

Saizeriya Co., Ltd.
Financial Results Briefing Session
for the Fiscal Year Ended August 31, 2017
(45th term: from September 1, 2016 to August 31, 2017)



Code No. 7581

Thursday, October 12, 2017



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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, 2017 (consolidated)

(1) Financial Highlights

(millions of yen)

	Financial Results	Previous Year	Year-on-Year Ratio	Budget	Percentage of Budget
Net Sales	148,306	144,961	102.3%	147,200	100.8%
Gross Net Sales	95,777	91,563	104.6%	94,200	101.7%
Operating Income	11,216	9,006	124.5%	11,000	102.0%
Ordinary Income	11,885	9,134	130.1%	11,500	103.4%
Net Income for This Year	7,496	5,505	136.2%	7,500	99.9%

Increased revenue and increased profit

Budget reflects the financial forecast announced on April 12, 2017.

1. Financial Results for the Current Term (consolidated)

(2) Sales Ratio

(millions of yen)

	Year Ended August 31, 2017		Year Ended August 31, 2016		Ratio Difference
	Amount	Net Sales Ratio	Amount	Net Sales Ratio	
Net Sales	148,306	100.0%	144,961	100.0%	-
Sales Cost	52,528	35.4%	53,398	36.8%	-1.4%
Gross Net Sales	95,777	64.6%	91,563	63.2%	1.4%
Selling, General and Administrative Expenses (SG&A)	84,561	57.0%	82,557	57.0%	0.1%
Operating Income	11,216	7.6%	9,006	6.2%	1.4%
Ordinary Income	11,885	8.0%	9,134	6.3%	1.7%
Net Income for This Year	7,496	5.1%	5,505	3.8%	1.3%

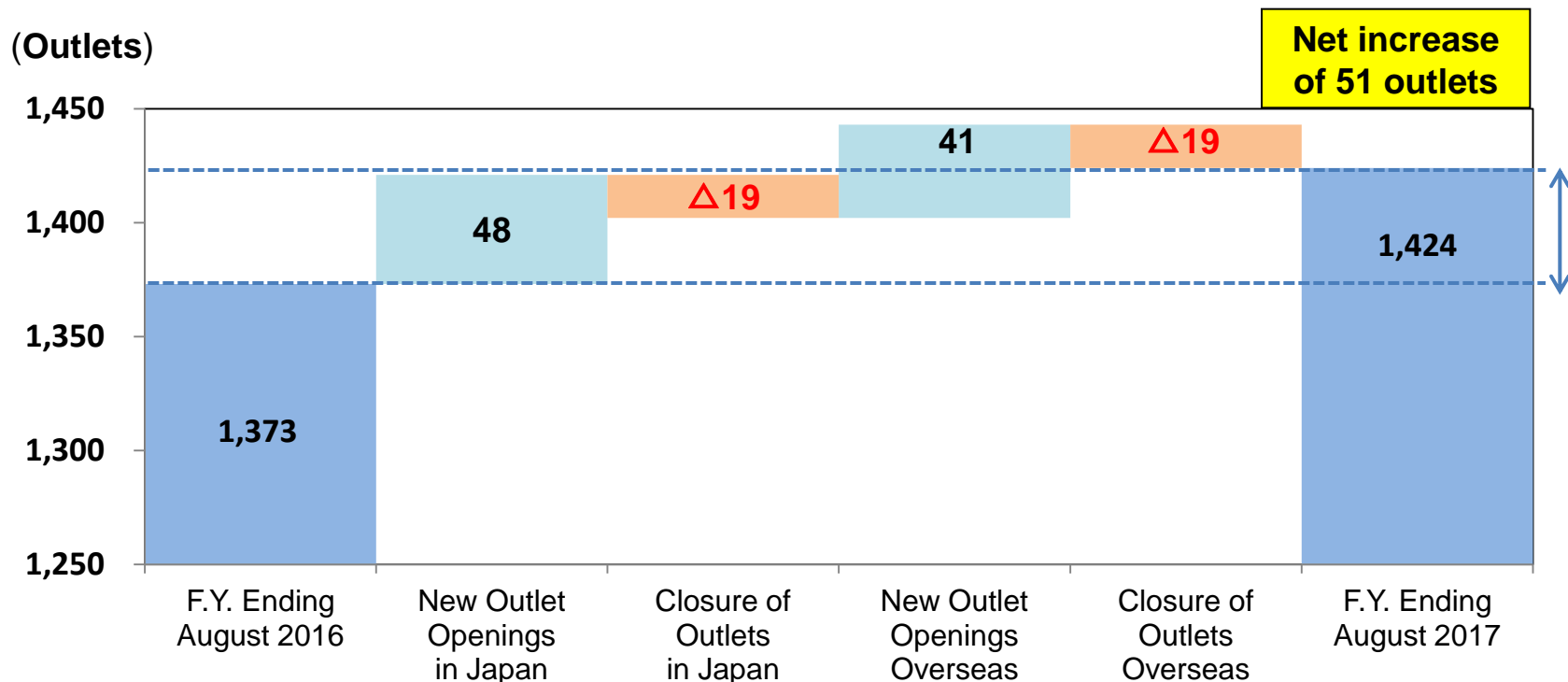
The cost of sales ratio decreased by 1.4 points and selling, general and administrative expenses ratio increased by 0.1 points.

The operating income ratio increased by 1.4 points.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets (for 12 months)

Number of outlets 1,424, net increase of 51 outlets



The total number of outlets is 1,424 (Domestic: 1,057; Overseas: 367).

There was a net increase of 51 outlets since the end of August 2016. There was a net increase of 29 outlets in Japan and a net increase of 22 outlets overseas.

The ratio of overseas outlets is 25.7%, and the influence of overseas outlets has grown larger.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets

Number of outlets 1,424, net increase of 51 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	48	33	19	31	1,057	1,028
Shanghai	15	28	9	8	126	120
Guangzhou	6	17	3	2	116	113
Beijing	11	14	5	0	66	60
Hong Kong	4	3	0	1	28	24
Taiwan	0	1	1	0	11	12
Singapore	5	3	1	0	20	16
Total	89	99	38	42	1,424	1,373

*Overseas outlets only (41) (66) (19) (11) (367) (345)

Consolidated net increase of 51 outlets (net increase in Japan: 29, overseas: 22) as the cumulative total for the F.Y. ending August 2017.

Consolidated net increase of 57 outlets (net increase in Japan: 2, overseas: 55) as the cumulative total for the F.Y. ending August 2016.

The total number of overseas outlets is 367. The ratio of overseas outlets is 25.7%, and the influence of overseas outlets has grown larger.

For Shanghai, Guangzhou, Beijing, Hong Kong, and Taiwan: Calculated based on the period from July 2016 to June 2017.

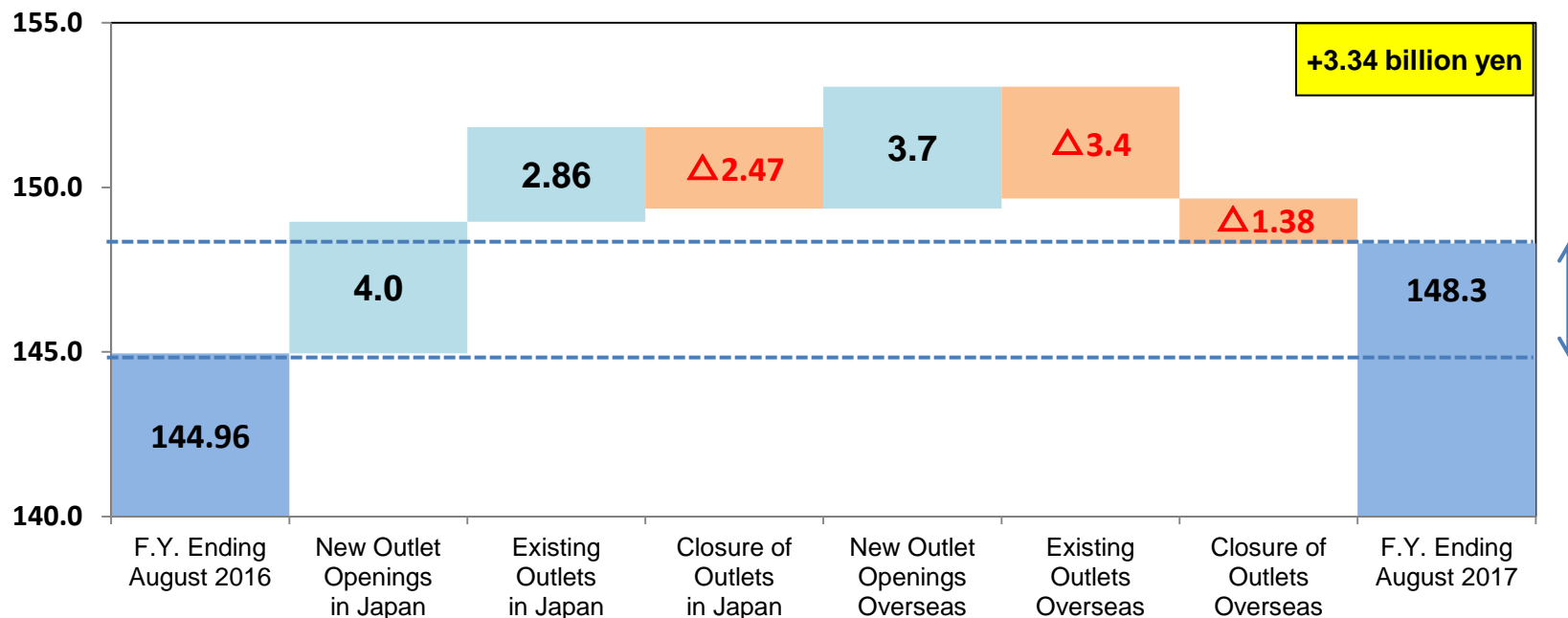
For Japan and Singapore: Calculated based on the period from September 2016 to August 2017.

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 102.3% (+3.34 billion yen)

(billions of yen)



Consolidated net sales amounted to 148.3 billion yen, registering a record-high level. Net sales in Japan amounted to 117.25 billion yen, registering a record-high level. Overseas sales amounted to 30.97 billion yen. Percentage of overseas sales: 20.9%

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 102.3% (+3.34 billion yen)

Consolidated net sales amounted to 148.3 billion yen, registering a record-high level.

Net sales in Japan amounted to 117.25 billion yen, registering a record-high level.

Overseas sales amounted to 30.97 billion yen. Percentage of overseas sales: 20.9%

2. Primary factors contributing to net sales growth

Total consolidated sales 3.34 billion yen (102.3%)

Total sales in Japan 4.39 billion yen (103.9%)

 New outlets Increased by 4.00 billion yen

 Existing outlets Increased by 2.86 billion yen

 Closure of outlets **Decreased by 2.47 billion yen**

Total overseas sales **Decreased by 1.04 billion yen (96.6%)**

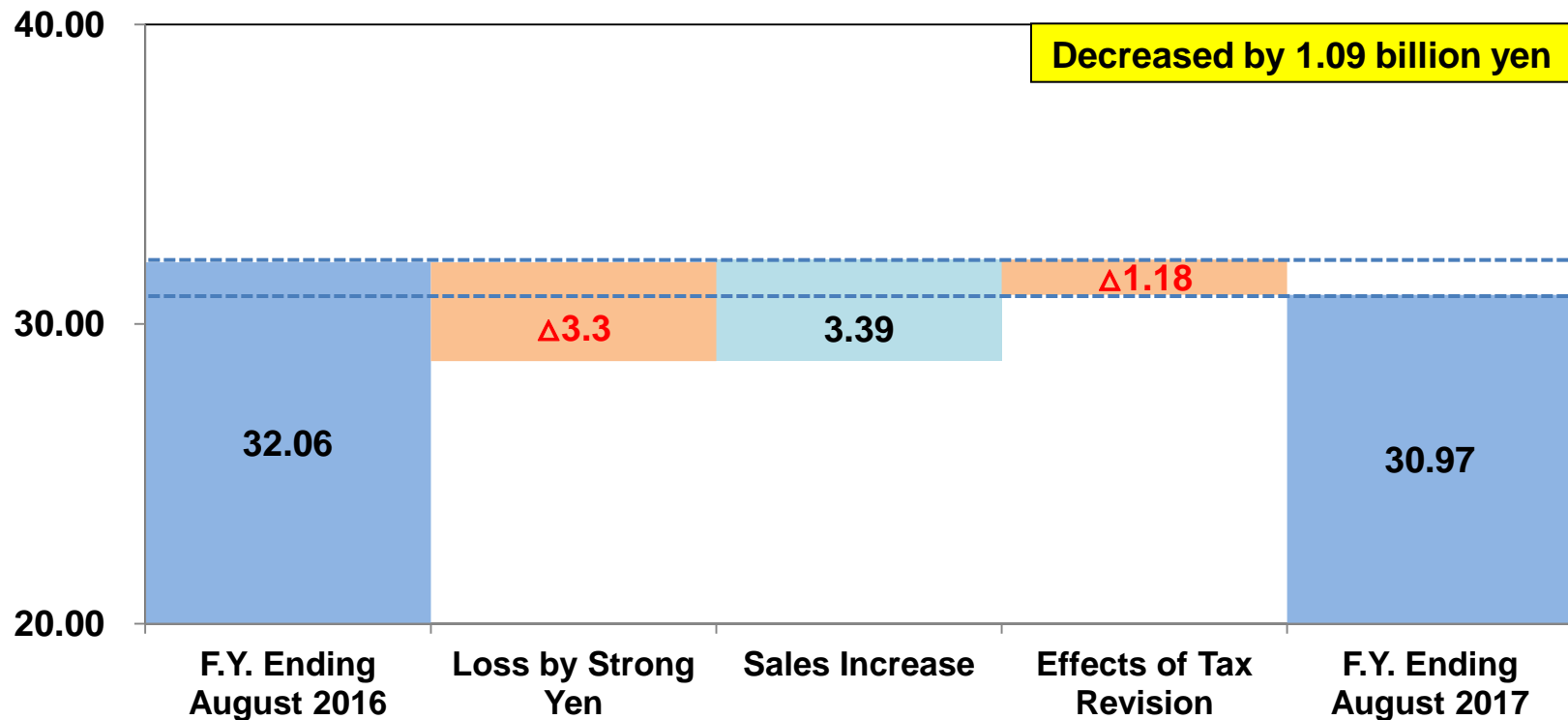
 New outlets Increased by 3.70 billion yen

 Existing outlets **Decreased by 3.40 billion yen**

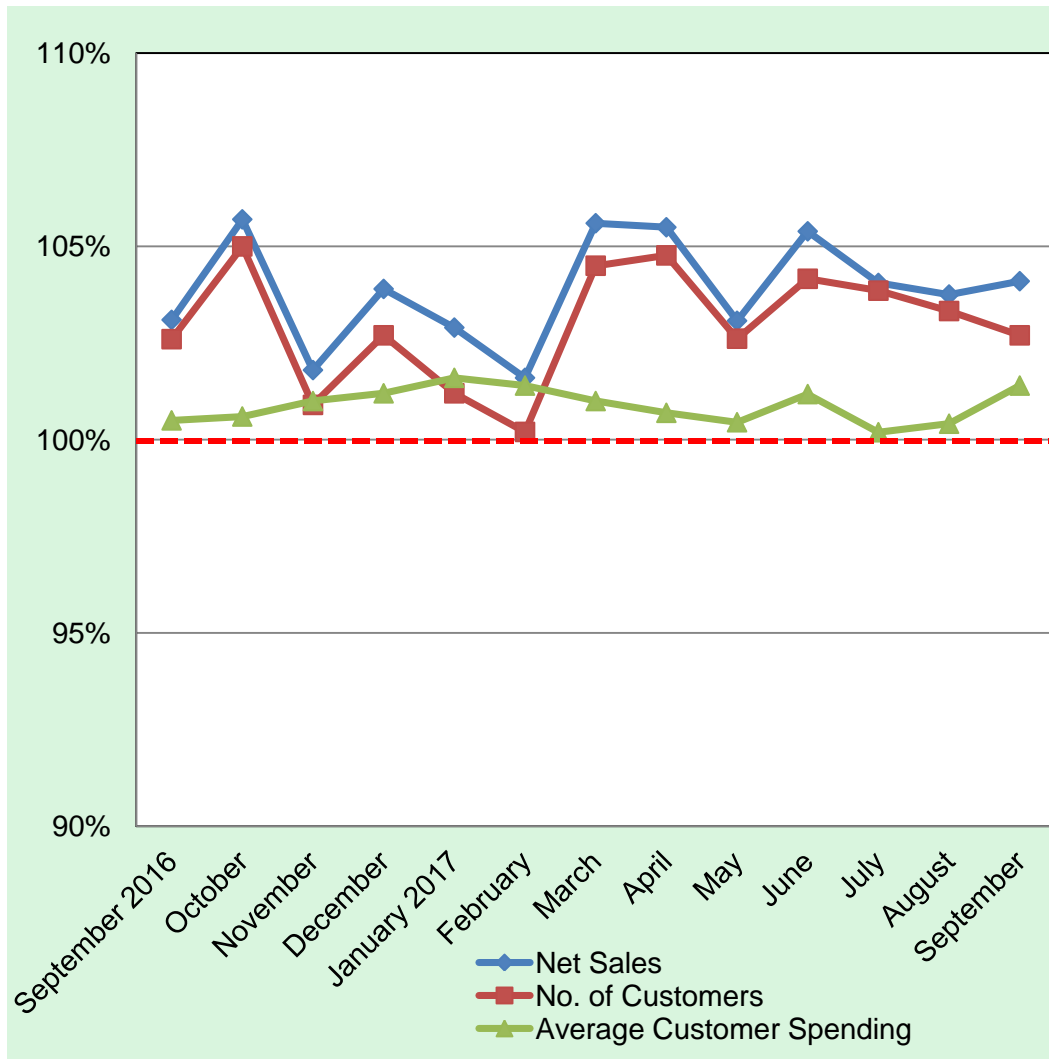
 Closure of outlets **Decreased by 1.38 billion yen**

Breakdown of Sales Result Fluctuation in Overseas Outlets

(billions of yen)



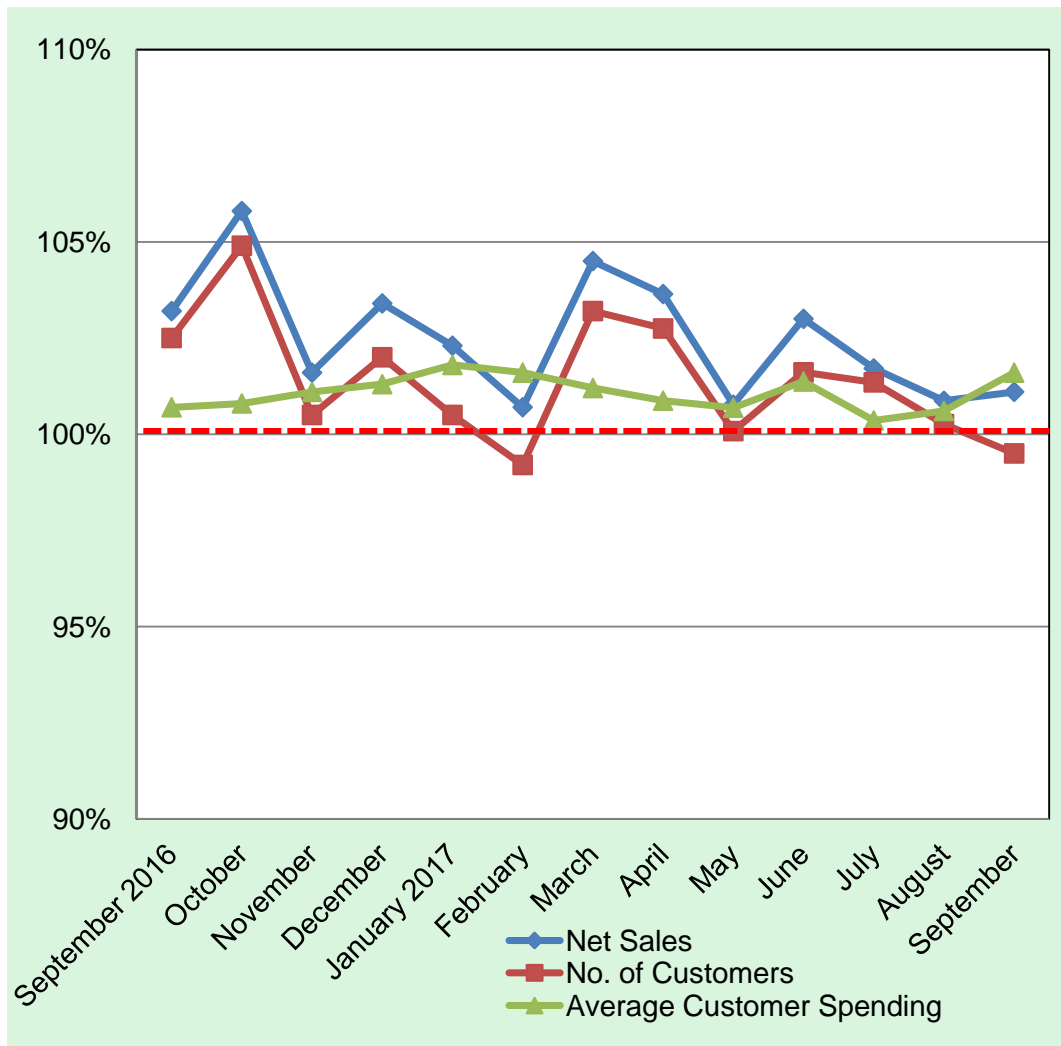
Net Sales, Number of Customers, Average Customer Spending for All Outlets in Japan



	Net Sales	No. of Customers	Average Customer Spending
September 2016	103.1%	102.6%	100.5%
October	105.7%	105.0%	100.6%
November	101.8%	100.9%	101.0%
December	103.9%	102.7%	101.2%
January 2017	102.9%	101.2%	101.6%
February	101.6%	100.2%	101.4%
First-Half Cumulative Results	103.2%	102.1%	101.0%
March	105.6%	104.5%	101.0%
April	105.5%	104.8%	100.7%
May	103.0%	102.6%	100.4%
June	105.4%	104.1%	101.2%
July	104.0%	103.8%	100.2%
August	103.7%	103.3%	100.4%
Second-Half Cumulative Results	104.5%	103.8%	100.6%
Cumulative Total Results for 45th term	103.9%	103.0%	100.8%
September 2017	104.1%	102.7%	101.4%

* 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 in Japan

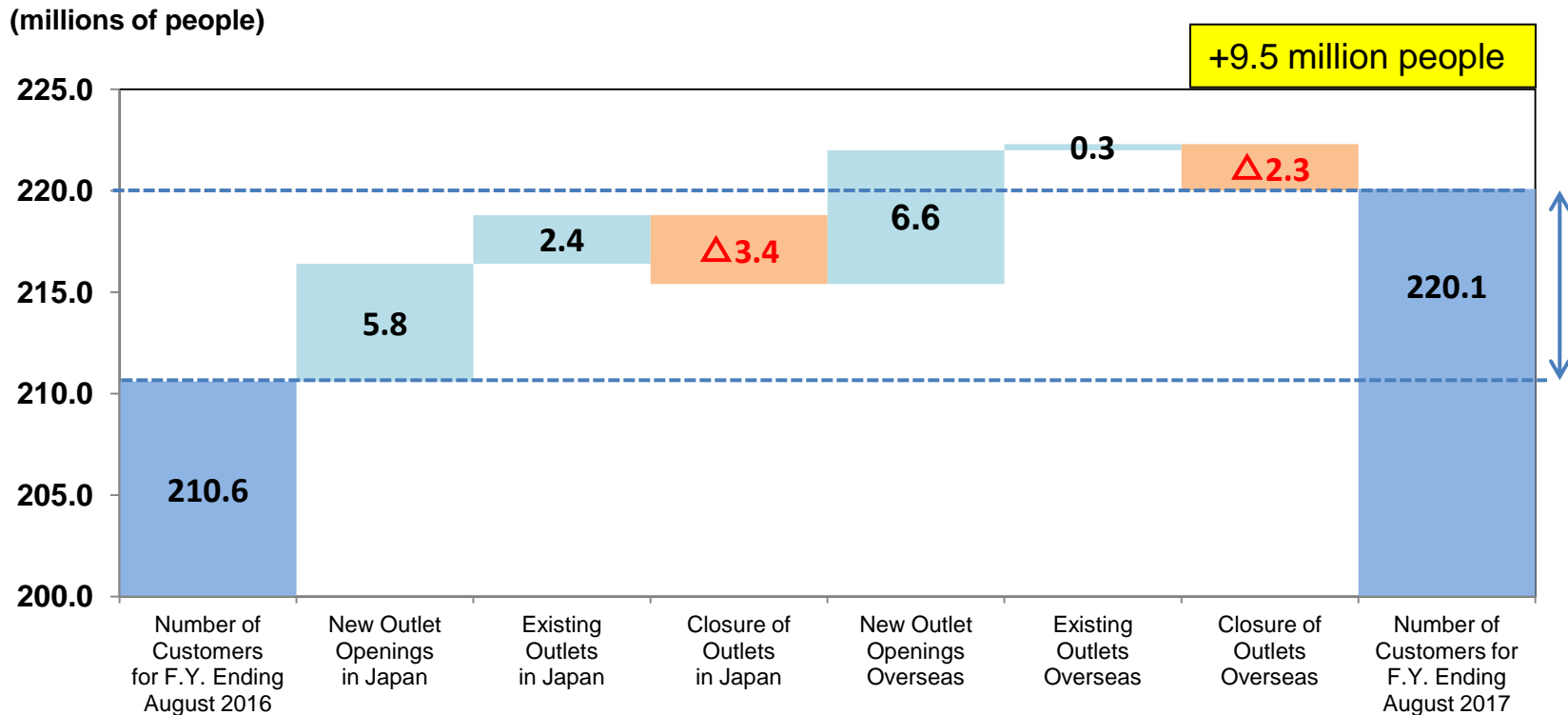


	Net Sales	No. of Customers	Average Customer Spending
September 2016	103.2%	102.5%	100.7%
October	105.8%	104.9%	100.8%
November	101.6%	100.5%	101.1%
December	103.4%	102.0%	101.3%
January 2017	102.3%	100.5%	101.8%
February	100.7%	99.2%	101.6%
First-Half Cumulative Results	102.9%	101.6%	101.2%
March	104.5%	103.2%	101.2%
April	103.6%	102.7%	100.9%
May	100.7%	100.1%	100.7%
June	103.0%	101.6%	101.4%
July	101.7%	101.3%	100.4%
August	100.9%	100.2%	100.6%
Second-Half Cumulative Results	102.4%	101.5%	100.8%
Cumulative Total Results for 45th term	102.6%	101.6%	101.0%
September 2017	101.1%	99.5%	101.6%

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

Number of Customers (consolidated)

**Total Number of Customers Per Year: 220.1 million people
Increased by 9.5 million people Compared to Previous Term**



The total number of customers per year achieved a record high of 220.1 million people.

The number of customers in Japanese outlets: 161.6 million people, percentage of customers in Japan: 73.4%

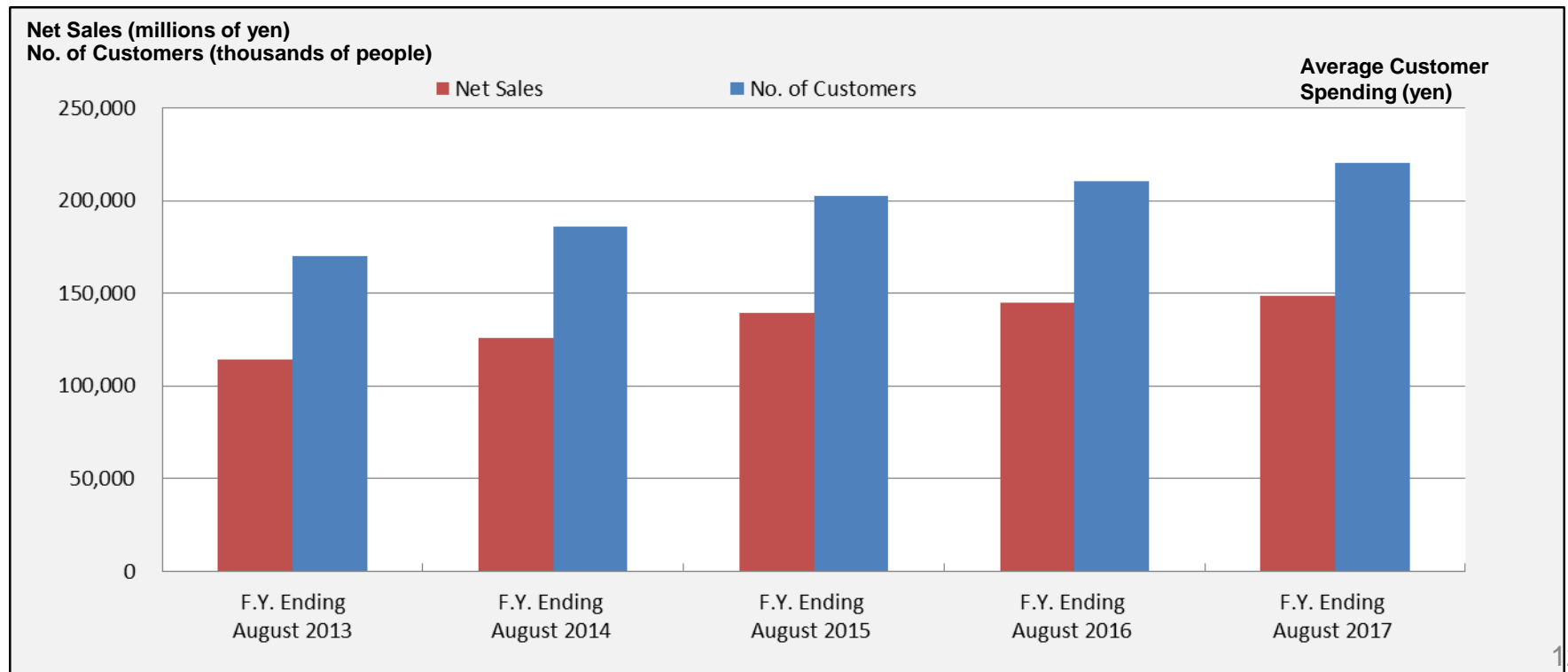
Total overseas customers: 58.5 million people, percentage of overseas customers: 26.6%

Numbers of customers in both Japanese and overseas outlets achieved record-high levels.

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

Term	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
Net Sales (millions of yen)	114,568	125,618	139,277	144,961	148,306
No. of Customers (thousands of people)	170,103	186,029	202,261	210,655	220,153
Average Customer Spending (yen)	674	675	689	688	674

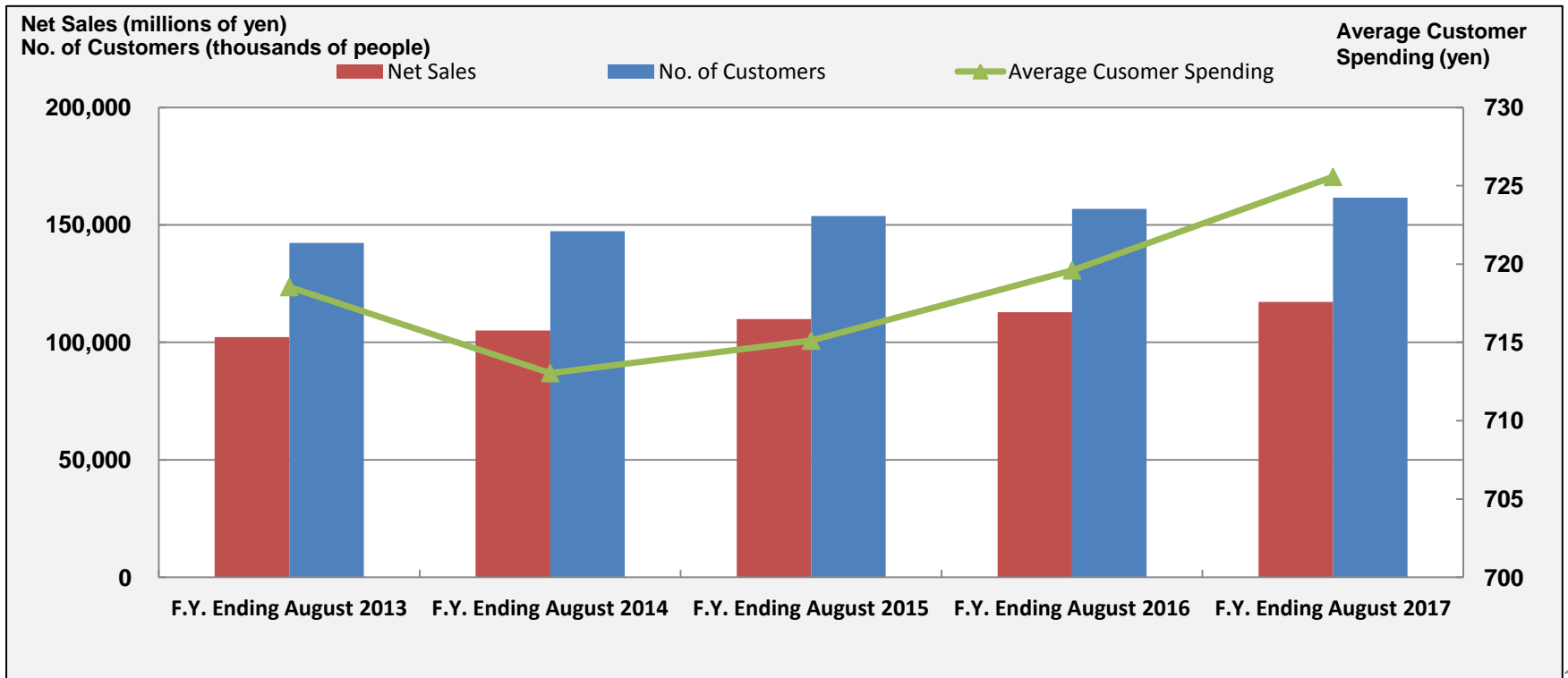
*The above figure indicates the consolidated value.



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

Term	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
Net Sales (millions of yen)	102,263	105,049	109,927	112,865	117,259
No. of Customers (thousands of people)	142,323	147,326	153,722	156,845	161,611
Average Customer Spending (yen)	719	713	715	720	726

*The above figure indicates the domestic value.

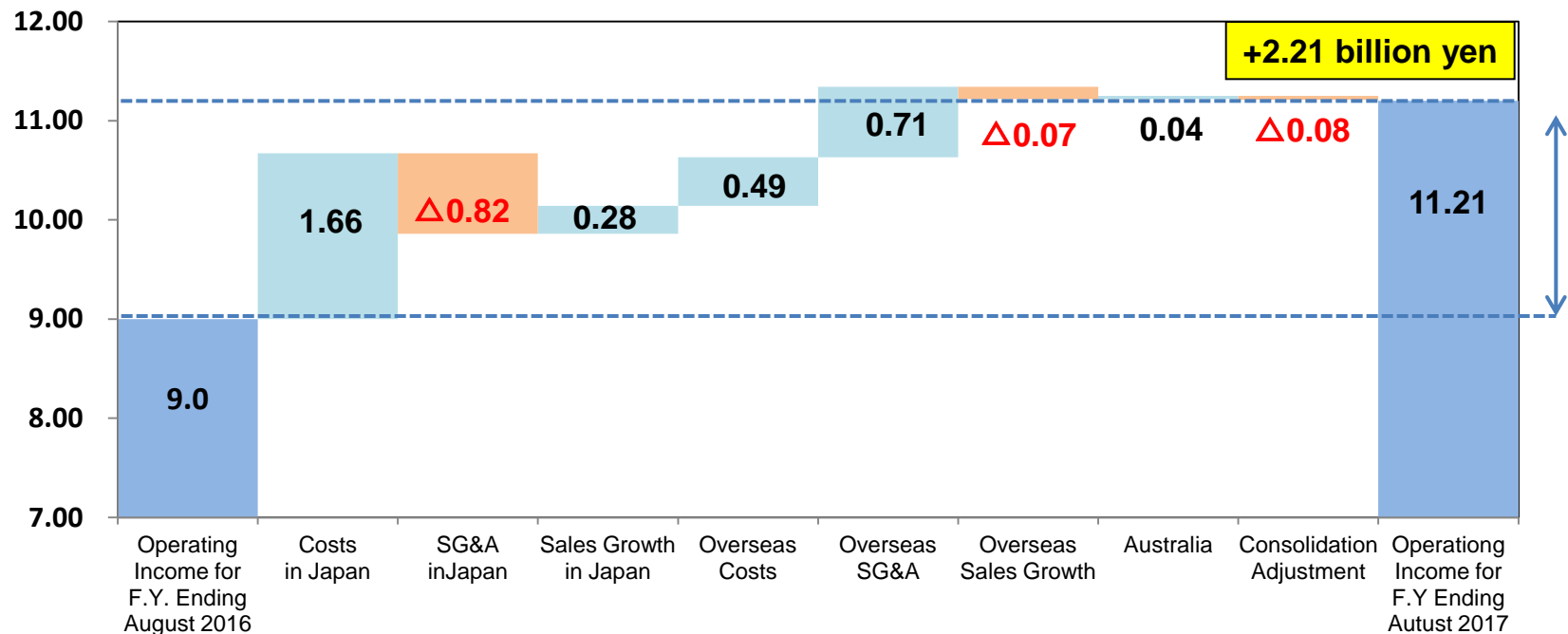


2. Major Factors Lifting Business Performance

(2) Operating Income

Year-on-Year Ratio: 124.5% (+2.21 billion yen)

(billions of yen)



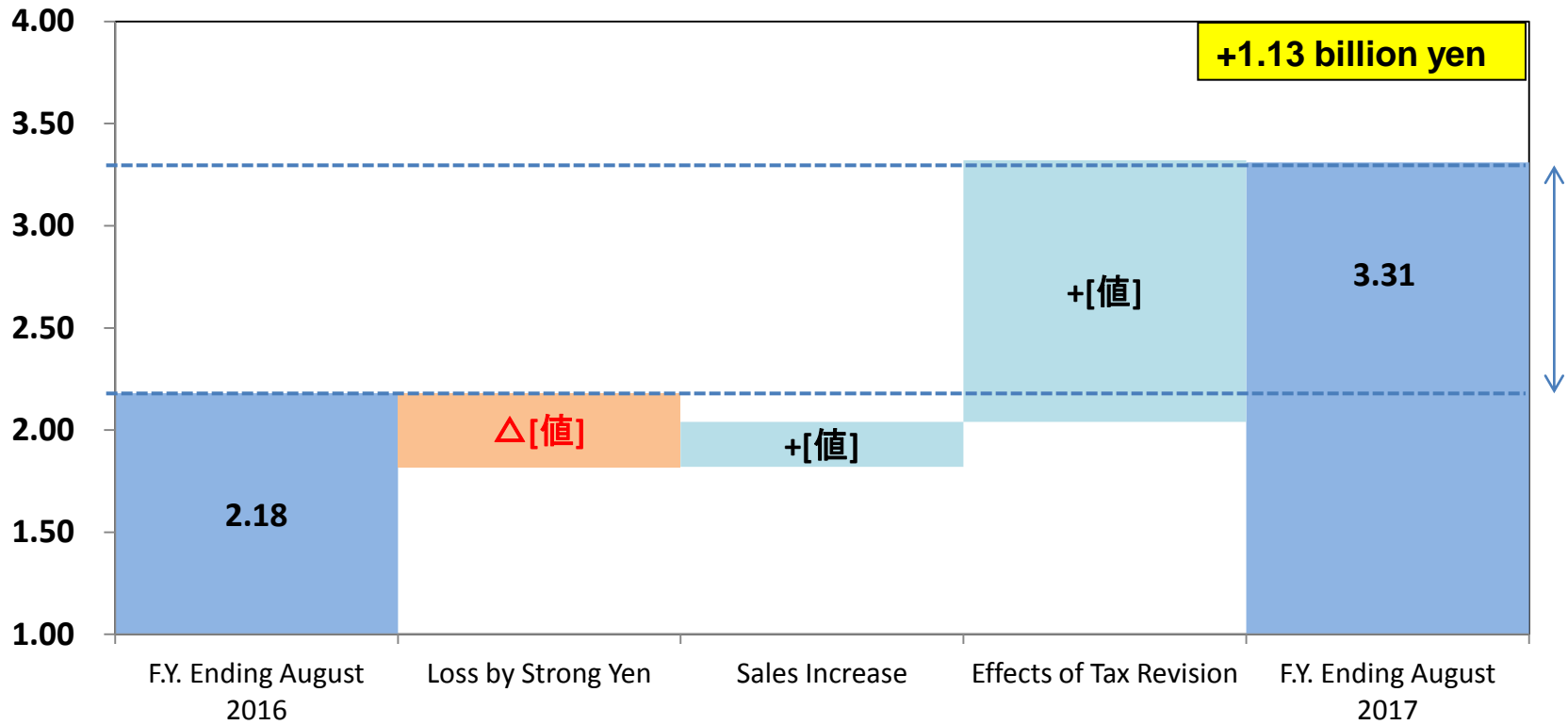
F.Y. ending August 2016: Operating income 9.0 billion yen, the operating income ratio 6.2%.

F.Y. ending August 2017: Operating income 11.21 billion yen, the operating income ratio 7.6%.

Impact Amount (Japan)	1,120 million yen
Costs	1,660 million yen
Foreign exchange rates knock-on effects	500
Cost effectiveness improvement (prawn, chicken, cheese, etc.)	1,290
Other	-120
Selling, General and Administrative Expenses	-820 million yen
Labor costs (productivity decreased, temporary staff payment increase)	-840
Facilities costs (rent decrease, fixture increase)	80
Utility costs (decline in electricity and gas unit prices, drop in volume of electricity used)	290
Other expenses (business tax increase)	-360
Net sales growth	280 million yen
Impact Amount (Overseas)	1,130 million yen
Costs	490 million yen
Selling, General and Administrative Expenses	710 million yen
Labor costs	-230
Facilities costs	-30
Utility costs	40
Other expenses	930
Net sales growth	-70 million yen
Australia Impact	40 million yen
Consolidation Adjustment	-80 million yen
Increase in Operating Income	2,210 million yen

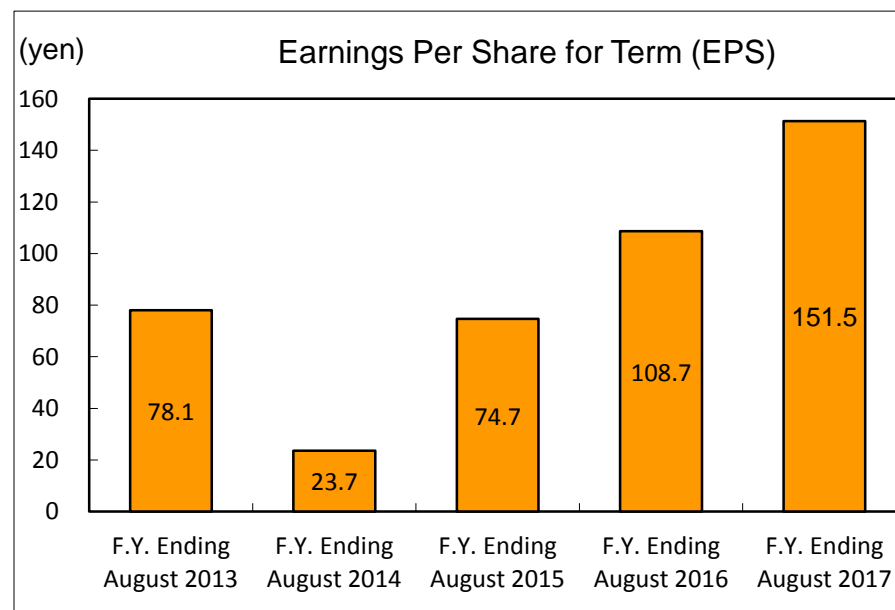
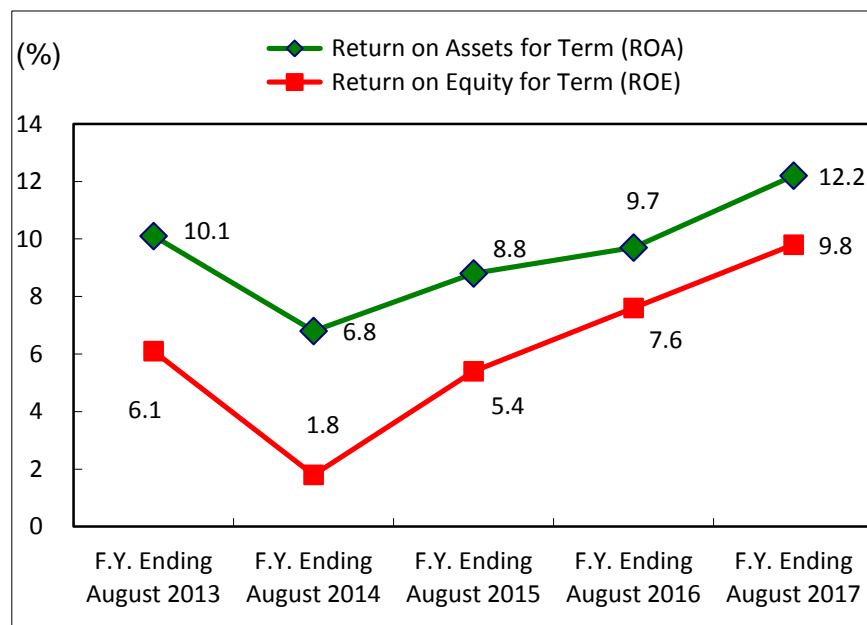
Breakdown of Operating Income Fluctuation in Overseas Outlets

(billions of yen)



3. Trends in Major Financial Indicators (consolidated)

Classification		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
Return on Assets for Term (ROA)	(%)	10.1	6.8	8.8	9.7	12.2
Total Assets Turnover	(No. of times)	1.3	1.4	1.5	1.5	1.5
Earnings Per Share for Term (EPS)	(yen)	78.1	23.7	74.7	108.7	151.5
Book-value Per Share (BPS)	(yen)	1,331.9	1,356.7	1,423.3	1,441.1	1,618.6
Capital Adequacy Ratio	(%)	76.8	78.5	75.7	78.4	78.1%
Return on Equity for Term (ROE)	(%)	6.1	1.8	5.4	7.6	9.8

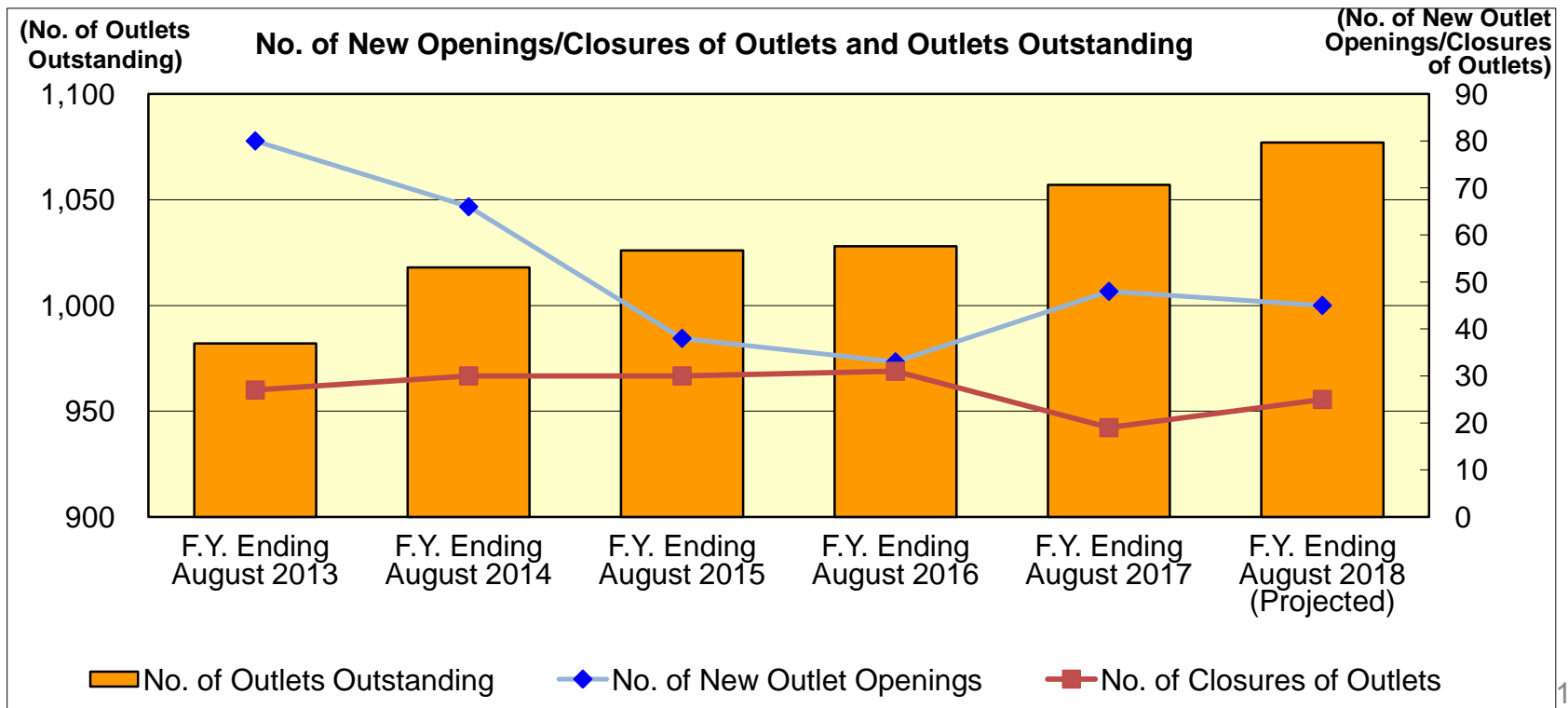


4. Trends in Number of New Outlet Openings and Closures of Outlets, Outlets Outstanding (Japan)

Fiscal Year	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	F.Y. Ending August 2018 (Projected)
No. of New Outlet Openings	80	66	38	33	48	45
No. of Closures of Outlets	27	30	30	31	19	25
No. of Outlets Outstanding	982	1,018	1,026	1,028	1,057	1,077

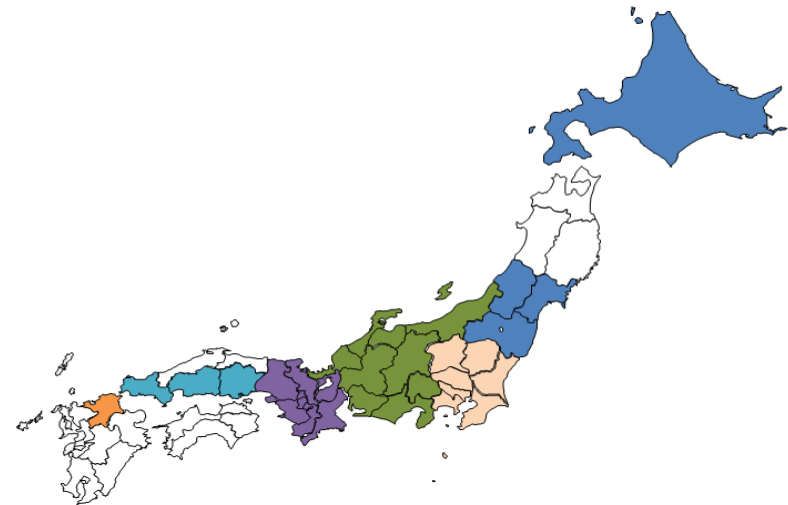
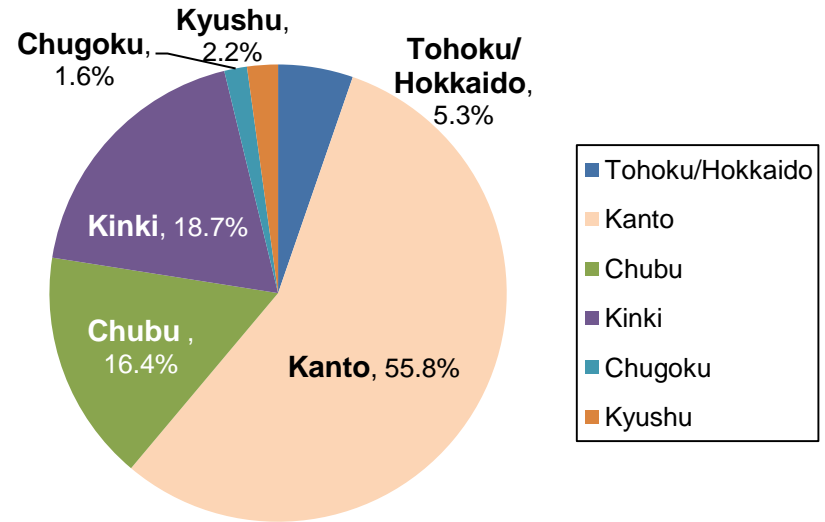
* The figures above indicate only the number of outlets in Japan.

* A net increase of 20 outlets is projected for FY 2018.



5. Number of Outlets in Japan by Region

Region	Subtotal	Ratio to total	Prefecture	No. of outlets	Opened outlets	Closed outlets
Tohoku/Hokkaido	56	5.3%	Hokkaido	15	1	
			Miyagi	22	1	
			Fukushima	13		
			Yamagata	6		
Kanto	590	55.8%	Tokyo	214	8	3
			Kanagawa	122	9	1
			Chiba	113	3	1
			Saitama	87	5	3
			Ibaraki	29	1	2
			Tochigi	17	2	
			Gunma	8		1
Chubu	173	16.4%	Aichi	78	6	3
			Shizuoka	27	1	1
			Niigata	12		
			Gifu	14		
			Nagano	14		
			Ishikawa	13	2	
			Yamanashi	6		
			Toyama	5		
			Fukui	4		
Kinki	198	18.7%	Osaka	88	2	2
			Hyogo	47	1	1
			Kyoto	21	1	
			Mie	19		
			Shiga	10	2	1
			Nara	9		
			Wakayama	4		
Chugoku	17	1.6%	Okayama	5	1	
			Hiroshima	11	1	
			Yamaguchi	1		
Kyushu	23	2.2%	Fukuoka	23	1	
Total	1,057	100.0%		1,057	48	19



Number of prefectures with outlets: 31

Number of prefectures without outlets: 16

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

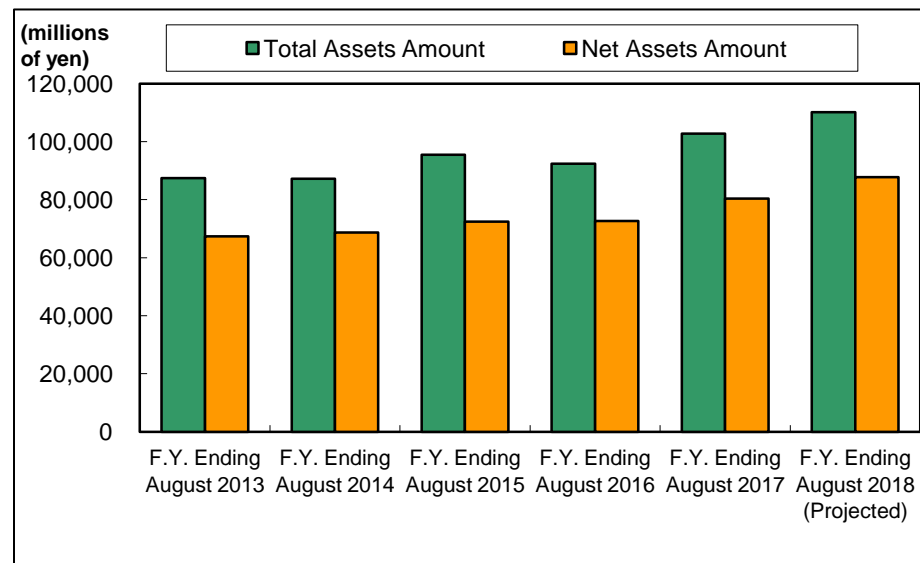
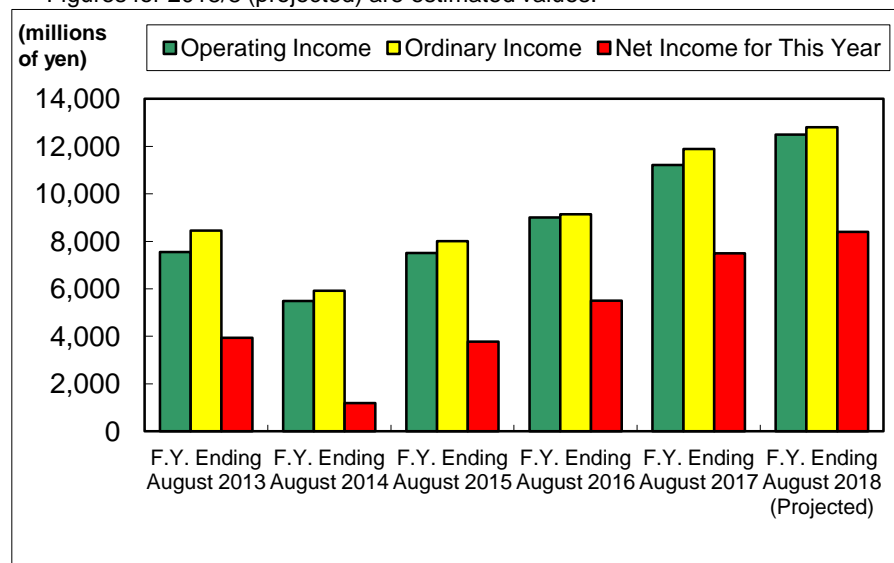
6. Trends in Financial Results (consolidated)

(millions of yen)

Fiscal Year Classification	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		F.Y. Ending August 2018 (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	110,428	105.9%	125,618	113.8%	139,277	110.9%	144,961	104.1%	148,306	102.3%	156,000	105.2%
Selling, General and Administrative Expenses (SG&A)	64,630	108.0%	73,914	114.4%	79,707	107.8%	82,557	103.6%	84,561	102.4%	87,700	103.7%
Operating Income	7,547	76.4%	5,488	72.7%	7,511	136.9%	9,006	119.9%	11,216	124.5%	12,500	111.4%
Ordinary Income	8,450	80.3%	5,917	70.0%	8,004	135.3%	9,134	114.1%	11,885	130.1%	12,800	107.7%
Net Income for This Year	3,937	72.0%	1,193	30.3%	3,774	316.4%	5,505	145.9%	7,496	136.2%	8,400	112.1%
Total Assets Amount	87,472	108.9%	87,224	99.7%	95,485	109.5%	92,463	96.8%	102,731	111.1%	110,200	107.3%
Net Assets Amount	67,344	107.0%	68,643	101.9%	72,424	105.5%	72,663	100.3%	80,412	110.7%	87,900	109.3%

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

* Figures for 2018/8 (projected) are estimated values.



7. Financial Results by Segments

(1) Segment Totals

(millions of yen)

Corporation	Net Sales			Operating Income		
	F.Y. Ending August 2017 Current term	F.Y. Ending August 2016 Previous term	% Year-on-Year Ratio	F.Y. Ending August 2017 Current term	F.Y. Ending August 2016 Previous term	% Year-on-Year Ratio
Saizeriya	117,259	112,865	103.9%	7,731	6,613	116.9%
Australia	4,502	4,037	111.5%	164	129	127.1%
Overseas Outlets (Asia)	30,973	32,060	96.6%	3,318	2,185	151.8%
Consolidation Elimination	-4,429	-4,001	-	1	78	-
Total	148,306	144,961	102.3%	11,216	9,006	124.5%

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

(2) Financial Results by Segments Asia Breakdown

(millions of yen)

Corporation	Net Sales			Operating Income		
	F.Y. Ending August 2017 Current term	F.Y. Ending August 2016 Previous term	% Year-on-Year Ratio	F.Y. Ending August 2017 Current term	F.Y. Ending August 2016 Previous term	% Year-on-Year Ratio
Shanghai	8,775	9,439	93.0%	987	525	187.9%
Guangzhou	8,386	9,623	87.1%	865	591	146.4%
Beijing	4,400	4,492	98.0%	451	261	172.6%
Hong Kong	5,843	5,546	105.3%	826	764	108.0%
Taiwan	1,171	1,013	115.5%	56	-5	-
Singapore	2,395	1,944	123.2%	130	47	277.0%
Overseas Outlets Total	30,973	32,060	96.6%	3,318	2,185	151.8%

(3) Overseas Outlet Performance (Asia)

Region	F.Y. Ending August 2016	F.Y. Ending August 2017			F.Y. Ending August 2018 (Projected)		
		New Outlet Opening	Closure of Outlets	F.Y. 2017/End	New Outlet Opening (Projected)	Closure of Outlets (Projected)	F.Y. 2018/End (Projected)
Shanghai	120	15	9	126	15	5	136
Guangzhou	113	6	3	116	18	4	130
Beijing	60	11	5	66	13	6	73
Hong Kong	24	4	0	28	5	1	32
Taiwan	12	0	1	11	3	0	14
Singapore	16	5	1	20	4	1	23
Overseas outlet total (Asia)	345	41	19	367	58	17	408

* For Shanghai, Guangzhou, Beijing, Hong Kong and Taiwan:
Calculated based on the period from July 2016 to June 2017.

* For Singapore: Calculated based on the period from September 2016 to August 2017.

* Net increase for the F.Y. ending August 2017: 22 outlets

* Net increase for the F.Y. ending August 2018 (projected): 41 outlets

8. Trends in Capital Expenditure and Cash Flow

(millions of yen)

	F.Y. Ending August 2014	F.Y. Ending August 2015	F.Y. Ending August 2016	F.Y. Ending August 2017	F.Y. Ending August 2018 (Projected)
New Outlet Openings	4,239	2,303	1,819	2,759	2,973
Renovation of Existing Outlets	622	211	460	1,338	4,310
Yoshikawa Plant	1	0	3	0	0
Kanagawa Plant	608	41	10	63	518
Fukushima Plant	0	11	0	26	20
Hyogo Plant	5	4	0	0	197
Chiba Plant	40	8	80	77	253
Head Office and Others	116	671	503	191	630
Consolidated Subsidiaries	3,029	2,722	2,568	1,481	1,958
Capital Expenditure (=A)	8,660	5,970	5,442	5,935	10,859
Cash Flow (=B)	6,281	8,813	10,447	12,402	13,346
Depreciation	5,996	5,947	5,856	5,812	5,850
Balance (=B-A)	-2,379	2,843	5,005	6,467	2,487

* Totals may not tally as figures are rounded down to nearest million yen. Figures for 2018/8 (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

(billions of yen)

	First Half of Term	Year-on-Year Ratio	Full Year	Year-on-Year Ratio
Net Sales	74.4	105.5%	156	105.2%
Operating Income	5.4	116.4%	12.5	111.4%
Net Income	3.5	111.0%	8.4	112.1%

■ Net Sales

Japan: 120 billion yen, overseas: 36.0 billion yen

Net increase in Japan: 20 outlets, overseas net increase: 41 outlets

Existing outlets in Japan compared to previous year: 100.5%

Existing overseas outlets compared to previous year: 104.7%

■ Operating income

Japan: 8.5 billion yen, Asia: 3.9 billion yen, Australia: 0.1 billion yen

Gross income percentage in Japan: 64.3%

Foreign exchange rates AUD: 87.45, EUR: 131.34, USD: 110.42

■ Net Income for this year

Japan: 5.7 billion yen, Asia: 2.5 billion yen, Australia: 0.15 billion yen

Classification		F.Y. Ending August 2018 (Projected)
Return on Assets for Term (ROA)	(%)	12.0
Total Assets Turnover	(No. of times)	1.5
Earnings Per Share for Term (EPS)	(yen)	169.7
Book-value Per Share (BPS)	(yen)	1,774.3
Capital Adequacy Ratio	(%)	79.6
Return on Equity for Term (ROE)	(%)	10.0

Agenda for Fiscal Year 2018

Establish the outlet standard service level.

Complete non-smoking for all new outlets in Tokyo, Chiba, Kanagawa, and Saitama.

Enhance added value by renovating facilities. (Improve access and convenience.)

Develop products that attract customers.

Leverage production technologies and consider renovation of plants in Japan.

Further enhancement of employee education and creation of foundation for education.

Improve human resource management system. (Hire full timers who specialize in store operation and improve staff retention.)

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

Improve services specific to local customs in overseas business.

Promote development of new business as the second main pillar of business in Japan. (Create a strategy model.)



Thank you.