

## BRIDGE REPORT



President Yuji Honda

## UMENOHANA GROUP CO., LTD.



## Company Information

Market	TSE Standard Market
Industry	Retail
President	Yuji Honda
HQ Address	146 Tenjin-machi, Kurume-shi, Fukuoka Prefecture
Year-end	April
Homepage	<a href="https://www.umenohana.co.jp">https://www.umenohana.co.jp</a>

## Stock Information

Share Price	Shares Outstanding		Total Market Cap	ROE (Act.)	Trading Unit
¥829	9,029,200 shares		¥7,485 million	-	100 shares
DPS (Est.)	Dividend Yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Act.)	PBR (Act.)
¥10.0	1.2%	¥54.74	15.1x	¥114.48	7.2x

\*The share price is the closing price on June 24. BPS and ROE are actual results from the previous fiscal year. Each figure is based on the financial results of the fiscal year ended April 2025.

## Earning trends

Fiscal Year	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
April 2022	22,591	-1,630	-1,792	217	19.58	0.0
April 2023	27,456	89	14	-440	-	5.0
April 2024	29,816	819	739	1,020	117.30	10.0
April 2025	29,440	550	388	-383	-	10.0
April 2026 (Est.)	29,713	778	538	485	54.74	10.0

\*Forecast figures are those of the company. \*Unit: million yen, yen.

This report includes the overview of the earnings results of Umenohana Co., Ltd. in the fiscal year ended April 2025.

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## Key Points

- Under the theme of fusion of food and culture, Umenohana operates the Restaurant Business, the To-go Meal Business, and the External Sales Business. In the Restaurant Business, they operate restaurants, such as “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu,” “Sushihan, a Japanese-cuisine restaurant,” “Sakura Suisan, a Japanese-style pub serving seafood dishes,” and “Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto.” In the To-go Meal Business, they operate “Koichian,” a store of rolled sushi, Inarizushi, etc., and “Umenohana,” a store of Japanese delicatessen and boxed meals. In the External Sales Business, they produce and sell processed seafood products, and sell the products of the Umenohana and Koichian brands. In 1999, Umenohana became an over-the-counter company registered in Japan Securities Dealers Association. In 2002, the company got listed on the second section of Tokyo Stock Exchange. In April 2022, the company got listed on the Standard Market. In May 2025, the corporate name was changed to “UMENOHANA GROUP.” They are diversifying their restaurants.
- In the fiscal year ended April 2025, sales decreased 1.3% year on year to 29,440 million yen. The sales of existing restaurants grew healthily by 0.9% year on year. However, total sales declined due to the decrease of restaurants through the closure of some restaurants. Other factors in the drop in sales include the 5-day closure and shortening of business hours in response to the typhoon in August, the timing of the day before a change in seasons and the Doll’s Festival, and the abnormal weather. Operating income dropped 32.8% year on year to 550 million yen, due to the decline in gross profit margin and the rise in the ratio of SGA. The prices of ingredients, including rice, skyrocketed. In addition, personnel expenses, utilities costs, and warehouse-related expenditure augmented as inventory increased. Sales and all kinds of profits fell below the company’s forecast. They plan to pay a year-end dividend of 5.00 yen/share like at the end of the previous fiscal year, for a total of 10.00 yen/share per year, including the interim dividend.
- For the fiscal year ending April 2026, sales are expected to rise 0.9% year on year to 29,713 million yen and operating income is projected to increase 41.4% year on year to 778 million yen. There remains the risk of economic downturn due to the U.S. trade policy, and the prices of ingredients and the costs of utilities keep increasing in Japan. In addition, the outlook will remain uncertain, due to the shortage of manpower, etc. Under these circumstances, they will raise wages while considering the rise in commodity prices, revise selling prices and improve productivity to adapt to the virtuous cycle of wage improvement. They will enhance the sale of in-house products to clients outside the corporate group, and concentrate on the improvement in productivity and revenues of the Central Kitchen. They plan to pay 10.00 yen/share per year (including an interim dividend of 5.00 yen/share) like in the previous fiscal year.
- In the fiscal year ended April 2025, sales and profit dropped, falling below the forecast, due to the abnormal weather, including typhoons, and the skyrocketing of ingredient prices and personnel expenses. In the fiscal year ending April 2026, operating income is expected to rise 41.4% year on year, as they will raise prices and there was the abnormal weather in the previous fiscal year. In May 2025, the sales at existing restaurants increased 2.7% year on year and operating income grew 44% year on year, showing a good start. After the subsiding of the COVID-19 pandemic, their performance has recovered rapidly and they have strengthened their initiatives for new business models. In the overseas business, they are steadily preparing for opening restaurants in Thailand and Vietnam. “Umenohana” has a stable customer base, and their business is expected to grow by reeling in new customers. It is projected to contribute to the improvement in utilization rate and efficiency of the Central Kitchen.

## 1. Company Overview

UMENOHANA Co., Ltd. engages primarily in the Restaurant Business, the To-go Meal Business and the External Sales Business under the theme of “fusing food and culture.” In the Restaurant Business, they operate restaurants such as “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu,” “Sushihan, a Japanese-cuisine restaurant,” “Sakura Suisan, a Japanese-style pub serving seafood dishes” and “Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto.” In the To-go Meal Business, they run “Koichian” stores selling rolled sushi, Inarizushi, etc. and “Umenohana” stores selling traditional Japanese dishes and boxed meals. In the External Sales Business, they process and sell marine products and sell products from the Umenohana and Koichian brands.

Their management philosophy is “be grateful to people and things,” which used to be the motto of the late founder Shigetoshi Umeno. The company was registered under the Japan Securities Dealers Association in 1999 and listed on the 2<sup>nd</sup> Section of TSE in 2002. In April 2022, the company got listed on the Standard Market of TSE. In May 2025, the corporate name was changed to “UMENOHANA GROUP.” They are diversifying their restaurants.

### [1-1 History]

In 1976, Mr. Shigetoshi Umeno founded “Kanishige,” a restaurant specializing in crab dishes. After establishing the company, he served as President until 2018, expanding the business. Mr. Honda, who currently serves as chairperson and CEO, took over presidency in 2018.

Year and month	Event
October 1979	Founded Kanishige Limited in Saga City, Saga Prefecture, to operate dining facilities
April 1986	Opened the first “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu” in Kurume City, Fukuoka Prefecture (Kurume Restaurant)
January 1990	Founded UME CORPORATION Co., Ltd. in Kurume City, Fukuoka Prefecture
July 1990	UME CORPORATION Co., Ltd. absorbed Kanishige Limited.
December 1992	Newly established Kurume Central Kitchen in Kurume City, Fukuoka Prefecture.
March 1996	A building for the headquarters was acquired in and relocated to Kurume City, Fukuoka Prefecture.
October 1997	Renamed from UME CORPORATION Co., Ltd. to UMENOHANA Co., Ltd.
April 1999	The company’s stock was registered under the Japan Securities Dealers Association.
June 2002	Listed on the 2 <sup>nd</sup> Section of TSE
September 2003	Founded UMENOHANA (THAILAND) CO., LTD in Bangkok, Thailand.
September 2004	Founded West Japan UMENOHANA Co., Ltd. and East Japan UMENOHANA Co., Ltd. through an incorporation-type demerger, taking over restaurant operation (Integrated in October 2008 due to organizational restructuring, changing the company name to Service Co., Ltd.)
November 2004	Founded UMENOHANA plus Limited in Kurume City, Fukuoka Prefecture (changed to UMENOHANA plus Co., Ltd. in October 2008).
October 2007	Turned Koichian Co., Ltd. into a subsidiary through share acquisition.
November 2012	Concluded a capital and business alliance agreement with H2O Retailing Corp.
June 2013	Founded UMENOHANA S&P CO., LTD. through a merger with S&P Syndicate Public CO., LTD., a local corporation in Bangkok, Thailand.
October 2014	Turned Koichian Co., Ltd. into a wholly-owned subsidiary through share exchange.
October 2016	Turned Maruhira Shoten Co., Ltd. into a wholly-owned subsidiary through share acquisition.
November 2016	Concluded a memorandum on a capital and business alliance with Fujio Food System Co., Ltd. (the present name: FUJIO FOOD GROUP INC.).
April 2017	Turned Sushihan Co., Ltd. into a wholly-owned subsidiary through share acquisition.
August 2018	Newly established Kyoto Central Kitchen in Ide, Tsuzuki-gun, Kyoto Prefecture.
December 2018	Started closing accounts in April instead of September from the fiscal year ending April 2019.
February 2019	Established Sankyo UMENOHANA Co., Ltd. (which turned into a subsidiary) through a merger with the Agricultural Cooperative Association Kosei Farm (headquartered in Aso City, Kumamoto Prefecture).
May 2019	Turned TERAKEN Co., Ltd. into a subsidiary through share acquisition.

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January 2021	Founded Plum Cooperative Union.
May 2021	Founded UMENOHANA Service Kyushu Co., Ltd. through an incorporation-type demerger, in which UMENOHANA Service West Japan Co., Ltd. was the splitting company.
April 2022	Got listed on the Standard Market of TSE in step with revisions to the TSE market classification.
May 2022	Performed an absorption-type merger in which Koichian Co., Ltd. was the surviving company and UMENOHANA plus Co., Ltd. was the absorbed company, and changed the company name to Koichian Plus Co., Ltd.
March 2023	Terminated the capital and business alliance agreement with H2O Retailing Corp.
April 2023	Terminated the joint venture with S&P Syndicate Public CO., LTD. by selling the shares of UMENOHANA S&P CO., LTD.
May 2025	Renamed to “UMENOHANA GROUP.”

## [1-2 Business structure]

## «Central Kitchens»

The Central Kitchen produces a total of 1,425 items, such as ingredients for “Umenohana” and “Koichian.” They achieved unchanging delicious taste and a stable supply.

Delivering “safe, secure and delicious taste” throughout Japan



(Taken from the reference material of the company)

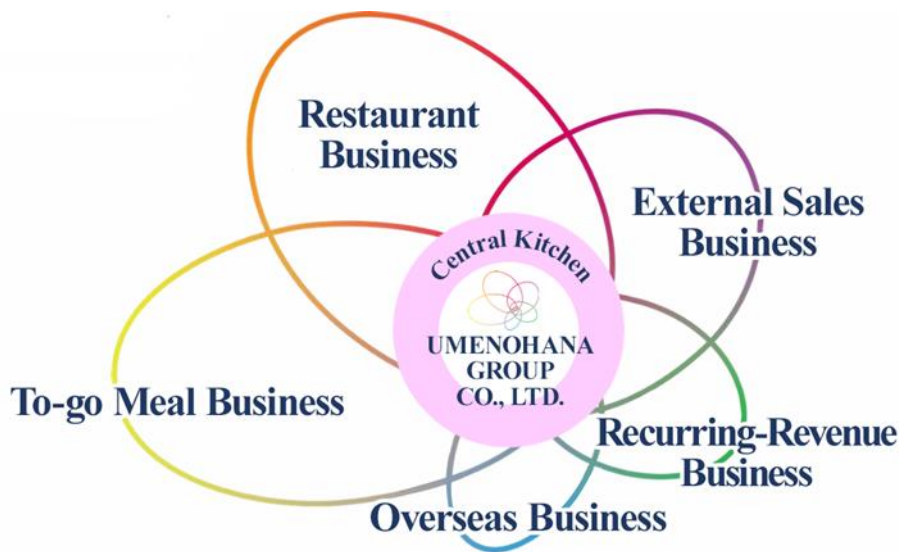
Ingredients produced at Central Kitchens are shipped out or frozen for storage on the day of production and delivered to respective restaurants and stores preserving the freshness and flavor. As ingredients are made into final dishes at restaurants/stores, unchanging delicious food is served to customers at any restaurant or to-go meal store at any time.

Delicate ingredients such as yuba (soy milk skin) are made entirely by hand without the use of machines. The exquisite taste is created by the experience and intuition of experts. Even when expert cooks are not available, it is possible to provide products with a high level of technical expertise. Central Kitchen is composed of production control, development, and manufacturing departments. Automated equipment has been installed to maintain stable production and quality. These departments work flexibly in a cooperative manner on a daily basis to maintain stable production and quality.

In recent years, the company has been strengthening its group strategy. In May 2025, the company changed its trade name to “UMENOHANA GROUP.” Despite these changes, the Central Kitchen remains at the core of the business.

The company operates five businesses: Restaurant Business, To-go Meal Business, External Sales Business, Recurring-Revenue Business, and Overseas Business.

### "Five Businesses" of UMENOHANA GROUP



(Taken from the reference material of the company)

#### [1-3 Business description]

##### <<Restaurant Business>>

UMENOHANA Service Co., Ltd. (a consolidated subsidiary) operates dining facilities, mainly “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu,” Sushihan Co., Ltd. (a consolidated subsidiary) manages “Sushihan, a Japanese-cuisine restaurant,” TERAKEN Co., Ltd. (a consolidated subsidiary) runs dining facilities, mainly “Sakura Suisan, a Japanese-style pub serving seafood dishes,” and Sankyo UMENOHANA Co., Ltd. (a consolidated subsidiary) is responsible for the operation of “Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto.” The company supplies ingredients, equipment, etc. and provides guidance concerning management, services for undertaking accounting paperwork, etc. to these subsidiaries.

The features of each dining style offered by the corporate group in the Restaurant Business is as follows.

Dining style	Features
Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu	High-quality, meticulously cooked meals centered on tofu and yuba, designed to create “memorable moments” through unwavering commitment to exceptional food, ambience, and heartfelt services.
Kanishige, a restaurant specializing in crab dishes	Offering high-quality, meticulously prepared meals, mainly crab dishes, and a relaxing time to spend with important persons on special occasions.
Creative Chinese Cuisine Restaurant – CHINA Umenohana	Serving creative Chinese dishes made with tofu and yuba. Customers of all ages can spend a peaceful time here.
Sushihan, a Japanese-cuisine restaurant	With operations rooted in each local region, it offers Japanese dishes utilizing ingredients that appeal to everyone from children to the elderly in a relaxed atmosphere.
Sakana ga Ichiban (Fish is the best option)	Sakura Suisan has changed its business model. With their lively customer services and atmosphere, customers can fully enjoy a wide variety of fresh seasonal fish prepared using the fish-killing method to maintain freshness, at reasonable prices.
Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto	Customers can enjoy traditional Japanese meat dishes in a luxurious space with rare beef from Japanese brown cattle grown in Kumamoto and an exceptional dining atmosphere.



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**“Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu” – Kurume Restaurant**



(Taken from the company website)

The group's mainstay “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu” offers “memorable moments” through unwavering commitment to exceptional food, ambience, and heartfelt services. It offers meticulously cooked high-quality meals focused on tofu and yuba. Customers are welcomed with sincere hospitality tailored to each individual in a comfortable setting where they can lose track of time.

In addition, with the aim of further expanding the business, the company has opened "Creative Chinese Cuisine Restaurant – CHINA Umenohana" and “Seasonal Kamameshi – Hanakoume.” Furthermore, the company has acquired Sushi Han, which operates “Sushi Han, a Japanese-cuisine restaurant,” and Teraken, which operates "Sakura Suisan, a Japanese-style pub serving seafood dishes," through M&A. "Sakura Suisan, a Japanese-style pub serving seafood dishes" has changed its business model to “Sakana ga Ichiban” (Fish is the best option) and is proceeding with renovation. As a new business model, the high-end restaurant “Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto” was opened in GINZA SIX in March 2020 and in Tokyo Solamachi in March 2025. It has gained popularity among foreign visitors to Japan.

In addition, the company operates multiple restaurants, including “Meihua,” which serves Chinese dishes such as Mapo Tofu; “Meixiang,” which serves creative Chinese dishes; “Seasonal kamameshi - Hanakoume,” which serves seasonal kamameshi (a rice dish cooked in an iron pot); “Chaseika,” which serves rice porridge made with yuba; “Umenohana-no-teishoku-ya Umemame,” and “Shoku no Tsumugi,” which serves meals and café dishes based on handmade tofu, yuba, and soy milk.



(Taken from the reference material of the company)

《To-go Meal Business》

Koichian Plus Co., Ltd. (a consolidated subsidiary) operates stores of mainly the “Koichian” and “Umenohana” brands. The company supplies ingredients, equipment, etc. and provides guidance concerning management, services for undertaking accounting paperwork, etc. to this subsidiary.

It all began with the desire to let people enjoy the deliciousness of restaurants effortlessly at home. Established in Osaka in 1977 and joined the Umenohana Group in 2007, Koichian offers seasonal delicacies and events with traditional Japanese dishes, boxed meals, rolled sushi, Inarizushi, and rice balls. Brands of to-go meals are available at department stores, etc., across Japan. In addition, suburban stores also operate “Oshitori” and “Hotaru.”

In April 2025, a new business model, “Umenohana KITCHEN,” was opened.


The features of each major brand offered by the corporate group in the To-go Meal Business is as follows.

Brand	Features
Koichian	Offering products that reflect the tradition and seasonality of Kamigata sushi, as well as a playful creativity, bringing “colorful moments” to everyday dining. With traditional Kamigata sushi as a base, the restaurant offers a variety of playful sushi rolls incorporating seasonal flavors and trends that are available to enjoy effortlessly at home anytime.
Umenohana	“Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu,” is famous for its “tofu shumai” and “deep-fried yuba” dishes, which feature the flavors of Umenohana, as well as offering boxed meals and side dishes that are gentle to the soul and body using plenty of “soybean ingredients” such as tofu and yuba.
Umenohana KITCHEN	Opened in April 2025 as a new business model The Umenohana brand offers a wide selection of prepared foods and boxed meals, while the Koichian brand offers rice balls and sushi, as well as a wide selection of popular desserts. These products are offered at reasonable prices and sizes.

#### <<External Sales Business>>

Umenohana is strongly associated with the image of a restaurant-based dining business. However, the company is also focusing on the To-go Meal Business centered on the store operation in department stores and is also making efforts to develop an External Sales Business as its third pillar. The company plans to share customer feedback expressing happiness in being able to enjoy the flavors of Umenohana and Koichian at the local supermarkets.

Services are provided in the following formats

Service Format	Features
Online Specialty Store Ume Asobi	High-quality, carefully cooked dishes made mainly from tofu and yuba can be ordered online. It offers a chance to enjoy “special moments” at home. With the small set called “Chotto Zutsu Set,” customers can enjoy all six of the delicious flavors that represent the pride of “Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu.”  Scan it
External Sales	The company sells a variety of products to supermarkets and restaurant operators as new sales channels. In addition to the stable, standard flavors produced by the Central Kitchen, the company develops and sells products that meet customer needs. Commercial food ingredients such as fried oysters are used by restaurant operators.
Bento Honpo [Home Delivery]	The company delivers “Umenohana” boxed meals for special occasions and important meetings. Operating across four regions: Kyoto, Nara & Shiga; Osaka & Hyogo; Tokai; and Fukuoka & Saga.

#### <<Recurring-Revenue Business>>

Services provided by Reise Co., Ltd. The Umenohana Group is working to make effective use of its land and buildings, aiming to stabilize revenue. A rental property that includes storage rooms and monthly parking lots was built on the site of the former Osaka Central Kitchen, and the company started a leasing business with its own property in Osaka City.

In February 2025, the company started leasing its own properties in Osaka City as offices.

Plans to begin initiatives aimed at effective utilization of 11 properties owned in Osaka and Hyogo Prefectures and diversification of revenue streams. Since all properties are located near railway stations, construction of rental apartments with attached stores is planned for some properties, with the aim of starting work.

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## 《Overseas Business》

The company aims to develop various business models, including "Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu," by opening restaurants mainly in Asian countries overseas.

UMENOHANA (THAILAND) CO., LTD., a subsidiary established in 2003, engages in the production and sales of food products such as soy milk, tofu, and yuba in Bangkok, Thailand, as well as the operation of restaurants. The company plans to open its second restaurant in Thailand: "Ginza Shabushabu Koubai," a meat restaurant, in the fall of 2025.

"NOBU KUROGE WAGYU RESTAURANT & BOUTIQUE (NOBU Hida Beef Specialty Restaurant & Boutique)" is scheduled to open in Hanoi, Vietnam, in July 2025.

From the fiscal year ending April 2027 onward, the company aims to expand its multi-restaurant operations in Vietnam and make new market entries in Southeast Asia, including Indonesia and the Philippines.

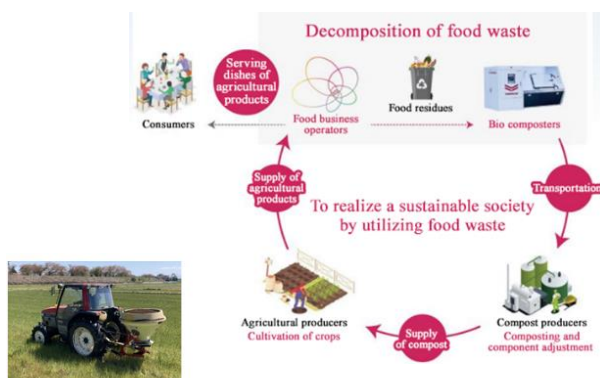
The overseas business has just begun.

## [1-4 Sustainability]

—Together with producers— Delivering a safe and secure delicious taste together with producers

### Reduction of annual amount of waste from food residues at Central Kitchen by 100%

As an initiative for the expansion of coexistence and co-prosperity with producers and to address environmental issues, annual waste reduction is implemented. At the Central Kitchens in Kurume, Kyoto, and Sano, 273 tons of food residue have been reduced to zero. Currently, some restaurants have begun implementing this initiative.



(Taken from the reference material of the company)

### Contract farming of "Yumepirika soybeans"

Umenohana has contracted with seven farms in the Sorachi and Tokachi Districts in Hokkaido to produce "Yumepirika soybeans," which are indispensable for making tofu, a specialty of Umenohana. The company has been purchasing all produce since 2010, also striving for stable procurement of ingredients.



(Taken from the reference material of the company)

"Yukipirika soybeans" are characteristic in having a higher isoflavone content in comparison with other soybeans. Rare soybean variety grown in small amounts as it is difficult to cultivate.

## —Support for Refugees in Myanmar—

"The Flower of a Dream Association" was established in 2014. The company and its employees contribute to the sound development of international communities by conducting support activities with business partners through charity golf events.

The aim is to contribute to the development of children who will lead the future by conducting activities to raise public awareness and promote the smooth operation of school management and school meal programs for children in developing countries who are unable to receive school education or eat school meals.

## —Provision of food to volunteer-run children's cafeterias—

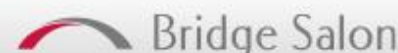
The Umenohana Group has provided boxed meals, etc., from its retail stores and food products from the Central Kitchen to the NPO Children's Cafeteria.

## —Support for areas affected by natural disasters—

Mainly conducted in areas where factories are located. The company provided food to evacuation shelters during the torrential rain disaster in Kurume City, Fukuoka Prefecture, for 11 days in July 2023.



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## —Consideration of the environment—

The company is working to reduce greenhouse gas emissions. The materials used for deliveries from the logistics center to restaurants/stores were changed from dry ice and polystyrene foam to recyclable containers and reusable high-performance ice packs, thereby reducing the annual amount of dry ice used. Kyoto Central Kitchen is equipped with solar panels to reduce greenhouse gas emissions.

## Plum Cooperative Union

The company founded “Plum Cooperative Union (a non-consolidated subsidiary)” with the objective of launching the business of “Joint Acceptance of Foreign Technical Interns” and engaging in the businesses of “Support for Specified Skilled Foreign Worker” and “Employment Placement.” 23 companies are union members (5 companies from UMENOHANA Group and 18 other companies).

- (1) Foreign technical intern acceptance program conducted for union members
- (2) Employment placement services related to joint acceptance programs for foreign technical interns
- (3) Employment placement services for foreign nationals with specified skills

## 2. Fiscal Year ended April 2025 Earnings Results

## [2-1 Consolidated Earnings Results]

	FY 4/24	Ratio to sales	FY 4/25	Ratio to sales	YoY	Initial forecast	Compared to forecast
Sales	29,816	100.0%	29,440	100.0%	-1.3%	30,250	-2.7%
Gross profit	19,521	65.5%	19,151	65.0%	-1.9%	-	-
SG&A expenses	18,701	62.7%	18,600	63.2%	-0.5%	-	-
Operating income	819	2.7%	550	1.9%	-32.8%	906	-39.3%
Ordinary income	739	2.5%	388	1.3%	-47.4%	727	-46.4%
Net income	1,020	3.4%	-383	-	-	420	-

\*Unit: million yen.

**Sales dropped 1.3%, and operating income decreased 32.8%, so their performance fell below the company’s initial forecast.**

Sales declined 1.3% year on year to 29,440 million yen. The sales at existing restaurants grew steadily by 0.9% year on year (up 3.3% for Restaurant Business and down 1.3% for To-go Meal Business). However, total sales dropped due to the decrease of restaurants through the closure of some restaurants. The 5-day temporary closure of 59 restaurants and the shortening of business hours at 28 restaurants in response to the typhoon in August decreased sales by 65 million yen. Another factor in the drop in sales are the timing of the day before a change in seasons and the Doll’s Festival and the abnormal weather.

Operating income decreased 32.8% year on year to 550 million yen. Gross profit margin declined from 65.5% in the previous fiscal year to 65.0%, and the ratio of SGA augmented, so profit dropped. The prices of ingredients, including rice, skyrocketed. In addition, personnel expenses, utilities costs, and warehouse-related expenditure augmented as inventory increased. The augmentation of production costs decreased profit by 252 million yen. Ordinary income decreased 47.4% year on year to 388 million yen as interest paid rose, and net loss was 383 million yen due to the posting of impairment loss (a profit of 1,020 million yen in the previous fiscal year). Sales and all kinds of profits fell below the forecast.

They plan to pay a year-end dividend of 5.00 yen/share like at the end of the previous fiscal year, for a total of 10.00 yen/share per year, including the interim dividend.

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## Number of stores

Segment	Brand	End of FY 3/24	Opened	Closed	End of FY 3/25
Restaurant Business	Umenohana, a restaurant specializing in yuba (soy milk skin) and tofu	71		2	69
	Sushihan, a Japanese-cuisine restaurant	9		1	8
	Sakura Suisan, a Japanese-style pub serving seafood dishes	15		4	11
	Other	23	3	3	23
	<b>Total</b>	<b>118</b>	<b>3</b>	<b>10</b>	<b>111</b>
To-go Meal Business	Koichian	104	1	3	102
	Umenohana	52	1		53
	Other	5	1		6
	<b>Total</b>	<b>161</b>	<b>3</b>	<b>3</b>	<b>161</b>
<b>Grand total</b>		<b>279</b>	<b>6</b>	<b>13</b>	<b>272</b>

Note: Through the model change, the number of “Sakura Suisan, a Japanese-style pub serving seafood dishes” decreased by 2, and the number of “other restaurants” increased by 2.

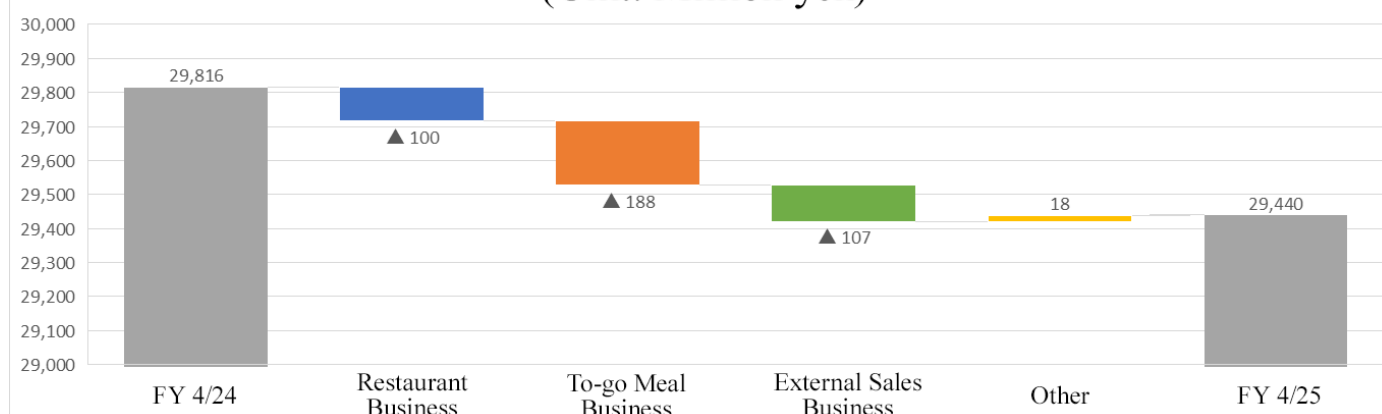
## [2-2 Sales and operating income in each segment]

	FY 4/24	Composition Ratio	FY 4/25	Composition Ratio	YoY
Sales					
Restaurant Business	16,999	57.0%	16,899	57.4%	-0.6%
To-go Meal Business	10,541	35.4%	10,353	35.2%	-1.8%
External Sales Business	2,254	7.6%	2,147	7.3%	-4.8%
Other	21	0.1%	39	0.1%	+86.3%
<b>Total</b>	<b>29,816</b>	<b>100.0%</b>	<b>29,440</b>	<b>100.0%</b>	<b>-1.3%</b>
Profit in each segment					
Restaurant Business	931	5.5%	932	5.5%	+0.1%
To-go Meal Business	761	7.2%	590	5.7%	-22.5%
External Sales Business	-84	-	-126	-	-
Other/adjustment	-788	-	-846	-	-
<b>Total</b>	<b>819</b>	<b>2.7%</b>	<b>550</b>	<b>1.9%</b>	<b>-32.8%</b>

\*Unit: million yen. The composition ratio of profit in each segment means profit margin.

## Factors for Sales (Segment)

(Unit: Million yen)

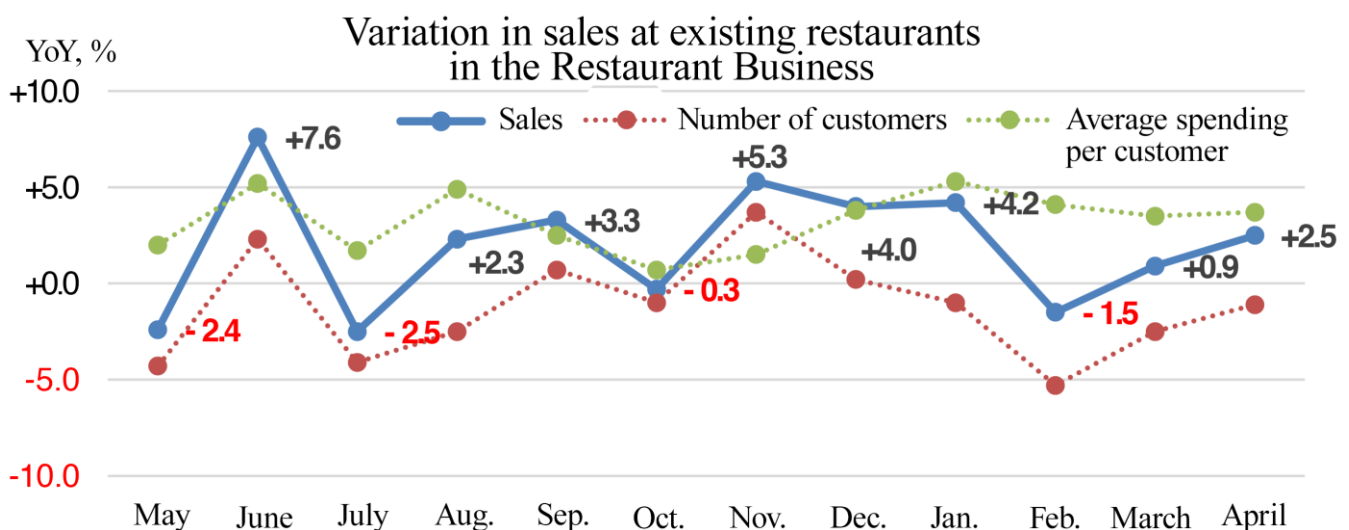


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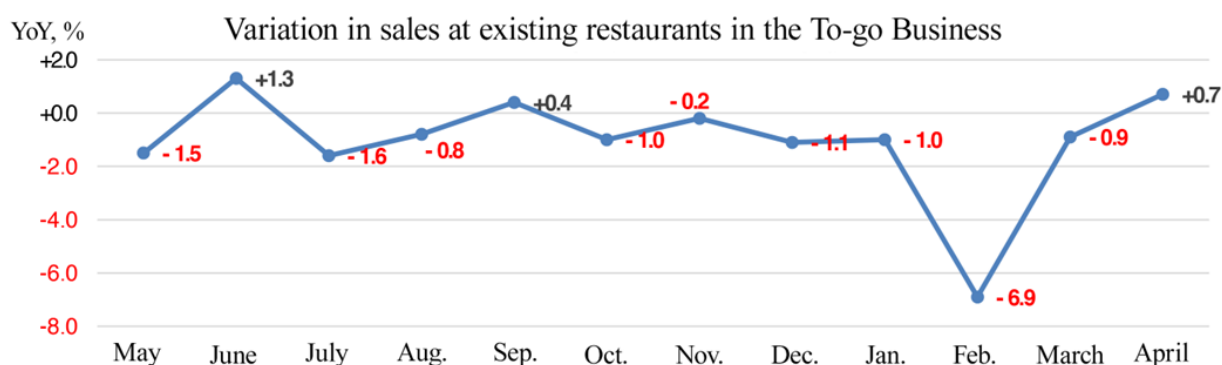
## \* Restaurant Business

Sales decreased 0.6% year on year to 16,899 million yen and operating income increased 0.1% year on year to 932 million yen. They promoted the sales of kaiseki (traditional Japanese dishes) made of seasonal ingredients and seasonal to-go food. They also enhanced events, such as campaigns for year-end and New Year's parties and anniversaries of the inauguration of business, which had been held before the COVID-19 pandemic. They also formed a tie-up with travel companies, advertised vegan dishes for foreign visitors to Japan via their websites, and introduced high value-added kaiseki (traditional Japanese dishes) made of seafood and meat as well as yuba (soy milk skin) and tofu, to meet the demand from foreign visitors to Japan. They also revised prices and changed some dishes in response to the wage hike and the skyrocketing of prices of ingredients and costs of utilities. In March, they opened "Shabushabu Koubai, a restaurant serving mainly lightly boiled beef from Japanese brown cattle grown in Kumamoto" on the 31<sup>st</sup> floor of "Tokyo Solamachi." They renovated two restaurants of "Sakura Suisan, a Japanese-style pub serving seafood dishes" into "Sakana ga ichiban (Fish is the best option)," a Japanese-style tavern where customers can casually savor fresh seafood directly transported from the Toyosu Market, and transformed "Sushihan Tamatsukuri Restaurant" into "Shun-no-sushi-to-tempura Sushihan Iki Tamatsukuri Restaurant," where customers can savor seasonal fish and tasty sake.



## \*To-go Meal Business

Sales decreased 1.8% year on year to 10,353 million yen and operating income dropped 22.5% year on year to 590 million yen. The sales of event-related products and seasonal products of both "Umenohana" and "Koichian" remained healthy. In addition, the sales of new products kept accounting for over 9%. As a new business model, they opened "Umenohana KITCHEN—Fukuoka Tenjin ONE FUKUOKA BLDG. Shop." This shop has a diverse lineup of affordable compact products, including delicatessen food and boxed meals of Umenohana, rice balls of Koichian, sushi, and sweets, which are their core products. This business was affected by the temporary expenses for opening new shops and renovating 4 shops, the skyrocketing of prices of ingredients, including rice, and materials, the weather and the days of the week of the day before a change in seasons and the Doll's Festival. In addition, they make continuous efforts to distribute information, such as the results of questionnaire surveys on events and public tasting events, to customers via social media.



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## \*External Sales Business

Sales declined 4.8% year on year to 2,147 million yen, and they posted an operating loss of 126 million yen (an operating loss of 84 million yen in the previous fiscal year).

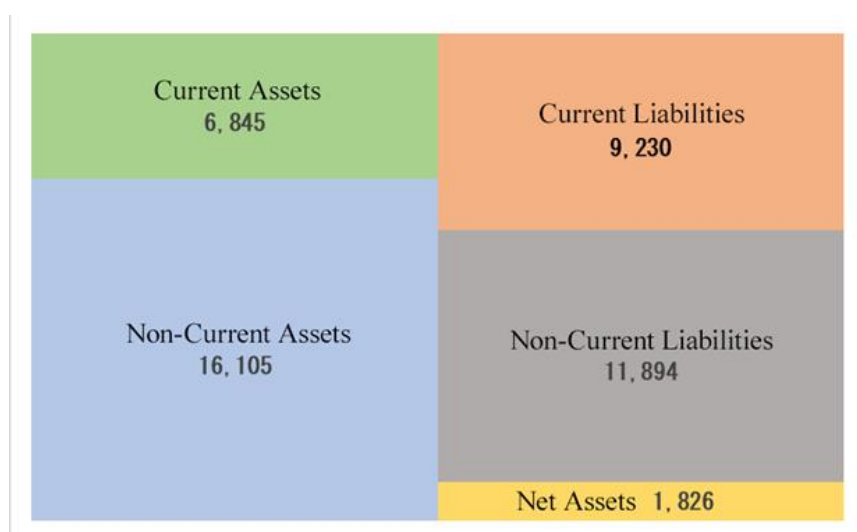
They engage in sales promotion by increasing new business partners based on the reputation and uniqueness of the tastes of their popular products, such as “Frozen Namihaya-zushi” and “Kani-shumai.” Sales declined, as they failed to make some large-scale transactions. Regarding mail-order business, they updated their website for improving the convenience of customers, so that customers can purchase products more easily, and made efforts to attract customers by offering benefits for first-time purchasers and sending emails for increasing repeat customers. In addition, they started offering subscription products for making sales stable. As a result, the popular product “Chotto Zutsu Set” sold well, and sales grew 11.0% year on year.

## [2-3 Financial Condition and Cash Flow]

## ◎ Balance Sheet Summary

	April 2024	April 2025	Increase/ Decrease		April 2024	April 2025	Increase/ Decrease
Current assets	7,580	6,845	-734	Current liabilities	9,411	9,230	-180
Cash and deposits	2,761	2,076	-684	Trade payables	756	673	-82
Trade receivable	1,609	1,632	+22	Short-term interest-bearing debt	6,049	6,223	+174
Inventories	2,121	2,115	-5	Noncurrent liabilities	12,347	11,894	-452
Noncurrent assets	17,455	16,105	-1,350	Long-term interest-bearing debt	10,806	10,357	-448
Property, plant and equipment	13,673	13,077	-596	Total liabilities	21,759	21,125	-633
Intangible assets	137	180	+42	Net assets	3,277	1,826	-1,451
Investments and other assets	3,644	2,848	-796	Total retained earnings	-180	-564	-383
Total assets	25,036	22,951	-2,084	Total liabilities and net assets	25,036	22,951	-2,084

\*Unit: million yen. Short-term debts include current portion of long-term debts.





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The total assets as of the end of fiscal year ended April 2025 stood at 22,951 million yen, down 2,084 million yen from the end of the previous fiscal year, due to the decrease of investment securities.

Total liabilities decreased 633 million yen from the end of the previous fiscal year to 21,125 million yen, as current liabilities and fixed liabilities decreased.

Net assets decreased 1,451 million yen from the end of the previous fiscal year to 1,826 million yen, due to the decrease in valuation difference on available-for-sale securities.

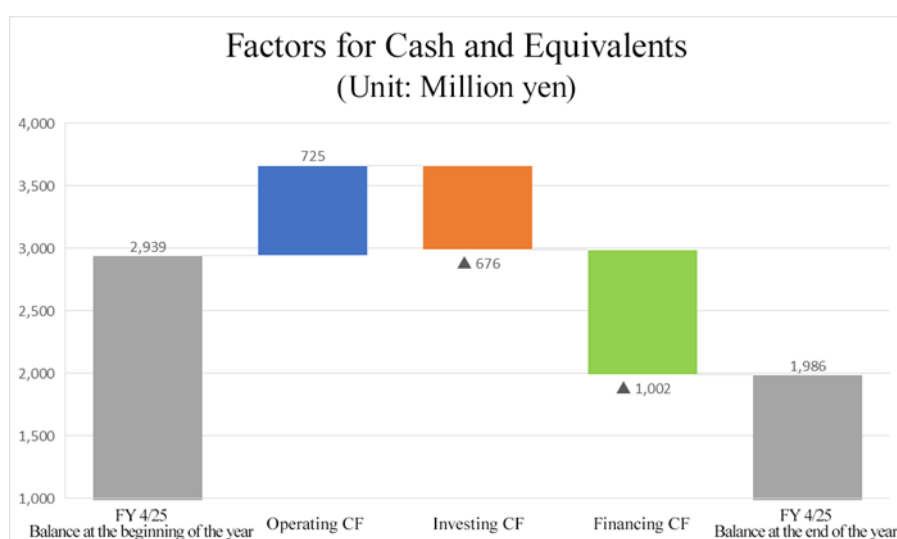
Capital-to-asset ratio dropped from 13.0% at the end of the previous fiscal year to 8.0%.

Their financial standing was affected significantly by the retirement of type-A preferred shares, the issuance of new shares, and the sale of investment securities.

### ◎ Cash Flow

	FY 4/24	FY 4/25	Increase/Decrease
Operating CF	690	725	+34
Investing CF	-132	-676	-543
Free CF	557	48	-508
Financing CF	-934	-1,002	-67
Balance of cash equivalents	2,939	1,986	-953

\*Unit: million yen.



The cash and cash equivalents as of the end of the fiscal year ended April 2025 stood at 1,986 million yen, down 953 million yen from the end of the previous fiscal year.

The augmentation of expenditure for acquiring treasury shares affected cash and deposits significantly, but the impact on working capital was minor.

### 3. Fiscal Year ending April 2026 Earnings Forecasts

#### [3-1 Earnings Forecasts]

	FY 4/25	Ratio to sales	FY 4/26 (Est.)	Ratio to sales	YoY
Sales	29,440	100.0%	29,713	100.0%	+0.9%
Operating income	550	1.9%	778	2.6%	+41.4%
Ordinary income	388	1.3%	538	1.8%	+38.4%
Net income	-383	-	485	1.6%	-

\*Unit: million yen.

#### Projecting sales to increase 0.9% year on year and profit to grow 41.4% year on year for the fiscal year ending April 2026

For the fiscal year ending April 2026, sales are expected to rise 0.9% year on year to 29,713 million yen and operating income is projected to increase 41.4% year on year to 778 million yen.

There remains the risk of economic downturn due to the U.S. trade policy, and the prices of ingredients and the costs of utilities keep increasing, such as the rise in rice prices due to the rice shortage in Japan. In addition, the outlook will remain uncertain, due to the shortage of manpower, etc. Under these circumstances, they will raise wages while considering the rise in commodity prices, revise selling prices and improve productivity to adapt to the virtuous cycle of wage improvement. They will enhance the sale of in-house products to clients outside the corporate group, and concentrate on the improvement in productivity and revenues of the Central Kitchen. In addition, they will pursue the coexistence and coprosperity with producers, and continuously engage in social and environmental issues.

They plan to pay 10.00 yen/share per year (including an interim dividend of 5.00 yen/share) like in the previous fiscal year.

#### [3-2 Situation and initiatives in FY 4/26]

##### (1) Promotion of three priority projects

###### ① Smart CK project

They will review and select their products to be produced, rationalize working hours, streamline factory operation, and improve costs. By doing so, they aim to reduce overtime hours by 60,000 hours per year. Up until now, they have dealt with 84 out 326 products (revising the production process for 12 products, outsourcing production for 14 products, and discontinuing production for 58 products).

###### ② Web media products

They will distribute information on Umenohana Group via social media, such as Instagram, and share information on customers among groups, to improve popularity and the capacity to attract customers.

###### ③ Workstyle reform project

They will streamline tasks that depend on individual skills and many manual tasks and save labor by utilizing technologies, including AI, to reduce working hours and paper consumption, as measures for curtailing personnel expenses and coping with the shortage of manpower. In addition, they will utilize social media further and so on for new business operations.

##### (2) To open more casual restaurants to curb investment

They plan to open casual restaurants, such as the Japanese-cuisine restaurant “Umenohana-no-teishoku-ya Umemame,” the Japanese-style tavern “Sakana ga ichiban (Fish is the best option),” and the Chinese-cuisine restaurants “Meixiang” and “Meihua,” for reducing investment. In addition, they are preparing for opening the high-class restaurant “Koubai” in cooperation with Umenohana Vietnam Co., Ltd.

##### (3) Progress in May

Their business performance was favorable on Golden Week holidays and Mother’s Day, so sales grew 1.7% year on year and the sales at existing restaurants rose 2.7% in May, but sales fell below the forecast by 0.2%. Operating income increased 44.0% year on year.

## 4. Conclusions

In the fiscal year ended April 2025, sales and profit dropped, falling below the forecast, due to the abnormal weather, including typhoons, and the skyrocketing of ingredient prices and personnel expenses. In the fiscal year ending April 2026, operating income is expected to rise 41.4% year on year, as they will raise prices and there was the abnormal weather in the previous fiscal year. In May 2025, the sales at existing restaurants increased 2.7% year on year and operating income grew 44% year on year, showing a good start.

After the subsiding of the COVID-19 pandemic, their performance has recovered rapidly and they have strengthened their initiatives for new business models. In the overseas business, they are steadily preparing for opening restaurants in Thailand and Vietnam. “Umenohana” has a stable customer base, and their business is expected to grow by reeling in new customers. It is projected to contribute to the improvement in utilization rate and efficiency of the Central Kitchen.

From now on, it seems that they need to improve their financial standing, which degraded during the COVID-19 pandemic. Capital-to-asset ratio remains 8.0%, so they hope to raise it to 20% by steadily increasing profit. Then, they are expected to enhance shareholder return by increasing the dividend amount, etc.

In addition to their business performance, we would like to pay attention to the announcement of “their measure for realizing business administration conscious of capital cost and share price,” “a medium-term plan,” etc.

## <Reference: Regarding corporate governance>

### ◎ Organization type, and the composition of directors and audit and supervisory committee

Organization type	Company with audit and supervisory committee
Directors	11 directors, including 4 external ones
Audit and supervisory committee	4 members, including 3 external ones

### ◎ Corporate Governance Report (Last Update: September 13, 2024)

#### Basic Views

Based on the following basic policy and our corporate philosophy of “Be grateful to people and things,” we aim to ensure sound and transparent management, respond promptly to changes in the business environment, and realize mutual prosperity with local communities and business partners by improving corporate value through social contributions and sustainable growth, satisfying shareholders, customers, and the employees. We believe that this is the base for corporate governance.

#### <Basic Policy>

- (1) Ensuring shareholders’ rights and equality
- (2) Appropriate collaboration with stakeholders other than shareholders
- (3) Ensuring transparency through appropriate information disclosure
- (4) Ensuring transparency through separation of management and supervision
- (5) Active dialogue with shareholders

#### <Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

[Supplementary Principle 4-1 (ii) Making best efforts to achieve the medium-term management plan, taking measures if the plan is not achieved, and reflecting them in the next plan]

Recognizing that management strategies and management plans are a commitment to shareholders, the Board of Directors will do their best to achieve the plan. Should the company fail to deliver on its medium-term management plan, the reasons underlying the failure of achievement as well as the company’s actions will be fully analyzed, and disclosing the results of such analysis to the shareholders will be considered accordingly, while the analytic findings will be reflected in a plan for the ensuing years.

[Supplementary Principle 4-2 (ii) The Board of Directors formulates basic policies regarding the company’s sustainability initiatives and oversees the allocation of management strategies and the implementation of business portfolio strategies]

The Board of Directors does not set a basic policy on sustainability, but rather implements the initiatives described in Supplementary Principle 3-1 (iii), as deemed most appropriate by the divisions under its jurisdiction.

The Board of Directors will effectively oversee sustainability initiatives by approving management strategies and plans and checking their implementation status.

### <Disclosure Based on Principles of the Corporate Governance Code (Excerpts)>

#### [Principle 1-4 Strategically Held Shares]

- Basic Policy on Strategically Held Shares

We hold shares in companies that we have determined are suitable for investment after taking into consideration the benefits to be derived from the maintenance and development of business relationships.

- Basic Policy for Verification

The Board of Directors annually reviews the appropriateness of holding strategically held shares.

Taking into consideration the maintenance of relationships with business partners and business benefits of holding the shares, we determine whether there is any significance to holding the shares and decide whether to continue holding them or dispose of them.

- Basic Policy on Exercise of Voting Rights

Regarding the exercise of voting rights for strategically held shares, we will carefully examine the content of each proposal and decide whether to support or oppose it after comprehensively considering factors such as whether it contributes to improving shareholder value and whether it will impede business relations with our company.

#### [Principle 3-1 Enhancement of information disclosure]

In addition to appropriate disclosure in accordance with laws and regulations, we disseminate information on the following matters from the perspective of ensuring the transparency and fairness of our decision-making and realizing effective corporate governance.

(i) Our corporate philosophy is disclosed on our website as a message from the founder.

(<https://www.umenohana.co.jp/company/message.html>)

Management strategies and management plans will be prepared and disclosed in the future.

(ii) Basic Views and Policies Regarding Corporate Governance

Please refer to “1. Basic Views” in this report.

(iii) Policies and Procedures for Determining the Compensation of Directors and Audit & Supervisory Committee Members

The basic policy for determining the compensation of directors (excluding audit and supervisory committee members) is to aim for the sustainable improvement of corporate value and to set an appropriate level taking into consideration factors such as position, responsibilities and years of service, and to make a comprehensive decision while taking into consideration the standards of other companies and employee salaries. The compensation for directors (excluding audit and supervisory committee members) consists solely of monthly fixed monetary compensation, which accounts for all of their individual compensation. The Representative Director and President is entrusted with the determination of the specific details of individual compensation based on a resolution of the Board of Directors, and as a measure to ensure that the Representative Director and President exercises his/her authority appropriately, the Representative Director and President seeks the opinion of the Audit and Supervisory Committee on a draft that is prepared within the framework of the compensation limit resolved at the general meeting of shareholders, and makes an appropriate decision while taking into consideration the opinion. Going forward, we will consider adopting stock-based compensation linked to business performance.

In addition, compensation for directors (members of the Audit and Supervisory Committee) is determined through discussions by the Audit and Supervisory Committee within the scope of the applicable compensation limits.

(iv) Policies and Procedures for the Board of Director’s Appointment and Dismissal of Senior Management Personnel and Nomination of Candidates for Directors

In accordance with the “Director Appointment Policy,” the Board of Directors deliberates on the appointment and dismissal of directors based on the opinions of the Audit and Supervisory Committee after comprehensively reviewing the skills required by the company, such as character, insight, and business and professional experience which are suited for the execution and supervision of management, through an exchange of opinions at Board of Directors meetings, including outside directors, and submits the results to the General Meeting of Shareholders.

In the event that a director candidate does not meet the required qualifications or ability to perform the duties of a director, or in the event that there is a suspicion of wrongful conduct or a material fact in violation of laws, regulations or the Articles of Incorporation, the Board of Directors shall deliberate on the matter.

(v) Explanation of the individual appointment and dismissal of the senior management personnel and the nomination of candidates for Directors by the Board of Directors based on (iv) above

An explanation of the appointment and nomination of individual candidates for Directors appointed by the Board of Directors is included in the reference documents of the Convocation Notice for the General Meeting of Shareholders.



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## [Supplementary Principle 3-1 (iii) Sustainability]

Our company is committed to the following sustainability initiatives.

1. Consideration of global environmental issues
  - Reducing energy consumption by joint delivery with other companies
  - Introducing solar power generation, switching to LED lighting, and power control
  - Reducing the number of deliveries and changing delivery materials to recyclable containers and switching from dry ice to high-performance refrigerants
  - Commercializing soy pulp and recycling residues
  - Reducing plastic use (using paper straws and wooden spoons), recycling waste oil, and conserving resources by reducing printed materials
2. Respect for human rights
  - Eliminating discrimination based on gender and nationality by promoting women to managerial positions and actively hiring foreign workers
3. Fair and appropriate treatment of employees and consideration for their health and working environment
  - Improving the working environment by conducting DX and reviewing and improving operations
4. Fair and appropriate transactions with business partners
  - Compliance with relevant laws and regulations such as the Subcontract Act and the Unfair Competition Prevention Act
5. Crisis management for natural disasters
  - Business continuity through decentralization of Central Kitchens

Regarding investment in human capital, we allocate resources appropriately according to our management strategies and issues and disclose the number of employees in each department and subsidiary in our financial statements. Regarding investment in intellectual property, we are considering revamping our entire business system, including the core business system, in order to improve productivity and increase contact points with customers.

## [Principle 5-1 Policy on constructive dialogue with shareholders]

Our IR activities are based on the principle of providing timely, transparent, accurate and consistent information to shareholders, whether positive or negative.

The Corporate Planning Office, centered on the President and Representative Director, is in charge of IR activities based on this basic stance, and collects and compiles information necessary for IR activities from each business and administrative division. In addition, when we receive requests for dialogue (interviews) from shareholders, we will respond with sincerity within reasonable limits and share information such as requests obtained from shareholders through dialogue.

## [IR activities]

- Annual general meeting of shareholders: once a year
- Financial results announcement: twice a year
- Tasting events and factory tours open only to shareholders: Approximately six times a year (which varies)
- Dissemination of information via the company's website: As needed

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