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Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (Under Japanese GAAP)

December 13, 2024

Company name: Kobe Bussan Co., Ltd. Listing: Prime Market of Tokyo Stock Exchange
 Securities code: 3038 URL: <https://www.kobebussan.co.jp/english/>
 Representative: Hirokazu Numata, President and Representative Director
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 Phone: +81-79-458-0339
 Scheduled date to hold ordinary general meeting of shareholders: January 29, 2025
 Scheduled date to file Annual Securities Report: January 30, 2025
 Scheduled date to commence payment of dividends: January 14, 2025
 Preparation of supplementary material on financial results: Yes (<https://www.kobebussan.co.jp/english/ir/news.php>)
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts less than one million yen have been omitted.)

1. Consolidated financial results for the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(1) Consolidated operating results

(Percentage indicates year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2024	507,883	10.0	34,350	11.8	31,576	5.4	21,443	4.3
October 31, 2023	461,546	13.5	30,717	10.4	29,970	(6.7)	20,560	(1.3)

Note: Comprehensive income

For the fiscal year ended October 31, 2024: ¥21,372 million [6.9%]

For the fiscal year ended October 31, 2023: ¥19,987 million [(8.6)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity*	Ordinary profit to total assets ratio	Operating profit margin
	Yen	Yen	%	%	%
October 31, 2024	97.09	96.41	17.8	14.2	6.8
October 31, 2023	93.59	92.51	19.9	15.3	6.7

* Equity = Shareholders' equity + Valuation and translation adjustments

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
October 31, 2024	233,392	132,773	55.4	584.81
October 31, 2023	211,891	114,451	52.7	506.23

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of October 31, 2024: ¥129,376 million

As of October 31, 2023: ¥111,691 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2024	30,772	(10,184)	(5,595)	107,311
October 31, 2023	30,343	(6,821)	80	91,265

2. Cash dividends

Fiscal year ended	Annual dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
October 31, 2023	–	0.00	–	22.00	22.00	4,859	23.5	4.7
October 31, 2024	–	0.00	–	23.00	23.00	5,094	23.7	4.2
Fiscal year ending October 31, 2025 (Forecast)	–	0.00	–	26.00	26.00		24.0	

Note: Breakdown of year-end dividend for the fiscal year ended October 31, 2024:

Ordinary dividend of ¥23.00 per share

3. Consolidated financial forecast for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentage indicates year-on-year changes.)

Fiscal year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	525,000	3.4	37,700	9.8	37,800	19.7	24,000	11.9	108.35

[Notes]

- (1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
 - (i) Changes in accounting policies due to application of new or revised accounting standards: None
 - (ii) Changes in accounting policies due to reasons other than above (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements of prior period financial statements: None
- (3) Number of shares issued (common shares)
 - (i) Number of shares issued at the end of the period (including treasury shares)
 - As of October 31, 2024: 273,600,000 shares
 - As of October 31, 2023: 273,600,000 shares
 - (ii) Number of shares of treasury shares at the end of the period
 - As of October 31, 2024: 52,371,306 shares
 - As of October 31, 2023: 52,968,055 shares
 - (iii) Average number of shares of common shares outstanding during the period
 - Fiscal year ended October 31, 2024: 220,867,375 shares
 - Fiscal year ended October 31, 2023: 219,677,661 shares

Note: The number of shares of Kobe Bussan held by Custody Bank of Japan, Ltd. (the "Trust Account") as trust property for a Board Benefit Trust was included in the number of shares of treasury shares at the end of the period (275,200 shares as of October 31, 2024 and 275,200 shares as of October 31, 2023). Also, the number of shares of Kobe Bussan held by the Trust Account was included in the number of shares of treasury shares to be deducted from the calculation of the average number of shares of common shares outstanding during the period (275,200 shares for the fiscal year ended October 31, 2024 and 202,635 shares for the fiscal year ended October 31, 2023).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(1) Non-consolidated operating results

(Percentage indicates year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2024	490,993	9.9	29,486	10.1	28,039	7.9	19,443	9.2
October 31, 2023	446,858	13.1	26,782	8.4	25,993	(9.6)	17,812	(9.4)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
October 31, 2024	88.03	87.42
October 31, 2023	81.09	80.15

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
October 31, 2024	215,361	114,876	51.8	503.91
October 31, 2023	195,966	98,506	48.9	433.96

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of October 31, 2024: ¥111,478 million

As of October 31, 2023: ¥95,745 million

* This financial results report is not subject to audit procedures to be performed by certified public accountants or an audit firm.

* [Proper use of earning forecast, and other special notes]

The forward-looking statements including earnings forecast contained in this document are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, actual results may differ significantly from the results anticipated in these forward-looking statements due to a variety of factors. For more information on the assumptions and disclaimers with respect to earnings and other forecasts, please refer to "1. Overview of Operating Results (4) Outlook for the fiscal year ending October 31, 2025" on page 4 of the Attached Materials.

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1. Overview of Financial Performance

(1) Overview of operating results

During the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024) (hereinafter the “period under review” or the “current fiscal year”), Japan’s economy was on a moderate recovery trend, with the normalization of its economic activities leading to increased traffic of people, recovery in the demand of inbound tourists, and the improvement in income environments. Nevertheless, the economic outlook has still remained unclear due to the factors such as the prolonged Russia-Ukraine conflict, the intensified situation in the Middle East, precarious fluctuations in foreign exchange rates, and soaring energy costs.

Players in the food retail industry have continued to face severe circumstances, including a rise in a savings-oriented attitude of consumers caused by the galloping inflations and an increase in various costs.

Under such circumstances, in line with the Group’s goal of further strengthening “Integrated Food Production & Distribution Operations,” the Kobe Bussan Group has enhanced its competitiveness through increased production capacity and proactive product development. Also, we have been engaged in a business that is attentive and responsive to customers’ needs by enhancing our strength to provide them with high-quality and attractive products at best prices.

Consequently, in terms of operating results for the period under review, we reported net sales of ¥507,883 million (up 10.0% year on year), operating profit of ¥34,350 million (up 11.8%), ordinary profit of ¥31,576 million (up 5.4%), and profit attributable to owners of parent of ¥21,443 million (up 4.3%).

The operating results by business segment are as follows:

(i) Gyomu Super Business

This business segment covers Gyomu Super stores, which mainly sell products at best prices including those originally produced by our group’s domestic plants or those with attractive private labels directly imported by ourselves under the concept of providing authentic food products from around the world. In the period under review, Gyomu Super stores have expanded nationwide with 1,084 stores as a result of a net increase of 36 stores after opening 56 stores and closing 20.

The breakdown of new store openings was 39 stores in directly managed areas and 17 stores in indirectly managed areas. While we work on store openings in all locations in Japan, we put a particular focusing on the Kyusyu area, and strongly encourage some of our franchisees to relocate stores which have deteriorated after many years in operations

In terms of operating results, we have continued expanding business performance. This is because we have overcome a rise in purchase costs caused by the sharp fluctuations in foreign exchange rates and price hikes through a successfully implemented pricing strategy as well as a great deal of media coverage of our private label products, which represent Gyomu Super’s attractiveness.

Consequently, net sales of the Gyomu Super Business for the period under review stood at ¥489,102 million (up 9.4% year on year).

(ii) Restaurant & Delicatessen Business

This business segment covers Kobe Cook World Buffet, one of the largest buffet-style restaurant chains in Japan; Premium Karubi, a served a-la-carte buffet style BBQ restaurant chain where customers enjoy the best selected premium meats and in-house made desserts; and Chisouna, a delicatessen shop chain under the concept of offering everyday dining with a focus on foods made in-house and available at affordable prices.

In the period under review, Kobe Cook World Buffet opened two restaurants and closed none, resulting in 16 restaurants nationwide. The sales recovered to the level before the COVID-19 pandemic backed by high demand from families and more tourists from abroad in addition to our efforts to improve customer satisfaction through measures such as menu changes. Premium Karubi opened two restaurants and closed none, resulting in 22 restaurants nationwide. The number of customer visits increased thanks to the increased media coverage. Chisouna opened 20 shops and closed 4, resulting in 130 shops nationwide. While more customers were attracted by a variety of foods relevant to their needs and an introduction of new dishes, such an increase in the number of shops helped boost net sales.

Consequently, net sales of the Restaurant & Delicatessen Business for the period under review stood at ¥14,149 million (up 29.2% year on year).

(iii) Eco Renewable Energy Business

This business segment covers renewable energies generated by our own solar and woody biomass power plants. Currently, we operate 19 solar power plants collectively generating approximately 81.0 MW and one woody biomass power plant generating approximately 6.2 MW, all of which are generating electricity steadily. We continue supplying safe and environmentally friendly electricity using renewable energy.

Consequently, net sales of the Eco Renewable Energy Business for the period under review stood at ¥4,575 million (up 25.5% year on year).

(2) Overview of financial position

(Assets)

Total assets as of October 31, 2024 increased by ¥21,501 million from the end of the previous fiscal year to ¥233,392 million (up 10.1% year on year). This was mostly attributable to an increase in current assets of ¥19,448 million.

Current assets amounted to ¥161,089 million (up 13.7%). This increase was mostly attributable to an increase in cash and deposits of ¥14,681 million.

(Liabilities)

Total liabilities as of October 31, 2024 increased by ¥3,179 million from the end of the previous fiscal year to ¥100,618 million (up 3.3% year on year). This was mostly attributable to an increase in current liabilities of ¥7,871 million, partly offset by a decrease in non-current liabilities of ¥4,692 million.

Current liabilities amounted to ¥56,929 million (up 16.0%). This was mainly due to increases in short-term borrowings of ¥5,547 million and accounts payable – trade of ¥2,434 million following the expansion of our business scale.

Non-current liabilities amounted to ¥43,689 million (down 9.7%). This was mainly due to a decrease in long-term borrowings of ¥6,864 million.

(Net assets)

Total net assets as of October 31, 2024 increased by ¥18,322 million from the end of the previous fiscal year to ¥132,773 million (up 16.0% year on year). This was mainly due to an increase in retained earnings of ¥16,583 million.

Consequently, the equity ratio as of October 31, 2024 increased by 2.7 percentage points year on year to 55.4%. Net assets per share stood at ¥584.81 for the current fiscal year compared to ¥506.23 for the previous fiscal year.

(3) Overview of cash flows

Total cash and cash equivalents as of October 31, 2024 (hereinafter “net cash”) increased by ¥16,045 million from the end of the previous fiscal year to ¥107,311 million.

The status of each cash flow and its factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities for the period under review amounted to an inflow of ¥30,772 million (up ¥429 million year on year). This was mainly due to profit before income taxes of ¥31,413 million and depreciation of ¥6,449 million, partly offset by income taxes paid of ¥9,392 million.

(Cash flows from investing activities)

Net cash used in investing activities for the period under review amounted to an outflow of ¥10,184 million (up ¥3,363 million year on year). This was mainly due to an outflow of ¥10,112 million resulting from purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities for the period under review amounted to an outflow of ¥5,595 million (up ¥5,675 million year on year). This was mainly due to dividends paid of ¥4,859 million and an outflow of ¥1,579 million due to repayments of long-term borrowings.

(4) Outlook for the fiscal year ending October 31, 2025

We are planning to further grow our mainstay Gyomu Super Business with an aim to have 1,118 Gyomu Super stores (net increase of 34 stores) by the end of the fiscal year ending October 31, 2025. To further enhance private label products derived from Gyomu Super's strength of "Integrated Food Production & Distribution Operations," we continue to make capital investment in facilities of our group's plants and expand the variety of our directly imported products.

In the Restaurant & Delicatessen Business, we work on developing and expanding the competitive business formats by addressing constantly changing consumer needs and taking advantage of our product strength.

We carry on striving to expand our business performance as described above, although the outlook has still remained unclear due to precarious fluctuations in foreign exchange rates, changes in the military situations around the world, and hikes in logistics costs.

All in all, in terms of operating results for the fiscal year ending October 31, 2025, we forecast nets sales of ¥525,000 million, operating profit of ¥37,700 million, ordinary profit of ¥37,800 million, and profit attributable to owners of parent of ¥24,000 million on a consolidated basis.

2. Basic Policy Regarding Selection of Accounting Standards

With respect to accounting standards, we apply Japanese GAAP to ensure comparability with other domestic competitors.

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of October 31, 2023)	Current fiscal year (As of October 31, 2024)
Assets		
Current assets:		
Cash and deposits	92,590	107,272
Accounts receivable - trade	26,939	27,954
Merchandise and finished goods	16,645	19,645
Work in process	378	358
Raw materials and supplies	1,801	1,825
Other	3,303	4,050
Allowance for doubtful accounts	(17)	(17)
Total current assets	141,641	161,089
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	26,431	30,824
Accumulated depreciation	(10,245)	(11,491)
Buildings and structures, net	16,186	19,332
Machinery, equipment and vehicles	42,477	46,902
Accumulated depreciation	(19,499)	(23,271)
Machinery, equipment and vehicles, net	22,977	23,630
Land	19,897	19,864
Leased assets	25	22
Accumulated depreciation	(21)	(21)
Leased assets, net	3	1
Construction in progress	4,200	758
Other	3,344	4,117
Accumulated depreciation	(2,415)	(2,890)
Other, net	929	1,226
Total property, plant and equipment	64,195	64,814
Intangible assets		
Goodwill	7	252
Other	1,502	1,252
Total Intangible assets	1,509	1,504
Investments and other assets		
Investment securities	1,051	424
Long-term loans receivable	607	320
Deferred tax assets	1,744	1,979
Leasehold and guarantee deposits	703	997
Other	867	2,872
Allowance for doubtful accounts	(431)	(610)
Total investments and other assets	4,544	5,983
Total non-current assets	70,249	72,302
Total assets	211,891	233,392

(Millions of yen)

	Previous fiscal year (As of October 31, 2023)	Current fiscal year (As of October 31, 2024)
Liabilities		
Current liabilities:		
Accounts payable - trade	32,231	34,665
Short-term borrowings	1,317	6,865
Lease obligations	2	1
Income taxes payable	4,562	5,543
Provision for bonuses	473	516
Other	10,471	9,336
Total current liabilities	49,057	56,929
Non-current liabilities:		
Long-term borrowings	37,000	30,135
Lease obligations	1	0
Deferred tax liabilities	161	28
Retirement benefit liability	688	734
Guarantee deposits received	7,589	8,006
Asset retirement obligations	1,672	1,736
Provision for share awards for directors (and other officers)	110	138
Other	1,157	2,909
Total non-current liabilities	48,382	43,689
Total liabilities	97,439	100,618
Net assets		
Shareholders' equity:		
Share capital	500	500
Capital surplus	12,137	13,214
Retained earnings	108,797	125,381
Treasury shares	(9,087)	(8,990)
Total shareholders' equity	112,348	130,105
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	27	2
Foreign currency translation adjustment	(684)	(731)
Total valuation and translation adjustments	(657)	(728)
Share acquisition rights	2,760	3,397
Total net assets	114,451	132,773
Total liabilities and net assets	211,891	233,392

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Net sales	461,546	507,883
Cost of sales	408,827	449,470
Gross profit	52,719	58,413
Selling, general and administrative expenses:		
Advertising expenses	324	369
Rent expenses on land and buildings	1,066	1,152
Freight costs	8,003	8,468
Promotion expenses	354	371
Outsourcing expenses	857	823
Wages, salaries and expenses	4,975	5,387
Legal welfare expenses	630	686
Provision for bonuses	310	535
Retirement benefit expenses	78	82
Depreciation	764	1,166
Provision for bonuses for directors (and other officers)	29	32
Provision of allowance for doubtful accounts	14	0
Amortization of goodwill	5	32
Other	4,586	4,951
Total selling, general and administrative expenses	22,002	24,062
Operating profit	30,717	34,350
Non-operating income:		
Interest income	872	679
Dividend income	9	6
Lease revenue	212	250
Foreign exchange gains	2,156	–
Subsidy income	130	141
Fuel sale income	92	91
Other	333	510
Total non-operating income	3,807	1,679
Non-operating expenses:		
Interest expenses	58	29
Rental costs	35	30
Loss on valuation of derivatives	4,082	2,856
Foreign exchange losses	–	1,100
Fuel sale cost	88	86
Provision of allowance for doubtful accounts	248	288
Other	41	62
Total non-operating expenses	4,554	4,454
Ordinary profit	29,970	31,576

(Millions of yen)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Extraordinary income:		
Gain on sale of investment securities	9	57
Gain on sale of non-current assets	6	2
Gain on reversal of share acquisition rights	30	31
Total extraordinary income	46	90
Extraordinary losses:		
Loss on retirement of non-current assets	61	214
Loss on sale of non-current assets	–	0
Impairment losses	–	38
Total extraordinary losses	61	253
Profit before income taxes	29,956	31,413
Income taxes - current	9,610	10,326
Income taxes - deferred	(215)	(355)
Total income taxes	9,395	9,970
Profit	20,560	21,443
Profit attributable to owners of parent	20,560	21,443

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Profit	20,560	21,443
Other comprehensive income:		
Valuation difference on available-for-sale securities	30	(24)
Foreign currency translation adjustment	(603)	(47)
Total other comprehensive income	(572)	(71)
Comprehensive income	19,987	21,372
Comprehensive income attributable to:		
Owners of parent	19,987	21,372

(3) Consolidated statements of changes in equity

For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total
Balance, November 1, 2022	500	10,466	93,061	(8,953)	95,074
Changes of items during period					
Dividends of surplus			(4,824)		(4,824)
Profit attributable to owners of parent			20,560		20,560
Purchase of treasury shares				(399)	(399)
Disposable of treasury shares		1,671		265	1,936
Net change of items other than shareholders' equity					-
Total changes of items during period	-	1,671	15,736	(134)	17,273
Balance, October 31, 2023	500	12,137	108,797	(9,087)	112,348

	Accumulated other comprehensive income			Share Acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance, November 1, 2022	(3)	(80)	(84)	2,229	97,220
Changes of items during period					
Dividends of surplus			-		(4,824)
Profit attributable to owners of parent			-		20,560
Purchase of treasury shares					(399)
Disposable of treasury shares			-		1,936
Net change of items other than shareholders' equity	30	(603)	(572)	530	(42)
Total changes of items during period	30	(603)	(572)	530	17,230
Balance, October 31, 2023	27	(684)	(657)	2,760	114,451

For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total
Balance, November 1, 2023	500	12,137	108,797	(9,087)	112,348
Changes of items during period					
Dividends of surplus			(4,859)		(4,859)
Profit attributable to owners of parent			21,443		21,443
Purchase of treasury shares				(0)	(0)
Disposable of treasury shares		1,076		97	1,173
Net change of items other than shareholders' equity					
Total changes of items during period	–	1,076	16,583	97	17,756
Balance, October 31, 2024	500	13,214	125,381	(8,990)	130,105

	Accumulated other comprehensive income			Share Acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance, November 1, 2023	27	(684)	(657)	2,760	114,451
Changes of items during period					
Dividends of surplus					(4,859)
Profit attributable to owners of parent					21,443
Purchase of treasury shares					(0)
Disposable of treasury shares					1,173
Net change of items other than shareholders' equity	(24)	(47)	(71)	636	565
Total changes of items during period	(24)	(47)	(71)	636	18,322
Balance, October 31, 2024	2	(731)	(728)	3,397	132,773

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	29,956	31,413
Depreciation	5,195	6,449
Impairment losses	–	38
Share-based payment expenses	974	994
Increase (decrease) in allowance for doubtful accounts	262	289
Increase (decrease) in provision for bonuses	58	43
Increase (decrease) in retirement benefit liability	38	45
Interest and dividend income	(881)	(686)
Loss (gain) on valuation of derivatives	4,082	2,856
Interest expenses	58	29
Foreign exchange losses (gains)	(2,080)	(1,076)
Loss (gain) on sale of investment securities	(9)	(57)
Loss (gain) on sale of property, plant and equipment	(6)	(1)
Loss on retirement of property, plant and equipment	61	214
Decrease (increase) in trade receivables	(3,687)	(975)
Decrease (increase) in inventories	893	(2,991)
Decrease (increase) in other current assets	172	(878)
Increase (decrease) in trade payables	3,062	2,378
Increase (decrease) in other current liabilities	1,928	1,501
Increase (decrease) in guarantee deposits received	422	416
Decrease (increase) in advance payments to suppliers	407	(264)
Other, net	(324)	(231)
Subtotal	40,582	39,508
Interest and dividends received	863	685
Interest paid	(51)	(28)
Income taxes paid	(11,051)	(9,392)
Net cash provided by (used in) operating activities	30,343	30,772
Cash flows from investing activities:		
Payments into time deposits	(624)	(818)
Proceeds from withdrawal of time deposits	532	1,400
Purchase of property, plant and equipment	(8,687)	(10,112)
Proceeds from sale of property, plant and equipment	47	37
Purchase of intangible assets	(689)	(219)
Proceeds from sale of investment securities	269	650
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(274)
Proceeds from redemption of securities	2,000	–
Loan advances	–	(40)
Proceeds from collection of loans receivable	518	516
Purchase of insurance funds	–	(1,004)
Other, net	(187)	(320)
Net cash provided by (used in) investing activities	(6,821)	(10,184)

(Millions of yen)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Cash flows from financing activities:		
Proceeds from long-term borrowings	12,000	—
Repayments of long-term borrowings	(8,217)	(1,579)
Purchase of treasury shares	(399)	(0)
Proceeds from disposal of treasury shares	1,524	846
Dividends paid	(4,824)	(4,859)
Repayments of finance lease obligations	(2)	(2)
Net cash provided by (used in) financing activities	80	(5,595)
Effect of exchange rate change on cash and cash equivalents	1,909	1,053
Net increase (decrease) in cash and cash equivalents	25,512	16,045
Cash and cash equivalents at beginning of period	65,753	91,265
Cash and cash equivalents at end of period	91,265	107,311

(5) Notes to consolidated financial statements

(Going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segment

The reportable segment of the Company are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about allocation of resources and assess its performance.

We have business headquarters in head office to manage stores and restaurants as a franchisor of each business, and work on business activities based on comprehensive domestic and overseas strategies for our products and services. Also, to resolve power shortage by stably supplying safe and reliable energy and address environmental issues including global warming, we engage in the solar power business and the biomass power business in accordance with Feed-in Tariffs (FIT) for renewable energy sources under the “Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities of Japan” enacted on July 1, 2012.

2. Method of calculating the amount of net sales, profit or loss, assets, and other items by reportable segment

The accounting standards and methods for the business segments subject to segment reporting are largely identical to the description in “Significant Accounting Policies for the Consolidated Financial Statements.”

Segment profit is the figure on a basis of operating profit.

Intersegment sales or transfers is calculated at prevailing market prices.

3. Information on amounts of net sales, profit or loss, assets, and other items by reportable segment

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Reportable Segment				Other *1	Total	Adjustment *2	Consolidated
	Gyomu Super Business	Restaurant & Delicatessen Business	Eco Renewable Energy Business	Total				
Timing of revenue recognition								
Goods or services transferred at a point in time	443,042	10,860	–	453,902	40	453,943	–	453,943
Goods or services transferred over time	3,866	90	3,646	7,603	–	7,603	–	7,603
Revenue from contracts with customers	446,908	10,950	3,646	461,505	40	461,546	–	461,546
Net sales								
Sales to external customers	446,908	10,950	3,646	461,505	40	461,546	–	461,546
Intersegment sales or transfers	4,867	362	–	5,230	–	5,230	(5,230)	–
Total	451,776	11,313	3,646	466,736	40	466,777	(5,230)	461,546
Segment profit (loss)	34,139	512	938	35,589	(53)	35,536	(4,819)	30,717
Segment assets	155,354	7,328	26,651	189,334	15	189,349	22,541	211,891
Other items:								
Depreciation*3	3,320	312	1,335	4,967	1	4,968	226	5,195
Increases in property, plant and equipment and intangible assets*3	6,572	781	3,472	10,825	9	10,835	874	11,709

*1 The Other businesses are those not classified into any reportable segment, including the tourism business.

*2 Details of adjustment are as follows:

(1) The amount of adjustment for net sales represents eliminations of intersegment transactions.

(2) The amount of adjustment for segment profit (loss) of ¥(4,819) million is corporate expenses unallocated to each reportable segment. The expenses are general and administrative expenses unattributable to any reportable segments.

(3) The amount of adjustment for segment assets of ¥22,541 million is corporate assets unattributable to any reportable segments. The assets are attributable to the Company's administrative departments.

(4) The amount of adjustment for depreciation of ¥226 million is the amount of corporate expenses unattributable to any reportable segments.

(5) The amount of adjustment for increases in property, plant and equipment and intangible assets of ¥874 million is an increase in corporate assets unattributable to any reportable segments.

*3 Increases in property, plant and equipment and intangible assets include recognition and amortization of long-term prepaid expense.

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Millions of yen)

	Reportable Segment				Other *1	Total	Adjustment *2	Consolidated
	Gyomu Super Business	Restaurant & Delicatessen Business	Eco Renewable Energy Business	Total				
Timing of revenue recognition								
Goods or services transferred at a point in time	484,891	14,029	–	498,920	56	498,977	–	498,977
Goods or services transferred over time	4,211	120	4,575	8,906	–	8,906	–	8,906
Revenue from contracts with customers	489,102	14,149	4,575	507,827	56	507,883	–	507,883
Net sales								
Sales to external customers	489,102	14,149	4,575	507,827	56	507,883	–	507,883
Intersegment sales or transfers	6,207	532	–	6,740	–	6,740	(6,740)	–
Total	495,310	14,681	4,575	514,567	56	514,624	(6,740)	507,883
Segment profit (loss)	37,350	1,038	1,144	39,533	(29)	39,504	(5,153)	34,350
Segment assets	173,694	8,619	26,148	208,463	21	208,484	24,907	233,392
Other items:								
Depreciation*3	3,859	373	1,868	6,101	2	6,103	346	6,449
Increases in property, plant and equipment and intangible assets*3	7,398	350	72	7,821	2	7,823	175	7,998

*1 The Other businesses are those not classified into any reportable segment, including the tourism business.

*2 Details of adjustment are as follows:

- (1) The amount of adjustment for net sales represents eliminations of intersegment transactions.
- (2) The amount of adjustment for segment profit (loss) of ¥(5,153) million is corporate expenses unallocated to each reportable segment. The expenses are general and administrative expenses unattributable to any reportable segments.
- (3) The amount of adjustment for segment assets of ¥24,907 million is corporate assets unattributable to any reportable segments. The assets are attributable to the Company's administrative departments.
- (4) The amount of adjustment for depreciation of ¥346 million is the amount of corporate expenses unattributable to any reportable segments.
- (5) The amount of adjustment for increases in property, plant and equipment and intangible assets of ¥175 million is an increase in corporate assets unattributable to any reportable segments.

*3 Increases in property, plant and equipment and intangible assets include recognition and amortization of long-term prepaid expense.

(Per share information)

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Net assets per share	¥506.23	¥584.81
Basic earnings per share	¥93.59	¥97.09
Diluted earnings per share	¥92.51	¥96.41

(Notes)

- For the purpose of calculating the amount of net assets per share, the number of shares of the Company held by a Board Benefit Trust (275,200 shares as of October 31, 2024 and 275,200 shares as of October 31, 2023) was included in the number of treasury shares, which was to be deducted from the number of shares issued at the end of the fiscal year.
For the purpose of calculating basic earnings per share and diluted earnings per share, the number of shares of the Company held by the Trust (275,200 shares as of October 31, 2024 and 202,635 shares as of October 31, 2023) was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares of common shares outstanding during the period.
- The calculation basis for basic earnings per share and diluted earnings per share are shown as follows.

	For the fiscal year ended October 31, 2023 (From November 1, 2022 to October 31, 2023)	For the fiscal year ended October 31, 2024 (From November 1, 2023 to October 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	20,560	21,443
Profit not attributable to common shareholders (millions of yen)	–	–
Profit attributable to common shareholders of parent (millions of yen)	20,560	21,443
Average number of shares of common shares outstanding during the fiscal year (shares)	219,677,661	220,867,375
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (millions of yen)	–	–
Number of shares of common shares to be increased (share)	2,574,229	1,547,180
(Of which, number of share acquisition rights) (share)	(2,574,229)	(1,547,180)
Summary of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	–	–

(Subsequent events)

Not applicable