

Consolidated Financial Report for the Third Quarter of Fiscal Year Ending March 31, 2019 <Japanese GAAP>

February 7, 2019

Tokyo Stock Exchange

Company	Chikaranomoto Holdings Co., Ltd,		
Stock Code	3561	URL	http://www.chikaranomoto.com/
Representative	(Title)	President and Representative Director	(Name) Shigemi Kawahara
Contact	(Title)	Managing Director	(Name) Shinichi Kasuya Tel: +81-(0)3-6264-3899
Scheduled Date of Q3 report submission	February 7, 2019		Scheduled Date of Dividend Payments N/A
Preparation of Supplementary Explanation Material for Financial Results			Yes
Holding of Presentation Meeting for Financial Results			No

(Rounded down to the nearest million yen)

1. Q3 of Financial Year Ending March 31, 2019 (April 1, 2018 – December 31, 2018)

(1) Results of Consolidated Operations

(% indicates variance from the Q3 of the previous fiscal year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company	
	Millions JPY	%	Millions JPY	%	Millions JPY	%	Millions JPY	%
Q3 FY2018-19	20,226	11.5	703	5.3	691	-1.1	523	4.0
Q3 FY2017-18	18,143	8.6	668	35.6	698	58.6	503	269.4

Note: Comprehensive Income Q3 FY2018-19 319 million JPY (-52.5%) Q3 FY2017-18 673 million JPY (- %)

	Net Income per Share (Q3)	Diluted Net Income per Share (Q3)
	Yen	Yen
Q3 FY2018-19	22.36	21.61
Q3 FY2017-18	22.17	20.83

Note 1 The Company has executed a share split of 1:2 on October 1, 2017. The calculation of net income per share and diluted net income per share is done as if the share-split was done at the beginning of the period.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions JPY	Millions JPY	%
As of December 31, 2018	16,514	4,798	26.5
As of March 31, 2018	15,300	4,720	27.8

Note: Net Equity As of December 31, 2018 4,379 million JPY As of March 31, 2018 4,249 million JPY

2 . Dividends

	Dividends per Share (Annual)				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	Fiscal Year End (March 31)	Total
	Yen	Yen	Yen	Yen	Yen
FY2017-18	-	5.00	-	4.00	-
FY2018-19	-	4.00	-		
As of 31 March, 2019 (Projection)		-	-	4.00	8.00

Note 1 Changes from previously announced dividends projection: None

2 Dividends Payment at the end of FY2017-18: Ordinary Dividend 3 Yen, Commemorative Dividend 1 Yen

3 The Company has executed a 1:2 share split on October 1, 2017. The dividends payments before the 2nd quarter of FY2017-18 have been indicated on the actual amount basis and the total dividends payment has been indicated "-". Please refer to the Cautionary Statement on the forecast of consolidated financial performance.

3 . Forecast of Consolidated Operating Performance for Year Ending March 31, 2019

(April 1, 2018 - March 31, 2019)

(%indicates variance from comparable periods (quarter-to-quarter, annual-to-annual))

	Revenue		Operating Income		Ordinary Income		Profit Attributable to the Company		Net Income per Share
	Millions JPY	%	Millions JPY	%	Millions JPY	%	Millions JPY	%	Yen
Year Ending March 31, 2019	27,243	11.4	1,012	11.8	985	13.0	668	5.3	28.52

Note: Changes from previously announced forecasts: None

Notes

- (1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): Yes, one new subsidiary: TAIWAN IPPUDO Co., Ltd.
- (2) Any specific methods used to account for the quarterly financial results: None
- (3) Changes in accounting policies, accounting estimates, and restatement of error corrections:
 - 1) Changes in accounting policies arising from revision of accounting standards: None
 - 2) Changes in accounting policies due to reasons other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of prior period financial statements after error correction: None

(4) Total Number of Issued Shares (Ordinary Shares)

① Total number of issued shares at the end of period (including treasury shares)	As of December 31, 2018	23,625,300 Shares	As of March 31, 2018	23,307,300 Shares
② Total number of treasury shares at the end of period	As of December 31, 2018	89,600 Shares	As of March 31, 2018	- Shares
③ Average number of shares during the period	As of December 31, 2018	23,402,320 Shares	As of December 31, 2017	22,697,953 shares

Note 1 The Company has executed a 1:2 share split on October 1, 2017. The total number of issued shares at the end of period, the total number of treasury shares at the end of period, and the average number of shares during the period are calculated as if the share-split took place at the beginning of the period.

2 The Company has introduced, since Q2 of this fiscal year, Employee Stock Ownership Program. The shares possessed by the trust account are included in the "Total number of treasury shares at the end of period." Additionally, the shares owned by the Trust are excluded from the calculation of "Average number of shares during the period" (the said shares totals 40,076 shares during the third quarter of fiscal year ending March 31, 2019).

NB: These quarterly consolidated financial reports (Tanshin) are exempt from audit procedures by certified public accountants or audit firms.

Cautionary Statement on the forecast of consolidated financial performance

(Cautions concerning forward-looking statements)

Performance forecasts presented herein are based on the information available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") as of the date of this document. Accordingly, there remains the possibility that the actual performance results may differ from projections. For the premises underlying the forecasts as well as cautionary statements regarding the usage of such forecasts, please refer to the "Explanation concerning future forecasts of consolidated financial performance" under the "Qualitative Information Concerning Consolidated Business Results" section in this document (page 5).

(Dividends Payment and Dividends Forecast for the Fiscal Year after Share-Split)

The Company executed a 1:2 share split on October 1, 2017. The dividends payment before considering the share split for the fiscal year ended March 31, 2018 as well as the forecast of dividends payment for the fiscal year ending March 31, 2019 are as follows:

1 . Dividends for Fiscal Year ended March 31, 2018

Dividends per share, 2nd Quarter: 5 Yen (Note 1), End of Fiscal Year: 8 Yen (Note 2)

2 . Dividends Forecast for Fiscal Year ending March 31, 2019

Dividends per share, 2nd Quarter: 8 Yen (Note 2, 3), End of Fiscal Year: 8 Yen (Note 2)

(Note 1) The dividends payment at the end of 2nd Quarter of FY2017-18 has been done on the basis of the number of issued shares before the share-split.

(Note 2) The dividends payments are calculated on a before-split basis.

(Note 3) The dividends were declared effective on December 4, 2018.

(Note 4) The dividends forecast for fiscal year ending March 31, 2018 before-split is 13 Yen.

(Note 5) The dividends forecast for fiscal year ending March 31, 2019 before-split is 16 Yen.

(Supplementary Explanation Material)

Supplementary Explanation Material for Financial Results can be obtained via TDnet on the same day as the publication of this document.

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1. Qualitative information concerning Consolidated Business Results for Q3 Fiscal Year Ending March 31, 2019

(1) Explanation on Operating Results

During the 3rd quarter of the fiscal year ending March 31, 2019, the domestic Japanese economies grew at a steady pace propelled by the strong corporate performance which helped to improve employment and wages, as well as an increase in the capital expenditure overall. On an international level, the protectionist policies of the US led to trade disputes with the EU and China, casting uncertainties on the global economic outlook.

Within the restaurant industry in which the Company operates, the domestic competition is heightened due to emergence of such entrants as convenience stores and ready-to-eat products. Wage increases driven by the shortage of labor, as well as increase in raw materials and logistics costs, continue to challenge the corporate strategy of many industry players. On the contrary in the international markets, while new players continue to enter the market, there remains strong interest in the Japanese cuisine overall and ramen in particular, and the market potential continues to expand, leading to a brighter an outlook for the Company, too.

In this environment, the Company stays true to its principle to “Keep Changing to Remain Unchanged” and continues to spread Ramen and Japanese Food as culture by opening more stores, aiming to realize “300 stores domestically and 300 stores internationally by the year 2025.” The overall store count at the end of 3rd quarter of fiscal year ending March 31, 2019 totals 258 stores (153 domestically and 105 internationally) including licensed stores.

As such, the consolidated revenue for the accumulated period increased, from the 3rd quarter of the previous fiscal year, by 11.5% to 20,226 million yen. The operating income resulted in 703 million yen (increase of 5.3%), ordinary income was 691 million yen (decrease of 1.1%) dragged down by the stronger Japanese yen during the period. The Company has booked capital gain profit as it divested certain portions of investment shares by one of its subsidiaries, while taking on some impairment charges from its decision to close certain stores in Japan, thereby resulting in the net income for the Company of 523 million yen (increase of 4.0%).

Revenues, Stores and Operating Income by Segment

Domestic Store Operations Segment

Within this segment, the Company has opened 5 new stores under the brand IPPUDO, 6 with Ramen Express, and 4 new stores under the Others, a total of 15 new stores while it also closed 4 stores from the Bakery division, 1 from Others, resulting in the total number of stores at the end of the 3rd quarter of the fiscal year ending March 31, 2019, of 144 stores (a net increase of 10 stores).

The above resulted the cumulative sales up to the end of the period of 11,782 million yen (increase of 4.0%). This was due to the new stores opening on schedule and the existing stores recovering in sales, while there were natural disasters between June and September that resulted in temporary closures at some stores. The profit from the segment resulted in 704 million yen (decrease of 8.0%) due to increases in wages, raw materials as well as the logistics costs incurred in delivering ingredients to the stores, although the Company labored to improve production efficiency through production process revision and cost reduction overall.

International Store Operations Segment

Within this segment, the Company has opened 1 new store in the US, 7 in China, 1 in Taiwan, 1 in Australia, 1 in Malaysia, 6 in Thailand, 2 in the Philippines, and 2 in Indonesia, all under the IPPUDO brand, bringing the total number of stores at the end of the quarter to 105 (net increase of 23).

Thanks to the above, and due to the fact that the existing stores performed well in addition to the new stores, the cumulative revenue at the end of the quarter totaled 6,052 million yen (increase of 38.3%). The profit from the segment, boosted by the revenue increase of existing stores and the increase in the royalty income from licensed businesses, resulted in 405 million yen (increase of 31.7%), even after absorbing the start-up costs of the US West Coast business.

Domestic Manufacturing and Sales Segment

This segment expanded the sales of "Ouchi de IPPUDO," a consumer-oriented packaged goods, but given the closure of the instant-noodles manufacturing business in the fiscal previous year, its revenue resulted in a decrease. The self-initiated recall of the "Hot Moyashi Sauce" (packaged condiment) in the 2nd quarter of this fiscal year, also dragged down the revenue growth.

As such its cumulative revenue decreased by 7.1% compared to the end of the same period of the previous fiscal year, ending at 1,646 million yen, and its segment profit, pressured by decreased revenue and increased logistics costs, decreased by 7.6% to 57 million yen.

Others Segment

The Company opened 1 store in the Other segment, under the brand "Ichika Bachika" as it continues to experiment with new brands. The total number of stores in this Segment at the end of the period was 9 (1 increase), and its consulting division continues to grow steadily.

The segment revenue at the end of the period was 744 million yen (increase of 11.6%) and its loss for the period was 6 million yen (the loss for the previous year was 21 million yen).

The total store count by segment, country or region, and brand, is as follows:

Segment	Country/Region	Brand	Store count at the end of previous period	Whereas licensed stores	Increase/ Decrease	Store count at the end of third quarter FY2018-19	Whereas licensed stores
Domestic Store Operations	Japan	IPPUDO	89	7	+ 5	94	9
		RAMEN EXPRESS	25	0	+ 6	31	0
		Others	20	0	- 1	19	0
Others		Ichika Bachika	2	1	+ 1	3	1
		Inaba Udon	6	0	-	6	0
Domestic Total			142	8	+ 11	153	10
International Store Operations	United States	IPPUDO	5	0	+ 1	6	0
		KURO - OBI	4	0	+ 1	5	0
	Singapore	IPPUDO	7	0	-	7	0
		IPPUDO EXPRESS	2	0	+ 1	3	0
		Others	1	0	-	1	0
	China (including Hong Kong)	IPPUDO	22	22	+ 7	29	29
		GOGYO	1	1	-	1	1
	Taiwan	IPPUDO	8	8	+ 1	9	0
	Australia	IPPUDO	6	1	+ 1	7	2
		GOGYO	1	0	-	1	0
	Malaysia	IPPUDO	3	3	+ 1	4	4
	Thailand	IPPUDO	8	8	+ 6	14	14
	The Philippines	IPPUDO	5	5	+ 2	7	7
	Indonesia	IPPUDO	2	0	+ 2	4	0
	United Kingdom	IPPUDO	3	0	-	3	0
	France	IPPUDO	3	0	-	3	0
	Myanmar	IPPUDO	1	1	-	1	1
International Total			82	49	+ 23	105	58
Group Total			224	57	+ 34	258	68

Notes:

1. One IPPUDO store from the Domestic Store Operations was converted from company-owned to licensed.
2. 9 Taiwan stores have been converted from licensed to company-owned.

(2) Explanation on Financial Position

The Company has applied "Partial Changes to Accounting Standards relating to Tax Effect Accounting, etc." (Corporate Accounting Principles No. 28 (effective February 16, 2018)) since the first quarter of fiscal year ending March 31, 2019, and comparison to previous periods are calculated by applying the standard retroactively.

Assets, Liabilities and Net Assets

- Assets

As of December 31, 2018, the total assets increased from the end of the previous fiscal year by 1,213 million yen, totaling 16,514 million yen. This is mainly due to an increase in cash and deposits of 190 million yen, an increase in receivables of 166 million yen due to "Year-ending Soba noodles" sales through its Domestic Production and Manufacturing segment, an increase of inventories due to re-organization of supply chain to the stores, an increase in the tangible non-current assets of 375 million yen, an increase of goodwill of 179 million yen, and an increase in deposits and securities of 91 million yen, while the investment in shares decreased by 365 million yen due to its sales.

- Liabilities

At the end of the period, the liabilities totaled 11,715 million yen, an increase of 1,135 million yen compared to the end of the previous fiscal year. This is mostly due to an increase in interest-bearing loan of 156 million yen, an increase in payables of 204 million yen (due to the same reason as above of soba noodle sales), payables increase of 414 million yen for the capital expenditure of the West Coast stores, as well as an increase in corporate income tax payable of 98 million yen.

- Net Assets

The net assets for the period increased by 78 million yen compared to the end of the previous fiscal year, totaling 4,798 million yen. Equity ratio is at 26.5%. There was an increase of retained earnings (523 million yen) from the accumulated period, while 99 million was spent on acquisition of treasury shares, 150 million decrease of valuations on investment securities due to its sales of certain securities, decrease of 187 million yen due to dividends payment from its retained earnings, and 52 million decrease in non-controlling interests.

(3) Explanation related to the forecast of consolidated financial results and other forward-looking statements

There are no changes to the forecast of consolidated financial results for the fiscal year ending March 31, 2019, from the forecast made public on September 14, 2018.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Previous Period FY2017-18 As of March 31, 2018	Current Period FY2018-19 Q3 As of December 31, 2018
Assets		
Current assets		
Cash and deposits	3,064,604	3,254,698
Notes and accounts receivable - trade	500,495	667,387
Inventories	270,908	455,586
Other	1,146,730	1,466,887
Allowance for doubtful accounts	(1,560)	(1,827)
Total current assets	4,981,179	5,842,732
Non-current assets		
Tangible non-current assets		
Buildings and structures, net	4,938,889	5,791,986
Machinery, equipment and vehicles, net	254,196	350,927
Land	642,235	633,495
Leased assets, net	72,561	62,905
Construction in progress	792,576	122,786
Other, net	315,663	429,961
Total property, plant and equipment	7,016,123	7,392,062
Intangible assets		
Goodwill	86,278	266,160
Leased assets	19,589	9,446
Other	49,496	81,844
Total intangible assets	155,363	357,452
Investments and other assets		
Investment securities	816,179	450,185
Long-term loans receivable	4,914	4,708
Deferred tax assets	451,487	508,105
Lease and guarantee deposits	1,635,670	1,726,946
Other	241,506	234,062
Allowance for doubtful accounts	(1,945)	(1,970)
Total investments and other assets	3,147,813	2,922,037
Total non-current assets	10,319,300	10,671,552
Total assets	15,300,479	16,514,285

(Thousands of yen)

	Previous Period FY2018 As of March 31, 2018	Current Period FY2018-19 Q3 As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	697,483	902,134
Short-term loans payable	330,000	100,000
Current portion of bonds	14,000	14,000
Current portion of long-term loans payable	1,336,777	1,578,860
Lease obligations	32,241	24,824
Accounts payable - other	857,931	1,272,691
Income taxes payable	64,460	162,830
Provision for bonuses	2,400	14,543
Asset retirement obligations	6,660	21,236
Other	878,508	902,371
Total current liabilities	4,220,463	4,993,492
Non-current liabilities		
Bonds payable	165,000	158,000
Long-term loans payable	5,297,078	5,468,941
Lease obligations	57,765	44,621
Provision for ESOP benefits for domestic residents	-	9,139
Provision for ESOP benefits for non-residents	-	1,033
Net defined benefit liability	200,453	224,708
Asset retirement obligations	567,801	658,226
Other	71,526	157,564
Total non-current liabilities	6,359,624	6,722,237
Total liabilities	10,580,088	11,715,729
Net assets		
Shareholders' equity		
Capital stock	1,239,003	1,258,458
Capital surplus	1,151,406	1,170,861
Retained earnings	1,252,051	1,588,223
Treasury shares	-	(99,278)
Total shareholders' equity	3,642,461	3,918,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333,331	183,183
Foreign-exchange adjustments	273,311	278,010
Total accumulated other comprehensive income	606,642	461,193
Non-controlling interests	471,286	419,097
Total net assets	4,720,391	4,798,555
Total liabilities and net assets	15,300,479	16,514,285

(2) Quarterly Consolidated Statement of Profit and Loss and Quarterly Consolidated Statement of Comprehensive Income
(Accumulated Period of 3rd Quarter)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	18,143,971	20,226,524
Cost of sales	5,270,149	5,728,076
Gross profit	12,873,821	14,498,448
Selling, general and administrative expenses	12,205,212	13,794,499
Operating profit	668,608	703,948
Non-operating income		
Interest income	8,283	1,157
Dividends income	13,636	20,867
Share of profit of entities accounted for using equity method	4,413	-
Foreign exchange gains	39,940	-
Lease income	15,540	20,224
Subsidy income	-	15,891
Other	26,647	22,044
Total non-operating income	108,461	80,185
Non-operating expenses		
Interest expenses	62,369	64,942
Share of loss of entities accounted for using equity method	-	1,194
Foreign exchange losses	-	2,271
Cost of lease income	4,378	7,295
Other	11,550	17,262
Total non-operating expenses	78,297	92,965
Ordinary Profit	698,772	691,168
Extraordinary income		
Gain on sales of non-current assets	190	59,870
Gain on sales of shares of subsidiaries and associates	170,593	109
Gain on sales of investment securities	-	239,753
Other	17,598	7,628
Total extraordinary income	188,383	307,361
Extraordinary losses		
Loss from sales of non-current assets	653	-
Loss from retirement of non-current assets	5,060	9,842
Impairment loss	188,115	213,302
Settlement	-	65,484
Other	14,119	86,839
Total extraordinary losses	207,947	375,468

Quarterly profit before taxes	679,207	623,060
Income taxes – current	196,276	245,786
Income taxes – deferred	(3,802)	(87,793)
Total income taxes	192,474	157,993
Quarterly profit	486,733	465,067
Quarterly loss attributable to non-controlling interest	(16,530)	(58,239)
Quarterly profit attributable to the Company	503,263	523,306

Quarterly Consolidated Statement of Comprehensive Income
(Accumulated Period of 3rd Quarter)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Quarterly profit	486,733	465,067
Other comprehensive income		
Valuation difference on available-for-sale securities	214,439	(150,148)
Foreign-exchange adjustments	40,533	4,748
Share of other comprehensive income of entities accounted for using equity method	(68,336)	-
Total other comprehensive income	186,637	(145,399)
Quarterly comprehensive income	673,370	319,667
Quarterly comprehensive income attributable to		
Comprehensive income attributable to the Company	693,067	377,857
Comprehensive income attributable to non-controlling interests	(19,697)	(58,189)

(3) Notes on Quarterly Consolidated Financial Statements

1. The Company has applied "Partial Changes to Accounting Standards relating to Tax Effect Accounting, etc." (Corporate Accounting Principles No. 28 (effective February 16, 2018)) from the first quarter of fiscal year ending March 31, 2019, and comparison to previous periods are calculated by applying the standard retroactively, and the deferred tax assets are accounted under Investment and others asset class.

2. The Company has decided, at its board meeting on July 13, 2018, to introduce an employee incentive plan "Stock Benefit Employee Stock Ownership Plan" (hereinafter the "Plan"), and this Plan has been in effect since August 13, 2018. The Company aims to motivate and align employee interest with that of the Company for the increase in the price of the stock, and the overall performance of the Company, by introducing stock ownership plan as a new form of benefits.

(1) The Plan is an Employee Stock Ownership Plan Trust, (hereunder "ESOP Trust"), and it is modeled after the American ESOP system. It is an incentive scheme for employees whereby the treasury shares acquired by the ESOP Trust, are distributed, according to the Company's benefit guideline, to the employees who meet certain criteria. The Company will assign certain "points" to the employees for their contribution to the Company, and when the employees meet certain criteria according to stock benefit guideline, they will be given a certain number of shares as benefits.

(2) The treasury shares held by the Trust are booked (net of expenses) in net assets as treasury shares. At the end of

the 3rd quarter of the fiscal year ending 31 March 2019, the book value of the said treasury shares is 99,278,000 yen and totals 89,600 shares.

- Notes on premise of going concern

There are no items to report

- Notes on any significant variance on shareholder equity

There are no items to report

- Changes in accounting policies

There are no items to report

- Changes in accounting estimates

There are no items to report

- Changes in key subsidiaries during the period

During the period, CHIKARANOMOTO GLOBAL HOLDINGS PTE. LTD., which is a subsidiary of the Company has acquired the entirety of the shares in TAIWAN IPPUDO Co. Ltd., which resulted in its consolidation. TAIWAN IPPUDO Co. Ltd., is a special subsidiary company for the Company.

Segment-by-Segment information

1. Previous accumulated period of up to 3rd quarter (April 1, 2017 – December 31, 2017)

(1) Information related to revenue and profit (or loss) by segment

(Thousands of Yen)

	Segment				Others (Note 1)	Total	Adjustment (Note 2)	Results on Quarterly Consolidated Financial Statements (Note 3)
	Domestic Store Operations	International Store Operations	Domestic Manufacturing and Sales	Total				
Revenue								
Sales to External Customers	11,327,191	4,377,310	1,772,158	17,476,660	667,310	18,143,971	-	18,143,971
Internal Sales or Transfer of accounts	-	-	-	-	-	-	-	-
Total	11,327,191	4,377,310	1,772,158	17,476,660	667,310	18,143,971	-	18,143,971
Segment Profit or (Loss)	765,963	307,837	62,362	1,136,163	(21,547)	1,114,616	(446,007)	668,608

Notes

1. "Others" includes such business units as International Manufacturing and Sales, Consulting, and Agriculture units.
2. The adjustment of 446,007 thousand yen is the corporate overhead. The corporate overhead is sales, general and administrative expenses not allocated to any of the business segments.
3. Segment profit or loss is adjusted in accordance with operating income of Quarterly Consolidated Profit and Loss Statement.

(2) Information related to Impairment of non-current assets and goodwill per segment

(Important impairment charges related to non-current assets)

In the Domestic Store Operations segment, there was an impairment charge of 37,252 thousand yen related to the closures of stores within the 3rd quarter of the previous fiscal year.

In the international Store Operations segment, there was an impairment charge of 4,985 thousand yen related to the closures of stores within the 3rd quarter of the previous fiscal year.

In the Domestic Manufacturing and Sales segment, there is an impairment charge of 145,876 thousand yen related to the closure of Instant Noodle business during the 3rd quarter of the previous fiscal year.

2. Current accumulated period of up to 3rd quarter (April 1, 2018 – December 31, 2018)

(1) Information related to revenue and profit (or loss) by segment

(Thousands of Yen)

	Segment				Others (Note 1)	Total	Adjustment (Note 2)	Results on Quarterly Consolidated Financial Statements (Note 3)
	Domestic Store Operations	International Store Operations	Domestic Manufacturing and Sales	Total				
Revenue								
Sales to External Customers	11,782,457	6,052,711	1,646,397	19,481,566	744,958	20,226,524	-	20,226,524
Internal Sales or Transfer of accounts	-	-	-	-	-	-	-	-
Total	11,782,457	6,052,711	1,646,397	19,481,566	744,958	20,226,524	-	20,226,524
Segment Profit or (Loss)	704,496	405,400	57,652	1,167,549	(6,450)	1,161,098	(457,149)	703,948

Notes

1. "Others" includes such business units as International Manufacturing and Sales, and Consulting business units.
2. The adjustment of 457,149 thousand yen is the corporate overhead. The corporate overhead is sales, general and administrative expenses not allocated to any of the business segments.
3. Segment profit or loss is adjusted in accordance with operating income of Quarterly Consolidated Profit and Loss Statement.

(2) Information related to impairment of non-current assets and goodwill per segment

Important impairment of non-current assets

In the Domestic Store Operations segment, there are 209,975 thousand yen impairment charges relating to the closure of and decision to close certain stores during the accumulated quarter of the fiscal year ending March 31, 2019.

Significant variance on the amount of goodwill

In the International Store Operations segment, due to the acquisition of shares of Taiwan IPPUDO Co. Ltd during the 3rd quarter of the current fiscal year, goodwill incurred. The amount of the said goodwill is 155,447 thousand yen.