



Fujio Food System Co., Ltd.

TSE 1st Sec. (2752)
FY 2020 Financial Results Briefing

Photo: Delice Kiyomizu Outlet



FY 2020 Financial Results Summary

Photo: Delice (Tarte)

FY 2020 Summary of Consolidated Financial Statements

(Unit: million yen)	FY 2019		FY 2020		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Sales	38,393	100.0%	26,805	100.0%	↓11,588	↓30.2%
Directly-managed business	36,374	94.7%	25,538	95.3%	↓10,835	↓29.8%
Franchised business	2,018	5.3%	1,266	4.7%	↓752	↓37.3%
Cost of Sales	13,606	35.4%	9,826	36.7%	↓3,780	↓27.8%
Gross Profit	24,786	64.6%	16,978	63.3%	↓7,807	↓31.5%
SGA Costs	23,328	60.8%	19,950	74.4%	↓3,377	↓14.5%
Operating profit	1,458	3.8%	↓2,971	↓11.1%	↓4,430	—
Ordinary profit	884	2.3%	↓2,876	↓10.7%	↓3,760	—
Extraordinary profit	11	0.0%	0	0.0%	↓10	↓96.8%
Extraordinary loss	539	1.4%	2,733	10.2%	2,193	406.3%
Net income before taxes	355	0.9%	↓5,609	↓20.9%	↓5,964	—
Net income attributable to parent	↓103	↓0.3%	↓4,998	↓18.6%	↓4,894	—
EBITDA*	2,922	7.6%	↓1,585	↓5.9%	↓4,507	—

Indicators

Sales

↓**30.2%**

Domestic sales at all directly-managed outlets

69.5%

Domestic sales at existing directly-managed outlets

76.5%

New Domestic directly-managed outlets

29 Outlets

Operating profit

↑**2,971M Yen**

Operating profit ratio

↑**11.1%**

Cost of sales ratio

↑**1.3%**

SGA Cost ratio

↑**13.7%**

Labour Cost ratio

↑**4.6%**

Rent ratio

↑**3.3%**

Utilities cost ratio

↑**0.9%**

Depreciation

↑**1.4%**

Other costs

↑**3.5%**

Impairment Loss

1,157M Yen

Loss on valuation of investment securities

584M Yen

Loss due to outlet closures

367M Yen

*EBITDA=Operating profit + Depreciation & Amortization

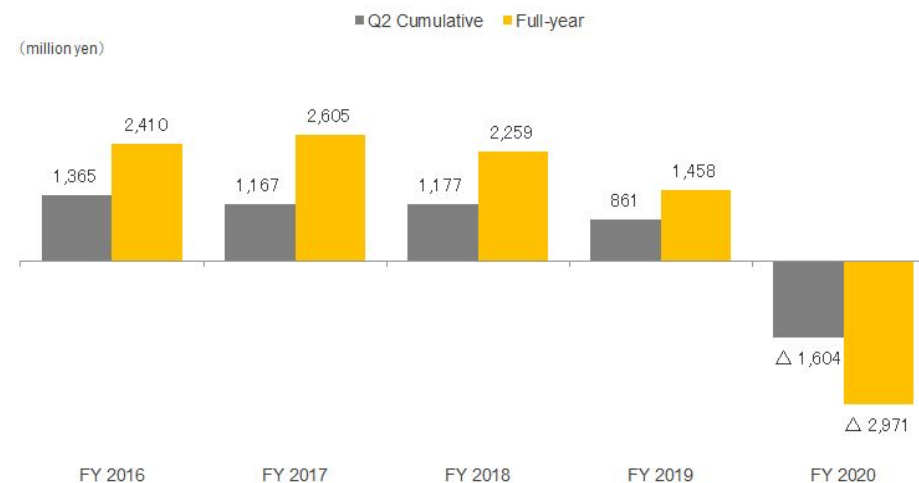
Change in consolidated business results: Annual sales, profit

Sales and profit declined significantly due to the impact of COVID-19

Sales (million yen)



Operating profit (million yen)



Ordinary profit (million yen)

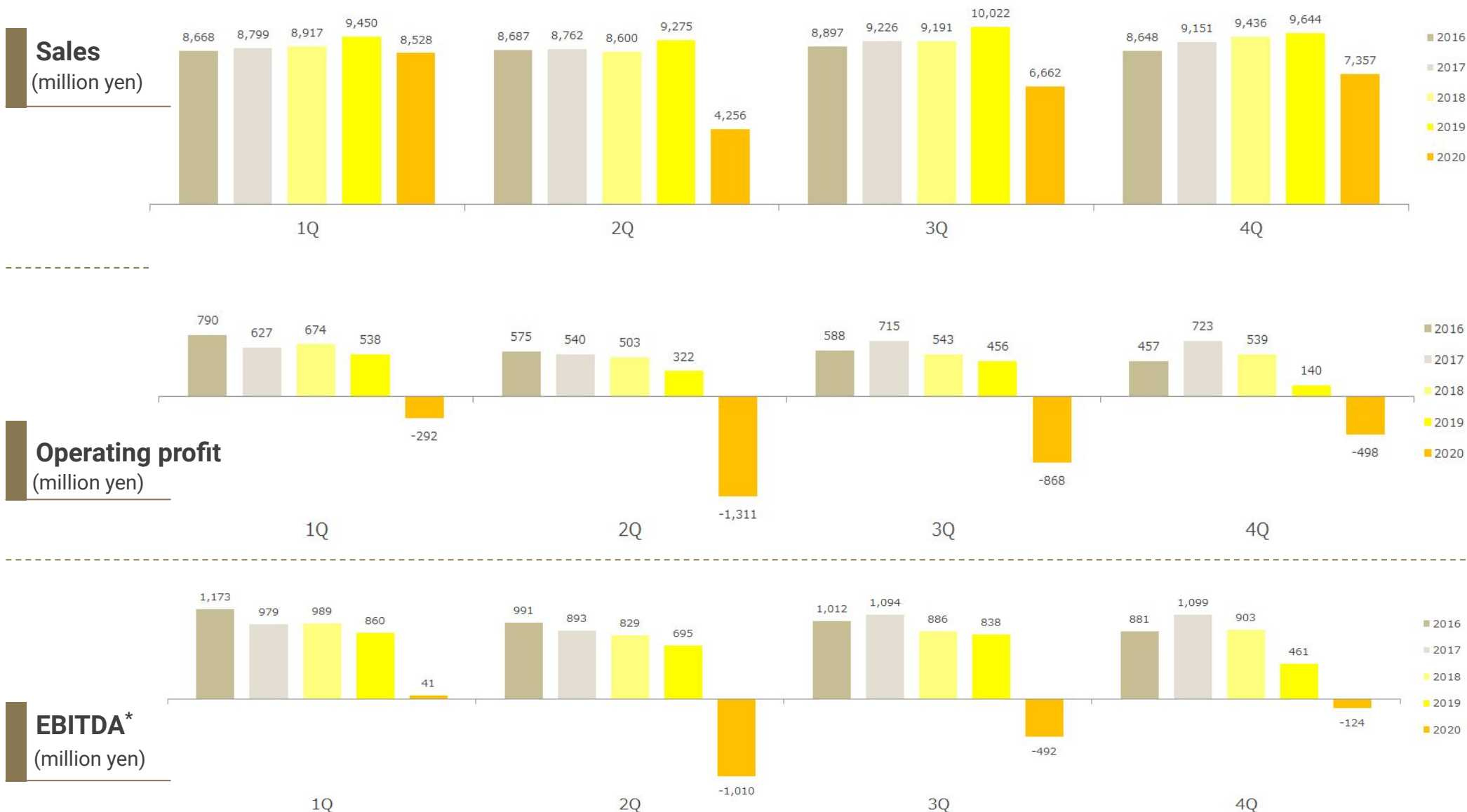


Net income (million yen)



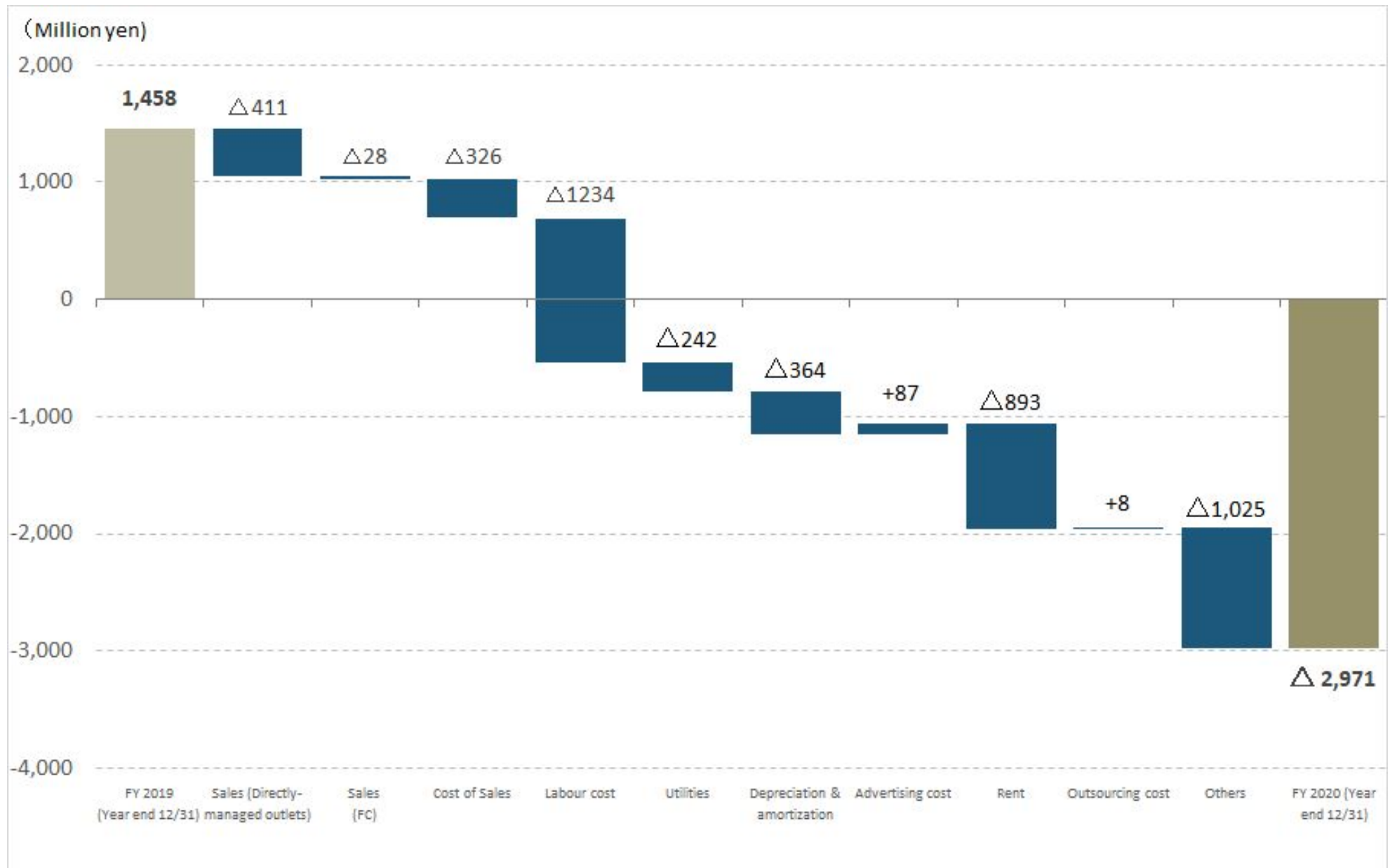
Change in consolidated business results: Quarterly sales, profit

There was a trend of recovery from the impact of COVID-19 from the second quarter.



*EBITDA= Operating profit + Depreciation & Amortization

FY 2020 YOY Operating profit analysis



FY 2020 Plan Vs. Actual variance

Sales: ↓869M Yen Operating profit: ↓1,087M Yen Ordinary profit: ↓553M Yen
Net Income: ↓1,559M Yen

(Million yen)	FY 2020		FY 2020		Actual Vs. Rate variance	
	Plan	Ratio	Actual	Ratio	Variance	Progression rate
Sales	27,675	—	26,805	—	↓869	↓3.1%
Operating profit	↓1,884	↓6.8%	↓ 2,971	↓11.1%	↓1,087	—
Ordinary profit	↓2,323	↓8.4%	↓ 2,876	↓10.7%	↓553	—
Net income	↓3,439	↓12.4%	↓ 4,998	↓18.6%	↓1,559	—

FY 2020 Consolidated sales at directly-managed outlets by brand

Sales decreased 29.8% compared to previous year (10,835M Yen), YOY sales at existing outlets 76.5%, 29 new outlets.

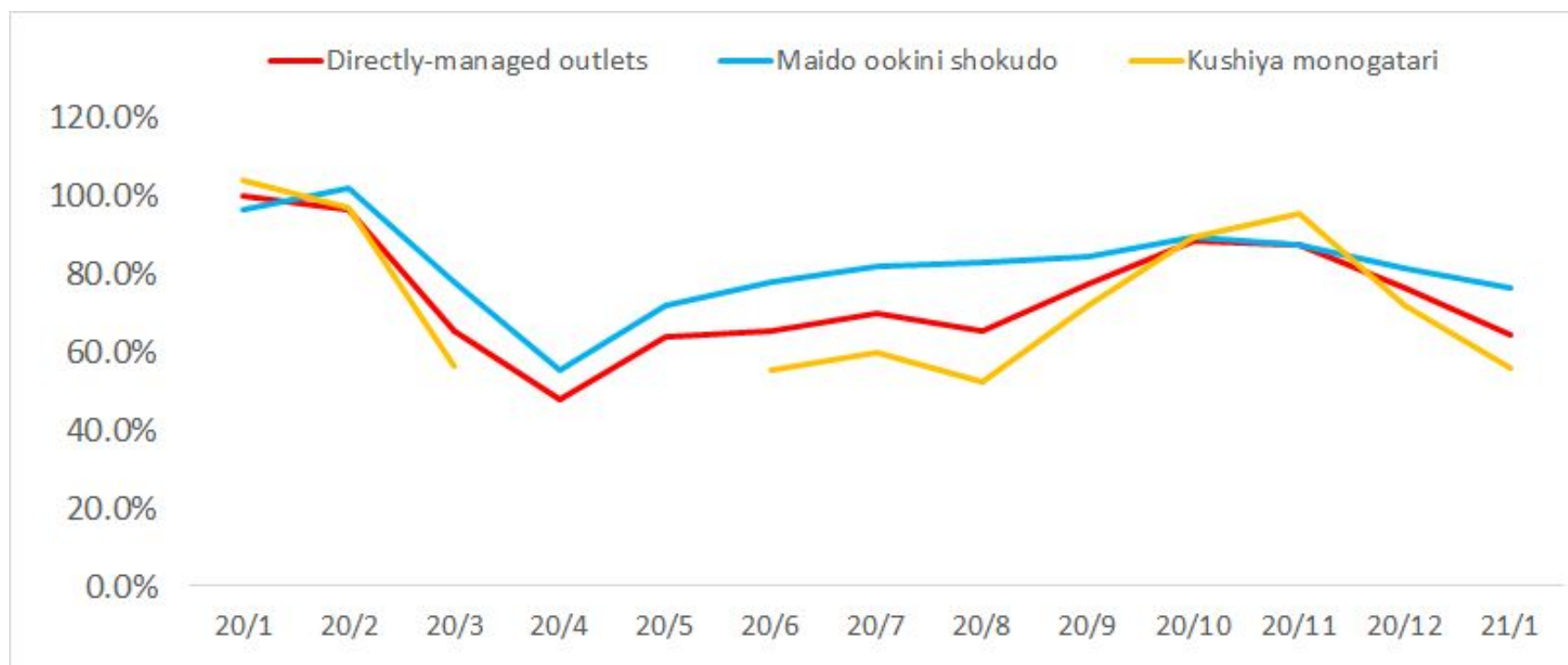
(Million yen)	FY 2019 Full-year		FY 2020 Full-year		YOY variance		FY 2020 (Domestic directly-managed outlets)	
	Sales	Proportion	Sales	Proportion	Variance	Rate of change	New outlet	No. of outlets
Directly-managed outlets	36,374	100.0%	25,538	100.0%	↓10,835	↓29.8%	29	516
Maido Ookini shokudo	9,004	24.8%	7,019	27.5%	↓1,985	↓22.0%	3	139
Kushiya Monogatari	10,002	27.5%	6,180	24.2%	↓3,821	↓38.2%	2	81
Kappogi	2,237	6.2%	1,017	4.0%	↓1,219	↓54.5%	0	27
Tsurumaru	2,063	5.7%	1,407	5.5%	↓655	↓31.8%	0	42
Sachifukuya	2,998	8.2%	2,281	8.9%	↓716	↓76.1%	7	39
Ebinoya	2,639	7.3%	1,927	7.5%	↓712	↓73.0%	5	46
Others	7,428	20.4%	5,704	22.3%	↓1,724	↓76.8%	12	142

※Excluding non-consolidated group companies

Change in the YOY Sales at existing domestic directly-managed outlets

Directly-managed outlets: 76.5% Maido Ookini shokudo: 82.1% Kushiya Monogatari: 74.0%

	20/1	20/2	20/3	20/4	20/5	20/6	20/7	20/8	20/9	20/10	20/11	20/12	21/1
Directly-managed outlets	100.0%	96.2%	65.4%	47.9%	64.0%	65.3%	70.0%	65.5%	77.5%	88.3%	87.5%	76.4%	64.5%
Maido ookini shokudo	96.6%	101.7%	77.8%	55.1%	71.8%	77.9%	81.6%	82.6%	84.2%	89.2%	87.6%	81.5%	76.5%
Kushiya Monogatari	103.9%	96.9%	56.5%	0.0%	0.0%	55.6%	60.0%	52.1%	71.9%	89.6%	95.2%	71.8%	55.9%



※Kushiya monogatari sales are not calculated due to temporarily closure of all outlets in April and May.

FY 2020 Opening and closures of domestic outlets

Due to the impact of COVID-19, the initial opening plan was reviewed and 29 outlets were opened. Unprofitable outlets were closed.

		End of 2019	FY 2020	FY 2020		FY 2020	End of 2020	Remarks
		No. of outlets	Plan	Openings	Closures	Change in No. of outlets	No. of outlets	
Directly-managed outlets	Maido Ookini shokudo	143	0	3	6	-3	139	
	Kushiya Monogatari	85	2	2	6	-4	81	
	Kappogi	32	0	0	6	-6	27	
	Tsurumaru	47	0	0	3	3	42	
	Sachifukuya	33	12	7	1	6	39	
	Ebinoya	43	9	5	3	2	46	
	Others	162	17	12	25	-13	151	
	TOTAL	545	40	29	50	-21	525	
Franchised outlets		349	5	2	45	-43	306	
TOTAL		894	45	31	95	-64	831	

※Some outlets were changed to different brand, hence the number of outlets at the end of the year may not match.

FY 2020 Opening and closures of overseas outlets

Due to the impact of COVID-19 the opening scheduled was delayed.

Country	End of 2019	FY 2020	FY 2020	FY 2020	End of 2020	Remarks
	No. of outlets	Plan	Actual	Closures	No. of outlets	
China (Shanghai)	5	1	1	1	5	Maido ookini shokudo (4) Ebinoya (1)
USA	2	0	0	0	2	Tsurumaru (2)
Taiwan	14	0	0	1	13	Maido ookini shokudo (8) Kushiya monogatari (3) Sachifukuya (2)
Indonesia	3	0	0	2	1	Uchino shokudo (1)
Philippines	1	2	0	0	1	Tsurumaru (1)
TOTAL	0	2	0	0	0	
TOTAL	25	5	1	4	22	

FY 2020 Consolidated BS Summary

(Million yen)	FY 2019		FY 2020		YOY	
	Actual	Proportion	Actual	Proportion	Variance	Ratio
Current assets	5,595	21.4%	4,920	20.2%	↓674	↓12.1%
Cash and bank	3,074	11.7%	2,425	9.9%	↓648	↓21.1%
Others	2,521	9.6%	2,494	10.2%	↓26	↓1.1%
Fixed assets	20,579	78.6%	19,476	79.8%	↓1,103	↓5.4%
Tangible fixed assets	11,150	42.6%	10,667	43.7%	↓482	↓4.3%
Intangible fixed assets ^(※)	1,816	6.9%	1,730	7.1%	↓85	↓4.7%
Investment and other assets	7,613	29.1%	7,078	29.0%	↓534	↓7.0%
Deferred assets	0	0.0%	0	0.0%	-	-
Total assets	26,175	100.0%	24,397	100.0%	↓1,778	↓6.8%
Current liabilities	7,513	28.7%	12,451	51.0%	4,937	65.7%
Accounts payable	1,596	6.1%	1,174	4.8%	↓421	↓26.4%
Short-term debt	200	0.8%	5,950	24.4%	5,750	2875.0%
Current portion of long-term loans payable	2,621	10.0%	2,877	11.8%	256	9.8%
Others	3,096	11.8%	2,449	10.0%	↓646	↓20.9%
Fixed liabilities	9,569	36.6%	8,380	34.3%	↓1,188	↓12.4%
Long-term debt	7,391	28.2%	6,163	25.3%	↓1,228	↓16.6%
Others	2,177	8.3%	2,216	9.1%	39	1.8%
Capital	2,194	8.4%	2,210	9.1%	16	0.7%
Capital surplus	2,075	7.9%	2,092	8.6%	16	0.8%
Net assets	9,092	34.7%	3,565	14.6%	↓5,527	↓60.8%
Total assets	26,175	100.0%	24,397	100.0%	↓1,778	↓6.8%

Indicators

Total Cash & Cash equivalents

¥2,425 M

YOY

↓¥648 M

Total debt with interest

¥14,991 M

YOY

↑¥4,777 M

Net debt*

*Debt with interest — Cash & Cash equivalents

¥12,565 M

YOY

↑¥5,426 M

Net assets

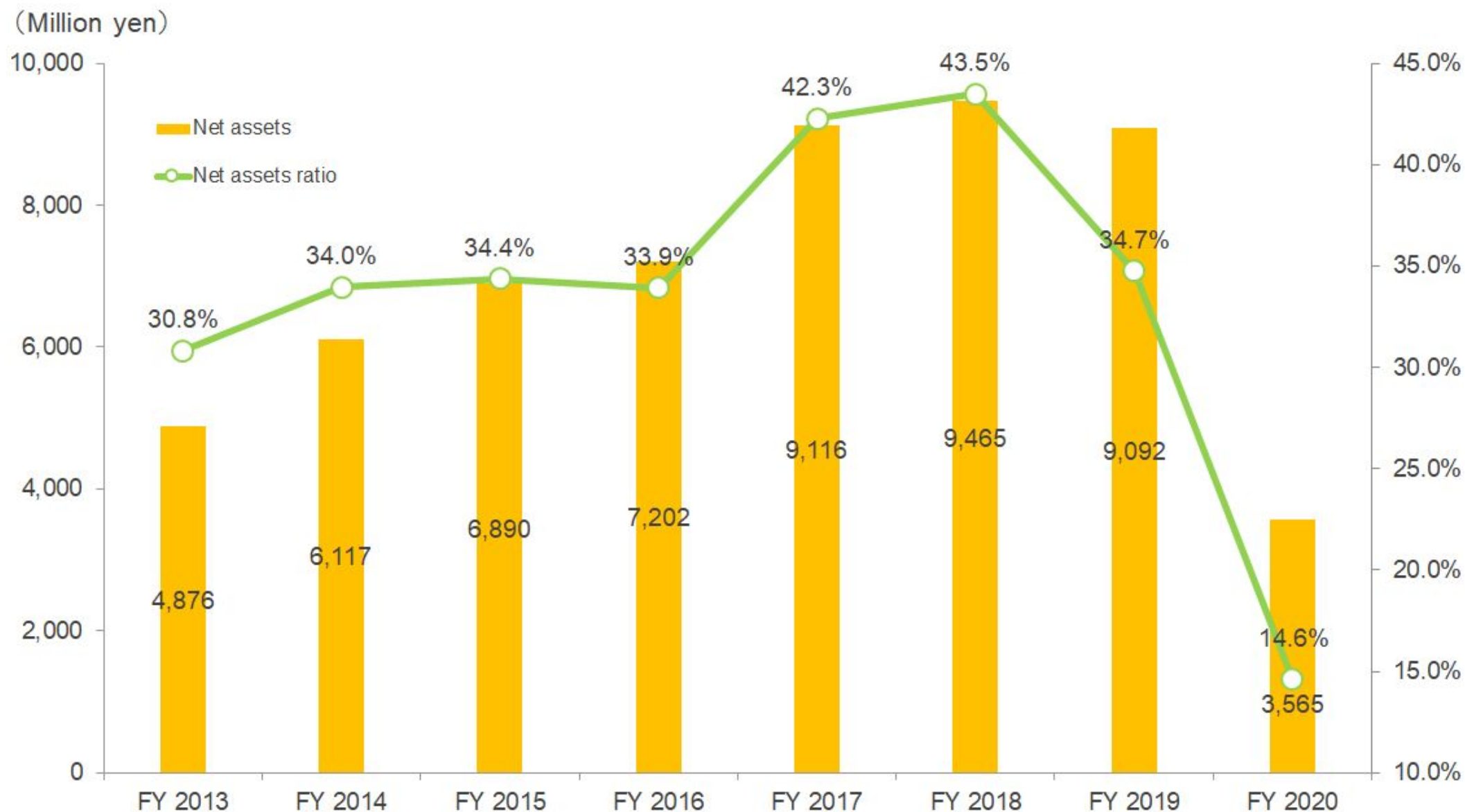
¥3,565 M

YOY

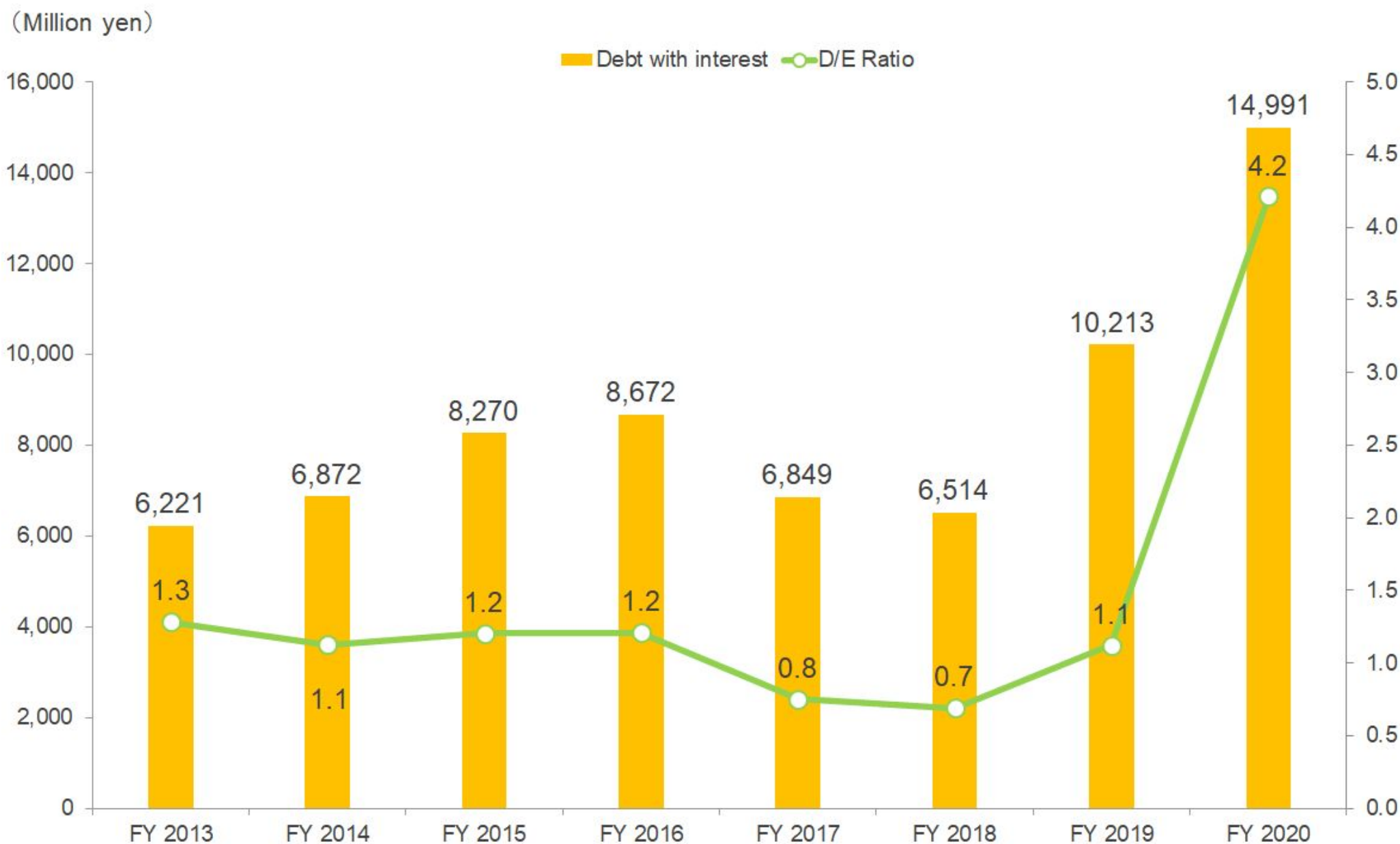
↓¥5,527 M

※ Consolidated subsidiary's goodwill: ¥1,660M (Great Eastern Co., Ltd., Rose Garden Co., Ltd.);
Off-book: ¥300M of goodwill at the time of acquisition of Saba 6 were recorded as a loss on valuation of shares of subsidiaries.

Change of Net assets

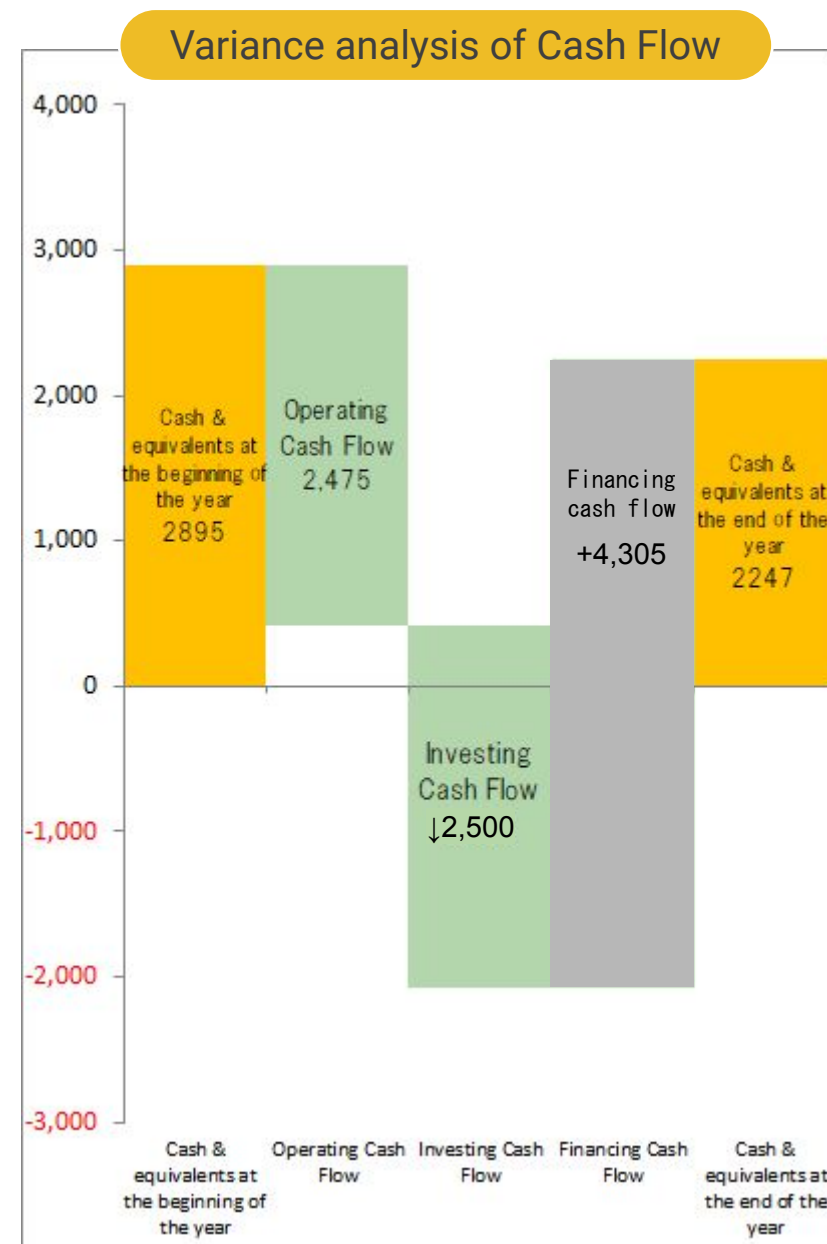


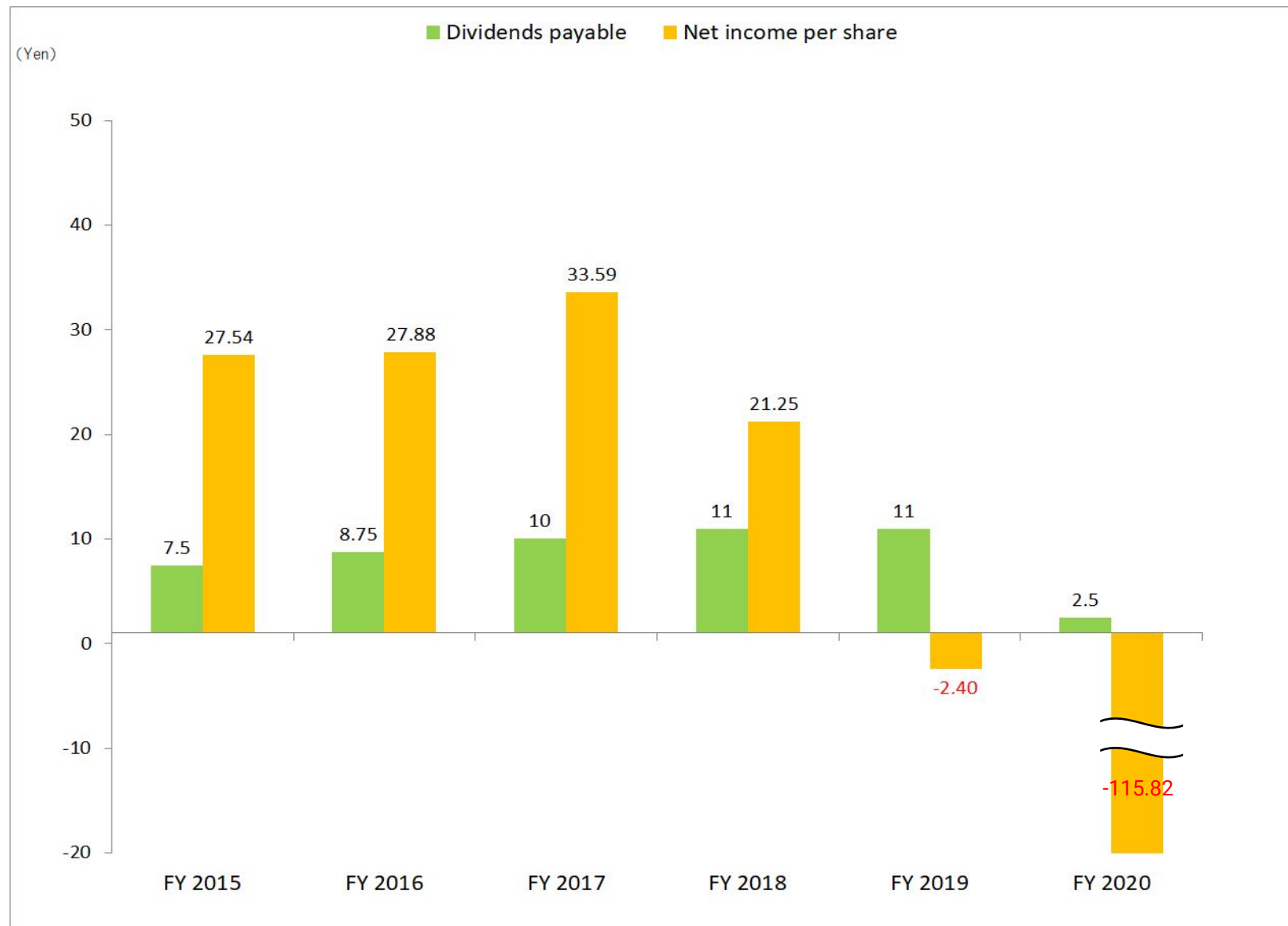
Debt with interest and Debt to Equity ratio



FY 2020 Consolidated Cash Flow Summary

(Million yen)	FY 2019	FY 2020	YOY
	Actual	Actual	Variance
Operating Cash Flow	2,743	↓2,475	↓5,218
Net income before taxes	355	↓5,609	↓5,964
Depreciation & Amortization	1,471	1,394	↓77
Impairment loss	375	1,157	782
Income taxes	↓489	↓206	283
Investing Cash Flow	↓4,798	↓2,500	2,298
Purchase of property, plant and equipment	↓2,745	↓2,148	597
Payments of leaseholds and guarantee deposits	↓287	↓167	120
Financing Cash Flow	3,315	4,305	990
Net increase (decrease) in short-term loans payable	97	5,750	5,653
Proceeds from long-term loans payable	6,248	1,900	↓4,348
Repayment of long-term loan payable	↓2,649	↓2,872	↓223
Cash dividends paid	↓472	↓474	↓2
Net Increase (Decrease) in Cash and Cash equivalents	1,252	↓669	↓1,921
Cash and cash equivalents at the beginning of the year	1,642	2,895	1,253
Cash and cash equivalents at the end of the year	2,895	2,247	↓648





※Dividends and earnings per share are calculated based on the number of shares after the split in Jan, 1st.

※2018 Includes 1 JPY to commemorate listing on the TSE 1st Sec. and 2019 includes 1 JPY to commemorate the 40th anniversary.



FY 2021 Group strategy

Photo: Rose Garden Cafe Kitchen Kuraji Outlet (Egg Benedict)

1 Full-year plan

2 Multi-strategy

3 Business strategy

4 M&A Strategy

1 Full-year plan

2 Multi-strategy

3 Business strategy

4 M&A Strategy

Full-year plan - Previous year comparison

Gross sales : ↑¥8,114M - Operating profit: ↑¥3,073M
Ordinary profit: ↑¥3,031M - Net income: ↑¥5,344M

(Million yen)		FY 2020		FY 2021		YOY	
		Actual	Profit ratio	Plan	Profit ratio	Amount	Ratio
Sales		26,805	—	34,919	—	8,114	30.3%
Operating profit		↓2,971	↓11.1%	102	0.3%	3,073	—
Ordinary profit		↓2,876	↓10.7%	155	0.4%	3,031	—
Net income		↓4,998	↓18.6%	346	1.0%	5,344	—
New Outlets	Directly-managed	28		45		17	
	Franchised	2		5		3	
	TOTAL	30		50		20	
FY 2019 Sales at current outlets※		76.5%		90.0%			

※Sales growth at current outlets is planned to be compared to FY 2019, before the impact of the COVID-19 pandemic.

During first half, new openings and improvement of existing outlets to settle the impact of the pandemic and to contribute to the second half.

(Million yen)	First Half		Second Half		Full-year		Full-year ratio	
	Plan	Profit ratio	Plan	Profit ratio	Plan	Profit ratio	1st half	2nd half
Sales	15,491	—	19,427	—	34,919	—	44.4%	55.6%
Operating profit	↓ 709	↓4.6%	811	4.2%	102	0.3%	—	—
Ordinary profit	↓ 734	↓4.7%	889	4.6%	155	0.4%	—	—
Net income	37	0.2%	309	1.6%	346	1.0%	10.7%	89.3%

For reasonable calculations, figures were compared to FY 2019, before the impact of the COVID-19 pandemic.

Full-year - Sales growth compared to existing outlets in FY			
First Quarter Plan	Second Quarter Plan	First half Plan	Full-year Plan
68%	90%	79%	
Third Quarter Plan	Fourth Quarter Plan	Second half Plan	90%
100%	100%	100%	

Targeting to open 50 new domestic outlets during 2021, focusing in Delice which showed great performance even during the pandemic.

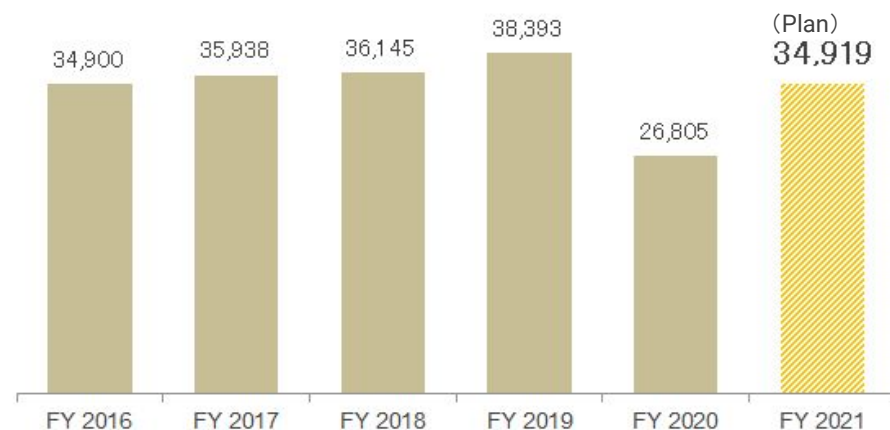
		FY 2020	FY 2021	Open Schedule
		Domestic openings Actual	Domestic openings Plan	
Directly-managed	Tsurumaru	0	2	Tsurumaru Ten-5 (Jan) Tsurumaru AEON Town Ibaraki Ooda (Mar)
	Ebinoya	6	3	Ebinoya Hankyu Sanbangai (Mar)
	Sachifukuya	7	2	Sachifukuya Lazona Kawasaki (Apr)
	Delice	1	20	Fruit Tarte Delice Tennoji MIO (Feb) Delice Hankyu Sanbangai (Mar) Delice Grand tree Misashikosugi (Mar)
	Others	15	18	Obanzai Megumi Dining Sumibiya Shinsaibashi Parco (Jan), Grill Cafe Pinokio AEON Mall Dainichi (Jan), Taraco spaghetti Hankyu Sanbanbai (Mar), Fukumamedo Grand Front Osaka (Apr)
	TOTAL	29	45	
Franchised		2	5	
TOTAL		31	50	

6 New outlets are scheduled to open in 2021, for a total of 27 outlets by the end of the year.

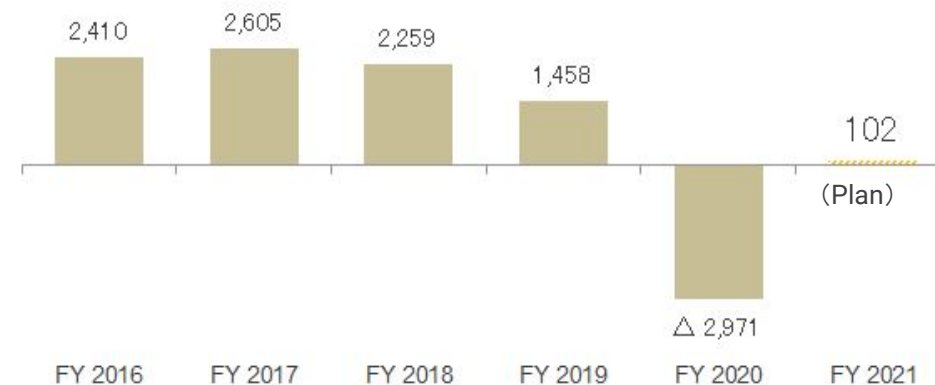
Country	FY 2020	FY 2021	FY 2021	FY 2021	Remarks
	No. of Outlets	Plan	Closures (Plan)	No. of Outlets	
China (Shanghai)	5	2	0	7	Maido ookini shokudo (3), Uchino shokudo (1), Ebinoya (3)
USA	2	0	1	1	Tsurumaru (1)
Taiwan	13	1	0	14	Maido ookini shokudo (8) Kushiya monogatari (3) Sachifukuya (3)
Indonesia	1	0	0	1	Uchino shokudo (1)
Philippines	1	2	0	3	Tsurumaru (3)
Others	0	1	0	1	Ebinoya (1, Canada)
TOTAL	22	6	1	27	

Plan to return to profitability through improvements accomplished during the first half of 2021.

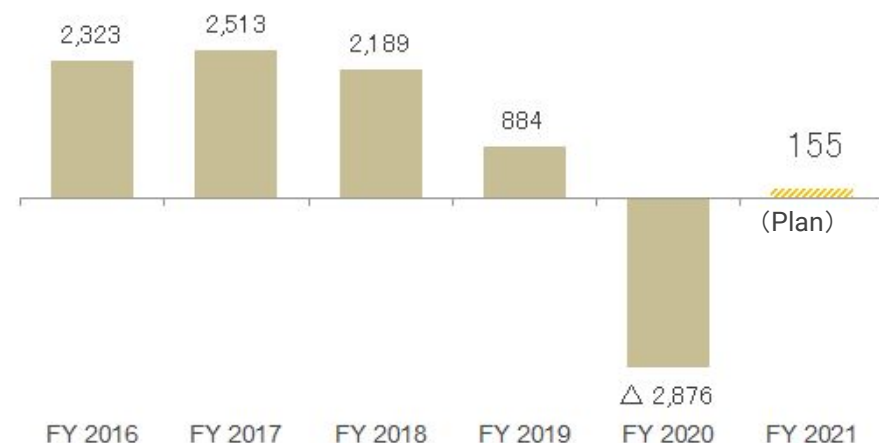
Sales (million yen)



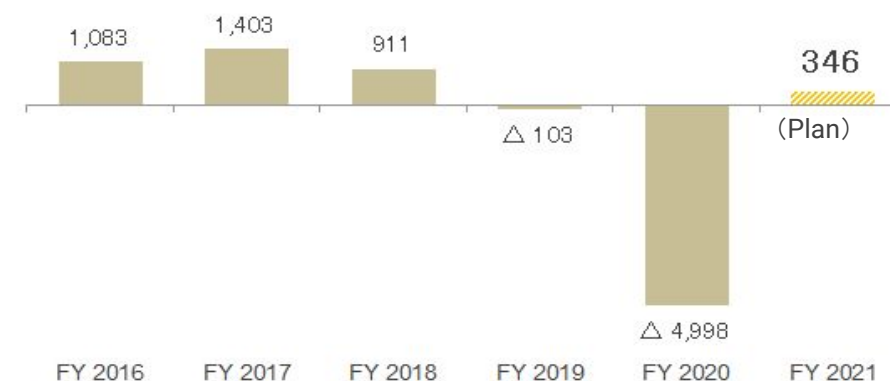
Operating profit (Million yen)



Ordinary profit (Million yen)



Net income (Million yen)



Request of shortening operating hours

Period	Directly-managed outlets	Scheduled assistance funding
1/27~2/7	356 outlets	¥650M aprox.
2/8~2/28※	351 outlets	¥400M aprox.
TOTAL	356 outlets	¥1,050M aprox.

※Estimated by the end of February. Shortening operating hours periods may vary.

Other strategies

Cost reduction (Annual)	Expected to reduce SG&A expenses at outlets and headquarters by ¥200M (Rent, utilities, etc.)

1 Full-year plan

2 Multi-strategy

3 Business strategy

4 M&A Strategy

Multi-strategy

Fujio's target model, "Distributed across all."

3 Multi-strategy

1 Multi-Branding

- ❑ Decrease in food traffic amidst izakaya (bar) and buffet concepts was observed during the pandemic, driving sales to brands with high takeout ratio like Maida ookini shokudo, Tsurumaru udon, Hara donuts and Delice.

2 Multi Location

- ❑ Deploy stores with distributed locations (roadside, build-in, commercial facilities). Roadside locations show less impact of COVID-19 restrictions.

3 Multi-pricing

- ❑ Impact of business cycle, flow demand to low prices during deflationary recession and impact of category killer on price ranges.
- ❑ Multi-branding enables brand development in a variety of price ranges and targeting a wide range of customers.

4 +α (Multi-deployment of revenue structure)

- ❑ Diversification of revenue structure.
- ❑ Major profit-making businesses relocation to consignment, franchising and sales of products activities.

Multi-purpose to meet customer demands

- ❑ Introducing Ready-to-eat meals and Takeout outlets in response to the rising demand of Takeout.
- ❑ Development of new brands that meet the persisting demand from family groups of eat-out and dine-in services, even during the pandemic.
- ❑ While the number of visitors to commercial facilities has significantly decreased, roadside and suburban outlets have shown relatively little impact.

Reference: Outlet opening ratio by location (Fujio Food System Co., Ltd.)

	Roadside	Build-in	Commercial facilities
Directly-managed outlets	25%	27%	48%
Total (Includes FC)	44%	20%	36%

1 Full-year plan

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4 M&A Strategy

1 Business strategy during and after the COVID-19 pandemic

- ❑ Aiming to open 45 new outlets. Opening focused on unoccupied properties of stores that have withdrawn due to the impact of the pandemic.
- ❑ Strengthening of takeout menus such as Bento boxes, family packages.
- ❑ Introduction of mobile sales in our own kitchen cars.

Main measures by brand

Maido ookini shokudo	Takeout and Bento boxes strengthening. Introduction of breakfast menu to selected outlets.
Kushiya monogatari	Introduction of fruits buffet in January.
Tempura Ebinoya	Carry out sales that are more specialty wise.
Sachifukuya	Bring out the sweetness to the front and aim to attract customers during idle time.
Delice	Brushing up of Tarte cakes and develop cakes that are more suitable for takeout.

Development of new brands that started in 2020

- Opened SAM'S, a steak house brand with a prosperous history of 50 years in Okinawa. (Open date: December 12, 2020)



Development of new brands that started in 2021 Grill Cafe Pinokio AEON Mall Dainichi

- Developing of Grill Cafe brand with plenty of hearty meals in its menu (January 27, 2021)



Integration of domestic, overseas and in-house franchising to Franchise business headquarters

- ❑ Domestic FC: Support to existing brands. Proposal of multi-branding development to current franchisees.
- ❑ Overseas FC: Focus in franchise development in China. Proceed with the openings delayed due the COVID-19 pandemic.
- ❑ In-house FC: Promote independence within the company to make it a pillar of future profit structure.

Accelerate Franchise development overseas

- ❑ Aim to overseas expansion in the future on a full scale.
 - ➔ Opening of second outlet in the Philippines. (February 15, 2021). Aiming for future expansion.
 - ➔ Expansion with Shanghai Fujio as headquarters through local franchising. Opening of the first franchised outlet is scheduled in this term.
 - ➔ New development project in Canada. Targeting to open one new outlet during this term.



Philippines: 2nd Tsurumaru outlet

Plan of expansion of sales routes in 2021

- ❑ Until now, sales on our own online-shopping site has been the main sales channel.
- ❑ Currently, in order to expand our business, some supermarkets are also handling our products.



E-Commerce



Sales at stores



Wholesaling
(supermarkets)



Catalog Sales



1 Full-year plan

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Basic Policy

Exploring opportunities for new brand acquisition and business alliances

- ❑ Popular brands expected to grow continuously with potential of expansion.
- ❑ This will lead to efficient entry into new business fields and accelerate growth.
- ❑ Applying our know-how on store development for expansion based on existing business.



This term's policy

- 1. Do not execute unnecessary and non-urgent M&A**
- 2. Acquire business formats that anticipate the “post-pandemic”**

Regarding future M&A strategies, the following will be considered:

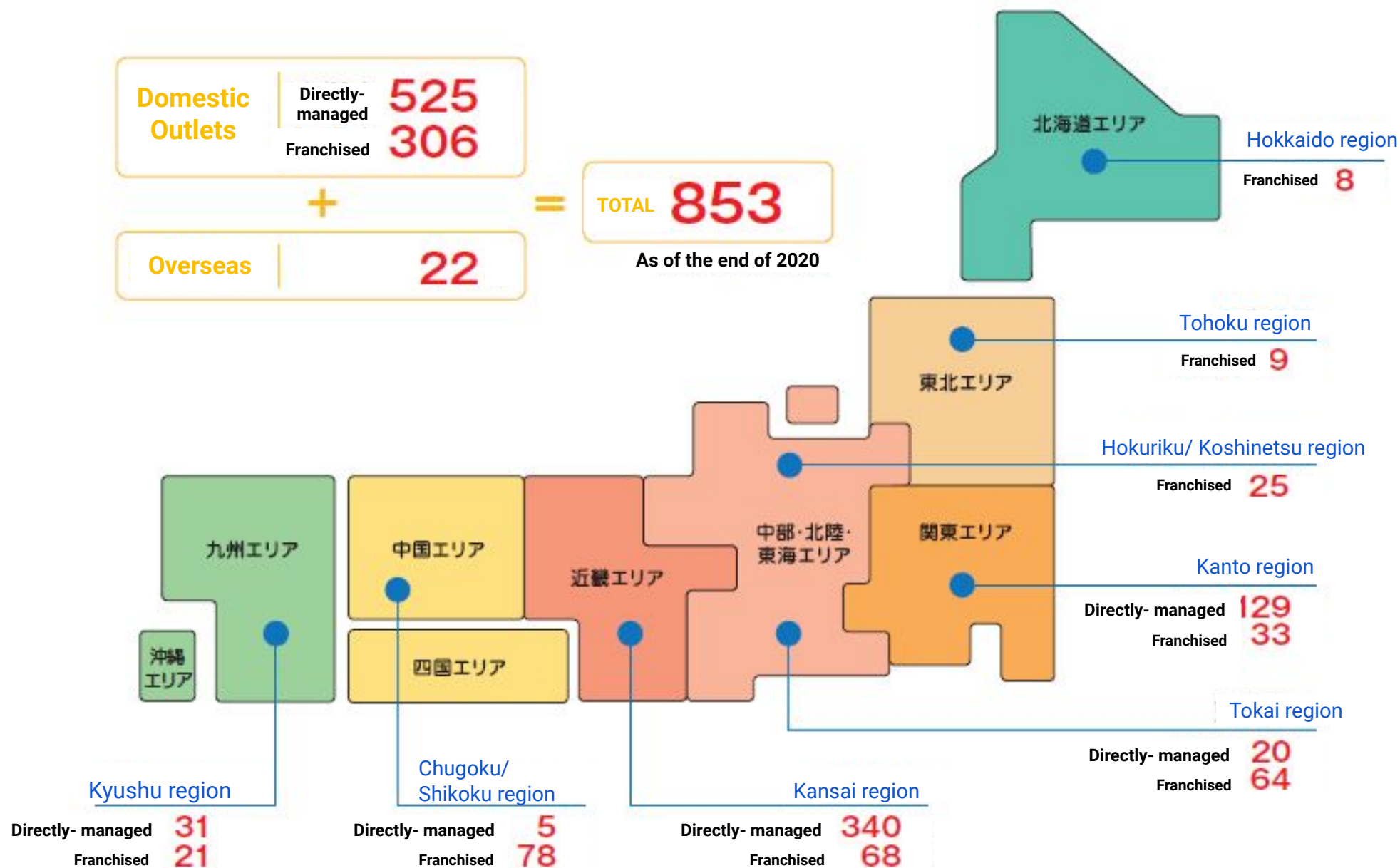
- Powerful and recognized brands
- High capacity for takeout & delivery
- Product sales business companies (eg. western or japanese confectionery)

853 Outlets in total

	Directly-managed Overseas included	Franchised Overseas included	Total
Maido Ookini Shokudo	151	227	378
Kushiya monogatari	84	28	112
Kappogi	27	4	31
Tsurumaru	42	11	53
Sachifukuya	41	7	48
Ebinoya	47	5	52
Others	151	28	179
Total	543	310	853

* The Don (21 outlets), Saba 6 Ramen (9 outlets), Sam's (10 outlets), Dosanjin (9 outlets) are included.

Distribution map of outlets as of FY 2020



Number of Outlets by brand as of FY 2020 (853 outlets)

 <p>378 Outlets</p>	 <p>112 Outlets</p>	 <p>53 Outlets</p>	 <p>31 Outlets</p>	 <p>48 Outlets</p>
 <p>52 Outlets</p>	 <p>14 Outlets</p>	 <p>11 Outlets</p>	 <p>14 Outlets</p>	 <p>21 Outlets</p>
 <p>Saba 6 Ramen</p> <p>9 Outlets</p>	 <p>15 Outlets</p>	 <p>Honolulu Coffee</p> <p>15 Outlets</p>	 <p>Steak Restaurant</p> <p>10 Outlets</p>	<p>Other Brand</p> <p>70 Outlets</p>

Photo: Maruten shokudo (Taken in 1955, the model of Maido Ookini shokudo which was managed by Mr. Masahiro Fujio's Family)

