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November 8, 2019

**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2020
(Six Months Ended September 30, 2019)**

[Japanese GAAP]

Company name: SRS HOLDINGS CO., LTD. Listing: Tokyo Stock Exchange, First Section
 Securities code: 8163 URL: <https://srs-holdings.co.jp/>
 Representative: Masahiko Shigesato, President & Chief Executive Officer
 Contact: Masahiro Tanaka, Director & Head of Administration Division Tel: +81-6-7222-3101
 Scheduled date of filing of Quarterly Report: November 13, 2019
 Scheduled date of payment of dividend: -
 Preparation of supplementary references regarding quarterly results: No
 Holding of quarterly results briefing: YES(For institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2020
(April 1, 2019 – September 30, 2019)**

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2019	22,487	2.6	441	(13.5)	542	12.2	207	(4.0)
Six months ended Sep. 30, 2018	21,908	1.0	510	96.1	483	88.5	216	0.6

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2019: 153 (down41.7%)
 Six months ended Sep. 30, 2018: 263 (down2.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2019	6.26	-
Six months ended Sep. 30, 2018	6.52	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2019	27,713	14,231	50.9	424.51
As of Mar. 31, 2019	29,274	14,277	48.3	425.83

Reference: Shareholders' equity (million yen) As of Sep. 30, 2019: 14,097 As of Mar. 31, 2019: 14,141

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2019	-	-	-	6.00	6.00
Fiscal year ending Mar. 31, 2020	-	-	-	-	-
Fiscal year ending Mar. 31, 2020 (forecast)	-	-	-	5.00	5.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	46,000	3.3	950	(6.8)	1,000	2.4	290	2.6	8.73

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

New companies: -

Excluded companies: -

(2) Application of special accounting methods to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting -based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Sep. 30, 2019: 33,209,080 shares

As of Mar. 31, 2019: 33,209,080 shares

2) Number of treasury shares at the end of period

As of Sep. 30, 2019: 343 shares

As of Mar. 31, 2019: 343 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2019: 33,208,737 shares

Six months ended Jun. 30, 2018: 33,208,786 shares

*** This report is not subject to quarterly review by certified public accountants or auditing firms.**

*** Explanation regarding appropriate use of the earnings forecasts and other special notes**

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Results of Operations

① Consolidated Performance

(Millions of yen)

	First six months of FY 3/19 (Apr. 1, 2018–Sep. 30, 2018)			First six months of FY 3/20 (Apr. 1, 2019–Sep. 30, 2019)		
	Results	YoY change (Amount)	YoY change (%)	Results	YoY change (Amount)	YoY change (%)
Net sales	21,908	213	1.0%	22,487	578	2.6%
Operating profit	510	249	96.1%	441	△69	△13.5%
Ordinary profit	483	227	88.5%	542	58	12.2%
Profit attributable to owners of parent	216	1	0.6%	207	△8	△4.0%

In the first half of the fiscal year ending March, 2020 sales rose mainly due to an increase in the number of new stores opened and a steady increase of sales in the existing stores of “Nigiri Chojiro” restaurants.

Operating profit decreased due to an increase in personnel expenses and other factors, but ordinary income increased due to an increase in dividends received and other factors. Profit attributable to owners of parent decreased due to an increase in tax expenses.

(Other Measures)

In the “Washoku Sato” restaurants, we continued to refine our core menu “Sato-Shabu”(all-you-can-eat Shabu-shabu) and “Sato-Suki”(all-you-can-eat Sukiyaki) take steps to increase the frequency of customer visits to our stores, such as holding a Sato-Shabu 10th anniversary campaign and launching a Deluxe course that allows customers to enjoy all-you-can-eat specialty food.

In the “Tendon Tempura Honpo Santen” restaurants, with the aim of commercializing the new standard menu, we began test sales of menu using fried chicken, and also sold limited-time menus using conger eel, pike, etc. to increase the frequency of customer visits to the restaurant. We conducted online promotions using online gourmet media to cultivate a new customer base. We also implemented initiatives to improve productivity, including the introduction of an automated ordering system at all stores.

In the “Nigiri Chojiro” restaurants, we conducted campaigns using seasonal ingredients, such as sword fish, mongo squid, and pike conger. We also opened our first overseas store, CHOJIRO Capital Square in Singapore.

In the “Miyamoto Munashi” restaurants, we sold limited-time menus using Tongue, Short rib, etc., and we continued efforts to acquire new customers and increase the frequency of current customer visits to the stores, including the sale of zaru-soba sets and limited menu items for weekday lunches. We have opened the Attaka JR Tsukaguchi Ekimae store, the new business concept of “Set meals and box lunch shops where you can easily stop by to dine in or take out”.

In the “Katsuya” restaurants, we changed our grand menu and expanded our menu of katsudon menus. Additionally, we sold a limited-time menu, all-inclusive katsudon and chicken katsudon with ginger fried chicken sauce as “SUPER HUNGRY SALE”.

The segment information is not provided because the SRS Group has only a single segment of food service business.

[Our Group]Number of Stores by Business Category

Name	FY 3/19 (As of Mar. 31, 2019)	Newly opened restaurants	Closed restaurants	2nd quarter of FY 3/20 As of Sep. 30, 2019	Restaurants planned to open during FY 3/20
Washoku Sato	204(-)	2(-)	2(-)	204(-)	3(-)
Tendon Tempura Honpo Santen	43(1)	-(-)	-(-)	43(1)	2(-)
Nabeichi	1(-)	-(-)	-(-)	1(-)	1(-)
Meotozenzai	1(-)	-(-)	-(-)	1(-)	-(-)
Nigiri Chojiro ※	60(-)	2(-)	-(-)	62(-)	5(-)
Nigiri Chujiro	7(-)	1(-)	-(-)	8(-)	2(-)
Miyakobito	13(13)	-(-)	2(2)	11(11)	-(-)
Meshiya Miyamoto Munashi ※	63(5)	1(-)	-(-)	64(5)	2(-)
Katsuya	39(16)	-(-)	-(-)	39(16)	3(2)
Karayama	1(-)	1(-)	-(-)	2(-)	2(-)
Domestic total	432(35)	7(-)	4(2)	435(33)	20(2)
Overseas stores	10(6)	4(2)	1(1)	13(7)	11(6)
Worldwide total	442(41)	11(2)	5(3)	448(40)	31(8)

Note:Numbers in parentheses represent FC restaurants(domestic)and joint venture restaurants(overseas).

※Nigiri Chojiro includes CHOJIRO restaurants.

※Miyamoto Munashi includes Attaka restaurants.

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the second quarter of the fiscal year under review, decreased by 1560 million yen compared to the end of the previous fiscal year to 27,713 million yen.

Current assets decreased by 2,020 million yen compared to the end of the previous fiscal year to 9,706 million yen. This was mainly due to a decrease of 1,678 million yen in cash and deposits, etc.

Non-current assets increased by 466 million yen compared to the end of the previous fiscal year to 17,905 million yen. This was mainly due to an increase of 451 million yen in other net property, plant and equipment.

Current liabilities decreased by 831 million yen compared to the end of the previous fiscal year to 6,170 million yen). This was mainly due to a decrease of 314 million yen in other current liabilities, a decrease of 165 million yen in current portion of long-term debt, a decrease of 155 million yen in accounts payable-trade etc.

Non-current liabilities decreased by 683 million yen compared to the end of the previous fiscal year to 7,311 million yen). This was mainly due to a decrease of 390 million yen in long-term loans payable, and a decrease in bonds of 342 million yen, etc.

Net assets decreased by 45 million yen compared to the end of the previous fiscal year to 14,231 million yen.

(3) Explanation of Cash Flows

Cash and cash equivalents(hereinafter referred to as "cash")at the end of the first half of the current fiscal year decreased by 1,678 million yen compared with the end of the previous fiscal year to 7,661 million yen.

During the first half of the fiscal year under review Cash flows for each category and factors affecting cash flows are as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities was 767 million yen(518 million yen in the same period of the previous fiscal year). This was mainly attributable to income before income taxes and minority interests of 494 million yen, depreciation and amortization 783 millions of yen, decrease in accrued consumption tax, etc. 292 millions of yen, etc.

Cash Flows from investing activities

Net cash used in investing activities, 1,301 million yen(previous year:642 million yen). This was mainly due to the purchase of property, plant and equipment. 1250 million yen, etc.

Cash Flows from Financing Activities

Net cash used in financing activities, 1,142 million yen(previous year:1,606 million yen). This was mainly due to repayments of long-term loans payable of 556 million yen and the redemption of bonds amounting to 342 million yen and 199 million yen in cash dividends paid, etc.

(4) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

For consolidated financial results forecasts for the fiscal year ending March 31, 2020, There are no revisions to the full-year consolidated earnings forecast that was announced on May 10, 2019. in the Summary of.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY 3/19 (As of Mar. 31, 2019)	Second quarter of FY 3/20 (As of Sep. 30, 2019)
Assets		
Current assets		
Cash and deposits	9,339,721	7,661,138
Accounts receivable-trade	842,705	866,020
Merchandise	37,525	34,376
Raw materials and supplies	669,858	646,088
Other	836,339	498,437
Total current assets	11,726,151	9,706,062
Non-current assets		
Property, plant and equipment		
Buildings, net	3,177,471	3,343,939
Land	2,832,185	2,832,185
Other, net	2,573,877	3,025,480
Total property, plant and equipment	8,583,534	9,201,605
Intangible assets		
Goodwill	2,277,467	2,191,436
Other	862,042	899,264
Total intangible assets	3,139,509	3,090,701
Investments and other assets		
Investment securities	609,408	571,257
Long-term loans receivable	956,431	958,291
Guarantee deposits	3,189,265	3,140,785
Deferred tax assets	594,539	586,745
Other	374,657	382,969
Allowance for doubtful accounts	△9,121	△27,326
Total investments and other assets	5,715,181	5,612,722
Total non-current assets	17,438,225	17,905,029
Deferred assets	109,686	102,126
Total assets	29,274,063	27,713,218

(Thousands of yen)

	FY 3/19 (As of Mar. 31, 2019)	Second quarter of FY 3/20 (As of Sep. 30, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	1,360,759	1,205,668
Current portion of bonds	685,000	685,000
Current portion of long-term loans payable	1,031,224	865,244
Accounts payable-other	2,005,408	1,891,202
Income taxes payable	285,691	246,980
Provision for bonuses	366,631	323,913
Other	1,266,708	952,211
Total current liabilities	7,001,422	6,170,221
Non-current liabilities		
Bonds payable	3,995,000	3,652,500
Long-term loans payable	1,778,606	1,388,225
Deferred tax liabilities for land revaluation	82,947	82,947
Provision for directors' retirement benefits	27,753	27,753
Asset retirement obligations	703,696	731,091
Other	1,407,109	1,428,930
Total non-current liabilities	7,995,112	7,311,446
Total liabilities	14,996,535	13,481,667
Net assets		
Shareholders' equity		
Capital stock	8,532,856	8,532,856
Capital surplus	4,981,675	4,981,675
Retained earnings	1,363,313	1,371,977
Treasury shares	△295	△295
Total shareholders' equity	14,877,549	14,886,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	190,195	164,670
Deferred gains or losses on hedges	23,928	3,767
Revaluation reserve for land	△962,306	△962,306
Foreign currency translation adjustment	12,010	5,068
Total accumulated other comprehensive income	△736,172	△788,799
Non-controlling interests	136,150	134,136
Total net assets	14,277,528	14,231,550
Total liabilities and net assets	29,274,063	27,713,218

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 (Quarterly Consolidated Statement of Income)
 (For the Six-month Period)

(Thousands of yen)

	First six months of FY 3/19 (Apr. 1, 2018–Sep. 30, 2018)	First six months of FY 3/20 (Apr. 1, 2019–Sep. 30, 2019)
Net sales	21,908,634	22,487,074
Cost of sales	7,357,757	7,709,589
Gross profit	14,550,877	14,777,484
Selling, general and administrative expenses	14,040,721	14,336,439
Operating profit	510,155	441,044
Non-operating income		
Interest income	6,614	5,771
Dividend income	7,163	128,365
House rent income	36,104	34,712
Foreign exchange gains	31,708	6,483
Miscellaneous income	25,612	31,438
Total non-operating income	107,203	206,770
Non-operating expenses		
Interest expenses	55,733	50,749
Rent expenses on real estates	29,098	27,722
Miscellaneous loss	48,684	26,566
Total non-operating expenses	133,517	105,037
Ordinary profit	483,841	542,777
Extraordinary income		
Gain on sales of non-current assets	-	3,999
Gain on sales of investment securities	-	186
Gain on cancellation of leasehold contracts	11,018	153
Compensation income	-	4,118
Total extraordinary income	11,018	8,459
Extraordinary losses		
Loss on retirement of non-current assets	17,229	25,033
Impairment loss	34,620	13,290
Loss on cancellation of leases	3,780	18,600
Total extraordinary losses	55,629	56,924
Profit (loss) before income taxes	439,230	494,312
Income taxes-current	237,469	260,804
Income taxes-deferred	△18,079	27,605
Total income taxes	219,389	288,410
Profit	219,840	205,901
Profit attributable to non-controlling interests		
Loss attributable to non-controlling interests (△)	3,194	△2,013
Profit attributable to owners of parent	216,645	207,915

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Quarterly Consolidated Statements of Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY 3/19 (Apr. 1, 2018–Sep. 30, 2018)	First six months of FY 3/20 (Apr. 1, 2019–Sep. 30, 2019)
Profit	219,840	205,901
Other comprehensive income		
Valuation difference on available-for-sale securities	10,017	△25,524
Deferred gains or losses on hedges	40,042	△20,160
Foreign currency translation adjustment	△6,891	△6,941
Total other comprehensive income	43,168	△52,627
Comprehensive income	263,009	153,274
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	259,814	155,288
Comprehensive income attributable to non-controlling interests	3,194	△2,013

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY 3/19 (Apr. 1, 2018–Sep. 30, 2018)	First six months of FY 3/20 (Apr. 1, 2019–Sep. 30, 2019)
Cash flows from operating activities		
Profit (loss) before income taxes	439,230	494,312
Depreciation	723,485	783,261
Amortization of goodwill	86,030	86,030
Impairment loss	34,620	13,290
Increase (decrease) in provision for bonuses	30,602	△42,718
Increase (decrease) in allowance for doubtful accounts (△ indicates decrease)	△490	18,204
Interest and dividend income	△13,777	△134,136
Interest expenses	55,733	50,749
Gain or loss (gain) on sales of investment securities (△ indicates profit)	-	△186
Loss on retirement of non-current assets	17,229	25,033
Decrease (increase) in notes and accounts receivable-trade (△ indicates increase)	4,643	△23,765
Decrease(increase) in inventories	574	26,544
Increase (decrease) in notes and accounts payable-trade (△ indicates decrease)	△144,966	△154,369
Increase (decrease) in accrued consumption taxes (△ indicates decrease)	△183,109	△292,199
Decrease(increase) in consumption taxes refund receivable (△ indicates increase)	137,481	266,484
Increase (decrease) in accounts payable-other (△ indicates decrease)	△132,407	△112,464
Other, net	△19,747	△22,500
Subtotal	1,035,132	981,570
Interest and dividend income received	7,562	128,237
Interest expenses paid	△56,708	△50,889
Income taxes paid	△467,456	△291,313
Net cash provided by (used in) operating activities	518,530	767,605
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	106,240	-
Purchase of property, plant and equipment	△686,104	△1,250,170
Purchase of intangible assets	△16,934	△12,622
Proceeds from sales of investment securities	-	1,889
Payments for guarantee deposits	△67,630	△36,947
Proceeds from collection of guarantee deposits	50,732	31,137
Payments of construction assistance fund receivables	△36,500	△48,000
Collection of construction assistance fund receivables	47,837	47,279
Other, net	△39,869	△33,770
Net cash provided by(used in) investing activities	△642,228	△1,301,204
Cash flows from financing activities		
Repayments of long-term loans payable	△1,058,736	△556,588
Repayment of finance lease obligations	△73,808	△44,481
Redemption of bonds	△307,500	△342,500
Cash dividends paid	△166,043	△199,252
Cash flow from financing activities	△1,606,088	△1,142,822
Effect of exchange rate change on cash and cash equivalents	△3,774	△2,160
NET(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	△1,733,561	△1,678,583
Cash and cash equivalents at beginning of period	10,732,262	9,339,721
Period-end balance of cash and cash equivalents	8,998,701	7,661,138

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment and Other Information)

Disclosure is omitted because the Group has only one segment of the restaurant business.

(Significant Subsequent Events)

(Signing of a basic agreement to make KAZOKUTEI CO.,LTD. and Sun Laurie CO.,LTD. wholly owned subsidiaries through a share exchange)

At the board of directors meeting held on November 8, 2019, SRS HOLDINGS CO.,LTD. will be the wholly owning parent company and KAZOKUTEI CO.,LTD. ("The Share Exchange 1"), and the Share Exchange with the Company as the wholly-owning parent company of the Share Exchange and Sun Laurie CO.,LTD. ("The Share Exchange 2"). The Share Exchange 1 and Share Exchange 2 are collectively referred to as ("The Share Exchange"). Same day with H2O RETAILING CORPORATION. (hereinafter referred to as "H2O"), SRS Holdings, Sun Laurie and H2O, which is the consolidated parent company of Sun Laurie. A basic agreement was signed.

SRS HOLDINGS CO.,LTD. held a board meeting on November 8, 2019, with SRS Holdings as the wholly-owning parent company and KAZOKUTEI CO.,LTD. (hereinafter referred to as "Kazokutei") as a wholly-owned subsidiary (hereinafter referred to as "The Share Exchange 1"), and SRS Holdings as the wholly owning parent company and Sun Laurie CO.,LTD. (hereinafter referred to as "Sun Laurie") as the wholly owned subsidiary company. The basic policy for the exchange (hereinafter referred to as "the Share Exchange 2"). The Share Exchange 1 and the Share Exchange 2 are collectively referred to as "the Share Exchange" was resolved, and SRS Holdings, Kazokutei and The company's shareholder, H2O RETAILING CORPORATION. (hereinafter referred to as "H2O") and the consolidated parent of Sun Laurie and Sun Laurie. A basic agreement was signed with H2O, on the same date.

In accordance with the provisions of Article 796, Paragraph 2 of the Companies Act, the Company plans to conduct the Share Exchange through a simplified share exchange procedure that does not require approval by the General Meeting of Shareholders.

1. Purpose of the Share Exchange

We are a food service company group that operates 451 stores October 31, 2019, as of today, mainly in the Kansai area, Washoku Sato, Tendon Tempura Honpo Santen, Nigiri Chojiro, Meshiya Miyamoto Munashi, etc. Last year, we announced medium-term management plan "Project MIRAI". Going forward, we will accelerate organic growth by further improving profitability of existing formats, opening new stores, and constructing future-oriented store systems. At the same time, we will conduct M&A in the restaurant business, centered on western Japan, and we are aiming for 1,000 billions of yen net sales in fiscal 2022.

On the other hand, in the restaurant industry in which we operate, we expect the operating environment to remain challenging as a whole. Urban areas, soaring raw material costs, logistics costs, and promotional costs, as well as intensifying competition from competitors in the market.

Based on the above recognition, we are in May 10th, 2019. As announced yesterday, we formed a capital and business alliance with H2O, which aims to expand its overwhelming market share in the Kansai area, and built up a relationship as a "strategic business partner", and further synergies with each business. In pursuit of further synergies in the businesses that each has, we have repeatedly discussed to maximize the corporate value of both companies.

By making Kazokutei and Sun Laurie wholly owned subsidiaries through this share exchange, we will further expand our presence in Kansai and other areas where the Group excels, retain customers, and reduce raw material costs, distribution costs, and promotional costs through volume advantages. At the same time, we believe it is optimal for us to adjust our portfolio from a suburban business model to an

urban business, and to acquire know-how to strengthen the opening of stores in shopping centers in existing formats. We have reached the conclusion of this basic agreement and we have decided to start a specific consideration.

2. Summary of the Share Exchange

(1) Schedule of the Share Exchange

Board of Directors Approving Basic Agreement (H20)	October 31, 2019
Board of Directors to approve the basic agreement (SRS, Kazokutei, Sun Laurie)	November 8, 2019
Date of signing of the basic agreement	November 8, 2019
Board of Directors to approve the share exchange agreement (SRS, Kazokutei, Sun Laurie)	November 26, 2019 Date (planned)
Share exchange agreement date (SRS, Kazokutei, Sun Laurie)	November 26, 2019 Date (planned)
Extraordinary General Meeting of Shareholders (Kazokutei, Sun Laurie) Approved Share Exchange Agreement	December 11, 2019, Date (planned)
Scheduled date of share exchange (effective date)	January 1, 2020 Date (planned)

(2) Share Exchange Method

The Share Exchange 1 is a share exchange in which we are a wholly-owned parent company and the Kazokutei is a wholly-owned subsidiary. The Share Exchange 2 is a share exchange in which we are a wholly-owned parent company and Sun Laurie is a wholly-owned subsidiary.

We are pleased to note that the Companies Act of Japan 796 This share exchange is scheduled to be executed through the simplified share exchange procedures stipulated in Article 2 without the approval of our general meeting of shareholders. Kazokutei will take place in the Share Exchange 1 upon approval at the extraordinary general meeting of shareholders in December 11, 2019 scheduled to be held. Sun Laurie will take place in the Share Exchange 2 upon approval at the extraordinary general meeting of shareholders in December 11, 2019 scheduled to be held.

(3) The details of the allotment for the Share Exchange;

The Share Exchange Ratio in this Share Exchange will be determined in the Share Exchange Agreement upon consultation between the respective companies in this Share Exchange, based on the results of due diligence and the results of calculation by a third-party calculation institution.

3. Outline of the Parties to the Share Exchange

a. Share Exchange 31 Mar, 2019 As of the date

Name	KAZOKUTEI CO., LTD.
Location	8-34 Chayamachi, Kita-ku, Osaka
Job Title/Name of Representative	Takashi Nakamoto President and Representative Director
Business description	Business of Restaurant sales and grocery sales, etc.
Capital stock	10 millions of yen
Date of establishment	April 5, 1951
Number of shares outstanding	7,030,845 Shares
Number of Employees	223
Fiscal year end	March 31
Net assets	809 millions of yen
Total assets	4,914 millions of yen
Sale	8,778 millions of yen
Operating profit	100 millions of yen
Ordinary profit	93 millions of yen
Net income	21 millions of yen

b. Share Exchange 2 Heisei31 March31 As of the date

Name	Sun Laurie CO.,LTD.
Location	1-4-4, Hanazono-minami Nishinari-ku, Osaka
Job Title/Name of Representative	Hiroshi Wada President and Representative Director
Business description	Business of Restaurant sales and grocery sales, etc.
Capital stock	10 millions of yen
Date of establishment	December 10, 1977
Number of shares outstanding	400,000 Shares
Number of Employees	56
Fiscal year end	March 31
Net assets	569 millions of yen
Total assets	808 millions of yen
Sale	2,535 millions of yen
Operating profit	2 millions of yen
Ordinary profit	2 millions of yen
Net income	△5 millions of yen