



Fujio Food Group Inc.

TSE 1st Sec. (2752)

FY 2021 Financial Results Briefing

Photo: Pinokio Cafeteria Toyonaka Branch



FY 2021 Financial Results Summary

Photo: Pinokio Cafeteria Mont Blanc Toast

FY 2021 Summary of Consolidated Financial Statements

(Unit: Million yen)	FY 2020		FY 2021		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Sales	26,805	100.0%	25,453	100.0%	↓ 1,351	↓ 5.0%
Directly-managed business	25,538	95.3%	24,287	95.4%	↓ 1,251	↓ 4.9%
Franchised business	1,266	4.7%	1,166	4.6%	↓ 100	↓ 7.9%
Cost of Sales	9,826	36.7%	9,389	36.9%	↓ 436	↓ 4.4%
Gross Profit	16,978	63.3%	16,063	63.1%	↓ 915	↓ 5.4%
SGA Costs	19,950	74.4%	19,407	76.2%	↓ 542	↓ 2.7%
Operating Profit	-2,971	-11.1%	-3,343	-13.1%	↓ 372	—
Ordinary Profit	-2,876	-10.7%	2,830	11.1%	5,706	—
Extraordinary profit	0	0.0%	364	1.4%	363	—
Extraordinary loss	2,733	10.2%	1,409	5.5%	↓ 1,323	↓ 48.4%
Net income before taxes	-5,609	-20.9%	1,784	7.0%	7,393	—
Net income attributable to parent	-4,998	-18.6%	709	2.8%	5,707	—
EBITDA*	-1,585	-5.9%	-2,085	-8.2%	↓ 500	—

Indicators

Sales

↓ **5.0%**

Domestic sales at all directly-managed outlets

94.7%

Domestic sales at existing directly-managed outlets

92.0%

New Domestic directly-managed outlets

27店

Operating profit ↓ **3,343M Yen**

Operating profit ratio

↓ **13.1%**

Cost of sales ratio

0.2% ↑

SGA Cost ratio

1.8% ↑

Labour cost ratio

0.9% ↑

Rent ratio

0.9% ↑

Utilities cost ratio

0.1% ↑

Depreciation

0.2% ↓

Other costs

0.03% ↑

Impairment Loss

966M Yen

Loss on disposal of fixed assets

110M Yen

Loss on suspended operations

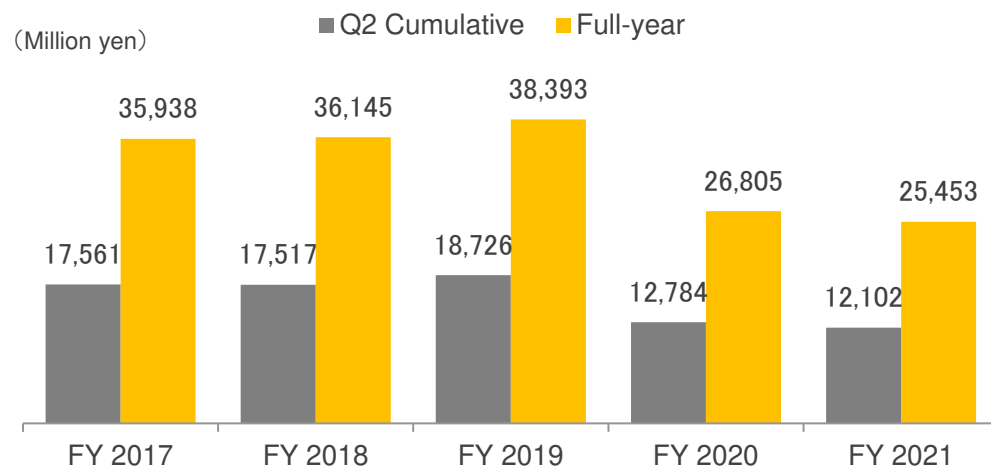
121M Yen

*EBITDA = Operating profit + Depreciation & Amortization

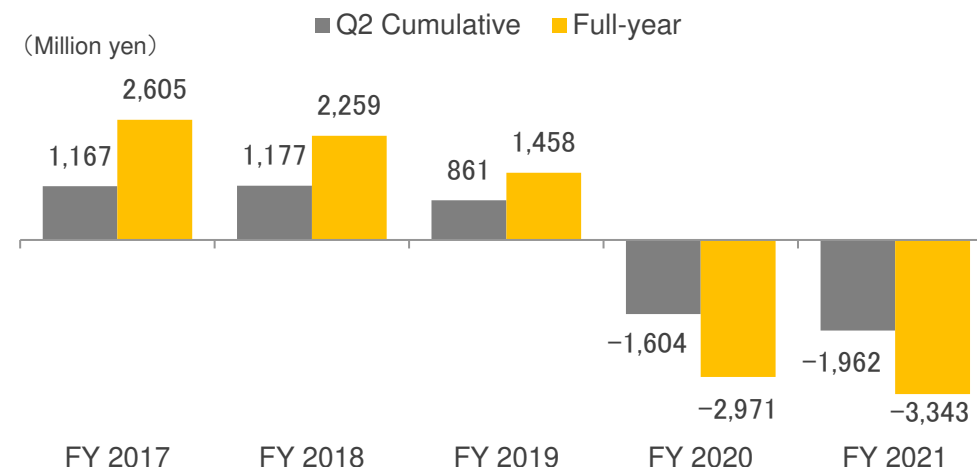
Change in consolidated business results: Annual sales, profit

Shortened operating hours as per request from the government and municipalities.

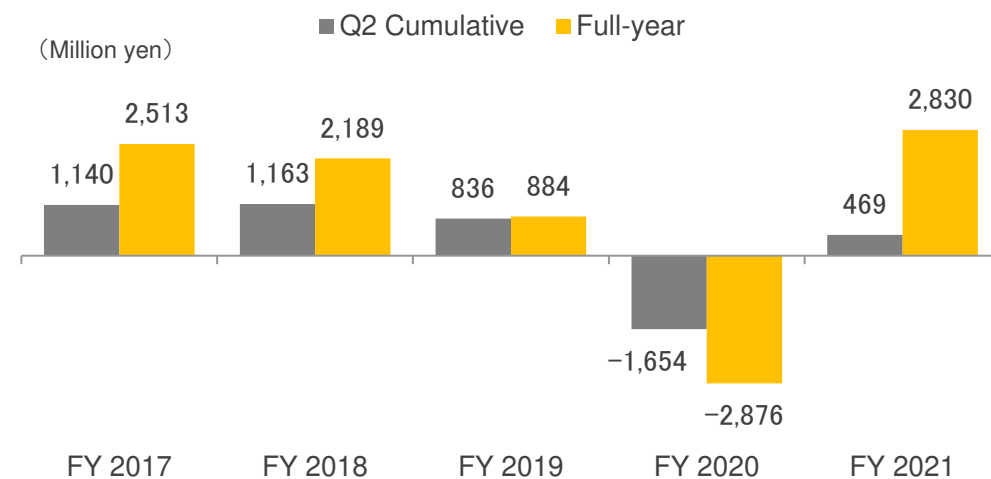
Sales (Million yen)



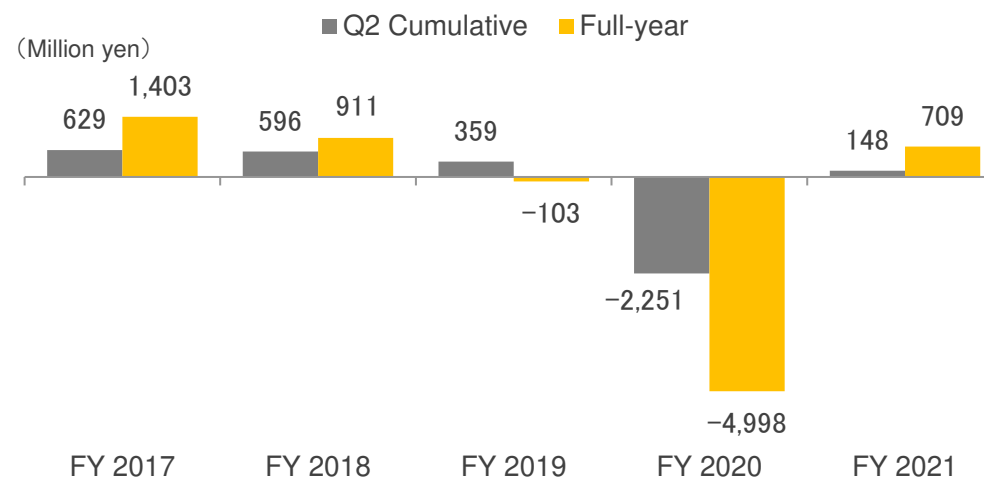
Operating profit (Million yen)



Ordinary profit (Million yen)

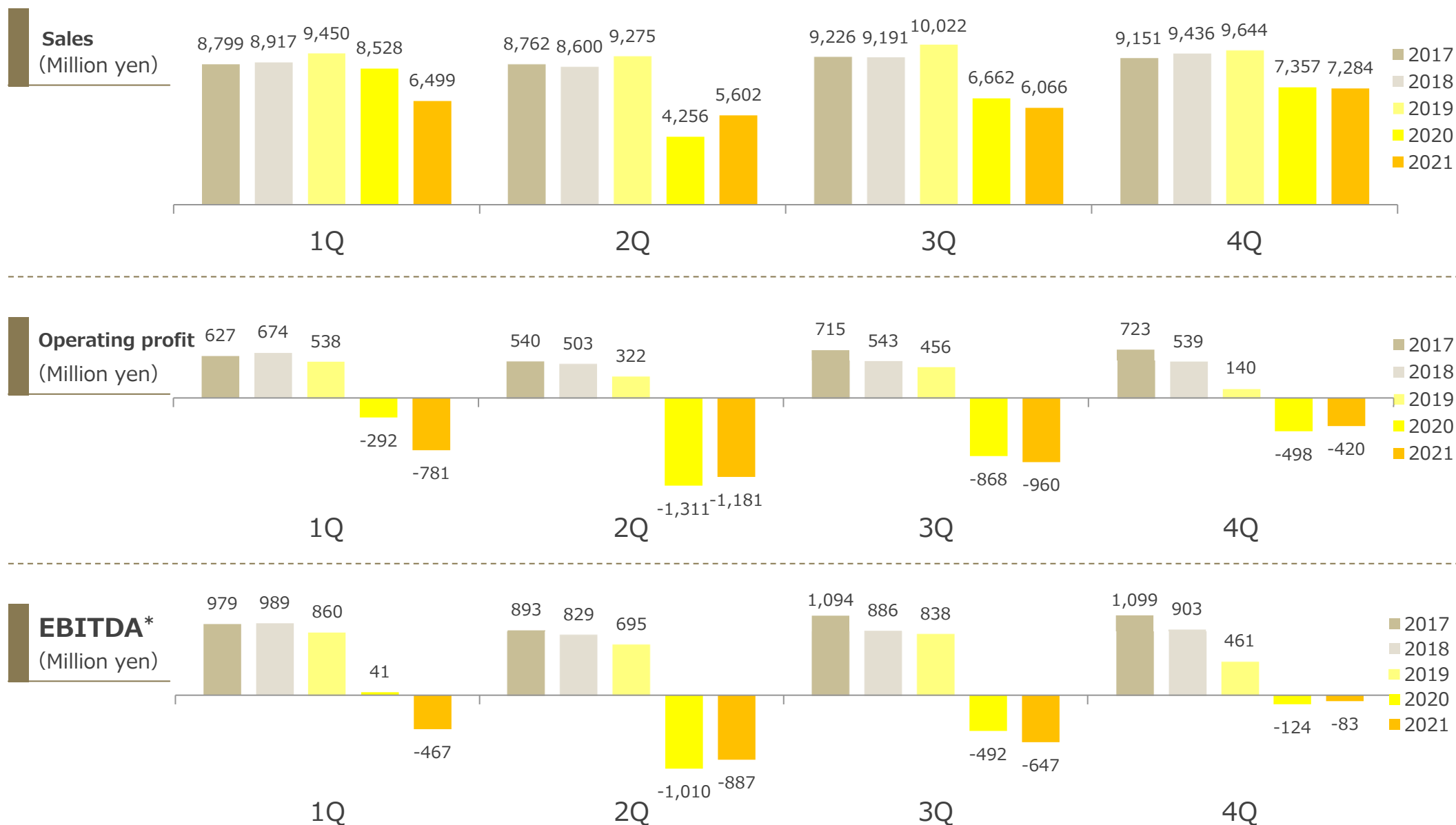


Net income (Million yen)



Change in consolidated business results: Quarterly sales, profit

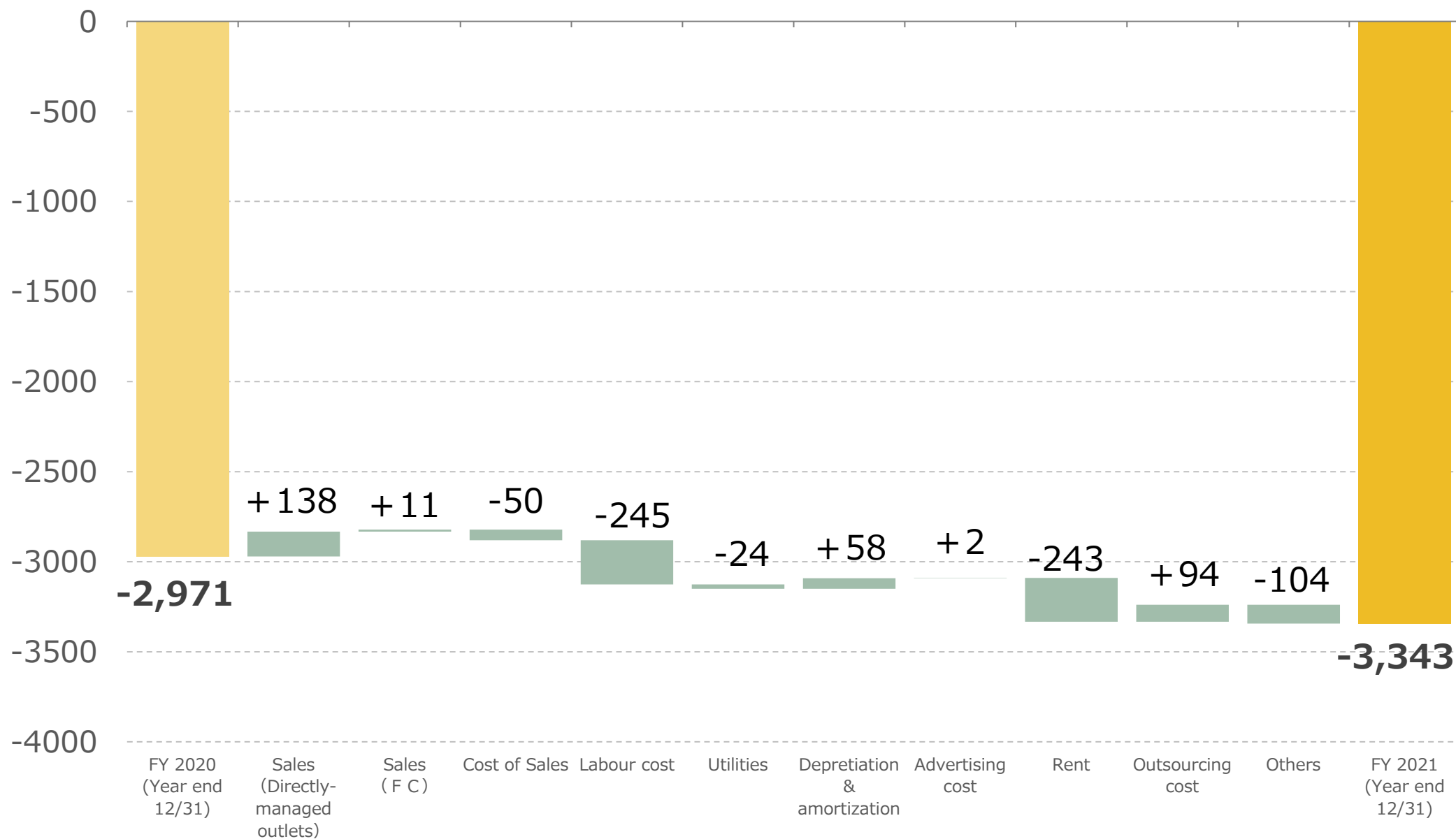
Shortened operating hours as per request from the government and municipalities.



*EBITDA = Operating profit + Depreciation & Amortization

FY 2021 YOY Operating profit analysis

(Million yen)



FY 2021 Plan Vs. Actual variance

Plan variance **Sales :** ↓ 1,620M Yen **Operating profit :** ↓ 609M Yen
Ordinary profit : 923M Yen **Net income :** ↓ 93M Yen

(Million yen)	FY 2021		FY 2021		Actual vs. Rate variance	
	Plan	Ratio	Actual	Ratio	Variance	Progression rate
Sales	27,073	—	25,453	—	↓ 1,620	↓ 6.0%
Operating profit	-2,734	-10.1%	-3,343	-13.1%	↓ 609	—
Ordinary profit	1,906	7.0%	2,830	11.1%	923	48.4%
Net income	802	3.0%	709	2.8%	↓ 93	↓ 11.6%

FY 2021 Consolidated sales at directly-managed outlets by brand

Sales decreased 4.9% at directly-managed outlets compared to previous year (1,251M Yen), YOY sales at existing outlets 92.0%.

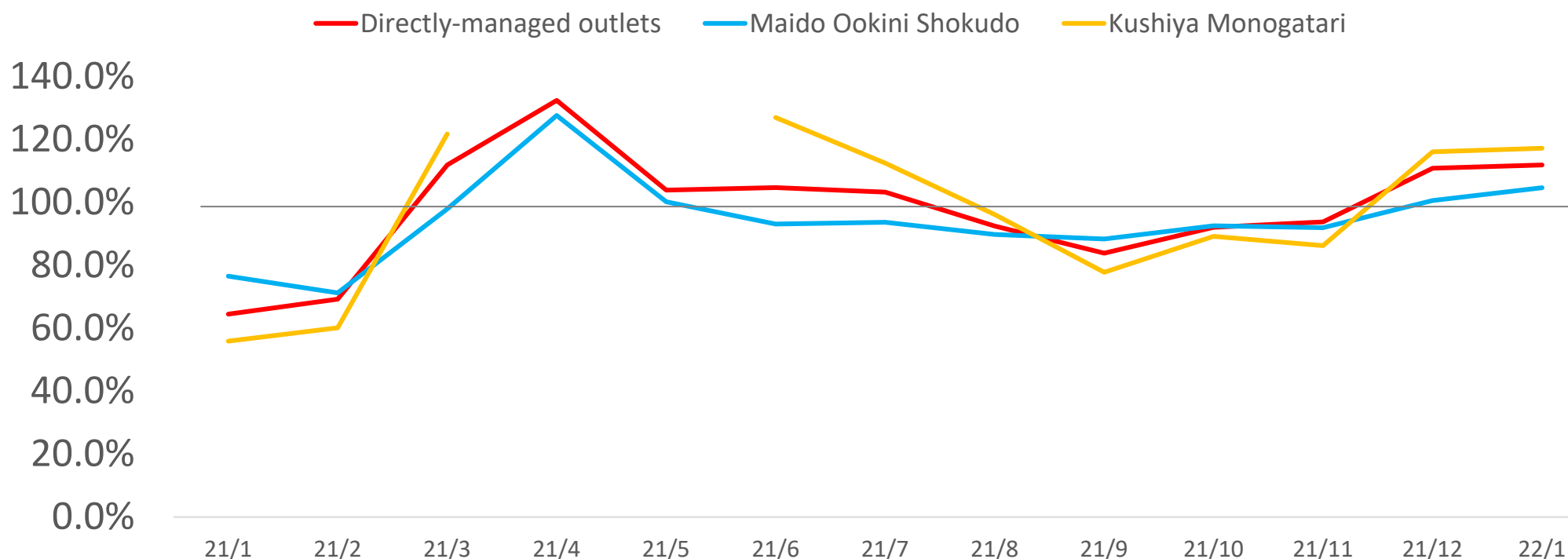
(Million yen)	FY 2020 Full-year		FY 2021 Full-year		YOY Variance		FY 2021 (Domestic directly-managed outlets)	
	Sales	Proportion	Sales	Proportion	Variance	Rate of change	New outlet	No. of outlet
Directly-managed outlets	25,538	100.0%	24,287	100.0%	↓ 1,251	↓ 4.9%	26	517
Maido Ookini shokudo	7,019	27.5%	6,329	26.1%	↓ 689	↓ 9.8%	1	125
Kushiya Monogatari	6,180	24.2%	5,931	24.4%	↓ 249	↓ 4.0%	0	80
Kappogi	1,017	4.0%	550	2.3%	↓ 466	↓ 45.9%	0	17
Tsurumaru	1,407	5.5%	1,284	5.3%	↓ 123	↓ 8.8%	3	39
Sachifukuya	2,281	8.9%	2,263	9.3%	↓ 17	↓ 0.8%	2	39
Ebinoya	1,927	7.5%	1,970	8.1%	43	2.2%	0	42
Others	5,704	22.3%	5,957	24.5%	252	4.4%	20	175

※Excluding non-consolidated group companies

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

2021 Year cumulative: Directly-managed outlets: 92.0% Maido Ookini shokudo: 91.6% Kushiya Monogatari: 89.5%

	21/1	21/2	21/3	21/4	21/5	21/6	21/7	21/8	21/9	21/10	21/11	21/12	22/1
Directly-managed outlets	64.5%	69.2%	111.9%	132.4%	103.9%	104.7%	103.3%	92.5%	83.9%	92.1%	93.8%	110.9%	111.9%
Maido Ookini shokudo	76.5%	71.2%	98.0%	127.7%	100.2%	93.1%	93.7%	89.8%	88.4%	92.6%	92.0%	100.6%	104.7%
Kushiya Monogatari	55.9%	60.2%	121.8%	—	—	127.0%	112.5%	96.2%	77.8%	89.2%	86.3%	116.1%	117.2%



※Kushiya Monogatari sales are not calculated due to temporarily closure of all outlets in April and May in 2020.

FY 2021 Opening and closures of domestic outlets

Due to the impact of COVID-19, the initial opening plan was reviewed, and 27 outlets were opened.

		End of 2020	FY 2021	FY 2021		FY 2021	FY 2021	End of 2021
		No. of Outlets	Plan	Openings	Closures	Total of closures	Concept changes	No. of Outlets
Direct and consignment business	Maido Ookini shokudo	139	0	1	3	↓ 2	↓ 12	125
	Kushiya Monogatari	81	0	0	3	↓ 3	+2	80
	Tsurumaru	42	2	3	2	+1	↓ 4	39
	Ebinoya	46	3	0	0	0	↓ 4	42
	Sachifukuya	39	2	2	1	+1	↓ 1	39
	Delice	14	20	5	2	+3	0	17
	Others	164	18	16	18	↓ 2	+22	184
	TOTAL	525	45	27	29	↓ 2	+3※	526
Franchised Outlets		306	5	2	24	↓ 22	↓ 3※	281
Total		831	50	29	53	↓ 24	0	807

※3 Franchised outlets changed to direct managing.

FY 2021 Opening and closures of overseas outlets

Due to the impact of COVID-19 the opening schedule was delayed.

Country	End of 2020	FY 2021	FY 2021	FY 2021	End of 2021	Remarks
	No. of Outlets	Plan	Actual	Closures	No. of Outlets	
China (Shanghai)	5	2	0	1	4	Maido Ookini shokudo 3 Ebinoya 1
USA	2	0	0	1	1	Tsurumaru 1
Taiwan	13	1	0	0	13	Maido Ookini shokudo 8 Kushiya Monogatari 3 Sachifukuya 2
Indonesia	1	0	0	0	1	Uchino shokudo 1
Philippines	1	2	1	0	2	Tsurumaru 2
Others	0	1	0	0	0	
TOTAL	22	6	1	2	21	

FY 2021 Consolidated BS Summary

(Million yen)	FY 2020		FY 2021		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Current assets	4,920	20.2%	12,627	44.3%	7,707	156.6%
Cash and bank	2,425	9.9%	8,066	28.3%	5,640	232.5%
Others	2,494	10.2%	4,561	16.0%	2,066	82.8%
Fixed assets	19,476	79.8%	15,849	55.7%	-3,627	-18.6%
Tangible fixed assets	10,667	43.7%	8,172	28.7%	-2,494	-23.4%
Intangible fixed assets (※)	1,730	7.1%	1,627	5.7%	-103	-6.0%
Investment and other assets	7,078	29.0%	6,049	21.2%	-1,028	-14.5%
Deferred assets	0	0.0%	0	0.0%	-	-
Total assets	24,397	100.0%	28,477	100.0%	4,079	16.7%

Current liabilities	12,451	51.0%	10,575	37.1%	-1,876	-15.1%
Accounts payable	1,174	4.8%	1,274	4.5%	100	8.5%
Short-term debt	5,950	24.4%	3,655	12.8%	-2,295	-38.6%
Current portion of long-term loans payable	2,877	11.8%	2,390	8.4%	-487	-16.9%
Others	2,449	10.0%	3,255	11.4%	805	32.9%
Fixed liabilities	8,380	34.3%	12,777	44.9%	4,397	52.5%
Long-term debt	6,163	25.3%	10,657	37.4%	4,494	72.9%
Other	2,216	9.1%	2,120	7.4%	-96	-4.4%
Capital	2,210	9.1%	2,231	7.8%	20	0.9%
Capital surplus	2,092	8.6%	2,526	8.9%	434	20.8%
Net assets	3,565	14.6%	5,123	18.0%	1,558	43.7%
Total assets	24,397	100.0%	28,477	100.0%	4,079	16.7%

Indicators

Total Cash & Cash equivalents

¥8,066 M

YOY

↑ ¥5,640M

Total debt with interest

¥16,703 M

YOY

↑ ¥1,712M

Net debt*

*Debt with interest – Cash & Cash equivalents

¥8,637 M

YOY

↓ ¥3,927 M

Net assets

¥5,123 M

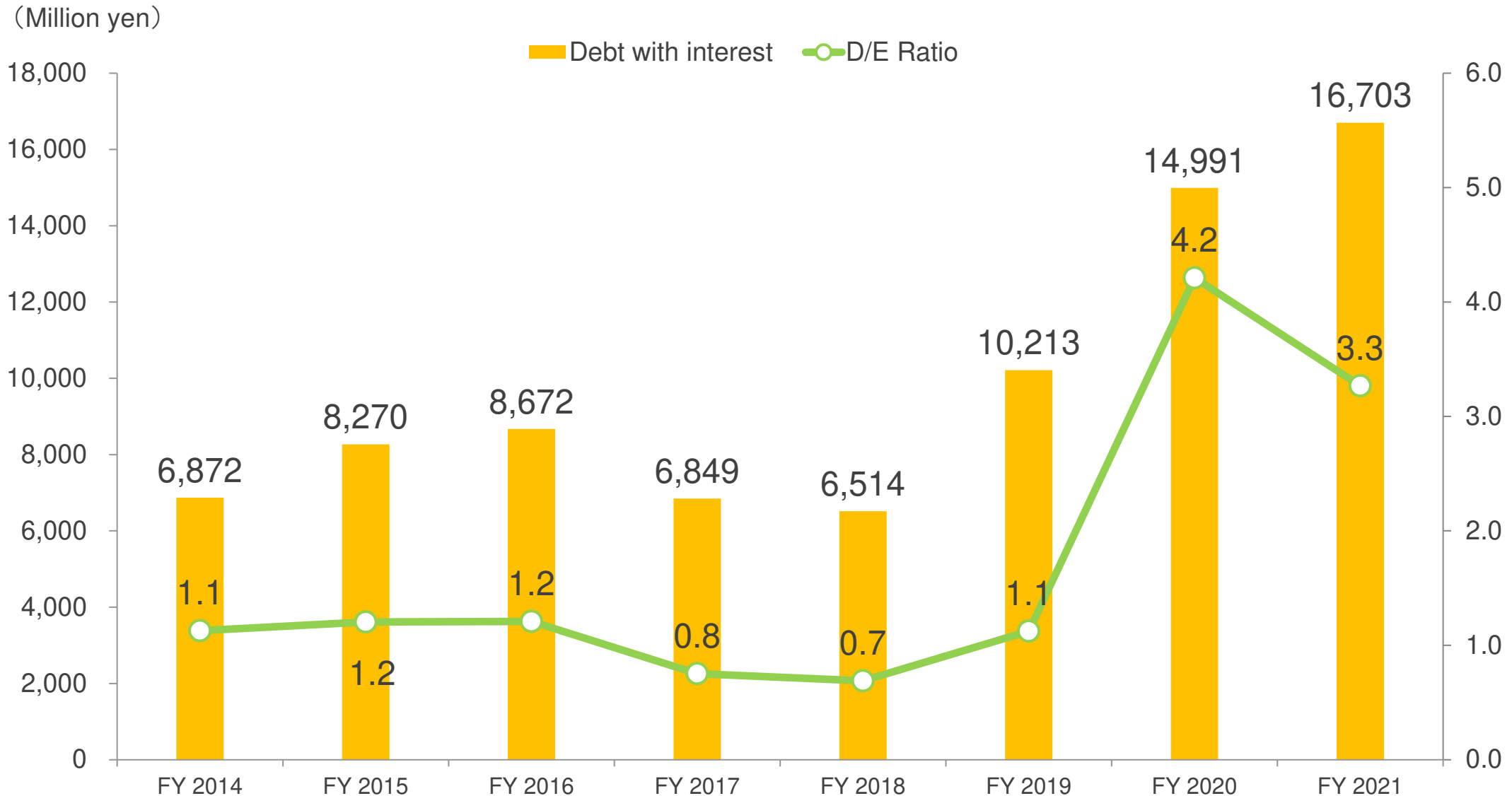
YOY

¥1,558 M

Change of Net assets



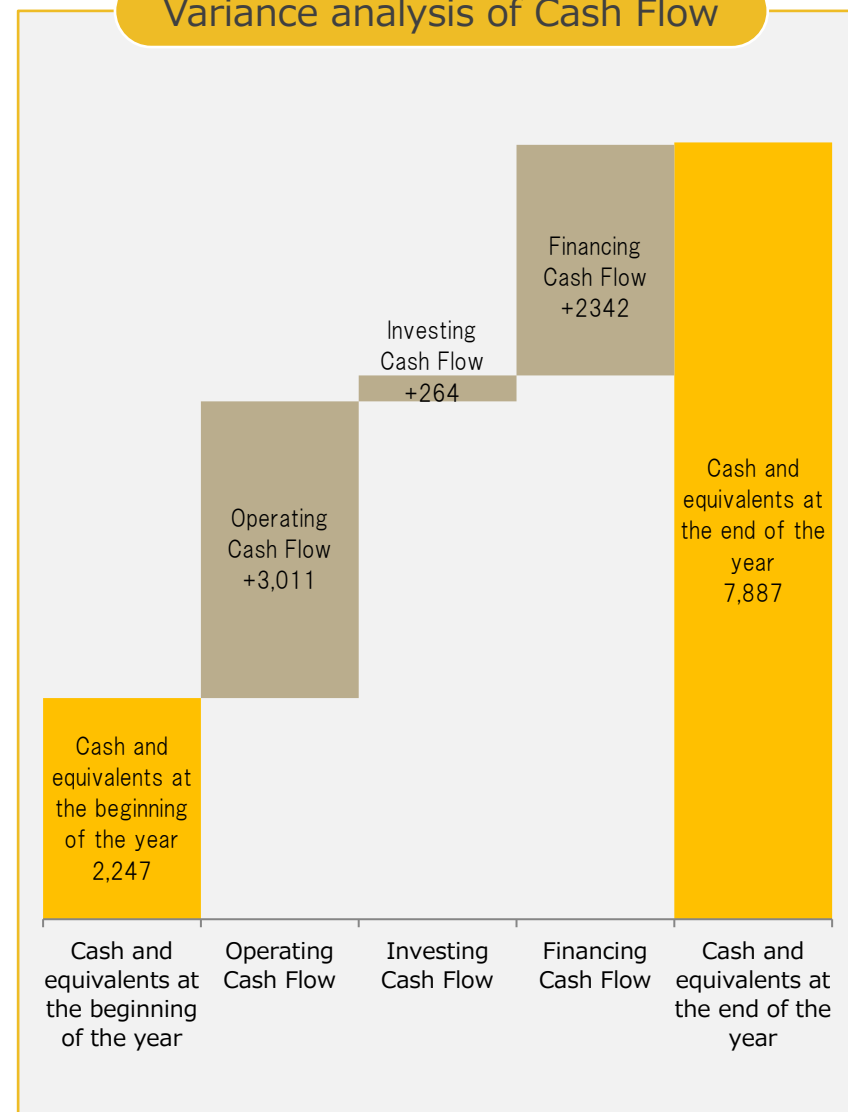
Debt with interest and Debt to Equity ratio



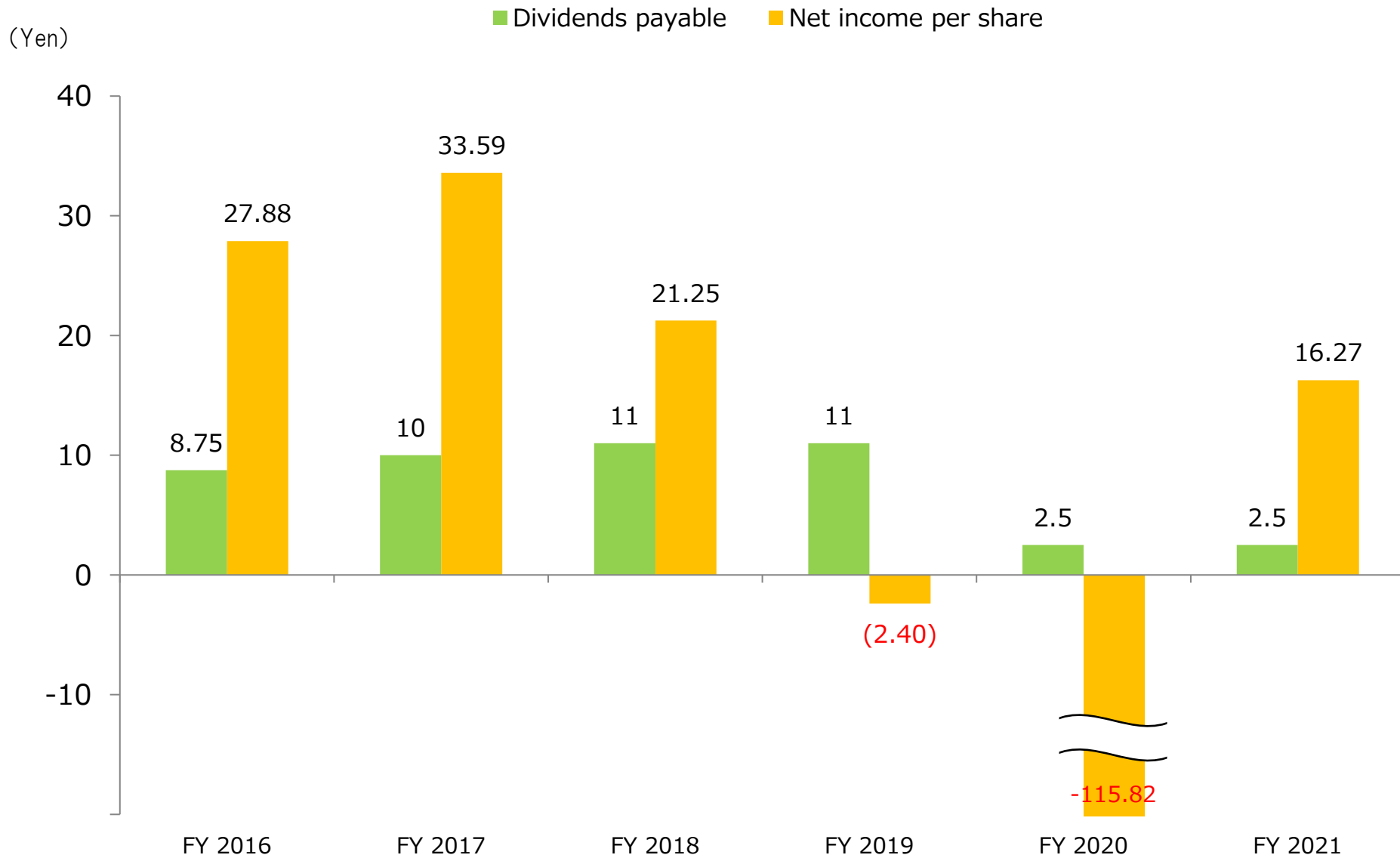
FY 2021 Consolidated Cash Flow Summary

(Million yen)	FY 2020	FY 2021	YOY
	Actual	Actual	Variance
Operating Cash Flow	↓ 2,517	3,011	5,528
Net income before taxes	↓ 5,609	1,784	7,393
Depreciation & Amortization	1,394	1,259	↓ 135
Impairment loss	1,157	966	↓ 191
Income taxes	↓ 164	↓ 39	125
Investing Cash Flow	↓ 2,458	264	2,722
Purchase of property, plant and Equipment	↓ 2,148	↓ 462	1,686
Payments of leaseholds and guarantee deposits	↓ 167	↓ 128	39
Financing Cash Flow	4,305	2,342	↓ 1,963
Net increase (decrease) in short-term loans payable	5,750	↓ 2,295	↓ 8,045
Proceeds from long-term loans payable	1,900	6,900	5,000
Repayment of long-term loan payable	↓ 2,872	↓ 2,892	↓ 20
Cash dividends paid	↓ 474	↓ 108	366
Net Increase (Decrease) in Cash and Cash equivalents	↓ 669	5,640	6,309
Cash and cash equivalents at the beginning of the year	2,895	2,247	↓ 648
Cash and cash equivalents at the end of the year	2,247	7,887	5,640

Variance analysis of Cash Flow



Shareholder return



Full-year plan – Previous year comparison

Gross Sales: ↑ ¥6,822M - Operating profit: ↑ ¥4,475M

Ordinary profit: ↓ ¥971M - Net income: ↑ ¥107M

(Million yen)	FY 2021		FY 2022		YOY	
	Actual	Profit ratio	Plan	Profit ratio	Amount	Ratio
Sales	25,453	—	32,275	—	6,822	26.8%
Operating profit	-3,343	-13.1%	1,131	3.5%	4,475	—
Ordinary profit	2,830	11.1%	1,858	5.8%	↓ 971	↓ 34.3%
Net income	709	2.8%	816	2.5%	107	15.1%

New Outlets	Directly-managed	28		45		17	
	Franchised	2		20		18	
	TOTAL	30		65		35	
FY 2019 Sales at current outlets※		66.8%		90.0%			

※Sales growth at current outlets is planned to be compared to FY 2019, before the impact of the COVID-19 pandemic.

Full-year plan – Semiannual plan

During the first half, new openings and improvement of existing outlets to settle the impact of the pandemic and to contribute to the second half.

(Million yen)	First Half		Second Half		Full-year		Full-year ratio	
	Plan	Profit ratio	Plan	Profit ratio	Plan	Profit ratio	1st Half	2nd Half
Sales	14,348	—	17,926	—	32,275	—	44.5%	55.5%
Operating profit	-165	-1.2%	1,296	7.2%	1,131	3.5%	—	—
Ordinary profit	608	4.2%	1,250	7.0%	1,858	5.8%	32.7%	67.3%
Net income	235	1.6%	581	3.2%	816	2.5%	28.8%	71.2%

Full-year plan – Sales at existing outlets per quarter

For reasonable calculations, figures were compared to FY 2019, before the impact of the COVID-19 pandemic.

Full-year - Sales growth compared to existing outlets in 2019			
First Quarter Plan	Second Quarter Plan	First half Plan	Full-year Plan
70%	90%	80%	
Third Quarter Plan	Fourth Quarter Plan	Second half Plan	90%
100%	100%	100%	

Full-year plan – New domestic openings

Targeting to open 45 new domestic outlets during 2022, focusing on Maido Ookini shokudo and Pinokio Cafeteria brands.

		FY 2021	FY 2022	Open Schedule
		Domestic openings Actual	Domestic openings Plan	
Directly-managed	Maido Ookini shokudo	1	10	
	Pinokio Cafeteria	6	30	Port Parlour Pinokio Kobe Harborland (Jan/7) Pinokio Cafeteria Nagata Eki Minami (Feb/17) Pinokio Cafeteria AEON Town Komono (Feb/24) Grill and Parfait Pinokio AEON Mall Fukutsu (Mar)
	Others	20	5	Delice Shinjuku Mylord (Jan/14) Sachifukuya Café Lalaport Ebina (Mar)
	TOTAL	27	45	
Franchised		2	20	
Total		29	65	

Full-year plan – New overseas openings

7 outlet are scheduled to open in 2022

Country	FY 2021	FY 2022	Breakdown of outlets after opening
	No. of Outlets	Plan	
China (Shanghai)	4	3	Maido Ookini shokudo 1 Uchino shokudo 1 Ebinoya 5
USA	1	0	Tsurumaru 1
Taiwan	13	1	Maido Ookini shokudo 8 Kushiya Monogatari 4 Sachifukuya 2
Indonesia	1	1	Uchino shokudo 2
Philippines	2	2	Tsurumaru 4
TOTAL	21	7	

Estimated take-up (by February 25th)

	No. of target outlets	Scheduled allowance
1st Quarter	357	ABT ¥466M
2nd Quarter	339	ABT ¥268M
1st Half		ABT ¥734M

※Government allowances to be record as non-operating income based on the application date

From the beginning of the Fiscal year ending in December 2022 “The accounting standard for revenue” (Corporate Accounting Standard No.29) is applied as below:

Major Changes

1. Revenue recognition of consignment business (Sales)

So far, the sales from consignment outlets, of which assets are owned, were recognized as sales, and expenses after deducting royalties, etc. were recorded as SG&A expenses but, starting this term only royalty is recognized as revenue. (There is no impact below the operating profit).

⇒**About 6% to 7% of the consolidated sales correspond to consignment business sales (main factor of decrease).**

2. Recognition of revenue at net (Sales)

So far, the sales originated from coupons or loyalty points were recognized before deductions as sales, and the discounts were recorded as sales promotion expenses. Now, the discounted amount is recognized as sales.

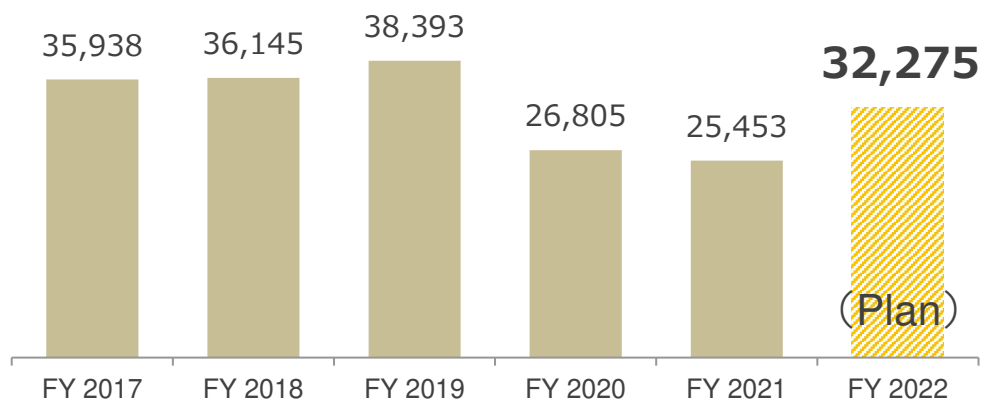
⇒**The impact is minor.**

*The above is reflected in the consolidated performance results of the fiscal year ending in December 2022.

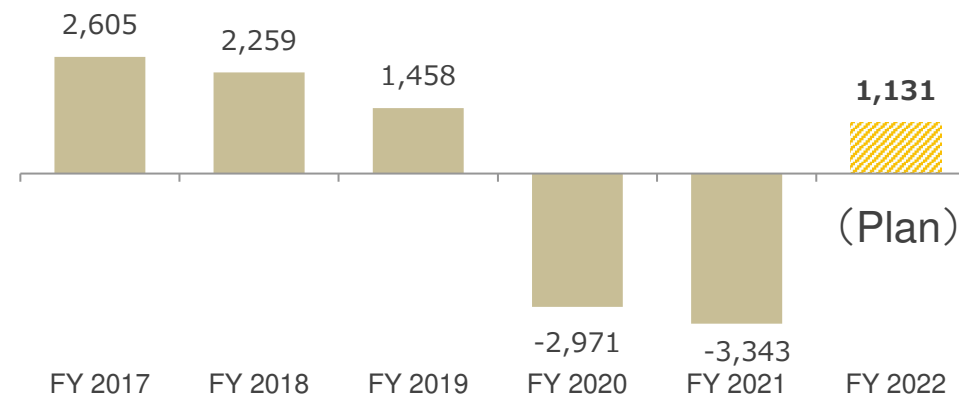
Consolidated financial results (Plan)

Plan to return to profitability through improvements accomplished during 2022

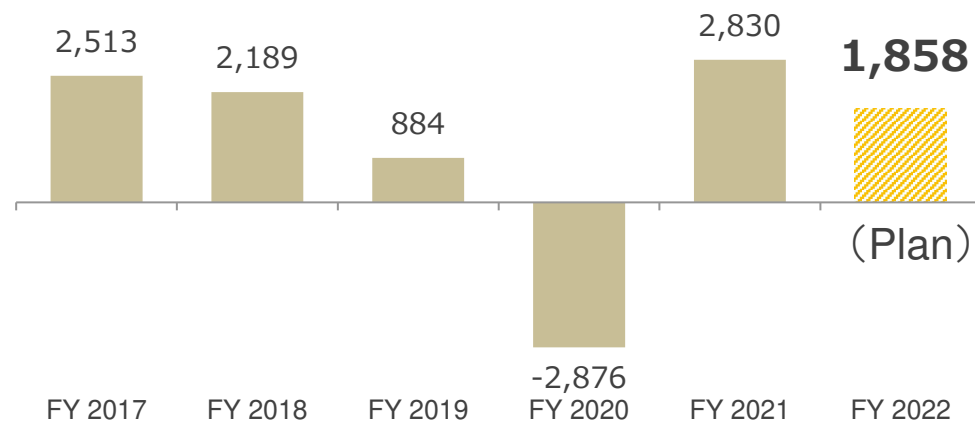
Sales (Million yen)



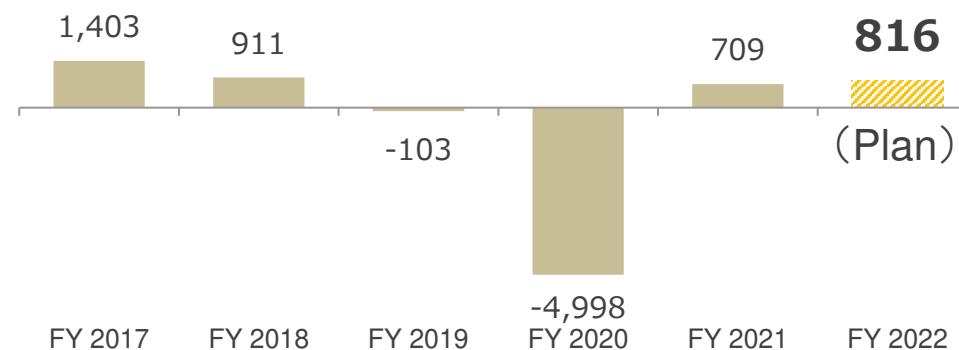
Operating profit (Million yen)



Ordinary profit (Million yen)



Net income (Million yen)



Maido Ookini Shokudo

- Targeting to open ten (10) new outlets.
- Strengthen location analysis and develop three suitable models accordingly.

⇒ In addition to the original model, starting the opening of a new model outlet for Shokudo, focusing on grilled fish and set meals.

New Shokudo model ⇒ Increasing grilled fish menus to enhance the “live performance” feeling.

Set meal model ⇒ Specializing in serving freshly made items.

Choice type model ⇒ Strengthening of droplet infection preventive measures.



Brand business strategy

Kushiya Monogatari	Revision of dessert items. Increasing food traffic through a new reservation channel.
Tsurumaru	Food cost reduction by changing materials. Accelerating operation after revision of recipes.
Ebinoya	Introduction of items suitable for Take-out.
Sachifukuya	Development of health-conscious menus, increasing side dishes.
Delice	Food cost reduction by changing materials. Development of new menu items other than tarts.



Brand Concept

- A coffee-shop to pass on the Good Old Japan
- Local dining and resting space

The first branch of Pinokio Cafeteria, which concept is “A coffee-shop to pass on The Good Old Japan”, opened in 2021. It is a local dining which offers both wholesome meals and relaxing space, with potential to attract a wide range of customers.

From now on, we aim to expand it as one of our main concepts to a structure of one hundred (100) outlets through the domestic franchise base.



FC Business Reconstruction

- Domestic: strengthening of proposals to affiliates. (Renovation, Take-out and delivery boosting, introduction of Rakuten Points, opening of new concepts, etc.).
- Overseas: Settlement of main brand per country, reinforcement of expansion.
- In-house FC: promotion of independence within the company (orientation meetings, proposal to increase outlets), strengthen of consignment management support system.

Overseas expansion speed-up

- Aiming to open seven (7) outlets during the current period.

3 New openings by February.

January 1st, Ebinoya in Shanghai

February 18th, Uchino Shokudo in Indonesia

February 25th, Kushiya Monogatari in Taiwan

※2 outlets scheduled to open in the Philippines in March.



Ebinoya – Second branch in Shanghai

Specific DX Status of implementation

Mobile Order	Introduction mainly to directly-managed outlets like Shokudo and Pinokio
Booking Tools	Focused on Kushiya Monogatari (Hot-pepper, PayPay Gourmet, etc.)
Non-cash payments	At all directly-managed outlets.
Mobile app coupons	Official mobile app, affiliated apps, etc.
E-Commerce	Company website management
Management System	Sales management system, time and attendance system, outlet CCTV system, etc.

We, Fujio Food Group want to be an organization that makes our customers happy and that, at the same time, can share in success altogether with our associates. With that philosophy as base, our basic policy is to make people happy through food and aim to sustainable growth together with society.



Environmental Policy

Our group believes that dealing with climate change and environmental issues is one of the important management challenges. Using environmentally conscious clean energy, the procurement of sustainable ingredients, and the effective utilization of materials through resource circulation, our group will actively address environmental issues for minimizing the impact on climate change.

- Efforts to eliminate food waste
- Commitment to Energy control
- Waste oil recycling
- Biomass plastic use
- Approach to water conservation efforts



Social Policy

We strive to be a Restaurant Company that gives people a sense of warmth.

We provide healthy food and create jobs for locals, and actively hire females, foreigners, and people with disabilities.

- Fujio Himawari Nursery School
- Promotion of employment of people with disabilities
- Special invitation to the Tenjin Fireworks Festival for hearing-impaired students
- Ring of Red funding



Corporate Governance Policy

We believe that increasing management efficiency, its soundness and transparency is an important management challenge to maintain good relationships with various stakeholders, including shareholders, customers, business partners, and local communities.

While recognizing the importance of legal compliance and corporate ethics, we aim for a fair and transparent corporate governance to improve our corporate value in the medium to long term.

- Internal reporting system
- Risk Management
- Waste oil recycling
- Internal Audit and Company Auditors' state of affairs

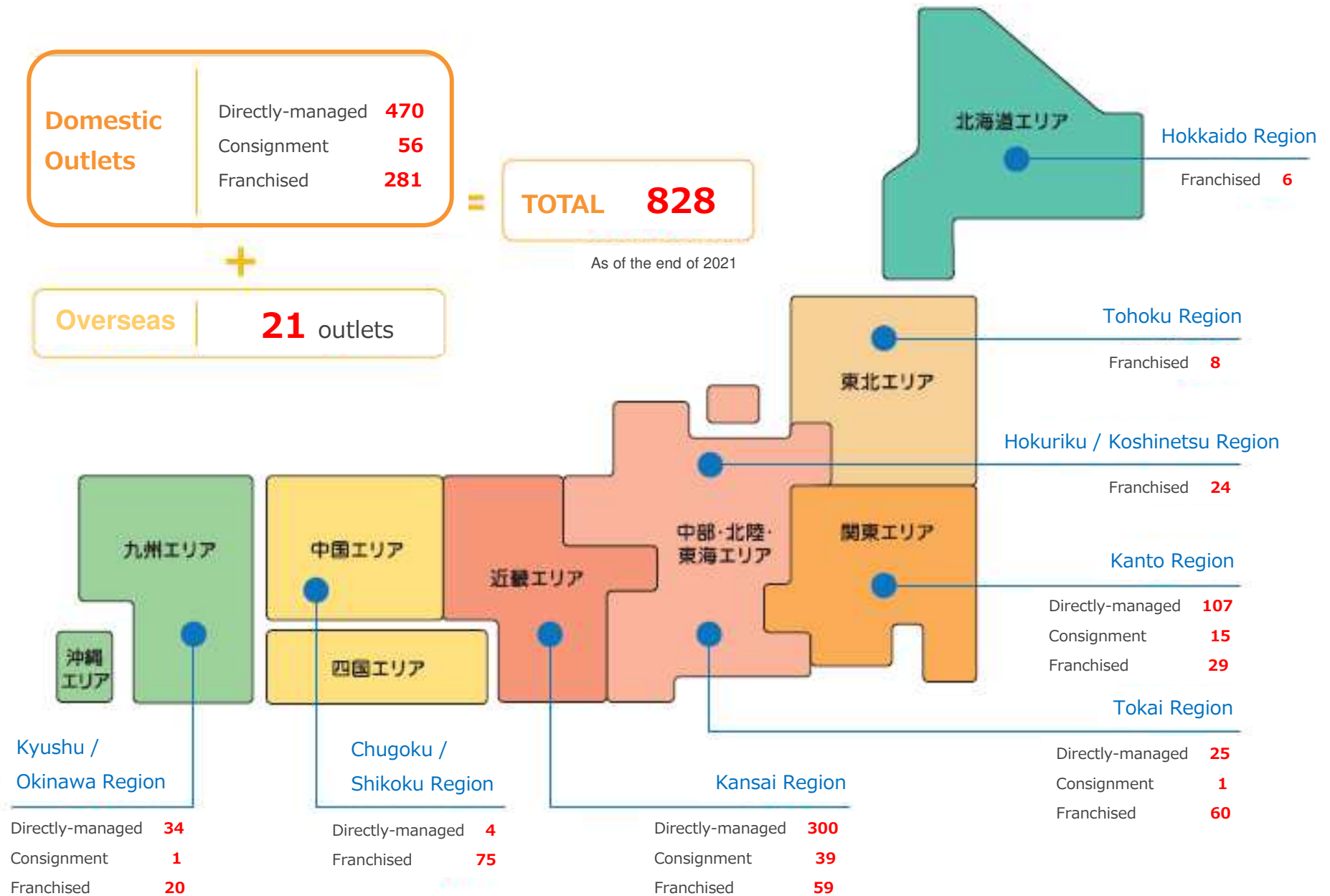
No. of outlets by brand. Directly-managed / Franchised as of FY 2021

828 Outlets in total

	Directly-managed	Consignment business	Franchised <small>Overseas included</small>	Total
Maido Ookini shokudo	106	22	215	343
Kushiya Monogatari	77	3	30	110
Kappogi	16	1	4	21
Tsurumaru	25	14	10	49
Sachifukuya	39	0	9	48
Ebinoya	41	2	4	47
Others	170	14	26	210
TOTAL	474	56	298	828

*The Don (19 outlets), Saba 6 Ramen (12 outlets), Sam's (10 outlets) and Dosanjin (11 outlets) are included.

Distribution map of outlets as of FY 2021



Number of outlets by brand as of FY 2021 (828 outlets)





 <p>343 Outlets</p>	 <p>110 Outlets</p>	 <p>49 Outlets</p>	 <p>21 Outlets</p>	 <p>48 Outlets</p>
 <p>47 Outlets</p>	 <p>33 Outlets</p>	 <p>17 Outlets</p>	 <p>12 Outlets</p>	 <p>8 Outlets</p>
 <p>The Don</p> <p>19 Outlets</p>	 <p>Saba 6 Ramen</p> <p>12 Outlets</p>	 <p>13 Outlets</p>	 <p>Steak Restaurant</p> <p>10 Outlets</p>	<p>Other Brand</p> <p>86 Outlets</p>

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

