

Stepping into global markets



FUJIO FOOD SYSTEM CO.,LTD

JASDAQ(2752)

FY2014 First Quarter Financial Report

Photo: Maruten Shokudo (In mid-1950s; restaurant run by President Masahiro Fujio's parents, which was the model of the current *Maido Ookini Shokudo*)



This material is prepared for the purpose of providing information on financial results and business strategies of Fujio Food System Co., Ltd. and not for the purpose of soliciting subscription of securities issued by the Company. Opinions and forecasts shown in this material are in the Company's judgments at the time of preparation of the material, and the Company does not guarantee or promise the accuracy and completeness of such information.

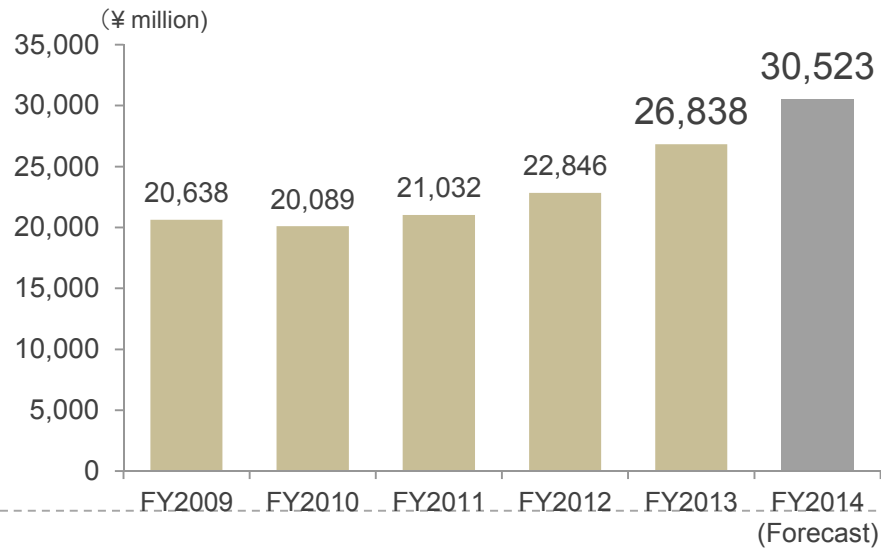
IR contact

Yuichiro Kuki, Director and Executive Officer / Yasuhiro Kondo, Business Planning Division
 Tel: 81-6-6882-0640 Email: kondo@fujio-food.com

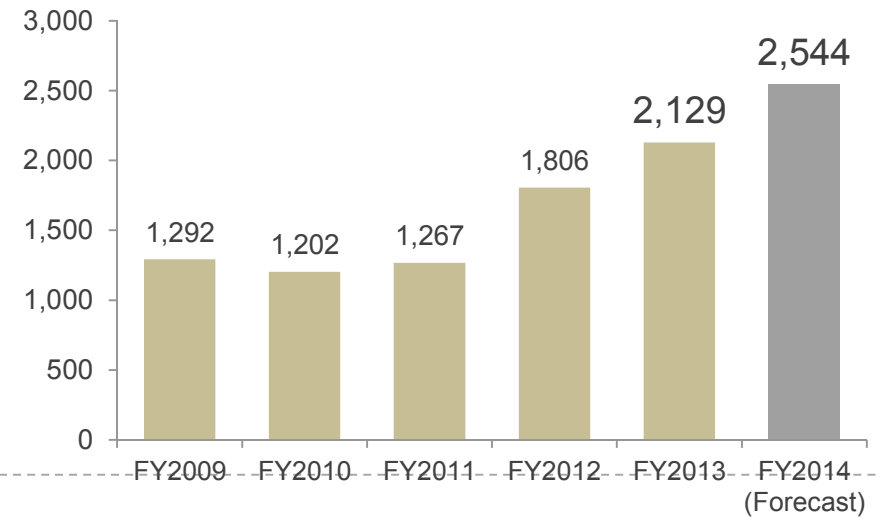
Six-year Financial Summary

Sales, Operating income, Net income and EBITDA has increased for four consecutive fiscal years.

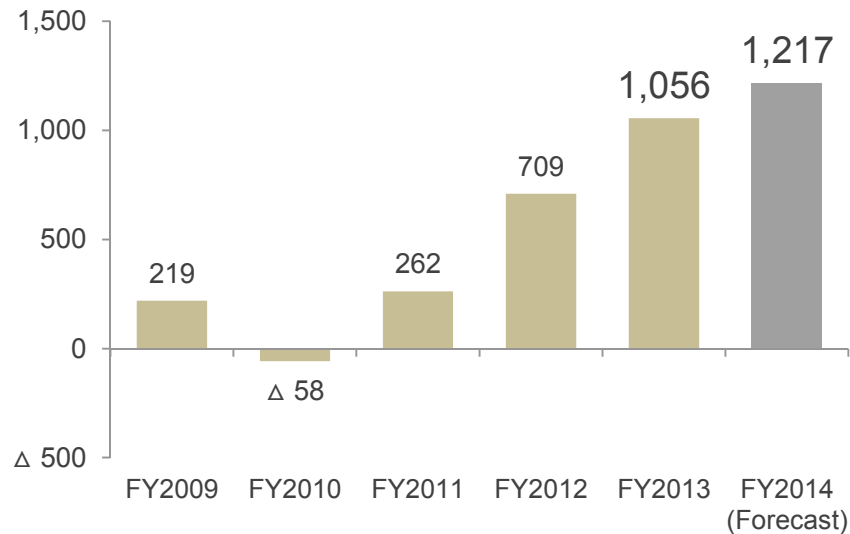
Sales



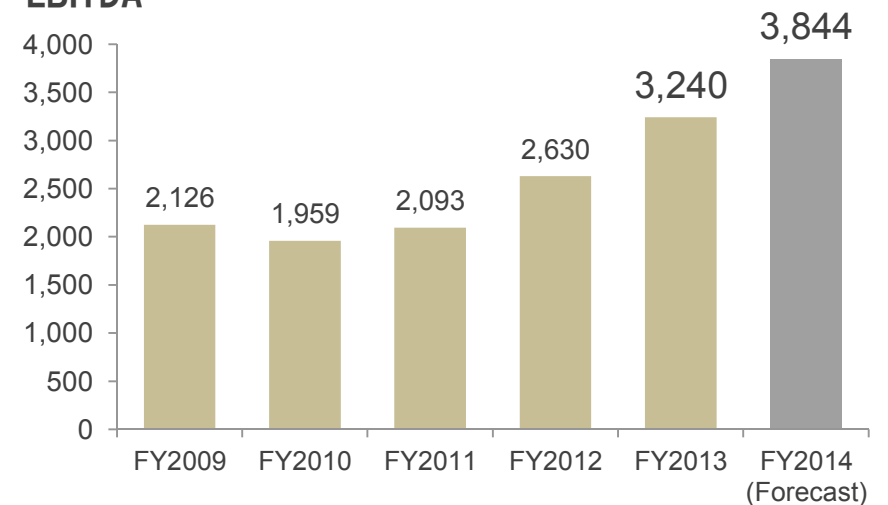
Operating Income



Net income



EBITDA



FY2014 1Q Income Statement Summary

(¥ million)	First quarter Ended				Year-on-Year	
	FY2013		FY2014		Change	
	Actual	% to Net Sales	Actual	% to Net Sales	Amount	Ratio
Net Sales	6,002	100.0%	7,206	100.0%	1,204	20.1%
Directly Managed Operations	5,626	93.7%	6,813	94.5%	1,187	21.1%
Franchise Operations	376	6.3%	392	5.4%	16	4.3%
Cost of Sales	2,014	33.6%	2,375	33.0%	361	17.9%
Gross Profit on Sales	3,988	66.4%	4,830	67.0%	842	21.1%
SG&A Expenses	3,490	58.1%	4,051	56.2%	561	16.1%
Operating Income	497	8.3%	779	10.8%	282	56.7%
Ordinary Income	484	8.1%	761	10.6%	277	57.2%
Extraordinary Income	2	0.0%	0	0.0%	△ 2	-100.0%
Extraordinary Loss	26	0.4%	34	0.5%	8	30.8%
Income before Income Taxes	460	7.7%	726	10.1%	266	57.8%
Net Income	265	4.4%	426	5.9%	161	60.8%
EBITDA*	691	11.5%	1,036	14.4%	345	49.9%

*EBITDA=Operating Income+Depreciation/Amortization

Financial Highlights

Net Sales +1,204 (20.1%up)

- Increase of sales in existing directly managed outlets
(103.9% in total sum in FY2014 1Q)

- Increase in directly managed outlets

End of March31,2013 306

End of March31,2014 348 +42

- Consolidation of a subsidiary company Honolulu Coffee
(increase of sales +206)

Operating Income +282 (50.7%up)

- Decrease of rate of cost -0.6%

- Decrease of SG&A expenses -1.9%
(optimization by increase of sales in existing outlets and decrease of fixed cost)

FY2014 1Q Directly Managed Operations: Net Sales by Brand

(¥million)	First Quarter Ended				Year-on-Year		FY2014 1Q	
	FY2013		FY2014		Change		(Directly Mnanaged)	
	Amount	Composition	Amount	Compostion	Amount	Ratio	New outlets	No of outlets
Net sales	5,626	100.0%	6,813	100.0%	1,187	21.1%	11	354
Maido Ookini Shokudo	2,160	38.4%	2,351	34.5%	191	8.8%	2	134
Kushiya Monogatari	1,706	30.3%	2,234	32.8%	528	30.9%	6	63
Kappogi	478	8.5%	570	8.4%	92	19.2%	1	37
Tsurumaru	489	8.7%	587	8.6%	98	20.0%	1	50
Others	790	14.0%	1,070	15.7%	280	35.4%	1	70

*Others include Honolulu coffee, a subsidiary company since 12/13 (Net sales:568, No of outlets:9)

FY2014 1Q Balance Sheets Summary

(¥ million)	First Quarter Ended				Year on Year Change	
	FY2013		FY2014		Amount	Ratio
	Amount	Composition	Amount	Composition		
Current Assets	4,530	28.6%	5,607	32.2%	1,077	23.8%
Cash and deposits	2,825	17.9%	4,016	23.1%	1,191	42.2%
Others	1,704	10.8%	1,590	9.1%	△ 114	-6.7%
Noncurrent Assets	11,261	71.2%	11,783	67.7%	522	4.6%
Property, plant and equipment	6,672	42.2%	7,073	40.6%	401	6.0%
Intangible assets	76	0.5%	72	0.4%	△ 4	-5.3%
Investments and other assets	4,512	28.5%	4,637	26.6%	125	2.8%
Deferred Assets	28	0.2%	24	0.1%	△ 4	-14.3%
Total Assets	15,820	100.0%	17,414	100.0%	1,594	10.1%
Current Liabilities	5,446	34.4%	5,498	31.6%	52	1.0%
Current portion of long-term loans debts	1,179	7.5%	1,608	9.2%	429	36.4%
Current portion of bonds	690	4.4%	610	3.5%	△ 80	-11.6%
Noncurrent Liabilities	5,497	34.7%	6,869	39.4%	1,372	25.0%
Long-term bonds	1,759	11.1%	1,499	8.6%	△ 260	-14.8%
Long-term debts	2,593	16.4%	4,224	24.3%	1,631	62.9%
Capital stock	1,457	9.2%	1,458	8.4%	1	0.1%
Capital surplus	1,337	8.5%	1,337	7.7%	0	0.0%
Net Assets	4,876	30.8%	5,047	29.0%	171	3.5%
Liabilities and Net Assets	15,820	100.0%	17,414	100.0%	1,594	10.1%

ポイント

Total cash and cash equivalents:
 ¥4,016 million
 yoy - ¥1,305 million increase

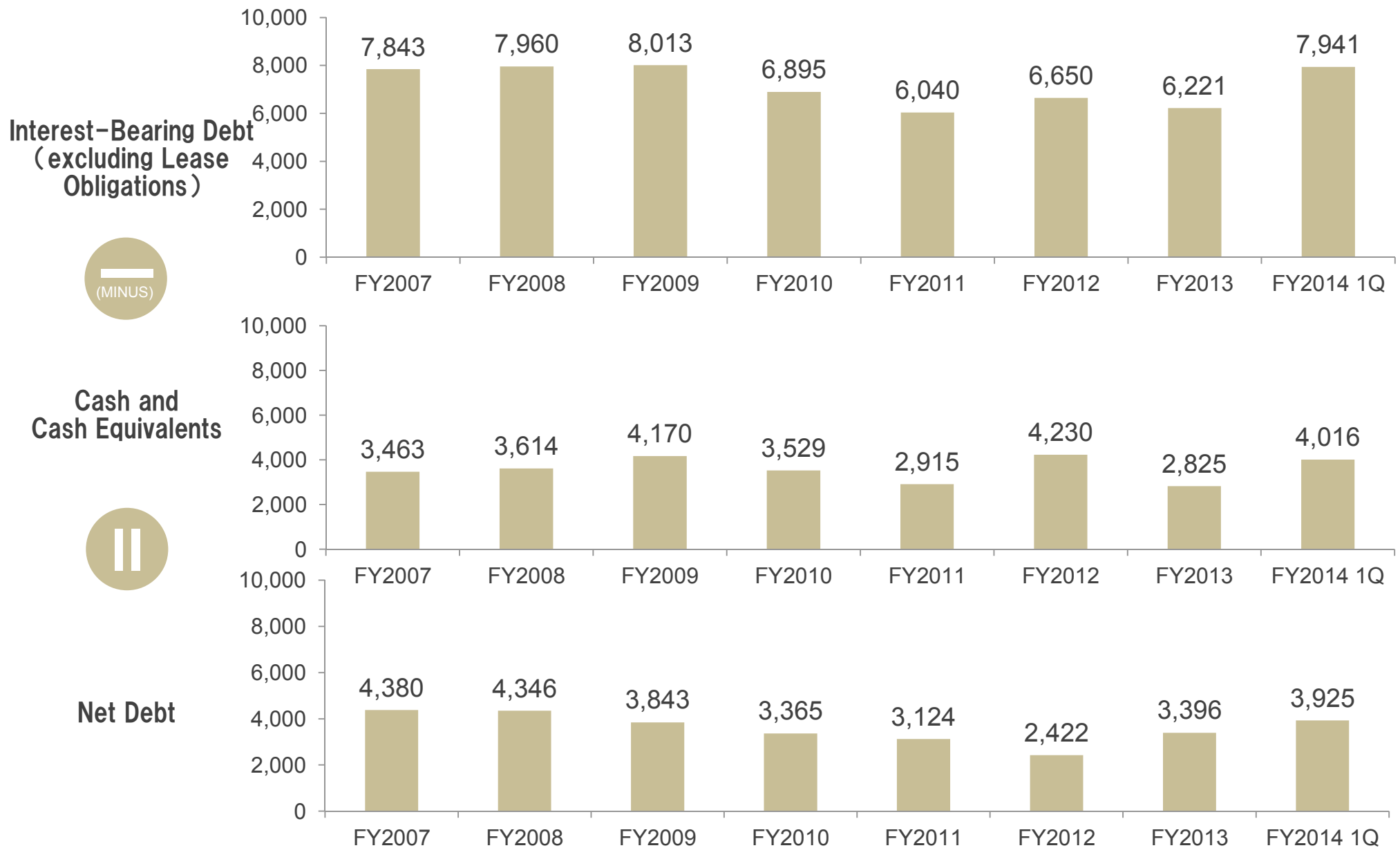
Total loans:
 ¥7,941 million
 (incl. convertible bond ¥1,000 million)

Net debt:
 (Loans – Cash and cash equivalents)
 ¥3,925 million

Net assets
 ¥5,047 million
 (yoy - ¥171 million increase)

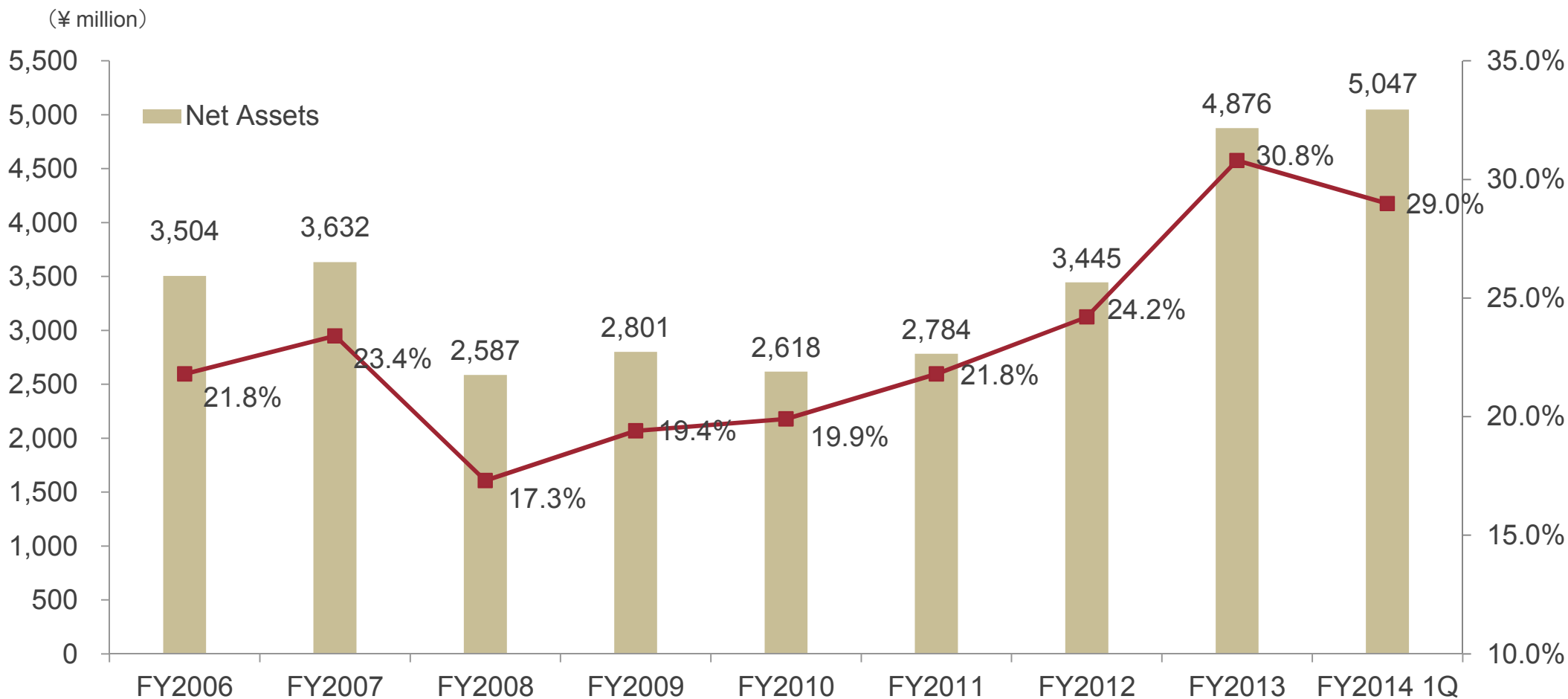
Changes in Net debt

(¥ million)



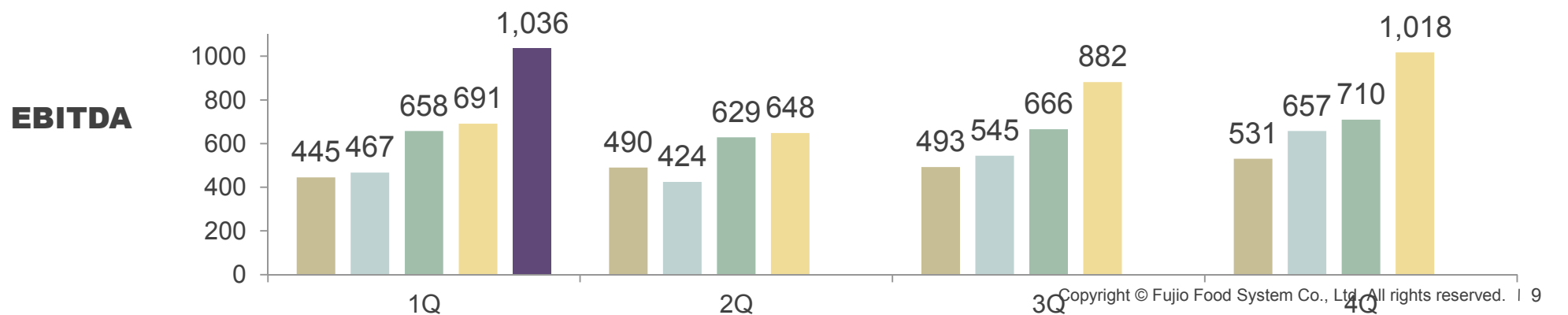
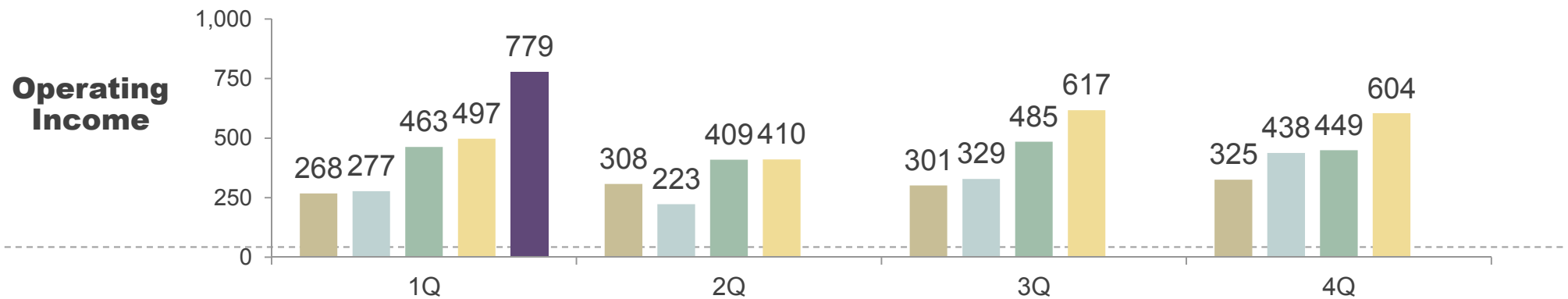
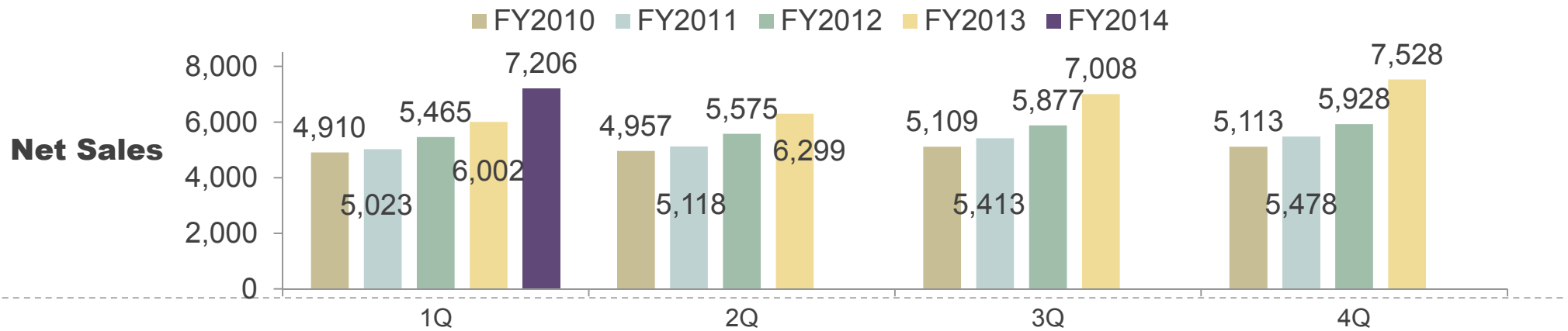
Changes in Net Assets

Net Assets has increased ¥2,460 million compared with FY2008 and FY2014 1Q.



Quarterly changes in Performance

Steady expansion of income due to the recovery of the sales by existing outlets and the contribution of profits be newly-opened outlets.



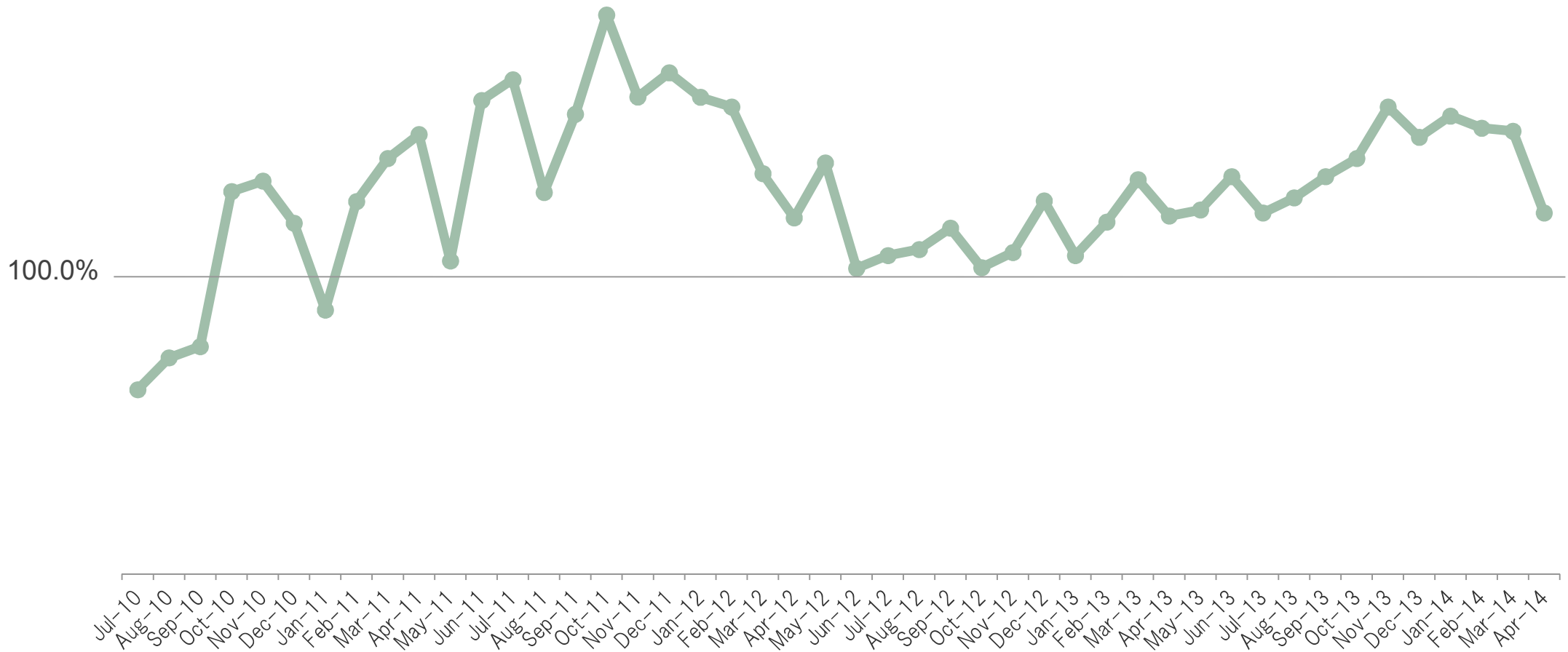
Progress of forecasts for FY2014

Forecasts for FY2014 is running on track.

(¥ million)	FY2014 First Quarter		FY2014 Second Quarter			FY2014 Full year		
	Actual	% to Net Sales	Forecast	% to Net Sales	% progress of 1Q	Forecast	% to Net Sales	% progress of 1Q
	Net Sales	7,206	100.0%	14,509	100.0%	49.7%	30,523	100.0%
Operating Income	779	10.8%	1,007	6.9%	77.4%	2,544	8.3%	30.6%
Ordinary Income	761	10.6%	976	6.7%	78.0%	2,490	8.2%	30.6%
Net Income	426	5.9%	487	3.4%	87.5%	1,217	4.0%	35.0%

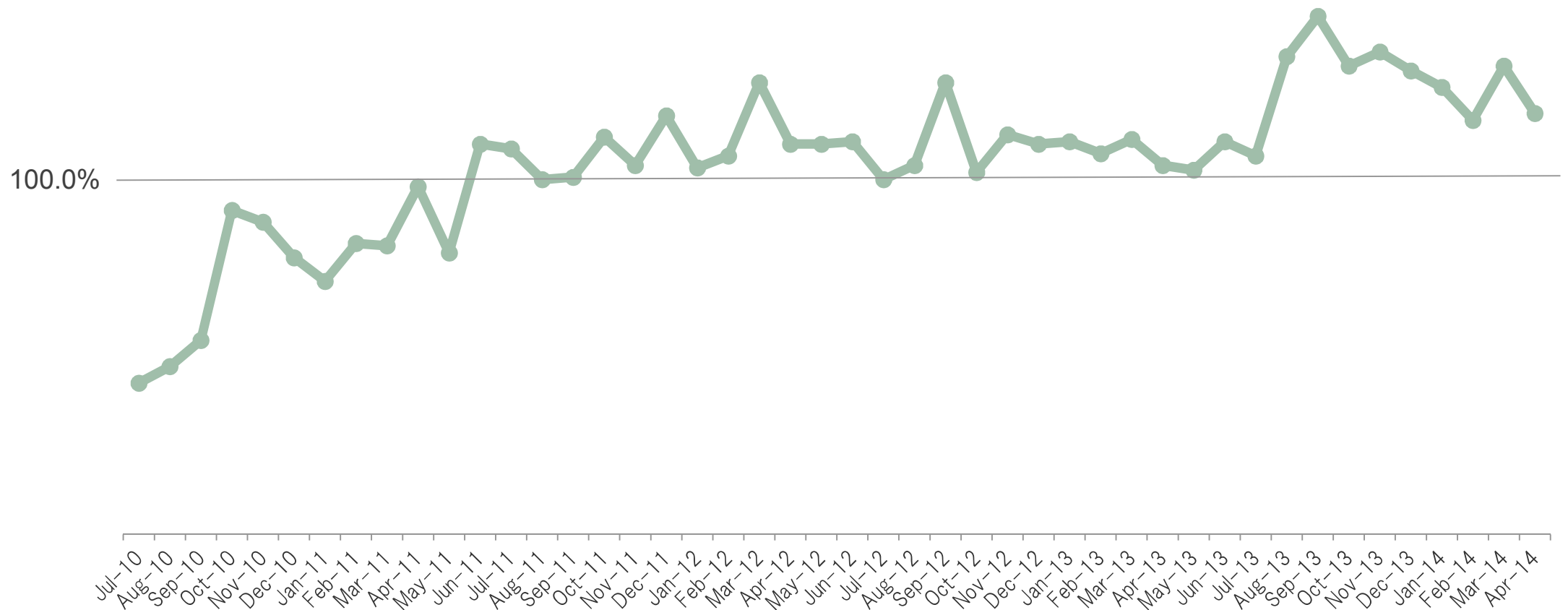
Sales Trends of Directly Managed Existing Outlets 'Maido Ookini Shokudo' (Year-on-Year Changes)

Sales from directly managed existing outlets have exceeded those of the same month previous year for **39** consecutive months since February 2011 till April 2014.




Sales Trends of 'All of Directly Managed' Existing Outlets (Year-on-Year Changes)

Sales from directly managed existing restaurants have exceeded those of the same month previous year for **35** consecutive months since June 2011 till April 2014.



Brand Overview (End of March 2014)

<p>Maido Ookini Shokudo</p>  <p>No of Outlets 438</p>	<p>Kushiya Monogatari</p>  <p>No of Outlets 75</p>	<p>Tsurumaru</p>  <p>No of Outlets 56</p>	<p>Kappougi</p>  <p>No of Outlets 52</p>		
<p>Sachifukuya</p>  <p>No of Outlets 13</p>	<p>Fujio-ken</p>  <p>No of Outlets 6</p>	<p>Delices du Palais</p>  <p>No of Outlets 8</p>	<p>Honolulu Coffee</p>  <p>No of Outlets 9</p>	<p>Hinone Mizunone</p>  <p>No of Outlets 3</p>	<p>Honey Mitsubachi coffee</p>  <p>No of Outlets 5</p>
<p>Katsuman</p>  <p>No of Outlets 1</p>	<p>Juju-ya</p>  <p>No of Outlets 5</p>	<p>Indo-no-ru</p>  <p>No of Outlets 3</p>	<p>Sumibiya Komegyu</p>  <p>No of Outlets 3</p>	<p>Umekmean</p>  <p>No of Outlets 1</p>	<p>Others</p> <p>No of Outlets 12</p>

TOTAL **690** No of Outlets