



YOSHINOYA HOLDINGS
CORPORATE PROFILE

2016

For the People

The will to change and the guts to create new business models are prerequisites for our employees.



With the group business philosophy “For the People” in mind, the Yoshinoya Holdings Group is determined to show that we care for people all over the world, pursuing the creation of value from “food culture,” and through providing this, contributing to society. Though the business styles of each company in our group vary greatly, the Group is united under the common goal of satisfying as many customers as we can.

In order to put the principle “For the People” into practice, we must respond to the changes surrounding the food & beverage industry and build new business models. As a first step toward these changes, we have initiated our new three-year mid-term business plan.

The will to change and the guts to create new business models are prerequisites for our employees. Together with our stakeholders, we want to progress, grow and share the fruits of prosperity.

We appreciate the concern and high expectations received from our stakeholders with regards to the challenges we are taking up in the coming three years.

Yasutaka Kawamura
President

CORPORATE INFORMATION

Company Profile

Company Name	YOSHINOYA HOLDINGS CO., LTD.
Established	December 27, 1958
Paid-in Capital	10,265,480,000 yen
President	Yasutaka Kawamura
Head Office	18F Rivergate, 36-2 Nihonbashihakozakicho, Chuo-ku, Tokyo, 103-0015, Japan
TEL	+81-3-5651-8800 (main)
URL	http://www.yoshinoya-holdings.com/
Stock Listing	Tokyo Stock Exchange First Section (Security Code: 9861)

Number of Stores of the Group (As of February 29, 2016)

Number of Stores in Japan	Qingdao	Heilongjiang and Jilin
Yoshinoya 1,188 stores	Yoshinoya 8 stores	Yoshinoya 12 stores
Hanamaru 390 stores	Wuhan	Hong Kong
Arcmeal 182 stores	Yoshinoya 4 stores	Yoshinoya 56 stores
Kyotaru 315 stores	Hanamaru 3 stores	Singapore
Green's Planet 169 stores	Fujian	Yoshinoya 16 stores
America	Yoshinoya 11 stores	The Philippines
Yoshinoya 102 stores	Shenzhen	Yoshinoya 8 stores
Malaysia	Yoshinoya 18 stores	Indonesia
Yoshinoya 4 stores	Beijing	Yoshinoya 48 stores
Hanamaru 4 stores	Yoshinoya 211 stores	Thailand
Taiwan	Liaoning	Yoshinoya 16 stores
Yoshinoya 52 stores	Yoshinoya 69 stores	Arcmeal 1 stores
Arcmeal 3 stores	Inner Mongolia	Cambodia
Shanghai	Autonomous Region	Yoshinoya 2 stores
Yoshinoya 9 stores	Yoshinoya 10 stores	
Hanamaru 12 stores		

Brief Description of Our Businesses

Yoshinoya

Main Operating Company	YOSHINOYA CO., LTD.
Description of business	Management of beef bowl fast food restaurants in Japan and management guidance of franchise chain stores, etc.

Hanamaru

Main Operating Company	Hanamaru, Inc.
Description of business	Management of self-service Sanuki Udon and other fast food restaurants in Japan and management guidance of franchise chain stores, etc.

Arcmeal

Main Operating Company	ARCMEAL Co., Ltd.
Description of business	Management of steak and Shabu Shabu restaurants, etc.

Kyotaru

Main Operating Company	KYOTARU CO., LTD.
Description of business	Management of take-out and conveyor belt sushi shops, etc.

Overseas

Main Operating Company	YOSHINOYA AMERICA, INC. ASIA YOSHINOYA INTERNATIONAL SDN. BHD. YOSHINOYA China Holdings Co., Ltd.
Description of business	Management of beef bowl, self-service Sanuki Udon and other fast food restaurants abroad and management guidance of franchise chain stores, etc.

Other operations

Main Operating Company	Green's Planet Co., Ltd. and others
Description of business	Management of snack fast food restaurants and management guidance of franchise chain stores, etc.

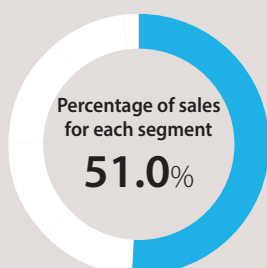
Group Business Philosophy

- For the People -

Companies exist to serve the needs of society and to contribute to the greater happiness of mankind. The Yoshinoya Holdings Group is an enterprise that spans national and regional borders, treating people from every nation as its customers. Our customers and employees share the same human spirit and come from every part of society. We serve people, we value people, and we want to be a valued part of people's lives. We strive to provide our customers with products that deliver excellent value for money. We endeavor to foster a spirit of enthusiasm and fulfillment in our employees. We aspire to operate in harmony with society and to protect the global environment. Our business philosophy "For the People" sums up these aspirations of the Yoshinoya Holdings Group. For the people...

GROUP COMPANIES (As of February 29, 2016)

YOSHINOYA



Main Operating Company

YOSHINOYA CO., LTD. **1,188** stores

Net sales

95.6 billion yen
(year-on-year +0.3%)

Operating income

3 billion yen
(year-on-year -24.8%)

Since its establishment, Yoshinoya has provided beef bowls with a focus on being "tasty, low-price and quick-service." We will continue to experiment in order to create new restaurant environments and services to suit customers' consumption patterns. Additionally, we strive to improve customer satisfaction by developing a health-conscious menu backed by hard evidence and by effective promotion activities based on big data analytics.

Number of employees:

1,322 (male employees: 1,069 / female employees: 253)



HANAMARU



Main Operating Company

Hanamaru, Inc. **390** stores

Net sales

21.5 billion yen
(year-on-year +10.2%)

Operating income

1.1 billion yen
(year-on-year +16.4%)

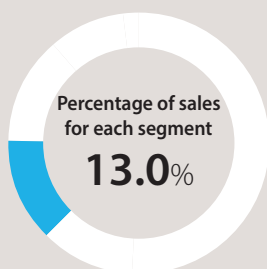
Hanamaru has over 350 self-service stores which are mainly under the "Hanamaru Udon" brand throughout the country. We strive for further expansion of new stores, conducting internal enhancement such as store management. Additionally, we aim to achieve "Healthy Hanamaru" by developing health-conscious menus and promoting health and beauty.

Number of employees:

361 (male employees: 300 / female employees: 61)



ARCMEAL



Main Operating Company

ARCMEAL Co., Ltd. **186** stores

Net sales

24.3 billion yen
(year-on-year +2.4%)

Operating income

200 million yen
(year-on-year -10.5%)

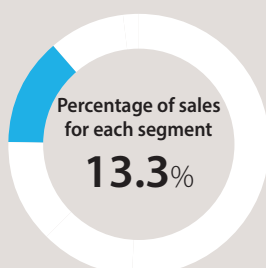
Arcmeal is a restaurant chain with 3 main brands: "Steak-no-Don," "Volks," and "Shabu Shabu Don-tei." Keeping Arcmeal's corporate mission "That was fun, I'll be back!" in mind, we will improve its QSCA through the renovation of existing stores, improvement of productivity, and enhancement of its education system in an effort to be "unique and indispensable" to customers.

Number of employees:

379 (male employees: 347 / female employees: 32)



KYOTARU



Main Operating Company

KYOTARU CO., LTD. **315** stores

Net sales

24.9 billion yen
(year-on-year +1.8%)

Operating income

200 million yen
(year-on-year +13.7%)

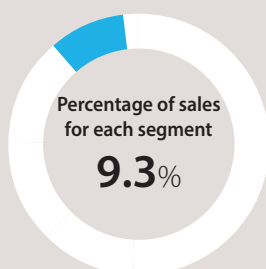
Kyotaru is working to develop its three main businesses: the take-out business, led by the "Kyotaru" brand, which provides sushi, packed lunches, rice balls and other products; the restaurant business, which features eat-in sushi specialty shops and conveyor belt sushi shops such as "Kaisen Misakiko" and others; and the external sales business which manages online stores. Considering the higher profitability of the urban conveyor belt sushi business such as "Kaisen Misakiko", we will proactively establish new branches.

Number of employees:

500 (male employees: 438 / female employees: 62)



OVERSEAS



Main Operating Company

YOSHINOYA AMERICA, INC.
ASIA YOSHINOYA INTERNATIONAL SDN. BHD.
YOSHINOYA HANAMARU MALAYSIA SDN. BHD.
YOSHINOYA China Holdings Co., Ltd.

675 stores

Net sales

17.5 billion yen
(year-on-year +17.1%)

Operating income

500 million yen
(year-on-year -1.9%)

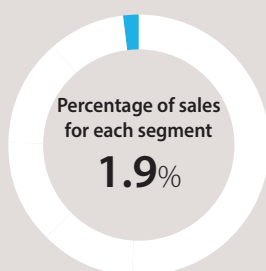
We have built a management structure overseas to develop business promptly in each area. YOSHINOYA AMERICA, INC. in the United States, YOSHINOYA China Holdings Co., Ltd. in China and ASIA YOSHINOYA INTERNATIONAL SDN. BHD. in the ASEAN region develop business and operate stores in all the countries in their respective regions.

Number of employees:

876 (male employees: 447 / female employees: 429)



OTHER OPERATIONS



Main Operating Company

Green's Planet Co., Ltd. and others **169** stores

Net sales

3.4 billion yen
(year-on-year +2.1%)

Operating income

-100 million yen
(Previous year -100 million yen)

Green's Planet operates various types of fast food shops such as "Pizza Napoletano Cafe" and "Hitokuchi Chaya". The company is also developing "Green's Court" which conducts comprehensive management of food courts, and offers relaxing space and reasonably priced products to offer customers the chance to enjoy a moment of calmness or a light meal while shopping.

Number of employees:

97 (male employees: 78 / female employees: 19)



The new three-year

FY2016 to FY2018

The new three-year mid-term business plan to shape Yoshinoya Holdings' future and to build its foundation has begun.

With the keywords "People, Health and Technology," we will take on the challenge of creating never-before-seen value in the food & beverage industry. Directions and key themes of the challenge are explained in this section.

Purpose of the three-year mid-term business plan

The Group formulated a new three-year mid-term business plan ending in 62nd FY (year ending 2/2019) and initiated this plan in 60th FY. In the current fiscal year, the Group also formulated the 10-year long-term vision "NEW BEGINNINGS 2025," and views the next three years as a first stage toward the realization of the vision.

In the three years of this first stage, we will aim to achieve goals by proactively implementing various measures and embracing the keywords, "TRY FIRST, THINK NEXT," to avoid being too conservative from fears of failure.

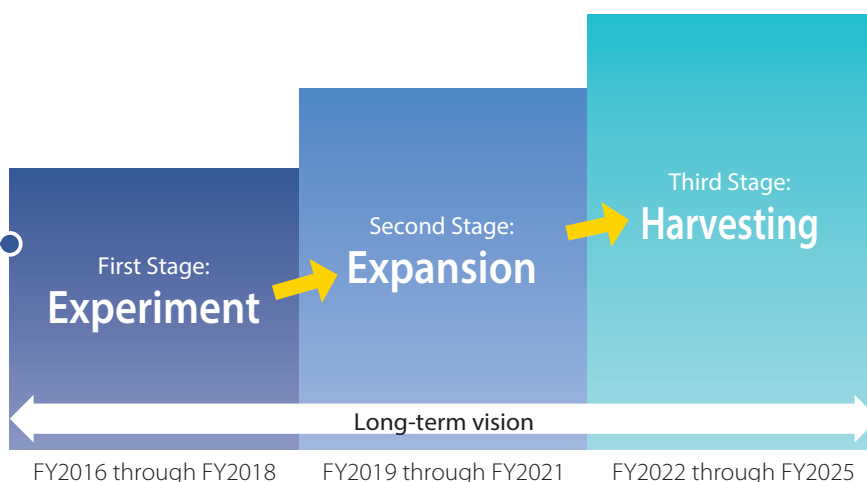
Long-term vision of Yoshinoya Holdings

Group Business Philosophy	For the People
Long-term management vision	NEW-BEGINNINGS ☆☆☆☆2025 From COMPETITION to CO-CREATION
Three joint creations to achieve vision goals	<ol style="list-style-type: none"> 1 Jointly create values with customers instead of unilaterally attempting to create them 2 Jointly create new business models and services by leveraging connections beyond boundaries between divisions, business corporations and national borders 3 Jointly create new values going beyond hedges between industries and businesses
Three keywords	People, Health and Technology

FY2016 to FY2018 Our new three-year mid-term business plan

Target for FY2018

Total number of stores in Japan and overseas	3,500 stores
Consolidated net sales	210 billion yen
Consolidated operating income	6 billion yen
ROE (return on equity)	4.7%



mid-term business plan

Putting “People, Health and Technology” into practice

In order to evolve into the company we want to be by 2025, we will explore new directions in the food & beverage industry with the keywords “People, Health and Technology,” and carry out a large number of trials and tests through our new three-year mid-term business plan.

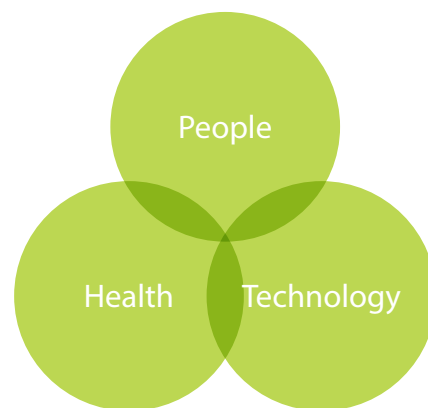
The shortage of labor in Japan is becoming an issue for measures pertaining to “People.” We will focus on creating stores that will become attractive workplaces in which employees will want to work, and we will provide opportunities for growth to employees through our businesses. The Group will then pursue values that are generated by leveraging “People” so that those values will be delivered to our customers.

For the keyword “Health,” one of our biggest issues is initiatives regarding employees. Since 2015, the group appointed and inaugurated the CWO (Chief Wellness Officer) as a part of “Wellness Management,” a campaign that promotes employees’ physical and mental wellbeing as the main support for the Group’s management. Now, we will

take this to another level, promoting this mindset starting from the management level in order to enhance and advocate health literacy. The Group will implement measures to improve employees’ quality of sleep, in order to ensure that employees are healthy amid the irregular time shifts that are characteristic of the restaurant business.

At the same time, with the rising health awareness among employees, we anticipate an opportunity for them to think deeply and broadly about the provision of health to customers. The Group plans to deepen its measures when developing its future menu and ingredients, switching the focus from “healthy food” to “healthiness” itself, and investing both time and money to do so.

For the efforts regarding “Technology,” the Group perceives Yoshinoya’s incorporation of the “T-Point” service network as one of its turning points. The Group strives to acquire methods in order to effectively leverage Big Data analytics acquired from “T-Point.” Through these measures, the Group will be able to grasp the thoughts and behaviors of customers



who have never visited Yoshinoya restaurants, establish a foothold for increasing restaurant visitors within the next three years and hopefully leverage the know-how to benefit the Group.

On the other hand, the utilization of technology is also a key factor in reducing the workload of employees working in restaurants. The Group will secure labor and enhance customer service by adopting facilities and equipment that simplify and streamline complicated in-store operations and improving the workplace environment.

Key themes for each business segment

The Yoshinoya business is one of the most demanding businesses in the Group in terms of adapting to changes. Leading with the initiatives relating to the above-mentioned keywords “People, Health and Technology,” we are especially proactive and swift in the development of future menus and ingredients, as well as the reformation of in-store operations. At the same time, we plan to carry out a large number of trials and experiments utilizing test stores. Although Yoshinoya has aimed to become a top-ranked company in the restaurant business by 2020, we now aim to achieve this goal during the period of new three-year mid-term business plan ahead of schedule.

The Hanamaru business is expected to attain continuous growth and expansion

with current business model. The Group is aiming to conduct internal enhancement in the next three years, while achieving the target number of 500 stores in Japan.

For the Arcmeal business, it was planned to complete the reorganization phase in FY2015 and shift to a new track for growth, but it remained stagnant due to deteriorated earnings, mainly as a result of the soaring price of ingredients. In order to resolve this, we strive to implement its business improvement plan by returning to the Arcmeal’s corporate mission “That was fun, I’ll be back!”

For the Kyotaru business, the urban conveyor belt sushi business such as “Kaisen Misakiko” showed high profitability. We will therefore proactively

establish new shops in the current fiscal year. For the take-out business, while the outlook for future development in the domestic market is clear, the Group also aims to go global, establishing overseas restaurants starting in Asia.

For the overseas business, we will further accelerate new restaurant openings mainly managed by companies established in China and Malaysia. We strive to expand new restaurant openings also in mainland China and the Asian region. Though the US business was stagnant during recent years, the newly launched BYO (Build Your Own) style test store had a good start; we therefore aim for growth of such an ambitious initiative. For the Hanamaru brand, together with Yoshinoya, we promote development in Malaysia and other ASEAN countries.



Akihiro Yasui,
Chairman
YOSHINOYA China Holdings
Co., Ltd.

The Group started store development toward and coverage of stores, with the aim of

Accelerating development in China focusing on the Group's management company established in 2015

YOSHINOYA China Holdings Co., Ltd. where I serve as Chairman, was established in June 2015 as a management company responsible for the centralization and streamlining of business investments and cash management, with the aim of controlling and providing guidance on store management in China. In order to promote the development of the "Yoshinoya" and "Hanamaru" brands in China, we also function as headquarter of the franchise business, connecting joint companies and wholly-owned subsidiaries.

The Yoshinoya brand opened restaurants in Hong Kong, Beijing and Liaoning throughout the 1990s. When the business first started, we brought with us the raw, organic Japanese culinary style. It took a long time for it to

be incorporated into local culture, but slowly and surely, our expertise began to accumulate.

For example, in China, people seldom eat out alone. Chinese customers usually bring along their families or visit restaurants in groups, making table seats necessary. Furthermore, unlike pork or chicken, beef was a less familiar ingredient to local customers back then, and was viewed as a delicacy. Although the Group insists on maintaining the original taste of beef bowls even in the Chinese market, positioning Yoshinoya's traditional beef bowl as a global standard, we provide noodles and other menus more suited to the Chinese taste, which customers can order and share with their families and groups sitting around tables. We provide an even wider range of choices than in Japan.

Comparing with Japanese market in which we provide a regular sized beef bowl for 380 yen, the price of the menu in China is expensive with a price set for middle-upper class by local standards. Recently in China, standards of living have been improved rapidly, particularly in urban areas. Therefore, we are largely successful in attracting target customers in areas where we operate.



Offering a wide range of choices reflecting the Chinese taste



Development in China so far

25 years after opening the first store in Hong Kong, Yoshinoya expands its area and stores

To introduce Japanese fast food to overseas countries, Yoshinoya entered the American market in the 1970s, becoming one of the earlier companies to develop its overseas business. In 1991, Yoshinoya partnered with a local franchisee and established branches in Hong Kong. After that, Yoshinoya's branches extended to north-eastern China, to Beijing and Liaoning. From 2000 onwards, foreign retail companies were able to acquire shares of over 51% of any

merger; through merging with local companies, Yoshinoya expanded its business to the coastal areas, where economic growth was vibrant. As a new endeavor in 2014, Yoshinoya established fully self-funded branches in Qingdao and Wuhan. As a general overview, Yoshinoya's business in China is divided into the franchise line, with increasing stores located in north-eastern China, and the merger and self-funded business line developing in the coastal area as well

as other areas. The total number of stores in China has reached 408 stores (as of December 2015).

On the other hand, Hanamaru Udon found its way into China through the Expo 2010 Shanghai China, when it established its first branch in Shanghai. Including the Wuhan branch established in 2014, the total number of stores in China has reached 15 stores (as of December 2015).

the inland area, increasing the number reaching 1,800 stores throughout China



A snapshot of our customer service skill contest in China

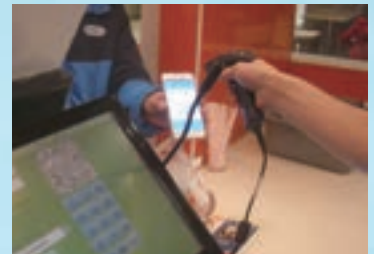
Seeking “People, Health and Technology” also in the Chinese market

China was likely to be considered a country with a low level of service quality in previous times, but awareness of service has changed significantly with the improvement of living standards. Under these circumstances, YOSHINOYA China Holdings Co., Ltd. strives to enhance employee training in terms of customer service and operations to differentiate ourselves from competitors, introducing to each store our Group’s

quality of service, cultivated in Japan. As part of these efforts, not only are we holding customer service skill contests, but we also provide opportunities to receive training in Japan for all employees at all stores in China, in order to promote the understanding of “Yoshinoya-ism”. We find enthusiasm and vitality in Chinese employees, and service skills comparable to the level of Japanese employees.

In terms of technology implementation, the Chinese market is ahead of Japan in certain aspects, especially in smartphone apps for cash settlement which are widely used by consumers. Additionally, health awareness of Chinese citizens is heightening, following in the footsteps of Japanese citizens. The Group’s keywords toward future growth, “People, Health and Technology,” simultaneously became the theme for new development directions in China. We plan to implement a “Cash-less Payment System” for the smartphone and launch health-conscious menus throughout all our companies in China.

Given the growth of inland China following the coastal area, we will begin to promote full-scale restaurant openings



Receiving payment at a cash register by scanning a QR code on a smartphone screen

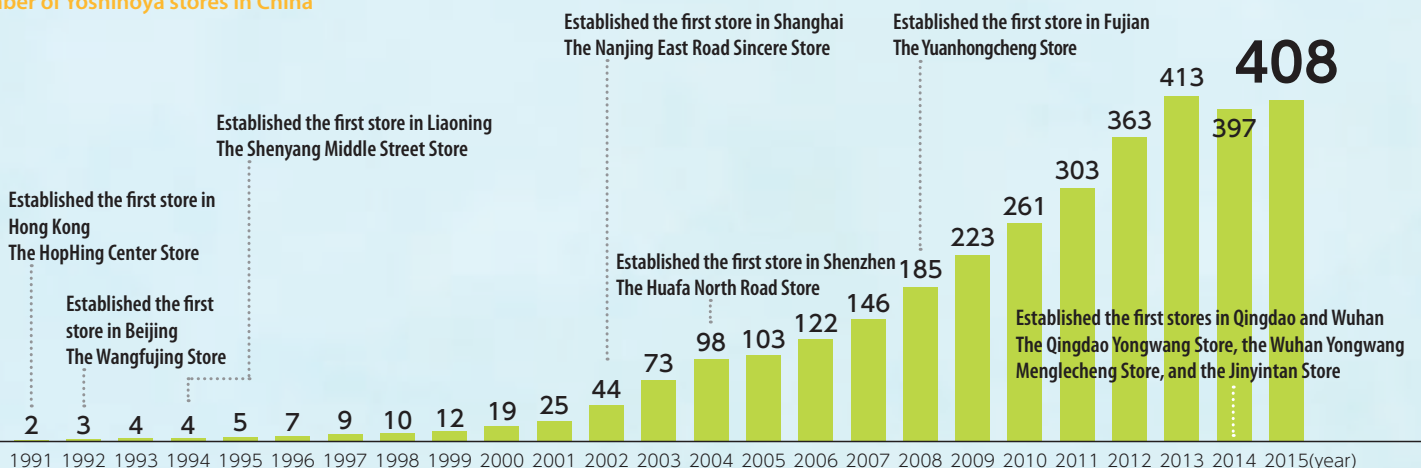
toward inland cities. Simultaneously, we strive to expand the total number of Group stores in China from 423 to 590 during the period of our new three-year mid-term business plan, increasing the number of stores in areas where we already have stores. From a mid- and long-term point-of-view, we intend to expand this number to 1,800 stores and secure a scale larger than that of Japan.

China has the capacity to incorporate Japan’s strengths, as well as significant growth potential. In this country, we strive to build bridges between both countries through the restaurant business.

Number of Yoshinoya stores in China



Number of Yoshinoya stores in China



History of Yoshinoya's overseas expansion

Having started the process of opening restaurants overseas in the United States in 1975, we went on to expand into Asia, starting with Taiwan. We accelerated restaurant openings in new regions throughout the 1990s, as we continued to steadily increase overseas store numbers. In the 2000s, the Yoshinoya brand began to gain widespread recognition across countries and regions where we had established a presence. We successfully opened our first restaurant in a country with a major Muslim population in 2015, when we entered the Malaysian market. Based on the expertise we have accumulated to date, we intend to establish a global framework and to continue expanding our businesses with the aim of reaching 1,500 overseas restaurants.

Arrival of Beef Bowl in the United States

The first step of Yoshinoya's overseas expansion was not a restaurant opening; it was the establishment of Yoshinoya America in the United States in 1973. The intent was to directly purchase beef because at that time limitations were imposed on the import volume of beef, however, Japanese government banned beef imports in the following year. With no idea about when imports would be resumed, Yoshinoya opened a restaurant in Denver in 1975 and named its product "Beef Bowl." The initiation of expansion into the United States was a desperate measure, but the store gained great popularity in the country and the overseas expansion of a Japanese fast-food company also created significant buzz in Japan. In 1977, we established Yoshinoya West as our foothold on the West Coast. Two years later, we opened our first restaurant in Los Angeles.



Expansion
into the US
1970s

Reconstruction
in the US
1980s

Developing markets
in different areas
1990s

Making a fresh start in Los Angeles and initiating expansion into Asia

The 1980s was a decade of corporate reconstruction for Overseas Yoshinoya. In July 1980, Domestic Yoshinoya sought court protection under the Corporate Reorganization Act. In the following year, 1981, its US corporation also filed for protection for corporate reorganization in March and began on the path of self-reliance. Having made a fresh start by focusing on the nine restaurants in Los Angeles, Yoshinoya West launched the Teriyaki Chicken Bowl, a

new menu item aimed at facilitating the company's regeneration, which became a huge hit. The US affiliate resumed restaurant openings in 1984 and completed its corporate rehabilitation in 1985 before its Japanese counterpart. In the following year, the number of Yoshinoya restaurants in the US reached 20, which gave us a great deal of confidence and lead to the opening of the first restaurant in Taiwan in 1988, and we resumed with strengthening our overseas expansion.



Proactive entry into the Asian market

In the 1990s, Overseas Yoshinoya began its full scale entry into the Asian market. Our first restaurant in Hong Kong opened in 1991 and created a strong buzz among people there. Yoshinoya West in the United States also expanded steadily and the number of its restaurants reached 50 in the same year. In 1992, Yoshinoya opened its first restaurants in Beijing and the Philippines, and from the following year it ambitiously opened restaurants in other Asian countries such as Indonesia, Thailand, South Korea and Singapore. The style of restaurants, menus and other specifics of Overseas Yoshinoya differed among regions, reflecting our search for establishing a global standard during the period.

Aiming 1,500 overseas restaurants

We have positioned our overseas businesses as a growth driver for the Yoshinoya Holdings Group, as we push forward with our strategy for expansion. In 2010, we reached 100 restaurants in the US and resumed efforts to expand into Indonesia, having previously withdrawn due to the 1998 monetary crisis in Asia. In 2011, we also resumed expansion into Thailand. In 2015 we have once again entered the Malaysian market, with the number of restaurants overseas reaching 650. Having set up ASIA YOSHINOYA INTERNATIONAL SDN. BHD. in Malaysia in 2014 and YOSHINOYA China Holdings Co., Ltd. in China in 2015, we have now established a local management framework spanning a number of different countries and regions. This has enabled us to operate and make decisions quickly and effectively in line with the needs of local markets. With that in mind, we intend to take the expertise we have built up through years of overseas expansion, and feed that back into our domestic operations and the group as a whole, as we strive to establish ourselves as a truly global enterprise.



Development of market
in Asia
2000s

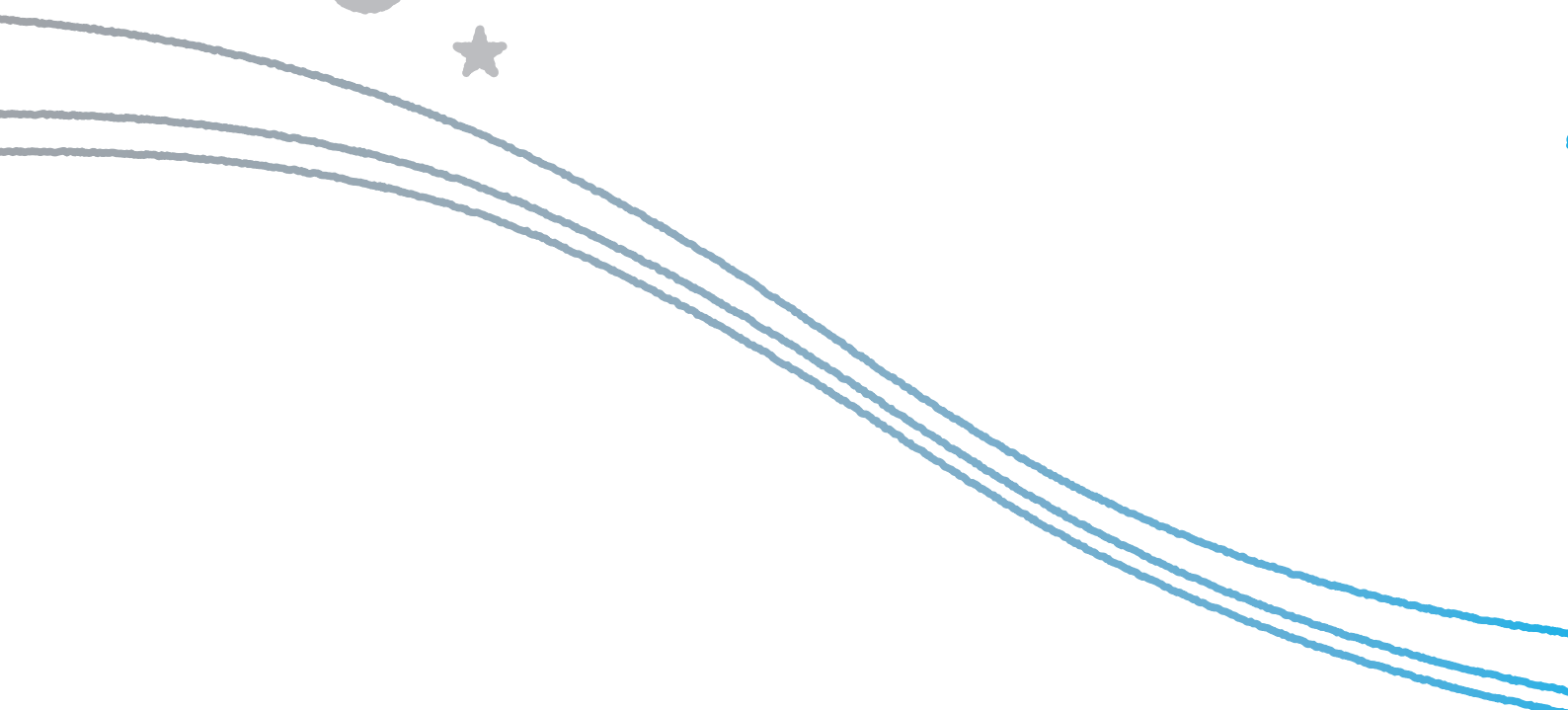
Breakthrough period in Asia
2010s

Yoshinoya brand spreads worldwide

From 2000, Yoshinoya accelerated its overseas expansion with a focus on East Asia, including the fast-growing China, and Southeast Asia. Our first restaurants in Shanghai and Shenzhen were opened respectively in 2002 and 2004 as we began to aggressively expand into China. In 2005, Yoshinoya was awarded in Beijing for being a brand most loved by

consumers; a fact that proves that Yoshinoya had gained recognition as an established brand in the city. In 2009, Yoshinoya International was established with an aim of supervising Overseas Yoshinoya other than our US affiliate. As of the end of 2009, the total number of restaurants of Overseas Yoshinoya was close to 400.





YOSHINOYA HOLDINGS

<http://www.yoshinoya-holdings.com>

