

# Saizeriya Co., Ltd. Financial Results Briefing Session for the Fiscal Year Ended August 31, 2019

(47th term: from September 1, 2018 to August 31, 2019)



Code No. 7581

Thursday, October 10, 2019



# Table of Contents

1. Financial Results for the Year Ended August 31, 2019	P 2
2. Major Factors Lifting Business Performance	P 4
3. Trends in Major Financial Indicators	P 18
4. Trends in Number of New Outlet Openings and Closures of Outlets, Outlets Outstanding	P 19
5. Number of Outlets in Japan by Region	P 22
6. Trends in Financial Results	P 23
7. Financial Results for Subsidiaries	P 24
8. Trends in Capital Expenditure and Cash Flow	P 28
9. Projected Consolidated Business Performance	P 29

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 Year Ended August 31, 2019 (Consolidated)

## (1) Financial Highlights

(Millions of yen)

	Financial Results	Previous Year	Year-on-Year Ratio	Budget	Percentage of Budget
Net Sales	156,527	154,063	101.6%	158,800	98.6%
Gross Margin	100,250	97,795	102.5%	101,200	99.1%
Operating Income	9,599	8,640	111.1%	9,100	105.5%
Ordinary Income	9,731	8,895	109.4%	9,500	102.4%
Net Income for This Year	4,980	5,074	98.1%	4,600	108.3%

Increased revenue and decreased profit

Budget reflects the financial forecast announced on April 10, 2019.

Net sales and gross net sales exceeded the previous year.

Operating income and ordinary income exceeded that of the previous year and the budget.

# 1. Financial Results for the Year Ended August 31, 2019 (Consolidated)

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

(Millions of yen)

	Year Ended August 31, 2019		Year Ended August 31, 2018		Ratio Difference
	Amount	Net Sales Ratio	Amount	Net Sales Ratio	
Net Sales	156,527	100.0%	154,063	100.0%	—
Sales Cost	56,277	36.0%	56,268	36.5%	-0.6%
Gross Margin	100,250	64.0%	97,795	63.5%	0.6%
Selling, General and Administrative Expenses (SG&A)	90,651	57.9%	89,154	57.9%	0.0%
Operating Income	9,599	6.1%	8,640	5.6%	0.5%
Ordinary Income	9,731	6.2%	8,895	5.8%	0.4%
Net Income for This Year	4,980	3.2%	5,074	3.3%	-0.1%

Sales cost ratio improved by 0.6 point.

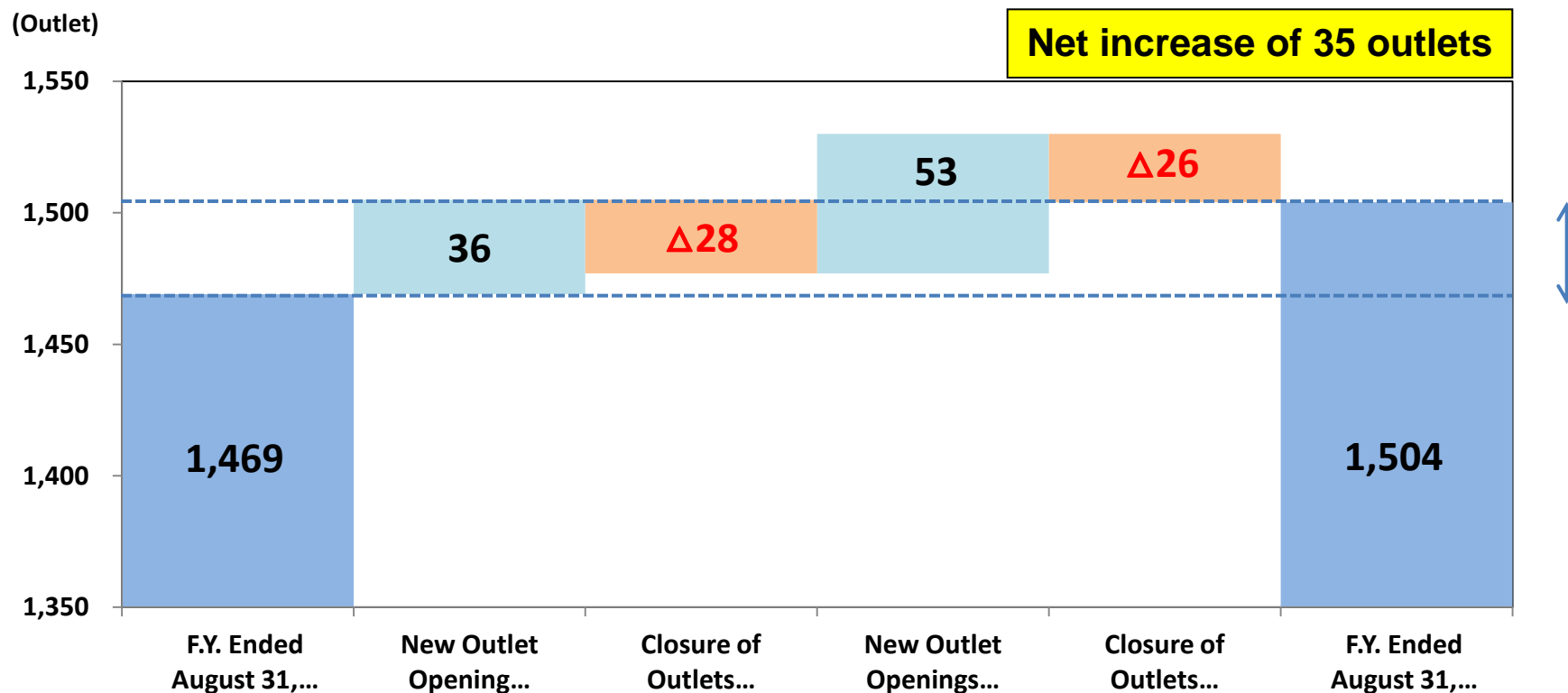
SG&A expenses ratio stayed flat.

Operating income ratio improved by 0.5 point.

## 2. Major Factors Lifting Business Performance

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

Number of outlets 1,504, net increase of 35 outlets



There was a net increase of 35 outlets (a net increase of 8 outlets in Japan and a net increase of 27 outlets overseas) since the end of August 2018.

The total number of domestic outlets is 1,093, and the total number of overseas outlets is 411.

The ratio of overseas outlets is 27.3%.

## 2. Major Factors Lifting Business Performance

### (1) Net Sales - Number of outlets

**Number of outlets 1,504, net increase of 35 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	36	53	28	25	1,093	1,085
Shanghai	17	8	9	9	133	125
Guangzhou	10	10	9	9	118	117
Beijing	12	12	5	5	80	73
Hong Kong	8	5	1	1	39	32
Taiwan	2	2	1	0	14	13
Singapore	4	5	1	1	27	24
Total	89	95	54	50	1,504	1,469

Consolidated net increase of 35 outlets (net increase in Japan: 8, overseas: 27) as the cumulative total for the F.Y. ended August 2019.

Consolidated net increase of 45 outlets (net increase in Japan: 28, overseas: 17) as the cumulative total for the F.Y. ended August 2018.

The total number of overseas outlets is 411. The ratio of overseas outlets is 27.3%.

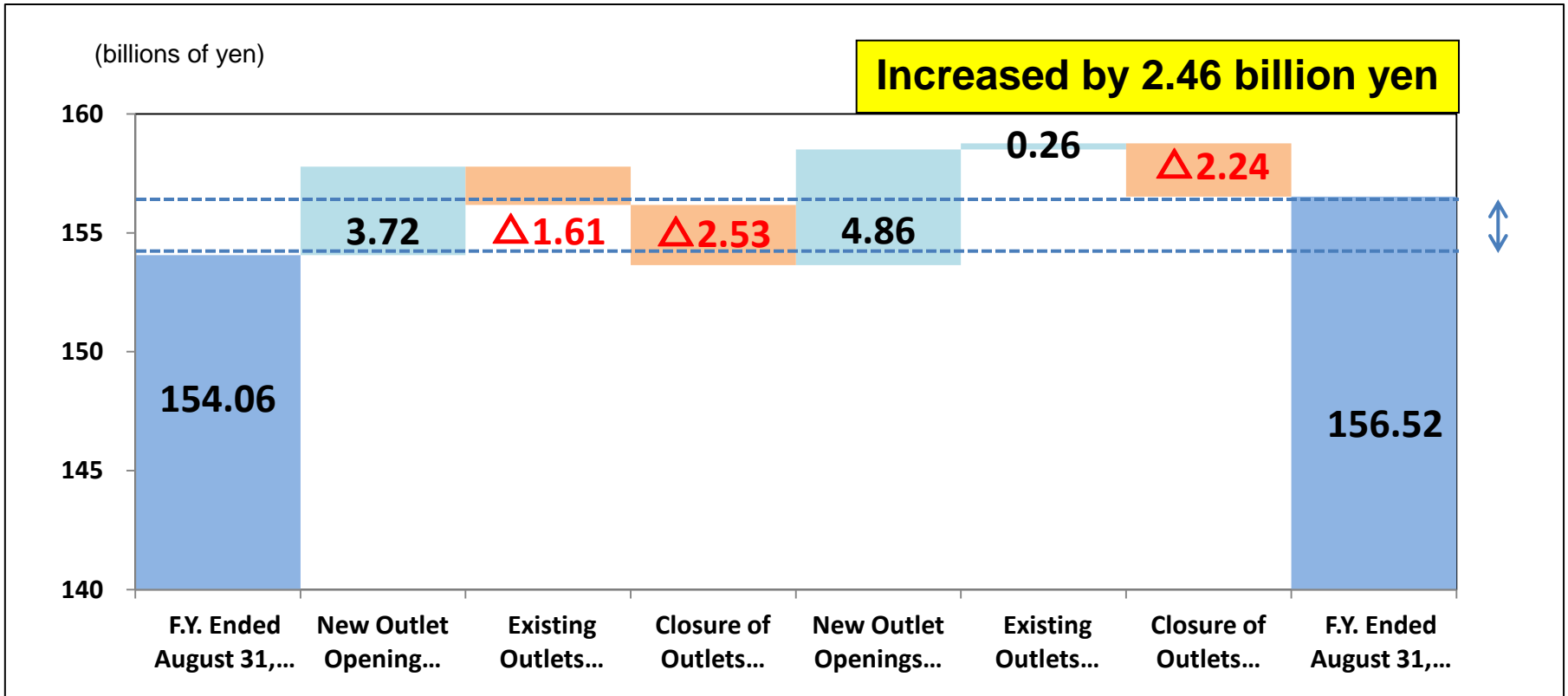
For Shanghai, Guangzhou, Beijing, Hong Kong, and Taiwan: Calculated based on the period from July 2018 to June 2019.

For Japan and Singapore: Calculated based on the period from September 2018 to August 2019.

## 2. Major Factors Lifting Business Performance

### (1) Net Sales

**Year-on-Year Ratio: 101.6% (+2.46 billion yen)**



**0.42 billion yen net decrease in domestic net sales**  
**2.88 billion yen net increase in overseas net sales**

## 2. Major Factors Lifting Business Performance

### (1) Net Sales

**Year-on-Year Ratio: 101.6% (+2.46 billion yen)**

Consolidated net sales amounted to 156.5 billion yen.

Domestic sales amounted to 118.9 billion yen, and overseas sales amounted to 37.3 billion yen. Percentage of overseas sales: 23.9%

Primary factors contributing to net sales growth

Total consolidated sales 2.46 billion yen (101.6%)

Total sales in Japan 0.42 billion yen (99.7%)

New outlets Increased by 3.72 billion yen

Existing outlets Decreased by 1.61 billion yen

Closure of outlets Decreased by 2.53 billion yen

Total overseas sales 2.88 billion yen (108.3%)

New outlets Increased by 4.86 billion yen

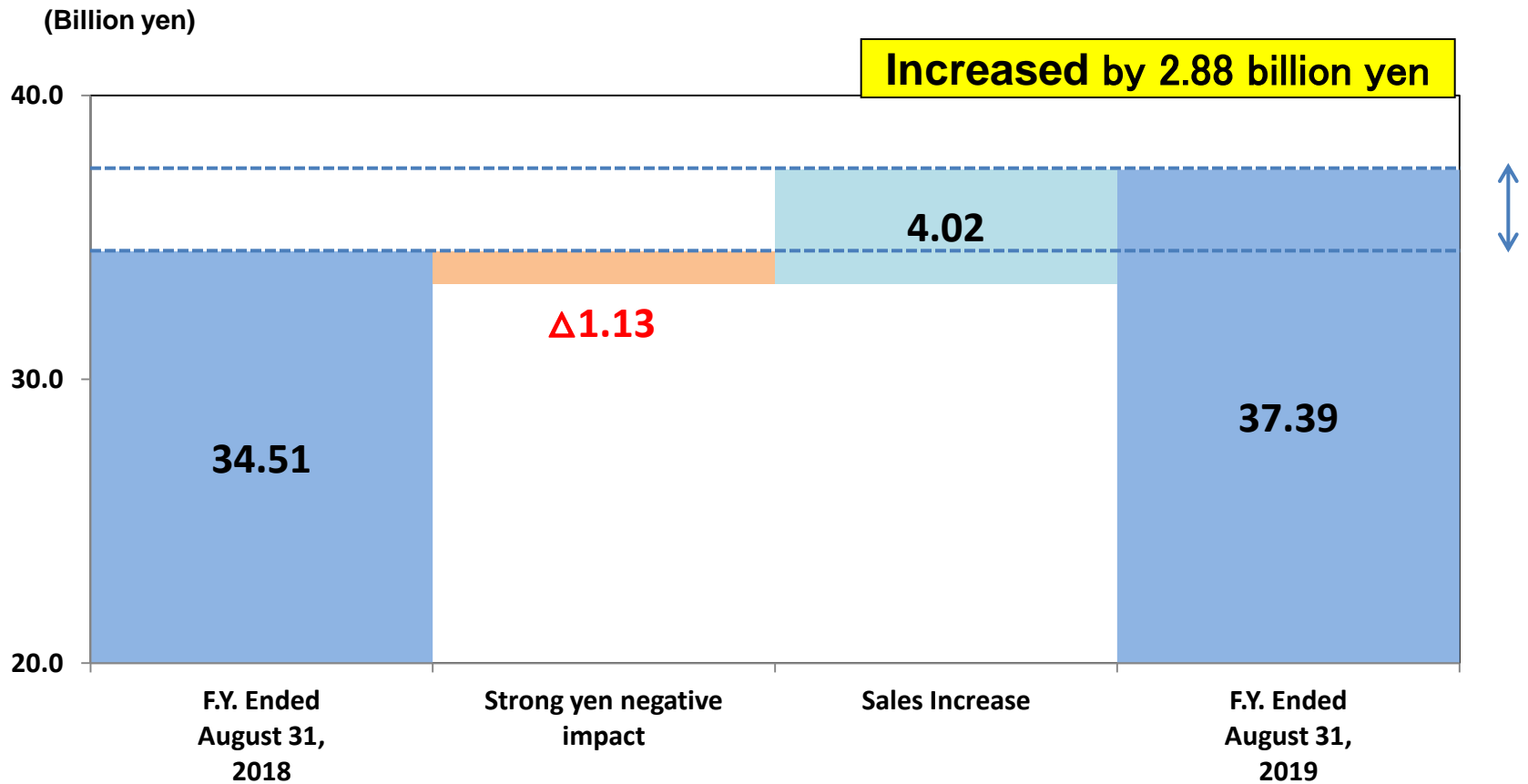
Existing outlets Increased by 0.26 billion yen

Closure of outlets Decreased by 2.24 billion yen

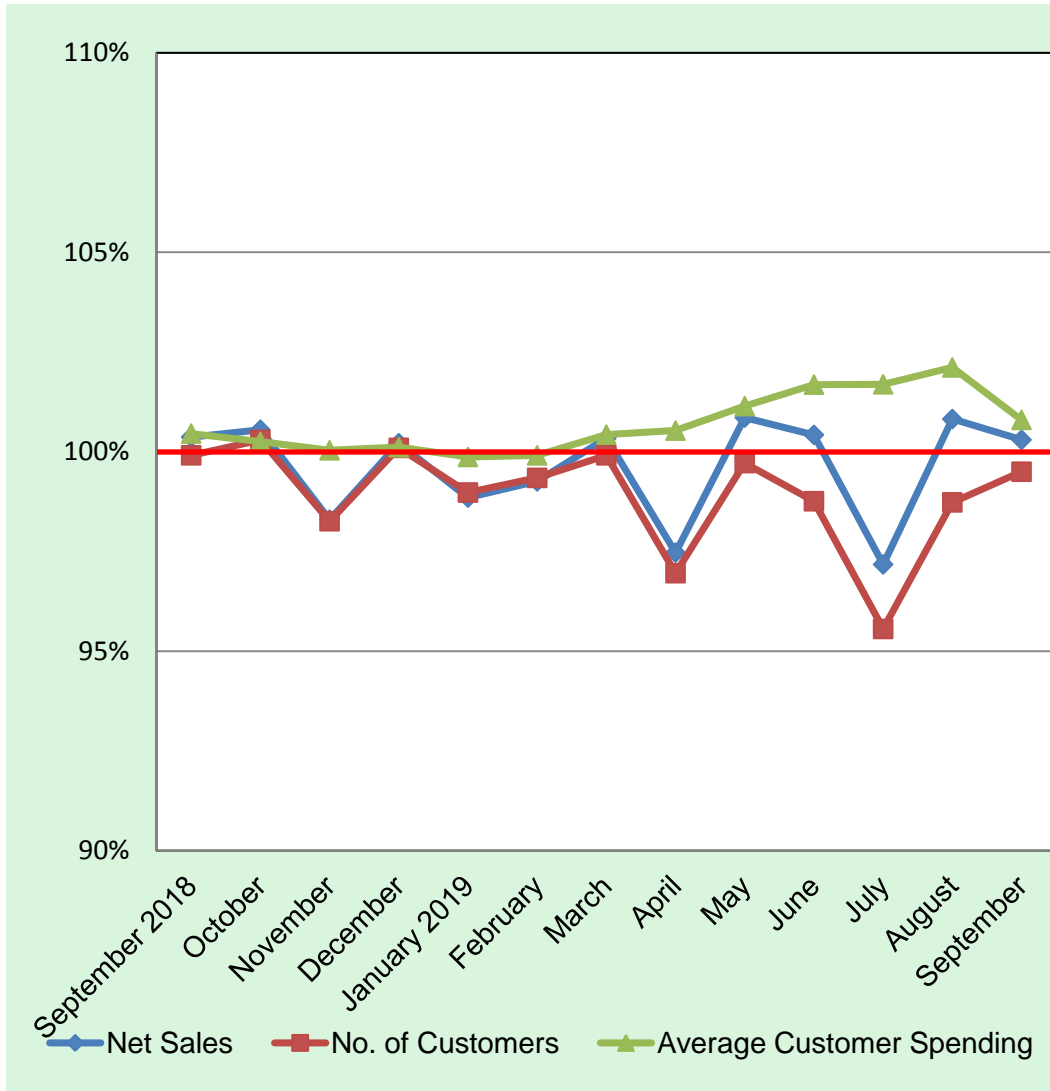
Figures in parentheses indicate year-on-year changes



# Breakdown of Sales Result Fluctuation in Overseas Outlets



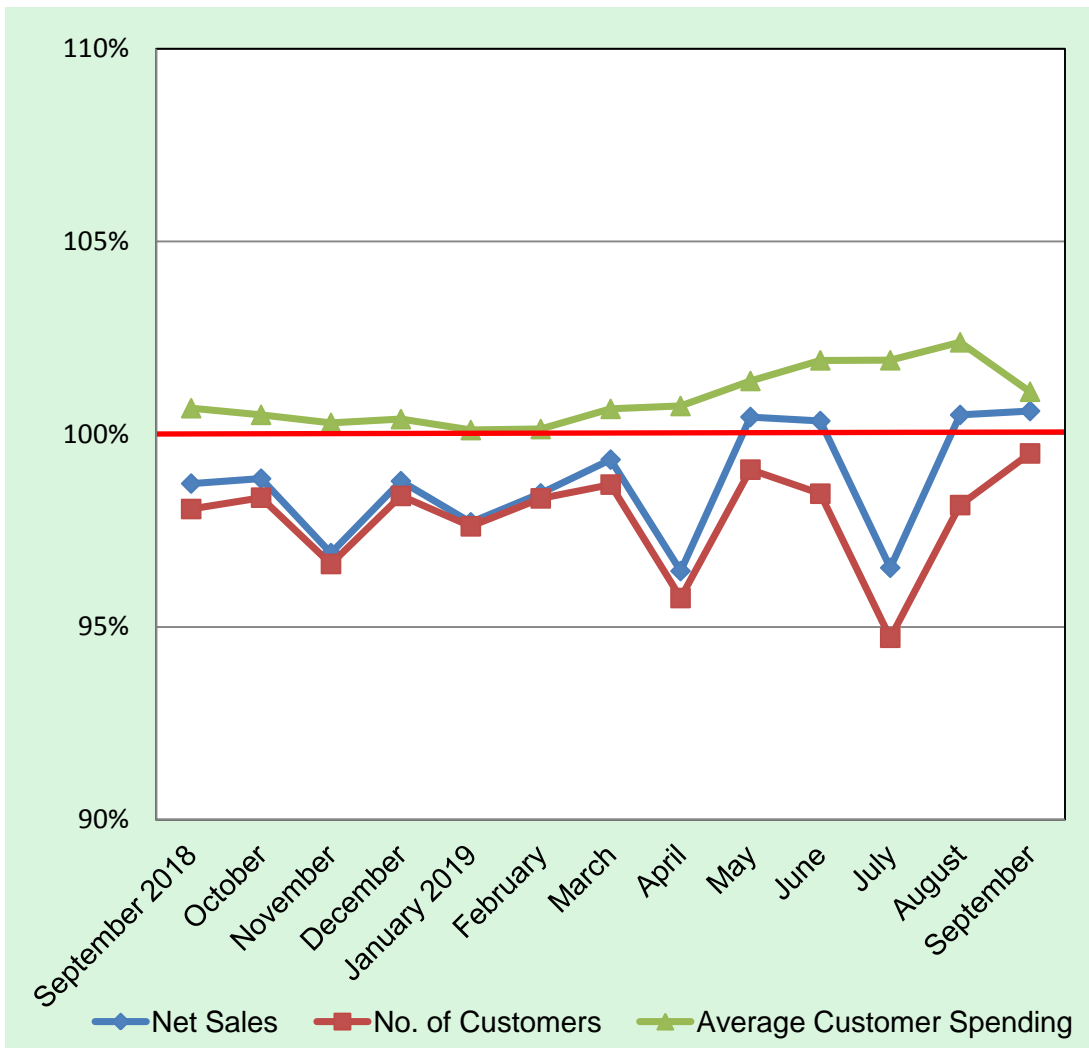
# Net Sales, Number of Customers, Average Customer Spending for All Outlets in Japan



	Net Sales	No. of Customers	Average Customer Spending
September 2018	100.4%	99.9%	100.5%
October	100.6%	100.3%	100.3%
November	98.3%	98.3%	100.0%
December	100.2%	100.1%	100.1%
January 2019	98.9%	99.0%	99.9%
February	99.3%	99.3%	99.9%
First-Half Cumulative Results	99.6%	99.5%	100.1%
March	100.3%	99.9%	100.4%
April	97.5%	97.0%	100.5%
May	100.9%	99.7%	101.1%
June	100.4%	98.8%	101.7%
July	97.2%	95.6%	101.7%
August	100.8%	98.7%	102.1%
Second-Half Cumulative Results	99.5%	98.3%	101.3%
Cumulative Total Results for 47th term	99.6%	98.9%	100.7%
September 2019	100.3%	99.5%	100.8%

\* 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

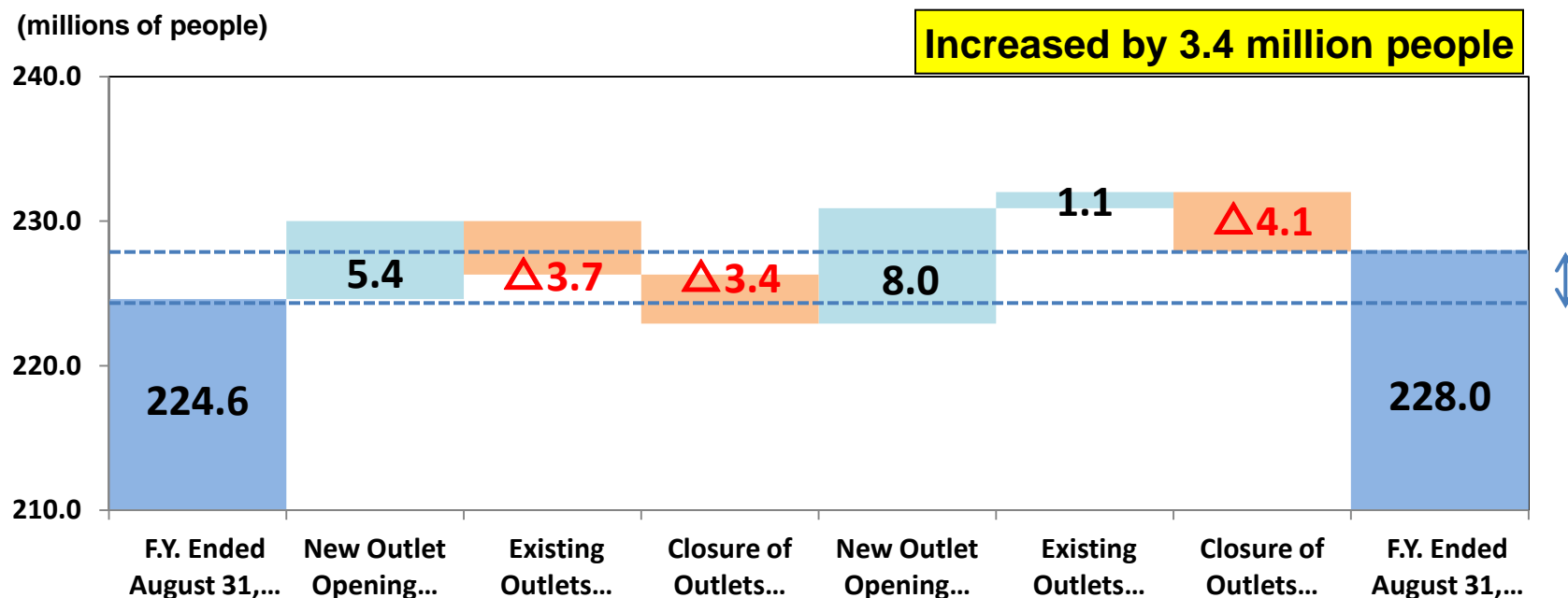


	Net Sales	No. of Customers	Average Customer Spending
September 2018	98.7%	98.1%	100.7%
October	98.8%	98.4%	100.5%
November	96.9%	96.6%	100.3%
December	98.8%	98.4%	100.4%
January 2019	97.7%	97.6%	100.1%
February	98.5%	98.3%	100.1%
First-Half Cumulative Results	98.2%	97.9%	100.4%
March	99.3%	98.7%	100.7%
April	96.4%	95.7%	100.7%
May	100.4%	99.1%	101.4%
June	100.3%	98.5%	101.9%
July	96.5%	94.7%	101.9%
August	100.5%	98.2%	102.4%
Second-Half Cumulative Results	98.9%	97.5%	101.5%
Cumulative Total Results for 47th term	98.6%	97.7%	100.9%
September 2019	100.6%	99.5%	101.1%

\* 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: 228.0 million people  
Increased by 3.4 million people Compared to Previous Term**



The total number of customers per year achieved a record high of 228.0 million people.

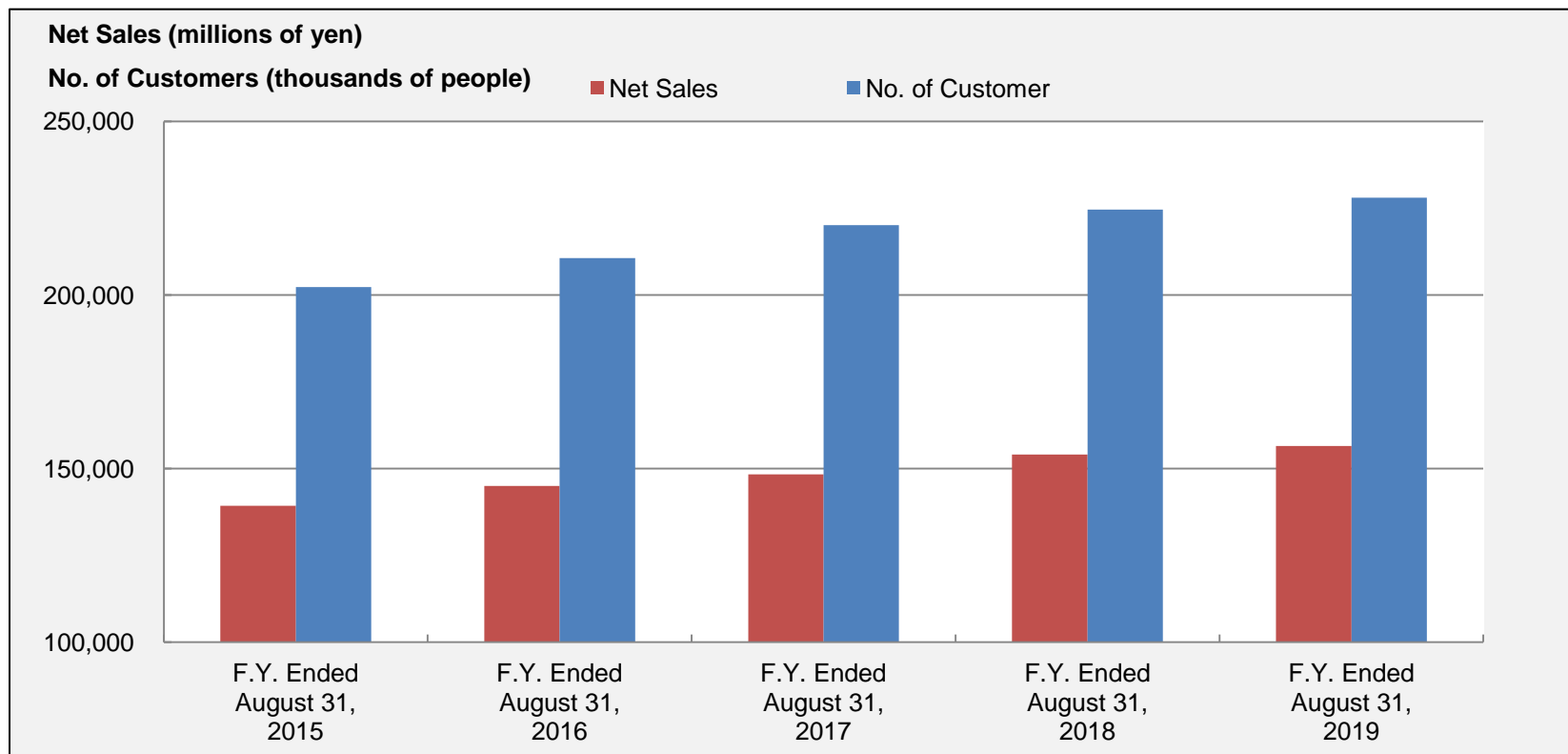
The number of customers in Japanese outlets: 161.9 million people, percentage of customers in Japan: 71.0%

Total overseas customers: 66.0 million people, percentage of overseas customers: 29.0%

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

Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019
Net Sales (millions of yen)	139,277	144,961	148,306	154,063	156,527
No. of Customer (thousands of people)	202,261	210,655	220,153	224,636	228,023
Average Customer Spending (yen)	689	688	674	686	686

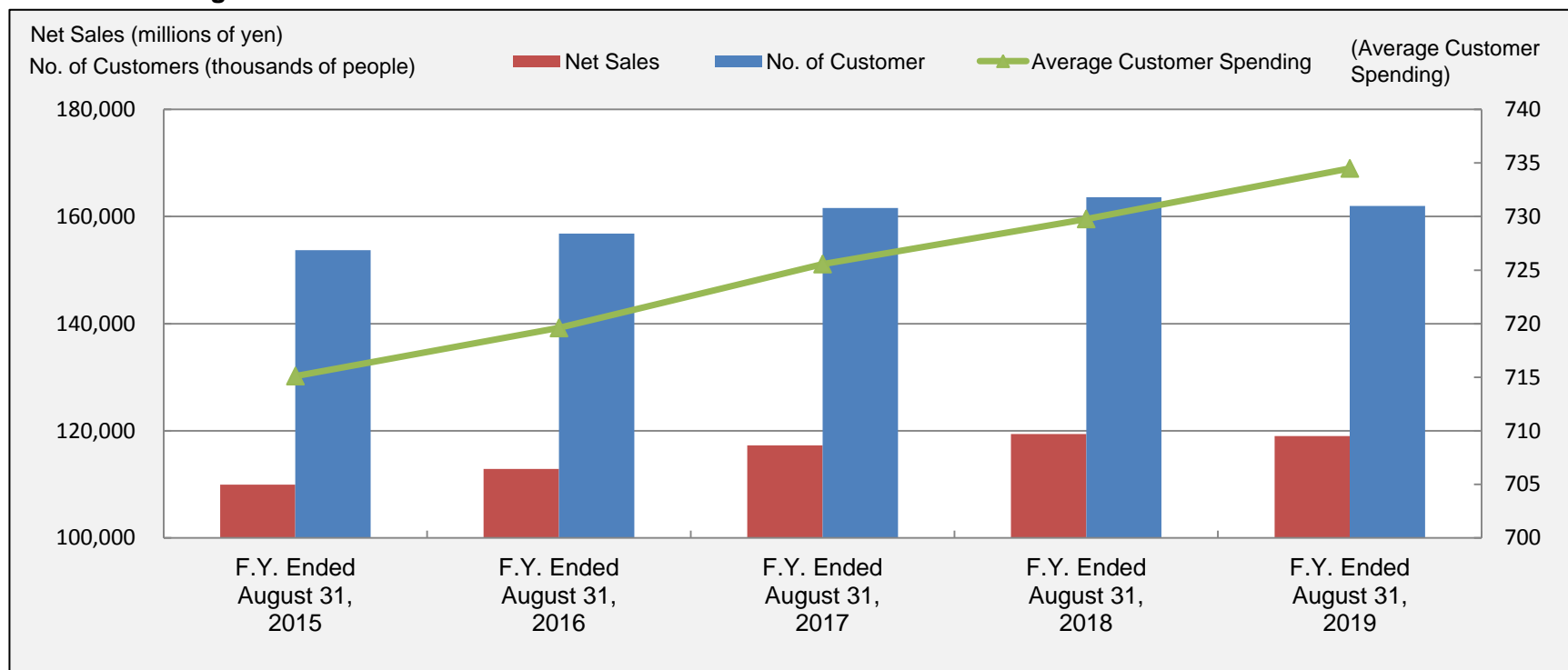
\*The above figure indicates the consolidated value.



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

Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019
Net Sales (millions of yen)	109,927	112,865	117,259	119,405	118,988
No. of Customer (thousands of people)	153,722	156,845	161,611	163,618	161,999
Average Customer Spending (yen)	715	720	726	730	735

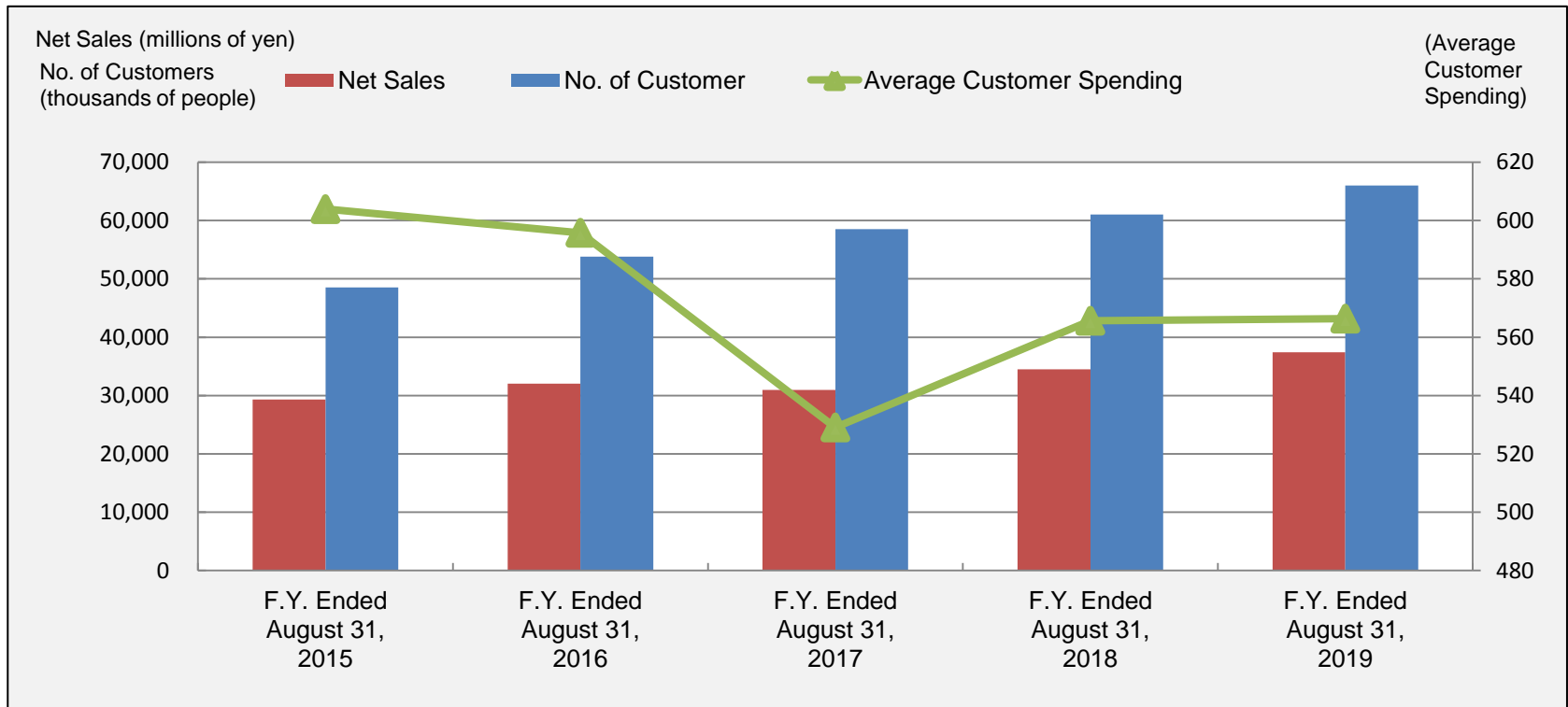
\*The above figure indicates the domestic value.



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

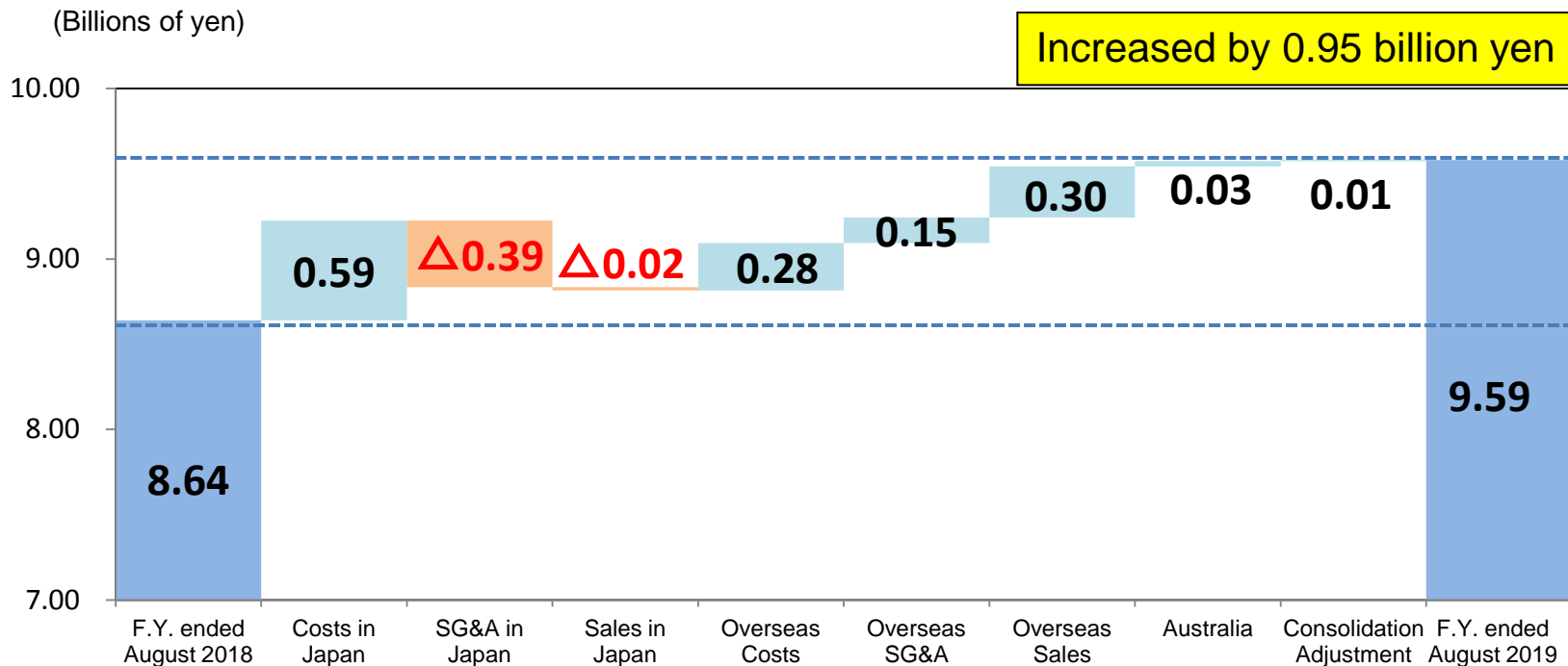
Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019
Net Sales (millions of yen)	29,313	32,060	30,973	34,514	37,394
No. of Customer (thousands of people)	48,539	53,810	58,541	61,018	66,024
Average Customer Spending (yen)	604	596	529	566	566

\*The above figures indicates the overseas values.



## 2. Major Factors Lifting Business Performance (2) Operating Income—vs. previous year

**Year-on-Year Ratio: 111.1% +0.95 billion yen**



**F.Y. ended August 2018 Operating income: 8.64 billion yen, operating margin: 5.6%**

**F.Y. ended August 2019 Operating income: 9.59 billion yen, operating margin: 6.1%**



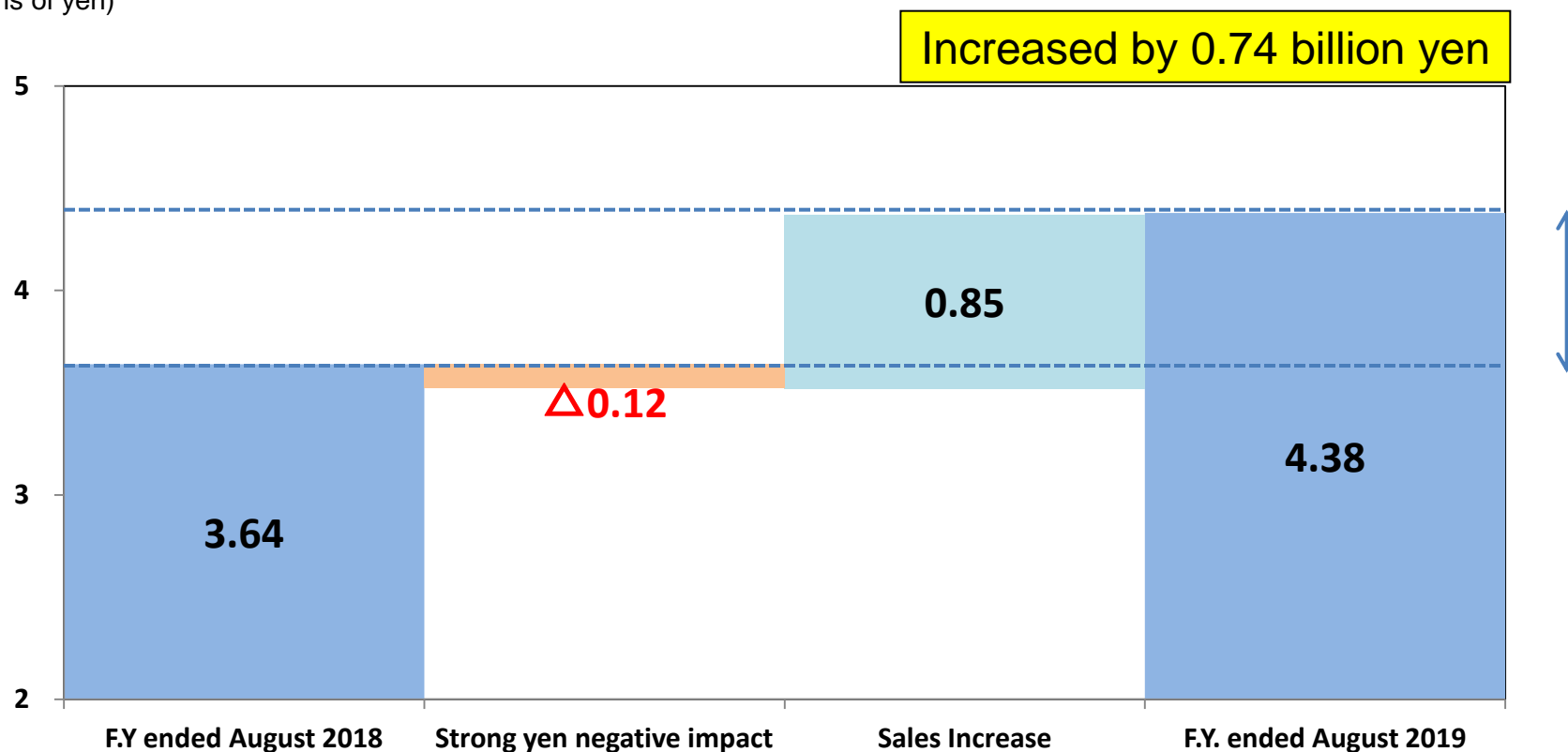
## (2) Operating Income – Amount of Increase/Decrease YoY

Primary causes of  
income decrease  
indicated in red

<b>Impact Amount (Japan)</b>	0.18(Billions of yen)
<b>Cost of Sales</b>	0.59
Foreign exchange rates knock-on effects	0.45
Prices of ingredients (Decreases in hamburgers, meat sauce, wines, and others.)	0.45
Logistics cost	-0.32
Other	0.01
<b>Selling, General and Administrative Expenses</b>	-0.39
Labor costs (increase in wages)	-0.56
Facilities costs (Decreases in depreciation and equipment costs)	0.37
Utility costs (increase in unit price, drop in volume of electricity used from energy saving measures)	-0.15
Other expenses (Increase in non-smoking cleaning expenses and service costs)	-0.05
<b>Amount of Increase in Sales</b>	-0.02
<b>Impact Amount (Overseas)</b>	0.74(Billions of yen)
<b>Costs</b>	0.28
<b>Selling, General and Administrative Expenses</b>	0.15
Labor costs	0.04
Facilities costs	0.17
Utility costs	0.09
Other expenses	-0.14
<b>Amount of Increase in Sales</b>	0.30
<b>Australia Impact</b>	0.03(Billions of yen)
<b>Consolidation Adjustment</b>	0.01(Billions of yen)
<b>Increase in Operating Income</b>	0.95(Billions of yen)

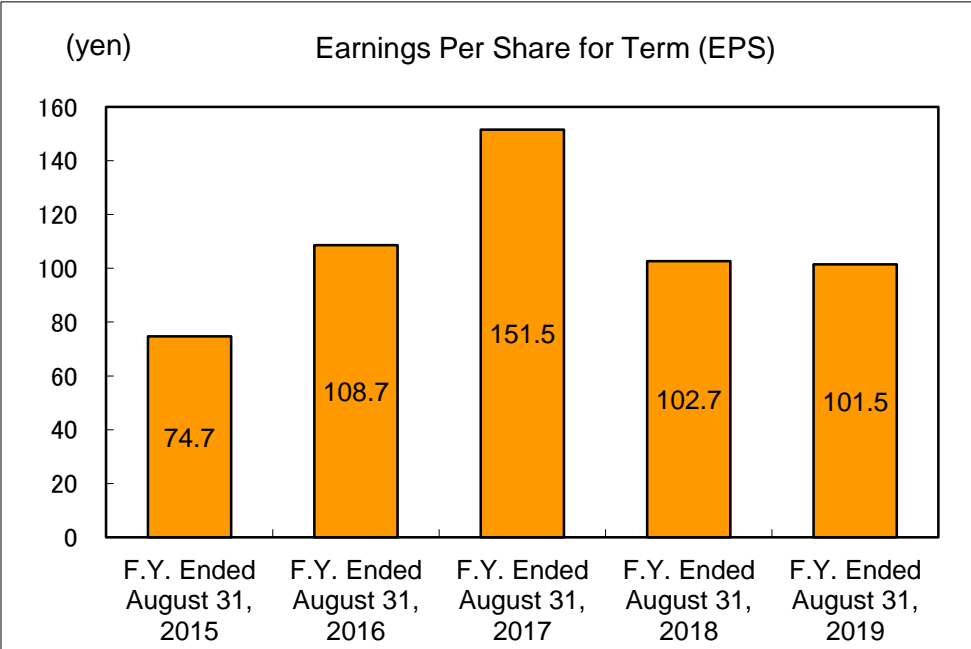
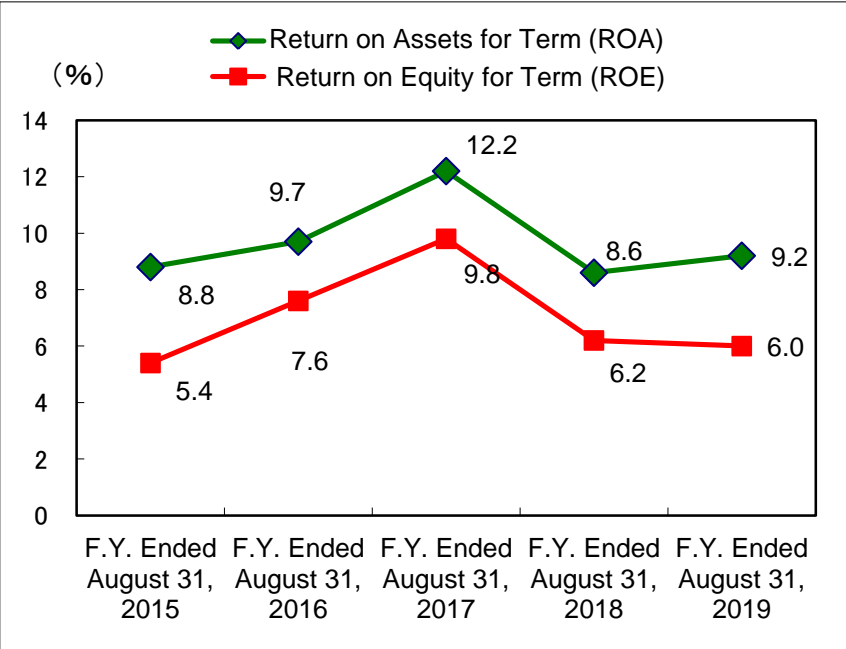
# Breakdown of Operating Income Fluctuation in Overseas Outlets

(Billions of yen)



# 3. Trends in Major Financial Indicators (Consolidated)

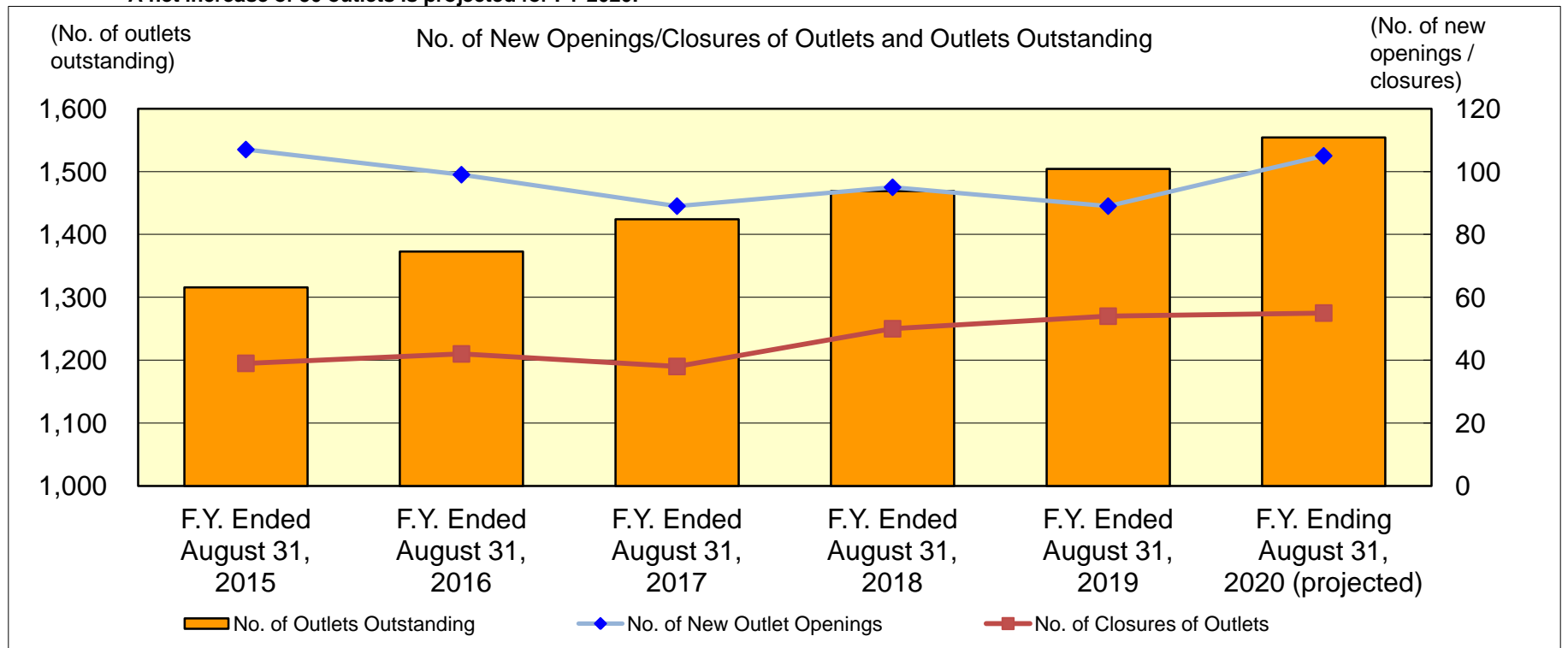
Classification		F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019
Return on Assets for Term (ROA)	(%)	8.8	9.7	12.2	8.6	9.2
Total Assets Turnover	(No. of times)	1.5	1.5	1.5	1.5	1.5
Earnings Per Share for Term (EPS)	(yen)	74.7	108.7	151.5	102.7	101.5
Book-value Per Share (BPS)	(yen)	1,423.3	1,441.1	1,618.6	1,681.9	1,728.7
Capital Adequacy Ratio	(%)	75.7	78.4	78.1	79.1	77.6
Return on Equity for Term (ROE)	(%)	5.4	7.6	9.8	6.2	6.0



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

Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019	F.Y. Ending August 31, 2020 (projected)
No. of New Outlet Openings	107	99	89	95	89	105
No. of Closures of Outlets	39	42	38	50	54	55
No. of Outlets Outstanding	1,316	1,373	1,424	1,469	1,504	1,554

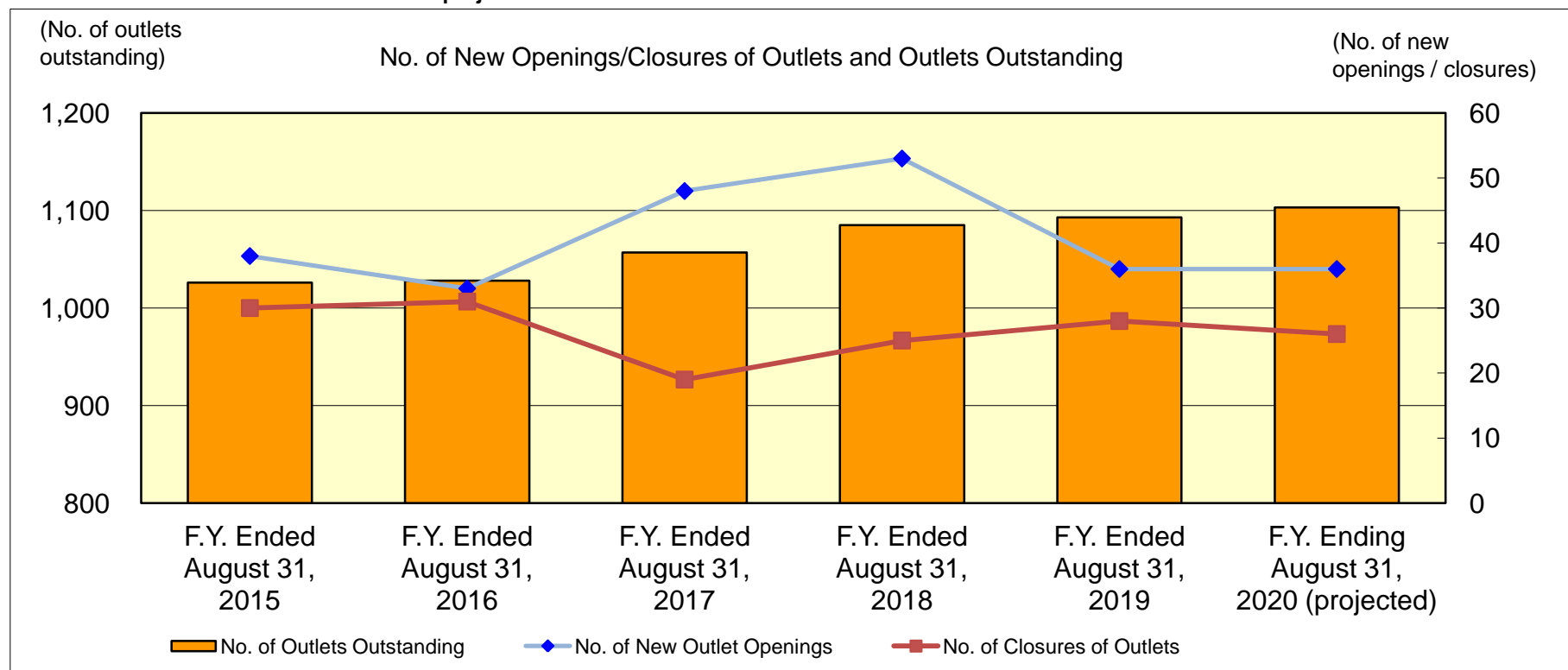
\* A net increase of 50 outlets is projected for FY 2020.



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

Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019	F.Y. Ending August 31, 2020 (projected)
No. of New Outlet Openings	38	33	48	53	36	36
No. of Closures of Outlets	30	31	19	25	28	26
No. of Outlets Outstanding	1,026	1,028	1,057	1,085	1,093	1,103

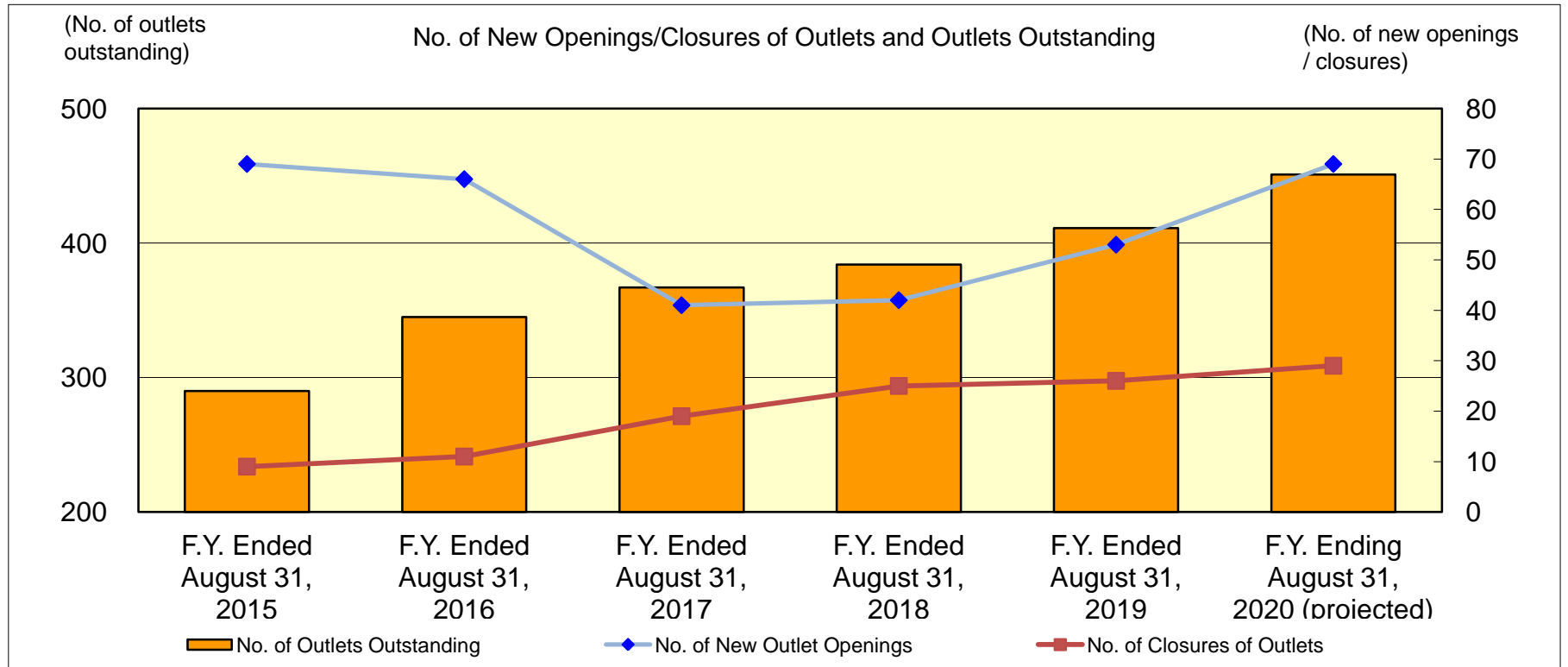
\* A net increase of 10 outlets is projected for FY 2020.



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

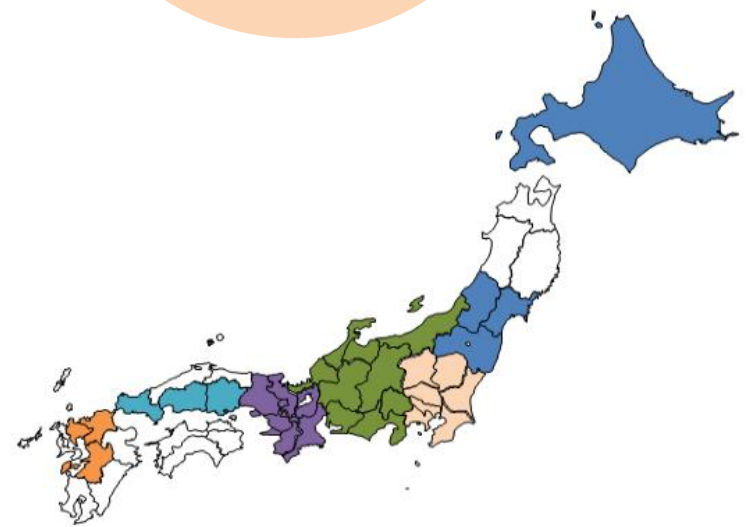
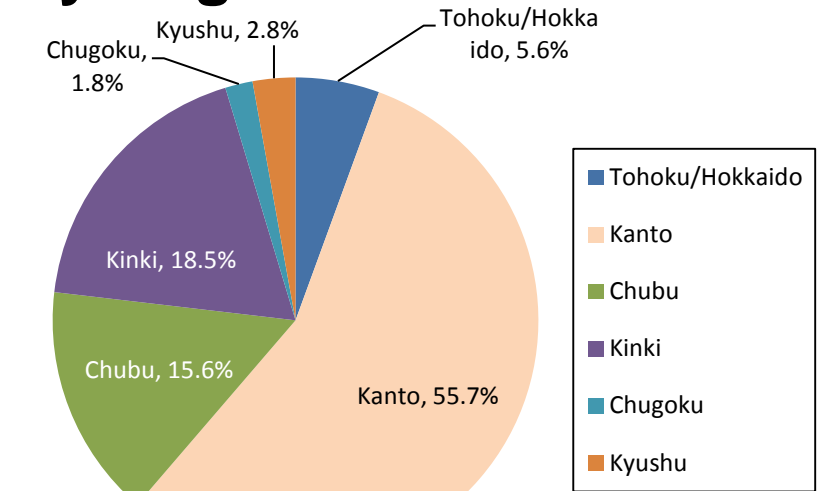
Term	F.Y. Ended August 31, 2015	F.Y. Ended August 31, 2016	F.Y. Ended August 31, 2017	F.Y. Ended August 31, 2018	F.Y. Ended August 31, 2019	F.Y. Ending August 31, 2020 (projected)
No. of New Outlet Openings	69	66	41	42	53	69
No. of Closures of Outlets	9	11	19	25	26	29
No. of Outlets Outstanding	290	345	367	384	411	451

\* A net increase of 40 outlets is projected for FY 2020.



# 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
<b>Tohoku/Hokkaido</b>	<b>61</b>	<b>5.6%</b>	Hokkaido	17	1	
			Miyagi	22		
			Fukushima	16	1	
			Yamagata	6		
<b>Kanto</b>	<b>609</b>	<b>55.7%</b>	Tokyo	216	7	7
			Kanagawa	130	4	3
			Chiba	119	3	2
			Saitama	91	1	2
			Ibaraki	29		1
			Tochigi	16		1
			Gunma	8		1
			<b>Chubu</b>	<b>170</b>	<b>15.6%</b>	Aichi
			Shizuoka	27		
			Niigata	12	1	
			Gifu	15	1	
			Nagano	12		
			Ishikawa	11		2
			Yamanashi	6		
			Toyama	5		
			Fukui	4		
			<b>Kinki</b>	<b>202</b>	<b>18.5%</b>	Osaka
Hyogo	51	2				1
Kyoto	22	1				
Mie	19	1				
Shiga	10					
Nara	9					
Wakayama	4					
<b>Chugoku</b>	<b>20</b>	<b>1.8%</b>	Okayama	5	1	
			Hiroshima	12	1	
			Yamaguchi	3	1	
<b>Kyushu</b>	<b>31</b>	<b>2.8%</b>	Fukuoka	28	6	2
			Saga	2		
			Kumamoto	1	1	
<b>Total</b>	<b>1,093</b>	<b>100.0%</b>		<b>1,093</b>	<b>36</b>	<b>28</b>



Number of prefectures with outlets: 33  
 Number of prefectures without outlets: 14  
 Aomori, Iwate, Akita, Tottori, Shimane, Kagawa, Kochi, Tokushima  
 Ehime, Oita, Miyazaki, Nagasaki, Kagoshima, Okinawa

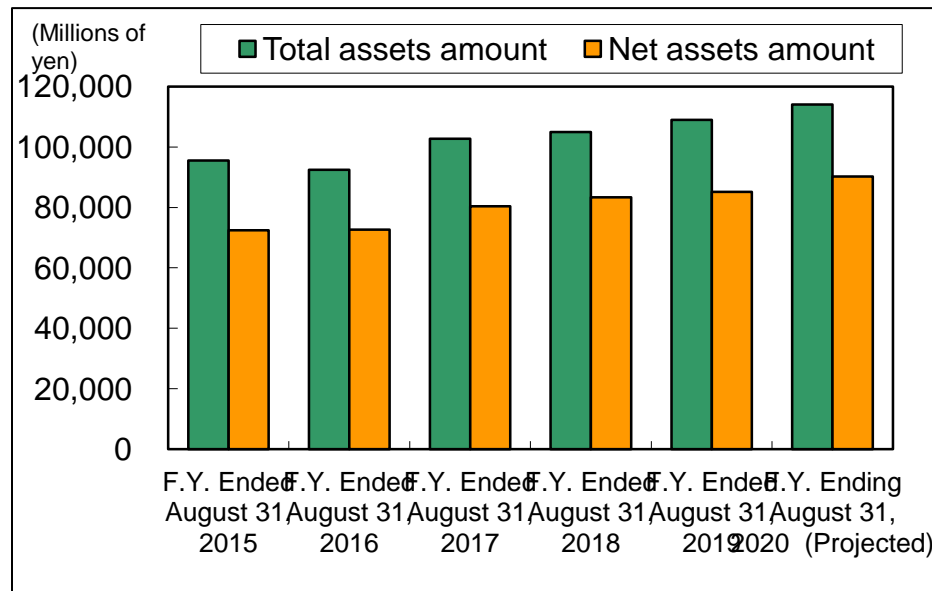
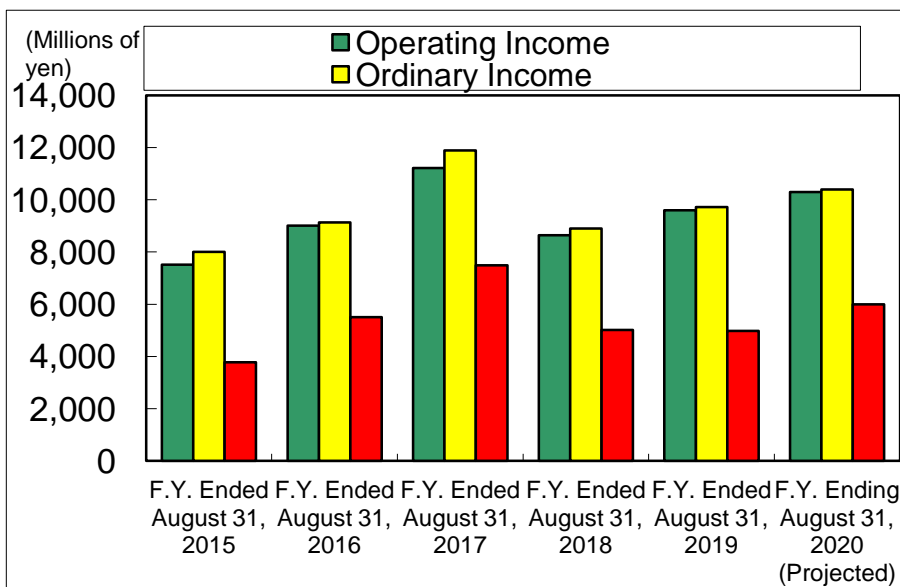
# 6. Trends in Financial Results (Consolidated)

(Millions of yen)

Term	F.Y. Ended August 31, 2015		F.Y. Ended August 31, 2016		F.Y. Ended August 31, 2017		F.Y. Ended August 31, 2018		F.Y. Ended August 31, 2019		F.Y. Ending August 31, 2020 (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
Classification												
Net Sales	139,277	110.9%	144,961	104.1%	148,306	102.3%	154,063	103.9%	156,527	101.6%	161,000	102.9%
Selling, General and Administrative Expenses (SG&A)	79,707	107.8%	82,557	103.6%	84,561	102.4%	89,154	105.4%	90,651	101.7%	93,500	103.1%
Operating Income	7,511	136.9%	9,006	119.9%	11,216	124.5%	8,640	77.0%	9,599	111.1%	10,100	105.2%
Ordinary Income	8,004	135.3%	9,134	114.1%	11,885	130.1%	8,895	74.8%	9,731	109.4%	10,400	106.9%
Net Income for this F.Y.	3,774	316.4%	5,505	145.9%	7,496	136.2%	5,074	67.7%	4,980	98.1%	6,000	120.5%
Total Assets Amount	95,485	109.5%	92,463	96.8%	102,731	111.1%	104,896	102.1%	108,975	103.9%	114,000	104.6%
Net Assets Amount	72,424	105.5%	72,663	100.3%	80,412	110.7%	83,396	103.7%	85,177	102.1%	90,200	105.9%

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

\* Figures for 2020/8 (projected) are estimated values.





## 7. Financial Results for Subsidiaries

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

(Millions of yen)

	Net Sales			Operating Income		
	F.Y. Ended August 31, 2019 Current term	F.Y. Ended August 31, 2018 Previous term	% Year-on-Year Ratio	F.Y. Ended August 31, 2019 Current term	F.Y. Ended August 31, 2018 Previous term	% Year-on-Year Ratio
Corporation						
Saizeriya	118,988	119,405	99.7%	5,116	4,938	103.6%
Saizeriya Australia	4,309	4,608	93.5%	78	44	176.7%
Overseas outlets (Asia)	37,394	34,514	108.3%	4,379	3,643	120.2%
Consolidation Elimination	-4,164	-4,465	-	25	13	184.6%
Total	156,527	154,063	101.6%	9,599	8,640	111.1%

## (2) Asia Breakdown

(Millions of yen)

Corporation	Net Sales			Operating Income		
	F.Y. Ended August 31, 2019 Current term	F.Y. Ended August 31, 2018 Previous term	% Year-on-Year Ratio	F.Y. Ended August 31, 2019 Current term	F.Y. Ended August 31, 2018 Previous term	% Year-on-Year Ratio
Saizeriya Shanghai	10,445	9,646	108.3%	1,329	993	133.8%
Saizeriya Guangzhou	8,476	8,849	95.8%	838	857	97.8%
Saizeriya Beijing	5,499	5,076	108.3%	552	438	126.0%
Saizeriya Hong Kong	7,927	6,627	119.6%	1,320	1,044	126.5%
Saizeriya Taiwan	1,584	1,326	119.4%	81	52	153.2%
Saizeriya Singapore	3,461	2,987	115.8%	257	257	99.9%
Overseas outlets (Asia) Total	37,394	34,514	108.3%	4,379	3,643	120.2%

### (3) Development of Overseas Outlets (Asia)

Region	F.Y. Ended August 31, 2018	F.Y. Ended August 2019			F.Y. Ending August 2020 (Projected)		
		New Outlet Opening	Closure of Outlets	End of Aug. 2019	New Outlet Opening (projected)	Closure of Outlets (projected)	End of Aug. 2020 (projected)
Shanghai	125	17	9	133	25	16	142
Guangzhou	117	10	9	118	15	8	125
Beijing	73	12	5	80	13	4	89
Hong Kong	32	8	1	39	8	0	47
Taiwan	13	2	1	14	4	0	18
Singapore	24	4	1	27	4	1	30
<b>Overseas total</b>	<b>384</b>	<b>53</b>	<b>26</b>	<b>411</b>	<b>69</b>	<b>29</b>	<b>451</b>

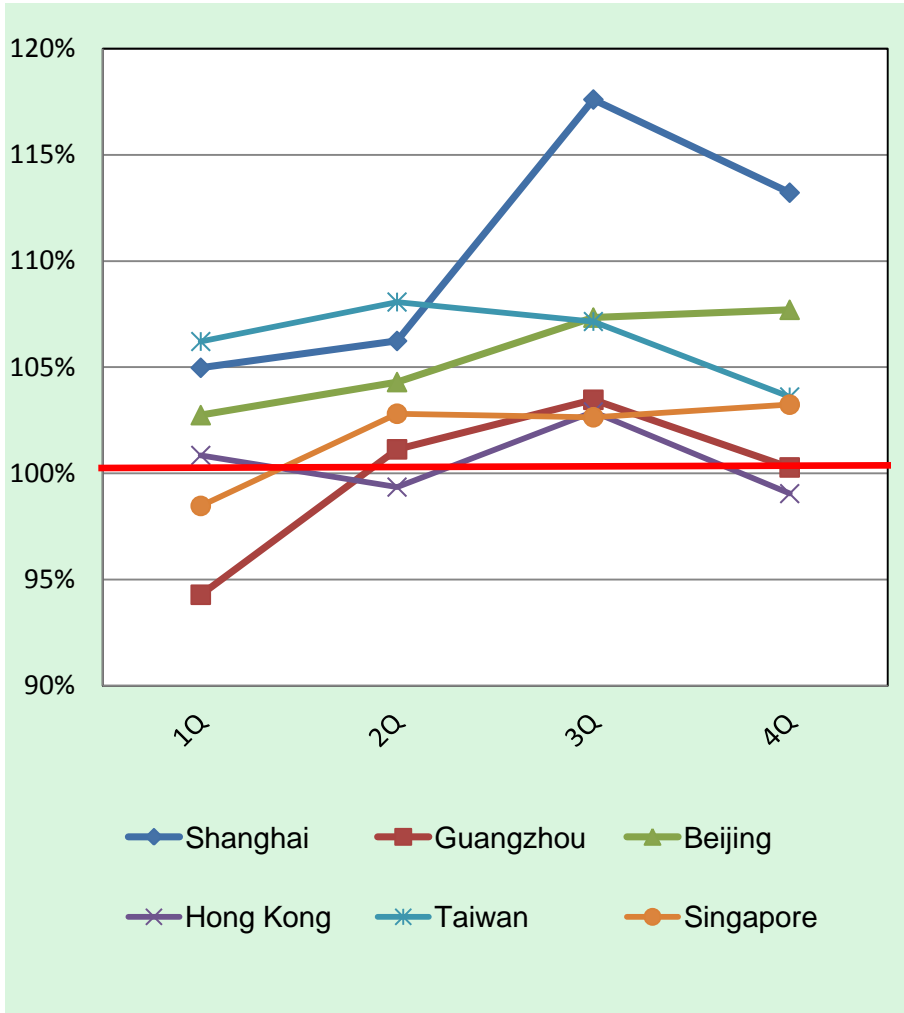
\*For Shanghai, Guangzhou, Beijing, Hong Kong, and Taiwan: Calculated based on the period from July 2018 to June 2019

\*For Singapore: Calculated based on the period from September 2018 to August 2019.

\*Net increase for the F.Y. ended August 31 2018: 27 outlets

\*Net increase for the F.Y. ending August 31 2020 (projected): 40 outlets

## (4) Trends in existing overseas outlets (by quarter)



	1Q	2Q	3Q	4Q
<b>Shanghai</b>	105%	106%	118%	113%
<b>Guangzhou</b>	94%	101%	103%	100%
<b>Beijing</b>	103%	104%	107%	108%
<b>Hong Kong</b>	101%	99%	103%	99%
<b>Taiwan</b>	106%	108%	107%	104%
<b>Singapore</b>	98%	103%	103%	103%

## 8. Trends in Capital Expenditure and Cash Flow

(Millions of yen)

	F.Y. Ended August 2016	F.Y. Ended August 2017	F.Y. Ended August 2018	F.Y. Ended August 2019	F.Y. Ending August 2020 (Projected)
New Outlet Openings	1,819	2,759	2,921	1,979	3,228
Renovation of Existing Outlets	460	1,338	2,158	1,113	1,726
Yoshikawa Plant	3	0	3	9	61
Kanagawa Plant	10	63	600	42	358
Fukushima Plant	0	26	122	42	264
Hyogo Plant	0	0	236	15	206
Chiba Plant	80	77	67	252	657
Head Office and Others	503	191	136	178	561
Consolidated Subsidiaries	2,568	1,481	1,743	2,453	2,765
Capital Expenditure (=A)	5,442	5,935	7,986	6,083	9,825
Cash Flow (=B)	10,447	12,402	10,467	10,309	10,819
Depreciation	5,856	5,812	6,297	6,229	5,711
Balance (=B-A)	5,005	6,467	2,481	4,226	994

\* Figures for F.Y. ending Aug. 31, 2020 (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 (Results)	Year-on-Year Ratio	Second-half of Term (Budget)	Year-on-Year Ratio	Full Year (Budget)	Year-on-Year Ratio
Net Sales	77.7	102.8%	83.3	102.9%	161.0	102.9%
Operating Income	3.9	111.1%	6.2	101.8%	10.1	105.2%
Net Income	2.3	125.9%	3.7	117.3%	6.0	120.5%

### ■ Net Sales

- Japan: 120 billion yen, overseas: 41 billion yen
- Net increase in Japan: 10 outlets, overseas net increase: 40 outlets
- Existing outlets in Japan compared to previous year: 100.5%
- Existing overseas outlets compared to previous year: 104.0%

### ■ Operating income

- Japan: 5.3 billion yen, Asia: 4.6 billion yen, Australia: 0.2 billion yen
- Gross income percentage in Japan: 64.2%
- Foreign exchange rates AUD: 71.58, EUR: 117.63, USD: 106.46

### ■ Net Income for this year

- Japan: 2.8 billion yen, Asia: 3 billion yen, Australia: 0.2 billion yen

### ■ Budget foreign exchange rate assumptions

CNY15.69, TWD3.47, HKD13.79, SGD76.68

Classification		F.Y. Ending August 2020 (Projected)
Return on Assets for Term (ROA)	(%)	9.3
Total Assets Turnover	(No. of times)	1.4
Earnings Per Share for Term (EPS)	(yen)	120.6
Book-value Per Share (BPS)	(yen)	1,844.2
Capital Adequacy Ratio	(%)	78.6
Return on Equity for Term (ROE)	(%)	6.9

# **Agenda for Fiscal Year 2020**

**Consumption Tax strategy (maintain after-tax menu prices by absorbing the 2% tax increase)**

**Utilization of SNS (spreading the Make Your Favorite (MYF) concept)**

**Striding for excellence in restaurant quality (desserts and others)**

**Rebuild domestic factories (Renovation of factories)**

**Remodeling of existing outlets (remodeling and restarting: 50 outlets, 750 million yen)**

**Strategy to increase customer traffic (additional/renewed signboards: 250 outlets, 83 million yen)**

**Streamlining outlet processes (remodeling of kitchens)**

**Customer base expansion (preparing for the Tokyo Olympics/enhancing handling capability of foreign language-speaking guests)**

**Improvement of the human resources system (revision of associate employee system)**



Thank you.