

November 13, 2014

Consolidated Financial Results

Q2, for the 6 months ended September 30, 2014

The logo for ZENSHO, featuring the word "ZENSHO" in a bold, blue, sans-serif font. The letter "Z" is stylized with a diagonal line through it.

ZENSHO HOLDINGS CO., LTD.

Disclaimer

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ZENSHO HOLDINGS CO., LTD.

Highlights

- Sales 251.5 billion yen (YOY +10.5%)
Operating Profit 1.1 billion yen (YOY ▲73.0%)
Net Profit ▲2.2 billion yen
- Sales from Existing Stores (YOY)
 - Consolidated 102.8%
 - Gyudon 105.0%
 - Family Dining 100.1%
 - Fast Food Service 104.4%
- New Store Openings 100 outlets
 - Japan 79 outlets
 - Overseas 21 outlets
- The profit decreased as compared with last year due to the temporary closings of the gyudon chain “Sukiya” and the increase in the price of the ingredients.

Income Statement

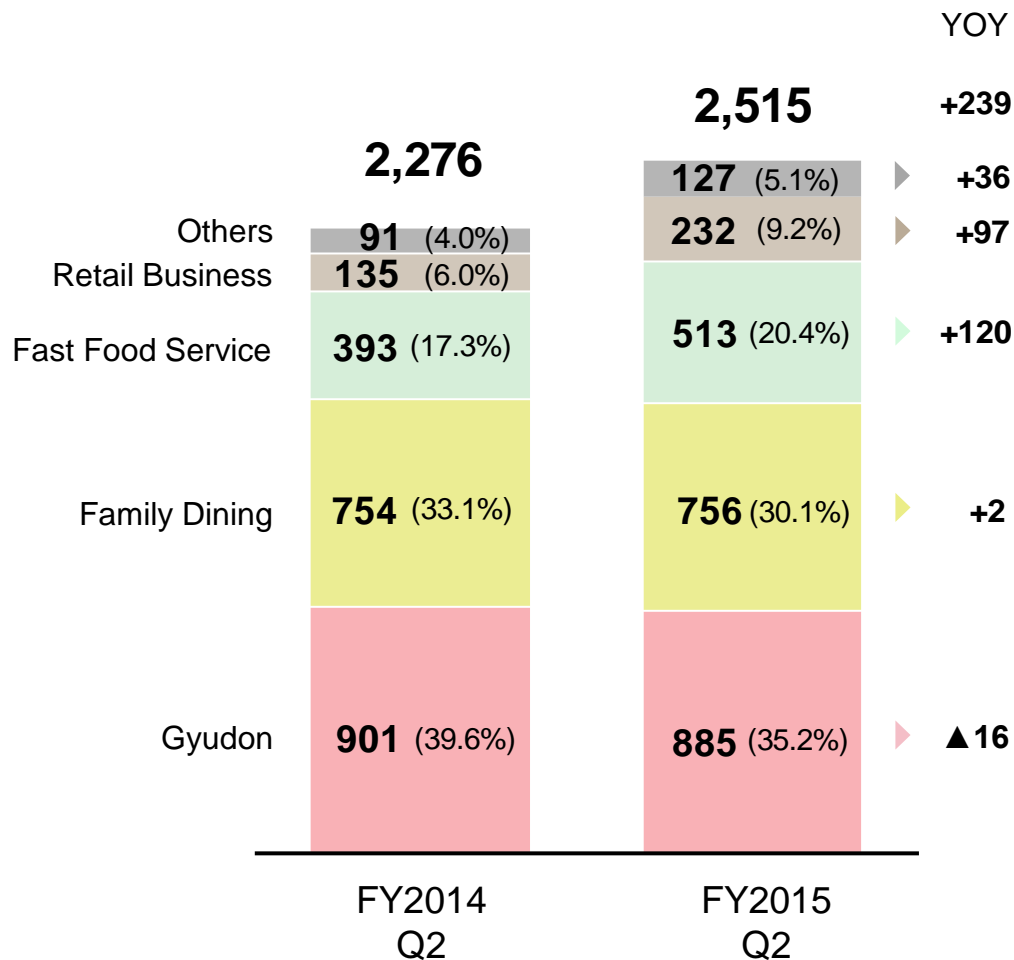
(hundred millions of yen)

	FY2014	FY2015		
	Q2	Results	Q2	
	Results	Results	YOY	
Sales	2,276	2,515	+239	+10.5%
Cost of Sales	903	1,075	+171	+19.0%
(Compotent Ratio)	(39.7%)	(42.8%)	(+3.0%pt)	
SGA	1,329	1,428	+99	+7.5%
(Compotent Ratio)	(58.4%)	(56.8%)	(▲1.6%pt)	
Operating Profit	43	11	▲31	▲73.0%
(Compotent Ratio)	(1.9%)	(0.5%)		
Ordinary Profit	41	10	▲30	▲74.0%
(Compotent Ratio)	(1.8%)	(0.4%)		
Net Profit	4	▲22	▲26	—
(Compotent Ratio)	(0.2%)	(—)		

Category Analysis ; Sales

() OP margin

(hundred millions of yen)



● Gyudon

▲ 16 (▲1.8%)

- Temporary closing of the gyudon chain "Sukiya".

● Family Dining

+2 (+0.3%)

- Increase in Sales of existing stores and of Catalina Restaurant Inc. in the U.S. because of the drop in the yen.

● Fast Food Service

+120 (+30.5%)

- Due to the New Store Openings and increase in Sales of existing stores of Hamasushi.

● Retail Business

+97 (+71.4%)

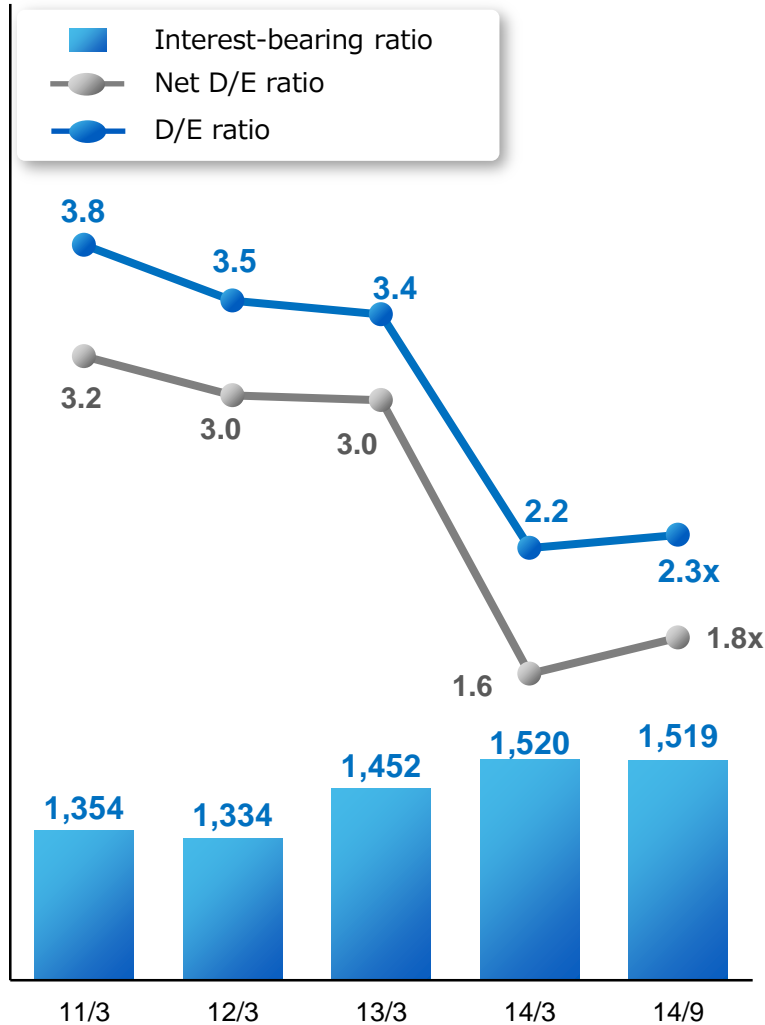
Balance Sheet

(hundred millions of yen)

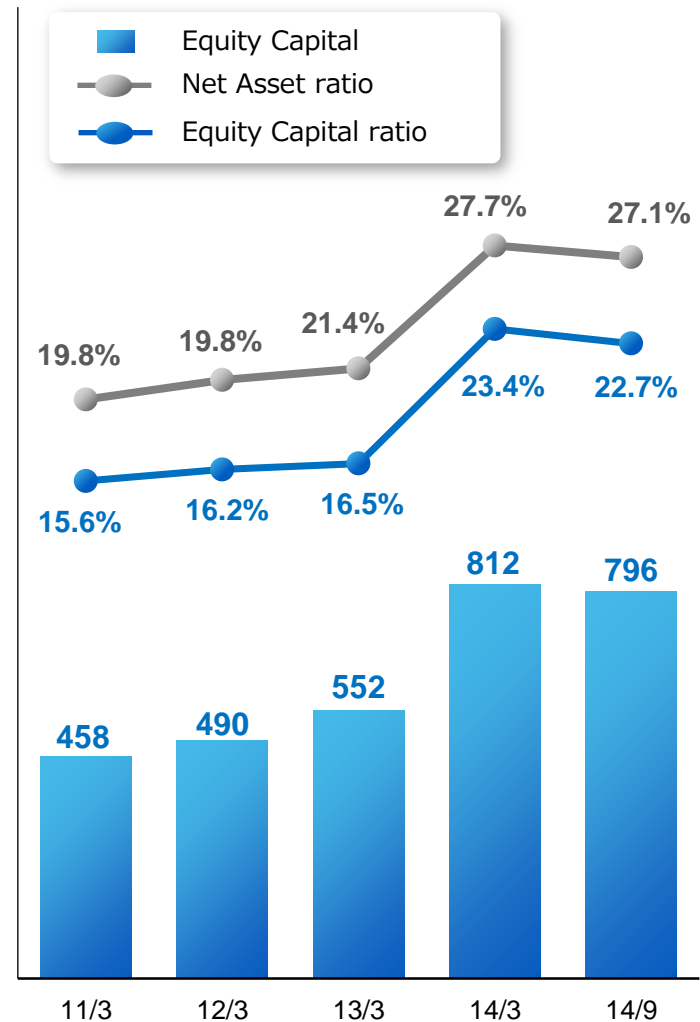
	Mar.31 /2014	Sep.30 /2015	Increase (Decrease)		Mar.31 /2014	Sep.30 /2015	Increase (Decrease)
Current Assets	778	743	▲ 35	Interest-bearing Debt	1,520	1,519	▲ 1
Cash and Deposits	443	350	▲ 92	Other Liabilities	598	620	+22
Other Current Assets	335	392	+57	Liabilities	2,119	2,140	+21
Noncurrent Assets	2,150	2,191	+41	Shareholders Equity	722	688	▲ 34
Tangible Assets	1,298	1,333	+35	Retained Earnings	247	213	▲ 34
Intangible Assets	197	212	+15	Accumulated other comprehensive profit	▲ 35	▲ 22	+13
Total Investments and Other Assets	655	645	▲ 9	Minority Interests	126	130	+4
Deffered Assets	2	2	+0	Total Net Assets	812	796	▲ 16
Total Assets	2,931	2,937	+5	Total Liabilities and Net Assets	2,931	2,937	+5

(hundred millions of yen)

Interest-bearing Debt, D/E ratio

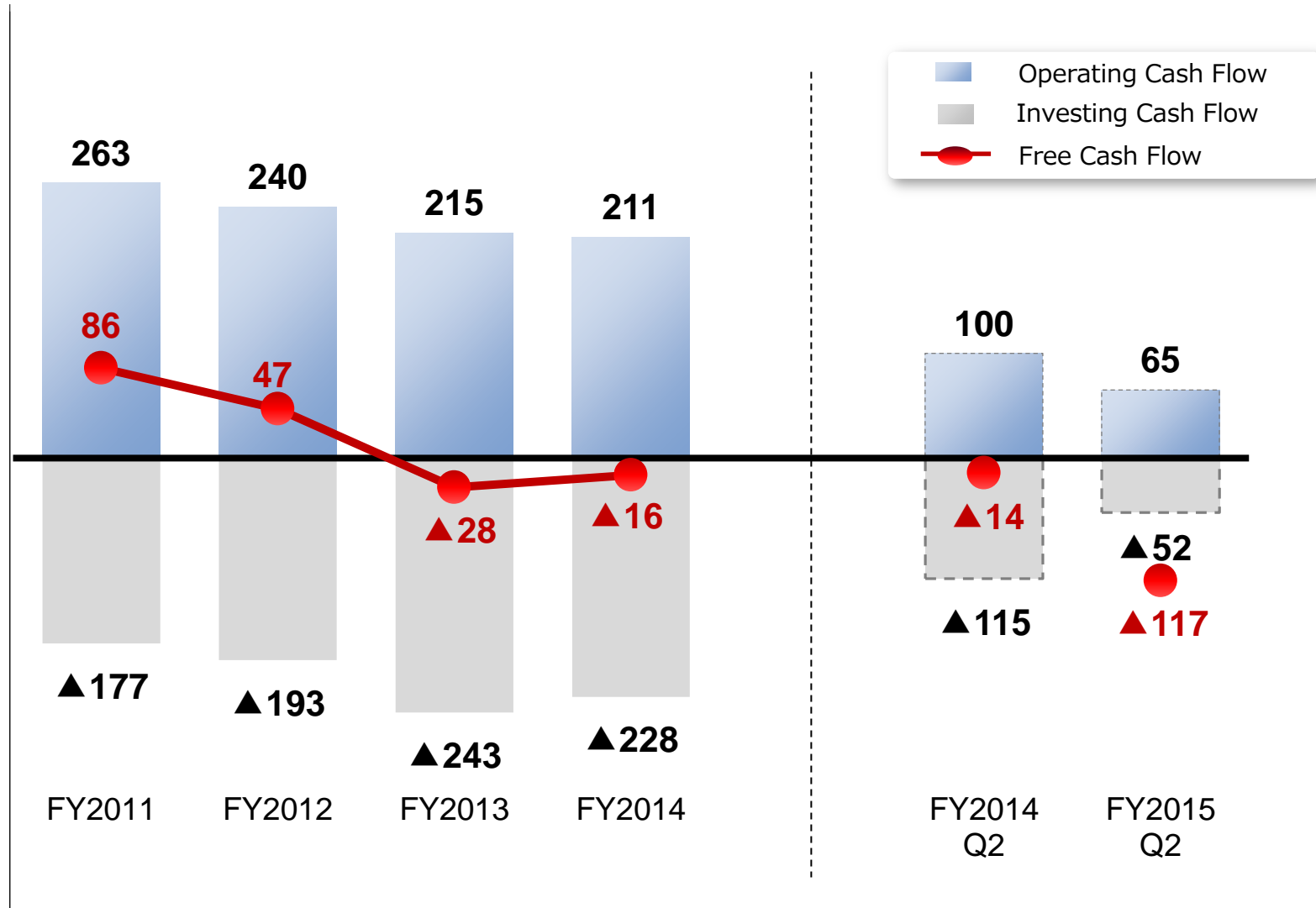


Net Assets ratio, Equity Capital ratio



Cash Flow

(hundred millions of yen)



Highlights

- Sales 509.2 billion yen (YOY +8.7%)
 - Operating Profit ▲1.7 billion yen
 - Net Profit ▲7.5 billion yen
- Sales from Existing Stores (YOY)
 - Consolidated 102.5%
 - Gyudon 102.8%
 - Family Dining 100.8%
 - Fast Food Service 105.5%
- New Store Openings 184 outlets
 - Japan 133 outlets
 - Overseas 51 outlets
- The profit forecast decreased as compared with last year due to the temporary closings of the gyudon chain “Sukiya” and the increase in the price of the ingredients, mainly beef.

Income Statement

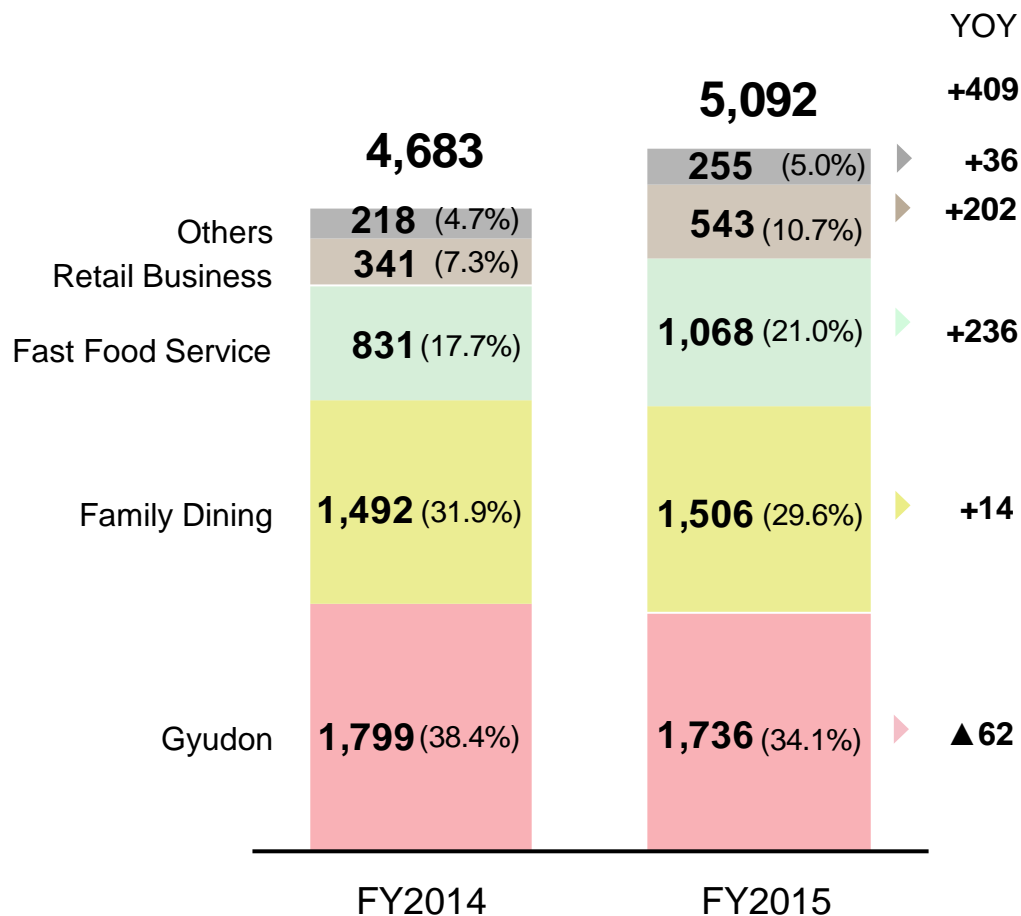
(hundred millions of yen)

	FY2014	FY2015					
	Results	first half results	second half forecast	forecast	YOY		
Sales	4,683	2,515	2,577	5,092	+409	+8.7%	
Cost of Sales	1,914	1,075	1,137	2,213	+299	+15.6%	
(Compotent Ratio)	(40.9%)	(42.8%)	(44.1%)	(43.5%)	(+2.6%pt)		
SGA	2,688	1,428	1,468	2,897	+209	+7.8%	
(Compotent Ratio)	(57.4%)	(56.8%)	(57.0%)	(56.9%)	(▲0.5%pt)		
Operating Profit	81	11	▲29	▲17	▲99	—	
(Compotent Ratio)	(1.7%)	(0.5%)	(—)	(—)			
Ordinary Profit	79	10	▲34	▲24	▲103	—	
(Compotent Ratio)	(1.7%)	(0.4%)	(—)	(—)			
Net Profit	11	▲22	▲53	▲75	▲86	—	
(Compotent Ratio)	(0.2%)	(—)	(—)	(—)			

Category Analysis ; Sales

() OP margin

(hundred millions of yen)



● Gyudon

▲ 62 (▲3.5%)

- Temporary closings of the gyudon chain "Sukiya"

● Family Dining

+14 (+1.0%)

- Increase in Sales of existing stores and of Catalina Restaurant Inc. in the U.S. because of the drop in the yen.

● Fast Food Service

+236 (+28.5%)

- Due to the New Store Openings and increase in Sales of existing stores of Hamasushi.

● Retail Business

+202 (+59.1%)

Sales and Consolidated Store Counts

(hundred millions of yen)

