

**Sushiro Global Holdings Ltd.
Financial Summary for FY2017**

SUSHIRO
GLOBAL HOLDINGS



Nov 9, 2017

Financial Highlights for FY2017

	FY2016		FY2017		(in millions, JPY)
	Actual	% in Revenue	Actual	% in Revenue	vs. LY
Revenue	147,702	100.0%	156,402	100.0%	+5.9%
Operating Profit	7,509	5.1%	9,204	5.9%	+22.6%
Net Income	3,164	2.1%	6,946	4.4%	+119.5%
Adjusted Net Income	4,981	3.4%	6,473	4.1%	+30.0%

Summary

- Store expansion, a company key growth driver, on track toward 100 openings over the course of 3 years.
- Same-store sales had been weak due to market slowdown since May, but achieved full-year profit target with a big surplus.

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

FY2017 Results

35 New Stores

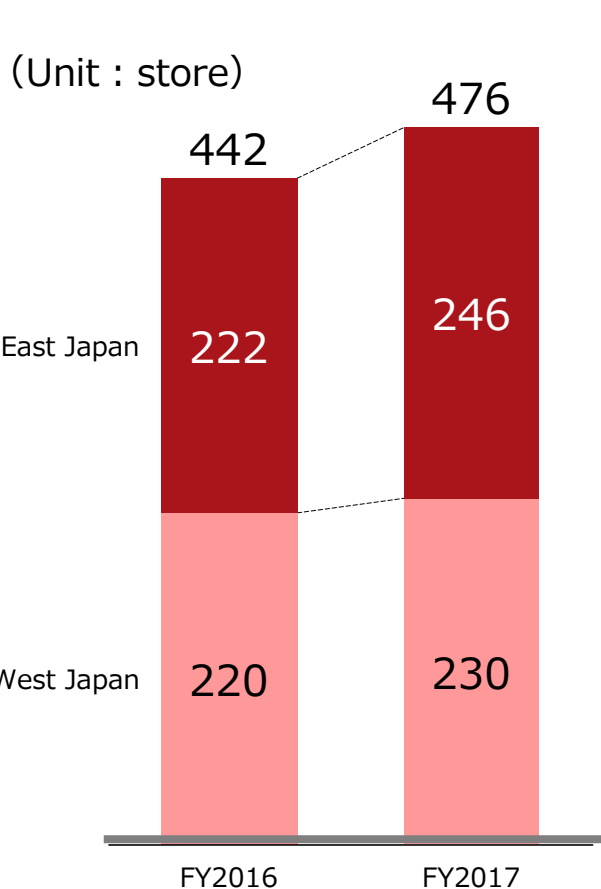
98.7%

Adjusted Net Income Improved by 0.7%

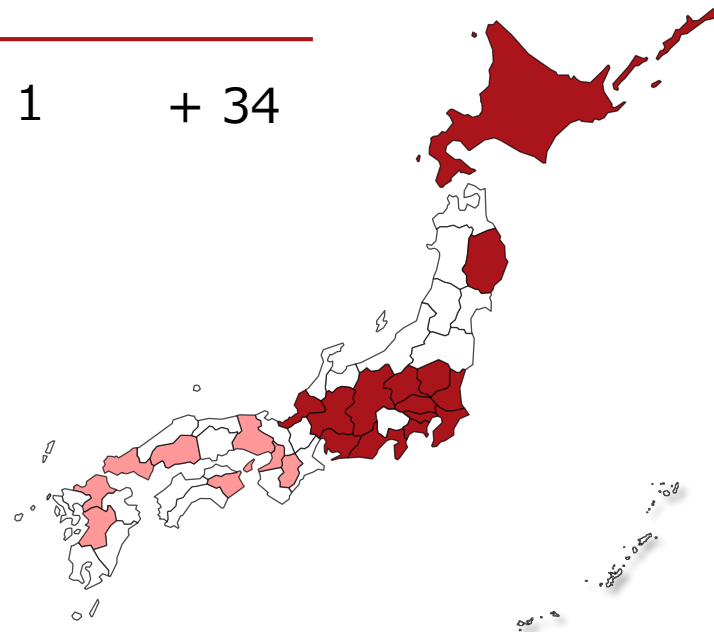
Revenue Growth 5.9%

1. Continued Store Expansion

- 35 original-sushiro-model stores opened, making a good progress toward 100 openings over the course of 3 years.
- The number of closing kept low : -1



	Open	Close	Change
East Japan	+ 25	- 1	+ 24
West Japan	+ 10	0	+ 10
TOTAL	+ 35	- 1	+ 34



(Ref.) Sample New Stores in the 2nd Half

Izumo Oyama Store

(Izumo city, Shimane prefecture/September)



- Opened a sushiro store in our 47th prefecture in Japan (one (or more) sushiro store in each prefecture)
- Strengthened visibility with a commemorative design
- Sales reached a level well above its target.

Gotanda Store

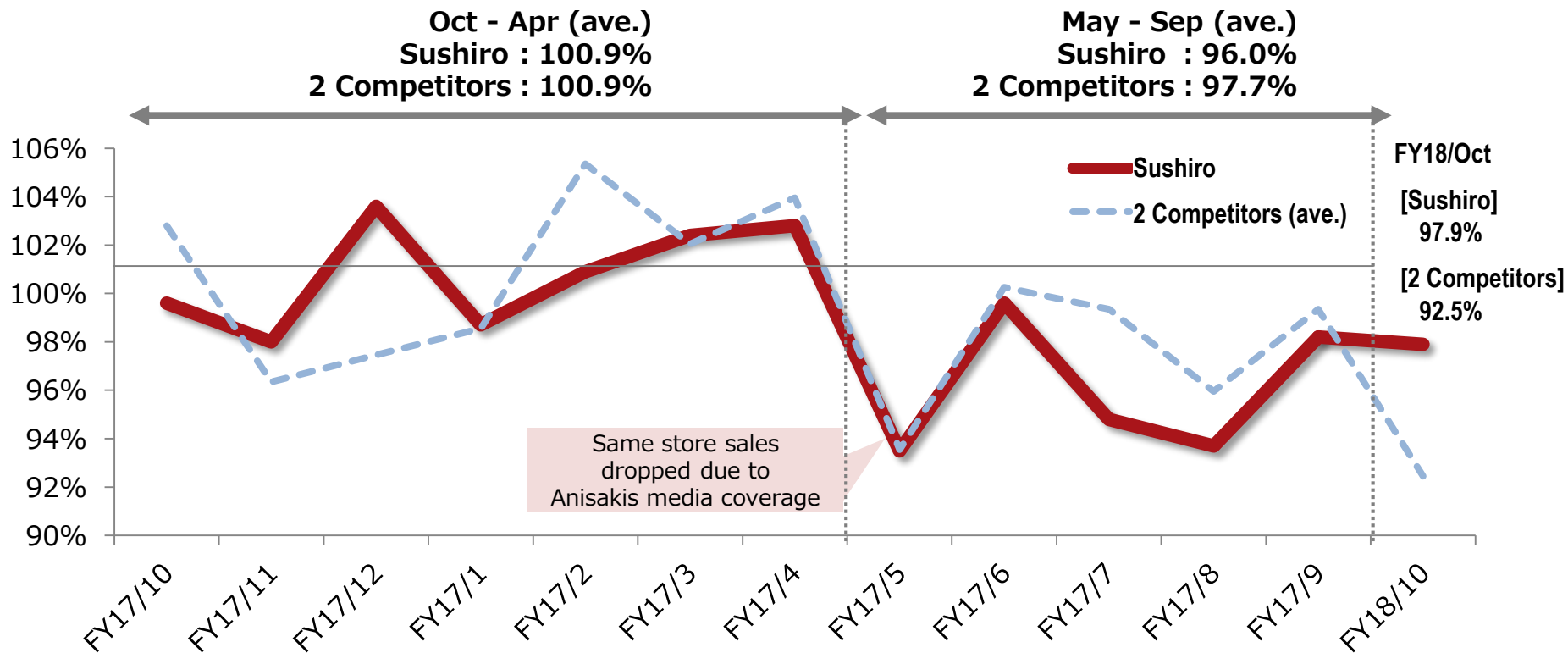
(Shinagawa ward, Tokyo prefecture / May)



- This store opened as the 2nd city-model store, on a great location - only 3 minutes walk from Gotanda station (Yamanote line) with 450 thousand station users daily.
- Sales reached a level above target.

2. Maintain Same-Store Sales Momentum

- Same-store sales (full year) is 98.7% due to market slowdown after Anisakis (parasite) media coverage (May).
- As a result of the initiatives taken (incl. strengthening product lineup), same-store sales turned to a recovery trend in September.



* Same-store sales consists of store-level sales at stores that are in the 15th month or more of operations in Japan.
Same-store sales percentages of '2 Competitors' shown above are the average of same-store sales percentage figures posted on their official company websites.
FY2017 February results shown above are adjusted for leap year (2016).

① Quality Sushi & Attractive Side Menu

“Quality 100 yen Sushi from the World Oceans Project” launched at the beginning of FY2017

第1弾 千りの海から 旨味たっぷりの自信作!
濃厚うにに包み100円

第2弾 ニュージランドの海から 純品! 鮭の王様が来日!
生キングサーモン100円

三重尾巻の海から 全身とろ! うまいぶり入荷!
NEW 三重尾巻のトロぶり100円

北太平洋の網がかり 初入荷! 旨味きりりの赤身!
天然本鮭赤身100円

島の日本海がかり 年に一度の生銀鮭!!
鳥取県産生銀鮭100円

モザンビーク海峡がかり 天然えびの本命が来た!
天然生えび100円

第3弾 うまさ炸く穴子が来た!
黄金のとろ穴子100円

九州が少来た うまさに技ありとろふわうなぎ!
本格うなぎの蒲焼き100円

世界の海から いいネタ100円 PROJECT

“Wild Seafood” (domestic product)
Direct shipping from the market

地域限定 スシロ

船橋市場直送!

本日の天然もの

1日数量限定

国産ネタを

大阪府・和歌山市 中央卸売市場 からの厳選仕入れ!

天然もの

1日数量限定! 100円+税

“Milky Roll”
collaborative product
developed with Fujiya. Co., Ltd.



② CRM with Smartphone App

- Sushiro app downloads totaled **7.5M**. The number of membership sign-ups over **1.2M**.
- 'Maido Point' loyalty program, launched at the beginning of FY2017. Over 1.0M users earned Maido points. 290 thousand users, then used earned points.
 - 2,300 users reached the highest '**OTORO**' rank. (48 points)
- Maido Point is now linked to Take-out Online Ordering. Take-out system users can earn points for their purchase.

Take-out Online Ordering

Maido Point, Loyalty Program

Note : Figures shown above are of September 30, 2017

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③ Pilot Operation on Delivery Service

- Started delivery service pilot operation, using two companies, to prepare for the future demand increase for such service.

Rakuten Delivery

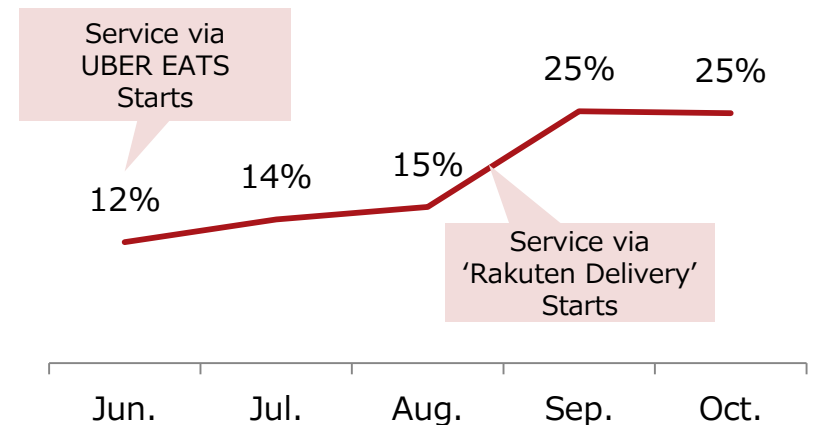
- Service available in selected areas in 6 wards (Tokyo)
- Service available at Gotanda Store and Karasuyama Store

UBER EATS

- Service available in selected areas in 15 wards (in Tokyo) and 7 wards (in Yokohama)
- Service available at Minami Ikebukuro Store and Gotanda Store

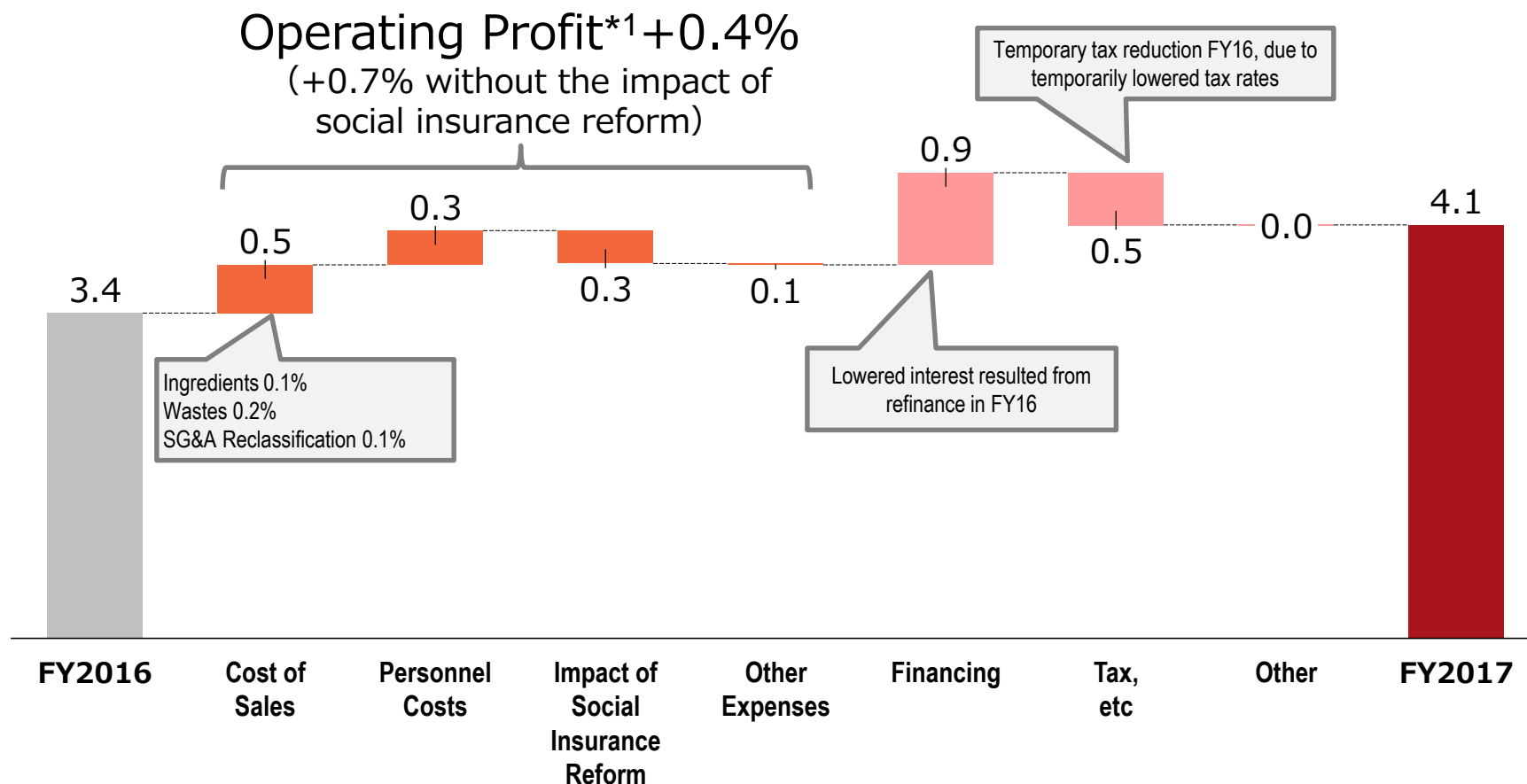
- Receive 100 orders/month per store
- Due to proven high demand, we plan to cover a wider menu and make service available at more stores

Delivery Order % in All Take-Out Sales



3. Profit Margin Improvement

- Adjusted net income improved by 0.7%, even after factoring in the impact of social insurance reform.



*1 Comparison after removing one-time costs (IPO-related Costs + Management Free + Losses from the US Business) from Operating Profit

Financial Position

Consolidated Statements of Financial Position

(in millions, JPY)

	FY2016	FY2017	Increase/ Decrease
Current Assets	11,134	11,975	841
[Cash and Cash Equivalents]	[8,149]	[8,538]	[389]
Non-Current Assets	111,222	113,587	2,365
[Goodwill]	[30,371]	[30,371]	[-]
Assets	122,356	125,562	3,206
Current Liab.	26,695	27,722	1,028
[ST Borrowings]	[4,355]	[4,114]	[-241]
Non-Current Liab.	70,803	66,040	-4,764
[LT Borrowings]	[48,861]	[44,747]	[-4,114]
Liab.	97,498	93,762	-3,736
Equity	24,858	31,800	6,942
Total Liab. & Equity	122,356	125,562	3,206
Equity Ratio	20.0%	25.0%	+5.0%
Net Debt/EBITDA	3.6x	2.9x	-0.7x

Consolidated Statements of Cash Flows

(in millions, JPY)

	FY2016	FY2017	Increase/ Decrease
Operating CF	15,215	11,574	-3,642
Investing CF	-4,581	-5,533	-952
Financing CF	-5,854	-5,663	191
Increase/ Decrease in Cash and Cash Equivalents	4,780	377	-4,402

- Net Debt/EBITDA lowered to 2.9x
(-0.7x vs. the End of FY2016)
- CF (full-year) generated a surplus
(Effect of the extended usance in FY16 is approx. JPY 4 bil.)



**FY2018
Business Performance
Forecasts & Initiatives**

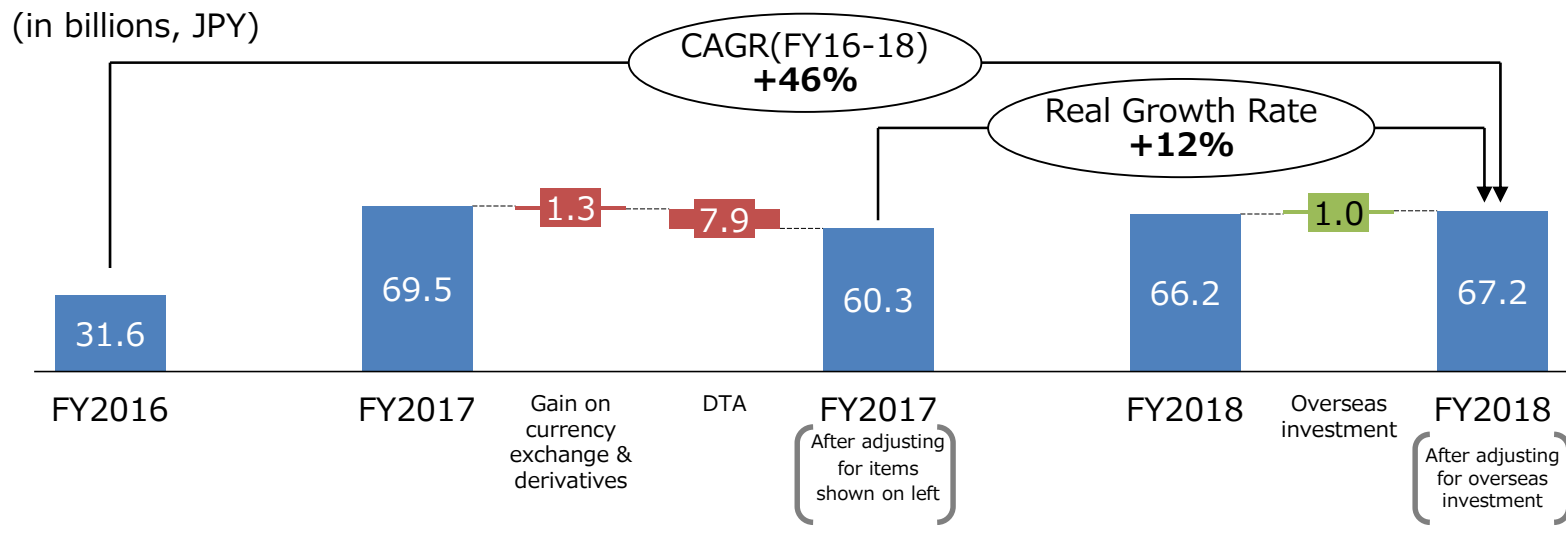
Business Performance Forecasts for FY2018

(in millions, JPY)

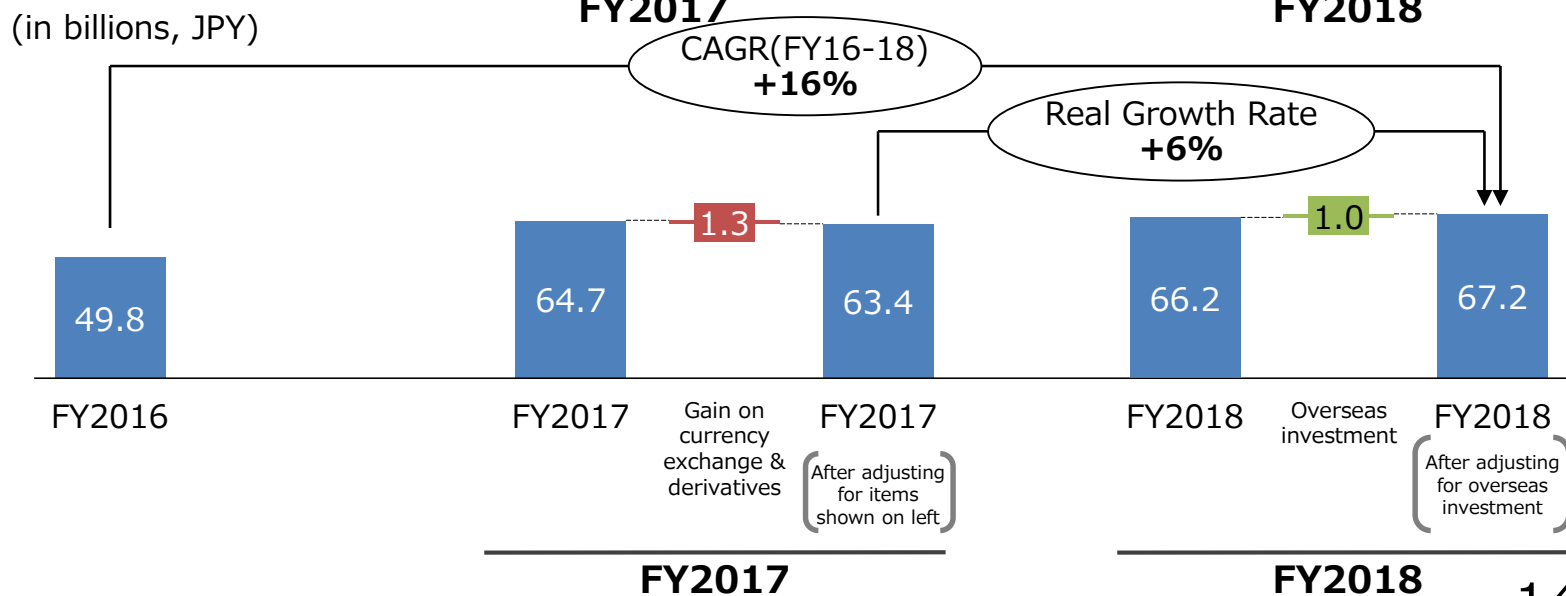
	FY2017			FY2018E			CAGR FY16-18
	Actual	% in Revenue	vs.LY	Actual	% in Revenue	vs.LY	
Revenue	156,402	100.0%	+5.9%	169,361	100.0%	+8.3%	7.1%
Operating Profit	9,204	5.9%	+22.6%	9,939	5.9%	+8.0%	15.0%
Net Income	6,946	4.4%	+119.5%	6,620	3.9%	-4.7%	44.6%
Adjusted Net Income	6,473	4.1%	+30.0%	6,620	3.9%	+2.3%	15.3%

Continued Net Income Growth (real growth rate)

Net
Income



Adjusted
Net
Income



FY2018

FY2018 Initiative Summary

■ Continue to focus on **“3 Strategic Pillars”** of Mid-Term Managerial Plan

- ① With 30 - 40 new openings scheduled for FY2018, we'll open our 500th store by the fiscal year end.
- ② Recover same-store sales to an above-100% level (Good start in Oct with 100.5%* same-store sales) and ③ Continue to tighten cost control

■ Launch **strategic measures** to handle mid-to-long term macro environment challenges

- “Strengthen Vertical (upstream) Supply Chain Collaboration” to counter soaring fish price and short supply of marine products
- “Further Automation and IT Utilization” to counter labor shortage and wage hike.

■ **Enter Taiwan market** for overseas growth

* October this year has 1 fewer holiday (Saturday), compared to October last year. So the October same-store sales 100.5% is the figure adjusted for 'day of the week.' October same-store sales without the adjustment is 97.9%.

Same-store sales in October 100.5%* started off with good momentum

- Promotion campaign worked well, helped to mark 100.5%* same-store sales (customer footfall 98.9%, average customer ticket 101.7%)



* October this year has 1 fewer holiday (Saturday), compared to October last year. So the October same-store sales 100.5% is the figure adjusted for 'day of the week.'
October same-store sales without the adjustment is 97.9%.

Strategic Initiative ①

Strengthen vertical (upstream) supply chain collaboration

- Situations surrounding the price hike and the short supply of marine products in the market, grew even tougher reflecting increasing demand in emerging markets, and bad weathers, etc.
- Securing marine products becomes a key, much more so than ever, in order to achieve "quality/tasty sushi"



Continued Initiatives from FY2017

- ‘Quality 100 yen Sushi from the World Oceans Project’
- ‘Wild Seafood’- Direct shipping from the local market (limited area offer)

New Initiative for FY2018

- ‘Strengthen vertical (upstream) supply chain collaboration

**Details to be Released in
Product Strategy Briefing
Next Week**

Strategic Initiative ②

Further Automation and IT Utilization

- As countermeasures for labor shortage and wage hike, we'll work on developing even further labor-saving operations.
- Carry out pilot operations at test stores, then roll out a new operation model by the end of FY18.

New "Dish Washer"
allows sorting plates by type



"Customer Call System"
with a large screen
lets customer know
when their turn comes
and which table to go to



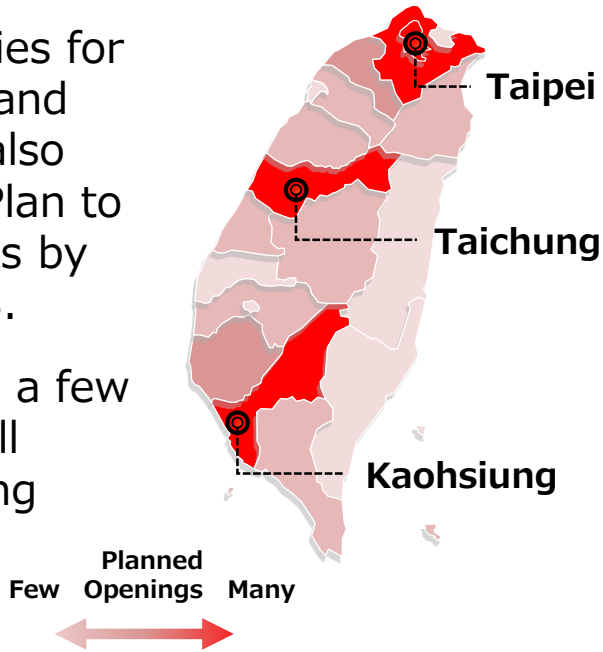
"Self Check-out Till"
allows customer
to check out
without help
of a staff



"Amazon Alexa"
Automated attendant allows
customer to place take-out
order without the intervention
of a staff

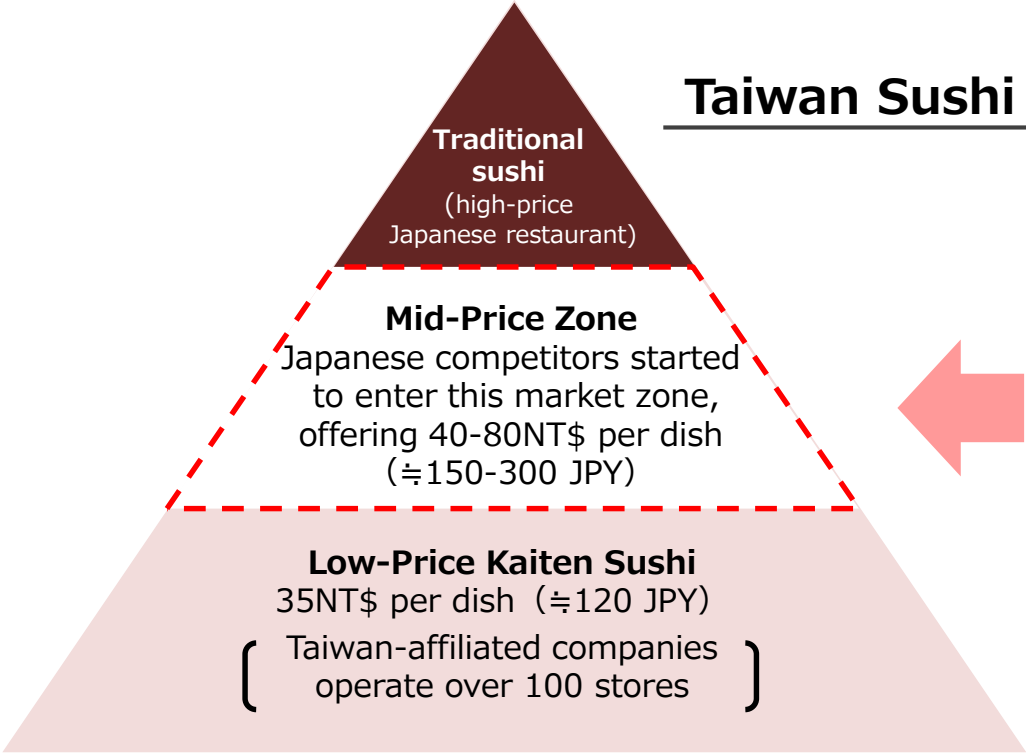
Enter Taiwan Market for Overseas Growth

- Chose Taiwan to be our 2nd overseas market. Taiwan market is Japan-friendly and we can utilize the know-hows acquired in Korea as well.
- Candidate properties are currently under review. The 1st store will open in central Taipei by early Spring of 2018.
- Candidate properties for the 2nd and 3rd (and more) stores are also being reviewed. Plan to open several stores by the end of FY2018.
- Plan to open up to a few dozens of stores all across Taiwan going forward.



Taiwan Market Overview & Sushiro Strategy for Market Entry

- Sushi, in Taiwan, already is a popular cuisine. There's a growing demand for quality sushi for reasonable price.
- Aim to expand the Mid-Price Zone by leveraging our core strength "Quality Taste."

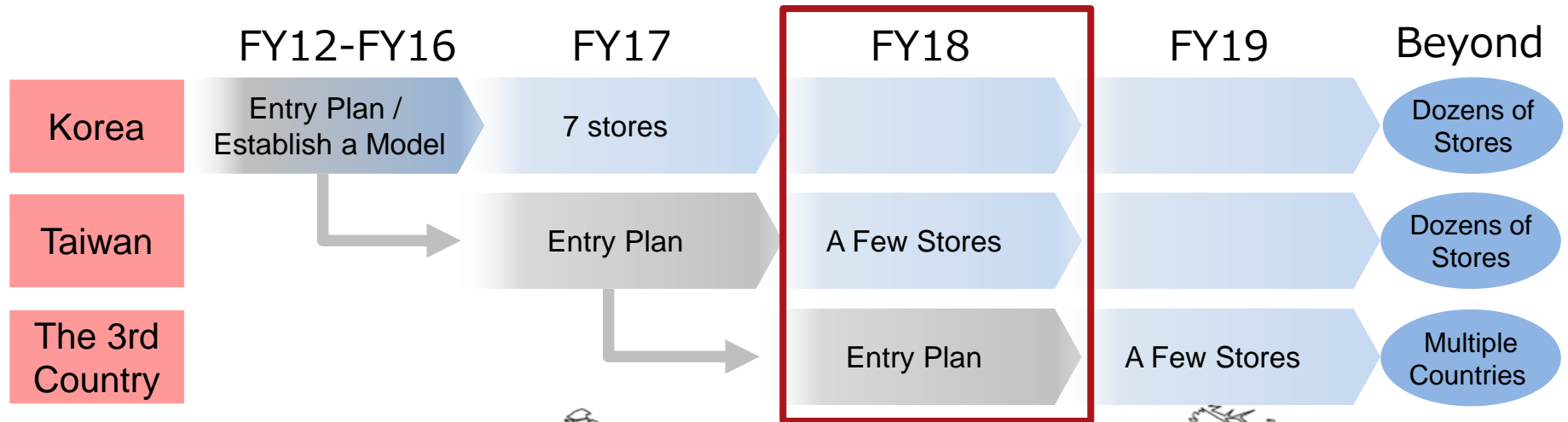


Taiwan Sushi Market Overview

SUSHIRO TARGET ZONE
: Offer quality sushi for reasonable price



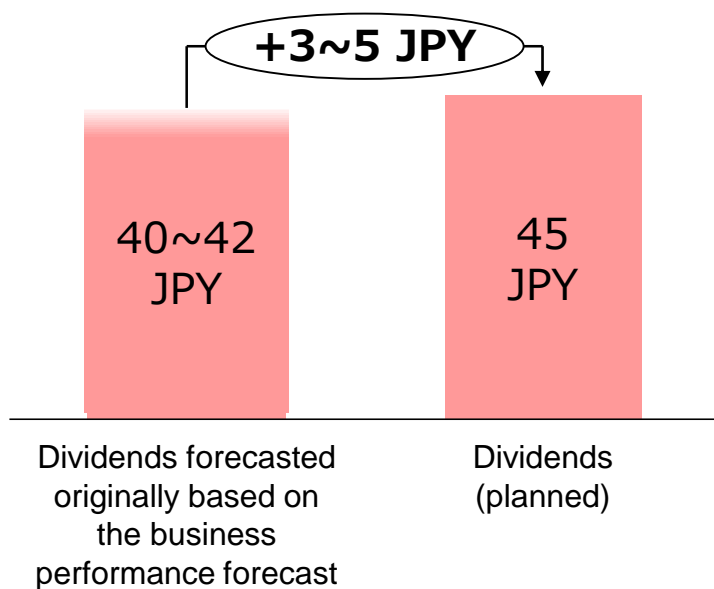
Launch a project, by the end of FY2018, to enter the market of the 3rd country



Returns to Shareholders

Dividends

- Year-end dividends
- Plan to payout JPY 45 dividend per share
 - Original dividends forecast: 40~42 JPY, +3~5 JPY reflecting profit increase



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

Reconciliation Table for Adjusted Net Income

(in millions, JPY)

	FY2016	FY2017	vs.LY
Net Income	3,164	6,946	3,782
(+) Management Fee	118	26	(92)
(+) IPO-related Costs	253	407	154
(+) Refinancing Costs	1,209	-	(1,209)
(+) Operating Losses from US Business	686	(10)	(696)
(+) Tax Effect Adjustment for Above Listed Items	(449)	(106)	343
(+) Reassessment of DTA Recoverability	-	(790)	(790)
Adjusted Net Income	4,981	6,473	1,492

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