

Fiscal year ended February 20, 2025

Financial Results Presentation Material

OKUWA Co., Ltd. (8217)

April 2, 2025

Consolidated Sales Results



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Forecast*	Year-on-year change	Comparison against forecast
Operating income	247,378	250,150	254,000	101.1	98.5
Operating profit	2,888	1,328	2,450	46.0	54.2
Ordinary profit	3,098	1,442	2,500	46.5	57.7
Profit attributable to owners of parent	1,000	(2,381)	550	—	—
Basic earnings per share (yen)	22.79	(55.89)	12.69	—	—

• Treatment of fractions in this material: Fractions less than one million yen are rounded down and percentage points for year-on-year changes, comparison against forecast, etc. are rounded off.

*Published values reviewed on September 26, 2024

Consolidated Operating Income by Company



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change
OKUWA	245,933	248,636	101.1
OAK FOODS	1,305	1,370	105.0
Retail Backoffice Support	287	308	107.4
SUNRISE	5,120	5,403	105.5
Consolidation adjustment	(5,267)	(5,568)	—
Consolidated total	247,378	250,150	101.1

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Consolidated Ordinary Profit by Company



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change
OKUWA	2,990	1,341	44.9
OAK FOODS	76	87	114.4
Retail Backoffice Support	45	41	90.3
SUNRISE	67	40	59.8
Consolidation adjustment	(98)	(42)	—
Share of loss (profit) of entities accounted for using equity method	16	(25)	—
Consolidated total	3,098	1,442	46.5

- Treatment of fractions in this material: Fractions less than one million yen are rounded down and percentage points for year-on-year changes, comparison against forecast, etc. are rounded off.

Consolidated Management Indicators



	Fiscal year ended February 20, 2023	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025
Operating profit/Operating income (%)	1.19	1.17	0.53
Ordinary profit/Operating income (%)	1.28	1.25	0.58
Return on equity (ROE, %)	1.19	1.28	(3.12)
Return on assets (ROA, %)	2.37	2.34	1.10
Basic earnings per share (EPS, yen)	21.18	22.79	(55.89)
Dividend per share (DPS, yen)	26	26	26
Book value per share (BPS, yen)	1,769.22	1,785.12	1,777.23
Dividend payout ratio (DPS/EPS, %)	122.78	114.09	—
Equity ratio (%)	58.57	59.14	57.67
Debt-to-equity (D/E) ratio (times)	0.27	0.27	0.30
Net D/E ratio (times)	0.07	0.06	0.14

Consolidated Cash Flows



(Million yen)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change
Cash and cash equivalents at beginning of period	15,386	16,182	+796
Operating CF	9,692	6,596	(3,096)
Investing CF	(7,942)	(8,741)	(799)
Financing CF	(954)	(2,885)	(1,931)
Cash and cash equivalents at end of period	16,182	11,152	(5,030)

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Non-consolidated Sales Results



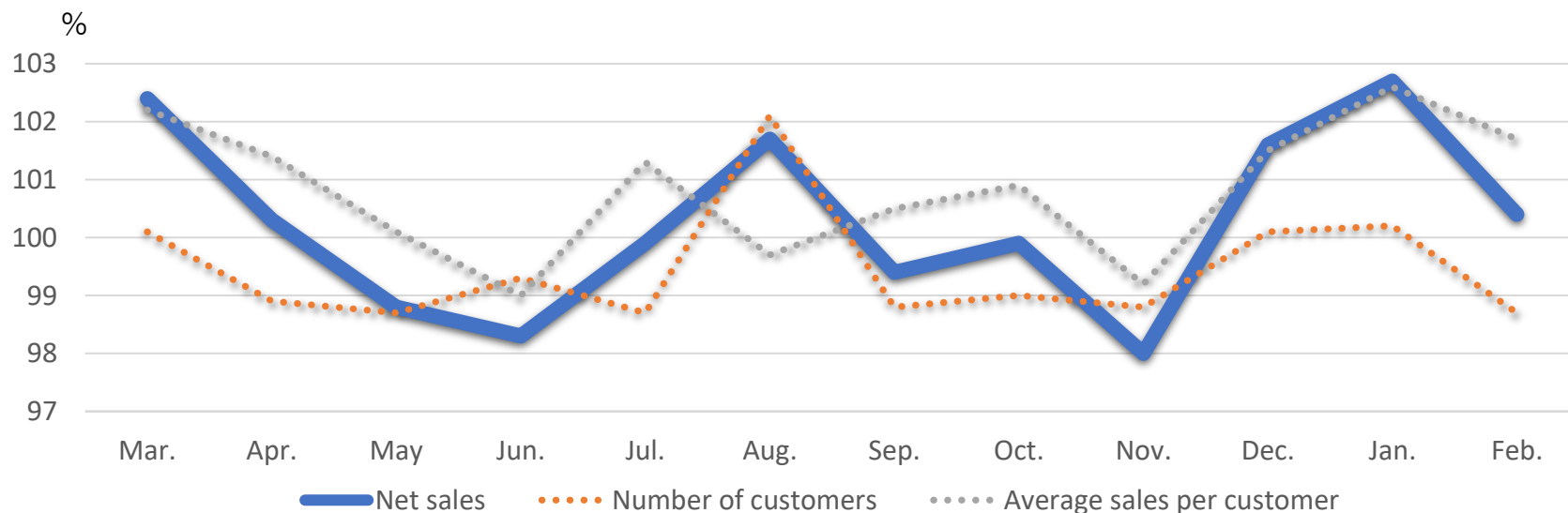
(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Forecast*	Year-on-year change	Comparison against forecast
Operating income	245,933	248,636	252,600	101.1	98.4
Net sales from direct operation	239,439	241,913	—	101.0	—
Gross profit	66,992	66,736	—	99.6	—
Gross profit margin	28.0	27.6	—	—	—
Selling, general and administrative expenses	73,640	75,102	—	102.0	—
Operating profit	2,723	1,197	2,300	44.0	52.1
Ordinary profit	2,990	1,341	2,400	44.9	55.9
Profit	991	(2,411)	550	—	—

- For changes in gross profit margin, differences between gross profit margins for the previous fiscal year and the current fiscal year, which were rounded off to the nearest two decimal place, were calculated for each product category. There may be calculation errors caused by the rounding off.
- Net sales from direct operation, gross profit amount, and gross profit margin represent figures before the application of the “Accounting Standard for Revenue Recognition.”
- *Published values reviewed on September 26, 2024

Non-consolidated Net Sales from Existing Stores



Year-on-year change for existing stores (%)	Net sales	Number of customers	Average sales per customer	Number of products purchased	Unit price per product
1H	100.2	99.7	100.6	98.4	102.2
2H	100.4	99.3	101.1	99.1	102.1
Full year	100.3	99.5	100.8	98.7	102.2

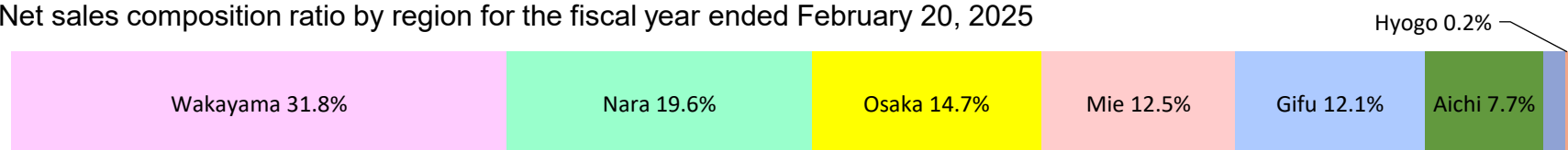


Non-consolidated Net Sales by Region



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change	Year-on-year change for existing stores
Wakayama	76,383	76,855	100.6	100.6
Nara	47,072	47,373	100.6	98.3
Osaka	35,236	35,575	101.0	99.6
Hyogo	619	588	95.0	95.0
(Kinki area)	159,312	160,393	100.7	99.7
Mie	29,630	30,120	101.7	101.7
Gifu	29,495	29,346	99.5	101.4
Aichi	17,640	18,505	104.9	101.4
Shizuoka	3,217	3,313	103.0	103.0
(Tokai area)	79,984	81,285	101.6	101.6
Total	239,439	241,913	101.0	100.3

Net sales composition ratio by region for the fiscal year ended February 20, 2025

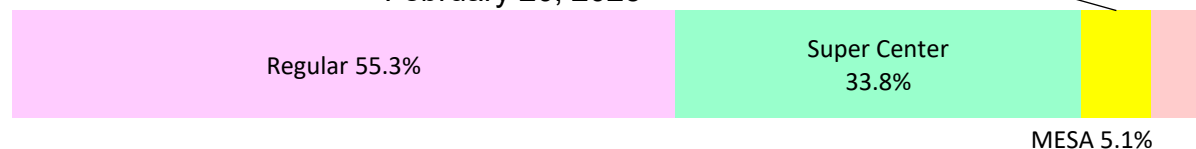


Non-consolidated Net Sales by Business Type



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change	Year-on-year change for existing stores
SC	9,746	9,772	100.3	100.3
SSM	113,286	115,071	100.7	100.1
SM	8,703	8,745	100.5	100.5
Regular	131,737	133,590	100.7	100.2
Super Center	79,851	81,713	102.3	100.4
Price Cut	15,272	14,136	98.9	98.9
MESA	12,435	12,239	98.4	103.0
Total	239,439	241,913	101.0	100.3

Net sales composition ratio by business type for the fiscal year ended
February 20, 2025



SC: Shopping center
SSM: Super supermarket (1,000 m² or larger)
SM: Supermarket (smaller than 1,000 m²)
Super Center: Allows one-stop shopping on one floor
Price Cut: Discount store
MESA: High quality supermarket (four MESA stores and two Pare Marche stores)

• These are figures before the application of the “Accounting Standard for Revenue Recognition.”

Non-consolidated Net Sales by Department



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change	Year-on-year change for existing stores
Fresh foods	101,813	102,945	101.1	100.3
Processed foods	103,871	105,026	101.1	100.5
Foods	205,685	207,972	101.1	100.4
Household supplies	26,498	26,769	101.0	100.6
Clothing	7,254	7,172	98.9	97.8
Total	239,439	241,913	101.0	100.3

Net sales composition ratio by department for the fiscal year ended February 20, 2025

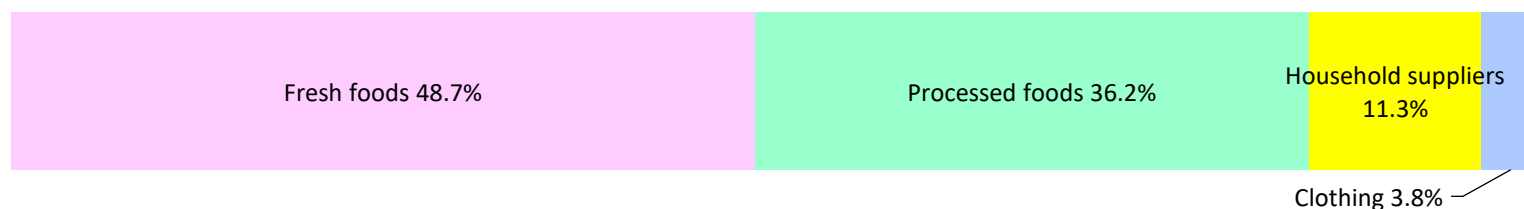


Fresh foods represent a total of agricultural products, livestock products, marine products, delicatessen foods, and in-store bakeries.

Non-consolidated Gross Profit Margin by Department

(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change
Fresh foods	32.1	31.5	(0.6)
Processed foods	23.3	23.0	(0.3)
Foods	27.7	27.2	(0.4)
Household supplies	28.4	28.2	(0.2)
Clothing	35.1	35.6	+0.5
Total	28.0	27.6	(0.4)

Product gross profit amount composition ratio for the fiscal year ended February 20, 2025



Fresh foods represent a total of agricultural products, livestock products, marine products, delicatessen foods, and in-store bakeries.

• These are figures before the application of the “Accounting Standard for Revenue Recognition.”

Non-consolidated SG&A Expenses



(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change	Ratio to net sales	Ratio to net sales (fiscal year ended February 20, 2024)
Net sales	233,694	236,132	+2,437	100.0	100.0
Selling expenses	2,087	1,976	(110)	0.8	0.9
Personnel expenses	32,751	33,749	+997	14.3	14.0
Rent	7,515	7,438	(76)	3.2	3.2
Depreciation	6,280	6,326	+46	2.7	2.7
Utilities expenses	4,663	5,081	+418	2.2	2.0
Other general and administrative expenses	20,341	20,529	+187	8.7	8.7
Total SG&A expenses	73,640	75,102	+1,461	31.8	31.5

SG&A expenses composition ratio for the fiscal year ended February 20, 2025



Non-consolidated Capital Expenditures



	(Million yen, %)	Fiscal year ended February 20, 2024	Fiscal year ended February 20, 2025	Year-on-year change	(Plan) Fiscal year ending February 20, 2026
New stores		1,846	5,083	275.3	2,600
Existing stores, etc.		4,026	3,359	83.4	2,150
Systems		1,210	1,271	105.1	950
Construction basis		7,083	9,714	137.1	5,700

Key descriptions

New stores	Upfront investment in new stores opened in the fiscal year ended February 20, 2025 and new stores to be opened in the fiscal year ending February 20, 2026
Existing stores, etc.	Renovation of existing stores, etc.
System investment	Replacement of cash registers, etc.

Non-consolidated Store Distribution



(As of Feb. 20, 2025)



Total by
region

Wakayama	31	7	8	3	49
Nara	22	5	5	1	33
Osaka	18	2	1	—	21
Hyogo	—	—	1	—	1
(Kinki area)	71	14	15	4	104
Mie	14	3	5	—	22
Gifu	4 (PM: 1)	10	—	—	14
Aichi	8 (PM: 3)	2	—	2 (PM: 2)	12
Shizuoka	1 (PM: 1)	1	—	—	2
(Tokai area)	27	16	5	2	50
Total by business type	98	30	20	6	154

Place	Amount (Million yen)	Type	Amount (Million yen)
Wakayama	2,117	Buildings and structures	2,394
Gifu	589	Land	923
Osaka	522	Leasehold interests in land	382
Other	689	Other	218
Total	3,918	Total	3,918

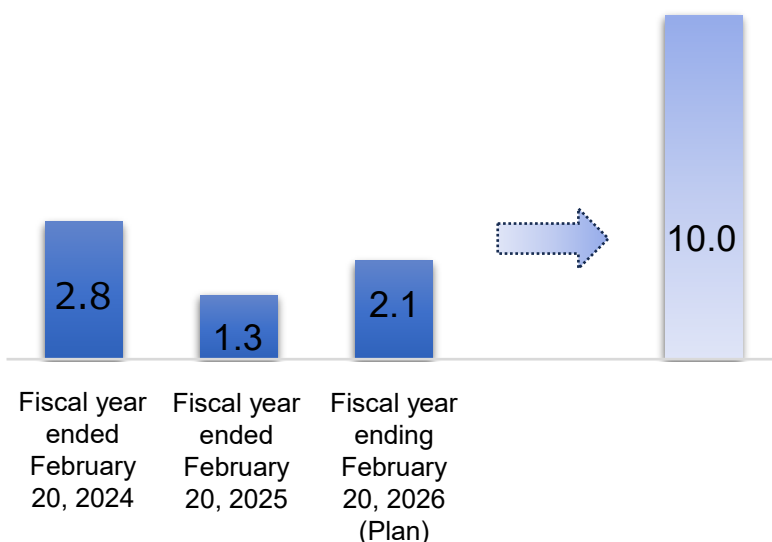
In addition to reducing the book value of operating stores with declining profitability, we also processed the hidden losses on land.
(Contributing to future improvements in capital efficiency)

Acquisition of treasury shares

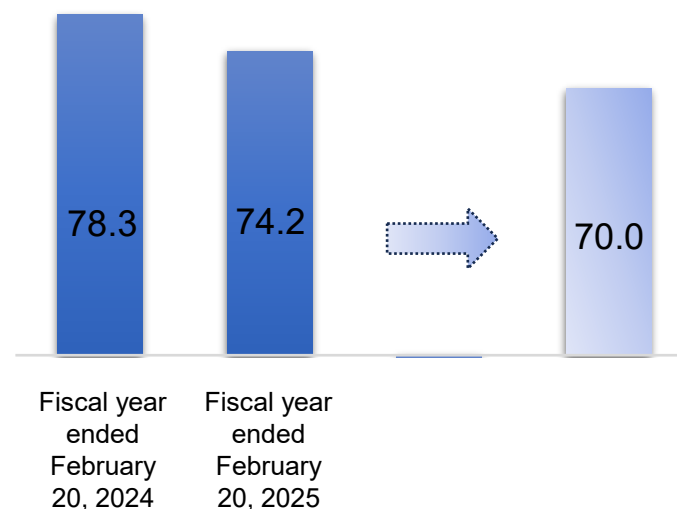
The number of shares acquired:	2,168,000 shares	(From April 3 to December 12, 2024)
Total acquisition cost of shares:	1,999,964,200 yen	
Total number of shares retired:	3,300,000 shares	(Date of retirement: February 14, 2025)

Target profit and capital structure

Operating profit (Billion yen)



Shareholder's equity, etc. (Billion yen)



New store openings: 3 stores (2 stores in Kinki area and 1 store in Tokai area)

July 4 Super Center Chita Store (Aichi)

- Opened the first Super Center in 4 years
 - The 30th Super Center type store
-



July 26 Nishiyamato Store (Nara)

- Opened a store in Nara for the first time in 9 years
 - Synergy with the home improvement store on the same premises
-



December 13 Tondabayashi Asahigaoka Store (Osaka)

- Opened stores in Osaka for the second consecutive fiscal year
 - Dominance enhancement and share expansion
-



Store Strategy (2)

Dedicated stores: 2 stores (1 store in Kinki area and 1 store in Tokai area)

September 18 ANDDELICA Tanimachi Store (Chuo-ku, Osaka City)

- A store dedicated to delicatessen and bakery products

 **ANDDELICA**



December 1 Atsuta Komachi by Pare Marche (Atsuta-ku, Nagoya City)

- A store dedicated to gifts and liquors



Strengthened product competitiveness through the opening of dedicated stores

OKUWA Brand

Five years have passed since the brand launch.

Composition ratio in foods: **12.9%** (+0.8%)



Fiscal 2024

Sales results: 26.5 billion yen

Kurashi More

The brand concept is

“Be next to customers all the time and in the future.”

Composition ratio in foods: **14.4%** (+0.4%)



Fiscal 2024

Sales results: 29.0 billion yen

***PB products accounted for 27.3% (+1.2%) of foods, which was lower than planned.
We continued efforts to achieve the target of a 40% composition ratio in foods.***

- (1) Analysis of **customer clusters** including ID-POS
- (2) **Customer surveys**
- (3) **Employee surveys**



Clusters with large sales



Clusters with many younger and middle generation people



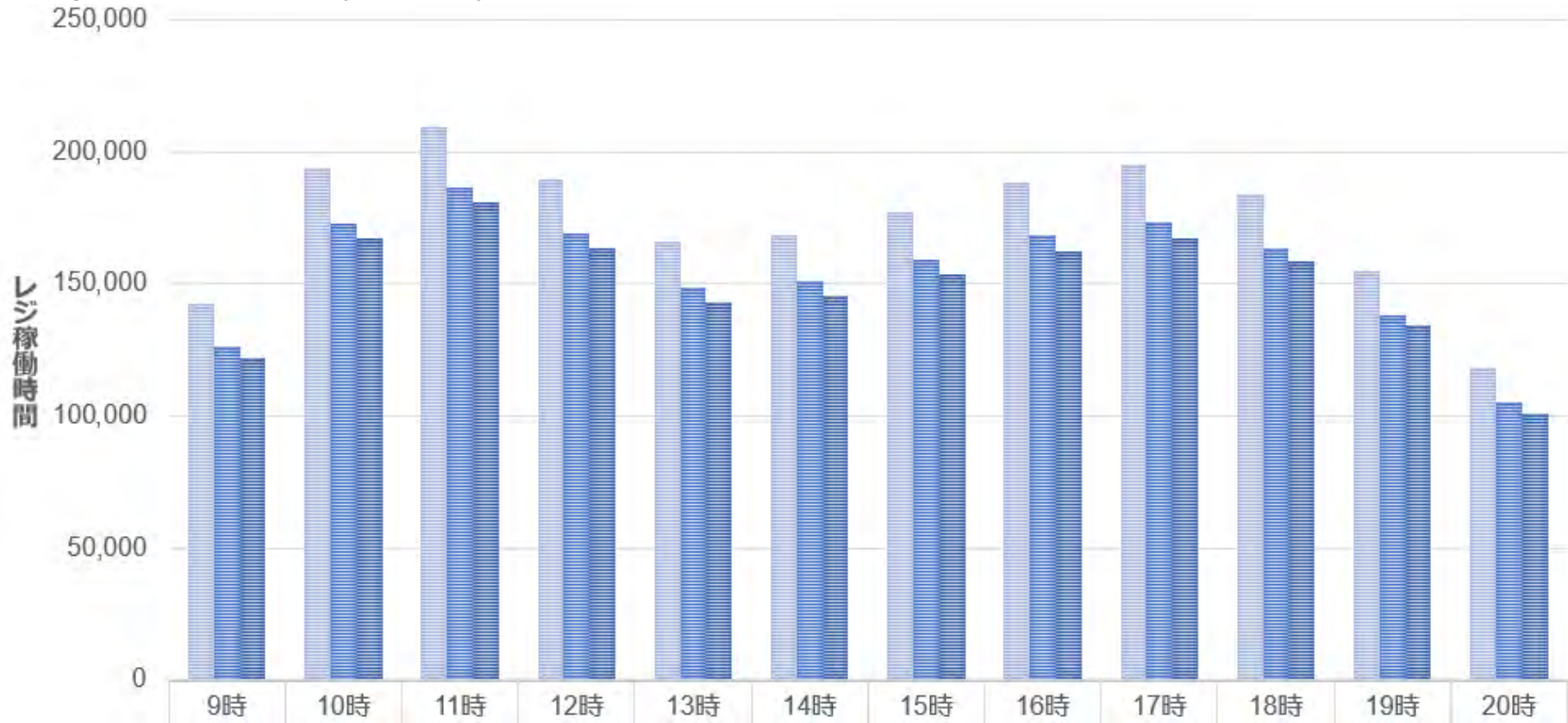
Products purchased by all clusters

***Environmental improvements for utilization progressed as planned.
We assigned marketing staff to each department from this fiscal year to expand utilization.***

Promotion of IT Strategy (DX)

To reduce working hours

We assigned staff to cash registers using AI and reduced total working hours for cash registers to 96.6% year on year.



Total working hours (at existing stores) was 98.9% year on year.

Fiscal 2024

(Reference) Fiscal 2023

Establishment of a dedicated department

- Established the Personnel Strategy Department and started full-scale human capital management initiatives.
- Conducted employee surveys and interviews.
- Discussed and decided on human resources vision and personnel strategy with all officers.

Development of vision and strategy

Human resources vision

A company where every employee can fulfill their aspirations through work and fully demonstrate their abilities

Personnel strategy

- (1) Support self-dedicated career development
- (2) Change to a reform of the organizational culture to encourage employees to take on challenges

Implementation of specific measures

Education reinforcement

- Provide training for the development of executive candidates
- Expand training curriculum

Change of systems

- Start operations after the revision of the senior employee system

Promotion of personnel DX and efficiency

- Update the core system
- Centralize back-office operations in Head Office

Food Drive Activities

The activities started in June 2024 and were implemented at 16 stores in the first year.

(8 stores in Wakayama, 4 stores in Nara, and 4 stores in Osaka)



CDP's Climate Change Assessment

As in the previous year, we responded to the questionnaire from CDP, an international environmental non-profit organization and received a B score. (Last year, the score was C.)

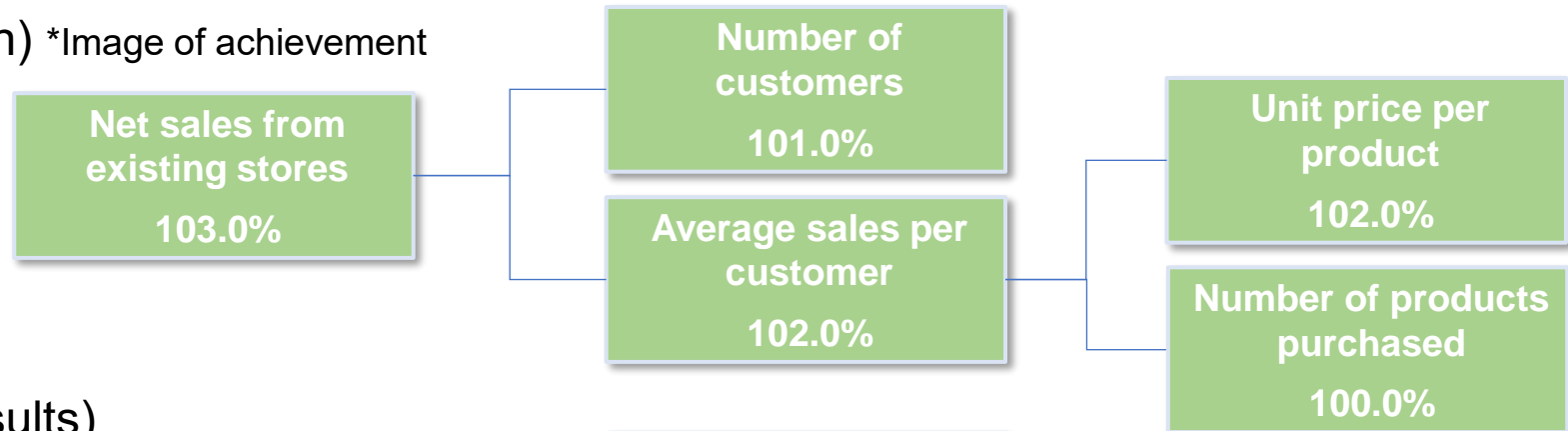
Disclosure on Scope 3 and sustainability training for officers by outside instructors were also highly evaluated.



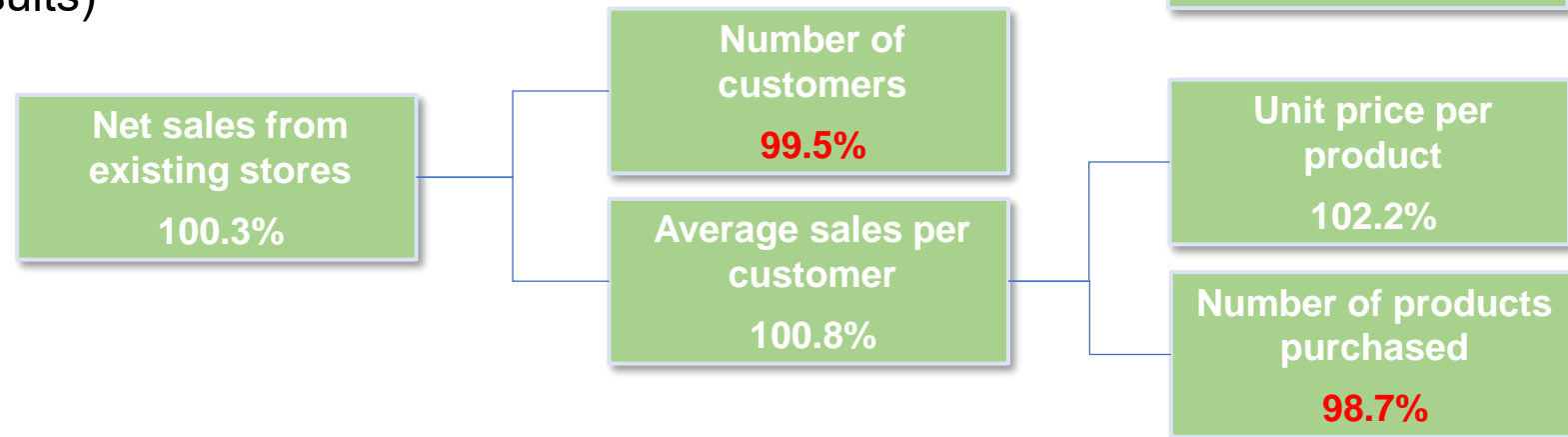
OKUWA Co., Ltd. supports the Sustainable Development Goals (SDGs).

Sales indicators for existing stores

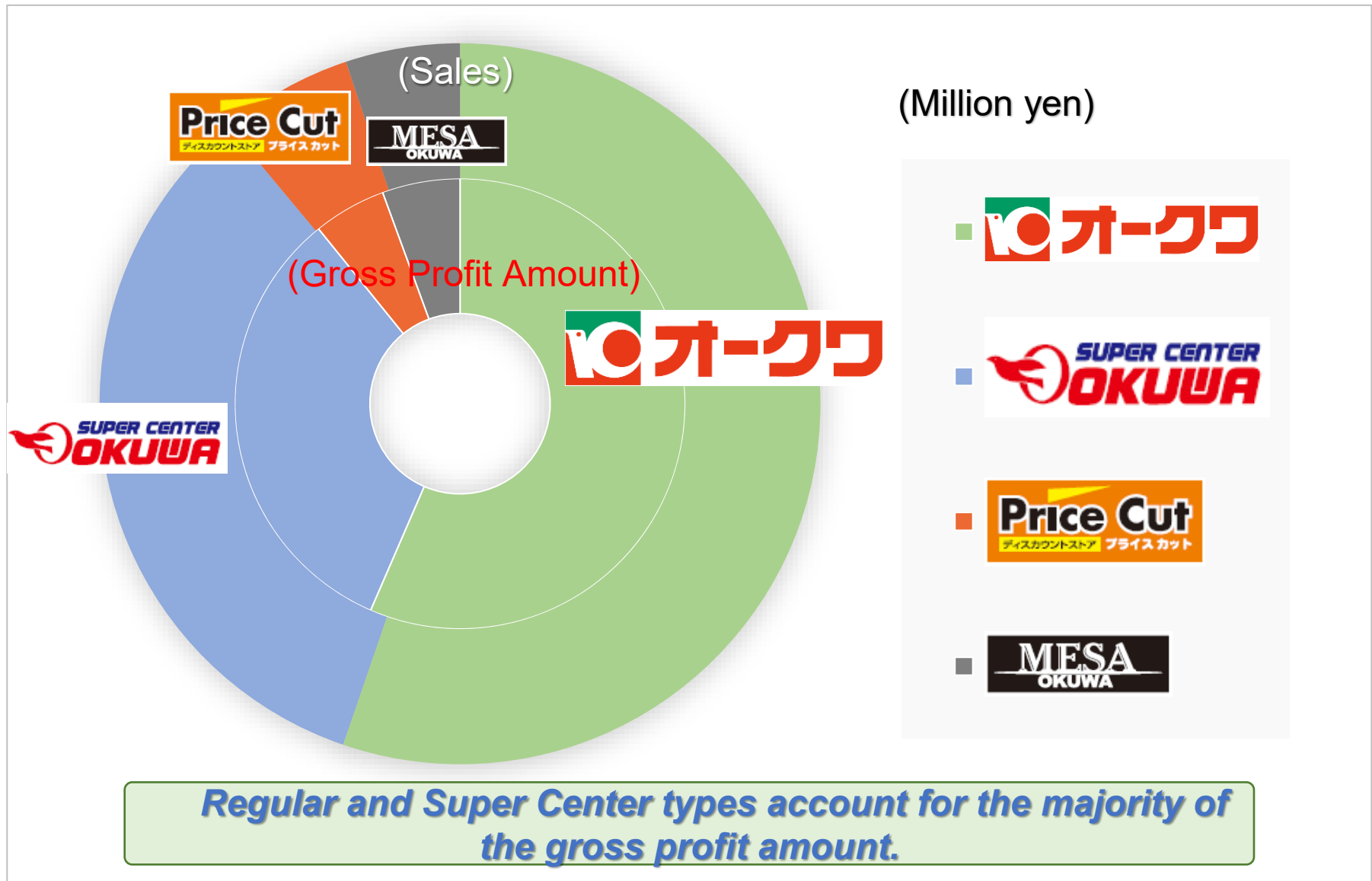
(Plan) *Image of achievement

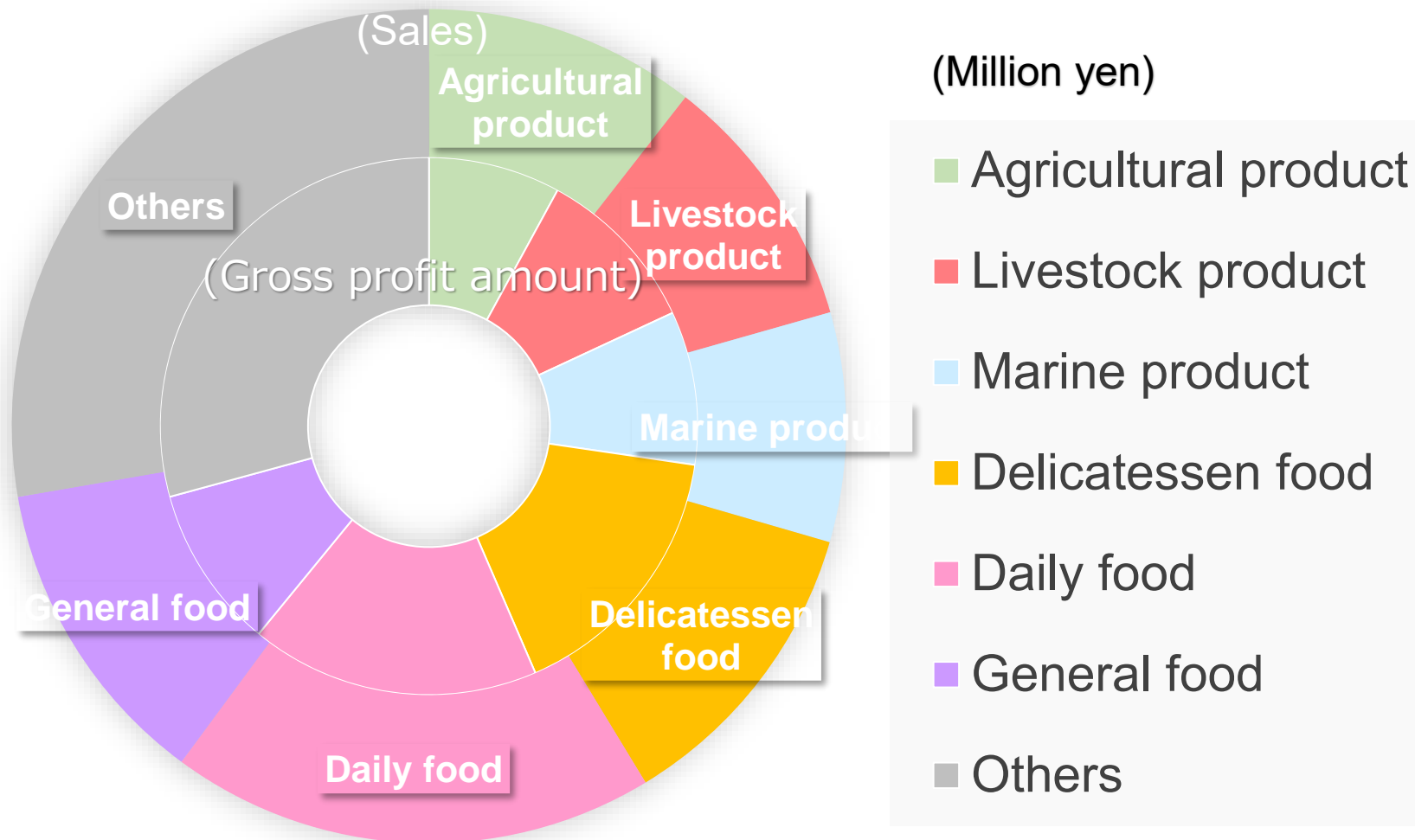


(Results)



=> The number of customers and the number of products purchased fell below plan, resulting in a failure to secure sales.



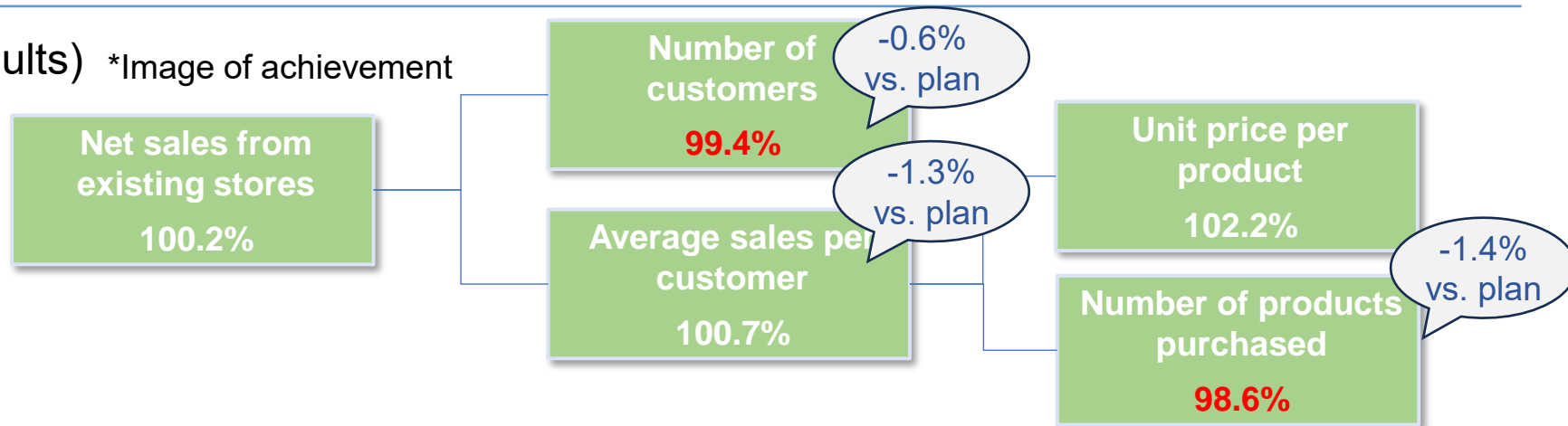


The composition ratio of the livestock product, delicatessen food, and daily food departments is high.

Regular type (Existing stores)



(Results) *Image of achievement



(Reasons)

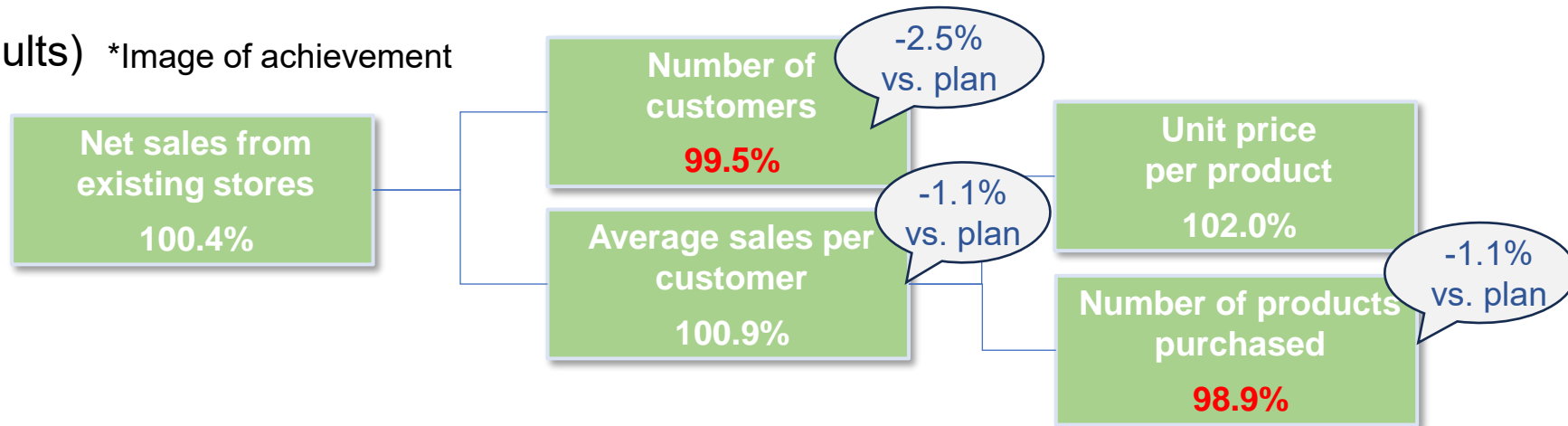
The average sales per customer deviated from the plan due to a decrease in the number of products purchased.

The number of customers was targeted at 100% year on year, but it fell short of the plan.

Super Center type (Existing stores)



(Results) *Image of achievement



(Reasons)

The number of customers decreased year on year and fell short of the plan, despite attempts to increase sales by attracting customers with price appeals in the agricultural product and daily food departments.

By department (Existing stores)

(1) Livestock product department

Due to higher raw material costs, we reviewed our selling prices. As a result, we were unable to secure a competitive edge in price competition with our competitors, resulting in sluggish sales.

Although there was a trend of improvement in 2H compared to 1H, sales decreased year on year due to **a decline in the number of customers** and **drop in the average sales per customer**.

(2) Marine product department

As a result of the strong awareness of selling prices (final selling prices) due to the impact of high market prices, we reviewed content volume and changed the number of pieces. Consequently, **the selling price per product remained at the same level year on year**, resulting in a year-on-year decrease in sales.

By department (Existing stores)

(3) Delicatessen food department

Sales increased thanks to the strengthening of branding and the steady expansion of sales of factory products.
As a result, sales remained above the year-on-year level.



(4) Daily food department

Gross profit decreased more than expected due to an increase in the ratio of special sales that exceeded expectations and the failure to pass on price increases as planned. Issues remained regarding price policies by business type and scale.

Management Policy for Fiscal Year Ending February 20, 2026

Medium-Term Management Plan

As already announced, we have determined that it will be difficult to achieve the numerical operating targets of the Medium-Term Management Plan announced last March in the fiscal year ending February 20, 2027 and have decided to review the year of achievement.

Acquisition of treasury shares

Acquisition period: From April 2, 2025 to April 1, 2026

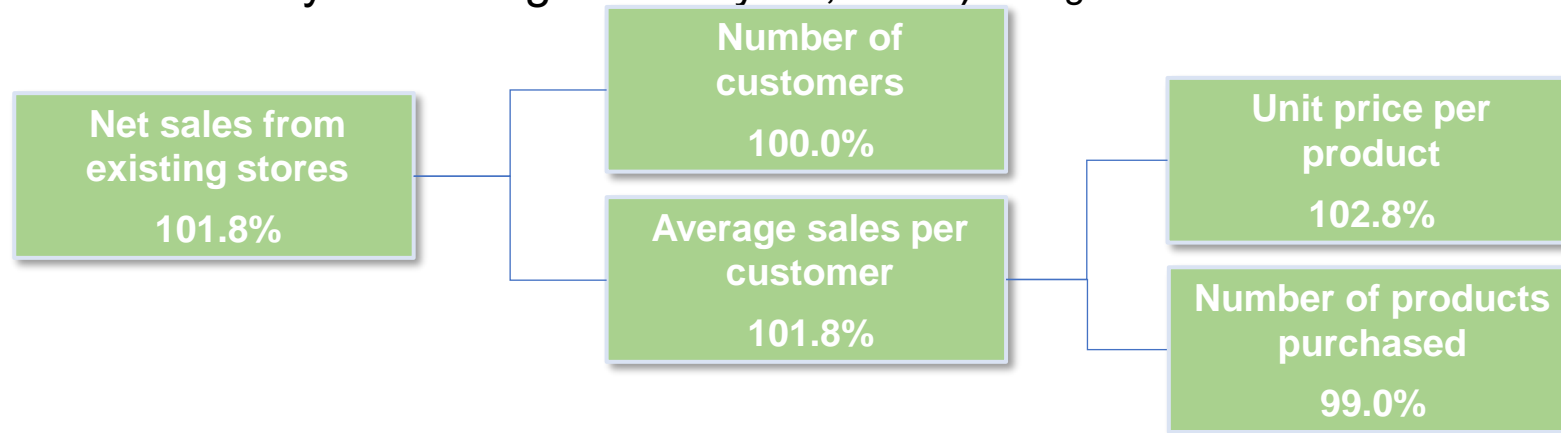
Total number of shares acquired: 1,400,000 shares (maximum)

Total acquisition cost of shares: 1 billion yen (maximum)

***Aim for sustainable growth and increased corporate value
without changing the measures we have put in place***

Sales indicators for existing stores

(Plan for the fiscal year ending February 20, 2026) *Image of achievement



⇒Results for the fiscal year ended February 20, 2025 were 99.5% for the number of customers and 98.7% for the number of products purchased.

To achieve the plan for the fiscal year ending February 20, 2026, the following will be necessary:

Increase the number of customers by 0.5%

Increase the number of products purchased by 0.3%

We will therefore commit to the policies described later.

New OKUWA app

- The number of registered members to the app is 242 thousand (as of February 20), exceeding the plan.
- The number of new members is approximately 300% year on year.
- We aim for 100 thousand new members for the fiscal year ending February 20, 2026.



Aim for 100 thousand new members

Increase the number of customers by 1%



Child Care Club

Aiming to acquire **30,000 members**



Target

Parents or guardians who are members of the OKUWA app, with children under the age of 18

Member benefits

- (1) **5X O-CARD points** on the third Saturday of every month and the following Sunday
- (2) Monthly **5% off app coupon**

Review of advertised items

- Select flyer items based on marketing analysis
- List items that attract customers with a focus on groceries



**1.3% improvement in
customer visits on Saturdays
and Sundays**

*Results of Saturdays and
Sundays on and after November
25, excluding year-end and New
Year holidays, etc.

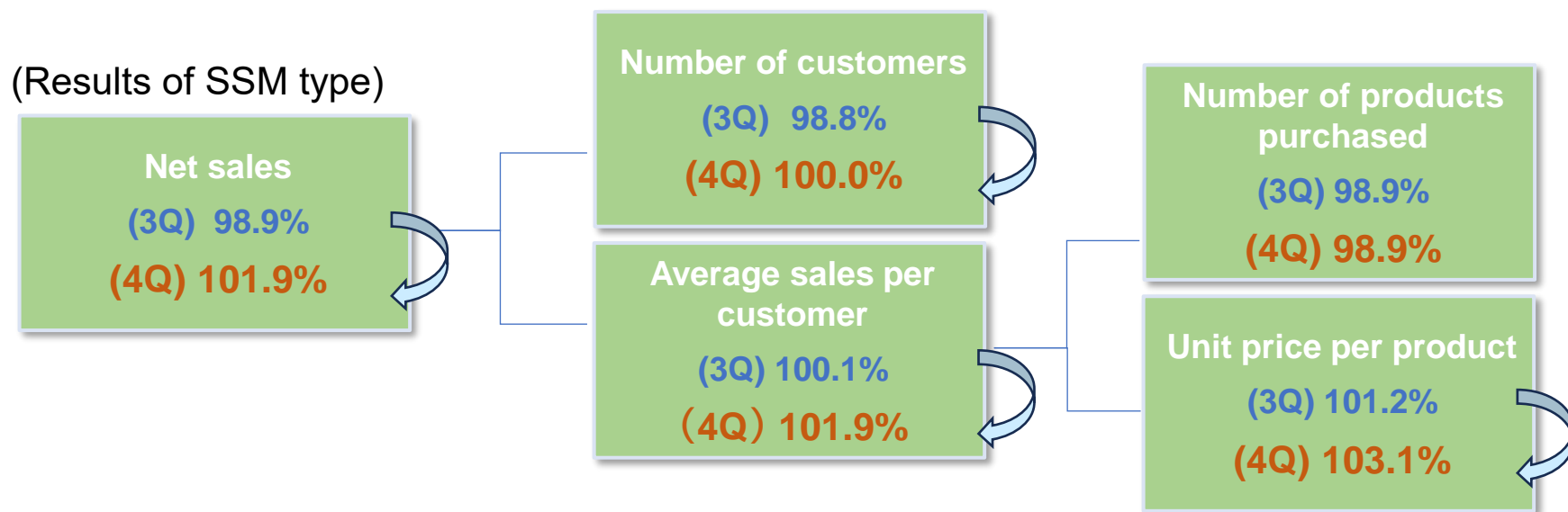
Store Strategy (1) (Regular Business Type)



Reestablishment of the regular business type



The measures for the new app and marketing strategies have been effective. As a result, sales-related indicators for 4Q were close to the target.



Maintain the current level and achieve this fiscal year's plan

Store Strategy (2) (Super Center Type)



Reestablishment of the SuC type



(Initiatives for the fiscal year ended February 20, 2025)

Lower the gross profit margin for the agricultural product and daily food categories, and increase the number of customers by drawing attention to low prices

Agricultural product Number of customers x Average sales per customer = Sales Policies worked as targeted

Daily food Number of customers x Average sales per customer = Sales Policies need to be reviewed

(Initiatives for the fiscal year ending February 20, 2026)

- (1) Contribute to an increase in the number of products purchased throughout the store by positioning the agricultural product and daily food categories as departments for attracting customers
- (2) Implement measures based on characteristics of the area and day of the week as well as sales size
- (3) Provide a lineup of products that meets customer needs
- (4) Reduce costs

Continue efforts to restructure business types

Store Strategy (3) (Price Cut Type and Small Stores)

Reestablishment of the PRC type and small stores



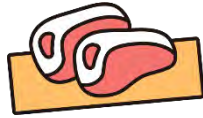
Average sales per customer: Improve from 100.5% in 1H to 101.5% in 2H

Personnel expenses: (1Q) 102.7%, (2Q) 100.0%, (3Q) 99.1%, (4Q) 98.5%



Aim to improve profitability by maintaining the same level of number of customers year on year

(Livestock product department)



- Progressive marketing strategies **improved sales by 2.8%** compared to 1H year on year, marking the highest improvement among all departments.

There are many products that attract the clusters with the top sales composition ratio. Improvement is expected in the fiscal year ending February 20, 2026.

(Marine product department)

- In the fiscal year ended February 20, 2025, the unit price per product was **100.1%** year on year. Despite the high market price, we were unable to pass this onto the sales price per product. The lack of support from the clusters with the top sales composition ratio (families) has become clear. We will implement measures to improve the unit price focusing on families.

Improve the unit price per product in the marine product department by 3.5% year on year

(Results in March)



(Delicatessen food department)

- The department strategy functioned well, resulting in the average sales per customer remaining in line with expectations.

It is becoming clear that there are potential customers in the clusters with the top sales composition ratio (ready-to-eat food and cost-effective products). We aim to **maintain the number of customers year on year and further increase sales.**

(Daily food department)

- We aim for:

Drawing attention to low prices by expanding PB products sales and promoting the sales of standard products (100% of the number of products purchased) x unit price increase through sales of strengthened categories* (103% of the unit price per product) = 103%



*Set product lines by utilizing marketing analysis

Examples: frozen food, bread, desserts, etc.

Store Strategy (6) (New Store Openings)



Date of opening	Store name	Prefecture	Business type
Scheduled in late June	Toyoake Store	Aichi	SSM (2,218m ²)
Scheduled in 2H	Sakai-Shi Ekimae Store	Osaka	SSM (1,475m ²)

(Toyoake Store)

- The 13th store in Aichi
- Commercial complex

(Sakai-Shi Ekimae Store)

- Opened stores in Osaka for the 3rd consecutive fiscal year
- The 22nd store in Osaka



(Image of Toyoake Store)

Human capital management



- **Promotion of women in managerial positions**
FY2025: 5%
(Reference) FY2030: 20%
- **Ratio of paid leave taken**
FY2025: 65%
(Reference) FY2030: 100%
- **Ratio of eligible male employees taking childcare leave**
FY2025: 85%
(Reference) FY2030: 100%
- **Employment of people with disabilities**
FY2025: 2.7%
(Reference) FY2030: 3.5%

Logistics initiatives



Regional Co-Creation Project



Consolidated Financial Results Forecast



Full year	(Million yen)	Fiscal year ended February 20, 2025	Fiscal year ending February 20, 2026	Growth rate (%)
Operating income		250,150	259,000	103.5
Operating profit		1,328	2,100	158.1
Ordinary profit		1,442	2,100	145.6
Profit*		(2,381)	800	—

*Profit represents profit attributable to owners of parent.

2Q cumulative		Fiscal year ended February 20, 2025	Fiscal year ending February 20, 2026	Growth rate (%)
Operating income		122,558	126,500	103.2
Operating profit		246	300	121.8
Ordinary profit		313	350	111.8
Profit*		87	100	114.9

*Profit represents profit attributable to owners of parent.

Non-consolidated Financial Results Forecast



Full year	(Million yen)	Fiscal year ended February 20, 2025	Fiscal year ending February 20, 2026	Growth (%)
Operating income		248,636	258,000	103.8
Operating profit		1,197	2,000	167.0
Ordinary profit		1,341	2,000	149.1
Profit		(2,411)	750	—
2Q cumulative		Fiscal year ended February 20, 2025	Fiscal year ending February 20, 2026	Growth (%)
Operating income		121,803	126,000	103.5
Operating profit		172	250	144.6
Ordinary profit		259	300	115.6
Profit		62	80	127.5

Financial results forecast (Details)

Operating income: 258.0 billion yen

- Net sales from existing stores: 101.8% year on year
 - Net sales from direct operation: 103.6% year on year
 - Two stores to newly open
-

Ordinary profit: 2.0 billion yen

- Selling, general and administrative expenses: Approx. 78.0 billion yen (up 3.8% year on year)
 - Gross profit margin: 27.3
-

*Gross profit margin after the application of the Accounting Standard for Revenue Recognition

Profit: 0.75 billion yen

Supporting Customer's
 “*Delicious!!*”

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Surprise and excitement in everyday life