



Chikaranomoto Holdings Co., Ltd. (Ticker #: 3561)



14th February 2022

Q3 FY2021-22 Financial Results Briefing

(Supplementary Explanation Material for Financial Results of Q3 of Fiscal Year Ending 31st March 2022)

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Financial Results Q3 FY2021-22



Japan
IPPUDO Sakai IC
Grand Open 13th Dec 2021

Consolidated P&L



CHIKARA no MOTO

Unit : Million Yen	FY2021-22 Q3 Results	FY2021-22 Q3 Plan	Previous FY Q3 Result	vs Plan	VS Previous FY
Revenue	14,124	14,699	12,010	-3.9%	+17.6%
Gross Profit	9,973	—	8,268	—	+20.6%
SG&A Expenses	9,372	—	9,199	—	+1.9%
Operating Income	600	220	-931	—	—
Ordinary Income	599	192	-980	—	—
Pre-Tax Income	371	—	-2,386	—	—
Net Income Attributable to Shareholders	134	33	-2,025	—	—

Recovering sales after Japan's Covid-19 state of emergency was lifted in Sep 2021.
Revenue +17.6% & Operating Income +1,532mil vs same period of previous year.

※Extraordinary losses of 513 mil JPY were recognized in this quarter following group restructuring transactions (with details as disclosed on 28th January 2022 and also summarized in Page 12 of this Briefing).

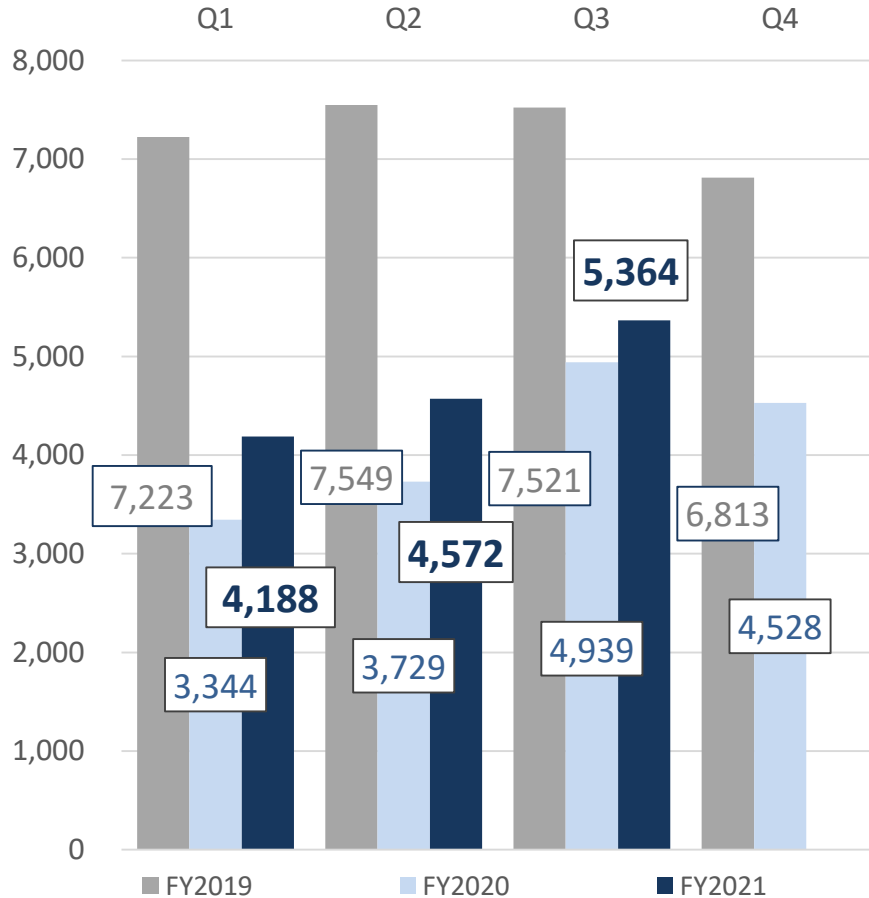
Consolidated Quarterly Results

vs previous years

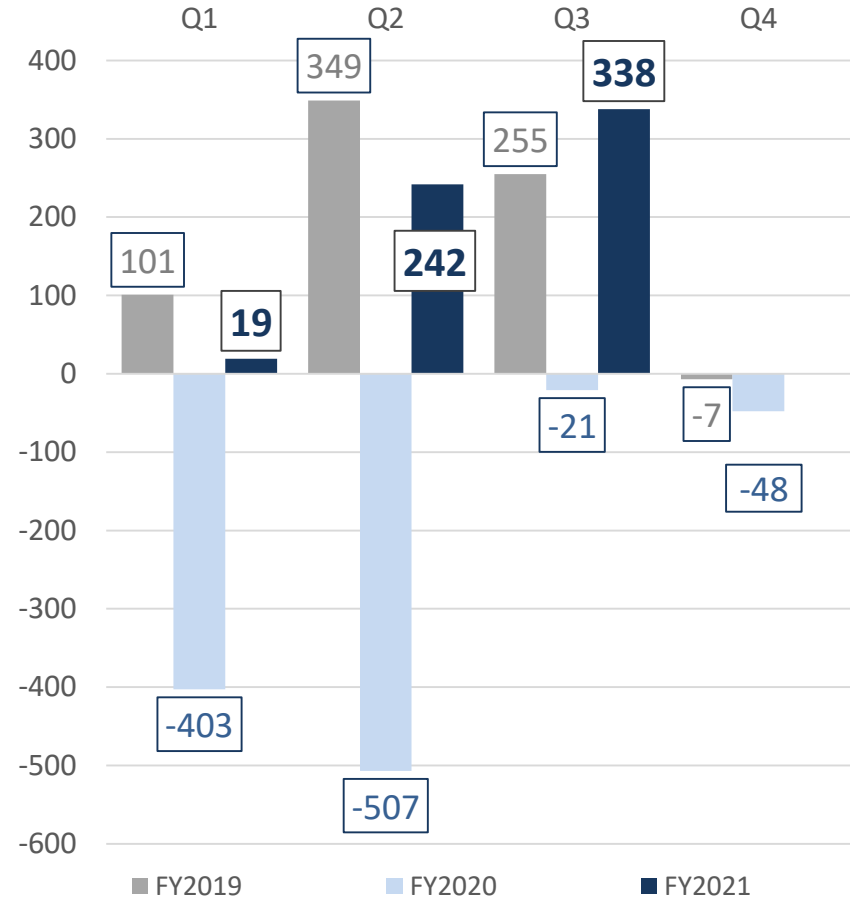


Unit : Million Yen

Revenue



Operating Income



**Revenue showed growth compared to previous FY.
Operating income continued the positive trend in Q2 as a result of store efficiency improvement and cost reduction.**

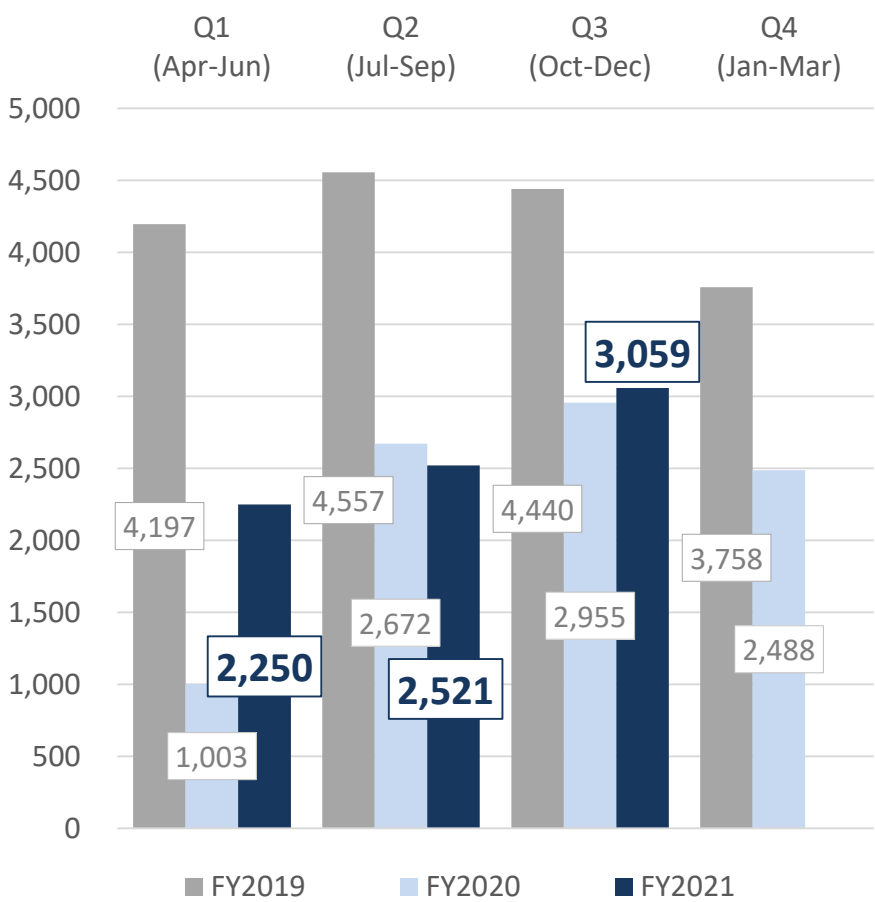
Quarterly Revenue by Segment

vs previous years

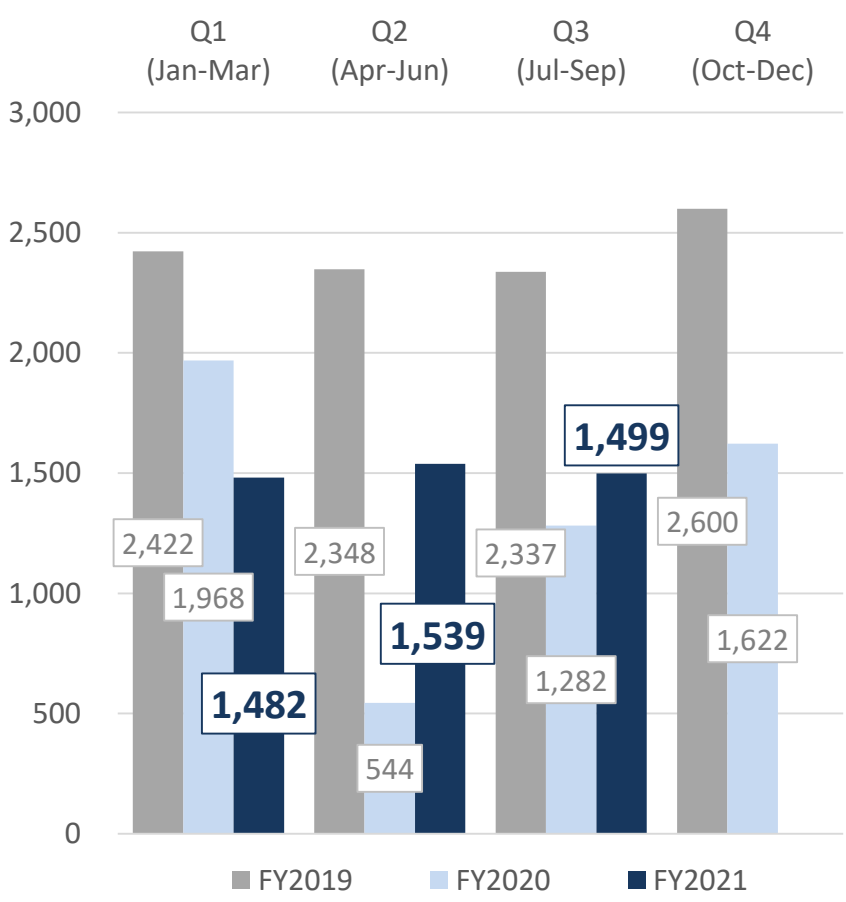


Unit : Million Yen

Domestic Store Operations



International Store Operations



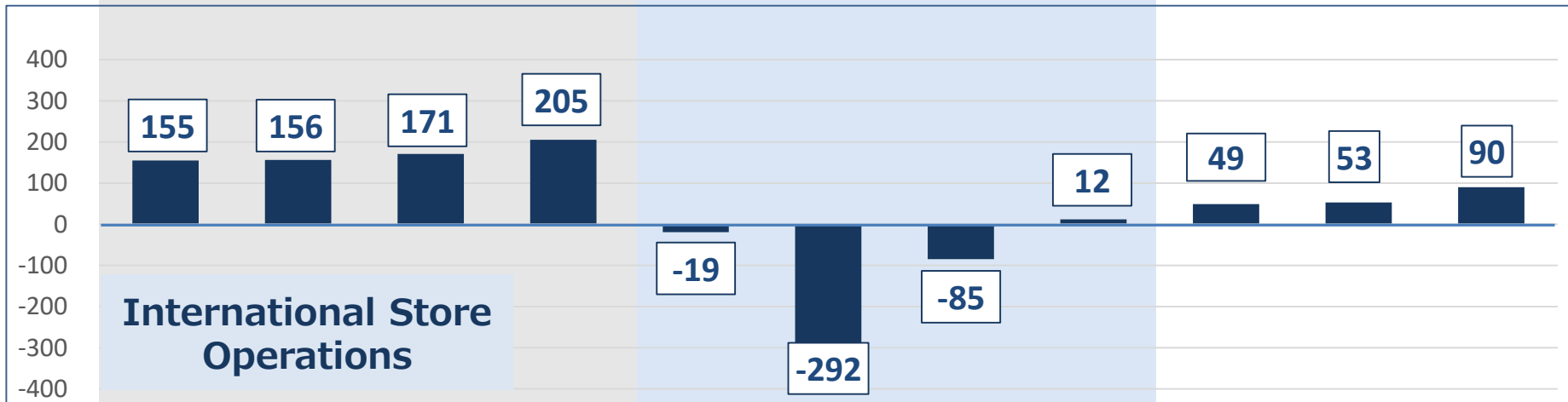
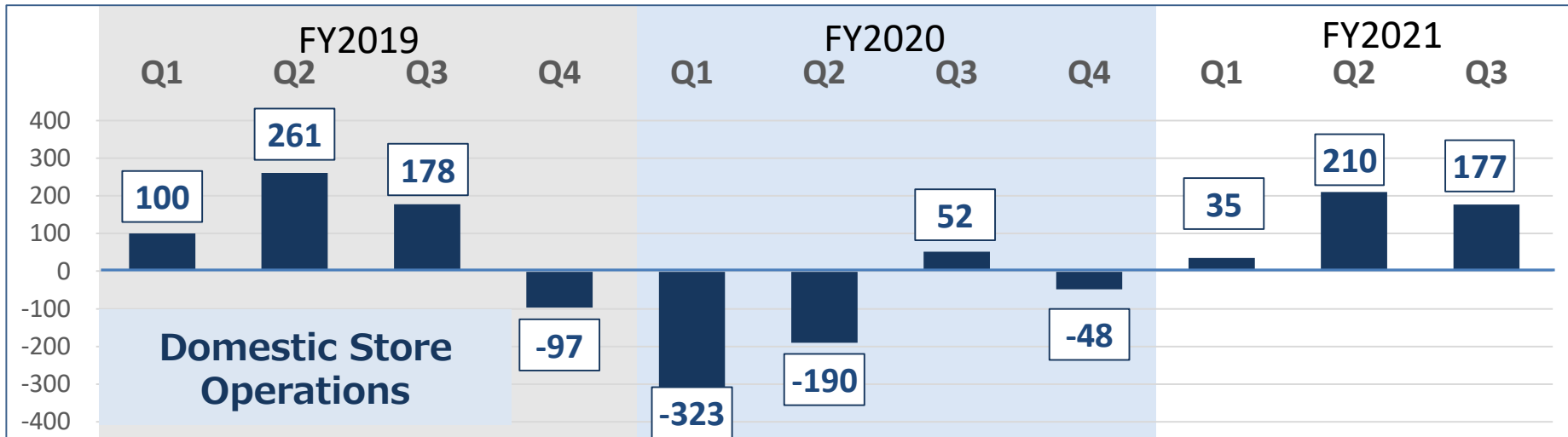
Domestic sales recovering following the lifting of the state of emergency, exceeding same period of last year.
International business remained steady even under high uncertainty of the pandemic situation.

Quarterly Operating Income by Segment

vs previous years



Unit : Million Yen



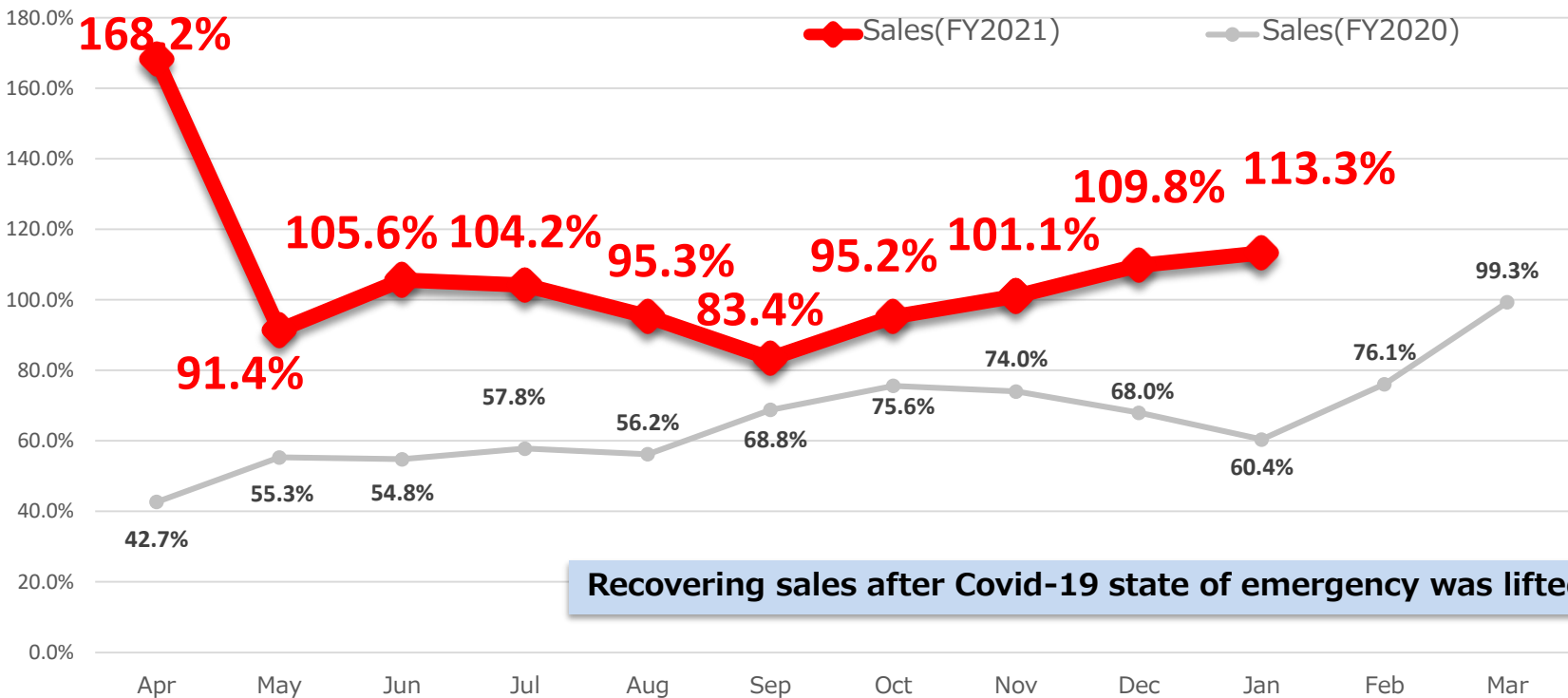
Both segments showed improving trends regardless of the negative impact of Covid-19, thanks to fixed cost reduction and cost structure optimization. Domestic results were inclusive of costs incurred due to lock-downs and operating hours restrictions.

Domestic: Year-to-date sales 100.3% vs previous FY

(Comparable stores only)



FY2021-22 Domestic Year-Over-Year Sales/Number of Customers/Average Check



Recovering sales after Covid-19 state of emergency was lifted.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Sales	168.2%	91.4%	105.6%	104.2%	95.3%	83.4%	95.2%	101.1%	109.8%	113.3%			100.3%
Number of Customers	160.4%	90.5%	103.9%	102.7%	94.1%	82.4%	93.3%	99.3%	108.5%	113.3%			98.7%
Average Check	104.8%	101.0%	101.7%	101.5%	101.3%	101.3%	102.0%	101.9%	101.2%	100.0%			101.6%

◆ Sales

- Restrictive regulations on operating hours and alcohol sales started in Q1 was terminated in Q3 contributing to sales rebound.
- Launch of seasonal items (Miso Shiromaru · Plant-Based Akamaru) and strengthening of delivery/ take-away services.
- 7 new roadside stores opened under the new business model, all showing satisfactory performance.

Q1 : Ippudo Yokohama Izumi · Ippudo Kishiwada · Ippudo Musashikoyama

Q2 : Ippudo Matsumoto

Q3 : Ippudo Munakata Roadside · Ippudo Sunlive Create Munakata · Ippudo Sakai IC

◆ Operating Income

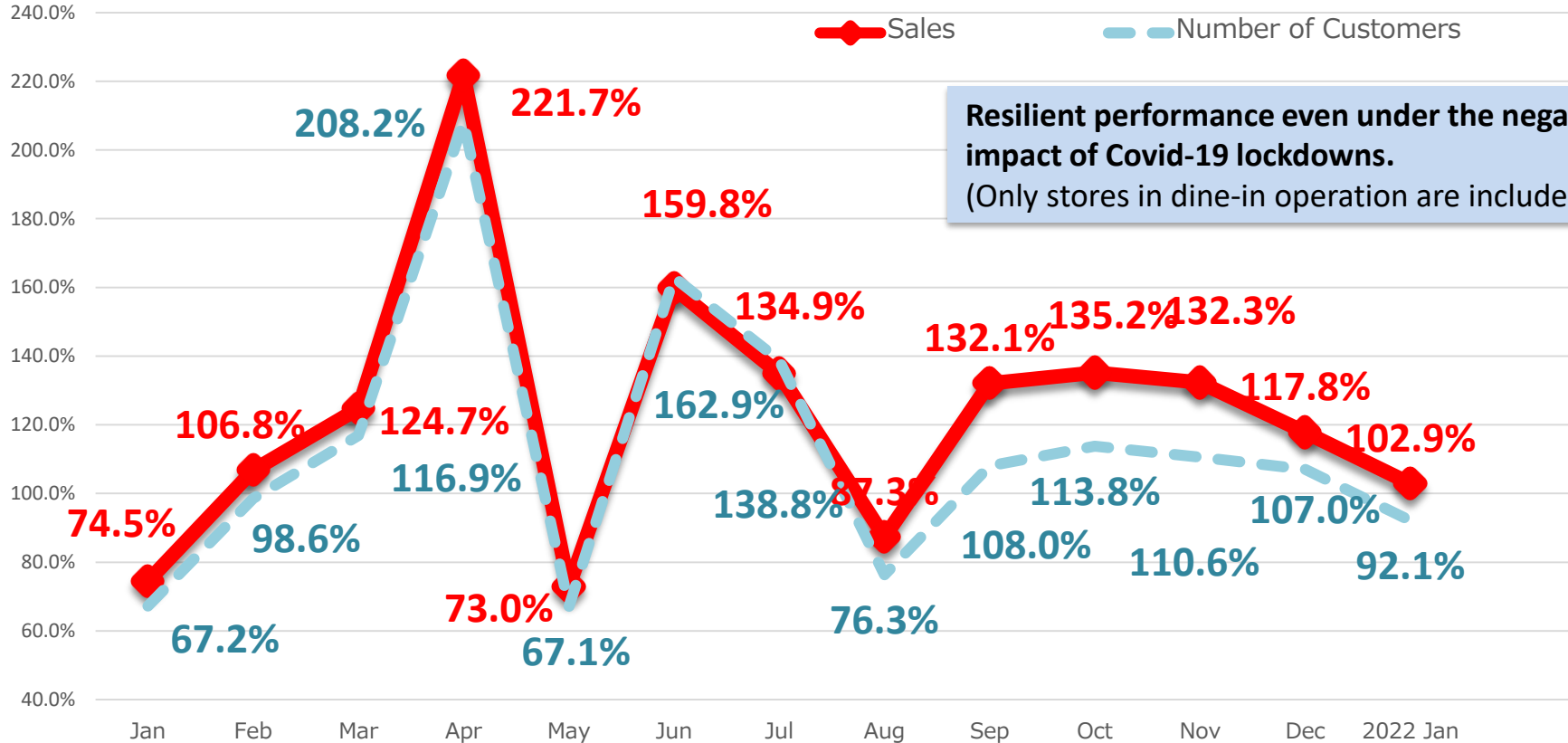
- New initiatives such as QR Code Ordering, Management by Block, Digital Transformation, etc, led to cost reduction and improved profitability.

Int'l: Year-to-date sales 116.1% vs previous FY



(Comparable stores only)

FY2021-22 International Year-Over-Year Sales/Number of Customers/Average Check



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Total
Sales	74.5%	106.8%	124.7%	221.7%	73.0%	159.8%	134.9%	87.3%	132.1%	135.2%	132.3%	117.8%	102.9%	116.1%
Number of Customers	67.2%	98.6%	116.9%	208.2%	67.1%	162.9%	138.8%	76.3%	108.0%	113.8%	110.6%	107.0%	92.1%	101.5%
Average Check	110.8%	108.3%	106.7%	106.5%	108.8%	98.1%	97.2%	114.4%	122.3%	118.8%	119.6%	110.0%	111.7%	114.4%

◆ Sales (Jan~Sep 2021)

- Taiwan/ Singapore: suffered from significant sales loss in Q2 due to Covid-19 lockdowns, but saw sales rebound in Q3 following easing-out of the restrictions.
- Europe/ US: sales declined in Q1 due to lockdowns, but showed continuous increases since April, with the regulations being relaxed in stages.
- Frozen ramen for retailing and enhanced delivery/ take-away services.

◆ Operating Income (Jan~Sep 2021)

- Same initiatives as in Japan such as QR Code Ordering, Digital Transformation, etc, led to cost reduction and avoidance of losses.

(Government Covid subsidies were recognized as extraordinary gains)

Domestic Production & Merchandizing, Others and Corporate Overhead

Domestic Production & Merchandizing

Focused on E-Commerce site and retailing. Significant growth in both sales and operating income.

Others

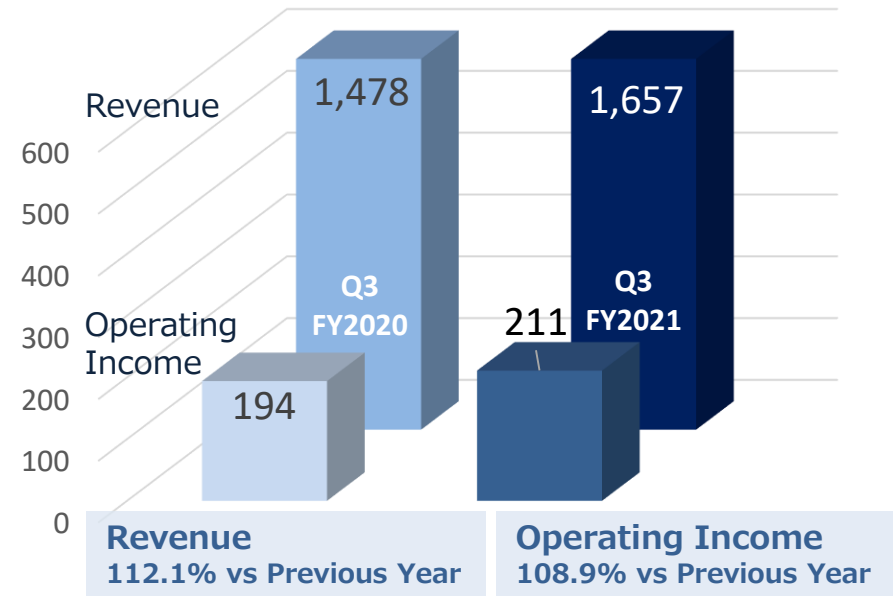
Lost sales due to restricted operation hours was more than fully compensated by increase from delivery / take-away services.

Corporate Overhead

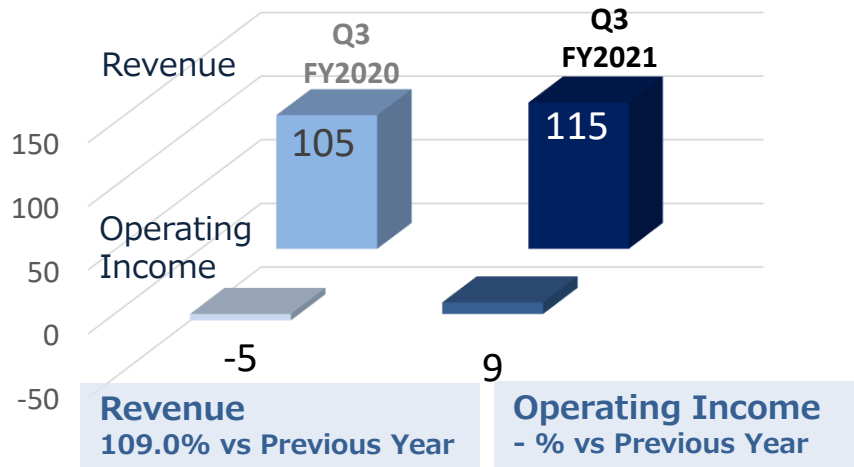
Further cost down of 21mil JPY (8.4%) compared to last year, on top of 35% cost reduction already achieved in last year.

Unit : Million Yen

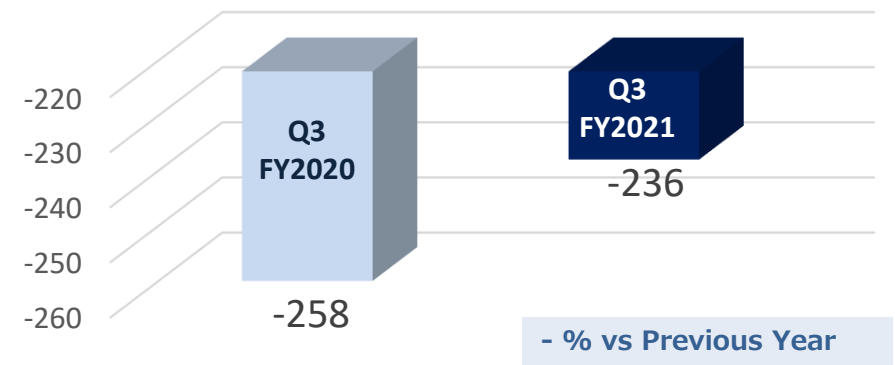
Domestic Production & Merchandizing



Others



Corporate Overhead



※ Inaba Udon was reclassified from Others into Domestic Store Operations. Previous FY figures were retrospectively restated.

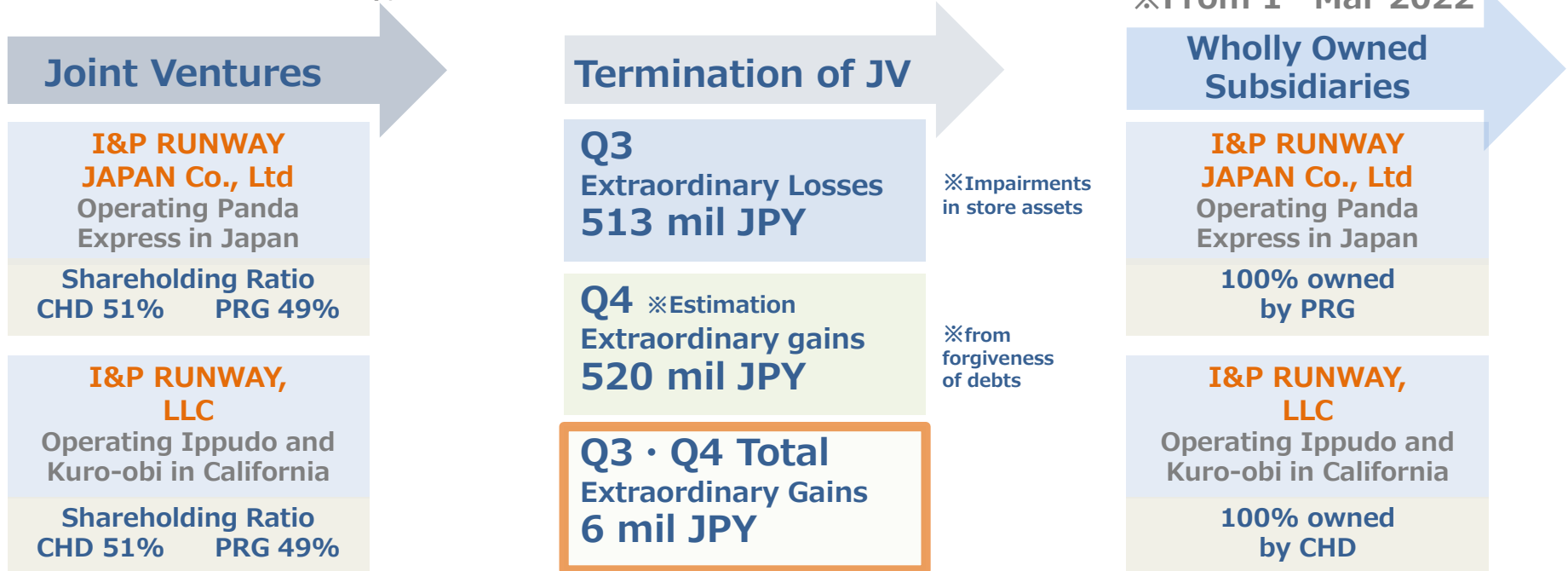
Impact of Group Restructuring

(as disclosed on 28 Jan 2022)

Summary of public disclosure released on 28th Jan 2022 regarding group restructuring (share transfer transactions), and its impact on 3Q and 4Q results.

※CHD: Chikaranomoto Holdings Co., Ltd and its associates

※PRG: Panda Restaurant Group, Inc. and its associates



Extraordinary losses of 513 mil JPY was recognized in Q3, to be offset by extraordinary gains of 520 mil JPY from forgiveness of debts in Q4, resulting in net impact of (+ 6 mil JPY) in this FY.

Among the current 5 stores in California, 4 of them will continue in operation, after impairments were recognized based on estimated future earnings.

Consolidated Balance Sheet



Unit : Million Yen

	Mar 2021	Dec 2021	GAP		Mar 2021	Dec 2021	GAP
Current Assets (Cash and Deposits)	5,832 (3,974)	7,261 (5,141)	+1,429 (+1,166)	Total Liabilities	14,360	13,490	-870
Property, Plant and Equipment	7,238	6,674	-564	Shareholders' Equity	1,313	2,935	+1,622
Intangible Assets	206	180	-25	Accumulated Other Comprehensive Income	-0	93	+93
Investments & Others	2,396	2,411	+15	Non-Controlling Interest	-	8	+8
Non-Current Assets	9,841	9,266	-575	Total Net Assets	1,312	3,037	+1,725
Total Assets	15,673	16,527	+854	Total Liabilities and Net Assets	15,673	16,527	+854

■ Assets

• Cash and deposits	+1,166
• Notes and accounts receivables	+236
• Non-Current Assets	-590

■ Liabilities

• Notes and accounts payable	+149
• Interest bearing loans	-1,184

■ Shareholders' Equity

• Capital and Retained earnings	+831
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※Equity Ratio 18.3%
(8.4% at of end of March 2021)

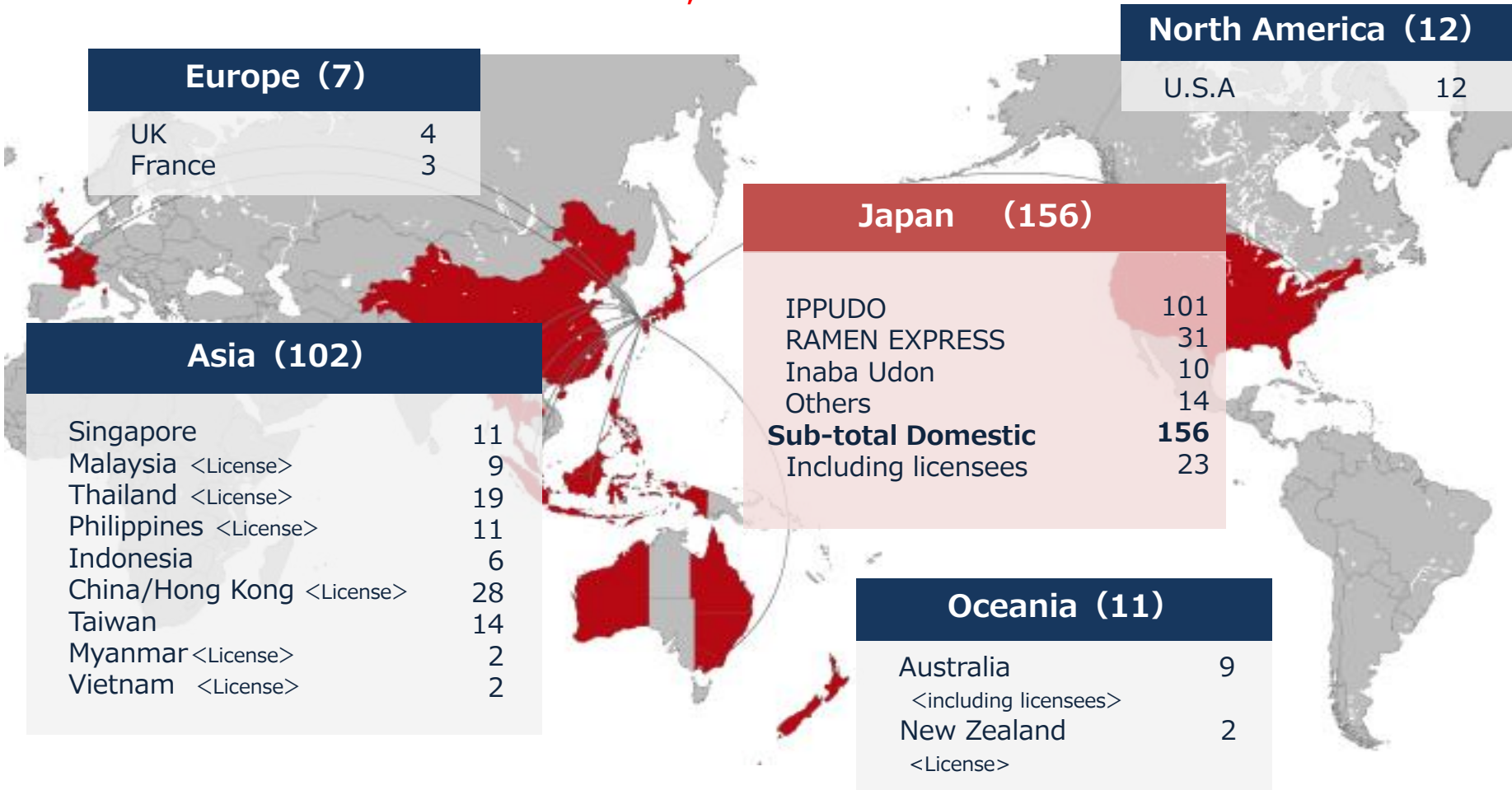
**Debt reduction as the result of both equity financing and positive cash flow from operating activities.
Cash and deposits increased to be 5,141 mil JPY.**

※Please refer to public disclosure released on 14 May 2021 for details of equity financing.

288 Stores in 15 countries and regions

(+8 since the end of previous FY)

Domestic 156, International 132



Singapore
IPPUDO I12 Katong
Grand Open 23rd Dec 2021

#01-04



Main Accomplishments

一風堂
味増
白丸

まったり味増とんこつ

大盛り ④ 1,150円
① 890円
② 950円
③ 1,010円

杯教限定 八九〇円

冬季限定！
十一月一日(四)から

一風堂
プラントベース
赤丸 & 白丸

Plant-Based Noodles 2022

コクと味わいの深さは赤丸そのもの!

香り高いシルキーさで植物性で美味!

春風とともに「紅白」のプラントベースをお届けします。

店舗限定

※一部アプリクーポン対象外となります。「お誕生日クーポン」「初回限定クーポン」「プレミアムクーポン」

浅草橋本舗 店仕込み

秋の味覚、至極の一杯。

晩秋の塩中華そば

活きのいい秋刀魚のだしが効いた、秋ならではのラーメンを仕込みました。

季節限定 950円

※一部アプリクーポン対象外となります。「お誕生日クーポン」「初回限定クーポン」「プレミアムクーポン」

New seasonal or regional limited edition items to acquire new customers and encourage repeat visits.



Launch of Plant-Based Shiromaru · Akamaru for retailing.
Limited edition items and branded merchandise on E-Commerce site,
for both domestic and overseas markets.

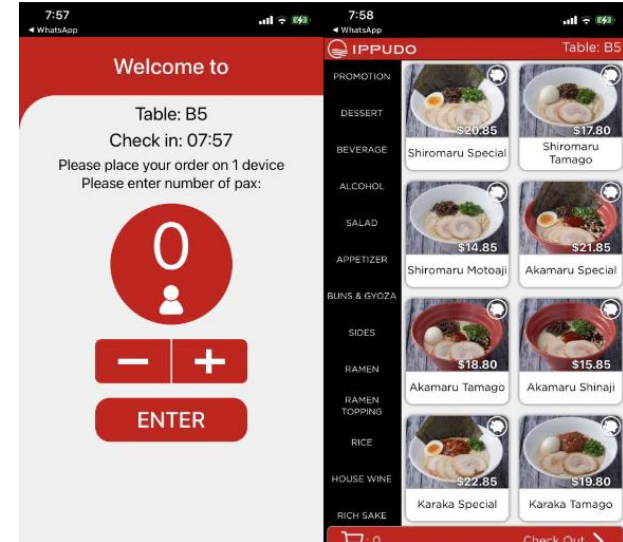
New Business Model (Roadside Stores)



**Ippudo Sakai IC
(Opened 13th Dec 2021)**



**Self-service Cashier
@Ippudo Sakai IC**



**QR Code Ordering
@ IPPUDO Singapore
I12 Katong
(Opened 23rd Dec 2021)**

New stores under the new business model are delivering satisfactory performance after continuous adjustments.

Trials with contactless ordering by QR Code showed potentials, expecting for wider adoptions in both domestic and overseas stores. Experimentation with self-service cashier also started at Ippudo Sakai IC.

食を通して

世界をもっと笑顔にしたい

ありがとうと言い合える

温かみのある社会をつくりたい

力の源グループは「食を通して新しい価値を創造し

『笑顔』と『ありがとう』とともに世界中に伝えていく。」ことを

創業の精神に掲げる企業として、

これまで社会や環境に貢献できる取り組みを行なってきました。

わたしたちは今後もこの想いを胸に、

社会がより良い姿で在り続けられるよう、積極的に行動していきます

Click the link for details

[力の源グループのSDG'sへの取り組みに関するお知らせ](#)



「Ippudo in Your Town」 campaign through partnerships,
in which “kitchen cars” provided free ramen for families with kids.
“Traveling Child-Kitchen” using kitchen cars to be implemented in future.

お客様へのお願い

発熱(37.5℃以上)がある方・
体調不良の方・咳の症状がある方は
ご来店をご遠慮ください



手の消毒に ご協力をお願いします 	マスク着用 ご協力をお願いします 	距離を保って お並びください 
お金はトレイに お願いします  つり銭もトレイに 置かせていただきます	大声での会話は ご遠慮ください 	無料の副菜を ご希望の方は お声がけください 

お客様に安心してお食事いただけるよう、
感染予防対策を徹底しています。

消毒を徹底しています。 <ul style="list-style-type: none"> ・従業員の手洗い・アルコール消毒 ・店頭でのお客様用アルコール消毒液の設置 ・店内設備のこまめな消毒 	飛沫・接触感染の防止を徹底しています。 <ul style="list-style-type: none"> ・従業員マスク着用の徹底 ・お客様によるアプリのクーポン消し込みのお願い ・手書き伝票廃止による接触機会の軽減 ・パーティションの設置
体調管理を徹底しています。 <ul style="list-style-type: none"> ・37.5度以上の出勤制限、および店舗での検温実施 	サービス品の提供方法を変更いたします。 <ul style="list-style-type: none"> ・辛もやし、高菜、紅しょうが等をご希望されるお客様は お手数ですがスタッフまでお声がけください
換気を徹底しています。 <ul style="list-style-type: none"> ・空調の換気システムにより、数分単位で空気を入れ替え ・1時間に1回5分間の入口開放 	

今後も感染拡大の状況を踏まえて、逐次適切な対策に努めてまいります。
お客様のご理解とご協力のほど、何卒よろしくお願い申し上げます。

当店は、
Co2センサーにて
空気の濃度を計測、
適時換気しています

≡ 一風堂全店、随時導入中! ≡

飲食店等感染防止徹底点検済



「徹底点検 TOKYOサポート」プロジェクト

【徹底点検の内容】
①手洗い場の確認、②マスク着用の確認、③換気の確認・アクリル板等の設置、④換気の確認、⑤コロナ対策ゾーン化中心とした実施

「感染しない、感染させない。」
感染防止マナーへのご協力をお願いいたします。

長時間の会食や大声での会話は避けましょう。 	食事中以外はしっかりマスクをつけましょう。 
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Avoid prolonged meals and talk in a loud voice.
Keep your mask on except when eating.

■ 取店です。

Store sanitization, social distancing, ventilation, staff health status monitoring, etc.

FY2020-21 Full Year Forecast



FY2021-22 Full Year Forecast



Unit : Million Yen	FY2020-21 Full Year Actual	FY2021-22 Q3	FY2021-22 Full Year Forecast	vs Previous Year	
				Gap	%
Revenue	16,539	14,124	20,130	+3,591	+21.7%
Operating Income	-980	600	548	+1,528	—
Ordinary Income	-1,010	599	509	+1,503	—
Net Income Attributable to Shareholders	-2,392	134	248	+2,641	—

Domestic business is on a gradual path to recovery despite remaining uncertainty in long term impact of Covid-19.

Overseas business is also expecting sales increase vs last year, and positive operating income in view of growing vaccination rates across all countries.

(※No change from the previously announced forecasts.)

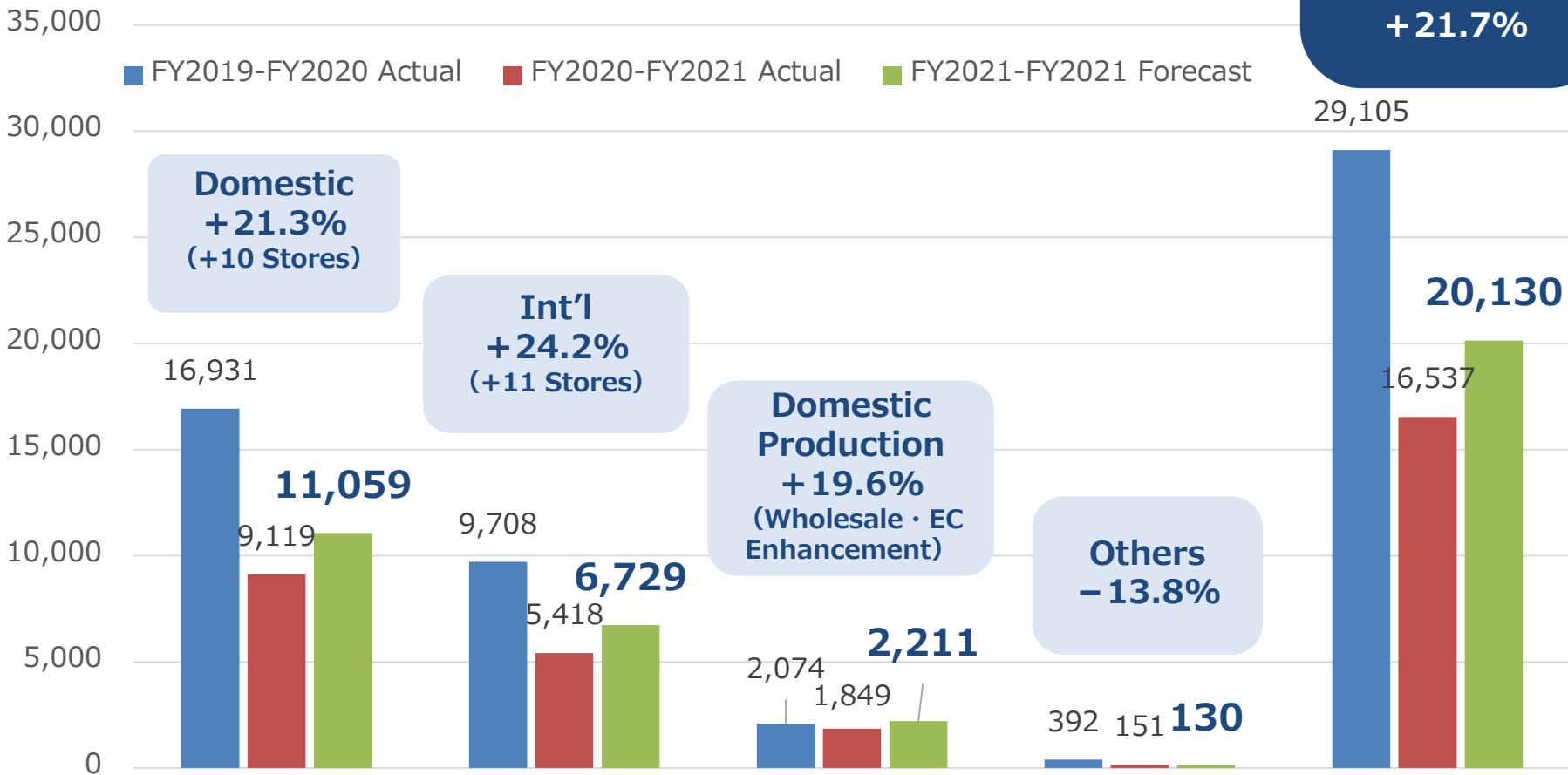
FY2021-2022 Full Year Forecast: Revenue



Unit : Million Yen

vs Previous Year %

**Consolidated
+21.7%**



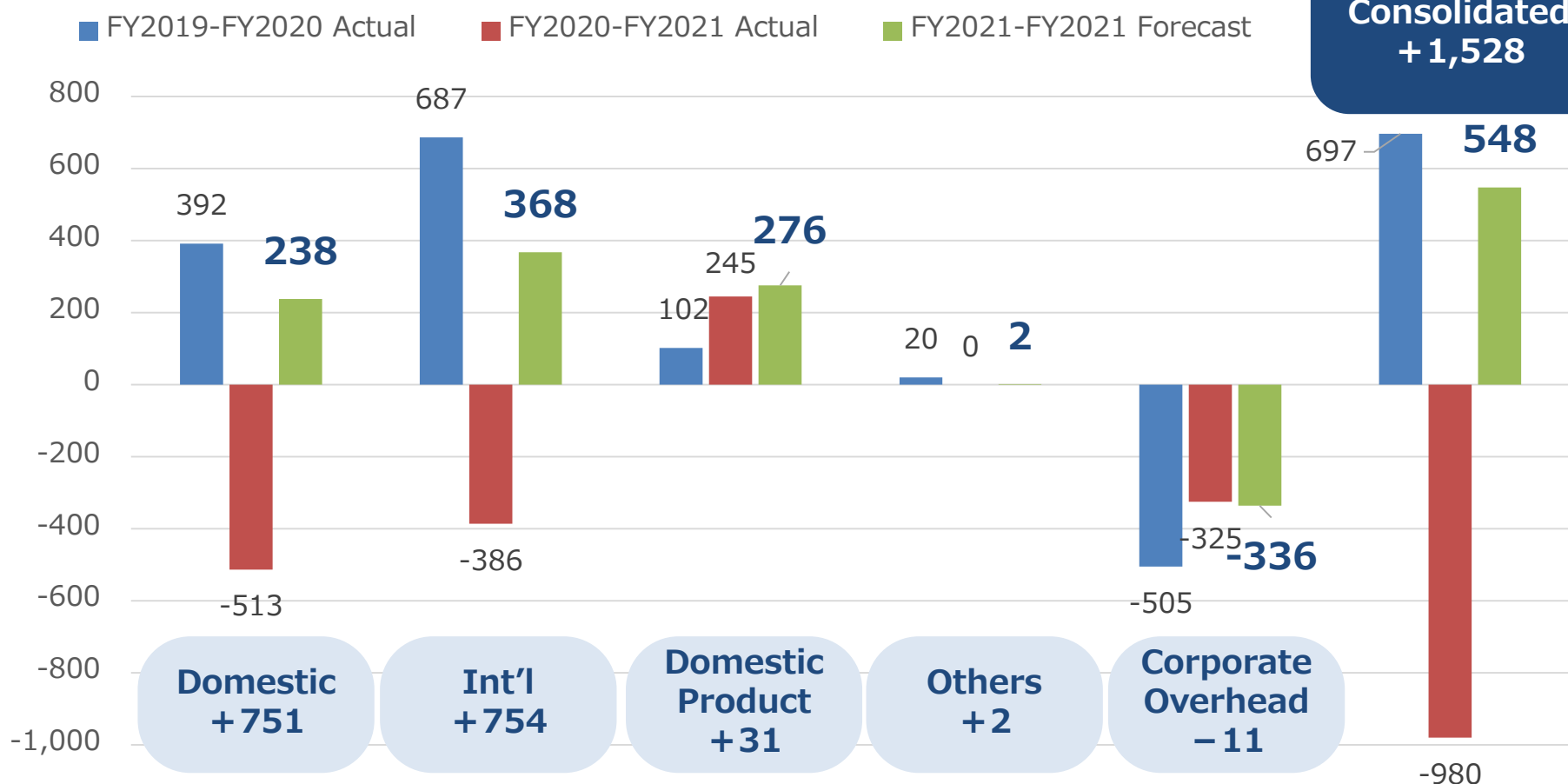
Total new stores: 21 (incl. licensees 11)

Close-down / transfer planned: 2

Continuously updated new store plan reflecting cash flow considerations.

FY2021-2022 Full Year Forecast: Operating Income

Unit : Million Yen



Overall profitability improved under the new business model. Overhead over sales ratio decreased from 1.9% in last year to 1.7% (forecast) thanks to workflow optimization and digital transformations implemented since last year.

Appendix



■ Founding Principles ■

We will continuously create new values through food, and communicate those values to the world with “Smile” and “Arigatou”.

Keep changing to remain unchanged.



*The founding principles were amended before our 35th anniversary on 16th October 2020, to reflect our determination and hopes for further growth and new opportunities despite the challenges posed by Covid-19 — to continuously innovate to remain true.

Chikaranomoto Holdings Co., Ltd. (Ticker#:3561)

- Address Daimyo 1-13-14, Chuo-ku, Fukuoka City, Fukuoka, Japan
- Date of Establishment 30th October 1986
- Capital Stock 2,139,640,000JPY (Number of issued shares: 27,041,000 shares)
- Fiscal Term End of March
- Number of Employees 31 (consolidated: 503) ※Permanent employees only
- List of Directors
 - President and Representative Director Mr. Shigemi Kawahara
 - Director Mr. Toru Nakao
 - Director and Chief Strategy Officer Mr. Tomoyuki Yamane
 - Director (Audit Committee) Mr. Akihiro Saito
 - Director (Audit Committee, Independent) Mr. Tetsuya Tsuji
 - Director (Audit Committee, Independent) Mr. Shinji Tanabe

As of 31st December 2021

Signature Products

原点の一杯
白丸元味



Shiromaru Classic

Keeping in line with the founding recipe, silky yet high in flavors and fragrance, the *Classic* soup is the very original taste of Ippudo Tonkotsu ramen. Ultra-thin noodles, typical of Hakata, accentuates this all time favorite of IPPUDO.

革新の一杯
赤丸新味



Akamaru Modern

A modern take on the *Classic*, *Akamaru* adds a slightly spicy mixed miso paste and fragrant oil, to give the senses a gentle kick. Slightly thicker noodles match perfectly with a bowl full of flavors.

極から麺



Kiwami Karaka

A spicy take on the silky Tonkotsu soup with house-made spicy Rayu oil and a meat miso paste mixed with a myriad of spices. Topping with specially seasoned deep fried Tempura dough, a *Sesame Bomb* gives this bowl a unique Tantanmen-like flavor.

※The recipe of *Kiwami Karaka* was revamped before our 35th Anniversary on 16th October 2020.

Our Milestones

Spreading 'Smile' and 'Arigatou' through
Bowls of Ramen.



1985.10.16

IPPUDO Daimyo: The first Ippudo restaurant in Fukuoka.

1979.11

Mr. Shigemi Kawahara started the bar "After the Rain" in Fukuoka

1995.4

IPPUDO Ebisu: the first store in Tokyo

2008.3

IPPUDO New York: the first store overseas

2009.5

IPPUDO Singapore: the first store in Asia

2014.10

IPPUDO London: the first store in Europe

2015.10

30th anniversary event

2016.2

IPPUDO Paris:
the first store in France

2017.3

Listed on Tokyo Stock Exchange
Mothers Index

2018.3

Listed on Tokyo Stock Exchange First Section

2018.11

100th store overseas

2019.10

Global Leadership
Conference

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