

# Materials for Financial Results Briefing: FY03/2014



Sato Restaurant Systems Co., Ltd.  
Listed on TSE 1st section: 8163



~Towards completion of "Sato Pyramid"~

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# FY03/2014

## Actual Performance

## Expansion by M&A, and newly opened 13 directly-managed restaurants

### 1 Acquired 100% shareholding of Foodsnet Corporation

#### M&A

Management of "Nigiri CHOJIRO" (gourmet Sushi-go-round) and "Miyakobito" (home delivery Sushi chain restaurants) and others.

Actual performance for 7 months from Sep. 1, 2013 to Mar. 31, 2014 is to be consolidated.

### 2 Washoku Sato : Adopted table order system (TOS) using tablet terminals

#### Productivity

From the current 4th quarter, this will be deployed sequentially to all of the 197 restaurants.  
(As of Mar. 2014, this has already been deployed in 62 restaurants and the rest will be complete by Jul. 2014.)

### 3 Sushihan : Brand name was unified as "Washoku Nabadokoro Sushihan".

#### Branding

#### Newly opened restaurants

- Washoku Sato 1 restaurant (New-style resutautant)
- Santen (direct) 5 restaurants
- Nigiri CHOJIRO 1 restaurant
- Katsuya (direct) 5 restaurants
- Nigiri CHUJIRO 1 restaurant (New category of home delivery Sushi)
- Washoku Sato 1 restaurant (1st in Indonesia)
- Washoku Sato 1 restaurant (2nd in Taiwan)

#### Closed

- Nigiri CHOJIRO 1 restaurant

#### Large-scale renovation

- Nigiri CHOJIRO 5 restaurants

## Increase in both revenues and earnings

Sales: 27.1%↑    Operating profit: 35.5%↑  
Ordinary profit: 50.6%↑    Net profit: 60.3%↑

Sales : 32,762 million yen (up 27.1% from previous FY)

factor: Good sales of "Sato-Shabu" (all-you-can-eat style Shabu-Shabu)

Operating profit : 888 million yen (up 35.5% from previous FY)

factor: Downturn in gross profit margin rate associated with increased sales of "Sato-Shabu" has been alleviated by reconsidering any and all costs.

Net profit : 513 million yen (up 60.3% from previous FY)

## Increase in both revenues and earnings

Sales: 27.1%↑    Operating profit: 35.5%↑  
Ordinary profit: 50.6%↑    Net profit: 60.3%↑

(million yen)

	2013_3			2014_3		
	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)
Net sales	25,783			32,762		
		415	1.6%	6,979		27.1%
Operating profit	655			888		
	2.54%	△282	△30%	2.71%	233	35.5%
Ordinary profit	561			846		
	2.18%	△236	△29.6%	2.58%	285	50.6%
Net profit	320			513		
	1.24%	3,145	△111.3%	1.57%	193	60.3%

percentages below each profit amounts are those relative to net sales

plus/minus amounts are those relative to previous year

percentages refer to plus/minus relative to previous year

## Increased revenue in 4 consecutive years ↑ Operating profit & Ordinary profit achieved V-shaped recover

(million yen)

	2010_3			2011_3			2012_3			2013_3			2014_3		
	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)
Net sales	23,924			24,646			25,368			25,783			32,761		
		△1,517	△6.0%		722	3.0%		722	2.9%		415	1.6%		6,979	27.1%
Operating profit	593			866			937			655			888		
		422	246.8%		273	46.0%		71	8.2%		△282	△30%		233	35.5%
Ordinary profit	398			682			797			561			846		
		329	476.8%		284	71.4%		115	16.9%		△236	△29.6%		285	50.6%
Net profit	240			170			△2,825			320			513		
		961	△133%		△70	△29.2%		△2,995	-		3,145	-		193	60.3%

plus/minus amounts are those relative to previous year  
percentages refer to plus/minus relative to previous year

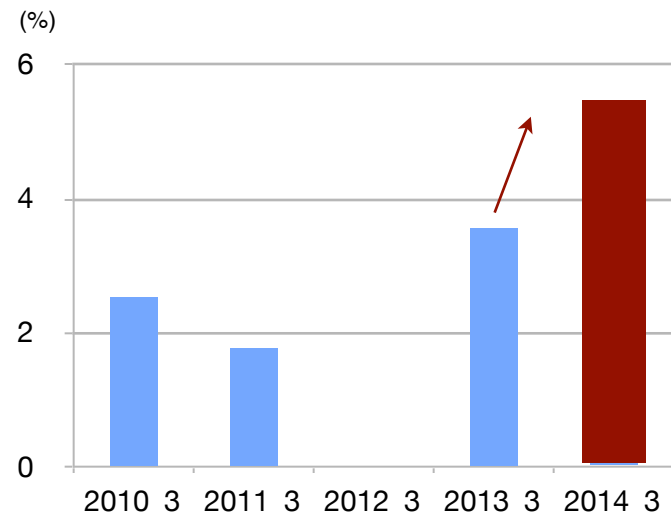
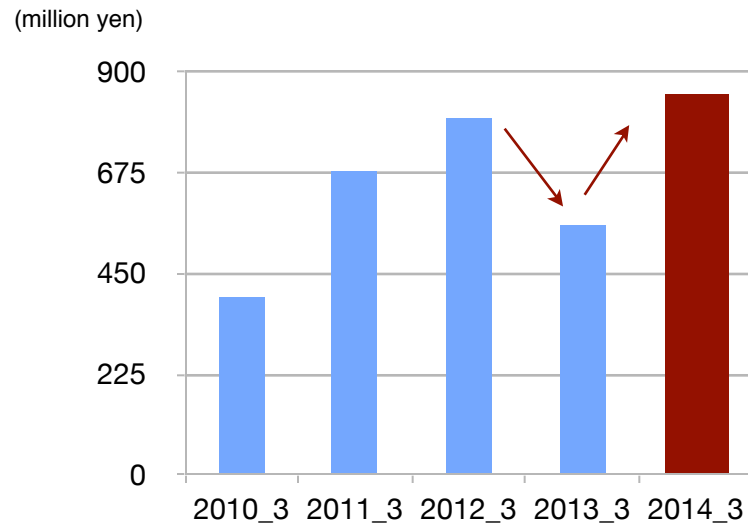
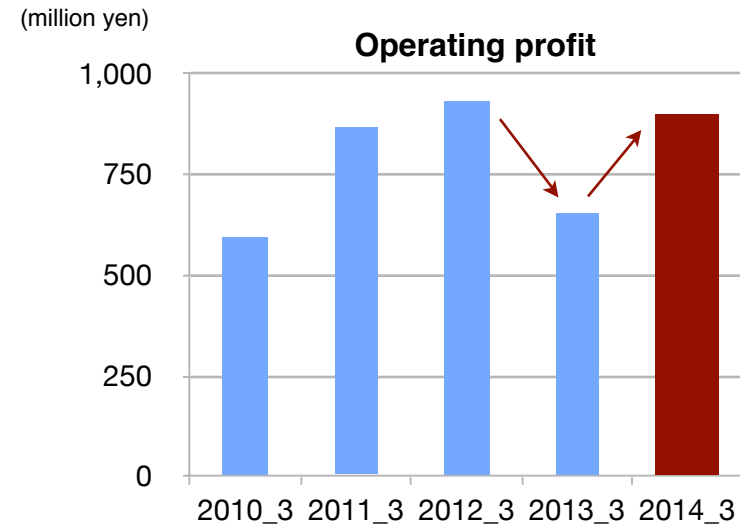
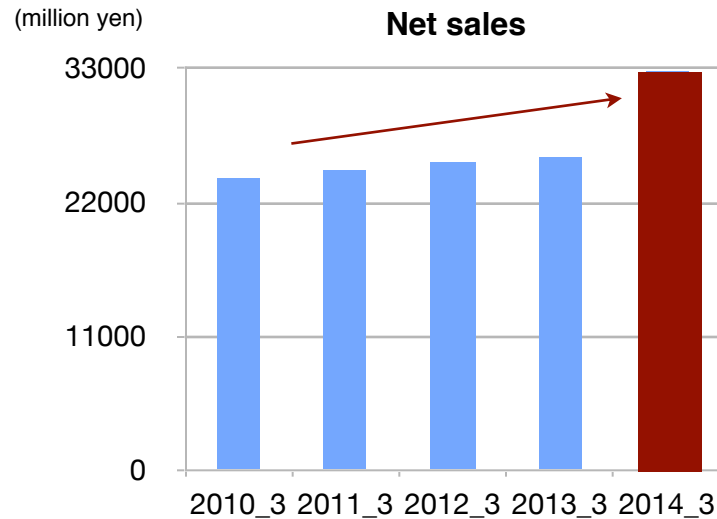
**Continuous growth**

**Improved company quality to increase profit continuously**



## 5 years transition charts

Sales increased in 4 consecutive years ↑  
Operating profit & Ordinary profit achieved V-shaped recovery; ROE increased ↑



**Ordinary profit**

**ROE**

## Balance Sheet (BS)

(million yen)

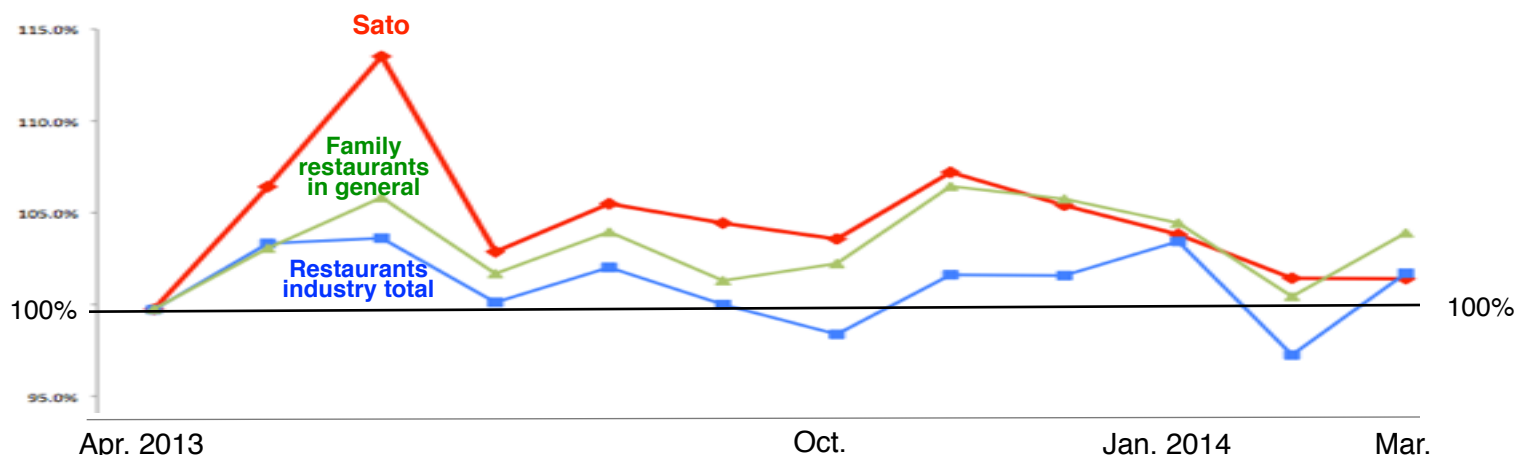
	Mar. 31, 2013	Mar. 31, 2014	+/-
Total current assets	6,714	7,315	601
Total fixed assets	12,667	16,495	3,828
Total assets	19,390	23,816	4,426
Total current liabilities	5,194	6,851	1,657
Total fixed liabilities	5,074	7,397	2,323
Total liabilities	10,268	14,249	3,981
Total shareholders' equity	9,494	9,951	457
Minority shareholders' equity	140	129	-11
Total net assets	9,121	9,567	446
Total liabilities and net assets	19,390	23,816	4,426

## Cash Flow Statement

(million yen)

	FY03/2013	FY03/2014	+/-
	2012.4.1 ~2013.3.31	2013.4.1 ~2014.3.31	
Cash flow from operating activities	1,462	1,157	△305
Cash flow from investments	△605	△2,756	△2,151
Cash flow from financial activities	△15	1,604	1,619
Balance of cash and cash equivalents	5,474	5,533	59

## Sales in existing restaurants have kept high level thanks to "Sato-Shabu" effect.



Sato : "Washoku Sato" and "Sato Sushihan" (excluding "Santen")

Data for existing restaurants excludes the first 13 month (including opening month).  
Data for closed restaurants excludes closing month.

Source: Japan Foodservice Association

- |      |   |
|------|---|
| 2009 | Jun. : Sato-Shabu started (all-you-can-eat meat/vegetables)   |
| 2010 | Mar. : Double taste of Sato-Shabu started   |
|      | Oct. : Sato-Syabu premium course started (all-you-can-eat meat, vegetables and 44 items of a la carte dishes) |
| 2011 | Jun. : Sato-Syabu premium course <b>60 items</b>  |
|      | Jul. : Sato-Syabu premium course Kuroge Wagyu (Japanese black cattle) / Kurobuta (black pig) course           |
|      | Oct. : Sato-Syabu premium course Aji-meguri (taste exploration)   |
| 2012 | Mar. : Sato-Syabu premium course <b>70 items</b>  |
|      | Oct. : Sato-Syabu premium course <b>75 items</b>  |
| 2013 | Jun. : Sato-Syabu premium course Special sales for Father's Day   |
|      | Oct. : Sato-Syabu premium course <b>(sales enhanced)</b> "Tempura" "Nigiri Sushi"                             |
|      | <b>(new line-up)</b> "Yakitori (grilled chicken) series"  |
|      | "Suigyoza (dumpling in soup) series"  |

## Menu book of Sato-Shabu



「具材」が選べる、「だし」が選べる、「料理」が選べる。  
たのしい さとしゃぶ

# さとしゃぶ

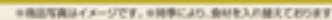
さとしゃぶ  
食べ放題  
120分

創業当時、  
安くて美味しい鍋料理で  
親しまれてきた和食店が、  
「働く人々のための鍋屋」の  
伝統と自慢の味を  
今に受け継いでいます。



**all-you-can-eat  
120 minute**

**75 all-you-can-eat dishes are available**

[illegible]

和食器とからのお願いです

- 大抵、卒業には卒業試験等、大卒後の進路にも関係するもので通過が必要。
- 各一課しの単位が多い場合は、卒業要件を満たすことも必要。
- 一部に卒業単位不足、修得する単位も必要。
- 他の卒業単位に通過しない場合は、大卒後の進路にも関係が必要。



1

Please choose the course you like.

30

hot pot  
fillings

all-you-can-eat !

# Sato-Shabu Course

大人・お1人様

1,980円 (税込 2,138円)

小学生

1,280円 (税込 1,382円)

小学生未満

490円 (税込 529円)

3歳以下

無料

シニア  
(65歳以上)

1,580円 (税込 1,706円)

30

hot pot  
fillingsプレミアム限定  
黒貝材料一品料理

all-you-can-eat !

# Sato-Shabu Premium Course

大人・お1人様

小学生以下は  
追加料金なし

2,380円 (税込 2,570円)

小学生

1,280円 (税込 1,382円)

小学生未満

490円 (税込 529円)

3歳以下

無料

シニア  
(65歳以上)

1,980円 (税込 2,138円)

If you choose "Premium Course", 75 all-you-can-eat dishes

2

Please choose 2 types of "Dashi" soup.

¥500円 (¥540円)で、お食事中のだしの交換も承ります。



定番だし。「昆布」和「ごまだれ」でどうぞ。コクのあるかつおといのこがおいしい。



鶏がらと豚骨の旨みとコクが楽しめます。ピリッとした辛さが食欲をそそります。



鶏がらをベースとし、さっぱりとした中にもコクのあるおだしです。



定番の醤油ベースにコクと旨味をプラス。

季節  
限定

◆「薬味」をお好みでちょい足しすれば、自分好みの「つけだれ」が作れます！「ねぎ」「ねぎ+もみじおろし」「大根おろし」「ねぎ+生姜」「おろしにんにく」「唐辛子」「ブラックペッパー」「すりごま」



3

Please choose "Extra hot pot fillings" you like.

最初に基本セットを人数分お持ちします。

基本セット: 牛肩ロース/豚ロース/豚バラ/豆腐/野菜盛り合わせ

# 選べる 鍋具材 30品食べ放題



おすすめ お鍋を楽しむ具材

※店の種類はそばと同じ量でゆがいてあります



野菜盛り合わせ



細切り野菜



もやし



えのき



もち



豆腐



白菜



わかめ



しいたけ



人参



うどん



きのこ盛り合わせ



白ネギ



三つ葉



水菜



大根



ラーメン

おいしい主役お肉

欠かせない名脇役

バの一品ごはん等



- ・牛肩ロース
- ・鶏肉
- ・豚バラ
- ・豚ロース
- ・軟骨入り
- 鶏つくね



- ・特製ボン酢
- ・特製胡麻だれ
- ・特製ぎょうざ
- ・厚焼き玉子
- ・うす揚げ
- ・生たまご



- ・ごはん
- ・くずきり
- ・香の物
- ・雑炊セット

If you choose "Premium Course", 75 all-you-can-eat dishes



# If you choose “Premium Course”, 75 all-you-can-eat dishes





SATO  
RESTAURANT  
SYSTEMS GROUP

# About "Sato Restaurant Systems"

## Succeeded in integrating Japanese food with chain store management

1

Succeeded

once said difficult...

**Chain style Japanese restaurants**

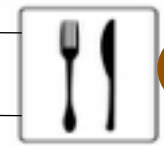


techniques  
accumulation

55 years in business



integration



acquisition

mass stores operation

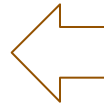
Western food category

2

Succeeded

popularization

**Familiar Japanese food**



development

evolution

**Traditional Japanese cuisine**

3

Realized

**Mass merchandising system**

safe      affordable price  
high quality      stable supply

### Mass merchandising system

A mechanism in which, by designing and controlling whole range of process of products flow from raw material to eventual full consumption, it becomes possible to purchase safer materials with more cost merit, thereby providing customers with various dishes at affordable prices.

4

Promoting

active promotion

**Mechanization**



table restaurant

laborsaving ⇒ more profitability (up to the limit)

more stable quality ⇒ cooking professional is NOT required

**We always aim for the lowest price zone.**



# Features

# Largest number of Japanese food family restaurants

- 1
 

**No.1 in the trade**







**Largest number of Japanese food family restaurants** **197 restaurants**

**Group total: 310 restaurants (as of Mar. 2014)**

Sato (197) Sushihan (13) Santen (6) Katsuya (direct) (11) Katsuya (FC) (7) CHOJIRO(50) Miyakobito (direct) (1) Miyakobito (FC) (20) CHUJIRO (2) Overseas (3)
- 2
 

**specialized in Japanese**

**Major 5 categories**










Japanese food family restaurant    mainly Sushi & Nabe (pan)    Tendon & Tempura    gourmet Sushi-go-round    Katsudon & Tonkatsu (pork cutlet)
- 3
 

**M&A**

gourmet Sushi-go-round "Nigiri CHOJIRO" Foodsnet Corporation became a subsidiary. (Jun.2013)
- 4
 

**Overseas development**

Taiwan    Indonesia

Joint ventures have been established with the largest local companies (operating convenience stores).
- 5
 

**Kitchen capabilities**

Seeking **streamlined kitchen operations**
- 6
 

**Purchase & development capabilities**

By carrying out **purchase & development activities on our own accounts** worldwide, a mechanism has been built up in which **safer** and carefully selected foodstuff can be obtained stably.

**We always aim for the lowest price zone.**



# Largest number of Japanese food family restaurants





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# Strength

# Sato is overwhelmingly famous in Kansai area

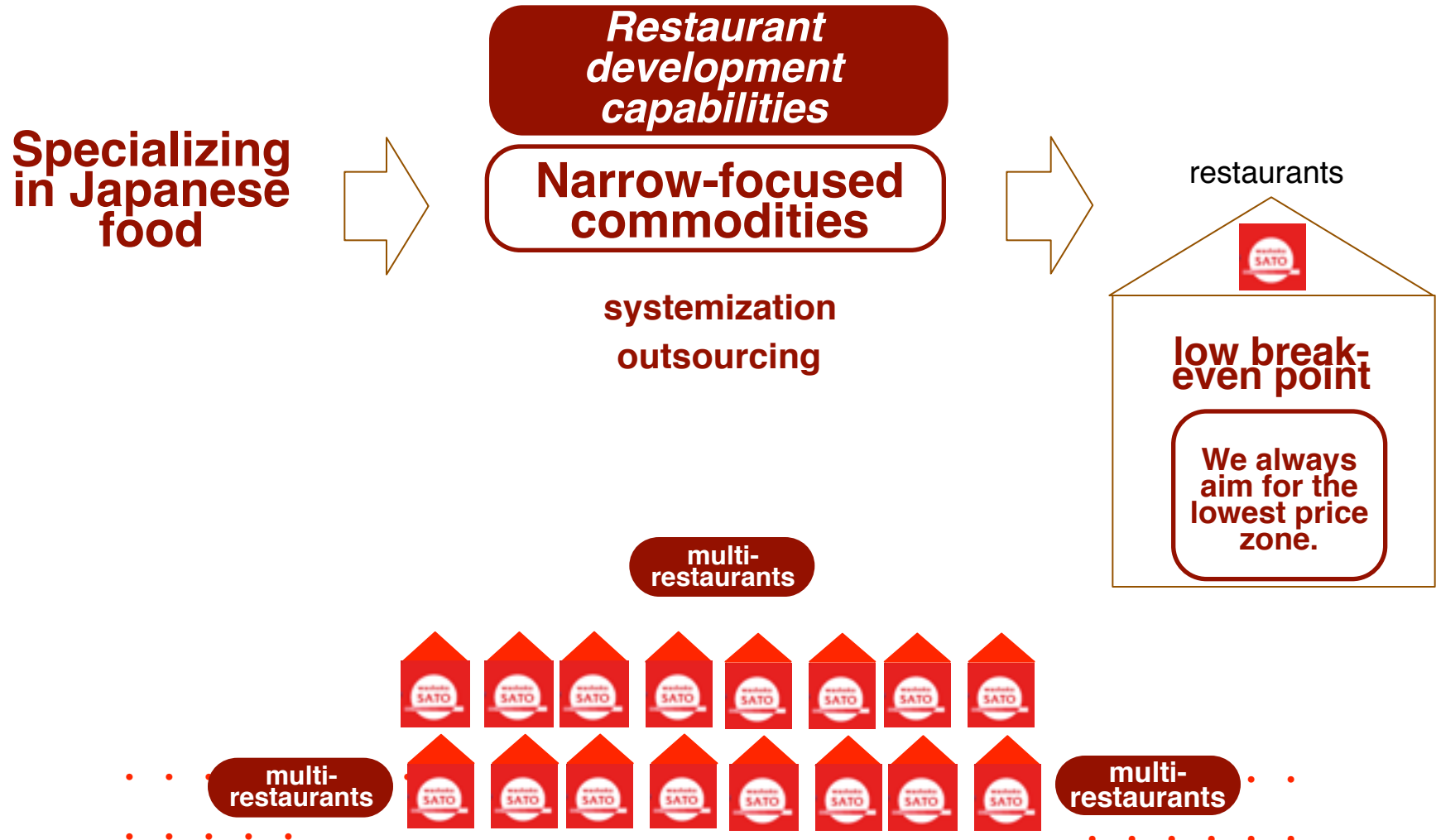
***Brand Power***

overwhelmingly  
famous in Kansai area

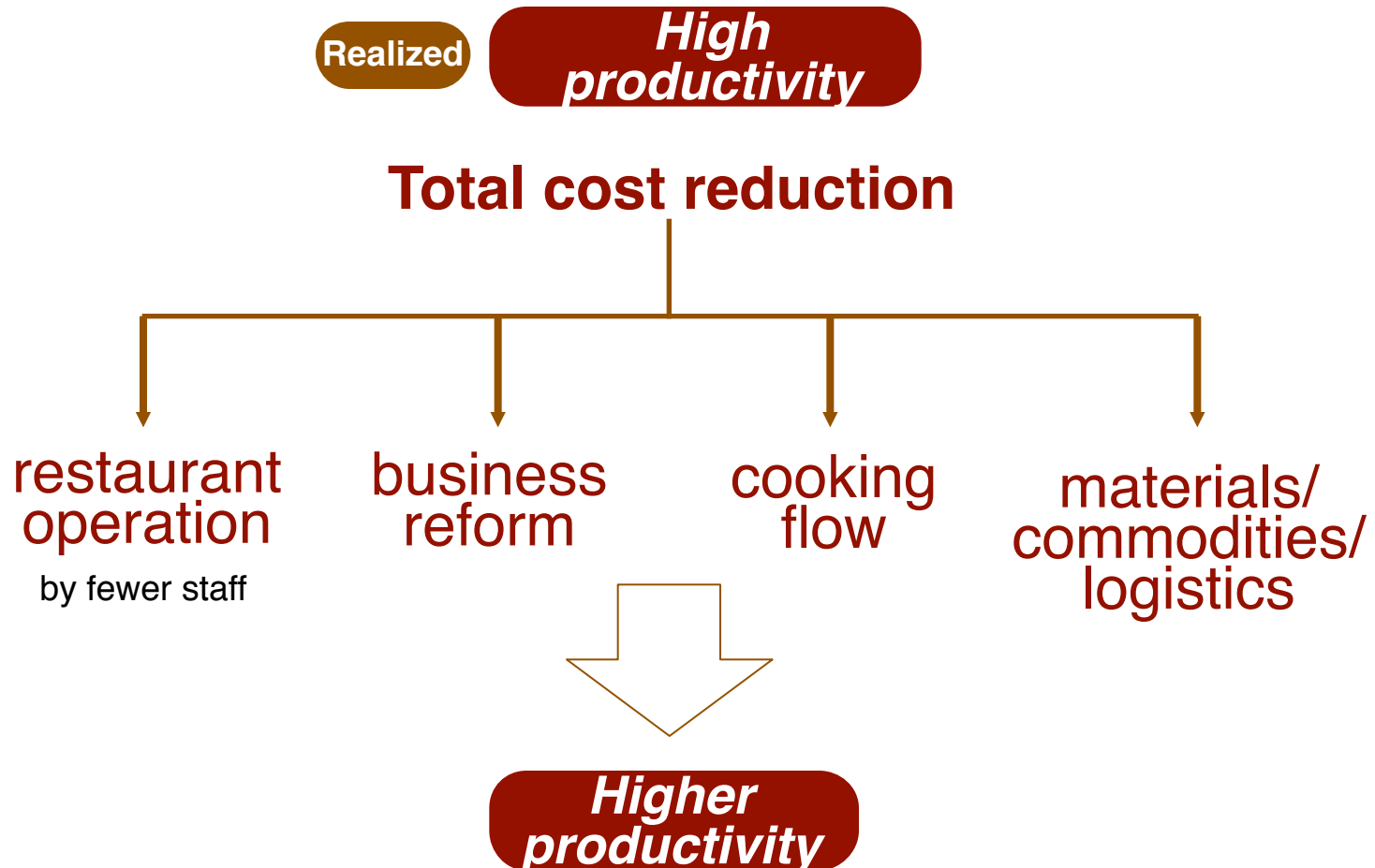




# Specializing in Japanese food enables multi-restaurant operation



# Total cost reduction realized high productivity



# Seeking streamlined kitchen operations

## ***Kitchen capabilities***

Least waiting time means  
maximum service

kitchen capability ①

### **Mechanization**

non-boiling noodle cooker  
microwave rice cooker  
miso-soup dispenser  
soup stock dispenser

kitchen capability ②

### **Systemization**

updating POS/OES  
adopting TOS  
(table order system)

### **Simplification**

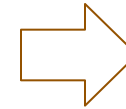
pre-processed foodstuff  
(knives are NOT required)

#### ***laborsaving***

more profitability  
streamlined kitchen  
⇒maximizing floor area

#### ***stabilization***

cooking professional is NOT required  
low labor cost



## **High productivity**



table restaurant

**We always  
aim for the  
lowest price  
zone.**



craftsman is NOT  
required  
**Supreme Tempura  
cooked by  
nonprofessional**

# Purchase & development activities on our own accounts

By carrying out **purchase & development activities on our own accounts** worldwide, a mechanism has been built up in which **safer** and carefully selected foodstuff can be obtained stably.

***Purchase & development capabilities***

(examples)  
prawn  
eel  
Hijiki seaweed  
grated radish

## Vertical merchandising

### commodification plan

#### Steps of commodification plan

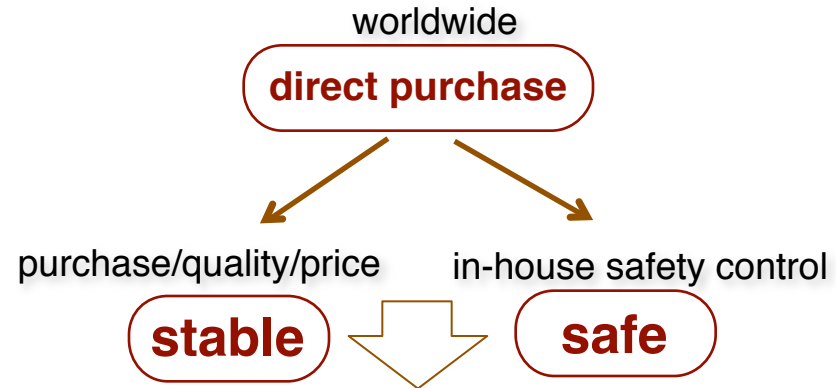
- ① **procure raw materials**
- ② process
- ③ distribute
- ④ sell at stores

**centralized in-house control**

design

control

taking total risk



**We deliver safe and delicious foods stably at affordable prices.**

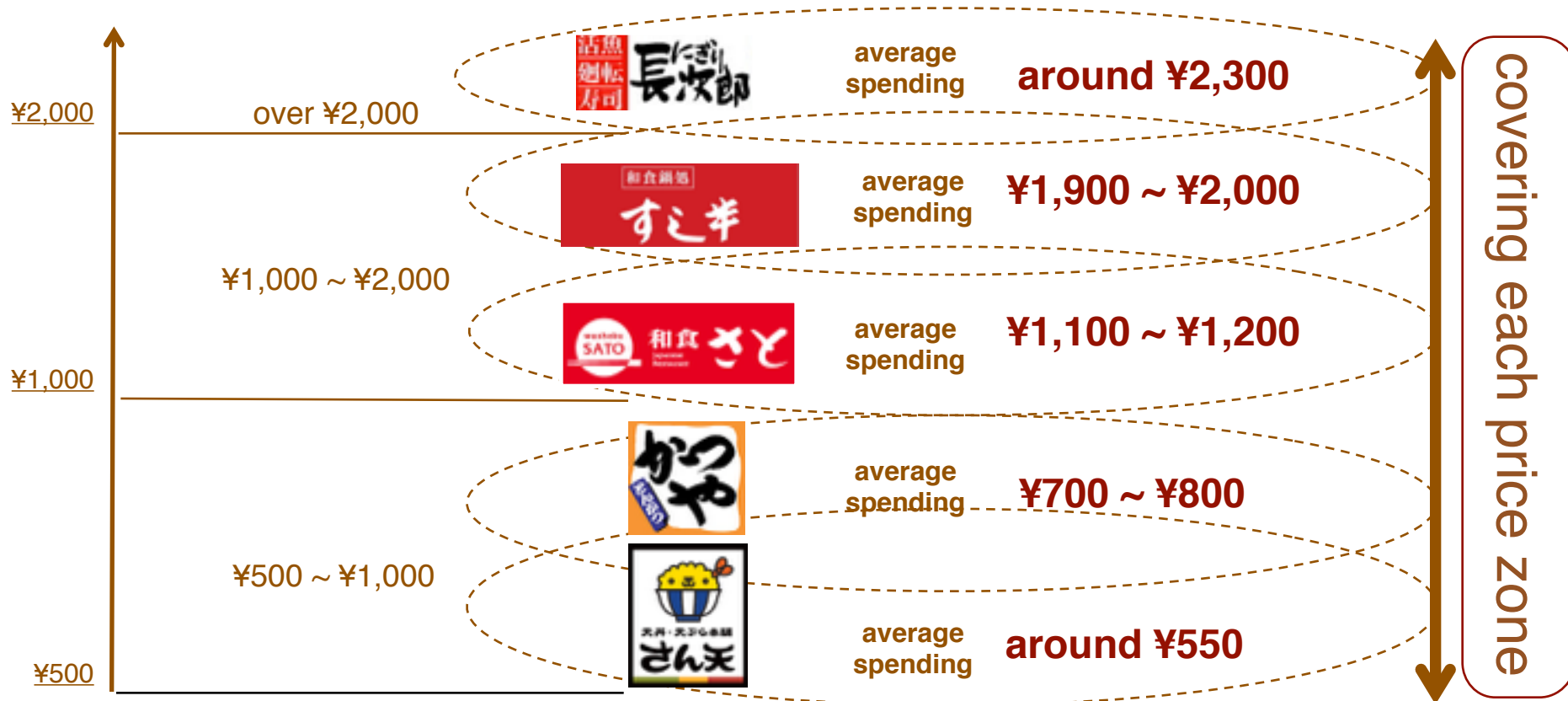
# Risk hedge at low to middle price zone

specializing in  
Japanese food

**Price zone hedging  
capabilities**

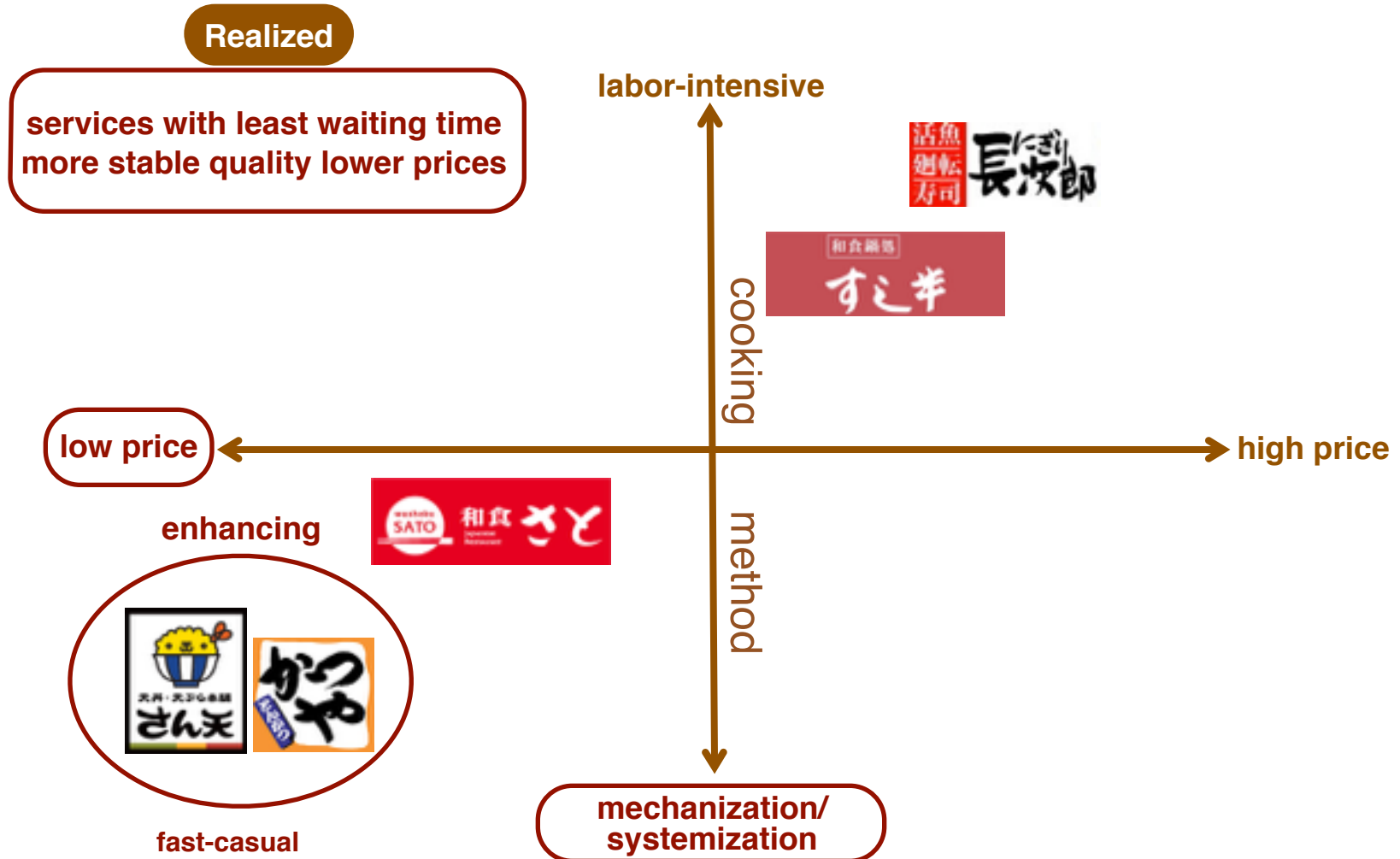
insusceptible to economic  
fluctuation

Various choices among SRS group  
restaurants meeting customers' needs

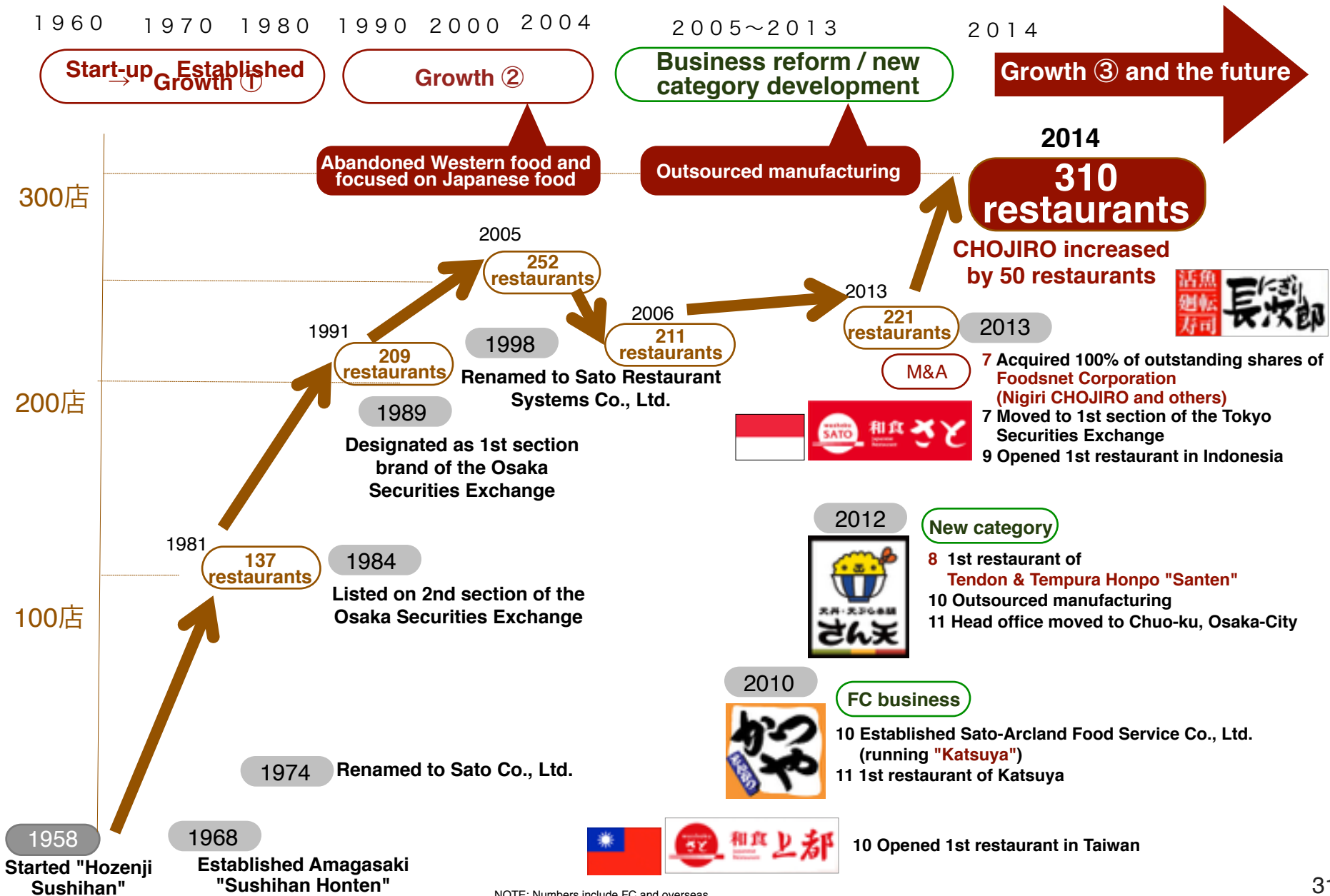


# Promoting mechanization

to reduce labor burden of cooking at each restaurant



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RESTAURANT  
SYSTEMS GROUP



## "Fast-casual" category is the promising one

### Market size

Today

Food service industry as a whole: at the level of 23 trillion yen  
restaurants: about 12.5 trillion yen

Source: Foodservice Industry Research Institute

### promising category

### Fast-casual restaurants

An intermediate category between fast-food restaurants and family restaurants, which realizes equivalent level of taste as conventional restaurants while delivering quick and affordable commodities

Future







# Mid-term management plan

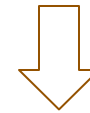
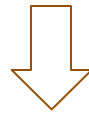
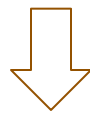
Towards completion of "Sato Pyramid"

## Management policy

SRS※ aims to be the restaurant  
that brings the highest customer satisfaction

※SRS : SATO RESTAURANT SYSTEMS GROUP

- Looking beyond the pursuit of sales and profit
- Enriching people's lives
- Improving the work environment
- Responding to social and economic needs
- Becoming an integral part of society



## Mid-term management vision

prosper over 100 years  
to come

Social infrastructure

essential

# Towards completion of "Sato Pyramid"

## Mid-term management plan/policy

SRS aims to be an essential social infrastructure  
and prosper over 100 years to come

## Vision

SRS aims to be a respected industry leader  
by providing Japanese cuisine to people around the world.

### overseas



- Taiwan and Indonesia business
- expansion to third countries
- turning to positive figure



- more rapid restaurant development



- increasing profitability



- more profitability
- restaurant development with lower investment
- enhanced integration with CHOJIRO



- continuous restaurant development

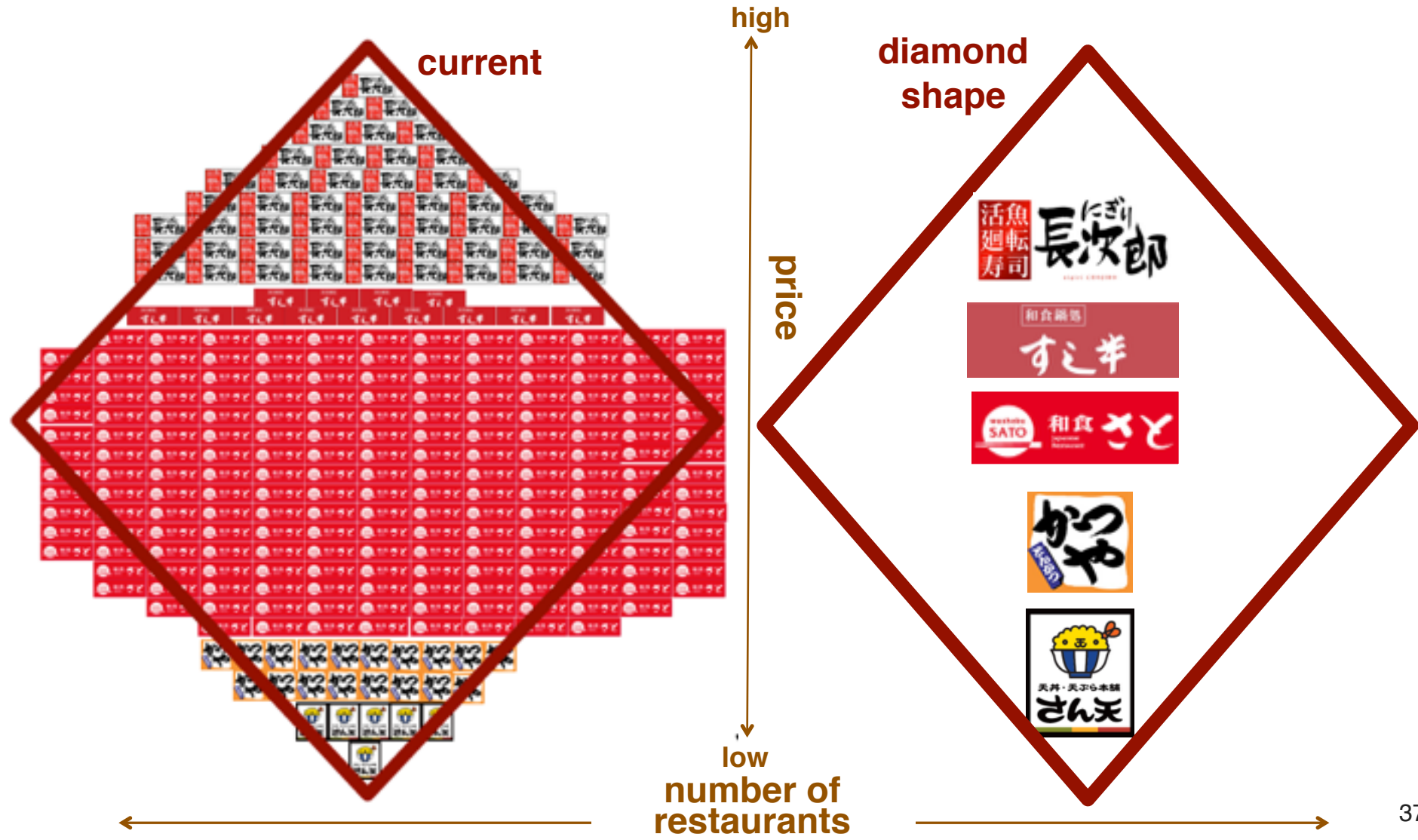
Mid-term management plan

Towards completion of "Sato Pyramid"

# What is Sato Pyramid

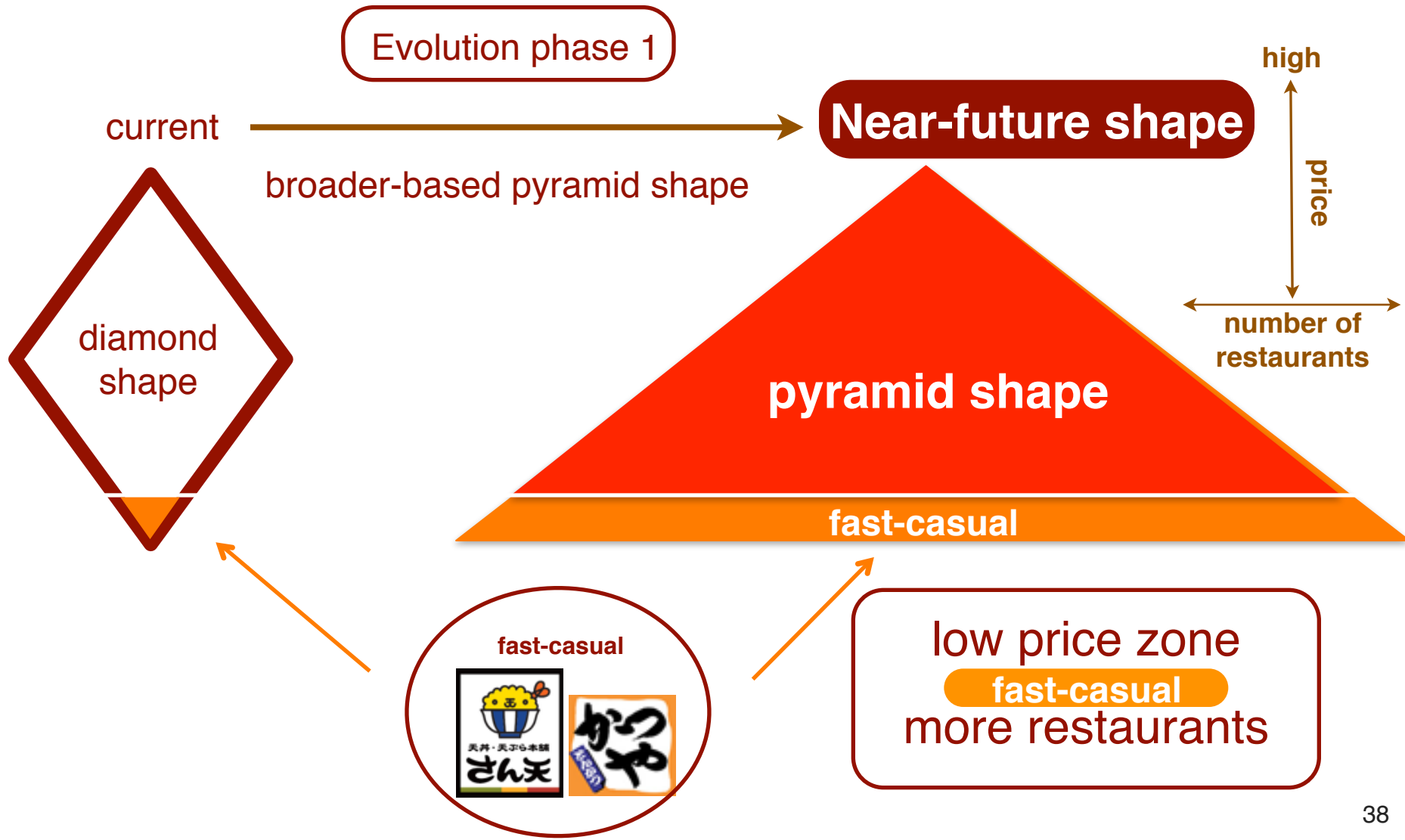
???

# SRS group restaurants composition: Diamond shape



SRS group restaurants composition - Evolution phase 1: Near-future shape

# Diamond shape to pyramid shape

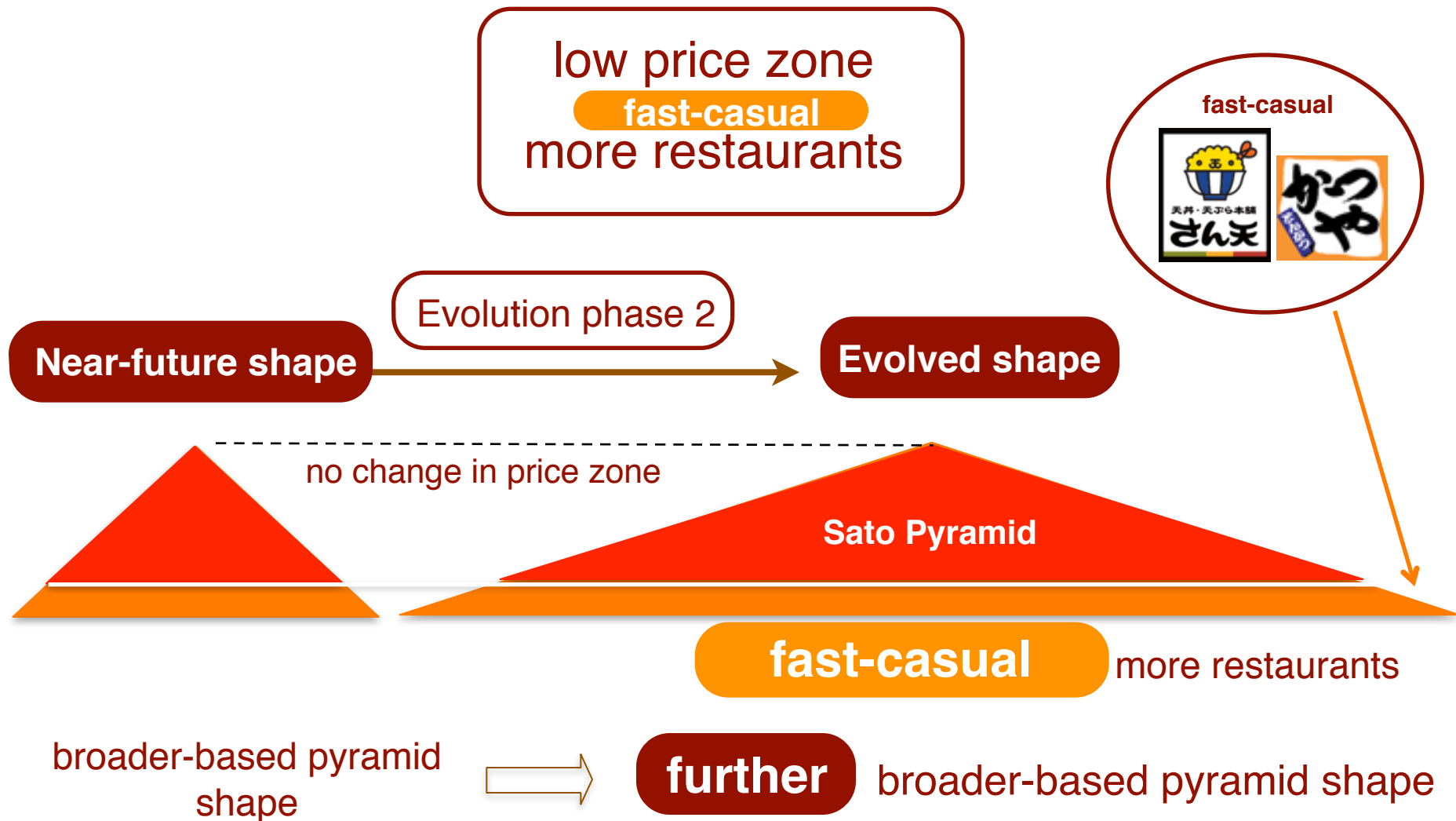


# Pyramid

Near-future shape

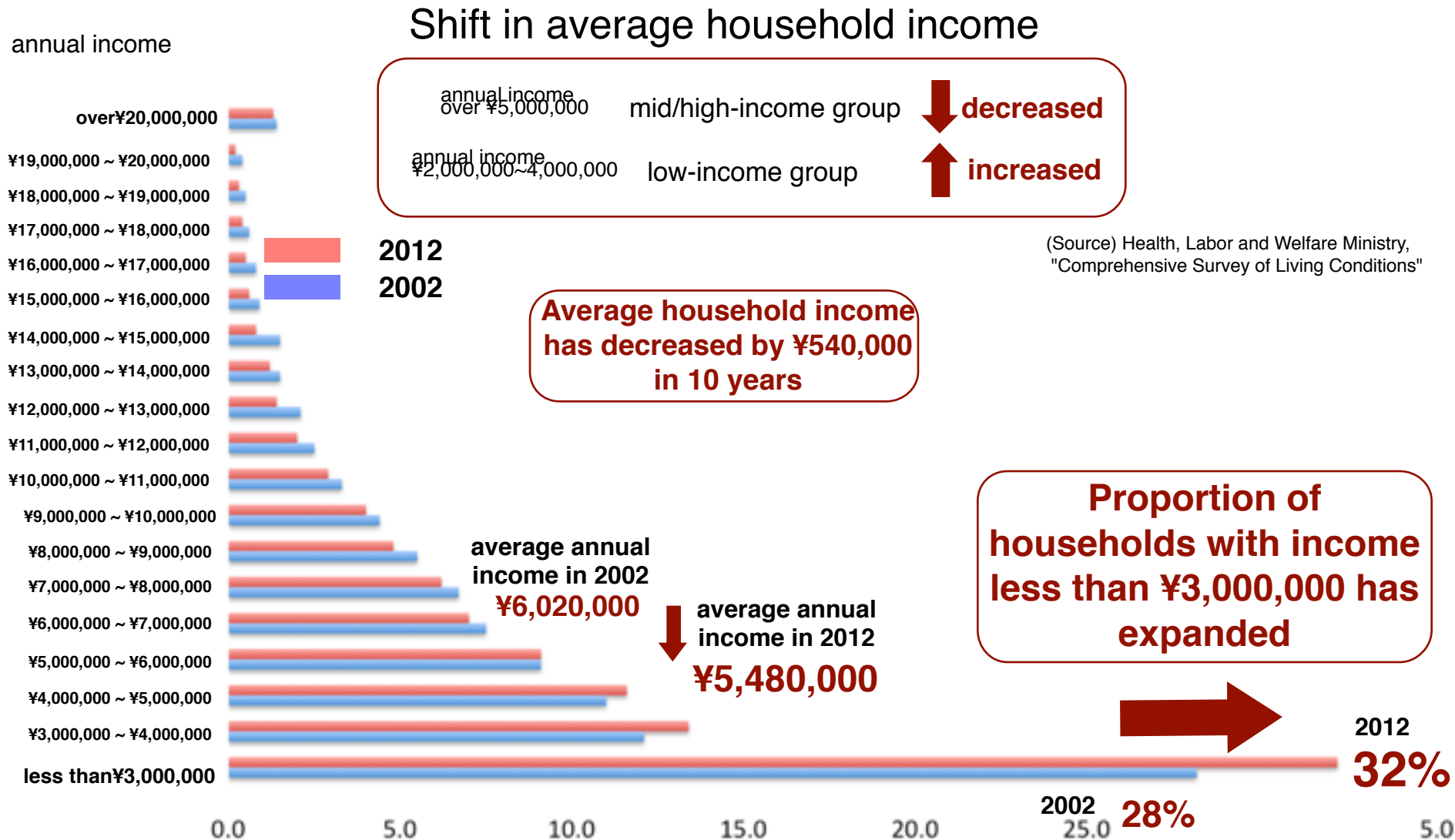


## Further broader-based Sato Pyramid



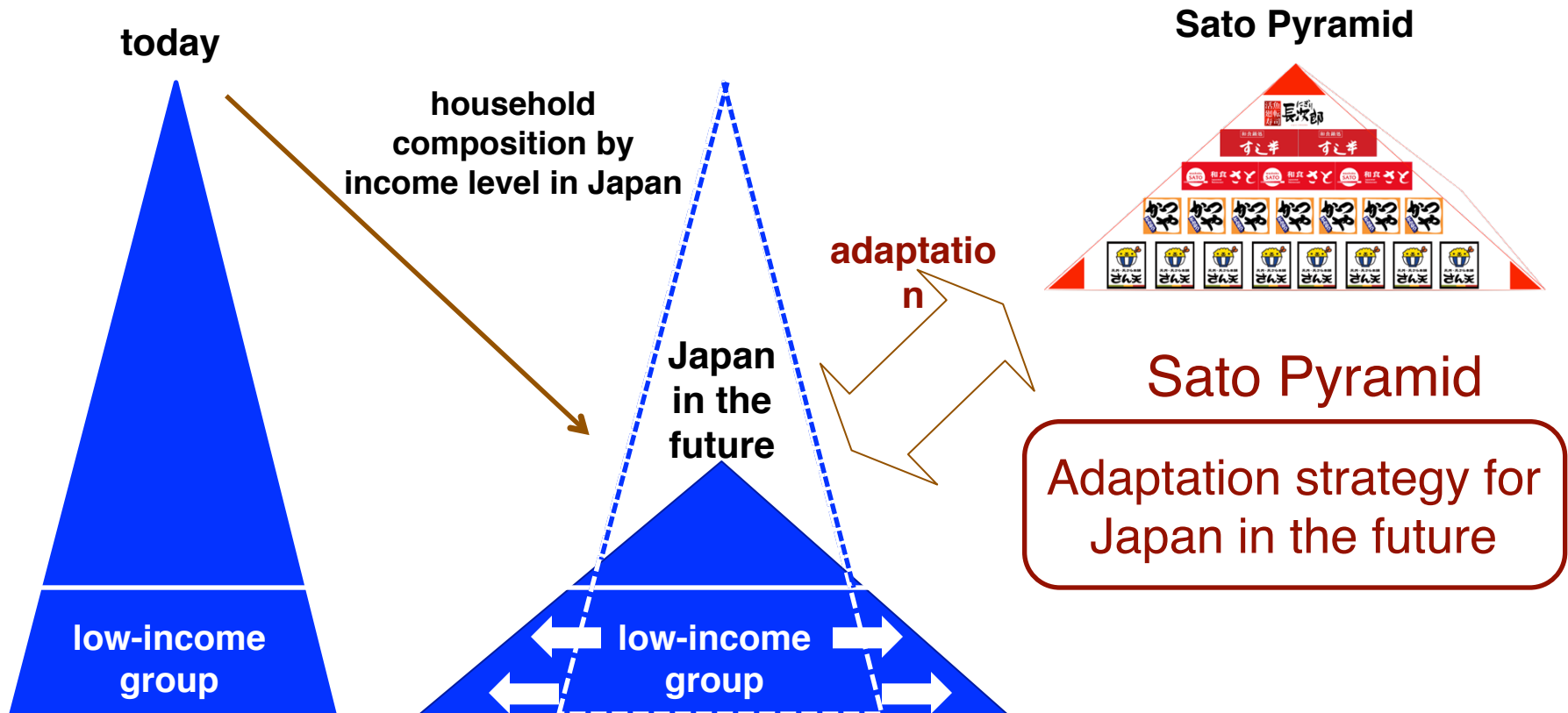


# Transition of household composition by income level



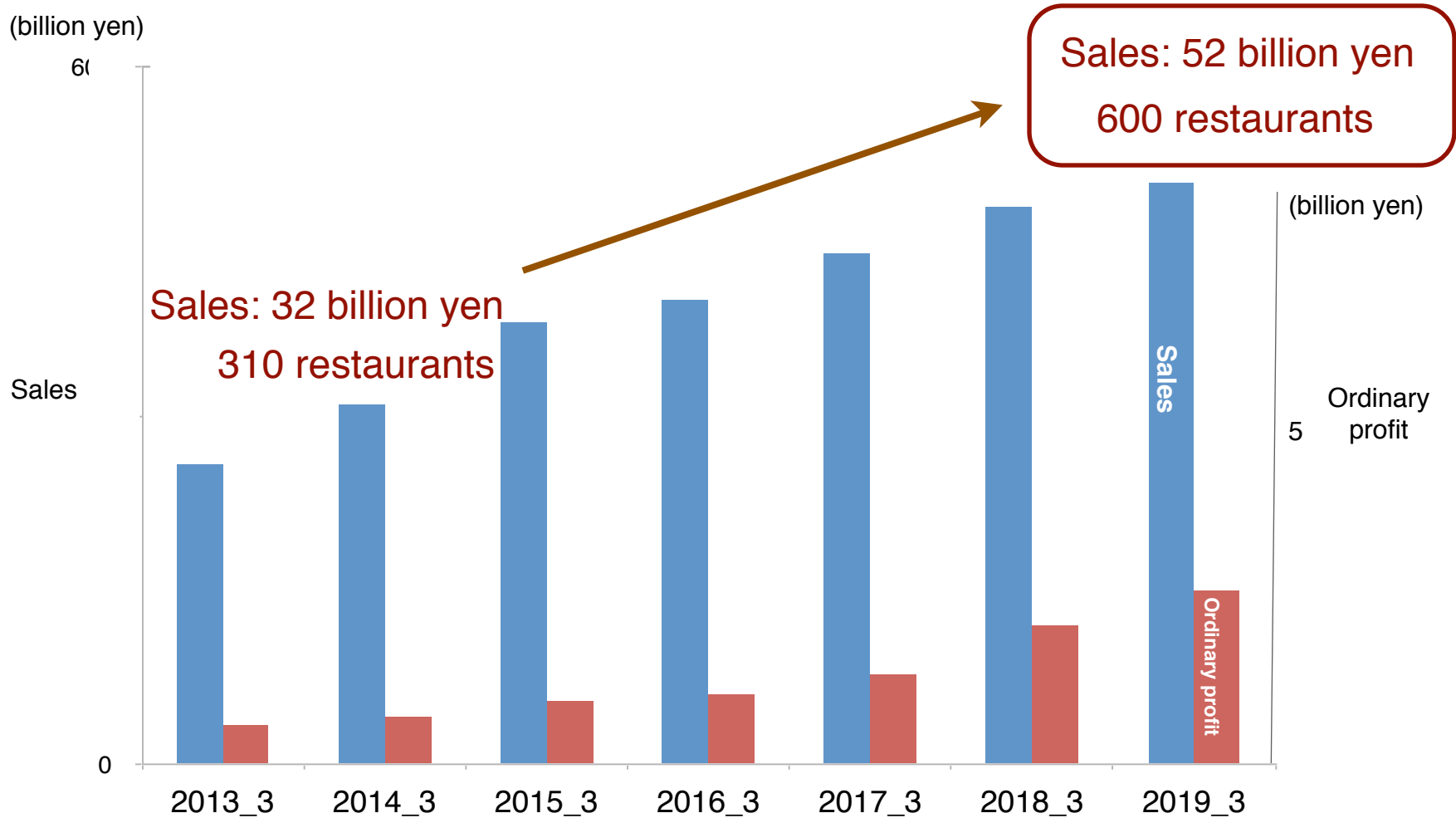
## Sato Pyramid is an adapted strategy

It is predicted that in Japan proportion of low-income group would continue to increase.



5 years later (FY03/2019)

Sales: 52 billion yen      Aiming for total 600 restaurants



NOTE: Numbers include FC and overseas



# Forecast for FY03/2015

# Establishing revenue base and taking on challenges for growing phase

A period of growth and development

## Planning to open 35 new restaurants

to be opened	• Washoku Sato	3 restaurants	to be renovated	
	• Santen	11 restaurants	• Nigiri CHOJIRO	9 restaurants
	• Santen (FC)	2 restaurants		
	• Nigiri CHOJIRO	3 restaurants		
	• Katsuya	6 restaurants		
	• Katsuya (FC)	10 restaurants		

NOTE: Washoku Sato stores had already been renovated during the previous year.

### Measures

1. Integration of logistics with Foodsnet Corporation: to be started in October
2. Full-blown operation of restaurant support system
3. Table order system: to be completely adopted to every Washoku Sato restaurants by the end of July
4. Updating the core system: to start the project aiming for adopting in the 49th term
5. Making complete Santen FC format
6. Carrying on experiment of the new category "Home delivery Sushi - Nigiri CHUJIRO"
7. Sales promotion measures using image characters of Washoku-Sato and Santen
8. Sales promotion making use of LINE application: in effect since April in Shizuoka area

# Increase in both revenues and earnings is anticipated also for FY03/2015

(million yen)

	2014_3			2015_3 (forecast)		
	Amount	+/- (amount)	+/- (%)	Amount	+/- (amount)	+/- (%)
Net sales	32,762			37,500		
		6,979	27.07%		4,738	14.46%
Operating profit	888			1,000		
		233	35.57%		112	12.61%
Ordinary profit	846			950		
		285	50.80%		104	12.29%
Net profit	513			600		
		193	60.31%		87	16.96%



## Information about newly opened restaurants

- 3/29 Nigiri CHUJIRO: Saga-Tokiwa restaurant
- 5/02 Nigiri CHOJIRO: Nishimuko restaurant
- 5/31 Tendon & Tempura Honpo "Santen"  
Amagasaki-Tachibana restaurant (planned)



## Other information

- 4/01 Menu renewal at every restaurant
- 4/10 Experiment on Santen FC format started
- 6/27 Wassho-kun & Koromon  
(symbolic mascots) debut !?







# About our business categories

# Category ①: Washoku Sato



## Features

- One of Japan's largest chains of family restaurants for Japanese food
- Many are located on main roads in the suburbs; some are in shopping centers
- Serving Japanese meals, such as nabe (hot pot), rice bowl dishes, and noodles at reasonable prices
- Realizing low-cost operation

**Number of restaurants** 197 restaurants  
(118 in Kansai, 39 in Chubu,  
40 in Kanto areas)

**Average spending** ¥1,100 ~ ¥1,200

## Strategies

- Further cost reduction in opening new restaurants
- Scrap & build to enhance profitability
- Further evolution of "Sato-Shabu" and establishing another core menu following "Sato-Shabu"
- Adopting "table order system" at every restaurant

The largest brand of SRS group  
Extremely popular for its "Sato-Shabu"  
(all-you-can-eat style Shabu-Shabu)



## Category ②: Sushihan



### Features

- Focused on Nabe & Sushi, making full use of seasonal materials, taste of Dashi soup stock and craftsmanship
- Every restaurant provides Zashiki (Japanese style room), useful for large & small parties, Buddhist memorial service and celebration
- Fresh centers enable more stable quality of raw materials
- More freshness of foodstuff and more on-site productivity
- Home delivery service

**Number of restaurants** Houzenji Sushihan main restaurant: 1  
Sushihan: 12 restaurants

**Average spending** ¥1,900 ~ ¥2,000

**Strategies** More on-site productivity by making use of fresh centers

**Starting brand of SRS group**  
**Serving traditional Japanese cuisine**  
**mainly in Osaka City**





## Category ③: Santen



### Tendon & Tempura Honpo "Santen"

Supreme Tempura  
cooked by  
nonprofessional

1st restaurant opened in August,  
2012

#### Features

- Fast-casual restaurants, a growing category
- New category that is developed internally
- Prawn Tendon (Tempura Bowl), the principal item, is served at 390 yen
- Thorough systemization and low-cost operation

**Number of restaurants** Directly-managed:  
6 restaurants

**Average spending** around ¥550

#### Strategies

- Building up brand value
- Actively opening new directly-managed restaurants
- FC development

While committing to genuine Tempura, realizing  
thorough systemization to provide  
**"Quick, Low-price and Sizzling"**  
Tendon & Tempura



## Category ④: Nigiri CHOJIRO



July, 2013

Foodsnet Corporation became a wholly-owned subsidiary.

### Features

- Established brand image mainly in Kansai area
- Top brand of Kansai area as gourmet Sushi-go-round restaurants
- Wide variety of restaurant development (large, mid-size, small-size and roadside restaurants)
- Home delivery style Sushi restaurants are also developing

**Number of restaurants** Nigiri CHOJIRO: 50 restaurants  
Home delivery style Sushi: 23 restaurants

**Average spending** around ¥2,300

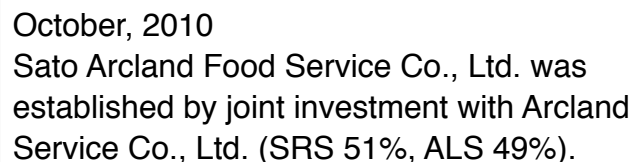
### Strategies

- Continuously opening new restaurants
- Creating synergies with other categories of SRS group for purchase/logistics
- Craftsman training (Omotenashi Dojo (hospitality training))

## Genuine-oriented gourmet Sushi-go-round







- Developing direct restaurants and FC restaurants in Kansai area
- Simple operation (narrow-focused foodstuff, cooking method and number of commodities)  
Serving total 17 menu items made of principal 5 items of foodstuff
- Fair: Fair items are promoted monthly  
Price cut campaign of regular menu items once in 2 months
- Overwhelming volume impression

**Number of restaurants** Directly-managed: 11 restaurants  
FC : 7 restaurants

**Average spending**    ¥700 ~ ¥800

- Actively developing takeout items and delivery service
- Accelerated opening new restaurants
- Full-blown FC development

あたたかなサービスをお届けします。

# カツ丼

(税込529円)

おいしさ色々！

お持ち帰りできます！

デリバリーできます！

の  
宝  
番

## 丼

二階大食堂  
お持ち帰りサービス  
+100円  
税100円

カツ丼(梅)

50gローズ

490円(税込529円)

の  
宝  
番

カツ丼(竹)

50gローズ

650円(税込700円)

カツ丼(松)

50gローズ

850円(税込910円)

ヒレカツ丼

50gローズ

690円(税込740円)

ソースカツ丼(梅)

50gローズ

490円(税込529円)

ソースカツ丼(竹)

50gローズ

650円(税込700円)

## 海老×イカ×ヒレ×メンチ

の  
宝  
番

海鮮・ヒレ・メンチ  
ソースカツ丼

海老フライ1個、イカフライ1個、ヒレフライ1個、メンチカツ1個

590円(税込637円)

の  
宝  
番

海鮮・ヒレ・メンチカツ丼

海老フライ1個、イカフライ1個、ヒレフライ1個、メンチカツ1個

650円(税込702円)

海鮮・ローズカツ定食

海老フライ1個、イカフライ1個、ヒレフライ1個、メンチカツ1個

750円(税込810円)

海鮮・ヒレカツ定食

海老フライ1個、イカフライ1個、ヒレフライ1個、メンチカツ1個

750円(税込810円)

海老フライ1個	80円(税込88円)	イカ	100円(税込108円)
メンチカツ1個	100円(税込108円)	ヒレ	100円(税込108円)
お肉100g	100円(税込108円)	ソース	100円(税込108円)
お肉200g	100円(税込108円)	ソース	100円(税込108円)
お肉300g	100円(税込108円)	ソース	100円(税込108円)
お肉400g	100円(税込108円)	ソース	100円(税込108円)

**Aiming for "realizing Japanese restaurants where as many people as possible  
worldwide  
could enjoy genuine Japanese cuisine at reasonable prices."**



## Indonesia



**Joint venture**  
PT.INDOMARCO  
PRISMATAMA

**September, 2013: 1st restaurant started up  
(Jakarta)**

### Strategies

- Establishing business base in Indonesia
- Expanding sales network for lunchbox in Indonesia



## Taiwan



**Joint venture**  
President Chain  
Store Corporation

**October, 2010: 1st restaurant started up  
in Hankyu department store (Taipei)**

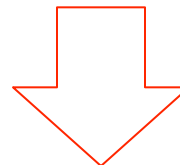
**April, 2013: 2nd restaurant started up in Danshui  
District (newly-established residential area)**

### Strategies

- More restaurants operated in Taiwan



**Expansion to third  
countries**





**Founded in 1883**

**A famous brand inheriting culinary tradition of ordinary people of Osaka,  
located on the 1st floor of Houzenji main restaurant**

**Now rapidly gaining popularity,  
thanks to the same-named NHK drama program "Meotozenzai"**

(August - September, 2013)





# Appendix

Registered Name	Sato Restaurant Systems Co., Ltd.
Headquarters	30F Osaka Kokusai Building, 2-3-13, Azuchi-machi, Chuo-ku, Osaka-City, OSAKA, 541-0052
Established	August 27, 1968
Paid in Capital	¥6,361,750,000
Employees	854 (consolidated), Part-time and temporary employees: 9,086 (consolidated)(as of end of Mar. 2014)
Stock Listing	Listed on Tokyo Securities Exchange, First Section Shareholders: 16,394(as of end of Sep. 2013)
Subsidiary	Foodsnet Corporation(Nigiri CHOJIRO, Miyakobito)
Affiliates	Sato Arcland Food Service Co., Ltd. (Katsuya) Space Supply Co., Ltd. (real estate management) President Sato Co., Ltd. (Taiwan) PT. Indosato Jaya Makmur Co., Ltd. (Indonesia)

### **SRS group makes use of risk management for our day-to-day corporate management.**

#### **Sales fluctuation**

##### **Measure**

Accelerated opening new restaurants of "Katsuya" and "Santen", both of which are fast-casual restaurants insusceptible to economic fluctuation.

"Washoku Sato" aims for enhancing its profitability up to the limit and for the lowest price zone.

#### **Competition**

##### **Measure**

Taking customers satisfaction as a motto, while planning affordable commodities in terms of price, quality and quantity.

Stable capabilities of procuring principal raw materials and kitchen capability always seeking streamlining.

#### **Profit dispersion**

##### **Measure**

Sales dependency on the main category "Washoku Sato" declined from 90% to around 65%, due to acquisition of Foodsnet Corporation.

Actively developing the fast-casual restaurants of "Santen" and "Katsuya", thereby facilitating further dispersion.

#### **Food safety**

##### **Measure**

Checking safety based on our own safety and health standards, on top of those set by the Health, Labor and Welfare Ministry.

Ensuring hand-washing and health status check at every restaurant, and safety/health control by voluntary sanitation check.

#### **Purchase price and stable procurement**

##### **Measure**

Promoting purchase & development capabilities (e.g. direct purchase of foodstuff) and "vertical merchandising". (examples) prawn, eel, Hijiki seaweed and grated radish

## Manpower makes a company

SRS group has put its effort into fostering/reinforcing human resource as its paramount agenda.

### **Recommencing the educator scheme**

With respect to education plan for the entire company organization, to assign a responsible person for supervising the plan in a centralized manner and, under a uniform education scheme, to promote fostering human resource with focus on educating candidates for executive positions.

### **Enhancing internal/external seminars**

For discovering talented personnel and utilizing human resource, actively making use of in-house seminar inviting outside lecturer and of various external seminars, according to such as hierarchy, age and roles.

### **Considering dispatching employees to graduate schools**

Depending on the educational objective, fostering professional staff and candidates for executive positions by making use of external education curriculum, beyond inheriting internal know-how.

### **Enhancing job-rotation**

Towards accomplishing the new mid-term management plan, and under a uniform education scheme, carrying out well-planned staff assignment with a long-range viewpoint, with an aim to foster a large number of specialists.

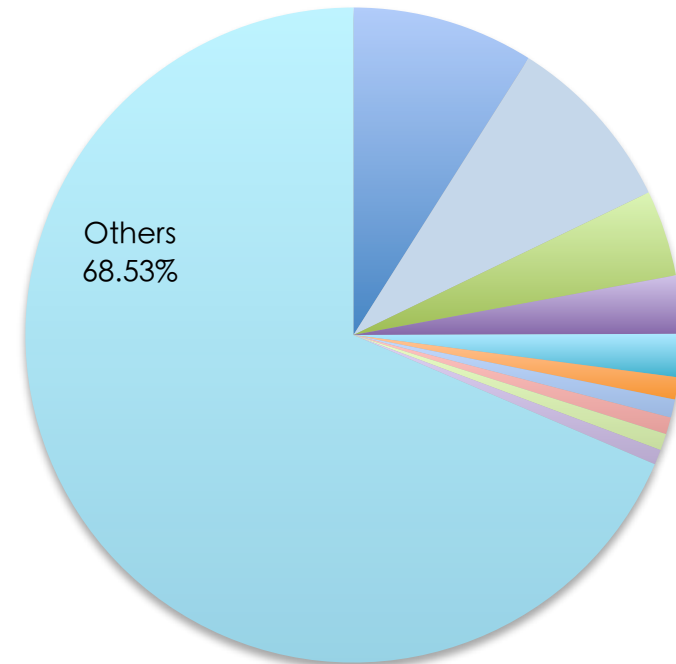
# Shareholder composition

Total number of outstanding shares: 28,209,080  
shares  
Shareholders: 16,394

(as of Sep. 30, 2013)

	(thousand shares)	%
Yoshitaka Shigesato	2,530	8.97
Yuriko Shigasato	2,500	8.86
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,199	4.25
Japan Trustee Services Bank, Ltd.	807	2.86
Kirin Brewery Co., Ltd.	600	2.13
Key Coffee, Inc.	308	1.09
Sato Restaurant Systems Employees Stock Ownership	254	0.90
Mizuho Bank, Ltd.	235	0.84
Designated Securities Trust Societe Generale Private Banking (Japan) Ltd.	231	0.82
Sompo Japan Nipponkoa Insurance, Inc.	210	0.74
Others	19,335	68.54

Number of foreign-owned shares:  
596,300 shares 2.1%  
Number of shares owned by the special few:  
8,951,107 shares 31.7%  
Number of floating shares:  
16,649,470 shares 59.0%





## Contact

Sato Restaurant Systems Co., Ltd.  
Corporate Planning Division.(Tanaka, Okamoto, Okada)  
TEL: +81-6-7709-9977  
email: [873@sato-rs.jp](mailto:873@sato-rs.jp)

Earnings forecasts and other descriptions concerning the future contained in this document are based on information currently available to the Company. This includes largely uncertain elements and therefore actual business performance and other elements may differ substantially due to various factors. We would appreciate that you should understand the above mentioned presumptions and make decisions on any investment according to your own judgement.