



**FUJIO FOOD SYSTEM Co.,LTD**  
**Consolidated financial results**  
**For the 2Q of the fisical year ending Dec 31,2014**  
**(Jan 1 2014 ~ Jun 30 2014)**

Photo: Maida Ookini Shokudo

# Summary of consolidated financial results

(millions of yen)

	2Q FY2013		2Q FY2014		Year on year change	
	Actual	% to Net sales	Actual	% to Net sales	Amount	Ratio
<b>Net sales</b>	<b>12,301</b>	<b>100.0%</b>	<b>14,568</b>	<b>100.0%</b>	<b>2,267</b>	<b>18.4%</b>
Directly managed operations	11,558	94.0%	13,775	94.6%	2,217	19.2%
Franchise operations	743	6.0%	793	5.4%	50	6.7%
Cost of sales	4,096	33.3%	4,800	32.9%	704	17.2%
<b>Gross profit on sales</b>	<b>8,205</b>	<b>66.7%</b>	<b>9,768</b>	<b>67.1%</b>	<b>1,563</b>	<b>19.0%</b>
SG&A expenses	7,297	59.3%	8,404	57.7%	1,107	15.2%
<b>Operating income</b>	<b>907</b>	<b>7.4%</b>	<b>1,364</b>	<b>9.4%</b>	<b>457</b>	<b>50.4%</b>
<b>Ordinary income</b>	<b>883</b>	<b>7.2%</b>	<b>1,322</b>	<b>9.1%</b>	<b>439</b>	<b>49.7%</b>
Extraordinary income	10	0.1%	4	0.0%	△ 6	-60.0%
Extraordinary loss	76	0.6%	46	0.3%	△ 30	-39.5%
Income before income taxes	817	6.6%	1,280	8.8%	463	56.7%
<b>Net income</b>	<b>463</b>	<b>3.8%</b>	<b>744</b>	<b>5.1%</b>	<b>281</b>	<b>60.7%</b>
<b>EBITDA*</b>	<b>1,340</b>	<b>10.9%</b>	<b>1,963</b>	<b>13.5%</b>	<b>623</b>	<b>46.5%</b>

\*EBITDA=Operating income+Depreciation/Amortization

## Financial highlights

### Net sales +18.4% y/y

- Net sales of existing stores (Directly managed) **+3.3% y/y**
- New store opening (Directly managed) **24 stores**

- Consolidation of a subsidiary company "Honolulu Coffee" **+438 ¥million y/y**

### Operating income +50.3% y/y

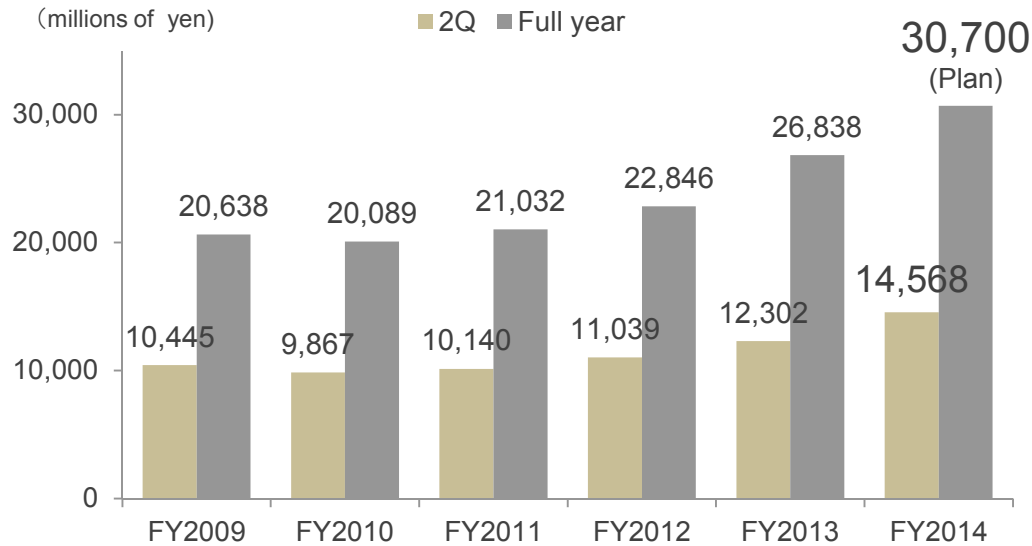
- Decrease of cost of sales **-0.4%**
- Decrease of SG&A expenses **-1.6%**

( Main SG&A items)

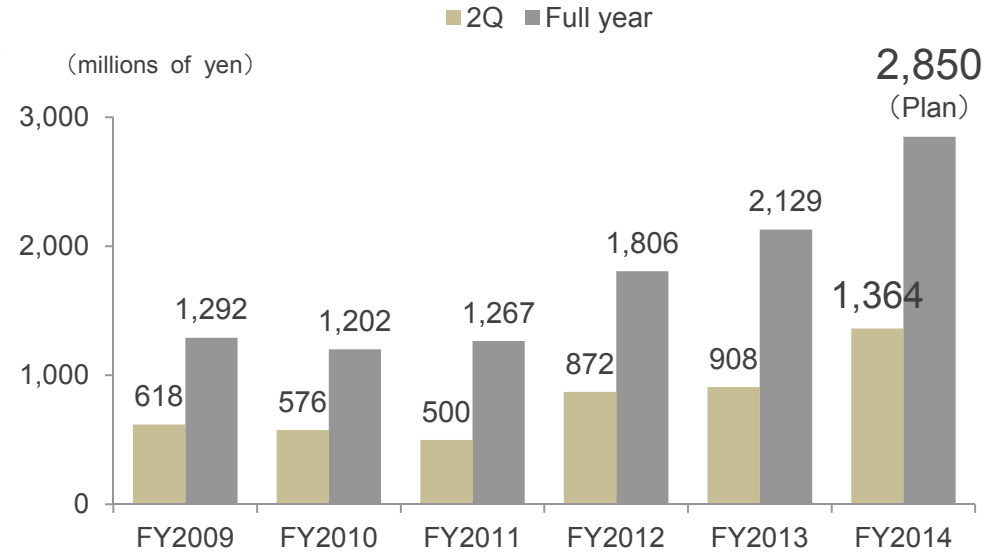
- Decrease of labor cost **-1.4%**
- Increase of utilities cost **+0.2%**
- Decrease of rent cost **-0.2%**

# Changes in consolidated financial results (Full year and 2Q)

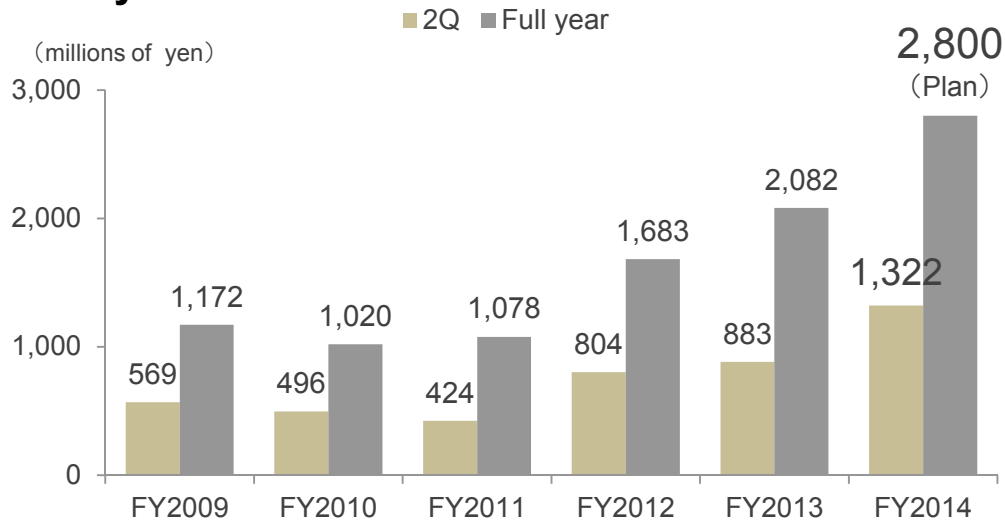
## Net sales



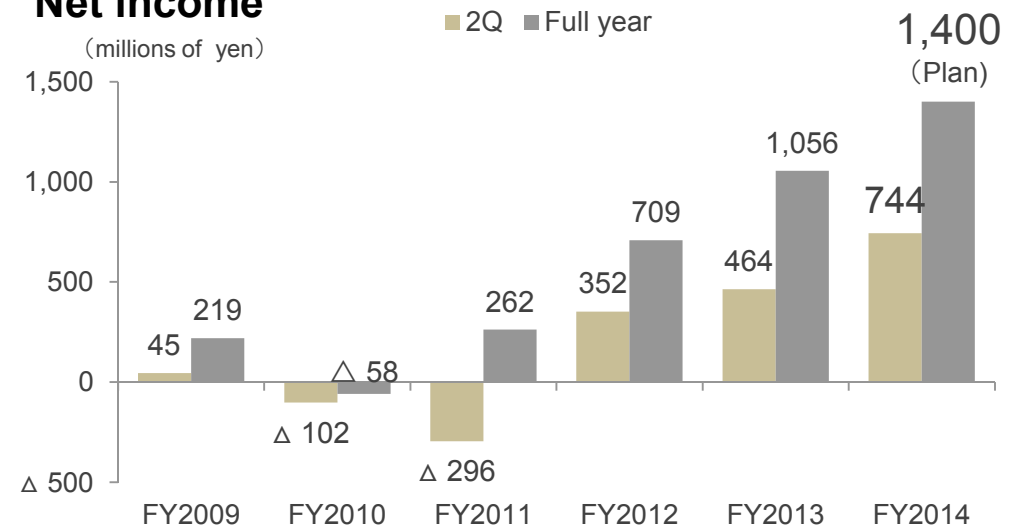
## Operating income



## Ordinary income



## Net income



# Changes in consolidated financial results (Quarterly)



\*EBITDA=Operating income + Depreciation/Amortization

## 2Q Net sales by category (Directly managed operations)

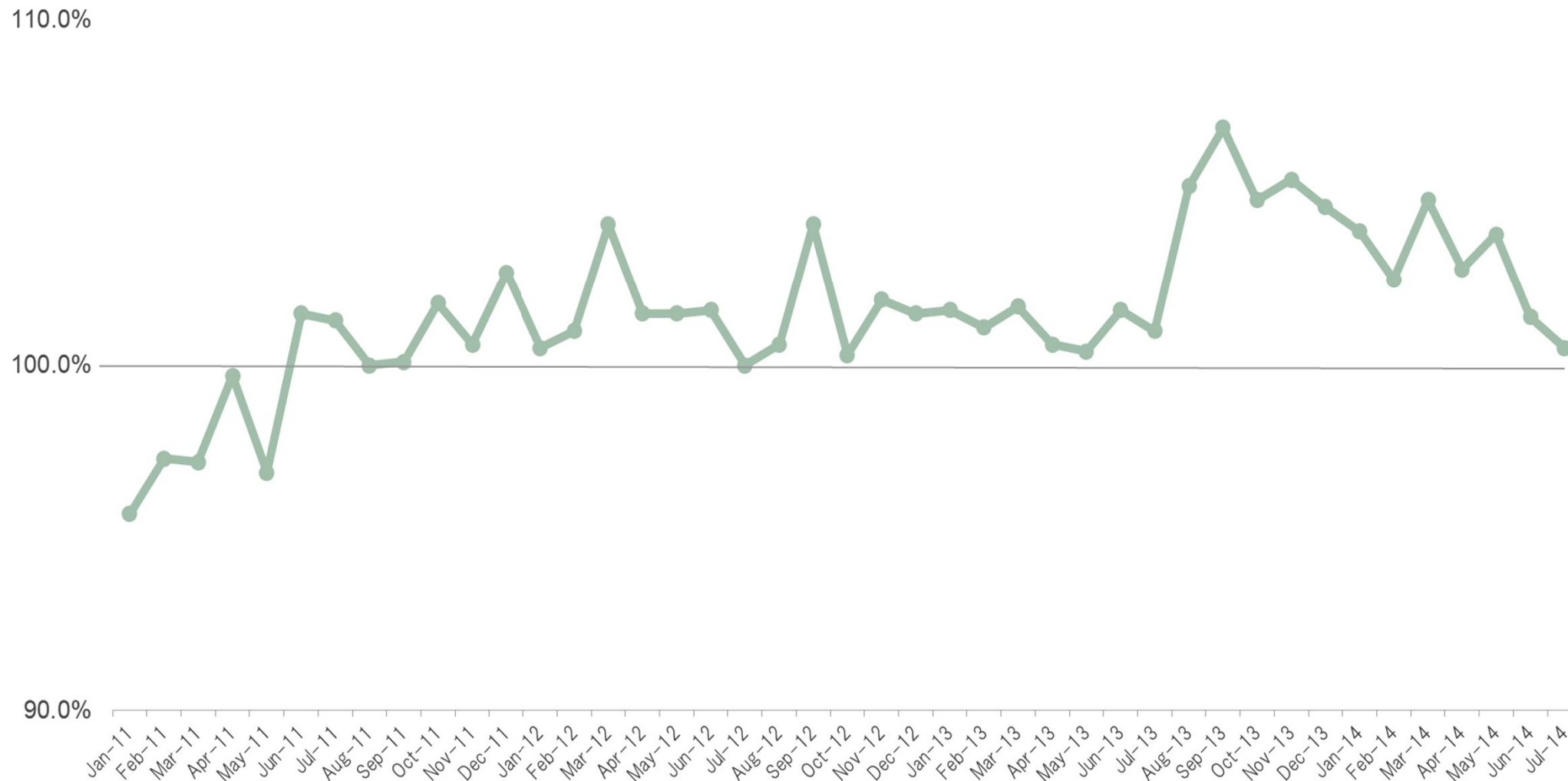
(millions of yen)

	2Q FY2013		2Q FY2014		Year-on-year Change		As of June 30	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Ratio	New store opening	No. of stores
<b>Directly managed total</b>	<b>11,559</b>	<b>100.0%</b>	<b>13,775</b>	<b>100.0%</b>	<b>2,216</b>	<b>19.2%</b>	<b>24</b>	<b>365</b>
Maido Ookini Shokudo	4,405	38.1%	4,740	34.4%	335	7.6%	3	136
Kushiya Monogatari	3,494	30.2%	4,527	32.9%	1,033	29.6%	12	69
Kappogi	1,002	8.7%	1,168	8.5%	166	16.5%	2	38
Tsurumaru	1,047	9.1%	1,207	8.8%	161	15.4%	2	50
Others	1,611	13.9%	2,133	15.5%	522	32.4%	5	72

\*Others include “Honolulu Coffee”, a subsidiary company. (Net sales: 438, Number of stores: 11)

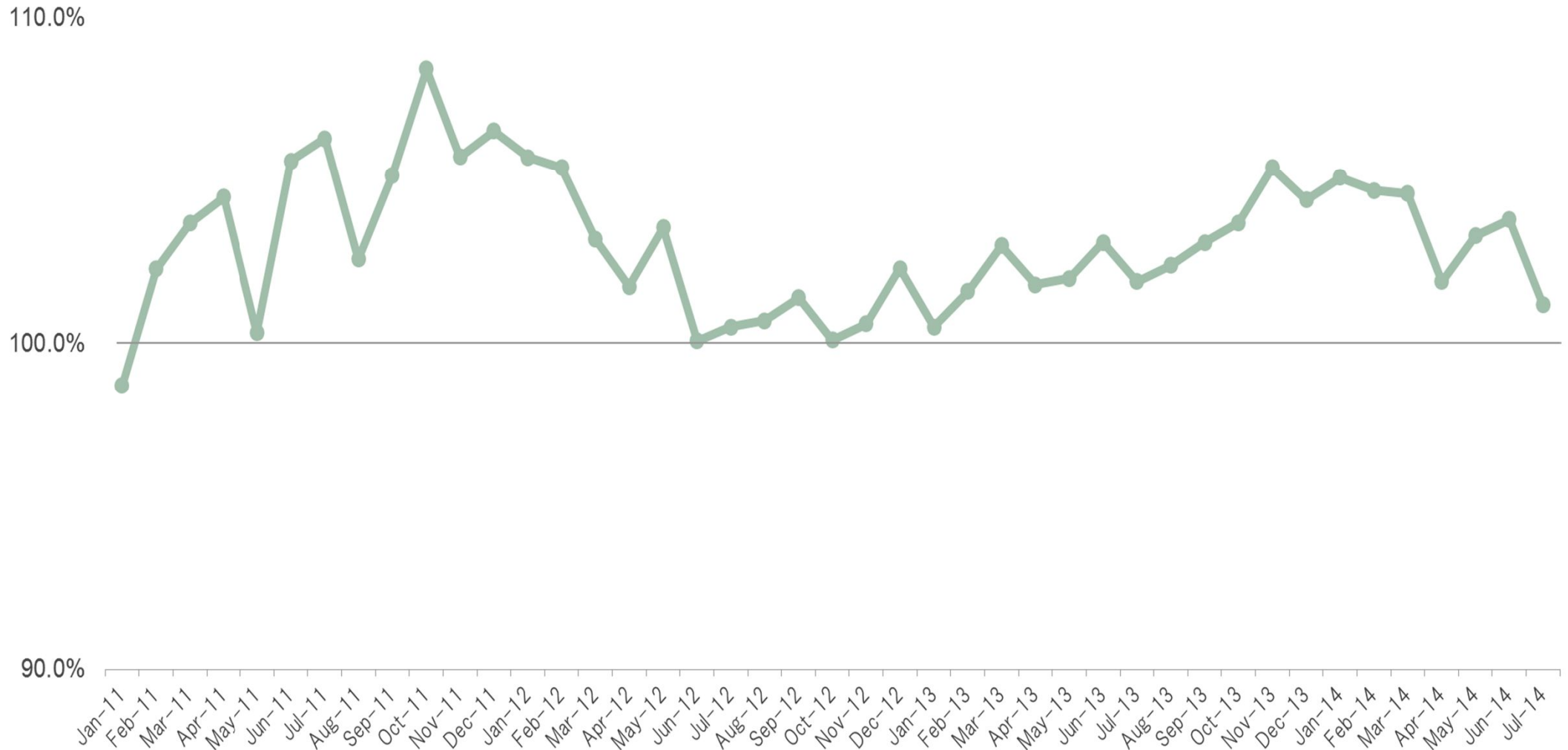
## Changes in net sales of all 'Directly managed' existing stores (Year-on-Year changes)

Net sales of directly managed existing stores have exceeded those of the same month last year for the consecutive **38th** month since June 2011.



# Changes in net sales of Directly managed 'Maido Ookini Shokudo' existing stores (Year-on-Year changes)

Net sales of directly managed existing stores "Maido Ookini Shokudo" have exceeded those of the same month last year for the consecutive **42th** month since February 2011.



# Summary of consolidated balance sheet

(millions of yen)

	FY2013		FY2014		Compared with the end of last FY	
	Actual	Composition (%)	Actual	Composition (%)	Amount	Ratio
<b>Current sssets</b>	<b>4,530</b>	<b>28.6%</b>	<b>4,971</b>	<b>28.6%</b>	<b>441</b>	<b>9.7%</b>
Cash and equivalents	2,825	17.9%	3,549	20.4%	724	25.6%
Others	1,704	10.8%	1,422	8.2%	△ 282	-16.5%
<b>Noncurrent sssets</b>	<b>11,261</b>	<b>71.2%</b>	<b>12,417</b>	<b>71.3%</b>	<b>1,156</b>	<b>10.3%</b>
Property, plant and equipment	6,672	42.2%	7,620	43.8%	948	14.2%
Intangible assets	76	0.5%	67	0.4%	△ 9	-11.8%
Investments and other assets	4,512	28.5%	4,728	27.2%	216	4.8%
<b>Deferred assets</b>	<b>28</b>	<b>0.2%</b>	<b>21</b>	<b>0.1%</b>	<b>△ 7</b>	<b>-25.0%</b>
<b>Total assets</b>	<b>15,820</b>	<b>100.0%</b>	<b>17,410</b>	<b>100.0%</b>	<b>1,590</b>	<b>10.1%</b>
<b>Current liabilities</b>	<b>5,446</b>	<b>34.4%</b>	<b>5,505</b>	<b>31.6%</b>	<b>59</b>	<b>1.1%</b>
Current portion of long-term loans debts	1,179	7.5%	1,534	8.8%	355	30.1%
Current portion of bonds	690	4.4%	580	3.3%	△ 110	-15.9%
<b>Noncurrent liabilities</b>	<b>5,497</b>	<b>34.7%</b>	<b>6,516</b>	<b>37.4%</b>	<b>1,019</b>	<b>18.5%</b>
Long-term bonds	1,759	11.1%	1,499	8.6%	△ 260	-14.8%
Long-term loans debts	2,593	16.4%	3,859	22.2%	1,266	48.8%
Common stock	1,457	9.2%	1,467	8.4%	10	0.7%
Capital surplus	1,337	8.5%	1,347	7.7%	10	0.7%
<b>Net assets</b>	<b>4,876</b>	<b>30.8%</b>	<b>5,388</b>	<b>30.9%</b>	<b>512</b>	<b>10.5%</b>
<b>Total liabilities and net assets</b>	<b>15,820</b>	<b>100.0%</b>	<b>17,410</b>	<b>100.0%</b>	<b>1,590</b>	<b>10.1%</b>

## Highlights

**Total cash and equivalents:**  
¥3,549 million **+¥724 million**  
compared with the end of FY2013

**Total loans:**  
¥7,472 million **+¥1,251 million**  
compared with the end of FY2013  
(incl. convertible bond ¥1,000 million)

**Net debt:**  
(Loans – Cash and equivalents)  
¥3,923 million **+¥530 million**  
compared with the end of FY2013

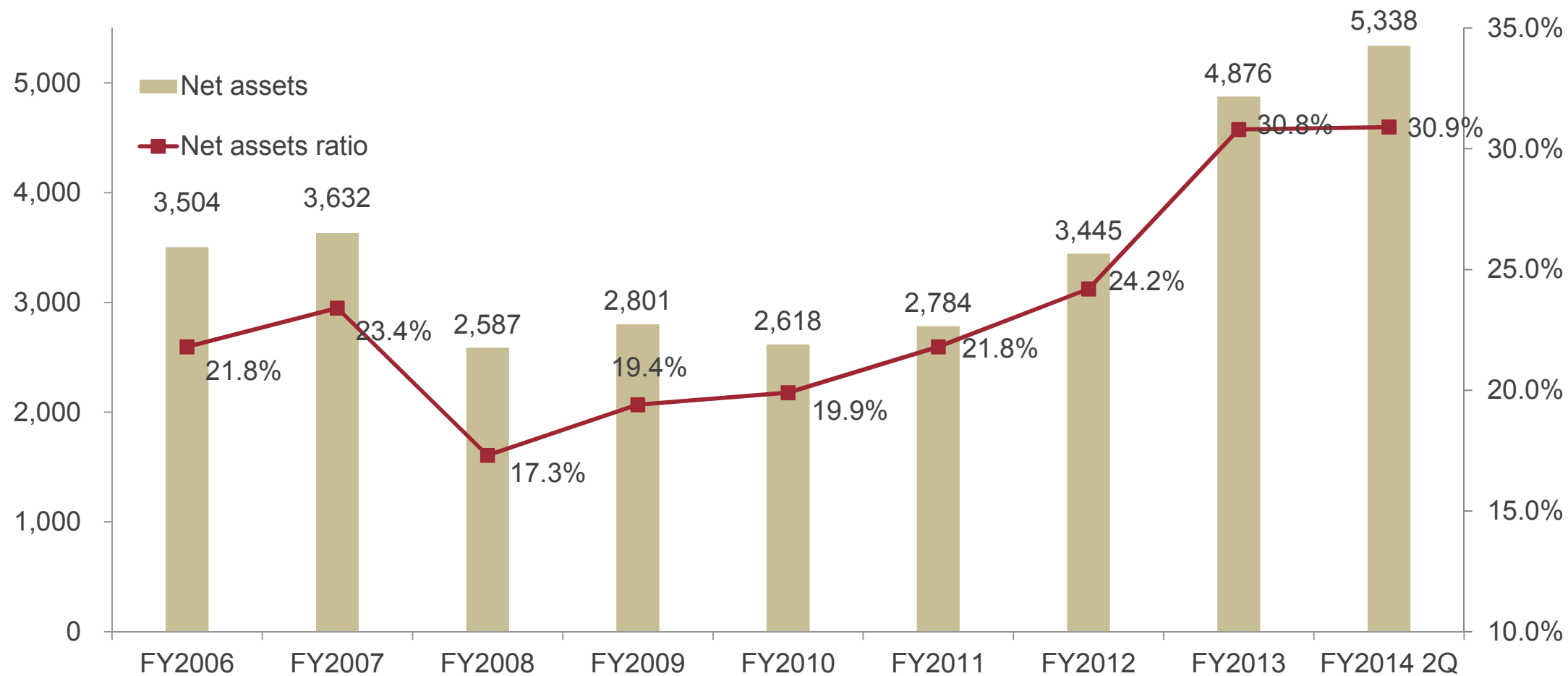
**Net assets:**  
¥5,388 million **+¥512 million**  
compared with the end of FY2013



# Changes in net assets

Net assets ¥5,338 million, Net assets ratio 30.9%

(millions of yen)

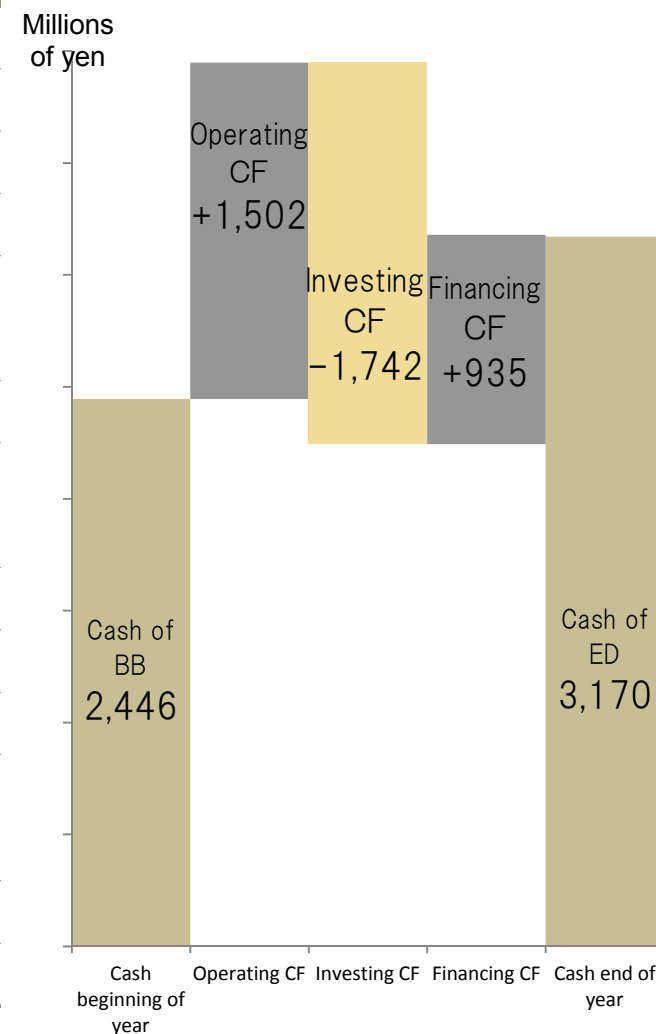


# Summary of consolidated cash flows

(millions of yen)

	2Q FY2013 Actual	2Q FY2014 Actual	Year-on- Year Change
<b>Cash flows from operating activities</b>	<b>991</b>	<b>1,502</b>	<b>511</b>
Income before income taxes	817	1,280	463
Depreciation and amortization	470	601	131
Impairment loss	23	28	5
Income taxes paid	△ 353	△ 627	△ 274
<b>Cash flows from investing activities</b>	<b>△ 1,446</b>	<b>△ 1,704</b>	<b>△ 258</b>
Purchase of property, plant and equipment	△ 1,197	△ 1,423	△ 226
Security deposits and guarantees pledged	△ 269	△ 421	△ 152
<b>Cash flows from financing activities</b>	<b>64</b>	<b>935</b>	<b>871</b>
Proceeds from long-term loans payable	1,500	2,427	927
Repayment of long-term loans payable	△ 771	△ 806	△ 35
Redemption of bonds	△ 370	△ 370	0
Payment of dividends	△ 183	△ 243	△ 60
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>△ 369</b>	<b>723</b>	<b>1,092</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>3,851</b>	<b>2,446</b>	<b>△ 1,405</b>
<b>Cash and cash equivalents, end of year</b>	<b>3,481</b>	<b>3,170</b>	<b>△ 311</b>

## Factors of change



## Outlook for new store opening for FY2014

Number of new store opening of “Kushiya monogatari” will greatly exceed the original plan.

Number of new store opening		FY2014 Full year Plan	FY2014 1Q and 2Q Actual	FY2014 3Q and 4Q Contracted	FY2014 Full year Outlook
Directly managed	Maido Ookini Shokudo	7	3	5	8
	Kushiya Monogatari	11	12	4	16
	Kappougi	2	2	2	4
	Tsurumaru	3	2	1	3
	Honolulu Coffee	12	2	7	9
	Others	5	3	7	10
	<b>Total</b>	<b>40</b>	<b>24</b>	<b>26</b>	<b>50</b>

## Revised plan for FY2014















Outlook for revenue growth by net sales of existing stores and new store opening.

	FY2013		FY2014		Year on year	
	Full year		Full year		Change	
	Actual	% to Net Sales	Revised plan	% to Net Sales	Amount	Ratio
<b>Net sales</b>	<b>26,838</b>	<b>100.0%</b>	<b>30,700</b>	<b>100.0%</b>	<b>3,862</b>	<b>14.4%</b>
<b>Operating income</b>	<b>2,129</b>	<b>7.9%</b>	<b>2,850</b>	<b>9.3%</b>	<b>721</b>	<b>33.9%</b>
<b>Ordinary income</b>	<b>2,082</b>	<b>7.8%</b>	<b>2,800</b>	<b>9.1%</b>	<b>718</b>	<b>34.5%</b>
<b>Net income</b>	<b>1,056</b>	<b>3.9%</b>	<b>1,400</b>	<b>4.6%</b>	<b>344</b>	<b>32.6%</b>

	FY2013 Full year Actual	FY2014 Full year Outlook	Year on year change
<b>Number of new store opening (Directly operated)</b>	<b>49</b>	<b>50</b>	<b>1</b>
<b>ROE*</b>	<b>21.8%</b>	<b>26.1%</b>	<b>4.3%</b>

\*ROE = Return on equity

# Number of stores by category

<p>Maido Ookini Shokudo</p>  <p><b>438</b> stores</p>	<p>Kushiya Monogatari</p>  <p><b>81</b> stores</p>	<p>Tsurumaru</p>  <p><b>57</b> stores</p>	<p>Kappougi</p>  <p><b>52</b> stores</p>		
<p>Sachifukuya</p>  <p><b>14</b> stores</p>	<p>Fujio-ken</p>  <p><b>6</b> stores</p>	<p>Delices du Palais</p>  <p><b>8</b> stores</p>	<p>Honolulu Coffee</p>  <p><b>11</b> stores</p>	<p>Katsuma</p>  <p><b>2</b> stores</p>	<p>Tenpura ebinoya</p>  <p><b>1</b> stores</p>
<p>Sukiyaki Syabusyabu Fujio</p>  <p><b>1</b> stores</p>	<p>Hinone Mizunone</p>  <p><b>3</b> stores</p>	<p>Honey Mitsubachi Coffee</p>  <p><b>6</b> stores</p>	<p>Indo no Ru</p>  <p><b>3</b> stores</p>	<p>Komegyu</p>  <p><b>3</b> stores</p>	<p>Others</p> <p><b>15</b> stores</p>

**Total 701(As of June,2014)**

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



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