

Annual Report 2024

Year ended August 31, 2024



La Buona Tavola!

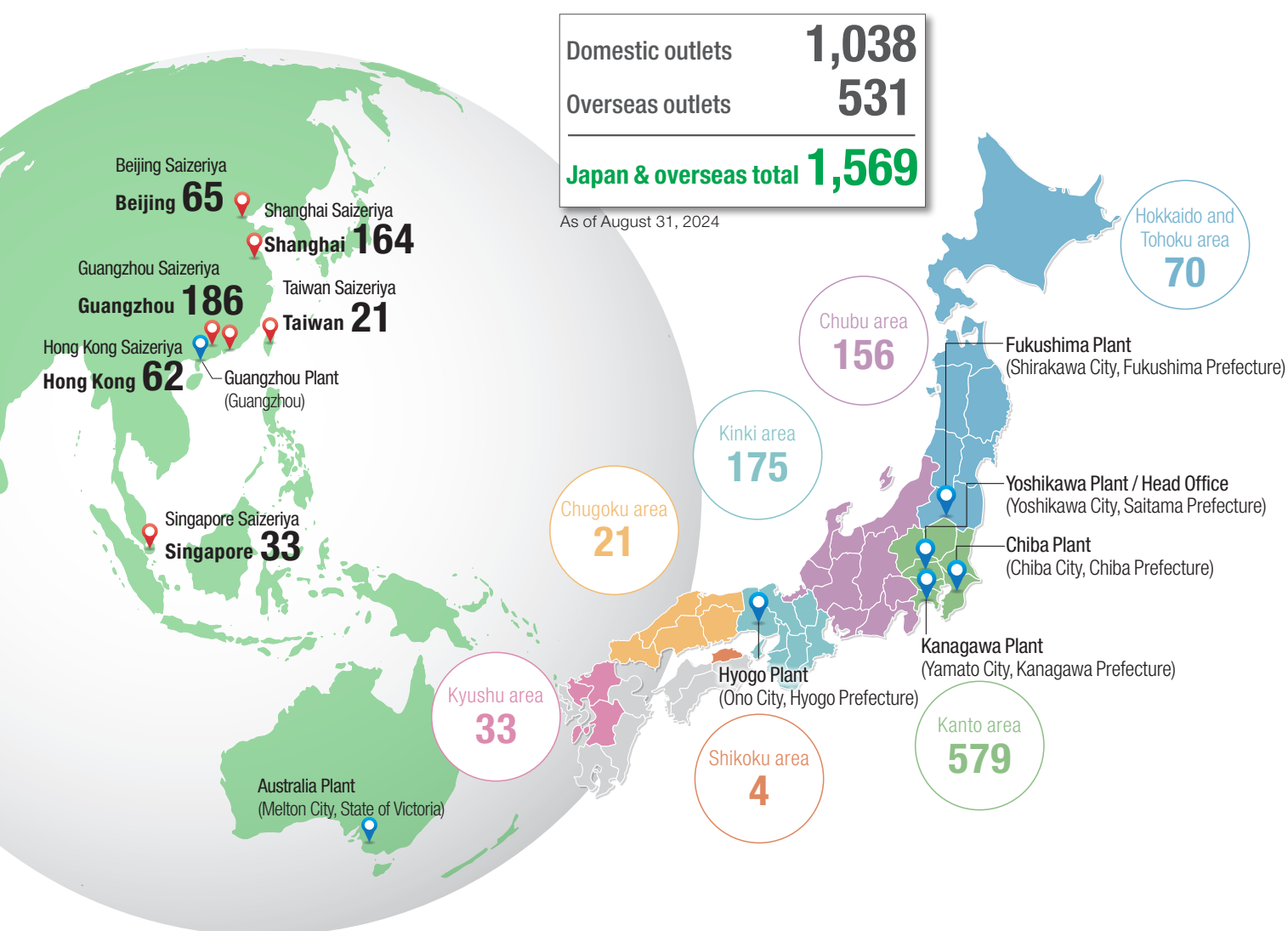
Saizeriya's aim is to bring delicious, healthy Italian home-style cuisine to people around the world in a convenient and enjoyable way.



Our Principle

● For People ● Through Right Way ● With Love

The Number of Restaurants



New outlets opened one after another!

- Sep. 26, 2024 Saizeriya, Ecoll-Rose (Osaka Prefecture)
- Sep. 26, 2024 Saizeriya, Riverside Senshu (Niigata Prefecture)
- Oct. 10, 2024 Saizeriya, Aeon Mall Tokushima (Tokushima Prefecture)
(First outlet in Tokushima Prefecture)
- Oct. 31, 2024 Saizeriya, Summit Matsudo-Shinden (Chiba Prefecture)
- Oct. 31, 2024 Saizeriya, Aeon Mall Nagakute (Aichi Prefecture)
- Nov. 13, 2024 Saizeriya, Abeno Center Building (Osaka Prefecture)
- Nov. 14, 2024 Saizeriya, KiKi Kyobashi (Osaka Prefecture)
- Nov. 15, 2024 Saizeriya, Soyora Imabari-umagoe (Ehime Prefecture)
(First outlet in Ehime Prefecture)

Consolidated Financial Highlights

Years Ended August 31, 2024 and 2023

2024

2023

2024

Millions of Yen

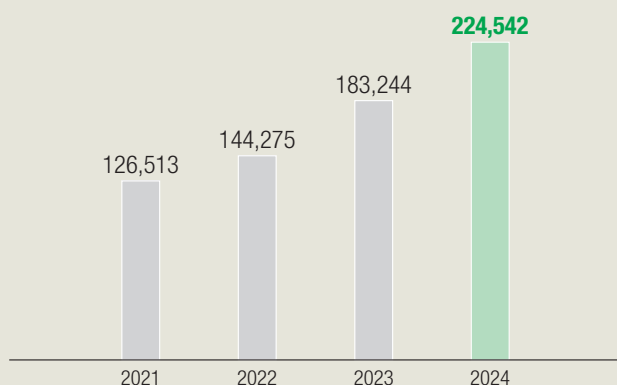
Thousands of U.S. Dollars

Operational Data:			
Net Sales	¥224,542	¥183,244	\$1,550,704
Income before Income Taxes and Minority Interests	14,028	6,927	96,878
Profit Attributable to Owners of Parent	8,149	5,154	56,278
Financial Data:			
Total Assets	168,136	155,121	1,161,160
Net Assets	110,803	99,031	765,214
Per Share Data (Yen and U.S. Dollars):			
Net Income per Share	¥166.28	¥105.62	\$1.15
Dividends per Share	25.00	18.00	0.17

Note: The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥144.80=US\$1, the approximate rate of exchange on August 31, 2024.

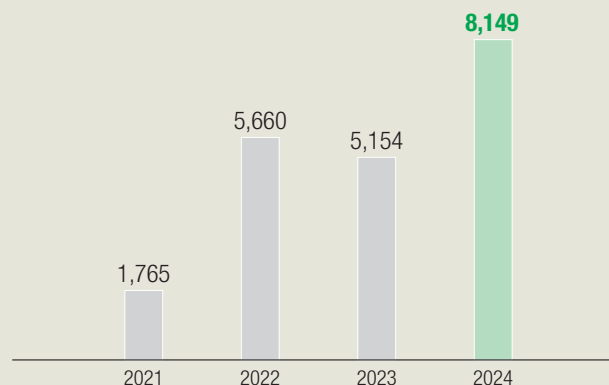
Net Sales

(Millions of yen)



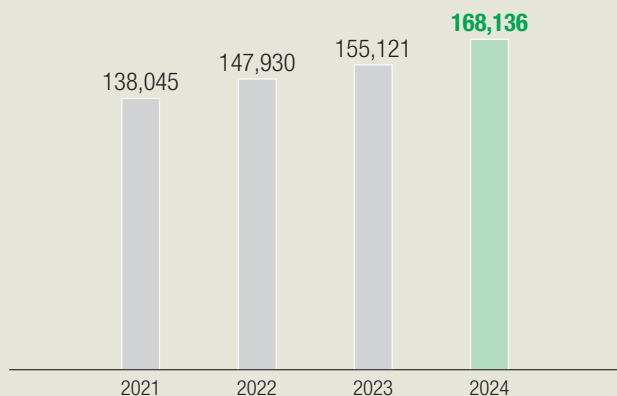
Profit (loss) Attributable to Owners of Parent

(Millions of yen)



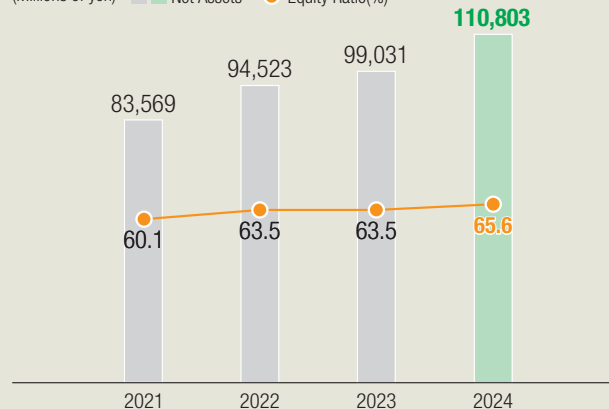
Total Assets

(Millions of yen)



Net Assets / Equity Ratio

(Millions of yen) Net Assets Equity Ratio(%)





Yasuhiko Shougaki
Chairman and Representative Director

Hideharu Matsutani
President and Representative Director

We recently incurred damage to our servers from a third-party ransomware attack and confirmed that there is a high likelihood that some of the personal and confidential data that we hold was leaked.

We offer our sincere apologies for the concern and inconvenience caused to all of our shareholders and all concerned parties.

The dining-out industry is seeing recovery trend mainly due to increased personal and inbound consumption, but the business environment remains harsh due to a chronic worker shortage, wage hikes, escalating resource prices, and increases in ingredient and energy prices caused by yen weakness.

Under these circumstances, the Group has taken various measures to ensure that people all over the world can conveniently enjoy healthy home-style Italian cuisine at our restaurants. In September 2023, we allocated zone managers to our outlet management organization to improve the level of outlet management. In August 2024, we completed the installation of self-checkouts in all outlets, with an aim of improving convenience for customers and reforming outlet operations. As of the end of August 2024, 400 outlets have rolled out an ordering method that uses QR codes and customers' mobile devices, with plans to spread it to all outlets by August 2025. Going forward, we will continue to implement similar initiatives in order to raise profitability.

As a result of these initiatives, the Company recorded net sales of ¥224,542 million (up 22.5% from the previous fiscal year), operating income of ¥14,863 million (up 105.8% from the previous fiscal year), ordinary income of ¥15,585 million (up 96.0% from the previous fiscal year), and profit attributable to owners of parent of ¥8,149 million (up 58.1% from the previous fiscal year).

In the fiscal year ending August 31, 2025, in order to become a true chain store organization, the Company will promote innovation, focusing on both hard and soft aspects. Our principal initiatives are to promote building outlet operation and outlet layout models to welcome even more customers.

In addition, in order to improve the quality by refining each product and strengthen the profitability structure, we will improve outlet management capability, reduce outlet operations through a commissary function, and restructure our production, distribution, and purchasing operations from a global perspective. Furthermore, we are working on SDGs, such as the reduction of food loss, energy savings through improved energy efficiency, and the reuse of plastics, as well as conducting management activities with a focus on ESG.

– Building a growth model that will lead us to further development –

Hideharu Matsutani

President and Representative Director

Organization

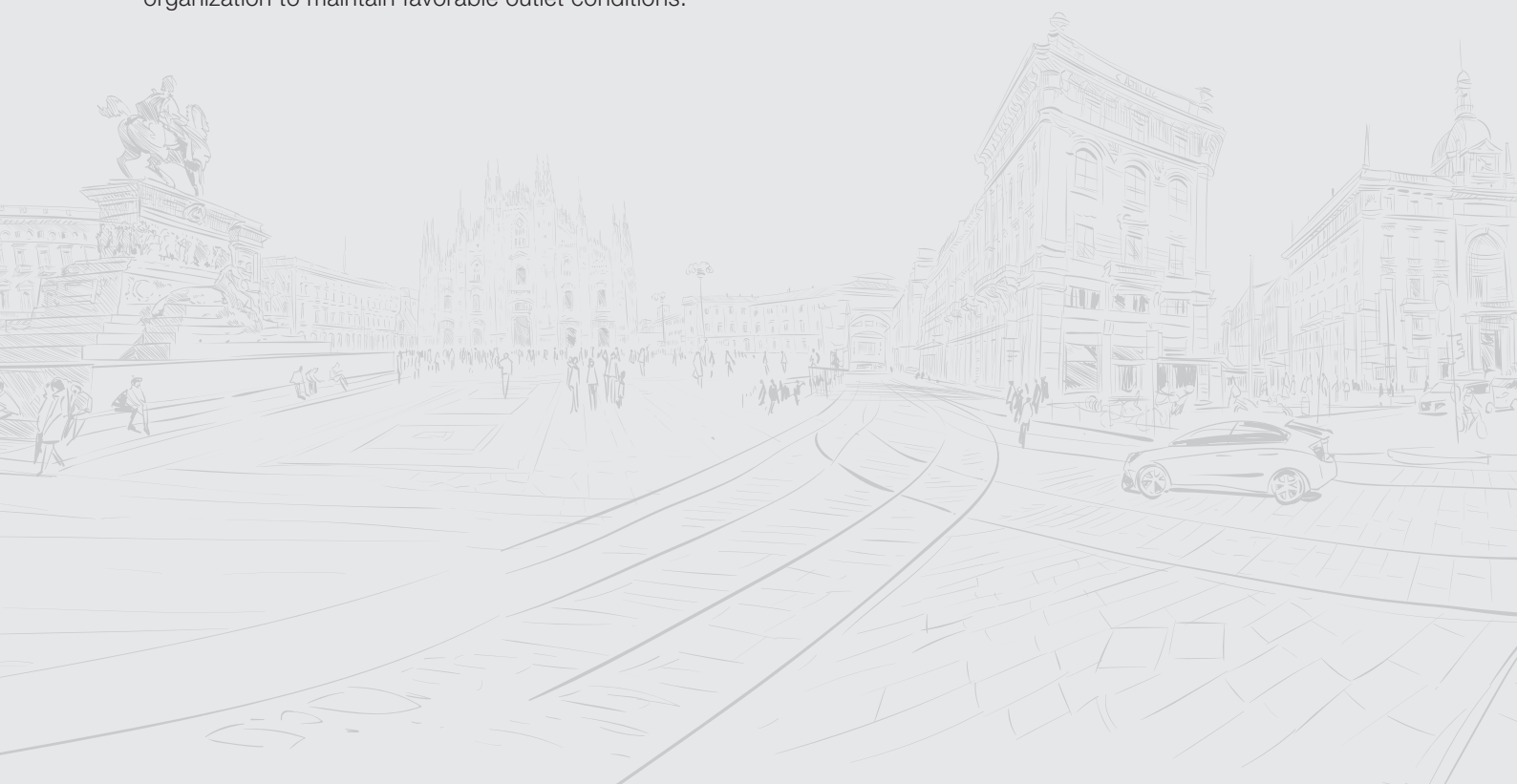
– Building organizational structure and ensuring the quality and quantity of human resources for new outlet strategies –

In the fiscal year ended August 31, 2024, we split our outlet management organization into five zones and allocated a zone manager to each, transforming our organization into one conducive for improving profits. In the fiscal year ending August 31, 2025, we will further strengthen our management system to create an outlet organizational structure aimed at accelerating future outlet openings, by further enhancing recruitment and training and developing a strong organization to maintain favorable outlet conditions.

Products

– Product development that continually brings in more customers –

We worked to improve the quality of existing products, enhancing our Doria with Meat Sauce, Hamburg Steaks, and salad and appetizer menu. In the fiscal year ending August 31, 2025, in order to eliminate waste while also improving quality, we will identify top-selling items and reduce food loss as well as develop a lineup of a healthy top-selling items. In addition, we will execute a product strategy that includes the entire process from the sourcing of raw materials to production, offering method, and branding.



Outlet operations

– Improving productivity by simplifying and standardizing outlet operations –

We completed the installation of self-checkouts at the end of August 2024, and we have rolled out a smartphone-based ordering system at around 400 outlets, with plans to spread it to all outlets by the end of the fiscal year ending August 31, 2025. We will move forward with the innovation of outlet operations by simplifying operations, utilizing a commissary function, and incorporating DX in order to create outlets that even more customers can come and enjoy conveniently.

Overseas business

– Launching new bases and a strategy for opening outlets in new countries –

The Company continues to grow steadily in Asia with the budget-friendly prices and product appeal. We will open even more outlets in the fiscal year ending August 31, 2025. In addition, we will move forward with preparations for future expansion, such as opening of our new plant in Guangzhou for the scheduled commence of operation in 2026 and launching a new subsidiary in Vietnam.



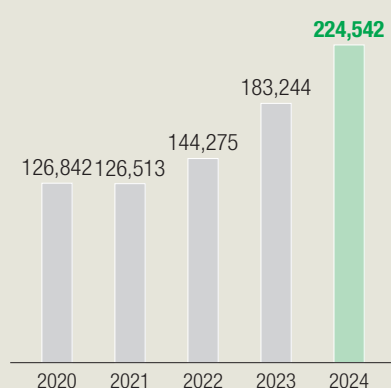
Consolidated Five-Year Summary

(Millions of Yen)

	2020	2021	2022	2023	2024
Net Sales	126,842	126,513	144,275	183,244	224,542
Operating Income (loss)	(3,815)	(2,264)	422	7,222	14,863
Ordinary Income (loss)	(2,091)	3,455	10,774	7,949	15,585
Profit (loss) Attributable to Owners of Parent	(3,450)	1,765	5,660	5,154	8,149
Total Assets	120,068	138,045	147,930	155,121	168,136
Net Assets	80,355	83,569	94,523	99,031	110,803
Shareholders' Equity Ratio (%)	66.4	60.1	63.5	63.5	65.6
Net Income (loss) per Share (Yen)	(70.84)	36.31	115.91	105.62	166.28
Cash Dividends per Share (Yen)	18.00	18.00	18.00	18.00	25.00

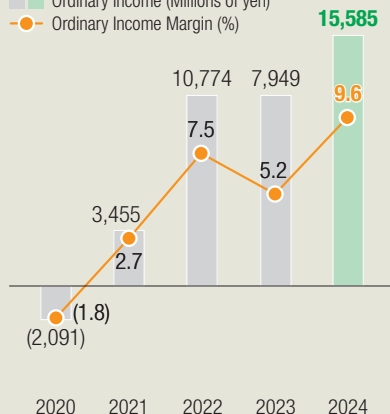
Net Sales

(Millions of yen)



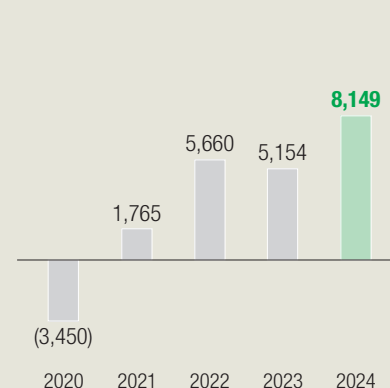
Ordinary Income (loss) / Ordinary Income Margin

■ Ordinary Income (Millions of yen)
● Ordinary Income Margin (%)



Profit (loss) Attributable to Owners of Parent

(Millions of yen)



Segment Results

Japan

The number of customers and average check at existing outlets and continued to increase due to factors such as increased outlet employee occupancy rate, improved outlet organization, menu strategy, and utilization of DX. However, with ingredient and energy prices rising due to escalating resource prices and yen weakness, total sales in Japan were ¥146,455 million (down 21.6% from the previous fiscal year) and operating profit was ¥2,737 million (operating loss of ¥1,491 million in the previous fiscal year).

Australia

Ingredients used by Saizeriya are manufactured in Australia. Total sales in Australia were ¥10,835 million (up 45.5% from the previous fiscal year), and operating income was ¥473 million (up 90.6% from the previous fiscal year).

Asia

Due to continued progress with new outlet openings leading to an increased number of outlets, total sales in Asia were ¥79,378 million (up 36.5% from the previous fiscal year) and operating income was ¥11,619 million (up 37.5% from the previous fiscal year).

Outlook for the Fiscal Year Ending August 31, 2025

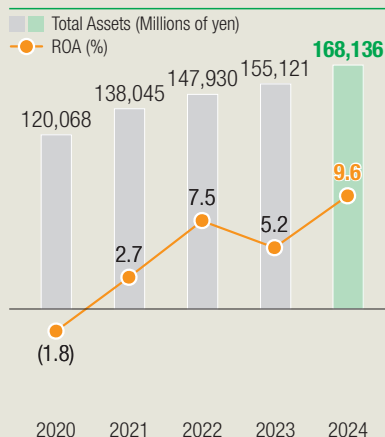
In the dining-out industry, the harsh conditions are expected to continue due to the ongoing increases in prices of ingredients and resources as well as rising personnel costs caused by a worker shortage. The management environment is expected to change drastically as digitalization accelerates going forward.

In these conditions, the Group will promote building the models of operation, outlet layout, and profit in order to become a true chain store. Furthermore, in order to strengthen the profitability structure, the Group will work on improving outlet management skills, reducing outlet operations through the commissary function, and restructuring our production, distribution, and purchasing operations from a global perspective. In addition, in order to strengthen the profitability structure, we will improve outlet management capability, reduce outlet operations through a commissary function, and restructure our production, distribution, and purchasing operations from a global perspective.

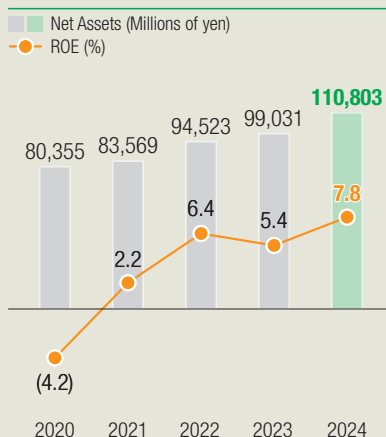
In view of the above, the Company forecasts consolidated net sales of ¥253.6 billion, operating income of ¥16.6 billion, ordinary income of ¥16.4 billion, and profit attributable to owners of parent of ¥10.3 billion.

	(Millions of Yen)	
	2024 results	2025 forecasts
Net Sales	224,542	253,600
Operating Income (loss)	14,863	16,600
Ordinary Income (loss)	15,585	16,400
Profit (loss) Attributable to Owners of Parent	8,149	10,300

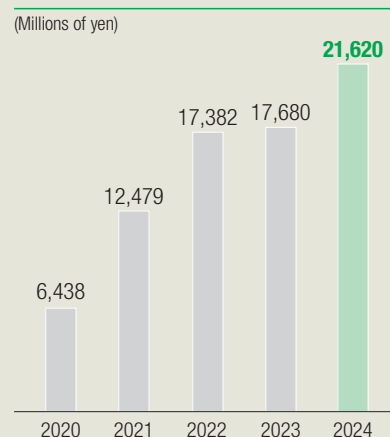
Total Assets / ROA



Net Assets / ROE



Cash Flows*



*Net Income + Depreciation and Amortization

Consolidated Financial Statements

Consolidated Balance Sheets

Millions of Yen

Thousands of U.S. Dollars (Note 1)

August 31, 2024 and 2023	2024	2023	2024
Assets			
Current assets			
Cash and deposits with banks	¥ 71,949	¥ 67,855	\$ 496,885
Account Receivable	2,196	1,508	15,165
Accounts receivable-tenants	3,224	2,017	22,265
Merchandise and finished goods	14,206	10,220	98,107
Raw materials and supplies	1,637	1,305	11,305
Other	4,944	4,747	34,143
Total current assets	98,158	87,654	677,886
Fixed assets			
Tangible fixed assets			
Buildings and structures	25,562	25,227	176,533
Machinery, vehicle and equipment	1,269	1,403	8,763
Furniture and fixtures	4,727	3,827	32,645
Land	6,844	6,847	47,265
Lease assets, net	38	47	262
Rights of use assets, net	15,694	12,826	108,383
Construction in progress	1,635	484	11,291
Total tangible fixed assets	55,772	50,664	385,165
Intangible fixed assets	578	427	3,991
Investments and other assets			
Investment securities	—	279	—
Caution and guarantee money	10,756	10,718	74,281
Cooperative advances for construction	20	29	138
Long-term loans	—	30	—
Deferred tax assets	2,723	5,182	18,805
Other	136	147	939
Allowance for doubtful accounts	(11)	(12)	(75)
Total Intangible fixed assets and investments and other assets	13,626	16,374	94,102
Total fixed assets	69,977	67,466	483,266
Total assets	¥ 168,136	¥ 155,121	\$ 1,161,160

Notes: (1) The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥144.80=US\$1, the approximate rate of exchange on August 31, 2024.

(2) The financial statements are a translation of the Japanese annual securities report's financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
August 31, 2024 and 2023	2024	2023	2024
Liabilities			
Current liabilities			
Accounts payable-trade	¥ 9,592	¥ 8,513	\$ 66,243
Current portion of long-term loans payable	—	12,500	
Lease obligations	7,544	6,366	52,099
Income taxes payable	2,625	1,472	18,128
Accrued bonuses	1,952	1,541	13,480
Allowance for special benefit for shareholders	—	207	-
Asset retirement obligations	259	243	1,788
Other	10,670	8,635	73,687
Total current liabilities	32,644	39,480	225,441
Long-term liabilities			
Long-term borrowings	6,000	—	41,436
Provision for employee stock ownership plan	1,439	1,251	9,937
Lease obligations	9,132	7,649	63,066
Deferred tax liabilities	9	4	62
Asset retirement obligations	8,006	7,601	55,290
Other	98	102	676
Total long-term liabilities	24,688	16,609	170,497
Total liabilities	57,332	56,090	395,939
Net assets			
Shareholders' equity			
Capital stock	8,612	8,612	59,475
Capital surplus	11,658	11,201	80,511
Retained earnings	84,811	77,377	585,711
Treasury stock	(7,590)	(7,388)	(52,417)
Total shareholders' equity	97,492	89,802	673,287
Accumulated other comprehensive income			
Translation adjustments	12,825	8,767	88,570
Total accumulated other comprehensive income	12,825	8,767	88,570
Subscription rights to shares	486	461	3,356
Total net assets	110,803	99,031	765,214
Total liabilities and net assets	¥ 168,136	¥ 155,121	\$ 1,161,160

Consolidated Statements of Income

Millions of Yen

Thousands of U.S. Dollars (Note 1)

Years Ended August 31, 2024 and 2023	2024	2023	2024
Net sales	¥ 224,542	¥ 183,244	\$ 1,550,704
Cost of sales	92,458	72,747	638,522
Gross profit	132,084	110,497	912,182
Selling, general and administrative expenses	117,220	103,274	809,530
Operating income	14,863	7,222	102,645
Non-operating income	1,480	1,384	10,221
Interest income	891	621	6,153
Foreign exchange gains	250	66	1,727
Income insurance	10	2	69
Subsidy income	96	164	663
Subsidies for employment adjustment	—	9	—
VAT-differential	21	284	145
Other	208	236	1,436
Non-operating expenses	757	657	5,228
Interest expenses	584	506	4,033
Commission for purchase of treasury shares	4	4	28
Litigation expenses	105	78	725
Other	63	68	435
Ordinary income	15,585	7,949	107,631
Extraordinary income	150	226	1,036
Compensation income	108	50	746
Gain on reversal of subscription rights to shares	42	175	290
Extraordinary losses	1,707	1,248	11,789
Impairment loss	1,272	878	8,785
Loss on retirement of fixed assets	324	164	2,238
Store closure loss	102	195	704
Other	6	10	41
Profit before income taxes	14,028	6,927	96,878
Current income taxes	3,346	1,907	23,108
Deferred income taxes	2,532	(133)	17,486
Total income taxes	5,878	1,773	40,594
Net income	8,149	5,154	56,278
Profit attributable to owners of parent	¥ 8,149	¥ 5,154	\$ 56,278

Notes: (1) The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥144.80=US\$1, the approximate rate of exchange on August 31, 2024.

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Consolidated Statements of Cash Flows

Millions of Yen

Thousands of U.S. Dollars (Note 1)

Years Ended August 31, 2024 and 2023	2024	2023	2024
Operating activities			
Income before income taxes and minority interests(loss)	¥ 14,028	¥ 6,927	\$ 96,878
Depreciation and amortization	13,471	12,526	93,032
Increase (decrease) in allowance for doubtful accounts	(0)	(0)	(2)
Increase (decrease) in accrued bonuses	336	591	2,320
Increase (decrease) in provision for employee stock ownership plan	188	136	1,298
Increase (decrease) in reserve for special benefit for shareholders	(207)	(11)	(1,430)
Interest income	(891)	(621)	(6,153)
Interest expenses	584	506	4,033
Foreign exchange loss (gain)	(362)	(427)	(2,500)
Loss on retirement of fixed assets	324	164	2,238
Store closure loss	102	195	704
Impairment loss	1,272	878	8,785
Compensation income	(108)	(50)	(746)
Income Insurance	(10)	(2)	(69)
Employment adjustment subsidy	—	(9)	—
Subsidy income	(107)	(164)	(739)
Gain on reversal of share acquisition rights	(42)	(175)	(290)
Decrease (increase) in accounts receivable	(676)	(416)	(4,669)
Decrease (increase) in accounts receivable-tenants	(1,206)	(523)	(8,329)
Decrease (increase) in inventories	(4,024)	131	(27,790)
Decrease (increase) in other current assets	(215)	464	(1,485)
Increase in accounts payable-trade	909	2,718	6,278
Increase (decrease) in other current liabilities	2,011	662	13,888
Other	230	98	1,588
Subtotal	25,607	23,599	176,844
Interest and dividends received	825	551	5,698
Interest paid	(584)	(506)	(4,033)
Income tax paid	(2,511)	(3,021)	(17,341)
Corporate tax refund amount	591	—	4,081
Compensation income	78	0	539
Proceeds from insurance income	10	2	69
Proceeds from subsidies for employment adjustment	—	9	—
Subsidies received	107	164	739
Net cash provided by operating activities	24,124	20,799	166,602
Investing activities:			
Gain on sale of shares of subsidiaries and affiliates	13	—	90
Purchase of tangible fixed assets	(8,395)	(5,312)	(57,977)
Purchase of intangible fixed assets	(317)	(173)	(2,189)
Payments for caution money, guarantee money and cooperative advances for construction	(521)	(647)	(3,598)
Proceeds from collection of caution, guarantee money and cooperative advances for construction	706	633	4,876
Other payments	(355)	(405)	(2,452)
Net cash used in investing activities	(8,870)	(5,906)	(61,257)
Financing activities:			
Proceeds from short-term borrowings	6,000	—	41,436
Proceeds from long-term borrowings	(12,500)	—	(86,326)
Repayments of lease obligations	(7,265)	(7,011)	(50,173)
Purchase of treasury stock	(1,001)	(1,000)	(6,913)
Proceeds from exercise of share options	819	741	5,656
Dividends paid	(892)	(892)	(6,160)
Net cash provided by (used in) financing activities	(14,840)	(8,163)	(102,486)
Translation differences on cash and cash equivalents	3,292	849	22,735
Increase (decrease) in cash and cash equivalents	3,707	7,579	25,601
Cash and cash equivalents at beginning of period	67,855	60,275	468,612
Cash and cash equivalents at end of period	¥ 71,949	¥ 67,855	\$ 496,885

Notes: (1) The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥144.80=US\$1, the approximate rate of exchange on August 31, 2024.

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Consolidated Statement of Changes in Net Assets

Millions of Yen

Year Ended August 31, 2024	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of September 1, 2023	¥8,612	¥11,201	¥77,377	¥(7,388)	¥89,802	¥8,767	¥8,767	¥461	¥99,031
Dividends			(892)		(892)				(892)
Profit attributable to owners of parent			8,149		8,149				8,149
Acquisition of treasury stock				(1,001)	(1,001)				(1,001)
Disposal of treasury stock		457		799	1,257				1,257
Change in scope of consolidation			176		176				176
Change in scope of consolidation-foreign currency translation adjustment						104	104		104
Net changes in items other than shareholders' equity						3,953	3,953	24	3,977
Total changes during the term		457	7,433	(201)	7,689	4,058	4,058	24	11,772
Balance as of September 31, 2024	¥8,612	¥11,658	¥84,811	¥(7,590)	¥97,492	¥12,825	¥12,825	¥486	¥110,803

Thousands of U.S. Dollars (Note 1)

Year Ended August 31, 2024	Shareholder's equity					Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity	Translation adjustments	Total accumulated other comprehensive income		
Balance as of September 1, 2023	\$59,475	\$77,355	\$534,372	\$(51,022)	\$620,180	\$60,546	\$60,546	\$3,184	\$683,916
Dividends of surplus			(6,160)		(6,160)				(6,160)
Profit attributable to owners of parent			56,278		56,278				56,278
Acquisition of treasury stock				(6,913)	(6,913)				(6,913)
Disposal of treasury stock		3,156		5,518	8,681				8,681
Change of scope of consolidation			1,215		1,215				1,215
Change of scope of consolidation – foreign currency translation adjustment						718	718		718
Net changes of items other than shareholders equity						27,300	27,300	166	27,465
Total changes during the term		3,156	51,333	(1,388)	53,101	28,025	28,025	166	81,298
Balance as of August 31, 2024	\$59,475	\$80,511	\$585,711	\$(52,417)	\$673,287	\$88,570	\$88,570	\$3,356	\$765,214

Notes: (1) The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥144.80=US\$1, the approximate rate of exchange on August 31, 2024.

(2) The financial statements are a translation of the Japanese annual securities report's financial statements.

Corporate Data and Shareholders' Information

Corporate Data

As of August 31, 2024

Company Name	Saizeriya Co., Ltd.
Chairman and Representative Director	Yasuhiko Shogaki
President and Representative Director	Hideharu Matsutani
Head Office	2-5, Asahi, Yoshikawa City, Saitama 342-0008, Japan
Established	May 1, 1973
Capital Stock	¥8,612,500,000
Number of Employees	4,504 (Full-time employees; on a consolidated basis)
Number of Outlets	1,569 (1,038 in Japan and 531 overseas)

Consolidated Subsidiaries

Saizeriya Australia Pty. Ltd.
Shanghai Saizeriya Co., Ltd.
Guangzhou Saizeriya Co., Ltd.
Beijing Saizeriya Co., Ltd.
Taiwan Saizeriya Co., Ltd.
Hong Kong Saizeriya Co. Limited
Singapore Saizeriya Pte. Ltd.
Guangzhou Saizeriya Food Co.,LTD.

Board of Directors and Audit and Supervisory Committee Members

Chairman	Yasuhiko Shogaki
President	Hideharu Matsutani
Director	Noboru Nagaoka
Director, Standing Audit and Supervisory Committee Member	Nobuyuki Masuoka
Outside Director, Audit and Supervisory Committee Member	Michiharu Matsuda
Outside Director, Audit and Supervisory Committee Member	Takashi Arakawa
Outside Director, Audit and Supervisory Committee Member	Marie Eguchi

As of November 28, 2024

Shareholders' Information

As of August 31, 2024

Total Number of Shares Authorized	73,208,000
Number of Shares Issued	52,272,342
Shares Listed on	Prime Market, Tokyo Stock Exchange
Number of Shareholders	45,462

Principal Shareholders

	Number of Shares Held (Unit: 1,000 shares)	Percentage of Total Shares (%)
Yasuhiko Shogaki	14,228	28.62
The Master Trust Bank of Japan, Ltd	5,977	12.02
Babette Co., Ltd.	4,200	8.44
Custody Bank of Japan, Ltd. (Trust Account)	3,141	6.32
Saizeriya Employees' Stock Holding Association	1,407	2.83
MSIP CLIENT SECURITIES	1,299	2.61
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	613	1.23
Custody Bank of Japan, Ltd. (Trust E Account)	605	1.22
GOVERNMENT OF NORWAY	498	1.00
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	414	0.83

Ownership of Shares by Category

	Number of Shareholders	Number of Shares Held* (Unit: 100 shares)	Percentage of Total Shares (%)
Government	1	10	0.00
Japanese financial institutions	21	104,187	19.96
Japanese securities companies	41	10,027	1.92
Other Japanese corporations	250	44,845	8.59
Foreign corporations and individuals	272	80,767	15.48
Japanese individuals and others	44,877	282,075	54.05
Total	45,462	521,911	100.00

*Odd-lot shares are excluded.



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