

Plenus Co., Ltd. Financial Results Presentation for Six Months Ended August 31, 2020

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Therefore, we ask that you refrain from making any investment decisions based solely on these materials.

Plenus

October 13, 2020

Status of 1H FY02/21

- ✓ Both revenue and profit decreased due to the impact of COVID-19 but business performance is on a recovery trend with smaller losses in 2Q.
- ✓ Operating profit decreased due mainly to a decrease in revenue at YAYOI and MK RESTAURANTS despite a revenue increase in Hotto Motto and the effects of in-house production, etc.
- ✓ The Company will forgo interim dividend payments to recover earnings and secure funds to stabilize its financial base. The year-end dividend is not decided at this moment.

Future Policies

- ✓ Maximize Group-wide revenue through enhancement of take-out business and transformation of business and organizational structures.
- ✓ Achieve further cost reductions through aggregation of products and promotion of in-house production and enhancement of supply chain management.
- ✓ Expand business scale by focusing on enhancement of business foundations through development of existing brands and on operation of stores with due consideration to the safety of customers and employees.
- ✓ While it is estimated that net sales for the second half are unlikely to recover to the previous year's level, operating profit is expected to improve due to improvement to gross profit margin.

1. Financial Results for 2Q FY02/21

2. Future Policies

3. Forecast for FY02/21

4. Supplementary Materials

1. Financial Results for 2Q FY02/21 Status of 1H * For details, please refer to supplementary materials.

Net sales decreased year-on-year due to a decrease in net sales of existing stores of YAYOI and MK RESTAURANTS and closure of 190 company-operated stores of Hotto Motto in the previous year.

Operating profit decreased due to the aforementioned decrease in net sales of existing stores despite the effects of store closures and an increase in net sales of existing stores of Hotto Motto.

Loss increased due to the recording of impairment loss associated with store closures.

(Millions of yen, %)

	Actual		YoY				vs. Forecast			
	Amount	Composition ratio	Amount	Composition ratio	Change in amount	Change in composition ratio	Amount	Composition ratio	Change in amount	Change in composition ratio
Net sales	68,169	100.0	75,756	100.0	-7,586	–	68,330	100.0	-160	–
Gross profit	34,499	50.6	37,979	50.1	-3,479	0.5	34,580	50.6	-80	0.0
SG&A	35,723	52.4	37,796	49.9	-2,073	2.5	35,710	52.3	13	0.1
Operating profit	-1,224	-1.8	182	0.2	-1,406	-2.0	-1,130	-1.7	-94	-0.1
Ordinary profit	-867	-1.3	341	0.5	-1,208	-1.7	-920	-1.4	52	0.1
Profit*	-1,696	-2.5	-873	-1.2	-822	-1.3	-1,690	-2.5	-6	0.0

* Profit attributable to owners of parent

1. Financial Results for 2Q FY02/21 Financial Results by Quarter

Profits for the second quarter increased quarter-over-quarter due to improvement to gross profits led by promotion of in-house production in addition to strong performance of Hotto Motto and a recovery trend of YAYOI and MK RESTAURANTS.

(Millions of yen, %)

	1Q						2Q					
	Actual		Previous year		Change		Actual		Previous year		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Net sales	33,423	100.0	38,131	100.0	-4,708	–	34,746	100.0	37,624	100.0	-2,877	–
Gross profit	16,712	50.0	19,021	49.9	-2,309	0.1	17,787	51.2	18,957	50.4	-1,170	0.8
SG&A	17,818	53.3	19,081	50.0	-1,263	3.3	17,904	51.5	18,715	49.7	-810	1.8
Operating profit	-1,106	-3.3	-59	-0.2	-1,046	-3.2	-117	-0.3	242	0.6	-360	-1.0
Ordinary profit	-959	-2.9	74	0.2	-1,033	-3.1	91	0.3	266	0.7	-174	-0.4
Profit*	-929	-2.8	-122	-0.3	-807	-2.5	-766	-2.2	-751	-2.0	-15	-0.2

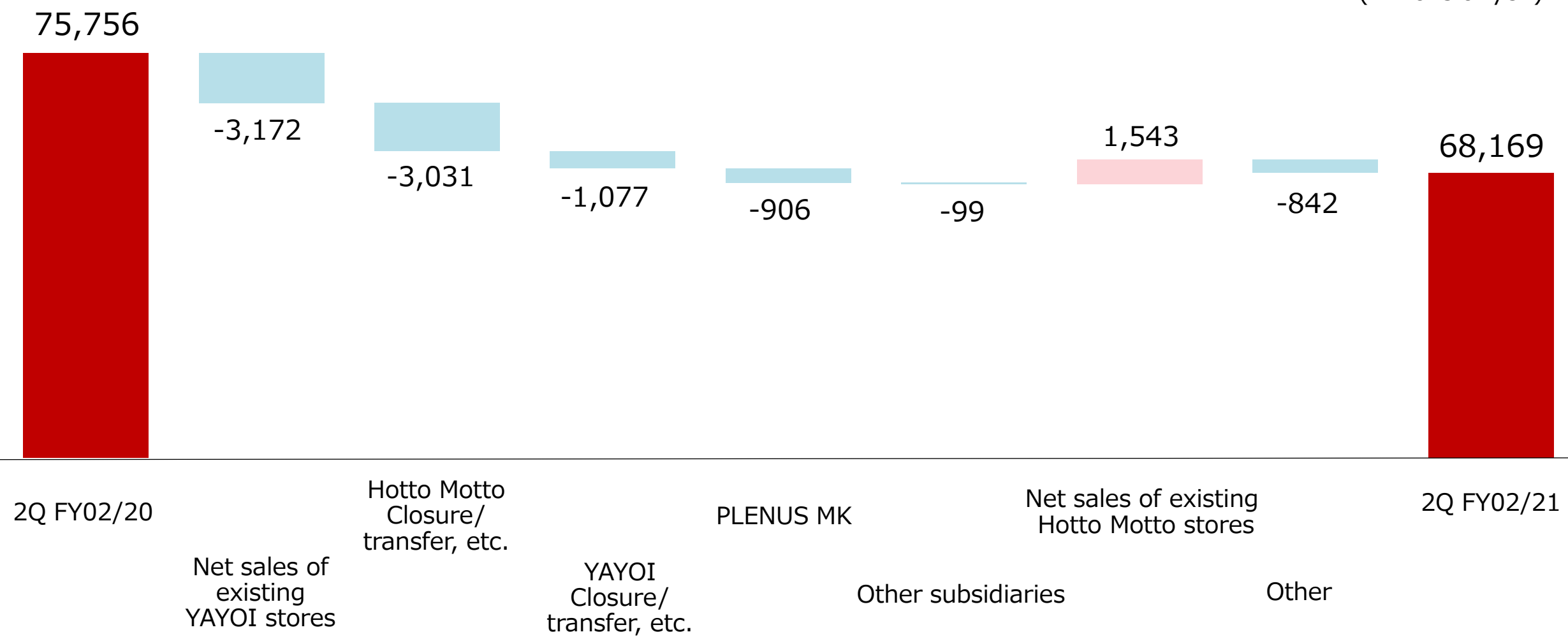
* Profit attributable to owners of parent

1. Financial Results for 2Q FY02/21 YoY Comparison of Net Sales

Net sales were down 7,586 million yen.

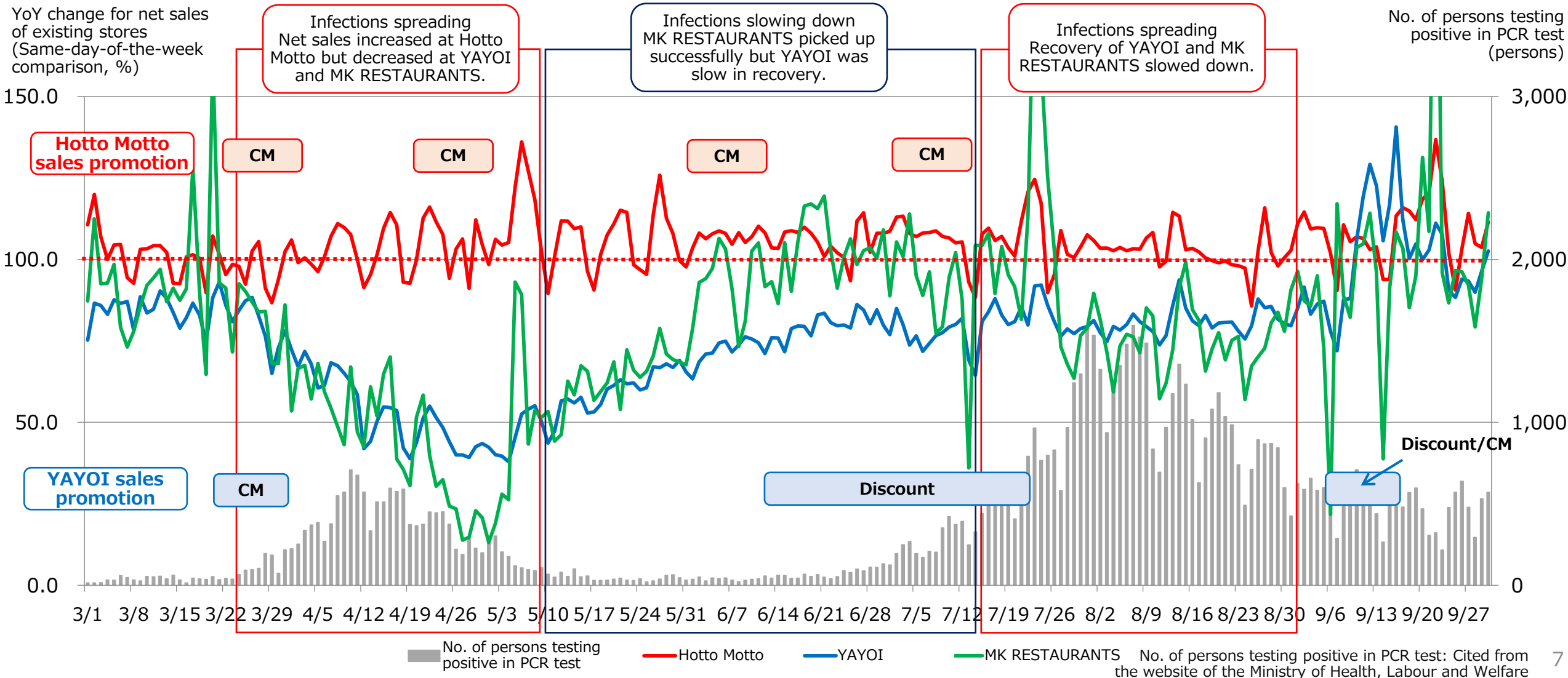
The decrease was due to a decrease in net sales of existing stores of YAYOI and MK RESTAURANTS caused by the spread of COVID-19 and closure of 190 company-operated stores of Hotto Motto in the previous year, despite an increase in net sales of existing stores of Hotto Motto.

(Millions of yen)



1. Financial Results for 2Q FY02/21 Spread of COVID-19 and Its Impact on Net Sales at Existing Stores

While a recovery in net sales of existing stores of YAYOI and MK RESTAURANTS slowed down due to the spread of COVID-19 and shortened summer vacations in August, net sales have been on a recovery trend since September. Hotto Motto remained robust; this was attributed to increases in demand for take-out and delivery items.



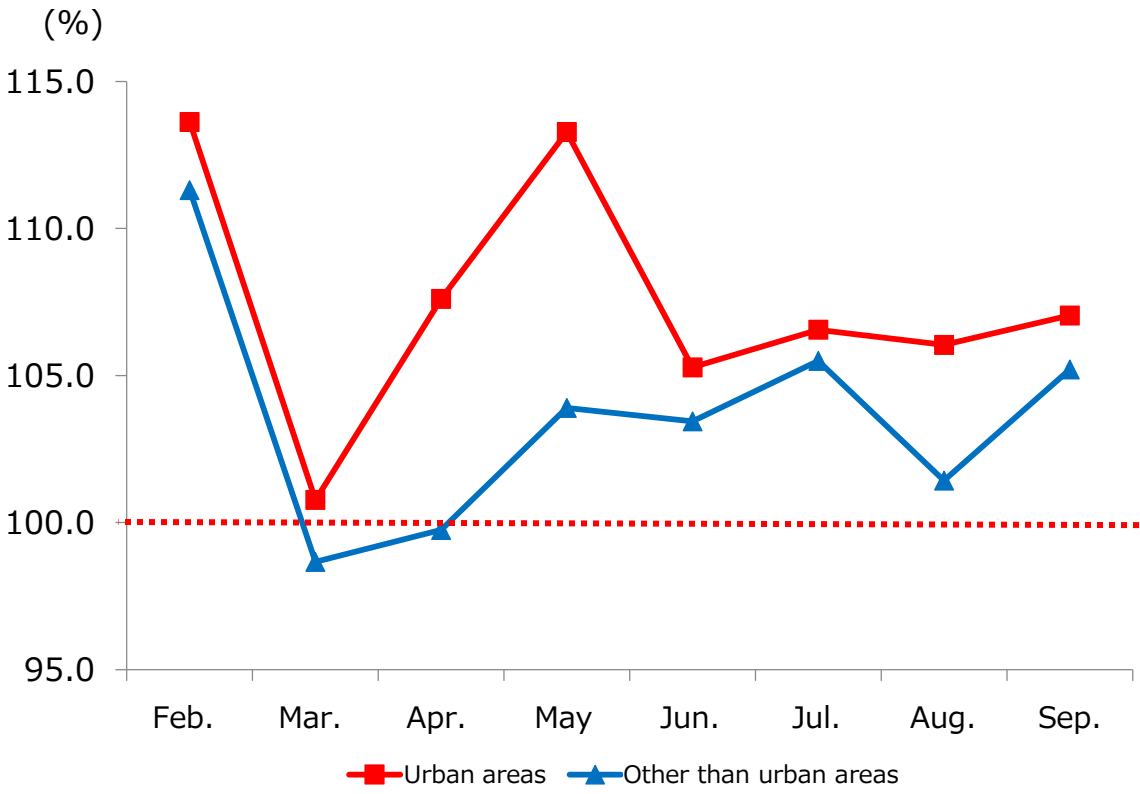
1. Financial Results for 2Q FY02/21 Net Sales at Existing Stores of Hotto Motto and YAYOI by Area

Hotto Motto remained robust overall, especially in urban areas. YAYOI experienced a relatively early recovery in areas other than urban ones.

Growth of net sales of existing stores slowed down in August due to the spread of COVID-19, shortened summer vacations, and other factors.

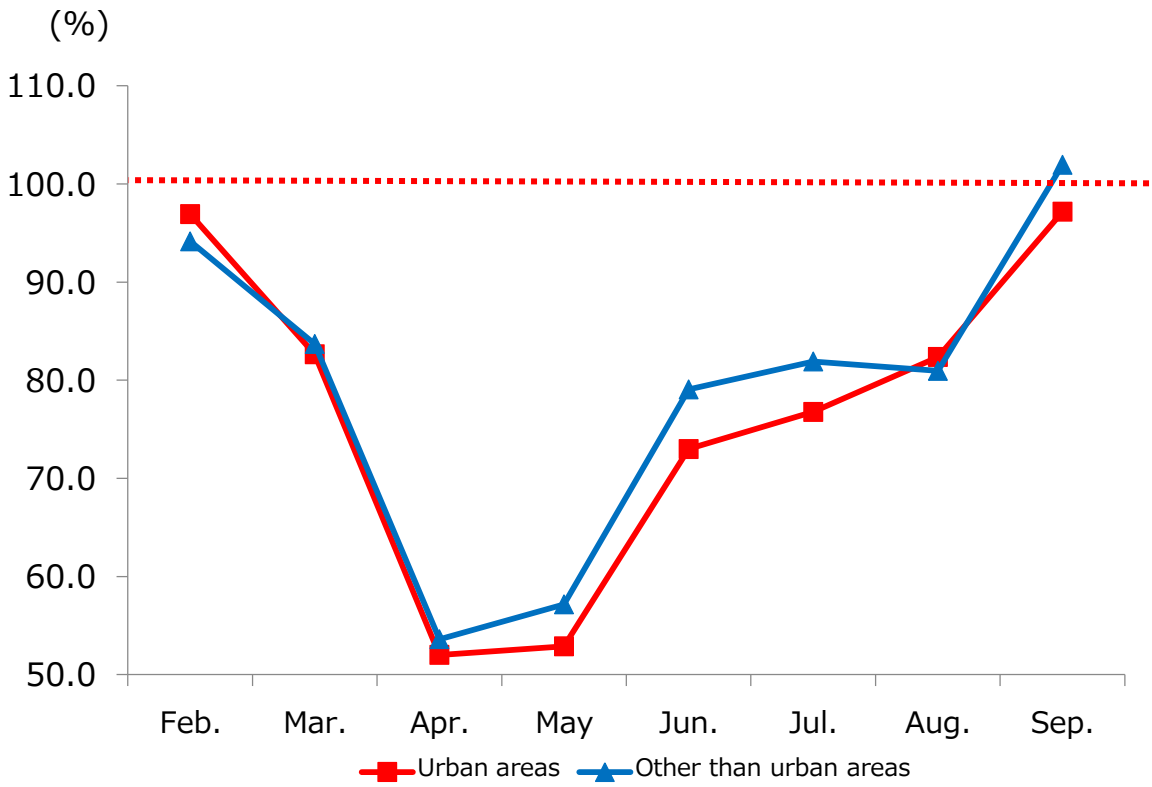
Hotto Motto

The urban areas were especially strong. Growth slowed down in August due to the spread of COVID-19, shortened summer vacations, and other factors.



YAYOI

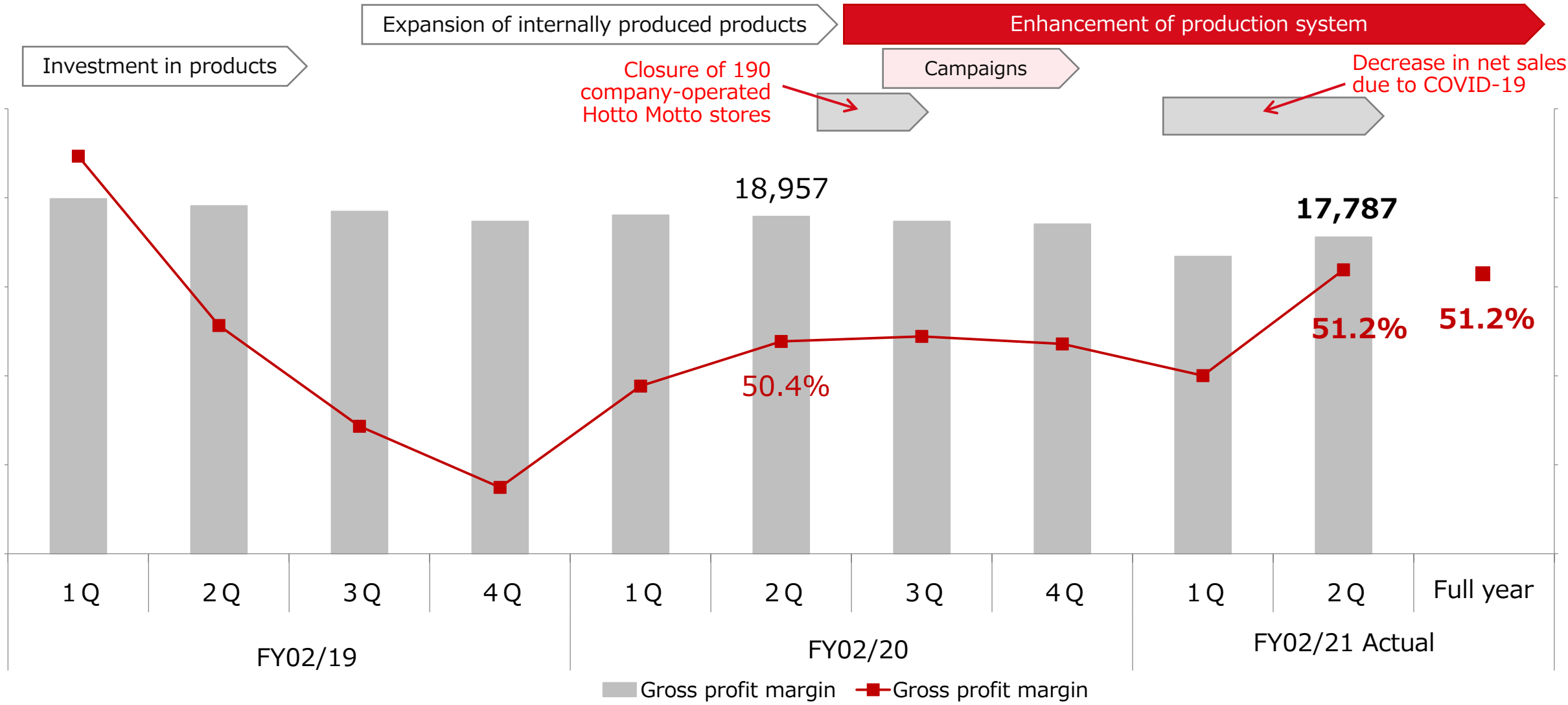
Recovery in urban areas was slow until July. Growth slowed down in August due to the spread of COVID-19, shortened summer vacations, and other factors.



* Stores in urban areas: Tokyo, Kanagawa, Chiba, Saitama, Aichi, Osaka
 MK RESTAURANTS has no data for urban areas due to store closures and renovation in/after April.

1. Financial Results for 2Q FY02/21 Trends in Gross Profits

While gross profits decreased year-on-year due to a decrease in net sales, gross profit margin recorded a year-on-year increase attributed chiefly to promotion of in-house production and enhancement of production system. In addition, a transition has been made to a structure that allows the Company to secure gross profits even with the implementation of campaigns using internally produced products.

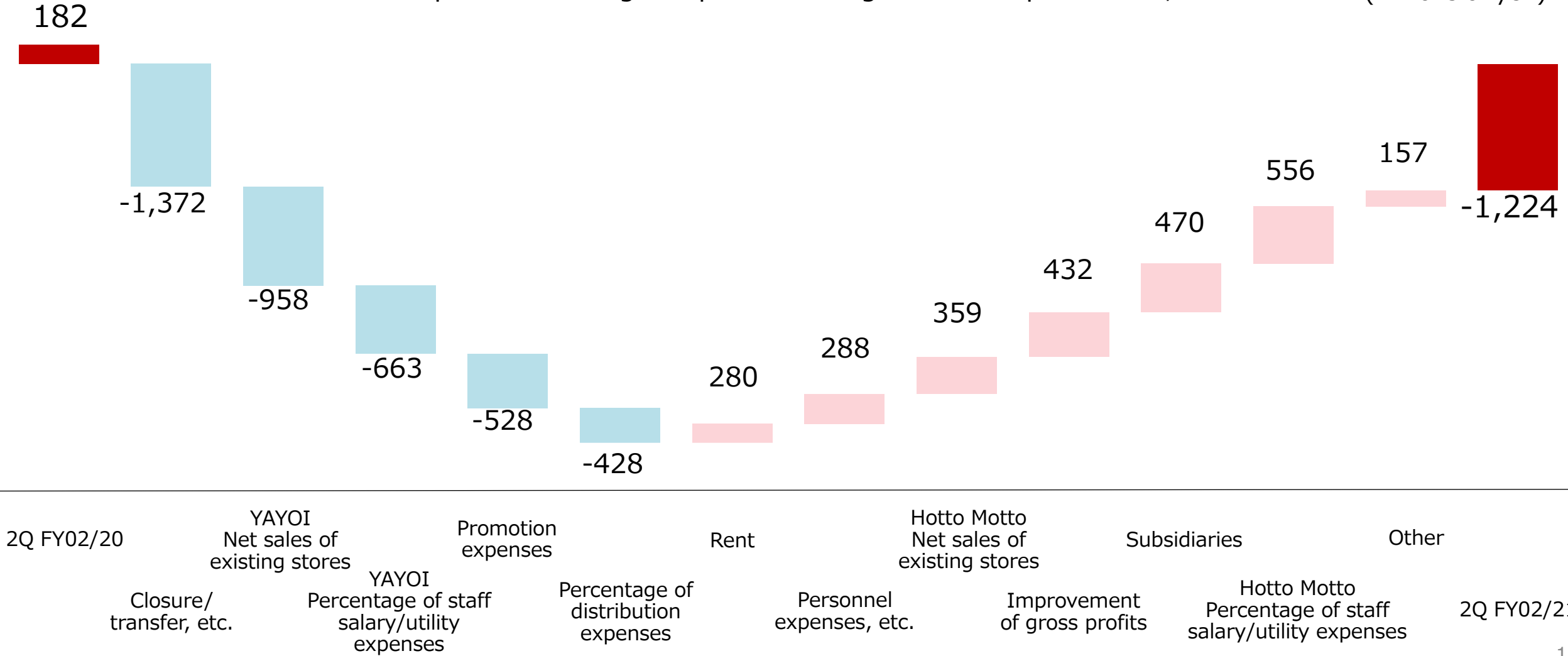


1. Financial Results for 2Q FY02/21 YoY Comparison of Operating Profit

Operating profit was down 1,406 million yen.

The decrease was due mainly to a decrease in the number of stores caused by closures, etc. and a decrease in net sales of existing stores of YAYOI, despite an increase in net sales of existing stores of Hotto Motto, the effects of closure of 190 company-operated stores of Hotto Motto in the previous year, and improvement of gross profits through in-house production, etc.

(Millions of yen)



1. Financial Results for 2Q FY02/21 Hotto Motto Business

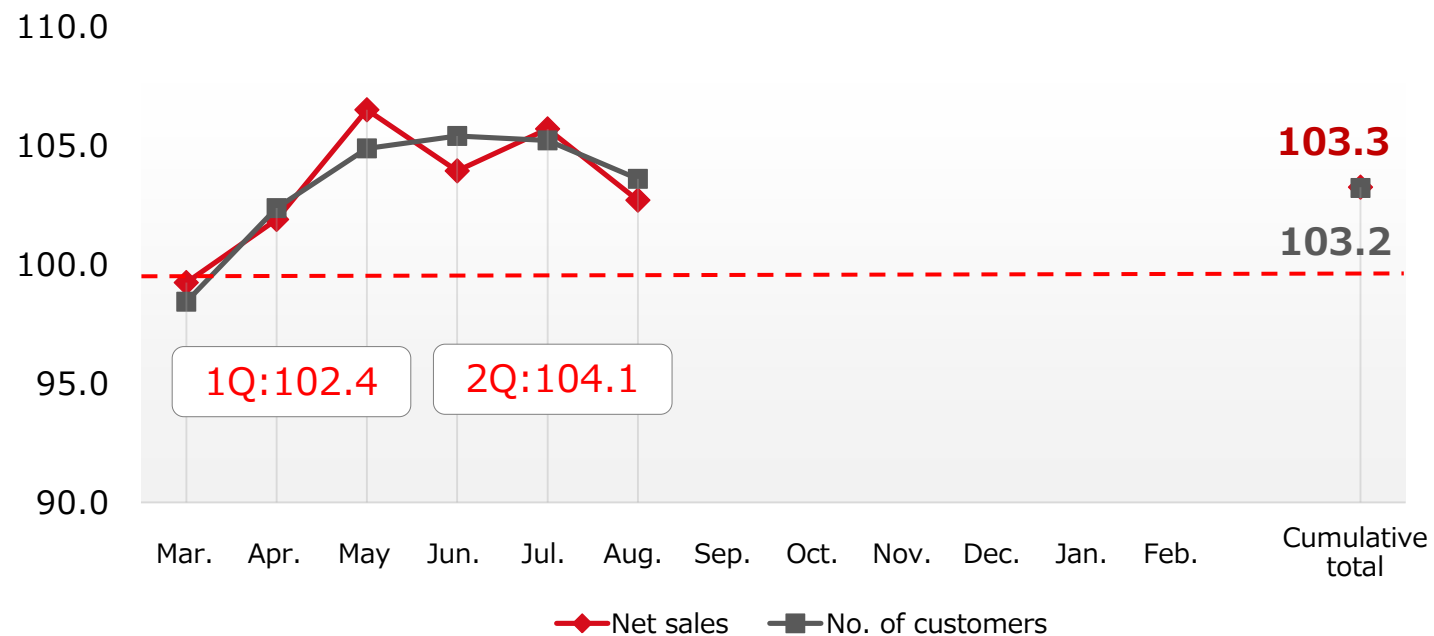
Performance by segment



Net sales	51,752	Millions of yen
	(-2,047)	
Operating profit	1,421	Millions of yen
	(+1,539)	

- Factors for changes in net sales
 - (+) Increase in net sales of existing stores (+3.3%)
 - (-) Closure of 190 company-operated stores in the previous fiscal year
- Factors for changes in operating profit
 - (+) Increase in net sales of existing stores
 - Closure of 190 company-operated stores in the previous fiscal year, improvement of gross profit margin

Trends in net sales of existing stores (%)



Status of stores

	2Q FY02/21	2Q FY02/20	Change
No. of stores	2,496	2,726	-229
Opening	2	6	-4
Closing	33	28	5
Renovation/Relocation	24	51	-27
Company-operated stores	709	906	-197
Percentage of company-operated stores (%)	28.4	33.2	-4.8

Topics

- ✓ Net sales of existing stores remained robust through initiatives for sales promotion led by campaigns using internally produced products.
- ✓ The number of stores offering delivery services increased while sales of online orders doubled from a year earlier.
- ✓ Hotto Motto Official Application was launched in April and electronic money was introduced to all stores in June to respond to diverse customer needs.
- ✓ While demand for special orders decreased due to the spread of COVID-19, further increases in sales are expected with a recovery of event-related demand in the future.

1. Financial Results for 2Q FY02/21 YAYOI Business

Performance by segment



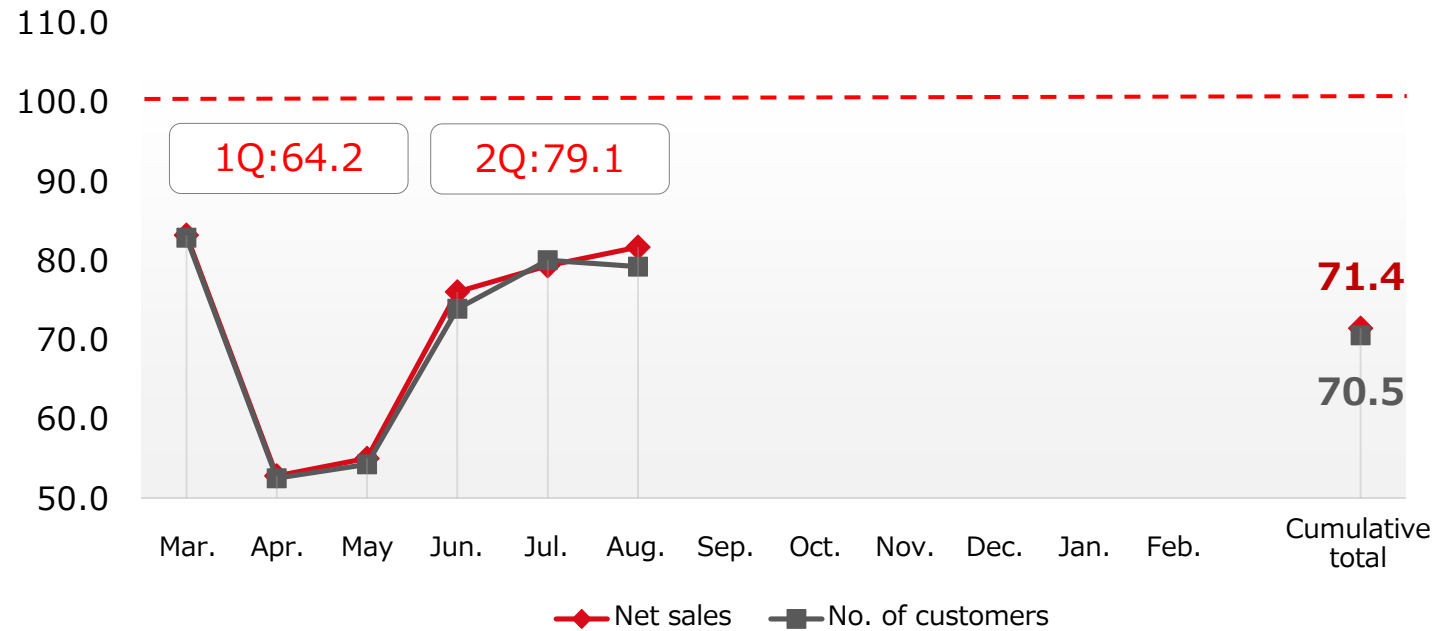
Net sales	11,246	Millions of yen
	(-4,377)	
Operating profit	-1,943	Millions of yen
	(-2,654)	

- Factors for changes in net sales
 - (-) Decrease in net sales of existing stores (-28.6%)
- Factors for changes in operating profit
 - (+) Improvement of gross profit margin
 - (-) Decrease in net sales of existing stores
 - Deterioration of percentage of staff salaries/utility expenses

Status of stores

	2Q FY02/21	2Q FY02/20	Change
No. of stores	374	382	-8
Opening	8	6	2
Closing	16	1	15
Renovation/Relocation	5	3	2
Company-operated stores	250	245	5
Percentage of company-operated stores (%)	66.8	64.1	2.7

Trends in net sales of existing stores (%)



Topics

- ✓ Net sales of existing stores are picking up due primarily to campaign initiatives in/after June.
- ✓ Efforts were made to promote the creation of an environment where customers feel safe eating by installing partitions and resuming "Refilling Station" with the introduction of "Rice Refilling Robot."
- ✓ The scope of products available for take-out was increased in June, contributing to higher sales. The number of stores offering delivery services is also on the rise.
- ✓ In response to the spread of COVID-19, efforts were made to minimize operating loss through temporarily freezing store opening/renovation and temporarily suspending the business format conversion to Ageruya.

1. Financial Results for 2Q FY02/21 MK RESTAURANTS Business

Performance by segment



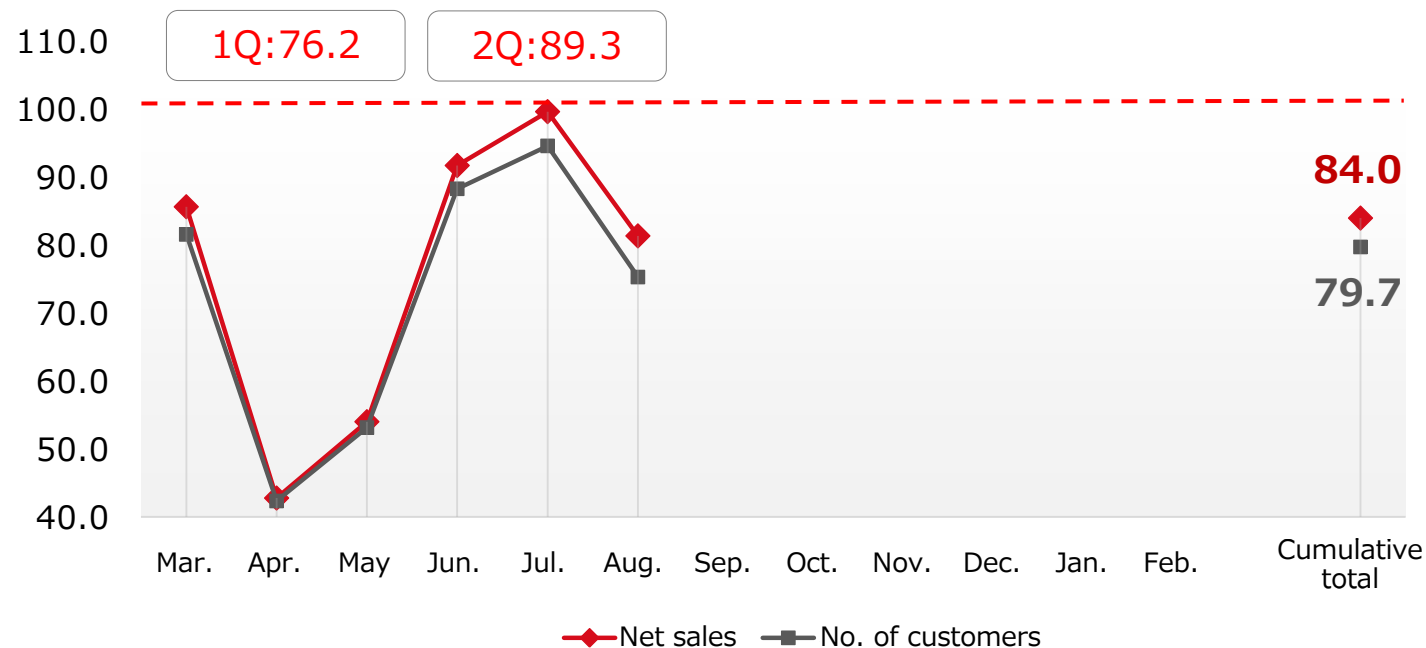
Net sales	1,009	Millions of yen
	(-669)	
Operating profit	-264	Millions of yen
	(-112)	

- Factors for changes in net sales
 - (-) Decrease in net sales of existing stores (-16.0%)
Store closures in the previous and current fiscal years
- Factors for changes in operating profit
 - (+) Effects of store closures in the previous fiscal year
 - (-) Decrease in net sales of existing stores, effects of store closures in the current fiscal year

Status of stores

	2Q FY02/21	2Q FY02/20	Change
No. of stores	26	37	-11
Opening	1	1	0
Closing	7	0	7
Renovation/Relocation	0	5	-5
Company-operated stores	26	37	-11
Percentage of company-operated stores (%)	100.0	100.0	0.0

Trends in net sales of existing stores (%)



Topics

- ✓ While net sales of existing stores were picking up due to a recovery in family demand, recovery slowed due to the spread of COVID-19 in Kyushu in August.
- ✓ A transition has been made to a structure that generates profits by closing unprofitable stores (6 in FY02/20, 7 in FY02/21) and reducing Head Office costs through streamlining operations.
- ✓ Efforts have been made to increase the frequency of store visits by differentiating itself from peers with the release of seasonal soup and special ingredients and holding events targeting families.
- ✓ Take-out menu items are being sold at limited stores and will be expanded to other stores.

1. Financial Results for 2Q FY02/21 Overseas/Other (Subsidiary, MSF)

Performance of Overseas Business



Net sales	1,287	Millions of yen
	(-741)	
Operating profit	-489	Millions of yen
	(-258)	

- Factors for changes in net sales
 - (+) Provision of delivery services
 - (-) Temporary closure and shorter business hours due to government requests
- Factors for changes in operating profit
 - (+) Provision of delivery services
 - (-) Temporary closure and shorter business hours due to government requests

Overseas Business topics

- ✓ Status of operation in each country
 - Normal operation: Taiwan, South Korea, China
 - Delivery/take-out only: USA
 - Limits on no. of tables: Other countries
- ✓ Focus will be placed on restoring profitability of existing stores in the near future and store opening will be suspended until the impact of COVID-19 is improved.
- ✓ In order to improve profitability, efforts will be made to establish a business model that specializes in take-out and delivery services by leveraging know-how in the take-out bento business.

Other (MSF)



Net sales	2,873	Millions of yen
	(+249)	
Operating profit	79	Millions of yen
	(+79)	

- Factors for changes in net sales
 - (+) Expansion of internally produced products, marketing activities with existing/new business partners
- Factors for changes in operating profit
 - (+) Increase in profits caused by sales increases
 - (-) Amortization of goodwill

Other (MSF) topics

- ✓ The main business of MSF, a subsidiary, is OEM of seasonings and processed food. MSF also engages in the development of seasonings, etc. used at the Group's stores.
- ✓ An increase in production led to improved productivity. New products for Hotto Motto were robust; plastic bottle products exceeded plan.
- ✓ Efforts will be made to maximize profits by increasing production efficiency through improving purchase methods and switching to constant two-shift operation in each production line.

1. Financial Results for 2Q FY02/21 Summary of Balance Sheet

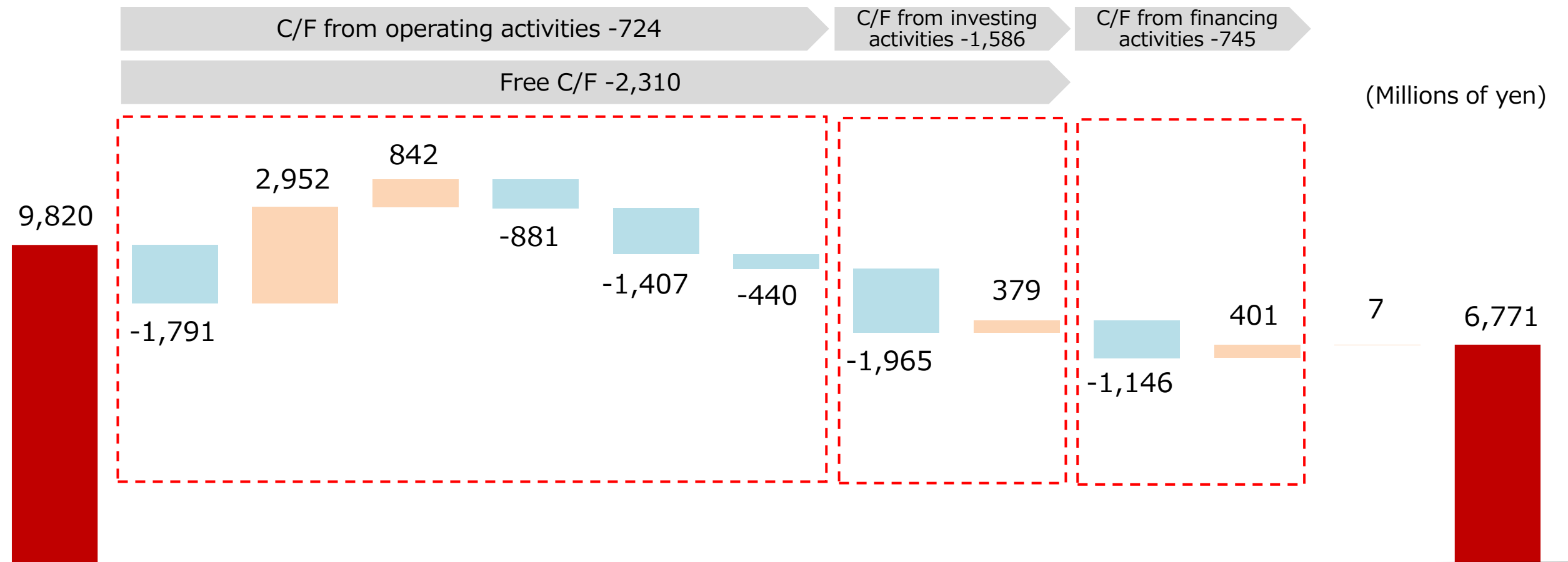
Total assets were down 4,207 million yen.
The decrease was mainly due to net loss and dividend payment.

Millions of yen

	FY02/21 2Q	FY02/20 Fiscal year-end	Change	Outline
Current assets	18,561	21,128	-2,567	
Cash and deposits	6,784	10,076	-3,292	Loss (-), dividend payment (-)
Non-current assets	63,410	65,050	-1,639	Deferred tax assets (+), depreciation (-)
Total assets	81,972	86,179	-4,207	
Current liabilities	17,598	19,090	-1,492	Decrease in accrued consumption taxes and accounts payable - other (-)
Non-current liabilities	11,732	11,598	134	
Total liabilities	29,330	30,688	-1,357	
Total net assets	52,641	55,491	-2,850	
Equity capital	51,852	54,727	-2,875	Loss (-), dividend payment (-)
Total liabilities and net assets	81,972	86,179	-4,207	
Equity ratio (%)	63.3	63.5	-0.2	

1. Financial Results for 2Q FY02/21 Summary of Cash Flows

Cash and cash equivalents were down 3,048 million yen.



Category	Value (Millions of yen)
FY02/21 Balance at beginning of period	9,820
Profit before income taxes	-1,791
Depreciation	2,952
Impairment loss	842
Inventories	-881
Accrued consumption taxes	-1,407
C/F from operating activities, other	-440
Purchase of non-current assets	-1,965
C/F from investing activities, other	379
Dividends	-1,146
C/F from financing activities, other	401
Other	7
FY02/21 2Q-end balance	6,771

1. Financial Results for 2Q FY02/21

2. Future Policies

3. Forecast for FY02/21

4. Supplementary Materials

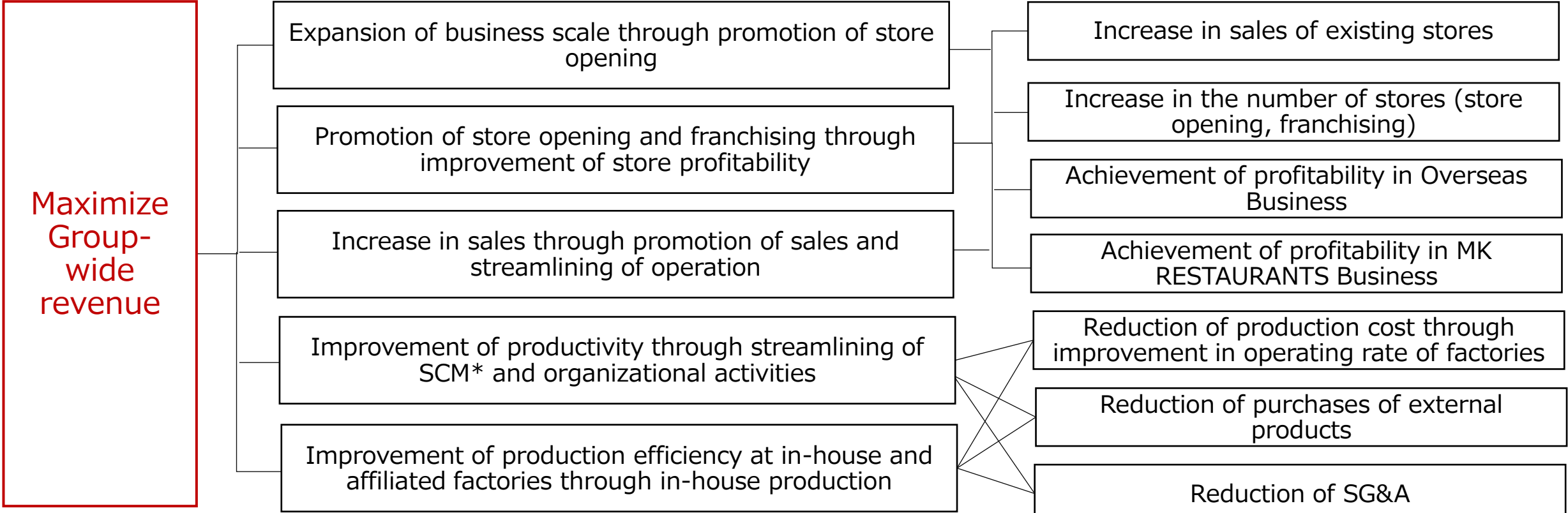
2. Future Policies External Environment

<p>External Environment</p>	<p style="text-align: center; border: 1px solid black; padding: 5px;">Opportunity</p> <ul style="list-style-type: none"> • Growth of take-out and delivery markets • Diversification of eating habits caused by diversification of lifestyles • Expansion of demand for delivery and cashless payments 	<p style="text-align: center; border: 1px solid black; padding: 5px;">Threat</p> <ul style="list-style-type: none"> • Spread and prolongation of COVID-19 • Industry restructuring and fundamental reforms of competitors • Expansion of competitors into take-out and delivery markets • Increasing trend of costs, such as personnel expenses and raw material prices
<p>Internal Environment</p>	<p style="text-align: center; border: 1px solid black; padding: 5px;">Strength</p> <ul style="list-style-type: none"> • Brand power and know-how of being No.1 in terms of share of take-out bento • Brand portfolio consisting of strong brands • Improvement of gross profit margin through expansion of products produced at in-house factories • Supply chain that seamlessly covers steps from product planning to sale 	<p style="text-align: center; border: 1px solid black; padding: 5px;">Weakness</p> <ul style="list-style-type: none"> • Store development in urban areas • Response to the needs of youth

2. Future Policies Growth Strategy

Since 2016, efforts have been made to enhance and expand key functions supporting the Company, including construction of comprehensive food factories as a retail chain with functions as a manufacturer. The Company will build on these to enhance connection between each function and strive to maximize the effects of activities and profits.

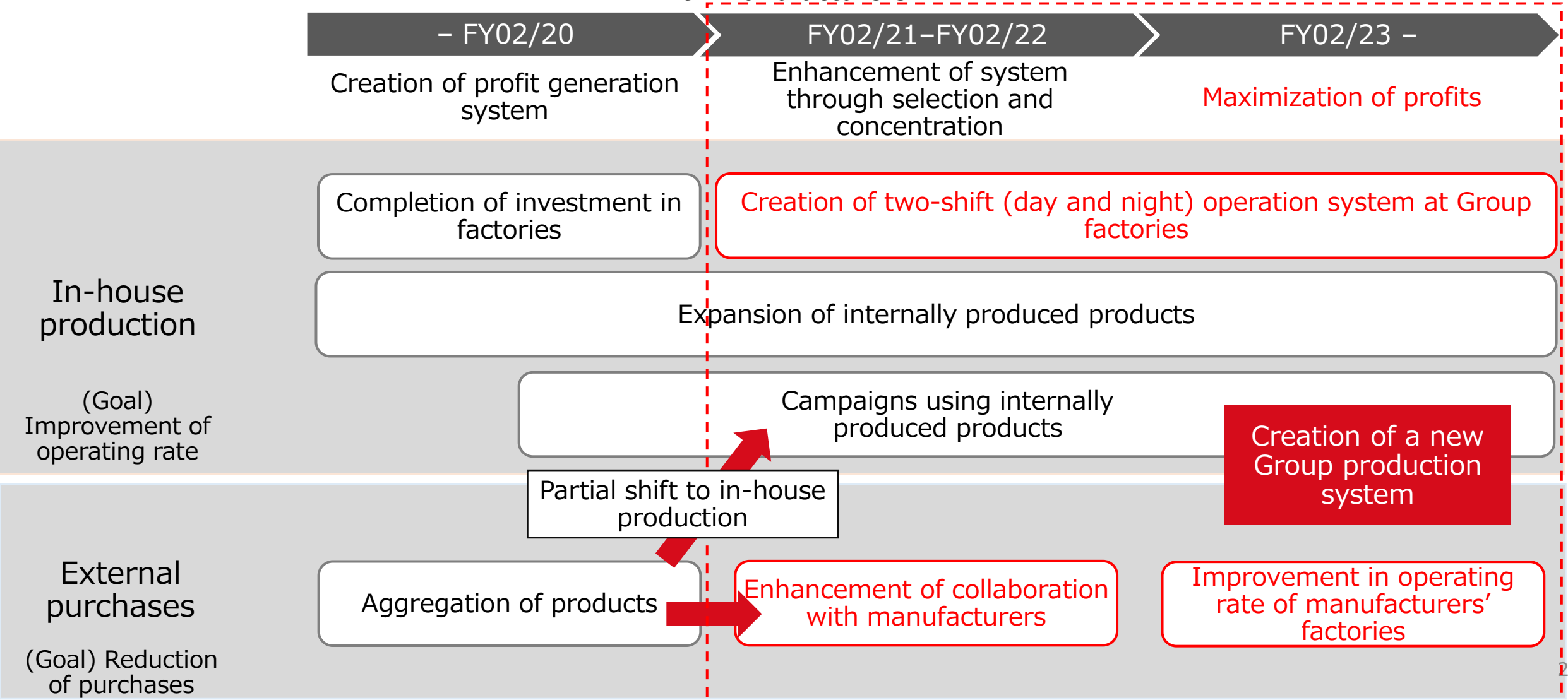
Growth strategy of Plenus Group Maximize Group-wide revenue through enhancement of take-out business and transformation of business and organizational structures



* SCM: Supply chain management

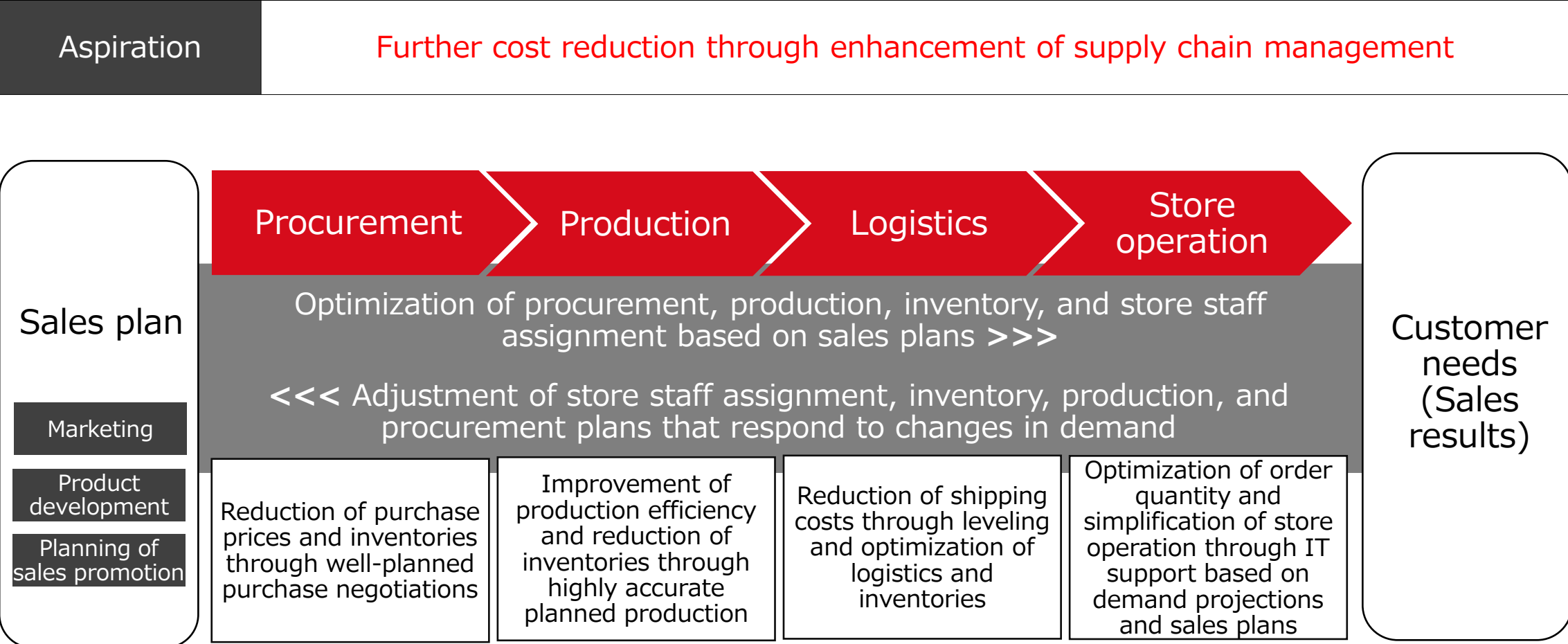
2. Future Policies (1) Cost Reduction (Aggregation of Products and Promotion of In-house Production)

With the goal of creating a new Group production system, in the area of in-house production, efforts will be made to expand internally produced products and promote the development of a system to increase production capacity. In the area of external purchases, the focus will be placed on improving the operating rate by enhancing collaboration with manufacturers.



2. Future Policies (1) Cost Reduction (Enhancement of Supply Chain Management)

Efforts will be made to reduce costs with the most efficient and lean low-cost operation to address changes in sales plans and demand by linking activity information of each function in the supply chain with IT and creating a framework to centrally manage and use such information.



2. Future Policies (2) Expansion of Business Scale (Hotto Motto)

Hotto Motto aims to increase the number of customers and average customer spend by improving customer turnover rates. It will do this by enhancing efforts for safe and secure contactless services and implementing sales promotion initiatives targeting the youth and women.

Enhancement of efforts for contactless services

Promotion of online orders



Promotion of introduction of delivery services



Reconsideration of operation



Sales promotion initiatives

Appeal to target customers

Higher number of customers

Products targeting the youth and women
Discount campaigns



Capturing family demand

Higher average customer spend

Products targeting families
Planning of sales promotion



Promotion of cashless payments

Higher turnover rates

Introduction of transportation-related payments
Introduction of QR code payment (plan)

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Implementation of sales promotion initiatives

Opening 206 stores in 2H
A total of 1,028 stores as of fiscal year-end

Promotion of internal projects

Promotion of cashless payments



2. Future Policies (2) Expansion of Business Scale (YAYOI)

YAYOI has been promoting the creation of an environment where customers feel safe eating. As part of the effort, partitions have been installed on tables to prevent droplet infection and “Refilling Station” has been resumed with the introduction of “Rice Refilling Robot.” In addition, take-out and delivery services have been enhanced.

Efforts to ensure safety and security

Implemented measures against infections suited to new lifestyles.

Resumed “Refilling Station” at all stores with the introduction of “Rice Refilling Robot.” In addition, installed partitions to prevent droplet infection.



Enhancement of take-out and delivery services

Expanded stores offering the services by leveraging know-how of Hotto Motto to respond to market needs. Increased the number of products available for take-out by 10 to 21 in June and started offering an extra-large helping of rice free of charge.

In addition, expanded stores offering delivery services, such as UberEats and Demae-can.

やよい軒の味わいを、ご自宅でも。 **ごはん大盛 無料**

しょうが焼弁当 570円(税込)	サバの塩焼弁当 600円(税込)	サバの味噌煮弁当 600円(税込)	サバの塩焼とから揚げの弁当 600円(税込)
から揚げ弁当 660円(税込)	特から揚げ弁当 790円(税込)	チキン南蛮弁当 690円(税込)	チキン南蛮とエビフライの弁当 810円(税込)
肉野菜炒め弁当 660円(税込)	味噌かつ弁当 660円(税込)	ロースとんかつとエビフライの弁当 720円(税込)	銀鯉の塩焼とから揚げの弁当 790円(税込)
しまほっけ弁当 820円(税込)	なす味噌と焼魚の弁当 860円(税込)	和風おろしハンバーグ弁当 730円(税込)	4種のチーズハンバーグ弁当 840円(税込)
カットステーキ弁当 (和風ソース) 930円(税込)	カットステーキミックス弁当 (和風ソース) 930円(税込)	〈サイドメニュー〉	
		みそ汁 100円(税込)	もち変更 +30円(税込) もち変更大盛 +80円(税込)

2. Future Policies (2) Expansion of Business Scale (YAYOI)

YAYOI sold its flagship products, "Chicken Nanban Teishoku" and "Miso Katsuni Teishoku," at very reasonable prices as a measure for sales recovery.

In addition, a series of measures are being implemented, including distributing coupons, introducing new services, launching campaigns, and releasing new products, to encourage repeat visits.

Discount campaigns

490 yen *teishoku* (set meal) campaign

Distribution of coupons to customers

Encouragement of store visits through campaigns offering the largest discount ever and distribution of coupons

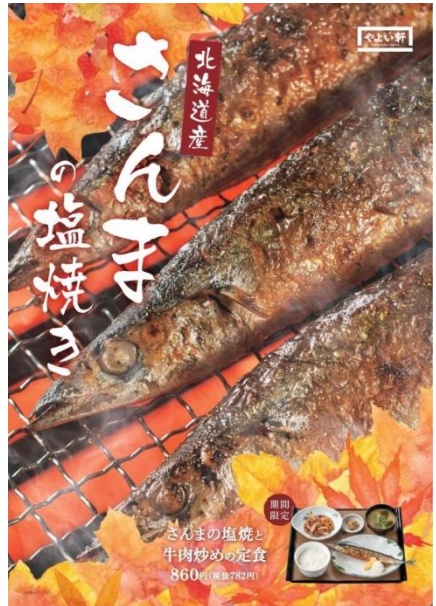
Follow-up initiatives (for heavy users + medium and light users)

Free *dashi* (broth) service

Launch of campaigns and seasonal products

Introduction of new services for customers to enjoy tasty rice

Implementation of initiatives for medium and light users along with those for heavy users



2. Future Policies (2) Expansion of Business Scale (Store Opening Strategy)

The Company will change its store opening strategy in response to changes in the business environment caused by the spread of COVID-19.

Efforts will be made to achieve growth in the home meal replacement and take-out markets by further opening Hotto Motto grill stores.

Store opening policy at beginning of period

Achieve further growth of the Group by acquiring market shares in urban areas based on a new store model and effectively using Group factories.

Restaurant business



Take-out bento business



Future store opening policy

Achieve further growth of the Group by **expanding sales volume of chain stores with the further opening of Hotto Motto grill stores** and effectively using Group factories.

* Business format conversion to Ageruya will be suspended temporarily.



2. Future Policies (2) Expansion of Business Scale (Hotto Motto grill)

Hotto Motto grill is able to achieve quality improvement and high productivity with the introduction of steam ovens. Ongoing efforts will be made to acquire new customer bases, including the youth in their 20s–30s, and expand store opening.

Menu composition

In addition to diverse customer bases of Hotto Motto menu items, grilled food items cooked in steam ovens will be introduced to acquire new customer bases, including the youth in their 20s–30s.

Grilled food items will be cooked so that they are fluffy and juicy to deliver high added value. High productivity can also be expected by increasing the composition rate.



Grill

Cooking hamburger steak and chicken using steam ovens so they are fluffy and juicy.



Casual

A casual bento box with a healthy balance of meat and vegetables, such as Loco Moco and Thai basil chicken.



Hotto Motto menu items

Offering a line of popular Hotto Motto menu items, such as “Nori Bento” and “Katsudon.”

Future plans

The focus will be placed on renovating Hotto Motto stores with a high percentage of target customers and opening new stores.

With the goal of achieving further growth in the stable take-out market, Hotto Motto grill will be promoted as the core of the growth strategy by increasing the number of stores to 30 by the end of the fiscal year.

Month	Details
Jun.	Renovation of two Hotto Motto stores in Fukuoka
Jul.	Renovation of one Hotto Motto store in Tokyo
Oct.	Opening of one store in Tokyo
Nov.	Opening of one store in Tokyo Renovation of one Hotto Motto store in Osaka

* Operating 30 stores as of November 30, 2020; subsequent store opening is undecided.

1. Financial Results for 2Q FY02/21

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3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11) Assumptions for Forecast

- Stores in Japan

		Hotto Motto			YAYOI			MK RESTAURANTS		
		Full-year	1H	2H	Full-year	1H	2H	Full-year	1H	2H
YoY change for existing stores	%	102.3	103.5	101.2	81.6	71.0	92.2	86.3	77.5	95.1
Opening	stores	10	3	7	9	8	1	1	1	0
Closing	stores	-33	-32	-1	-18	-16	-2	7	7	0
Renovation, etc.	stores	19	17	2	12	12	0	0	0	0
No. of stores	stores	2,505	2,499	2,505	373	374	373	26	26	26
No. of company-operated stores	stores	615	710	615	253	250	253	26	26	26
Percentage of company-operated stores	%	24.6	28.4	24.6	67.8	66.8	67.8	0.0	0.0	0.0

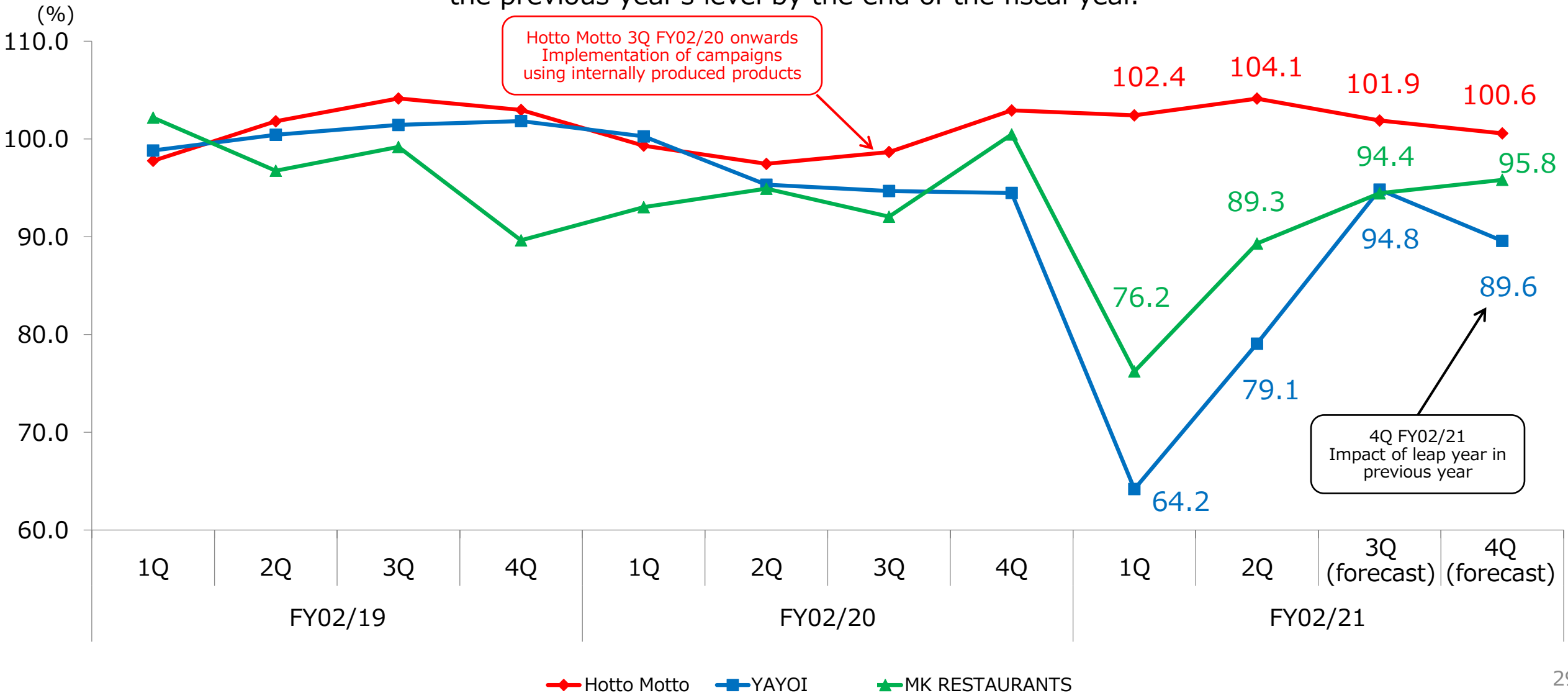
- Overseas stores

	FY02/20-end	Opening	Closing	FY02/21-end
Hotto Motto total	14	0	-1	13
YAYOI total	245	3	-3	244
Overseas Group stores total	259	3	-4	257

3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11) Assumptions for Forecast YoY Change for Net Sales at Existing Stores

Hotto Motto will continue expanding stores offering delivery services and promoting sales promotion activities, including renewal of existing products, in the second half.

While YAYOI and MK RESTAURANTS are on a recovery trend, it is thought that they are unlikely to recover to the previous year's level by the end of the fiscal year.



3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11) Forecast of Financial Results (Full-Year)

Full-year forecast of consolidated financial results was calculated based on information and projections available as of August 2020.

For the loss attributable to owners of parent, impairment loss and loss on disposal of non-current assets are expected as extraordinary losses.

(Millions of yen, %)

	Forecast		YoY			
	Amount	Composition ratio	Amount	Composition ratio	Change in amount	Change in composition ratio
Net sales	139,080	100.0	149,572	100.0	-3,737	—
Gross profit	71,180	51.2	75,182	50.3	-817	0.7
Selling, general and administrative expenses	71,720	51.6	74,834	50.0	-515	-0.9
Operating profit	-540	-0.4	348	0.2	-301	-0.2
Ordinary profit	-230	-0.2	729	0.5	-340	-0.2
Profit*	-3,010	-2.2	-2,934	-2.0	-2,104	-1.5

* Profit attributable to owners of parent

3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11) Forecast of Financial Results (1H, 2H)

While it is estimated that net sales for the second half are unlikely to recover to the previous year's level, they are expected to recover to 95.8% of the previous year. Both operating profit and ordinary profit are expected to increase due to a recovery in net sales and improvement of gross profit margin.

(Millions of yen, %)

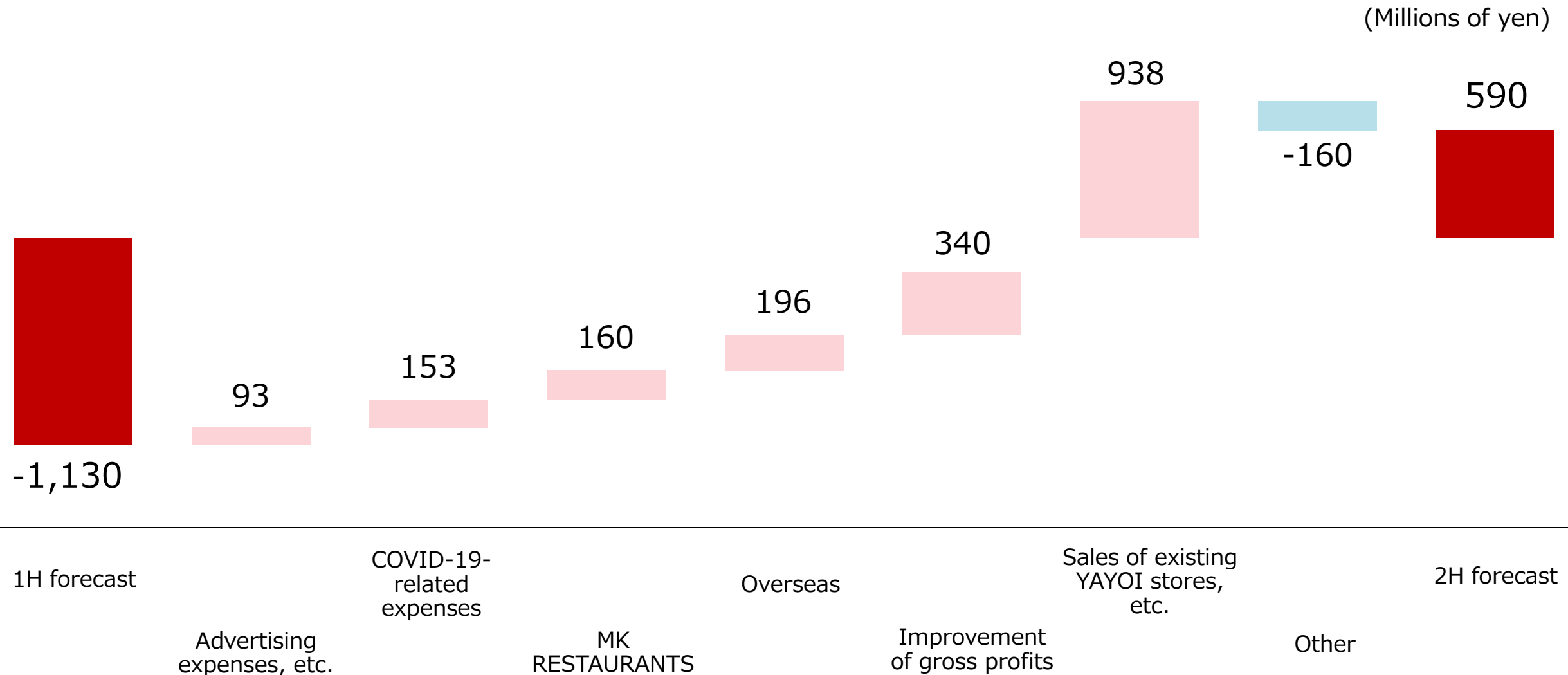
	1H						2H					
	Forecast		FY02/20		Change		Forecast		FY02/20		Change	
	Amount	Composi- tion ratio	Amount	Composi- tion ratio	Amount	Composi- tion ratio	Amount	Composi- tion ratio	Amount	Composit ion ratio	Amount	Composi- tion ratio
Net sales	68,330	100.0	75,756	100.0	-7,426	-	70,750	100.0	73,816	100.0	-3,056	-
Gross profit	34,580	50.6	37,979	50.1	-3,399	0.5	36,600	51.7	37,203	50.4	-603	1.3
Selling, general and administrative expenses	35,710	53.3	37,796	49.9	-2,086	3.4	36,010	50.9	37,037	50.2	-1,027	0.7
Operating profit	-1,130	-1.7	182	-0.2	-1,312	-1.5	590	0.8	166	0.2	424	0.6
Ordinary profit	-920	-1.4	341	0.5	-579	-1.9	690	1.0	388	0.5	302	0.5
Profit*	-1,690	-2.5	-873	-1.2	-817	-1.3	-1,320	-1.9	-2,060	-2.8	-740	-0.9

* Profit attributable to owners of parent

3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11)

Forecast of Financial Results (Comparison of 1H/2H Forecasts for Operating Profit)

Operating profit for the second half is expected to increase by 1,720 million yen compared with the first-half forecast. The increase is attributed to better performance in the YAYOI, overseas, and MK RESTAURANTS businesses as well as an improvement in gross profits due to promotion of in-house production.



3. Full-Year Earnings Forecast for FY02/21 (Disclosed on August 11) Dividend Policy

The Company is facing an urgent need to secure stable funds and stabilize its financial base in order to recover earnings and enhance corporate value. Therefore, regrettably, the Company will forgo interim dividend payments and the year-end dividend forecast is undecided at the moment.

- Basic dividend policy

The Company will pay a dividend that is the higher of either a year-end dividend of 60 yen or a dividend payout ratio of 50% (consolidated profit per share).



- FY02/21 dividend

Interim dividend: No dividend * To secure stable funds and stabilize its financial base.

Year-end dividend: Undecided * There are concerns about a deterioration in the situation due to the spread of COVID-19.

- Basic dividend policy and Shareholder Benefit Program

No change is planned at the moment.

1. Financial Results for 2Q FY02/21
2. Future Policies
3. Forecast for FY02/21
4. Supplementary Materials

4. Supplementary Materials 2Q FY02/21 Trends in Consolidated Profits and Losses (1) Net Sales, Gross Profit

● Net sales, gross profit

(Millions of yen, %)

	FY02/17		FY02/18		FY02/19		FY02/20		FY02/21		FY02/21	
	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	Full-year forecast	Composi- tion ratio
Net sales	71,249	100.0	73,551	100.0	76,687	100.0	75,756	100.0	68,169	100.0	139,080	100.0
Net sales of franchise segment	30,252	42.5	30,482	41.4	31,916	41.6	32,226	42.5	30,869	45.3	61,960	44.6
Net sales of company-operated store segment	35,565	49.9	34,790	47.3	35,942	46.9	34,459	45.5	28,134	41.3	58,320	41.9
• Hotto Motto	21,099	29.6	20,197	27.5	20,671	27.0	19,468	25.7	17,925	26.3		
• YAYOI	12,723	17.9	12,248	16.7	12,004	15.7	11,606	15.3	8,070	11.8		
• MK RESTAURANTS	1,690	2.4	1,695	2.3	1,728	2.3	1,679	2.2	1,009	1.5		
• Overseas	51	0.1	650	0.9	1,538	2.0	1,705	2.3	1,129	1.7		
Other net sales	96	0.1	2,664	3.6	2,732	3.6	2,727	3.6	2,965	4.4	6,170	4.4
Income from franchise fees, etc.	5,335	7.5	5,613	7.6	6,096	7.9	6,342	8.4	6,200	9.1	12,630	9.1
Cost of sales	32,366	45.4	33,865	46.0	37,186	48.5	37,776	49.9	33,670	49.4	67,920	48.9
Gross profit	38,883	54.6	39,685	54.0	39,500	51.5	37,979	50.1	34,499	50.6	71,160	51.1

Note: Income from franchise fees, etc. includes lease income, etc. based on the unit franchise system and management consignment system (partner chain system) in addition to royalty income from franchisees.

Note: Full-year forecast for FY02/21 is undisclosed. The forecast will be disclosed promptly when it becomes possible to make an appropriate and reasonable calculation.

4. Supplementary Materials 2Q FY02/21 Trends in Consolidated Profits and Losses (2) SG&A, Operating Profit

● SG&A, operating profit

(Millions of yen, %)

	FY02/17		FY02/18		FY02/19		FY02/20		FY02/21		FY02/21	
	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	Full-year forecast	Composi- tion ratio
Selling, general and administrative expenses	35,958	50.5	36,507	49.6	39,483	51.5	37,796	49.9	35,723	52.4	71,700	51.5
Total selling expenses	6,137	8.6	5,595	7.6	6,300	8.2	5,570	7.4	6,489	9.5	13,260	9.5
• Advertising expenses	1,675	2.4	1,254	1.7	1,619	2.1	777	1.0	1,004	1.5		
• Promotion expenses	1,320	1.9	1,219	1.7	1,548	2.0	1,583	2.1	2,083	3.1		
• Distribution expenses	3,098	4.3	3,089	4.2	3,013	3.9	3,110	4.1	3,347	4.9		
• Provision of allowance for doubtful accounts	35	0.0	24	0.0	107	0.1	90	0.1	49	0.1		
Total personnel expenses	16,031	22.5	16,104	21.9	17,180	22.4	16,951	22.4	14,924	21.9	30,180	21.7
• Remuneration for directors (and other officers)	103	0.1	136	0.2	138	0.2	113	0.1	116	0.2		
• Salaries and bonuses	13,705	19.2	13,475	18.3	14,702	19.2	14,528	19.2	12,653	18.6		
• Provision for bonuses	491	0.7	550	0.7	360	0.5	367	0.5	345	0.5		
Total equipment expenses	7,667	10.8	8,137	11.1	8,785	11.5	8,886	11.7	8,317	12.2	16,970	12.2
• Rent	4,476	6.3	4,727	6.4	5,061	6.6	5,210	6.9	4,861	7.1		
• Depreciation	2,393	3.4	2,508	3.4	2,674	3.5	2,634	3.5	2,403	3.5		
Total other expenses	6,122	8.6	6,670	9.1	7,217	9.4	6,388	8.4	5,992	8.8	11,290	8.1
• Utilities expenses	1,854	2.6	1,807	2.5	1,927	2.5	1,704	2.3	1,435	2.1		
• Commission expenses	1,340	1.9	1,407	1.9	1,658	2.2	1,485	2.0	1,636	2.4		
• Supplies expenses	959	1.3	1,066	1.4	1,038	1.4	788	1.0	803	1.2		
Operating profit	2,925	4.1	3,177	4.3	17	0.0	182	0.2	-1,224	-1.8	-540	-0.4

4. Supplementary Materials 2Q FY02/21 Trends in Consolidated Profits and Losses (3) Ordinary Profit, Profit

● Ordinary profit, profit

(Millions of yen, %)

	FY02/17		FY02/18		FY02/19		FY02/20		FY02/21		FY02/21	
	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	2Q Actual	Composi- tion ratio	Full-year forecast	Composi- tion ratio
Non-operating income	197	0.3	238	0.3	348	0.5	344	0.5	445	0.7	540	0.4
Non-operating expenses	90	0.1	100	0.1	72	0.1	186	0.2	88	0.1	230	0.2
Ordinary profit	3,031	4.3	3,315	4.5	293	0.4	341	0.5	-867	-1.3	-230	-0.2
Extraordinary income	23	0.0	4	0.0	0	0.0	110	0.1	4	0.0	0	0.0
Extraordinary losses	389	0.5	252	0.3	317	0.4	1,263	1.7	928	1.4	2,660	1.9
Profit before income taxes	2,666	3.7	3,067	4.2	-24	-0.0	-811	-1.1	-1,791	-2.6	-2,890	-2.1
Income taxes	1,181	1.7	1,284	1.7	332	0.4	62	0.1	-133	-0.2	120	0.1
Profit	1,484	2.1	1,783	2.4	-356	-0.5	-874	-1.2	-1,657	-2.4	-3,010	-2.2
Profit attributable to non-controlling interests	-11	-0.0	18	0.0	1	0.0	0	-0.0	39	0.1	0	0.0
Profit attributable to owners of parent	1,496	2.1	1,764	2.4	-358	-0.5	-873	-1.2	-1,696	-2.5	-3,010	-2.2

4. Supplementary Materials 2Q FY02/21 Over-the-counter Net Sales, Capital Investment, Depreciation

● Over-the-counter net sales

(Millions of yen)

	FY02/17	FY02/18	FY02/19	FY02/20	FY02/21	FY02/21
	2Q Actual	2Q Actual	2Q Actual	2Q Actual	2Q Actual	Forecast
Hotto Motto (Japan)	75,475	74,018	75,459	73,788	72,032	144,000
YAYOI (Japan)	15,881	16,728	17,888	18,540	13,107	29,000
MK RESTAURANTS (Japan)	1,691	1,695	1,728	1,679	1,009	4,000
Overseas	51	650	1,538	1,705	1,129	4,000

Note: Over-the-counter net sales of consolidated subsidiaries are listed in Overseas above. Plenus, Inc. (USA), PLENUS AusT PTY. LTD. (Australia), and Plenus Taiwan Co., Ltd. (Taiwan) have been included in the scope of consolidation since FY02/17, FY02/18, and FY02/19, respectively.

● Capital investment and depreciation

(Millions of yen)

	FY02/17	FY02/18	FY02/19	FY02/20	FY02/21	FY02/21
	2Q Actual	2Q Actual	2Q Actual	2Q Actual	2Q Actual	Forecast
Consolidated capital investment	3,373	4,428	6,952	2,629	2,122	2,245
Total depreciation	2,489	2,607	2,771	3,278	2,886	5,199
Production cost	90	98	96	643	482	928
Selling and administrative expenses	2,393	2,508	2,674	2,634	2,403	4,268
Non-operating expenses	5	1	0	0	0	1

4. Supplementary Materials 2Q FY02/21 Trends in Consolidated Balance Sheet

● Trends in consolidated balance sheet

(Millions of yen)

	FY02/17	FY02/18	FY02/19	FY02/20	FY02/21	
	Fiscal year-end	Fiscal year-end	Fiscal year-end	Fiscal year-end	2Q-end	Change
Current assets	34,062	25,256	17,859	21,128	18,561	-2,567
Cash and deposits	23,607	14,372	7,447	10,076	6,784	-3,292
Notes and accounts receivable - trade	3,037	2,786	2,377	2,648	2,650	1
Merchandise and finished goods	4,217	5,263	5,368	5,950	6,781	831
Non-current assets	58,673	66,243	69,527	65,050	63,410	-1,639
Property, plant and equipment	40,933	48,289	50,179	45,574	43,836	-1,737
Intangible assets	2,215	2,389	2,921	3,031	2,875	-155
Investments and other assets	15,524	15,563	16,426	16,445	16,698	253
Total assets	92,736	91,499	87,387	86,179	81,972	-4,207
Current liabilities	18,069	16,751	16,562	19,090	17,598	-1,492
Notes and accounts payable - trade	6,306	6,097	6,229	6,108	6,546	3,897
Non-current liabilities	8,514	8,649	10,201	11,598	11,732	134
Total liabilities	26,584	25,401	26,763	30,688	29,330	-1,357
Total net assets	66,151	66,098	60,623	55,491	52,641	-2,850
Total liabilities and net assets	92,736	91,499	87,387	86,179	81,972	-4,207

4. Supplementary Materials 2Q FY02/21 Number of Stores

● Number of stores

(Unit: Stores)

	FY02/17	FY02/18	FY02/19	FY02/20	FY02/21	FY02/21
	Fiscal year-end	Fiscal year-end	Fiscal year-end	Fiscal year-end	2Q-end	Forecast
Trends in no. of stores in Japan	3,022	3,107	3,161	2,941	2,896	2,909
Hotto Motto	2,661	2,723	2,748	2,527	2,496	2,490
YAYOI	329	351	377	382	374	393
PLENUS MK	32	33	36	32	26	26
Trends in no. of overseas stores	192	212	242	259	256	258
Overseas Hotto Motto total	13	15	18	14	13	13
China	4	2	2	3	2	2
South Korea	8	12	15	10	10	10
Australia	1	1	1	0	—	—
Singapore	—	—	—	1	1	1
Overseas YAYOI total	179	197	224	245	243	245
Thailand	157	167	187	198	197	199
Singapore	7	8	8	10	9	9
Australia	3	4	4	6	6	6
Taiwan	9	12	18	21	21	21
USA	2	3	3	3	3	3
Philippines	1	2	3	5	5	5
Malaysia	—	1	1	2	2	2

4. Supplementary Materials 2Q FY02/21 Hotto Motto

Hotto Motto			FY02/20- end	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Cumulative total
All stores	YoY change for net sales	%	—	94.0	96.5	100.6	97.8	99.7	97.4							97.6
Existing stores	YoY change for net sales	%	—	99.3	101.9	106.5	103.9	105.7	102.7							103.3
New stores	Total	stores	—	0	0	0	2	0	0							2
	RC	stores	—	0	0	0	1	0	0							1
	PC	stores	—	0	0	0	0	0	0							0
	FC	stores	—	0	0	0	1	0	0							1
Closing	Total	stores	—	-21	-7	-1	-1	-2	-1							-33
	RC	stores	—	-19	0	-1	0	0	0							-20
	PC	stores	—	-1	0	0	0	0	0							-1
	FC	stores	—	-1	-7	0	-1	-2	-1							-12
Transfer	RC	stores	—	9	12	8	0	-4	-8							17
	PC	stores	—	-5	-2	-3	-3	-5	0							-18
	FC	stores	—	-4	-10	-5	3	9	8							1
Renovation /Relocation	RC	stores	—	2	2	3	5	4	0							16
	PC	stores	—	0	0	0	0	0	0							0
	FC	stores	—	3	0	0	2	2	1							8
No. of stores at month-end	Total	stores	2,527	2,506	2,499	2,498	2,499	2,497	2,496							—
	RC	stores	711	701	713	720	721	717	709							—
	PC	stores	187	181	179	176	173	168	168							—
	FC	stores	1,629	1,624	1,607	1,602	1,605	1,612	1,619							—

4. Supplementary Materials 2Q FY02/21 YAYOI

YAYOI			FY02/20- end	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Cumulative total
All stores	YoY change for net sales	%	—	81.9	51.9	54.3	75.6	78.7	81.2							70.7
Existing stores	YoY change for net sales	%	—	83.2	52.8	55.0	76.0	79.3	81.7							71.4
New stores	Total	stores	—	1	1	0	2	3	1							8
	RC	stores	—	1	1	0	1	3	1							7
	PC	stores	—	0	0	0	0	0	0							0
	FC	stores	—	0	0	0	1	0	0							1
Closing	Total	stores	—	-1	-1	0	0	-1	-13							-16
	RC	stores	—	-1	-1	0	0	-1	-13							-16
	PC	stores	—	0	0	0	0	0	0							0
	FC	stores	—	0	0	0	0	0	0							0
Transfer	RC	stores	—	2	0	0	7	11	6							26
	PC	stores	—	1	0	0	0	0	0							1
	FC	stores	—	-3	0	0	-7	-11	-6							-27
Renovation/ Relocation	RC	stores	—	9	3	0	0	0	0							12
	PC	stores	—	0	0	0	0	0	0							0
	FC	stores	—	0	0	0	0	0	0							0
No. of stores at month- end	Total	stores	382	382	382	382	384	386	374							—
	RC	stores	233	235	235	235	243	256	250							—
	PC	stores	30	31	31	31	31	31	31							—
	FC	stores	119	116	116	116	110	99	93							—

4. Supplementary Materials 2Q FY02/21 Number of MK RESTAURANTS/Group Stores in Japan

MK RESTAURANTS			FY02/20- end	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Cumulative total
All stores	YoY change for net sales	%	—	80.6	23.9	31.7	76.4	77.1	67.6							60.0
Existing stores	YoY change for net sales	%	—	85.7	42.8	54.0	91.7	99.7	81.4							84.0
New stores	Total	stores	—	1	0	0	0	0	0							1
Closing	Total	stores	—	0	-7	0	0	0	0							-7
Renovation/ Relocation	Total	stores	—	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of stores at month- end	Total	stores	32	33	26	26	26	26	26							—

		FY02/20- end	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Total no. of Group stores in Japan	stores	2,941	2,921	2,907	2,906	2,909	2,909	2,896						

4. Supplementary Materials 2Q FY02/21 Number of Overseas Group Stores

Overseas		FY02/20-end	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Hotto Motto	Total	14	13	13	13	13	13	13						
	China	3	2	2	2	2	2	2						
	South Korea	10	10	10	10	10	10	10						
	Singapore	1	1	1	1	1	1	1						
YAYOI	Total	245	244	244	244	244	245	243						
	Thailand	198	198	199	199	199	199	197						
	Singapore	10	9	9	9	9	9	9						
	Australia	6	6	6	6	6	6	6						
	Taiwan	21	21	20	20	20	21	21						
	USA	3	3	3	3	3	3	3						
	Philippines	5	5	5	5	5	5	5						
	Malaysia	2	2	2	2	2	2	2						
Total no. of overseas Group stores		259	257	257	257	257	258	256						

Plenus