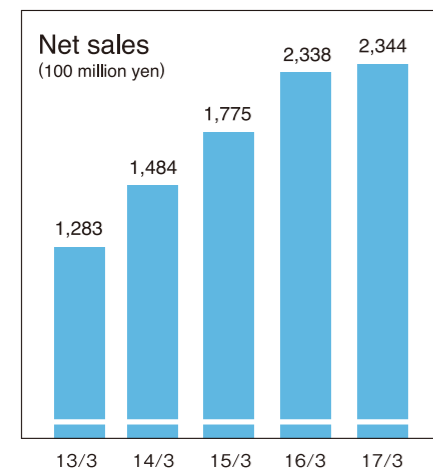




Company Overview

Company name	COLOWIDE Co., Ltd.
Address of Head Office	Landmark Tower 12F, 2-2-1, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa-ken, Japan 220-8112 Tel,045-274-5970 (general inquiries)
Chairman and Executive Director	Kaneo Kuroudo
President and Representative Director	Kohei Nojiri
Scope of business	<ul style="list-style-type: none"> •Management of restaurants •Stocking and processing sales of various foodstuffs •Sales of cigarettes and liquors •Management of Karaoke rooms
Established	April 19, 1963
Number of employees	2,709
Capitalization	14.03 billion yen

Sales performance (consolidated)



History

1963	April	Company is established.
1977	September	Zushi branch of 'AMATARO' Izakaya (Japanese-style pub) opens, featuring home-style cooking.
1986	November	Head office moves to Fujisawa city. Food processing plant established in Zushi city.
1994	April	'AMATARO' Kamata branch and 'DAY TRIPPER' Kamata branch simultaneously launched in Tokyo.
	October	Zushi plant closes and a 13.3 acres kitchen distributing center is newly established in Kamakura city to reinforce the central distribution center and launch central kitchen operations.
1997	July	Central Kitchen Center in Osaka established for store development in the Kansai district
	November	Urawa Kitchen Center established to expand market area to include Chiba and Saitama.
1999	October	COLOWIDE shares issued for over-the-counter trading (now on JASDAQ)
2000	October	Shares listed on the second section of the Tokyo Stock Exchange
2002	January	Head office moves to Yokohama city
	August	COLOWIDE acquires HEISEI FOOD SERVICE Co., Ltd. as a consolidated subsidiary
	September	COLOWIDE acquires W.P.JAPAN Co., Ltd. as a consolidated subsidiary
	December	Shares listed on the first section of the Tokyo Stock Exchange COLOWIDE acquires MEIJI CONFECTIONERY RETAIL Co., Ltd. as a consolidated subsidiary, and changes its name to AD IN PRA Co., Ltd.
2003	March	AD IN PRA Co., Ltd. assumes the business rights of 27 shop branches of DREAM FOOD Co., Ltd.
	June	Hokkaido factory established.
2004	March	COLOWIDE acquires HIKIYA Co., Ltd. as a consolidated subsidiary.
	August	COLOWIDE HOKKAIDO Co., Ltd. assumes business rights of 14 shop branches owned by YUMEQUITOUS LINK Co., Ltd. in Hokkaido.
	October	COLOWIDE splits its businesses into regional groups and transitions to a holding company system. HIKIYA Co., Ltd. changes its name to COLOWIDE WEST JAPAN Co., Ltd. COLOWIDE acquires AMZE Co., Ltd. as a consolidated subsidiary. AMZE Co., Ltd. is made a consolidated subsidiary.
2005	June	COLOWIDE acquires GANKOEN Co. Ltd. as a consolidated subsidiary.
	October	COLOWIDE acquires ATOM CORPORATION as a consolidated subsidiary. COLOWIDE acquires Worldpicom Corporation as a consolidated subsidiary. Gifu factory established
2006	July	COLOWIDE acquires MIYA Co., Ltd. as a consolidated subsidiary.
	October	ATOM CORPORATION and GANKOEN Co., Ltd. amalgamate. The surviving company is ATOM CORPORATION. COLOWIDE acquires SILSMARIA Co., Ltd. as a consolidated subsidiary.
2007	February	COLOWIDE CK Co., Ltd. changes its name to COLOWIDE MD Co., Ltd.
	March	AMZE Co., Ltd. amalgamates with MIYA Co., Ltd. and renames it ZICT. Inc.
	October	Tochigi factory established
	December	Cocot Co., Ltd. Special Subsidiary Company established.
2008	February	AD IN PRA Co., Ltd. changes its name to BEE LINE Co., Ltd.
	March	COLOWIDE assumes business rights of Bannou Suisan Co., Ltd., acquires it as a consolidated subsidiary, and renames it Bannou Suisan.
	June	COLOWIDE EAST JAPAN Co., Ltd. amalgamates with COLOWIDE HOKKAIDO Co., Ltd. The surviving company is COLOWIDE EAST JAPAN.
2009	March	ATOM CORPORATION amalgamates with ZICT. Inc. The surviving company is ATOM CORPORATION.
	March	COLOWIDE EAST JAPAN Co., Ltd. amalgamates with COLOWIDE WEST JAPAN Co., Ltd. The surviving company is COLOWIDE EAST JAPAN Co., Ltd.
	September	COLOWIDE Co., Ltd. increased capital to 10,282 billion yen.
2010	March	COLOWIDE Co., Ltd. increases capital to 14.03 billion yen.
	December	COLOWIDE ASIA Co., Ltd Hong Kong is established as locally-incorporated subsidiary.
2011	September	Construction of Kanagawa CK factory completed
	September	Food radiation measurement system introduced at Kanagawa CK factory / Hokkaido CK factory / Gifu CK factory
2012	March	On-site power generator installed at Kanagawa CK factory
	June	Work completed on fully-enclosed vegetable-growing facility within the Kanagawa factory.
	October	COLOWIDE acquires REX HOLDINGS Co., Ltd. as a consolidated subsidiary.
2013	January	Following the merger of Reins International Inc. by REX HOLDINGS Co., Ltd., the corporation is renamed as Reins International Inc.
	March	Food Table Co., Ltd. established.
	September	REINS INTERNATIONAL(THAILAND)CO., LTD. established.
	October	ATOM HOKKAIDO CORPORATION established.
2014	August	Vietnam-based affiliate, COLOWIDE VIETNAM., JSC. established.
	October	COLO Cafe Co., Ltd. established.
	December	Kappa Create Holdings Co., Ltd. is acquired as a consolidated subsidiary.
2015	January	Reins International Inc. became wholly owned company.
	April	COLOWIDE MD Co., Ltd. and COLOWIDE EAST JAPAN Co., Ltd. are merged with COLOWIDE MD Co., Ltd. as surviving company.
	October	Indonesia-based affiliate, PT. REINS MARINDO INDONESIA established.
	December	Absorption merger of Kappa Create Co., Ltd. into Kappa Create Co., Ltd. Company name changed to Kappa Create Co., Ltd. Establishment of Taiwan local subsidiary, REINS INTERNATIONAL TAIWAN CO., LTD
2016	December	Reins International Inc. acquires Freshness Co., Ltd. as a consolidated subsidiary. Reins International Inc. acquires Reins International (USA) Co., Ltd. as a consolidated subsidiary.
2017	May	Construction of the Shizuoka factory of Bannou Suisan Co., Ltd. completed.

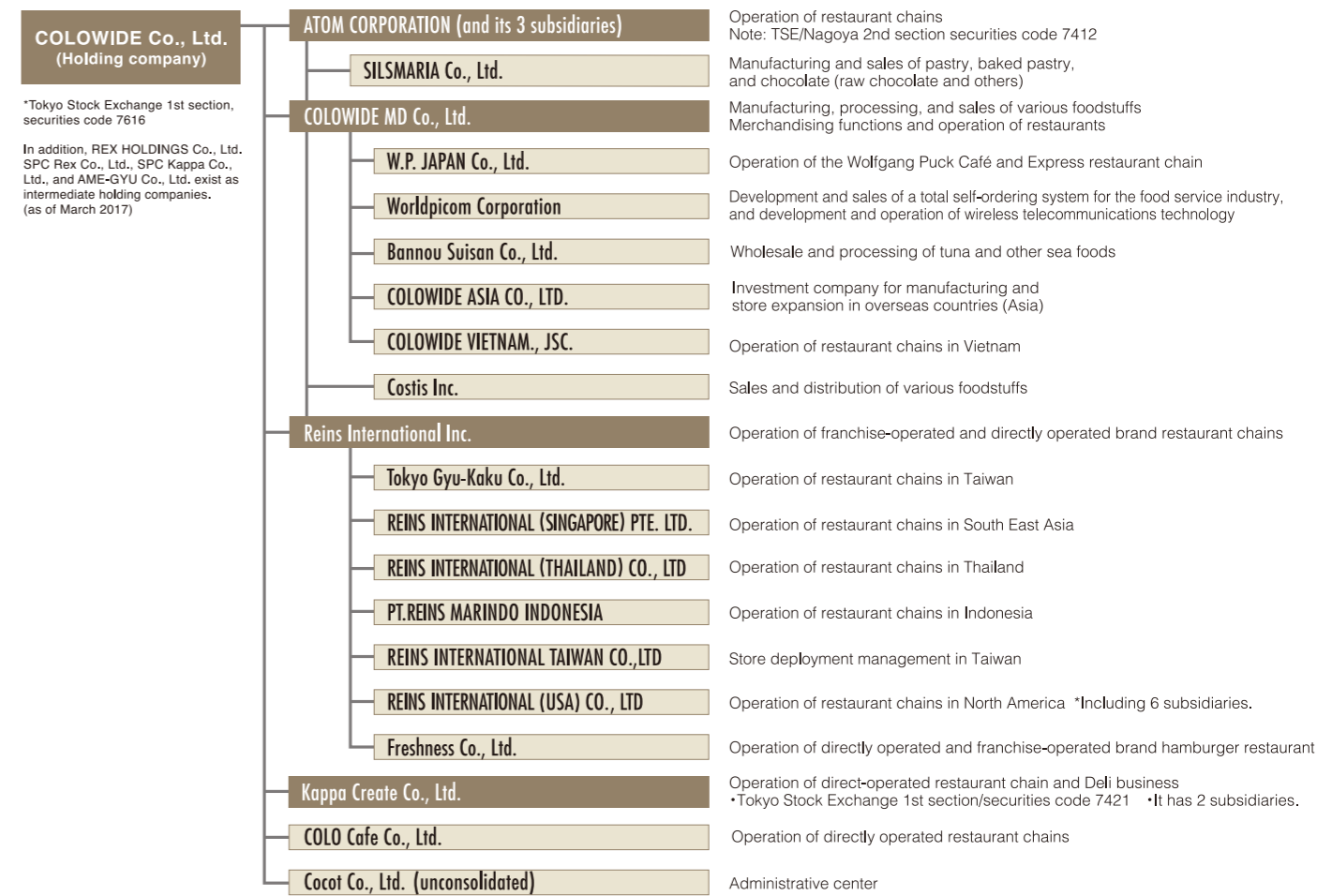
Note: CK denotes Central Kitchen, a food factory designation

Becoming the No. 1 Food Service Company in Japan and a Global Food Service Enterprise

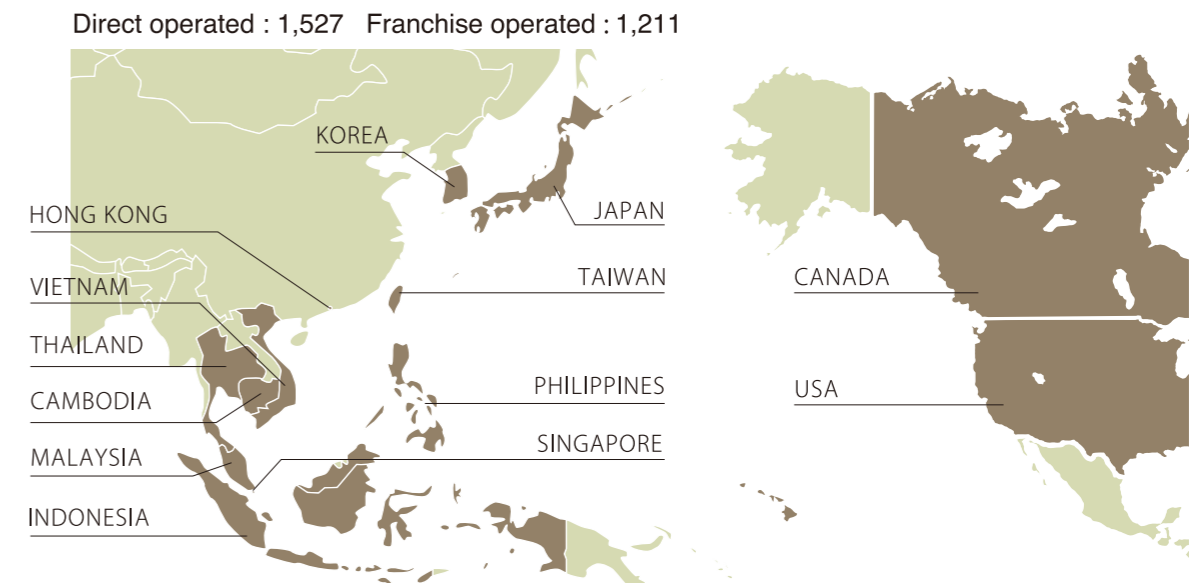
At COLOWIDE, we have realized increased corporate value by expanding our markets from the Izakaya (Japanese-style pub) business into the mainstream restaurant business, aggressively pursuing M&A as one pillar of this growth strategy. Our growth has been supported by two strategic pillars: distinctive strategic dominance characterized by launching restaurants in optimum locations under competitive business conditions and aimed at synergies between attracting customers and reducing distribution costs, and a merchandising strategy combining the leveraging of group-scale sales prowess with the internalization of food processing. Moreover, our employee education based upon a customer-oriented approach of “entertaining is a pleasure” and initiatives to improve the level of customer service have been major factors supporting our corporate growth. On the other hand, we believe that the food service industry going forward must promptly adapt to changing customer preferences and needs, while strategies for developing new markets are also indispensable. At COLOWIDE, we strive to cultivate global markets by actively conducting business activities in Asian countries, the U.S., and Canada, accompanied by continuously expanding our value chains based on the strength of such brands as Gyu-Kaku, Shabu-Shabu ONYASAI, Kappa-Sushi, and Freshness Burger and merchandising functions. At the same time, we hold a strong determination to realize our vision of reaching the top of the food business in Japan and becoming a global food service enterprise, through the proposal and creation of new business types and dining trends while continuously improving food safety and quality management.

Chairman and Representative Director
COLOWIDE Co., Ltd. **Kohei Nojiri**

» The COLOWIDE Group and the activities of its companies



» Locations in the world (as of March, 2017)





**Local saké and Soba noodles / oden
SANGENDOU**

Soba noodles and Oden, made with carefully selected ingredients and masterful culinary skill. Japanese dishes prepared using exquisite seasonal ingredients are served with the very best local craft sake and shochu. A hospitable dining experience is offered at each restaurant location, featuring a relaxing Japanese-style setup and the comfortable feel of a 'familiar dining place.'



Happy meal, Happy life NIJYU-MARU

The restaurant has a wide line-up of enjoyable and tasty food ranging from orthodox Japanese, Western and Chinese to original and creative cuisine, and as well as drinks at a reasonable price. This is a new style dining that lets you enjoy a relaxed and fashionable time, even for women-only groups.



Inbound business

The COLOWIDE Group has been focusing on the inbound business since FY2008, centered in Colowide MD. This business has shown steady growth, and now Group-operated restaurants such as Kappa-Sushi, Gyu-Kaku, and Shabu-Shabu ONYASAI attract around 1 million customers per year visiting from overseas.

GOING FOR THE TOP IN THE FOOD BUSINESS



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COLOWIDE's name expresses our attitude toward our efforts to provide more comfortable, enjoyable settings.



» Company Overview

Corporate name	COLOWIDE MD Co., Ltd.
HQ	Landmark Tower 12F, 2-2-1, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa-ken, Japan 220-8112
CEO	Masaki Kuroudo
Scope of business	Manufacturing, processing, and sales of various foodstuffs, merchandising functions, and operation of restaurants
Date of establishment	October 2004
Capital	10 million yen
Absorption merger of Colowide East Japan Co., Ltd. into Colowide MD Co., Ltd. was made in April, 2015, and the merged company was reorganized into two business divisions, the Merchandising Division and the Store Division, to establish a swift development structure in both directions.	

» Restaurant Division



Homemade-style Izakaya AMATARO

The history of Colowide started from the opening of AMATARO in Zushi, Kanagawa, back in 1977. By providing services that lift the spirits of our customers, like consistent dishes made from selected materials, fulfilling meat dishes and with shoe-boxes at the entrance of the store, the first in the izakaya (Japanese style bar) industry, it has continued to maintain the heart of its initial founding by its constantly evolving service and menu.



Northern Japanese food HOKKAIDO

Delivering authentic hospitality and cuisine with the rustic flavors of the great natural expanses of Hokkaido, grilled, steamed, and boiled to perfection. Enjoy carefully selected fresh ingredients delivered from Hokkaido along with delicious locally brewed sake.



YAKITORI CENTER

Serves not only authentic yakitori like Negima (chicken and green onion) or Reba-kushi (chicken liver), but also unconventional yakitori including Tsukune-tsukimi-gushi (chicken meatballs served with egg yolk) and chicken filet with pepper and cheese. No cover charge! Cheery and clean atmosphere.



WOLFGANG PUCK Café

This American casual restaurant is produced by celebrity chef Wolfgang Puck, winner of the James Beard Foundation's top Outstanding Chef Award (informally known as the "Academy Award of the Restaurant Business") and official caterer for the Academy Awards Governor's Ball.



Homemade pasta & Hearth-baked pizza LA PAUSA

"LA PAUSA" means "resting time" in Italian. The perfect Italian restaurant to drop by when it's time for a nice little break. featuring superior quality pasta, cheese and olive oil, along with fresh salad. Enjoy the authentic flavors of Italy at an affordable price.

» Other groups



Bannou Suisan

Provides stable supply of tuna and other fresh fish as the purchasing division of marine products.

The company provides a steady supply of strict freshness-controlled tuna and other fishes to all the group's stores. It purchases tuna, a very important food for kaiten zushi (belt-conveyer type sushi) and izakaya, by the shipload, process them in the Company's own processing factory in Shizuoka Prefecture, and delivers them to the stores.

As construction of the new Shizuoka factory was completed in May 2017, higher-quality tuna and other fresh fish can now be supplied to all Group companies at stable prices.



SILSMARIA

Birthplace location of "nama-choco"

SILSMARIA is the birthplace store for an entirely new type of chocolate, "nama-choco (chocolate pave truffle)."

Our popular fresh cream chocolate Koendori no Ishidatami ("Stone Pavement of the Park Promenade") won a Grand Gold Award at the 2017 Monde Selection. The product has also been selected as one of Kanagawa Prefecture's famous confections.



Worldpicom Corporation

A leading company in self-order tablets

"Menu-kun", a self-order tablet with sales record of more than 75,000 units in Japan. Domestic sales have soared with the recent shortage of labor and sophistication of IT literacy through smartphones. Since it is multi-language capable, it is also greatly appreciated by many inbound customers.

「メニューくん」



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» Merchandising Division

Manages the merchandising of the entire group

The reason why Colowide Group manages to provide our customers with goods at an appropriate price is because we have managed to drastically reduce our costs by establishing our own unique merchandising strategy.

Colowide MD acts as the key of the group that supports the backyard, the development, procurement, manufacturing and distribution of goods and acts as the central nerve system of the group(s) merchandising. The system to reflect the customer's requests swiftly and flexibly onto products and services produces value that cannot be found in other stores. We aim to maximize customer value and the Group's profits through continuous efforts to achieve drastic cost cutting and price reduction through enhancement of the purchasing power of the entire Group and also by internal manufacturing.



Processing of food to reduce individual store purchases

» Central kitchen

The factories deployed across the country by Colowide MD works as central kitchens for the whole group, effectively reducing the purchases made by each store. The mission of the company is to develop products that contribute to differentiation for each type of establishment, in addition to consistently managing "from source to dish-up". Its strength lays in its ability to come up with unique tastes, full of originality. This concept has received high acclaim and has been awarded the Minister's Award in the 17th Excellent Food Service Industry Award of the Ministry of Agriculture, Forestry and Fisheries.

* Dish-up: The counter where food produced from the kitchen is placed for service to the customers.

» Construction of two new factories

With M&A of Reins International Inc. in 2012 and Kappa Create Co., Ltd. in 2014, Colowide Group has drastically increased the number of its establishments in the West Japan area (approximately 450 establishments), and this has drastically increased the quantity of fresh marine products and meat being processed. To cater to this, we are now constructing new factories in Shiga and Shizuoka Prefectures. With these factories coming on stream, we will strive to further raise our internal manufacturing rate, and also reconfigure our factories locations and logistic networks that exist throughout Japan to further streamline our business operations.

Pursuing meticulousness in food security and safety

» Food standard database "TASTY QUBE"

With the willing cooperation of our business partners, we have created a database that manages every detail of merchandise information for processed foods. As a result, information on food production and processing locations can be accessed swiftly and accurately through a simple keyword search, which will enable us to develop more reliable and safer food management systems.



» Sanitation management system

In addition to inspections based upon the establishment of stringent management criteria, we also implement regular third party inspections of store locations, as part of our regular verification of sanitation management conditions.

By this type of thorough risk elimination, we have devised a sanitation management system whose standards are high even for the dining industry.



» Enhancement of inspection function

In view of maximizing food safety, we have installed "food radioactivity measurement systems" and "metal and foreign object detectors" at the Kanagawa, Gifu, Shiga-Nagahama, Hokkaido CKs and the Shizuoka factory, and "X-ray foreign object detectors" in the Kanagawa, Gifu, Tochigi, Shiga-Nagahama, Hokkaido CKs and the Shizuoka factory, to enhance our inspection functions.



» Vegetable Factory

An indoor hydroponic culturing of vegetables using LED light source is being conducted in Kanagawa central kitchen. Under a temperature, humidity, and CO2 controlled environment, agrochemical-free vegetables are being supplied to the group's establishments.





Fine sake / Fine cuisine NE-NE-YA

Under the concept of "Be passionate about offering meals and playful spaces that inspire a sense of hometown pride," Ne-Ne-Ya provides pleasant service and a relaxing atmosphere to dine in. Mainly using food ingredients that are produced in Tohoku with a focus on main dishes featuring seafood from the region, Ne-Ne-Ya offers a wide variety of handmade dishes that go perfectly with sake and other types of drinks.



Tasty foods from IROHANIHOHETO

IROHA is all about delicious home-cooked flavor. This hospitable Izakaya chain offers a menu of everyday dishes that bring the maximum flavor out of ingredients at affordable prices, which include roasted hokke (Okhotsk atka mackerel) from Hokkaido which is the birthplace of the original shop, local favorite ramen salad, and IROHA's signature dish of "modan yaki" (a savory fried vegetable pancake topped with yaki-soba noodles).



Tasty mixed grill GANKO-EN & GANKO-TEI

An all-you-can-eat BBQ menu of safe, fresh ingredients and original sauces at reasonable prices. The boisterous atmosphere and smiling service provide a cozy sense of being at home. Popular with a broad range of customers including families and students.



» Company Overview

Corporate name	ATOM CORPORATION
HQ	Nagoya Marubeni building 15F, 2-2-2, Nishiki, Naka-ku, Nagoya-shi, Aichi-ken, Japan 460-0003
CEO	Toshiharu Ozawa
Scope of business	Operation of restaurant chains
Date of establishment	January 1972
Capital	4.073 billion yen



Steak MIYA

Since its establishment in 1975, this specialty steak restaurant has achieved broad popularity among customers. Offering our signature "MIYA Sauce," which is as gentle to the body as it is delicious, and a Drink & Soup bar with a diverse selection to choose from, our restaurants are frequented by a broad spectrum of customers irrespective of age or gender.



NIGIRI-NO-TOKUBE

A true gourmet conveyor-belt *sushi* experience for enjoying fresh seasonal delights in season. Based on a concept that combines sumptuous toppings carefully selected for freshness and region, a genuine sushi restaurant atmosphere, and the ease of savoring sushi in the handy conveyor-belt sushi format, we offer true value for the money.



カルビ大将

KARUBI TAISHO

Our authentic BBQ restaurants offer safe, fresh ingredients including kalbi, sirloin, innards, and more at affordable prices. We provide enjoyable communication spaces for all types of customers, from families to office colleagues, to enjoy delicious dining and a fun drinking experience.



Lovingly prepared pork cutlets KATSUDOKI

In order to make customer smile, this pork cutlet specialty restaurant uses only the most discerningly selected ingredients including pork, cooking oils, batter, vegetables, and rice. To complement the crispy cutlets, refills of fluffy white rice and cabbage are free. The prices are as reasonable as lunch special prices.



カラオケ 時遊館

Karaoke "JIYU-KAN"

Enjoy karaoke using the latest machines in an environment with excellent acoustics and superb equipment, while feasting on delicious food. JIYU-KAN offers a creative menu that includes large-sized dishes suitable for groups and fun party goods.

» Franchise business

With Reins International Inc. becoming our subsidiary in 2012, more than a thousand franchisees ("FCs") have joined the Group, in addition to the mostly directly managed existing establishments. These new member establishments are able to utilize the merchandising functions of Group company Colowide MD, and this has been creating significant synergetic effects. We are also leveraging these FC business know-how to introduce newly acquired Freshness Burger to the existing FCs, in order to make new business moves based on the FC platform.

» Global restaurant operation

Yakiniku (grilled meat) is popular among a wide range of customers in Japan and has established itself as casually enjoyable dietary culture. It is also starting to gain steady recognition overseas as "YAKINIKU: Japanese BBQ." Currently, Reins International operates approx. 130 restaurants (as of March 2017) in 12 countries around the world (including in Asia, the U.S. and Canada), mainly under the "Gyu-Kaku" and "Shabu-Shabu ONYASAI" brands.

» Overseas Group Companies

Oversea deployment and management companies of Gyu-Kaku and ONYASAI chain:



» Tokyo Gyu-Kaku Co., Ltd.

Operation of restaurant chains in Taiwan

» REINS INTERNATIONAL (SINGAPORE) PTE. LTD.

Operation of restaurant chains in South East Asia

» REINS INTERNATIONAL (THAILAND) CO., LTD.

Operation of restaurant chains in Thailand

» PT. REINS MARINDO INDONESIA

Operation of restaurant chains in Indonesia

» REINS INTERNATIONAL TAIWAN CO.,LTD

Store deployment operations in Taiwan

» REINS INTERNATIONAL (USA) CO., LTD.

Operation of restaurant chains in North America *Including 6 subsidiaries.

» COLOWIDE ASIA CO., LTD.

Investment company for overseas (Asia) production and store deployment (*Subsidiary of Colowide MD Co., Ltd.)

» COLOWIDE VIETNAM., JSC.

Operation of restaurant chains in Vietnam

» KAPPA CREATE KOREA CO., LTD.

Operation of restaurant chains in Korea



CostIs Integration and streamlining of liquor sales business

Assigned with a new role of integrating the wholesale of liquor for the entire Colowide group from April 2015. It will proceed with the streamlining of business as well as product and cost control to further create profits inside the group.



» Company Overview

Corporate name	Reins International Inc.
HQ	Landmark Tower 12F, 2-2-1, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa-ken, Japan 220-8112
CEO	Toshiichi Nemoto
Scope of business	Deployment of directly operated and franchise-operated brand restaurant chains
Date of establishment	June 1987
Capital	5.5 billion yen



“Gyu-Kaku” Japanese BBQ

No. 1 in number of domestic store locations

Gyu-Kaku is a Japanese BBQ restaurant chain that enjoys an overwhelming market share and owns the largest number of establishments in Japan. Since opening its first restaurant in 1996, it has received tremendous support from large numbers of customers and currently has approx. 620 establishments in Japan and approx. 110 establishments overseas (in Asia, the U.S., and Canada).



“Shabu shabu ONYASAI”

No. 1 in number of domestic store locations

Shabu-shabu used to be a rather formal and expensive dish. The first Shabu-Shabu ONYASAI restaurant was opened in 2000 and has since helped alter this common perception by providing a casual and affordable dining place where customers can eat their fill of high-quality delicious meat and a wide variety of vegetables. The restaurant chain currently has approx. 400 establishments in Japan and about 20 establishments overseas, mainly in Asian countries.



Izakaya “Doma Doma”

An izakaya, based on the concept of a “doma”, an earthen floor space in a traditional Japanese house, where people gathered around. The first establishment was opened in 2001 and has established itself in an unique position of offering creative and diverse dishes at a reasonable price, far exceeding the image projected by an izakaya chain. The innovativeness has won wide acclaim from ladies in the low 20s.



Izakaya “Kamadoka”

The first Kamadoka restaurant location was opened in 2003 as a place to savor the taste of authentic cuisine. Cherishing a “hand-made feel prepared with utmost attention” from the beginning, Kamadoka prepares its dishes with carefully selected soup stock, salt, and other ingredients, which include the restaurant’s signature dish “jukusei dori” (dry-aged chicken) and flame-cooked “kamameshi” (rice cooked in an iron pot). It is a creative Japanese style izakaya that sets itself apart from other izakaya chains by devoting all the time and effort required to prepare each dish right, and suggesting ingenious cooking and eating styles.



FRESHNESS BURGER

Freshness Burger

Freshness Burger became a subsidiary of Reins International through M&A in December 2016. Freshness Burger opened its first location in 1992. The hamburger restaurant prepares food using large amounts of natural ingredients, always cooks to order, and focuses its efforts on bringing out the intrinsic taste in each hamburger that it serves. Freshness Burger currently runs approx. 160 establishments mainly in the Kanto region.



» Group company

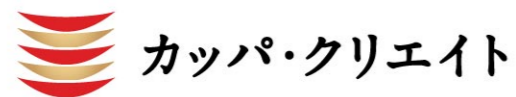


*ISO22000 Certification acquired
Delicatessen business

Each factory of Japan Fresh Co., Ltd., responsible for the delicatessen business has acquired ISO22000 certification and under strictly controlled conditions, manufactures and supplies wholesale, desserts to Kappa-sushi chain as well as providing lunch boxes, side dishes, dressed breads, Kappa-sushi brand nigiri-zushi and hand-rolled sushi to large convenience stores and supermarkets.



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COLOWIDE's name expresses our attitude toward our efforts to provide more comfortable, enjoyable settings.



» Company Overview

Corporate name	Kappa Create Co., Ltd.
HQ	Landmark Tower 12F, 2-2-1, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa-ken, Japan 220-8112
CEO	Kouji Sumikawa
Scope of business	Management of directly operated restaurant chains, delicatessen business
Date of establishment	August 1978
Capital	9.8 billion yen

» Kappa-sushi business

» Re-branding of "Kappa-Sushi"

Kappa Create became a part of the Colowide Group in December, 2014, and action was taken to re-brand the Kappa-sushi, the conveyer-belt style sushi business. To regain its position in the market as a leading company, Kappa Create has, as part of its new marketing plans, been implementing measures to improve its earning capacity and introduced a new logo design that includes switching the signs at all establishments to ones incorporating the new logo design. It has also been developing a new store design and feature products. Furthermore, through collaboration with Colowide MD, the company has gained a competitive edge in the procurement and quality management of tuna and other fresh fish and become capable of providing customers with even more reliable, safe and reasonably priced products. There are currently approximately 360 establishments in Japan and as the pioneer of the 100 yen conveyer-belt system sushi, it provides a pleasant and joyous time to the customers all around the country.



» Delicatessen Business

» Increase side dish manufacturing and sales share

The delicatessen business manufactures and conducts wholesale of Kappa-sushi brand sushi, mainly to the large convenience store chains and supermarkets, as well as providing lunchboxes, side dishes, dressed breads, and desserts under OEM to the Tokai, Kansai, Hokuriku, and Kanto area from the Ageo, Fuji, Nagoya, Odaka, Shiga, and Amagasaki factories of Japan Fresh Co., Ltd, a group company. We will continuously strive to expand our sales areas for the delicatessen business, a very large market, in order to make it the second pillar of the company's business portfolio, with Kappa-Sushi being the first. Under the ISO22000-certified management system, each factory is implementing strict hygiene control from incoming raw material shipment to outgoing product shipment, with the aim to expand sales to convenience stores and supermarkets across Japan.



Sandwich factory



Box lunch factory



Nagoya factory

■ Delicatessen factories

- **Ageo factory**
Box lunch business
- **Fuji factory**
Box lunch and sandwich business
- **Nagoya factory**
Box lunch and sandwich business
- **Odaka Factory**
Dressed bread processing and manufacturing
- **Shiga factory**
Box lunch and sandwich business
- **Anagasaki factory (1st and 2nd)**
Box lunch, cake and tuna processing business



Hand-rolled sushi of KAPPA SUSHI brand



Sushi box of KAPPA SUSHI brand



» Promotion of separate smoking areas

Responding swiftly to achieve compliance with the methodology set forth in the passive smoking prevention ordinance enacted by Kanagawa Prefecture, we created separate smoking areas in our store locations, adapting compliance methods according to individual restaurant conditions and business.



» Promotion of barrier-free facilities

In our establishments, with emphasis on the restaurant business, the company is making efforts to install barrier free rest rooms, minimize steps, and install slopes and elevators to enable our customers to use them with a sense of security.



» Power conservation and crisis management measures

Various power saving measures have been implemented, which include changing the lighting for customer seats from conventional lights to LEDs. In addition, an in-house power generation system has been installed at the Kanagawa CK, which will allow the CK to continuously operate even during a power outage. The newly established Shiga-Nagahama CK and Shizuoka factory have also started using refrigerators that utilize natural refrigerants, with a view toward achieving environmentally-conscious business operations.



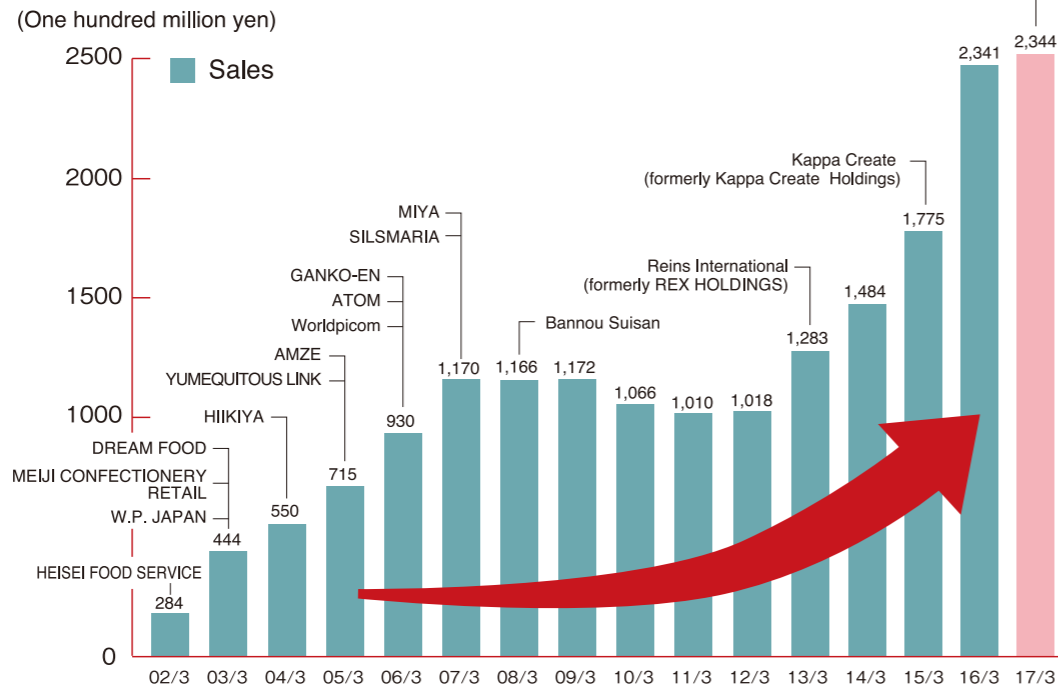
» Promotion of normalization

Based upon the principle of "full social participation and equality for persons with disabilities," we established a special subsidiary company, Cocot Co., Ltd. The firm is mainly engaged in form processing for each group company. In addition, the company's business activities are expanding, with the commencement of production line operations at the Kanagawa Central Kitchen.



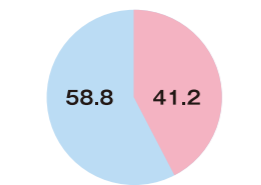
COourage LOve WIsdom DEcision COLOWIDE's name expresses our attitude toward our efforts to provide more comfortable, enjoyable settings.

» M&A and sales activity to date

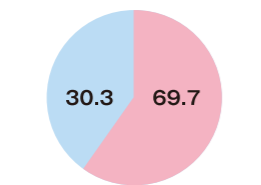


» Sales share of izakaya and restaurants

Izakaya Restaurant



Term ending March, 2013



Term ending March, 2017

*26.1 : 73.9 achieved when FCs are included
*Unit: [%]

» Market share and business portfolio

Market size and share of the COLOWIDE Group



» Respective areas of responsibility



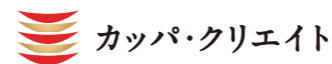
Metropolitan area (Tokyo and 3 prefectures), Kansai region, and overseas focused on izakaya



From Hokkaido to the Kansai and Kyushu regions, focused on suburban restaurants and izakaya



Gyu-Kaku, ONYASAI, Freshness Burger and others in Japan and overseas

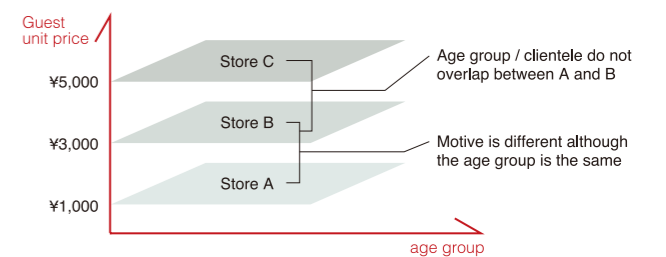


Kappa-sushi, delicatessen business, Japan and overseas

» Achievement of strategic multi-format dominance

The COLOWIDE Group continuously strives to achieve "strategic multi-format dominance" by opening various types of restaurants and izakaya in the same region, building, or floor. By achieving such dominance, we are not only able to provide a wide selection of dining places to choose from depending on the preference of each customer but also gain competitive advantages such as lower logistical costs, staff sharing and cooperation among nearby locations, and coordinated promotional activities.

Multi-formats Strategic dominance

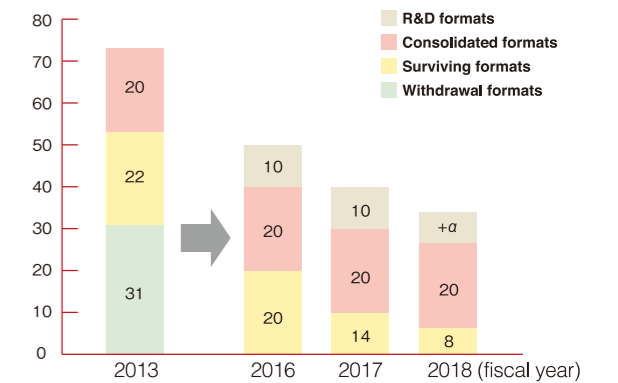


- Advantage by compound strategic dominance
- Reduction in distribution cost
 - Streamlining of management
 - Events can be specific to each region

» Consolidation of store formats

As an increasing number of different store formats emerged due to our previous expansion, the COLOWIDE Group is in the process of streamlining our business operations by only keeping the types of format that are relatively superior and competitive in the market. In addition, to sustain and enhance the superiority and competitiveness of such formats that the Group has decided to keep, we are determined to improve our product and service brand equity in all aspects, and also improve R&D formats to new consolidated formats.

Steady progress vitually achieved according to plan



» Global business expansion

The COLOWIDE Group is moving forward with its global business expansion plans, as we currently operate approx. 140 restaurants in 12 different countries around the world (including Asia, the U.S. and Canada), and which are mainly Gyu-Kaku and Shabu-Shabu ONYASAI restaurants. (as of March 2017)

