

Fujio Food System Co., Ltd.

1 Sec. TSE (2752)

FY2018 Financial Results briefing



FY2018

Financial results summary

FY2019

Business Strategy



FY2018 Financial results summary

Photo: さち福やCAFÉ 天王寺MIO店

FY2018 Consolidated Income Statement Summary

(in million JPY)	FY2017		FY2018		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Sales	35,938	100.0%	36,145	100.0%	207	0.6%
Directly-managed business	34,071	94.8%	34,275	94.8%	204	0.6%
Franchised business	1,866	5.2%	1,869	5.2%	3	0.2%
Cost of sales	12,793	35.6%	12,724	35.2%	-68	-0.5%
Gross profit	23,145	64.4%	23,420	64.8%	275	1.2%
SGA costs	20,540	57.2%	21,161	58.5%	621	3.0%
Operating profit	2,605	7.2%	2,259	6.3%	-346	-13.3%
Ordinary profit	2,513	7.0%	2,189	6.1%	-324	-12.9%
Extraordinary profit	158	0.4%	5	0.0%	-153	-96.8%
Extraordinary loss	494	1.4%	647	1.8%	152	30.8%
Net income before taxation	2,177	6.1%	1,547	4.3%	-630	-29.0%
Net income attributable to parent shareholder	1,403	3.9%	911	2.5%	-491	-35.0%
EBITDA*	4,065	11.3%	3,607	10.0%	-458	-11.3%

Indicator

Sales ↑ **0.6%**

Sales at domestic Directly-managed outlets **96.7%**

New Domestic Directly-managed outlets **55 outlets**

Operating profit ↓ **13.3%**

Operating profit ratio ↓ **0.9%**

Cost of sales ratio ↓ **0.4%**

SGA cost ratio ↑ **1.3%**

Labour cost ratio ↑ **0.5%**

Rent ratio ↑ **0.5%**

Utilities cost ratio ↑ **0.1%**

Advertising cost ratio ↓ **0.05%**

Other cost ratio ↑ **0.1%**

Impairment loss **¥241 m**

Loss on retirement of noncurrent assets **¥ 56 m**

Loss on valuation of stocks of subsidiaries **¥ 349 m**

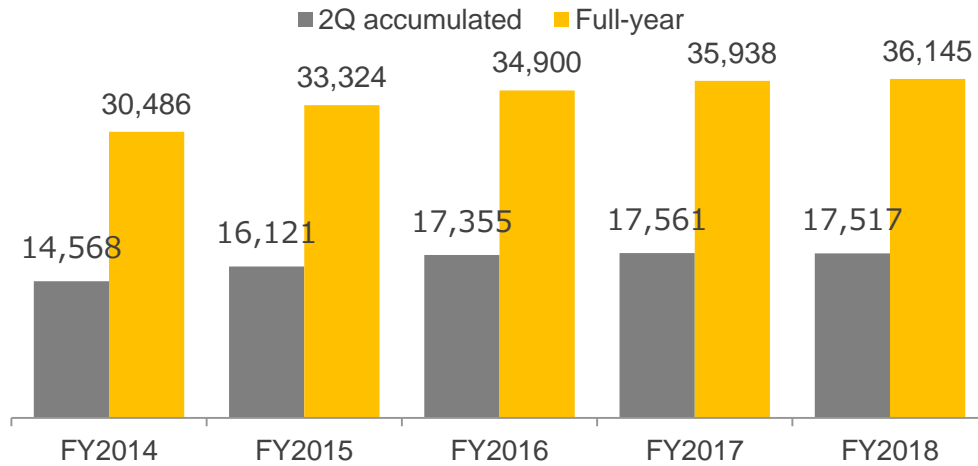
*EBITDA=Operating profit +Depreciation & Amortization

* SGA: Selling, General and Administrative costs

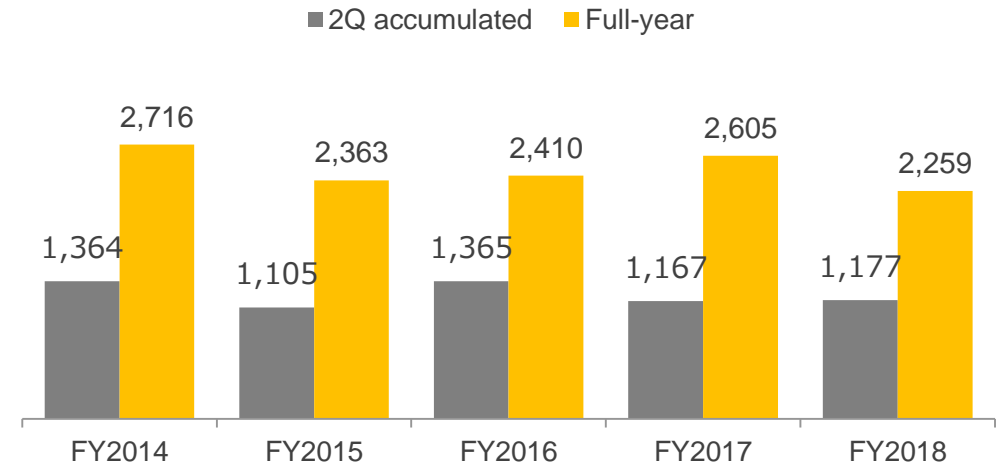
Transition of Consolidated Financial results in the past 5 years

A record-high Sales, however the Operating Profit, Ordinary Profit and Net income decreased

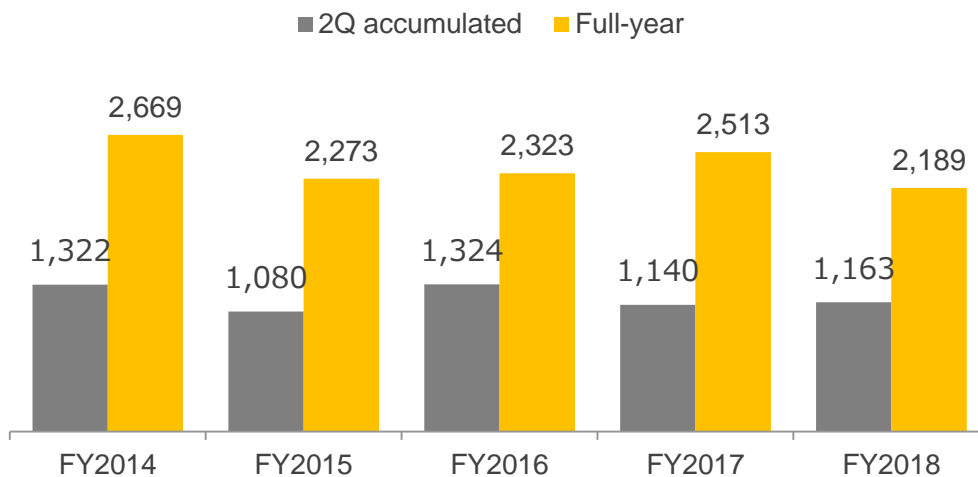
Sales (in million JPY)



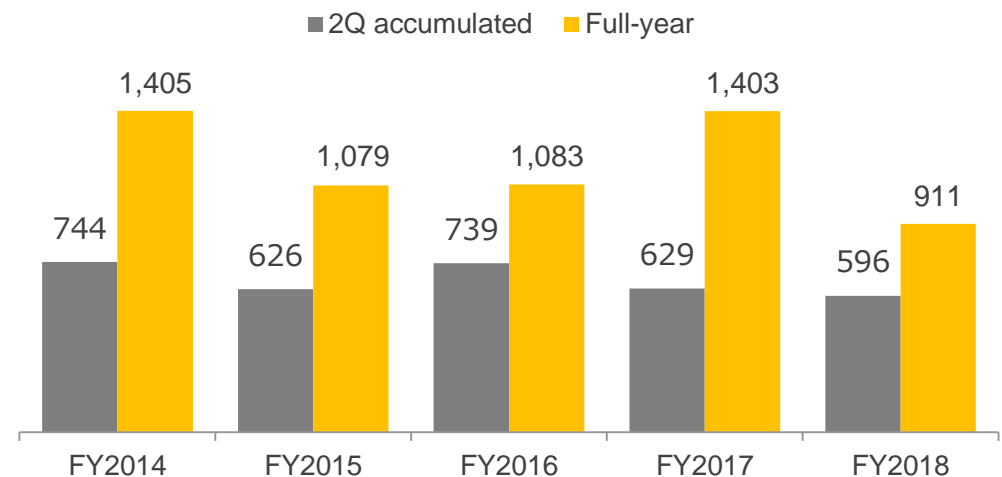
Operating profit (in million JPY)



Ordinary profit (in million JPY)



Net income (in million JPY)

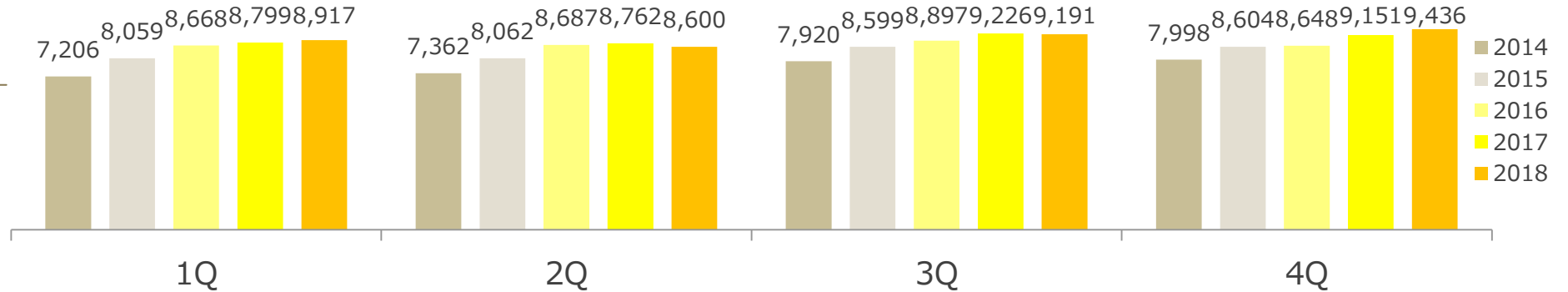


Transition of consolidated financial results per quarter

The sales at new outlets and the recovery of existing business contributed to the sales growth, however the profit declined because of a rise in SGA cost, including the labour cost

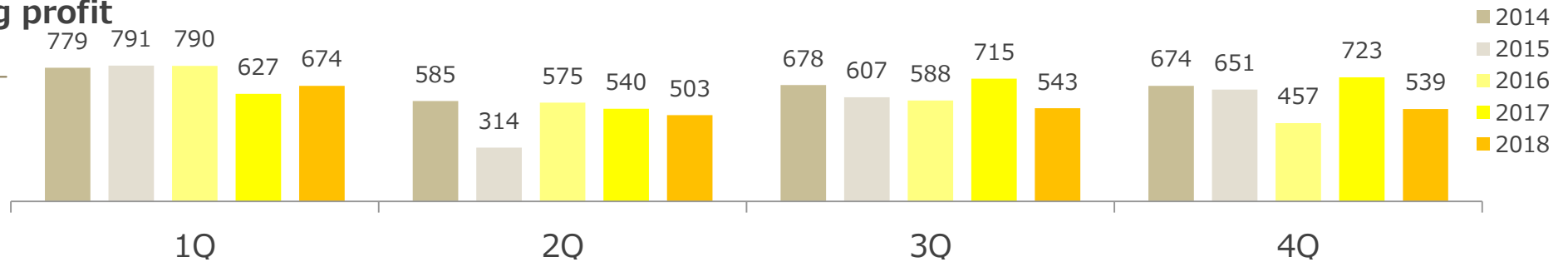
Sales

(in m JPY)



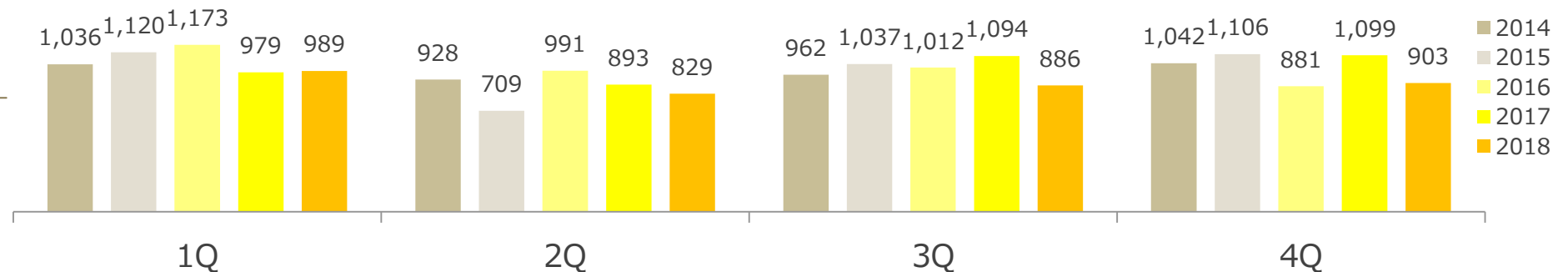
Operating profit

(in m JPY)



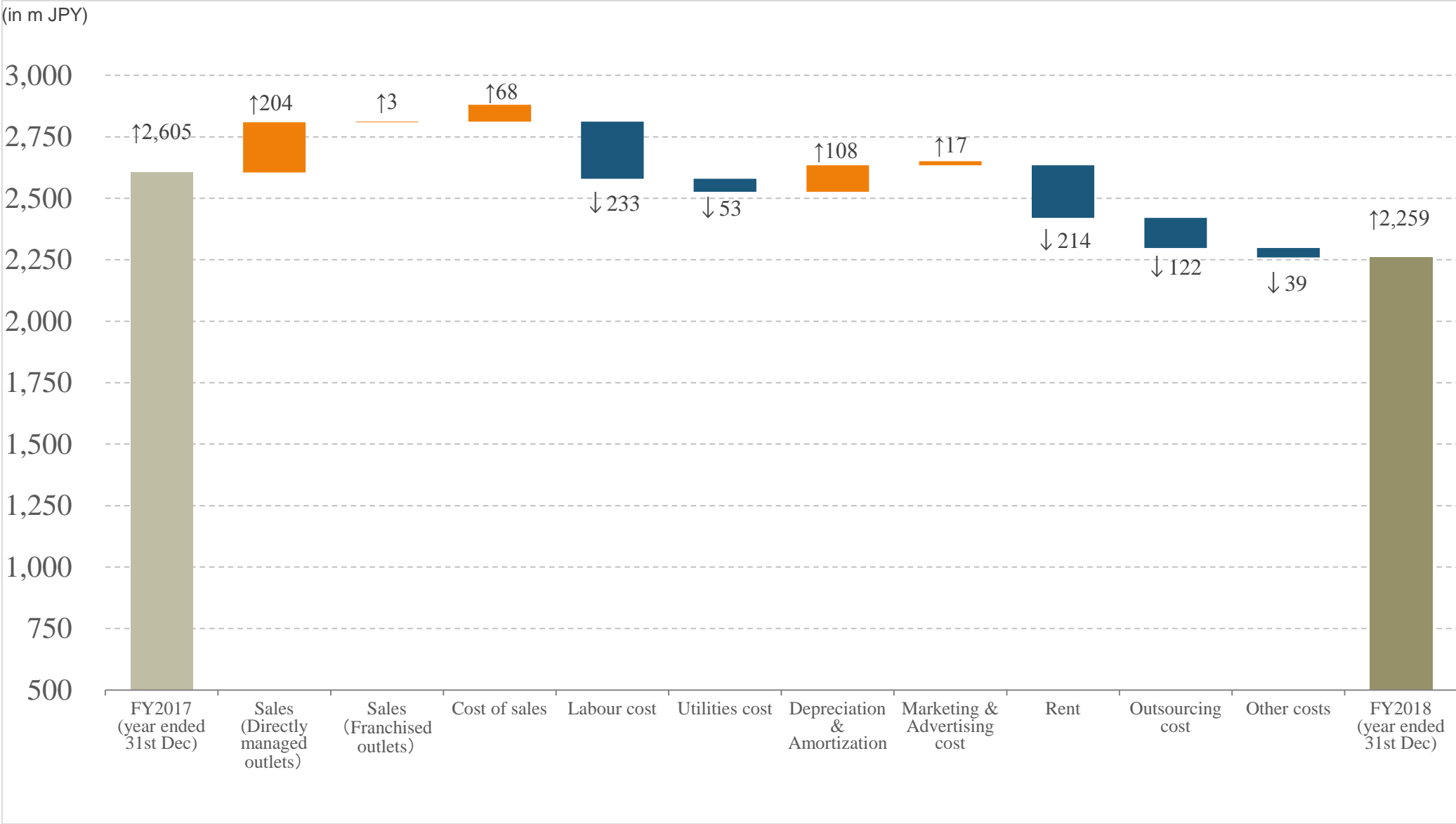
EBITDA*

(in m JPY)



*EBITDA=Operating profit +Depreciation & Amortization

FY2018 YOY Operating profit analysis



FY2018 Actual-to-plan rate

Sales: 100.1% Operating profit: 93.3% Ordinary profit: 92.7% Net income: 71.7%

(in m JYP)	FY2018		FY2018		Actual-to-plan rate	
	Plan	Ratio	Actual	Ratio	Variance	Progression rate
Sales	36,100	100.0%	36,145	100.0%	45	100.1%
Operating profit	2,420	6.7%	2,259	6.3%	-161	93.3%
Ordinary profit	2,360	6.5%	2,189	6.1%	-171	92.7%
Net income	1,270	3.5%	911	2.5%	-359	71.7%

FY2018 Consolidated Sales at directly-managed outlets by brand

The Sales YOY are up 0.6% (¥ 204 m increased)

The percentage of Sales at existing outlets is 96.7%, 55 new outlets contributed to the Sales growth

(in m JPY)	FY2017 full-year		FY2018 full-year		YOY		FY2018 (Domestic directly- managed outlets)	
	Sales	Proportion	Sales	Proportion	Variance	Rate of change	No. of new outlet opening	No. of outlets
Maidookini Shokudo ⁽¹⁾	9,775	28.7%	9,325	27.2%	-450	-4.6%	8	139
Kushiya Monogatari	11,373	33.4%	10,614	31.0%	-759	-6.7%	4	88
Kappogi	2,281	6.7%	2,349	6.9%	68	3.0%	2	36
Tsurumaru	2,071	6.1%	2,094	6.1%	23	1.1%	11	51
Sachifukuya ⁽²⁾	1,989	5.8%	2,409	7.0%	420	21.1%	6	23
Ebinoya ⁽²⁾	1,135	3.3%	1,658	4.8%	523	46.0%	9	33
Others	5,444	16.0%	5,826	17.0%	382	7.0%	15	140
Total	34,071	100.0%	34,275	100.0%	204	0.6%	55	510

Note:

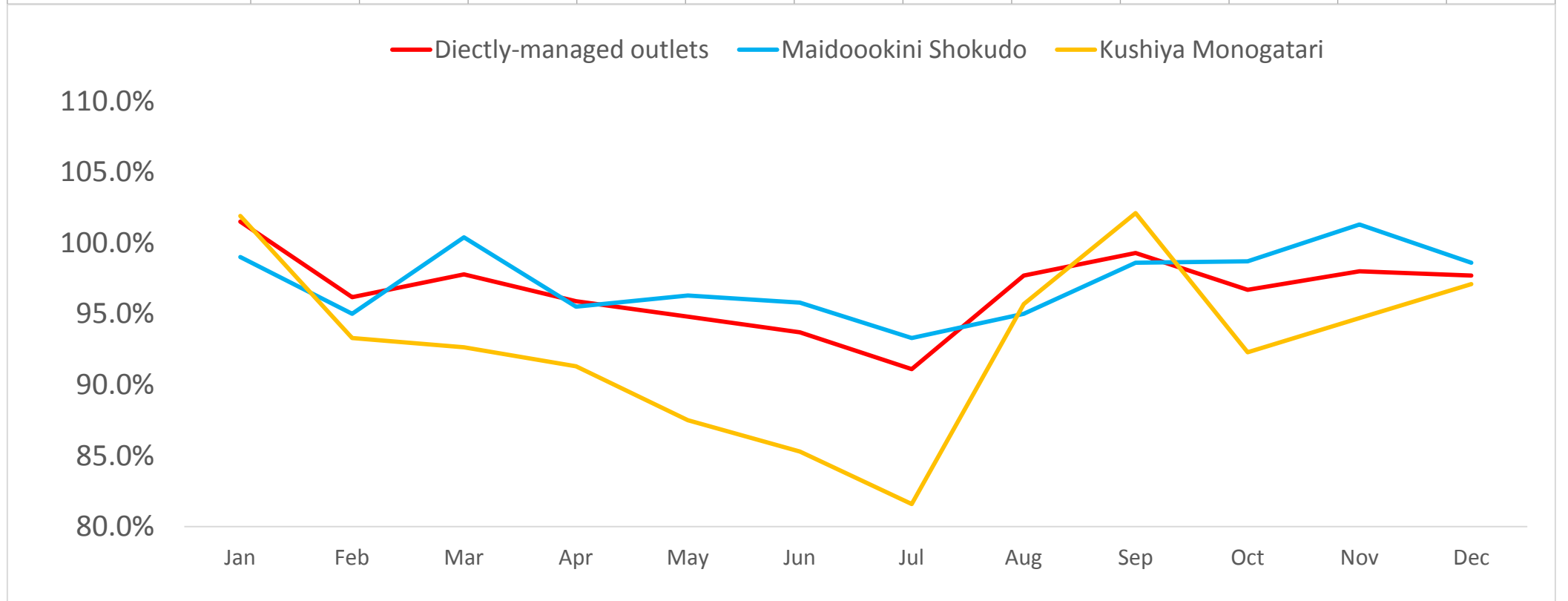
(1)Uchino Shokudo & Gekotei are included.

(2)New outlet opening and Sales of Sachifukuya, Ebinoya, etc. are improved.

Transition of the YOY Sales at Domestic directly-managed outlets

Directly-managed outlets: **96.7%** Maidookini Shokudo: **97.3%** Kushiya Monogatari: **93.0%**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Directly-managed outlets	101.5%	96.2%	97.8%	95.9%	94.8%	93.7%	91.1%	97.7%	99.3%	96.7%	98.0%	97.7%
Maidookini Shokudo	99.0%	95.0%	100.4%	95.5%	96.3%	95.8%	93.3%	95.0%	98.6%	98.7%	101.3%	98.6%
Kushiya Monogatari	101.9%	93.3%	92.6%	91.3%	87.5%	85.3%	81.6%	95.7%	102.1%	92.3%	94.7%	97.1%



FY2018 New domestic outlet openings

55 new outlets opened in 2018. The actual(55 outlets) exceeded the plan(40 outlets)
 New brands opened , e.g. Eltana(a bagel cafe), MODENA MAMA(Italian restaurant)

		2018 No. of new outlets Forecast	2018 No. of new outlets Actual	Name of outlet
Directly- managed outlets	Maidookini Shokudo	5	6	Nakaoroshi Kajitsu Kosei Shokudo, Osaka Prefectural Police Headquarters Shokudo, Himejima Shokudo, Harinakano Shokudo, Kuzuha Ekimae Shokudo, Fukujima Shokudo
	Kushiya Monogatari	3	4	Aeon mall Hamamatsuichino, Shibuya Gourmet Town, Machida MODI, CELEO Hachioji
	Ebinoya	5	9	Aeon mall Tokoname, Osaka ekimae 3rd BLDG., Hamamatsuichino, Morimomiya, EBISTA Nishinomiya, CELEO Hachioji, NAMBA NANNAN, Aeon mall Dainichi, Lalaport Tokyo Bay
	Sachifukuya	3	6	Grand Emio Tokorozawa, Osaka Intl Airport, Crysta Nagahori, Mikage CLASSE, Aeon mall Tokoname, Soka VARIE
	Eltana	2	2	Higobashi, Flight of dreams
	Ekimae parlor	2	1	Kitakyuhoji
	Uchino Shokudo	2	2	TerraceMall Shonan, Lalaport Nagoya Minato AQUUS
	Others	18	25	Kushi & Tako Minamimorimachi, Circolo Minamimorimachi, Sabaroku Seimenjo Minamimorimachi, Roman no Teppan, Modena Mama Kitahama, Modena Mama Osaka Ekimae 3rd BLDG., Fujioken Itami, Katsuma Tengu, etc.
	TOTAL	40	55	
Franchised outlets	20	10	Osaka Chuo Shokudo, Kushiya Monogatari Aeon mall Zama, Ebinoya Yume Town Tokushima, Ebinoya Ario Kurashiki, Kushiya MonogatariThe outlets Hiroshima, Igahakuho Shokudo, Ebinoya Aeon mall Hiroshima Fuchu, Don Aeon mall Hiroshima Fuchu, Sabaroku Seimenjo Hankyu Umeda, Sachifukuya Hiroshima Ekie	
Total	60	65		

FY2018 New overseas outlet opening

4 new overseas outlets opened in 2018, 25 overseas outlets are owned currently

Country/ City	FY2017	FY2018	FY2018	FY2018	FY2018	Note
	No. of outlet	Plan	Actual	Outlet closure	No. of outlet	
Shanghai China	7	2	0	2	5	3 Maidoookini Shokudo 2 Uchino Shokudo
U.S.	2	0	0	0	2	2 Tsurumaru
Taiwan	12	11	4	1	15	12 Maidoookini Shokudo 2 Kushiya Monogatari 1 Sachifukuya
Indonesia	5	3	0	2	3	1 Kushiya Monogatari 2 Uchino Shokudo
Others	1	5	0	1	0	
TOTAL	27	21	4	6	25	

FY2018 Consolidated B/S Summary

(in m JPY)	FY2017		FY2018		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Current assets	5,299	24.6%	4,507	20.7%	-791	-14.9%
Cash and deposits	2,963	13.7%	1,921	8.8%	-1,041	-35.1%
Others	2,336	10.8%	2,503	11.5%	167	7.1%
Non-current assets	16,276	75.4%	17,252	79.2%	975	6.0%
Tangible non-current assets	9,357	43.4%	10,057	46.2%	699	7.5%
Intangible non-current assets	63	0.3%	148	0.6%	85	133.8%
Investments & other incomes	6,855	31.8%	7,045	32.3%	190	2.8%
Deferred Income	0	0.0%	0	0.0%	-	-
Total assets	21,575	100.0%	21,759	100.0%	183	0.9%
Current liabilities	6,553	30.4%	6,556	30.1%	3	0.0%
Accounts payable	1,492	10.4%	1,559	7.1%	67	4.4%
Current portion of long-term loans payable	2,240	10.4%	2,045	9.3%	-194	-8.7%
Current portion of convertible bonds	0	0.0%	0	0.0%	-	-
Non-current liabilities	5,905	27.4%	5,738	26.3%	-167	-2.8%
Long-term loans	4,609	21.4%	4,369	20.0%	-240	-5.2%
Others	1,296	21.9%	1,369	6.2%	73	5.6%
Capital	2,125	9.8%	2,135	9.8%	10	0.4%
Capital surplus	2,007	9.3%	2,017	9.2%	10	0.4%
Net assets	9,116	42.3%	9,465	43.4%	348	3.8%
Total assets	21,575	100.0%	21,759	100.0%	183	0.9%

Indicators

Total cash and cash equivalents

¥1,921 m

YOY **1,041m JPY ↓**

Total debt with interest

¥6,414 m

YOY **436m JPY ↓**

Net debt*

*Debt with interest – Cash & Cash equivalents

¥4,493 m

YOY **¥ 607 m ↑**

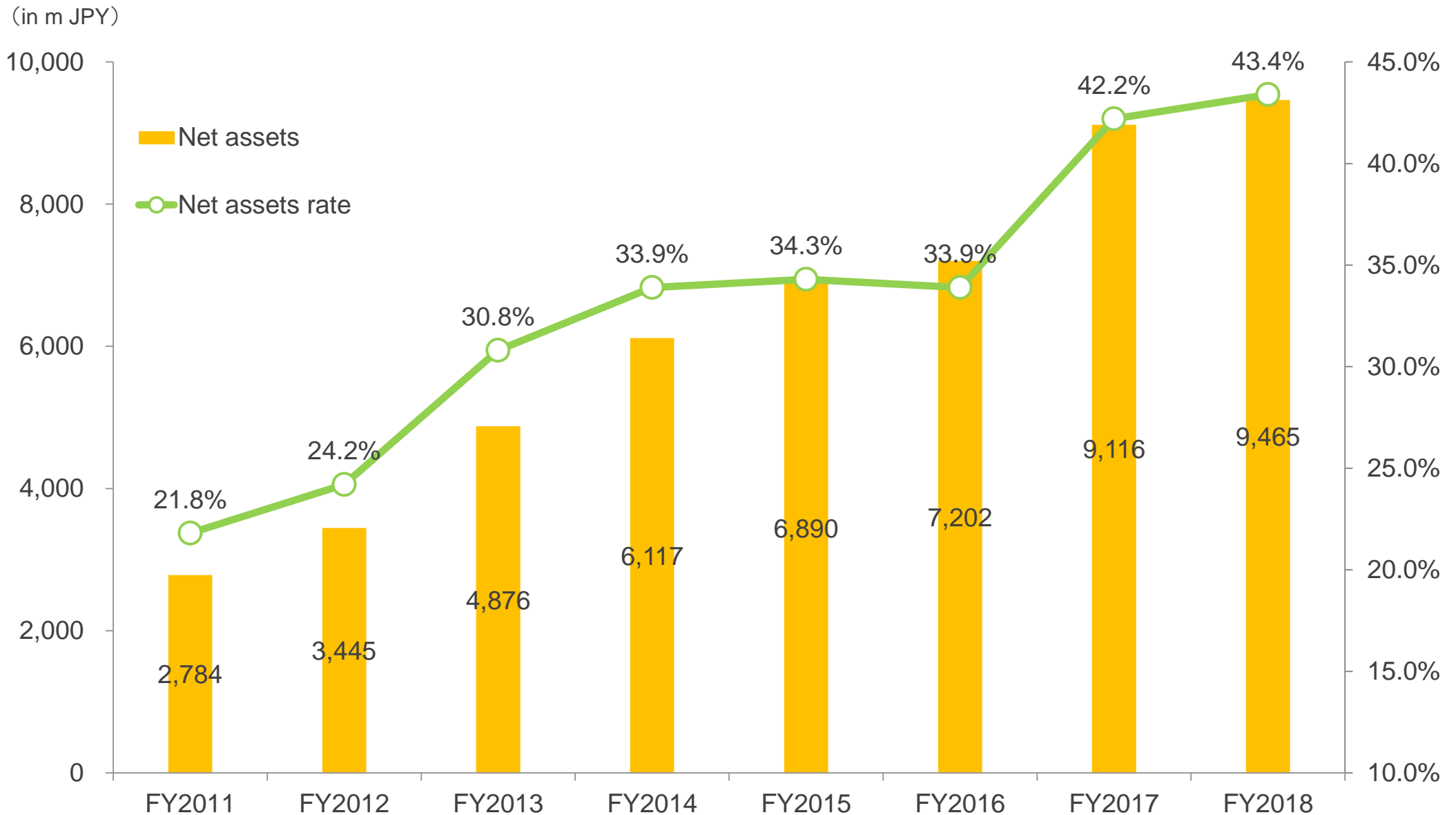
Net assets

¥ 9,465 m

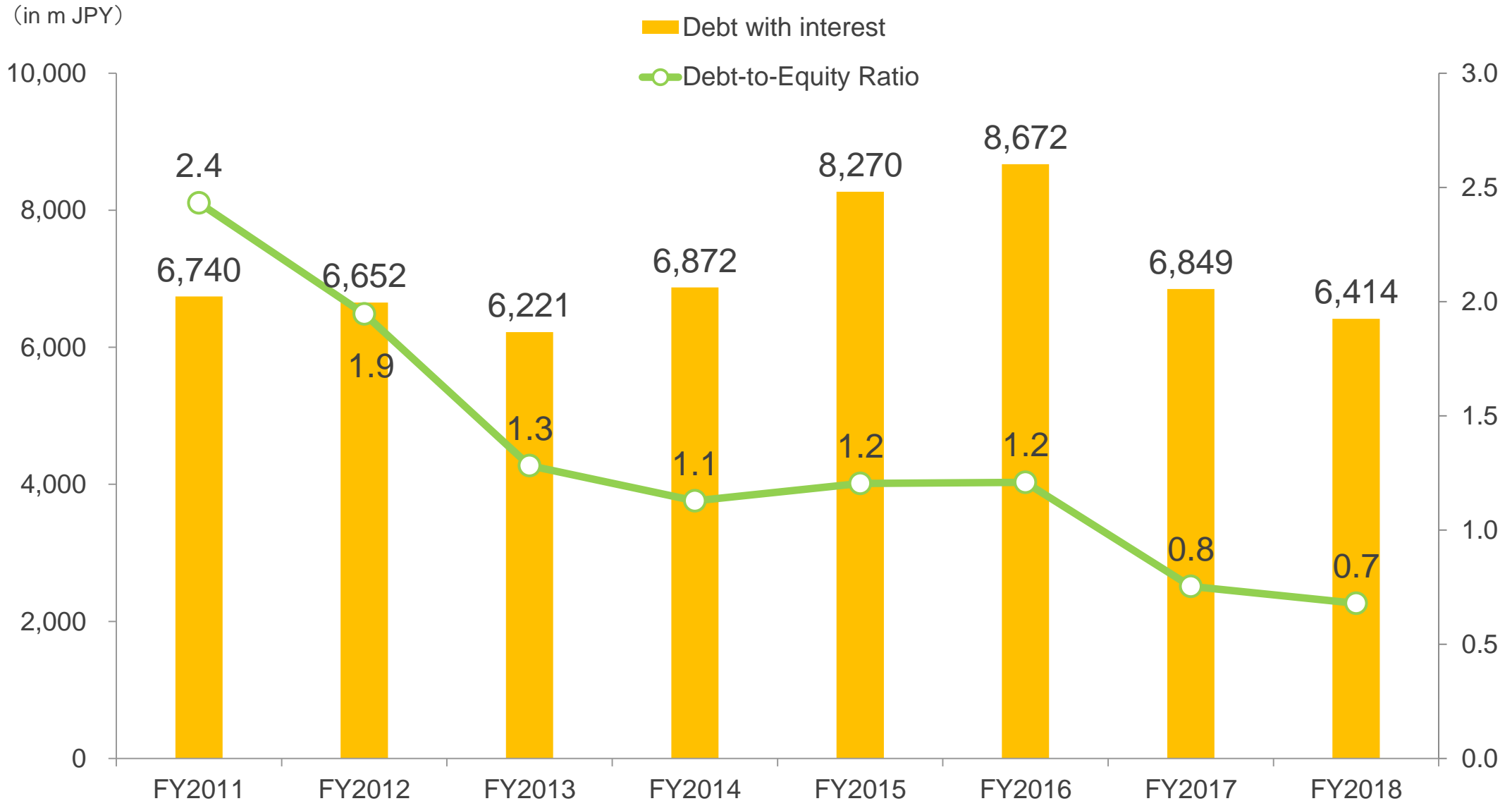
YOY **¥ 349 m ↑**

Transition of Net assets

Compare with 2011's, the amount of net assets increased by 3.4 times, at a ratio 43.4%

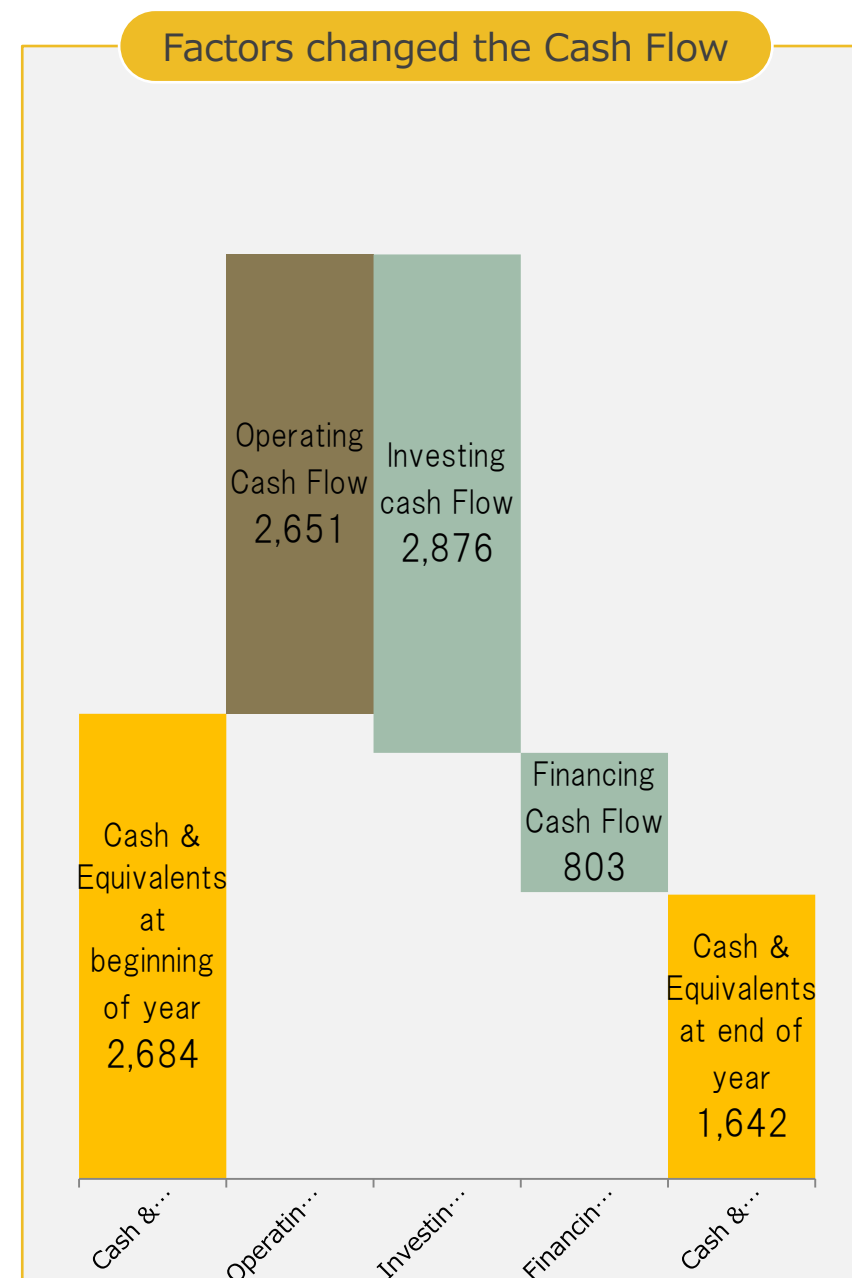


Debt with interest & Debt-to-Equity Ratio



FY2018 Consolidated Cash Flow Summary

(in m JPY)	FY2017	FY2018	YOY
	Actual	Actual	Variance
Operating Cash Flow	3,344	2,651	-693
Net income before taxation	2,177	1,547	-630
Depreciation & Amortization	1,463	1,354	-109
Impairment loss	382	241	-141
Income taxes paid	-955	-915	40
Investing Cash Flow	-1,632	-2,876	-1,244
Purchase of property, plant and equipment	-1,164	-2,224	-1,060
Payments for lease deposits	-226	-312	-86
Financing Cash Flow	-1,218	-803	415
Proceeds from long-term loans payable	1,300	2,000	700
Repayment of long-term loan payable	-2,430	-2,435	-5
Redemption of bonds	-60	-	60
Cash dividends paid	-298	-372	-74
Net increase(decrease) in cash & cash equivalents	498	-1,041	-1539
Cash & Cash equivalents at beginning of year	2,186	2,684	498
Cash & Cash equivalents at end of year	2,684	1,642	-1,041



FY2019 Yearly plan

YOY Sales : **110.9%**

YOY Operating income : **110.7%**

YOY Ordinary income : **110.5%**

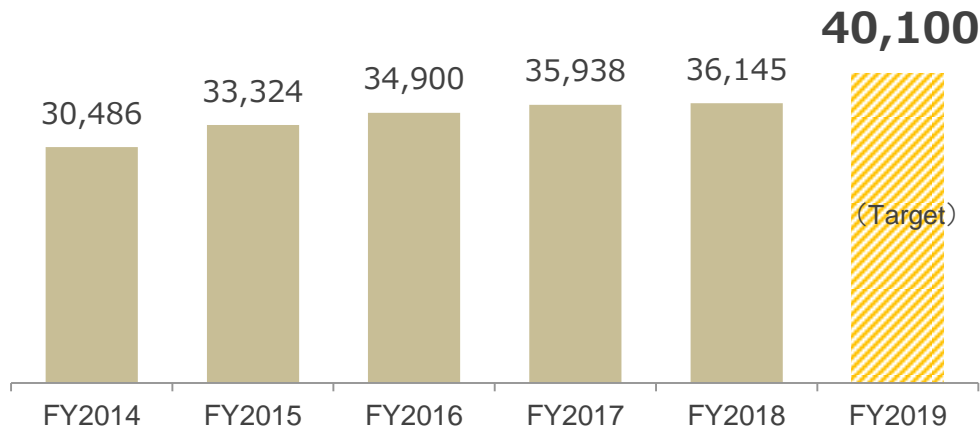
YOY Net income : **129.9%**

(in m JPY)	FY2018		FY2019		YOY	
	Actual	Proportion	Plan	Proportion	Variance	Ratio
Net sales	36,145	100.0%	40,100	100.0%	3,955	10.9%
Operating income	2,259	6.2%	2,500	6.2%	241	10.7%
Ordinary income	2,189	6.0%	2,420	6.0%	211	10.5%
Net income	911	2.5%	1,185	3.0%	274	29.9%
New outlet opening	Directly-managed outlets	55	60		5	
	Franchised outlets	10	20		10	
	Total	65	80		15	
YOY Sales at existing outlets	96.7%		101.0%			

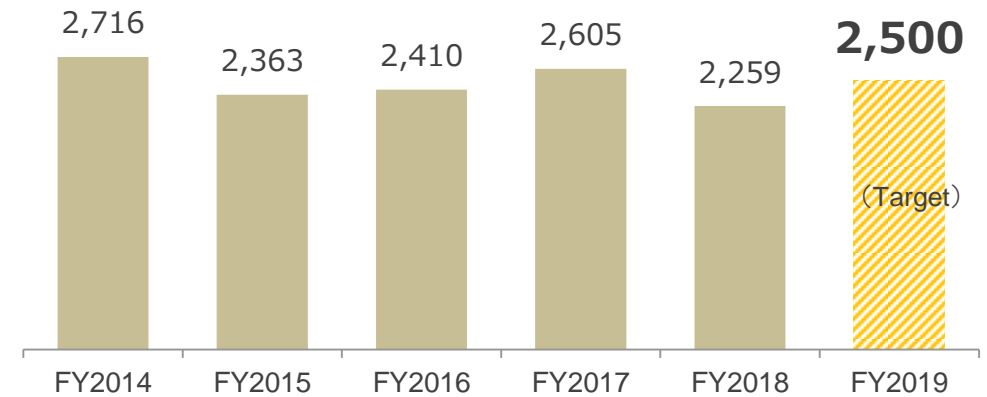
Transition of consolidated financial results

The net sales is targeted to reach the record levels, the operating income, ordinary profit and net income increase steadily

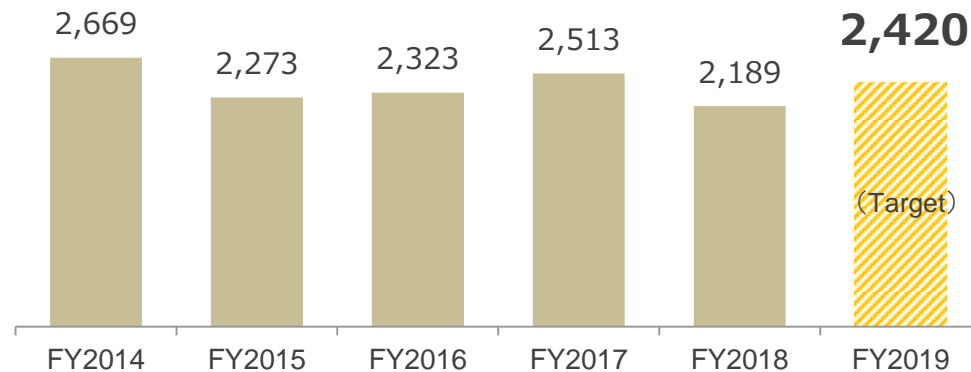
Net sales (in m JPY)



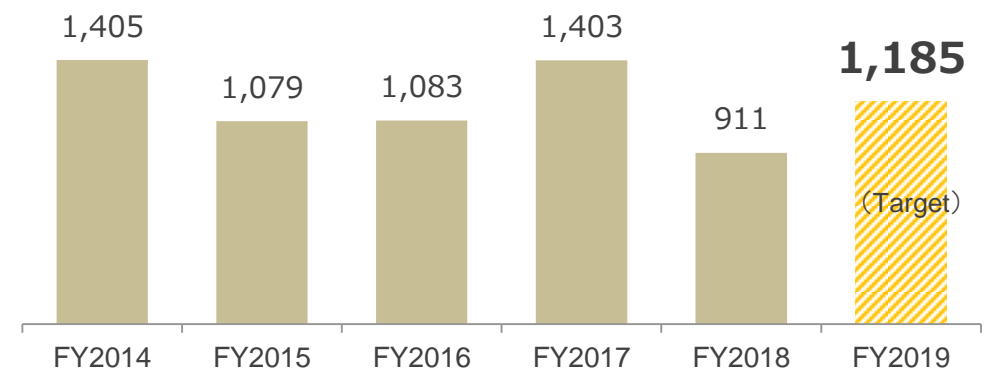
Operating income (in m JPY)



Ordinary profit (in m JPY)



Net income (in m JPY)



FY2019 New domestic outlet open plan

60 new domestic outlets are targeted to open in 2019, mostly the brands with outstanding performance, e.g. Sachifukuya, Ebinoya, but also other brands, e.g. Katsuma, Fujioken, and new brands are also considered

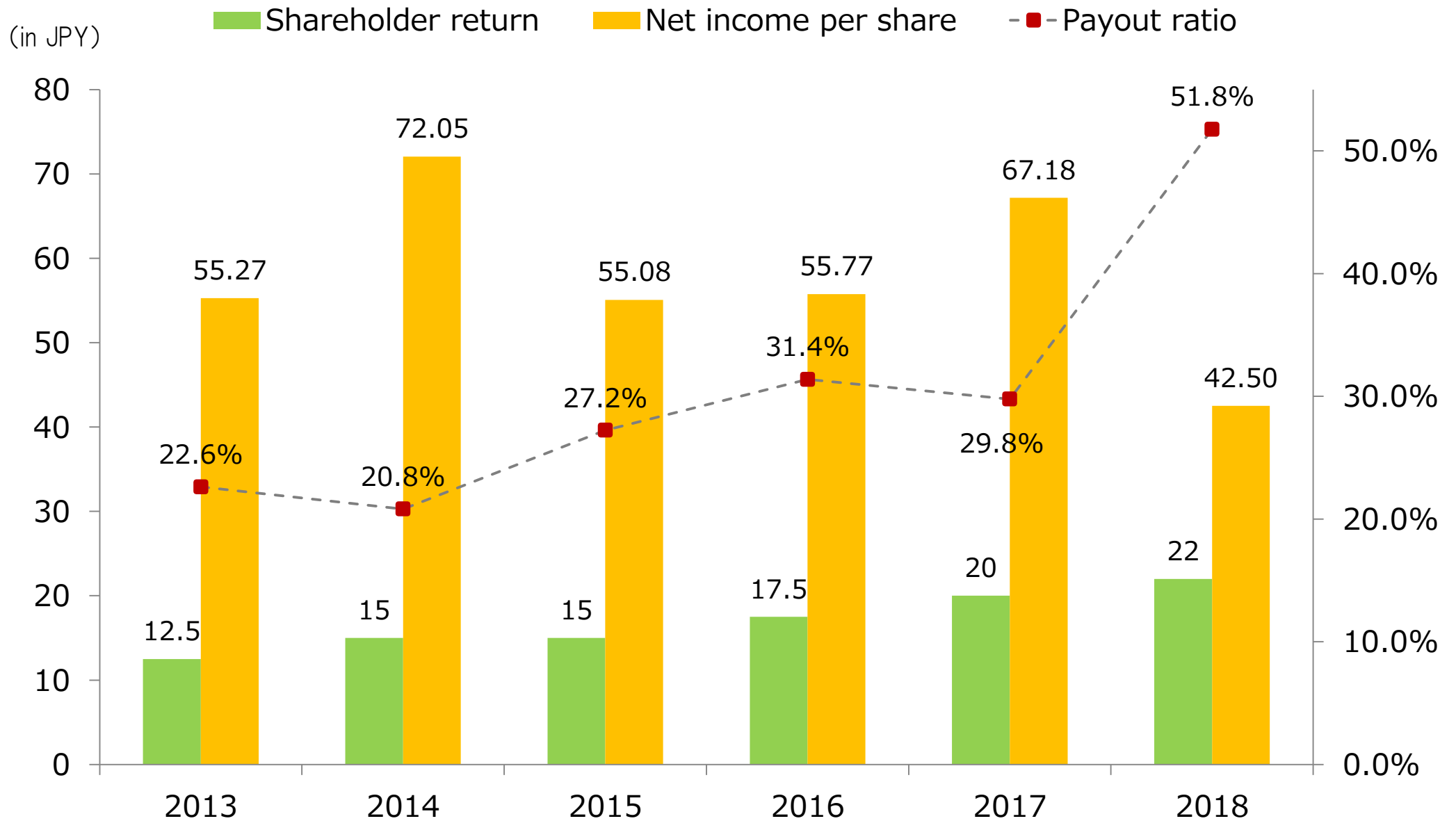
		FY2018	FY2019	Name of outlet
		No. of new outlet opening (Actual)	No. of new outlet opening (Plan)	
Directly-managed outlets	Maidookini Shokudo	6	5	Nakanoshima (Jan), Noda (Feb), Otemon University (Apr), Tamatsukuri Ekimae (Aug), etc.
	Kushiya Monogatari	4	3	Amagasaki Q's mall (Feb), Terrace Mall Matsudo (Oct), Lalaport Namatsu (Oct)
	Tsurumaru	11	1	Noda (Feb)
	Sachifukuya	6	16	Namba City (Feb), Kawasaki SolidSquare (Mar), SUINA Muromachi (Mar), AQUA City Odaiba (Mar), Kaihimakuhari (Apr), Sotetsu Fresa Sannomiya (May), Terrace Mall Matsudo (Oct), etc.
	Ebinoya	9	9	Keihan Mall Kyobashi (Jan), Wing Kamiooka (Jan), Aeon Mall Uchihara (Mar), Aeon Mall Kobe North (Mar), Le FRONT Kawasaki (Apr), Aeon Mall Kashiwa (Apr), Marui Mizonokuchi (Oct), etc.
	Fujioken	1	3	Nishishodai (Mar), Aeon Mall Higashiura (Apr), etc.
	Katsuma	2	6	Tenjinbashisuji4thAvenue (Feb), Aeon Mall Tomio South (Feb), Aeon Mall Gushikawa (May), etc.
	Others	16	17	Umeinari Minamimorimachi (Jan), Musubiya Kansai Intl Airport (Jan), Sabaroku Seimesho Kyoto Saiin(Feb), Kushi & Tako Tenjibashisuji 3rdAvenue (May), Sabaroku Seimesho Abeno (May), Kappogi Sotetsu Fresa Namba (Aug), Gekotei Daimaru Shisaibashi (Nov), etc.
	Total	55	60	
Franchised outlets		10	20	
Total		65	80	

FY2019 New overseas outlet open plan

12 new overseas outlets are targeted to open in 2019, owning 37 overseas outlets by FY2019

Country/City	FY2018	FY2019	FY2019	Note
	No. of outlets	Forecast	No. of outlets	
Shanghai China	5	2	7	5 Maidookini Shokudo, 2 Uchino Shokudo
U.S.	2	1	3	2 Tsurumaru, 1 Ebinoya
Taiwan	15	6	21	14 Maidookini Shokudo, 4 Kushiya Monogatari, 3 Sachifukuya
Indonesia	3	0	3	1 Kushiya Monogatari, 2 Uchino Shokudo
Others	0	3	3	2 Tsurumaru in Philippines, 1 Ebinoya in Canada
TOTAL	25	12	37	

Shareholder return



*2 JPY of commemorative dividend for the transition to 1st Sec. TSE is included.



FY2019 Business Strategy

Photo:Rose Garden in Okinawa

1 Improvement of Existing Domestic Outlets

2 Accelerated Expansion (Directly-managed / Franchised)

3 Overseas Business Strategy

4 Strategy for M&A, Capital & Business Alliance

5 Productive Community Service Through
“Fujio Farm” & “Fujio Child”

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1 Improvement of Existing Domestic Outlets

Strategy

1 Improving the performance of domestic outlets

- To reform the existing outlets and refine the menus, pricing, etc
- To enhance the attractiveness of products in Shokudo by developing new types of Shokudo (e.g. Himeji Shokudo, Harinakano)
- To enhance the promotion for seasonal campaigns and products
- To attract more customers through productive merchandising planning (e.g. Shokudo's day, Coupons)

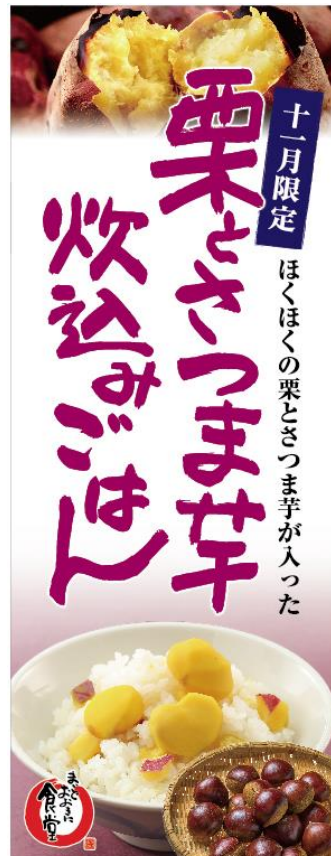
2 Media strategy

- TV Commercial of Kushiya Monogatari and Maidookini Shokudo broadcasted in Aug and Nov
- Coupons through mobile application, e.g. "Smart News", "Gunosy"
- To introduce Rakuten point card service
- To enhance the strategy to attract more foreign tourists

1 Improvement of Existing Domestic Outlets-1

Improvement to the existing Maidookini Shokudo performance

- To enhance the promotion for seasonal rice to improve customer satisfaction
- To diversify the toppings (green onion, ginger, cheese, dried sardine) for the Tamagoyaki, one of the well-known menu items, thereby making it a value-added side dish that attracts more customers



1 Improvement of Existing Domestic Outlets-1

Improvement to the existing Maidookini Shokudo performance

- Seasonal limited edition menus and “Shokudo’s day”, a promotion on every Tuesday, should attract more customers
- Continue offering Rakuten point card service and providing coupons through mobile apps, (e.g. “Smart News”, “Gunosy”)



1 Improvement of Existing Domestic Outlets-1

Improvement to the existing Ebinoya performance

- 9 new outlets including franchised outlets of Ebinoya, a brand with an established business model and outstanding performance, are targeted to open by FY2019
- Total of 46 outlets beyond FY2019
- To advertise the seasonal campaigns and its products to attract more customers
- To continue the popular all-you-can-eat Mentaiko



1 Improvement of Existing Domestic Outlets-1

Improvement to the existing Sachifukuya performance

- 16 new outlets of Sachifukuya, a brand with outstanding performance, are targeted to open by FY2019
- Total of 43 outlets beyond FY2019
- To advertise the seasonal campaigns and its products to attract more customers
- Cater to the needs of customers based on the location where the store is developed (e.g. Kyoto-style cuisine, serving food in Ohitsu, Café type)



Sep ~ Nov



Dec ~ Feb



Sachifukuya in Piolo Himeji

1 Improvement of Existing Domestic Outlets-1

Improvement to the existing Katsuma performance

- 6 new outlets of Katsuma, a brand with outstanding performance, are targeted to open by FY2019, totalling 12 outlets beyond FY2019
- To advertise the seasonal campaigns and its products to attract more customers



Katsuma in Maya Kobe



1 Improvement of Existing Domestic Outlets-2

To improve the awareness of brands through pursuing the media strategy actively

- To provide coupons through mobile app, e.g. "Smart News", "Gunosy"
- The Rakuten point card service was introduced in July
- New TV commercial of Kushiya Monogatari was broadcasted in Aug
- TV commercial of Maidookini Shokudo was broadcasted in the Kansai area in Nov
Mr. Yutaka Matsushige, a famous Japanese actor, was selected to act in the commercial

The collage illustrates various marketing and promotional activities for Fujio Food System brands. It features:

- SmartNews App:** A smartphone screen showing a 'Coupon Channel' for Kushiya Monogatari with a featured coupon for a 'Chicken Dinner' (チキンディナー) for ¥50 off.
- Rakuten Point Card:** A card for Kushiya Monogatari, indicating the start of the service on August 17th (8月17日(金)よりスタート!).
- TV Commercial:** A still from a TV commercial for Kushiya Monogatari featuring a family of four.
- Brand Logos:** A central graphic showing logos for various brands under the Fujio Food System umbrella, including Kushiya Monogatari, Sachi Fuku (さち福), Tenjinjiya (天麩屋), Maidookini Shokudo (まいどおきに食堂), and others.
- Another TV Commercial:** A still from a TV commercial for Maidookini Shokudo featuring actor Yutaka Matsushige eating a bowl of food, with text like '秋味' (Autumn flavor) and 'あつあつご飯' (Hot hot rice).

1 Improvement of Existing Domestic Outlets-2

To enhance the strategy to attract foreign tourists

- Ebinoya in Kuromon ichiba market was awarded the “Certificate of excellence 2018” by Tripadvisor
- Ebinoya in Shinsabashi was awarded the “Excellent restaurant of the year 2018” by Dazhong Dianping, a popular review app in China



1 Improvement of Existing Domestic Outlets

2 Accelerated Expansion (Directly-managed/franchised)

3 Overseas Business Strategy

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"Fujio Farm" & "Fujio Child"

2 Accelerated Expansion (Directly-managed/franchised)

Strategy

1 60 new domestic directly-managed outlets are targeted to open by FY2019

- Speed up the new outlet opening schedule especially for those brands with outstanding performance, e.g. "Sachifukuya", "Ebinoya"

2 20 new domestic franchised outlets are targeted to open by FY2019

- Speed up the franchised outlet opening (Mainly, "Maidookini Shokudo", "Kushiya Monogatari")
- Accelerate the franchising of brands with outstanding performance in directly-managed business (e.g. "Sachifukiya", "Ebinoya")

3 New brand development & Structure enhancement

- Refine the new brands opened after 2018 (e.g. "Modena mama", "Musubiya Hinone Mizunone")

2 New brand development & Structure enhancement-3

- New brand “Modena Mama”, serving stone oven pizza, opened on 24th Oct 2018 in Kitahama
- Customers can casually stop by for authentic Italian food during lunch or after work



Modena Mama in Osaka Temmangu mae



チーズフォンデュ
Cheese Fondue



Stone oven pizza

2 New brand development & Structure enhancement-3

- New brand “Musubiya Hinone Mizunone”, serving Misubi (rice ball), a well-known Japanese food overseas, opened in Kansai International Airport on 31st Jan 2019
- To select a suitable location for store development



Musubiya Hinone Mizunone in Kansai International Airport



1 Improvement of Existing Domestic Outlets

2 Accelerated Expansion (Directly-managed/Franchised)

3 Overseas Business Strategy

4 Strategy for M&A, Capital & Business Alliance

5 Productive Community Service Through
“Fujio Farm” & “Fujio Child”

3 Overseas Business Strategy

1 Existing business in Taiwan, China (Shanghai), Indonesia and United States (Los Angeles)

- 25 overseas outlets are owned as of the end of 2018

2 Master License Agreement with New One Dining Ltd. (Canada)

- To start a full-scale expansion of Tempura Ebinoya in Canada

3 Master License Agreement with Cabalen Management Co., Inc. (Philippines)

- To start a full-scale expansion of Tsurumaru Udon Honpo in the Philippines

4 To select the suitable brands for overseas expansion

- Ebinoya, Katsuma, Musubiya Hinone Mitsunone

3 Overseas Business Strategy-1

Existing overseas business in Taiwan, Shanghai China, Indonesia, Los Angeles US

- Since the opening of Daan Forest Shokudo, the 1st Maidookini Shokudo opened in 2014, in Taiwan, Fujio has grown to operate 15 outlets (12 Maidookini Shokudo, 2 Kushiya monogatari, 1 Sachifukuya)
- Advance menu and location development to cater to local preferences in the existing market together with business partners in Taiwan



Kushiya Monogatari in Port of Taichung



Sachifukuya in Taipei, Taiwan

3 Overseas Business Strategy-3

MLA with Cabalen Management Inc. (Philippines)

- To start a full-scale expansion of Tsurumaru Udon Honpo in the Philippines
- The 1st Tsurumaru opened in Robinsons Place Manila on 20th Feb 2019



Tsurumaru Udon x Tempura in Robinsons Place Manila



3 Overseas Business Strategy-4

Select the suitable brands for overseas expansion
Tempura “Ebinoya”, Tonkatsu “Katsuma”, “Musubiya Hinone Mitsunone”

- Tempura is also popular overseas and well-accepted by foreigners as a quick and easy Japanese food
- To select a suitable location for overseas expansion of Musubiya. Using some favourite ingredients among foreigners inside the Musubi (rice ball), e.g. spam
- Variation on Tonkatsu (Deep-fried pork cutlet), and menu development to cater to foreigners' preferences



Ebinoya in Bakuromachi



Katsuma in Tenjinbashisuji 4th Avenue

1 Improvement of Existing Domestic Outlets

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4 M&A, Capital & Business Alliance

M&A, Capital & Business Alliance

1 Improvement for Hara Donut, The Don, and Sabaroku Seimensho

- 23, 26, and 23 outlets, respectively
- 72 existing outlets of which half is directly managed and the other half is franchised
- 2 new outlets are expected to open in 2019
- To refine the menu and location strategy to cater to consumer trends

2 Grouping the Business of Rose Garden

- To reform Rose Garden, a booming restaurant in Okinawa, while operating
- To capitalize on the know-how for store development

3 Grouping the business of SAM'S

- To franchise SAM'S, a thriving steak house with a 50 year history in Okinawa
- To refine the existing manual and system
- To capitalize on the know-how for store development
- To consider overseas expansion

4 Seeking M&A of New Brands & Opportunities for Capital & Business Alliance

- To ensure continuous growth to become a brand for the masses that can operate multiple stores
- To access the new market efficiently to speed up growth
- To capitalize on our know-how for store development from our existing businesses

4 M&A, Capital & Business Alliance-1

Sabaroku Seimesho

Ownership of Sabaroku Seimensho Co., Ltd acquired in July 2018
Ramen noodle flavor augmented by dried, smoked mackerel shavings



Sabaroku Seimensho in Settsu-Tonda Mae



Mackerel sushi & Mackerel Soy-sauce Soba noodle



Shredded dried-mackerel

4 M&A, Capital & Business Alliance-2

Rose Garden & American Kitchen

Ownership of Rose Garden and American Kitchen acquired in Dec 2018
Both located in Okinawa, well known for American style breakfast and dinner



Rose Garden in Okinawa



4 M&A, Capital & Business Alliance-3

SAM'S

Ownership of Great Eastern Co., Ltd., which operates SAM'S, is forecasted to be acquired in April 2019. Dishes are cooked in front of customers. A well known steak house among tourists for superb cooking performance



SAM'S Anchor Inn Ginowan

1 Improvement of Existing Domestic Outlets

2 Accelerated Expansion (Directly-managed / Franchised)

3 Overseas Business Strategy

4 Strategy for M&A , Capital & Business Alliance

5 **Productive Community Service Through
"Fujio Farm" & "Fujio Child"**

5 Fujio Farm Co., Ltd.

Approval of Special Subsidiary Company acquired

- To expand the employment of persons with disabilities, 16 disabled individuals are planned to be employed in 2019
- To provide tomato berry, baby spinach, leaf lettuce, etc., to our existing outlets
- To start the culture of wine grape and cucumber in Spring
- To promote the regional agricultural and economic development through agricultural welfare collaboration
- To offer safe and reliable ingredients to our customers through in-house production



*Special subsidiary company means a company that has special accommodations for persons with disabilities. The employment rate of persons with disabilities is calculated in the parent company's employment rate.

5 Fujio Child Co., Ltd.

- Fujio Child Co., Ltd. was established in June 2016
- Fujio Himawari day care center opened afterwards to support and ensure the working mother can balance work and family
- The concept of our day care is to raise independent minded, sensitive and caring children
- Three day care centers exist
- As a day care center operated by our subsidiary company, a lot of effort is put in the school meal. Food safety is prioritized through the prevention of food allergy
- Students are able to view the cooking process through a window to increase anticipation



School event in Halloween



School event in Setsubun



School meals are cooked with the seasonal vegetables grown by the students.

We also let them peel the vegetables to make them enjoy the progression.

Total 893 outlets as of the end of 2018

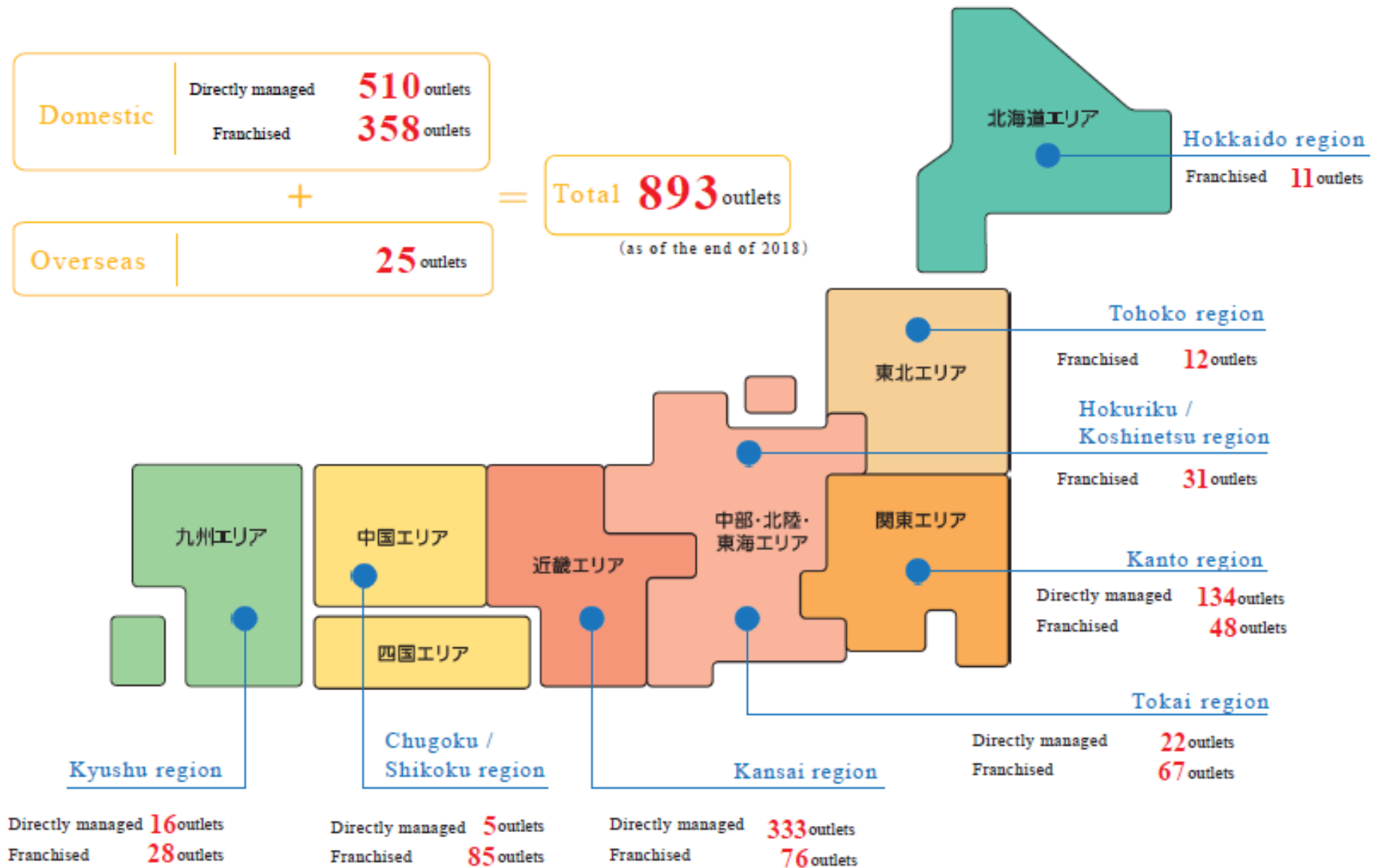
	Directly-managed JV outlets overseas are included	Franchised JV outlets overseas are included	Total
Maidookini Shokudo	149	274	423
Kushiya Monogatari	91	26	117
Kappogi	36	8	44
Tsurumaru	51	9	60
Sachifukuya	24	3	27
Ebinoya	33	4	37
Others	149	36	185
Total	533	360	893

* Honolulu Coffee (21 outlets), Hara Donut (23 outlets), The Don (26 outlets), Sabaroku Seimenjo (23 outlets) are included

No. of outlets by brands (as of FY2018)

<p>Maidookini Shokudo</p>  <p>423 outlets</p>	<p>Kushiya Monogatari</p>  <p>117 outlets</p>	<p>Tsurumaru</p>  <p>60 outlets</p>	<p>Kappogi</p>  <p>44 outlets</p>	<p>Sachifukuya</p>  <p>27 outlets</p>
<p>Ebinoya</p>  <p>37 outlets</p>	<p>Delices</p>  <p>13 outlets</p>	<p>Fujioken</p>  <p>12 outlets</p>	<p>Uchino Shokudo</p>  <p>7 outlets</p>	<p>Katsuma</p>  <p>6 outlets</p>
<p>The Don</p>  <p>26 outlets</p>	<p>Sabaroku Seimenjo</p>  <p>23 outlets</p>	<p>Hara Donut</p>  <p>23 outlets</p>	<p>Honolulu Coffee</p>  <p>21 outlets</p>	<p>Others</p> <p>Other Brand</p> <p>54 outlets</p>

Distribution map of domestic outlets (as of FY2018)



2019年（H31）1月30日

東証一部上場

「スタートの始まり」

(A brand new start)



Fujio Food System Co., Ltd. (“Fujio”) is pleased to announce that the market division has transitioned from Tokyo Stock Exchange’s JASDAQ Standard to the 1st Section from 30th January 2019. Meanwhile, Fujio is delighted to celebrate the 40th anniversary of the establishment of Fujio.

Thank you to all stakeholders for your support.

Since the company’s foundation, our ultimate goal of “being the top restaurant company for the masses in Japan” has served as a basic outline for our business strategy. We cater to our stakeholders by striving for consistent growth in business and through our contributions to society.

Your continued support is highly appreciated.

おかげさまで
40th
ANNIVERSARY

Fujio Food System Co., Ltd.

Photo: Maruten Shokudo (Photo was taken in 1955, the model of Maidoookini Shokudo which was operated by Mr. Masahiro Fujio's Family)



The purpose of this presentation is to share the financial results and the information related to business strategy of Fujio Food System Co., Ltd.. The information contained here is not meant to be a solicitation to purchase our shares. The opinions ,forecasts etc. are based on the information when creating this presentation. We do not promise nor guarantee the accuracy and security of such information provided here. Moreover, changes may happen without any notice.