

Financial Results (Consolidated) for Second Quarter of Fiscal Year Ending March 2016 (Japanese Accounting Standards)

November 5, 2015

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 Starting date of dividend payment (planned): December 7, 2015
 Date of submission of quarterly report (planned): November 5, 2015
 Supplemental explanatory materials on consolidated financial results prepared? Y / N
 Investors meeting held on settlement of accounts? Y / N

(Figures rounded down to the nearest million yen)

1. Consolidated financial performance in the second quarter of the fiscal year ending March 2016 (April 1 – September, 30, 2015)

(1) Consolidated business performance (cumulative) (Percentages [%] indicate year-on-year changes)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2, FY 2016	263,483	4.7	6,305	437.8	5,857	447.2	2,481	—
Q2, FY 2015	251,587	10.5	1,172	(73.0)	1,070	(74.0)	(2,231)	—

Note: Comprehensive income: Q2, FY 2016: 1,994 million yen (— %); Q2, FY 2015: (308) million yen (— %)

	Quarterly net profit per share	Quarterly diluted net profit per share
	yen	yen
Q2, FY 2016	16.70	—
Q2, FY 2015	(15.02)	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Q2, FY 2016	274,928	76,074	22.6	418.71
FY 2015	289,467	74,233	21.0	410.09

Reference: Equity capital: Q2, FY 2016: 62,210 million yen; FY 2015: 60,929 million yen

2. Dividend position

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY 2015	—	0.00	—	0.00	0.00
FY 2016	—	4.00	—	—	—
FY 2016 (forecast)	—	—	—	4.00	8.00

Note: Change in most recently announced dividend forecasts? Y / N

3. Consolidated business performance forecasts for FY 2016 (April 1, 2015 – March 31, 2016)

(Percentages [%] indicate changes from the previous year.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen	
Full year	546,725	6.8	12,235	389.8	10,939	280.5	3,311	—	22.29	

Note: Change in most recently announced business performance forecasts? Y / N

Notes

(1) Important changes in subsidiaries (changes in specified subsidiaries resulting in change in scope of consolidation) during the cumulative period through the consolidated second quarter of this fiscal year: Y / N

(2) Special accounting policies applied in preparation of the quarterly consolidated financial results? Y / N

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies resulting in revisions of accounting standards: Y / N

(ii) Other changes in accounting policies: Y / N

(iii) Changes in accounting estimates: Y / N

(iv) Restatement Y / N

Note: For details, please see the section “2. Notes on Summary Information (Notes) (3) Changes in accounting policies, changes in accounting estimates, and restatement” on page 4 of the attached document.

(4) Shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding (including treasury stock) at the end of the period

Q2, FY 2016	148,600,000	shares	FY 2015	148,600,000	shares
Q2, FY 2016	23,875	shares	FY 2015	23,823	shares
Q2, FY 2016	148,576,131	shares	Q2, FY 2015	148,576,319	shares

(ii) Number of shares of treasury stock at the end of the period

(iii) Average number of shares during the fiscal year (quarter cumulative)

Notes on quarterly review procedures

These quarterly financial results are not subject to the procedures for the review of quarterly reports under the Financial Instruments and Exchange Act. Procedures for the review of quarterly reports had been completed before these financial results were released.

Notes on appropriate use of forecasts of business performance and other notes

(Notes on forward-looking statements, etc.)

The forecast figures indicated above are projections based on the information available at the time they were prepared. They include some degree of uncertainty. Actual business performance and other results may differ from the forecast figures indicated above. See p. 4 of the Appendix for information on the above forecast figures.

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1. Qualitative Information on Quarterly Consolidated Business Performance, etc.

(1) Qualitative information on quarterly consolidated business performance

During the consolidated cumulative second quarter of this fiscal year (April 1 – September, 30, 2015), the Japanese economy has seen improvements in company profit and the employment environment, and has progressed with a calm recovery. However, there remains the uncertainty over the future, due to the risk of downturn of overseas economies, including the Chinese one.

In the restaurant industry, the prices of ingredients increased due to the yen depreciation and the bullish markets inside and outside Japan, while personal consumption has not recovered fully, and so the business environment remains stringent.

Under these circumstances, the sales of existing stores in the Gyudon category such as Sukiya, the Family Dining category such as Coco's and Jolly Pasta and the Fast Food Service category such as Hamasushi were 100.4% year-on-year, 99.4% year-on-year, and 99.5% year-on-year, respectively. Regarding the profit, despite the rise in ingredient prices including beef prices, there was an increase in profit compared to the same period of the previous year as the late-night store operations of the Gyudon chain, "Sukiya," have been resumed and other reasons.

At the end of the consolidated second quarter of this fiscal year, the Group's number of stores stood at 4,778 locations. Events contributing to this figure included the opening of 64 restaurants and the closing of 16 restaurants.

Consequently, the business performance in the consolidated cumulative second quarter of this fiscal year showed sales of 263,483 million yen (up 4.7% year-on-year), operating income of 6,305 million yen (up 437.8% year-on-year), ordinary income of 5,857 million yen (up 447.2% year-on-year), and profit attributable to owners of parent of 2,481 million yen (loss attributable to owners of parent of 2,231 million yen in the same period of the previous year).

An overview of conditions by business segment is provided below.

① Restaurant business

The sales of the restaurant business in the consolidated cumulative second quarter of this fiscal year were 232,546 million yen (up 1.8% year-on-year), and operating income was 6,451 million yen (up 217.2% year-on-year).

The performance of the restaurant business for each major category is as follows.

Gyudon category

With the opening of 28 restaurants and the closing of 7 restaurants, the number of restaurants in the Gyudon category at the end of the consolidated second quarter of this fiscal year totaled at 2,602. This figure includes 1,983 outlets in the Sukiya chain and 474 outlets (including 17 franchised outlets) in Nakau chain.

Sukiya, a gyudon chain operated by Sukiya Co., Ltd., revised the recipe of Gyudon, increasing the amount of beef and onion, under the concept of "New Value," and changed its price from 291 yen (270 yen plus tax) to 350 yen (tax included) on April 15, 2015. In addition, under the theme of "Let's be healthy by having meals at Sukiya," Sukiya strengthened its product lineup by adding "Chicken and colorful vegetable curry" (regular size: 580 yen (tax included)), "Gyu-bibinba-don-teishoku (set meal with a beef bibimbap rice bowl)" (regular size: 580 yen (tax included)), and seasonal products of "mushrooms peperoncino gyudon" (regular size: 490 yen (tax included)). As for the management of Sukiya restaurants, Sukiya is working to strengthen the employment and education of each regional company and resume the late-night operation of some stores. In addition, Sukiya is striving to strengthen quality controls and improve its service to allow customers to continue to enjoy safe and delicious products.

Nakau, rice bowl dishes and Kyoto-style udon noodle chain operated by Nakau Co., Ltd., sought to improve business performance by undertaking various sales promotions while strengthening the attraction of its products by introducing new and seasonal products and improving existing products.

Due to these efforts, sales in the Gyudon category in the consolidated cumulative second quarter of this fiscal year totaled 93,280 million yen (up 5.3% year-on-year).

Family Dining category

With the opening of 3 restaurants and the closing of 1 restaurant, the number of restaurant locations in the Family Dining category stood at 1,367 outlets (including 85 franchised outlets) at the end of the consolidated second quarter of this fiscal year.

Coco's, the standard restaurant chain operated by Coco's Japan Co., Ltd., sought to strengthen business performance through adding high-value-added fair menus which are tailored to customers' needs and enhancing service standards of the restaurants.

The Big Boy, the chain of hamburg steak and grill restaurants and other chain operated by Big Boy Japan Inc. sought to improve business performance in various ways, such as improving their main products, enhancing salad bar and soup bar, and adding special menus.

Jolly Pasta, the pasta specialty restaurant chain, operated by Jolly Pasta Co., Ltd., sought to make its menus even more delicious by enriching menus and introducing new dishes using seasonal ingredients. Jolly Pasta have pursued the chain's identity as a pasta specialist, under the slogan "When you want pasta, it's Jolly Pasta".

To increase customer satisfaction, Hanaya Yohei, the Japanese-cuisine restaurant chain operated by Hanaya Yohei Co., Ltd. targeted various improvements, including improving service by strengthening training of in-store employees, improving labor productivity, and developing products that use seasonal ingredients.

As for the restaurant business in the U.S., all shares of the company operating this business were transferred at the end of the previous consolidated fiscal year.

Due to these efforts, sales in the Family Dining category in the consolidated cumulative second quarter of this fiscal year totaled 67,098 million yen (down 11.3% year-on-year).

Fast Food Service category

With the opening of 33 restaurants and the closing of 6 restaurants, the number of restaurant locations in the Fast Food Service category at the end of the consolidated second quarter of this fiscal year stood at 709 outlets. "Hamasushi", kaiten-sushi restaurants (sushi restaurants with conveying belts) operated by Hamazushi Co., Ltd., sought to expand their businesses by increasing the number of restaurants, enhancing quality of products and strengthening services at the restaurants.

Due to these efforts, sales in the Fast Food Service category in the consolidated cumulative second quarter of this fiscal year totaled 58,382 million yen (up 13.8% year-on-year).

Other category

Sales in the Other category in the consolidated cumulative second quarter of this fiscal year totaled 13,785 million yen (up 8.0% year-on-year).

Main businesses in this category include Tolona Japan Co., Inc., which sells frozen pizza, etc.; Global Fresh Supply Co., Ltd., a company which handles logistics functions for the Zensho Group; and Global Table Supply Co., Ltd., which procures uniforms, equipments etc.

② Retail business

Sales in retail business in the consolidated cumulative second quarter of this fiscal year were 30,936 million yen (up 33.1% year-on-year) and operating loss was 145 million yen (operating loss of 899 million yen in the same period of the previous year).

The retail business of our company is operated by Maruya Co., Ltd., Maruei Co., Ltd., and VERY FOODS - owariya-, which operates the supermarket business, and United Veggies Co., Inc., which sells fruits and vegetables.

(2) Information on consolidated financial position

① Assets, liabilities and net assets

At the end of the consolidated second quarter of this fiscal year, the assets decreased by 14,539 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease in cash and deposits resulting from the capital investment for opening new stores and the repayment of borrowings, as well as the decrease in consumption tax receivable.

Liabilities decreased by 16,380 million yen from the end of the previous consolidated fiscal year, mainly due to the decrease in borrowings and consumption tax payable.

Net assets increased by 1,840 million yen from the end of the previous consolidated fiscal year, mainly due to the increase in retained earnings.

② Cash flows

(Cash flow from operating activities)

Cash flow from operating activities resulted in an increase in funds of 6,837 million yen. This was mainly due to net income before taxes and other adjustments and depreciation being recorded.

(Cash flow from investing activities)

Cash flow from investing activities resulted in a decrease in funds of 9,091 million yen. This was mainly due to expenditures on acquisition of property, plant and equipment to open new stores.

(Cash flow from financing activities)

Cash flow from financing activities resulted in a decrease in funds of 8,668 million yen. This was mainly due to repayment of borrowings and lease obligations.

As a result of the above, cash and cash equivalents decreased by 10,634 million yen from the end of previous fiscal year and totaled 18,793 million yen at the end of the consolidated second quarter of this fiscal year.

(3) Qualitative information on forecasts of consolidated business performance

There are no revisions to the earnings forecast for the fiscal year ending Mar. 2016 (Apr. 1, 2015–Mar. 31, 2016), which was announced on May 12, 2015.

2. Notes on Summary Information (Notes)

(1) Important transfers in subsidiaries during the consolidated cumulative second quarter of this fiscal year
None

(2) Special accounting policies applied in preparation of the quarterly consolidated financial statements
None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
Changes in accounting policies

(Application of the Accounting Standard for Business Combination)

The “Accounting Standard for Business Combination” (ASBJ Statement No. 21, September 13, 2013, hereinafter referred to as the “Business Combination Accounting Standard.”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter referred to as the “Consolidated Accounting Standard.”) and the “Accounting Standard for Business Divestitures,” (ASBJ Statement No. 7, September 13, 2013, hereinafter referred to as the “Business Divestitures Accounting Standard.”) shall be applied from the consolidated first quarter of this fiscal year. In the case that ownership were to be continued, our company shall post the change in our equity on the subsidiary as capital surplus, and record acquisition-related cost as the expense for the fiscal year in which it emerged. As for the business combination after the beginning of the first quarter of this consolidated fiscal year, we shifted to the method of reflecting the revision to the allocated amount of acquisition cost based on provisional accounting settlement in the quarterly consolidated financial statements for the period including the business combination. In addition, we changed the indication of quarterly net profit, etc. and shifted from minority interest to non-controlling interest. In order to reflect these revisions, quarterly and annual consolidated financial statements for the previous second quarter and the previous consolidated financial year have been reproduced.

In the quarterly consolidated statement of cash flows for the consolidated second quarter of this fiscal year, the cash flow for the acquisition or sale of the shares of subsidiaries that is not accompanied by the change in the scope of consolidation is categorized into “Cash flows from financing activities,” and the cash flow related to the expenses for acquiring the shares of subsidiaries that is accompanied by the change in the scope of consolidation or the expenses for the acquisition or sale of the shares of subsidiaries that is not accompanied by the change in the scope of consolidation is categorized into “Cash flows from operating activities.”

As for the application of the Business Combination Accounting Standard, etc., we follow the provisions for transitional handling specified in the Business Combination Accounting Standard No. 58, Section 2 (4), the Consolidated Accounting Standard No. 44, Section 5 (4) and the Business Divestiture Accounting Standard No. 57, Section 4 (4), from the onset of this first consolidated accounting quarter to the future.

As a result of this, there is a slight influence on the operating and ordinary profits, quarterly net profit before taxes, etc. for the second quarter of this consolidated fiscal year, and capital surplus as of the end of the second quarter of this consolidated fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Consolidated second quarter of this fiscal year (September, 30, 2015)
Assets		
Current assets		
Cash and deposits	29,428	18,793
Notes and accounts receivable – trade	4,837	5,349
Merchandise and products	19,171	18,297
In-process inventories	571	524
Raw materials and supplies	3,457	3,998
Other receivables	15,187	14,484
Allowance for doubtful accounts	(8)	(12)
Total current assets	72,645	61,436
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	165,755	168,518
Accumulated depreciation	(87,732)	(90,717)
Buildings and structures (net)	78,023	77,800
Machinery and vehicles	10,222	11,253
Accumulated depreciation	(5,188)	(5,626)
Machinery and vehicles (net)	5,034	5,627
Other	84,090	86,675
Accumulated depreciation	(40,392)	(42,413)
Other (net)	43,697	44,262
Total property, plant, and equipment	126,755	127,690
Intangible assets		
Goodwill	14,135	13,570
Other	3,034	2,978
Total intangible assets	17,170	16,549
Investments and other assets		
Investment securities	2,500	1,828
Guarantee deposits	33,647	33,625
Other	36,610	33,697
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	72,739	69,132
Total noncurrent assets	216,664	213,372
Deferred assets	157	119
Total assets	289,467	274,928

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Consolidated second quarter of this fiscal year (September, 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	15,877	16,075
Short-term loans payable	9,214	14,801
Current portion of bonds	5,490	5,420
Current portion of long-term loans payable	32,791	28,585
Accrued income taxes	2,179	1,949
Reserves	1,368	1,596
Other	32,092	26,468
Total current liabilities	99,014	94,896
Noncurrent liabilities		
Corporate bonds	13,255	10,580
Long-term loans payable	88,432	78,221
Net defined benefit liability	715	715
Asset retirement obligations	1,839	1,858
Other	11,976	12,582
Total noncurrent liabilities	116,219	103,956
Total liabilities	215,233	198,853
Net assets		
Shareholders' equity		
Capital stock	23,470	23,470
Capital surplus	24,023	24,023
Retained earnings	12,469	14,709
Treasury stock	(21)	(21)
Total shareholders' equity	59,941	62,181
Accumulated other comprehensive income		
Net unrealized holding gains on securities	(306)	(205)
Deferred hedging gains/losses	261	(217)
Remeasurements of defined benefit plans	(9)	(9)
Foreign currency translation adjustments	1,041	461
Total accumulated other comprehensive income	987	28
Non-controlling interests	13,304	13,864
Total net assets	74,233	76,074
Total liabilities and net assets	289,467	274,928

(2) Quarterly consolidated statement of profit and loss and consolidated statement of comprehensive income
(Quarterly consolidated statement of profit and loss)
(Cumulative period through the consolidated second quarter of this fiscal year)

(Units: Millions of yen)

	Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)	Cumulative period through the consolidated second quarter of this fiscal year (April 1 – September, 30, 2015)
Sales	251,587	263,483
Cost of sales	107,561	115,386
Gross profit	144,026	148,097
Sales and general administrative expenses	142,854	141,792
Operating profit	1,172	6,305
Non-operating income		
Interest income	210	205
Dividend income	44	2
Lease income	188	127
Foreign exchange gains	447	—
Other	241	302
Total non-operating income	1,132	637
Non-operating expenses		
Interest expenses	797	669
Lease expenses	132	81
Foreign exchange losses	—	42
Other	304	291
Total non-operating expenses	1,234	1,085
Ordinary profit	1,070	5,857
Extraordinary income		
Gains on sale of noncurrent assets	34	0
Gain on sales of investment securities	41	0
Compensation	8	6
Gain on liquidation of subsidiaries	—	285
Other	26	30
Total extraordinary income	110	324
Extraordinary losses		
Loss on retirement of noncurrent assets	560	167
Impairment loss	359	—
Loss on closing of stores	270	244
Other	245	147
Total extraordinary losses	1,436	559
Net profit (loss) before income taxes	(254)	5,622
Corporate, residence and enterprise taxes	2,065	1,746
Income taxes – deferred	(604)	894
Total corporate taxes	1,460	2,641
Net profit (loss) before non-controlling interests	(1,715)	2,980
Profit attributable to non-controlling interests	515	499
Net profit (loss) attributable to owners of parent	(2,231)	2,481

(Quarterly consolidated statement of comprehensive income)

(Cumulative period through the consolidated second quarter of this fiscal year)

(Units: Millions of yen)

	Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)	Cumulative period through the consolidated second quarter of this fiscal year (April 1 – September, 30, 2015)
Net profit (loss) before non-controlling interests	(1,715)	2,980
Other comprehensive income		
Valuation difference on available-for-sale securities	391	100
Deferred hedging gains/losses	745	(479)
Remeasurements of defined benefit plans	(0)	0
Foreign currency translation adjustments	270	(608)
Total other comprehensive income	1,407	(986)
Comprehensive income	(308)	1,994
(Breakdown)		
Comprehensive income attributable to owners of parent	(840)	1,522
Comprehensive income attributable to non-controlling interests	532	471

(3) Quarterly consolidated statement of cash flows

(Units: Millions of yen)

	Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)	Cumulative period through the consolidated second quarter of this fiscal year (April 1 – September, 30, 2015)
Cash flows from operating activities		
Net profit (loss) before taxes and other adjustments	(254)	5,622
Depreciation	9,649	8,881
Impairment losses	359	—
Amortization of goodwill	534	563
Amortization of negative goodwill	(1)	(1)
Increase (decrease) in allowance for doubtful accounts	(0)	4
Increase (decrease) in allowance for bonuses	107	228
Increase (decrease) in provision for directors' retirement benefits	(10)	—
Increase (decrease) in net defined benefit liability	(12)	(0)
Interest and dividends received	(254)	(207)
Interest expense	797	669
Foreign exchange losses (gains)	(466)	45
Loss (gain) on sale of investment securities	(41)	(0)
Loss (gain) on sale of property, plant, and equipment	(19)	(0)
Loss on retirement of property, plant, and equipment	600	392
Other extraordinary losses (gains)	2	(281)
Other non-operating losses (gains)	(5)	13
Decrease (increase) in accounts receivable – trade	105	(533)
Decrease (increase) in inventories	(3,423)	371
Increase (decrease) in accounts payable – trade	(780)	186
Increase (decrease) in accrued consumption taxes	2,805	(3,426)
Decrease (increase) in other current assets	(398)	438
Decrease (increase) in other noncurrent assets	331	268
Increase (decrease) in other current liabilities	(258)	(3,655)
Increase (decrease) in other noncurrent liabilities	(36)	64
Subtotal	9,327	9,642
Interest and dividends received	133	48
Interest paid	(815)	(699)
Income taxes paid	(2,071)	(2,154)
Cash flows from operating activities	6,573	6,837

(Units: Millions of yen)

	Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)	Cumulative period through the consolidated second quarter of this fiscal year (April 1 – September, 30, 2015)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(12,188)	(7,498)
Proceeds from sale of property, plant, and equipment	2,290	20
Purchase of intangible assets	(225)	(222)
Purchase of long-term prepaid expenses	(81)	(106)
Purchase of investment securities	(244)	(13)
Proceeds from sale of investment securities	221	6
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,539)	–
Purchase of investments in subsidiaries	(988)	–
Payments for transfer of business	–	(37)
Payments of loans receivable	(30)	(67)
Collection of loans receivable	59	103
Payments for guarantee deposits	(449)	(448)
Proceeds from collection of guarantee deposits	417	468
Decrease (increase) in insurance funds	–	(0)
Decrease (increase) in premium receivable	(30)	(36)
Expenditures on long-term prepaid rents	(1,374)	(1,263)
Proceeds from fluidity of long-term prepaid rents	2,470	–
Other	(35)	5
Cash flows from investing activities	(11,727)	(9,091)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(5,683)	5,396
Net increase (decrease) in short-term bonds payable	(1,000)	4,000
Proceeds from long-term loans payable	25,829	4,500
Repayment of long-term loans payable	(17,247)	(18,717)
Redemption of bonds	(2,995)	(2,745)
Repayment of lease obligations	(1,817)	(1,011)
Purchase of treasury stock	(0)	(0)
Purchase of treasury stock in consolidated subsidiaries	–	(0)
Repayment of installment payables	(0)	(58)
Proceeds from share issuance to non-controlling shareholders	–	91
Payment of dividends	(1,191)	(4)
Dividends paid to non-controlling interests	(116)	(119)
Cash flows from financing activities	(4,222)	(8,668)
Effect of exchange rate changes on cash and cash equivalents	93	(115)
Increase (decrease) in cash and cash equivalents	(9,282)	(11,037)
Beginning balance of cash and cash equivalents	44,313	29,428
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	402
Ending balance of cash and cash equivalents	35,030	18,793

(4) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity (if any))

Not applicable

(Segment information)

[Segment information]

I. Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)

1. Information on sales, profits or losses, assets, liabilities, and other items for each segment

(Units: Millions of yen)

	Reportable segment		Total	Adjustment Amount*1	Consolidated balance sheet amount*2
	Restaurant business	Retail business			
Net Sales					
(1) Sales to external customers	228,336	23,251	251,587	—	251,587
(2) Intersegment sales or transferred amount	813	5	818	(818)	—
Total	229,149	23,256	252,406	(818)	251,587
Segment income (loss)	2,033	(899)	1,134	38	1,172

Note: 1. Adjustment amount of segment income (loss) of ¥38 million are mainly elimination of intersegment transactions.

2. The total amount of segment income (loss) is adjusted with the operating income in the quarterly consolidated statement of profit and loss.

3. Intersegment sales or transferred amount are calculated based on current market price.

2. Reportable segment information concerning impairment losses or goodwill amortization

(Important impairment loss related to noncurrent assets)

With regard to the “Restaurant business” segment, we posted the impairment loss of restaurant assets. The amount of the impairment loss comes to 359 million yen for the second quarter of this consolidated fiscal year.

(Important fluctuation in goodwill amount)

Not applicable

(Important negative goodwill profit)

Not applicable

II. Cumulative period through the consolidated second quarter of this fiscal year (April 1 – September, 30, 2015)

1. Information on sales, profits or losses, assets, liabilities, and other items for each segment

(Units: Millions of yen)

	Reportable segment		Total	Adjustment Amount*1	Consolidated balance sheet amount*2
	Restaurant business	Retail business			
Net Sales					
(1) Sales to external customers	232,546	30,936	263,483	—	263,483
(2) Intersegment sales or transferred amount	1,013	57	1,070	(1,070)	—
Total	233,560	30,994	264,554	(1,070)	263,483
Segment income (loss)	6,451	(145)	6,305	(0)	6,305

Note: 1. Adjustment amount of segment income (loss) of -¥0 million are mainly elimination of intersegment transactions.

2. The total amount of segment income (loss) is adjusted with the operating income in the quarterly consolidated statement of profit and loss.

3. Intersegment sales or transferred amount are calculated based on current market price.

2. Reportable segment information concerning impairment losses or goodwill amortization
(Important impairment loss related to noncurrent assets)

Not applicable

(Important fluctuation in goodwill amount)

Not applicable

(Important negative goodwill profit)

Not applicable