



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



13th May 2022

FY2021-22 Financial Results Briefing

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

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Financial Results FY2021-22



Consolidated P&L



Unit : Million Yen	FY2021-22 Results	FY2021-22 Plan	FY2020-21 Result	FY2019-20 Result (Bf. Covid)
Revenue	19,398	20,130	16,539	29,106
Growth rate vs PY	+17.3%	-	-43.2%	-
Gross Profit	13,743	-	11,470	20,640
SG&A Expenses	12,692	-	12,451	19,943
Operating Income	1,050	548	-980	697
Operating Income ratio	5.4%	2.7%	-	2.4%
Ordinary Income	1,083	509	-1,010	623
Ordinary Income ratio	5.8%	2.5%	-	2.1%
Pre-Tax Income	930	-	-2,373	-344
Net Income	923	248	-2,392	-214
Net Income ratio	4.8%	1.2%	-	-

Domestic revenue growth remained flat across the year due to restrictive regulations except for 3Q. Overseas segment saw more significant growth after lift of lockdown measures.

Revenue +17.3% vs previous year.

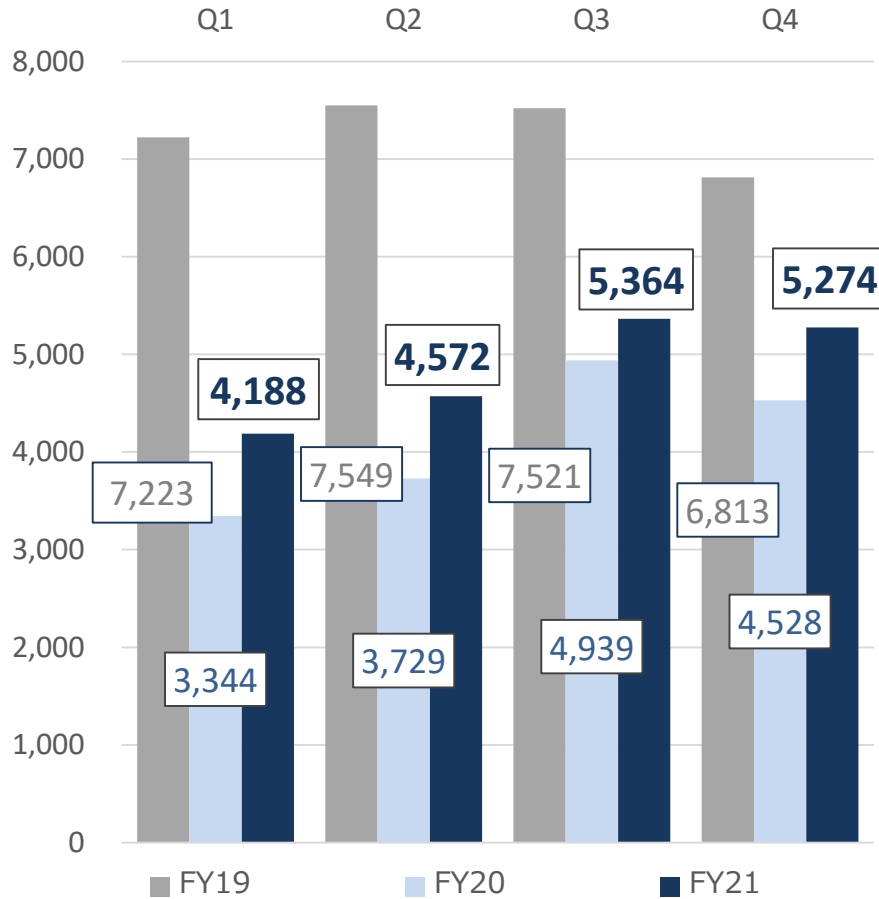
Highest operating income in history in terms of both amount and ratio.

Consolidated Quarterly Results

vs previous years

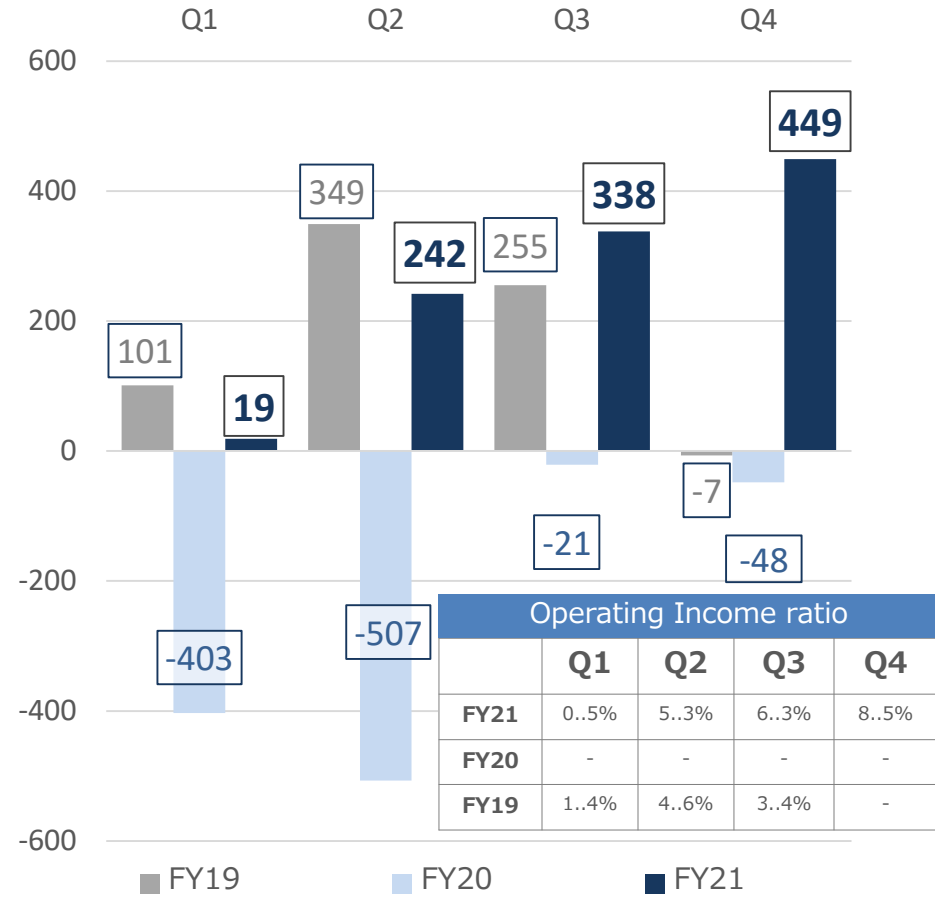


Revenue



Operating Income

Unit : Million Yen



Operating Income ratio				
	Q1	Q2	Q3	Q4
FY21	0.5%	5.3%	6.3%	8.5%
FY20	-	-	-	-
FY19	1.4%	4.6%	3.4%	-

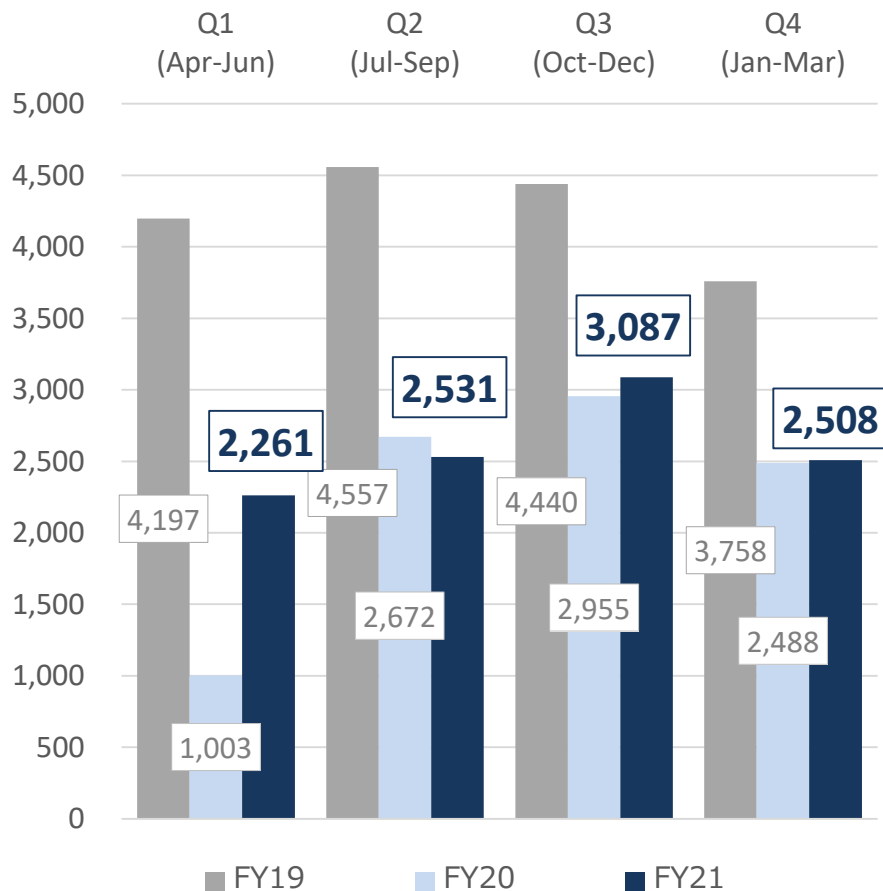
**Revenue showed growth compared to previous FY.
Operating income continued the positive trend in Q3 as a result
of store efficiency improvement and cost reduction.**

Quarterly Revenue by Segment

vs previous years

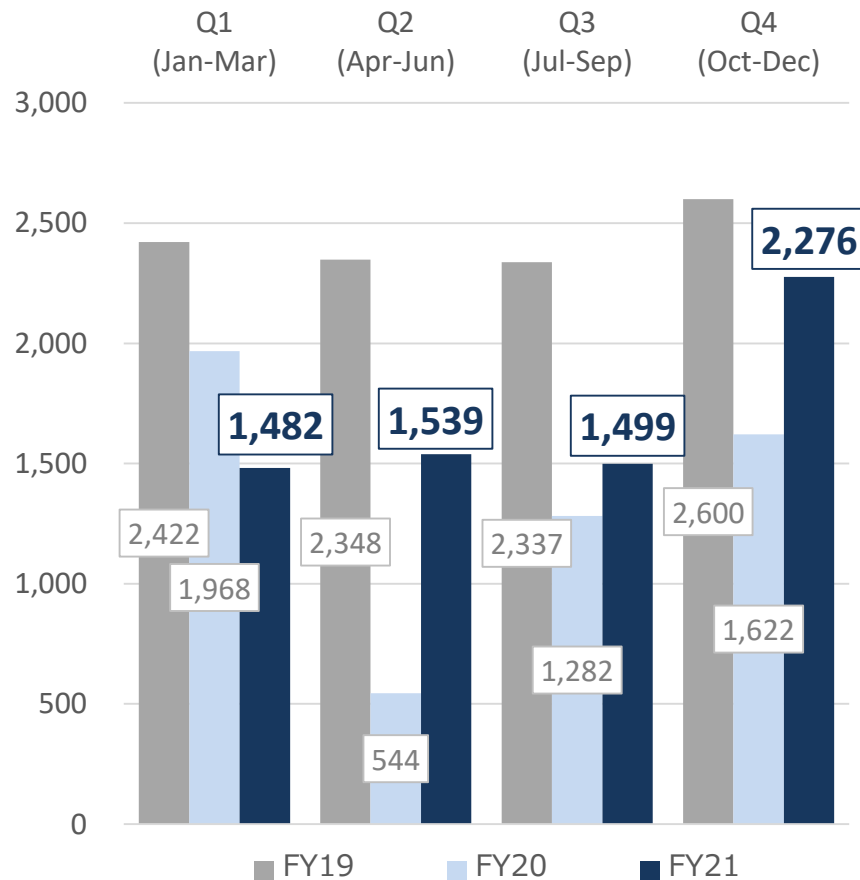


Domestic Store Operations



International Store Operations

Unit : Million Yen



Covid-19 restrictive regulations were mostly lifted in both domestic and overseas in Oct – Dec, with recovery in overseas business especially significant.

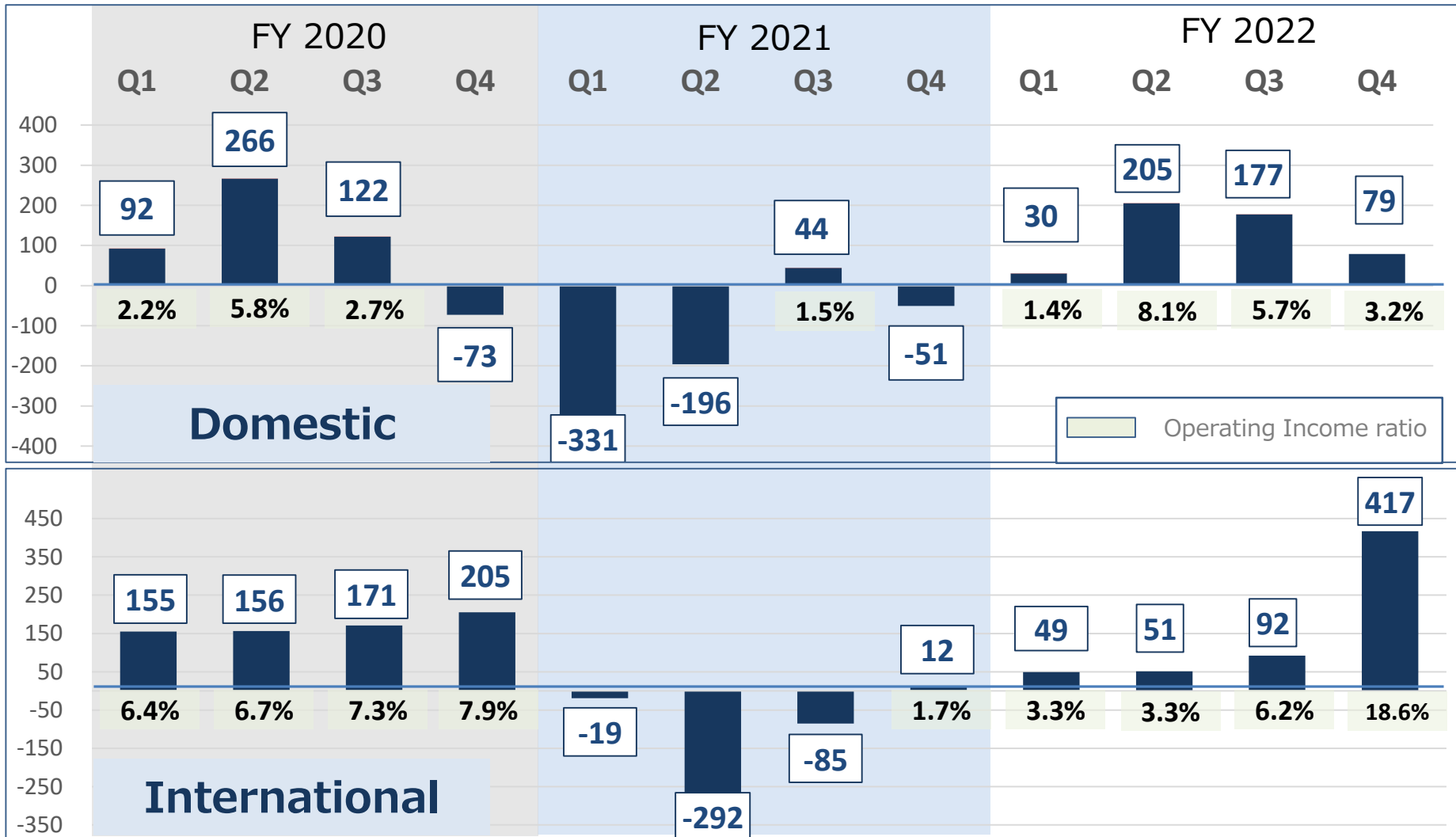
Quarterly Operating Income by Segment

vs previous years



CHIKARA no MOTO

Unit : Million Yen



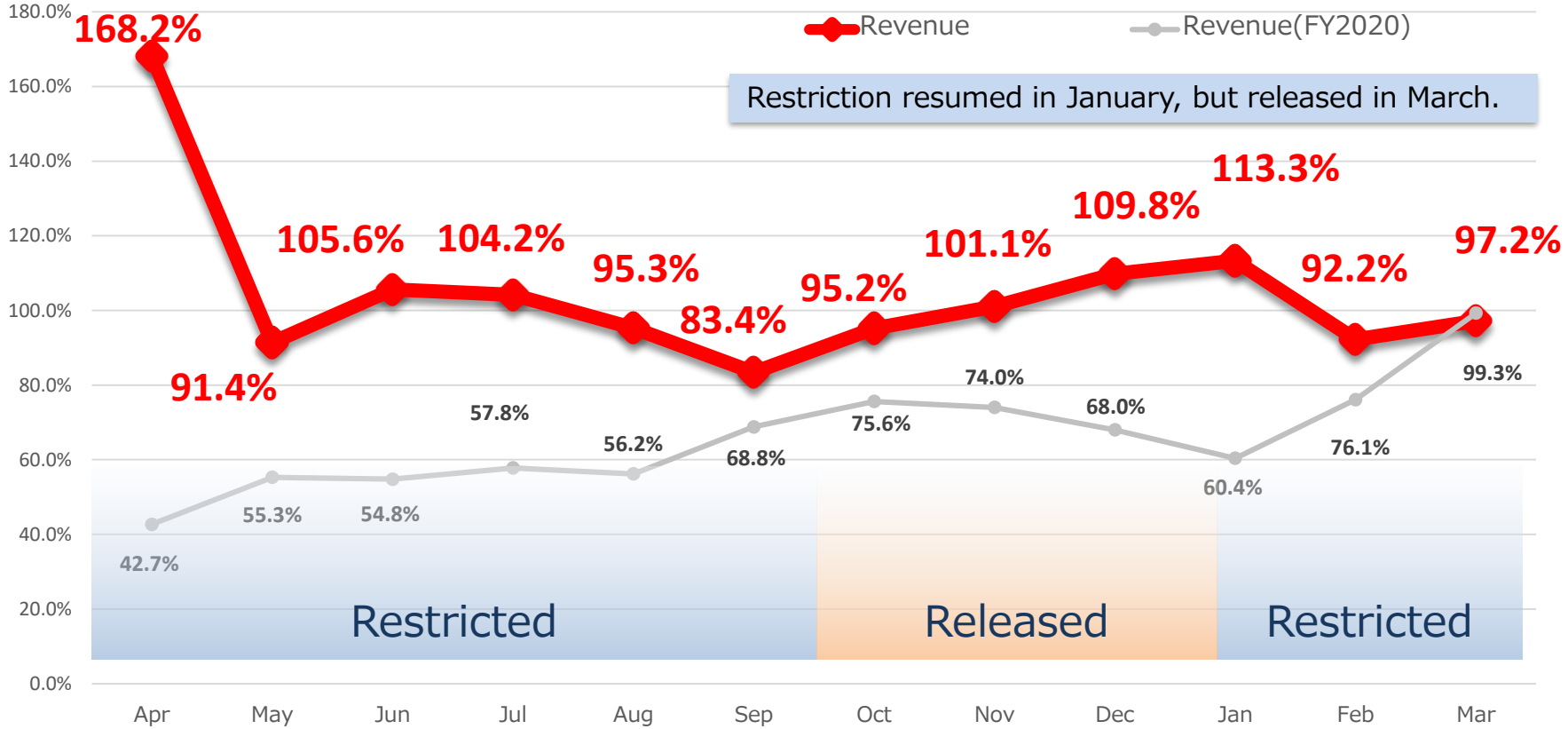
Domestic: Same portions of fixed costs incurred during lockdowns in Q1, Q2, Q4 were recognized as extraordinary losses in accordance with government instructions.

International: operating income increased with recovering revenue.

Domestic: FY2021 revenue 100.5% vs previous FY

(Existing stores only)

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



	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%	92.2%	97.2%	100.5%
Number of Customers	160.4%	90.5%	103.9%	102.7%	94.1%	82.4%	93.3%	99.3%	108.5%	113.3%	91.5%	96.5%	99.2%
Average Check	104.8%	101.0%	101.7%	101.5%	101.3%	101.3%	102.0%	101.9%	101.2%	100.0%	100.8%	100.8%	101.3%

◆ Revenue

- Revenue growth remained flat across the year due to restrictive regulations except for Q3.
- RAMEN EXPRESS (6 stores) were converted into Ippudo, bringing in higher revenue.
- Acquisition of new customer groups by plant-based products.
- Strengthening of delivery/ take-away services
- More frequent topping ordering by customers with mobile ordering, leading to higher average check.
- 7 new roadside stores opened under the new investment strategy, all showing satisfactory performance.

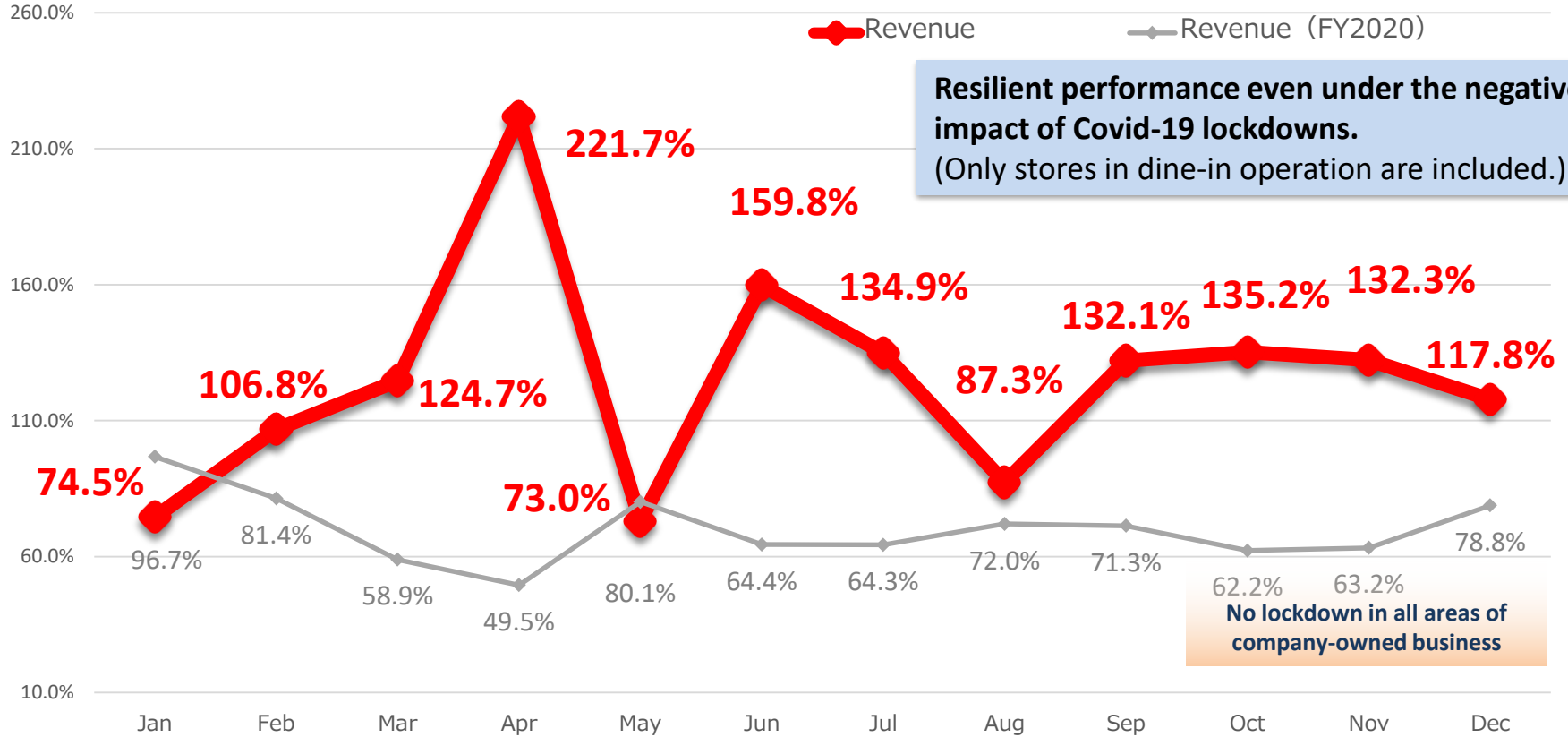
◆ Operating Income

- Better CoGs and Labor costs management through weekly trend analysis via Business Intelligence tools.
- Strategic restructuring including relocation/closing down of 7 underperforming stores.
- Improved cost efficiency by optimizing organizational units.
- Improved profitability through digital transformation such as mobile ordering.

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

(Existing stores only)

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

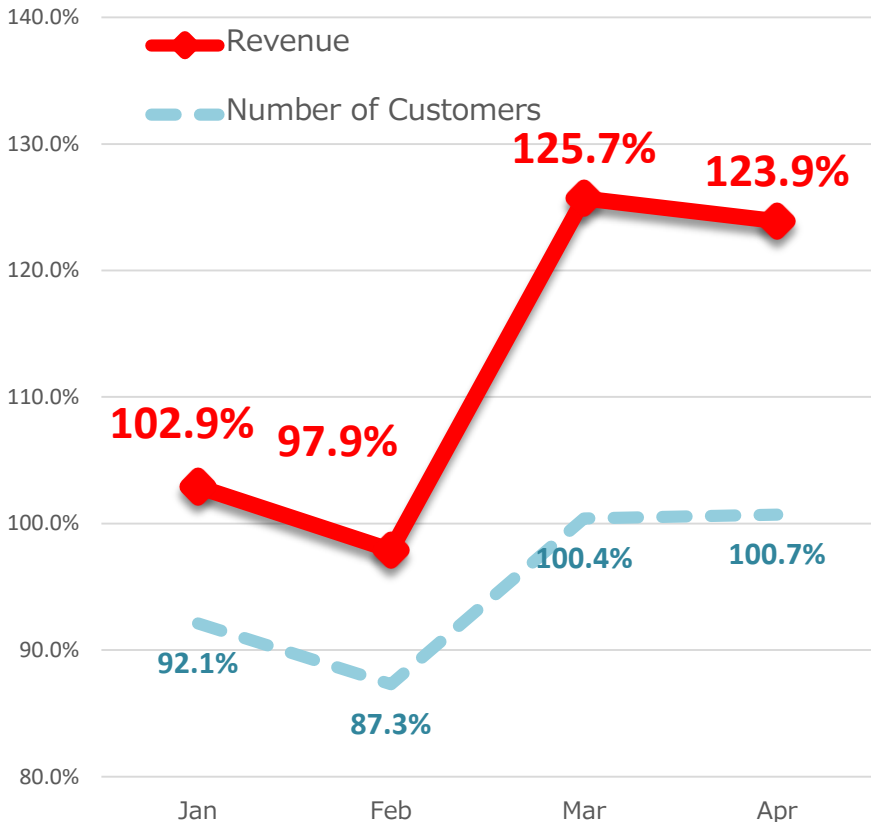


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	74.5%	106.8%	124.7%	221.7%	73.0%	159.8%	134.9%	87.3%	132.1%	135.2%	132.3%	117.8%	116.1%
Number of Customers	67.2%	98.6%	116.9%	208.2%	67.1%	162.9%	138.8%	76.3%	108.0%	113.8%	110.6%	107.0%	101.5%
Average Check	110.8%	108.3%	106.7%	106.5%	108.8%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

For ref: Jan – Apr 2022 vs. PY (existing stores)

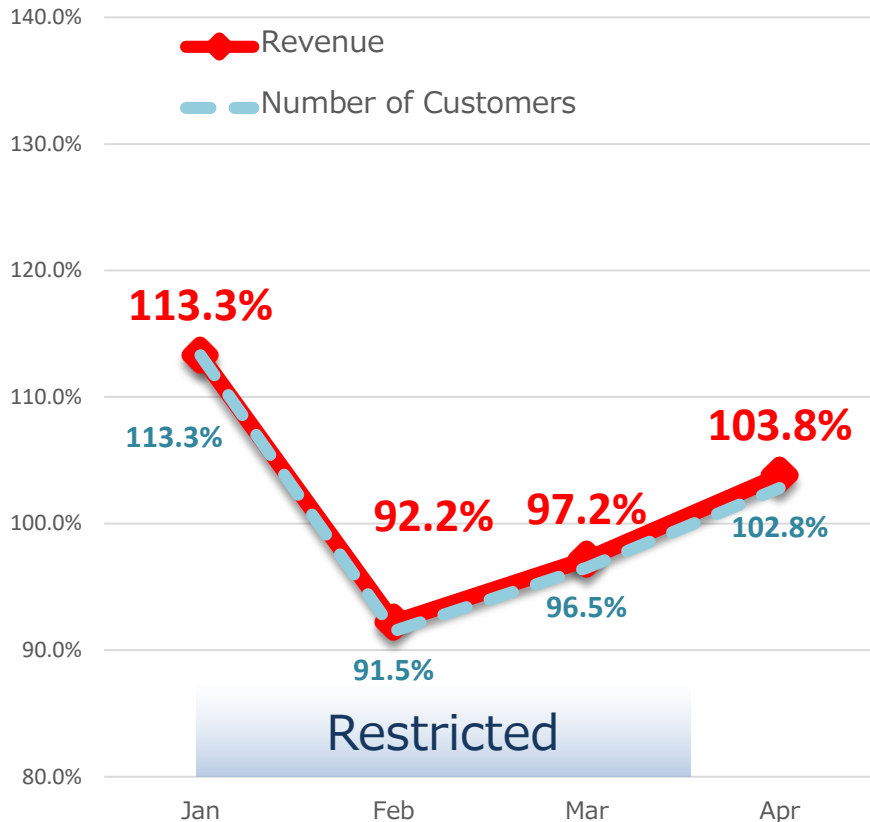


International



	Jan	Feb	Mar	Apr
Revenue	102.9%	97.9%	125.7%	123.9%
Number of Customers	92.1%	87.3%	100.4%	100.7%
Average Check	111.7%	112.1%	125.2%	123.0%

Domestic



	Jan	Feb	Mar	Apr
Revenue	113.3%	92.2%	97.2%	103.8%
Number of Customers	113.3%	91.5%	96.5%	102.8%
Average Check	100.0%	100.8%	100.8%	101.0%

◆ Revenue (Jan~Dec 2021)

- Significant revenue rebound in Q4 when lockdown measures were lifted in all countries and regions with owned business.
- Delivery/take-away, started during the pandemic period, continues strong growth, evolving into an important sales channel together with dining-in.
- Frozen ramen for retailing started in both in-stores and E-commerce sites.

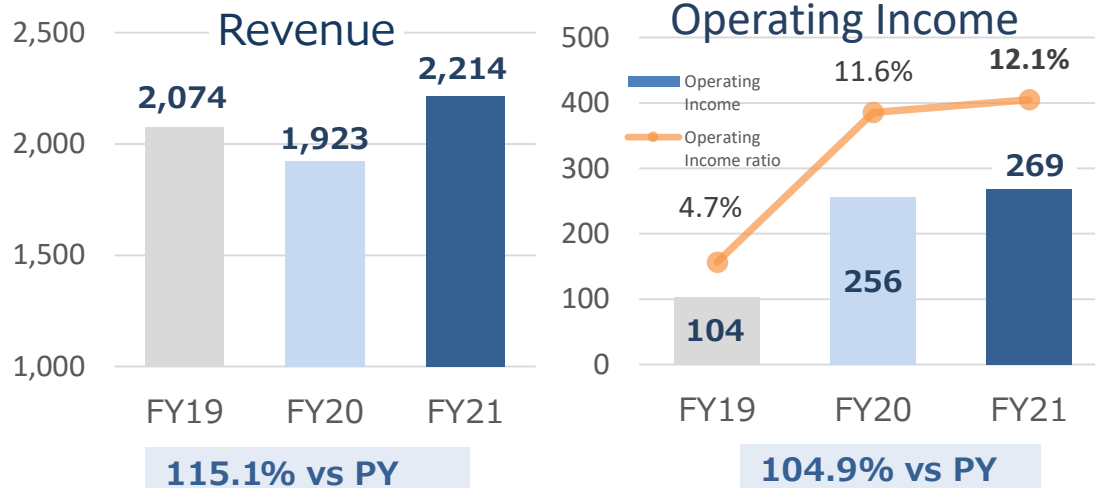
◆ Operating Income (Jan~Dec 2021)

- Operating income rebounded quickly in Q4 as a result of recovered revenue.
- Same initiatives as in Japan such as mobile ordering, digital transformation, etc, leading to cost reduction and positive profitability.

(Government Covid subsidies were recognized as extraordinary gains)

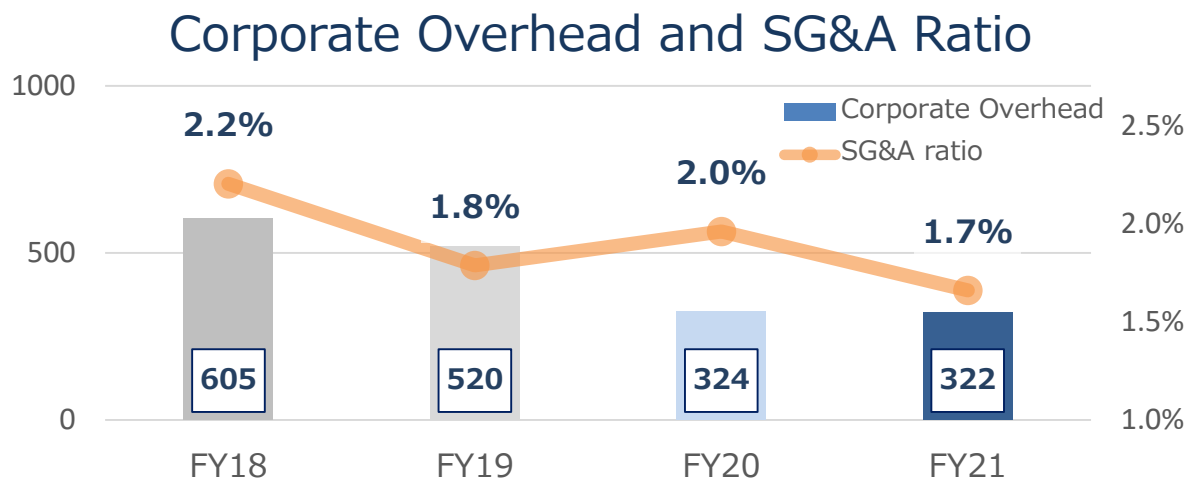
Merchandizing

Focused on E-Commerce site and retailing. Significant growth in sales of Ippudo branded products, leading to increased revenue (115.1% vs PY) and operating income (+12 mil JPY vs PY).



Corporate Overhead

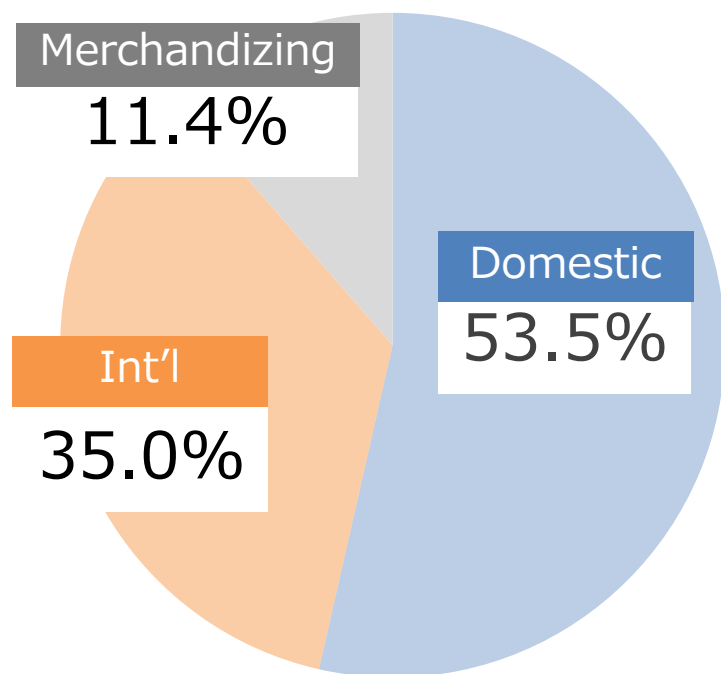
SG&A ratio (over consolidated revenue) reduced by 0.3 points compared to last year, on top of almost 50% cost reduction already achieved in last year.



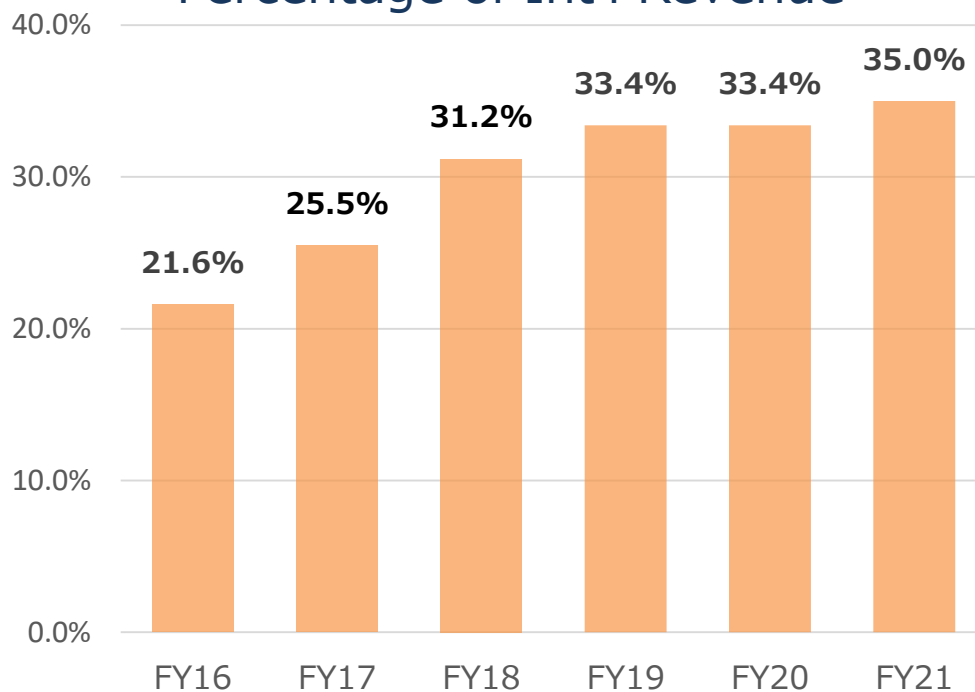
Revenue Breakdown



FY 2021-22 Revenue



Percentage of Int'l Revenue



Domestic	Int'l	Merchandizing	Consolidated
10,387	6,796	2,214	19,398

No. of Stores (Int'l)	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Owned	20	33	49	57	57	58
Licensed	45	49	66	73	74	76
Total	65	82	115	130	131	134

Breakdown of Extraordinary Gains and Losses

Item	Amount (million Yen)
Government subsidies related to covid-19 regulations	1746
	Domestic : 1,336
	Int'l : 410
Gain from debt forgiveness	511
※Related to termination of JV with Panda Restaurant Group, as disclosed on 28 Jan 2022	
Total Extraordinary Gains	2,275
Item	Amount (million Yen)
Losses from Strategic Restructuring	
Closed 6 Stores	
Divesting 1 Stores	
Impairment 14 Stores	
	991
Losses from shortened operating hours due to Covid restrictive regulations	901
	Domestic : 714
Fixed expenditures	Int'l : 187
Losses from termination of JV	487
※Related to termination of JV with Panda Restaurant Group, as disclosed on 28 Jan 2022	
Others	52
Total Extraordinary Losses	2,428

Consolidated Balance Sheet



CHIKARA no MOTO

Unit : Million Yen

Equity ratio improved with Equity Financing and better performance

	Mar 2021	Mar 2022	GAP		Mar 2021	Mar 2022	GAP
Current Assets (Cash and Deposits)	5,832 (3,974)	6,650 (4,773)	+818 (+798)	Total Liabilities	14,360	11,470	-2,890
Property, Plant and Equipment	7,238	5,703	-1,535	Shareholders' Equity	1,313	3,647	+2,334
Intangible Assets	206	177	-28	Accumulated Other Comprehensive Income	-0	144	+144
Investments & Others	2,396	2,739	+343	Non-Controlling Interest	-	8	+8
Non-Current Assets	9,841	8,620	-1,220	Total Net Assets	1,312	3,800	+2,488
Total Assets	15,673	15,271	-401	Total Liabilities and Net Assets	15,673	15,271	-401

■ Assets

• Cash and deposits	+798
• Non-Current Assets	-1,563

■ Liabilities

• Notes and accounts payable	-1,521
• Interest bearing loans	-1,765

※Equity Ratio 24.8%

(8.4% at of end of March 2021)

■ Shareholders' Equity

• Capital	+1,584
• Retained earnings	+749

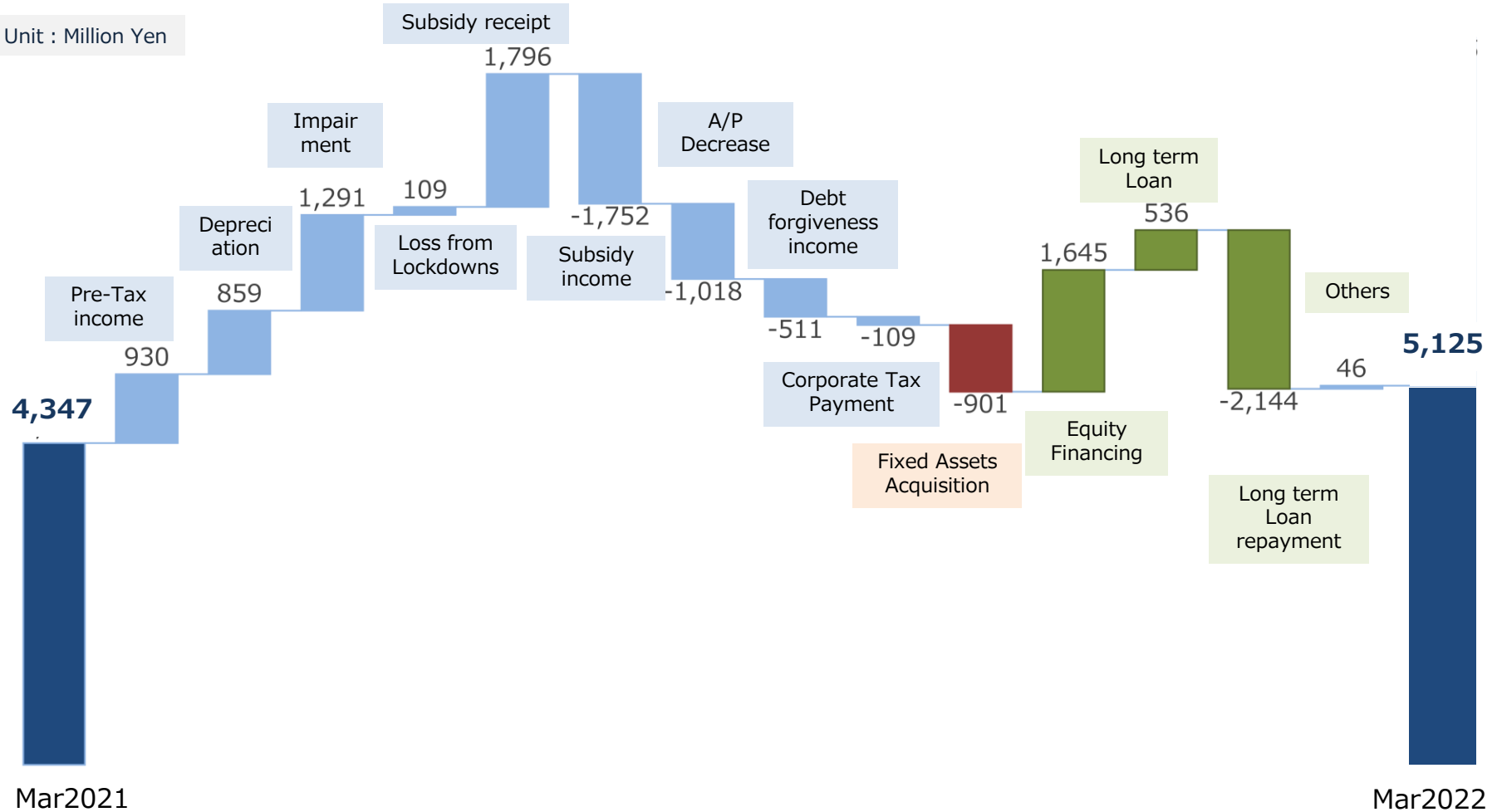
Non-current assets decreased due to impairments recognized following the strategic restructuring in both domestic and international businesses. Equity ratio improved with equity financing disclosed on May 14, 2021 and improved performance of the business overall.

※Refer to public disclosure released on 14 May 2021 for details of Equity financing.

Consolidated Statement of Cash Flow



Unit : Million Yen

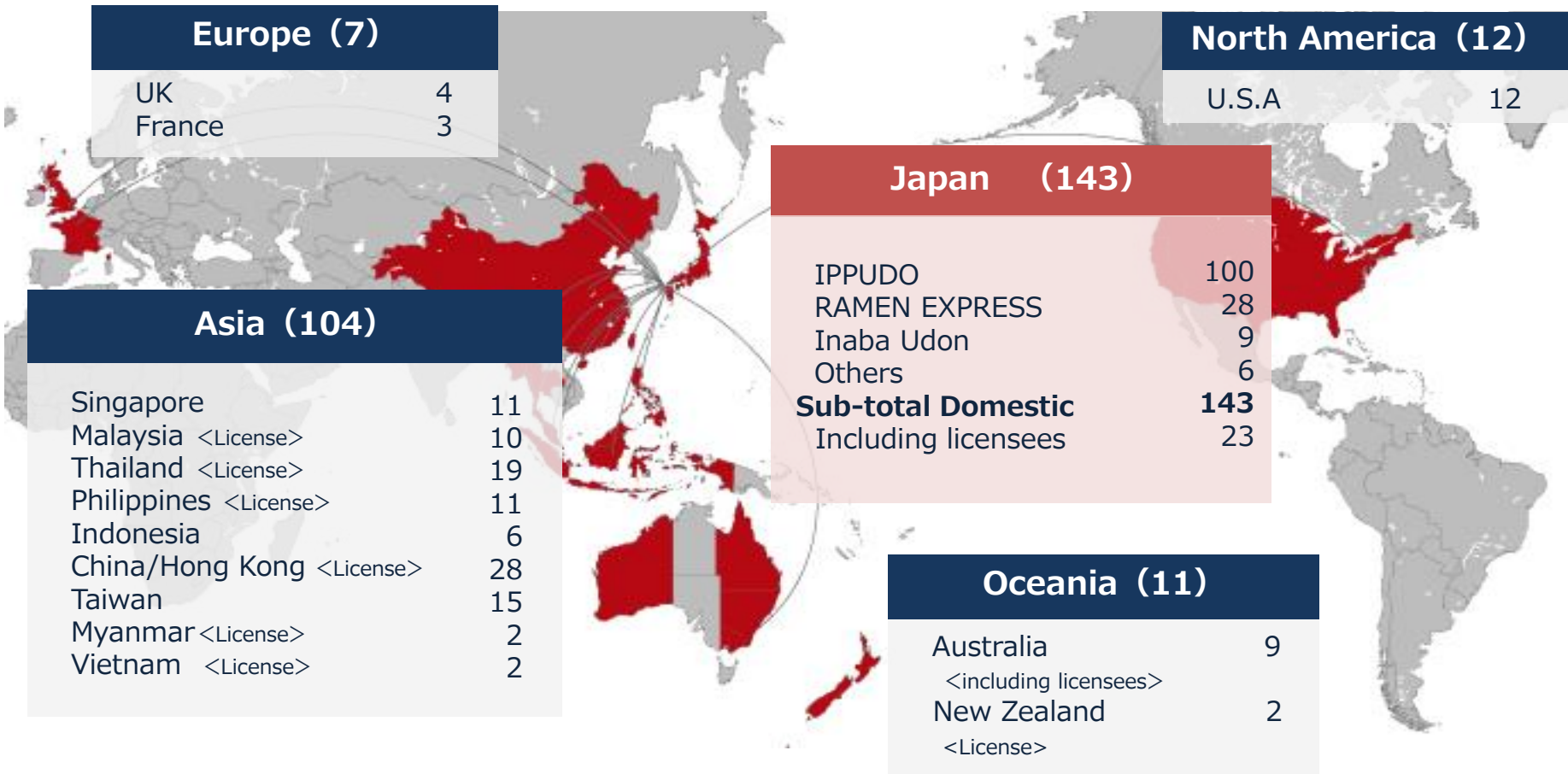


Cash and cash equivalents +778
EBITDA +2,254

277 Stores in 15 countries and regions

(-3 since the end of previous FY)

Domestic 143, International 134
(Owned 178, licensed 99)





Main Accomplishments

Malaysia IPPUDO
LaLaport BCC
Grand Open 8 Feb 2022

濃厚味噌とんこつ

真冬に食べたい、濃厚味噌とんこつ。

帰ってきた!

季節限定商品 歴代No.1!

950円
大盛り + 150円

冬季限定

●価格が税込表記です。
●料金はイメージです。
●価格に消費税は含まれません。

風堂のチャージュー社、高品質なタンメン・ラーメンが、原料にしております。

※一部アプリーボ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」

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を植物性で実現!

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

1100円

※一部アプリーボ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」

鶏豚かさね

この春、鶏と豚の運命の出会い

鶏ガラを長時間煮込んだ、クリーミーな鶏白湯スープと、一風堂のシルキー豚骨スープを、絶妙なバランスでブレンドしました。

春は出会いの季節。鶏と豚が運命的に出会った、優しく深い味わいの一杯です。

【スープ】
乳化することでしっとり柔らかな鶏白湯×一風堂シルキー豚骨のダブルスープ

【鶏肉】
乳化するまでじっくり煮込んだ

【具材】
塩味鶏皮と、コクがあり濃厚なバラ叉焼、2つの違いを堪能ください。

【チヤンシュ】
風味が爽やかな、鶏の旨みがさらに引き立ちます。

【漬物】
爽やかな漬物

【卵】
半打

920円
タンメン野菜入り 1,180円

オススメの食べ方

- ブラックベツバー
- 卓上のブラックベツバーをかける、鶏の旨みがさらに引き立ちます。
- 温玉のせごはん
- ラーメンに
- スープで雑炊風にのせるとよし。
- スライスした野菜をのせるとよし。
- タンメン野菜とのトッピング
- 相性抜群
- ヘルシー
- ラーメンの出来上がり。

※一部アプリーボン対象外商品

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

Merchandizing



博多・絹ごしとんこつラーメン《2人前》
赤丸 白丸 スープ付(乾麺タイプ)

あいうで IPPUDO お家で味わえるプラントベースラーメン誕生!

プラントベース ラーメン

熟成なめらか 濃厚コク旨
白丸 赤丸

植物性100%だから生み出せる、
優しく、新しい味わいのラーメンです。

PLANT BASED
NO MEAT
NO EGG
NO TOFU/KATO



博多うどんを
ご家庭で。

手間暇かけた素材をご家庭でもお楽しみください。

クルーズトレイン
「ななつ屋 in 九州」
×
ラーメン
「博多 一風堂 / なな丸」

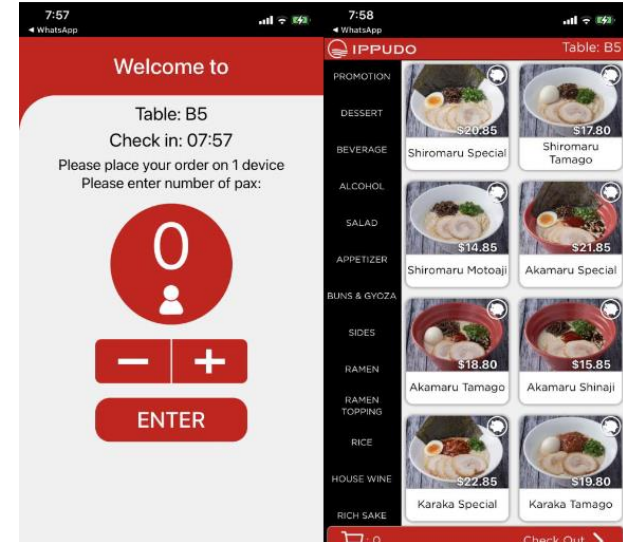
なな丸4食セット 販売 限定 予約

— 予約受付期間 —
4月1日(金) 10:00 ▶
4月7日(木) 23:59まで
※価格は4月25日(月)より順次発表となります。

3,240円(税込)

**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 Investment Strategy and Digital Transformation



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 investment strategy 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.
(30% completed in domestic)**

**Experimentation with self-service cashier also started at Ippudo Sakai IC.
Automated invoicing system to streamline approval process.**

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 at Your Town」 campaign through partnerships,
in which “kitchen cars” provided free ramen for families with kids.
“Traveling Child-Kitchen” using kitchen cars, providing ramen and gyoza cooking
experiences for kids, to be implemented in future.

FY2022-23 Financial Plan



Japan IPPUDO
Sakai I.C. Store
Grand Open 13 Dec 2021

FY2022-23 Financial Plan



CHIKARA no MOTO

Unit : Million Yen

	FY2021-22 Result	FY2022-23 Plan	vs Previous Year	
			Gap	%
Revenue	19,398	23,705	+4,306	+22.2%
Operating Income	1,050	1,383	+333	+31.7%
Ordinary Income	1,083	1,355	+272	+25.1%
Net Income Attributable to Shareholders	923	950	+27	+2.9%

Revenue recovery is expected to be moderate as the economy recovers gradually from pandemic downturn in both domestic and overseas markets. To overcome the cost increase in raw materials, labor and utilities with the established cost control.

Planned increase in both top and bottom line.

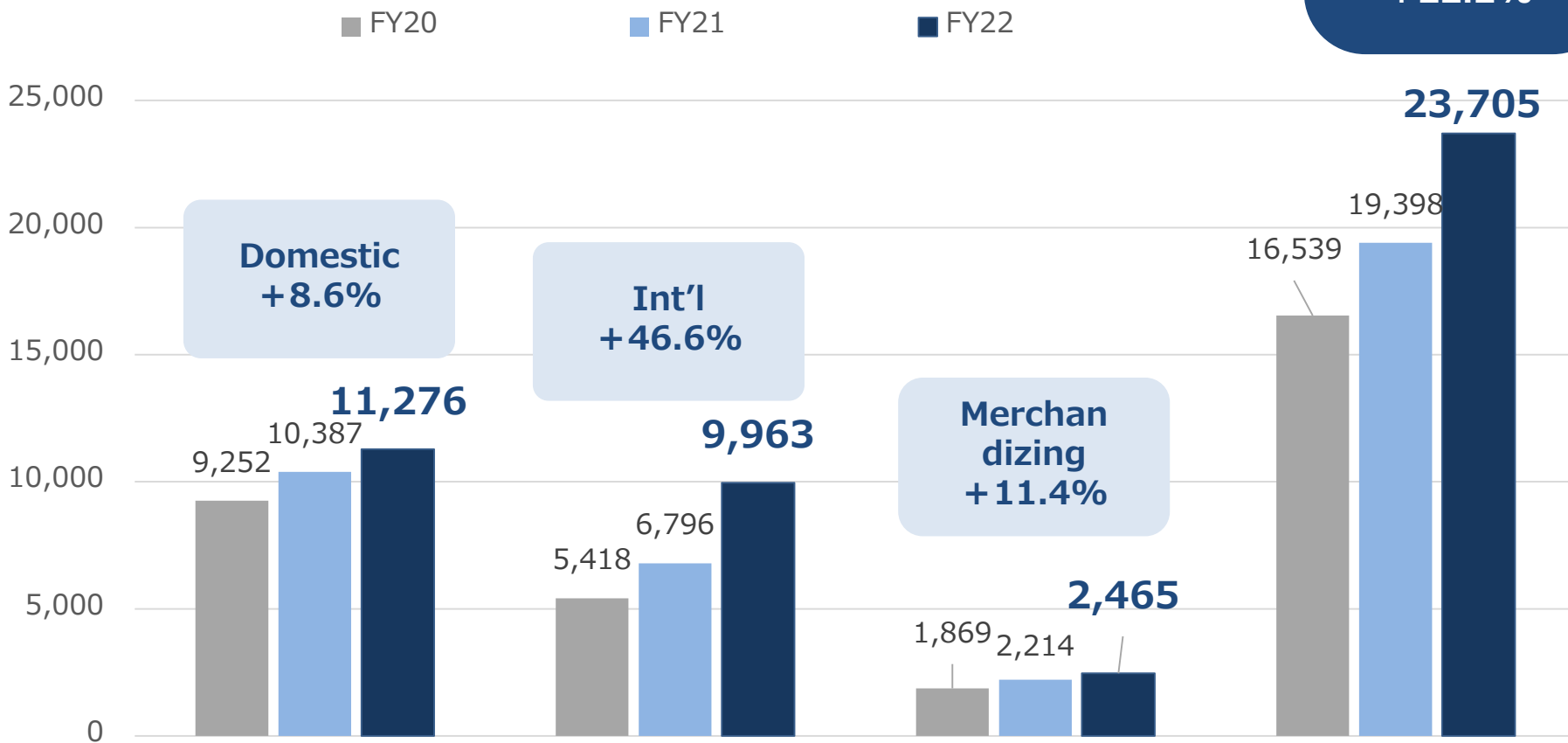
FY2022-2023 Financial Plan: Revenue



Unit : Million Yen

vs Previous Year %

**Consolidated
+ 22.2%**



Total new stores: 17 (incl. licensees 3)

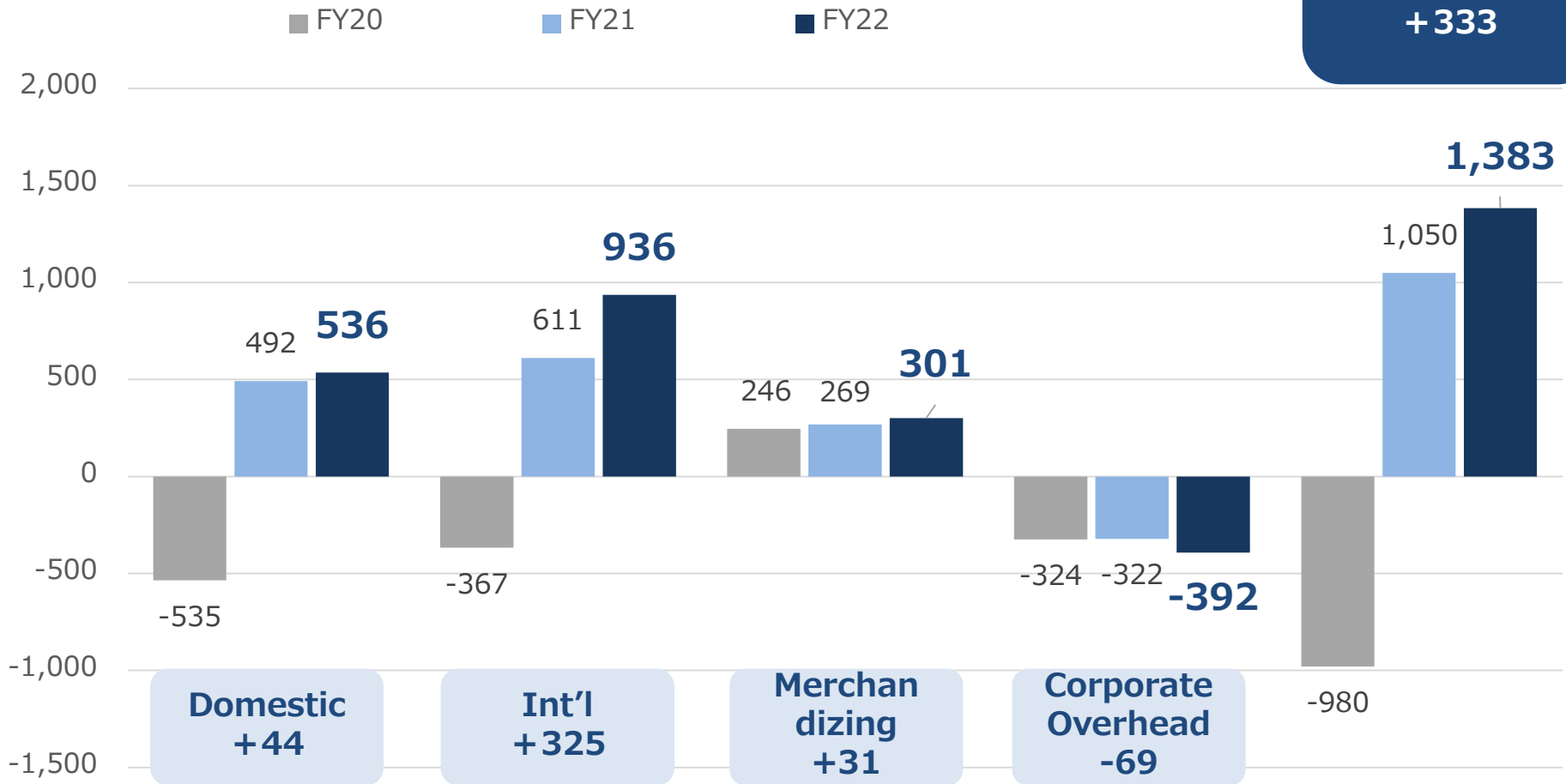
Close-down/divesting planned: 11

New store plan to be updated with multiple candidate locations still under evaluation.

FY2022-2023 Financial Plan: Operating Income

Unit : Million Yen

**Consolidated
+333**



Profitability benefiting from various projects: roadside store model, strategic restructuring, digital order/smart phone payment, digital transformation, etc.

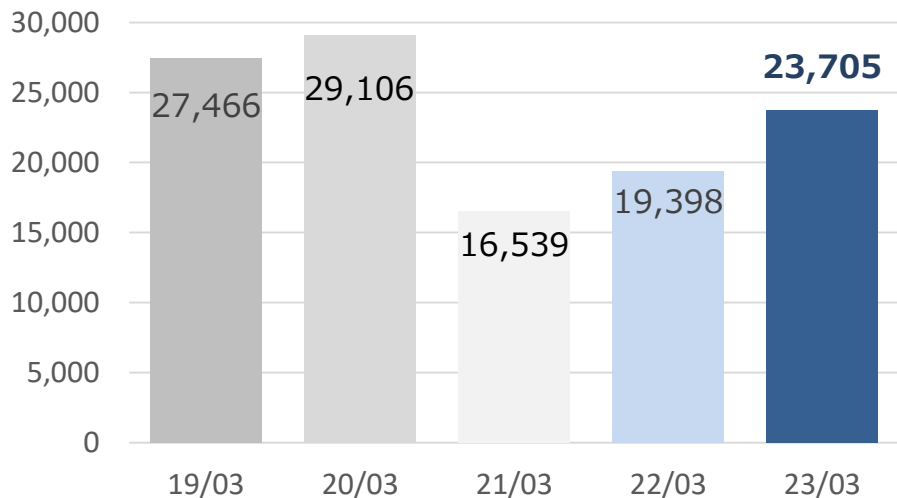
Corporate Overhead ratio is expected to be 1.7% (maintaining the same level as FY2021)

Major Financial Indicators

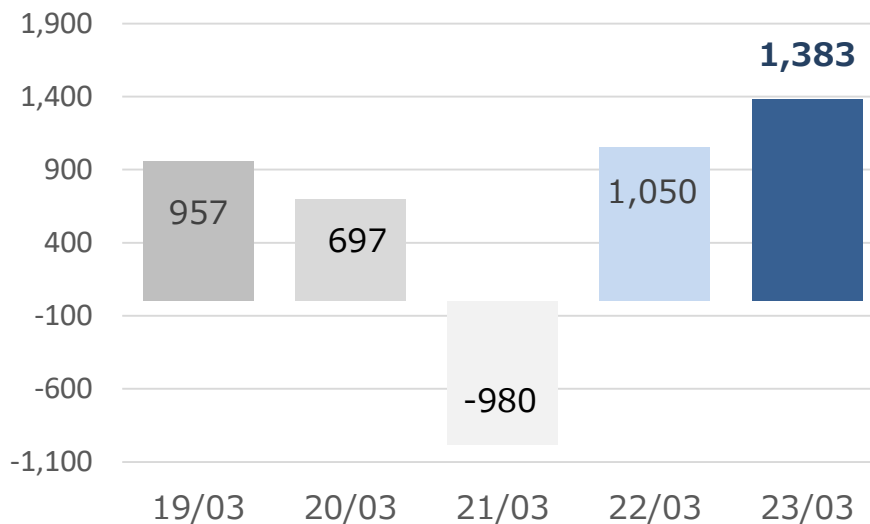


CHIKARA no MOTO

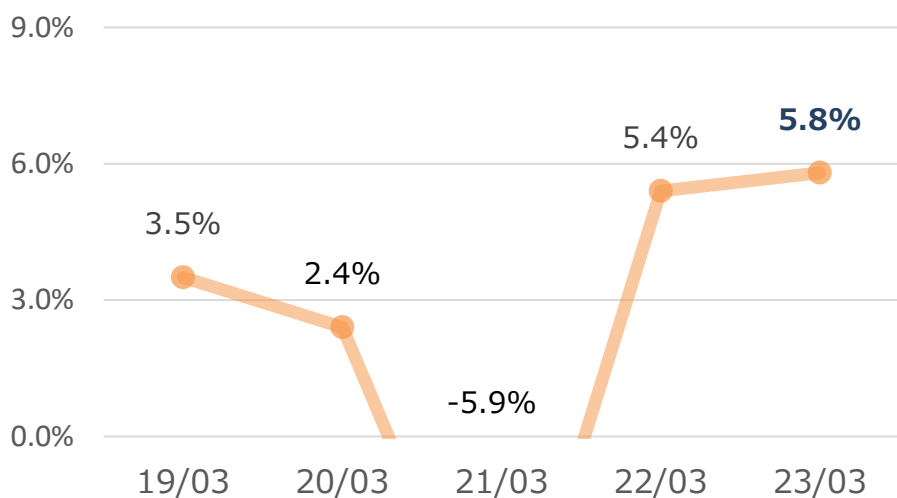
Revenue



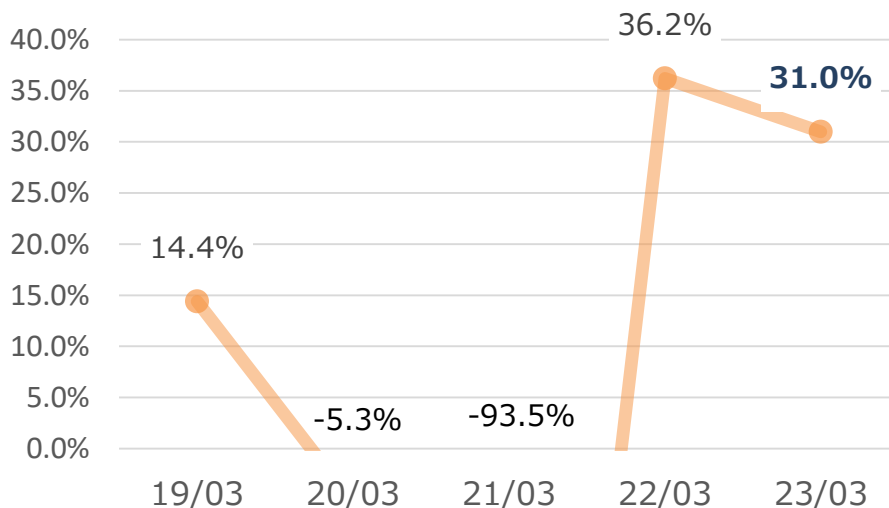
Operating Income



Operating Income Ratio



ROE



Appendix

RAMEN  IPPUDO

#01-04



Singapore IPPUDO
I12 Katong
Grand Open 23 Dec 2021

■ 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 2,139,830,000JPY (Number of issued shares: 27,042,400 shares)
- Fiscal Term End of March
- Number of Employees 33 (consolidated: 505) ※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 March 2022

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.

刺激の一杯
風堂からか麺



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.

Our Milestones

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



IPPUDO



2022.4

Listed on Tokyo Stock Exchange Prime Market

2019.10

Global Leadership Conference

2018.11

100th store overseas

2018.3

Listed on Tokyo Stock Exchange First Section

2017.3

Listed on Tokyo Stock Exchange Mothers Index

2016.2

IPPUDO Paris: the first store in France

2015.10

30th anniversary event

2014.10

IPPUDO London: the first store in Europe

2009.5

IPPUDO Singapore: the first store in Asia

2008.3

IPPUDO New York: the first store overseas

1997.1

Mr. Shigemi Karahara won championship 3 times consecutively in TV show by TV Tokyo "TV Champion Ramen Chef"

1995.4

IPPUDO Ebisu: the first store in Tokyo

1994.3

IPPUDO in Ramen Museum in Yokohama

1985.10.16

IPPUDO Daimyo: The first Ippudo restaurant in Fukuoka.

1979.11

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

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