

# **FY2025 Q1 Financial Results Briefing**

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**Skylark Holdings Co., Ltd.**

**May 15, 2025**

# Executive Summary



- Results exceeded the same period last year.
- Solid progress toward full-year forecast, with approx. 30% of annual profit target achieved.

Unit: Bn yen

	FY2025 Q1(3-month)		FY2024 Q1(3-month)		% YoY		FY2025 forecast	Progress (%)
	Bn	% of sales	Bn	% of sales	Variance	% YoY		
Sales	111.7	100.0	95.6	100.0	16.1	0.0	445.0	25.1%
Business profit	8.2	7.4	6.4	6.7	1.9	0.7	27.5	30.0%
Operating profit	7.6	6.8	6.1	6.4	1.5	0.4	25.0	30.5%
Income before income taxes	6.8	6.1	5.4	5.7	1.4	0.4	22.3	30.5%
Adjusted net income	4.4	3.9	3.4	3.6	0.9	0.3	14.8	29.5%
ROE (%)	8.8		5.5		3.3		8.3	
ROA (%)	4.3		2.7		1.6		4.1	
Financial leverage (times)	2.04		2.03		0.01		2.03	

## Q1FY2025 Results

Same stores YoY (Sales%)	109.7	New opening (stores)	10
Same stores YoY (Traffic%)	102.2	Brand conversion (stores)	2
Sames stores YoY (ATP%)	107.4	Remodeling (stores)	40

# Condensed Consolidated Income Statement



- Sales increased by 16.1 bn yen: customer-friendly menu launches, pricing revisions, and M&A.
- Labor cost ratio improved from 32.3% to 31.5%: supported by enhanced productivity through “store-centered management” (investment in human capital).
- Both business profit margin (6.7%→7.4%) and operating profit margin (6.4%→6.8%) showed improvement.

Unit: Bn yen

	FY2025 Q1(3-month)		FY2024 Q1(3-month)		% YoY	
	Bn	% of sales	Bn	% of sales	Variance	% YoY
Sales	111.7	100.0	95.6	100.0	16.1	116.8
COGS	(37.2)	(33.3)	(30.9)	(32.4)	(6.2)	120.2
Gross margin	74.5	66.7	64.6	67.6	9.8	115.2
Labor	(35.2)	(31.5)	(30.9)	(32.3)	(4.3)	114.0
Other SG&A	(31.1)	(27.8)	(27.4)	(28.7)	(3.6)	113.2
Business profit	8.2	7.4	6.4	6.7	1.9	129.6
Non-operating incomes	0.5	0.4	0.8	0.8	(0.3)	64.4
Non-operating expenses	(1.1)	(1.0)	(1.0)	(1.1)	(0.1)	108.2
Operating profit	7.6	6.8	6.1	6.4	1.5	125.1
Financing costs	(0.8)	(0.7)	(0.7)	(0.7)	(0.2)	125.5
Income before income tax	6.8	6.1	5.4	5.7	1.4	125.0
Tax expenses	(2.4)	(2.2)	(2.0)	(2.1)	(0.4)	120.8
Net income	4.4	3.9	3.4	3.6	0.9	127.5
Adjusted net income	4.4	3.9	3.4	3.6	0.9	127.5

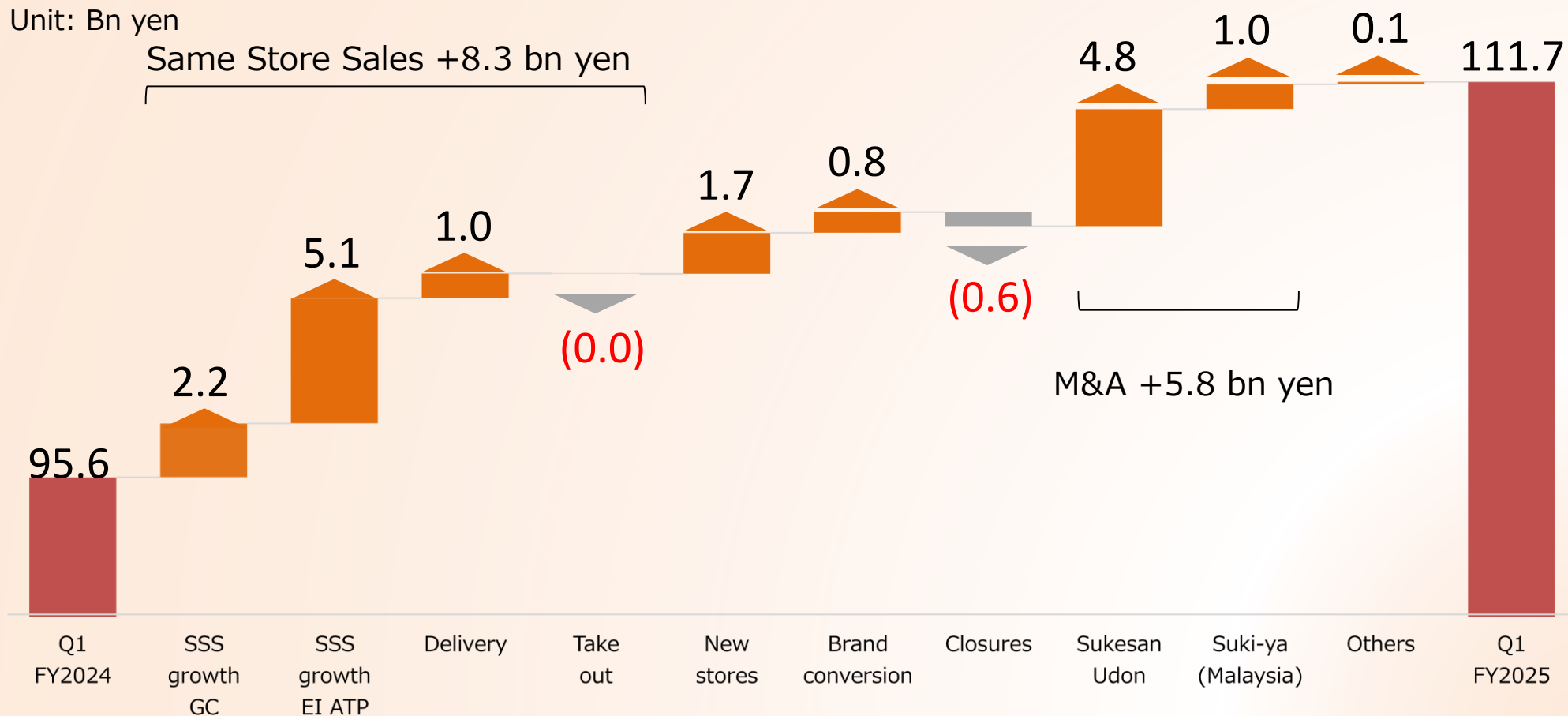
# Sales Q1FY2025 vs. Q1FY2024 (3 months)



- Sales increased by 16.1 bn yen to 111.7 bn yen
  - SSS increased by 8.3 bn yen  $\Rightarrow$  growth in guest count, EI ATP and delivery
  - Sales increased by 5.8 bn yen due to M&A  $\Rightarrow$  Sukesan Udon, Suki-ya (Malaysia)

Unit: Bn yen

Same Store Sales +8.3 bn yen

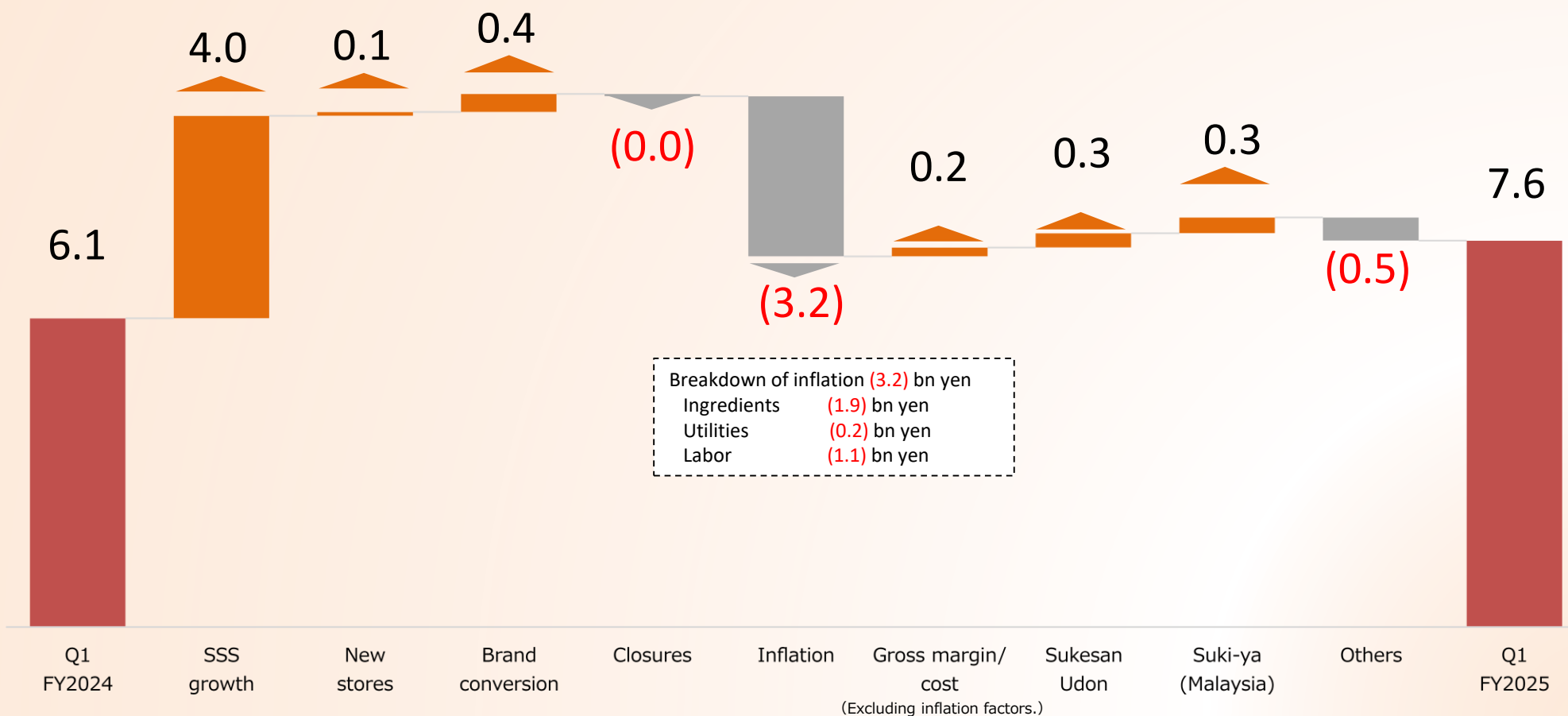


# OP Q1FY2025 vs. Q1FY2024 (3 months)



- OP was 7.6 bn yen, up 1.5 bn yen vs. Q1FY2024
  - Sales growth converted into higher profits, supported by investment in human capital (store centered management)
  - Existing store profit growth (4.0 bn yen) offset inflation impact ((3.2) bn yen)

Unit: Bn yen

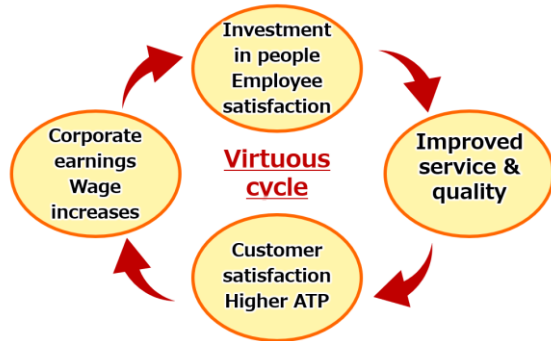


# "Store Centered Management"

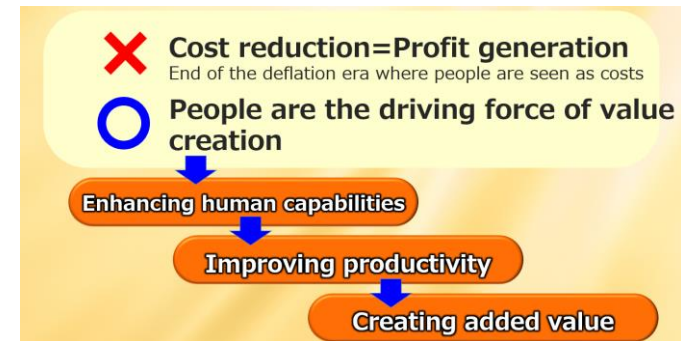


- Create a Virtuous Cycle in Management through "Store Centered Management"

## Virtuous Cycle in management



## Concept of "Store Centered Management"



## Concrete efforts for "Store Centered Management"

### Managerial Development of Management Skills

1. Change the Manager Evaluation System
2. Change in the Managerial Grading System
3. Introduction of Performance Incentive System
4. Expansion of Managerial Crew Evaluation Authority

### Promotion of Recruitment, Development, and Retention

5. Strengthening OJT Training
6. Review of the Crew Evaluation System
7. Introduction of the Crew Point System

### Improvement of Productivity

8. Introduction of the Spot Crew System
9. Introduction of a Schedule Management App
10. Fundamental Review of Store Labor Hour Allocation

※Manager:refers to the store manager

※Crew : refers to the part-time and temporary staff

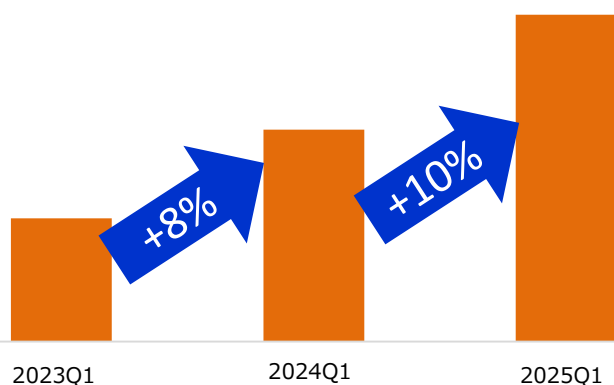
※OJT : 'On the Job Training,' which means teaching through actual work rather than classroom instruction.

# Productivity Improvement



- By promoting a 'store-centered management' approach, the number of crew members and retention rates have increased. Although the number of hires has decreased, work proficiency has improved due to enhanced training.
- By reviewing the allocation of working hours and strengthening OJT training, sales have increased beyond the investment in labor hours. The labor cost ratio has decreased.

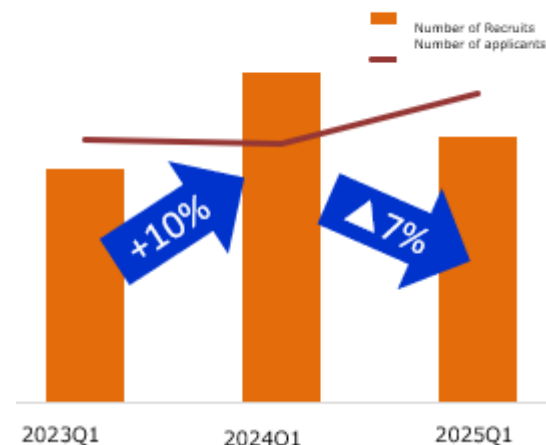
## Enrollment



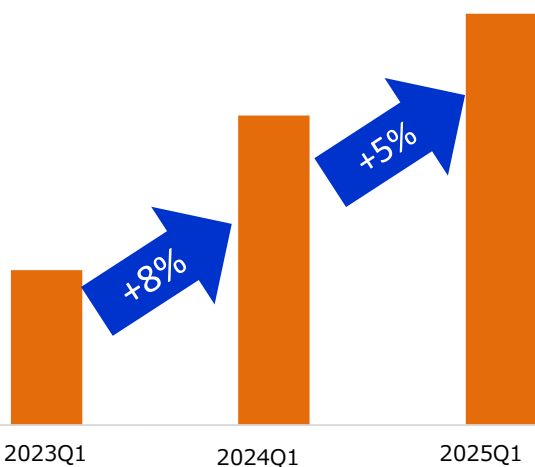
## Retention rate



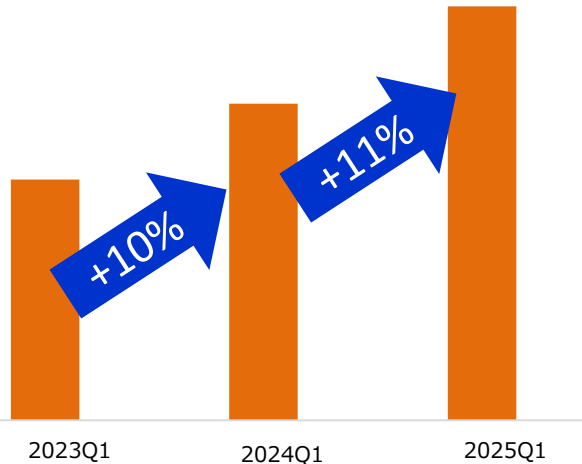
## Number of recruits



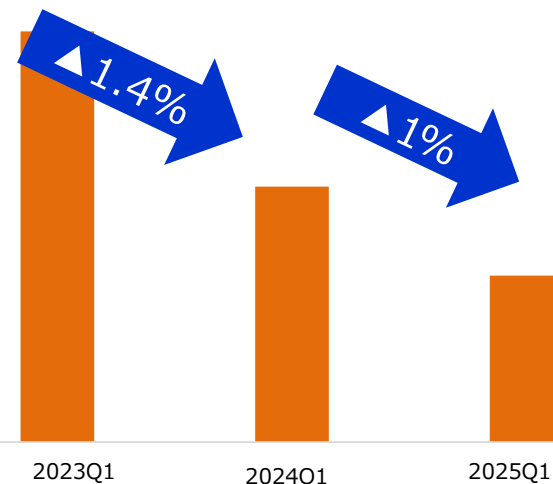
## Working Hours



## Sales



## Labor cost rate



# Balance Sheet/Statement of Cash Flows



BS: Assets and liabilities increased due to the acquisition of Sukesan Udon and Suki-ya.

CS: FCF decreased by (9.3) bn yen due to the acquisition of Suki-ya. Borrowings amounted to 23.0 bn yen, with repayments of (11.5) bn yen

## Balance Sheet (BS)

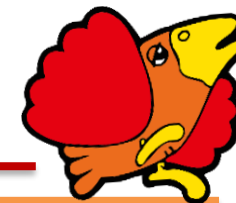
(Unit: Bn yen)	Q1 FY2025	Q4 FY2024	Variance
<b>Assets</b>			
Current assets	45.7	49.1	(3.4)
Non-current assets	433.1	421.8	11.4
including goodwill	163.3	157.6	5.7
<b>Total assets</b>	<b>478.8</b>	<b>470.9</b>	<b>8.0</b>
<b>Liabilities</b>			
Current liabilities	116.8	117.5	(0.7)
Non-current liabilities	187.0	180.0	7.1
including (long- and short-term) interest-bearing debt	117.8	106.3	11.4
<b>Total liabilities</b>	<b>303.9</b>	<b>297.5</b>	<b>6.4</b>
<b>Equities</b>			
Equity attributable to owners of the company	174.9	173.4	1.6
<b>Total shareholders equity</b>	<b>174.9</b>	<b>173.4</b>	<b>1.6</b>

## Statement of Cash Flows (CS)

(Unit: Bn yen)	Q1 FY2025	Q1 FY2024	Variance
Operating cash flow	12.8	13.7	(1.0)
Investment cash flow	(14.2)	(3.0)	(11.2)
Free cash flow	(1.4)	10.8	(12.2)
Financial cash flow	(1.0)	(11.2)	10.2
Loan	11.5	(1.1)	12.7
Lease debt repayment	(8.9)	(8.5)	(0.4)
Dividend	(2.4)	(1.5)	(0.9)
Others	(1.2)	(0.0)	(1.1)
Change in cash	(2.5)	(0.3)	(2.2)
Cash balance at beginning	19.2	26.8	(7.6)
Cash balance at closing	16.7	26.5	(9.8)



# Key Financial Indicators



- ROE remains steady
  - Equity ratio stands at 36.5%, and the net D/E ratio is 0.59times

		Unit	2017	2018	2019		2023	2024	2025 Q1
ROE		(%)	12.7	8.9	7.2		3.0	8.3	8.8*
	ROA	(%)	4.9	3.5	2.9		1.5	4.0	4.3*
	Financial leverage	(times)	2.59	2.54	2.50		2.05	2.06	2.04*
Earnings per share (EPS)		(yen)	79.4	58.0	48.1		21.0	61.4	65.5*
Book value per share (BPS)		(yen)	646.6	661.9	672.5		713.4	762.2	768.9
Equity ratio		(%)	40.0	39.4	29.3		38.1	36.8	36.5
Net D/E ratio		(times)	0.90	0.91	0.86		0.46	0.51	0.59

\*ROE = net income attributable to owners of the parent / term average total equity

\*ROA = net income attributable to owners of the parent / term average total assets (excluding right-of-use assets)

\*Financial leverage = Average total assets during the period (excluding right-of-use assets) / Average equity during the period

\*EPS = net income attributable to owners of the parent (LTM) / average number of shares outstanding during the period

\*BPS = equity attributable to owners of the parent (end of period) / total number of shares outstanding at end of period

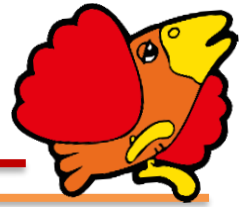
\*Equity ratio = equity attributable to owners of the parent (end of period) / total assets (end of period)

\*Net D/E ratio = (borrowings at end of period + other financial liabilities at end of period - cash and cash equivalents at end of period - lease obligations) / total equity (end of period)

\*Results for the most recent 12 months.



# Appendix



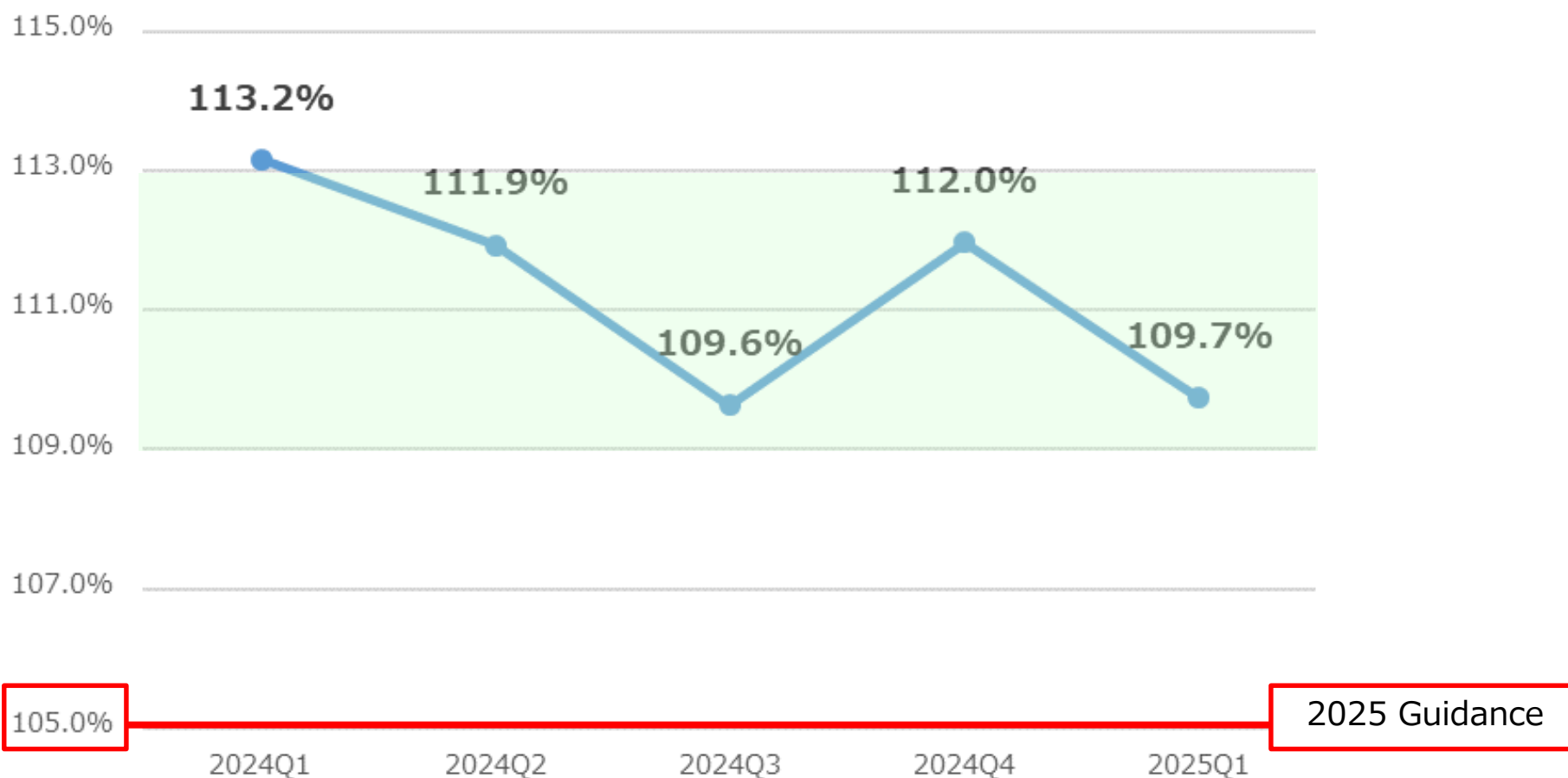
# Growth in sales of existing stores

# YoY trend of sales for existing stores



- Over the past year, sales have generally been stable, around 110% YoY.
  - Sales of existing stores in FY2025 Q1 exceeded the guidance expectations.

## YoY trend of sales for existing stores





# Inflation

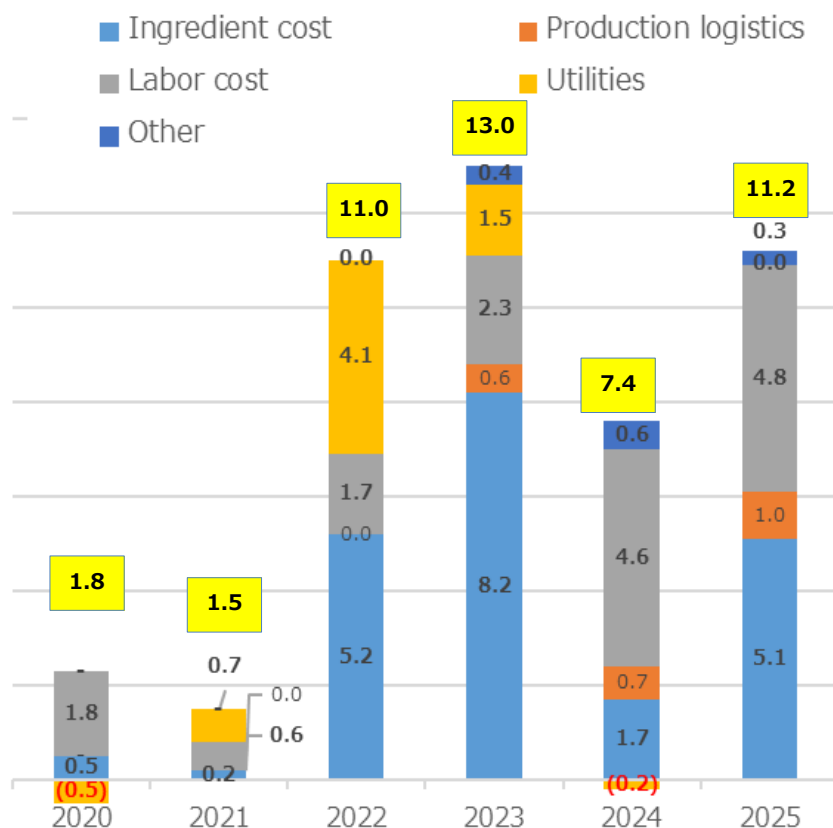
# FY2025 Guidance – Inflation Assumptions



- The impact of inflation in Q1FY2025 was approx. 0.2 bn yen higher than expected.

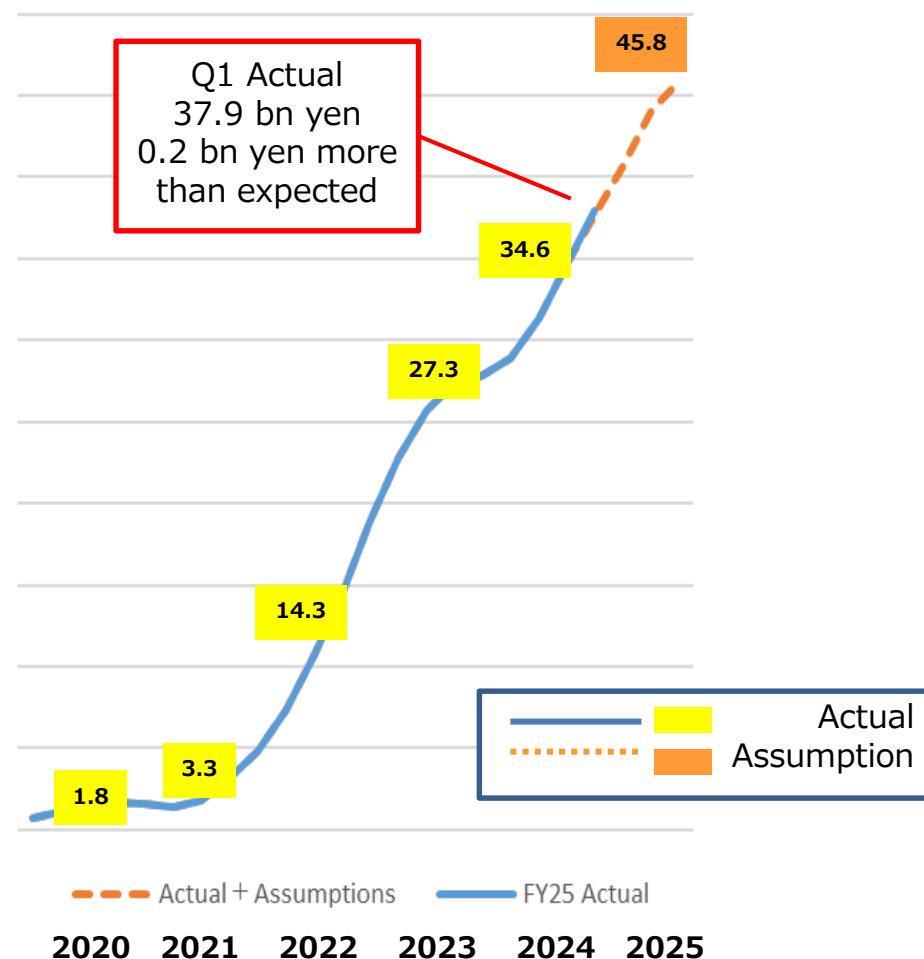
Inflation by year

Unit: Bn yen



Cumulative inflation

Unit: Bn yen

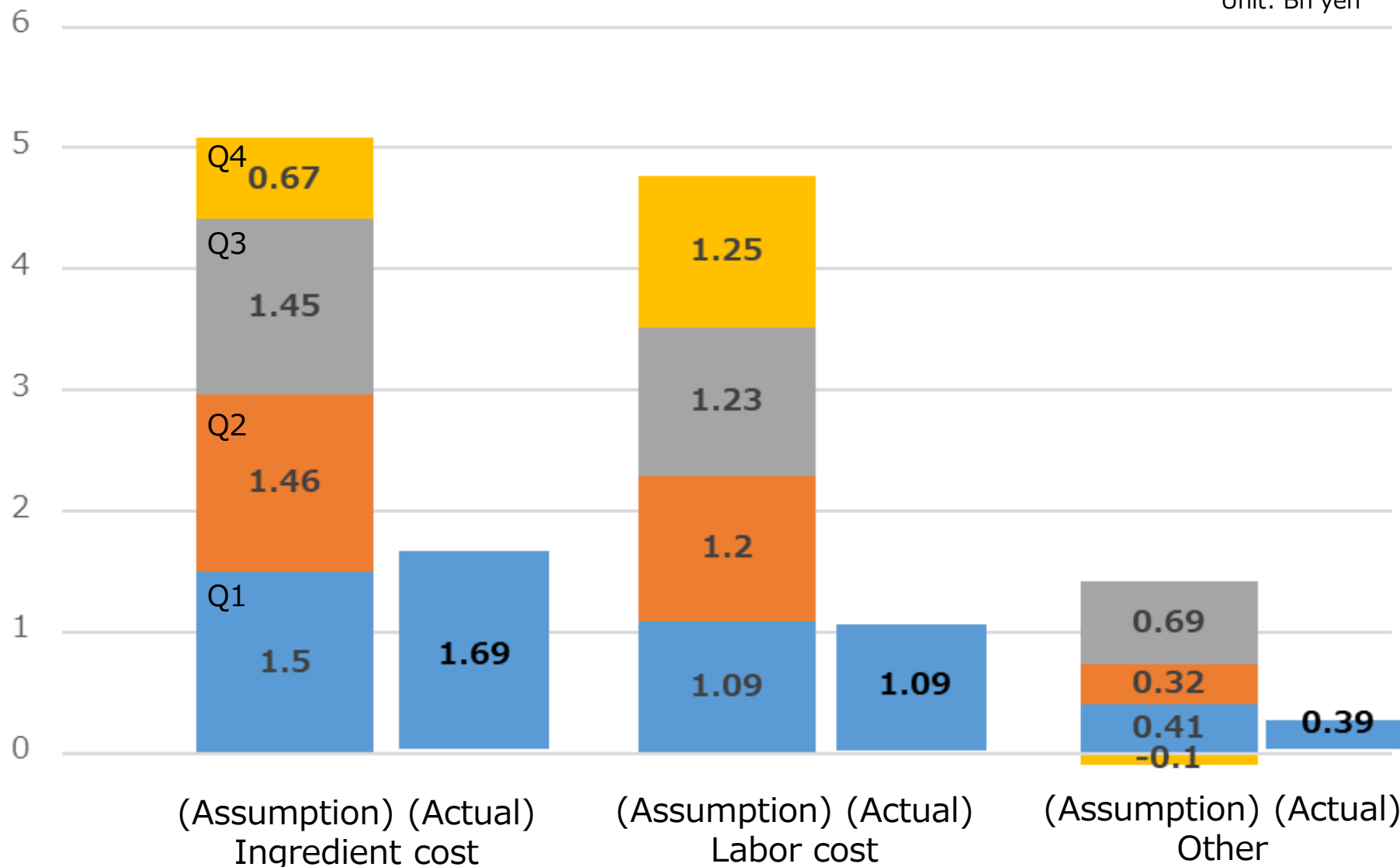


# Status of Inflation for Q1FY2025



- In Q1FY2025, the actual result was 3.17 bn yen against the assumption of 3.0 bn yen due to rising food costs.

Unit: Bn yen



■ Q1 Assumption/Actual ■ Q2 Assumption ■ Q3 Assumption ■ Q4 Assumption

# Food Inflation Status (rice)

Market  
environment

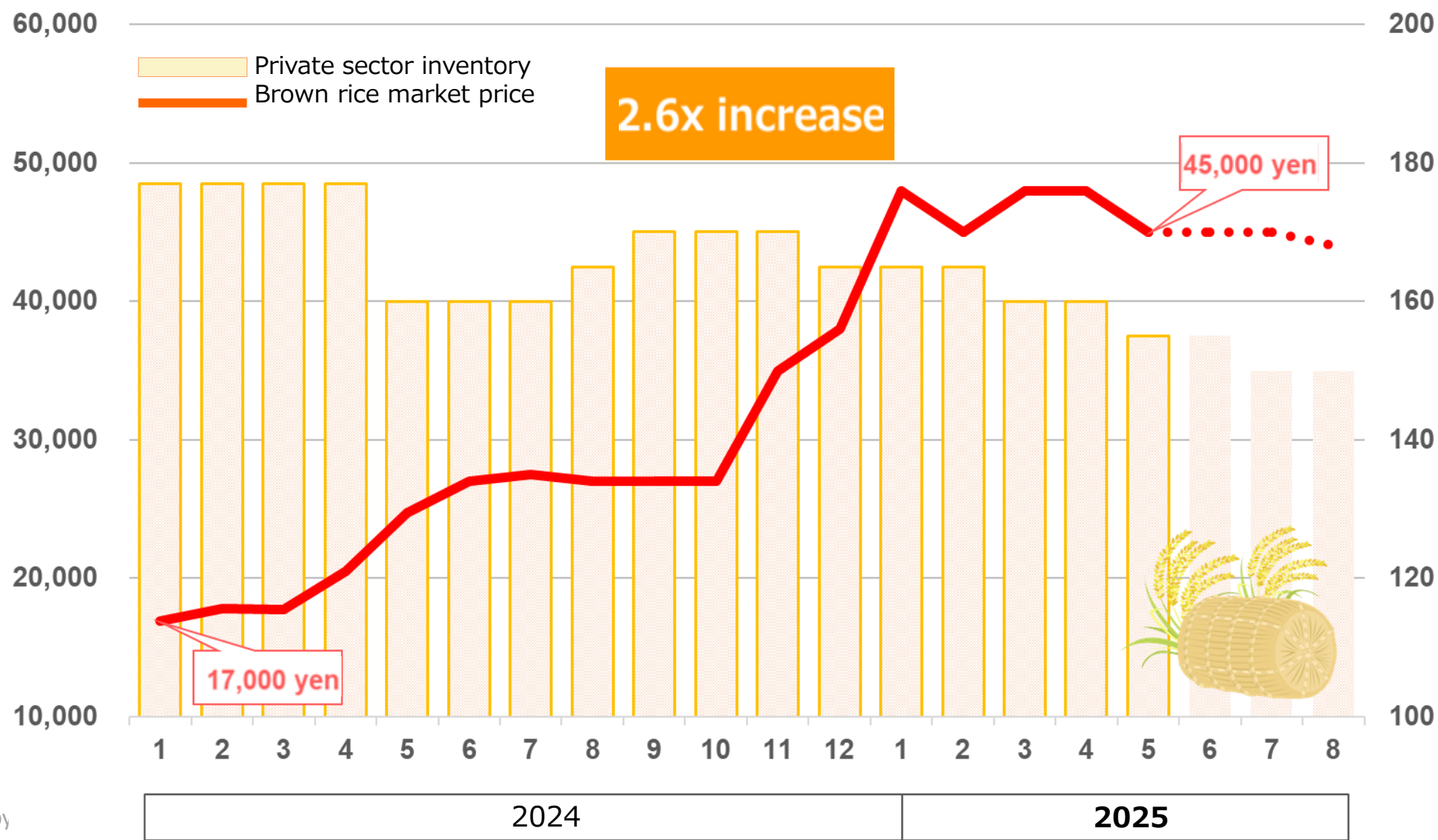


- The market price of brown rice is expected to remain high at over 40,000 yen even after May.

## Trends in private-sector inventories of rice and brown rice market prices

Unit: Yen per brown rice bag (60kg)

Unit: Ten thousand tons of brown rice





# Food Inflation Status (egg)

Market  
environment

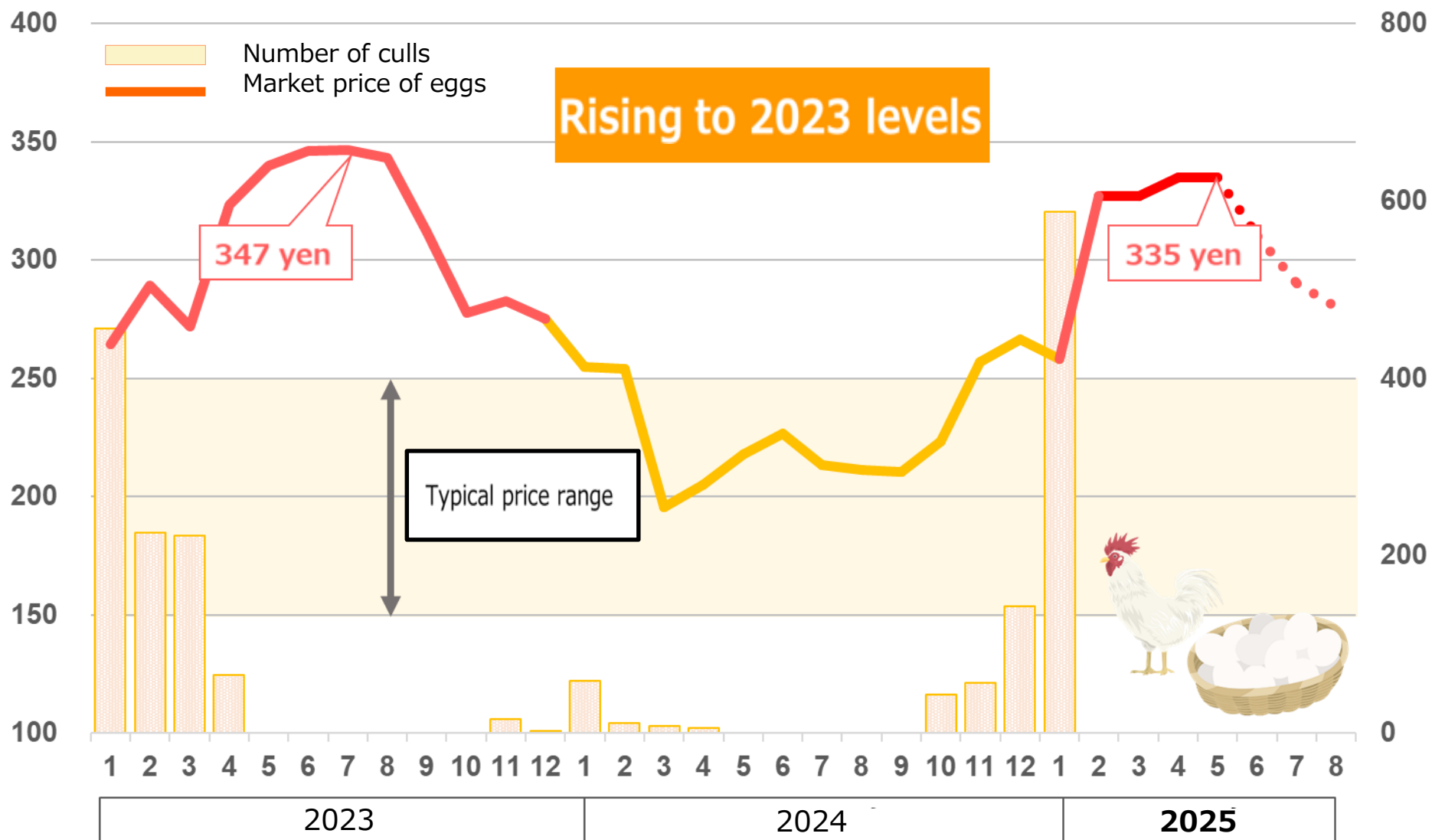


- The price surge due to avian influenza is expected to stabilize temporarily, but prices are still expected to be higher than usual.

## Trends in the number of culls due to avian influenza control measures

Unit Yen per kg and egg market prices

Unit: Ten thousand birds





# Menu/Promotion Strategies

# Menu Development Structure Based on Brand-Specific Strategies



- Each brand's development team creates menus based on analysis from specialists such as data analysts, evaluates product performance after launch, and uses the results to improve future development.
- Menus launched in Q1 achieved strong sales performance.

POS data/  
Point data



Customer survey



User community



Analytics team

Data analyst  
team

Customer  
intelligence  
team

Product  
development

Brand-specific  
menu  
development  
teams

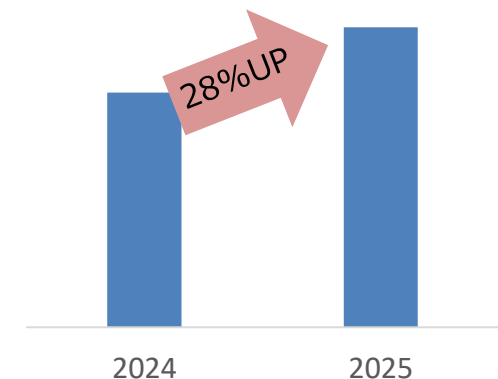
## Example: Yamaya motsunabe (offal hot pot) menu

Based on customer surveys, the following changes were made:

- Increased amount of motsu (offal)
- Introduced champon set
- Served on a portable stove
- Offered takeout and delivery
- Price increased by 110 yen



Sales volume during the  
period



# Promotional Strategies Tailored to Brand Characteristics



- Through initiatives such as 'media optimization according to brand characteristics' and 'coupon distribution for key store groups', the ROI of promotional activities has been increasing year by year.
- In the app, starting in April, Gusto introduced Dynamic Coupon ② (prefectural coupons), which has shown effects on sales and gross profit. Development is currently underway for Dynamic Coupons ③ and ④.

## Media Optimization Based on Brand/Customer Characteristics (An Example)

### Flyer

→Coupons targeted at senior customers



### Social media ad

→Coupons targeted at younger customers



## Coupon Distribution for Key Store Groups (Implementation Example)



- Target: 85 stores with available capacity on weekdays
  - Period: Late February to Early March
  - Notification Method: Through the App and Email Newsletter
- Geo-targeting, Hand-delivered Flyers, SNS Effect\*:

Number of Customers per day

+24 people

Dailiy Sales

+17%

\*Difference from Non-Participating Stores

## Advanced coupon strategy via App

Before  
Dec  
2024

Same post-discount price



The coupon price is **the same** after discount regardless of the price range

Implem  
ented in  
Dec  
2024

Dynamic Coupon①



Coupon price varies **by price range**

Implem  
ented in  
Apr  
2025

Dynamic coupon②



Coupon price varies **by prefecture**  
→Gross margin on coupon products **improved by over 30%**

To be  
implem  
ented  
in H2  
2025

Dynamic coupon③



Coupon price varies **by store**

To be  
implem  
ented  
at the  
end of  
2025

Dynamic coupon④

Coupon price varies **by customer**



# Store Development Summary

# Store Development Summary



- The progress of store development is, at this point, generally on schedule

Brand	New openings	Brand conversion	Closure	End of Mar.2025	Remodeling
Gusto	-	-	(5)	1,242	18
Bamiyan	-	1	-	364	7
Syabu-Yo	1	-	(1)	301	-
Yumean	1	-	(1)	171	2
Jonathan's	-	-	(1)	162	7
FLO Prestige	1	-	(1)	124	1
Steak Gusto	-	-	(1)	81	-
Musashinomori Coffee	-	-	-	82	-
Taiwan Skylark	3	-	(1)	80	1
Sukesan Udon	1	-	-	75	-
Jyu-Jyu Karubi	1	1	-	46	-
Tonkaratei	-	-	(1)	32	-
chawan	1	-	-	27	1
Others	1	-	(1)	292	3
Group total	10	2	(13)	3,079 # of stores compared to end FY2024: (3)	40



# Progress of Medium-Term Management Plan

# Financial Targets of Medium-Term Management Plan (Repost)



- Medium-term management plan: Sales of 460 bn yen, operating profit of 32 bn yen, and net income of 18 bn yen in 2027.

Item	Unit	FY2024 Actuals		FY2025 Guidance		FY2027 Mid-Term Plan		FY2025-FY2027
		Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	CAGR*
Sales	Bn yen	401.1	-	445.0	-	Approx. 460.0	-	7% or more
BP	Bn yen	24.3	6.1%	27.5	6.2%	Approx. 34.0	7.4%	20% or more
OP	Bn yen	24.2	6.0%	25.0	5.6%	Approx. 32.0	7.0%	20% or more
NI	Bn yen	14.0	3.4%	14.8	3.3%	Approx. 18.0	3.9%	20% or more
ROE	%	8.3%	-	8.3%	-	9-10%	-	-

## Assumptions for Mid-Term Management Plan

SSS Growth CAGR (FY2025-FY2027)		New openings (Japan)	Approx. 300 stores in 3 years
		New openings (International)	Approx. 100 stores in 3 years
		Brand conversions	Approx. 40 stores/year
Total sales	+3-4 %	Remodeling	Approx. 300 stores/year
Eat-in traffic	+1 %	CAPEX	28-30 bn yen per year on average
Eat-in ATP	+2-3 %	Exchange rate	JPY145/USD

\* The annual average growth rate refers to the growth rate compared to the 2024 performance forecast at the time of the medium-term plan disclosure.  
(2024 Performance Forecast at the Time of Medium-Term Plan Disclosure)  
Sales: ¥375 billion Business Profit: ¥17 billion Operating Profit: ¥15 billion Net Income: ¥7.5 billion



# 3 Axes of Our Growth Strategy: Progress



Item	Progress
1. Promotion of DX	<ul style="list-style-type: none"><li>• Issuing electronic receipts through the Skylark app.</li><li>• Enabling Skylark points for use on the delivery website.</li><li>• Full-scale rollout of automated guidance system following pilot phase (primarily at Syabu-Yo).</li><li>• Promoting “Problem Task Force.” 140 DX initiatives implemented in Q1 (1.5x increase YoY).</li></ul>
2. Enhancement of human capital “Store-centered management”	<ul style="list-style-type: none"><li>• Improved weekend crew attendance through the introduction of crew point system.</li><li>• Personnel system changes expanding managers’ authority to modify job grades.</li><li>• Introduction of spot crew system, which allows crew members to work at stores other than their own.</li></ul>
3. Promotion of ESG	<ul style="list-style-type: none"><li>• Solar power generation installed at a total of 258 facilities via offsite PPA methods.</li><li>• Syabu-Yo’s initiative to reduce food loss, the “Komamedori Project,” received the Consumer Affairs Agency Commissioner’s Award for consumer-oriented management.</li><li>• Recognized as an “A List Company” with the highest ratings in CDP’s Climate Change and Water Security.</li></ul>

# Growth Strategy Progress



Item	Target values	Progress (Q1FY2025)						
1. Existing store growth	<ul style="list-style-type: none"> <li>Brand conversions: Avg. 40 stores/year</li> <li>Remodeling: Avg. 300 stores/year</li> <li>ATP growth: Avg. 2-3%/year</li> </ul> <p>⇒ Existing store growth: Annual average 3-4%</p> <p>Traffic growth Avg.+1% per year</p>	<ul style="list-style-type: none"> <li>Growth Rate Exceeding the Assumptions of the Medium-Term Business Plan</li> </ul> <table> <thead> <tr> <th></th><th>Q1 2025 Results</th><th>2025 Performance Forecast</th></tr> </thead> <tbody> <tr> <td>Same-Store Sales Growth Rate (YoY)</td><td>+9.7%</td><td>+5%</td></tr> </tbody> </table>		Q1 2025 Results	2025 Performance Forecast	Same-Store Sales Growth Rate (YoY)	+9.7%	+5%
	Q1 2025 Results	2025 Performance Forecast						
Same-Store Sales Growth Rate (YoY)	+9.7%	+5%						
2. New store openings (Japan)	Approx. 300 new store openings in Japan in 3 years	<table> <thead> <tr> <th></th><th>Q1 2025 Results</th><th>2025 Performance Forecast</th></tr> </thead> <tbody> <tr> <td>Number of New Store Openings (Domestic)</td><td>6 stores</td><td>65~70 stores</td></tr> </tbody> </table> <p>※ Considering a Restriction on New Openings after 2026 Due to Rising Construction Costs</p>		Q1 2025 Results	2025 Performance Forecast	Number of New Store Openings (Domestic)	6 stores	65~70 stores
	Q1 2025 Results	2025 Performance Forecast						
Number of New Store Openings (Domestic)	6 stores	65~70 stores						
3. Overseas expansion	Approx. 100 new store openings internationally in 3 years	The number of new store openings in Q1 2025 is 4 stores (3 stores in Taiwan, 1 Shabu-yo store in Malaysia)						
4. Pursuit of M&A	3 to 5 cases in 3 years	<p>One case implemented in 2024 and one case implemented in 2025.</p> <p>⇒ The acquisition of CCS (Suki-ya) in Malaysia in January 2025.</p>						



# Overseas Business

# Overseas Business



Area	Target	Q1 Progress & Forecast
Taiwan	Approx. 100 store openings in 3 years	<ul style="list-style-type: none"> <li>• Operating 80 stores in Taiwan under 7 brands (as of March 2025)</li> <li>• Plan to open 10 new stores in 2025</li> <li>• Number of store openings in Q1 is 3</li> </ul>
Malaysia		<ul style="list-style-type: none"> <li>• Operating with the Syabu-Yo and Suki-ya brands in Malaysia</li> <li>• 6 stores opened as of March 2025 (only Syabu-Yo)</li> <li>• Both Syabu-Yo and Suki-ya have established profitable business models and are expanding store openings                             <ul style="list-style-type: none"> <li>⇒ Planning to open 6 stores under 2 brands in 2025</li> </ul> </li> <li>• Number of store openings in Q1 is 1 Syabu-Yo</li> </ul>
United States		<ul style="list-style-type: none"> <li>• Operating with the Syabu-Yo brand in the U.S.</li> <li>• First U.S. store is a high-sales store with annual sales exceeding 500 million yen</li> <li>• 2 stores opened as of March 2025</li> <li>• No store openings planned for 2025</li> </ul>



# M&A

# M&A Progress: Sukesan Udon



## FY2024 results (Jan to Dec)

Sales: Approx. 16.0 bn yen (Approx 0.21 bn yen per store)

OP: Approx. 0.6 bn yen

## Store opening plan

78 stores in operation as of the end of April 2025.

4 stores opened in the Kanto region

### Future plans:

2025: 21 stores (expansion into Kanto and Kansai regions)

2026: 50 stores (expansion into Kanto and Kansai regions)

From 2027 onward: targeting 100 store openings annually nationwide



## Policy for FY2025

In 2025, focus on laying the groundwork for expansion from 2026 onward

- Preparation for multi-store expansion.
  - ⇒ Build a supply chain capable of supporting expansion into Kanto and Kansai regions
- Preparation for the transition from existing Skylark brands.
  - ⇒ Begin assessing approx. 200 potential stores
  - ⇒ Create conversion packages and manuals based on our expertise

# M&A Progress: Suki-ya



In January 2025, acquired “Suki-ya,” a highly popular shabu-shabu chain in Malaysia

## About Suki-ya

### FY2024 results

Sales: Approx. 3.5 bn yen (0.26 bn yen per store)

OP: Approx. 1.1 bn yen

### No. of stores

13 stores (as of the end of April 2025)

### Store opening plan:

2025: 3 stores

Expansion of store openings planned from 2026 onward



## Policy for FY2025

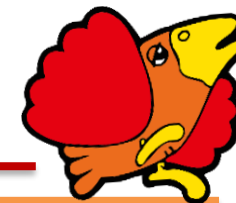
- Potential for over 70 store openings in Malaysia
- Synergies with Syabu-Yo in Malaysia
  - ⇒ Streamlining through integration of supply chains and headquarters functions, and increasing the number of stores
- Further expansion into other Muslim countries such as Indonesia



# Shareholder Returns



# Shareholder Returns



## ■ Dividends

- ◆ Basic policy on dividend payout ratio “Approximately 30% of consolidated adjusted net income”

	Interim	Year-end	Total	Payout ratio
FY2024	<b>7.5 yen</b>	<b>11.0 yen</b>	<b>18.5 yen</b>	<b>30.1%</b>
Forecast for FY2025	<b>8.0 yen</b>	<b>12.0 yen</b>	<b>20.0 yen</b>	<b>30.7%</b>

## ■ Shareholder benefits

- ◆ The amount of shareholder benefits will remain unchanged.
- ◆ From April 1, 2025, convenience will be improved through the following two updates:
  - ① Shareholder benefit cards will be usable in 1-yen increments instead of 500-yen increments
  - ② Sukesan Udon will be added to the list of eligible brands ※Not available at some stores

Number of shares held	Gift amount as of the end of June	Gift amount as of the end of December	Gift amount Annual total
<b>100-299 shares</b>	2,000 yen	2,000 yen	<b>4,000 yen</b>
<b>300-499 shares</b>	5,000 yen	5,000 yen	<b>10,000 yen</b>
<b>500-999 shares</b>	8,000 yen	8,000 yen	<b>16,000 yen</b>
<b>1,000 shares or more</b>	17,000 yen	17,000 yen	<b>34,000 yen</b>



# Domestic Brand Portfolio

# Domestic Brand Portfolio



Moderate Price

Value Price

Family Dining Business

Casual Dining Business



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