



Chikaranomoto Holdings Co.,Ltd. [Ticker# 3561]

FY2022 Q1 Financial Results Briefing

12th Aug 2022

JAPANESE RAMEN DINING
Copyright 2022 Chikaranomoto Group All Rights Reserved.

IPPUDO SG @ CLARKE QUAY
COMING SOON IN AUG 2022!



IPPUDO Singapore
Clarke Quay

IPPUDO Australia
Circular Quay

- 1. FY2022 Q1 Financial Results** P.2~P.21
- 2. FY2022 Financial Plan** P.22~P.26
- 3. Appendix** P.27~P.33

1 FY2022 Q1 Financial Results

FY2022 Q1 Consolidated P&L Highlights

Domestic revenue has gradually recovered since the restrictions were lifted. International segment once suffered from the spread of infections by a new variant of virus, but rebounded quickly especially in the Company-owned markets. Revenue +31.0% vs previous year. Operating income exceeded the plan, previous year and even the Pre-Covid years. Operating margin also surpassed the Pre-Pandemic years.

Revenue

5,486

Million Yen

Vs. FY2022 Q1 Plan

+2.7%

Vs. FY2021 Q1 Actual

+31.0%

Vs. FY2019 Q1
Pre-Covid year

-24.0%

Operating Income

287

Million Yen

+146
Million Yen

+267
Million Yen

+186
Million Yen

Operating margin

5.2%

2.6%

0.5%

1.4%

Net Income

300

Million Yen

+218
Million Yen

+373
Million Yen

+210
Million Yen

Net Income margin

5.5%

1.5%

-%

1.3%

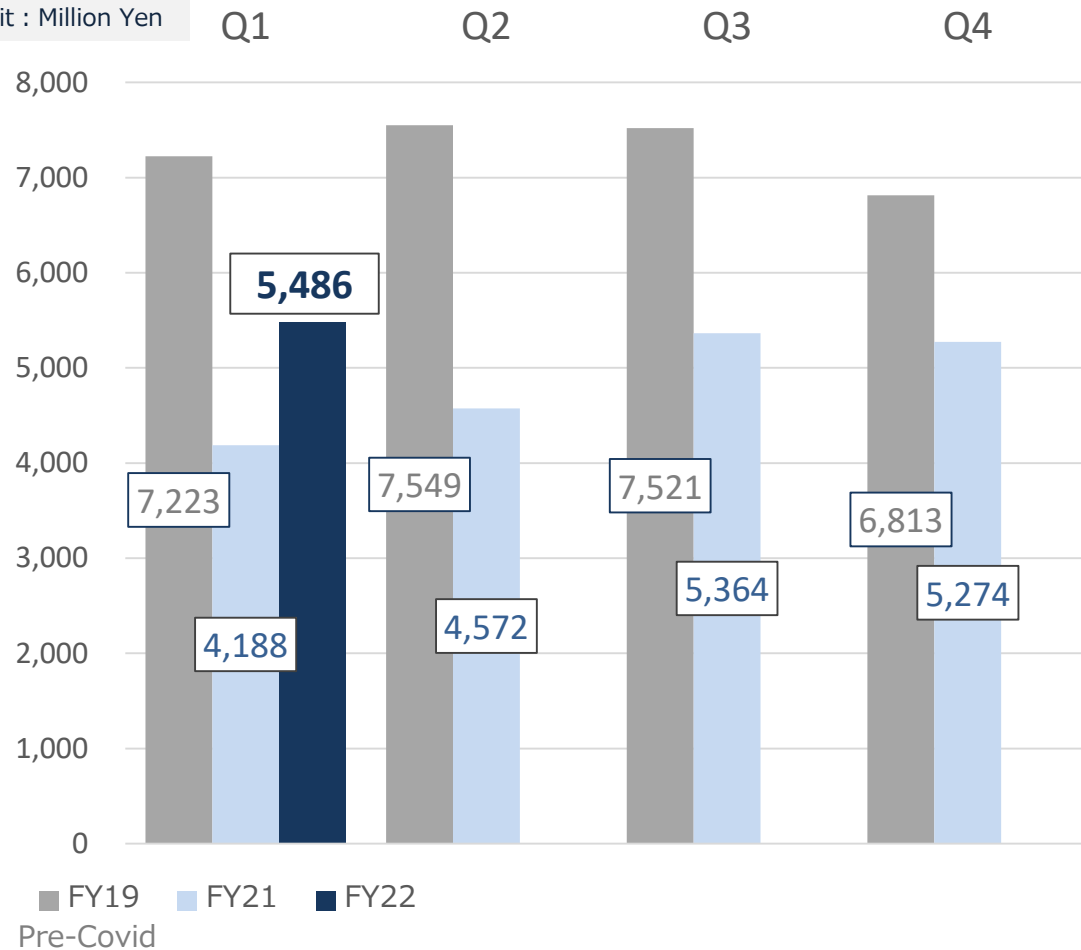
Consolidated Quarterly Results vs Previous Years

Revenue improved compared with the previous year.

Operating income also surpassed the previous year and the Pre-Covid year. In the previous year, certain fixed costs were transferred into Non-operating expenses as per the government guideline.

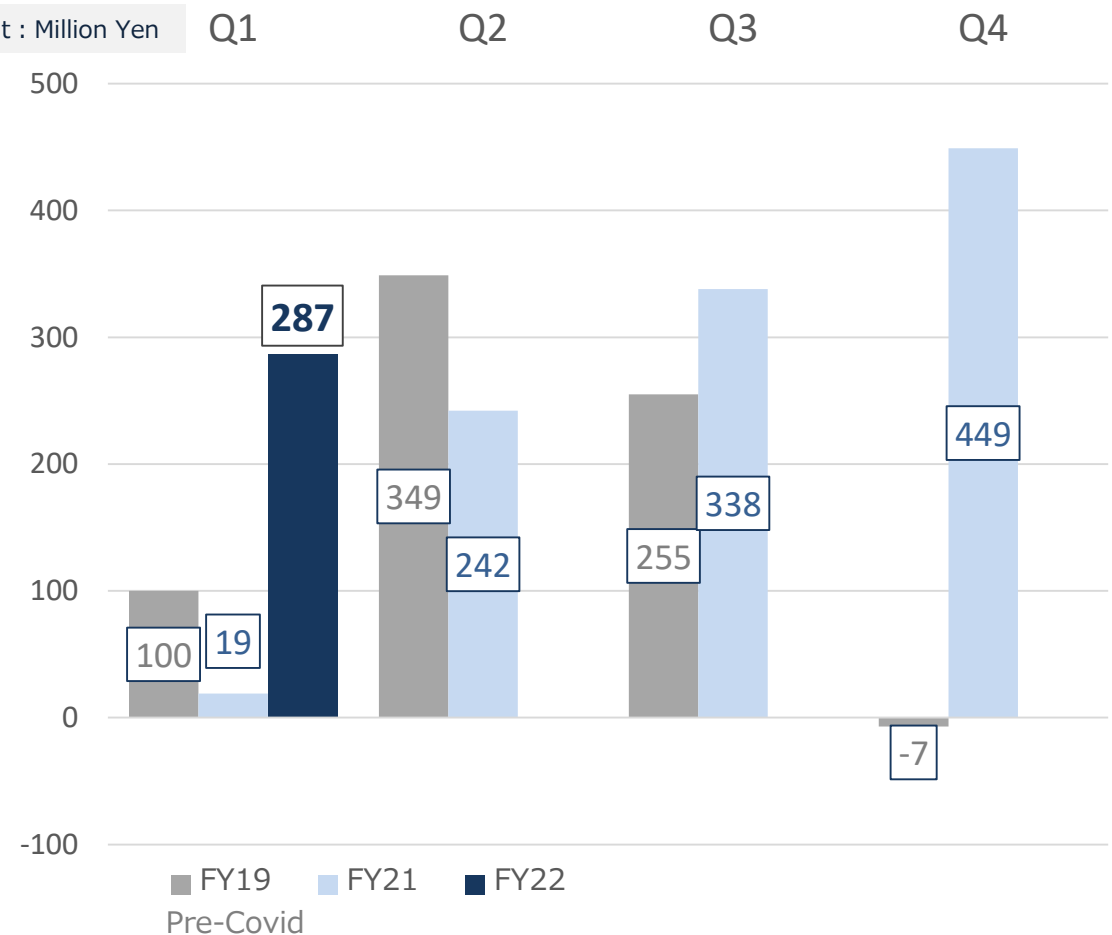
Revenue

Unit : Million Yen



Operating Income

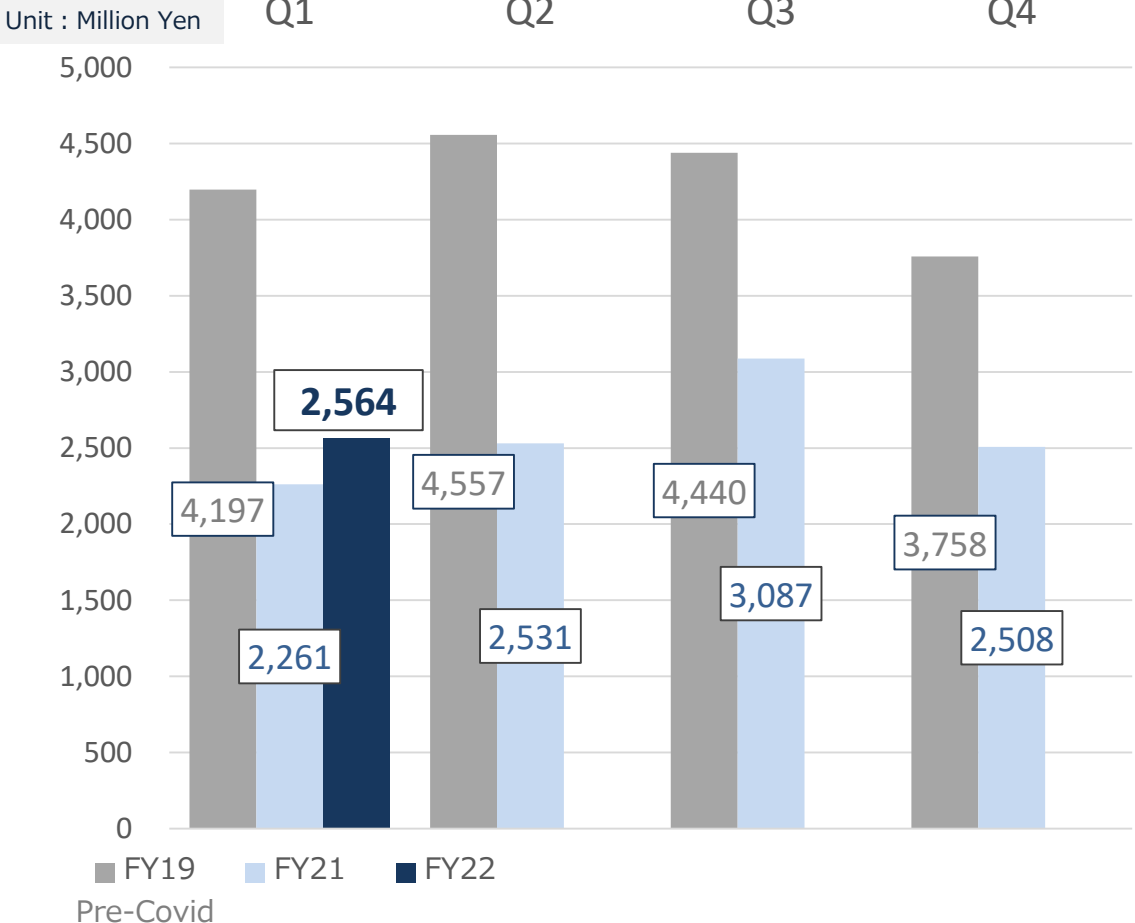
Unit : Million Yen



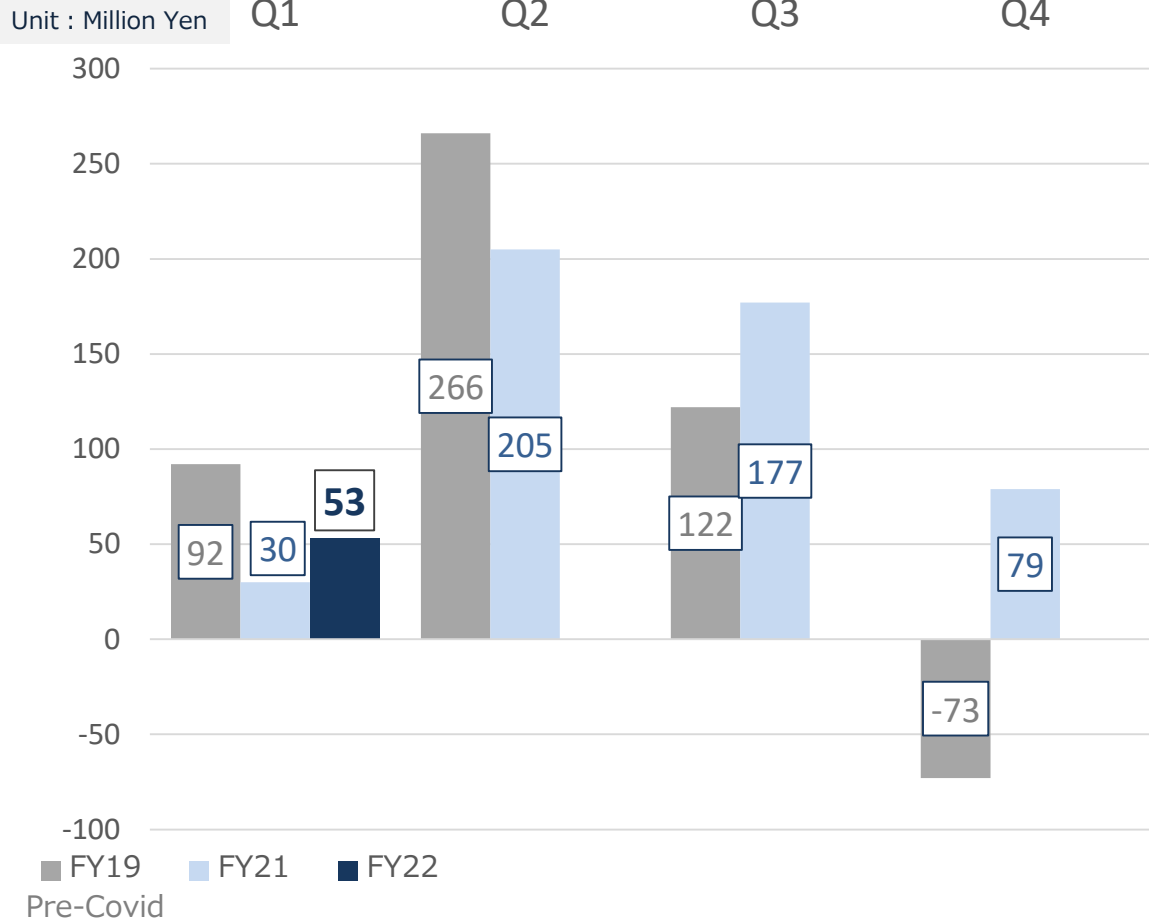
Domestic Store Operations Quarterly Results

Domestic revenue +13.4% vs previous year. It recovered steadily until “Golden Week”, but after GW the growth slowed due to the new variant. Operating income surpassed the previous year, in which certain fixed costs were transferred into Non-operating expenses as per the government guideline.

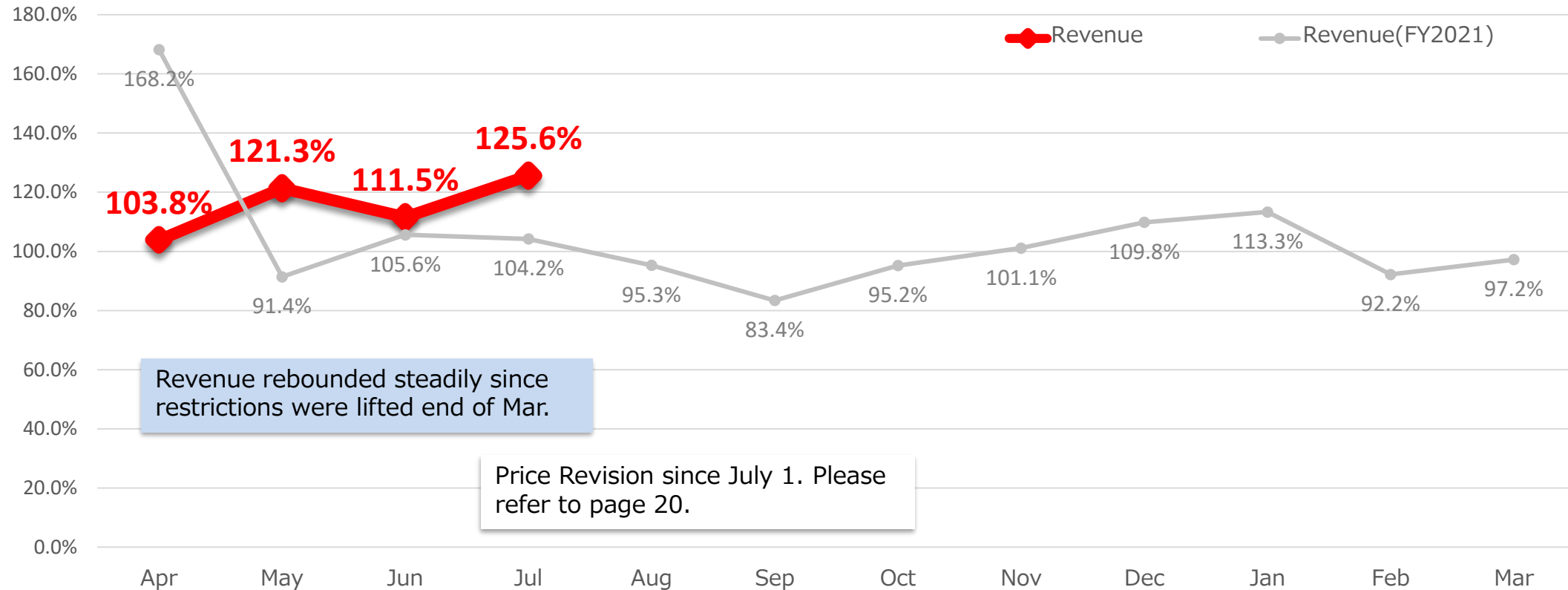
Revenue



Operating Income



FY2022 Year-Over-Year Revenue/Number of Customers/Average Check



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Sales	103.8%	121.3%	111.5%	125.6%									115.3%
Number of Customers	102.8%	119.9%	108.6%	117.6%									112.0%
Average Check	101.0%	101.2%	102.6%	106.8%									102.9%

■ Revenue

- ✓ Until GW, revenue had recovered steadily since March end when the restrictions were lifted.
- ✓ After GW, the growth slowed down because stores late-night business hours could not be returned to the Pre-Covid19 level due to sluggish traffic at night and severe labor shortage.
- ✓ Futo-Tsuke-Men, which used to be a summer feature menu, was launched ahead of time to boost the revenue.
- ✓ 5 new stores including 3 new higher-return stores were opened, and they performed well.

■ Operating Income

- ✓ Wage raise for permanent employees and part-timers to promote recruitment and retention.
- ✓ Full-scale menu price revisions are prepared (for July 1st) in anticipation of raw materials and utility prices hike.
- ✓ Closure of 6 under-performing stores.
- ✓ Profitability was improved by Digital Transformation such as QR order and tablet order systems.



Futo-Tsuke-Men was launched on May 23



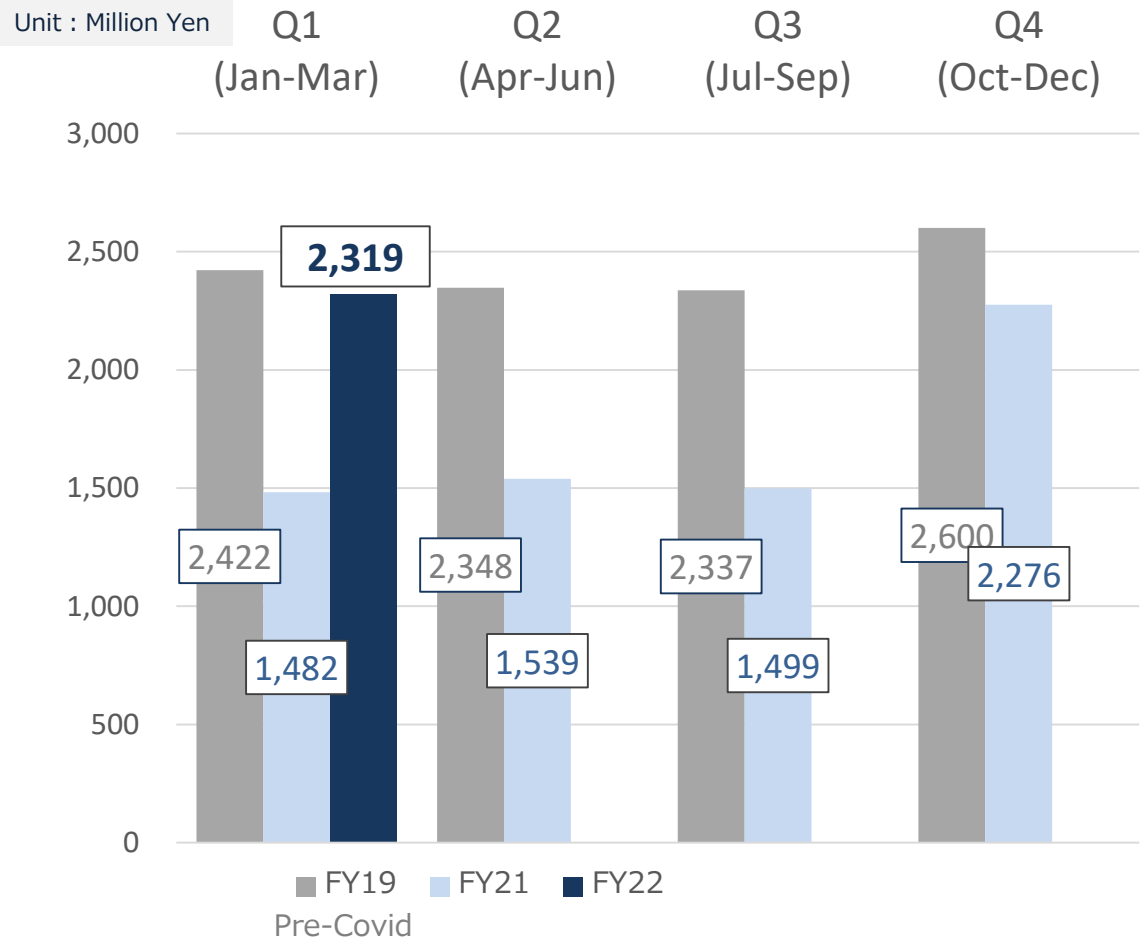
Introduction of tablet order system by IPPUDO MATSUMOTO

International Store Operations Quarterly Results

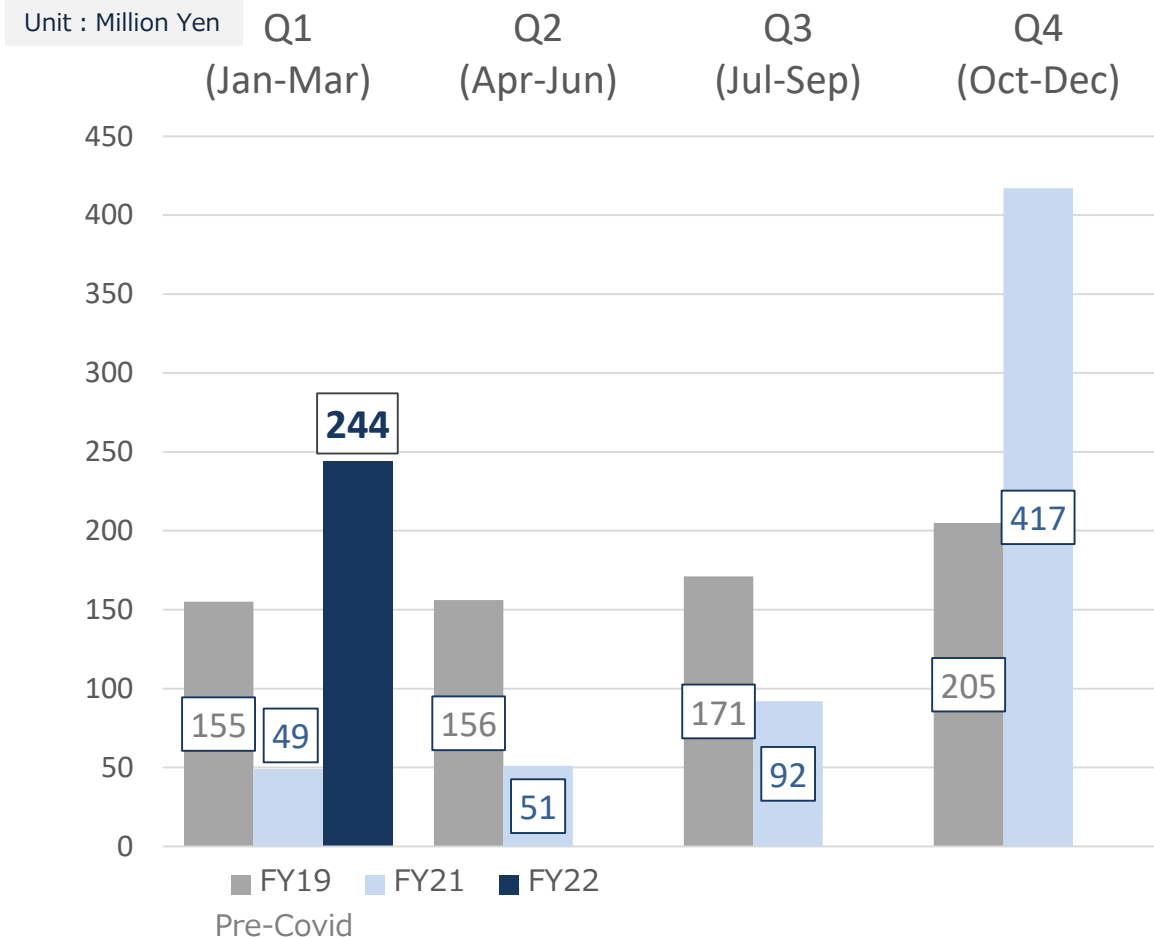


Revenue in USA, Australia and Taiwan were affected by the new variant until February but rebounded quickly in March.
 Operating income exceeded Pre-Covid19 level as a result of COGS control & labor savings.

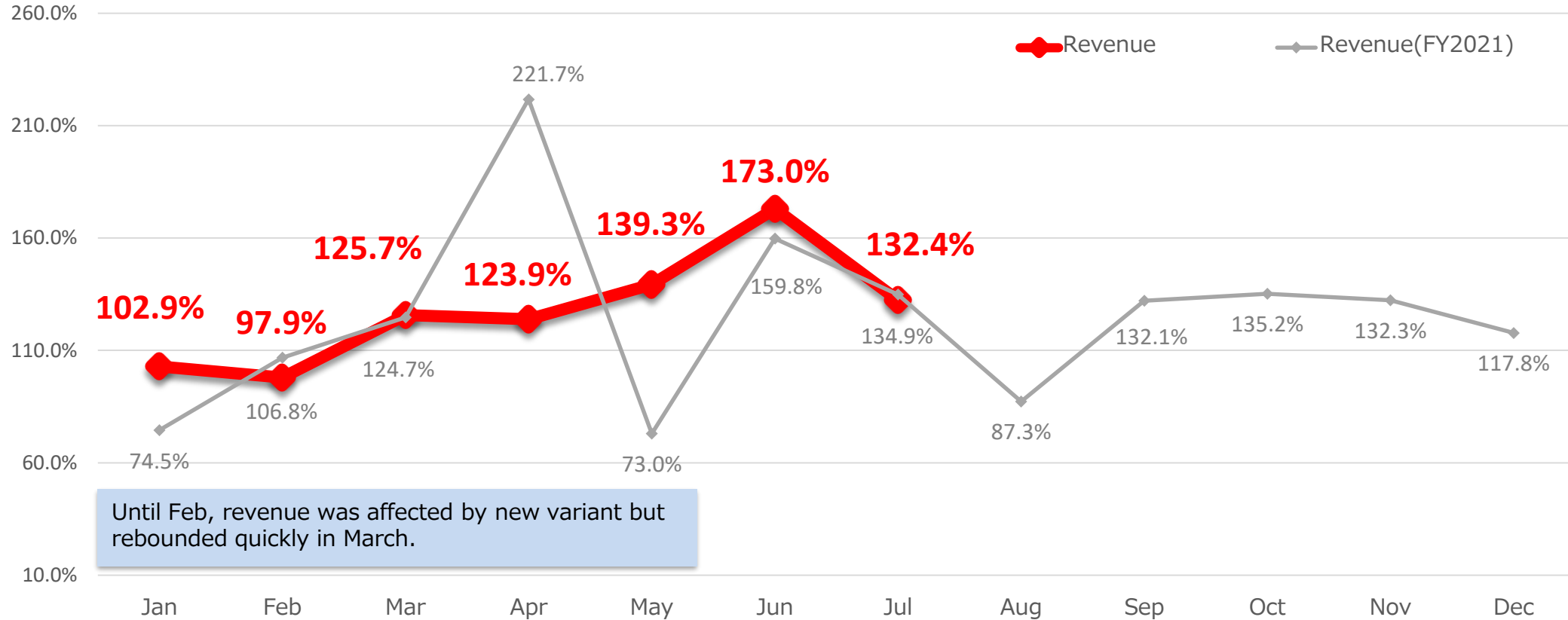
Revenue



Operating Income



FY2022 Year-Over-Year Revenue/Number of Customers/Average Check



Until Feb, revenue was affected by new variant but rebounded quickly in March.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	102.9%	97.9%	125.7%	123.9%	139.3%	173.0%	132.4%						128.2%
Number of Customers	92.1%	87.3%	100.4%	100.7%	110.3%	139.4%	106.9%						103.3%
Average Check	111.7%	112.1%	125.2%	123.0%	126.3%	124.1%	123.9%						124.1%

■ Revenue (Jan 2022 – Mar 2022)

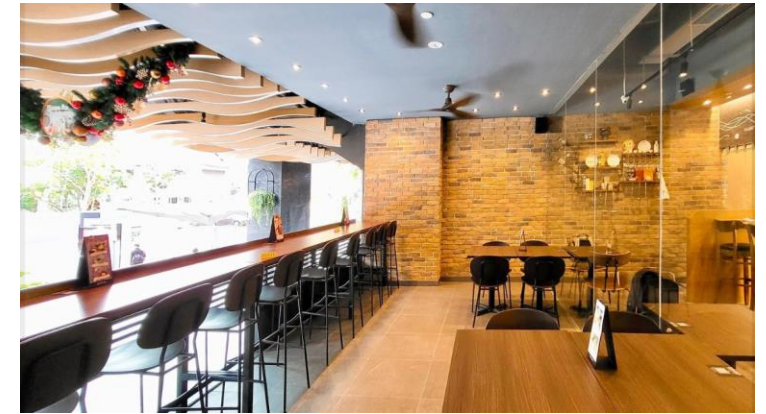
- ✓ Revenue was affected by new variant from December 2021 but rebounded quickly in March.
- ✓ 1 store in the Company-operated market (Taiwan) and 1 store in licensed area (Malaysia) opened.
- ✓ Launch of limited time merchandise, full scale menu price revision, grand menu revision and introduction of dessert menu, etc.

■ Operating income (Jan 2022 – Mar 2022)

- ✓ Full-scale menu price revisions and various cost reduction initiatives were implemented after the rise in raw materials and energy price.
- ✓ Profitability improved by Digital Transformation such as introduction of QR order system, etc.



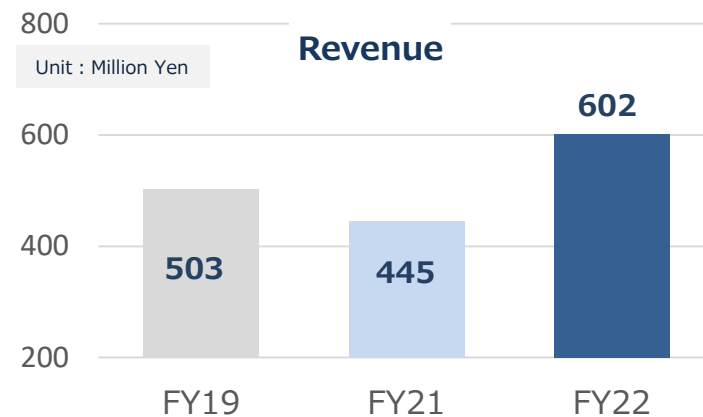
IPPUDO Indonesia
Limited-Time Product: Spicy Black



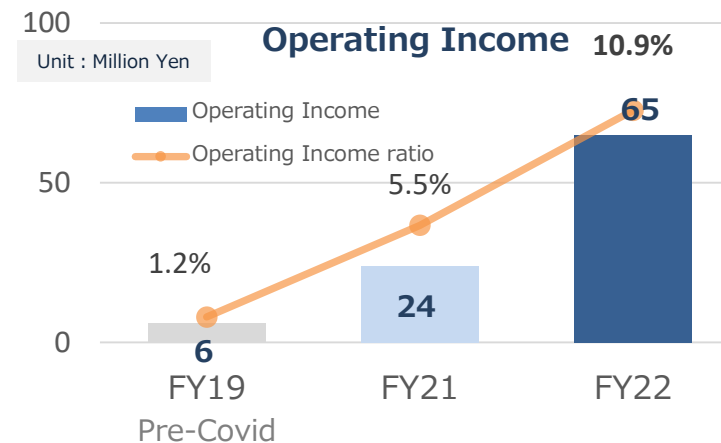
IPPUDO Singapore I12Katong
opened on Dec 23 2021

Production and Merchandise

Revenue+35.2% vs previous year. e-Commerce site, Ippudo branded products and exports contributed. Operating income increased by 41 Million Yen.



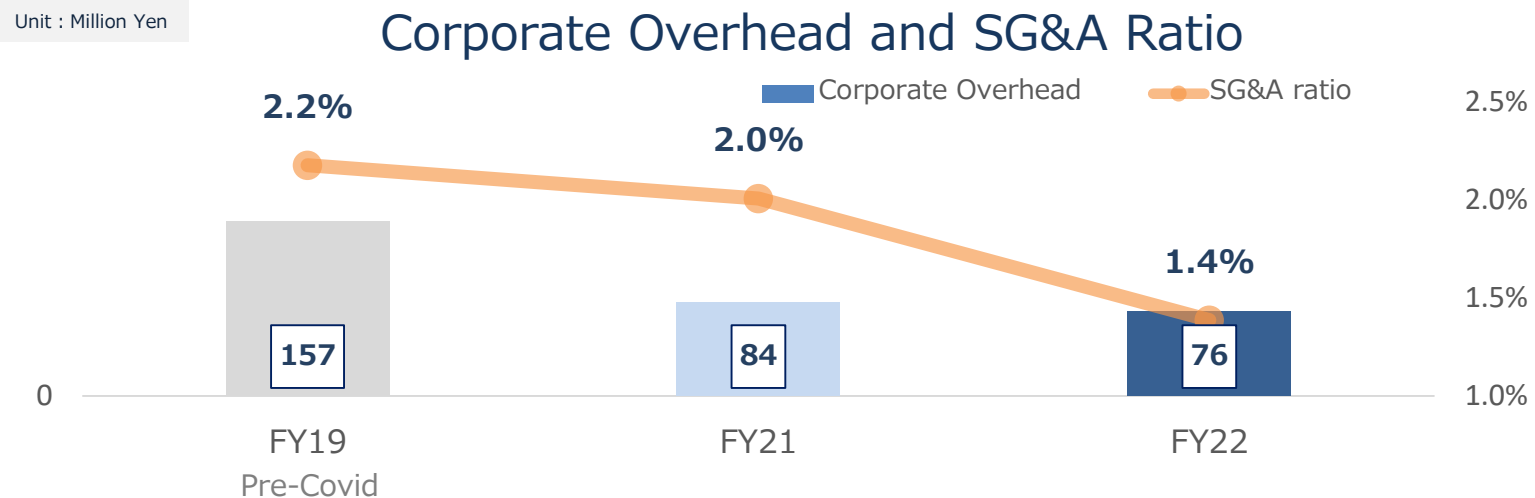
135.2% vs PY



267.0% vs PY

Corporate Overhead

SG&A ratio over consolidated revenue reduced by 0.6 points vs previous year. SG&A amount also reduced by half vs FY2019 Q1, Pre-Pandemic year.

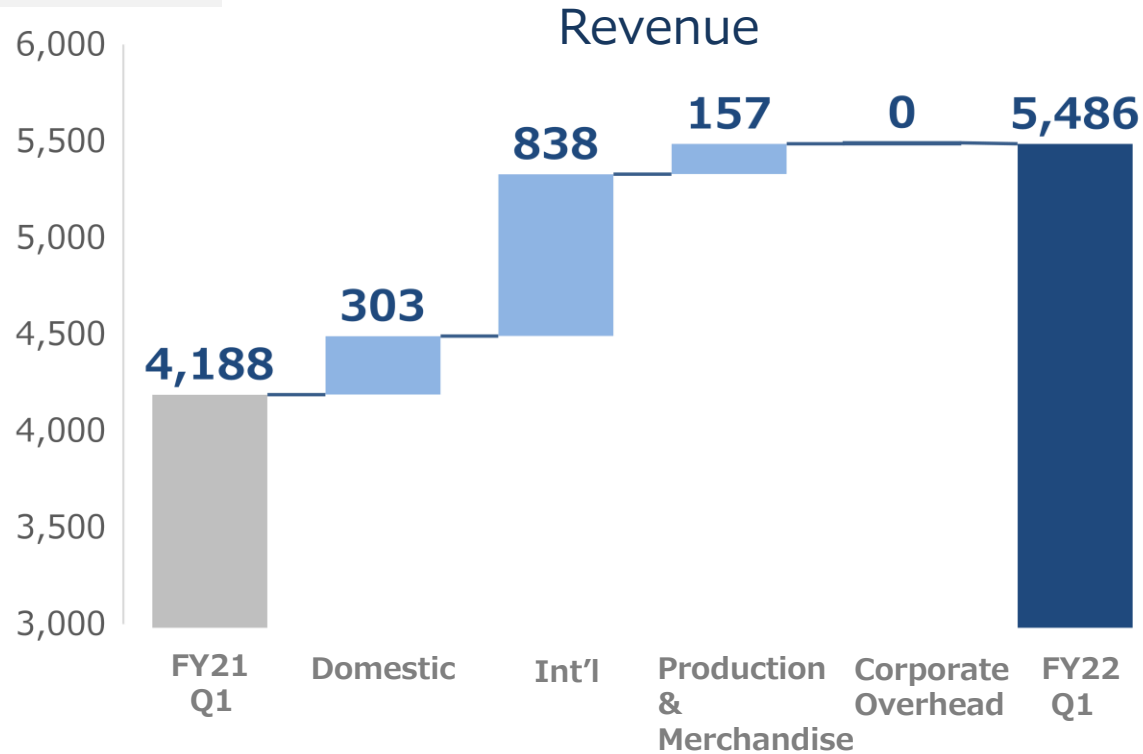


Segment Revenue, Operating Income and Operating Margin

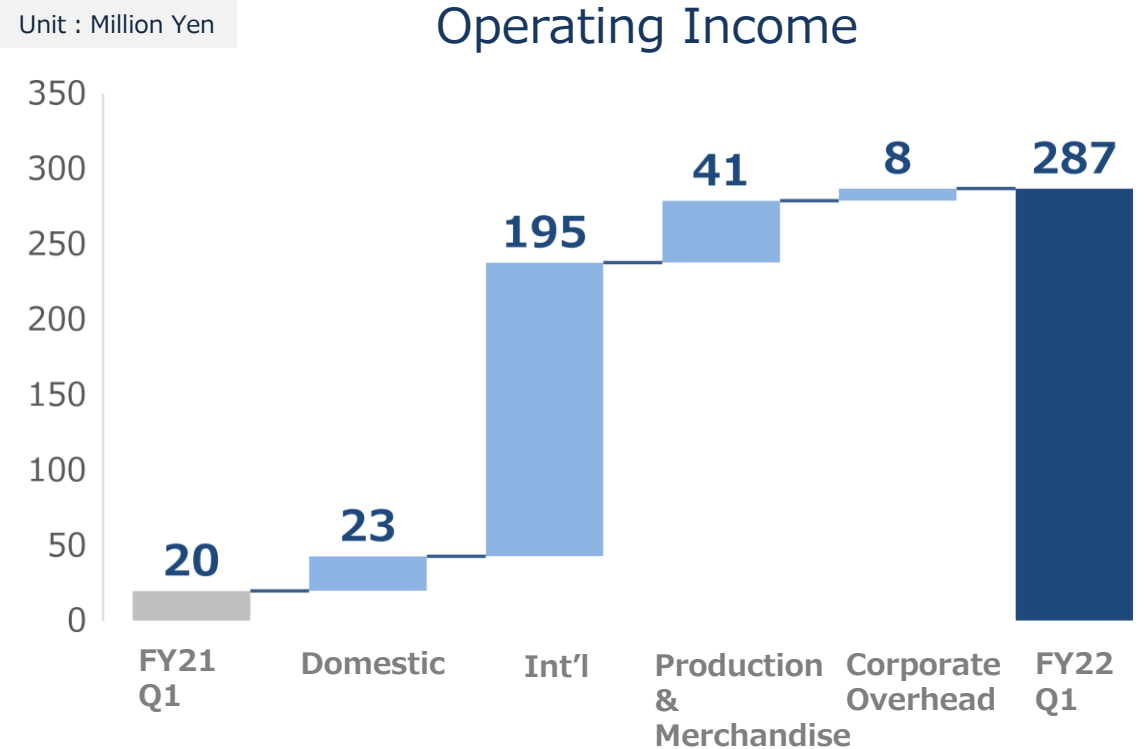
(vs. previous year)

The recovery of International revenue and operating income is strong, while Domestic one remains mild. Production & Merchandise revenue has grown mainly from promoting B2B sales of Ippudo branded products.

Unit : Million Yen



Unit : Million Yen



Segment operating margin

	Domestic	Int'l	Production & Merchandise	Others	Total
FY22 Q1	2.1%	10.5%	10.9%	-	5.2%
FY21 Q1	1.4%	3.3%	5.5%	-	0.5%

Consolidated Balance Sheet

Fixed assets increased from new Domestic & International stores increase.
Equity ratio improved with improved performance from core business, exercise of warrants and decrease of interest bearing loans.

Unit : Million Yen

	Mar 2022	Jun 2022	GAP
Current Assets (Cash and Deposits)	6,650 4,773	6,685 4,912	+35 +139
Property, Plant and Equipment	5,703	5,775	+72
Intangible Assets	177	176	-1
Investments & Others	2,739	2,902	+163
Non-Current Assets	8,620	8,854	+234
Total Assets	15,271	15,540	+269

■ Assets	
· Cash and deposits	+139
· Investment securities	+134

	Mar 2022	Jun 2022	GAP
Total Liabilities	11,470	10,830	-640
short-term loans	2,500	2,500	-
long-term loans	4,837	4,432	-405
Shareholders' Equity	3,647	4,481	+834
Accumulated Other Comprehensive Income	144	223	+79
Non-Controlling Interest	8	5	-3
Total Net Assets	3,800	4,709	+909
Total Liabilities and Net Assets	15,271	15,540	+269

■ Liabilities	
· Interest bearing loans	-407
· accounts payable	-126
· Income tax payable	-137

■ Shareholders' Equity	
· Capital	+523
· Retained earnings	+300

※Equity Ratio 30.3%
(24.8% at of end of March 2022)

	FY2022 Q1 Results	FY2022 Q1 Plan	FY2021 Q1 Results	FY2019 Q1 Results (Pre-Covid)
Revenue	5,486	5,340	4,188	7,223
Growth rate vs PY	+31.0%	-	-	-
Gross Profit	3,886	-	2,964	5,145
SG&A Expenses	3,599	-	2,944	5,044
Operating Income	287	141	19	100
Operating Margin	5.2%	2.6%	0.5%	1.4%
Ordinary Income	370	133	24	70
Ordinary Margin	6.8%	2.5%	0.6%	1.0%
Pre-Tax Income	393	-	-0	144
Net Income	300	82	-72	90
Net Income Margin	5.5%	1.5%	-	1.3%

Newly Opened Stores (April-June)

Domestic: IPPUDO 4, INABA UDON 1. International: IPPUDO 3.



**IPPUDO The Outlet
KITAKYUSHU**



**IPPUDO
youme Town KURUME**



**IPPUDO
SMARK IESAKI**



**IPPUDO
MEINOHAMA**



**IPPUDO INDONESIA
PIK Avenue**



**IPPUDO TAIWAN
Honhui Plaza**



**IPPUDO THAILAND
Rama 2**



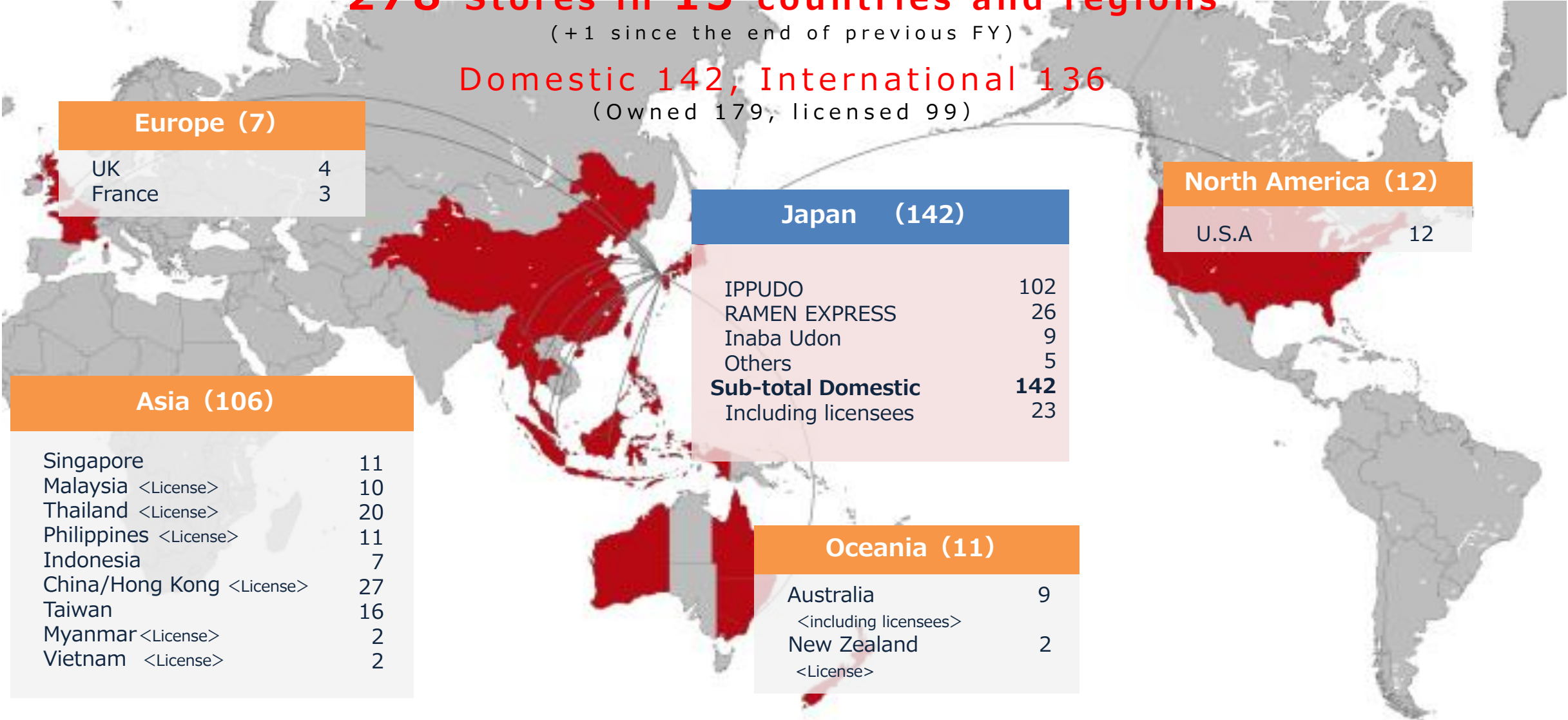
**INABA UDON The
Outlet KITAKYUSHU**

278 Stores in 15 countries and regions

(+1 since the end of previous FY)

Domestic 142, International 136

(Owned 179, licensed 99)



Europe (7)

UK	4
France	3

Asia (106)

Singapore	11
Malaysia <License>	10
Thailand <License>	20
Philippines <License>	11
Indonesia	7
China/Hong Kong <License>	27
Taiwan	16
Myanmar <License>	2
Vietnam <License>	2

Japan (142)

IPPUDO	102
RAMEN EXPRESS	26
Inaba Udon	9
Others	5
Sub-total Domestic	142
Including licensees	23

North America (12)

U.S.A	12
-------	----

Oceania (11)

Australia	9
<including licensees>	
New Zealand	2
<License>	

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

甘辛い大阪どて煮とスツキリ醤油スープ

JUNKO BLACK

ジュンコブラック

¥800

期間限定 2022.4.29(金)~5.3(火)

一風堂 × JUNKO KOSHINO × OPAM

限定夏季

もっちり、つるつると

大盛り ¥1150

980円

特製黒七味たみき玉添え

太つけ麺

一風堂

DANISH

堂食及外賣 Dine-in & Takeaway

期間限定

桜花蝦
特製海老味噌
秘製海老香油
香煎虎蝦
濃厚龍蝦湯

\$98

海老豚骨

Ebi Tonkotsu

任何拉麵加配 Ramen Add-on
香煎虎蝦 +\$32
GRILLED TIGER SHRIMP

立即下載

一風堂

濃厚なスープベースを不二製油が植物原料で再現。
辛いものが苦手な人も食べられるクリーミーな担々麺になっています。

期間限定
4月5日(火)
販売開始

一風堂 監修

数量限定!

プラントベース担々麺

担当: 食料カンパニー 油部・カカオ部 油部課/榎藤 (内線: 6278)

Our Approach to Promoting “Merchandizing”

Domestic: Seasonal products on e-Commerce site, newly developed products to meet broad customers’ needs at convenience stores, and merchandize with which people can enjoy the authentic flavors at home for mass-merchandise stores.

International: Plant-Based Shiromaru & Akamaru at retailers. More than 50,000 units were sold in 3 months with growing interests among people in plant-based food.

e-Commerce site (Domestic)



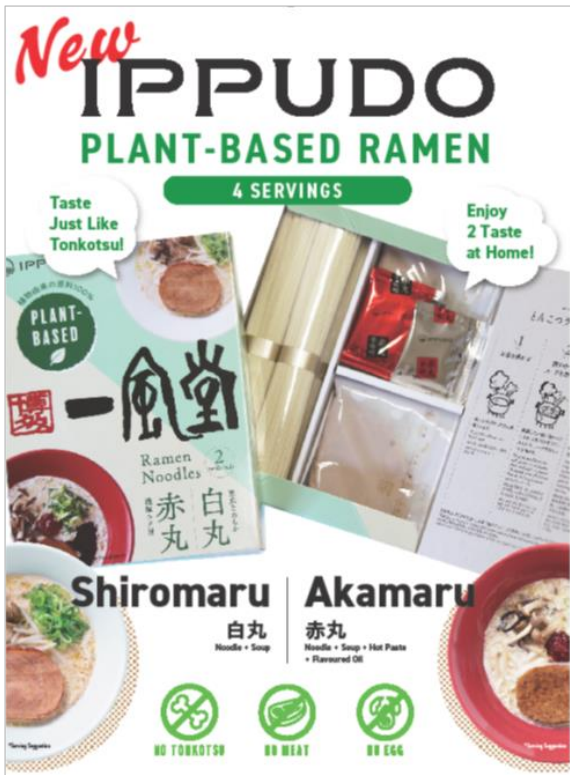
Convenience stores (Domestic)



Mass retailers (Domestic)



Mass retailers (Int'l)



We organized ramen-giveaway events by dispatching our own kitchen cars, which was labeled “ IPPUDO at Your Town”, in an attempt to attract families with small children who dine out less often due to recent pandemic with the support from partner companies.

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SDGsへの取り組みに関するお知らせ](#)



IPPUDO GLOBAL CLUB



**We implemented full-scale menu prices revisions on July 1st amid rising raw materials, logistics and labor costs in order to keep our products and service quality unchanged.
Average check +4.2% vs before price revision.**



報道関係者各位

2022年6月17日（金）
株式会社 力の源ホールディングス

「一風堂」全店における価格改定のお知らせ

7月1日（金）より、ラーメン、ラーメン定食、一部酒類の価格を30円～40円変更します

株式会社 力の源ホールディングス（本社：福岡県福岡市、代表取締役社長：河原成美）傘下の株式会社 力の源カンパニーは、2022年7月1日（金）より、各ブランドのラーメン等の販売価格等を変更いたします。今回の変更の対象は、全国の「一風堂」およびフードコート業態「IPPUDO RAMEN EXPRESS」、「RAMEN EXPRESS 博多一風堂」全店にて販売するラーメン、ラーメン定食と一部酒類等です。それぞれ30円～40円の価格変更となります。

力の源カンパニーは昨今の原材料費や運送費、人件費の上昇等、外食産業を取り巻く環境の変化を受け、各種コスト削減策に取り組んで参りましたが、お客様にご納得いただけるおいしさと安全性を確保すべく、この度の価格変更を決定いたしました。新型コロナウイルス感染症への不安が続く中、日々多くのお客様に支えていただいていますことに、改めて感謝いたします。各ブランドでは引き続き、商品・サービスへのこだわりを变えることなく、一杯のラーメンを通して「笑顔とありがとう」を伝え続けること、変わり続ける社会においてもお客様の力の源となり続けることを使命として、一層の努力に励んでまいります。

Domestic: 4 stores opened in July. Lumine Est Shinjuku store will provide Plant-Based Ramen all the time. Summer seasonal ramen: Plant-Based “Hiyashi Karaka” will be offered at some stores with limited quantity. Promotion of “Senkyo-wari” or discount for customers who voted in a general election. This initiative has been continuing since 2016.



IPPUDO
SUNLIVE City KOKURA



IPPUDO
AEON MALL FUKUTSU



IPPUDO
SENDAINISHIGUCHI



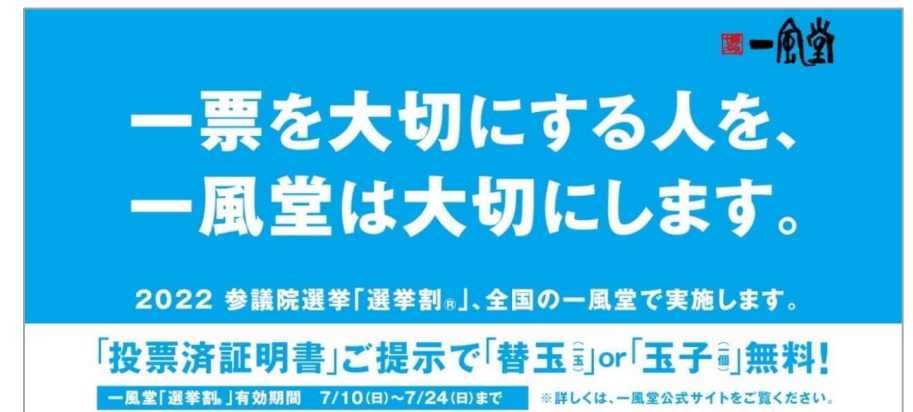
IPPUDO LUMINE EST SHINJUKU (Plant-Based Akamaru & Shiromaru)



プラント赤丸 (1090 円)



プラント白丸 (990 円)



FY2022 Financial Plan

Revenue recovery is expected to be moderate as the economy recovers gradually from pandemic downturn in both domestic and overseas markets.

Higher full year revenue and profit are planned, maintaining the cost control which was established last year, while certain cost increases are estimated such as rising raw materials, labor and utilities costs.

No change from previous announcement

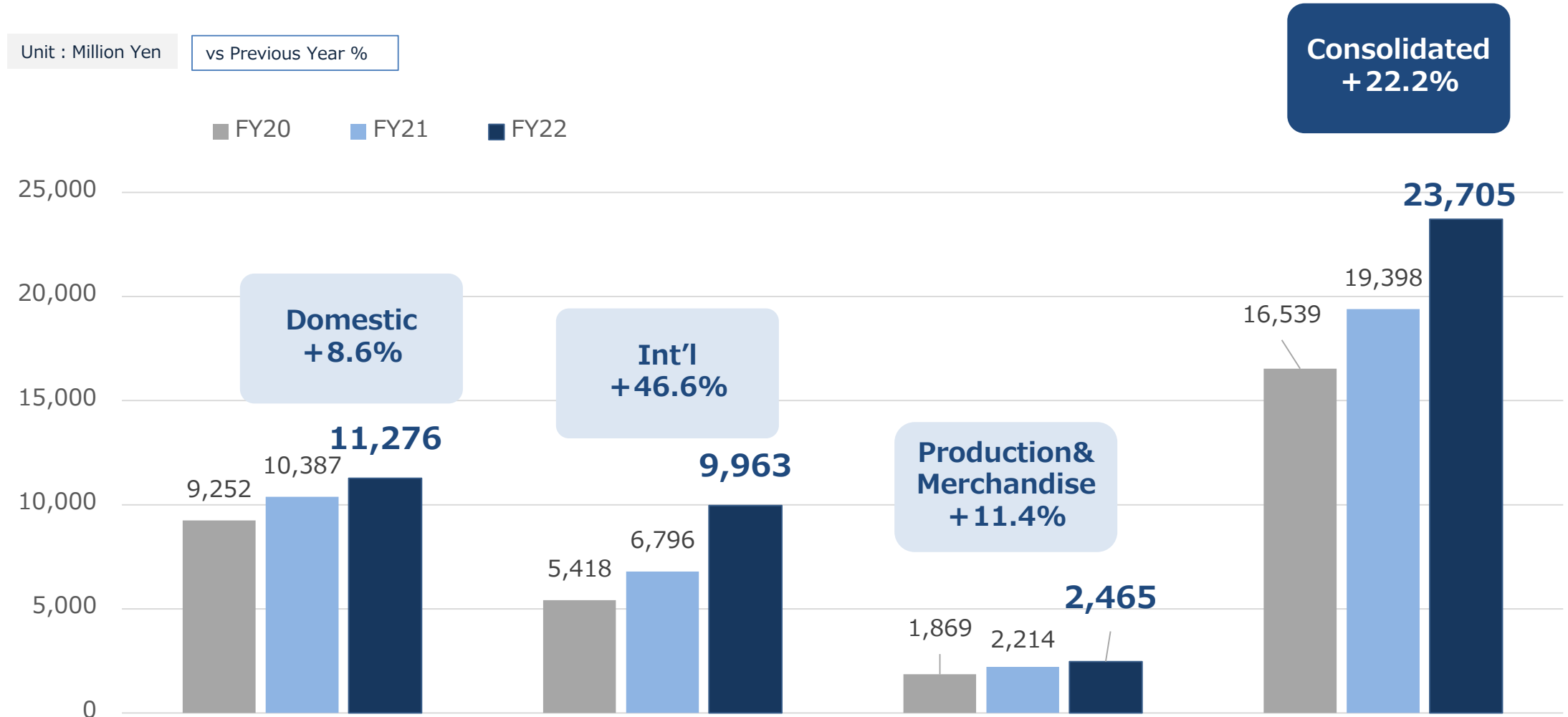
Unit : Million Yen

	FY2021-22 Result	FY2022-23 Plan	vs Previous Year		FY2022 Q1		Past 3 years Q1 progress ratio (Average)
			Gap	%	Results	Progress ratio	
Revenue	19,398	23,705	+4,306	+22.2%	5,486	23.1%	22.2%
Operating Income	1,050	1,383	+333	+31.7%	287	20.7%	8.1%
Ordinary Income	1,083	1,355	+272	+25.1%	370	27.3%	6.8%
Net Income Attributable to Shareholders	923	950	+27	+2.9%	300	31.6%	-

FY2022-2023 Financial Plan: Revenue

Total new stores: 17 (incl. licensees 3) Closure/divesting planned: 11

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

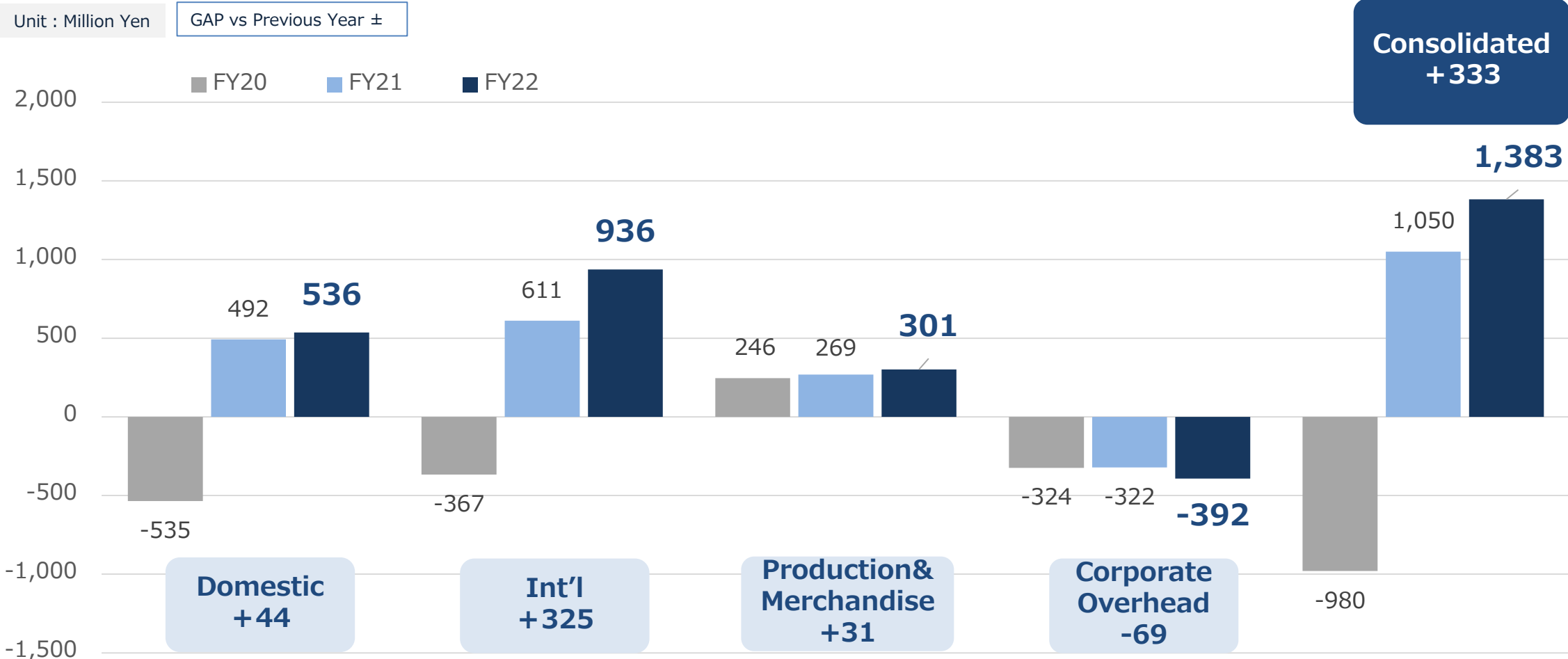


FY2022-2023 Financial Plan: Operating Income



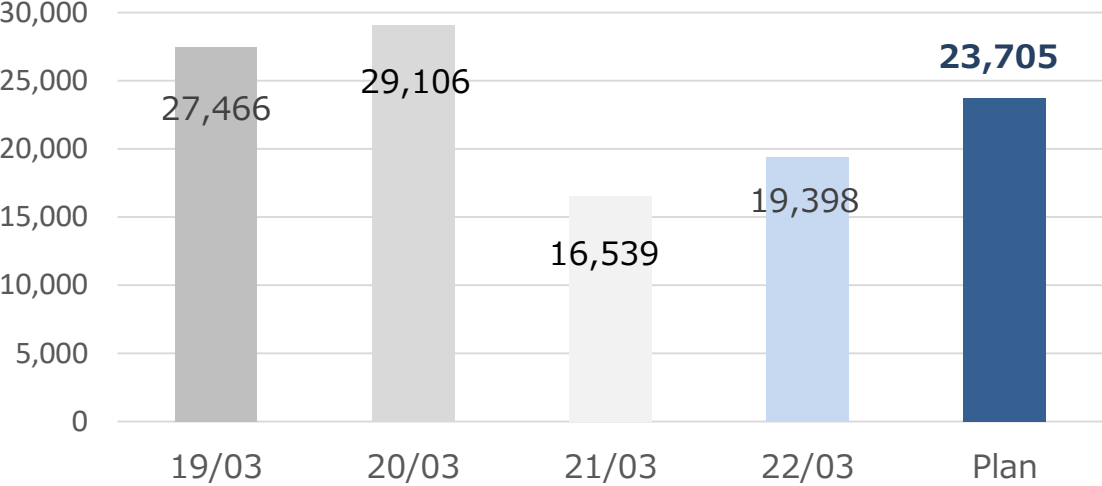
Profitability benefiting from various projects: roadside store model, strategic restructuring, digital order/smart phone payment, digital transformation, etc.

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

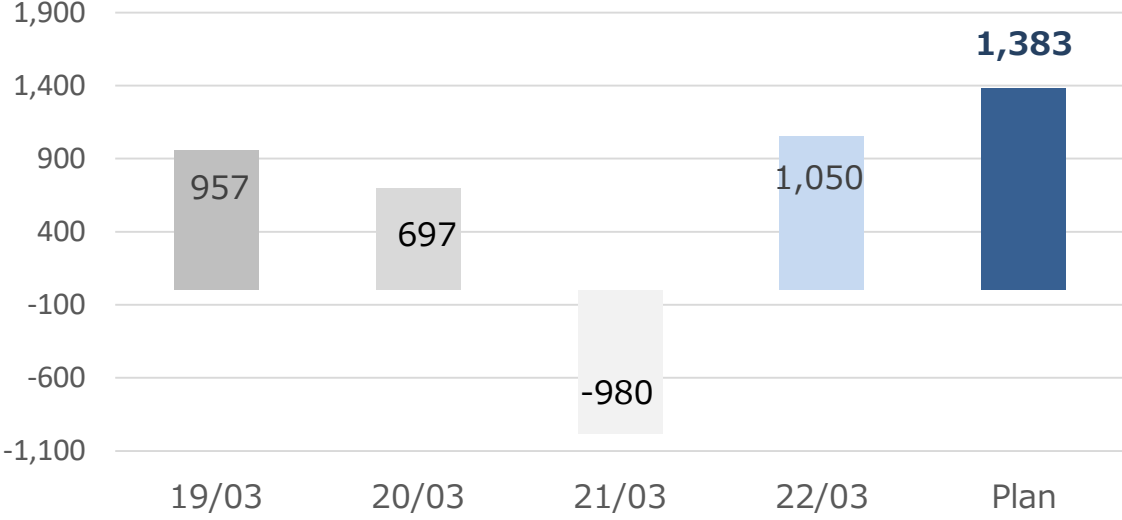


Major Financial Indicators

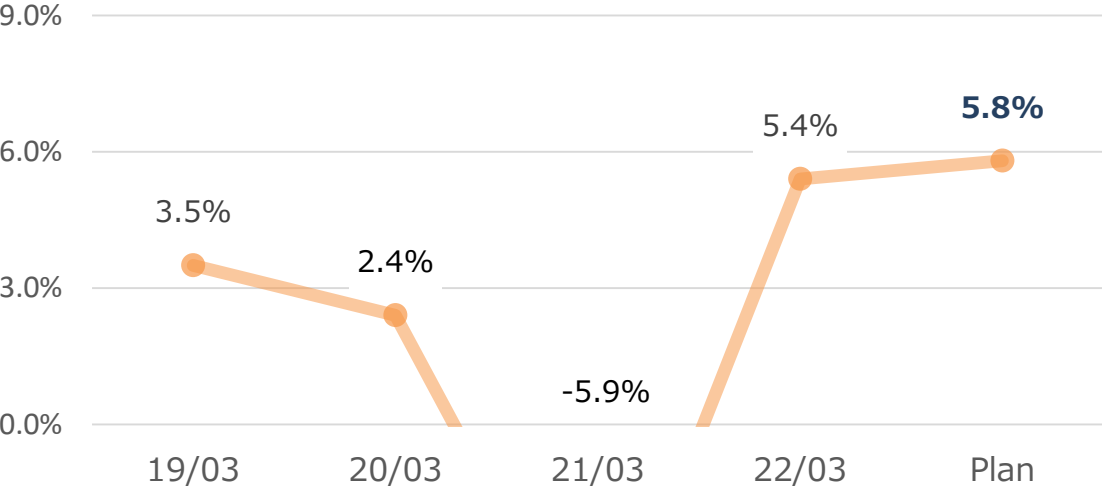
Revenue



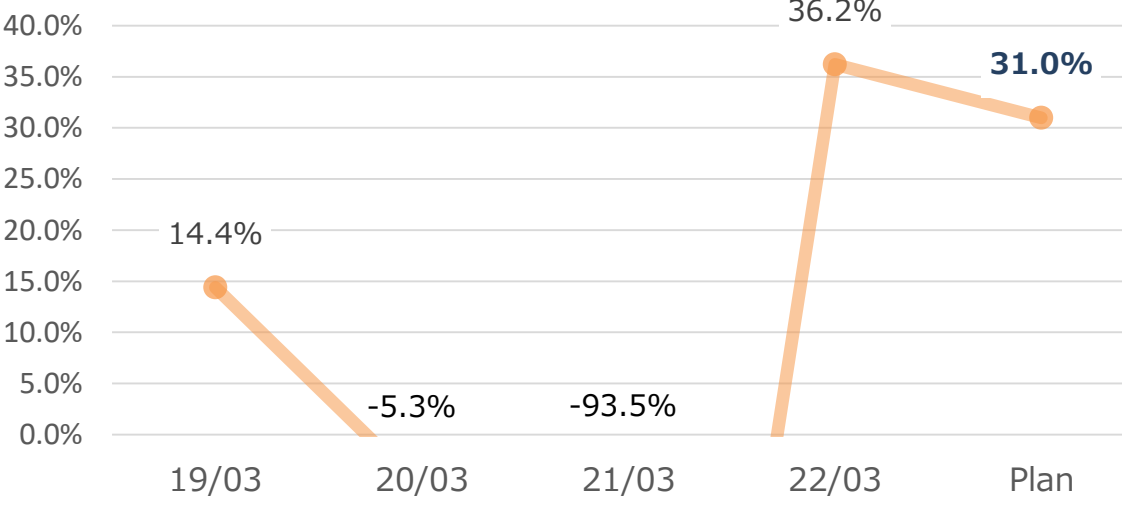
Operating Income



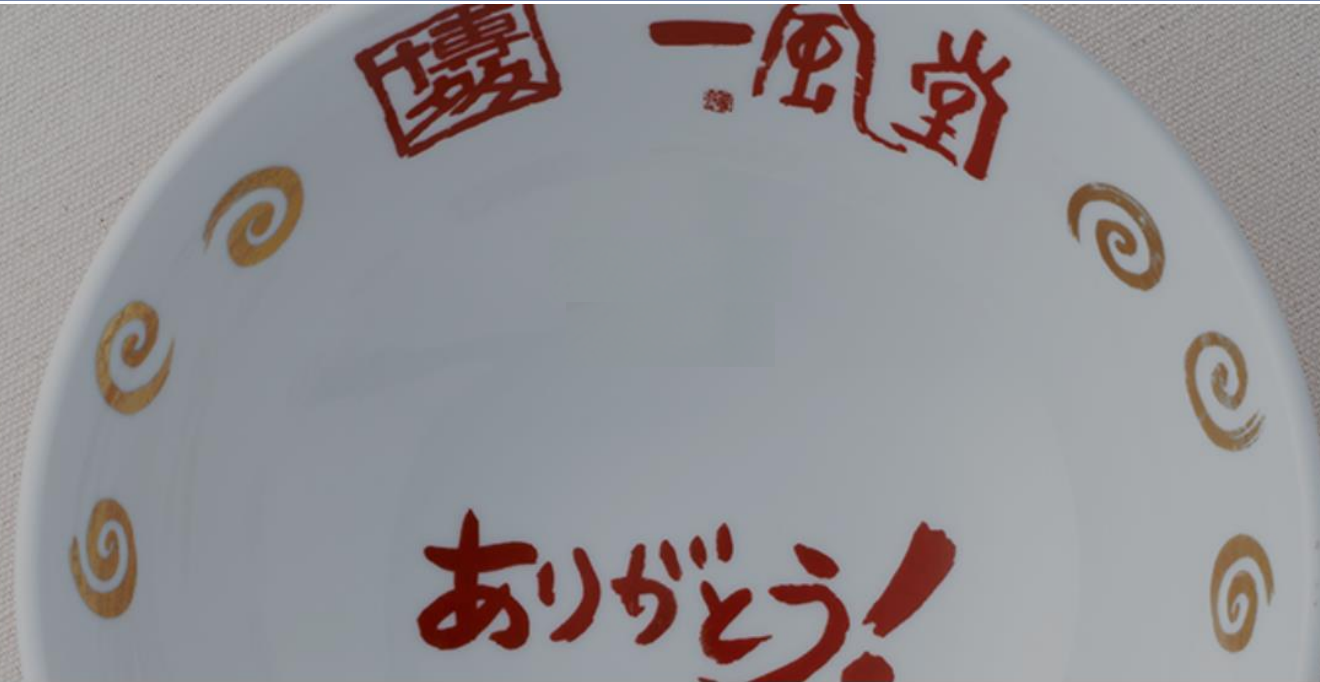
Operating Income Ratio



ROE



Appendix 3



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

Keep changing to remain unchanged.

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 **JPY 2,407,020,000** (Number of issued shares: **27,948,400** shares)
- Fiscal Term **End of March**
- Number of Employees **37** (consolidated: 484) ※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 30st June 2022

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.

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



1979.11

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

1985.10.16

IPPUDO Daimyo: The first Ippudo restaurant in Fukuoka.

1994.3

IPPUDO in Ramen Museum in Yokohama

1995.4

IPPUDO Ebisu: the first store in Tokyo

1997.1

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

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

2022.4

Listed on Tokyo Stock Exchange Prime Market



This material is published solely for information purpose, and is not to be construed as an offer to sell or the solicitation of an offer to buy any security.

Any information expressed herein on this date is subject to change without notice. Without the written consent of Chikaranomoto Holdings Co., Ltd., information in this material shall not be disclosed to a third party for any purpose.

Certain statements in this material are forward-looking statements, including but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Chikaranomoto Holdings Co., Ltd..

Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results to differ materially from those expressed in the statements.

