



FY2018-19 Financial Results Briefing

(Supplementary Explanation Material for Financial Results of Fiscal Year Ending 31 March, 2019)

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Financial Results FY2018-19



Consolidated P&L



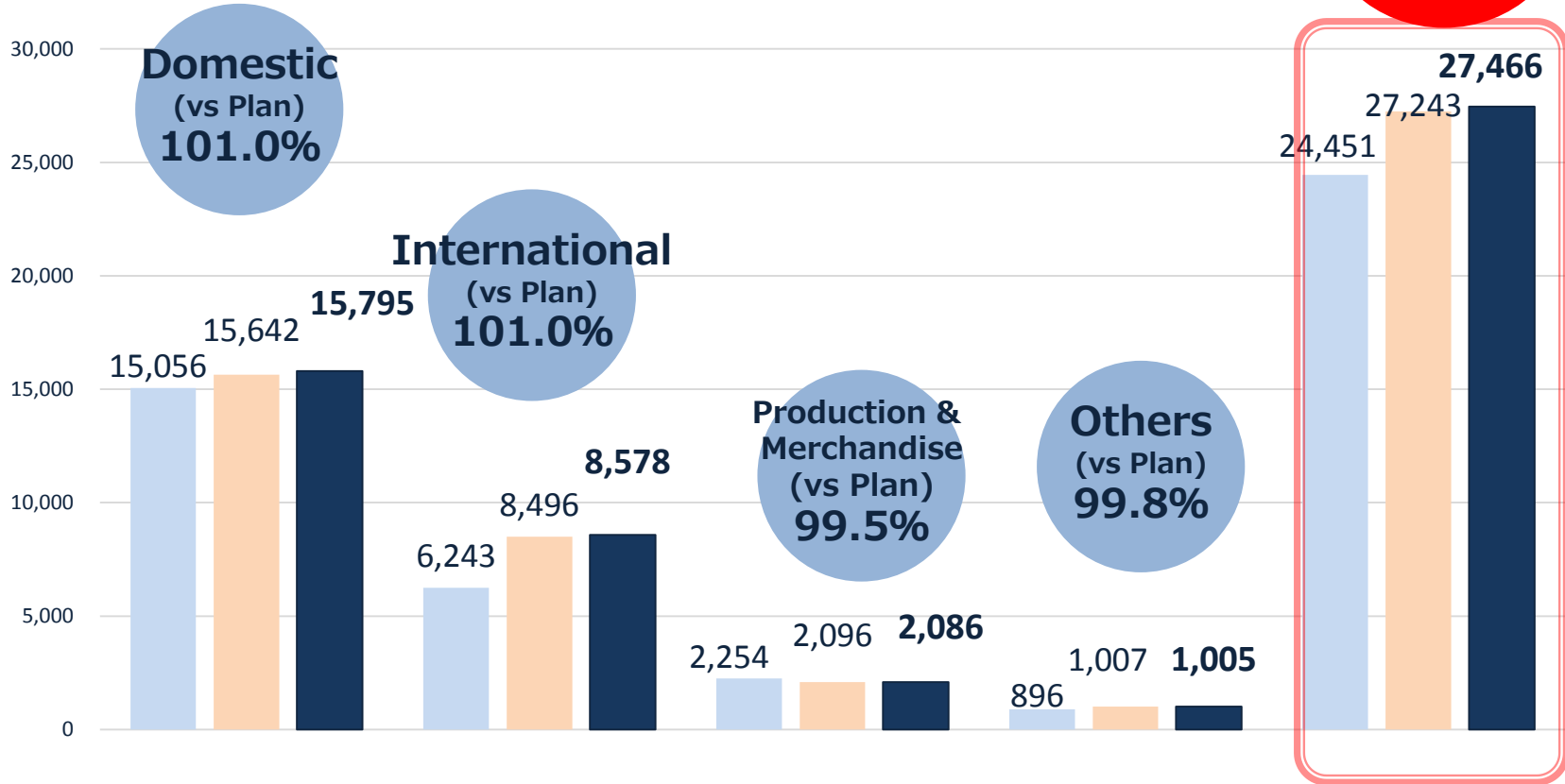
Unit: Million Yen	FY2018-19 Results	FY 2018-19 Revised Plan	Previous FY Results	VS Revised Plan	VS Previous FY
Revenue	27,466	27,243	24,451	+0.8%	+12.3%
Gross Margin	19,664	—	17,362	—	+13.3%
SG&A Expenses	18,706	—	16,456	—	+13.7%
Operating Income	957	1,012	905	▲5.4%	+5.8%
Ordinary Income	922	985	872	▲6.4%	+5.8%
Pre-Tax Income	837	—	755	—	+10.9%
Profit Attributed to the Company	615	668	634	▲7.9%	▲3.0%

Revenue, Operating Income, Ordinary Income all showed growth
 Net Profit decreased slightly due to write-offs from strategic relocation and
 closures of domestic stores

Revenue by Segment



■ Previous FY Unit: Million Yen
■ Revised Plan
■ This FY, actual



**All the segments' results very close to the plan
12.3% increase in revenue vs. previous FY**

Financial Highlights for FY2018-19 (Revenue)



◆ Domestic Operations

- New stores openings fell short of plan in Q4 (22 planned for the year, 17 actual openings)
- Above due to strategic profitability re-evaluation leading to partial revision in store opening plans
- Concentrated resource allocation (financial and human resources) to high-performing stores
- Many undertakings to improve store performance showing results:

Existing store sales YoY	1 st Half	95.2%
	2 nd Half	98.3%

◆ International Operations

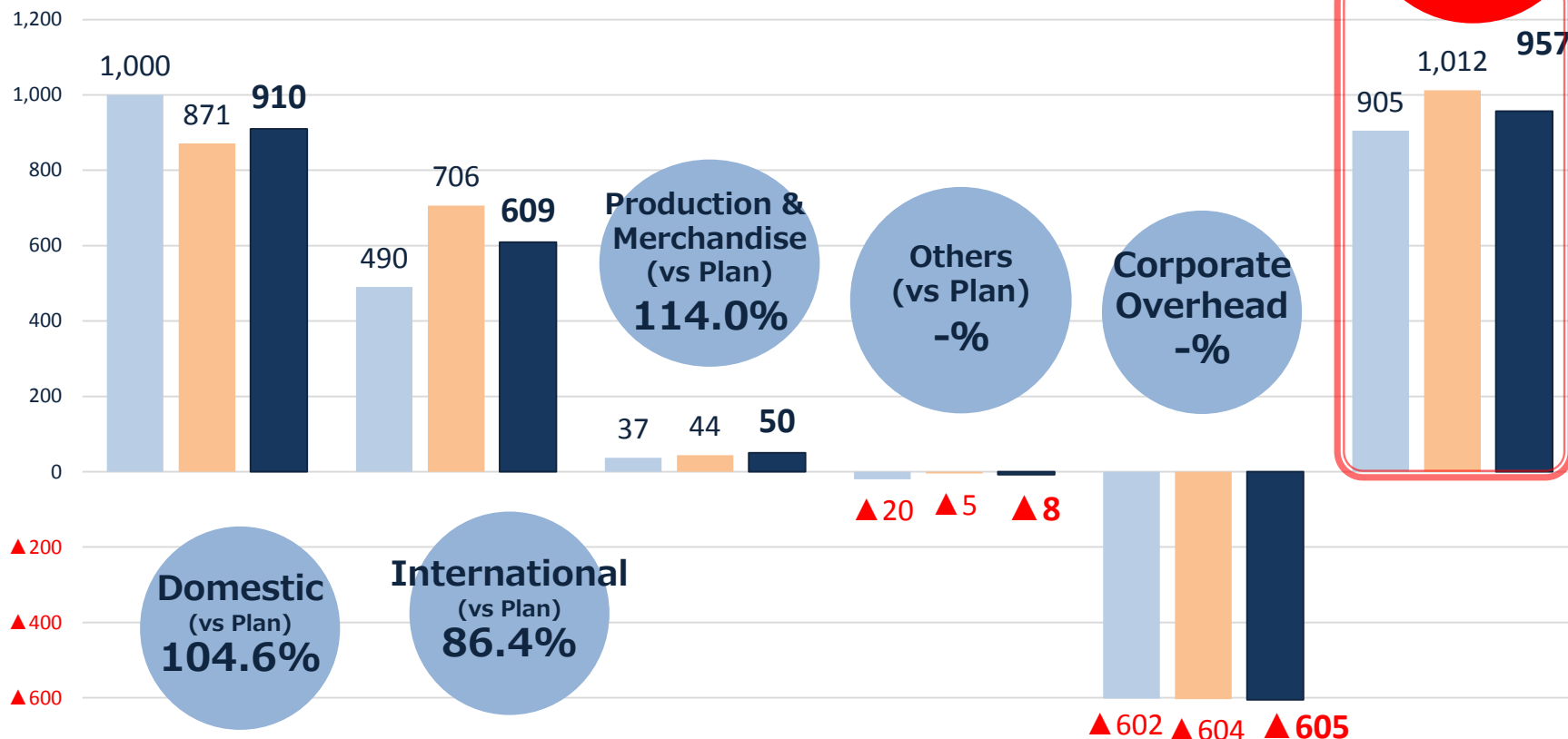
- Targeted store openings achieved (33 stores for the year)
- Existing store sales YoY 100.5% for the year
- Increase in royalty income due to more stores in licensed areas
- Solid growth at 137% compared to the previous FY as a whole

Income by Segment



■ Previous FY
■ Revised Plan
■ This FY, actual

Unit: Million Yen



Domestic segment recovered in 2nd HY, hitting annual target.
International segment grew by 24% despite some delays of new stores in the USA

◆ Domestic Operations

- Dragged down by increases in wages, raw materials and logistics costs
- Improved staff retention rates and increase of seat numbers in high-performing stores led to improved profitability in the second half
- Supply chain revamp continuing, showing some cost reductions
- Segment operating margin at 5.8% (previous year 6.6%)

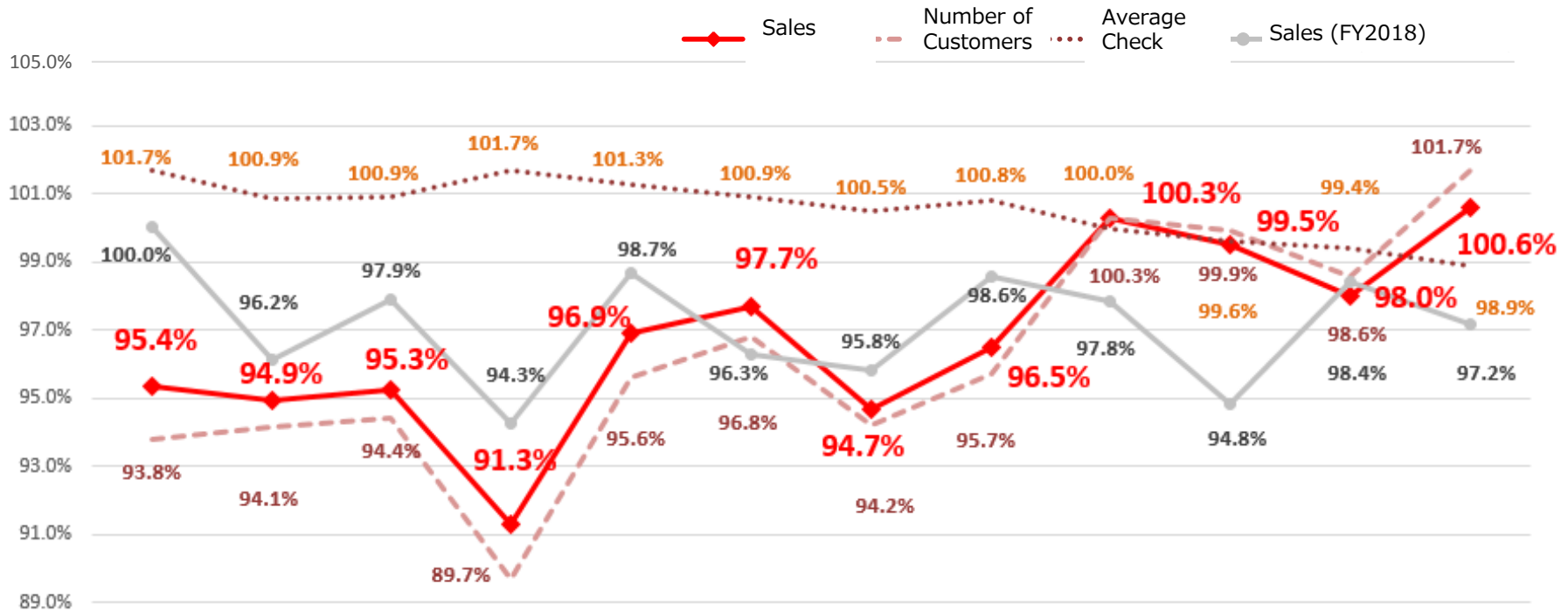
◆ International Operations

- Growth of 24% vs previous FY. Profits from other areas compensated for the losses in the US west coast division (approximately JPY100 million)
- Segment operating margin decreased slightly from 7.9% to 7.1% but the amount of profit increased by more than JPY100 million

<Domestic> Year-Over-Year of Existing Stores Compared to the Previous Fiscal Year



□ FY2018-19 Year-Over-Year of Sales/Number of Customers/Average Check



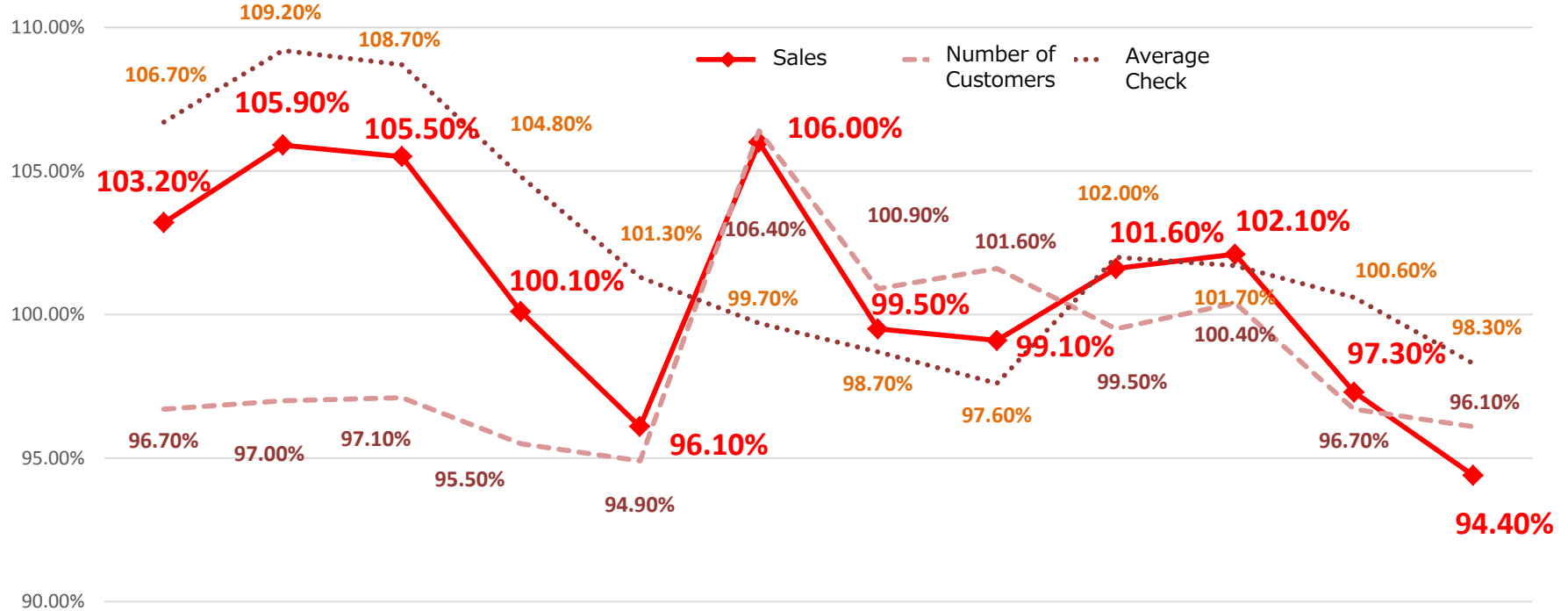
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Sales	95.4%	94.9%	95.3%	91.3%	96.9%	97.7%	94.7%	96.5%	100.3%	99.5%	98.0%	100.6%	96.8%
Number of Customers	93.8%	94.1%	94.4%	89.7%	95.6%	96.8%	94.2%	95.7%	100.3%	99.9%	98.6%	101.7%	96.3%
Average Check	101.7%	100.9%	100.9%	101.7%	101.3%	100.9%	100.5%	100.8%	100.0%	99.6%	99.4%	98.9%	100.5%

Reinforced efforts to improve store performance starting to pay-off. Both sales and number of customers improving from the bottom of July. For the Q4, the number of customers was 100.1%

<International> Year-Over-Year of Existing Stores Compared to the Previous Fiscal Year



2018-19 Year-Over-Year of Sales/Number of Customers/Average Check



4.6% negative impact from foreign exchange fluctuations in December, although all areas performing solidly and the annual sales at 100.5% YoY

Consolidated Balance Sheet



Unit: Million Yen

	March 2018	March 2019	GAP
Current Assets (cash and deposits)	4,981 (3,064)	5,792 (3,615)	+811 (+550)
Tangible Fixed Assets	7,016	7,367	+351
Intangible Fixed assets	155	336	+180
Investments & Others	3,147	2,896	▲251
Non-Current Assets	10,319	10,600	+280
Total Assets	15,300	16,392	+1,092
Total Liabilities	10,580	11,668	+1,087
Equity	3,642	4,027	+384
Accumulated Other Comprehensive Income	606	295	▲310
Non-controlling interest	471	401	▲69
Total Net Assets	4,720	4,724	+4
Total Liabilities and Net Assets	15,300	16,392	+1,092

■ Assets

• Cash & deposits	+550
• Inventories	+89
• Non-current assets	+351
• Goodwill	+167
• Lease & deposits	+114
• Investment securities	- 386

■ Liabilities

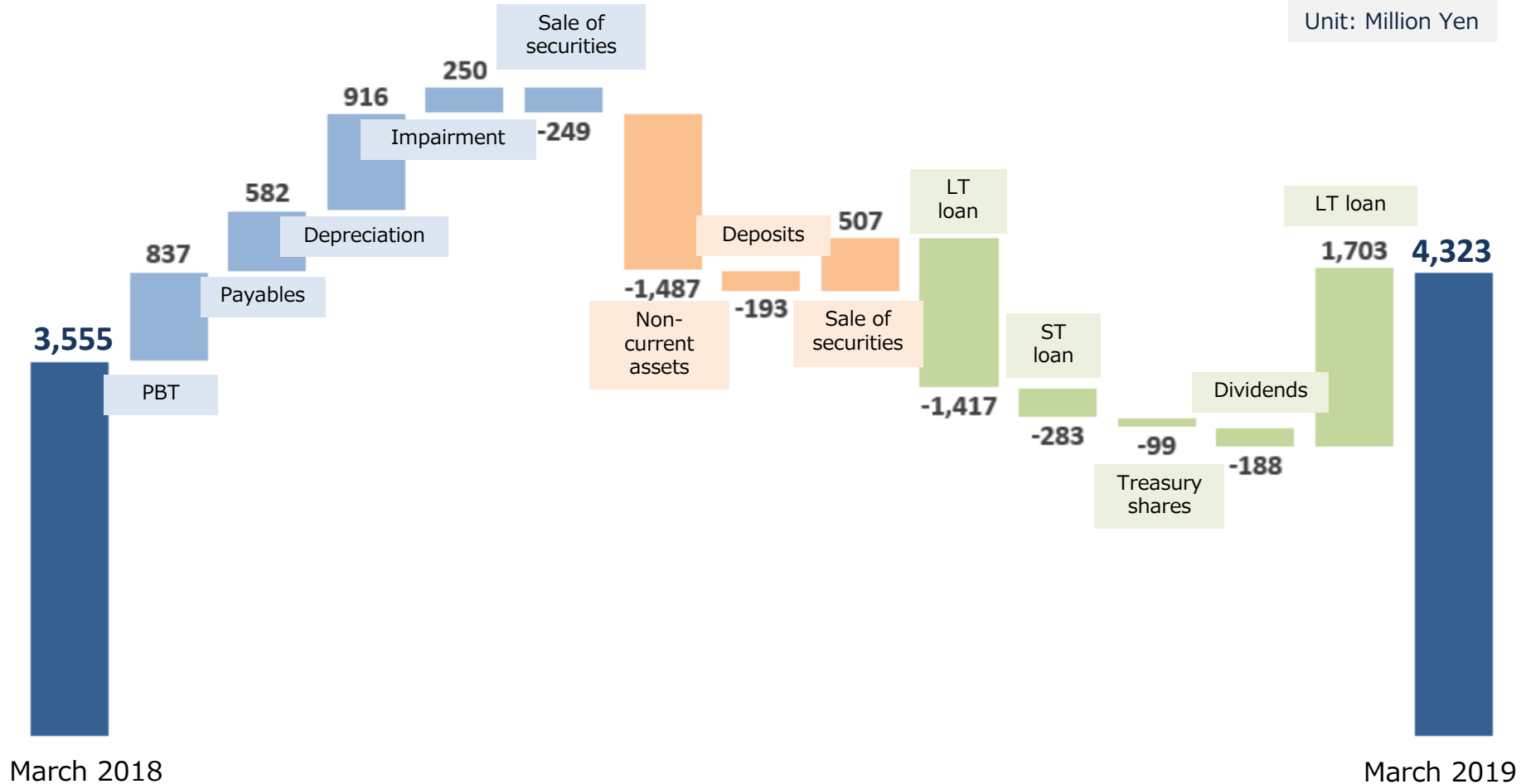
• Interest-bearing loans	+19
• Payables	+572
• Asset retirement obligations	+117
• Taxes payable	+184

■ Net Assets

• Retained earnings	+615
• Treasury shares	- 99
• Valuation of securities	- 174
• Dividend payments from retained earnings	- 187
• Foreign-exchange adjustment accounts	- 136

Equity ratio 26.4% (March 2018: 27.8%)

Consolidated Cash Flow



**Cash and cash equivalents increased by JPY767 million
EBITDA at JPY1,874 million**

Store Openings

Domestic

FY2018-19	Plan
17	22

Int'l

FY2018-19	Plan
33	33

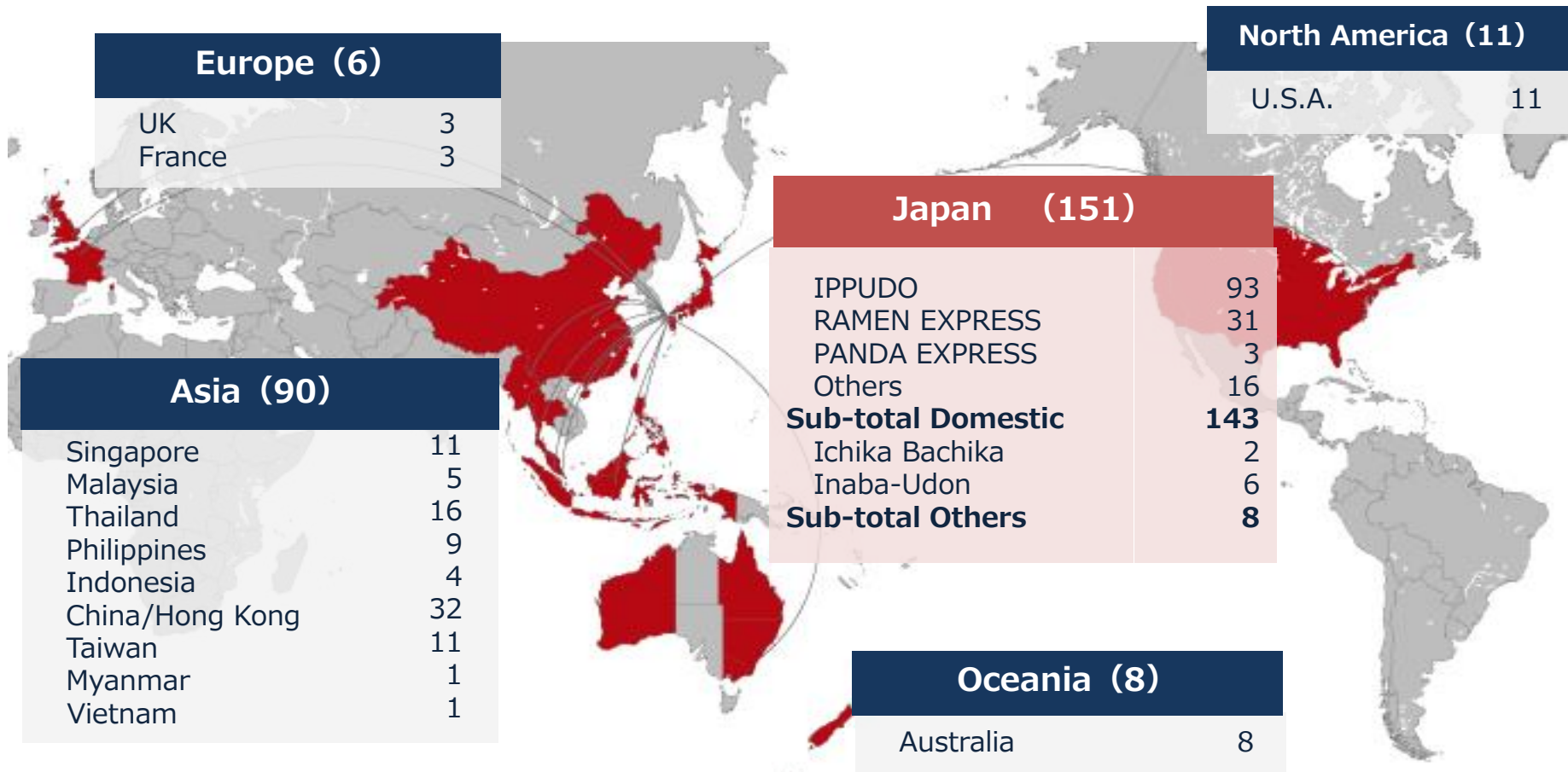
**Domestic fell short in Q4 due to strategic decisions to revise opening plans
International achieved target despite some delays in company-owned areas**

(as of Mar, 2019)

266 stores in 14 countries and regions

(+42 stores since end of previous FY)

Domestic 151, International 115



Main Accomplishments



1/2PPUDO Shibuya Hikarie
January 22, 2019 Grand OPEN

Q4 Openings

	January	February	March
Domestic	1/2PPUDO at Shibuya Hikarie		Panda Express Divercity Tokyo Plaza
Int'l	IPPUDO Sunway Pyramid (Malaysia) IPPUDO Express Breeze Nanshan (Taiwan) IPPUDO Hangzhou Mix City (China) IPPUDO Beijing Galleria (China) IPPUDO Greenbelt 5 (the Philippines) IPPUDO Breeze Central Research Institute (Taiwan)	IPPUDO 101 The Third Place (Thailand)	IPPUDO Ayala 30 th (the Philippines) IPPUDO Phu My Hung (Vietnam) IPPUDO Central Festival Eastville (Thailand)

Dividends



	Mid-term	Term end	Annual total
Record Date	September 30, 2018	March 31, 2019	—
Dividend per Share	4.00 Yen	4.00 Yen	8.00 Yen
Total amount of dividend	93 million yen	94 million yen	188 million yen
Effective Date	December 4, 2018	June 5, 2019	—

The Dividend forecast for the next fiscal year (FY2019-20) is 8.00 yen ordinary dividend per share
(mid-term 4.00 yen, term end 4.00 yen)

**Mid-term dividend of 4 yen per share, term end dividend of 4 yen, total 8 yen per share
Payout ratio of 30.5%**

33rd Anniversary (October 16)



London



Singapore



Indonesia



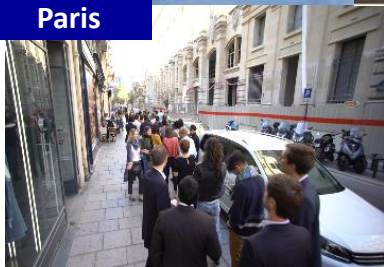
Myanmar



New York



Paris



Fukuoka



San Francisco



Perth



Malaysia



Taipei



Commemorating 33rd Anniversary, offered free bowls of ramen at 33 stores worldwide. Other events took place around the clock in 13 countries

Japan Branding Awards



Japan Branding Awards 2018

Interbrand



1985 Fukuoka
1995 Tokyo
2008 New York
2009 SINGAPORE
2011 HONG KONG
2012 TAIWAN
CHINA(MAINLAND)
Sydney
2013 MALAYSIA
2014 THAILAND
INDONESIA
PHILIPPINES
London
2016 Paris
2017 MYANMAR
San Francisco
2018 Perth
Melbourne



IPPUDO receives “Rising Star” Award at Japan Branding Awards 2018, the first-ever award that recognizes branding activities in Japan



At the inaugural Japan Branding Awards hosted by Interbrand Japan, Chikaranomoto received a Rising Star Award for its unique branding activities and building its brand strength.

Global Internships



IPPUDO offers global internship opportunities in Singapore
as a part of Industry-Academic collaboration



**Hosted global internships in collaboration with academic institutions.
Received awards for "Internship Awards 2019 Selected by Students"
backed by METI and other governmental agencies.**

Inaugural presence at “Nikoniko Chokaigi” April 2019



Collaborated with other brands and industries to create limited-offer ramen and attracted new segments of the market

FY2019-20 Plan

(current FY)



PANDA EXPRESS
DiverCity Tokyo Plaza
March 12, 2019 Grand OPEN

FY 2019-20 Plan (Consolidated P&L)



Unit: Million Yen

	FY2018-19 Actual	FY2019-20 Plan	Vs Previous FY	
			Amount	Ratio
Revenue	27,466	30,010	+ 2,544	+9.3%
Operating Income	957	1,150	+ 193	+20.1%
Ordinary Income	922	1,072	+ 150	+16.2%
Net Income	615	700	+ 85	+13.9%

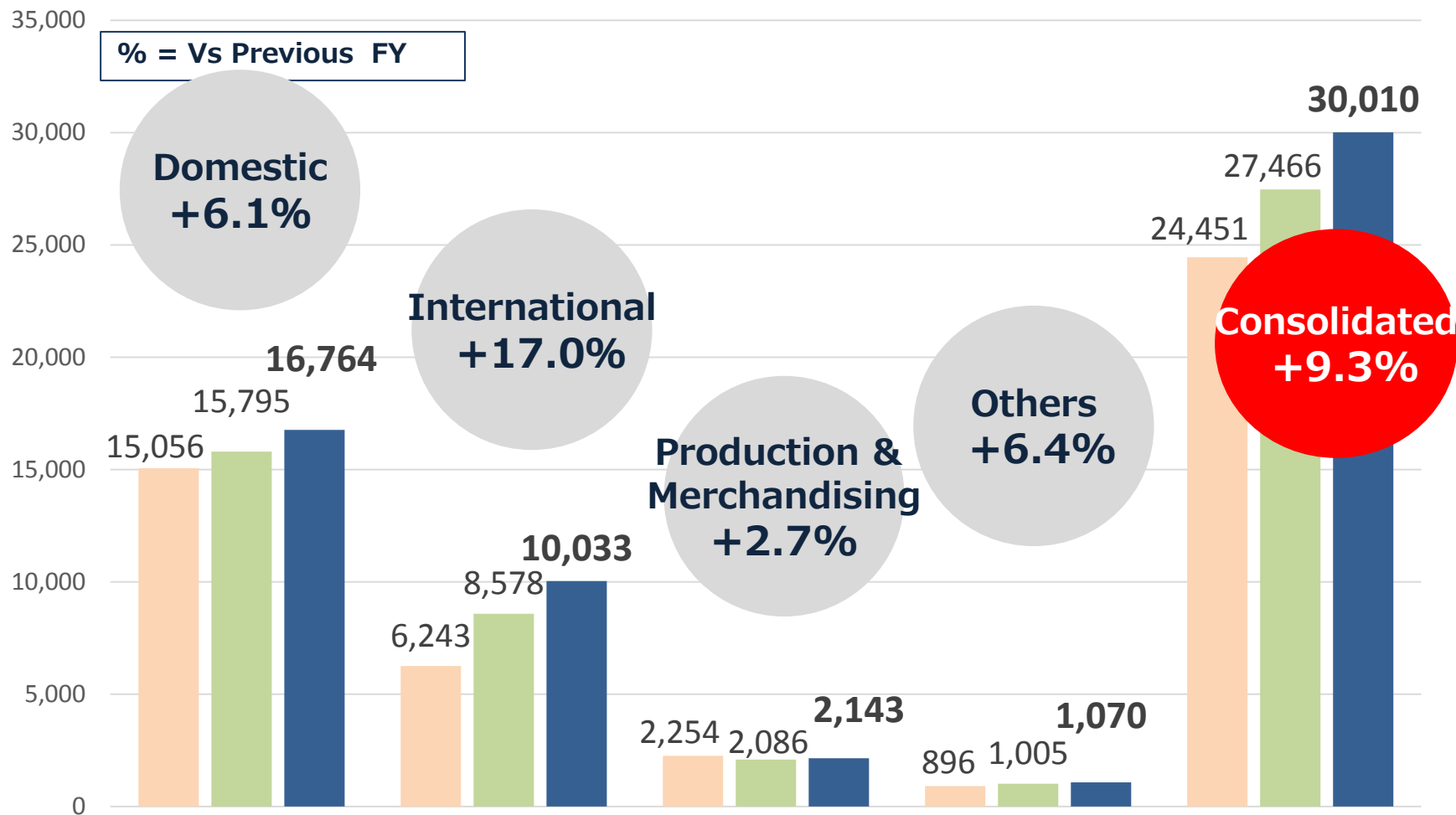
Revenue growth of 9.3%, Operating income growth 20.1%
Strong growth on both top and bottom lines

FY2019-20 Plan (Revenue by Segment)



FY2017-18 Actual FY2018-19 Actual FY2019-20 Forecast

Unit: Million Yen



**Slower growth for Domestic due to reinforcement of existing stores
International continues to expand both on company-owned and
licensed territories. Overall growth shy of 10%**

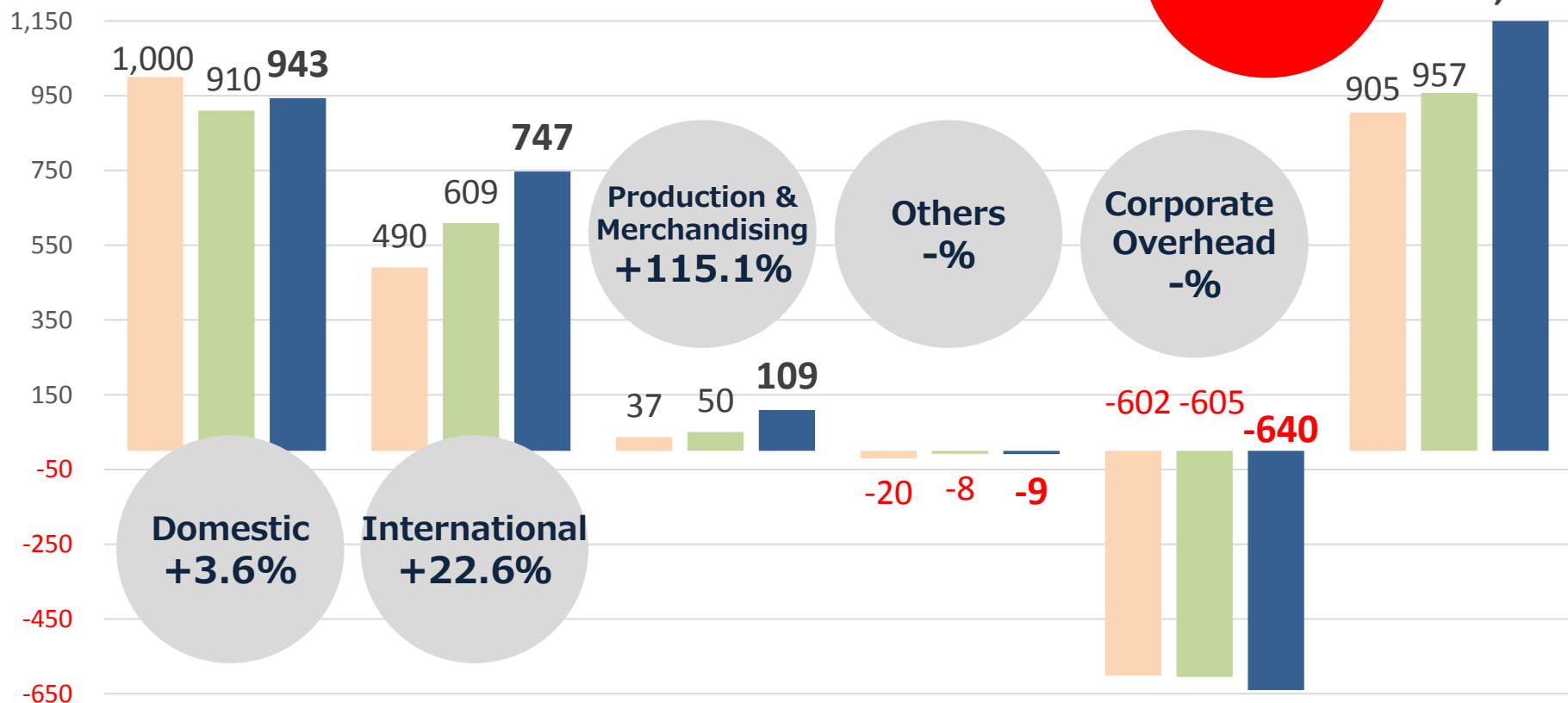
FY2019-20 Plan (Income by Segment)



■ FY2017-18 Actual
 ■ FY2018-19 Actual
 ■ FY2019-20 Forecast

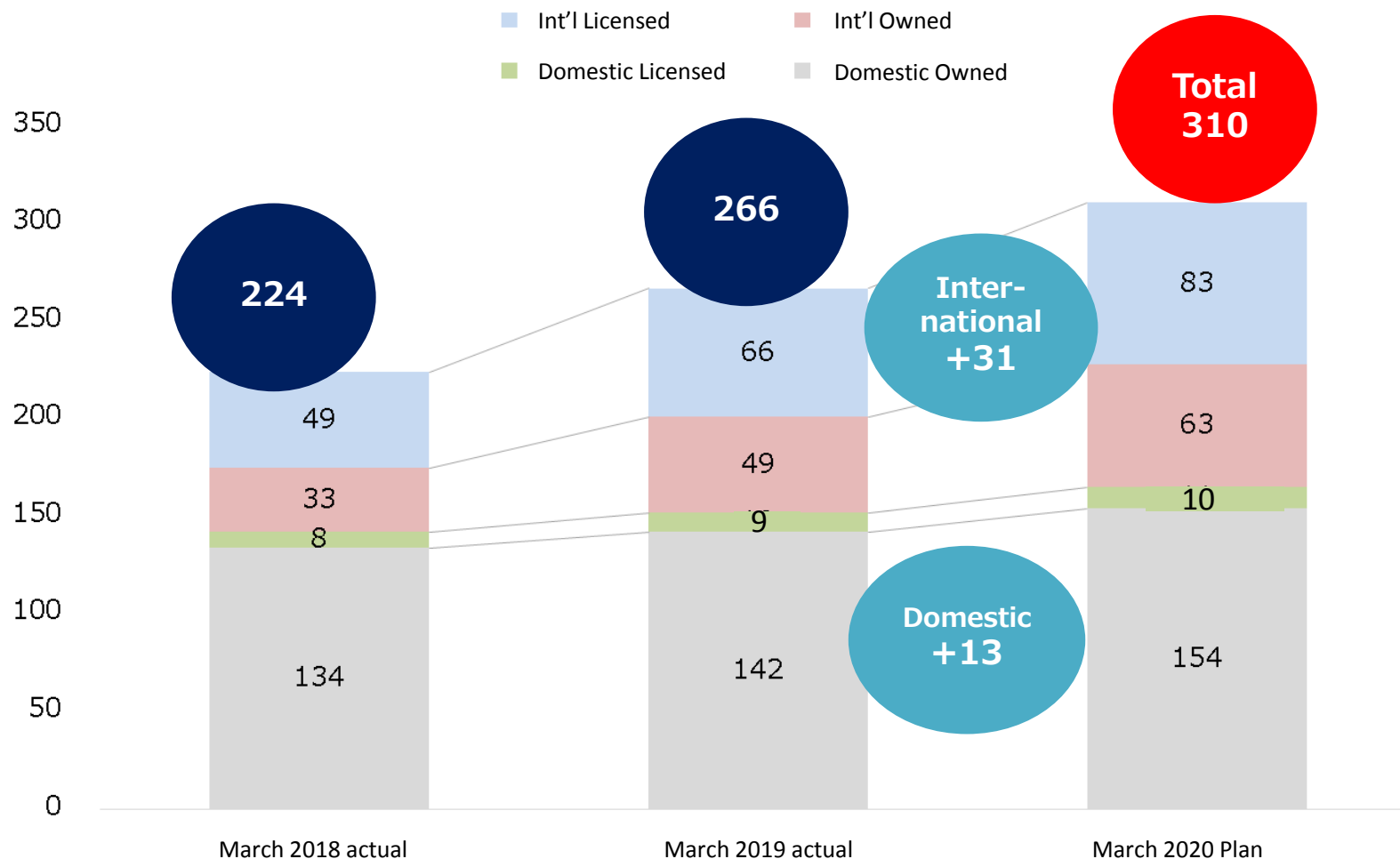
Unit: Million Yen

% = Vs Previous FY



Domestic to continue to focus on improving profitability at existing stores
International to continue expanding to compensate for the delays in the US west coast
Overall more than 20% growth projected for the consolidated income

FY2019-20 Plan (Store Count)



Total 44 additions to the store count (13 Domestic and 31 International), total 310 stores by the end of March 2020

Appendix



Bangkok, Thailand
IPPUDO THAILAND Central Festival Eastville
March 29, 2019 Grand OPEN

■ Vision ■

***Keep Changing
to Remain
Unchanged***



■ Founding philosophy ■

We aspire to be a group of people continuously creating new values. We will communicate those values to the whole world through Smile and Arigatou, the highest forms of human communication.

Chikaranomoto Holdings Co., Ltd. (Ticker #: 3561)

- Address Qiz TENJIN 801B, 1-14-45, Daimyo, Chuo ward, Fukuoka city, Fukuoka, Japan
- Date of Establishment 30th October, 1986
- Capital Stock 1,266,770,000 JPY (The number of issued shares : 23,693,500 shares)
- Fiscal Term March
- Number of Employee 71 (consolidation 623) ※Excluding temporary employee
- List of Directors
 - Representative Director, Chairman and President Shigemi Kawahara
 - Managing Director and CFO Shinichi Kasuya
 - Director Yoshiharu Harada
 - Director Hidehiko Nishihama
 - Director (Independent) Katsushi Kaneko
 - Director (Audit Committee) Yasuyoshi Suzuki
 - Director (Audit Committee, Independent) Tetsuya Tsuji
 - Director (Audit Committee, Independent) Shinji Tanabe

As of March, 2019

Signature Products

原点の一杯
白丸元味



Shiromaru Classic

Keeping in line with the founding recipe, the *Classic* soup is cooked for over 18 hours and a day of maturation, silky yet high in flavors and fragrance. Ultra-thin noodles, typical of Hakata, accentuates this IPPUDO product.

革新の一杯
赤丸新味



Akamaru Modern

A modern take on the *Classic*, *Akamaru* adds a slightly spicy mixed *Miso* paste and fragrant oil, to give the senses a gentle kick. Slightly thicker noodles match perfectly with a bowl full of flavors.

刺激の一杯
風堂から麺



Karaka

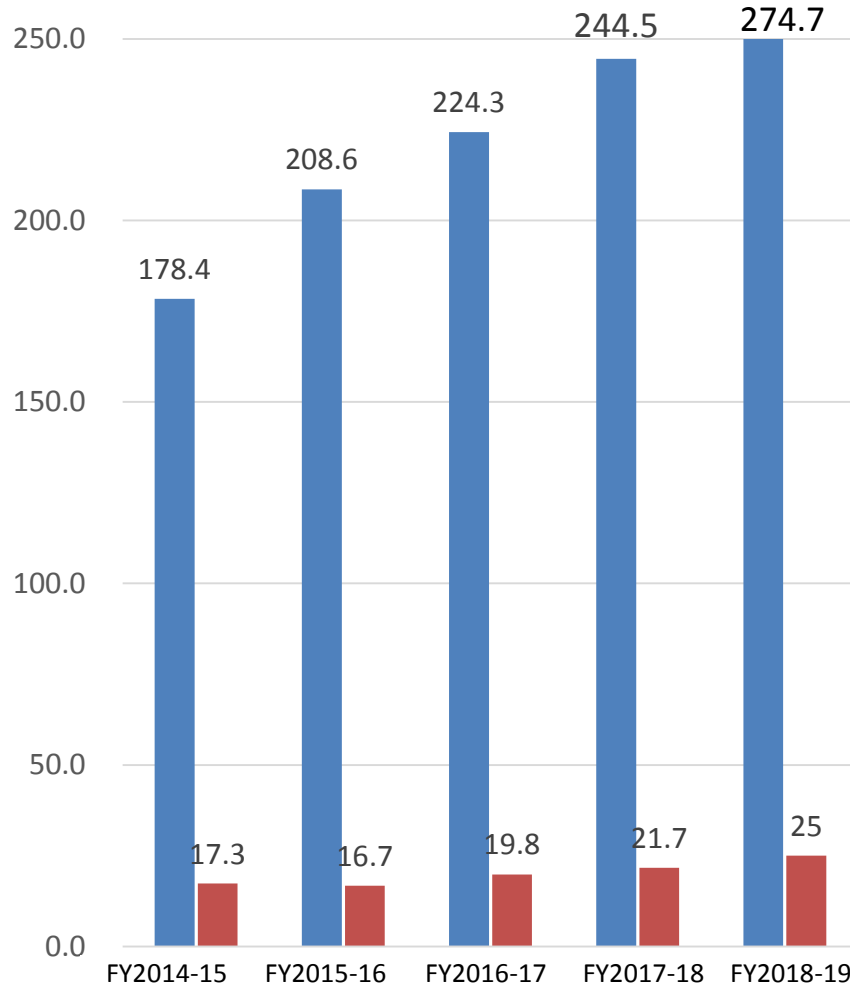
Based on the same silky *Tonkotsu* soup, it comes with bold spices such as *Tobanjan*, *Tenmenjan* and *Sansho* peppers. Finished with *Rayu* spicy oil, this one is not for the faint-hearted.

Historical Performance



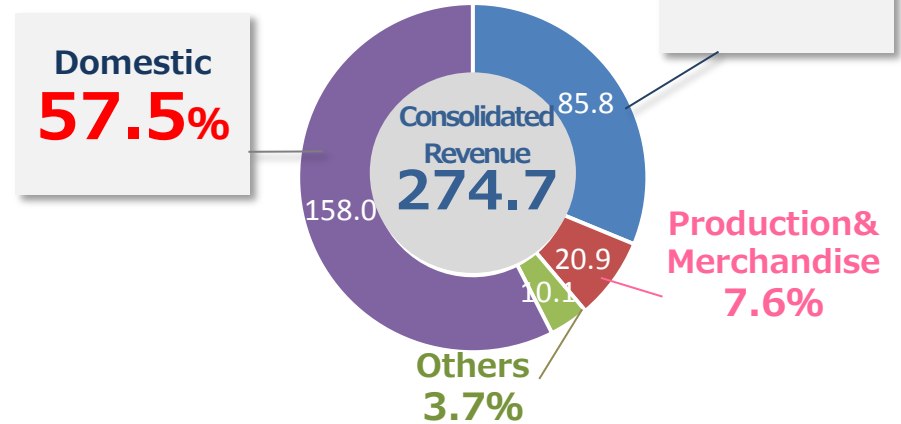
Consolidated Revenue

■ Consolidated
■ Non-Consolidated
(in JPY 100 million)



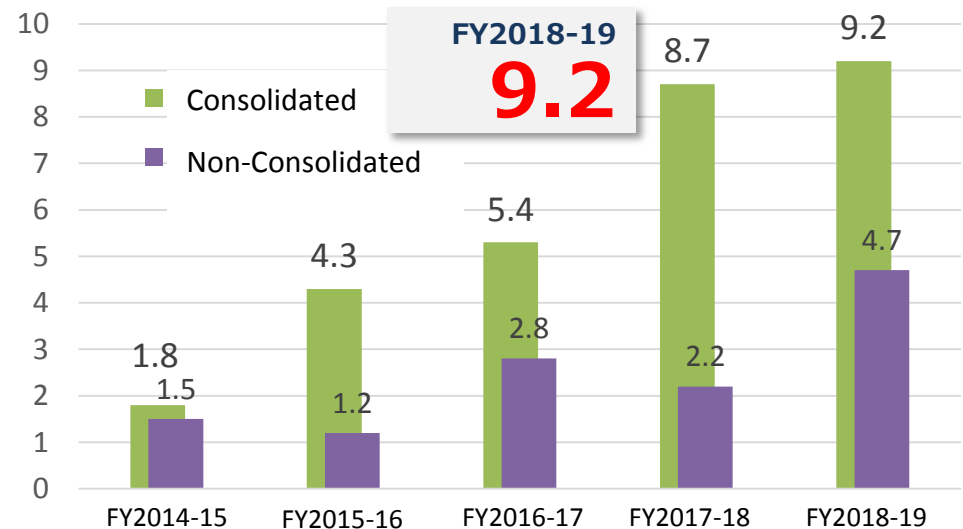
Revenue by Segment

FY2018-19 (in JPY 100 million)



Ordinary Income

(in JPY 100 million)



2025
Global Total of 600 stores
Global 7.4 Billion customers



2018.11 The international 100th store

2018.3 **Tokyo Stock Exchange 1st Section**

2017.3 Listed on the Tokyo Stock Exchange
MOTHERS section

2016.2 IPPUDO Paris
the 1st store in France

2015.10 30 years anniversary event

2014.10 IPPUDO London, the 1st store in Europe

2009.5 IPPUDO Singapore, the 1st store in Asia

2008.3 IPPUDO New York, the 1st store in overseas

1997.1 Achieved 3 straight championships as Ramen cook on TV show
“TV Champion”

1995.4 IPPUDO Ebisu, the 1st store in Tokyo

1994.3 Opened a store in Ramen Museum in Yokohama

1985.10.16 **IPPUDO Daimyo. The original restaurant in Fukuoka.**

1979.11 Opened a bar “After the Rain” in Fukuoka

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