.9	110.6	107.9	107.5	104.9	107.7	105.4	103.1	105.0	105.4	101.1	102.2	103.7	105.6	102.8	104.6	105.1
	All Stores	112.7	110.2	113.8	111.7	111.0	109.1	111.3	109.8	107.4	109.7	109.5	105.1	105.7	107.8	109.5	106.5	108.5	109.2
Nationwide	All Stores	113.1	110.5	114.4	112.8	111.1	109.9	111.7	110.0	106.8	110.2	109.2	104.4	105.7	107.7	109.6	106.2	108.3	109.7

Note: "Nationwide" represents the product shipments to the stores in both directly and indirectly managed areas.

# Kobe Bussan's Strengths: "Unique Products with Competitive Advantages"

## Enhancing Original Products

### Ratio of Private Label Products



## Private label products



**Shoestring French fries**  
¥354 (1kg)



**Organic coconut cream**  
¥257 (400ml)



**White sesame dressing**  
¥473 (1L)



**Kimchi hot pot soup**  
¥104 (400g)



**Pacific saury simmered in sweetened sauce**  
¥321 (3 fish)



**Frozen Sanuki udon noodles**  
¥178 (200g x 5)

Note: All prices include tax.  
Products and prices are different depending on stores and seasons.

## New Plant Started Operations

- On April 1, 2025, Uehara Foods Industry Co., Ltd. will be incorporated into our group, which will bring the total number of domestic plants to 27.
- With this company as a production base for the Kanto area, we aim to further enhance our line-up of private label products.
- This base is planned to manufacture several of our own products, such as hot pot soup and chicken cutlets.

Monthly special sale price for Nov.: ¥108

The Restaurant & Delicatessen Business covers restaurants and delicatessen shops that we operate directly or as a franchisor (franchising headquarters). This business segment includes Kobe Cook World Buffet, a buffet-style restaurant chain; Premium Karubi, a served a-la-carte buffet style BBQ restaurant chain; and Chisouna, a delicatessen shop chain.

- All the three brands performed well.
- The restaurant business successfully attracted customers due to the effects of winter vacation, the new year holidays, and other events.
- Chisouna steadily opened new shops.

As a result of the above, the sales volume improved steadily.



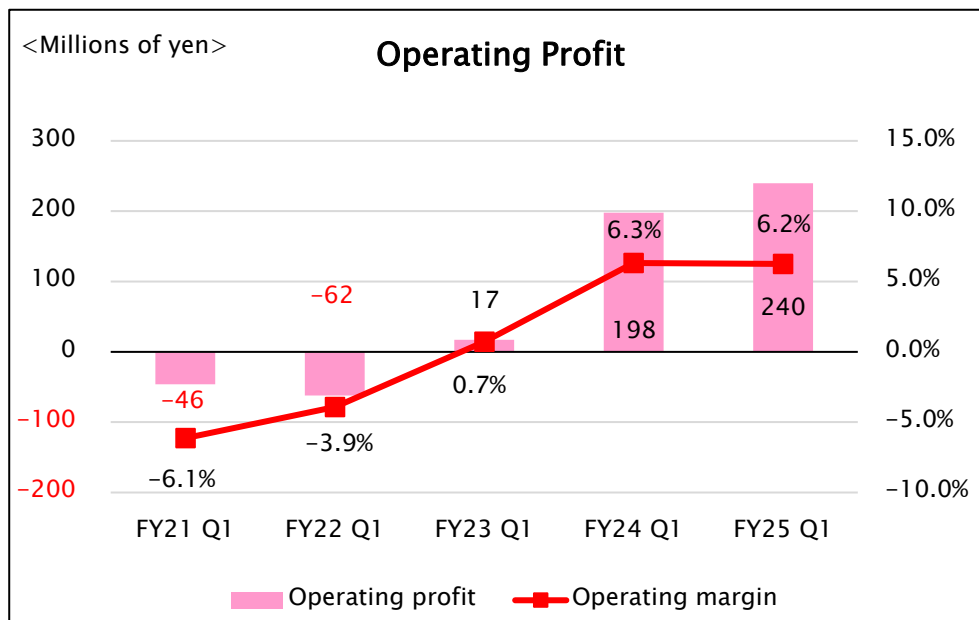
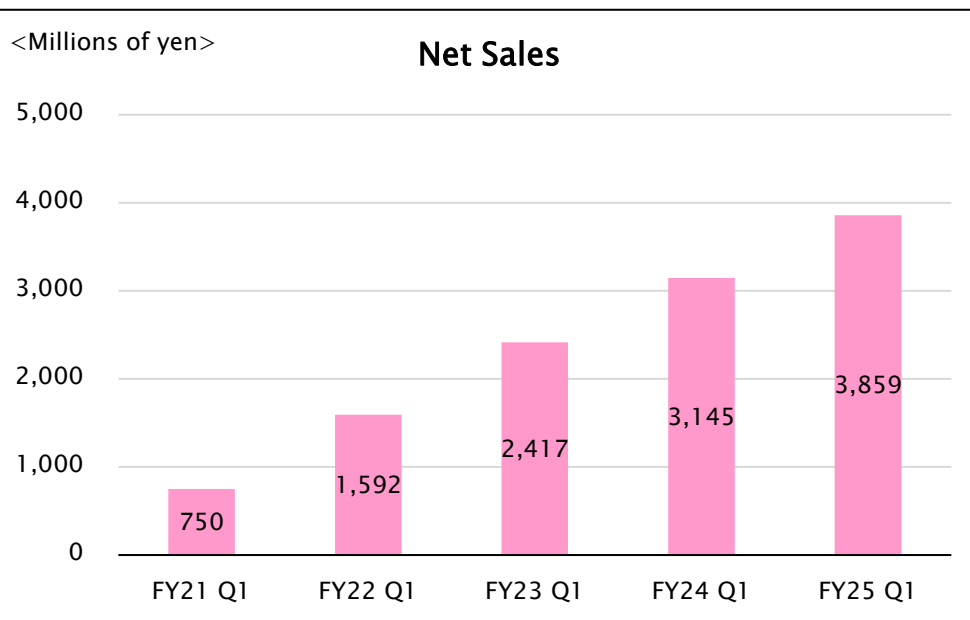
Kobe Cook World Buffet



Premium Karubi



Chisouna



## Kobe Cook World Buffet

Kobe Cook World Buffet operates a network of 17 restaurants (as of January 31, 2025).

It opened 1 restaurant and closed none, resulting in a net increase of 1 restaurant during FY2025 Q1.

We opened the directly-operated Nikke Parktown Kakogawa Restaurant in Kakogawa-shi, Hyogo on January 30.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### Measures to Attract Customers

We held the *Hot and Scandinavian Food Fair* from November 1 to December 25. The fair's meals, perfect for the onset of chilly weather, were well received. The *South Korea Fair*, which is running until March 31, is one of the most popular fairs we have ever held.

The Nikke Parktown Kakogawa Restaurant, which opened on January 30, is our first small-sized restaurant, with a floor area approximately 60% of our existing restaurant size. By gaining operational know-how from running a small restaurant in a location that is expected to attract guests even with a limited trade area, we will expand the possibilities for opening new restaurants in new locations, such as in commercial facilities within metropolitan areas.

### Business Strategy for FY2025

We will continuously develop and roll out menus targeted at female guests and families who continue supporting us. We also expect demand from large party guests such as tourists from home and abroad to remain strong. With the aim of consistently exceeding the previous year's sales and number of customers, we will encourage customers to visit the restaurant more frequently by offering services that satisfy customers with a dining experience unparalleled to any other restaurant chains in terms of the menu, volume of food, and price. While enhancing its own brand image with differentiation from competitors in mind, we will put more effort into the franchisee and restaurant development for further franchise expansion.



Seasonal special offer  
in November and December:  
*Hot and Scandinavian Food Fair*

## Premium Karubi

Premium Karubi operates a network of 22 restaurants (as of January 31, 2025).

It did not open or close any restaurants during FY2025 Q1.

The plan to start franchising is on track.



### Overview of FY2025 Q1

Even after the influence of the FY2024 television broadcasts faded, existing restaurant sales exceeded those for the same period of the previous year. Therefore, we recognize that Premium Karubi has raised brand awareness and its overall sales base.

To overcome the hike in purchase prices of rice and meat, we will work on menu revisions and other measures. Also, we will continue to work hard to franchise this brand.



Seasonal desserts from December to February



Premium Karubi Shonandai Restaurant

Note: Menus may vary by restaurant and season.

## Chisouna

Chisouna operates a network of 134 shops (as of January 31, 2025). It opened 4 shops and closed none, resulting in a net increase of 4 shops during FY2025 Q1.

We are updating our menu to include products made by bakeries incorporated into our group.



### Factors behind Strong Performance

Despite continuous soaring prices of raw materials, Chisouna maintains a price advantage by working on menu changes and improvement in cooking operations efficiency. In addition, a strong synergy effect on attracting more customers to Gyomu Super stores is accelerating the willingness of franchisees to open new shops.

The store policy of providing freshly prepared dishes by in-store cooking staff with large serving size keeps attracting customers.

To create more attractive shop floor that satisfies customers, we continue to expand a variety of menu items while increasing the number of shops along with Gyomu Super store openings.



Note: Products and prices may vary by shop and season.

7 AFFORDABLE AND CLEAN ENERGY



We provide eco-friendly, safe, and reliable renewable energy by operating solar and woody biomass power plants.

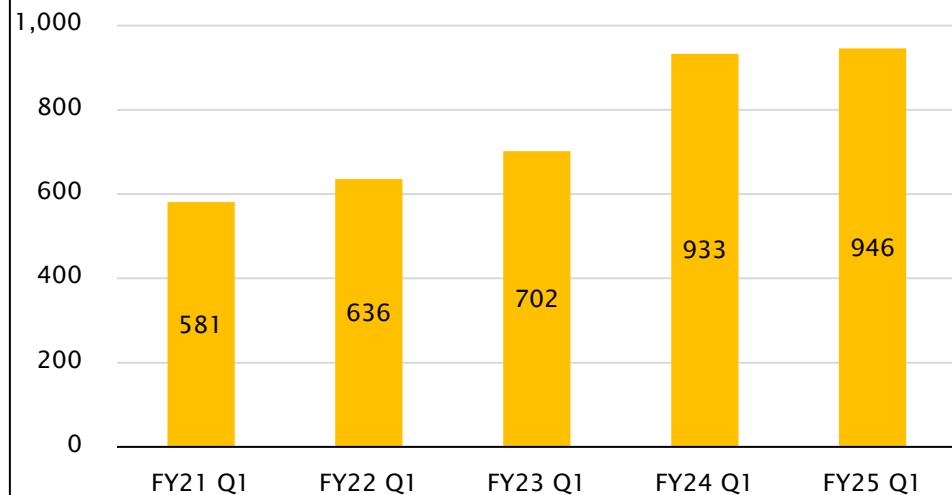
- A new plant in Higashimatsushima-shi, Miyagi with a generation capacity of 30 MW started operations on October 18, 2023, which results in all of our planned solar power plants in operation with a total capacity of 81 MW.
- The sales cost increased due to changes in our method for calculating timber as fuel for biomass power generation. However, this is a one-off factor.



Photo: Awa Solar Power Plant in Tokushima

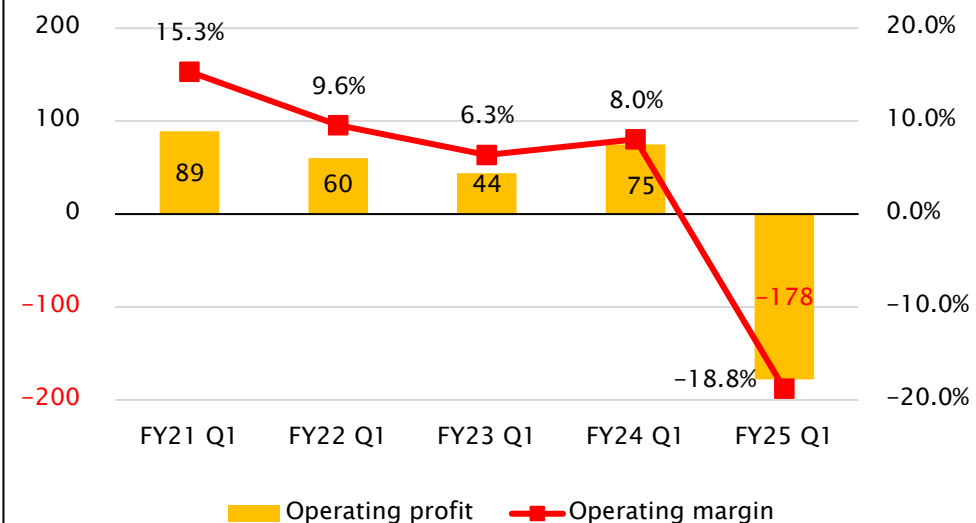
<Millions of yen>

## Net Sales



<Millions of yen>

## Operating Profit

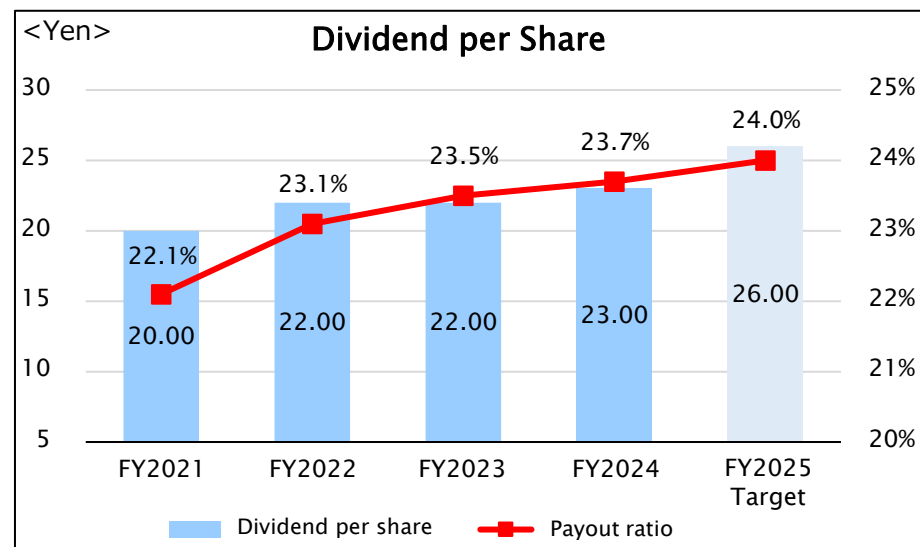


## Dividends

Kobe Bussan regards returning profits to shareholders as one of key management issues. Our basic policy is to secure funds necessary for our business growth and distribute profits to shareholders according to the operating results.

For FY2024, we paid the annual year-end dividends of ¥23.00 per share according to the initial forecast.

For FY2025, we plan to pay the annual dividends of ¥26.00 per share.



## Shareholder Benefit Program

The shareholder benefit program has been introduced to express Kobe Bussan's gratitude for the continuous support of its shareholders and to gain the deeper understanding of customers for its businesses. We will send JCB Gift Card to shareholders who hold 100 shares or more as of October 31 of each year, according to the number of years of ownership and the number of shares held.

Number of shares held	Shareholder incentives	
	Continuous ownership years Less than 3 years	Continuous ownership years 3 years or more
100-999	JCB Gift Card ¥1,000	JCB Gift Card ¥3,000
1,000-1,999	JCB Gift Card ¥10,000	JCB Gift Card ¥15,000
2,000 or more	JCB Gift Card ¥15,000	JCB Gift Card ¥20,000



Sample

Note: Shareholders may opt to exchange the gift cards for an assortment of private label products worth the face value.



## FY2025 Forecast

(Millions of yen)

	FY2025 Q1 actual	FY2025 forecast	Progress towards Full-year forecast
Net sales	132,425	525,000	25.2%
Operating profit	9,154	37,700	24.3%
Profit attributable to owners of parent	10,588	24,000	44.1%

## Gyomu Super Business Guideline towards FY2025 Forecast

	FY2025 target	Action plan
Target of store openings	Net increase of 34 stores	Open new stores focusing on the Kanto area and encourage relocating stores Strengthen property data-gathering capability driven by headquarters.
Growth in existing store sales	101-2% YoY or higher	Acquire more savings-oriented consumers Aim for sales growth through strengthening guidance on store operations by our supervisors
Product development	Rise in PB ratio	Focus on private label products developed by our group plants and those imported directly by ourselves.

- This material contains forward-looking statements based on assumptions, estimates, and plans as of March 14, 2025.
- Please note that actual results may differ significantly from these forward-looking statements due to uncertain factors arising from changes in the economic climate.
- This material is not intended to solicit and encourage purchase of shares.
- This material has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated material and the Japanese original, the original shall prevail.

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