

**Sushiro Global Holdings Ltd.
Financial Summary
for the 2nd Quarter of FY2017**

**SUSHIRO
GLOBAL HOLDINGS**



May 11, 2017

Financial Highlights for the 1st Half of FY2017

	FY2016 - 1H		FY2017 - 1H		vs. LY
	Results	% in Revenue	Results	% in Revenue	
Revenue	71,135	100.0%	76,889	100.0%	+8.1%
Adjusted EBITDA	6,298	8.9%	6,830	8.9%	+8.5%
Operating Profit (non-adjusted)	4,409	6.2%	4,430	5.8%	+0.5%
Adjusted Net Income	2,795	3.9%	3,315	4.3%	+18.6%

(in millions, JPY)

Summary

- 1st year of Mid-Term Managerial Plan.
- Good progress made on revenue and profit, toward achieving targets in Mid-Term Managerial Plan.

Mid-term Growth Strategy

1. Continue store expansion with original sushiro model format
(30 - 40 store/year)
2. Maintain same-store sales momentum
3. Profit margin improvement by cost reduction

Results of FY2017-1H

17 new store

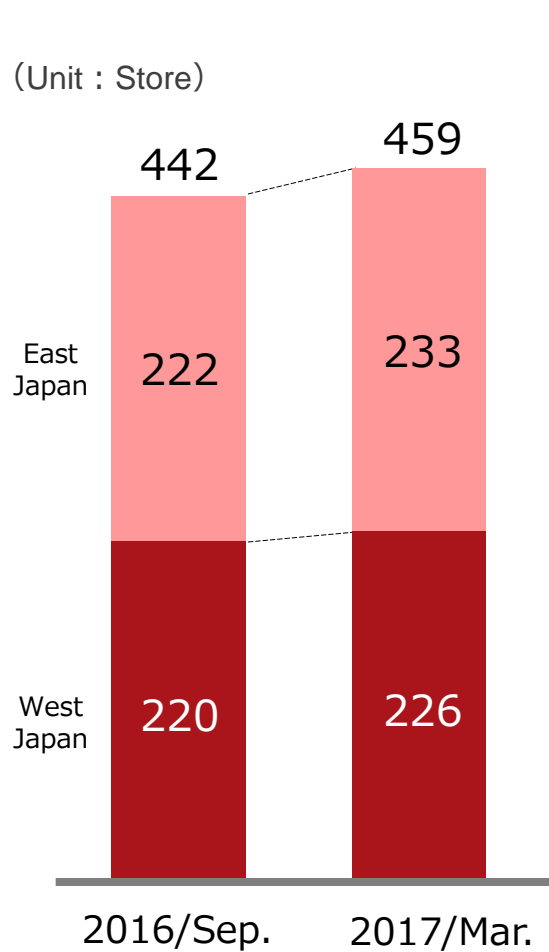
100.6%

**Revenue
growth
8.1%**

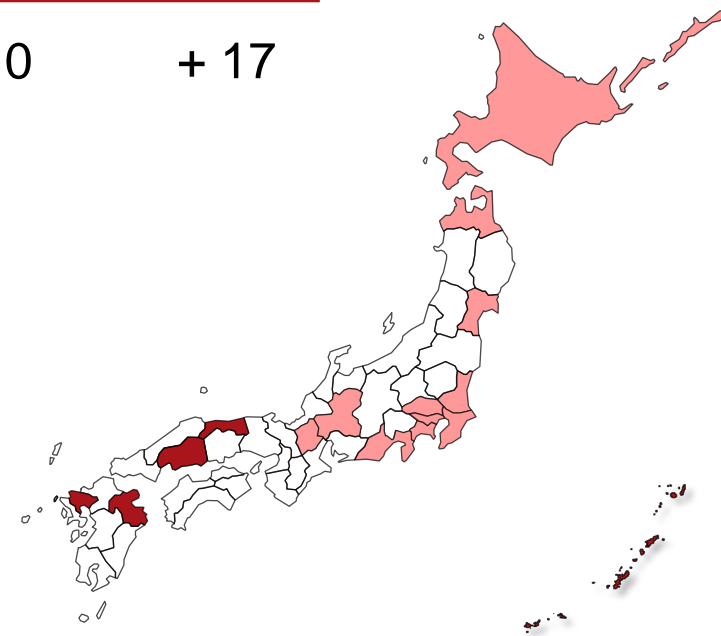
**Adjusted Net Income
improved by 0.4%**

1. Continued Store Expansion

■ 17 stores opened in 1H, toward achieving 30 to 40 new stores per year.



(Unit Store)	Open	Close	Change
East Japan	+ 11	0	+ 11
West Japan	+ 6	0	+ 6
TOTAL	+ 17	0	+ 17



New Store Examples of FY2017-1H

Hachinohe Store

(Hachinohe City, Aomori Prefecture / Oct.)



- The 1st store in Aomori prefecture
- The extra large-sized brand sign provides excellent visibility
- 2nd month sales were **almost the double** of the average of other stores in Hokkaido/Tohoku region.

Machida Kitaguchi Store

(Machida City, Tokyo Prefecture / Feb.)



- Only 5-min walk from Machida station, with approx. 0.5 million passengers per day.
- More stores (including 'Sagamiono Mores Store' already opened in November) are scheduled to open in station-front area.

2. Maintain Same-Store Sales Momentum

- Growth trend of same-store sales maintained
[FY17-1H] 100.6% (FY16: 100.6%)
- FY17-1st half results scored above 100% for both **Customer Traffic 100.2%** and **Average Ticket Price per Customer 100.4%**

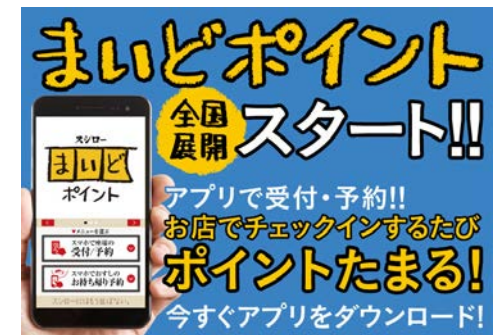
① Quality Sushi



② Buzz-Generating Side Menus



③ CRM with Smartphone App



Note: Stores in the 15th month of operations or longer used to get same-store sales. Same-store sales calculated using per-store sales.

① Quality Sushi

Core 100-yen Sushi

- Launched 'Quality 100-yen Sushi from the World Oceans Project' to serve professional-quality ingredients for 100-yen



High-Value-Added Sushi



'Ine Otoro' 280 yen
Exceptional tuna raised in Ine, Kyoto



'Ark Shell' 280 yen
Delivered fresh,
prepared in store

② Buzz-Generating Side Menu

Seafood Ramen Perfect for Sushi

- Ramen made with 'yellowtail' and 'black throat sea perch' soup stocks sold for a limited time period
- PR using 'Ramen Caravan' worked so well that 800,000 ramen units sold in a month



Yellowtail
Black Ramen
(280 yen)



Black throat
sea perch
White Ramen
(280 yen)

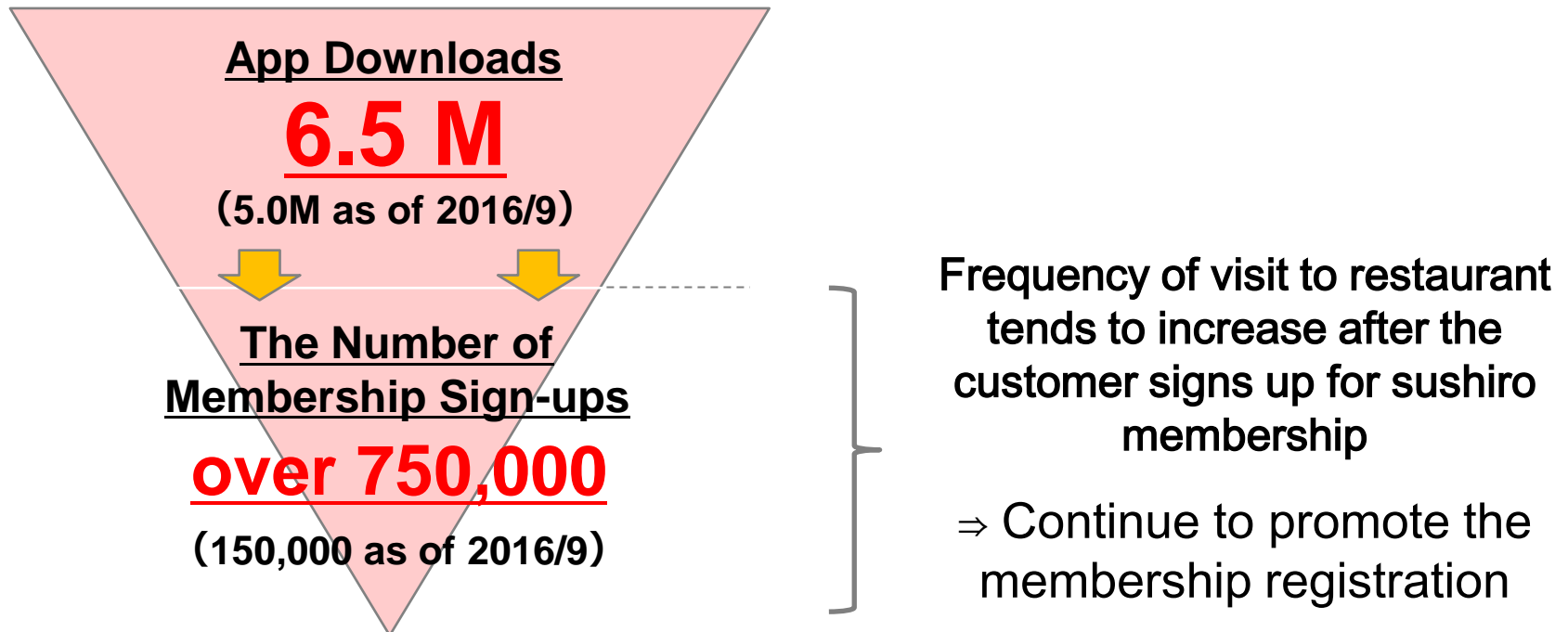
Dessert Product Developed by Collaborating with Other Company

- Pancake produced by famous pancake shop 'VERY FANCY' in Daikanyama, Tokyo.
- The pancake generated a huge buzz on SNS and quickly sold out. The total of 1.0M units sold with the sale of Pancake No.1 thru No.3 in the series combined.



③ CRM with Smartphone App

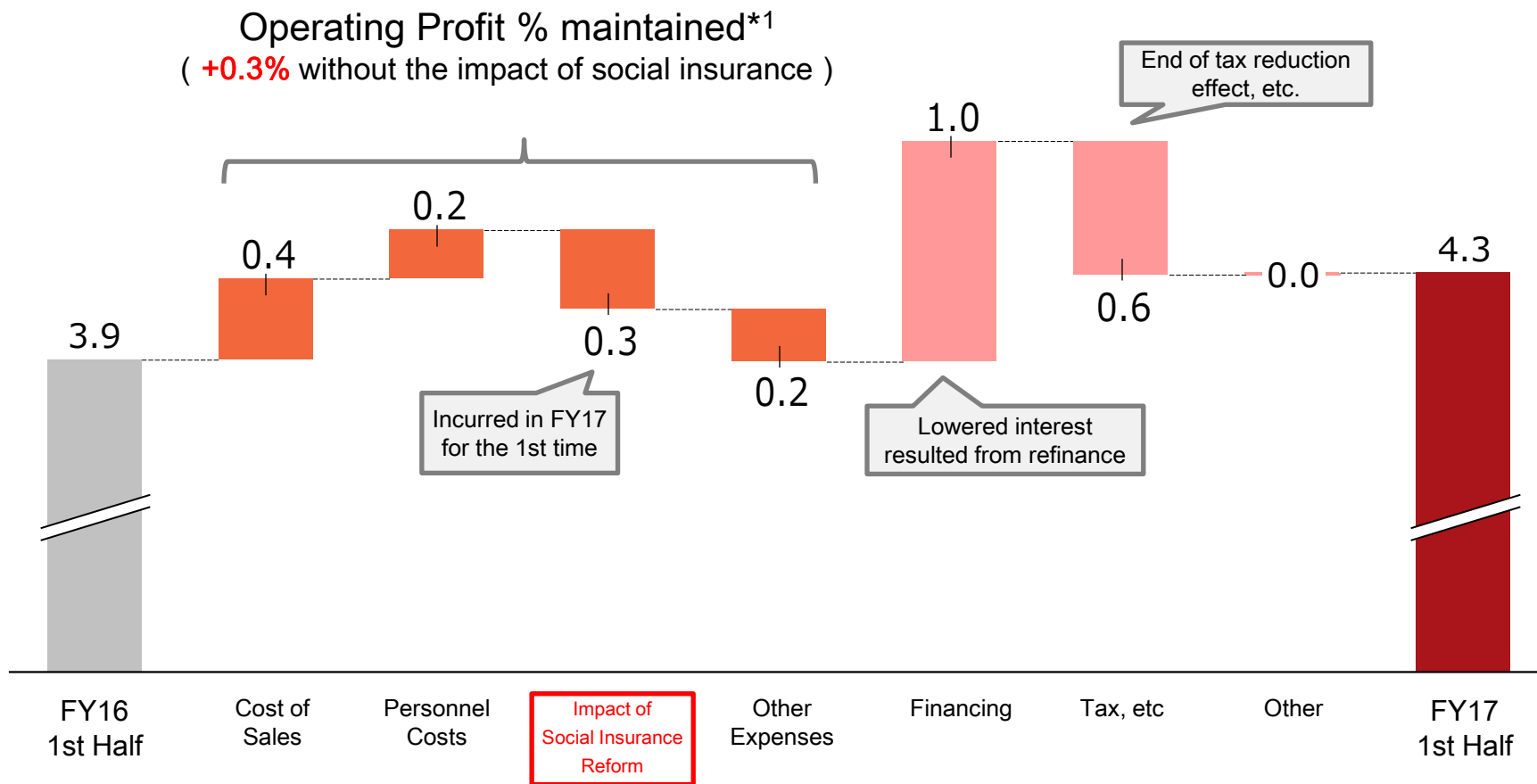
- Approx. **6.5 million** downloads
- ‘Maido Point’ system for customers using the app launched in October
- The number of membership sign-ups reached over **750,000** and the frequency of visit to restaurant by such members has been on the increase.



Note: Comparison of 2016/October (at initial launch) and 2017/early April

3. Profit Margin Improvement by Cost Reduction

- Adjusted Net Income improved by 0.4%, even after factoring in the impact resulting from the social insurance reform.



1. Comparison after removing one-time costs (IPO-related Cost + Management Fee) from Operating Profit

Cost Control Initiatives

Cost of Sales



- Lower the impact of price fluctuation of marine products by leveraging long-established relationship with suppliers as well as flexible & timely menu revision. (Ingredient Cost % -0.2%)
- In parallel to above activity, stores work on reducing wastes, aiming to bring down the total cost of sales. (Cost of Sales % -0.4%)

Personnel Costs



- Offset the impact of minimum wage increase by continued productivity improvement (Personnel Cost -0.2%)
- As a result, the size of impact, including the impact of social insurance, has been brought down to 0.1%
- Actively hire foreign labor to counter human resource shortage

Overseas Expansion (Korea)

Accelerated Same-Store Sales Growth



- A full-time personnel dispatched from Japan reviewed and improved store operations and product lineup.
- As a result, the same-store sales in the 1st half scored **115%**.

New Store Opening Started Moving

- Triggered by the enhanced store operation capability, a new store, after two years of interval, opened in Cheongnyangni, Seoul (November)



Cheongnyangni Store

- New stores target shopping center where we currently successful.
- Per-seat sales are x1.5 of the average of other store

Financial Position

Consolidated Statements of Financial Position

(in millions, JPY)

	FY16/Sep	FY17/Mar	Increase / Decrease
Current assets	11,134	9,878	-1,256
[Cash and cash equivalents]	[8,149]	[6,590]	[-1,559]
Non-current assets	111,222	112,727	1,505
[Goodwill]	[30,371]	[30,371]	[-]
Assets	122,356	122,605	249
Current liab.	26,695	25,935	-760
[ST borrowings]	[4,355]	[4,105]	[-250]
Non-current liab.	70,803	68,810	-1,993
[LT borrowings]	[48,861]	[46,768]	[-2,093]
Liab.	97,498	94,745	-2,753
Assets	24,858	27,860	3,003
Total liab. & equity	122,356	122,605	249
Equity Ratio	20.0%	22.4%	+2.4%
Net Debt / EBITDA	3.6x	3.4x	-0.2x

Consolidated Statements of Cash Flows

(in millions, JPY)

	FY16 1st Half	FY17 1st Half	Increase / Decrease
Operating CF	7,807	4,023	-3,784
Investing CF	-1,812	-2,638	-826
Financing CF	-2,724	-2,957	-234
Increase / decrease in cash and cash equivalents	3,273	-1,559	-4,832

- Net Debt/EBITDA - 0.2x decrease
- Though Investing CF for FY17-1H period is high, Investing CF in FY17-2H is shifting at a favorable level toward a positive figure at the end of FY2017/9.
(The effect of extended usance, in the 1st half of FY16, is JPY 2.9 billion)

120円+税から

回転
寿司

スシロー

スシロー南池袋店

営業時間
平日 11:00 - 23:00
土日祝 10:30 - 23:00



危険物品持ち込み厳禁
NO DANGEROUS GOODS

FY2017 Business Performance Forecasts & Initiatives

Business Performance Forecasts

	FY2017 - 1H (Actual)			FY2017			(in millions, JPY)
	Results	% in Revenue	vs. LY	Results	% in Revenue	vs. LY	% Achieved
Revenue	76,889	100.0%	+8.1%	159,692	100.0%	+8.1%	48.1%
Adjusted EBITDA	6,830	8.9%	+8.5%	13,892	8.7%	+10.3%	49.2%
Operating Profit (non-adjusted)	4,430	5.8%	+0.5%	8,921	5.6%	+18.8%	49.7%
Adjusted Net Income	3,315	4.3%	+18.6%	5,853	3.7%	+17.5%	56.6%

2H Initiatives Summary

- Contracts are signed for all 18 new stores scheduled to open in the 2nd half. (Estimated total # of new stores for FY2017 is 35)
 - City Sushiro Store No.2 opens in Gotanda on May 29th.

- Maintain same-store sales momentum also in the 2nd half.
 - Good start in April scoring 102.8%.
 - More of attractive campaigns coming up in May onwards. Further strengthen menu lineup.
 - Accelerate CRM activity with 'Double Point Campaign' etc.

- Continue to work on cost control toward improving profit %.

City Sushiro, Store No.2 Opens in May

- Following the Minami-Ikebukuro Store opened in September last year, City Sushiro Store No.2, 'Gotanda Store' is now scheduled to open on May 29th.
- Good location, only 2-min walk from Gotanda station. Extra large-sized store sign provides excellent visibility.



Planned Exterior Image

Same-Store Sales is 102.8% in April. Good Start for 2H

- IPO celebration campaign, “JOJO Delish! Festival” became a huge hit that same-store sales marked 102.8%
(Customer Traffic 102.2%, Average Ticket Price 100.5%)



JOJO Big
Tuna Chutoro



JOJO Big
Salmon Roe



JOJO Big Abalone



JOJO Big Eel

Note: Stores in the 15th month of operations or longer used to get same-store sales. Same-store sales calculated using per-store sales.

More of Attractive Campaigns for May Onwards

[MAY]

Fresh Abalone & Fresh Hotate Scallop



活きた
お入荷!
活あわび2貫 280円+税

剥きたて! 捌きたて!
活あわび&生ほたて



海がシケたは御免!
魚に出られない日は、入荷なし。
活きた
お入荷!
生ほたて2種盛り 280円+税
※ヒモの部分は薄切しています。

5/10(水)~1日数量限定!! 売切御免!! スシロー

※全ての商品は、当日販売分売完売終了とさせていただきます。※仕入状況・天候等により、入荷のない場合がございます。※写真はイメージです。

[JUNE]

Anniversary Fair

- The 1st Round thru the 3rd Round of Anniversary Fair are scheduled for the period toward July. Do NOT miss the great fun!
(Related press release planned for June.)

[Images of the Anniversary Fair held last year]

創業祭第1弾

厚さ2倍! 旨さ2倍!
倍と3 100円+税 6/24(金)まで!

7/8(金)まで!

ばん長
大とろ

赤身
中とろ

まぐろの3貫盛り 180円+税

Back-to-Back Launch of Attractive New Ingredients & Products

Quality 100-yen Sushi from the World Oceans Project

- 'Fresh Silver Salmon of Sakai Minato Sea Port' in April
- More of new products continued to be launched (Related press release scheduled for next month)



Dessert Product Developed by Collaborating with Other Company

- Following the popular pancake series sold in the 1st half, yet another new dessert product produced by external brand will be in store on May 17th.



Shareholder Benefits

Benefit

Meal discount coupon that can be used at Sushiro restaurant

Criteria

Shareholders who own at least 100 shares

Value

3,000 yen per year
(1,500 yen x twice per year)

How to Use

- One 500-yen ticket can be applied to every 1000 yen spent
- Two 500-yen tickets per year must be used on a day that's not a Saturday, a Sunday or a public holiday
- Valid for 6 months from the issuance
- Can be combined with other discount coupon

Dividend Policy

- Aim to pay dividends (from earnings) once a year at the end of each fiscal year
- Aim to pay dividends at a consolidated dividend payout ratio of 40% of profit attributable to owners of the parent for the relevant fiscal period.
(The dividend payment for the fiscal year ending September 30, 2017 will be determined based on various factors including the period from the expected listing date of our shares to the record date for such dividend payment)

Reconciliation Table for Adjusted EBITDA and Adjusted Net Income

Reconciliation Table for Adjusted EBITDA

(in millions, JPY)

	For the 1st Half of FY2016	For the 1st Half of FY2017	Increase / Decrease
EBITDA	6,236	6,798	562
(+) Management Fee	62	26	(36)
(+) Operating Losses from the US Business	-	7	7
Adjusted EBITDA	6,298	6,830	532

Reconciliation Table for Adjusted Net income

(in millions, JPY)

	For the 1st Half of FY2016	For the 1st Half of FY2017	Increase / Decrease
Net income	2,726	2,986	259
(+) Management Fee	62	26	(36)
(+) IPO-related Costs	29	401	372
(+) Restructuring Costs and Impairment Losses from US Business	-	7	7
(+) Operating Losses from the US Business	(23)	(104)	(82)
Adjusted Net income	2,795	3,315	520

Disclaimer

The information in this document is intended only for the purpose of providing information on Sushiro Global Holdings Ltd. (the “Company”). It does not constitute solicitation to purchase shares or any other investment securities issued by the Company, within the jurisdictions of Japan, United States and other countries.

The Company makes no warranties regarding the fairness, authenticity, accuracy, comprehensiveness and reasonableness of the opinions and information in this document.

Furthermore, the Company shall bear no liability whatsoever, for any reason whatsoever, for losses or damages resulting from the use of this document, the use of information included in this document or any other activity involving this document. Information, in this document, on the Company’s plans, estimates, forecasts, and expectations, and all other information concerning the future may change significantly without prior notice.

Among the information in this document, any plan, estimation, prediction, expectation or other forward-looking information relating to the Company is based on the Company’s assumptions and beliefs derived from the information available to it as of the date on which this document is made, and is not an assurance or guarantee that such plan will be implemented or results will be achieved as projected.

Factors such as economic conditions, market trends in the food industry, shifts in customer preferences and fluctuations in the price of raw materials may cause the actual operating results, financial position and other results of the Company to differ materially from those discussed in the information of this document or inferences made therefrom.