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FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED MARCH 31, 2025

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2. Grand Design and the Medium-Term Management Plan

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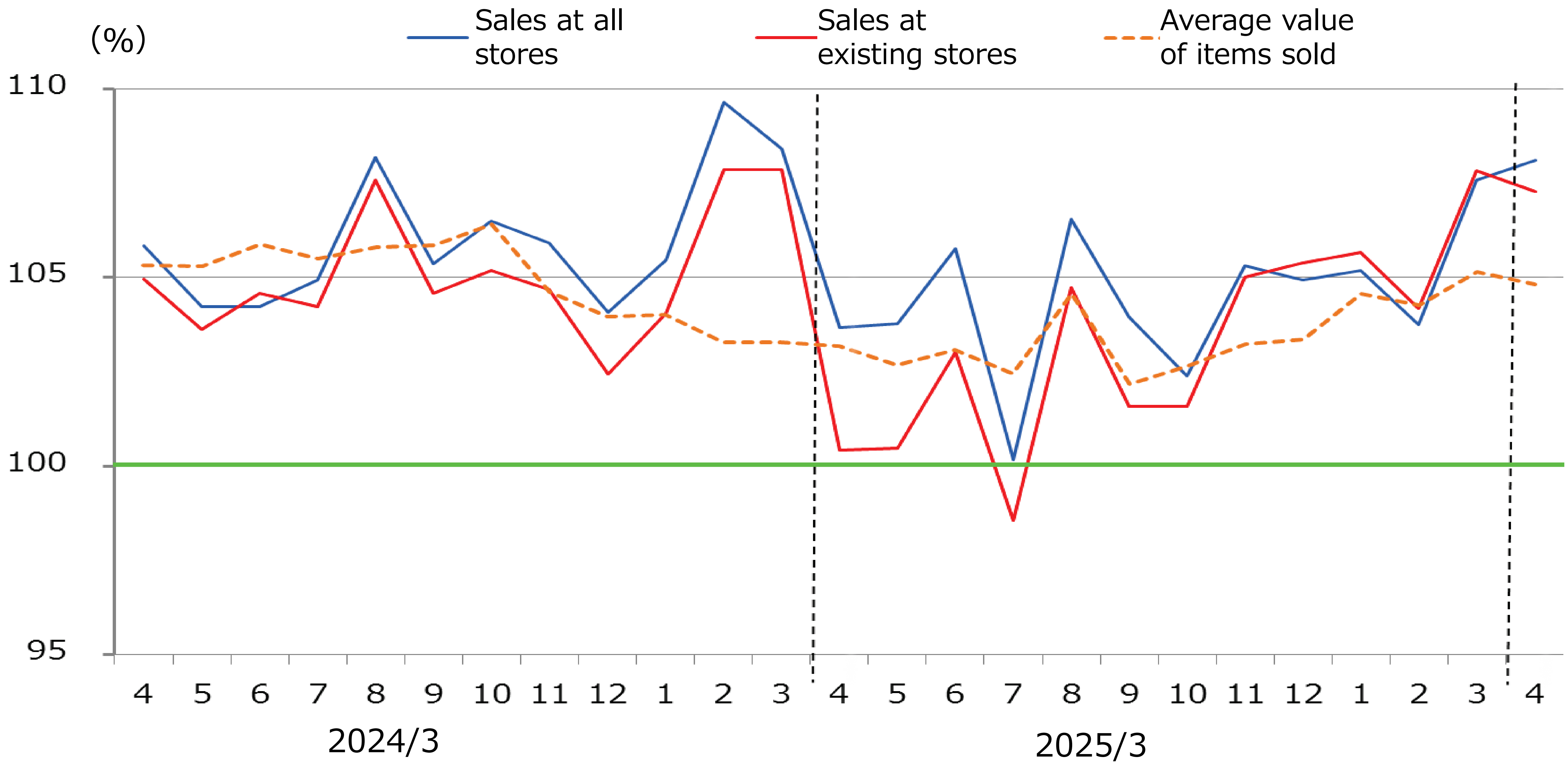
1. (1) SUMMARY OF SELECTED FINANCIAL DATA

For the Fiscal Year Ended March 31, 2025

	2024/ 3	2025/ 3	Change (%)	Change	(Unit: Millions of yen)
Net sales	**270,224**	**281,870**	**4.3**	11,646	Forecast: ¥28 billion; +3.2% at existing stores
Gross profit	79,138 (29.3%)	**82,056** (29.1%)	3.7	2,917	ESLP In-store merchandizing Loss/chance of loss management
SG&A expenses	67,358 (24.9%)	**69,995** (24.8%)	3.9	2,636	Growth in personnel expenses due to upfront raises Initiatives undertaken by the Cost-Cutting Committee
Ordinary profit	**12,332** (4.6%)	**12,709** (4.5%)	**3.1**	377	Forecast: ¥12.5 billion
Net profit	**7,442**	**9,006**	**21.0**	1,563	Forecast: ¥7.5 billion
ROE/ROA	**9.2%/9.7%**	**10.4%/9.5%**			
Number of store openings	4	**2**	H: Kureha (Toyama City), H: Agano (Agano City)		
Number of store closings	2	**3**	H: Tsuchihashi; H: Muikamachi (rebuilding); H: Suibara (relocation to Agano)		

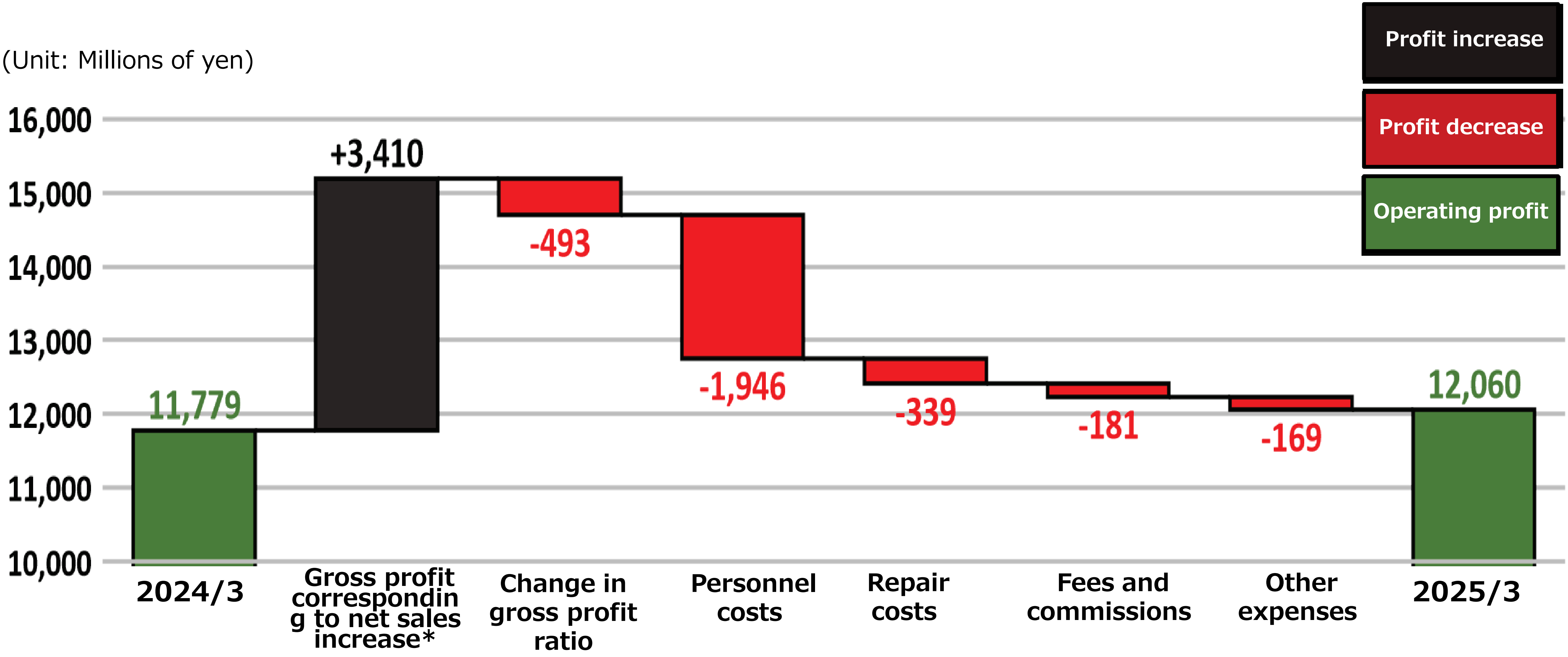
Share split: 1:4 (April 1, 2024) **Share repurchases:** ¥2.0 billion (From February to April 2025)

1. (2) Y-o-Y comparison of monthly sales



1. (3) Factors changing operating profit

(Unit: Millions of yen)



* Gross profit corresponding to net sales increase = Sales increase × Gross profit ratio for the same period of the previous year

1. (4) Results overview by group

(Unit: Millions of yen)

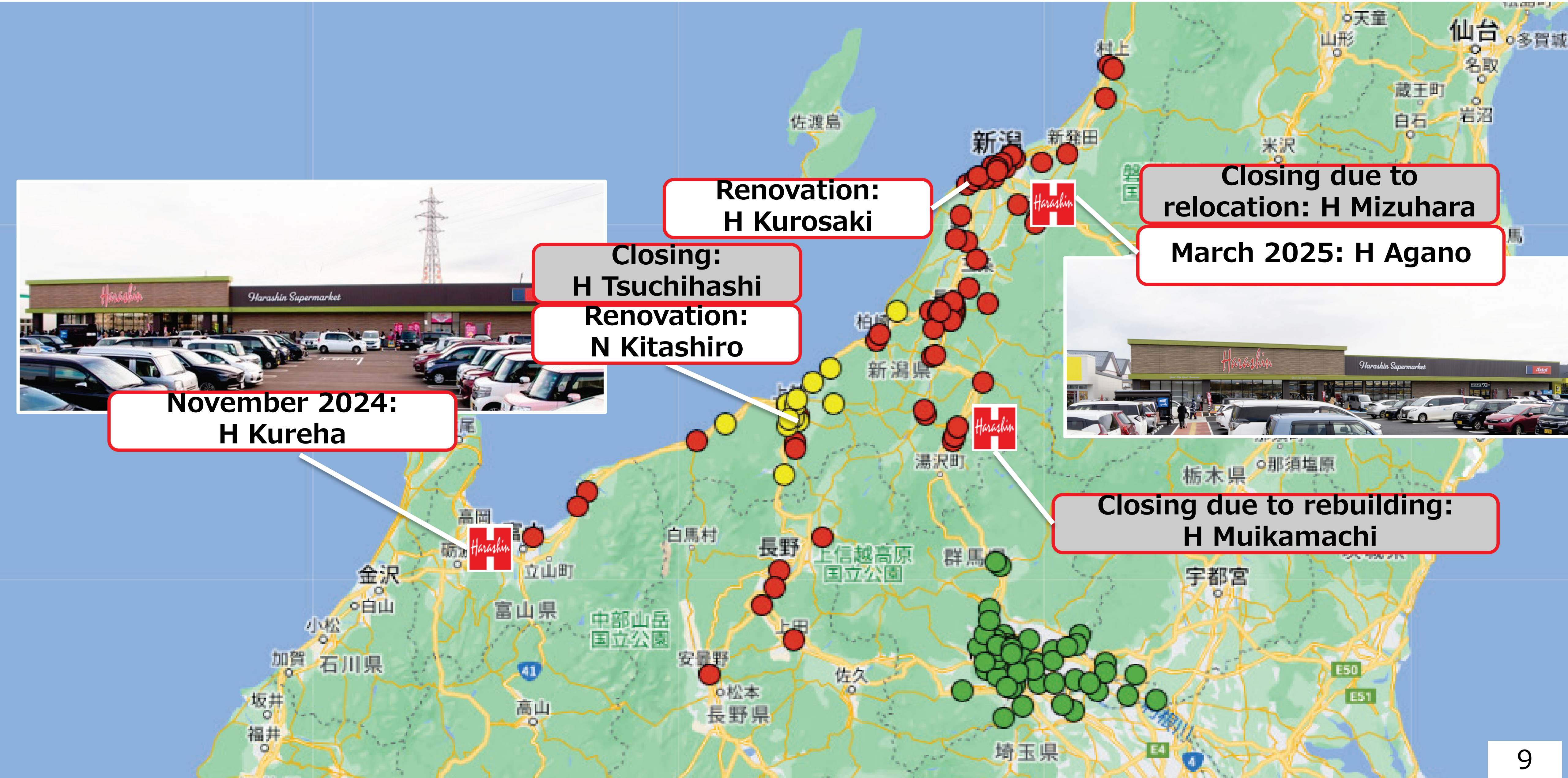
	Harashin and Narus			FRESSAY		
	2025/3	Change (%)	Change	2025/3	Change (%)	Change
Net sales	**199,809**	**4.9**	**9,314**	**83,292**	**3.1**	**2,467**
Gross profit	57,020 (28.5%)	4.0	2,189	25,217 (30.3%)	3.0	731
SG&A expenses	47,728 (23.8%)	4.6	2,116	22,389 (26.9%)	1.2	272
Operating profit	9,291 (4.7%)	0.8	73	2,827 (3.4%)	19.3	458
Ordinary profit	**9,610 (4.8%)**	**0.7**	**64**	**2,891 (3.5%)**	**17.0**	**421**
Net profit	6,924	6.4	414	2,009	155.8	1,223

1. (5) Business Results by Quarter

(Unit: Millions of yen)

	1Q（4-6）		2Q（7-9）		3Q（10-12）		4Q（1-3）	
	4－6月	Change (%)	7－9月	Change (%)	9－12月	Change (%)	1－3月	Change (%)
Net sales	**66,522**	**4.3**	**71,290**	**3.6**	**73,335**	**4.1**	**70,722**	**5.3**
Gross profit	19,319 (29.0%)	3.0	20,819 (29.2%)	3.8	21,209 (28.9%)	2.1	20,708 (29.3%)	5.9
SG&A expenses	16,663 (25.０%)	4.6	17,659 (24.8%)	5.9	17,737 (24.2%)	5.7	17,934 (25.4%)	-0.2
Operating profit	2,655 (4.0%)	-6.0	3,160 (4.4%)	-6.6	3,471 (4.7%)	-13.1	2,773 (3.9%)	75.7
Ordinary profit	**2,767 (4.2%)**	**-4.2**	**3,170 (4.4%)**	**-7.9**	**3,553 (4.8%)**	**-12.7**	**3,218 (4.6%)**	**66.5**
Net profit	1,873	-3.9	2,124	-7.9	2,389	-11.0	2,619	420.3

1. (6) Store openings and renovations during the year ended 2025/3



1. SUMMARY OF SELECTED FINANCIAL DATA

2. Grand Design and the Medium-Term Management Plan

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2. Grand design

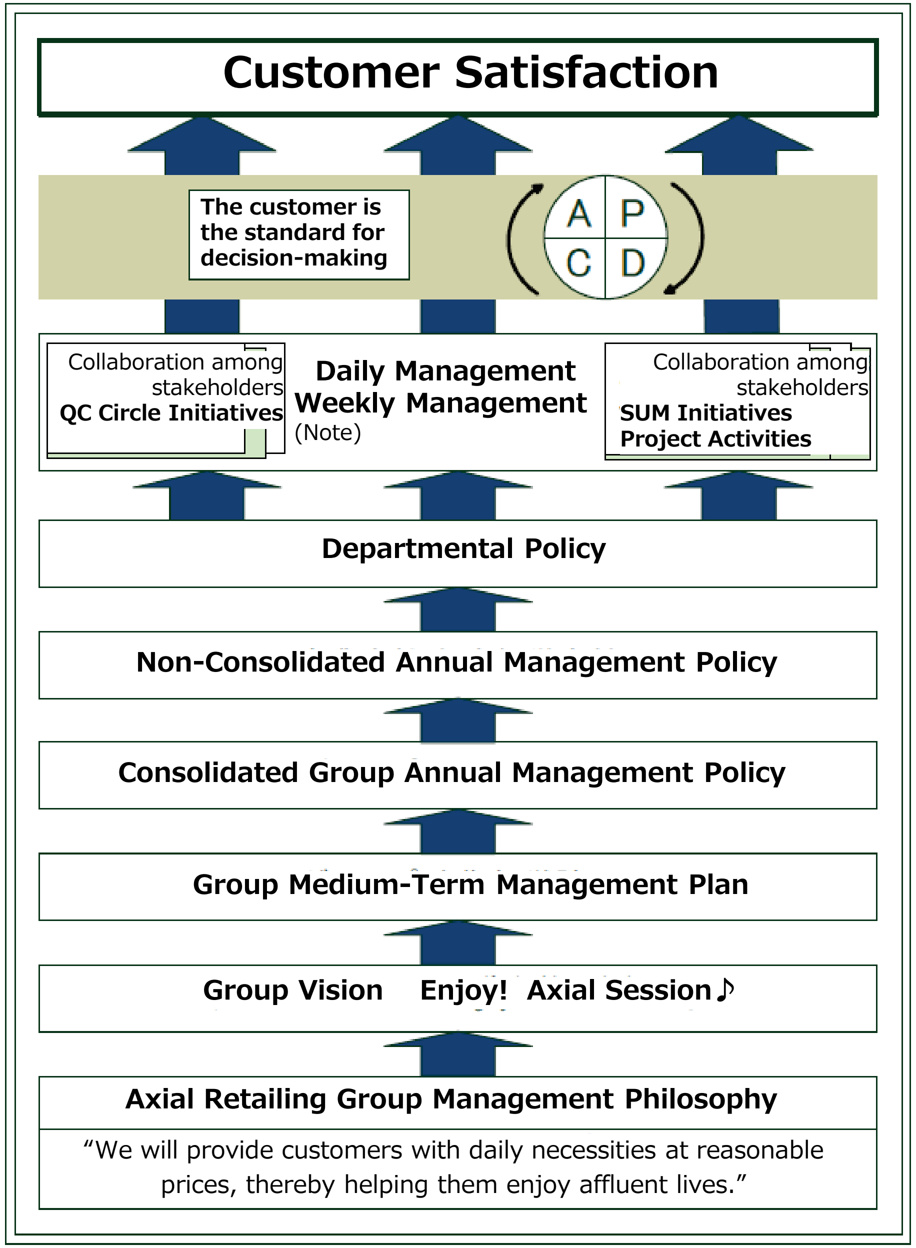
Deliver affluence, fun and convenience to customers by fully leveraging the merits of scale yielded by our chain store operations

Scale

Functions

Human resources: TQM as a foundation

2. (1) TQM and VISION, Medium-Term Management Plan



Medium-Term Management Plan (2025/3 – 2027/3)

Annual Policy / Plan

2. (2) Medium-Term Management Plan （2025 – 2027）

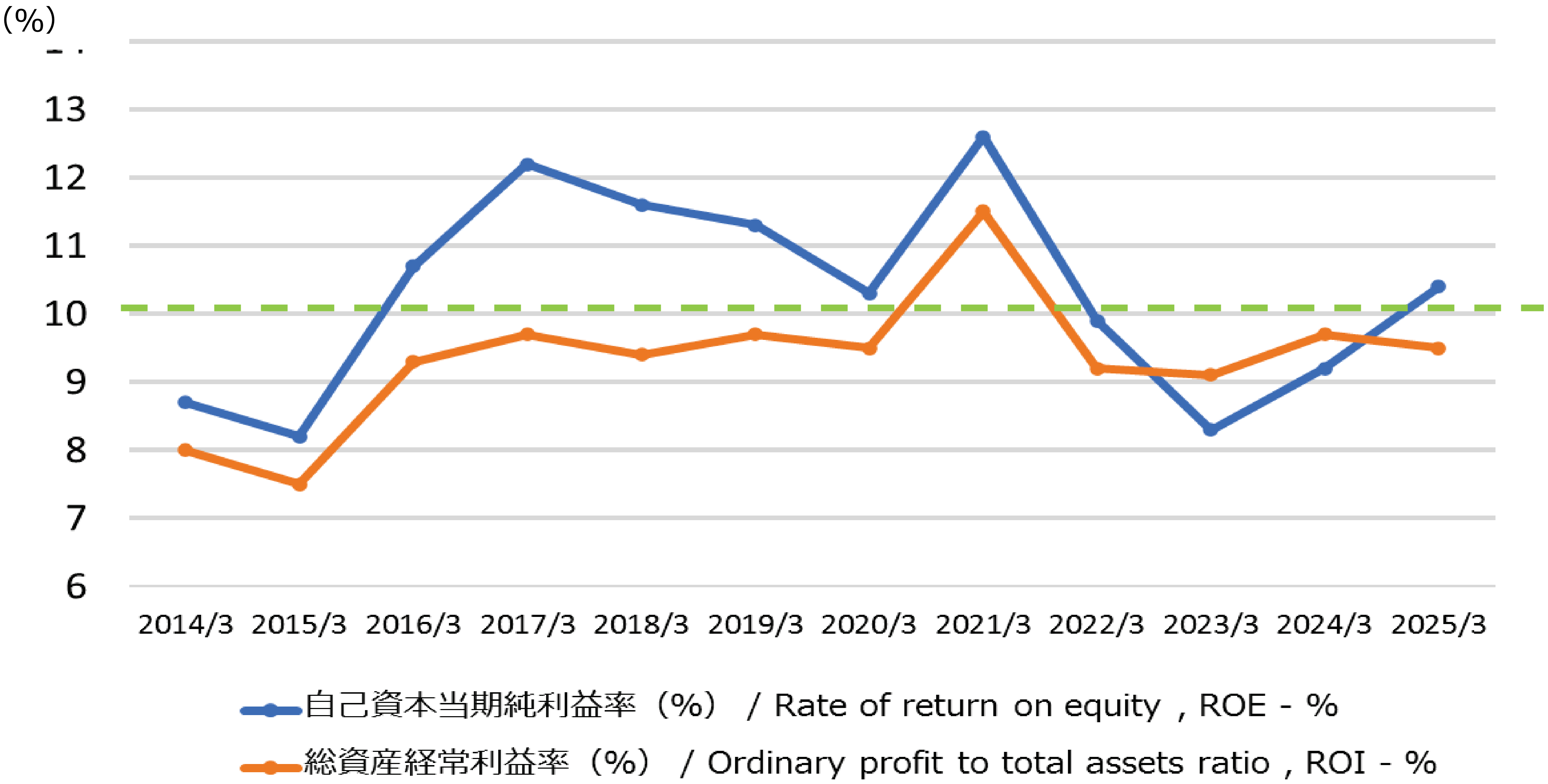
Scale	• Net sales ¥310 billion, with an ordinary profit ratio of 4.2% • Open 12 new stores, bringing the total number of stores from 130 to 140 at the end of 2027/3
Functions	• Plan to redevelop the Group's foundations (manufacturing, distribution and IT) （Establish Nagano Area Center, Initiate the development of a manufacturing and distribution base in Maebashi） • Promote vertical MD • Step up centralized purchasing • Promote the ESLP strategy and labor saving (reduce burdens associated with cash register operations)
Human resources	• Nurture specialists • Human resource management and education system (redevelop educational programs) • Create a corporate culture that makes jobs fulfilling for employees • Develop a worker-friendly environment

2. (3) Numerical Plan Established under the Medium-Term Management Plan

(Unit: Millions of yen)

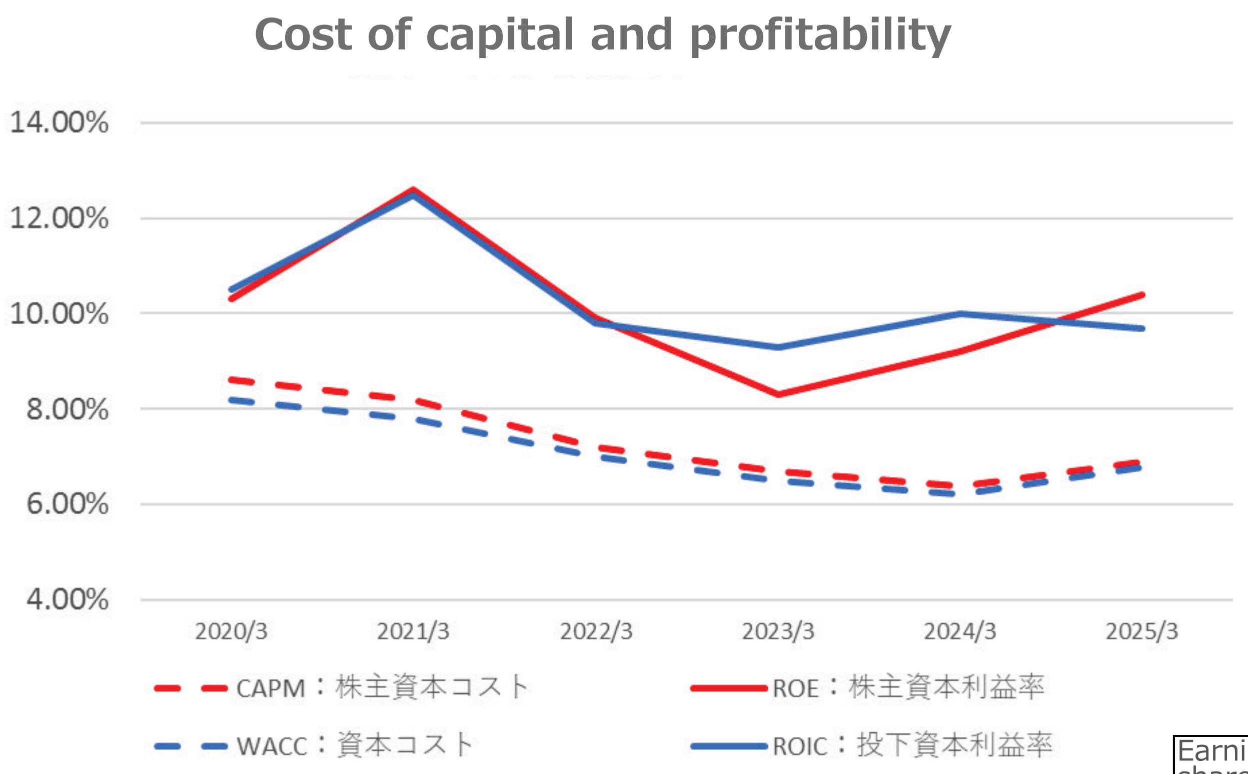
	2025/3 results	2026/3	2027/3	2028/3	Notes
Net sales	281,870	285,000	294,000	**310,000**	
Ordinary profit ratio	4.5%	4.4%	4.3%	**4.2%**	
Labor distribution rate	130	131	134	**140**	
Number of stores	2 / 2	2 / 1	3 / 0	7 / 1	
Openings/ Closing	7,907	10,000	11,700	12,000	
ROA : Conventional standard	9.5%			**9.0%**	Ordinary profit/ Total assets
ROE	10.4%			**10.0%**	
Notes	• Relocated headquarters • Established a new Delica Plant • Reinforced t he Nakanoshima Chilled Center	• Establish the Nagano Area Center • Relocate Itec	• Reorganize Rory Confectionary Plant, etc. • Launch the construction of a manufacturing base in Maebashi		

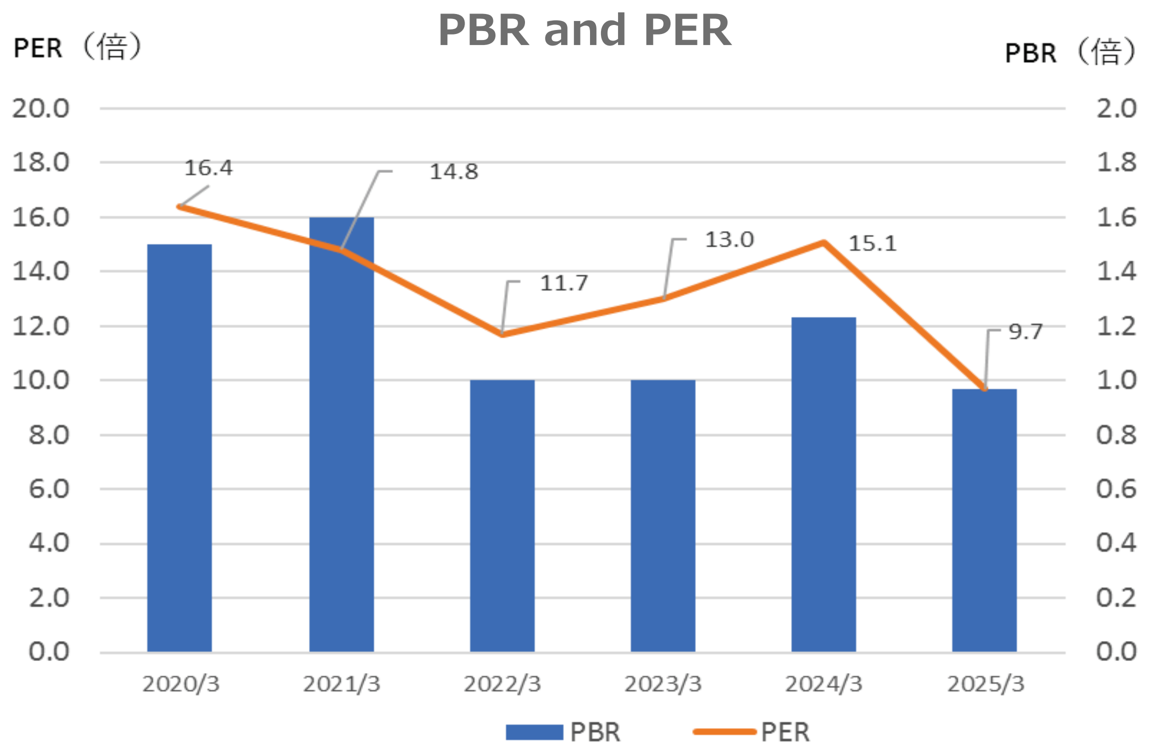
2. (4) Trends in ROA and ROE



2. (5) Business management focused on addressing the cost of capital and stock prices ① Analysis of current status

Axial RETAILING





Earnings per share (forecast)	90.86	80.17	67.34	65.20	74.82	80.17	円

1. Lower cost of shareholders' equity →Mainly attributable to a lower β value
2. ROE and ROIC stagnated→Shareholders' equity grew as did the rate of profit growth
3. The cost of capital and the profit margin were kept at certain levels

1. Lower PBR → Growth in shareholders' equity and stagnation of stock prices
2. Lower PER→Higher earnings per share fail to stimulate a rise in stock prices

→ Can be assumed that our market reputation regarding growth potential is low

2. (6) Business management focused on addressing the cost of capital and stock prices ②Matters to be tackled

Conventional policies

✓ Long-term target: ROA of 15% (Ordinary profit / Total assets)

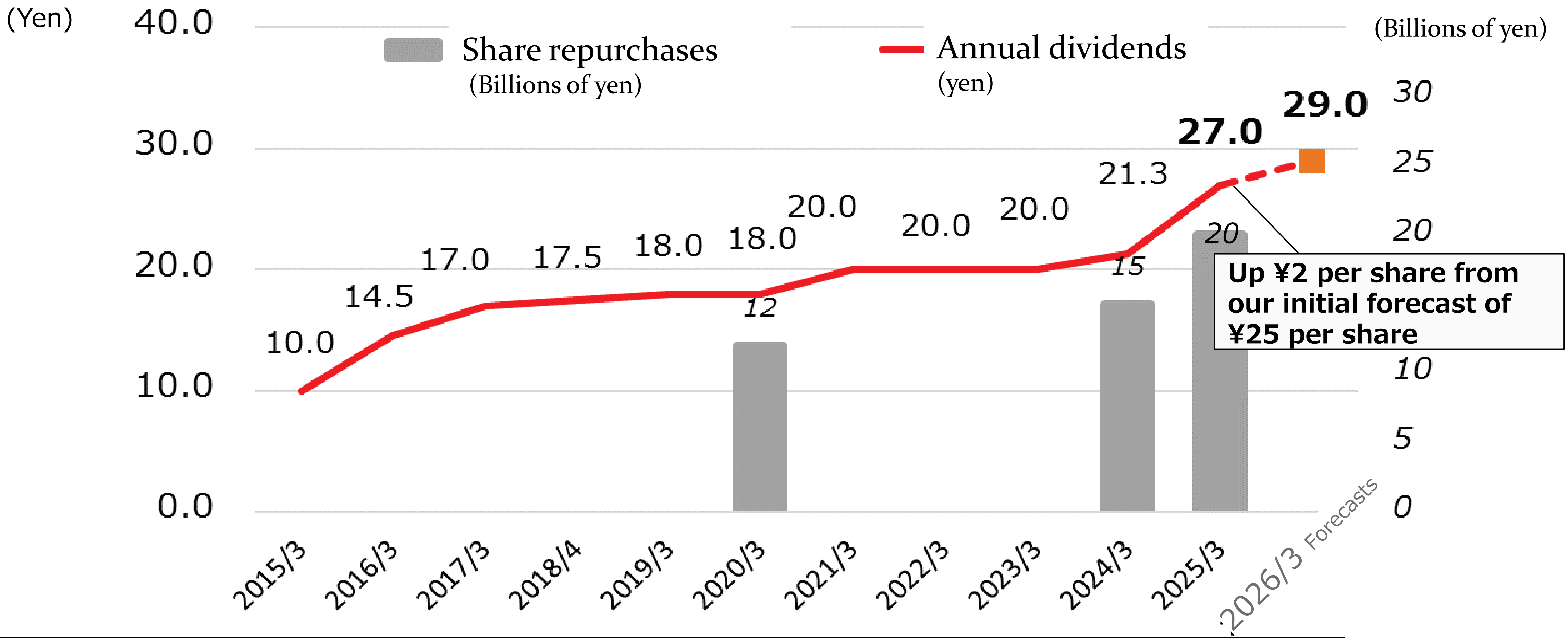
✓ Immediate target: ROA of 10%, ROE of 10%

Ongoing initiatives from the year ended 2025/3

1. Share repurchases from the market: ¥2.0 billion (2,000,000 shares)
2. Share split: 1:4 (effective on April 1, 2024)
3. Dividends: Up ¥5.75 per share (27%); Up ¥2 per share for 2026/3 (planned)
4. Shareholder privileges (granted to shareholders registered as of September 30, 2024)
   - Holders of 100 or more shares are included among eligible shareholders after the share split
   - Enhance shopping discount coupons and other privileges on the whole

2. (7) Shareholder returns

Dividends per share (post-share split basis) and share repurchases from the market



	2015/3	2016/3	2017/3	2018/4	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3 Forecasts
Total shareholder return ratio(%)	28.3	29.0	27.4	26.9	26.1	26.6	22.3	26.1	29.0	26.0	27.1	31.3
Consolidated payout ratio (%)	28.3	29.0	27.5	26.9	26.2	**45.3**	22.3	26.1	29.0	**46.0**	**35.5**	

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3.(1) Annual policies for the year ended 2025/3

Shrinking and aging population

Intensifying competition transcending sector boundaries

Coming era of inflation—Challenges to be addressed even after securing customer understanding on sales price hikes

Operation “Central Focus on Deliciousness”

“Taste great!” That’s what we would like to hear from customers!

Let’s upgrade the quality of everything we do, starting with the products we offer!

3.(2) Plan for the development and timely release of seasonal delicacies

3. (3) Measures executed under the Operation “Central Focus on Deliciousness”

1. Update our product development process via systematic product planning
2. Enhance our facilities

   (1) new headquarters ① Haranaru Kitchen + MD Labo
   ② Presentation Labo
   ③ Sensory Evaluation Room
   ④ Photoshoot Room

   (2) New Rory Delica Center: Establishment of “Deliciousness Creation Room”

3. Innovate ways to communicate how delicious our products are

   (1) Utilize media outlets (TVCMs, SNSs)

   (2) Hold design workshops

4. Introduce programs to enable employees to experience and examine deliciousness

   (1) Gourmet Tour & PB Comparison (tasting events)

   (2) Introduce the “Rice omelet specialist test” (one of in-house specialist certification exams)

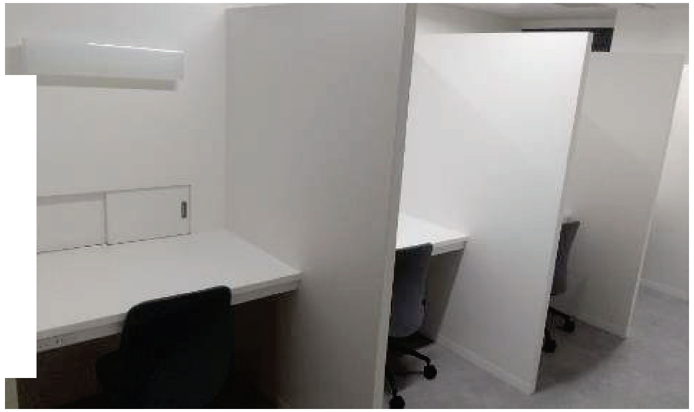
3.(4) New Headquarters – Launching Operation "Central Focus on Deliciousness"

3. (4) Launching Operation "Central Focus on Deliciousness"

Haranaru Kitchen

Sensory Evaluation Room

Establishing a new sensory evaluator system



Photoshoot Room

3. (5) Programs to enable employees to experience and examine deliciousness as part of mechanisms supporting the "Central Focus on Deliciousness"

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Gourmet Tour – Self-improvement support system

Gourmet Food Report

some information has been omitted and restaurant names are not disclosed.

Pizza Lunch at Trattoria in Ginza

The region of the store visited
Chuo-ku, Tokyo

Harashin Minami Bandai Store
[Bakery Division]
Haruki Ishikawa

Reason behind choice

I saw a review stating that the prices were reasonable despite being in Ginza and the pizza was the real deal. The restaurant, specializing in Neapolitan pizza and seafood, has an interior design inspired by southern Italian regions like Napoli and Sicily, creating a cozy yet authentic atmosphere.

Factors for Evaluating Deliciousness

Pizza Set Lunch Margherita

[service]
It is evident that the staff are focused on the customer, always maintaining good rapport and communicating with smiles on their faces.

A Famous Mont Blanc Shop in Obuse from a Trip to Nagano

The region of the store visited
Kamitakai-gun, Nagano Prefecture

Harashin Koide Higashi Store
[FES Division]
Chiharu Enomoto

Reason behind choice

Obuse is famous for chestnuts. I went to a café managed by a shop that serves Mont Blanc. The name "Suzuka" is said to be derived from Hokusai Katsushika's "Phoenix Glaring in All Directions" ceiling painting at Ganshoin Temple.

Factors for Evaluating Deliciousness

Mont Blanc Suzuka Set

[Restaurant interior]
The building coupled with a lush inner garden makes you believe you were sent back in time

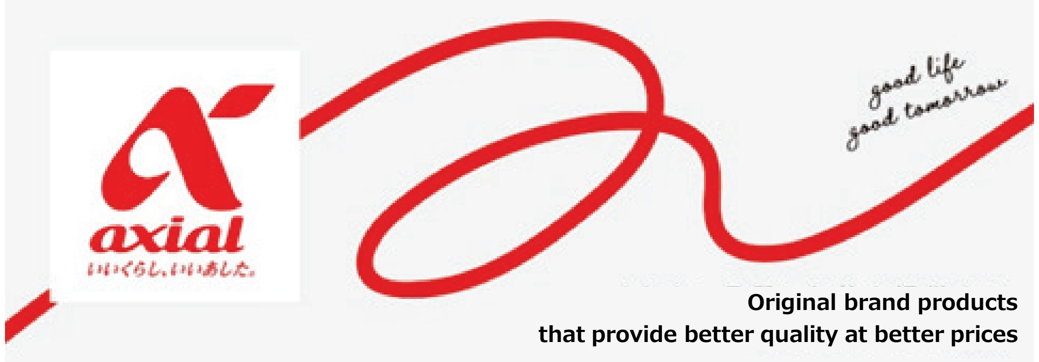
Specialist Certification Exam

Omurice Certification

PB Comparison – Self-improvement support system

3. (6) Private Brand

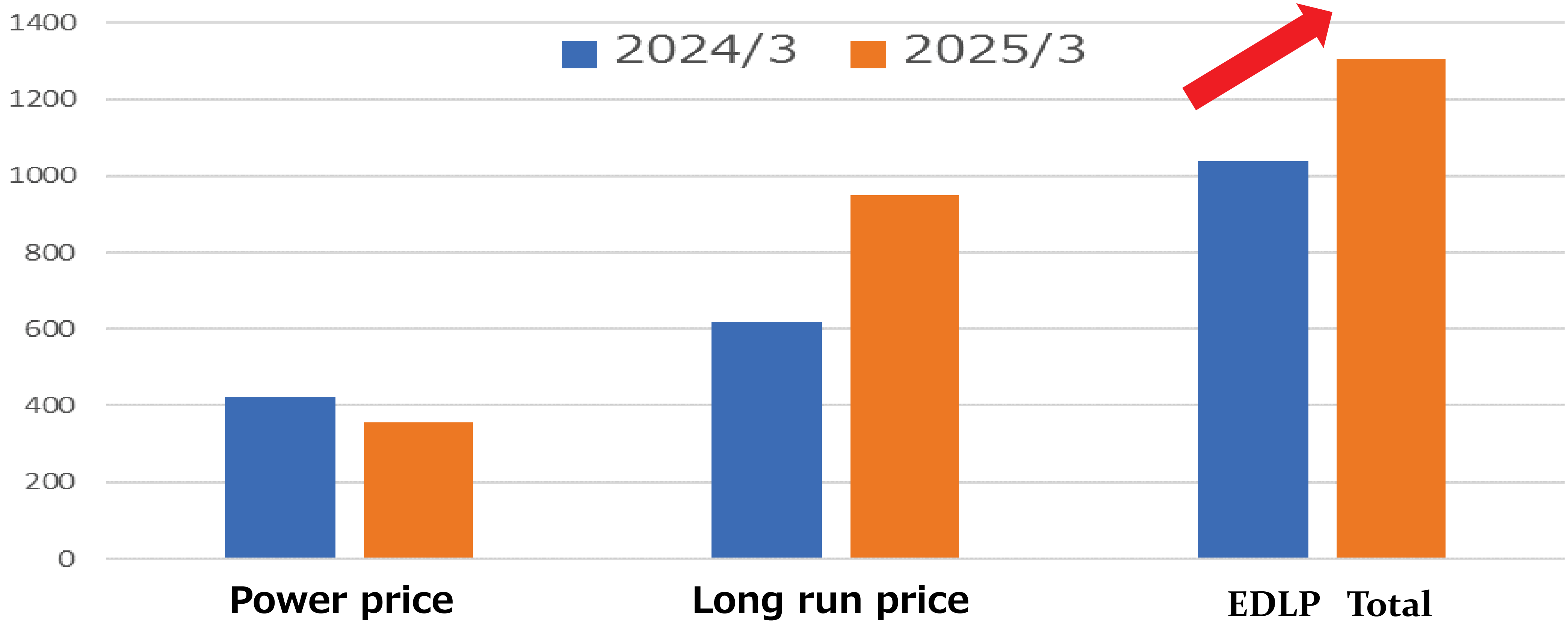
Over 530 Axial Brand items



Original brand products
that provide better quality at better prices

3. (7) Promoting EDLP Products

Sales Volumes of Two Typical EDLP Products



We launched "Hana-well," an ethical product brand, with the aim of integrating our business activities and efforts aimed at addressing social issues. We will contribute to the resolution of social issues from the following five aspects.

Earth
We will deliver Earth-friendly products with low environmental footprints.

Healthy
We will propose products that are friendly to physical health and can contribute to the betterment of emotional health.

Local
We will disseminate the attractiveness of the nature's blessings and local cultures that have been nurtured in regional communities even as we help ensure the succession of these assets to future generations.

Diversity
We will support the creation of an inclusive society that enables everyone to remain true to his/her authentic self and is free of discrimination.

Future
We will empower initiatives aimed at taking on the challenge of realizing future-oriented technological innovation.

3. (9) Develop a worker-friendly environment

Upward wage revisions
fiscal 2024: 6.5%; fiscal 2025: 6.0%

Annual paid leave utilization ratio Harashin Narus : 85.7%
FRESSAY: 70.8%
(Nationwide average: 65.3%; according to a comprehensive labor condition survey undertaken by the Ministry of Health, Labour and Welfare in 2024)

Paternity leave usage rate 92.9% (2025/3)
Nationwide average is **30.1%** according to a survey undertaken by the Ministry of Health, Labour and Welfare (the year ended 2024/3)

Increase the number of annual holidays

Introduce a non-working hour system
Grant rights to take a two-hour break during working hours (highly appreciated by, for example, parents who need to pick up a child from a nursing center)

Launch Femtech-related initiatives

Introduce subsidy system designed to assist in student loan repayments

Time spent changing clothing is included in working hours

The new headquarters includes a multipurpose leisure area

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4. （1）Annual policies for the year ending 2026/3

The Operation “Central Focus on More Deliciousness”
~Axial makes the most~

Making the most of our infrastructure, making the most of our human resources

1. Retailers rushing to raise prices
2. Further intensification of competition
3. Changes in socio-environmental awareness among consumers
   - Responsibilities to address social issues
   - Preference toward workplaces that are not only comfortable but also provide an immense sense of job fulfillment

1. Commodities (maintain affordable prices, expand the scope of ESLP)
2. Differentiation
   - ✓ Products available only at our stores
   - ✓ Services available only at our stores
3. Secure funds and resources necessary to achieve this end
4. Employee sense of job fulfillment

4. (2) Business Results Forecast for the Current Fiscal Year

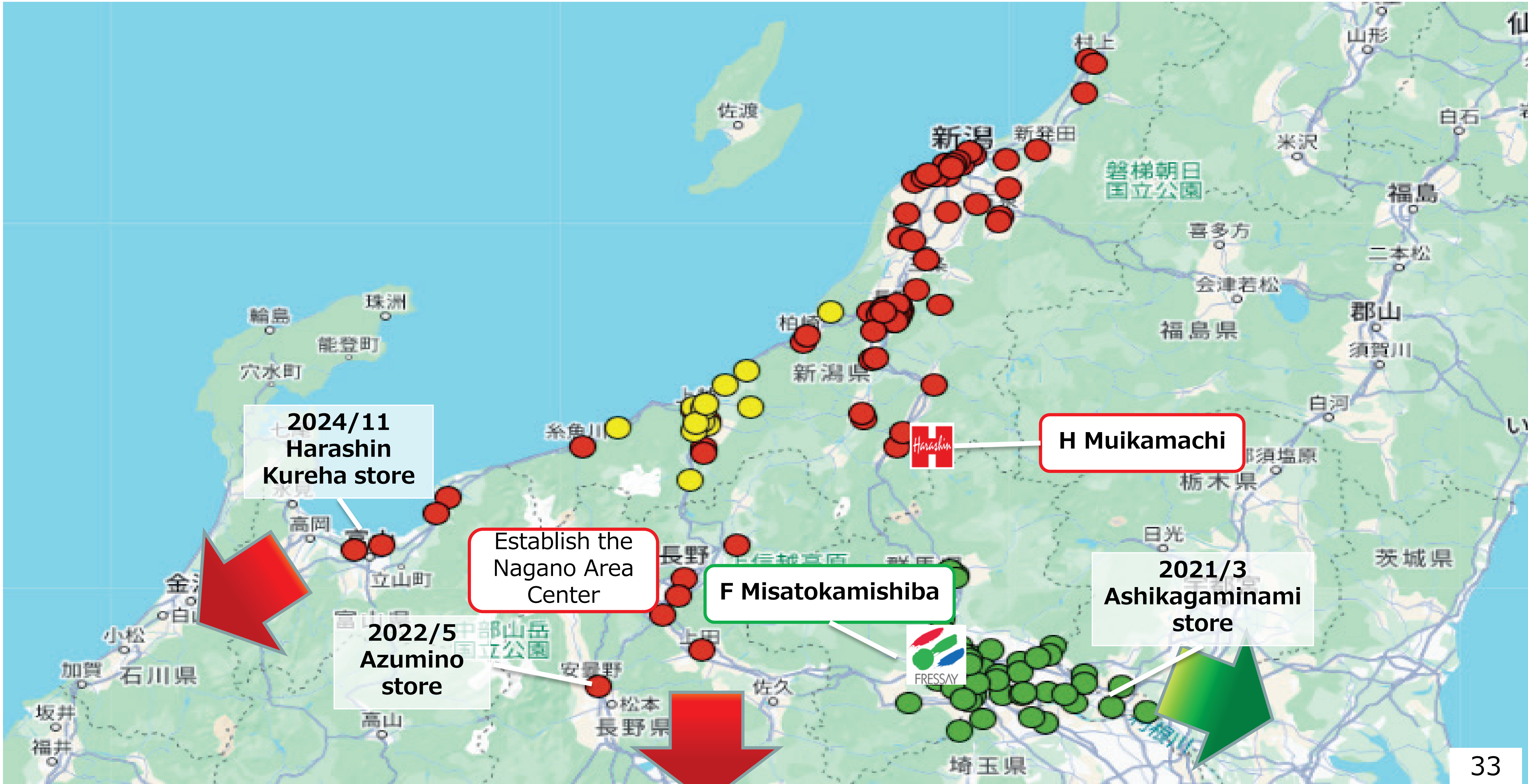
(Unit: Millions of yen)

	Consolidated	Change	Approximate targets by group			
			Harashin and Narus	Change	FRESSAY	Change
Net sales	**286,000**	**1.5%**	202,000	1.3%	84,000	1.5%
Operating profit	11,400	-5.5%	8,900	-4.2%	2,500	-11.6%
Ordinary profit	**12,000**	**-5.6%**	9,100	-5.3%	2,600	-10.1%
Net profit	8,200	-8.9%	6,200	-1.5%	1,900	-5.4%
Store openings (renovations)	2 (4)	0 (+2)	1 (2)	-1 (–)	1 (2)	+1(+2)
Dividends per share(Pre-share split basis)(Yen)	29	+2	Capital expenditures: ¥10 billion; depreciation and amortization: ¥5.5 billion			

Assumptions for net sales forecasts	1st-half results	2nd-half results	Full-year results
All stores	2.7%	1.8%	2.2%
Existing stores	2.9%	0.2%	1.5%

Forecasts for number of customers and average spending per visit	Number of customers	Average spending per visit
All stores	1.5%	0.8%
Breakdown of average spending	Number of items sold per customer	Average value of items sold
	-2.2%	3.0%

4. (3) Store opening plan for the year ending 2026/3



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RETAILING

Thank you for listening.