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KOURAKUEN
CORPORATION



MEMBERSHIP
May 12, 2025

Company name: KOURAKUEN CORPORATION
Representative: Tsutae Niida, Representative Director, Chairman and President
(Tokyo Stock Exchange Prime Market; Stock Code: 7554)
Inquiries: Hideo Watanabe, Executive Managing Director,
Senior General Manager of Administration Division
Tel.: 024-943-3351

Notice concerning Formulation of Medium-Term Management Plan

We are pleased to announce that our Board of Directors has resolved at a meeting on May 12, 2025 to adopt a medium-term management plan for the three-year period beginning with the fiscal year ending March 31, 2026 and ending with the fiscal year ending March 31, 2028.

Please refer to the attached document for details of this medium-term management plan.



昭和二十九年創業

幸樂苑

KOURAKUEN CORPORATION

Tokyo Stock Exchange Prime Market; Stock Code: 7554

Medium-Term Business Plan 2025

FY2025 ~ FY2027

Tsutae Niida

Representative Director, Chairman and President



昭和二十九年創業
幸樂苑

I . Company Profile

I -1. Company info

Company Name	KOURAKUEN CORPORATION
Head office	2-1 Kitakawada, Kamiyukiai, Tamura-machi, Koryama-shi, Fukushima, Japan
Start of operation	1954
Representative	Tsutae Niida
Capital	4,988 million yen
Stack exchange listing	Tokyo Stock Exchange Prime Market
Main Business	Expanding the ramen restaurant chain "Korakuen" both domestically and overseas



I -2. FY2024 Financial Results

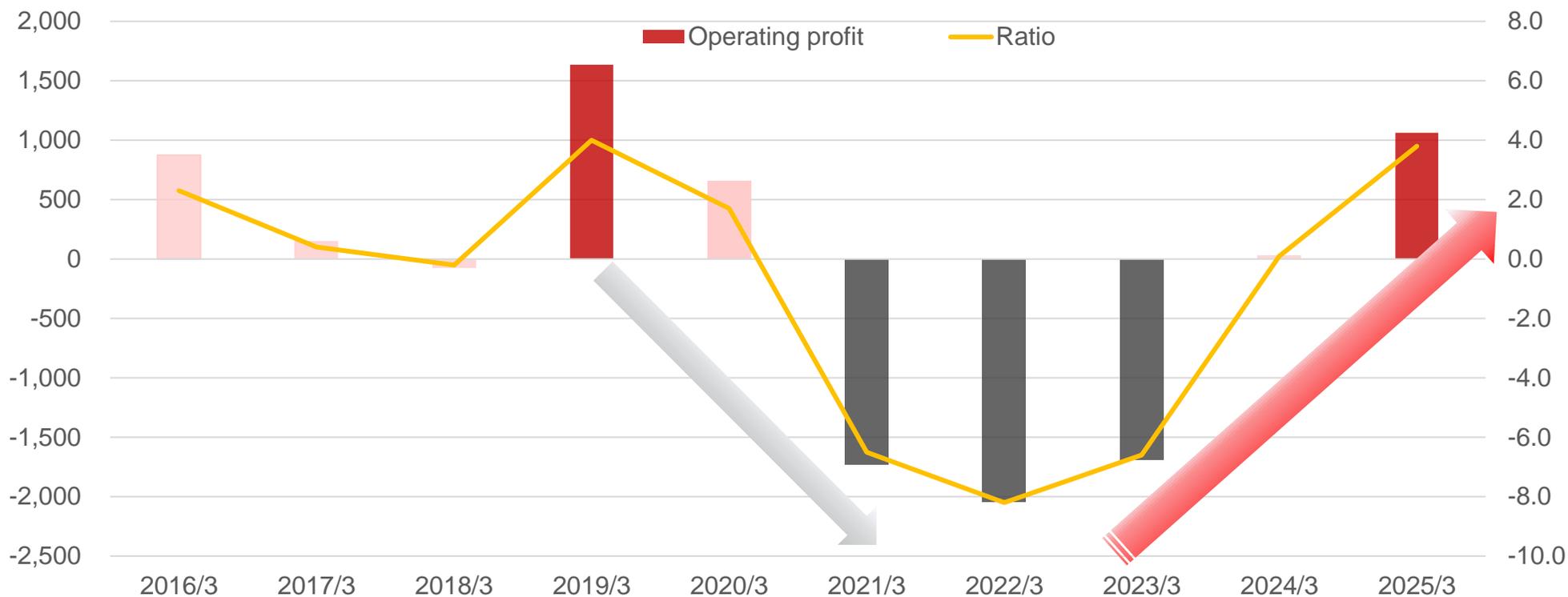
➤ Business results trends

(Unit : Million yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	38,237	26,565	25,023	25,461	26,800	27,775
Gross profit (GP ratio)	27,391 (71.6%)	18,909 (71.2%)	17,975 (71.8%)	18,408 (72.3%)	18,963 (70.8%)	19,487 (70.2%)
Selling and administrative expenses (Labor costs)	26,731 (13,843)	20,639 (10,281)	20,021 (9,193)	20,096 (9,245)	18,930 (9,369)	18,424 (9,660)
Operating profit	660	△1,729	△2,045	△1,687	33	1,063
Ordinary profit	823	△969	1,452	△1,528	△106	1,020
Profit	△677	△841	374	△2,858	94	807
Assets	15,356	17,198	14,143	10,796	10,467	12,332
Net assets	3,933	3,163	3,606	865	1,703	6,045
Number of Employees (Part-time)	946 (3,475)	814 (2,461)	633 (2,342)	521 (2,615)	510 (2,451)	528 (2,500)
Number of shops (FC shops)	482 (17)	454 (17)	440 (17)	431 (17)	389 (20)	364 (18)

I -2. FY2024 Financial Results

➤ Past 10 years Operating profit · Operating profit ratio



「V-shaped recovery」

II. Growth Strategy

KOURAKUEN
CORPORATION

II-1. Product Strategy

Started active menu development by leveraging direct manufacturing sales

Seasonal Products



Spot Products



Mega Series



Limited edition products



Dinner Products



II-1. Product Strategy

Fusion of tradition and innovation: creating new value with Standard and Limited edition products

Grand Menu

Products that you can eat every day



Sales Promotion

Directly appeal to customers about new products, limited edition products

Dinner Products

Enjoying products other than ramen Products



Limited edition products

Products with a seasonal feel
(Monthly product introduction target)



※「幸楽苑」公式アプリをダウンロードし、ご登録完了でクーポン獲得となります。

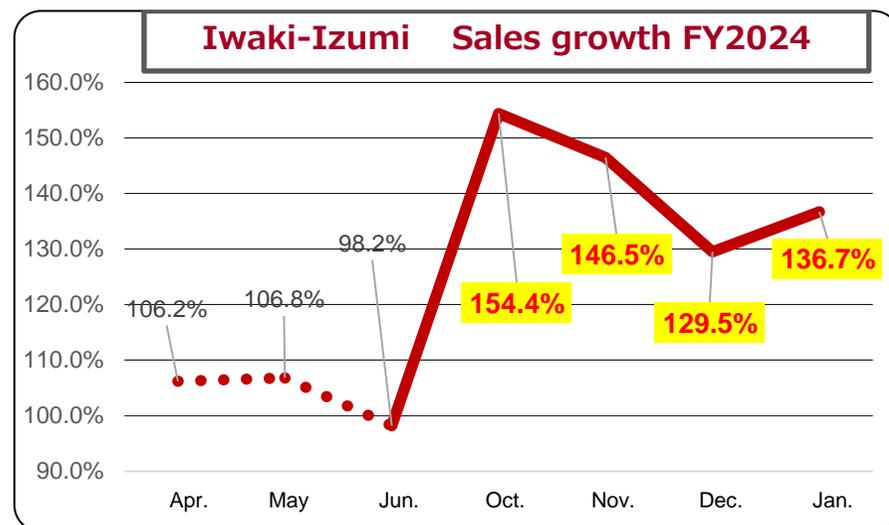
II-2. Capital investment (Shop renovation)

Shop renovation plan

- The exterior of the store is black and yellow, reminiscent of KOURAKUEN
- Signboard showing the founding of Aizu to brand the local area
- Post product tags on the exterior wall to clearly state main products



- Currently, a total of five shops are being renovated.
- 1.06 billion yen of funding from capital increase



We plan to gradually renovate about 20 stores a year

II-2. Capital investment (New shop opening strategy)

New shop opening plans

- **Expanding awareness of the “KOURAKUEN” brand**
 - Opening a shop with success rate as top priority
 - Creating local jobs and providing a “taste of KOURAKUEN”
- **Shop opening strategy**
 - First shop opening since fiscal year ended March 2018
 - Open 23 shops by fiscal year ending March 2029
 - Mainly open shops in existing trade areas with a dominant strategy

	FY2024 (Result)	FY2025 (Plan)	FY2026 (Plan)	FY2027 (Plan)	FY2028 (estimation)	Total
New shops	2	0	3	10	10	23
Closed	26	1	1	1	0	3
Total	▲24	▲1	+2	+9	+10	+20

Shop opening plan that values shops and is closely tied to the local community

Koriyama factory · Odawara factory · Head office

- **Koriyama factory**

- Increase production capacity by 20%, Measures against climate change (flooding) and Maintain logistics functions
- Total amount 829 million yen

- **Odawara factory**

- Maintaining production facilities and promoting SDGs
- Total amount 214 million yen

- **Head office**

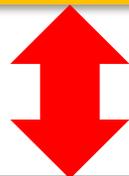
- Updated shop support system and head office network environment
- Total amount 300 million yen

Preparing for future business expansion and leaps forward

Sustainability Committee



Board of Directors



Monitoring

**Sustainability
Committee**

Committee Chair :
Representative Director
Vice Chair :
Senior General Manager of Administration Division
Committee members :
Heads of each department and Outside Directors
Secretariat : Corporate Strategy Department



Progress

Each Department

Report to the Board of Directors every six months

Promoting food recycling



- Shops food recycling rate 2025/3 : 24% ⇒ 2028/3 : **30%**
- Factory food recycling rate 2025/3 : 99% ⇒ 2028/3 : **100%**
- Shops and Factory food recycling rate 2025/3 : 44% ⇒ 2028/3 : **60%**
- Factory plastics recycling amt 2025/3 : 13tons ⇒ 2028/3 : **20tons**

Eco-friendly containers and packaging



- Plastic containers used amt 2025/3 : 88tons ⇒ 2028/3 : **72tons**
- Bioplastics used AMT 2025/3 : 16tons ⇒ 2028/3 : **24tons**
- Environmentally friendly paper 2025/3 : 30,000sheets
⇒ 2028/3 : **300,000sheets**

CO2 emissions reduction target



- Lot / t-co2/million yen 2025/3 : 1.16 ⇒ 2028/3 : **1.09**

II-3. SDGs · ESG (Social Initiatives)

Pursuing customer safety and security



- Shop renovation 2025/3 : 3shops ⇒ 2028/3 : **80shops**
- Increase in “S rank” based on shop standards 2025/3 : 20% ⇒ 2028/3 : **50%**
- DX of shop cooking process 2025/3 : 0shop ⇒ 2028/3 : **30shops**

Promoting factory and logistics DX



- Introducing DX equipment for factory production processes 2025/3 : 0procese ⇒ 2028/3 : **2processes**
- Expanded use of factory process control cameras 2025/3 : 8Units ⇒ 2028/3 : **15Units**
- IT-based supply chain management 2025/3 : 30% ⇒ 2028/3 : **50%**

Promoting diversity



- Promotion of female empowerment (store manager and above) ratio 2025/3 : 14% ⇒ 2028/3 : **20% or more**
- Rate of childcare leave taken by male employees 2025/3 : 17% ⇒ 2028/3 : **100%**
- Exchange with special needs schools 2025/3 : 14schools ⇒ 2028/3 : **20schools or more**
- Children’s cafeteria management support 2025/3 : 0facility ⇒ 2028/3 : **20Facilities**

Strengthening Corporate Governance



Basic Corporate Governance Policy

- (1) We will strive to ensure shareholder rights and equality
- (2) We strive to cooperate appropriately with stakeholders other than shareholders (customers, business partners, creditors, local communities, employees, etc.)
- (3) We strive to ensure appropriate information disclosure and transparency
- (4) In order to make transparent, fair, prompt, and decisive decisions, the role and We will strive to appropriately fulfill our responsibilities
- (5) We strive for constructive dialogue with shareholders

Strengthening compliance and risk management



- (1) Fostering compliance awareness among all executives and employees
- (2) Capital investments focused on business continuity
- (3) Preparing for large-scale weather changes and disasters

Ⅲ. Financial objectives

KOURAKUEN
CORPORATION

III-2. Key Performance Indicator

Financial KPI

Growth potential

1. Sales Growth Rate (CAGR)

2.6%

Profitability

2. Operating profit margin

5.0%

investment profitability

3. ROA

10.0%

4. ROE

15.1%

Shareholder Returns

5. Dividend payout ratio

20.0%

Ⅲ - 3 . Medium-Term Business Plan

3 years plan (FY2025 ~ FY2027)

(Unit : Million yen)

	FY2024 (Results)	FY2025 (Plan)	FY2026 (Plan)	FY2027 (Plan)
Net sales	27,775	28,000	29,000	30,000
Gross profit (GP ratio)	19,487 (70.2%)	19,400 (69.3%)	20,000 (69.0%)	20,600 (68.7%)
Selling and administrative expenses (Labor costs)	18,424 (9,660)	18,300 (9,800)	18,700 (10,000)	19,100 (10,100)
Operating profit	1,063	1,100	1,300	1,500
Ordinary profit	1,020	1,100	1,300	1,500
Net profit	807	800	1,000	1,200
Number of shops (FC shops)	364 (18)	363 (18)	365 (18)	374 (18)



The forward-looking statements herein are based on information available at the time of announcement and on the assumptions of uncertain factors that may affect the Company's future results. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Factors affecting financial results include, but are not limited to, economic conditions, raw material prices, supply and demand trends and market conditions for products. Quantitative targets, reference values, investment amounts, etc. in this document are only representations of vision, medium term strategies, etc., and are not financial results forecasts. We do not have any obligation to update this information.