

FACTBOOK

For the fiscal year ended March 31, 2016

COLOWIDE Co., Ltd.
7616/TSE 1st Section

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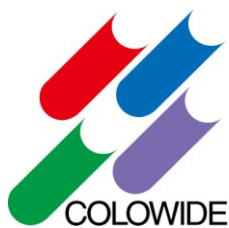
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COLOWIDE

Corporate Philosophy

The Meaning of "COLOWIDE"



- CO 勇氣 (Courage)
- LO 愛 (Love)
- WI 知恵 (Wisdom)
- DE 決断 (Decision)

4 Factors Bundled into One

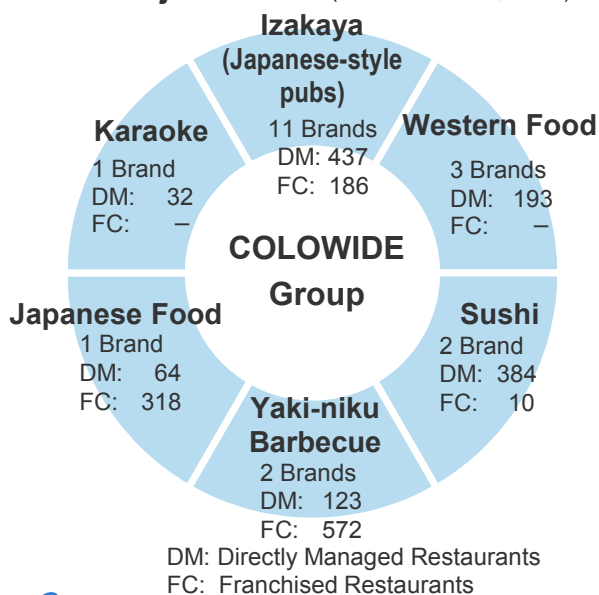
Our Corporate name "COLOWIDE" combines 4 important factors to help people lead fulfilling lives.

The 4 parts are meant to impart the strong will and courage needed to face future challenges and are expected to become an integral part of each employee.

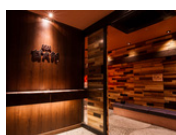
Operations

Izakaya (Japanese-style pub), restaurant and karaoke chain operations, food preparation and sales, seafood processing and wholesaling, sales and development of restaurant menu order systems

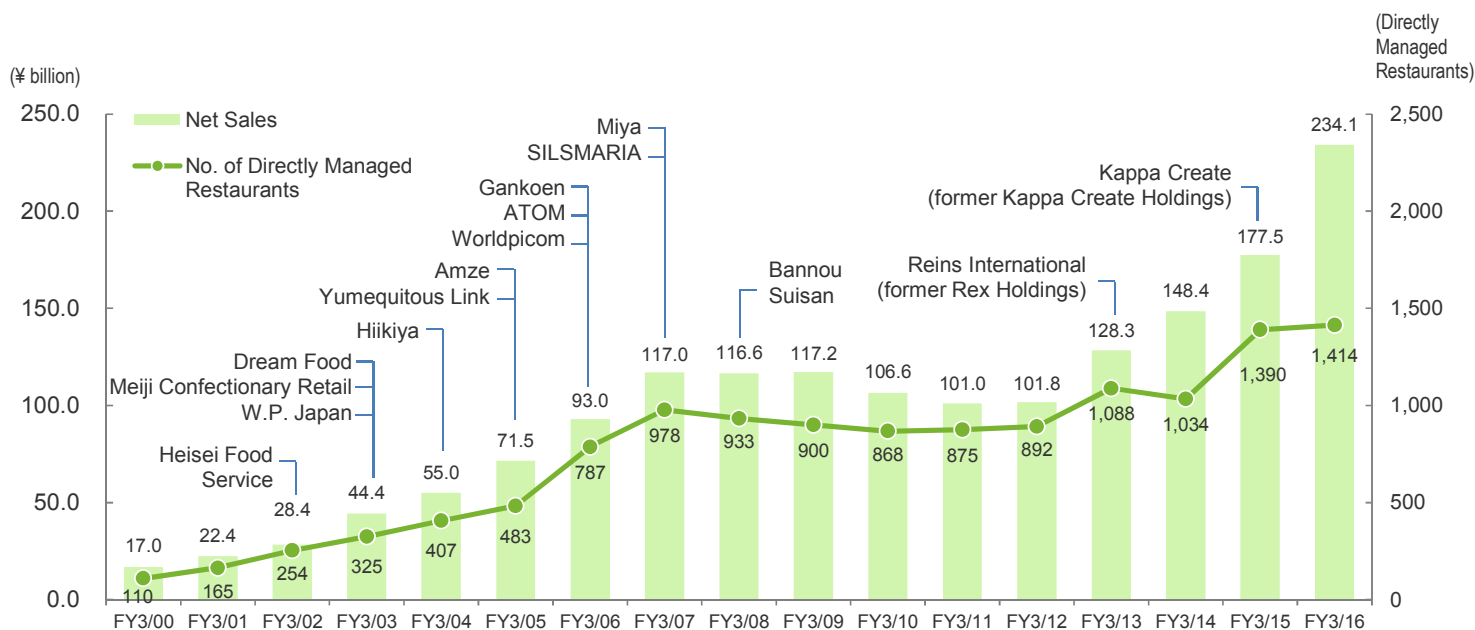
Major Brands (as of March 31, 2016)



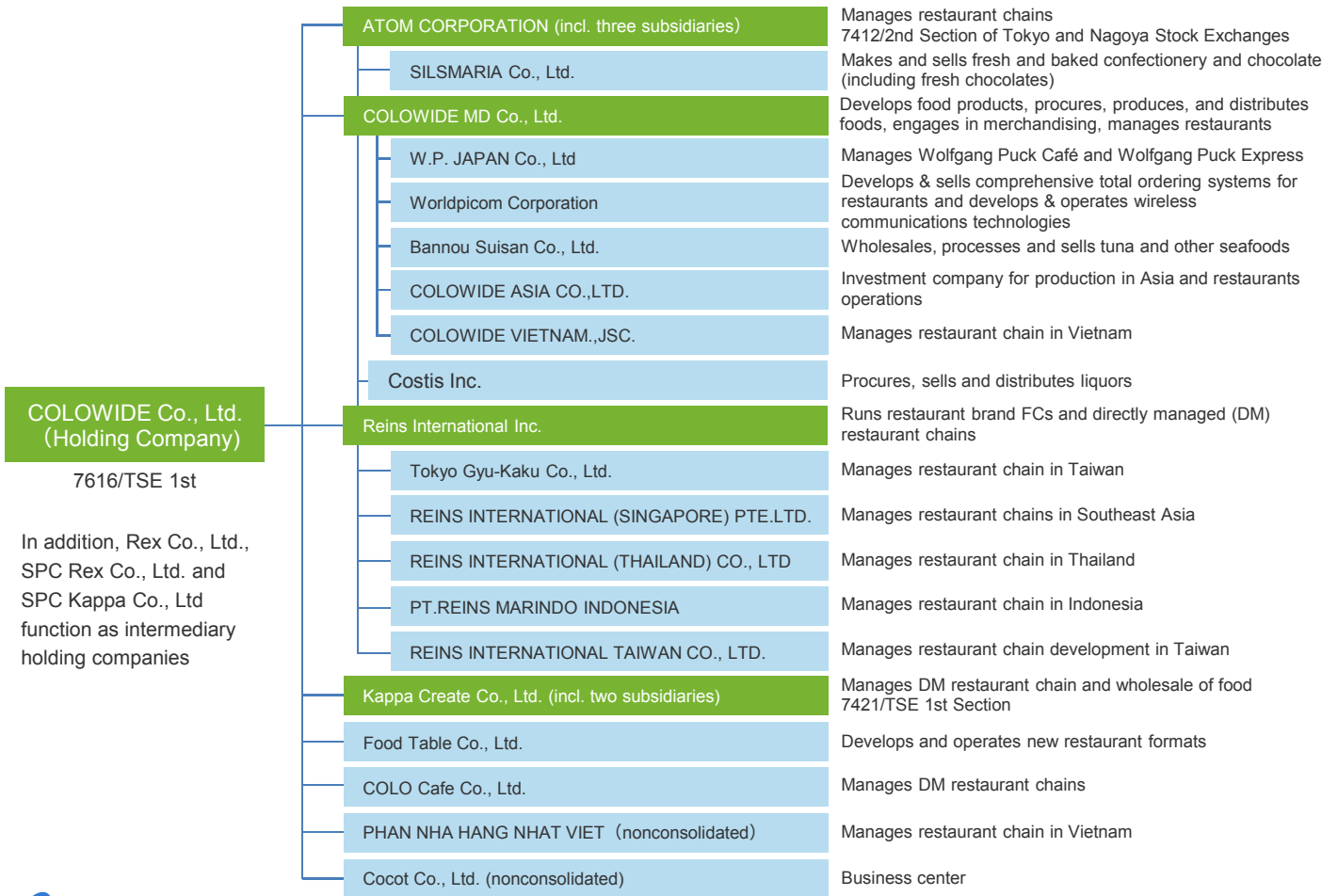
Major Subsidiaries



Trend of Business Performance and Key M&As



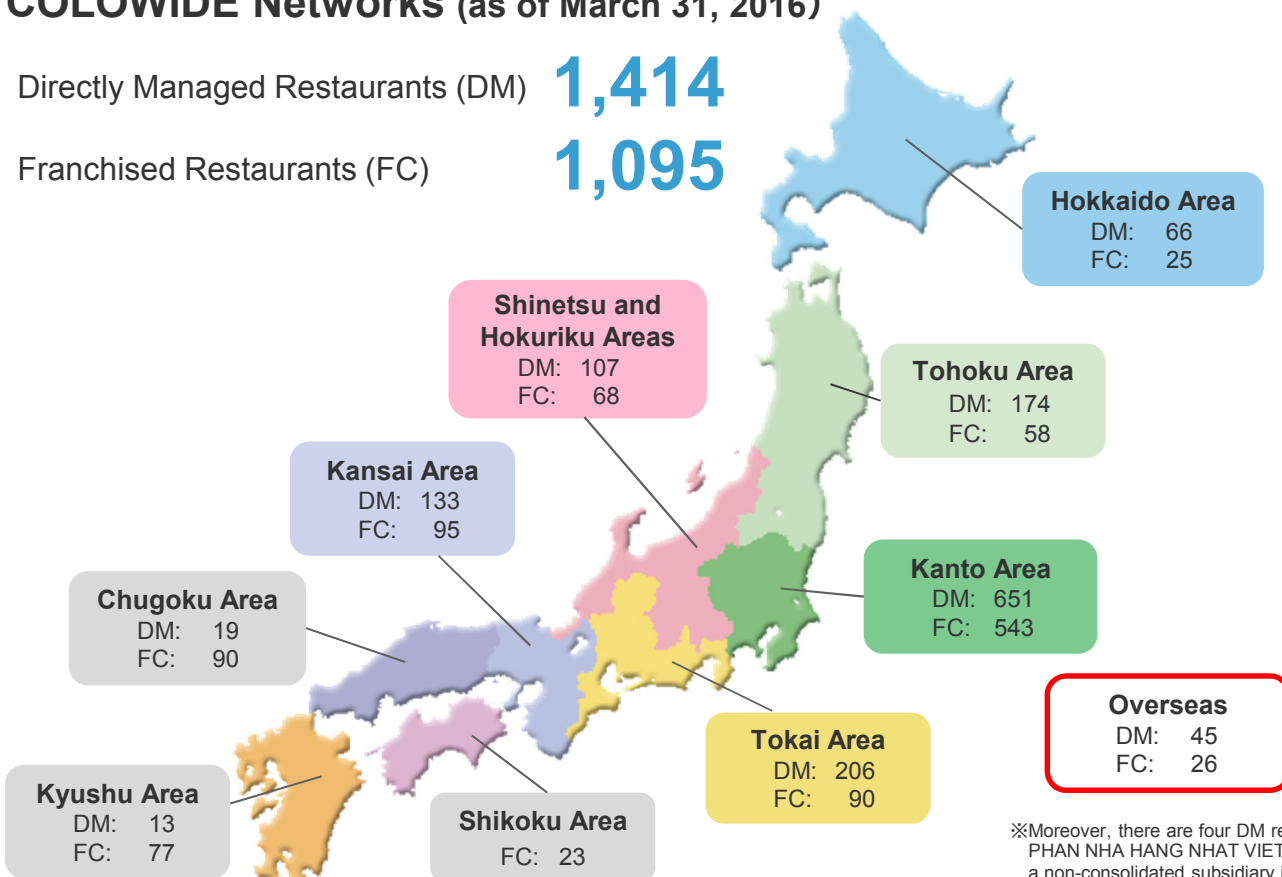
Group Structure and Regional Presence (as of March 2016)



COLOWIDE Networks (as of March 31, 2016)

Directly Managed Restaurants (DM) **1,414**

Franchised Restaurants (FC) **1,095**



※Moreover, there are four DM restaurants of PHAN NHA HANG NHAT VIET, a non-consolidated subsidiary in Vietnam

Consolidated Balance Sheet

(¥million)	FY3/12 End	FY3/13 End	FY3/14 End	FY3/15 End	FY3/16 End
Assets					
Total assets	83,815	135,477	136,777	204,290	212,338
Current assets	13,445	28,437	37,694	44,570	54,795
Cash and deposits	5,696	14,797	22,006	26,382	38,129
Accounts receivable - trade	1,692	5,461	5,368	7,046	7,590
Inventories	2,677	2,386	2,454	4,021	3,338
Prepaid expenses	1,582	2,113	1,929	2,493	2,529
Deferred tax assets	1,176	2,136	2,684	1,405	1,578
Other	620	1,630	3,278	3,252	1,638
Allowance for doubtful accounts	-	(87)	(28)	(32)	(10)
Non-current assets	70,084	106,709	98,755	159,382	157,301
Property, plant and equipment	40,102	40,917	40,531	53,494	54,596
Buildings	62,588	67,833	65,631	91,400	92,286
Accumulated depreciation	(35,969)	(41,198)	(39,752)	(58,038)	(59,448)
Buildings, net	26,619	26,635	25,879	33,361	32,837
Structures	4,319	4,380	4,560	8,674	8,736
Accumulated depreciation	(3,255)	(3,298)	(3,256)	(6,547)	(6,632)
Structures, net	1,063	1,082	1,303	2,127	2,103
Machinery and equipment	3,665	3,830	3,630	7,887	8,081
Accumulated depreciation	(2,017)	(2,442)	(2,389)	(5,896)	(6,100)
Machinery and equipment, net	1,647	1,388	1,240	1,991	1,980
Vehicles	67	77	79	98	108
Accumulated depreciation	(54)	(61)	(68)	(76)	(87)
Vehicles, net	13	15	11	22	20
Tools, furniture and fixtures	5,662	6,290	6,578	10,822	11,078
Accumulated depreciation	(4,474)	(5,137)	(5,228)	(9,036)	(9,072)
Tools, furniture and fixtures, net	1,187	1,153	1,350	1,785	2,006
Land	7,620	7,557	7,130	9,611	11,510
Leased assets	2,873	4,654	5,555	11,322	9,516
Accumulated depreciation	(940)	(1,628)	(2,249)	(6,812)	(5,472)
Leased assets, net	1,932	3,025	3,306	4,509	4,043
Construction in progress	17	59	308	84	94
Intangible assets	8,070	40,595	37,715	74,877	69,678
Goodwill	6,600	30,655	28,662	65,944	61,675
Other	1,470	9,940	9,053	8,932	8,002
Investments and other assets	21,910	25,196	20,508	31,010	33,025
Investment securities	1,484	1,826	980	2,851	1,705
Long-term loans receivable	24	197	135	128	123
Long-term prepaid expenses	503	588	453	1,136	1,405
Lease and guarantee deposits	16,462	19,074	17,780	25,143	24,695
Deferred tax assets	3,077	3,409	1,040	1,666	4,880
Other	606	576	570	525	621
Allowance for doubtful accounts	(247)	(475)	(451)	(441)	(406)
Deferred assets	285	329	327	337	242
Bond issuance cost	285	329	327	337	242

Consolidated Balance Sheet

(¥million)	FY3/12 End	FY3/13 End	FY3/14 End	FY3/15 End	FY3/16 End
Liabilities					
Total liabilities	62,707	112,053	111,321	162,283	151,502
Current liabilities	28,138	38,165	40,813	58,005	63,440
Notes and accounts payable - trade	5,041	9,748	10,312	14,876	15,103
Short-term loans payable	375	450	470	1,172	1,032
Current portion of long-term loans payable	10,607	12,140	11,280	16,346	15,863
Accounts payable - other	3,714	4,203	5,246	4,272	3,787
Current portion of long-term accounts payable - other	1,608	1,955	2,244	2,234	2,076
Current portion of bonds	2,956	3,918	4,544	5,131	4,736
Accrued expenses	1,364	1,429	1,226	4,524	4,670
Lease obligations	680	980	1,072	2,237	2,168
Income taxes payable	574	727	2,546	867	10,094
Deferred tax liabilities	53	94	73	226	-
Provision for bonuses	87	242	414	712	626
Provision for sales promotion expenses	309	328	359	620	1,202
Provision for loss on store closing	51	200	75	281	15
Other	711	1,742	946	4,500	2,062
Non-current liabilities	34,568	73,887	70,508	104,278	88,061
Bonds payable	11,749	13,981	14,137	13,906	9,169
Long-term loans payable	13,904	43,020	39,764	72,528	61,304
Long-term accounts payable - other	5,357	5,675	5,858	4,307	3,423
Lease obligations	1,739	2,594	2,797	3,882	3,370
Deferred tax liabilities	24	2,966	2,783	2,566	2,286
Provision for renovation of outlets	-	1,390	1,154	840	356
Net defined benefit liability	-	-	-	967	986
Asset retirement obligations	954	1,712	1,804	3,041	4,742
Other	838	2,545	2,208	2,238	2,420
Net assets					
Total net assets	21,107	23,424	25,456	42,006	60,836
Shareholders' equity	19,279	20,103	20,917	21,714	35,457
Capital stock	14,030	14,030	14,030	14,030	14,030
Capital surplus	5,738	5,739	5,739	5,739	19,742
Retained earnings	(361)	469	1,293	2,093	1,835
Treasury shares	(128)	(136)	(145)	(148)	(150)
Accumulated other comprehensive income	(225)	(17)	58	127	(35)
Valuation difference on available-for-sale securities	(223)	(38)	84	162	11
Deferred gains or losses on hedges	(2)	-	(10)	(8)	(7)
Foreign currency translation adjustment	-	20	(14)	(28)	(29)
Remeasurements of defined benefit plans	-	-	-	2	(10)
Subscription rights to shares	-	-	-	63	53
Non-controlling interests	2,053	3,338	4,480	20,100	25,361
Total liabilities and net assets	83,815	135,477	136,777	204,290	212,338

Consolidated Statement of Income

(¥million)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Net sales	101,879	128,388	148,443	177,573	234,138
Cost of sales	32,150	47,813	59,748	75,897	99,562
Gross profit	69,729	80,575	88,694	101,675	134,576
Selling, general and administrative expenses	66,525	76,141	82,255	96,330	128,222
Operating income	3,203	4,433	6,438	5,344	6,354
Non-operating income	1,093	1,070	944	1,463	1,815
Interest income	36	27	32	100	100
Dividend income	13	19	18	20	54
Real estate rent	523	457	447	578	781
Co-sponsor fee	141	223	15	–	–
Reversal of provision for renovation of outlets	–	57	16	187	395
Other	378	285	413	576	483
Non-operating expenses	1,763	2,059	2,569	3,016	3,118
Interest expenses	969	1,201	1,593	1,476	1,800
Interest on bonds	198	247	246	247	229
Cost of lease revenue	384	350	335	487	639
Other	211	259	393	804	449
Ordinary income	2,533	3,445	4,813	3,791	5,051
Extraordinary income	310	414	4,746	2,110	736
Gain on sales of non-current assets	15	11	21	38	115
Gain on sales of shares of subsidiaries and associates	–	–	4,186	1,893	–
Reversal of provision for loss on store closing	–	–	–	–	85
Compensation income	–	326	507	176	427
Subsidy income	280	76	–	–	–
Insurance income	15	–	–	–	–
Other	–	–	31	1	108
Extraordinary losses	1,856	2,549	3,355	1,956	2,528
Loss on retirement of non-current assets	467	564	607	532	872
Impairment loss	1,107	1,787	1,949	1,191	1,407
Loss on valuation of investment securities	53	1	–	–	–
Other	227	195	797	231	247
Profit before income taxes	987	1,310	6,204	3,945	3,259
Income taxes - current	706	1,001	2,946	1,255	3,358
Income taxes - deferred	(840)	(1,537)	1,555	330	(3,802)
Total income taxes	(133)	(536)	4,502	1,585	(444)
Profit	1,121	1,846	1,701	2,360	3,703
Profit attributable to non-controlling interests	348	238	281	968	3,373
Profit attributable to owners of parent	773	1,608	1,420	1,391	330

Consolidated Statement of Changes in Equity

FY3/16

(¥million)	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,030	5,739	2,093	(148)	21,714
Changes of items during period					
Dividends of surplus			(588)		(588)
Profit attributable to owners of parent			330		330
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders		14,003			14,003
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	14,003	(258)	(1)	13,743
Balance at end of current period	14,030	19,742	1,835	(150)	35,457

(¥million)	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	162	(8)	(28)	2	127	63	20,100	42,006
Changes of items during period								
Dividends of surplus						—		(588)
Profit attributable to owners of parent						—		330
Purchase of treasury shares						—		(1)
Disposal of treasury shares						—		0
Change in treasury shares of parent arising from transactions with non-controlling shareholders						—		14,003
Net changes of items other than shareholders' equity	(151)	1	(0)	(12)	(163)	(10)	5,260	5,086
Total changes of items during period	(151)	1	(0)	(12)	(163)	(10)	5,260	18,829
Balance at end of current period	11	(7)	(29)	(10)	(35)	53	25,361	60,836

Consolidated Statement of Cash Flows



(¥million)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Cash flows from operating activities	8,782	8,322	13,088	10,910	18,478
Profit before income taxes	987	1,310	6,204	3,945	3,259
Depreciation of property, plant and equipment	4,757	5,360	5,462	5,735	7,227
Depreciation and amortization on other	349	729	1,334	1,424	1,583
Amortization of goodwill	1,218	1,865	2,510	2,894	4,477
Increase (decrease) in provision for sales promotion expenses	13	19	30	59	582
Increase (decrease) in provision for loss on disaster	(214)	–	–	–	–
Increase (decrease) in allowance for doubtful accounts	(108)	(83)	(82)	(25)	(57)
Increase (decrease) in provision for loss on store closing	(143)	66	(89)	48	(235)
Increase (decrease) in provision for renovation of outlets	–	(114)	(236)	(313)	(483)
Increase (decrease) in net defined benefit liability	–	–	–	22	5
Interest and dividend income	(50)	(47)	(51)	(121)	(154)
Interest expenses paid on loans and bonds	1,168	1,448	1,839	1,724	2,030
Loss on retirement of non-current assets	467	564	607	532	872
Impairment loss	1,107	1,787	1,949	1,191	1,407
Loss (gain) on valuation of investment securities	53	1	3	0	40
Loss (gain) on sales of shares of subsidiaries and associates	–	–	(4,186)	(1,893)	–
Loss (gain) on sales of non-current assets	(15)	(11)	101	(20)	(95)
Decrease (increase) in notes and accounts receivable - trade	(427)	(709)	92	(622)	(544)
Decrease (increase) in inventories	(231)	383	(68)	(639)	674
Decrease (increase) in prepaid expenses	(46)	25	328	387	106
Increase (decrease) in notes and accounts payable - trade	613	(268)	563	620	227
Increase (decrease) in accounts payable - other	663	(793)	1,409	(1,092)	(785)
Increase (decrease) in accrued expenses	145	(61)	(221)	(989)	147
Other, net	103	(724)	(1,621)	4,089	(157)
Subtotal	10,410	10,747	15,880	16,959	20,130
Interest and dividend income received	20	54	51	47	63
Proceeds from subsidy income	56	132	56	56	56
Interest expenses paid	(1,190)	(1,470)	(1,818)	(1,567)	(2,002)
Income taxes paid	(514)	(1,140)	(1,080)	(4,584)	230

Consolidated Statement of Cash Flows

(¥million)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Cash flows from investing activities	(5,202)	(14,455)	(504)	(33,401)	(16,655)
Payments into time deposits	–	–	–	–	(14,604)
Proceeds from withdrawal of time deposits	–	–	–	–	7,593
Purchase of property, plant and equipment	(4,015)	(4,558)	(6,282)	(5,781)	(9,407)
Proceeds from sales of property, plant and equipment	128	189	561	398	523
Payments for retirement of property, plant and equipment	–	(361)	(597)	(391)	(313)
Purchase of investment securities	(17)	–	–	–	–
Proceeds from sales of investment securities	–	–	1,039	94	864
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(9,777)	–	(10,436)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	–	–	733	–
Purchase of shares of subsidiaries and associates	(505)	–	(524)	(20,289)	–
Proceeds from sales of shares of subsidiaries and associates	–	–	5,131	2,350	–
Payments for lease and guarantee deposits	(686)	(680)	(624)	(1,158)	(1,864)
Proceeds from collection of lease and guarantee deposits	833	1,339	1,175	1,700	1,348
Payments for increase in long-term prepaid expenses	(231)	(192)	(169)	(340)	(417)
Other, net	(708)	(414)	(213)	(281)	(381)
Cash flows from financing activities	(6,380)	15,095	(5,360)	26,865	2,909
Increase in short-term loans payable	7,473	20,790	5,300	35,090	5,972
Decrease in short-term loans payable	(7,773)	(38,815)	(5,280)	(45,220)	(6,112)
Proceeds from long-term loans payable	4,243	43,245	26,393	41,170	4,801
Repayments of long-term loans payable	(11,654)	(12,596)	(30,509)	(11,758)	(16,509)
Proceeds from issuance of bonds	5,772	6,285	4,624	4,803	–
Redemption of bonds	(3,348)	(3,206)	(3,918)	(4,544)	(5,131)
Proceeds from share issuance to non-controlling shareholders	–	1,000	9	10,005	222
Repayments of finance lease obligations	(525)	(924)	(1,170)	(1,473)	(2,392)
Cash dividends paid	(524)	(596)	(598)	(592)	(589)
Dividends paid to non-controlling interests	(41)	(73)	(113)	(126)	(295)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	–	–	–	22,945
Other, net	(1)	(13)	(96)	(487)	(1)
Effect of exchange rate change on cash and cash equivalents	–	34	(27)	(13)	5
Net increase (decrease) in cash and cash equivalents	(2,800)	8,996	7,197	4,360	4,737
Cash and cash equivalents at beginning of period	8,381	5,581	14,670	21,868	26,228
Increase in cash and cash equivalents from newly consolidated subsidiary	–	93	–	–	–
Cash and cash equivalents at end of period	5,581	14,670	21,868	26,228	30,966

(¥ million)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Net Sales	101,879	128,388	148,443	177,573	234,138
Gross Profit	69,729	80,575	88,694	101,675	134,576
SG&A Expenses	66,525	76,141	82,255	96,330	128,222
Operating Income	3,203	4,433	6,438	5,344	6,354
Ordinary Income	2,533	3,445	4,813	3,791	5,051
Profit attributable to owners of parent	773	1,608	1,420	1,391	330
EBITDA	9,528	12,389	15,746	15,400	19,643

(%)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Gross Profit Margin	68.4	62.8	59.7	57.3	57.5
SG&A Expenses Ratio	65.3	59.3	55.4	54.2	54.8
Operating Income Margin	3.1	3.5	4.3	3.0	2.7
Ordinary Income Margin	2.5	2.7	3.2	2.1	2.2
Net Income Margin	0.8	1.3	1.0	0.8	0.1
EBITDA Margin	9.4	9.7	10.6	8.7	8.4

Gross Profit Margin = Gross Profit / Net Sales

EBITDA = Operating Income + Depreciation of Property, Plant and Equipment

SG&A Expenses Ratio = SG&A Expenses / Net Sales

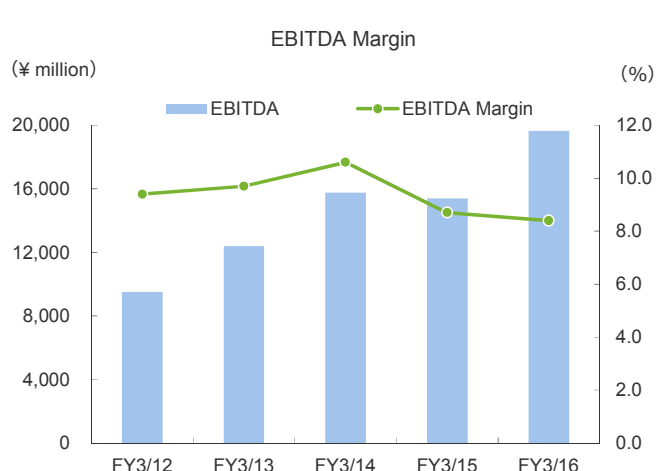
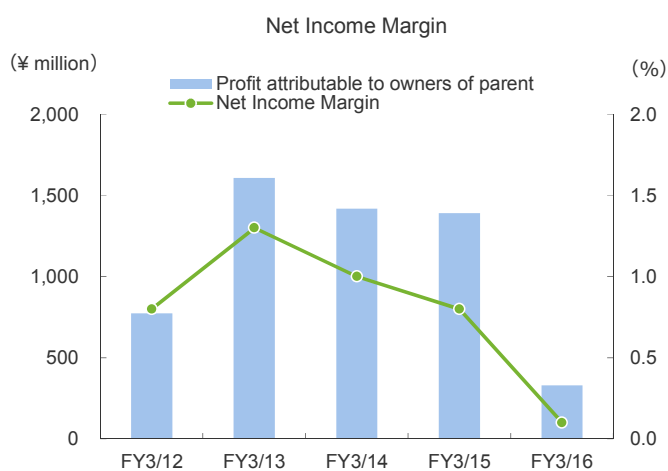
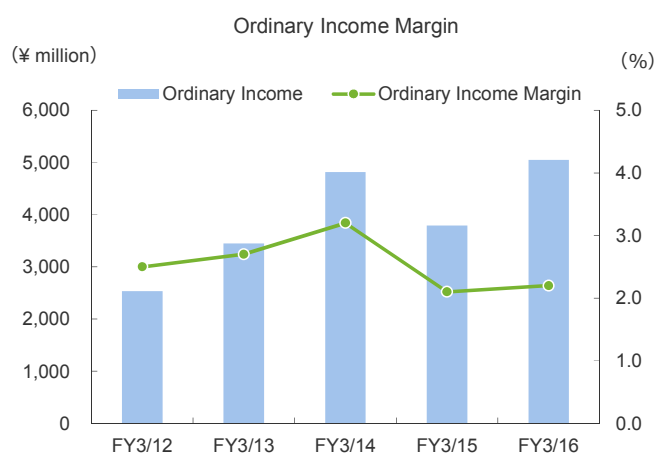
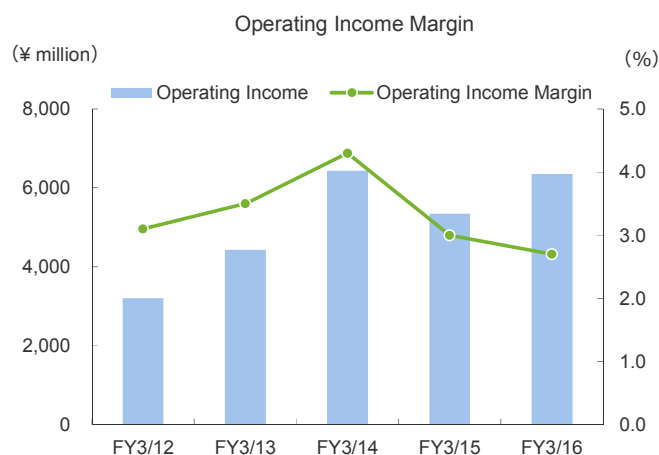
+ Depreciation and Amortization on Other + Amortization of Goodwill

Operating Income Margin = Operating Income / Net Sales

Ordinary Income Margin = Ordinary Income / Net Sales

Net Income Margin = Profit attributable to owners of parent / Net Sales

EBITDA Margin = EBITDA / Net Sales



(¥ million)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Equity	19,053	20,085	20,975	21,842	35,421
Total Assets	83,815	135,477	136,777	204,290	212,338
Non-current Assets	70,084	106,709	98,755	159,382	157,301
Current Assets	13,445	28,437	37,694	44,570	54,795
Current Liabilities	28,138	38,165	40,813	58,005	63,440
Net Interest-bearing Debt	33,897	58,713	48,189	82,702	53,976
EBITDA	9,528	12,389	15,746	15,400	19,643

(%)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Equity Ratio	22.7	14.8	15.3	10.7	16.7
Non-current Ratio	367.8	531.3	470.8	729.7	444.1
Current Ratio	47.8	74.5	92.4	76.8	86.4
Return on Assets (ROA)	0.9	1.5	1.0	0.8	0.2
Return on Equity (ROE)	4.1	8.2	6.9	6.5	1.2
Net Debt to EBITDA Ratio (times)	3.6	4.7	3.1	5.4	2.7

Equity Ratio = Equity / Total Assets

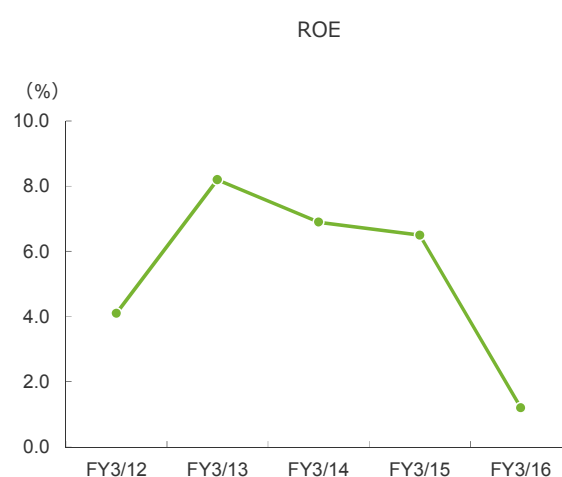
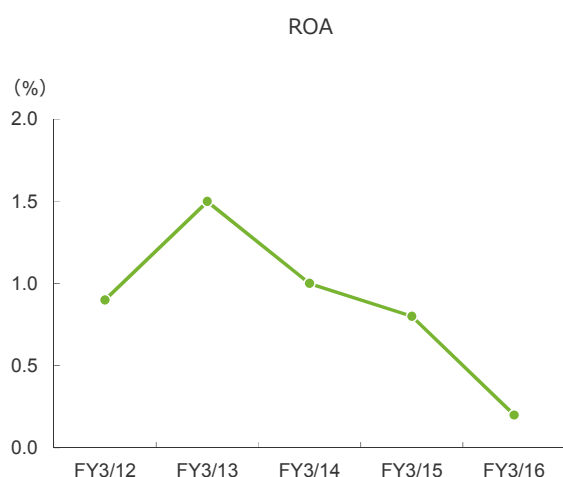
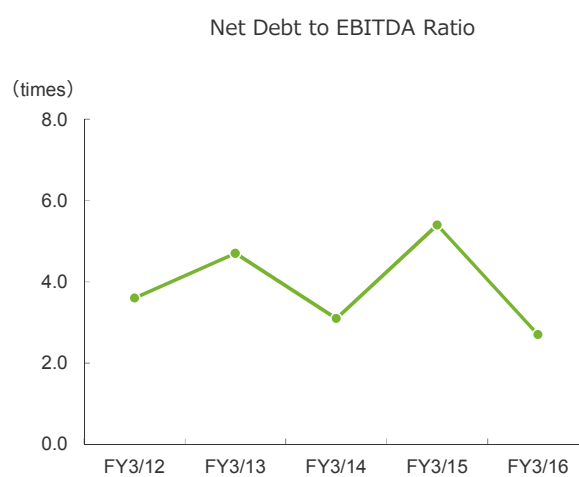
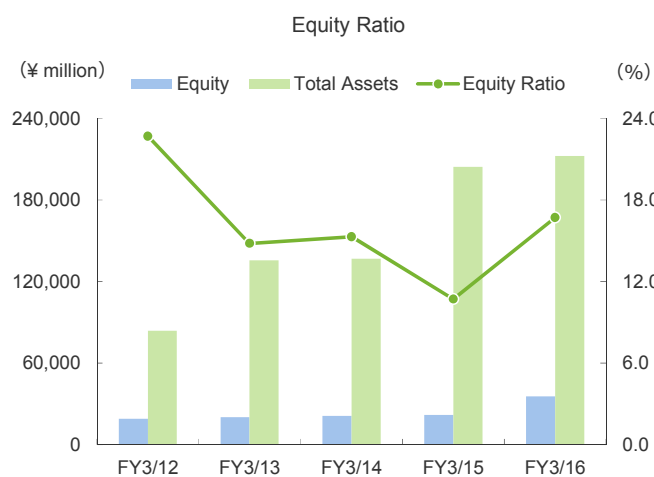
Non-current Ratio = Non-current Assets / Equity

Current Ratio = Current Assets / Current Liabilities

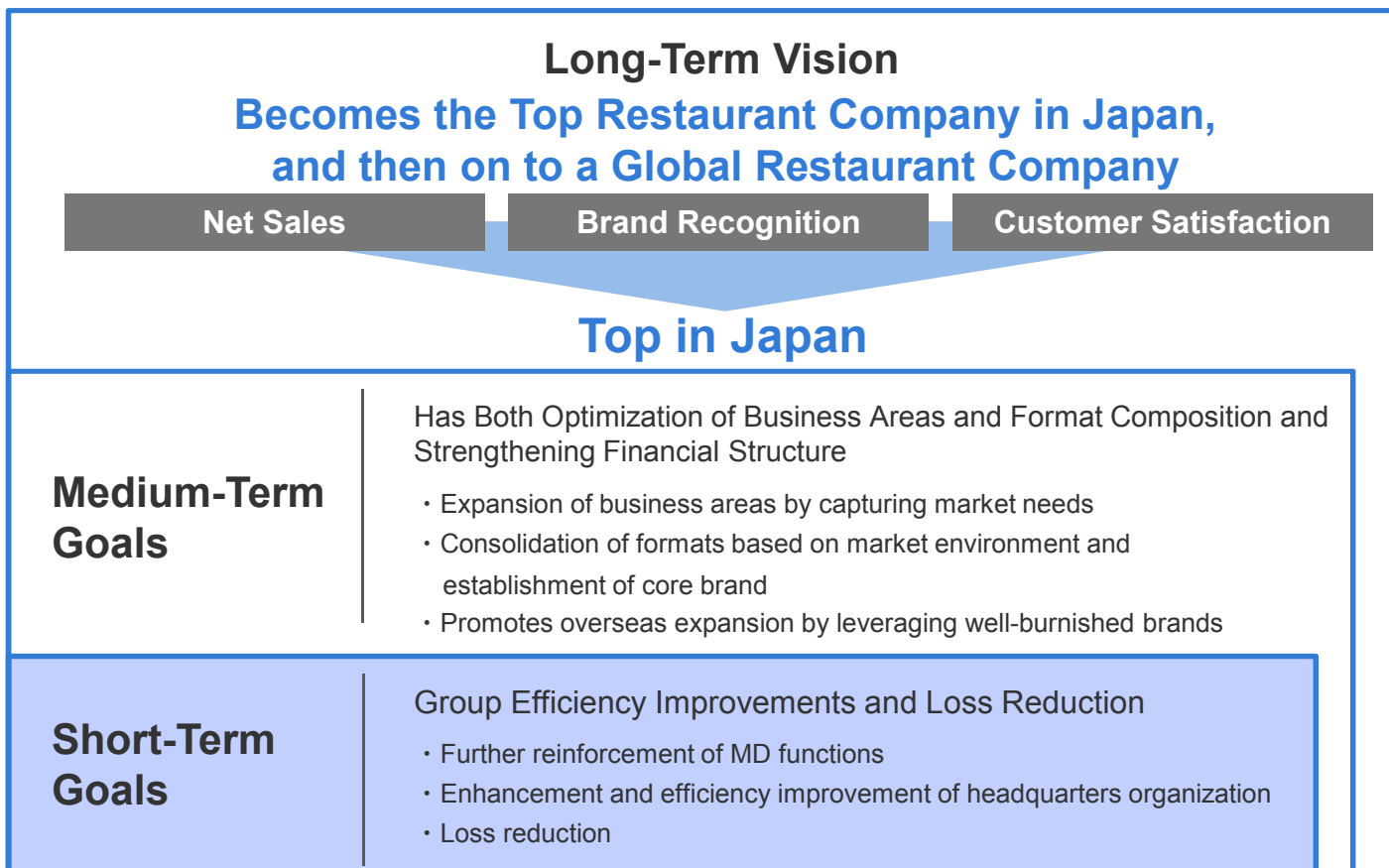
ROA = Profit attributable to owners of parent / Average Total Assets

ROE = Profit attributable to owners of parent / Average Equity

Net Debt to EBITDA Ratio = Net Interest-bearing Debt / EBITDA



"Revolution 2016," New Medium-Term Management Plan



Six Strategies

- <Strategy 1> Expansion of business areas by capturing market needs
- <Strategy 2> Consolidation of formats based on market environment and establishment of core brand
- <Strategy 3> Promotes overseas expansion by leveraging well-burnished brands
- <Strategy 4> Further reinforcement of MD functions
- <Strategy 5> Improvement of Group management efficiency by enhancement and consolidation of headquarters functionality
- <Strategy 6> Loss reduction

Keeps a Good Balance of Business Growth and Strengthening Financial Structure

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> ■ Continuous growth of business ■ Enhancement of profitability ■ Improvement of management efficiency | | <ul style="list-style-type: none"> ■ Enhancement of financial structure <ul style="list-style-type: none"> • Net debt to EBITDA ratio compression • Improvement of equity ratio |
|---|--|---|

Strategy (1) Expansion of Business Areas by Capturing Market Needs

Expansion of Business Areas

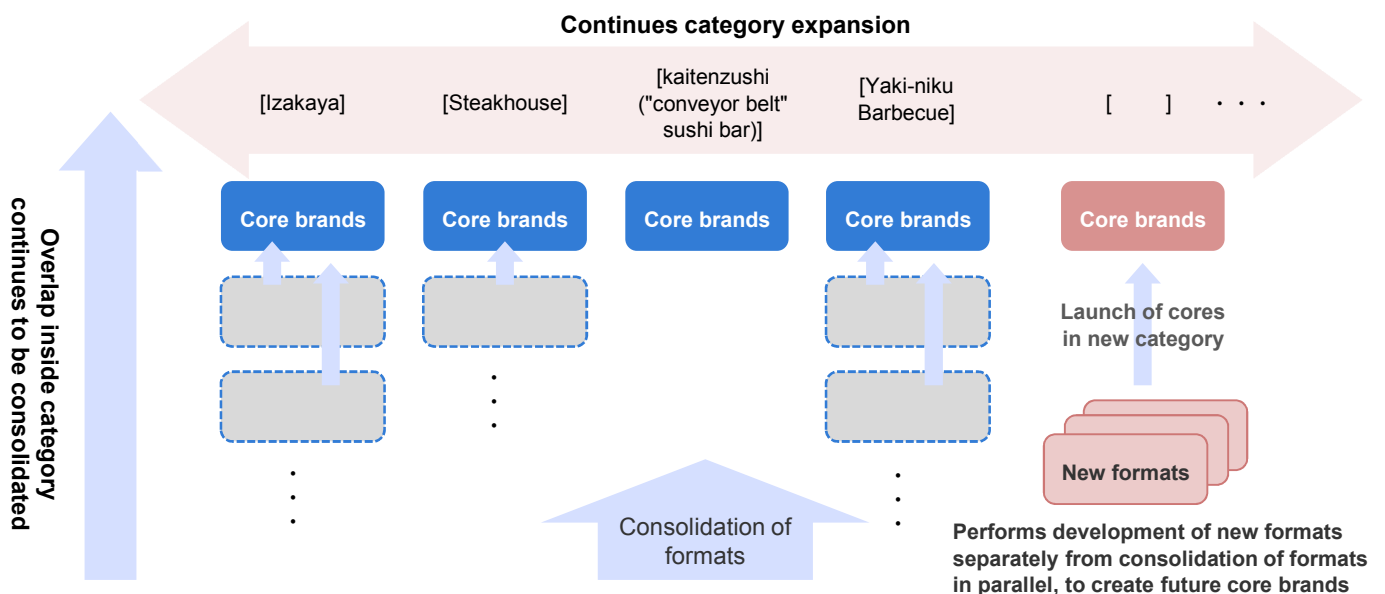
- In business areas with large market scale or with high level growth potential, acquires share by flexibly mixing M&A and opening new restaurants
 - Further expansion of share of massive restaurant business of approx. ¥13 trillion market scale
 - Re-emergence of Izakaya (Japanese-style pubs) business through conceptual clarification
 - Setting sales standard for home replacement meal business, which is in expansion stage, to scale of ¥30 billion from current ¥13 billion via strengthening of Japan Fresh Co., Ltd. and collaboration with convenience stores
 - Aggressive development in overseas markets centering on ASEAN where high level economic growth and food-services market growth are supported by population increase

		Domestic		Overseas
Food services	Restaurant	Gigantic market	M&A Opening new restaurants	Opening new restaurants
	Izakaya (Japanese-style pubs)	Market scale growth is stagnant <ul style="list-style-type: none"> • The young abandoning alcohol • Diversification of needs and tastes 	Conversion of format <div style="border: 1px solid blue; padding: 5px; margin-top: 10px;"> From general Izakaya to specialty Izakaya <ul style="list-style-type: none"> • Focusing on yakitori (grilled chicken meat on a stick) as main item • Focusing on meat dishes as main item </div>	ASEAN market is on an expansion trend <ul style="list-style-type: none"> • Economic growth driven by increase of population
Home replacement meals		Market expansion trend	Make use of food-service brands Collaboration with convenience stores	

Strategy (2) Consolidation of Formats Based on Market Environment and Establishment of Core Brand

Consolidation of Formats and Establishment of Core Brands

- Continues consolidation of formats and growth by establishing core brands for each category
- By developing new formats in parallel, seeks room for further growth
- Expands sales scale as a result of establishing competitive core brands
 - ⇒ Links increase in handled purchase amount to reinforcement of MD function (see Strategy (4))

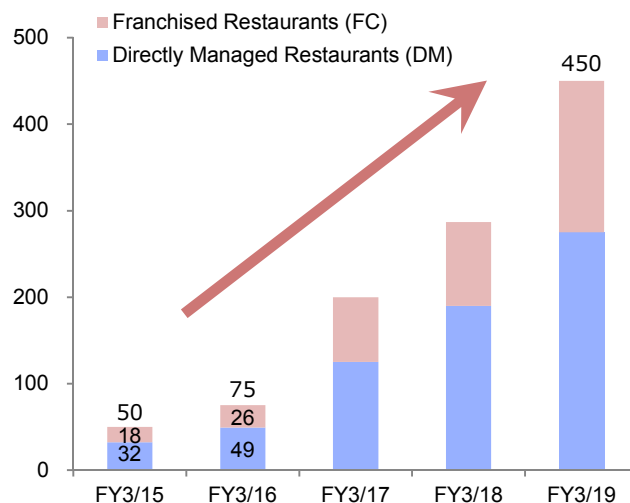


Strategy (3) Promotes overseas Expansion by Leveraging Well-Burnished Brands

Orientation of Overseas Expansion and Soil Compaction

- Based on growth stage and foreign currency regulations of other countries, combines advancement with DMs and FCs flexibly, to expand restaurant network.
- As infrastructure preparation and strategy for acquisition of human resources for overseas store opening, the Company has started hiring overseas new graduates and foreign students (hired 30 in FY2015 and 55 in FY2016), and will promote this.
- Accelerates acquiring partners in Thailand for acceleration of overseas expansion
In other areas progress as scheduled
⇒ In May 2015, established JV with powerful partner in Indonesia, and plans to open 50 restaurants five years from now.
⇒ Plans to open the first FC restaurant in July 2016 in Cambodia.

- Expected changes in numbers of overseas restaurants



Aggressive Opening of Stores Including Collaboration with Local Partners

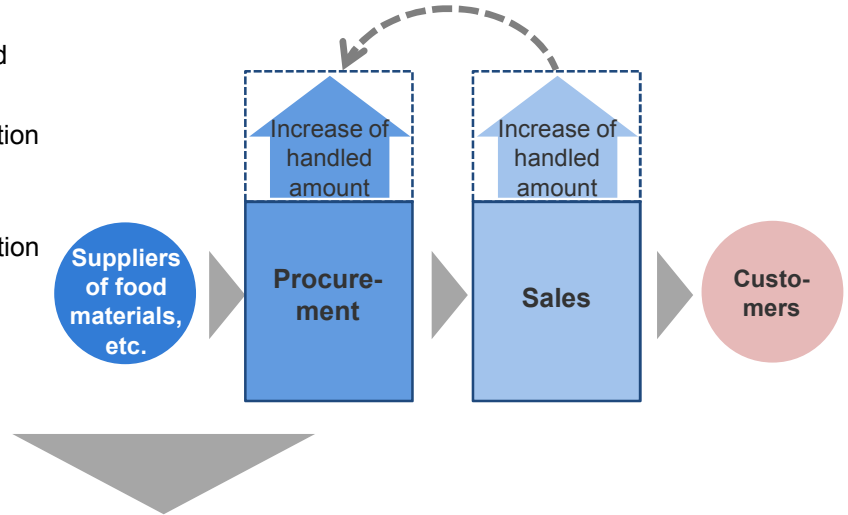
- Current situation of overseas business and future development

Country	Current situation (as of March 31, 2016)	Future development
Singapore	DM: 6 FC: 1	Respond to steep price rise in personnel costs and rent
Vietnam	DM: 13 (including NHAT VIET)	Aggressively open DMs and FCs
Indonesia	DM: 5 FC: 2	Aggressively open DMs and FCs
Thailand	DM: 5	Promoting remodeling for profitability improvements Choose local partner and open DMs and FCs
Malaysia	FC: 2	Continues FC development
Philippines	FC: 1	Continues FC development
Taiwan	DM: 14 FC: 7	Also started FC development, and expect profitability improvement along with acceleration of store opening
Hong Kong	FC: 13	Continues FC development, new development of "Shabu-Shabu Onyasai" restaurants
Korea	DM: 6	Improves profitability of DMs
Cambodia	—	Start of FC development (scheduled to open 1st FC in July 2016)

Strategy (4) Further Reinforcement of MD Functions

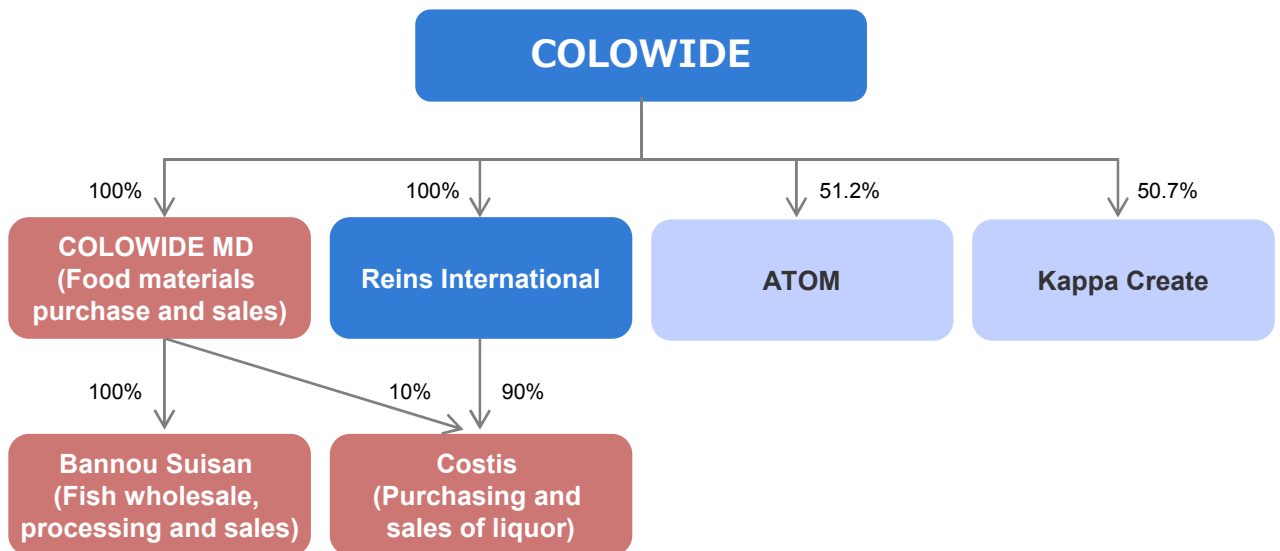
Efficiency and Functionality Improvements

- Further enjoys economies of scale by increasing amount of food material handled
- Uptake of added value and profits into the Group by improvement of in-house production ratios
- Improvement of distribution efficiency and reduction of distribution cost by reorganization of logistics bases
 - Medium-term and continuous-based process after M&A



Makes Into One of Profit Drivers as Common Infrastructure

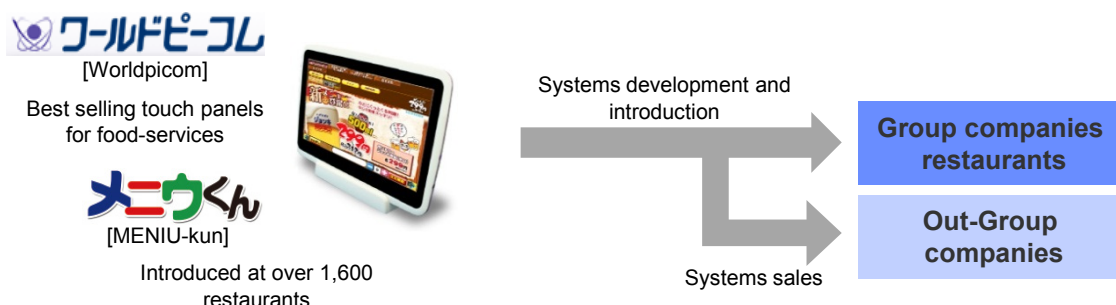
- Returns synergy merits created by MD function to customers and also to holding company
 - Investment in growth as overall Group
 - Reduction of interest-bearing debt and improvement of equity ratio



Strategy (5) Improvement of Group Management Efficiency by Enhancement and Consolidation of Headquarters Functionality

Reinforcement of Management Sections and Promotion of Efficiency Improvement

- Ensures efficiency improvement of Group management by consolidation and reinforcement of Headquarters functions overall inside the Group
- Consolidation of personnel and recruiting functions and continuation of efficiency improvement
 - As result of growth, organization and number of personnel is expected to expand, continues enhancement of personnel affairs system, concentration of human resources promotion, employee education and recruiting activities to headquarters, and proper execution.
- Improvement of sales promotion cost efficiency making use of web marketing strategy
 - As for sales promotion activities deployed for each operating company or brand, centering on web marketing, strategy will be created cross-group, in efforts for sales promotion impact and improvement of cost efficiency.
 - Improvement of convenience of shareholder benefits points, and enhancement of sales promotion impact
 - Review of making CM concept the same Group-wide
- Redevelopment of system infrastructure making use of system development capabilities of Worldpicom.
 - Consolidates systems needs as Group, which tend to be dispersed for each brand, to improve development efficiency and cost reduction.



Strategy (6) Loss Reduction

Reduction of Loss in Any Business Operation

- Reduction of "opportunity loss"
 - Reduction of opportunity loss relating to sales due to improvement of precision of sales prospects, and improvement of degree of precision in ordering food materials, etc.
 - Reduction of opportunity loss relating to sales by shortening construction period in store opening operations
 - Reduction of opportunity loss relating to recruitment
 - ◇ Reduction of opportunity loss occurring in recruiting activities at individual stores by concentration of hiring of part-timers at headquarters.
 - ◇ Review of reduction of further opportunity loss by centralization of new graduate recruiting to Group
- Reduction of "food material loss" relating to food cost
 - Improvement of degree of order precision at both MD and outlet levels
 - Preparation of menu with awareness of food material yield rate
- Reduction of "time loss"
 - Reduction of time loss relating to personnel acquisition and fostering
 - ◇ Ensure acquisition and reduction of turnover rate by ensuring increased sophistication of personnel system and diversification
 - Compression of incidence of renting empty space from execution of lease agreement to opening in store opening operations
 - Reduction of time loss by elimination of waste in store operations
 - Reduction of time loss and elimination of waste by clarification of order of priorities, improvement of time efficiency in overall business operations

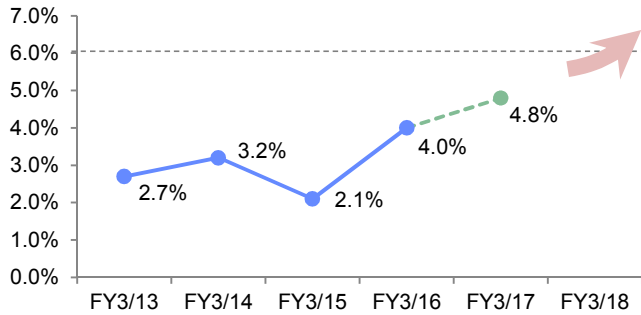
Financial Targets

* Numbers after March 2016 are numbers after application of IFRS

Ordinary Income Margin of

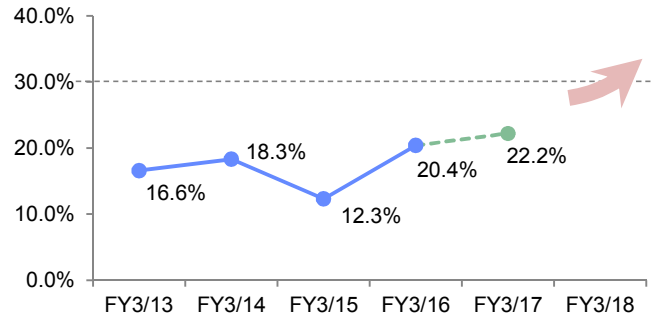
* Operating income ratio after March 2016

6%+



Equity Ratio* of

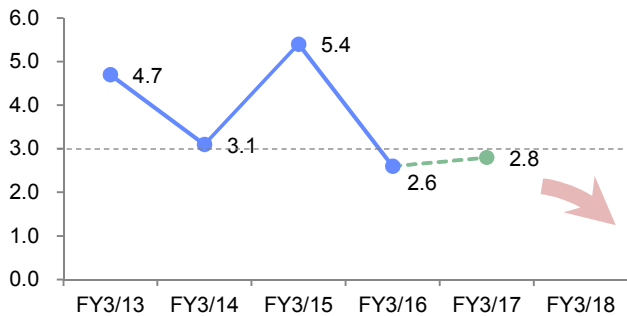
30%+



* Calculated based on interest-bearing debt that excludes cash and deposits

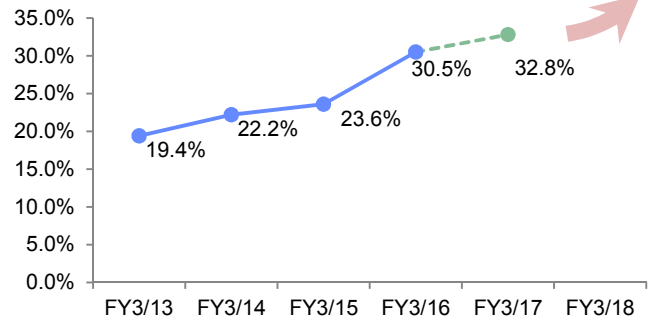
Net Debt to EBITDA Ratio of

< 3 times



Consolidated Net Asset Ratio*

(reference)



* Calculated based on interest-bearing debt that excludes cash and deposits

Per Share Indicators

(¥)	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Stock Price at Term End	609	973	1,051	1,641	1,702
Closing Stock Price Range for the Last 12 Months	418-618	567-1,075	803-1,137	1,005-1,992	1,545-1,984
Earnings per Share (EPS)	7.35	18.48	16.05	15.70	1.59
Book-Value per Share (BPS)	170.96	184.73	196.69	208.28	389.29
Dividend per Share (DPS)	5.00	5.00	5.00	5.00	5.00

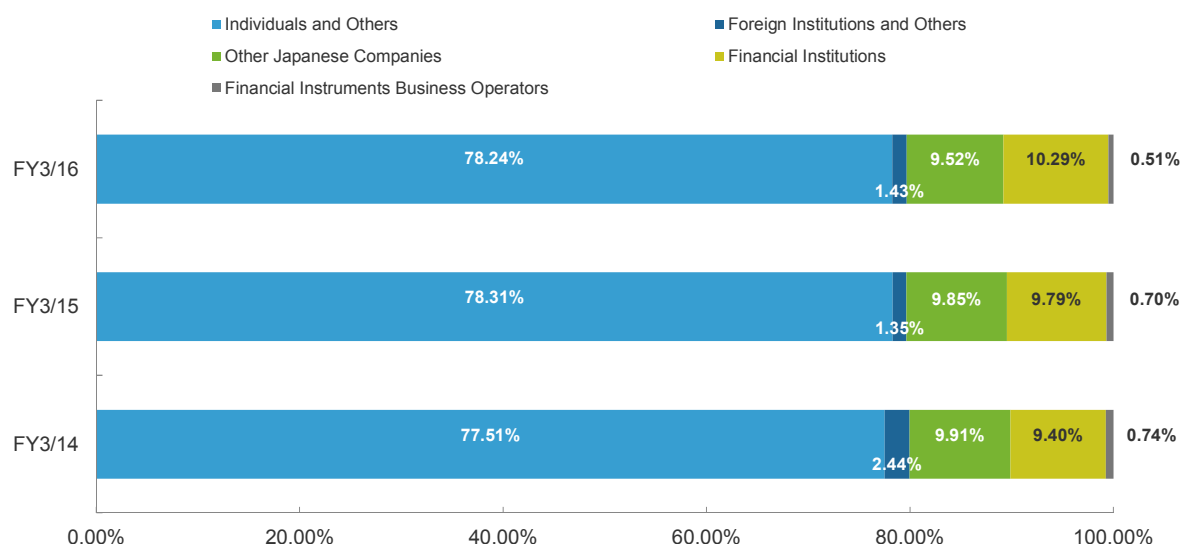
Status of Major Shareholders

as of March 31, 2016

Top 10	Number of Shares	Shareholding Ratio (%)
Sankurodo Co	5,966,930	8.0
Kaneo Kuroudo	4,287,605	5.7
Ryoko Kuroudo	4,192,750	5.6
Masaki Kuroudo	3,564,617	4.8
Rie Suzuki	1,094,625	1.5
Japan Trustee Services Bank, Ltd. (Trust account)	1,092,400	1.5
The Master Trust Bank of Japan, Ltd. (Trust account)	805,600	1.1
Japan Trustee Services Bank, Ltd. (Trust account 6)	672,000	0.9
Japan Trustee Services Bank, Ltd. (Trust account 5)	671,400	0.9
Japan Trustee Services Bank, Ltd. (Trust account 1)	670,800	0.9

Note: Shareholding ratios are calculated by excluding treasury shares (246,298 shares.)

Breakdown of Types of Shareholders (Ordinary Shares)



(Note) Shares held are shown on a share unit only basis; treasury shares are included in Other Japanese Companies; whole odd lot shares are not included.



Contact

Investor Relations

E-mail : investorrelations@colowide.co.jp

URL : <http://www.colowide.co.jp>