FACTBOOK

For the fiscal year ended March 31, 2018

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

CONTENTS

COLOWIDE

COLOWIDE

Corporate Philosophy

The Meaning of "COLOWIDE"

COLOWIDE

CO ………… 勇気 (Courage)
LO ………… 愛 (Love)
WI ………… 知恵 (Wisdom)
DE ………… 決断 (Decision)

4 Factors Bundled into One

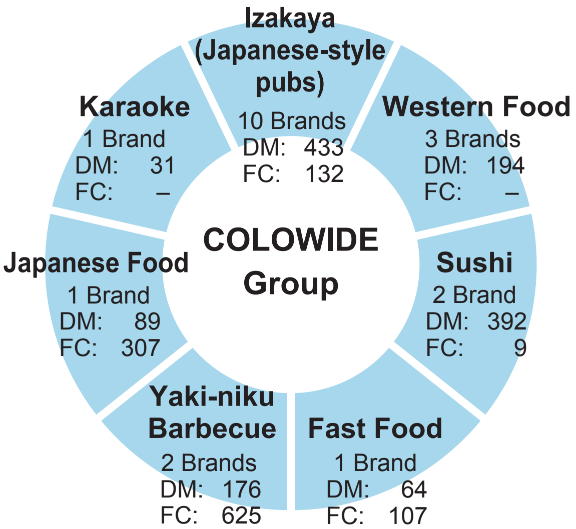
Our Corporate name "COLOWIDE" combines 4 important factors to help people lead fulfilling lives.

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, 2018)



DM: Directly Managed Restaurants
FC: Franchised Restaurants

Major Subsidiaries

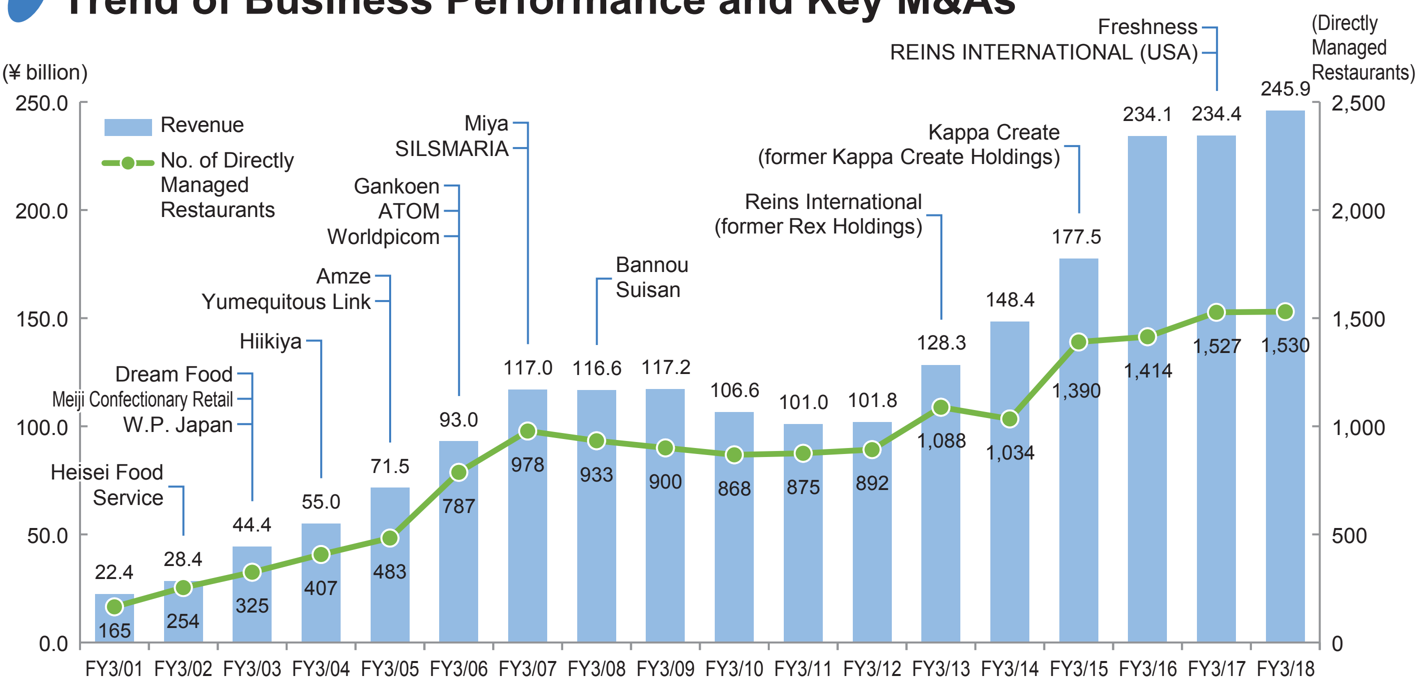
株式会社コロワイドMD
(COLOWIDE MD Co., Ltd.)

ATOM CORPORATION

REINS international inc.
株式会社レインズインターナショナル

カッパ・クリエイト株式会社
(Kappa Create Co., Ltd.)

Trend of Business Performance and Key M&As



From the fiscal year ended March 31, 2017, accounting standards have been changed to IFRS.

Group Structure and Regional Presence

COLOWIDE Co., Ltd. (Holding Company)
7616/TSE 1st

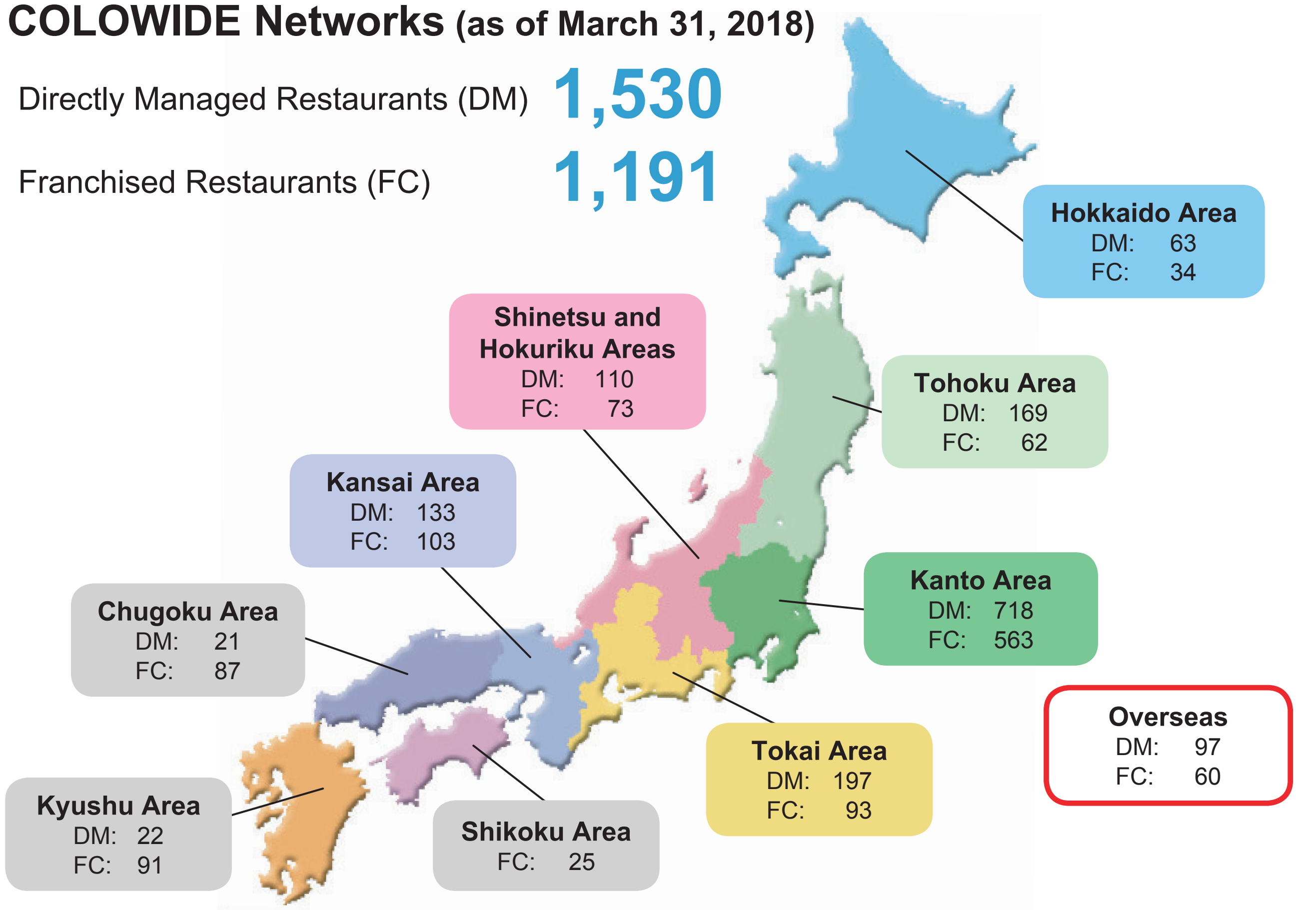
In addition, Rex Co., Ltd., SPC Rex Co., Ltd., SPC Kappa Co., Ltd. and AME-GYU Co., Ltd. function as intermediary holding companies

ATOM CORPORATION (incl. two subsidiaries)	Operates restaurant chains 7412/2nd Section of Tokyo and Nagoya Stock Exchanges
— SILSMARIA Co., Ltd.	Produces and sells pastry, baked pastry and chocolate (raw chocolate and others)
COLOWIDE MD Co., Ltd.	Produces, processes and sells food products, engages in merchandising, operates restaurants
— W.P. JAPAN Co., Ltd	Operates Wolfgang Puck Café and Wolfgang Puck Express
— Worldpicom Corporation	Develops & sells total self-ordering systems for restaurants and develops & operates wireless communications technologies
— Bannou Suisan Co., Ltd.	Wholesales, processes and sells tuna and other seafoods
— COLOWIDE ASIA CO.,LTD.	Investment company for production and store development in overseas countries (Asia)
— COLOWIDEVIETNAM.,JSC.	Operates restaurant chains in Vietnam
— Costis Inc.	Sells and distributes food materials
Reins International Inc.	Develops restaurant brand directly managed (DM) and FC restaurant chains
— Tokyo Gyu-Kaku Co., Ltd.	Operates restaurant chains in Taiwan
— REINS INTERNATIONAL (SINGAPORE) PTE.LTD.	Operates restaurant chains in Southeast Asia
— REINS INTERNATIONAL (THAILAND) CO., LTD.	Operates restaurant chains in Thailand
— PT.REINSMARINDOINDONESIA	Operates restaurant chains in Indonesia
— REINS INTERNATIONAL TAIWAN CO., LTD.	Manages restaurant chain development in Taiwan
— REINS INTERNATIONAL (USA) CO., LTD. (incl. seven subsidiaries)	Operates restaurant chains in North America
— Freshness Co., Ltd.	Develops numerous hamburger brand DM and FC chain restaurants
— KAPPA CREATE KOREA CO., LTD.	Operates restaurant chains in South Korea
Kappa Create Co., Ltd. (incl. one subsidiaries)	Operates DM restaurant chains and Deli business 7421/TSE 1st Section
COLOCafe Co., Ltd.	Operates DM restaurant chains
Cocot Co., Ltd.	Administrative center

COLOWIDE Networks (as of March 31, 2018)

Directly Managed Restaurants (DM) **1,530**

Franchised Restaurants (FC) **1,191**



"Revolution 2016," Medium-Term Management Plan

Long-Term Vision

Becomes the Top Restaurant Company in Japan, and then on to a Global Restaurant Company

Net Sales | Brand Recognition | Customer Satisfaction

Top in Japan

Medium-Term Goals

Has Both Optimization of Business Areas and Format Composition and Strengthening Financial Structure

- Expansion of business areas by capturing market needs
- Consolidation of formats based on market environment and establishment of core brand
- Promotes overseas expansion by leveraging well-burnished brands

Short-Term Goals

Group Efficiency Improvements and Loss Reduction

- Further reinforcement of MD functions
- Enhancement and efficiency improvement of headquarters organization
- Loss reduction

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

- Continuous growth of business
- Enhancement of profitability
- Improvement of management efficiency

↔

- Enhancement of financial structure
  - 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 Japan and Overseas by Effectively Executing M&A

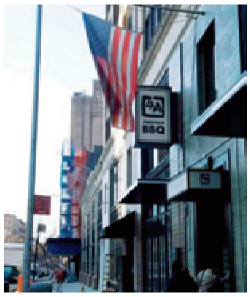
■ In Japan, Freshness Co., Ltd., which operates Freshness Burger business acquired by M&A in December 2016, accelerated store openings.

- Expanding the COLOWIDE Group's business areas to include the fast food area through this M&A
- Growing the number of stores to 171 in the first year of operation by promoting store models like a store with bakery and a store in a sports stadium
- Enjoying synergies through cost reductions of food materials, etc. making use of merchandising function of COLOWIDE MD

■ Overseas, Reins International (USA) Co., Ltd., acquired by M&A in December 2016, accelerated store openings.

- Extending the COLOWIDE Group's overseas business expansion, previously focused on the ASEAN region, to include North America (USA, Canada) through this M&A
- Growing the number of stores by 4 to 45 stores (extra 18 store openings confirmed, including 9 DM and 9 FC) in the first year of operation

Gyu-Kaku Japanese BBQ Dining



Challenge: Rapidly increase Freshness Burger store numbers to improve efficiency of advertising and other promotions

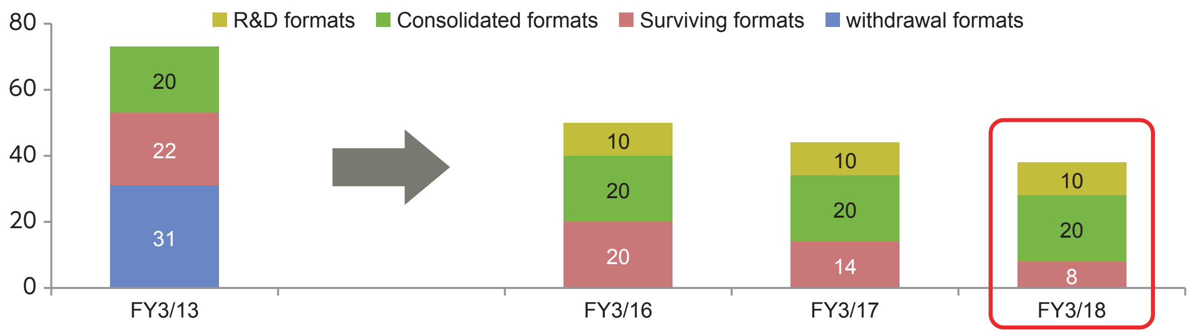
Strategy (2) Consolidation of Formats Based on Market Environment and Establishment of Core Brand

Consolidation of Formats

■ Number of formats was reduced from 73 to 40 plus R&D format in three years during the previous Medium-Term Management Plan period.

■ As of March 2018, the number of formats was reduced to 28 plus R&D format. As a result, it has reduced almost to half since the start of consolidation of formats.

■ Going forward, the policy is that the number of formats will be kept at a level that does not impede business efficiency, although formats may increase due to M&A or development of new formats.



Establishment of Core Brands

■ In the restaurant format, the Group established core brands in each of the yaki-niku barbecue, sushi, Japanese food, and Western food areas.

■ In the Izakaya format, as tastes of customers are diversified, the Group promoted development of core brand through changes to more highly specialized brands or switchover to menu that brings a specialization to the fore.

- Made YAKITORI CENTER a core brand by aggressively opening restaurant stores
- Improved yaki-niku barbecue menu at AMATARO and created new AMATARO format
- Started trials of new formats

Challenge: Establish core brands in the Izakaya format

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

Orientation of Overseas Expansion and Soil Compaction

- Based on the growth stages and foreign investment regulations of each country, we will expand the restaurant network with a flexibly combined deployment of both DMs and FCs, projecting 450 stores.
- Due to the overseas business's increasing share of operation, the Group launched an overseas personnel training scheme in USA (trainer employees will begin getting dispatched from Japan in autumn 2018).
- Systems in North America (USA, Canada) are nearing completion after M&A, projecting 150 stores in FY2021.
- Rollout of FC stores in China has started, projecting 130 stores in FY2022.
- Aggressive deployment of Gyu-Kaku Jinan-Bou (food court model) in Asia region
- Business operations in each Southeast Asian country are profitable except Singapore, with a goal of profitability in all countries in FY2018.

Aggressive Store Openings Including Collaboration with Local Partners

Country	Current status (as of March 31, 2018)	Future development
Singapore	DM:5	Profitability improved and store openings recommenced
Vietnam	DM:15	Aggressive store openings of DMs and FCs
Indonesia	DM:18 FC:2	Aggressive store openings of DMs and FCs
Thailand	DM:6	Selection of local partners
Philippines	FC:1	Continuation of FC rollout
Taiwan	DM:27 FC:10	Aggressive store openings of DMs and FCs Rollout of Gyu-Kaku Jinan-Bou (currently 5 stores)
Hong Kong	FC:16	New rollout of Gyu-Kaku Buffet
Cambodia	FC:1	Planned store openings of ONYASAI in 2018 to follow after Gyu-Kaku
China	FC:5	Continuation of FC rollout
USA, Canada	DM:20 FC:25	Aggressive store openings of DMs and FCs
Korea	DM:6	Aggressive store openings of DMs

Challenge: Find local partner in Thailand to accelerate store openings in Southeast Asia region

Strategy (4) Further Reinforcement of MD Functions

Completion of COLOWIDE MD Nagahama Factory and Bannou Suisan Shizuoka Factory, and Improvement of Overall Functionality and Efficiency in MD Infrastructure

- To further reinforce MD functions, the Group is carrying out "refitting production bases and improving in-house production ratio," "integrating master DB and upgrading the ordering system," and "consolidating and reorganizing the logistics centers" as an integrated strategy under the Medium-Term Management Plan.
  - COLOWIDE MD Shiga-Nagahama factory and Bannou Suisan Shizuoka factory have been completed and put into operation, and the production infrastructure to perform the core merchandising roles of the Group in the medium and long term is now complete.
  - At same time, the integration within the Group of the master DB and the upgrade of the ordering system are complete, thereby completing the reinforcement of MD operational functions (master control, logistics control, and the call center functions are now consolidated into a single system).
  - Consolidation and reorganization of the logistics centers are progressing steadily, and are planned to be completed during the fiscal year ending March 31, 2020.
  - Factory production efficiency is improved (production efficiency of the core Kanagawa factory increased).
    Production amount per man-hour is increased by 4.4% year on year.
    Inventory ratio to production amount is reduced by 2.5% year on year.

Further Enjoyment of Economies of Scale by Expanding Scale of Sales and Increasing Amount of Food Materials Handled

- Including the purchasing of Freshness after M&A, handled amount has increased by more than 4% year on year. This indicates further synergy is being generated.

Challenge: Continue reinforcement of MD functions over the medium to long term and complete consolidation of the logistics centers in the fiscal year ending March 31, 2020, recognizing that the upward pressure on food prices is a long-term trend

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

Improvement of Productivity (Consolidation of Personnel and Recruiting Functions, Reduction of Attrition Rate and Constraint of Hiring Costs, etc.)

- Continual promotion of Group-wide consolidation of new graduate recruitment and new-recruit training
  → Consolidation of activities at four major business operating companies
- Consolidation of mid-career-recruit training as well
- Reduction of costs through consolidating recruit activities at headquarters, switching employee statuses from part-timer to company employee, and invigorating the internal referral system, etc.
- Increase pool of available part-timers while reducing hiring costs by handling part-timer hires all together at headquarters
- Reduction of attrition rate
  - Attrition rate is down to 11.7% from last year's 13.9%.
  - Reduced attrition rate means improved job retention. We aim to achieve improved job proficiency and productivity from employees through greater job retention.
  - We will reduce the number of hires needed by lowering the attrition rate. As a result, we will constrain hiring costs.
- Continuation of introduction of a constructed Group-wide personnel evaluation system to each Group company (planned to be completed by FY2018)
- Eliminate waste and leakage through revision of business activities and invigorated communication between departments, and constrain personnel costs through improving productivity per person

Redevelopment of System Infrastructure Making Use of System Development Capabilities of Worldpicom

- Measures to improve efficiency included the building of an integrated logistics ordering system and the development of production control systems, etc.
- Progress was made in enhancing functions, such as making the tabletop ordering system "MENIU-kun" more light weight and offering support for multiple languages. We made efforts to improve operational efficiency at the Group companies' restaurants and engaged in aggressive sales to companies outside the Group. We also progressed with efforts to recoup development costs at an early date and to reduce the unit cost of manufacturing.

Challenge: Construct payment settlement system supporting cashless transaction in response to the approaching 2020 Tokyo Olympics and the increasing numbers of inbound tourists
Cooperate with all companies providing payment infrastructure to build a system that seamlessly operates with the Group's "MENIU-kun" from placement of order to payment

Strategy (6) Loss Reduction

Reduction of Loss in Any Business Operation

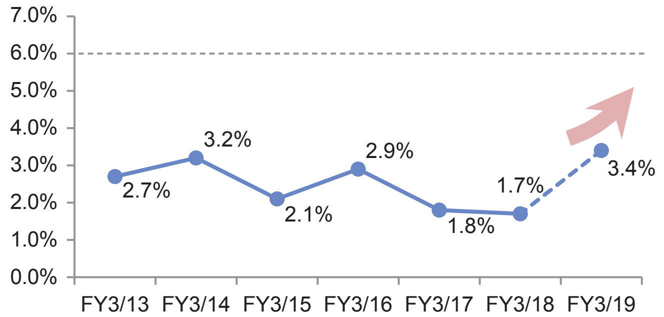
- Reduction of "opportunity loss"
  - Promotion of cooperation between headquarters and stores to improve accuracy of sales forecasts, which forms the basis of planning for all operations
    As a result, opportunity loss was reduced and food material loss was also reduced.
- Reduction of "food material loss" relating to food cost
  - Improvement of food material yield rate through common utilization between the business formats and construction of menu creation and store operation that is focused on reducing food material loss
- Reduction of "operation loss"
  - Reduction of operation loss in store operations (elimination of inefficiencies)
    Avoidance of superfluously assigning personnel by improving precision of work schedule to make appropriate assignment of personnel for busy days, regular days, peak periods during the day, and other times

Challenge: Redundant operations have been carried out as a result of inadequate communication between organizations and between departments following the expansion of the size of the company.
→ Establish appropriate communication routes, eliminate redundant operations, and construct systems aimed at consolidation

Financial Targets (IFRS)

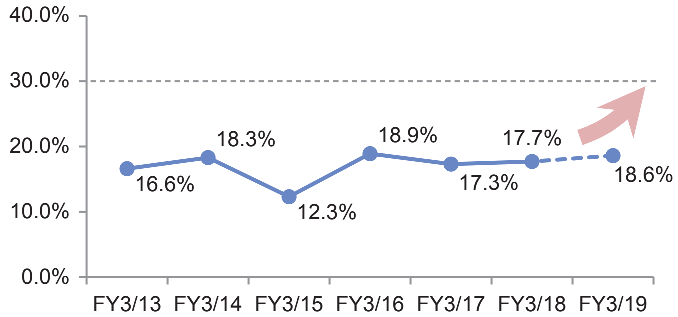
Note: Numbers in FY3/15 and earlier are numbers under Japanese GAAP.

Consolidated Operating Profit Margin of 6%+



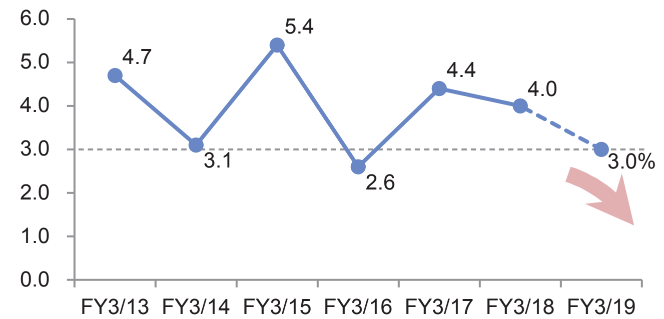
* Ordinary income margin in FY3/15 and earlier

Ratio of Equity Attributable to Owners of Parent to Total Assets* of 30%+

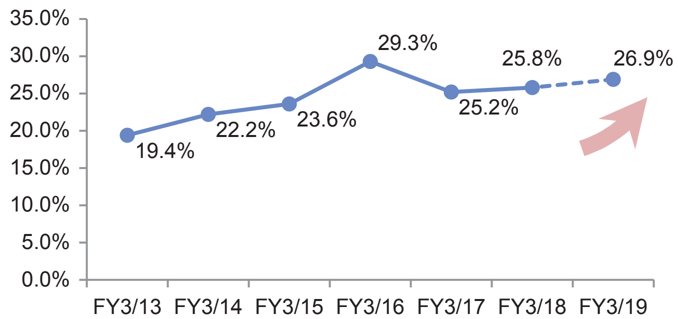


* Calculated based on interest-bearing debt net of cash and deposits
* Equity ratio in FY3/15 and earlier

Net Debt to EBITDA Ratio of < 3 times



Consolidated Total Equity Ratio* (reference)



* Calculated based on interest-bearing debt net of cash and deposits
* Consolidated net asset ratio in FY3/15 and earlier

≪IFRS≫

Consolidated Statement of Financial Position

COLOWIDE

(¥million)	FY3/16 End	FY3/17 End	FY3/18 End
Assets			
Total assets	**224,215**	**233,127**	**229,816**
Current assets	53,712	53,909	54,681
Cash and cash equivalents	30,993	34,631	34,605
Trade and other receivables	8,106	8,669	9,468
Other financial assets	7,974	632	544
Inventories	3,340	4,433	4,176
Income tax receivables	0	1,968	1,525
Other current assets	3,299	3,576	4,363
Non-current assets	170,503	179,218	175,135
Property, plant and equipment	63,873	66,153	64,025
Goodwill	60,190	68,966	68,336
Intangible assets	8,082	8,380	7,704
Investment property	1,515	999	579
Other financial assets	28,839	29,521	29,238
Deferred tax assets	6,607	3,963	4,664
Other non-current assets	1,396	1,236	589

(¥million)	FY3/16 End	FY3/17 End	FY3/18 End
Liabilities and equity			
Total liabilities and equity	**224,215**	**233,127**	**229,816**
Liabilities	169,685	183,217	179,500
Current liabilities	68,356	80,655	73,183
Trade and other payables	20,966	22,190	24,439
Bonds and borrowings	21,600	40,931	30,498
Other financial liabilities	4,072	3,434	3,194
Income tax payables	10,132	2,128	2,292
Provisions	3,073	3,425	3,457
Other current liabilities	8,513	8,547	9,303
Non-current liabilities	101,329	102,562	106,317
Trade and other payables	3,265	3,768	5,946
Bonds and borrowings	70,083	72,099	77,179
Other financial liabilities	18,867	16,987	14,046
Net defined benefit liability	1,063	—	—
Provisions	5,914	6,567	6,614
Deferred tax liabilities	77	540	327
Other non-current liabilities	2,060	2,601	2,205
Equity	54,530	49,910	50,316
Issued capital	14,030	14,030	14,030
Share premium	18,134	18,853	18,740
Treasury shares	(150)	(151)	(153)
Other components of equity	(88)	(373)	(521)
Retained earnings	3,268	1,873	2,503
Total equity attributable to owners of parent	35,194	34,232	34,599
Non-controlling interests	19,336	15,678	15,717

COLOWIDE

Consolidated Statement of Income

(¥million)	FY3/16	FY3/17	FY3/18
Revenue	**233,895**	**234,444**	**245,911**
Cost of sales	99,030	101,587	107,253
Gross profit	134,865	132,857	138,658
Other operating income	2,131	3,201	1,523
Selling, general and administrative expenses	124,860	126,051	131,464
Other operating expenses	5,241	5,895	4,475
Operating profit	**6,895**	**4,112**	**4,242**
Finance income	6,039	453	1,071
Finance costs	2,965	2,352	2,546
Profit before tax	9,969	2,212	2,767
Income tax expenses	(505)	6,492	1,370
Profit (loss)	10,474	(4,280)	1,397
Profit (loss) attributable to			
Owners of parent	7,560	(1,398)	1,170
Non-controlling interests	2,914	(2,882)	227
Profit (loss)	10,474	(4,280)	1,397
Earnings (loss) per share			
Basic earnings (loss) per share (Yen)	100.74	(19.56)	12.91
Diluted earnings (loss) per share (Yen)	100.61	(19.56)	12.91

Consolidated Statement of Comprehensive Income

(¥million)	FY3/16	FY3/17	FY3/18
Profit (loss)	**10,474**	**(4,280)**	**1,397**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	(205)	97	57
Remeasurements of defined benefit plans	101	—	—
Total items that will not be reclassified to profit or loss	(104)	97	57
Items that may be reclassified to profit or loss			
Cash flow hedges	(35)	(117)	100
Exchange differences of foreign operations	13	(132)	(241)
Total items that may be reclassified to profit or loss	(22)	(249)	(140)
Other comprehensive income, net of tax	(126)	(151)	(83)
Comprehensive income	**10,348**	**(4,432)**	**1,314**
Comprehensive income attributable to			
Owners of parent	7,422	(1,591)	1,059
Non-controlling interests	2,926	(2,840)	255
Comprehensive income	10,348	(4,432)	1,314

Consolidated Statement of Changes in Equity

FY3/17

(¥million)	Equity attributable to owners of parent					
				Other components of equity		
	Issued capital	Share premium	Treasury shares	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2016	14,030	18,134	(150)	11	54	(121)
Loss	—	—	—	—	—	—
Other comprehensive income	—	—	—	49	—	(117)
Comprehensive income	—	—	—	49	—	(117)
Purchase of treasury shares	—	—	(1)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Changes in ownership interests of parent due to transactions with non-controlling interests	—	719	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(38)	(54)	—
Total transactions and others with owners	—	719	(1)	(38)	(54)	—
Balance as of March 31, 2017	14,030	18,853	(151)	22	—	(238)

(¥million)	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of parent		
	Exchange differences of foreign operations	Total other components of equity				
Balance as of April 1, 2016	(31)	(88)	3,268	35,194	19,336	54,530
Loss	—	—	(1,398)	(1,398)	(2,882)	(4,280)
Other comprehensive income	(126)	(194)	—	(194)	42	(151)
Comprehensive income	(126)	(194)	(1,398)	(1,591)	(2,840)	(4,432)
Purchase of treasury shares	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(445)	(445)	(820)	(1,265)
Changes in ownership interests of parent due to transactions with non-controlling interests	—	—	356	1,075	3	1,078
Transfer from other components of equity to retained earnings	—	(92)	92	—	—	—
Total transactions and others with owners	—	(92)	2	629	(817)	(188)
Balance as of March 31, 2017	(157)	(373)	1,873	34,232	15,678	49,910

FY3/18

(¥million)	Equity attributable to owners of parent					
				Other components of equity		
	Issued capital	Share premium	Treasury shares	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2017	14,030	18,853	(151)	22	—	(238)
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	34	—	100
Comprehensive income	—	—	—	34	—	100
Purchase of treasury shares	—	—	(2)	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Decrease by exclusion of subsidiaries from consolidation	—	—	—	—	—	—
Changes in ownership interests of parent due to transactions with non-controlling interests	—	(113)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(37)	—	—
Total transactions and others with owners	—	(113)	(2)	(37)	—	—
Balance as of March 31, 2018	14,030	18,740	(153)	19	—	(138)

(¥million)	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of parent		
	Exchange differences of foreign operations	Total other components of equity				
Balance as of April 1, 2017	(157)	(373)	1,873	34,232	15,678	49,910
Profit	—	—	1,170	1,170	227	1,397
Other comprehensive income	(245)	(112)	—	(112)	28	(83)
Comprehensive income	(245)	(112)	1,170	1,059	255	1,314
Purchase of treasury shares	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	(577)	(577)	(186)	(763)
Decrease by exclusion of subsidiaries from consolidation	—	—	—	—	(58)	(58)
Changes in ownership interests of parent due to transactions with non-controlling interests	—	—	—	(113)	28	(84)
Transfer from other components of equity to retained earnings	—	(37)	37	—	—	—
Total transactions and others with owners	—	(37)	(540)	(691)	(216)	(907)
Balance as of March 31, 2018	(402)	(521)	2,503	34,599	15,717	50,316

Consolidated Statement of Cash Flows

(¥million)	FY3/16	FY3/17	FY3/18
Cash flows from operating activities	**20,964**	**4,990**	**16,658**
Profit before tax	9,969	2,212	2,767
Depreciation and amortization expenses	10,707	10,812	10,874
Impairment loss	3,672	3,650	3,295
Finance income	(6,039)	(453)	(1,071)
Finance costs	2,965	2,352	2,538
Loss (gain) on sales and retirement of non-current assets	493	1,010	(307)
Decrease (increase) in inventories	675	(990)	267
Decrease (increase) in trade and other receivables	(602)	(482)	(1,074)
Increase (decrease) in trade and other payables	(541)	(1,907)	1,792
Other	1,923	3,883	1,233
Subtotal	23,223	20,088	20,313
Interest and dividend income received	63	68	67
Interest expenses paid	(2,553)	(2,100)	(2,482)
Income taxes (paid) refund	231	(13,066)	(1,241)
Cash flows from investing activities	**(16,835)**	**(13,982)**	**(5,281)**
Payments into time deposits	(14,604)	(12)	(12)
Proceeds from withdrawal of time deposits	7,594	7,003	—
Purchase of property, plant and equipment	(9,642)	(9,956)	(6,527)
Proceeds from sales of property, plant and equipment	524	545	1,364
Payments for lease and guarantee deposits	(1,868)	(1,510)	(559)
Proceeds from collection of lease and guarantee deposits	2,214	1,870	1,649
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(10,957)	—
Other	(1,053)	(964)	(1,196)
Cash flows from financing activities	**589**	**12,545**	**(11,390)**
Net increase (decrease) in short-term borrowings	(140)	11,109	(11,102)
Proceeds from long-term borrowings	4,801	16,580	23,400
Repayments of long-term borrowings	(16,509)	(16,615)	(24,362)
Repayments of other financial liabilities	—	—	(1,000)
Proceeds from issue of bonds	—	13,759	13,968
Redemption of bonds	(5,131)	(5,287)	(6,922)
Repayments of finance lease obligations	(4,945)	(4,925)	(4,380)
Payments for changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	—	(225)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	22,945	—	—
Cash dividends paid	(375)	(445)	(581)
Dividends paid to non-controlling interests	(277)	(805)	(181)
Proceeds from share issuance to non-controlling shareholders	223	92	61
Other	(2)	(918)	(67)
Effect of exchange rate change on cash and cash equivalents	**6**	**84**	**(13)**
Net increase (decrease) in cash and cash equivalents	**4,724**	**3,638**	**(25)**
Cash and cash equivalents at beginning of period	**26,269**	**30,993**	**34,631**
Cash and cash equivalents at end of period	**30,993**	**34,631**	**34,605**

Profitability Indicators / Stability Indicators

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Profitability Indicators

(¥million)	FY3/16	FY3/17	FY3/18
Revenue	233,895	234,444	245,911
Gross Profit	134,865	132,857	138,658
Operating Profit	6,895	4,112	4,242
Profit before tax	9,969	2,212	2,767
Profit Attributable to Owners of Parent	7,560	(1,398)	1,170
EBITDA	20,712	17,620	18,067

(%)	FY3/16	FY3/17	FY3/18
Gross Profit Margin	57.7	56.7	56.4
Operating Profit Margin	2.9	1.8	1.7
Net Profit Margin	3.2	(0.6)	0.5
EBITDA Margin	8.9	7.5	7.3

Gross Profit Margin = Gross Profit / Revenue

Operating Profit Margin = Operating Profit / Revenue

Net Profit Margin = Profit Attributable to Owners of Parent / Revenue

EBITDA Margin = EBITDA / Revenue

EBITDA = Operating Profit - Other Operating Income + Other Operating Expenses + Depreciation and Amortization

Stability Indicators

(¥million)	FY3/16	FY3/17	FY3/18
Equity Attributable to Owners of Parent	35,194	34,232	34,599
Total Assets	224,215	233,127	229,816
Non-current Assets	170,503	179,218	175,135
Current Assets	53,712	53,909	54,681
Current Liabilities	68,356	80,655	73,183
Net Interest-Bearing Debt	53,528	78,224	72,885
EBITDA	20,712	17,620	18,067

(%)	FY3/16	FY3/17	FY3/18
Equity Ratio	15.7	14.7	15.1
Non-current Ratio	484.5	523.5	506.2
Current Ratio	78.6	66.8	74.7
Return on Assets (ROA)	4.6	1.0	1.2
Return on Equity (ROE)	33.8	(4.3)	2.8
Net Debt to EBITDA Ratio (times)	2.6	4.4	4.0

Equity Ratio = Equity Attributable to Owners of Parent / Total Assets

Non-current Ratio = Non-current Assets / Equity Attributable to Owners of Parent

Current Ratio = Current Assets / Current Liabilities

ROA = Profit before tax / Average Total Assets

ROE = Profit Attributable to Owners of Parent / Average Equity Attributable to Owners of Parent

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

Stock Information

Per Share Indicators

(¥)	FY3/14 J-GAAP	FY3/15 J-GAAP	FY3/16 J-GAAP	FY3/16 IFRS	FY3/17 IFRS	FY3/18 IFRS
Stock Price at Term End	1,051	1,641	1,702	1,702	1,866	2,490
Closing Stock Price Range for the Last 12 Months	803-1,137	1,005-1,992	1,545-1,984	1,545-1,984	1,640-2,080	1,741-2,515
Basic Earnings per Share (EPS)	16.05	15.70	1.59	100.74	(19.56)	12.91
Book-Value per Share (BPS) *	196.69	208.28	389.29	389.06	375.30	378.45
Dividend per Share (DPS)	5.00	5.00	5.00	5.00	5.00	5.00

* Calculated based on "Net assets" under Japanese GAAP, and "Equity attributable to owners of parent" under IFRS

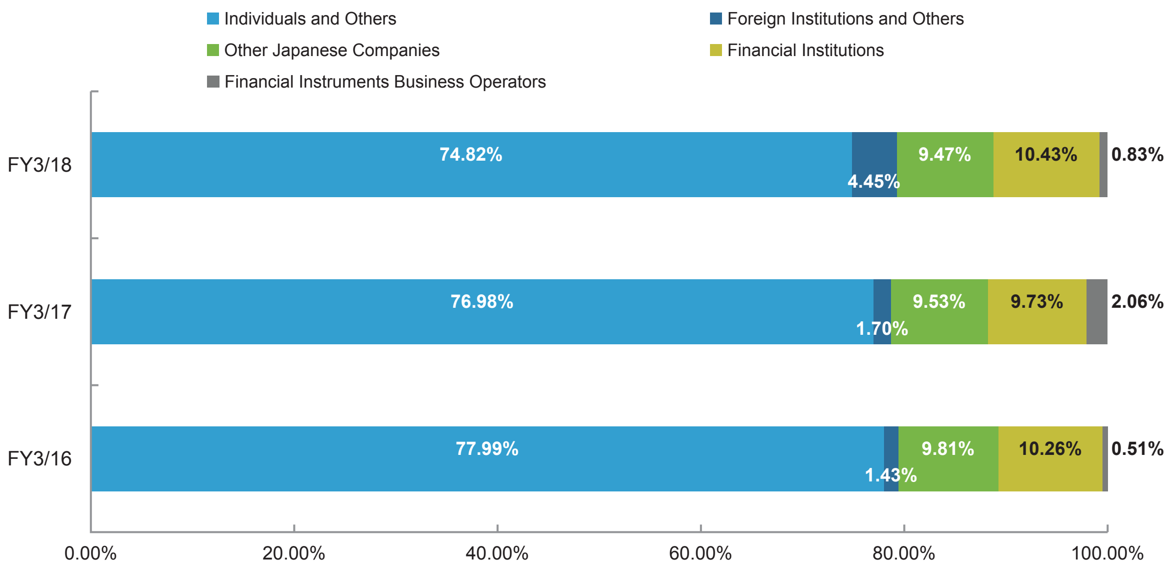
Status of Major Shareholders

as of March 31, 2018

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	3,264,617	4.4
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,250,600	1.7
Rie Suzuki	1,094,625	1.5
Japan Trustee Services Bank, Ltd. (Trust account)	1,065,000	1.4
Japan Trustee Services Bank, Ltd. (Trust account 1)	950,200	1.3
The Master Trust Bank of Japan ,Ltd. (Trust account)	909,000	1.2
Japan Trustee Services Bank, Ltd. (Trust account 2)	903,800	1.2

Note: Shareholding ratios are calculated by excluding treasury shares (247,563 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.

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