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On **January 10, 2019**, Yoshinoya Holdings Co., Ltd. announced earnings results for Q3 FY02/19.

| Cumulative (JPYmn) | FY02/17 | | | | FY02/18 | | | | FY02/19 | | | FY02/19 | |
|---------------------|---------|--------|---------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | % of FY | FY Est. |
| Sales | 46,529 | 93,481 | 140,616 | 188,623 | 48,493 | 97,689 | 146,443 | 198,503 | 49,794 | 100,339 | 150,016 | 73.2% | 205,000 |
| YoY | 1.5% | 0.5% | 1.4% | 1.6% | 4.2% | 4.5% | 4.1% | 5.2% | 2.7% | 2.7% | 2.4% | | 3.3% |
| Gross profit | 29,479 | 59,376 | 89,904 | 120,237 | 31,646 | 63,713 | 95,293 | 128,912 | 31,977 | 64,416 | 96,311 | | |
| YoY | 3.3% | 3.2% | 5.0% | 4.7% | 7.4% | 7.3% | 6.0% | 7.2% | 1.0% | 1.1% | 1.1% | | |
| GPM | 63.4% | 63.5% | 63.9% | 63.7% | 65.3% | 65.2% | 65.1% | 64.9% | 64.2% | 64.2% | 64.2% | | |
| SG&A expenses | 29,328 | 58,431 | 88,702 | 118,371 | 30,898 | 61,577 | 92,699 | 124,893 | 32,156 | 64,361 | 96,873 | | |
| YoY | 4.1% | 3.7% | 4.7% | 4.6% | 5.4% | 5.4% | 4.5% | 5.5% | 4.1% | 4.5% | 4.5% | | |
| SG&A-to-sales ratio | 63.0% | 62.5% | 63.1% | 62.8% | 63.7% | 63.0% | 63.3% | 62.9% | 64.6% | 64.1% | 64.6% | | |
| Operating profit | 151 | 945 | 1,201 | 1,865 | 748 | 2,136 | 2,594 | 4,019 | -178 | 55 | -562 | - | 1,100 |
| YoY | -58.4% | -20.7% | 41.5% | 15.6% | 395.4% | 126.0% | 116.0% | 115.5% | - | -97.4% | - | - | -72.6% |
| OPM | 0.3% | 1.0% | 0.9% | 1.0% | 1.5% | 2.2% | 1.8% | 2.0% | -0.4% | 0.1% | -0.4% | - | 0.5% |
| Recurring profit | 319 | 1,178 | 1,807 | 2,750 | 837 | 2,448 | 2,993 | 4,604 | -44 | 332 | -129 | - | 1,700 |
| YoY | -46.6% | -20.7% | 31.2% | 17.3% | 162.4% | 107.8% | 65.6% | 67.4% | - | -86.4% | - | - | -63.1% |
| RPM | 0.7% | 1.3% | 1.3% | 1.5% | 1.7% | 2.5% | 2.0% | 2.3% | -0.1% | 0.3% | -0.1% | - | 0.8% |
| Net income | 130 | 1,574 | 1,688 | 1,248 | 419 | 1,290 | 1,595 | 1,491 | -388 | -850 | -1,558 | - | -1,100 |
| YoY | -48.6% | 137.4% | 817.4% | 49.1% | 222.3% | -18.0% | -5.5% | 19.5% | - | - | - | - | - |
| Net margin | 0.3% | 1.7% | 1.2% | 0.7% | 0.9% | 1.3% | 1.1% | 0.8% | -0.8% | -0.8% | - | - | -0.5% |

| Quarterly (JPYmn) | FY02/17 | | | | FY02/18 | | | | FY02/19 | | |
|---------------------|---------|--------|--------|--------|---------|---------|--------|---------|---------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Sales | 46,529 | 46,952 | 47,135 | 48,007 | 48,493 | 49,196 | 48,754 | 52,060 | 49,794 | 50,545 | 49,677 |
| Yoshinoya | 23,763 | 24,647 | 24,606 | 24,265 | 24,001 | 24,573 | 24,980 | 27,528 | 24,909 | 25,933 | 25,490 |
| Hanamaru | 5,855 | 6,098 | 5,933 | 5,994 | 6,701 | 6,909 | 6,773 | 6,674 | 7,355 | 7,466 | 7,107 |
| Arcmeal | 5,931 | 5,713 | 5,424 | 5,911 | 5,755 | 5,744 | 5,275 | 5,708 | 5,346 | 4,990 | 4,730 |
| Kyotaru | 6,399 | 6,241 | 6,276 | 6,766 | 6,810 | 6,560 | 6,382 | 6,943 | 6,958 | 6,727 | 6,634 |
| Overseas | 4,100 | 3,995 | 4,244 | 4,267 | 4,617 | 4,908 | 5,196 | 5,013 | 5,005 | 5,207 | 5,558 |
| YoY | 1.5% | -0.4% | 3.3% | 1.9% | 4.2% | 4.8% | 3.4% | 8.4% | 2.7% | 2.7% | 1.9% |
| Yoshinoya | 4.2% | -0.6% | 3.3% | 0.3% | 1.0% | -0.3% | 1.5% | 13.4% | 3.8% | 5.5% | 2.0% |
| Hanamaru | 6.7% | 8.3% | 10.2% | 19.7% | 14.4% | 13.3% | 14.2% | 11.3% | 9.8% | 8.1% | 4.9% |
| Arcmeal | -6.1% | -6.4% | -5.7% | -4.4% | -3.0% | 0.5% | -2.7% | -3.4% | -7.1% | -13.1% | -10.3% |
| Kyotaru | 0.2% | 2.6% | 5.0% | 3.6% | 6.4% | 5.1% | 1.7% | 2.6% | 2.2% | 2.5% | 3.9% |
| Overseas | -1.2% | -5.5% | -2.2% | -11.0% | 12.6% | 22.9% | 22.4% | 17.5% | 8.4% | 6.1% | 7.0% |
| Gross profit | 29,479 | 29,897 | 30,528 | 30,333 | 31,646 | 32,067 | 31,580 | 33,619 | 31,977 | 32,439 | 31,895 |
| YoY | 3.3% | 3.1% | 8.8% | 3.7% | 7.4% | 7.3% | 3.4% | 10.8% | 1.0% | 1.2% | 1.0% |
| GPM | 63.4% | 63.7% | 64.8% | 63.2% | 65.3% | 65.2% | 64.8% | 64.6% | 64.2% | 64.2% | 64.2% |
| SG&A expenses | 29,328 | 29,103 | 30,271 | 29,669 | 30,898 | 30,679 | 31,122 | 32,194 | 32,156 | 32,205 | 32,512 |
| YoY | 4.1% | 3.3% | 6.6% | 4.2% | 5.4% | 5.4% | 2.8% | 8.5% | 4.1% | 5.0% | 4.5% |
| SG&A-to-sales ratio | 63.0% | 62.0% | 64.2% | 61.8% | 63.7% | 62.4% | 63.8% | 61.8% | 64.6% | 63.7% | 65.4% |
| Operating profit | 151 | 794 | 256 | 664 | 748 | 1,388 | 458 | 1,425 | -178 | 233 | -617 |
| Yoshinoya | 601 | 1,008 | 1,292 | 934 | 915 | 1,050 | 1,203 | 1,896 | 511 | 732 | 910 |
| Hanamaru | 254 | 417 | 136 | 130 | 464 | 551 | 199 | 60 | 392 | 377 | -93 |
| Arcmeal | 38 | 11 | -148 | 234 | 68 | 142 | -98 | 97 | -86 | -257 | -397 |
| Kyotaru | 88 | -53 | -98 | 135 | 244 | 33 | -119 | 158 | 206 | -16 | -57 |
| Overseas | 331 | 278 | 302 | 2 | 314 | 358 | 416 | 155 | 114 | 200 | 272 |
| YoY | -58.4% | -4.2% | - | -13.1% | 395.4% | 74.8% | 78.9% | 114.6% | - | -83.2% | - |
| Yoshinoya | 14.3% | 0.5% | 130.3% | -3.1% | 52.2% | 4.2% | -6.9% | 103.0% | -44.2% | -30.3% | -24.4% |
| Hanamaru | -43.2% | 4.8% | 36.0% | -39.0% | 82.7% | 32.1% | 46.3% | -53.8% | -15.5% | -31.6% | - |
| Arcmeal | -73.0% | - | - | -25.5% | 78.9% | 1190.9% | - | -58.5% | - | - | - |
| Kyotaru | -47.9% | - | - | -12.9% | 177.3% | - | - | 17.0% | -15.6% | - | - |
| Overseas | 359.7% | 6.5% | 26.9% | - | -5.1% | 28.8% | 37.7% | 7650.0% | -63.7% | -44.1% | -34.6% |
| OPM | 0.3% | 1.7% | 0.5% | 1.4% | 1.5% | 2.8% | 0.9% | 2.7% | -0.4% | 0.5% | -1.2% |
| Yoshinoya | 2.5% | 4.1% | 5.3% | 3.8% | 3.8% | 4.3% | 4.8% | 6.9% | 2.1% | 2.8% | 3.6% |
| Hanamaru | 4.3% | 6.8% | 2.3% | 2.2% | 6.9% | 8.0% | 2.9% | 0.9% | 5.3% | 5.0% | -1.3% |
| Arcmeal | 0.6% | 0.2% | -2.7% | 4.0% | 1.2% | 2.5% | -1.9% | 1.7% | -1.6% | -5.2% | -8.4% |
| Kyotaru | 1.4% | -0.8% | -1.6% | 2.0% | 3.6% | 0.5% | -1.9% | 2.3% | 3.0% | -0.2% | -0.9% |
| Overseas | 8.1% | 7.0% | 7.1% | 0.0% | 6.8% | 7.3% | 8.0% | 3.1% | 2.3% | 3.8% | 4.9% |
| Recurring profit | 319 | 859 | 629 | 943 | 837 | 1,611 | 545 | 1,611 | -44 | 376 | -461 |
| YoY | -46.6% | -3.3% | - | -2.6% | 162.4% | 87.5% | -13.4% | 70.8% | - | -76.7% | - |
| RPM | 0.7% | 1.8% | 1.3% | 2.0% | 1.7% | 3.3% | 1.1% | 3.1% | -0.1% | 0.7% | - |
| Net income | 130 | 1,444 | 114 | -440 | 419 | 871 | 305 | -104 | -388 | -462 | -708 |
| YoY | -48.6% | 252.2% | - | - | 222.3% | -39.7% | 167.5% | - | - | - | - |
| Net margin | 0.3% | 3.1% | 0.2% | -0.9% | 0.9% | 1.8% | 0.6% | -0.2% | -0.8% | - | - |

| Comparable store sales YoY | | | | | | | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--|--|
| Yoshinoya | 1.3% | -2.0% | 4.4% | -2.7% | -2.4% | -2.5% | -3.3% | 14.6% | 4.1% | 3.8% | | |
| Hanamaru | -3.2% | -1.6% | 1.6% | -2.1% | 3.9% | 3.7% | 3.2% | 0.8% | -0.3% | -1.3% | | |
| Arcmeal | -7.1% | -7.5% | -6.1% | -3.8% | -2.1% | 2.8% | -2.5% | -2.6% | -6.5% | -12.9% | | |
| Kyotaru | 0.3% | 1.1% | 0.2% | -1.5% | 0.9% | -0.8% | -1.6% | 0.1% | 0.5% | 1.2% | | |

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Yoshinoya monthly data

| | | FY02/11 | FY02/12 | FY02/13 | FY02/14 | FY02/15 | FY02/16 | FY02/17 | FY02/18* |
|-------------------|----------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Comparable stores | Sales | -6.8% | -4.9% | -2.3% | 7.3% | 1.2% | 0.8% | 0.1% | 1.4% |
| | Customer count | 1.0% | -3.9% | -6.8% | 13.4% | -6.4% | -11.5% | 1.7% | 0.2% |
| | Customer spend | -7.2% | -1.1% | 4.8% | -5.3% | 8.2% | 13.9% | -1.6% | 1.3% |
| All stores | Sales | -3.8% | -3.3% | 1.7% | 11.2% | 5.3% | 3.9% | 3.8% | 4.8% |
| | Customer count | 3.9% | -2.4% | -3.1% | 17.4% | -2.6% | -9.0% | 5.3% | 3.5% |
| | Customer spend | -7.0% | -0.9% | 4.9% | -5.3% | 8.2% | 14.2% | -1.5% | 1.3% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|------|-------|-------|------|------|------|-------|-------|-------|-----|-----|------|
| Comparable stores | Sales | 3.3% | 7.0% | 2.1% | 6.3% | 3.3% | 2.1% | 4.7% | -0.7% | -3.0% | -1.2% | | | 2.6% |
| | Customer count | 3.6% | 4.4% | 2.9% | 7.5% | 2.9% | 3.7% | 3.0% | -0.8% | -5.4% | -2.9% | | | |
| | Customer spend | -0.3% | 2.5% | -0.8% | -1.2% | 0.4% | 0.3% | 1.6% | 0.1% | 2.5% | 1.8% | | | |

| | | | | | | | | | | | | | | |
|------------|----------------|-------|-------|-------|-------|------|------|------|-------|-------|------|--|--|--|
| All stores | Sales | 6.6% | 10.4% | 5.3% | 8.9% | 6.3% | 4.8% | 7.5% | 2.6% | -0.4% | 1.5% | | | |
| | Customer count | 7.3% | 8.1% | 6.6% | 10.7% | 6.3% | 4.4% | 6.2% | 2.8% | -2.4% | 0.1% | | | |
| | Customer spend | -0.7% | 2.1% | -1.2% | -1.6% | 0.0% | 0.4% | 1.3% | -0.3% | 2.1% | 1.4% | | | |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|------|--------|-------|-------|-------|-------|------|--------|------|------|------|--------|------|
| Comparable stores | Sales | 1.1% | -8.4% | 0.6% | -5.5% | -1.2% | 0.2% | 1.6% | -15.1% | 5.7% | 4.5% | 6.3% | 36.3% | 1.4% |
| | Customer count | 0.4% | -12.2% | -0.7% | -7.1% | -2.5% | -0.9% | 0.9% | -21.6% | 3.1% | 2.3% | 5.1% | 54.0% | 0.2% |
| | Customer spend | 0.8% | 4.4% | 3.5% | 1.7% | 1.3% | 1.1% | 0.8% | 8.2% | 2.6% | 2.1% | 1.2% | -11.5% | 1.3% |
| All stores | Sales | 4.6% | -5.6% | 3.6% | -2.1% | 1.9% | 3.3% | 4.5% | -12.6% | 8.3% | 7.1% | 9.3% | 39.6% | 4.8% |
| | Customer count | 4.2% | -9.3% | 0.4% | -3.6% | 0.9% | 2.6% | 4.0% | -19.0% | 6.0% | 5.3% | 8.5% | 58.3% | 3.5% |
| | Customer spend | 0.4% | 4.1% | 3.2% | 1.5% | 1.0% | 0.7% | 0.4% | 7.9% | 2.2% | 1.8% | 0.8% | -11.8% | 1.3% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Comparable stores | Sales | -3.0% | 6.7% | 0.1% | 4.7% | 2.3% | -13.1% | -2.8% | 15.1% | 0.8% | -1.1% | -2.3% | -4.6% | 0.1% |
| | Customer count | -4.6% | 14.1% | 3.2% | 6.2% | 3.5% | -12.2% | -1.3% | 21.8% | 0.9% | -1.6% | -2.8% | -5.9% | 1.7% |
| | Customer spend | 1.6% | -6.5% | -3.0% | -1.4% | -1.1% | -1.0% | -1.4% | -5.5% | -0.1% | 0.5% | 0.6% | 1.5% | -1.6% |
| All stores | Sales | -0.2% | 10.1% | 3.6% | 8.6% | 5.8% | -10.0% | 0.6% | 19.2% | 4.9% | 2.7% | 1.2% | -1.3% | 3.8% |
| | Customer count | -1.8% | 17.7% | 6.7% | 10.1% | 7.0% | -9.3% | 2.4% | 26.5% | 5.4% | 2.5% | 0.9% | -2.5% | 5.3% |
| | Customer spend | 1.6% | -6.4% | -2.9% | -1.4% | -1.2% | -0.8% | -1.8% | -5.8% | -0.5% | 0.2% | 0.2% | 1.2% | -1.5% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|--------|--------|--------|--------|--------|-------|--------|-------|--------|--------|-------|------|--------|
| Comparable stores | Sales | -2.9% | -0.6% | 2.9% | -3.4% | 3.0% | 15.4% | 5.0% | 8.0% | -7.3% | -7.9% | -2.3% | 2.5% | 0.8% |
| | Customer count | -18.4% | -16.0% | -13.4% | -17.1% | -11.3% | -2.7% | -11.2% | -6.5% | -18.8% | -15.5% | -3.7% | 1.2% | -11.5% |
| | Customer spend | 19.0% | 18.4% | 18.8% | 16.6% | 16.2% | 18.5% | 18.3% | 15.5% | 14.1% | 9.1% | 1.5% | 1.4% | 13.9% |
| All stores | Sales | 0.5% | 2.1% | 5.3% | -1.2% | 5.7% | 18.8% | 8.1% | 11.0% | -4.9% | -5.3% | 0.5% | 5.8% | 3.9% |
| | Customer count | -15.6% | -13.8% | -11.3% | -15.3% | -9.0% | 0.2% | -8.6% | -3.9% | -16.8% | -13.2% | -1.1% | 4.3% | -9.0% |
| | Customer spend | 19.0% | 18.5% | 18.8% | 16.6% | 16.2% | 18.6% | 18.3% | 15.5% | 14.2% | 9.1% | 1.6% | 1.4% | 14.2% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|-------|--------|-------|--------|-------|-------|-------|-------|-------|--------|--------|-------|
| Comparable stores | Sales | 15.5% | -3.3% | -5.7% | -2.8% | -5.1% | 0.3% | 1.6% | 2.9% | 19.5% | 0.2% | -3.0% | -3.1% | 1.2% |
| | Customer count | 21.1% | -9.2% | -15.2% | -9.8% | -10.2% | -4.6% | -4.5% | -3.5% | 7.6% | -8.4% | -17.8% | -18.1% | -6.4% |
| | Customer spend | -4.6% | 6.5% | 11.2% | 7.7% | 5.7% | 5.1% | 6.4% | 6.5% | 11.0% | 9.4% | 18.0% | 18.3% | 8.2% |
| All stores | Sales | 19.8% | 0.8% | -1.6% | 1.4% | -0.9% | 4.5% | 5.9% | 7.1% | 24.3% | 3.7% | 0.8% | 0.7% | 5.3% |
| | Customer count | 25.5% | -5.4% | -11.5% | -5.9% | -6.2% | -0.6% | -0.5% | 0.5% | 12.0% | -5.2% | -14.6% | -14.9% | -2.6% |
| | Customer spend | -4.5% | 6.5% | 11.2% | 7.8% | 5.7% | 5.1% | 6.5% | 6.5% | 11.0% | 9.4% | 18.0% | 18.3% | 8.2% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Comparable stores | Sales | -5.0% | 11.1% | 15.9% | 10.8% | 1.2% | 2.9% | -1.7% | 2.2% | 1.5% | 16.0% | 14.2% | 11.9% | 7.3% |
| | Customer count | -7.4% | 13.6% | 31.0% | 22.0% | 7.7% | 9.1% | 7.3% | 12.2% | 9.3% | 18.0% | 16.6% | 15.1% | 13.4% |
| | Customer spend | 2.6% | -2.2% | -11.5% | -9.2% | -6.1% | -5.6% | -8.4% | -8.9% | -7.1% | -1.7% | -2.0% | -2.8% | -5.3% |
| All stores | Sales | -1.7% | 14.9% | 19.8% | 14.6% | 4.8% | 6.7% | 2.1% | 6.0% | 4.8% | 20.3% | 18.4% | 15.6% | 11.2% |
| | Customer count | -4.2% | 17.5% | 35.4% | 26.2% | 11.6% | 13.1% | 11.4% | 16.2% | 12.7% | 22.3% | 20.8% | 18.9% | 17.4% |
| | Customer spend | 2.6% | -2.2% | -11.5% | -9.2% | -6.1% | -5.7% | -8.4% | -8.8% | -7.0% | -1.6% | -1.9% | -2.7% | -5.3% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|-------|--------|-------|-------|-------|-------|-------|--------|-------|--------|-------|-------|
| Comparable stores | Sales | 1.7% | -8.3% | -10.5% | 0.1% | 3.8% | 0.6% | 0.9% | -3.3% | -1.3% | -6.0% | -3.8% | -1.5% | -2.3% |
| | Customer count | -0.3% | -7.4% | -15.0% | -3.7% | -4.2% | -4.3% | -4.0% | -8.1% | -11.0% | -8.3% | -11.1% | -3.7% | -6.8% |
| | Customer spend | 2.0% | -0.9% | 5.3% | 3.9% | 8.3% | 5.2% | 5.1% | 10.8% | 2.5% | 8.3% | 2.3% | 4.8% | |
| All stores | Sales | 6.8% | -3.6% | -6.1% | 4.7% | 8.2% | 4.2% | 4.1% | -0.2% | 2.5% | -2.8% | -0.4% | 2.1% | 1.7% |
| | Customer count | 4.6% | -2.8% | -10.9% | 0.7% | -0.2% | -1.0% | -0.9% | -5.2% | -7.4% | -5.1% | -8.0% | -0.1% | -3.1% |
| | Customer spend | 2.1% | -0.8% | 5.5% | 3.9% | 8.4% | 5.3% | 5.1% | 5.3% | 10.7% | 2.5% | 8.2% | 2.2% | 4.9% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|-------|--------|--------|-------|-------|-------|--------|--------|-------|------|--------|-------|-------|
| Comparable stores | Sales | 0.8% | -10.2% | 1.4% | 1.4% | 0.6% | -4.8% | -18.8% | -10.3% | -6.4% | 4.4% | -7.8% | -4.2% | -4.9% |
| | Customer count | 10.7% | -9.4% | 14.2% | 9.7% | 5.9% | -1.4% | -23.7% | -15.1% | -5.9% | 0.2% | -10.3% | -7.3% | -3.9% |
| | Customer spend | -8.8% | -0.9% | -11.3% | -7.9% | -4.9% | -3.6% | 6.7% | 5.6% | -0.7% | 4.3% | 3.0% | 3.3% | -1.1% |
| All stores | Sales | -3.1% | -10.3% | 1.0% | 1.6% | 1.4% | -3.6% | -19.2% | -9.0% | -4.0% | 8.4% | -4.3% | -1.6% | -3.3% |
| | Customer count | 6.4% | -9.6% | 13.2% | 10.0% | 6.6% | -0.3% | -24.1% | -13.9% | -3.6% | 4.0% | -7.2% | -4.8% | -2.4% |
| | Customer spend | -8.8% | -0.7% | -10.9% | -7.7% | -4.8% | -3.4% | 6.4% | 5.6% | -0.2% | 4.2% | 3.2% | 3.5% | -0.9% |

| | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | FY |
|-------------------|----------------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| Comparable stores | Sales | -20.6% | -6.9% | -13.9% | -15.1% | -10.8% | -11.9% | 5.9% | -3.8% | -8.2% | 0.2% | 5.4% | -1.5% | -6.8% |
| | Customer count | -22.3% | -3.2% | -13.5% | -16.1% | -6.4% | -5.6% | 24.5% | 10.6% | 4.8% | 13.1% | 17.2% | 9.3% | 1.0% |
| | Customer spend | 2.1% | -3.9% | -0.4% | 1.2% | -4.8% | -6.7% | -15.0% | -13.0% | -12.3% | -11.5% | -10.0% | -9.8% | -7.2% |
| All stores | Sales | -16.1% | -2.2% | -9.1% | -10.8% | -7.2% | -8.6% | 9.2% | -2.0% | -7.3% | 2.5% | 7.2% | -1.7% | -3.8% |
| | Customer count | -18.0% | 1.5% | -8.8% | -12.0% | -2.8% | -2.2% | 28.0% | 12.4% | 5.5% | 15.5% | 18.9% | 8.8% | 3.9% |
| | Customer spend | 2.3% | -3.6% | -0.2% | 1.0% | -4.5% | -6.5% | -14.8% | -12.9% | -12.2% | -11.2% | -10.0% | -9.6% | -7.0% |

Source: Shared Research based on company data

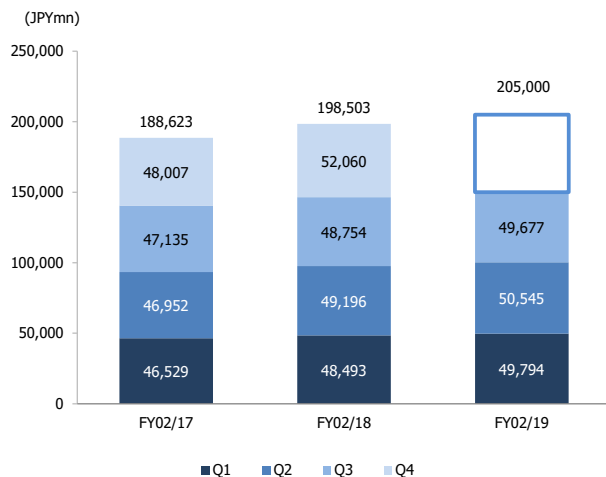
Q3 FY02/19 results

In Q3FY02/19, consolidated sales were JPY150.0bn (+2.4% YoY), gross profit was JPY96.3bn (+1.1% YoY), operating loss was JPY562mn (versus operating profit of JPY2.6bn in Q3 FY02/18), recurring loss was JPY129mn (recurring profit of JPY3.0bn), and net loss was JPY1.6bn (net income of JPY1.6bn).

Sales increased YoY due to robust performance of comparable stores at the company's mainstay Yoshinoya business and sales growth in the Hanamaru, Kyotaru, and Overseas segments where the company has been aggressively opening new stores. That said, external factors such as shortened trading hours or unavoidable closures at many stores due to typhoons and the Hokkaido earthquake in September 2018, a rise in the price of ingredients (rice and meat), and higher part-time wages weighed heavily on earnings. As a result, operating profit dropped YoY. The bottom line finished at a net loss as the company booked a JPY639mn impairment loss mainly linked to store closures.

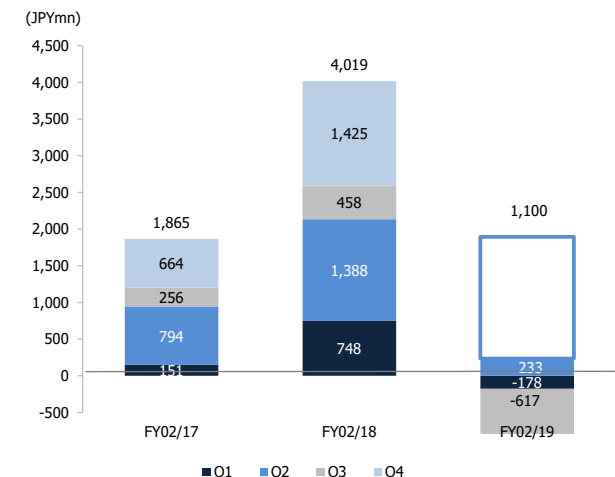
The three years including FY02/19 comprise the first stage of the company's long-term vision NEW BEGINNINGS 2025. The company sees this as a period for sowing the seeds of growth in the second stage onward. The company has been reviewing its management comprehensively from customer acquisition methods through cost/expense management and employee training. It aims to restore margins by boosting service value and labor productivity. In FY02/19, the last year of the first stage, the company plans to make final fine-tuning adjustments to its new service model at Yoshinoya, while continuing to grow and expand scale at the Hanamaru, Kyotaru, and Overseas segments.

Sales



Source: Shared Research based on company data

Operating profit



Source: Shared Research based on company data

Segment results

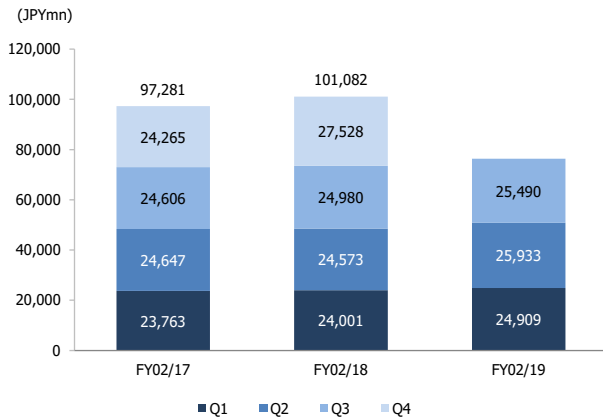
Yoshinoya

- ▶ Sales grew 3.8% YoY to JPY76.3bn, mainly on solid comparable store sales thanks to the effect of various initiatives. However, the sales increase appears to be below the initial company forecast.
- ▶ Comparable store sales were +4.7% YoY in September, -0.7% in October, and -3.0% in November. Customer traffic was +3.0% YoY in September, -0.8% in October, and -5.4% in November, while average customer spend was +1.6% in September, +0.1% in October, and +2.5% in November. We can thus conclude that sales growth was mainly driven by an increase in average customer spend.
- ▶ The total number of restaurants was 1,208. The company opened 27 new restaurants and closed 19.
- ▶ Main initiatives: In April Yoshinoya launched the "JPY80 off every day!" season ticket campaign in collaboration with Hanamaru. In September it crossed corporate boundaries and launched a campaign issuing a three-company season ticket usable at Gusto, Hanamaru, and Yoshinoya restaurants, a first of such program in the domestic restaurant industry. New product launches included Shin Aji-butadon (new pork bowl) in March and Torisukidon (chicken and egg bowl) in April. Popular seasonal specials were also introduced such as Mugitoro Gyusara Gozen (grated yam, steamed barley, and beef

meal) in June, Unaju (broiled eel and rice), and Oroshi Gyukarubi-don (grilled rib bowl with grated radish) in July, and the winter standard Gyusuki Nabezen (beef sukiyaki set) in November. Further, the installation of new point-of-sale cash registers starting in August enabled it to handle e-money cards issued by domestic public transportation operators.

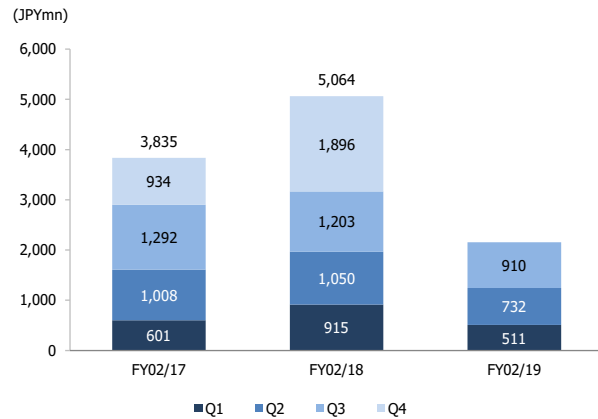
- Segment profit: Despite brisk comparable store sales that led to overall sales growth, segment profit was down 32.0% YoY to JPY2.2bn due to increases in ingredient prices and personnel expenses.

Yoshinoya: Sales by quarter



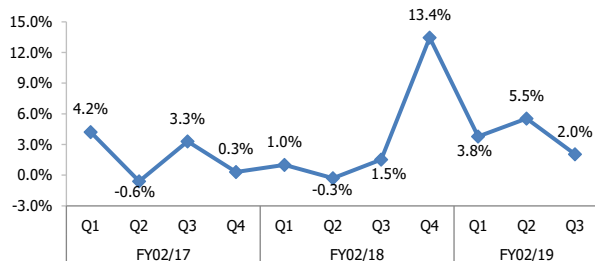
Source: Shared Research based on company data

Yoshinoya: Segment profit by quarter



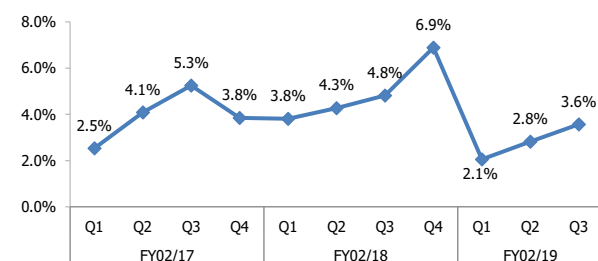
Source: Shared Research based on company data

Yoshinoya: Sales YoY change



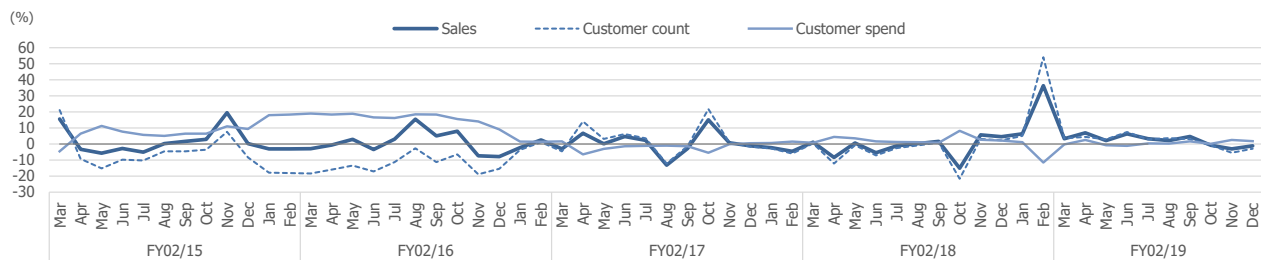
Source: Shared Research based on company data

Yoshinoya: Segment profit margin



Source: Shared Research based on company data

Yoshinoya: Comparable store monthly sales



Source: Shared Research based on company data

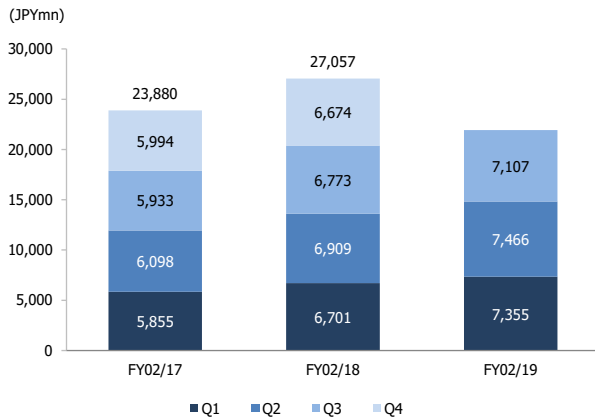
Hanamaru

- Sales grew 7.6% YoY to JPY21.9bn, mainly due to an increase in restaurant counts from aggressive new store openings.
- The total number of restaurants was 507 (opened 36 and closed 8). The company focused on business expansion in the first stage of its 10-year plan.
- Main initiatives: In April, Hanamaru collaborated with Yoshinoya on a tempura season ticket campaign and in September, launched sales of a three-company season-ticket in an effort to tap into customers in the Kinki region and increase the frequency of restaurant visits by existing customers. In May, Hanamaru began selling a seasonal specialty Udonken no Somen (cold somen noodles). In June, it began selling Torotama Mekabu Bukkake noodles (grated yam, raw egg, and

seaweed noodles) as a high-nutrition menu to combat the summer heat, and in August launched Gattsuri Niku-bukkake noodles (meat noodles) and Pirikara Niku-zaru (cold noodles with spicy meat); in September it introduced Gu-Takusan Tonjiru Udon (noodles in pork broth loaded with ingredients), and in November, Shisenfu Mabo Ankake udon (Sichuan mapo sauce noodles).

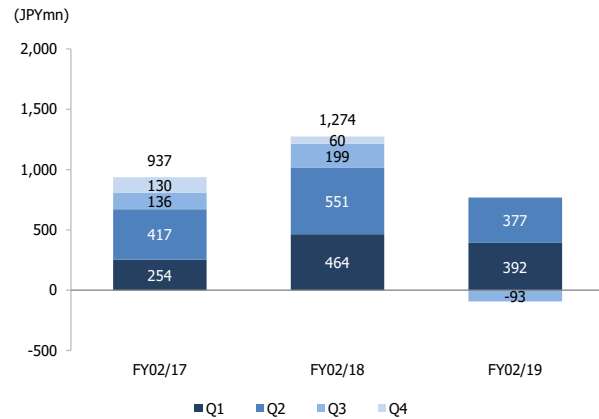
- Segment profit: Despite sales growth from new store openings, profit was down 44.3% YoY to JPY676mn because of YoY decline in comparable store sales and impact of higher personnel, distribution, and other costs.

Hanamaru: Sales by quarter



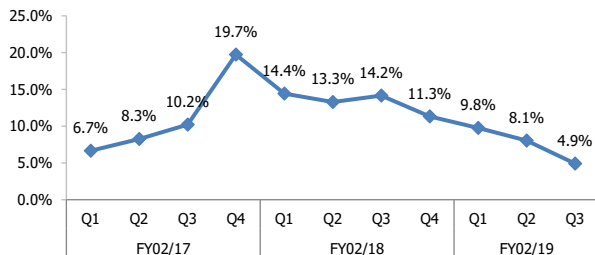
Source: Shared Research based on company data

Hanamaru: Segment profit by quarter



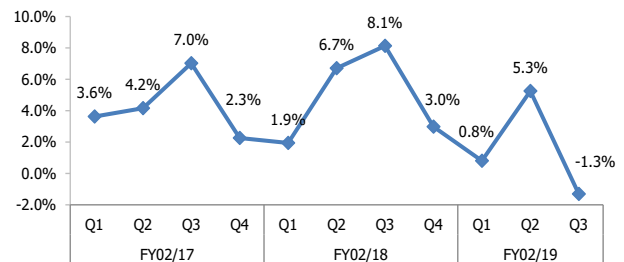
Source: Shared Research based on company data

Hanamaru: Sales YoY change



Source: Shared Research based on company data

Hanamaru: Segment profit margin

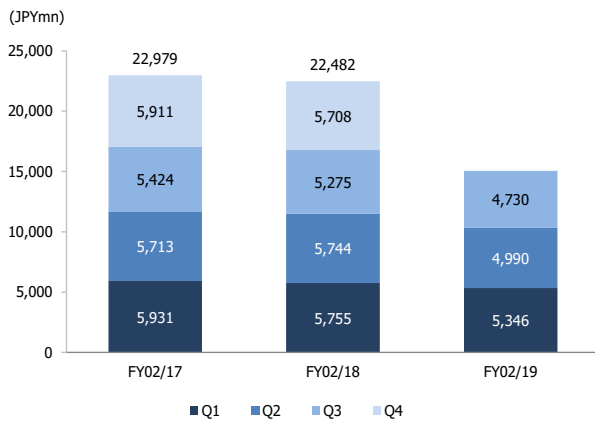


Source: Shared Research based on company data

Arcmeal

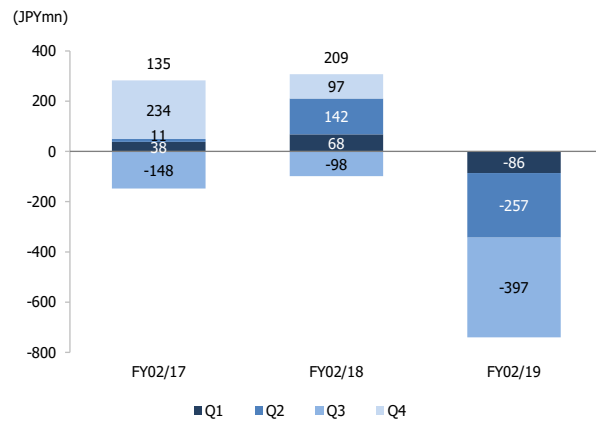
- Sales fell 10.2% YoY to JPY15.1bn, mainly due to greater competition in the steak and shabu shabu business that led to sluggish comparable store sales, and a YoY decline in number of restaurants.
- The total number of restaurants was 173 (opened one and closed six).
- Main initiatives: In September, Arcmeal increased the serving size of hamburger of the day by 30% at Steak-no-Don without changing the price in an attempt to provide greater value. In November, it shifted “meat day” from the second and ninth of each month to a four-day event including the 29th and a weekend, making it a family-friendly event. The company also unveiled campaigns to increase serving sizes after completely changing the meat used in its steaks in response to customers’ wish to eat their fill of delicious steak. Steak-no-Don introduced aged rib loin steak and Volks offered sirloin steak.
- Segment profit: Arcmeal posted segment loss of JPY740mn (-JPY852mn YoY) due to sales decline.

Arcmeal: Sales by quarter



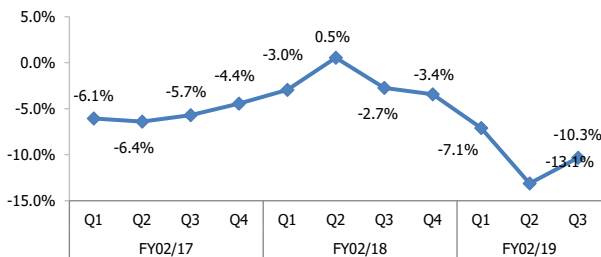
Source: Shared Research based on company data

Arcmeal: Segment profit by quarter



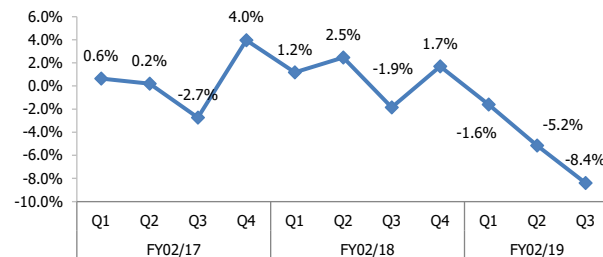
Source: Shared Research based on company data

Arcmeal: Sales YoY change



Source: Shared Research based on company data

Arcmeal: Segment profit margin

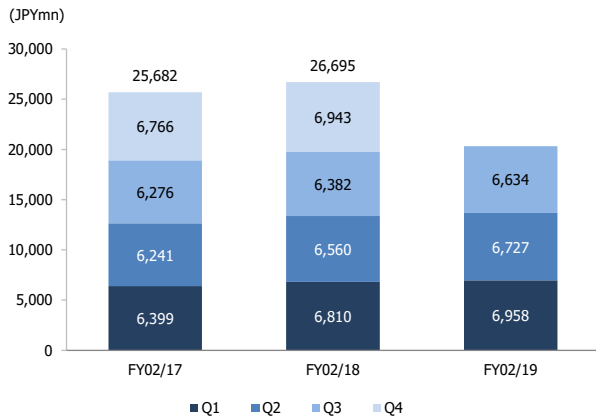


Source: Shared Research based on company data

Kyotaru

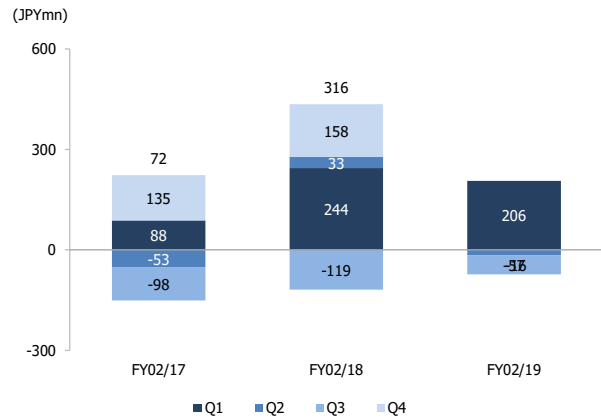
- Sales grew 2.9% YoY to JPY20.3bn. Factors contributing to sales growth included store increase for conveyor belt sushi restaurant Kaisen Misakiko (an aggressive store opening program targeting Greater Tokyo), sales growth from opening Kyotaru and Sushi Misakiko stores side-by-side with enhanced product offerings for Edomae-style sushi (an initiative to strengthen the take-out sushi business), and brisk comparable store sales that benefited from various initiatives.
- The total number of stores/restaurants was 332 (opened 19, closed 17).
- Main initiatives: Sales campaigns in the take-out sushi business (discount sales of sushi rolls and various sales events for “hare-no-hi” celebration day) and in the restaurant business (“bluefin tuna festival,” “(manager’s recommendation) JPY99 sale” [for red plates usually priced at JPY110], and “thank you sale”) proved effective.
- Segment profit: Despite sales growth, segment profit dropped 16.0% YoY to JPY133mn because of higher ingredient prices.

Kyotaru: Sales by quarter



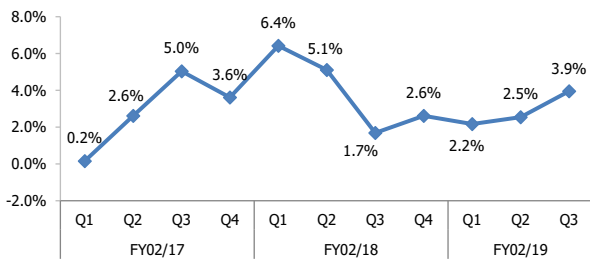
Source: Shared Research based on company data

Kyotaru: Segment profit by quarter



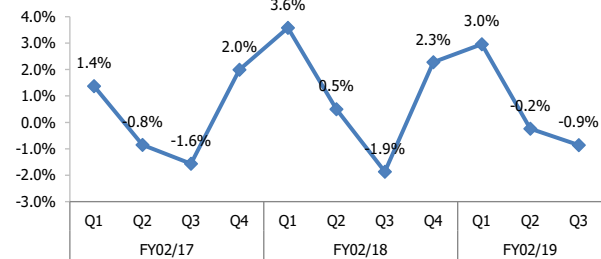
Source: Shared Research based on company data

Kyotaru: Sales YoY change



Source: Shared Research based on company data

Kyotaru: Segment profit margin

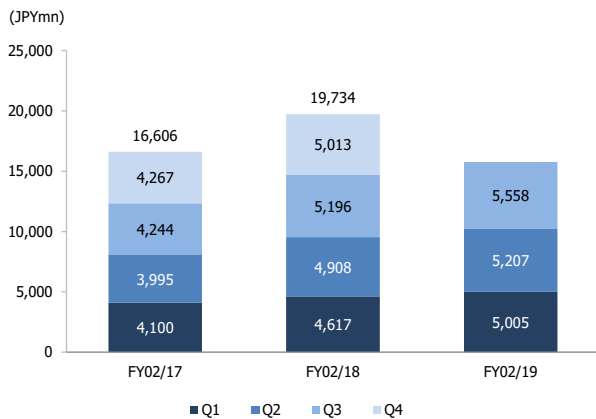


Source: Shared Research based on company data

Overseas

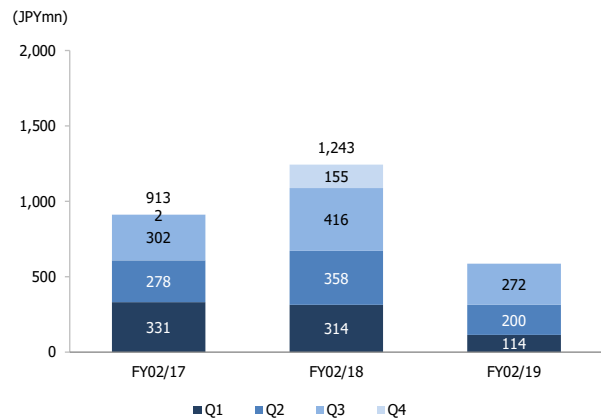
- Sales grew 7.1% YoY to JPY15.8bn, mainly due to robust sales in the US and Taiwan and an increase in the number of restaurants (including franchises) thanks to an aggressive store opening program.
- The total number of restaurants was 891 (opened 90, closed 20).
- Segment profit: Fell 46.1% YoY to JPY586mn. Reasons for the drop included higher ingredient prices in all regions, higher personnel costs, and a rise in depreciation associated with opening and remodeling restaurants.

Overseas: Sales by quarter



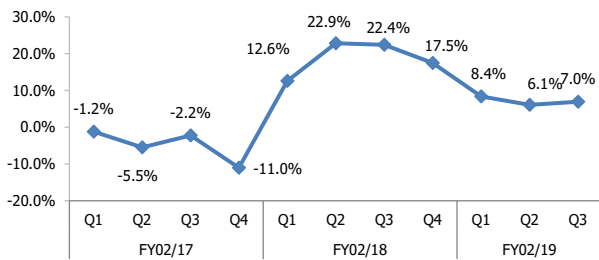
Source: Shared Research based on company data

Overseas: Segment profit by quarter



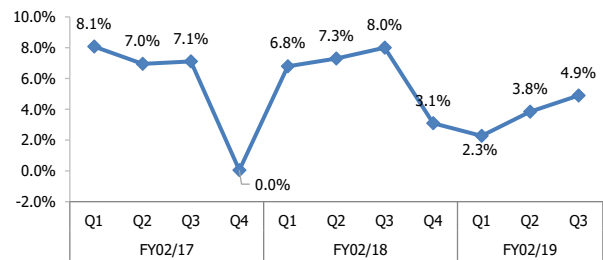
Source: Shared Research based on company data

Overseas: Sales YoY change



Source: Shared Research based on company data

Overseas: Segment profit margin



Source: Shared Research based on company data

This note is the most recent addition to the [full report](#).

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