

Saizeriya Co., Ltd. Financial Results Briefing Session for the Fiscal Year Ended August 31, 2016

(44th term: from September 1, 2015 to August 31, 2016)



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Thursday, October 13, 2016



Table of Contents

1. Financial Results for the Year Ended August 31, 2016	P 2
2. Major Factors Lifting Business Performance	P 4
3. Trends in Major Financial Indicators	P 15
4. Trends in Number of New Outlet Openings and Closures of Outlets, Outlets Outstanding	P 16
5. Number of Outlets in Japan by Region	P 17
6. Trends in Financial Results	P 18
7. Financial Results for Subsidiaries	P 19
8. Trends in Capital Expenditure and Cash Flow	P 22
9. Projected Consolidated Business Performance	P 23

Figures in this document are all calculated based on the consolidated accounting system, unless specified otherwise.

1. Financial Results for the Year Ended August 31, 2016

(1) Financial Highlights

(millions of yen)

	Financial Results	Previous Year	Year-on-Year Ratio	Budget	Percentage of Budget
Net Sales	144,961	139,277	104.1%	147,400	98.3%
Gross Net Sales	91,563	87,219	105.0%	91,700	99.9%
Operating Income	9,006	7,511	119.9%	8,400	107.2%
Ordinary Income	9,134	8,004	114.1%	8,600	106.2%
Net Income for This Year	5,505	3,774	145.9%	4,600	119.7%

Increased revenue and increased profit

Increases in both revenue and profit were posted for two consecutive terms.

Budget reflects the financial forecast announced on April 13, 2016.

1. Financial Results for the Current Term (2) Sales Ratio

(millions of yen)

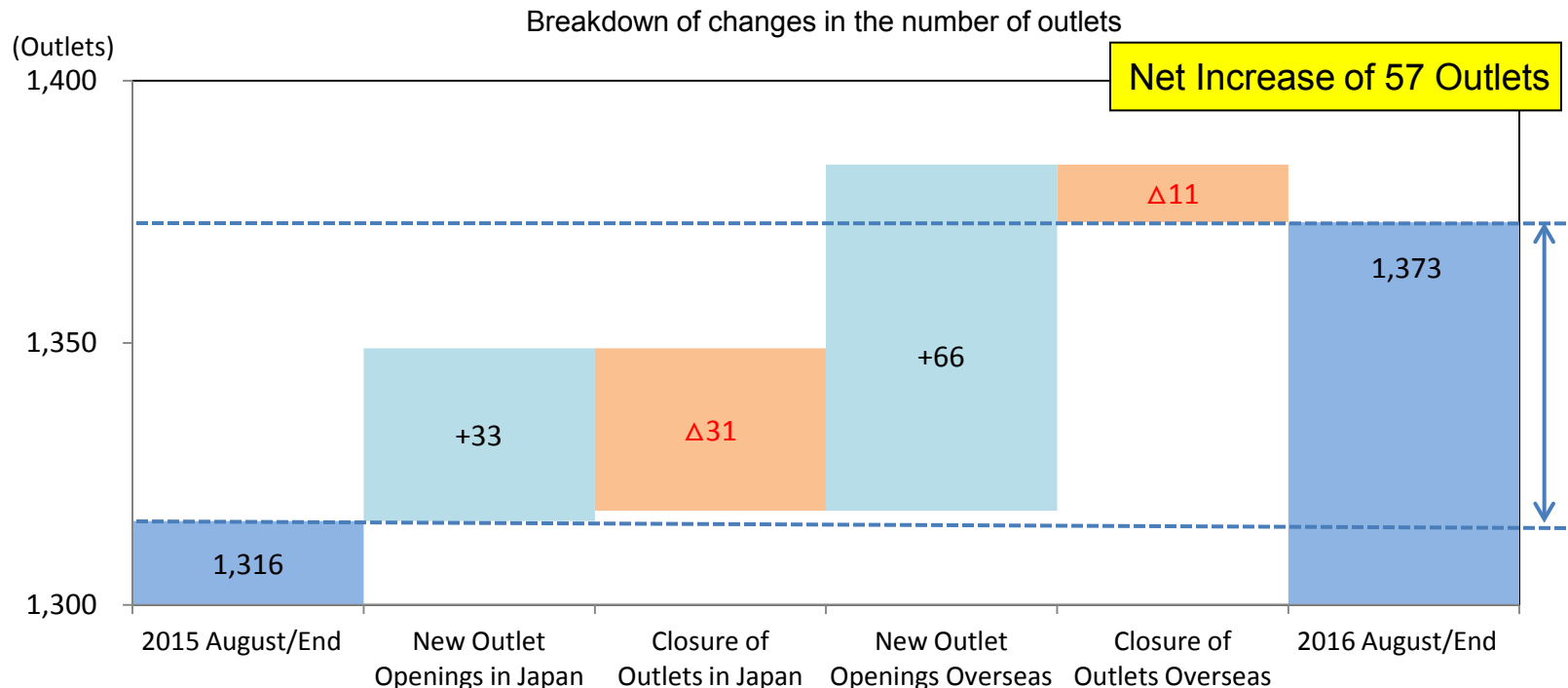
	Year Ended August 31, 2016		Year Ended August 31, 2015		Ratio Difference
	Amount	Net Sales Ratio	Amount	Net Sales Ratio	
Net Sales	144,961	100.0%	139,277	100.0%	-
Sales Cost	53,398	36.8%	52,058	37.4%	-0.6%
Gross Net Sales	91,563	63.2%	87,219	62.6%	0.6%
Selling, General and Administrative Expenses (SG&A)	82,557	57.0%	79,707	57.2%	-0.2%
Operating Income	9,006	6.2%	7,511	5.4%	0.8%
Ordinary Income	9,134	6.3%	8,004	5.7%	0.6%
Net Income for This Year	5,505	3.8%	3,774	2.7%	1.1%

The cost of sales ratio decreased by 0.6 points and Selling, General and Administrative Expenses (SG&A) ratio decreased by 0.2 points.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets

Number of outlets



The total number of outlets is 1,373 (Domestic: 1,028; Overseas: 345). There was a net increase of 57 outlets since the end of August 2015. There was a net increase of 2 outlets in Japan and a net increase of 55 outlets overseas. The ratio of overseas outlets is 25.1%, and the influence of overseas outlets has grown larger.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets

Number of outlets

1. Number of outlets

	No. of New Outlet Openings		No. of Closures of Outlets		No. of Outlets Outstanding	
	Current term	Previous term	Current term	Previous term	Current term	Previous term
Japan	33	38	31	30	1,028	1,026
Shanghai	28	21	8	3	120	100
Guangzhou	17	24	2	4	113	98
Beijing	14	10	0	2	60	46
Hong Kong	3	5	1	0	24	22
Taiwan	1	3	0	0	12	11
Singapore	3	6	0	0	16	13
Total	99	107	42	39	1,373	1,316

*Overseas outlets only

(66)

(69)

(11)

(9)

(345)

(290)

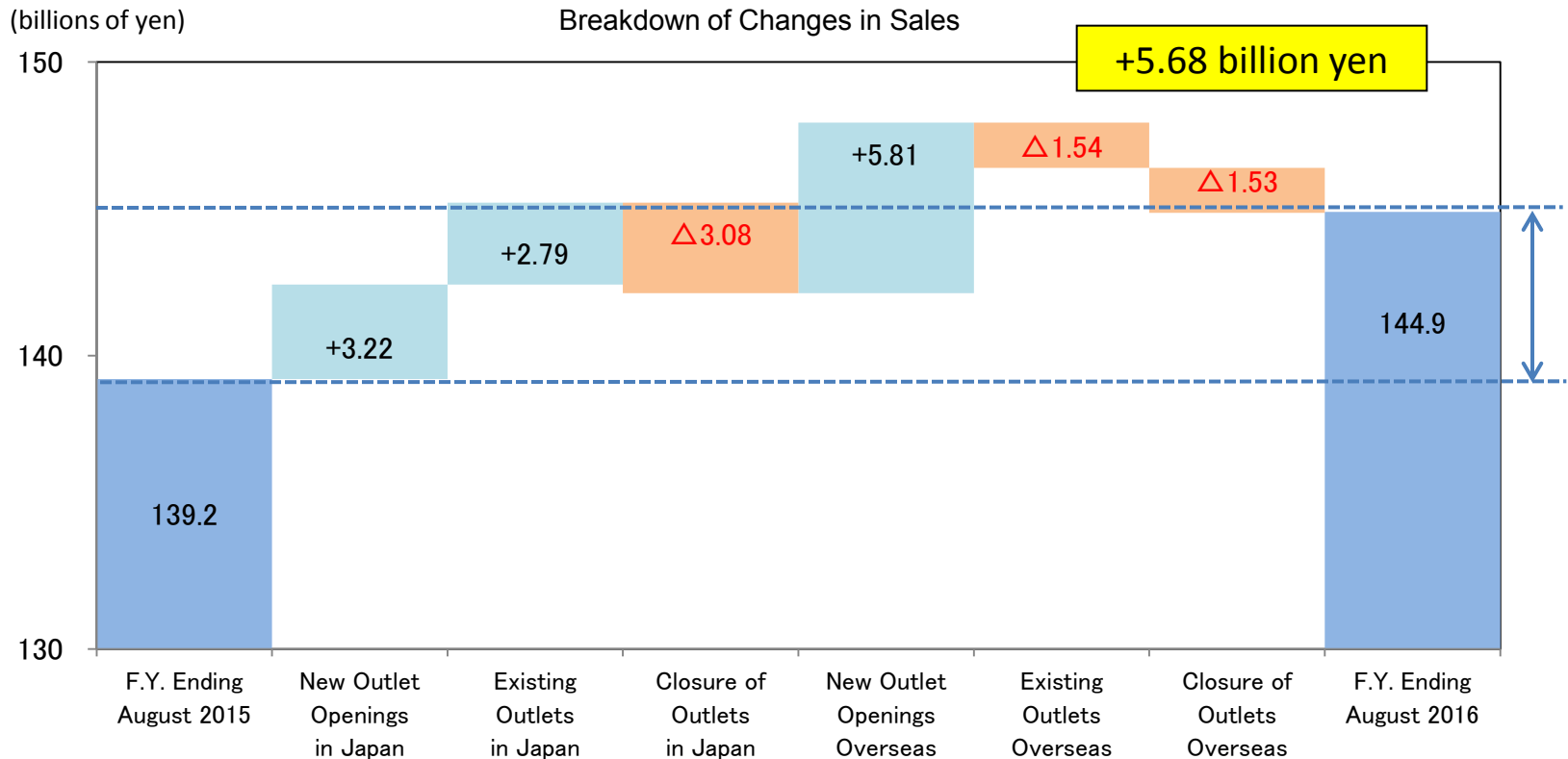
For Shanghai, Guangzhou, Beijing, Hong Kong and Taiwan, data for the period between July and June are used. For Japan and Singapore, data for the period between September and August are used.

The total number of overseas outlets is 345. The ratio of overseas outlets is 25.1%, and the influence of overseas outlets has grown larger.

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 104.1% (+5.68 billion yen)



Consolidated net sales amounted to 144.9 billion yen, registering a record-high level. Overseas sales were 32 billion yen, with an overseas sales ratio of 22.1%. The impact of overseas operations has grown larger.

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 104.1% (+5.68 billion yen)

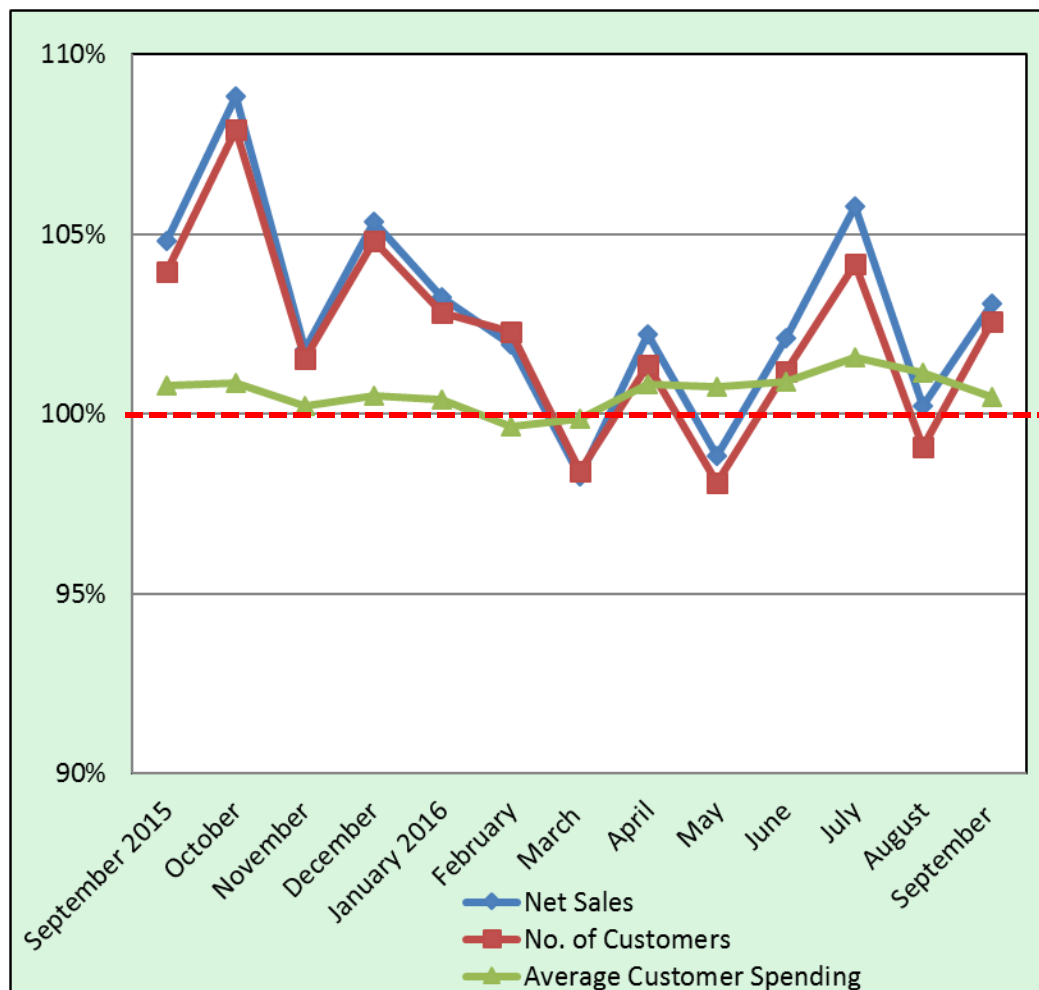
Consolidated net sales amounted to 144.9 billion yen, registering a record-high level.

Overseas sales amounted to 32 billion yen. Percentage of overseas sales: 22.1%

2. Primary factors contributing to net sales growth

Total consolidated sales	5.68 billion yen (104.1%)
Total sales in Japan	2.93 billion yen (102.7%)
New outlets	Increased by 3.22 billion yen
Existing outlets	Increased by 2.79 billion yen
Closure of outlets	Decreased by 3.08 billion yen
Total overseas sales	2.74 billion yen (109.4%)
New outlets	Increased by 5.81 billion yen
Existing outlets	Decreased by 1.54 billion yen
Closure of outlets	Decreased by 1.53 billion yen

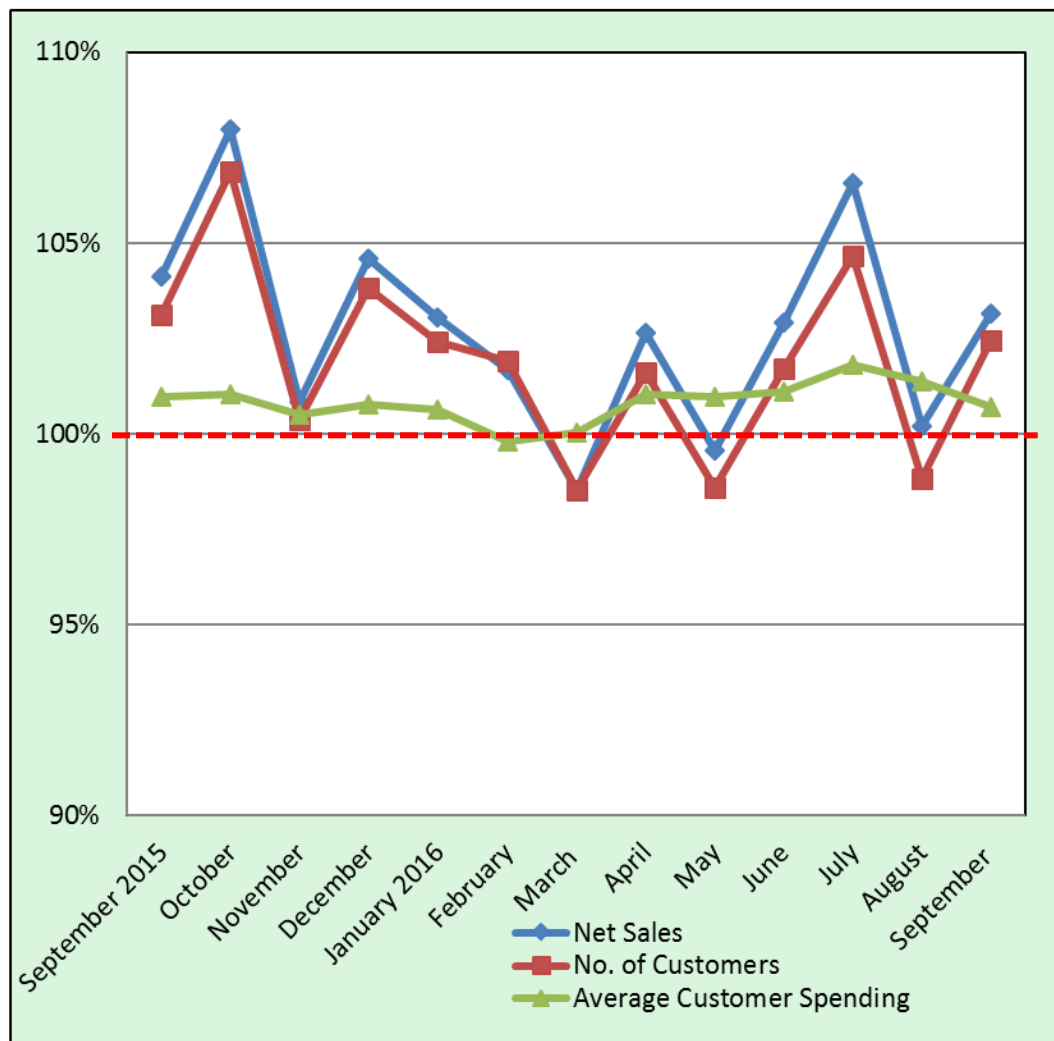
Net Sales, Number of Customers, Average Customer Spending for All Outlets



	Net Sales	No. of Customers	Average Customer Spending
September 2015	104.8%	104.0%	100.8%
October	108.9%	107.9%	100.9%
November	101.8%	101.5%	100.2%
December	105.3%	104.8%	100.5%
January 2016	103.2%	102.8%	100.4%
February	101.9%	102.3%	99.7%
First-Half Cumulative Results	104.3%	103.9%	100.4%
March	98.3%	98.4%	99.9%
April	102.2%	101.4%	100.8%
May	98.8%	98.1%	100.8%
June	102.1%	101.2%	100.9%
July	105.8%	104.2%	101.6%
August	100.2%	99.1%	101.2%
Second-Half Cumulative Results	101.2%	100.3%	100.8%
Cumulative Total Results for 44th term	102.7%	102.0%	100.6%
September 2016	103.1%	102.6%	100.5%

* The graph above reflects only data on Saizeriya's restaurant business, and excludes other businesses of the company.

Net Sales, Number of Customers, Average Customer Spending for Existing Outlets

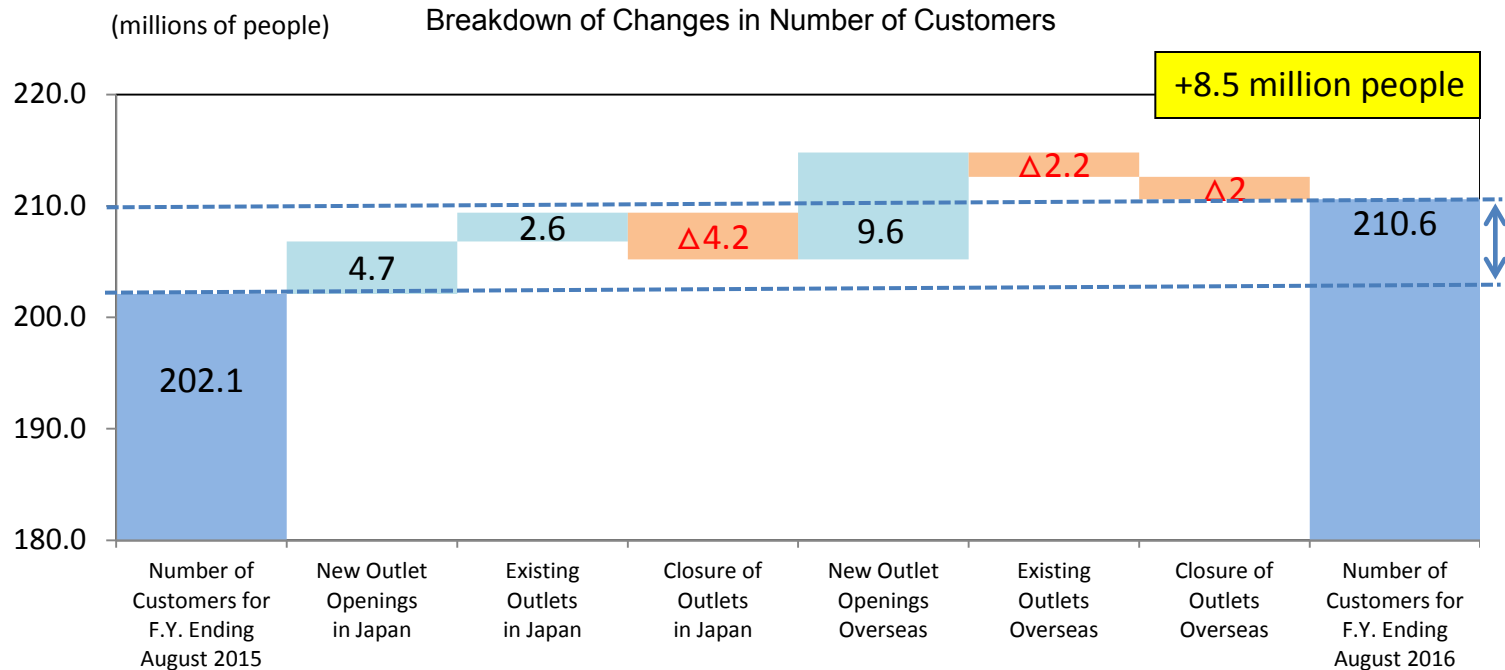


	Net Sales	No. of Customers	Average Customer Spending
September 2015	104.1%	103.1%	101.0%
October	108.0%	106.9%	101.1%
November	100.8%	100.4%	100.5%
December	104.6%	103.8%	100.8%
January 2016	103.1%	102.4%	100.6%
February	101.7%	101.9%	99.8%
First-Half Cumulative Results	103.7%	103.1%	100.6%
March	98.5%	98.5%	100.0%
April	102.6%	101.6%	101.0%
May	99.5%	98.6%	101.0%
June	102.9%	101.7%	101.1%
July	106.6%	104.7%	101.8%
August	100.2%	98.8%	101.4%
Second-Half Cumulative Results	101.6%	100.6%	101.1%
Cumulative Total Results for 44th term	102.6%	101.8%	100.9%
September 2016	103.2%	102.5%	100.7%

* The graph above reflects only data on Saizeriya's restaurant business, and excludes other businesses of the company.

Number of Customers

**Total Number of Customers Per Year: 210 million people
Increased by 8.5 million people Compared to Previous Term**

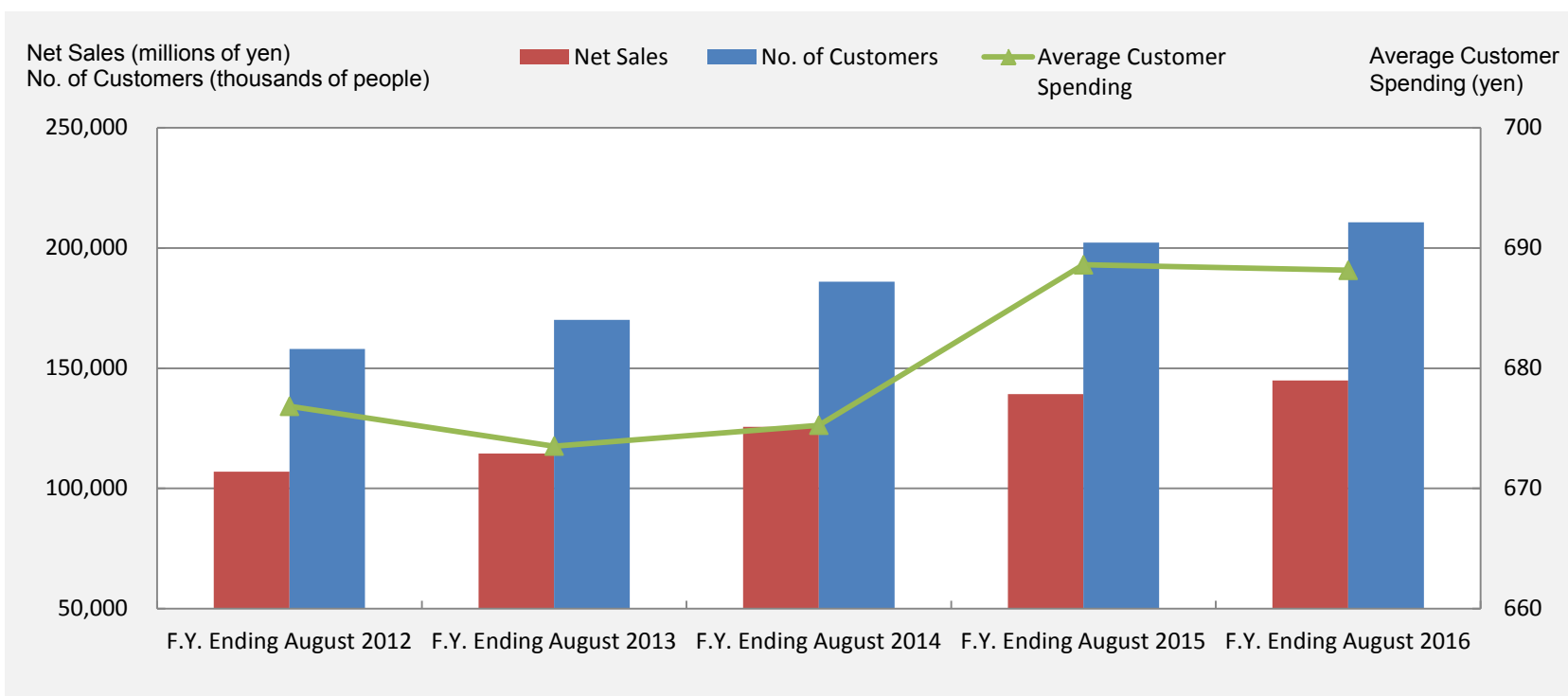


The total number of customers per year achieved a record high of 210 million people.
Total overseas customers: 53 million people, percentage of overseas customers: 25.5%

Trends in Net Sales, Number of Customers, Average Customer Spending (Consolidated)

Term	F.Y. Ending August 2012	F.Y. Ending August 2013	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016
Net Sales (millions of yen)	106,916	114,568	125,618	139,277	144,961
No. of Customers (thousands of people)	157,965	170,103	186,029	202,261	210,655
Average Customer Spending (yen)	677	674	675	689	688

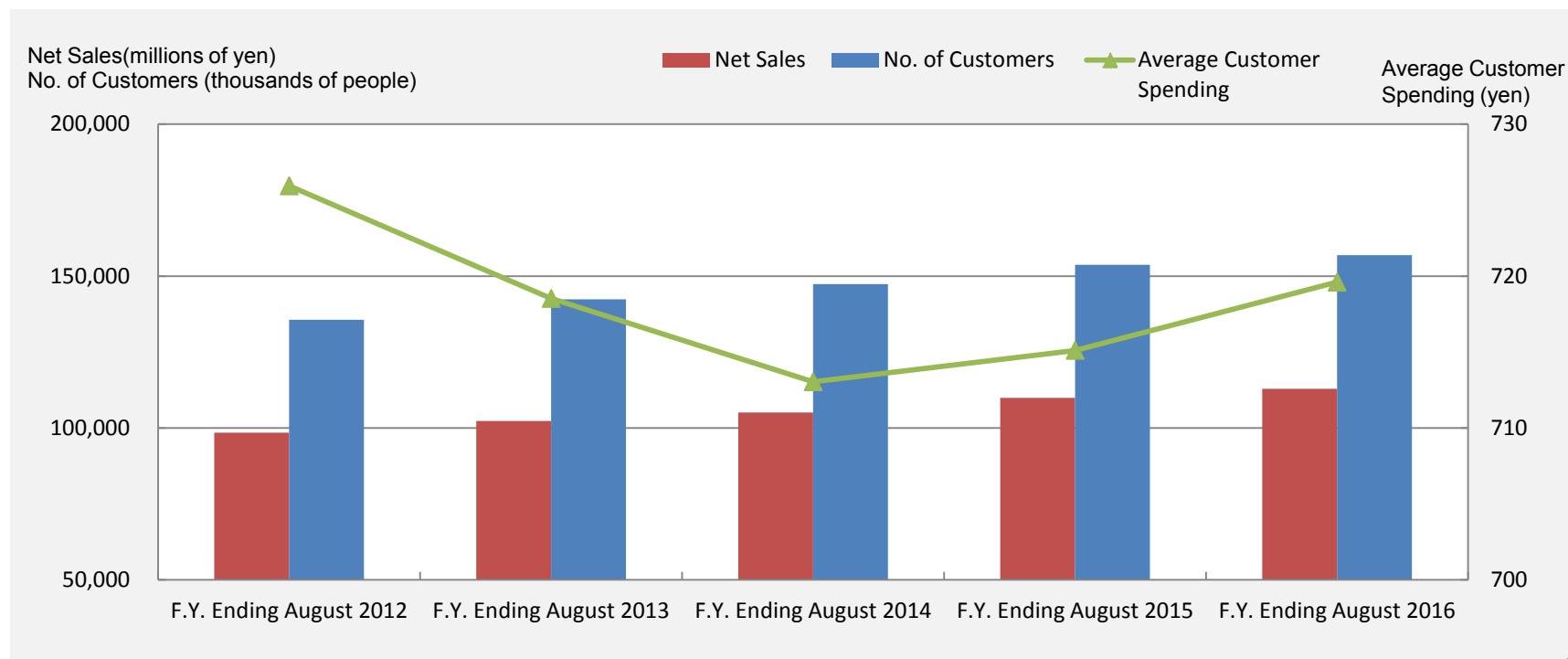
*The above figure indicates the consolidated value.



Trends in Net Sales, Number of Customers, Average Customer Spending (Japan)

Term	F.Y. Ending August 2012	F.Y. Ending August 2013	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016
Net Sales (millions of yen)	98,426	102,263	105,049	109,927	112,865
No. of Customers (thousands of people)	135,584	142,323	147,326	153,722	156,845
Average Customer Spending (yen)	726	719	713	715	720

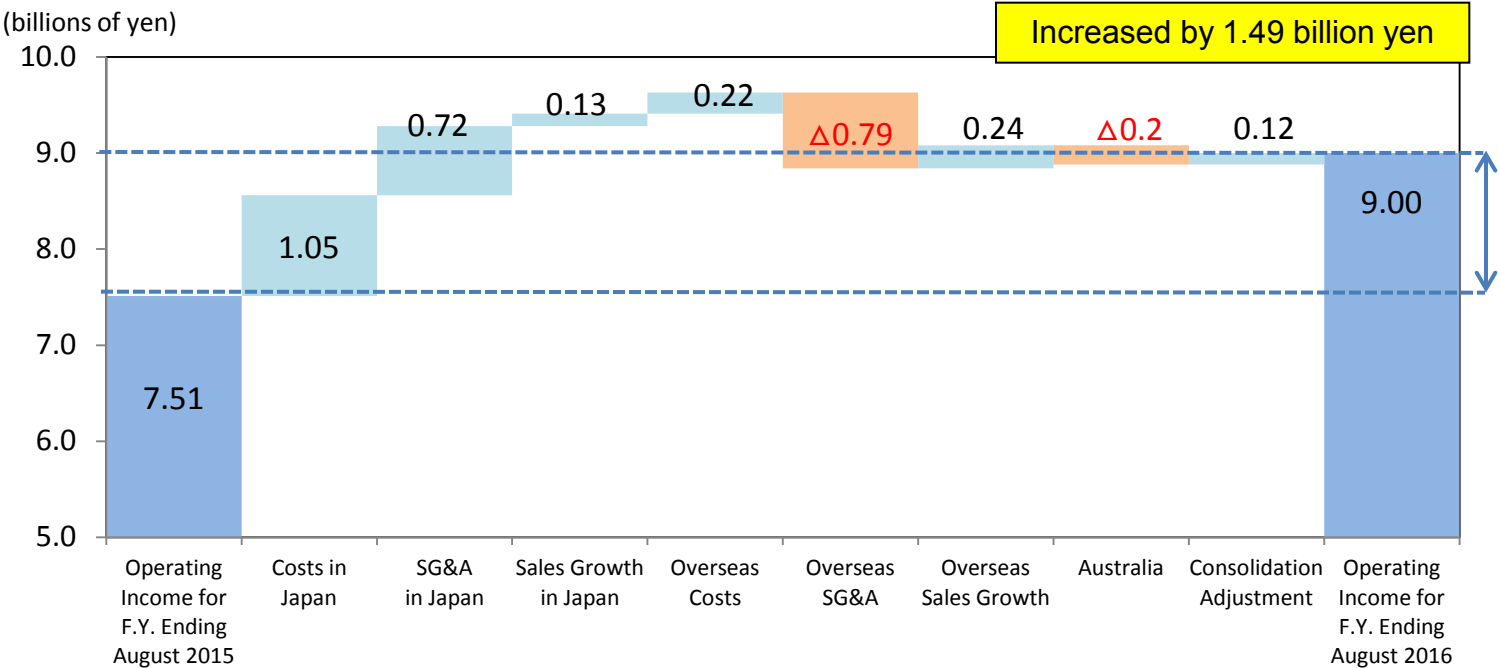
*The above figure indicates the domestic value.



2. Major Factors Lifting Business Performance

(2) Operating Income

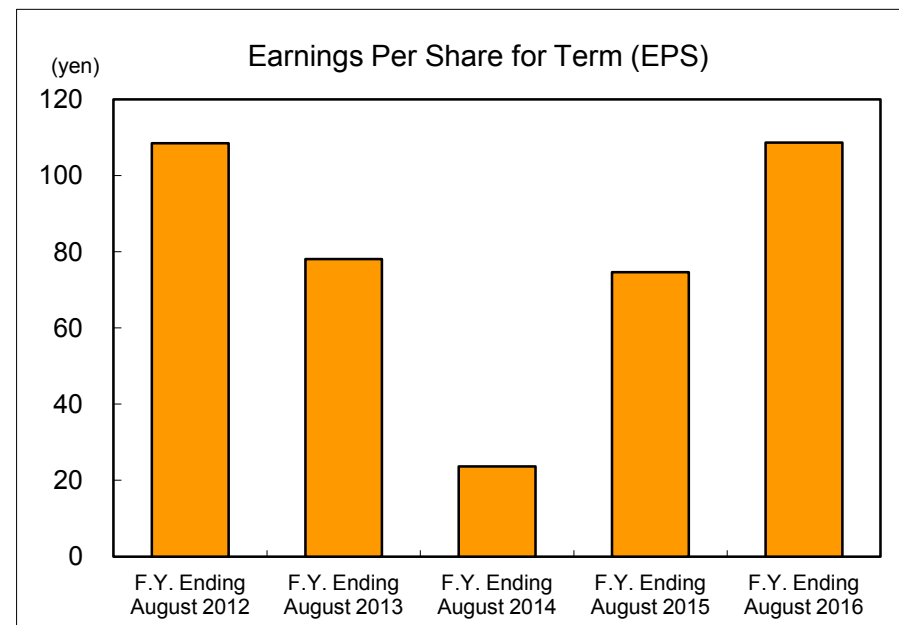
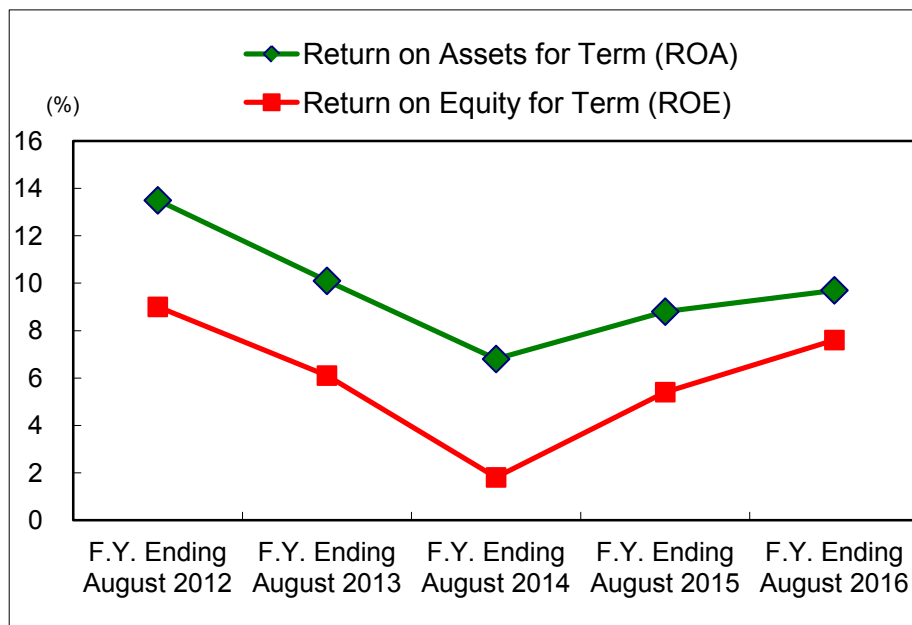
Year-on-Year Ratio: 119.9% (+1.49 billion yen)



Impact Amount (Japan)	1,900 million yen
Cost of Sales	1,050 million yen
Foreign exchange rates knock-on effects	790 million yen
Increase in purchase costs (shrimp, chicken, steak, etc.)	-410 million yen
Other	670 million yen
Selling, General and Administrative Expenses (Japan)	720 million yen
Labor costs (Productivity decreased, recruitment expenses increased)	-470 million yen
Facilities costs (Decrease in new outlet openings and depreciation cost)	870 million yen
Utility costs (Decline in electricity and gas unit prices, drop in volume of electricity used)	790 million yen
Other expenses	-470 million yen
Amount of Increase in Sales	130 million yen
Impact Amount (Overseas)	-330 million yen
Cost of Sales	220 million yen
Selling, General and Administrative Expenses	-790 million yen
Labor costs	-520 million yen
Facilities costs	-400 million yen
Utility costs	-30 million yen
Other expenses	160 million yen
Amount of Increase in Sales	240 million yen
Australia Impact	-200 million yen
Consolidation Adjustment	120 million yen
Increase in Operating Income	1,490 million yen

3. Trends in Major Financial Indicators

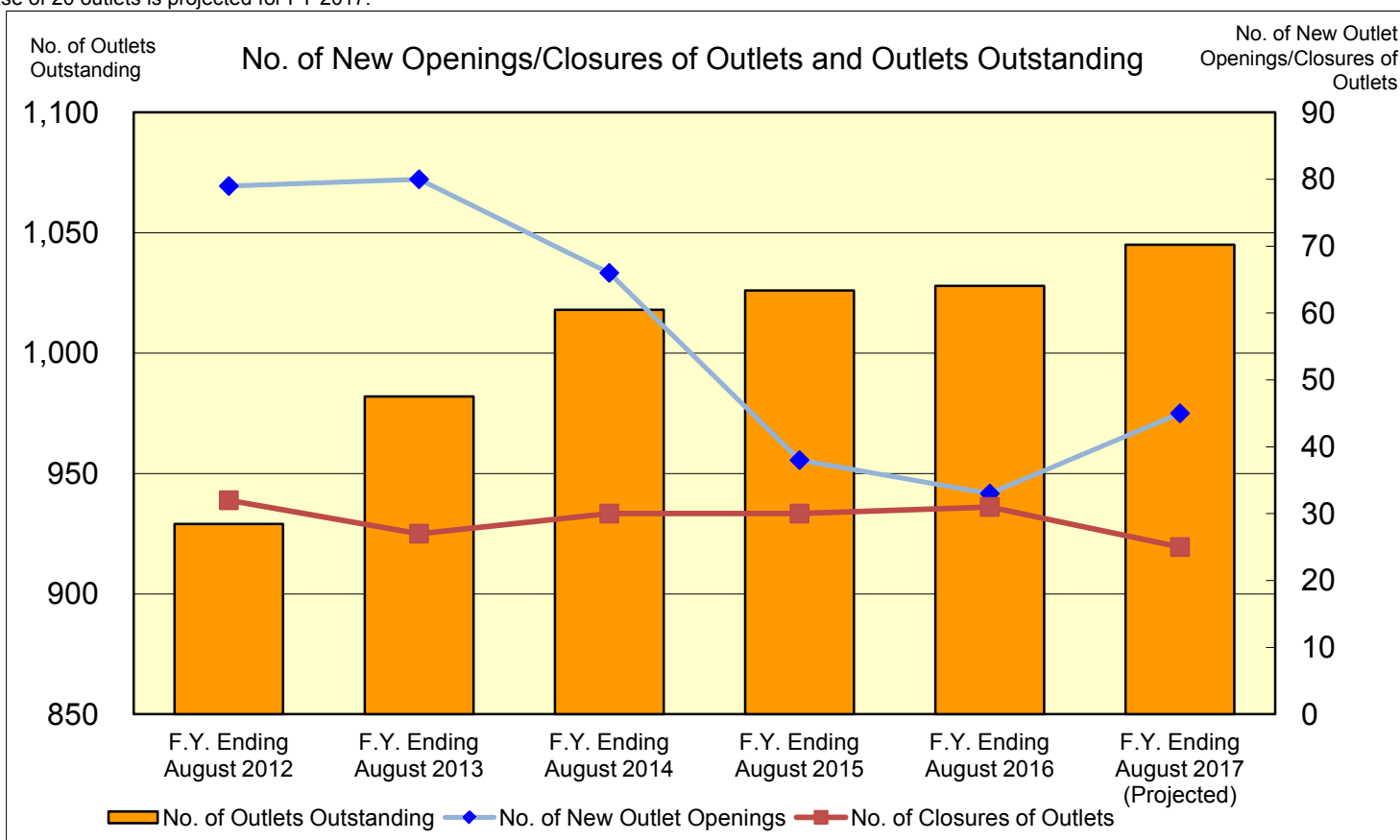
Classification		F.Y. Ending August 2012	F.Y. Ending August 2013	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016
Return on Assets for Term (ROA)	(%)	13.5	10.1	6.8	8.8	9.7
Total Assets Turnover	(No. of times)	1.3	1.3	1.4	1.5	1.5
Earnings Per Share for Term (EPS)	(yen)	108.5	78.1	23.7	74.7	108.7
Book-value Per Share (BPS)	(yen)	1,245.9	1,331.9	1,356.7	1,423.3	1,441.1
Capital Adequacy Ratio	(%)	78.3	76.8	78.5	75.7	78.4
Return on Equity for Term (ROE)	(%)	9.0	6.1	1.8	5.4	7.6



4. Trends in Number of New Outlet Openings and Closures of Outlets, Outlets Outstanding (Japan)

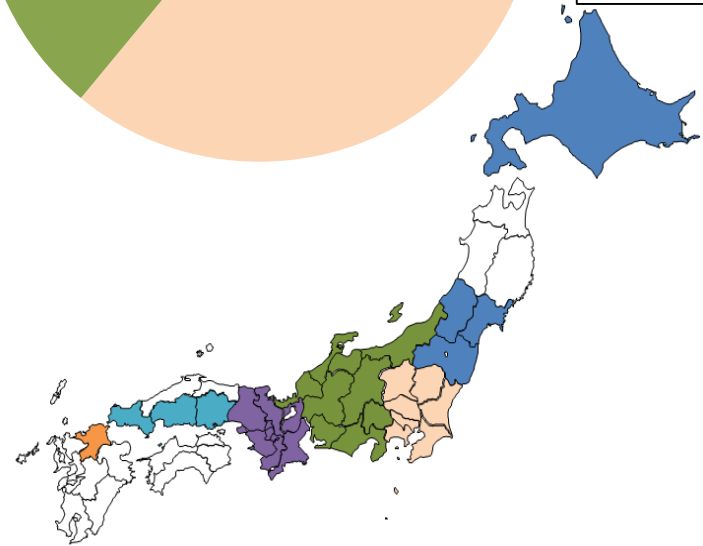
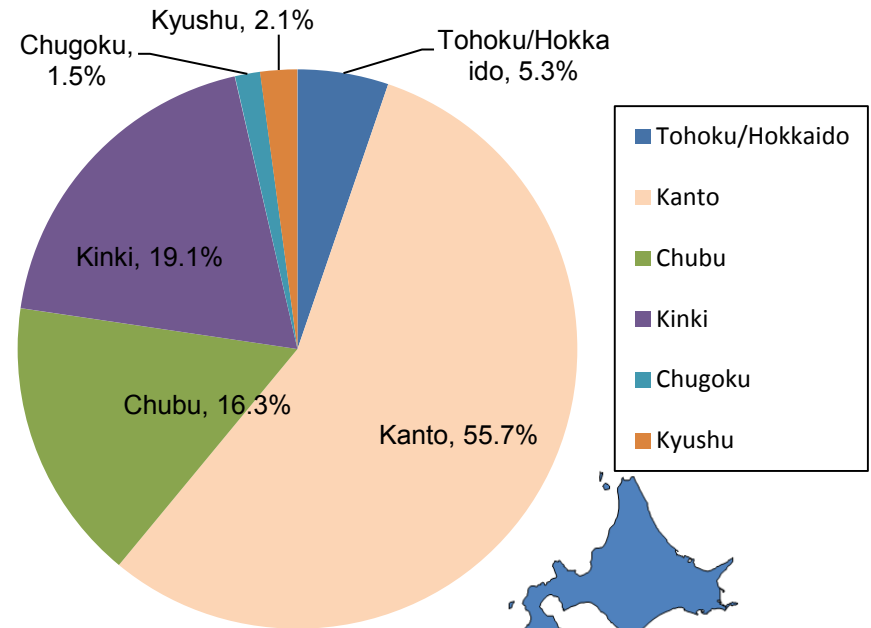
FY	F.Y. Ending August 2012	F.Y. Ending August 2013	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016	F.Y. Ending August 2017 (Projected)
No. of New Outlet Openings	79	80	66	38	33	45
No. of Closures of Outlets	32	27	30	30	31	25
No. of Outlets Outstanding	929	982	1,018	1,026	1,028	1,045

Note: The figures above indicate only the number of outlets in Japan.
A net increase of 20 outlets is projected for FY 2017.



5. Number of Outlets in Japan by Region

Region	Subtotal	Ratio to total	Prefecture	No. of outlets			
Tohoku/Hokkaido	54	5.3%	Hokkaido	14			
			Miyagi	21			
			Fukushima	13			
			Yamagata	6			
Kanto	573	55.7%	Tokyo	209			
			Kanagawa	114			
			Chiba	111			
			Saitama	85			
			Ibaraki	30			
			Tochigi	15			
			Gunma	9			
			Chubu	168	16.3%	Aichi	75
			Shizuoka	27			
			Niigata	12			
			Gifu	14			
			Nagano	14			
			Ishikawa	11			
			Yamanashi	6			
			Toyama	5			
			Fukui	4			
			Kinki	196	19.1%	Osaka	88
						Hyogo	47
Kyoto	20						
Mie	19						
Shiga	9						
Nara	9						
Wakayama	4						
Chugoku	15	1.5%	Okayama	4			
			Hiroshima	10			
			Yamaguchi	1			
Kyushu	22	2.1%	Fukuoka	22			
Total	1,028	100.0%		1,028			



Number of prefectures with outlets: 31

Number of prefectures without outlets: 16

Akita, Aomori, Ehime, Iwate, Kagawa, Kagoshima, Kochi, Kumamoto, Miyazaki, Nagasaki, Oita, Okinawa, Saga, Shimane, Tokushima, Tottori

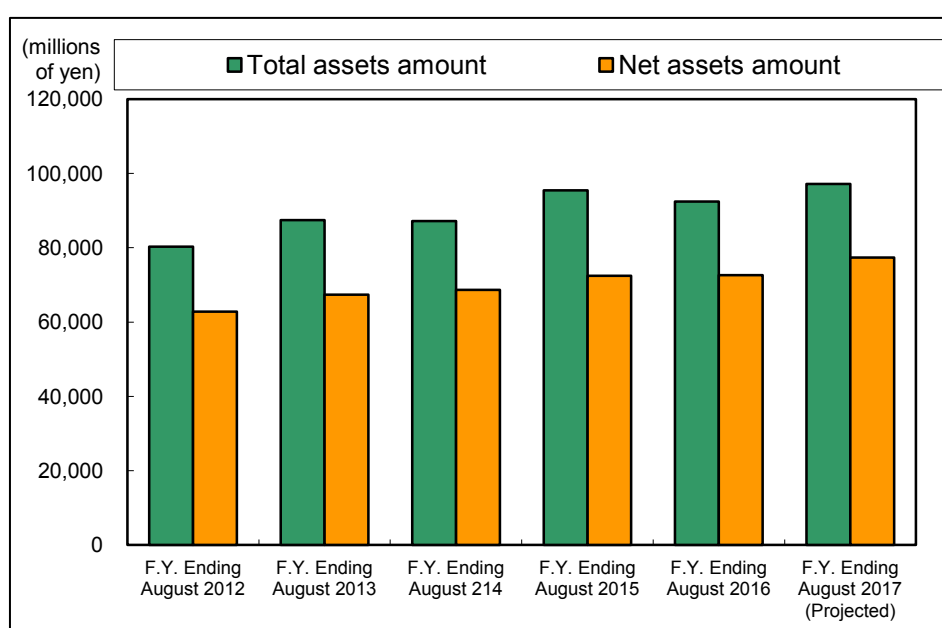
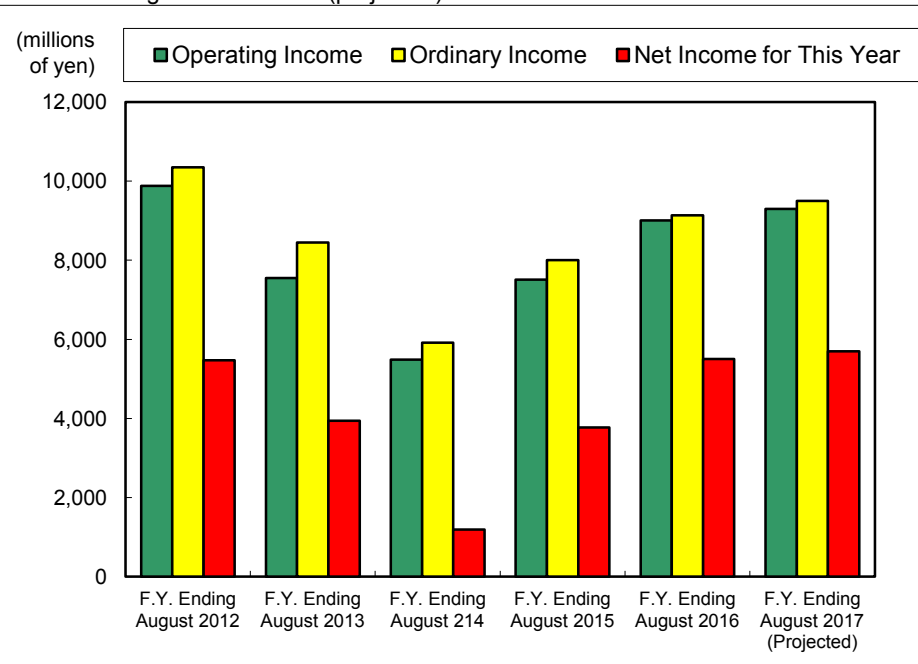
6. Trends in Financial Results

(millions of yen)

Fiscal Year Classification	F.Y. Ending August 2012		F.Y. Ending August 2013		F.Y. Ending August 2014		F.Y. Ending August 2015		F.Y. Ending August 2016		F.Y. Ending August 2017 (Projected)	
	Results	Year-on-Year Ratio	Results	Year-on-Year Ratio	Results	Year-on-Year Ratio	Results	Year-on-Year Ratio	Results	Year-on-Year Ratio	Results	Year-on-Year Ratio
Net Sales	104,235	104.4%	110,428	105.9%	125,618	113.8%	139,277	110.9%	144,961	104.1%	145,700	100.5%
Selling, General and Administrative Expenses (SG&A)	59,828	107.0%	64,630	108.0%	73,914	114.4%	79,707	107.8%	82,557	103.6%	83,300	100.9%
Operating Income	9,884	85.6%	7,547	76.4%	5,488	72.7%	7,511	136.9%	9,006	119.9%	9,300	103.3%
Ordinary Income	10,526	87.8%	8,450	80.3%	5,917	70.0%	8,004	135.3%	9,134	114.1%	9,500	104.0%
Net Income for This Year	5,471	93.1%	3,937	72.0%	1,193	30.3%	3,774	316.4%	5,505	145.9%	5,700	103.5%
Total Assets Amount	80,316	106.4%	87,472	108.9%	87,224	99.7%	95,485	109.5%	92,463	96.8%	97,200	105.1%
Net Assets Amount	62,968	107.9%	67,344	107.0%	68,643	101.9%	72,424	105.5%	72,663	100.3%	77,400	106.5%

* Totals may not tally as figures are rounded down to nearest million yen.

* Figures for 2017/8 (projected) are estimated values.



7. Financial Results for Subsidiaries

(1) Financial Results for Consolidated Subsidiaries (by Segment)

(millions of yen)

Corporation	Net Sales			Operating Income		
	F.Y. Ending August 2016 Current term	F.Y. Ending August 2015 Previous term	% Year-on-Year Ratio	F.Y. Ending August 2016 Current term	F.Y. Ending August 2015 Previous term	% Year-on-Year Ratio
Saizeriya	112,865	109,927	102.7%	6,613	4,717	140.2%
Saizeriya Australia	4,037	4,758	84.8%	129	332	38.9%
Overseas Outlets (Asia)	32,060	29,313	109.4%	2,185	2,521	86.7%
Consolidation Elimination	-4,001	-4,722	-	78	-59	-
Total	144,961	139,277	104.1%	9,006	7,511	119.9%

* Totals may not tally as figures are rounded down to nearest million yen.

(2) Financial Results for Consolidated Subsidiaries Overseas Outlets (Asia) Breakdown

(millions of yen)

Corporation	Net Sales			Operating Income		
	F.Y. Ending August 2016 Current term	F.Y. Ending August 2015 Previous term	% Year-on-Year Ratio	F.Y. Ending August 2016 Current term	F.Y. Ending August 2015 Previous term	% Year-on-Year Ratio
Saizeriya Shanghai	9,439	8,929	105.7%	525	738	71.2%
Saizeriya Guangzhou	9,623	9,327	103.2%	591	958	61.7%
Saizeriya Beijing	4,492	4,048	111.0%	261	267	97.8%
Saizeriya Taiwan	1,013	784	129.3%	-5	-43	-
Saizeriya Hong Kong	5,546	4,756	116.6%	764	601	127.2%
Saizeriya Singapore	1,944	1,467	132.5%	47	-0	-
Overseas Outlets Total	32,060	29,313	109.4%	2,185	2,521	86.7%

(3) Development of Overseas Outlets

Region	F.Y. Ending August 2015	F.Y. Ending August 2016			F.Y. Ending August 2017 (Projected)		
		New Outlet Opening	Closure of Outlets	F.Y. 2016/End	New Outlet Opening (Projected)	Closure of Outlets (Projected)	F.Y. 2017/End (Projected)
Shanghai	100	28	8	120	20	5	135
Guangzhou	98	17	2	113	16	4	125
Beijing	46	14	0	60	14	4	70
Hong Kong	22	3	1	24	7	1	30
Taiwan	11	1	0	12	3	0	15
Singapore	13	3	0	16	5	1	20
Overseas Total	290	66	11	345	65	15	395

*For Shanghai, Guangzhou, Beijing, Hong Kong, and Taiwan:
Calculated based on the period from July 2015 to June 2016.

*For Singapore: Calculated based on the period from September 2015 to August 2016.

*Net increase for the F.Y. ending August 2016: 55 outlets

*Net increase for the F.Y. ending August 2017 (projected): 50 outlets

8. Trends in Capital Expenditure and Cash Flow

(millions of yen)

	F.Y. Ending August 2013	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016	F.Y. Ending August 2017 (Projected)
New Outlet Openings	4,966	4,239	2,303	1,819	3,713
Renovation of Existing Outlets	2,038	622	211	460	1,323
Yoshikawa Plant	33	1	0	3	0
Kanagawa Plant	105	608	41	10	690
Fukushima Plant	2	0	11	0	30
Hyogo Plant	122	5	4	0	137
Chiba Plant	4,569	40	8	80	110
Head Office and Others	962	116	671	503	445
Consolidated Subsidiaries	903	3,029	2,722	2,568	2,632
Capital Expenditure (=A)	13,700	8,660	5,970	5,442	9,079
Cash Flow (=B)	8,003	6,281	8,813	10,447	9,923
Depreciation	4,974	5,996	5,947	5,856	5,129
Balance (=B-A)	-5,697	-2,379	2,843	5,005	844

* Totals may not tally as figures are rounded down to nearest million yen. Figures for 2017/8 (projected) are estimated values.

* The figures above in the Cash Flow row are approximately calculated and therefore do not match those in our cash flow statement.

9. Projected Consolidated Business Performance

	First Half of Term	Year-on-Year Ratio	Full Year	Year-on-Year Ratio	(millions of yen)
Net Sales	69,900	98.8%	145,700	100.5%	
Operating Income	3,700	115.0%	9,300	103.3%	
Net Income	2,200	111.6%	5,700	103.5%	

■ Net sales

Japan: 113.6 billion yen, overseas: 32.1 billion yen

Net increase in Japan: 20 outlets, overseas net increase: 50 outlets

Existing outlets in Japan compared to previous year: 100.0%

■ Operating income

Japan: 7 billion yen, Asia: 2.2 billion yen, Australia: 0.1 billion yen

Gross income percentage in Japan: 64.0%

Foreign exchange rates AUD: 77.51, EUR: 114.95, USD: 103.18

■ Net income

Japan: 3.7 billion yen, Asia: 1.8 billion yen, Australia: 0.15 billion yen

Classification		F.Y. Ending August 2017 (Projected)
Return on Assets for Term (ROA)	(%)	10.0
Total Assets Turnover	(No. of times)	1.5
Earnings Per Share for Term (EPS)	(yen)	112.5
Book-value Per Share (BPS)	(yen)	1,537.7
Capital Adequacy Ratio	(%)	79.5
Return on Equity for Term (ROE)	(%)	7.6

Agenda for Fiscal Year 2017

Enhance added value by renovating facilities (improve access and convenience)

Enhance the foundation for overseas business (“should-be” level; measures against cannibalization; location creation)

Product development by fortifying strengths (improve Amatriciana pasta sauce)

Data warehouse application phase

Research and develop a new marketing approach (Research brain wave activity)

Further enhancement of employee education and creation of foundation for education (Establish communication center)

Leverage production technologies and consider renovation of plants in Japan

Promote development of new business as the second main pillar of business in Japan

Change human resource management system (realize transparency and fairness)

Spaghetti Mariano Nihonbashi-Kayabacho Store: Opened July 7 (Thu), 2016



Spaghetti Mariano
スパゲッティマリアーノ

Lunch

ポモドーロ
生のトマトをたっぷり、贅沢に

アーリオ・オーリオ
(パペロンチーノ)

ポロネーゼ
(モッツアレラのせ)

クリーミーカルボナーラ

マリアーノ・ナポリタン

キノコのクリームソース

※仕入れ状況により、食材が変更となる場合がございます。※価格は全て消費税込みの価格表示となります。※メニュー写真はイメージです。

OPEN-15:00

ランチセット

(Grande)
ALL **¥500** (税込) **¥600** (税込)
スパゲッティが2皿

お好きなスパゲッティ + ポテトサラダ + コーヒーまたは紅茶

お持ち帰りできます

Spaghetti Mariano
スパゲッティマリアーノ 日本橋茅場町店

〒103-0025 東京都中央区日本橋茅場町 16-6 ライズビル1F
(東京メトロ茅場町駅から徒歩5分)

TEL. 03-5642-6002

営業時間 / [平日] 11:00-23:00 [土曜] 11:00-21:30 休店 祭日

テイクアウトの電話による予約注文も承ります ※3 欄以上ご注文の方は、事前にお電話頂くこととスムーズにお渡しできます。

Thank you.



ZUPPA di PASTA Nihonbashi-Kayabacho Store: Opened October 17 (Mon), 2016