

Saizeriya Co., Ltd.

Financial Results Briefing Session

for the Second Quarter Ended February 28, 2018

(46th term: from September 1, 2017 to February 28, 2018)



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

Amounts are rounded down to the nearest one million yen, so totals may not exactly match.

1. Financial Results for the 2nd Quarter Ended February 28, 2018 (consolidated)

(1) Financial Highlights

(millions of yen)

	Financial Results	Previous Year	Year-on-Year Ratio	Budget	Percentage of Budget
Net Sales	74,822	70,548	106.1%	74,400	100.6%
Gross Net Sales	47,377	45,409	104.3%	47,900	98.9%
Operating Income	3,720	4,638	80.2%	5,400	68.9%
Ordinary Income	3,890	5,004	77.7%	5,500	70.7%
Net Income for the Quarter	2,275	3,152	72.2%	3,500	65.0%

Increased revenue and decreased profit

Budget reflects the financial forecast announced on October 11, 2017.

Net sales exceeded both the previous year and the budget.

Operating income and other results were less than the previous year and the budget.

1. Financial Results for the 2nd Quarter Ended February 28, 2018 (consolidated)

(2) Sales Ratio (Year-on-Year)

(millions of yen)

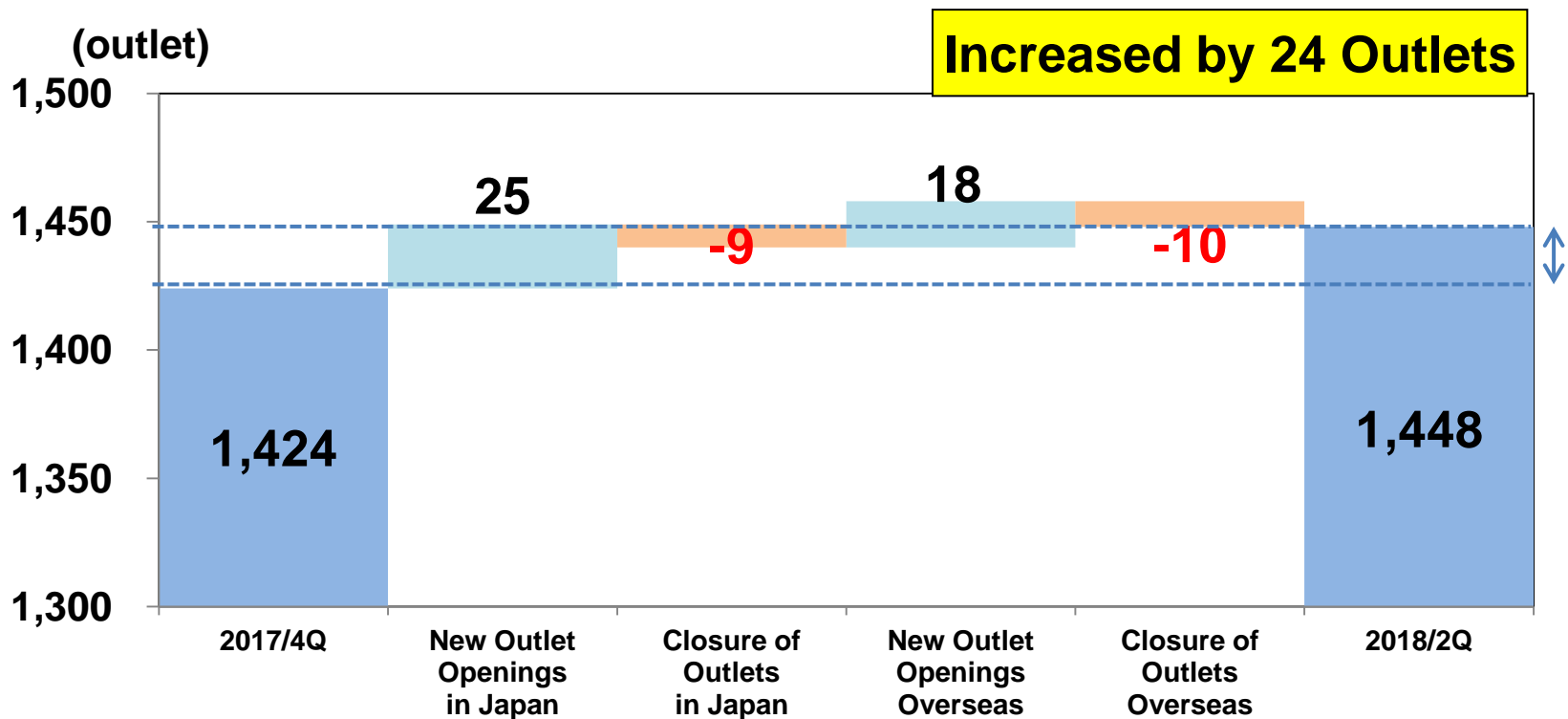
	2018/2Q		2017/2Q		Ratio Difference
	Amount	Net Sales Ratio	Amount	Net Sales Ratio	
Net Sales	74,822	100.0%	70,548	100.0%	-
Sales Cost	27,445	36.7%	25,139	35.6%	1.0%
Gross Net Sales	47,377	63.3%	45,409	64.4%	-1.0%
Selling, General and Administrative Expenses (SG&A)	43,656	58.3%	40,770	57.8%	0.6%
Operating Income	3,720	5.0%	4,638	6.6%	-1.6%
Ordinary Income	3,890	5.2%	5,004	7.1%	-1.9%
Net Income for the Quarter	2,275	3.0%	3,152	4.5%	-1.4%

The cost of sales ratio increased by 1.0 points and the selling, general and administrative expenses ratio increased by 0.6 points.
The operating income ratio decreased by 1.6 points.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets (6 months)

Number of outlets: 1,448 outlets – 24 outlets increased



The total number of outlets is 1,448 (1,073 outlets in Japan and 375 outlets overseas)

In 2018/2Q, there was a net increase of 24 outlets (16 outlets in Japan and 8 outlets overseas)

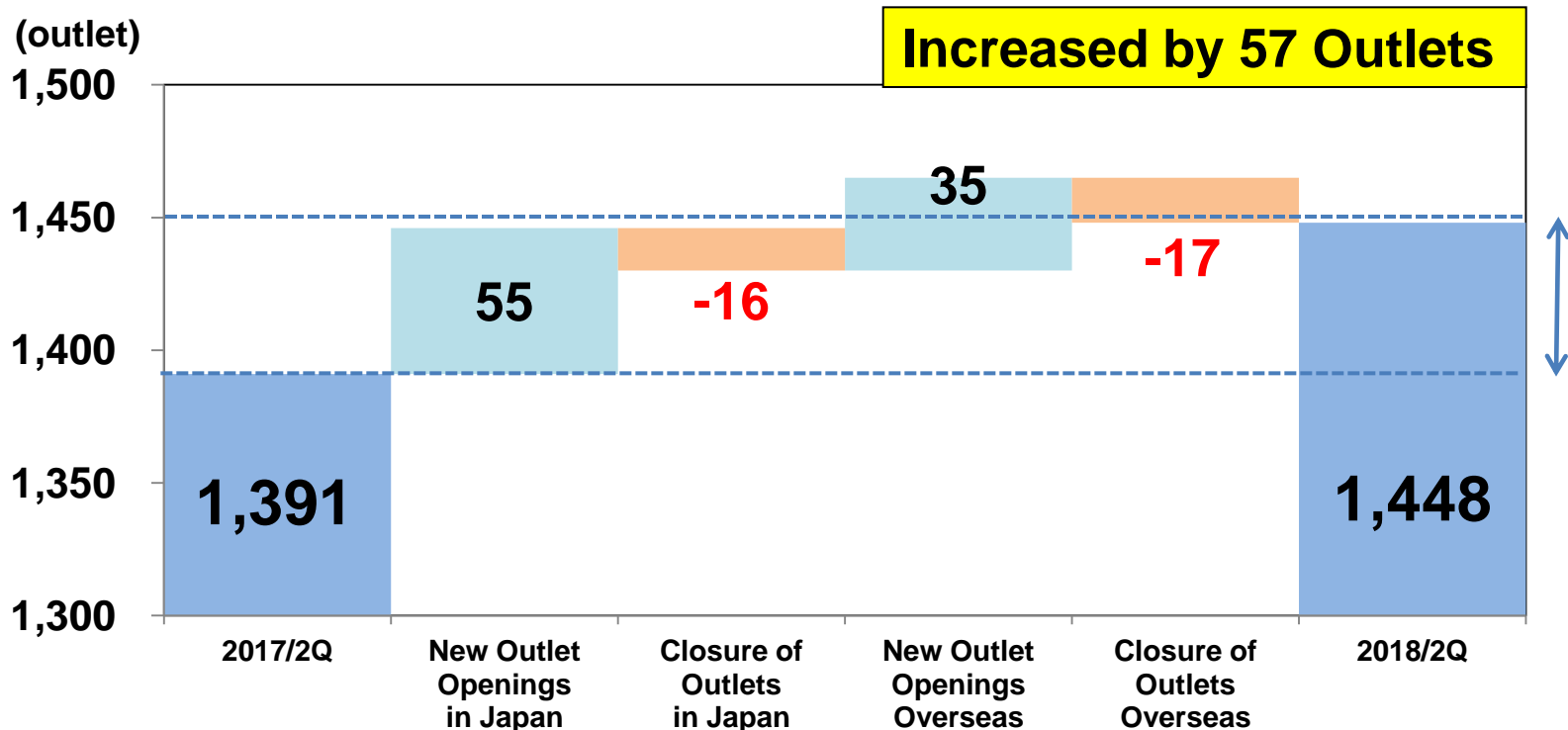
In 2017/2Q, there was a net increase of 18 outlets (6 outlets in Japan and 12 outlets overseas)

For 2018/2Q, the plan was a net increase of 46 outlets (24 outlets in Japan and 22 outlets overseas)

2. Major Factors Lifting Business Performance

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

Number of outlets: 1,448 outlets – 57 outlets increased



There was a consolidated net increase of 57 outlets (a net increase of 39 outlets in Japan and a net increase of 18 outlets overseas) since 2017/2Q.

The total number of domestic outlets is 1,073, and the total number of overseas outlets is 375. The ratio of overseas outlets is 25.9%.

2. Major Factors Lifting Business Performance

(1) Net Sales - Number of outlets

Number of outlets: 1,448 outlets – 57 outlets increased

	No. of New Outlet Openings		No. of Closures of Outlets		No. of Outlets Outstanding	
	2018/2Q	2017/2Q	2018/2Q	2017/2Q	2018/2Q	2017/2Q
Japan	25	18	9	12	1,073	1,034
Shanghai	4	10	6	4	124	126
Guangzhou	4	5	1	3	119	115
Beijing	6	3	2	4	70	59
Hong Kong	1	3	0	0	29	27
Taiwan	1	0	0	1	12	11
Singapore	2	3	1	0	21	19
Total	43	42	19	24	1,448	1,391

There was a consolidated cumulative net increase of 24 outlets (16 outlets in Japan and 8 outlets overseas) for 2018/2Q.

There was a consolidated cumulative net increase of 18 outlets (6 outlets in Japan and 12 outlets overseas) for 2017/2Q.

The total number of overseas outlets is 375. The ratio of overseas outlets is 25.9%.

For Shanghai, Guangzhou, Beijing, Hong Kong, Taiwan: Calculated based on the period between July and December, 2017.

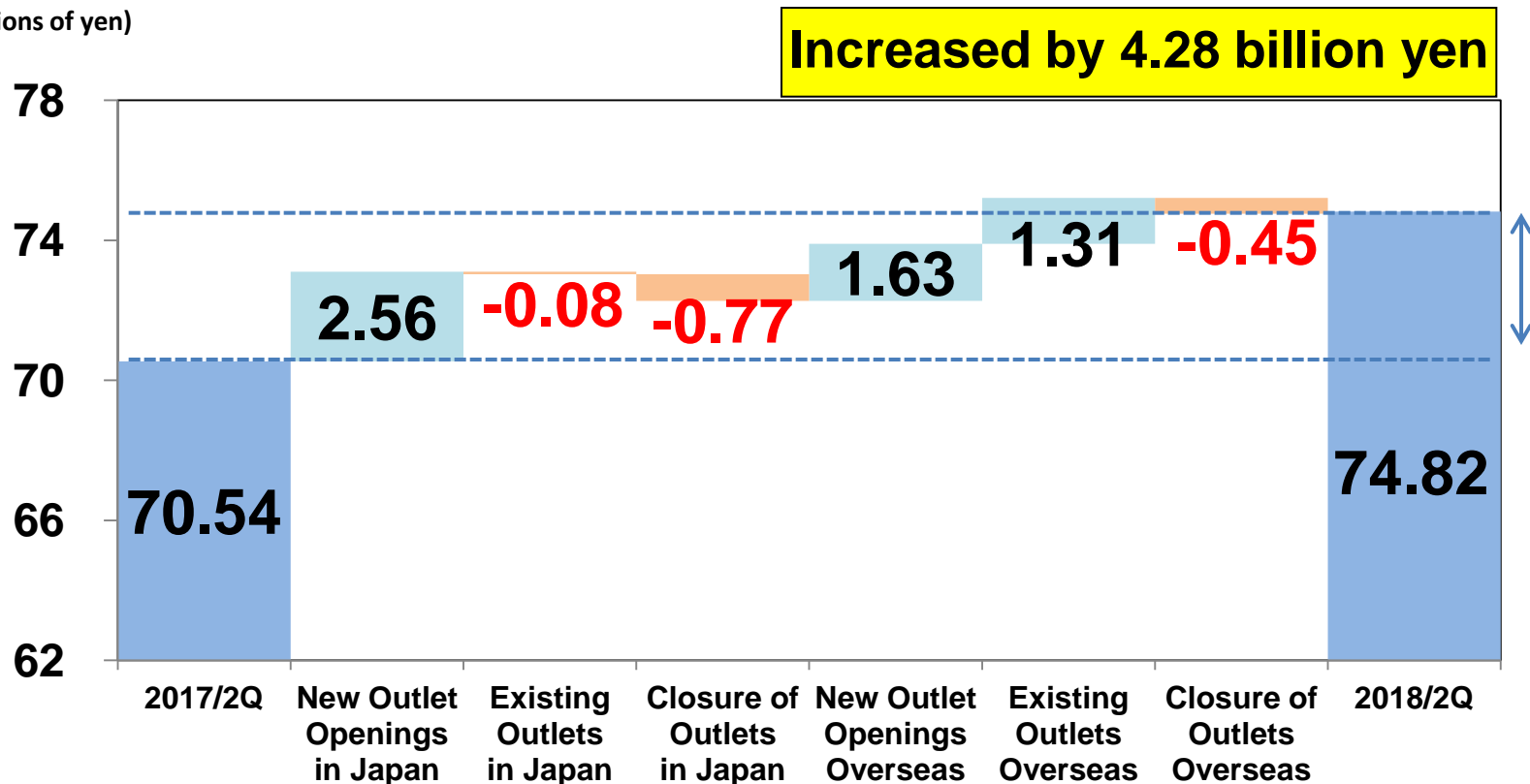
For Japan and Singapore: Calculated based on the period between September, 2017 and February, 2018.

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 106.1% +4.28 billion yen

(billions of yen)



1.71 billion yen net increase in domestic net sales

2.50 billion yen net increase in overseas net sales

2. Major Factors Lifting Business Performance

(1) Net Sales

Year-on-Year Ratio: 106.1% +4.28 billion yen

Consolidated net sales amounted to 74.8 billion yen.

Domestic sales amounted to 57.6 billion yen, and overseas sales amounted to 17.1 billion yen. Percentage of overseas sales: 23.0%

Primary factors contributing to net sales growth

Total consolidated sales 4.28 billion yen (106.1%)

Total sales in Japan 1.71 billion yen (103.1%)

New outlets Increased by 2.56 billion yen

Existing outlets **Decreased by 0.08 billion yen**

Closure of outlets **Decreased by 0.77 billion yen**

Total overseas sales 2.50 billion yen (117.1%)

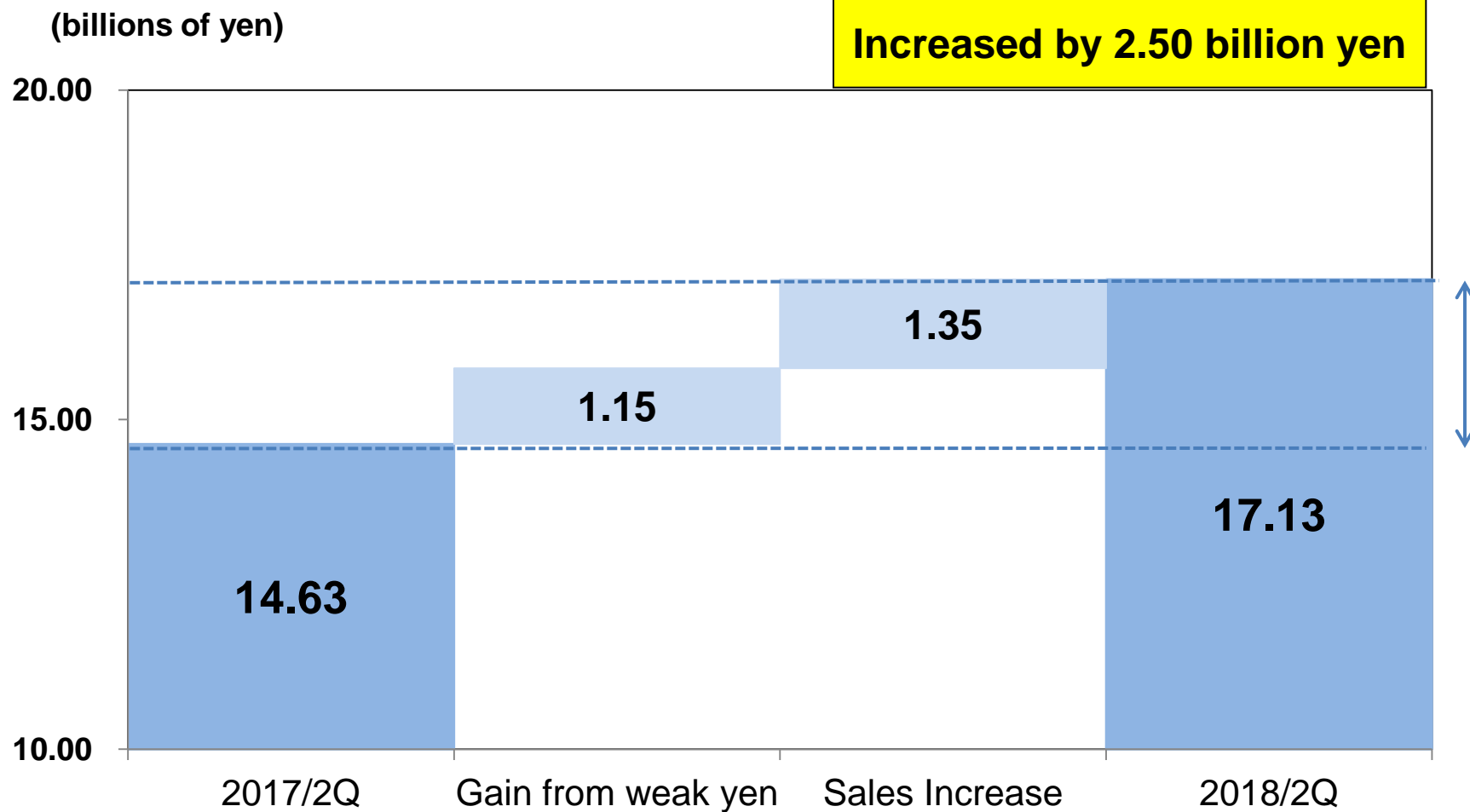
New outlets Increased by 1.63 billion yen

Existing outlets Increased by 1.31 billion yen

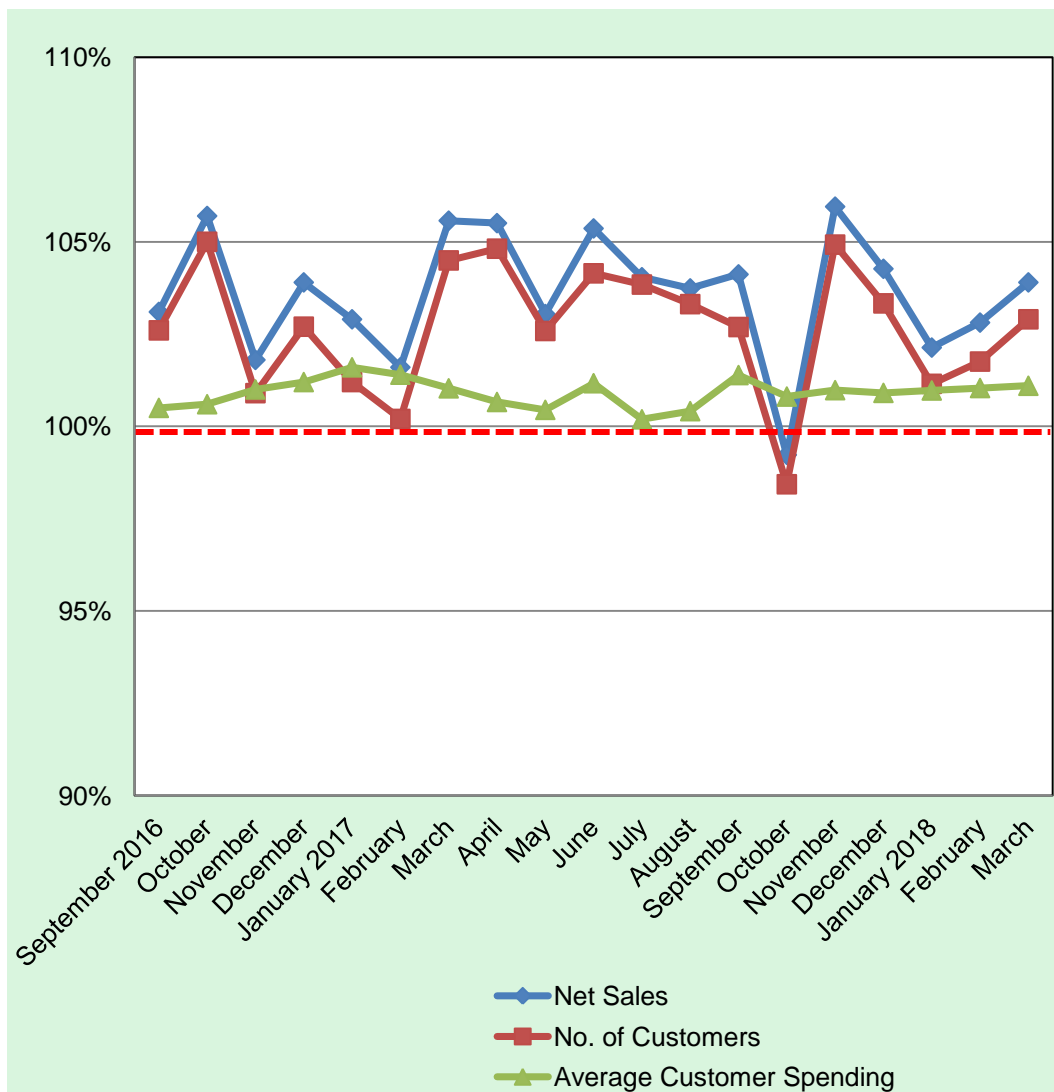
Closure of outlets **Decreased by 0.45 billion yen**

Figures in parentheses indicate year-on-year changes

Breakdown of Changes in Overseas Sales



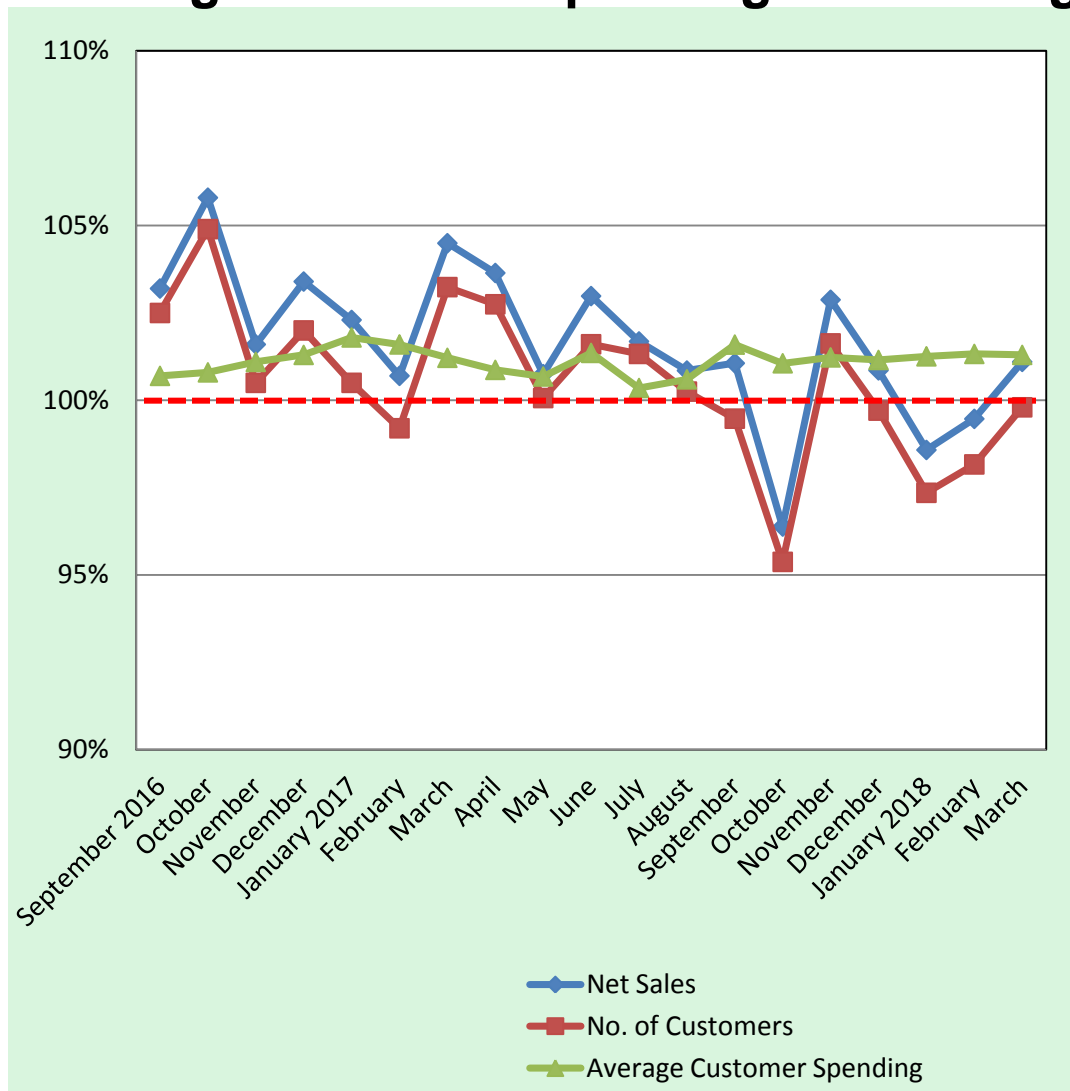
Net Sales, Number of Customers, Average Customer Spending for All domestic outlets



	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%
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%
Cumulative Total Results for 45th term			
term	103.9%	103.0%	100.8%
September 2017	104.1%	102.7%	101.4%
October	99.2%	98.4%	100.8%
November	106.0%	104.9%	101.0%
December	104.3%	103.3%	100.9%
January 2018	102.1%	101.2%	101.0%
February	102.8%	101.8%	101.0%
Cumulative Total Results for 46th First-Half term			
March	103.9%	102.9%	101.1%
Cumulative Total Results for 46th term			
term	103.2%	102.2%	101.0%

* 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 Domestic Outlets

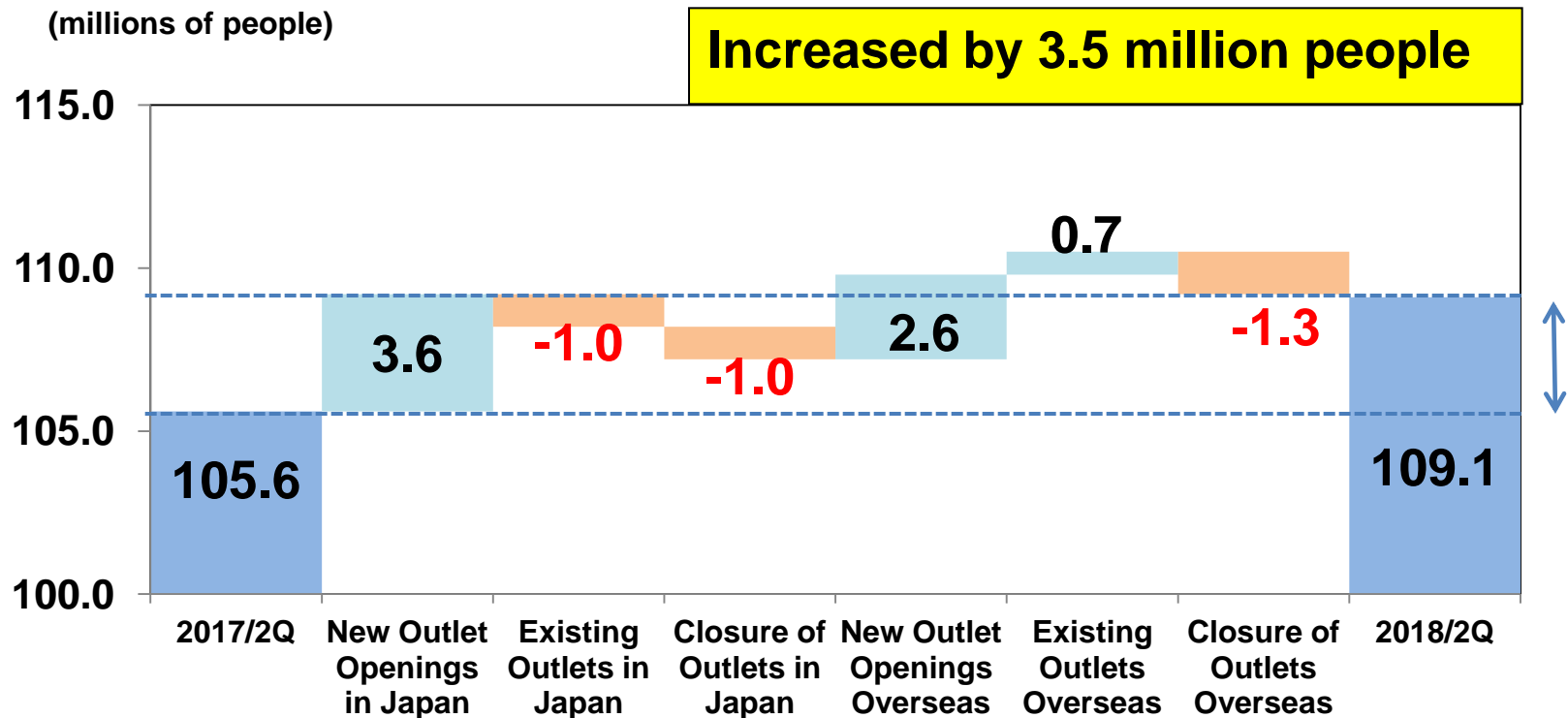


* The graph above reflects only data on Saizeriya's restaurant business, and excludes other businesses of the company.

	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%
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%
Cumulative Total Results for 45th term	102.6%	101.6%	101.0%
September 2017	101.1%	99.5%	101.6%
October	96.4%	95.4%	101.1%
November	102.9%	101.6%	101.2%
December	100.9%	99.7%	101.2%
January 2018	98.6%	97.4%	101.3%
February	99.5%	98.2%	101.3%
Cumulative Total Results for 46th First-Half term	99.8%	98.6%	101.3%
March	101.1%	99.8%	101.3%
Cumulative Total Results for 46th term	100.0%	98.8%	101.3%

Number of Customers (consolidated)

Total Number of Customers: 109.1 million people. Increased by 3.5 million people over the same period of the previous year

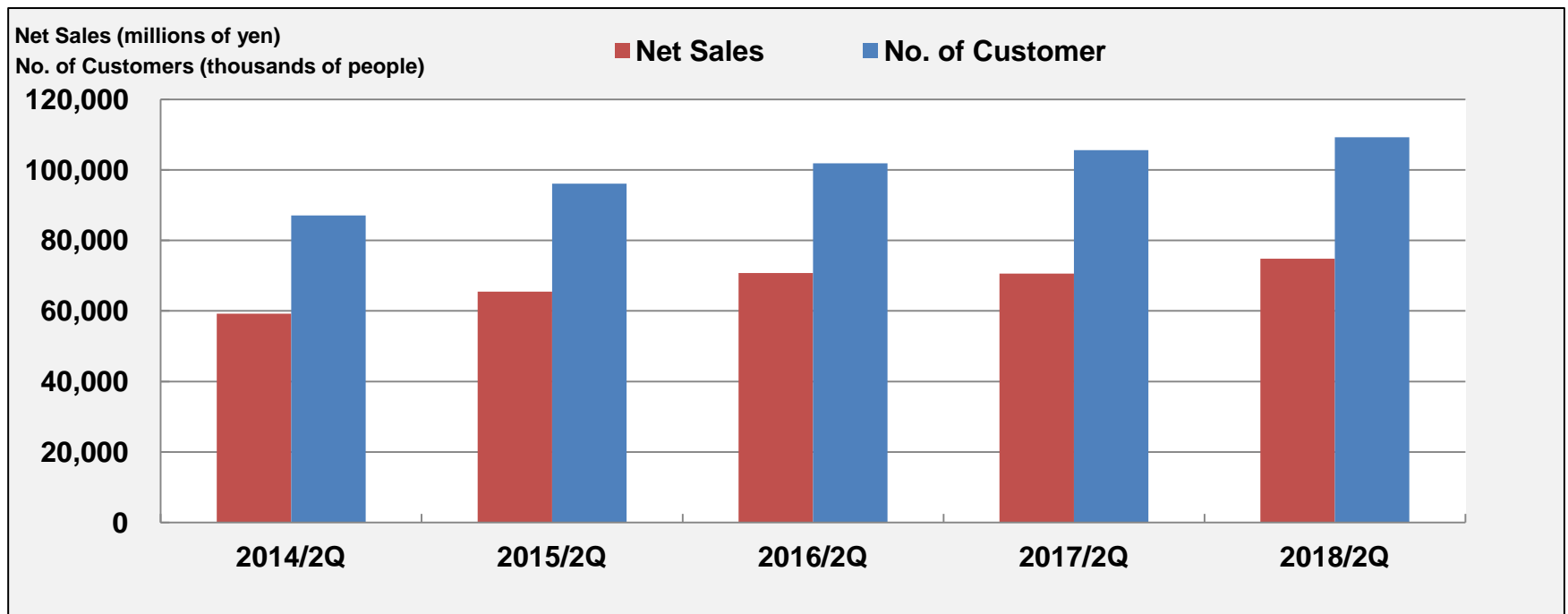


The total number of customers for the year achieved a record-high of 109.1 million people.
 Total domestic customers: 78.5 million people, percentage of domestic customers: 72.0%
 Total overseas customers: 30.5 million people, percentage of overseas customers: 28.0%

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

Term	2014/2Q	2015/2Q	2016/2Q	2017/2Q	2018/2Q
Net Sales (millions of yen)	59,243	65,448	70,783	70,548	74,822
No. of Customer (thousands of people)	87,111	96,091	101,830	105,615	109,265
Average Customer Spending (yen)	680	681	695	668	686

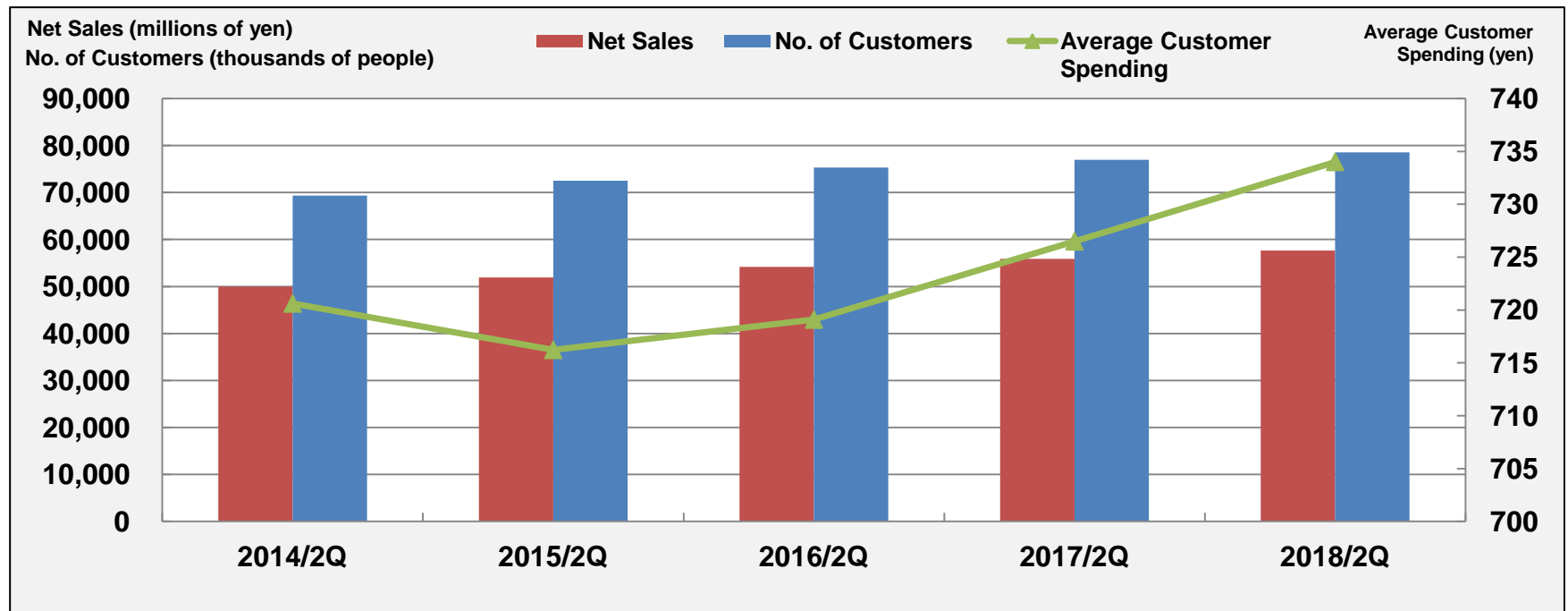
*The above figure indicates consolidated value.



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

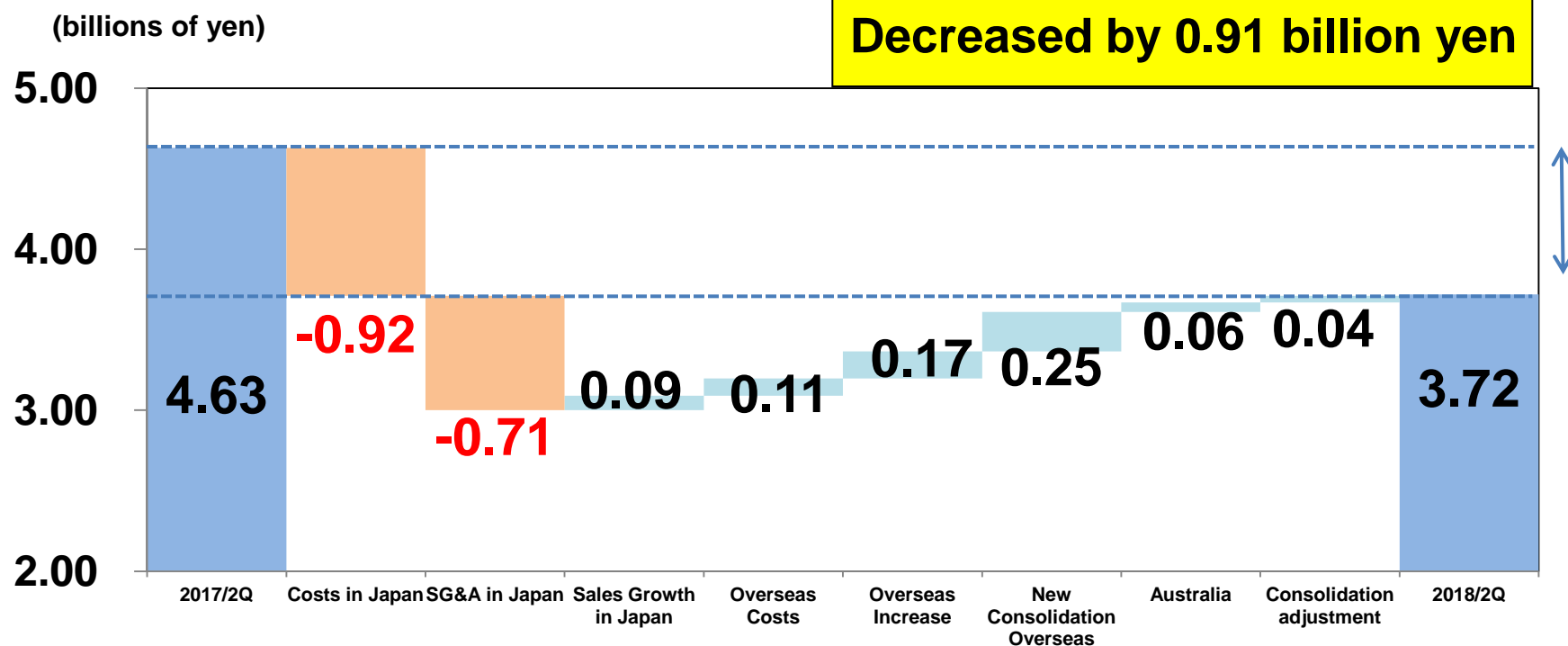
Term	2014/2Q	2015/2Q	2016/2Q	2017/2Q	2018/2Q
Net Sales (millions of yen)	49,956	51,913	54,166	55,902	57,619
No. of Customers (thousands of people)	69,324	72,482	75,326	76,948	78,519
Average Customer Spending (yen)	721	716	719	726	734

*The above figure indicates the value in Japan.



(2) Operating Income

Year-on-Year Ratio: 80.2% -0.91 billion yen

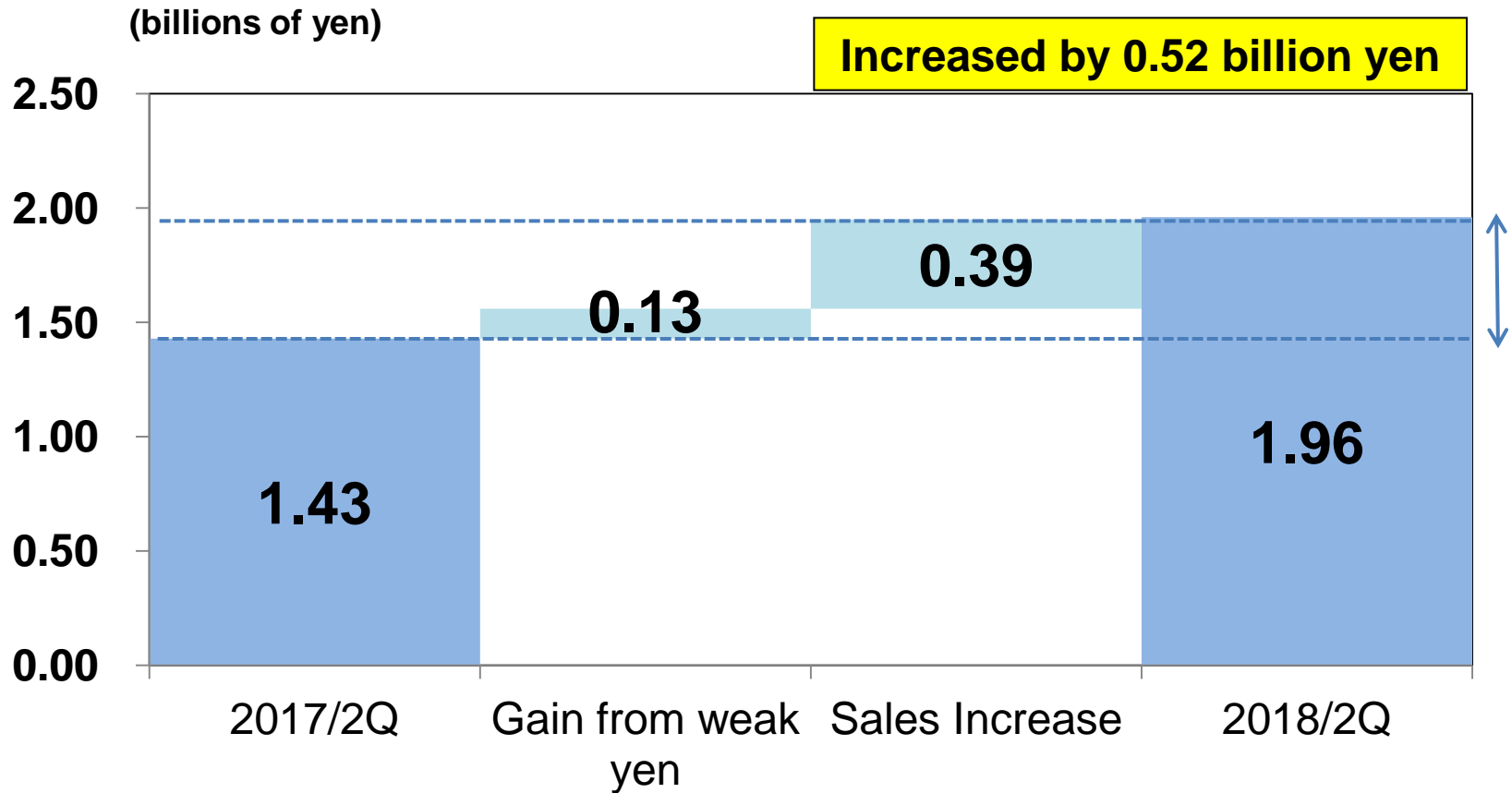


2017/2Q Operating income: 4.63 billion yen, operating margin: 6.6%

2018/2Q Operating income: 3.72 billion yen, operating margin: 5.0%

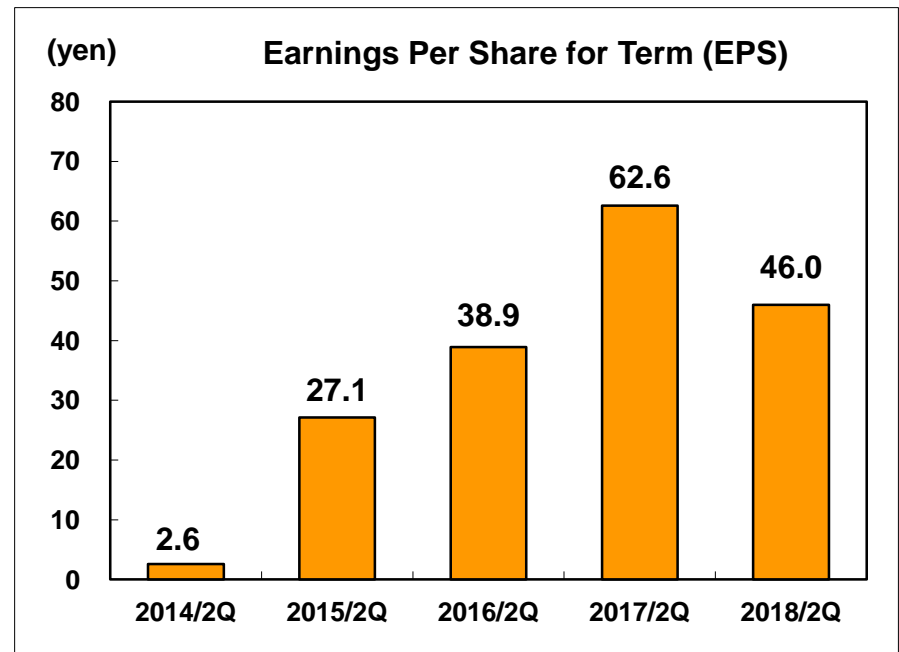
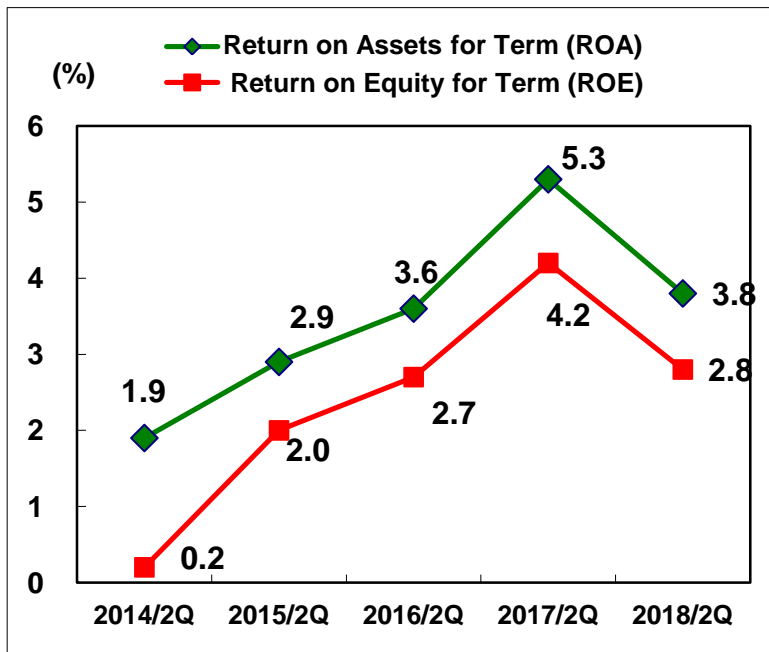
Impact Amount (Japan)	-1,530 million yen	
Cost of Sales	-920 million yen	Primary causes of income decrease indicated in red
Foreign exchange rates knock-on effects	-470	
Prices of ingredients (increases in lettuce, etc., decreases in sweet shrimp, chicken, and tomatoes)	-100	
Other	-350	
Selling, General and Administrative Expenses	-710 million yen	
Labor costs (Productivity decline, increase in temporary staff wages)	-520	
Facilities costs (Increase in asset retirement obligations, increase in fixtures)	-210	
Utility costs (Increase in gas unit price, drop in volume of electricity used for energy saving)	-60	
Other expenses	70	
Amount of Increase in Sales	90 million yen	
Impact Amount (Overseas)	520 million yen	
Cost of Sales	110 million yen	
Selling, General and Administrative Expenses	170 million yen	
Labor costs	-50	
Facilities costs	100	
Utility costs	20	
Other expenses	90	
Amount of Increase in Sales	250 million yen	
Australia Impact	60 million yen	

Breakdown of Changes in Overseas Operating Income



3. Trends in Major Financial Indicators (Consolidated)

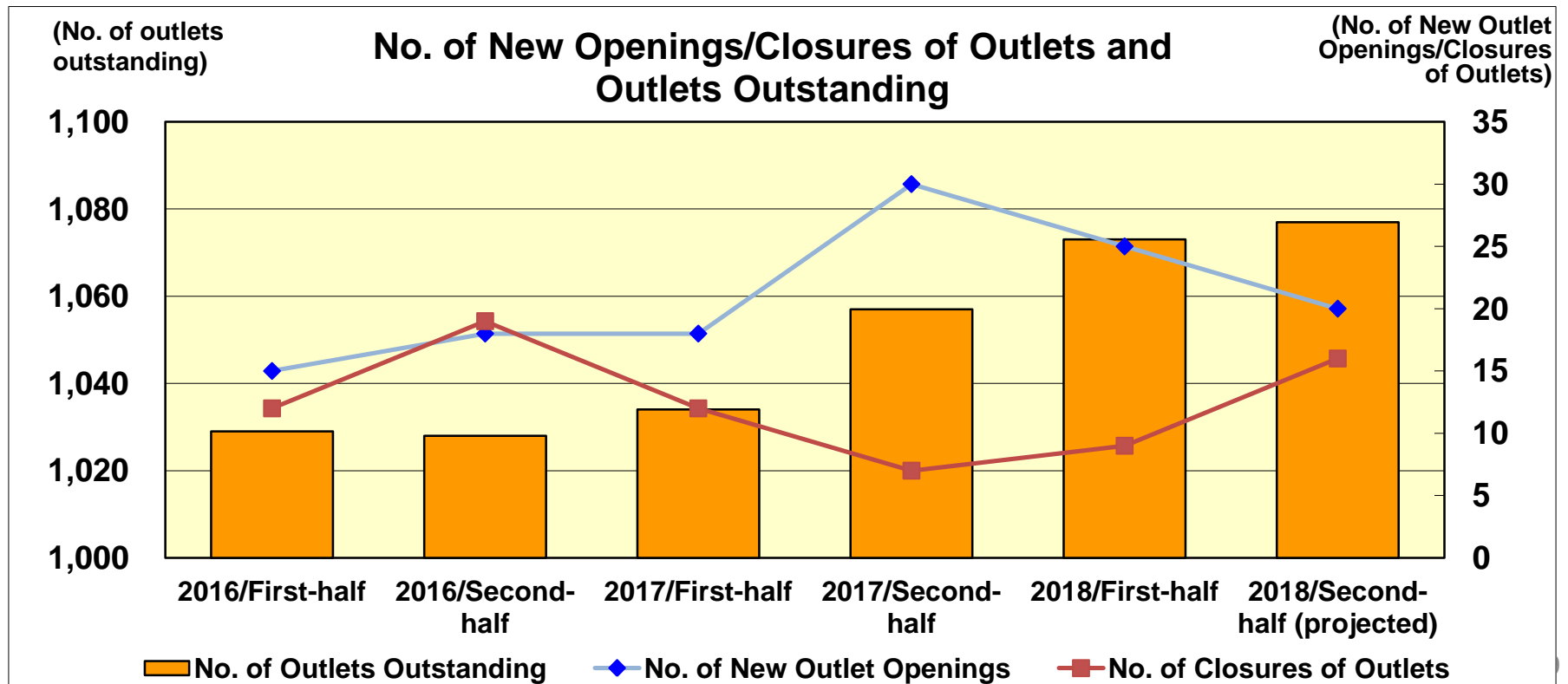
Classification		2014/2Q	2015/2Q	2016/2Q	2017/2Q	2018/2Q
Return on Assets for Term (ROA)	(%)	1.9	2.9	3.6	5.3	3.8
Total Assets Turnover	(No. of times)	0.7	0.7	0.8	0.8	0.7
Earnings Per Share for Term (EPS)	(yen)	2.6	27.1	38.9	62.6	46.0
Book-value Per Share (BPS)	(yen)	1,332.7	1,385.7	1,417.4	1,522.2	1,640.4
Capital Adequacy Ratio	(%)	79.5	75.8	79.0	80.4%	79.8%
Return on Equity for Term (ROE)	(%)	0.2	2.0	2.7	4.2	2.8



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

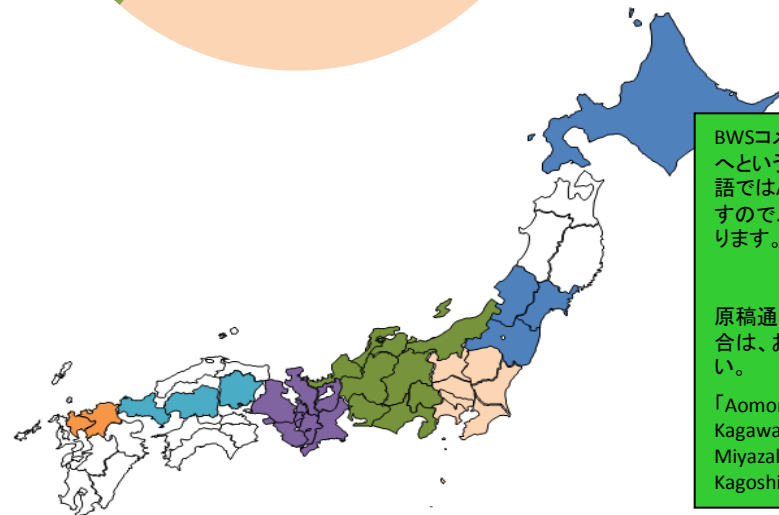
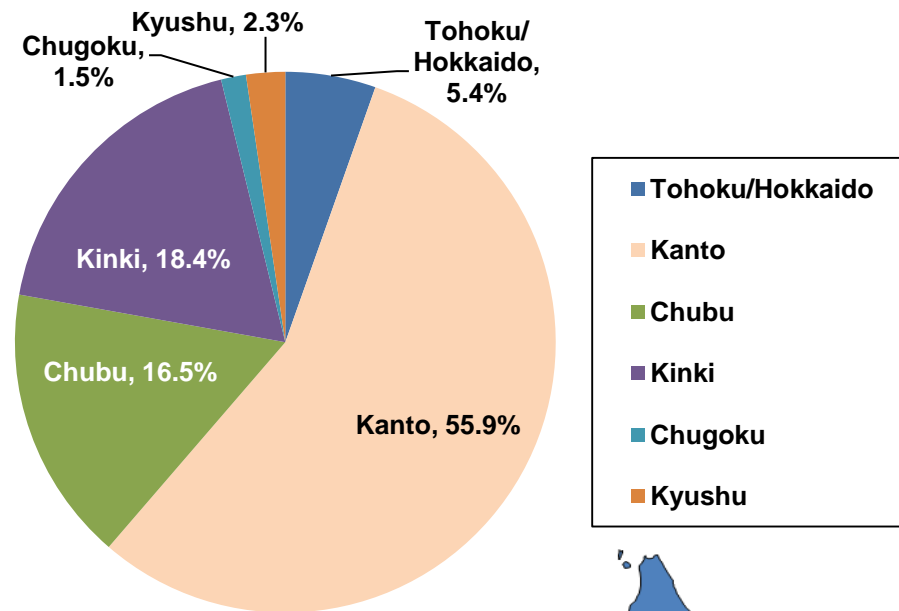
Term	2016/ First-half	2016/ Second-half	2017/ First-half	2017/ Second-half	2018/ First-half	2018/Second- half (projected)
No. of New Outlet Openings	15	18	18	30	25	20
No. of Closures of Outlets	12	19	12	7	9	16
No. of Outlets Outstanding	1,029	1,028	1,034	1,057	1,073	1,077

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



5. Number of Outlets in Japan by Region

Region	Subtotal	Ratio to total	Prefecture	No. of outlets	No. of New openings	No. of New Closures
Tohoku/Hokkaido	58	5.4%	Hokkaido	16	1	
			Miyagi	22		
			Fukushima	14	1	
			Yamagata	6		
Kanto	600	55.9%	Tokyo	213		1
			Kanagawa	125	3	
			Chiba	117	4	
			Saitama	90	4	1
			Ibaraki	29		
			Tochigi	17		
			Gunma	9	1	
Chubu	177	16.5%	Aichi	81	3	
			Shizuoka	28	2	1
			Niigata	12		
			Gifu	14		
			Nagano	14	1	1
			Ishikawa	13		
			Yamanashi	6		
			Toyama	5		
			Fukui	4		
Kinki	197	18.4%	Osaka	87	1	2
			Hyogo	48	2	1
			Kyoto	21		
			Mie	18		1
			Shiga	10		
			Nara	9		
			Wakayama	4		
Chugoku	16	1.5%	Okayama	4		1
			Hiroshima	11		
			Yamaguchi	1		
Kyushu	25	2.3%	Fukuoka	24	1	
			Saga	1	1	
Total	1,073	100.0%		1,073	25	9



BWSコメント: 原稿では県名へという順で羅列されている語ではABC順に記載する予定です、そのように記載順ります。

原稿通り北からの順に記載は、お手数ですが以下通りです。

「Aomori, Iwate, Akita, Tottori, Kagawa, Kochi, Tokushima, Miyazaki, Kumamoto, Nagasaki, Kagoshima, Okinawa」

Number of prefectures with outlets : 32

Number of prefectures without outlets: 15

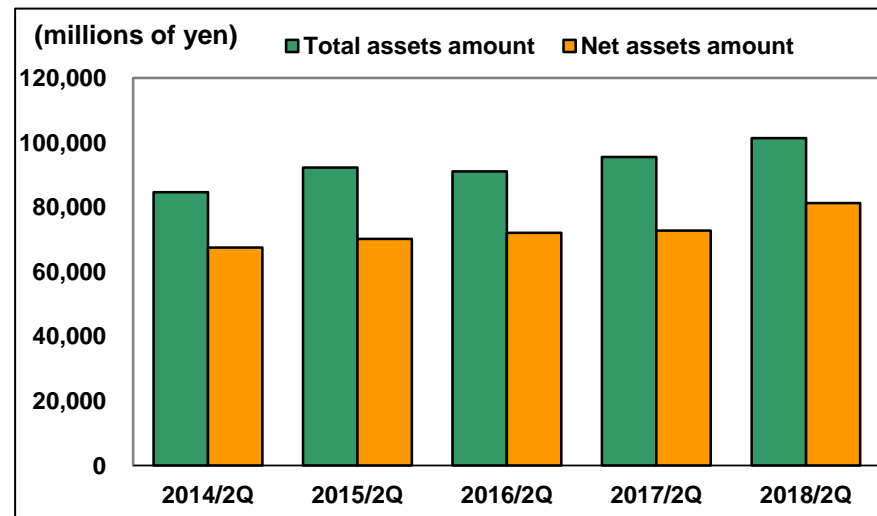
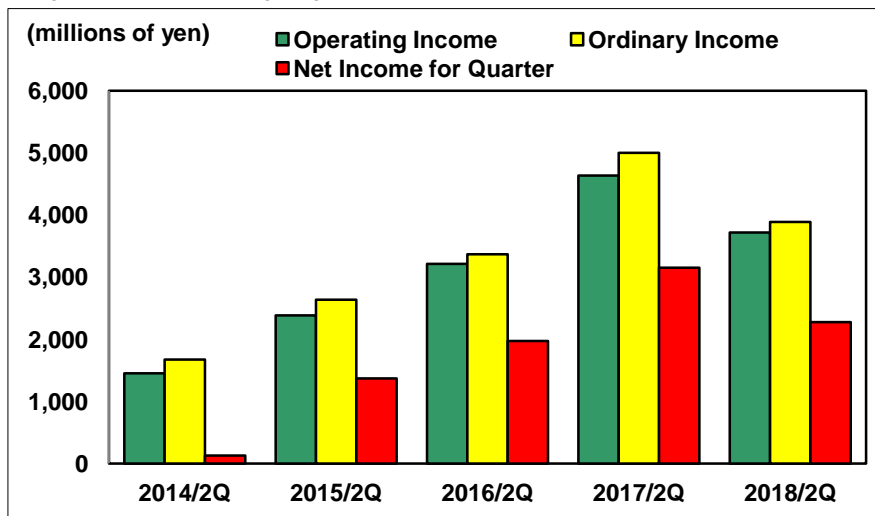
Akita, Aomori, Ehime, Iwate, Kagawa, Kagoshima, Kochi, Kumamoto, Miyazaki, Nagasaki, Oita, Okinawa, Shimane, Tokushima, Tottori

6. Trends in Financial Results (Consolidated)

(millions of yen)

Classification	2014/2Q		2015/2Q		2016/2Q		2017/2Q		2018/2Q		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	Plan	Year-on-Year Ratio
Net Sales	59,243	114.7%	65,448	110.5%	70,783	108.2%	70,548	99.7%	74,822	106.1%	156,500	105.5%
Selling, General and Administrative Expenses (SG&A)	35,929	116.2%	38,342	106.7%	40,870	106.6%	40,770	99.8%	43,656	107.1%	89,900	106.3%
Operating Income	1,453	42.5%	2,384	164.0%	3,216	134.9%	4,638	144.2%	3,720	80.2%	9,600	85.6%
Ordinary Income	1,672	41.3%	2,636	157.6%	3,369	127.8%	5,004	148.5%	3,890	77.7%	9,900	83.3%
Net Income for Quarter	131	6.9%	1,368	1043.3%	1,971	144.1%	3,152	159.9%	2,275	72.2%	6,200	82.7%
Total Assets Amount	84,616	104.3%	92,262	109.0%	91,018	98.7%	95,472	104.9%	101,298	106.1%	108,000	105.1%
Net Assets Amount	67,418	103.0%	70,165	104.1%	72,022	102.6%	72,663	100.9%	81,181	111.7%	85,700	106.6%

* Figures for F.Y. Ending August 2018 (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		
	2018/2Q Current term	2017/2Q Corresponding period of previous year	% Year-on- Year Ratio	2018/2Q Current term	2017/2Q Corresponding period of previous year	% Year-on- Year Ratio
Saizeriya	57,619	55,902	103.1%	1,695	3,236	52.4%
Saizeriya Australia	2,393	2,121	112.9%	62	3	-
Overseas outlets (Asia)	17,133	14,633	117.1%	1,955	1,434	136.3%
Consolidation Elimination	-2,324	-2,107	-	7	-36	-
Total	74,822	70,548	106.1%	3,720	4,638	80.2%

7. Financial Results for Subsidiaries

(2) Overseas Outlets Breakdown (Asia)

(millions of yen)

Corporation	Net Sales			Operating Income		
	2018/2Q Current term	2017/2Q Corresponding period of previous year	% Year-on- Year Ratio	2018/2Q Current term	2017/2Q Corresponding period of previous year	% Year-on- Year Ratio
Saizeriya Shanghai	4,853	4,127	117.6%	555	448	124.0%
Saizeriya Guangzhou	4,506	4,083	110.4%	470	371	126.6%
Saizeriya Beijing	2,492	2,049	121.6%	239	197	121.2%
Saizeriya Hong Kong	3,221	2,759	112.1%	518	360	165.2%
Saizeriya Taiwan	644	574	116.7%	28	17	143.9%
Saizeriya Singapore	1,415	1,037	136.4%	143	40	357.9%
Overseas outlets (Asia) Total	17,133	14,633	117.1%	1,955	1,434	136.3%

また、「2018/8月期通期純増数」は、「2018/8月期通期純増数(予想)」として訳出しております。

(3) Development of Overseas Outlets (Asia)

Region	F.Y. Ended August 2017	2018/First-half			2018/Second-half		
		New Outlet Opening	Closure of Outlets	End of Feb. 2018	New Outlet Opening (projected)	Closure of Outlets (projected)	End of Aug. 2018 (projected)
Shanghai	126	4	6	124	14	2	136
Guangzhou	116	4	1	119	15	4	130
Beijing	66	6	2	70	3	0	73
Hong Kong	28	1	0	29	4	1	32
Taiwan	11	1	0	12	2	0	14
Singapore	20	2	1	21	3	1	23
Overseas total	367	18	10	375	41	8	408

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

* For Singapore: Calculated based on the period from September 2017 to February 2018.

*Net increase for the F.Y. ended 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)

	2016/2Q	F.Y. Ended August 2016	2017/2Q	F.Y. Ended August 2017	2018/2Q	F.Y. Ending August 2018 (Projected)
New Outlet Openings	805	1,819	1,134	2,759	1,471	2,973
Renovation of Existing Outlets	170	460	659	1,338	668	4,310
Yoshikawa Plant	3	3	0	0	3	0
Kanagawa Plant	10	10	39	63	0	518
Fukushima Plant	0	0	24	26	0	20
Hyogo Plant	0	0	26	0	0	197
Chiba Plant	0	80	33	77	16	253
Head Office and Others	476	503	37	191	110	630
Consolidated Subsidiaries	1,590	2,568	804	1,481	846	1,958
Capital Expenditure (=A)	3,054	5,442	2,756	5,935	3,114	10,859
Cash Flow (=B)	3,958	10,447	3,754	12,402	4,352	11,146
Depreciation	2,900	5,856	2,741	5,812	2,981	5,850
Balance (=B-A)	903	5,005	998	6,467	1,238	287

* Figures for F.Y. Ending August 2018 (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 year (Results)	Year-on-Year Ratio	Second-half year (Budget)	Year-on-Year Ratio	Full Year (Budget)	Year-on-Year Ratio
Net Sales	74.8	106.1%	81.7	105.1%	156.5	105.5%
Operating Income	3.7	80.2%	5.8	88.2%	9.6	85.6%
Net Income	2.2	72.2%	3.9	89.8%	6.2	82.7%

■ Net Sales

Japan: 120 billion yen→120.4 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: First half 100.3%→99.8%, Second half 100.7%, full year 100.5%→100.3%

■ Operating income

Japan: 8.5 billion yen→5.5 billion yen, Asia: 3.9 billion yen→4.0 billion yen, Australia: 0.1 billion yen

Gross income percentage in Japan: First half 64.3%→63.1%, Second half 64.2%→64.0%, full year 64.3%→63.6%

Foreign exchange rates AUD: 83.66, EUR: 131.28, USD: 107.37

■ Net income

Japan: 5.7 billion yen→3.5 billion yen, Asia: 2.5 billion yen→2.6 billion yen, Australia: 0.15 billion yen →0.1 billion yen

Classification		F.Y. Ending August 2018 (Projected)
Return on Assets for Term (ROA)	(%)	9.4
Total Assets Turnover	(No. of times)	1.5
Earnings Per Share for Term (EPS)	(yen)	125.3
Book-value Per Share (BPS)	(yen)	1,729.9
Capital Adequacy Ratio	(%)	79.1
Return on Equity for Term (ROE)	(%)	7.5

10. Agenda for Second Half of 46th Term

Refurbish Outlets: Upgrade 75% of the outlets with bathrooms to new style

Introduce completely non-smoking outlets (by September 2019)

Improve human resources system (Introduce a captain staff system)

Introduce plastic glasses in all outlets (prevent contamination, reduce work load)

Rebuild domestic factories (Prepare for renovation of Yoshikawa factory)

Develop products that attract customers (Introduce new technologies, new production methods)

Advance New Business Development

■ Develop food court model

April 27 Ario Kawaguchi

■ Create expansion model: Shorten construction time

March 12 Spaghetti Mariano Takebashi Palace Side Building

April 15 Spaghetti Mariano Osaki Bright Tower

BWSコメント:

原稿にある「スパットミート」という文言は不要と伺っておりますので訳出しておりません。

Develop new marketing approach through R&D (Research brain wave activity)

Bolster foundations of overseas business (Rebuild brand, visualize inventory)



Thank you.