



**FUJIO FOOD SYSTEM**

SINCE 1979

**Fujio Food System Co., Ltd.**

TSE 1st Sec. (2752)

**FY 2019 Financial Results Briefing**



**FUJIO FOOD SYSTEM**





# FY 2019 Summary of Consolidated Financial Statements

(Unit: million yen)	FY 2018		FY 2019		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
<b>Sales</b>	<b>36,145</b>	<b>100.0%</b>	<b>38,393</b>	<b>100.0%</b>	<b>2,248</b>	<b>6.2%</b>
Directly-managed business	34,275	94.8%	36,374	94.7%	2,098	6.1%
Franchised business	1,869	5.2%	2,018	5.3%	149	8.0%
Cost of Sales	12,724	35.2%	13,606	35.4%	882	6.9%
<b>Gross Profit</b>	<b>23,420</b>	<b>64.8%</b>	<b>24,786</b>	<b>64.6%</b>	<b>1,365</b>	<b>5.8%</b>
SGA Costs	21,161	58.5%	23,328	60.8%	2,166	10.2%
<b>Operating profit</b>	<b>2,259</b>	<b>6.3%</b>	<b>1,458</b>	<b>3.8%</b>	<b>△800</b>	<b>△35.4%</b>
<b>Ordinary profit</b>	<b>2,189</b>	<b>6.1%</b>	<b>1,470</b>	<b>3.8%</b>	<b>△718</b>	<b>△32.8%</b>
Extraordinary profit	5	0.0%	11	0.0%	6	126.2%
Extraordinary loss	647	1.8%	539	1.4%	△107	△16.6%
Net income before taxes	1,547	4.3%	942	2.5%	△605	△39.1%
<b>Net income attributable to parent</b>	<b>911</b>	<b>2.5%</b>	<b>462</b>	<b>1.2%</b>	<b>△449</b>	<b>△49.3%</b>
<b>EBITDA*</b>	<b>3,607</b>	<b>10.0%</b>	<b>2,854</b>	<b>7.4%</b>	<b>△753</b>	<b>△20.9%</b>

## Indicators

### Sales

↑**6.2%**

Domestic sales at directly-managed outlets

**96.0%**

New Domestic directly-managed outlets

**53 outlets**

### Operating profit

↓**35.4%**

Operating profit ratio

↓**2.5%**

Cost of sales ratio

↑**0.2%**

SGA Cost ratio

↑**2.3%**

Labour Cost ratio

↑**0.8%**

Rent ratio

↑**0.3%**

Utilities cost ratio

↓**0.1%**

Advertising cost ratio

↑**0.3%**

Other costs ratio

↑**1.0%**

Impairment Loss

**375M Yen**

loss on retirement of fixed assets

**49M Yen**

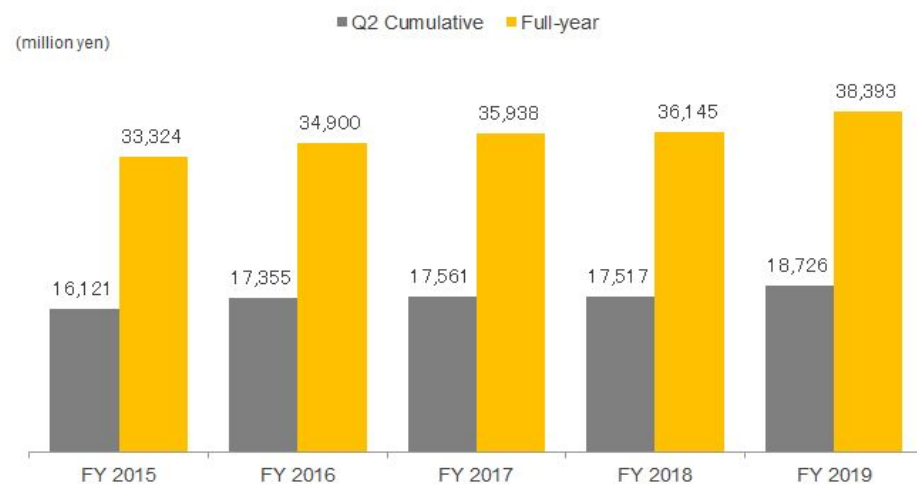
Loss on valuation of investment securities

**70M Yen**

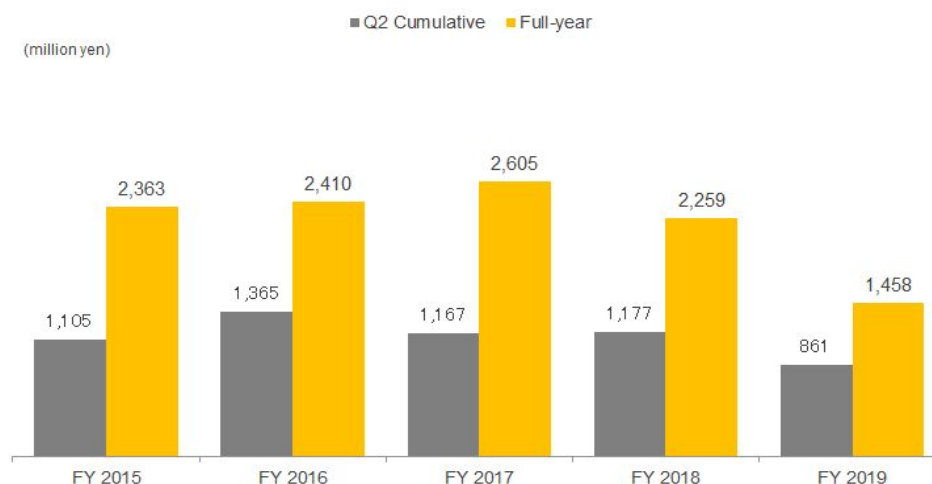
\*EBITDA= Operating profit + Depreciation & Amortization

**Sales hit a high record however, operating profit, ordinary profit and net income decreased.**

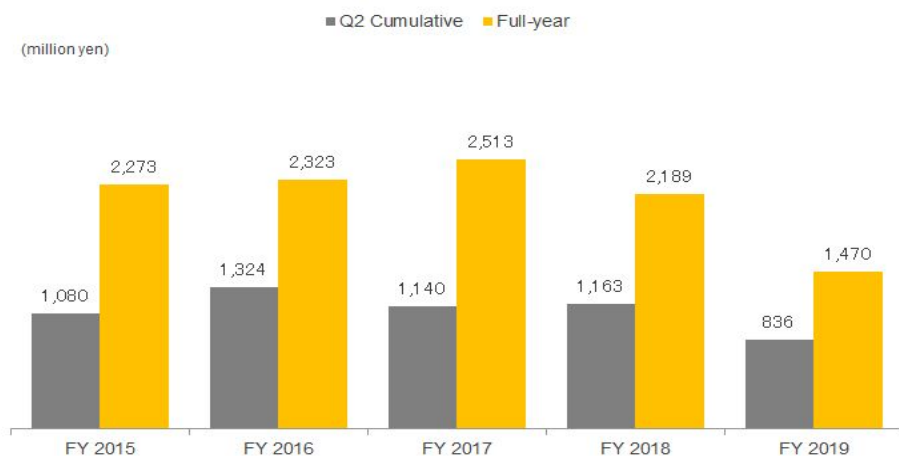
## Sales (million yen)



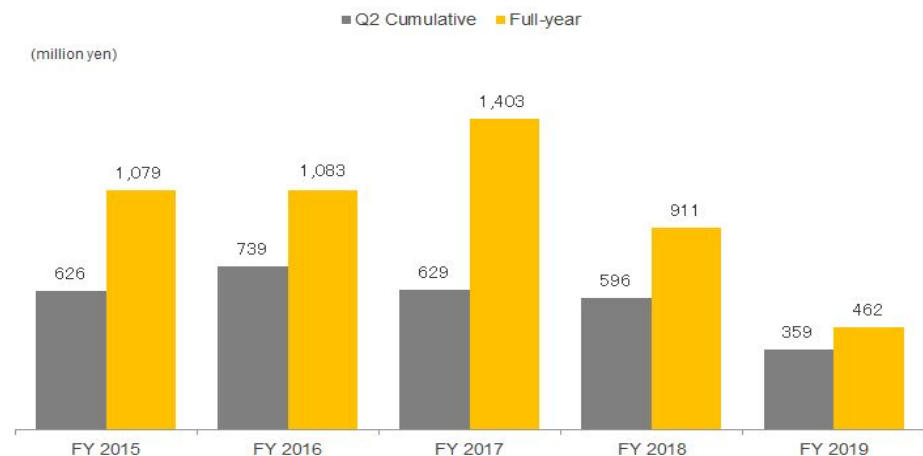
## Operating profit (million yen)



## Ordinary profit (million yen)



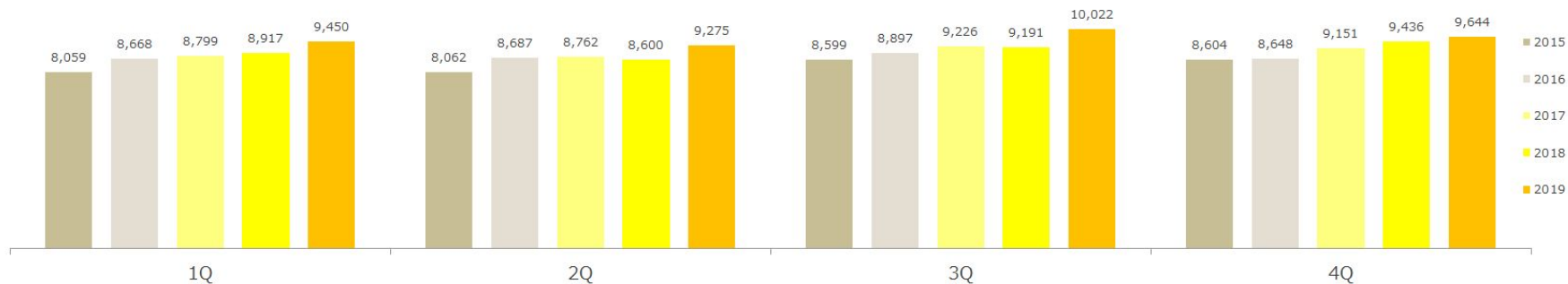
## Net income (million yen)



**New outlets sales contributed to sales growth. Profit decreased as a result of rise in SG&A and labour expenses.**

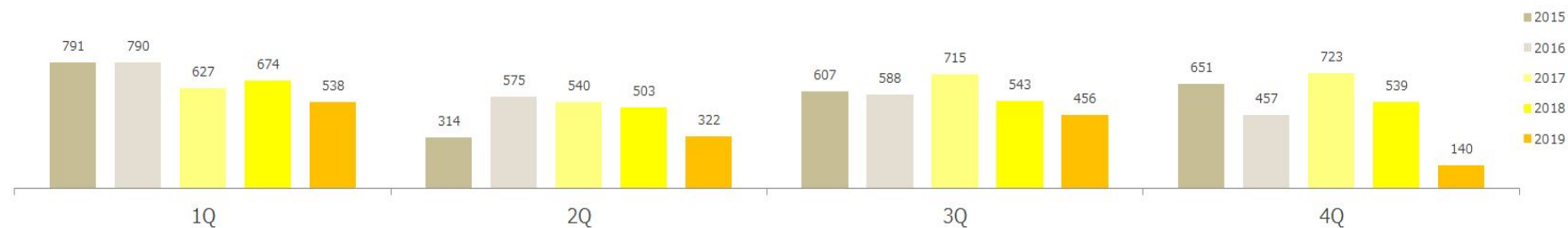
## Sales

(million yen)



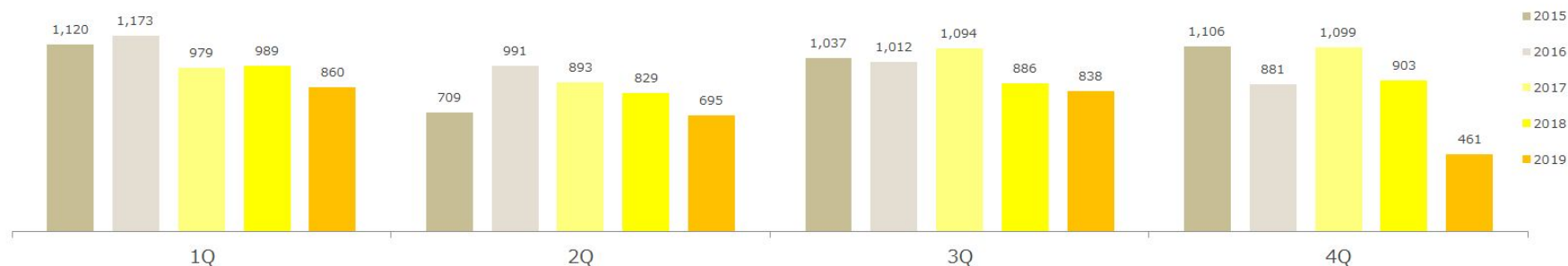
## Operating profit

(million yen)



## EBITDA\*

(million yen)



\*EBITDA= Operating profit + Depreciation & Amortization

# FY 2019 YOY Operating profit analysis



**Sales: 95.7%   Operating profit: 77.7%   Ordinary profit: 78.3%   Net income: 58.3%**

(Million yen)	FY 2019		FY 2019		Actual Vs. Rate variance	
	Plan	Ratio	Actual	Ratio	Variance	Progression rate
<b>Sales</b>	40,100	100.0%	<b>38,393</b>	100.0%	△1,706	95.7%
<b>Operating profit</b>	1,878	4.7%	<b>1,458</b>	3.8%	△419	77.7%
<b>Ordinary profit</b>	1,879	4.7%	<b>1,470</b>	3.8%	△408	78.3%
<b>Net income</b>	793	2.0%	<b>462</b>	1.2%	△330	58.3%

# FY 2019 Consolidated sales at directly-managed outlets by brand

Sales increased 6.1% compared to previous year (2,098 M yen). YOY sales at existing outlets 96%. 53 new outlets contributed to sales growth.

(Million yen)	FY 2018 Full-year		FY 2019 Full-year		YOY variance		FY 2019	
	Sales	Proportion	Sales	Proportion	Variance	Rate of change	New outlet	No. of outlets
<b>Directly-managed outlets</b>	<b>34,275</b>	<b>100.0%</b>	<b>36,374</b>	<b>100.0%</b>	<b>2,098</b>	<b>6.1%</b>	<b>53</b>	<b>545</b>
Maido Ookini shokudo*	9,325	27.2%	9,004	24.8%	△320	△3.4%	4	143
Kushiya Monogatari	10,614	31.0%	10,002	27.5%	△611	△5.8%	2	85
Kappogi	2,349	6.9%	2,237	6.2%	△111	△4.7%	1	32
Tsurumaru	2,094	6.1%	2,063	5.7%	△31	△1.5%	4	47
Sachifukuya	2,409	7.0%	2,998	8.2%	588	24.4%	11	33
Ebinoya	1,658	4.8%	2,639	7.3%	981	59.2%	9	43
Others	5,824	17.0%	7,428	20.4%	1,604	27.5%	22	162

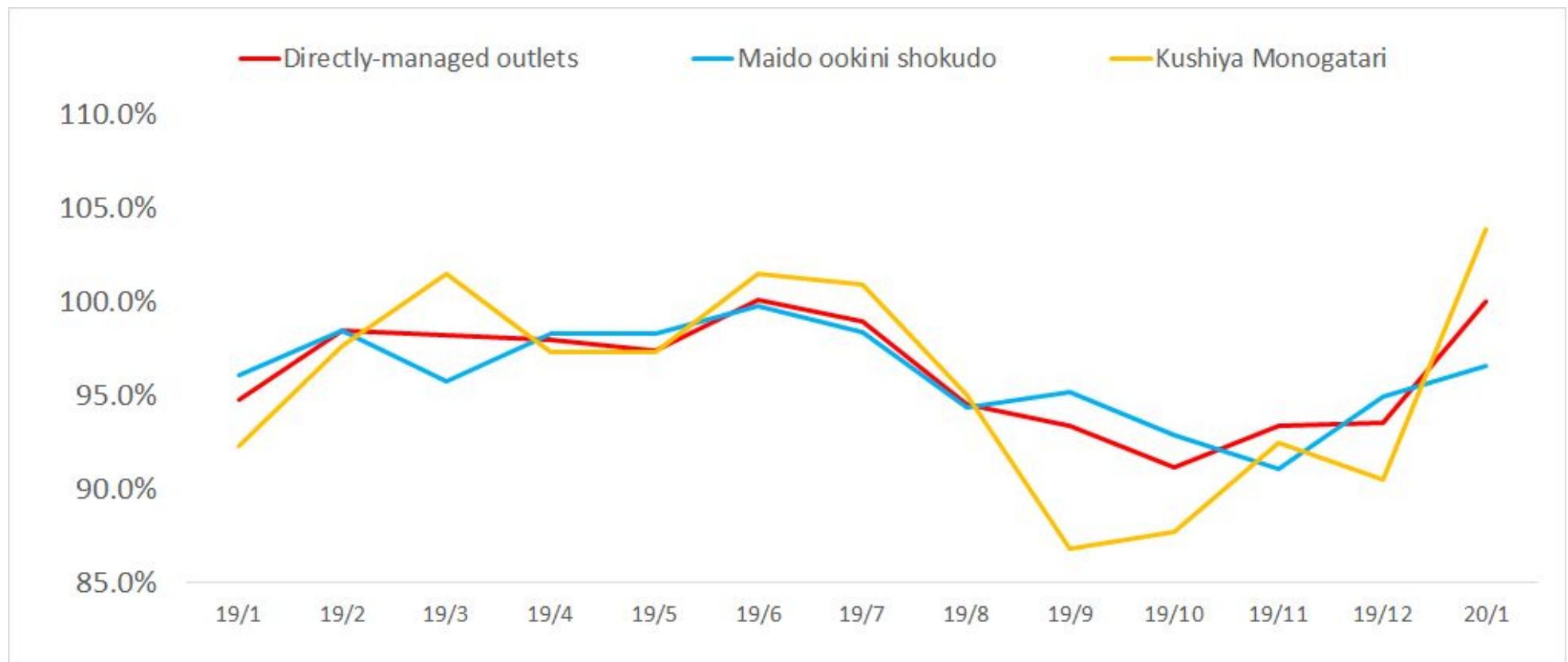
\*Uchino shokudo and Gekotei are included



## Change in the YOY Sales at domestic directly-managed outlets

**Directly-managed outlets: 96.0% Maido Ookini shokudo: 96.1% Kushiya Monogatari: 95.0%**

	19/1	19/2	19/3	19/4	19/5	19/6	19/7	19/8	19/9	19/10	19/11	19/12	20/1
Directly-managed outlets	94.8%	98.5%	98.2%	98.0%	97.4%	100.1%	99.0%	94.6%	93.4%	91.2%	93.4%	93.6%	100.0%
Maido ookini shokudo	96.1%	98.5%	95.8%	98.3%	98.3%	99.8%	98.4%	94.4%	95.2%	92.9%	91.1%	95.0%	96.6%
Kushiya Monogatari	92.4%	97.6%	101.5%	97.4%	97.4%	101.5%	101.0%	95.0%	86.9%	87.8%	92.5%	90.5%	103.9%



**53 New domestic outlets were opened. FY 2019 new openings plan (60 outlets).**

		2019	2019	Outlet name
		New outlets Forecast	New outlets Actual	
Directly-managed outlets	Maido Ookini shokudo	5	4	Noda shokudo (1/29), Otemon Gakuin shokudo (4/9), Tamatsukuri ekimae shokudo (8/29), Gekotei daimaru shinsaibashi (9/20)
	Kushiya Monogatari	3	2	Amagasaki Q's mall (2/1), Terrace mall Matsudo (10/25)
	Tsurumaru	1	4	Noda (1/29), Ten ichi (7/5), Katano Kuraji (8/28), Tamatsukuri (8/29)
	Sachifukuya	16	11	Namba City (2/27), SUINA Muromachi (3/16), Daiba Aqua city (4/19), Piere Akaishi (7/23), Keihan City Mall (11/25), LINKS UMEDA (12/25), etc.
	Ebinoya	9	9	Keihan City Kyobashi (1/30), Hon Ebinoya Kankyu 32 bangai (4/19), Kawasaki Rufuron (4/27), Aeon Mall Kitatoda (8/9), Marui Family Mizoguchi (11/27), etc.
	Fujio Ken	3	3	Aeon Mall Higashiura (4/19), Osaka Prefectural Police HQ (8/29)
	Katsuma	6	7	Katsuma Katano Kuraji (8/28), Katsuma Nara Family (9/11)
	Others	17	13	Tenma Tenjin Umeinari Morimachi (1/8), OG Cafe (4/9), 33 Cafe (9/2)
	<b>TOTAL</b>	<b>60</b>	<b>53</b>	
Franchised Outlets		20	7	Saba 6 Ramen Ueroku (4/26), Sachifukuya Cafe Sotetsu Fresan Sannomiya (5/15), Minami Goza shokudo (7/14), Kushiya Aeon Mall Takaoka (8/5), Kushiya Lalaport Numatzu (10/4), Sachifukuya Cafe Seishinchuo (10/16), Kushiya Yume town Izumo (12/21)
<b>TOTAL</b>		<b>80</b>	<b>60</b>	

**25 Outlets by the end of 2019**

Country	FY 2018	FY 2019	FY 2019	FY 2019	FY 2019	Remarks
	No. of Outlets	Plan	Actual	Closed outlets	No. of Outlets	
<b>China (Shanghai)</b>	5	2	0	0	5	Maido Ookini Shokudo 3 Uchino shokudo 2
<b>USA</b>	2	1	0	0	2	Tsurumaru 2
<b>Taiwan</b>	15	6	1	2	14	Maido Ookini Shokudo 10 Kushiya Monogatari 3 Sachikufuya 1
<b>Indonesia</b>	3	0	0	0	3	Uchino shokudo 2 Kushiya Monogatari 1
<b>Philippines</b>	0	3	1	0	1	Tsurumaru Udon 1
<b>TOTAL</b>	25	12	2	2	25	

# FY 2019 Consolidated BS Summary

(Million yen)	FY 2018		FY 2019		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
<b>Current assets</b>	<b>4,507</b>	<b>20.7%</b>	<b>5,595</b>	<b>21.3%</b>	<b>1,088</b>	<b>24.1%</b>
Cash and bank	1,921	8.8%	3,074	11.7%	1,152	60.0%
Others	2,585	11.9%	2,521	9.6%	△64	△2.5%
<b>Fixed assets</b>	<b>17,252</b>	<b>79.3%</b>	<b>20,645</b>	<b>78.7%</b>	<b>3,393</b>	<b>19.7%</b>
Tangible fixed assets	10,057	46.2%	11,150	42.5%	1,092	10.9%
Intangible fixed assets <sup>(*,**)</sup>	148	0.7%	1,816	6.9%	1,667	1121.3%
Investment and other assets	7,045	32.4%	7,678	29.3%	632	9.0%
<b>Deferred assets</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>21,759</b>	<b>100.0%</b>	<b>26,241</b>	<b>100.0%</b>	<b>4,481</b>	<b>20.6%</b>
<b>Current liabilities</b>	<b>6,556</b>	<b>30.1%</b>	<b>7,513</b>	<b>28.6%</b>	<b>956</b>	<b>14.6%</b>
Accounts payable	1,559	7.2%	1,596	6.1%	36	2.3%
Short-term debt	100	0.5%	200	0.8%	100	100.0%
Current portion of long-term loans payable	2,045	9.4%	2,621	10.0%	575	28.1%
<b>Fixed liabilities</b>	<b>5,738</b>	<b>26.4%</b>	<b>9,069</b>	<b>34.6%</b>	<b>3,331</b>	<b>58.1%</b>
Long-term debt	4,369	20.1%	7,391	28.2%	3,022	69.2%
Others	1,368	6.3%	1,677	6.4%	308	22.5%
Capital	2,135	9.8%	2,194	8.4%	58	2.7%
Capital surplus	2,017	9.3%	2,075	7.9%	58	2.9%
<b>Net assets</b>	<b>9,465</b>	<b>43.5%</b>	<b>9,658</b>	<b>36.8%</b>	<b>193</b>	<b>2.0%</b>
<b>Total assets</b>	<b>21,759</b>	<b>100.0%</b>	<b>26,241</b>	<b>100.0%</b>	<b>4,481</b>	<b>20.6%</b>

## Indicators

Total Cash & Cash equivalents

**¥3,074 M**

YOY ↑¥1,152 M

Total debt with interest

**¥10,213 M**

YOY ↑¥3,698 M

Net debt\*

\*Debt with interest — Cash & Cash equivalents

**¥7,138 M**

YOY ↑¥2,545 M

Net assets

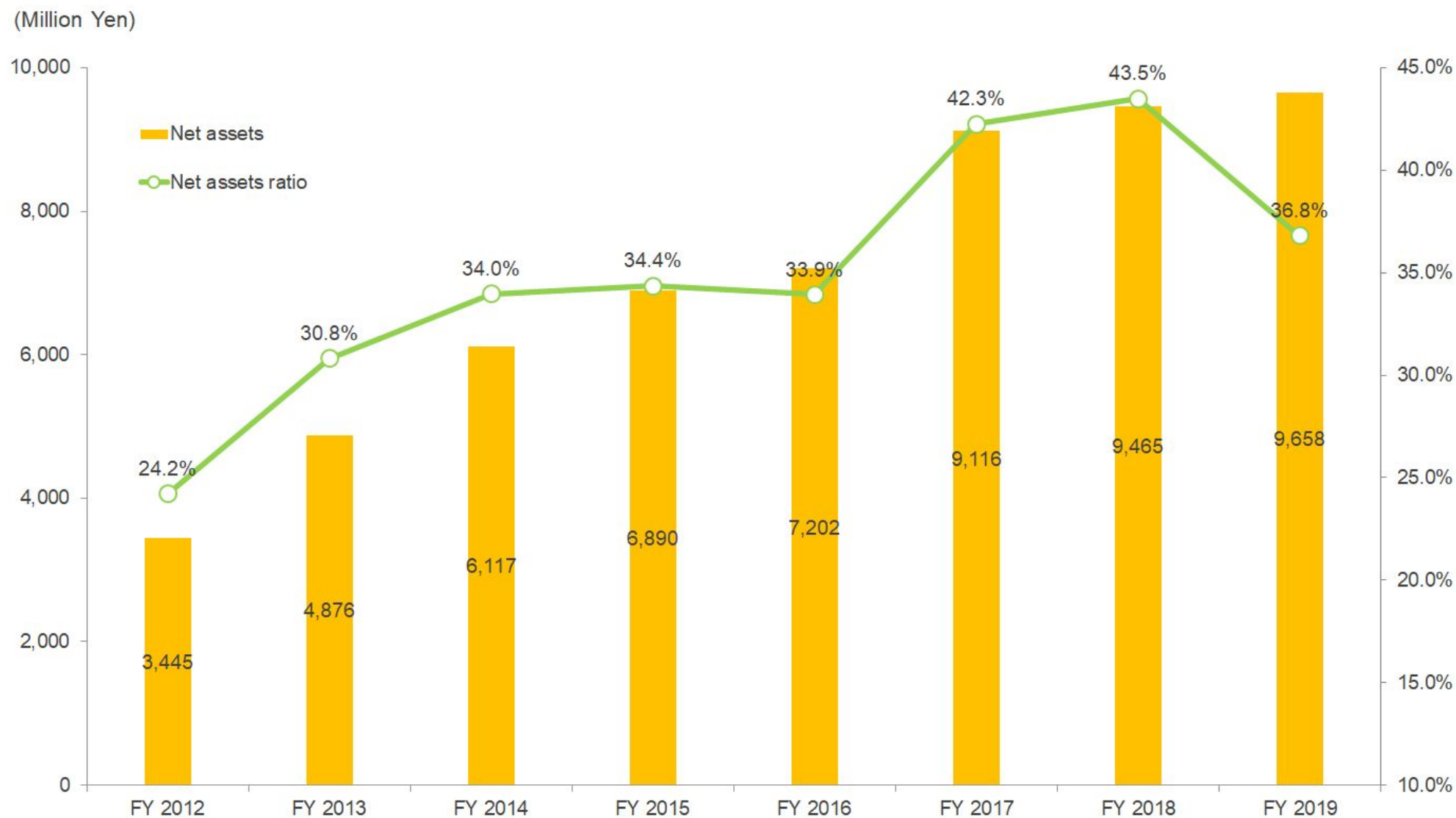
**¥9,658 M**

YOY ↑¥193 M

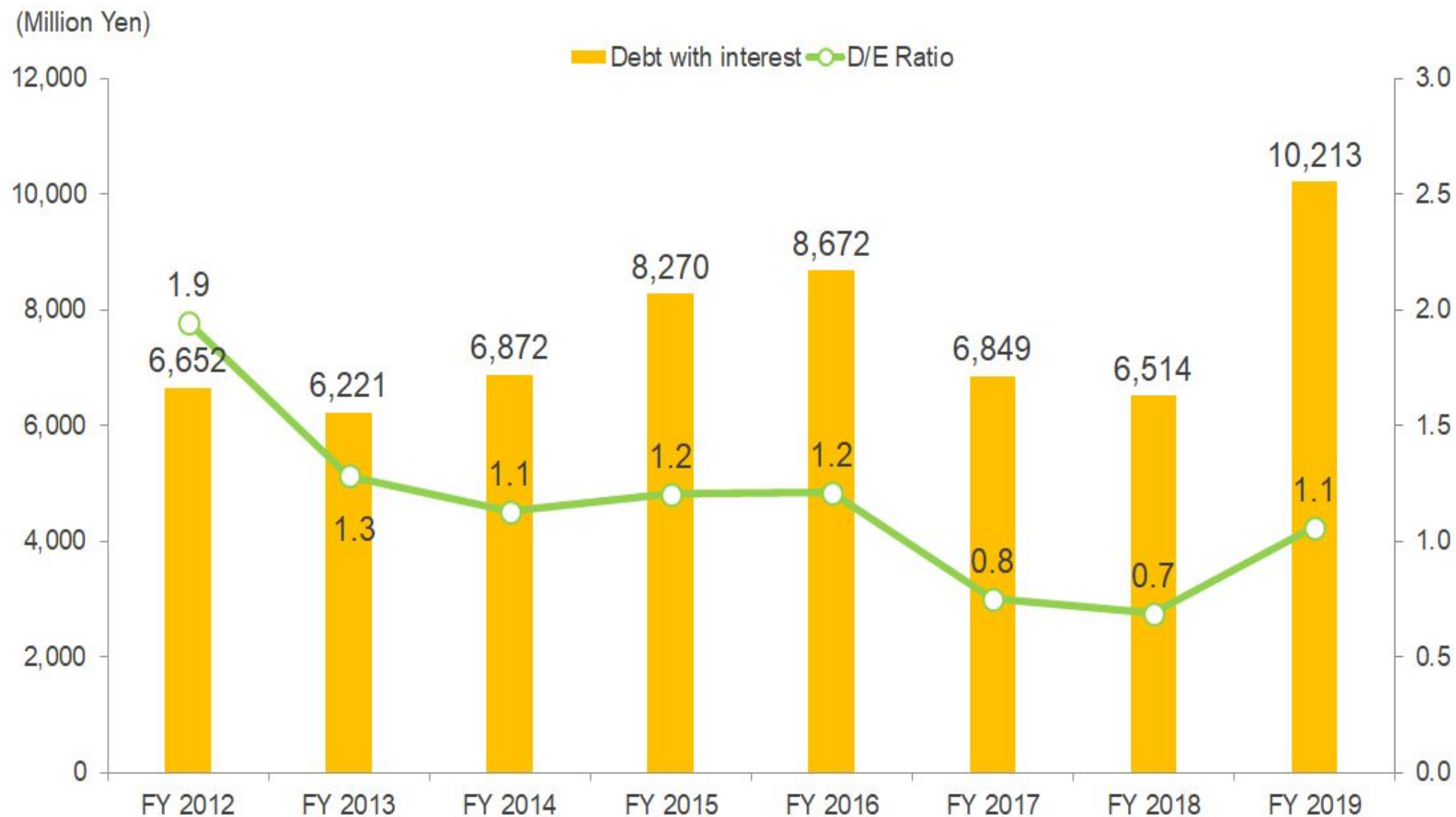
(\*) Consolidated subsidiary's goodwill: ¥1,758M (Great Eastern Co., Ltd., Rose Garden Co., Ltd.)

(\*\*) Non-consolidated subsidiary's goodwill: Aprox. ¥260M (Saba 6 Ramen shop Co., Ltd.)

Compared to FY 2012, the amount of net assets increased by 2.8 times. The ratio was 36.8%.

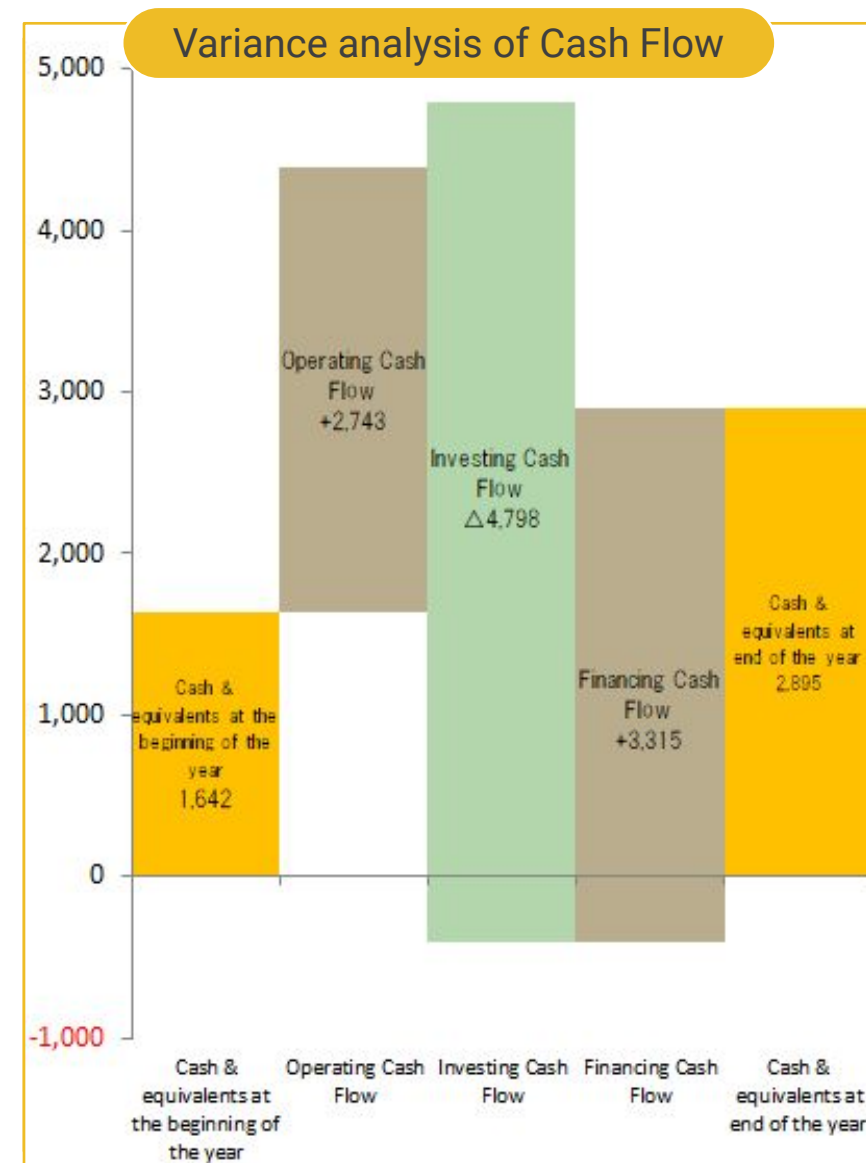






# FY 2019 Consolidated Cash Flow Summary

(Million yen)	FY 2018	FY 2019	YOY
	Actual	Actual	Variance
<b>Operating Cash Flow</b>	<b>2,651</b>	<b>2,743</b>	<b>92</b>
Net income before taxes	1,547	942	△605
Depreciation & Amortization	1,354	1,471	117
Impairment loss	241	375	134
Income taxes	△ 915	△ 489	426
<b>Investing Cash Flow</b>	<b>△ 2,876</b>	<b>△ 4,798</b>	<b>△1,922</b>
Purchase of property, plant and equipment	△ 2,224	△ 2,658	△434
Payments of leaseholds and guarantee deposits	△ 312	△ 287	25
<b>Financing Cash Flow</b>	<b>△ 803</b>	<b>3,315</b>	<b>4,118</b>
Proceeds from long-term loans payable	2,000	6,248	4,248
Repayment of long-term loan payable	△ 2,435	△ 2,649	△214
Cash dividends paid	△ 372	△ 472	△100
<b>Net Increase (Decrease) in Cash and Cash equivalents</b>	<b>△1,041</b>	<b>1,252</b>	<b>2,293</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,684</b>	<b>1,642</b>	<b>△1,042</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,642</b>	<b>2,895</b>	<b>1,253</b>



YOY Sales: 105.6%

YOY Operating income: 130.6%

YOY Ordinary income: 126.1%

YOY Net income: 169.8%

(Million yen)		FY 2019		FY 2020		YOY	
		Actual	Proportion	Plan	Proportion	Variance	Ratio
Net Sales		38,393	100.0%	40,528	100.0%	2,134	5.6%
Operating profit		1,458	3.8%	1,905	4.7%	446	30.6%
Ordinary profit		1,470	3.8%	1,855	4.6%	384	26.1%
Net income		462	1.2%	785	1.9%	322	69.8%
New openings	Directly-managed outlets	53		40		△13	
	Franchised outlets	7		5		△2	
	Total	60		45		△15	
YOY Sales at existing outlets		96.0%		101.0%			

**Forecasted contribution from new openings and outlet improvements during the 1st half to the 2nd half.**

(Million yen)	FY 2020 1st Half		FY 2020 2nd Half		FY 2020 Full-year		Full-year ratio	
	Plan	Proportion	Plan	Proportion	Plan	Proportion	1st Half	2nd Half
<b>Net Sales</b>	<b>19,500</b>	100.0%	<b>21,028</b>	100.0%	<b>40,528</b>	100.0%	48.1%	51.9%
<b>Operating profit</b>	<b>680</b>	3.5%	<b>1,225</b>	5.8%	<b>1,905</b>	4.7%	35.7%	64.3%
<b>Ordinary profit</b>	<b>671</b>	3.4%	<b>1,183</b>	5.6%	<b>1,855</b>	4.6%	36.2%	63.8%
<b>Net income</b>	<b>313</b>	1.6%	<b>472</b>	2.2%	<b>785</b>	1.9%	39.9%	60.1%

## Promoting the renovations and improving of existing outlets during the first half.

(Million yen)	FY 2019 1st Half		FY 2020 1st Half		Change from previous half	
	Actual	Proportion	Plan	Proportion	Variance	Ratio
<b>Net Sales</b>	18,726	100.0%	<b>19,500</b>	100.0%	774	4.1%
<b>Operating profit</b>	861	4.6%	<b>680</b>	3.5%	△181	△21.1%
<b>Ordinary profit</b>	837	4.5%	<b>671</b>	3.4%	△166	△19.8%
<b>Net income</b>	360	1.9%	<b>313</b>	1.6%	△47	△13.0%



Sales growth is expected during the 2nd half as a result of renovations and improvements to directly-managed outlets during the 1st half.

(Million yen)	FY 2019 2n Half		FY 2020 2nd Half		Change from previous half	
	Actual	Proportion	Plan	Proportion	Variance	Ratio
<b>Net sales</b>	19,667	100.0%	<b>21,028</b>	100.0%	1,361	6.9%
<b>Operating profit</b>	597	3.0%	<b>1,225</b>	5.8%	628	105.2%
<b>Ordinary profit</b>	634	3.2%	<b>1,183</b>	5.6%	549	86.5%
<b>Net income</b>	102	0.5%	<b>472</b>	2.2%	370	361.0%

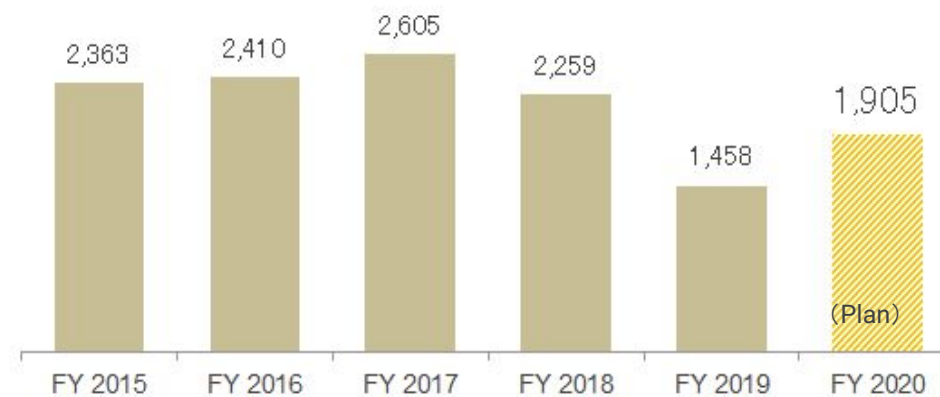
# Change of consolidated financial results (Plan)

High sales records and steady increase in operating/ordinary profit and net income are targeted for FY 2020.

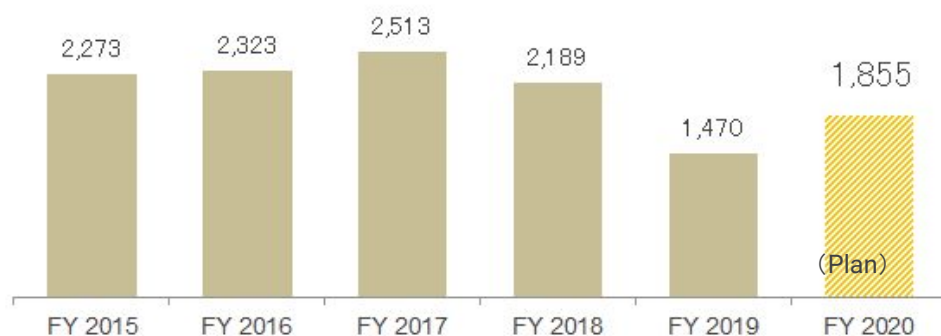
**Net sales** (Million yen)



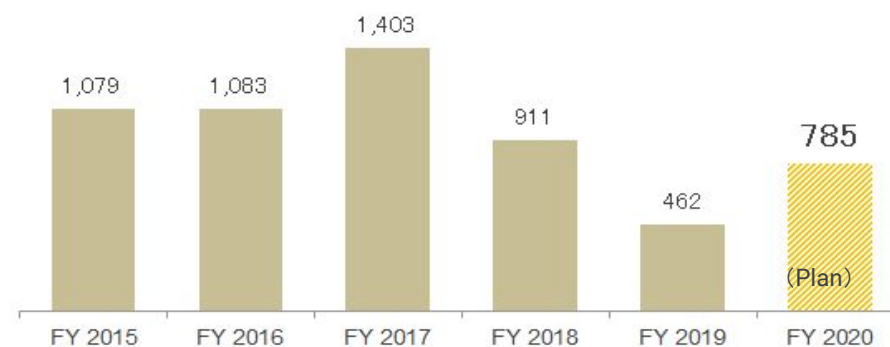
**Operating profit** (Million yen)



**Ordinary profit** (Million yen)



**Net income** (Million yen)

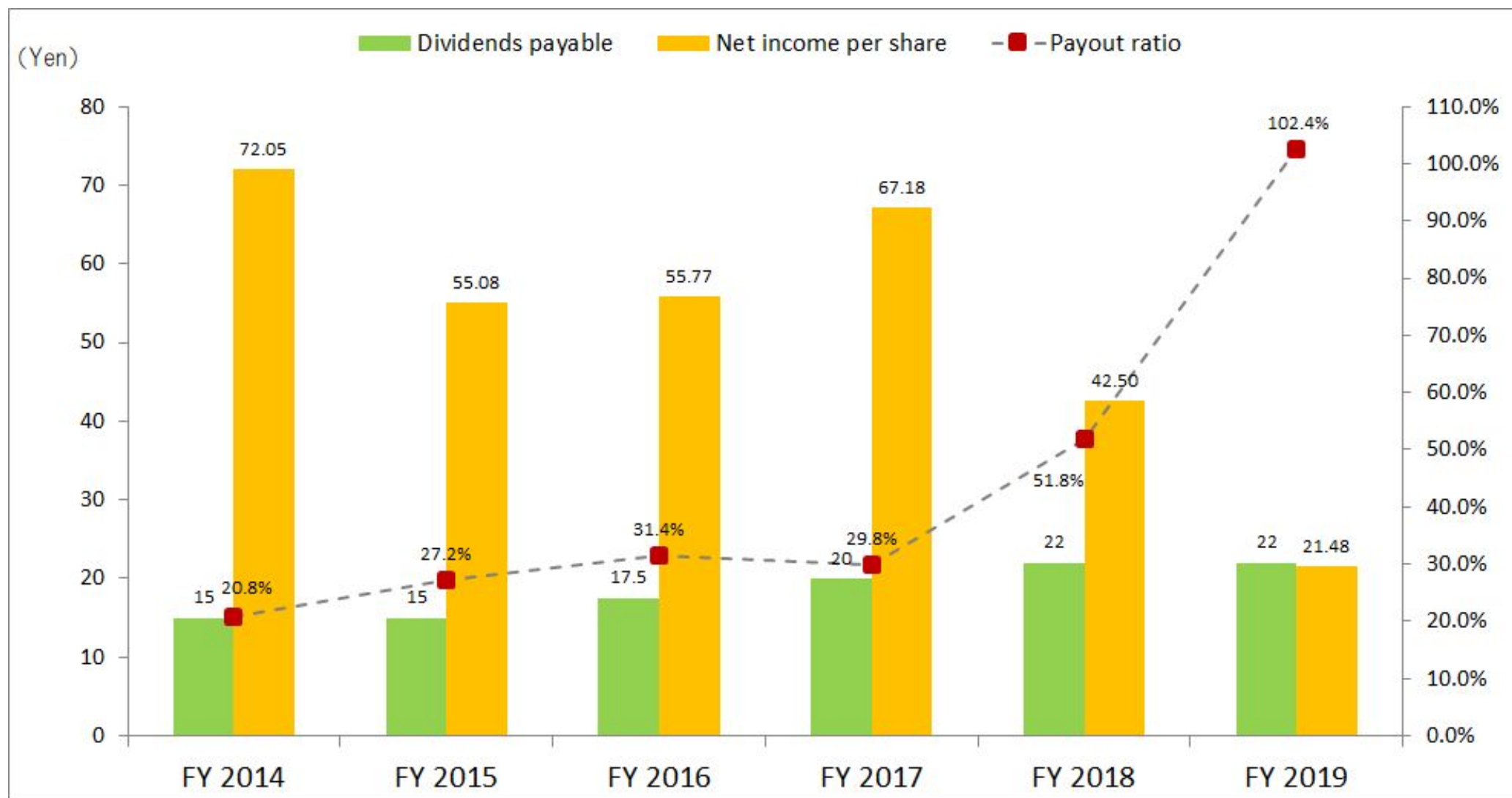


Planning the opening of 40 new outlets in 2020, focused on the expansion of well-performing brands such as Sachifukuya, Ebinoya, Katsuma and new brands.

		FY 2019	FY 2020	Scheduled openings
		New openings (Actual)	New openings (Plan)	
Directly managed outlets	Kushiya monogatari	2	2	AEON Mall Takasaki, Okinawa Toyosaki Town (Apr)
	Sachifukuya	11	12	AEON Mall Ebie (Mar), EQUia Premiere Wako (Mar), AEON Mall Shijounawate (Mar), Montetmer Ashiya (Apr), Comore Mall Yotsuya (Jul)
	Ebinoya	9	9	Sakae Chika (Feb), North Port Mall (Apr), Okinawa Toyosaki Town (Apr), Kyoto Yodobashi (May), Crysta Nagahori (May), Arcakit Kinshicho (May)
	Katsuma	7	7	Mino Q's Mall (Apr), Okinawa Toyosaki Town (Apr), Rinku Outlet (Jul), Comore Mall Yotsuya (Jul)
	Others	21	10	Morimachi Banmen (Feb), Rose Garden Links Umeda (Feb), Katsukatsu Curry 888 LINKS UMEDA (Feb), Rose Garden Cafe AEON Mall Rycom (Mar), Sam's Okinawa Toyosaki Town (Apr), Gekotei Osaka KIX (May)
	TOTAL	53	40	
Franchised outlets		7	5	Sachifukuya Cafe Sun-ste Okayama (Mar), Ebinoya Sun-ste Okayama (Mar)
TOTAL		60	45	

**5 New overseas outlets are forecasted to open in 2020, making it a total of 29 outlets by the end of 2020.**

Country	FY 2019	FY 2020	FY 2020	FY 2020	Remarks
	No. of outlets	Opening plan	Closing schedule	No. of outlets	
<b>Shanghai (China)</b>	5	1	0	6	Maido Ookini shokudo (3), Uchino shokudo (2), Ebinoya (1)
<b>U.S.</b>	2	0	0	2	Tsurumaru (2)
<b>Taiwan</b>	14	0	0	14	Maido Ookini shokudo (10), Kushiya monogatari (3), Sachifukuya (1)
<b>Indonesia</b>	3	0	1	2	Uchino shokudo (2)
<b>Philippines</b>	1	2	0	3	Tsurumaru (3)
<b>Others</b>	0	2	0	2	Ebinoya: Canada (1), Suzhou - China (1)
<b>TOTAL</b>	25	5	1	29	



\* As of January 1, 2020, the stock split was 2-for-1 but the actual amount of dividends before the split is shown.

\* 2018 Includes 2 JPY to commemorate listing on the TSE 1st Sec. and 2019 includes 2 JPY to commemorate the 40th anniversary.





FY 2020 Business strategy

**Masahiro Fujio**  
**President and CEO**

Photo: Dosanjin Ashiya

**1 Improvement of Existing Domestic Outlets**

**2 Domestic expansion (Directly-managed / Franchised outlets)**

**3 Overseas Business Strategy**

**4 M&A, Capital and Business Alliance Strategy**

**5 Medium-term Business Plan (3 Multi-strategy)**

**1 Improvement of Existing Domestic Outlets**

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**4 M&A, Capital and Business Alliance Strategy**

**5 Medium-term Business Plan (3 Multi-strategy)**

## 1 Improvement of Existing Domestic Outlets

### Strategy

#### 1 Improving sales at existing domestic outlets

- ❑ Promotion of the remodeling of free standing Maida Ookini shokudo outlets.
- ❑ Mino Hakuno shima shokudo renewal open (2/13). Renewal of all free standing stores during the first half.
- ❑ Introduce teppan (griddles) to Maida Ookini shokudo (built-in type outlet). Increase of dinner customers is expected.
- ❑ Eradication of non-profitable outlets (change of menu, change of brand concept).
- ❑ Strengthen sales of lunch boxes (Bento) , promotion of seasonal products.

#### 2 Advertising strategy and others

- ❑ Attraction of customers by sales promotion planning (Shokudo Day, promotion pass-cards etc).
- ❑ Kushiya Monogatari's TV Commercial release in January.
- ❑ Smartphone applications (Smart news & Gunoshi coupon delivery).
- ❑ Introduction of Rakuten point card service.



## 1 Improvement of Existing Domestic Outlets

- ❑ Mino Hakuno shima shokudo renewal open (2/13).
- ❑ Refurbishment of free standing shokudo outlets.
- ❑ All free standing outlets are scheduled to be refurbished during the first half of the year.



Mino Hakuno shima Shokudo

### Renewal of free standing Maido Ookini shokudo outlets



Installation of new charcoal grills



# 1 Improvement of Existing Domestic Outlets

## Improvement of Menu for all brands

- Improving customer satisfaction by launching seasonal fairs
- Continued improvement of main menu and cost reviewing



**1** Improvement of Existing Domestic Outlets

**2** Domestic expansion (Directly-managed / Franchised outlets)

**3** Overseas Business Strategy

**4** M&A, Capital and Business Alliance Strategy

**5** Medium-term Business Plan (3 Multi-strategy)

## 2 Domestic expansion (Directly-managed / Franchised outlets)

### Strategy

#### 1 Opening of 40 new directly-managed outlets

- ❑ Aggressive expansion plan of strong brands like Sachifukuya and Ebinoya.

#### 2 Opening of 5 new franchised outlets

- ❑ Encourage the expansion of currently franchised brands (mainly Maido Ookini shokudo, Kushiya monogatari).
- ❑ Strengthen the franchising and new openings of strong brands like Sachifukuya and Ebinoya.

#### 3 Strengthen the development and brand building of new concepts

- ❑ Improvement of new concepts.

**1** Improvement of Existing Domestic Outlets

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## 3 Overseas Business Strategy

### 1 Establishment of Overseas Business Department in October, 2019

- ❑ Negotiations for franchise development are underway with each country.

### 2 Currently expanding to Taiwan, Shanghai, Indonesia and Los Angeles

- ❑ Targeting the expansion from 25 outlets (end of 2019) to 29 by the end of 2020.

### 3 Conclude a Master License Agreement with Canada and Philippines

- ❑ Ebinoya in Canada and Tsurumaru Udon in Philippines.

### 4 Selection of brands that are operation-wise suitable for overseas development

- ❑ Sachifukuya, Ebinoya, Katsuma, Musubiya



### 3 Overseas Business Strategy

#### Selection of brands that are operation-wise suitable for overseas development

- ❑ Expansion of Japan's traditional set meal culture with Sachifukuya.
- ❑ Tempura is popular abroad making it a good prospect for introducing traditional foods.
- ❑ With the basics of foreigners enjoying Spam musubi, select appropriate locations for development in overseas markets.



Ebinoya Bakuromachi



Sachifukuya Keihan City Mall



Katsuma Ten 4

1

Improvement of Existing Domestic Outlets

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Medium-term Business Plan (3 Multi-strategy)



## 4 M&A, Capital and Business Alliance Strategy

### 1 Improvement of Hara Donuts, The Don, Saba 6 Ramen

- ❑ Among 57 outlets, 4 were opened in FY 2019 (29 directly-managed, 28 franchised)
- ❑ Hara Donuts (17 outlets), The Don (25 outlets), Saba 6 Ramen (15 outlets).
- ❑ Further improvement through locations and menu based on consumer sentiment trends.

### 2 Development of Sam's Rose Garden

- ❑ Bringing the well-known Okinawa's Rose garden to Links Umeda as Rose Garden Dinner.
- ❑ Okinawa's steak house established 50 years ago will land in Kansai region as "Sam's".

### 3 Grouping of Dosanjin

- ❑ Grouping of handmade soba noodles "Dosanjin". Currently 9 outlets.
- ❑ Currently planning to open 2 outlets (Summer 2021 Tokyo, Autumn 2021 Osaka)

### 4 Continuing to explore opportunities for new brand acquisition and business alliances

- ❑ Popular brands expected to grow continuously.
- ❑ This will lead to efficient entry into new business fields and accelerate growth.
- ❑ Applying our know-how on store development for expansion based on existing business.

#### 4 M&A, Capital and Business Alliance Strategy - Subsidiary acquisition

Dosanjin is a popular soba noodles brand, based on Kansai region, with 7 directly-managed outlets, 2 by contractors, for a total of 9 outlets. It has been featured in Michelin guide, Birmingham, Micheline plate, etc.



Dosanjin - Tenjinbashi outlet



Soba noodles set



Dinner course menu

1

Improvement of Existing Domestic Outlets

2

Domestic expansion (Directly-managed / Franchised outlets)

3

Overseas Business Strategy

4

M&A, Capital and Business Alliance Strategy

5

**Medium-term Business Plan (3 Multi-strategy)**

## 5 Medium-term Business Plan

1

**“Distributed across all” - Business area category is “for the masses in Japan”**

Commonly-accepted model of “Choice and Focus”



Fujio's target model, "Distributed across all."

### 2 (3 Multi-strategy )+α

- ❑ A new approach to responding to any environmental change.
- ❑ A business model that can achieve strong and stable growth in line with the characteristics of the restaurant industry which has low barriers to entry.

## 5 Medium-term Business Plan (3 Multi-strategy)

### 1 Multi-Branding

- ❑ Single brand deployment increases risk (e.g. BSE problems in the past, emergence of imitation brands).
- ❑ Multi-branding reduces risk and aims for stable growth.

### 2 Multi Location

- ❑ The influence of low birthrate and aging population, regional decline. Decay of shopping malls due to growth in online sales, etc.
- ❑ Select multiple locations (roadside, build-in, commercial facilities) and deploy stores according to location

### 3 Multi-pricing

- ❑ Impact of business cycle, flow demand to low prices during deflationary recession and impact of category killer on price ranges.
- ❑ Multi-branding enables brand development in a variety of price ranges.

### 4 +α (Multi-deployment of revenue structure)

- ❑ Diversification of revenue structure.
- ❑ Major profit-making businesses relocation to consignment and or franchising activities.

## 919 Outlets in total

	Directly-managed Overseas included	Franchised Overseas included	Total
Maido Ookini Shokudo	158	263	421
Kushiya monogatari	88	33	121
Kappogi	32	7	39
Tsurumaru	47	11	58
Sachifukuya	34	6	40
Ebinoya	43	5	48
Others	162	30	192
<b>Total</b>	<b>564</b>	<b>355</b>	<b>919</b>

\* Honolulu Coffee (18 outlets), Hara Donuts (17 outlets), The Don (25 outlets), Saba 6 Ramen (15 outlets), Sam's (8 outlets), Dosanjin (9 outlets) are included.



# Number of Outlets by brand as of FY 2019

 <p>421 Outlets</p>	 <p>121 Outlets</p>	 <p>58 Outlets</p>	 <p>39 Outlets</p>	 <p>40 Outlets</p>
 <p>48 Outlets</p>	 <p>12 Outlets</p>	 <p>16 Outlets</p>	 <p>13 Outlets</p>	 <p>25 Outlets</p>
 <p>Saba 6 Ramen</p> <p>15 Outlets</p>	 <p>17 Outlets</p>	 <p>Honolulu Coffee</p> <p>18 Outlets</p>	 <p>Steak Restaurant</p> <p>8 Outlets</p>	<p>Other Brand</p> <p>68 Outlets</p>



# Distribution map of domestic outlets as of FY 2019

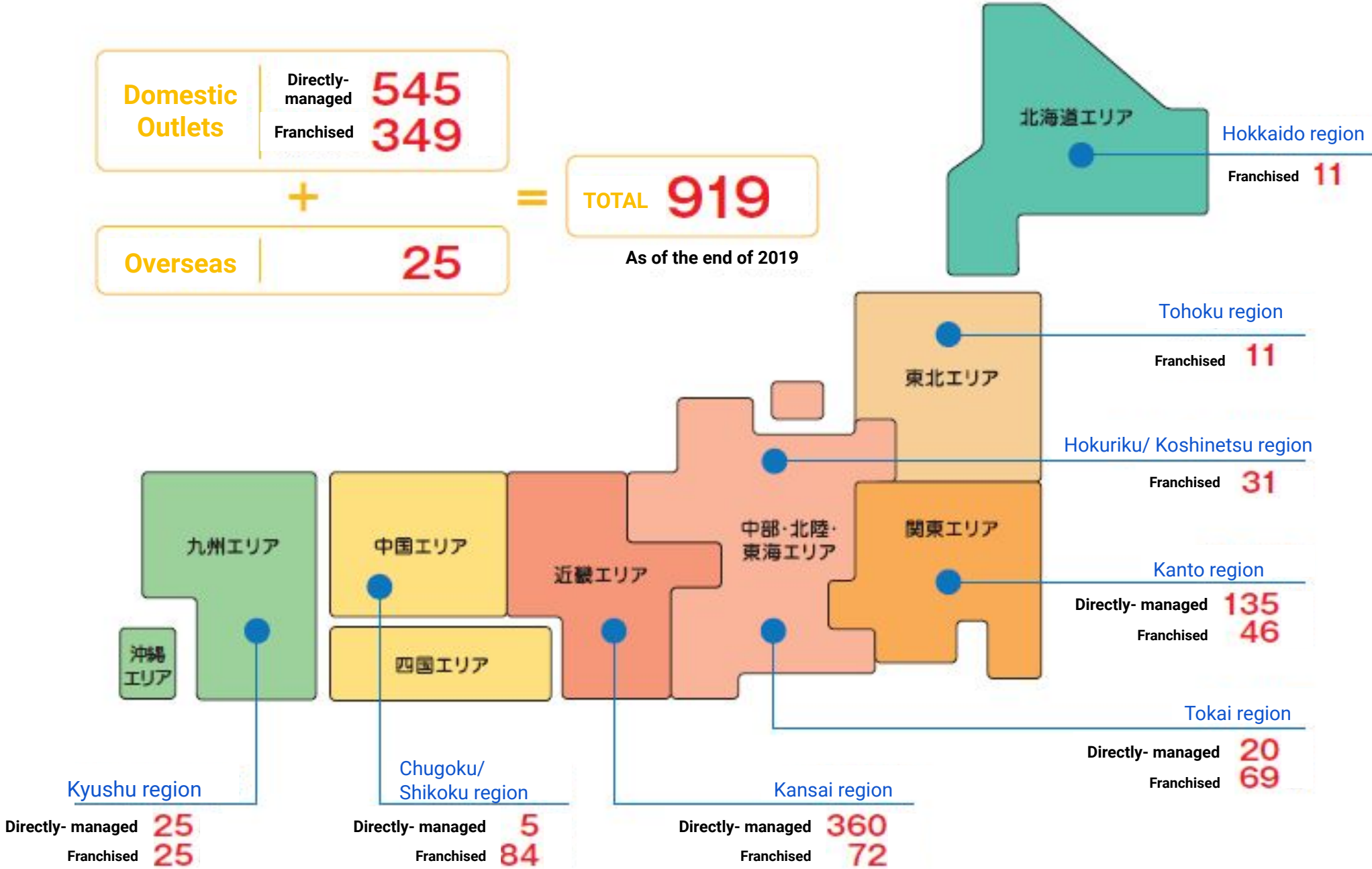


Photo: Maruten shokudo (Taken in 1955, the model of Maido Ookini shokudo which was managed by Mr. Masahiro Fujio's Family)

