



# FY ending April 2014 Briefing on 1st Half Financial results

Food Business Producers

『Breakwater to protect small restaurant operators  
against major chains』

JASDAQ code : 2 7 5 1



## Profile

<b>Name</b>	TENPOS BUSTERS Co., Ltd.
<b>Founded</b>	March 31, 1997
<b>Capital</b>	509.12 million yen (As of April 2013)
<b>CEO</b>	CEO & President Shinobu Hirano
<b>Sales</b>	16 billion 202 million yen (April 2013: Consolidated) Up to 2 <sup>nd</sup> quarter 9 billion 133 million yen ( 1 2 3 %as against the same period previous year)
<b>Profit</b>	1.365 billion yen (April 2013: Consolidated) Up to 2 <sup>nd</sup> quarter 764 million (151%pv.)
<b>Ratios</b>	Capital to assets ratio : 61.0%      Current ratio : 239.92%      Fixed assets ratio : 44.86%      ※As of 2 <sup>nd</sup> quarter
<b>Feature</b>	To be a FBP(Food Business Producers) with target to be 50 billion sales. Portal site for staff recruiting, Internet sales, Restaurant new location information,, Assisting financing, Providing interior designing, Providing seminars and training for managers, Franchise operations. Discounting brand new goods making the best of profit margin from sales of recycled goods reached in 10 billion sales in 10 years and listed in JASDAQ      Features in sales and information
<b>Head office</b>	Higashi Kamata2-30-17 Ota-ku, Tokyo

**No debt operation continued**

# Income Statement (TENPOS)

( million yen )

1st Half

Fiscal Year

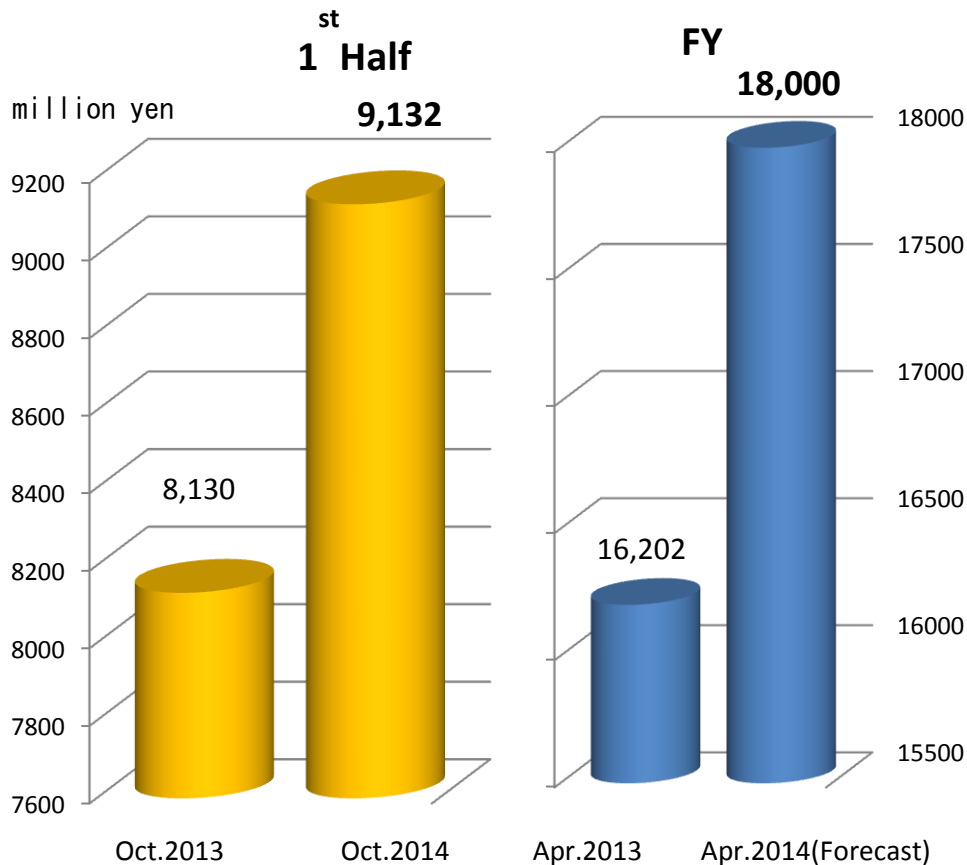
	2013 1st Half	Ratio	2014 1st Half	vs Pv.	2012 FY	Ratio (%)	2013 FY	Ratio (%)	2014 FY
<b>Sales</b>	5,097	—	5,109	100.2%	7,318	—	8,130	—	9,132
						11%up		12.3%up	
<b>Operating Profit</b>	452	8.9%	448	99.1%	585	7.1	623	7.7	704
						6.6%up		12.9%up	
<b>Profit from Ordinary Ope.</b>	571	11.2%	475	83.2%	631	7.7	662	8.1	764
						8.2%up		15.3%up	
<b>Net Income</b>	358	7.0%	267	74.6%	351	3.6	365	4.5	423
						0.2%up		15.8%up	

Store Sales contributes to various group sales.

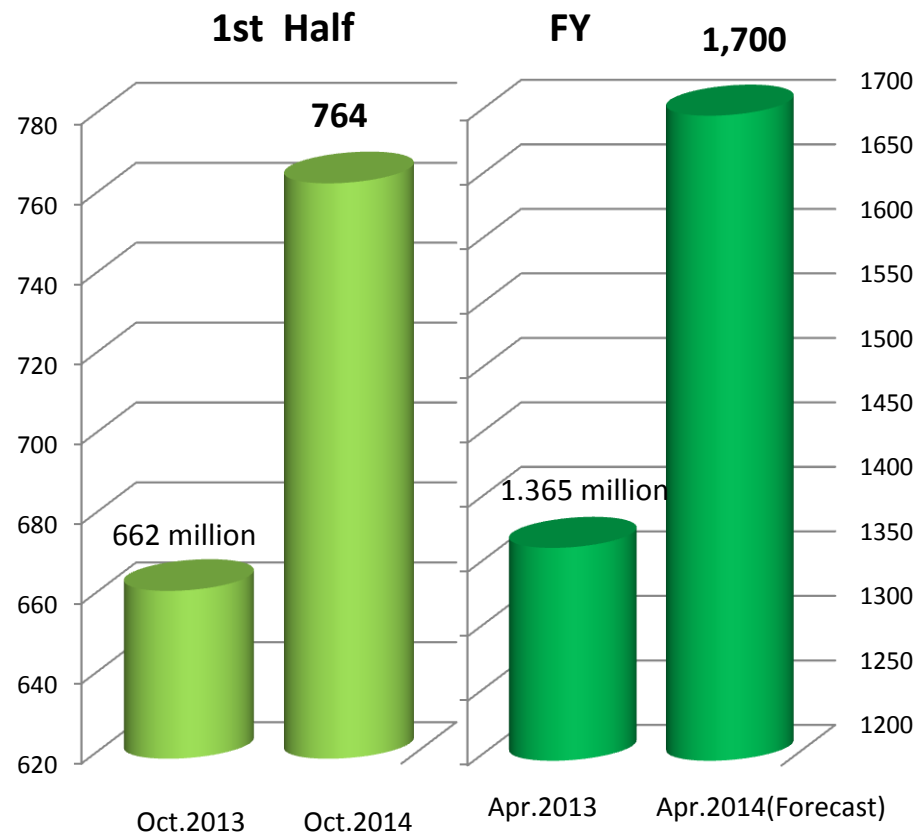
Asakuma expands network and help restaurant operation business and group business as a whole.

# Consolidated

## Sales



## Profit(Ordinary ope.)



**Expands business from store sales to FBP to provide information and service.  
FC operation such as Asakuma help expand business along with FBP**

# Segment Information

## Store Sales

Consulting sales to double the amount ! !

TENPOS sales staff are consulting salesmen who works with clients to make success together(In general consulting sales produces twice of results).

Development and expansion of Private Brand (PB) items doubles the current sales amount ! !

PB sales (furniture, kitchen sink, kitchen table, refrigerator, kitchen pot, cooking equipment and tableware) consists of 40% of total sales.

## Restaurant operation

Asakuma

- **Expands nation-wide network.** 33RCs are to be expanded to 44 outlets.
- Asakuma turned to be profitable only one year after joining TENPOS group and started no debt operation within 3 years.
- **M&A** With nation-wide chain expansion of buffet restaurants and other types of outlets, TENPOS target to have sales of 15 billion yen

## FBP (Food Business producers) Business

From commodity sales to  
information & service  
provider

FBP Business is one of the most important business strategic sectors and means for growth.

TENPOS Store Planning Co., Ltd. is working with group companies and producing restaurant business through new restaurant location information (9,000 cases annually), designing & interior decoration (with Studio TENPOS), internet sales (with TENPOS Dot Com), sales of IT equipment (with TENPOS Jyoho-kan) and financing assistance(with TENPOS F&M).

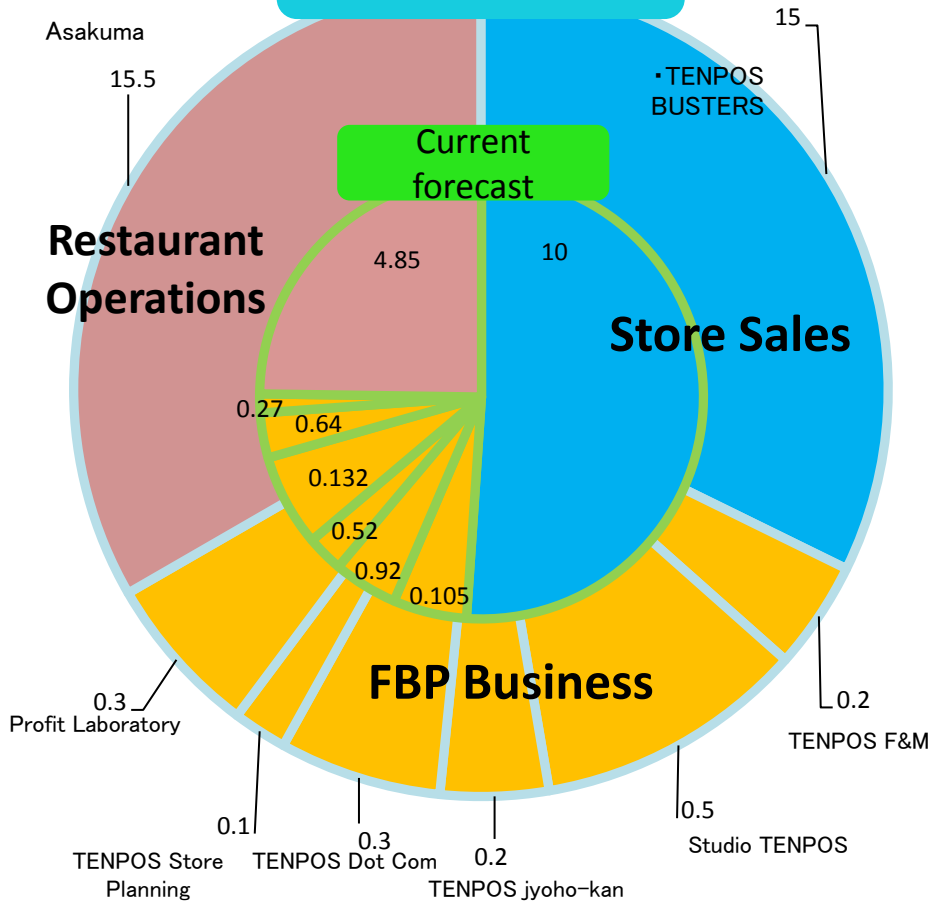
# Segments

( billion yen )

( billion yen )

**5 years later**

**Current forecast**



Business		Sales
<b>Store Sales</b>		Current FY Forecast ⇒ 5years later
•TENPOS BUSTERS	Commodity Sales	10 billion ⇒ 15 billion
<b>FBP Business</b>		Current FY Forecast ⇒ 5years later
•TENPOS F&M	Equipment Sales • Lease	1.05 billion ⇒ 2 billion
•Studio TENPOS	Interior Design	0.92 billion ⇒ 5 billion
•TENPOS jyoho-kan	POS & IT equipment	0.526 billion ⇒ 2 billion
•TENPOS Dot Com	Internet Sales	1.32 billion ⇒ 3 billion
•TENPOS Store Planning	Real Estate FBP	0.64 billion ⇒ 1 billion
•Profit Laboratory	Sales Promotion	0.27 billion ⇒ 3 billion
<b>Restaurant Operations</b>		Current FY Forecast ⇒ 5years later
•Asakuma	Steak	4 billion ⇒ 9 billion
	Buffet	0.7 billion ⇒ 4 billion
	Chicken	0.15 billion ⇒ 2.5 billion
	Total	4.85 billion ⇒ 15.5 billion
<b>Grand Total</b>		<b>19.576 billion ⇒ 46.5 billion</b>

※results before consolidation adjustments

# Store Sales I

## Introduction of TENPOS Membership

⇒ To increase frequent clients and average purchase amount !

**Introduced new POS system to complete member list and to improve information management.**

- Information on seasonal recommended items are mailed to 140,000 clients to increase visitors to the stores.
- Improved client management system easily traces the client's purchase history and determine client needs for new purchase.

Average purchase amount increased but gross profit still is the same = decreased guest number

To concentrate on trade clients from general consumers

⇒ Average Purchase amount to be increased by 10%

## FBP Training

To bring up hard-working staff (Instruction + action) ⇒ To be hard-working as their position require them as Area Manager, Store Manager or Part-timer

Special training program (once a month): To bring up managers to follow the policies with thoroughness.

▪ New store manager training program : For new start-up stores of 7 ~ 10 annually, TENPOS brings up store managers who could meet challenges of the market. Manager training programs were initiated in Sendai, Nishinomiya and Fukuoka.

## Store sales II

Store expansion with outside sales forces

⇒ 50Stores in 4 years

- Sales staff with sales territory assigned based on membership data are to make sales calls 1500clients per month individually.
- Such sales staff provide clients with useful information and casual maintenance service, have closer communication with clients and succeeded in having frequent visits to the stores.
- Furthermore, sales staff provide clients with information on new opening, business planning, concept making and financing.

TENPOS supports the industry in recruiting and management by providing recruiting information through its「TENPOS JOB」website for restaurant staff and manager training programs for hard-working managers.

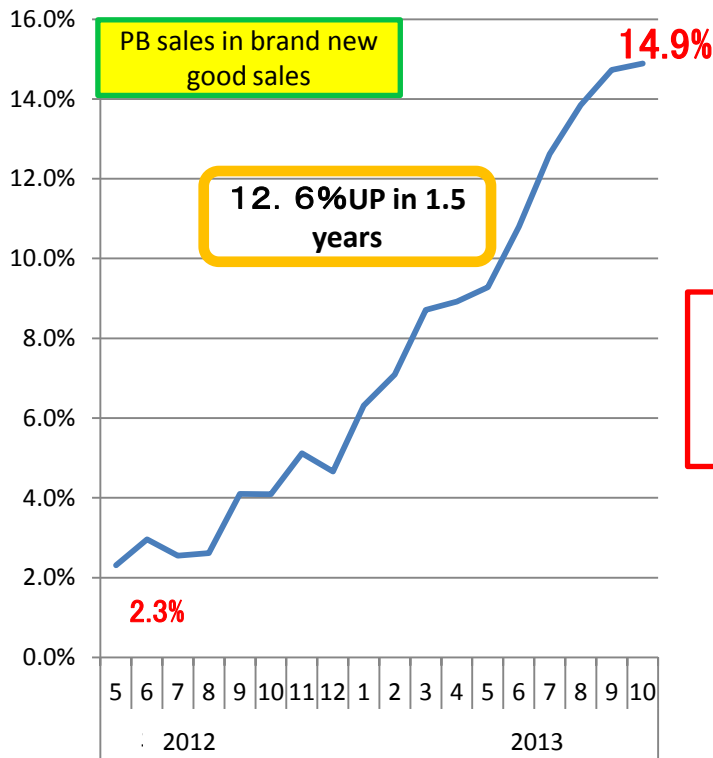


# Store sales III

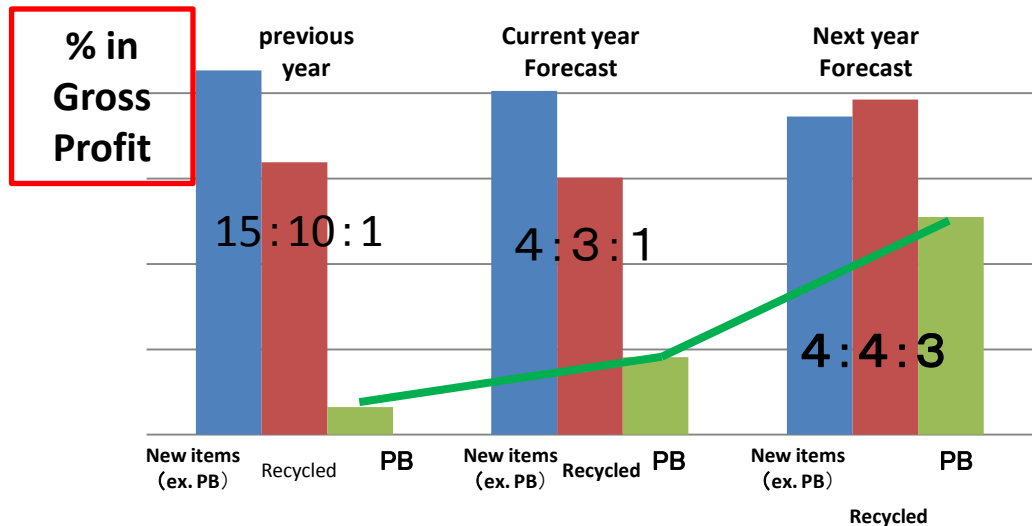
## Private Brand (PB) items

To be developed along with recycled goods purchase expansion

Initially just **2.3%** of brand new good sales at May 2012, PB item sales now stands **14.9%** in October, 2013, showing drastic increase.



Sales	New items	Recycled	PB
previous year	7.1billion yen	2.4billion yen	3.5billion yen
Current yearForecast	6.7billion yen	2.3billion yen	10billion yen
Next yearForecast	6.2billion yen	3billion yen	28billion yen



Increase of PB sales share pushes up profit ratio.

(PB sales pushes up profit more than **10%**)

# FBP Business I

※FBP = Food Business Producer

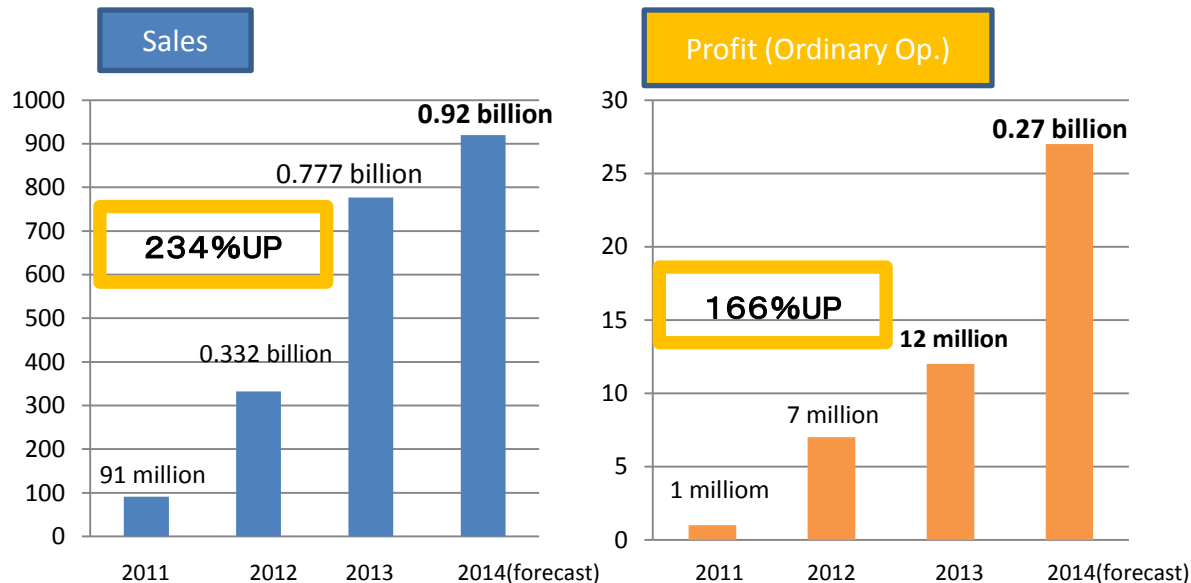
Studio TENPOS Co., Ltd.

Restaurant  
Interior works

Through M&A and etc. in few years, sales is to be 10 billion !

Working experience with major entities in the industry provided Studio TENPOS with accumulated know-how of interior works including that for import materials, enabled the company to perform interior works for mid-sized entities with profit even with discounted prices.

To meet the needs of mayor FC for their nation-wide expansion, the company plan to expand its branch network to Tokyo, Omiya, Nagoya, Osaka and Fukkuoka.



## TENPOS Jyohokan

## IT equipment sales

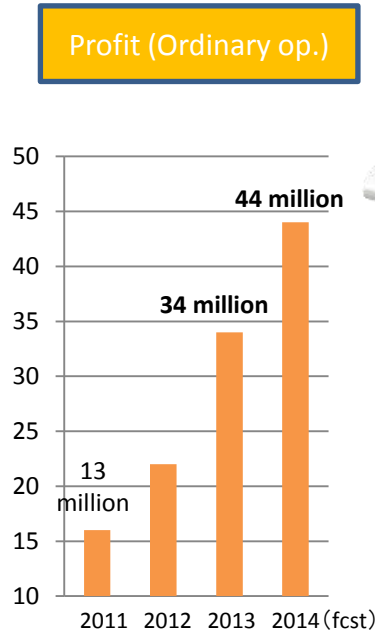
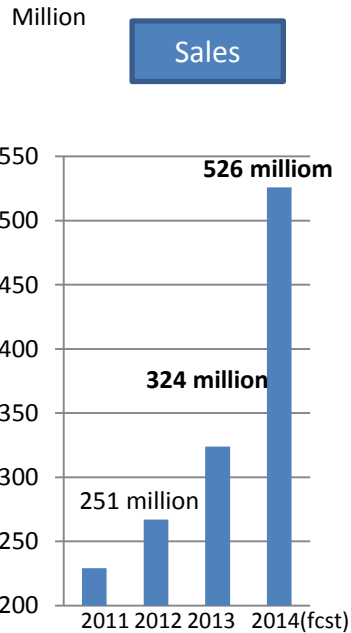
### ■ ASP service for mid & small sized entities

Development of iPadOES

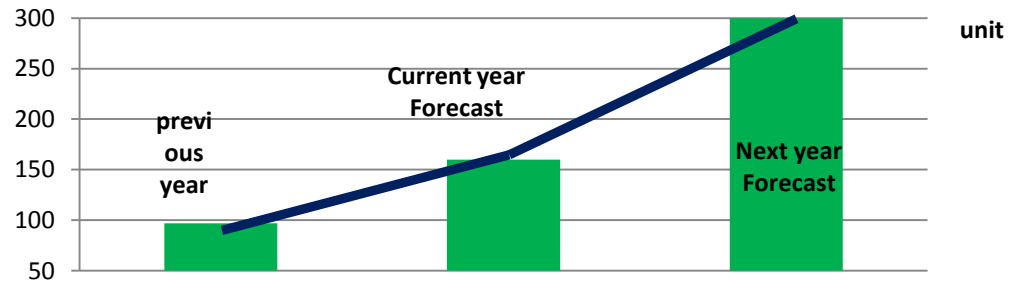
With digital signage equipped in 7 branches provides clients with information on cost-effective ASP visually and verbally for sales

### ■ Sales promotion service

- Menu book production and sales
- Posters and fliers production and sales
- Mail order expansion



### Order unit number and forecast (tenposcube)



Finance

Zero deposit system

In cooperation with the store of TENPOS BUSTERS, the company expanded sales from credit card sale commission and assisted clients in installing credit card terminals without deposit financially. Competitive edge is to be gained by promoting interior works along with sales of kitchen machinery and equipment.

In 5 years, the company is to grow 10 billion company in the leasing business !

Equipment sales

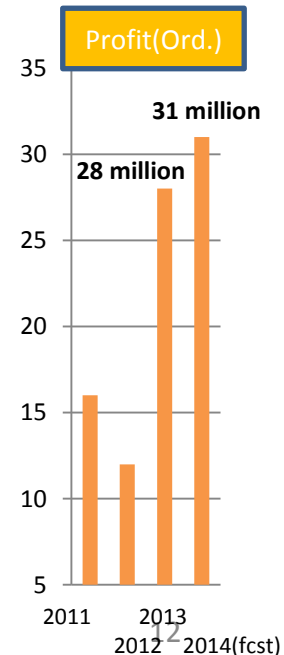
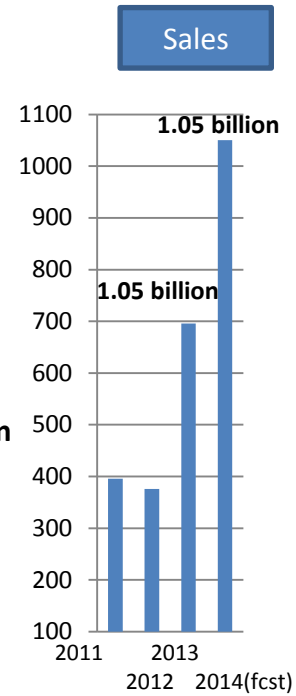
Cooking pots (TENPOS brand:Atsuko-chan)

The pots shorten cooking hours of pork soup from 10 hours to 3 hours. It reduces **gas energy costs by half** and **operating costs by ¥70,000 monthly**.

Joined with real estate business company (TENPOS Store Planning), the company expands its business in getting total order including restaurant location information, know-how training program proposals.

Non-duct Roasters

As Non-duct Roasters (Brand name Iron-man 29) produces no smokes, requires no additional installation costs and free from neighbor complaints, thereby **reducing interior work costs by half**. New brand roasters with lower prices were introduced for further sales are expansion.



## TENPOS Dot Com Co., Ltd.

## Internet sales

■ TENPOS web-site carries largest number of recycled goods. 16,000 items (monthly average) ! The 2nd largest only carries 2,300 items.

■ Recycled goods in all TENPOS stores are in the web-site

• TENPOS BUSTERS has established its advantageous position by putting recycled goods in all its stores on web-site so that clients around Japan can visit such stores to actually see the goods before purchase.

Maintenance network around Japan also serves another factor for its competitive advantage.

■ shopping site

Yahoo ! shop was upgraded. Kitchen goods for the general consumers are soon to be listed in the site.

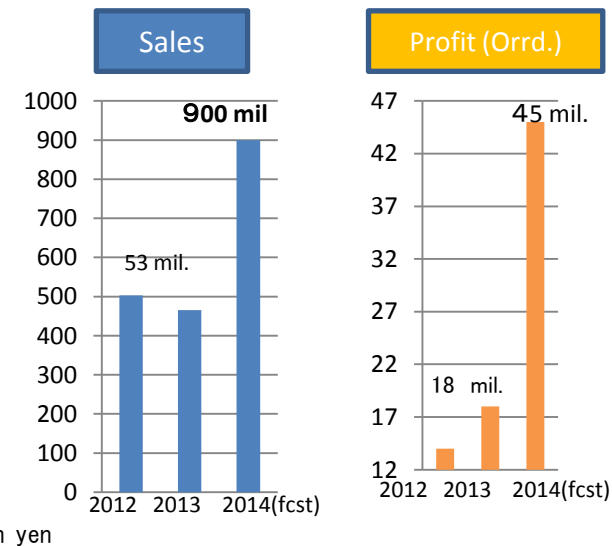
Next business year (Period ending April 2017), listed item number is planned to reach 500,000 items.

Visitors: In 2013, the average daily visitors were 4,200

⇒ In 2014 1 Half the average daily visitors are 5,300  
(As of October 31, 2013)

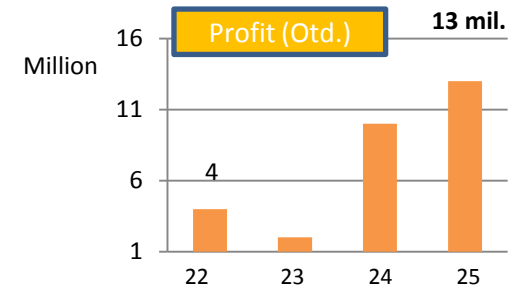
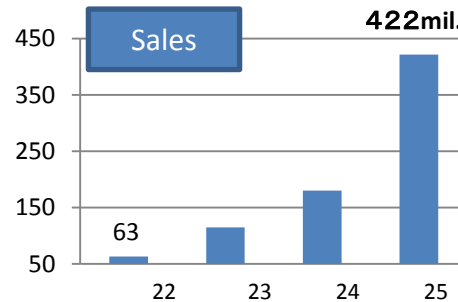
■ Interior decoration items

⇒ The company started to list more recycled decoration items on the site from October, starting with the items displayed in Nakagawa in Nagoya.



## TENPOS Store Planning

### Real estate (restaurant) location information



TENPOS has an advantage of getting to know information on closing restaurants at early stage. The company provides clients information and getting commission for such service. In addition, the company sells kitchen equipment. Providing clients with information on 「Real estate」 「Interior works」 「Kitchen equipment」 「Cooking-ware & tools」, etc. from the initial stage, the company serves clients more as information and service company rather than just a commodity vendor.

### Franchisee promotion

Currently, the company assists Asakuma and customers in their FC headquarter operations. It assists those companies in their starting FC headquarters, making the best of its group expertise.

### New location assistance

The company assists companies located in local areas in starting their business in Tokyo, based on its information network of 8 branches around Japan. Adversely, the company also assists clients located in Tokyo to expand its business in other parts.



### Overseas expansion

The company's overseas strategy planning division supports the industry both in human resources and location information.

### Shopping malls

Making the best of its advantage of knowing location information, the company assists clients in putting them on shopping malls.

## ■ FAXDM (“full house FAX”)

The company provides promotion service by means of FAXDM for companies located around the restaurant and other outlets. In this market the company has the biggest market share. With TENPOS expertise in the industry, the most effective operation is feasible.

## ■ FAXAffiliate

The company provides potential client promotion service specialized in BtoB market. Restauranters who wish to promote corporate clients are assisted by FAXDM to those potential corporate clients and fees are charged only when business are obtained.



## ■ PR

The company provides clients with mass media promotion. It provides opportunity for media reporting by TV, newspapers, magazines and web news by its unique promotional skills and clients such as venture business will be exposed to such mass media and have chances to be known nation-wide.

# Restaurant operations

## Asakuma

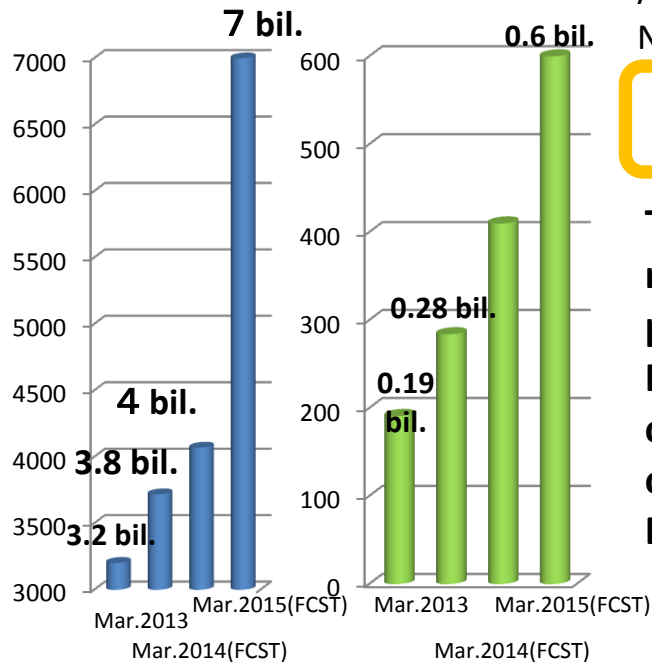
Currently Asakuma is operating four types of restaurant operations such Italian-type, (ASAKUMA KITCHEN)、food court type (enjoy kitchen Asakuma) around Tokai and Kanto area.

**Asakuma planned to start 17 outlets including RC and FC operation during the current business year. (9 outlets already started the business)**



### Sales

### Profit(Ordinary)



With its outstanding business history as Royal-host and Sky-lark, Asakuma reduced its operation to 28 from its peak of 120. Now it bounced back to 44 outlets making drastic management changes

## Expansion

M&A and etc.

**The subsidiary, Asakuma Succession started 5 buffet restaurant ( as of October 31, 2013) and plans to have 12 within one year.**

**It also started chicken chain through purchase of operating right and plans to operate 20 outlets within one year mostly in Kanto-area and FC operation in Bangkok, Thailand.**

**Once faced possible bankruptcy, Asakuma now operate business with no outside debts**



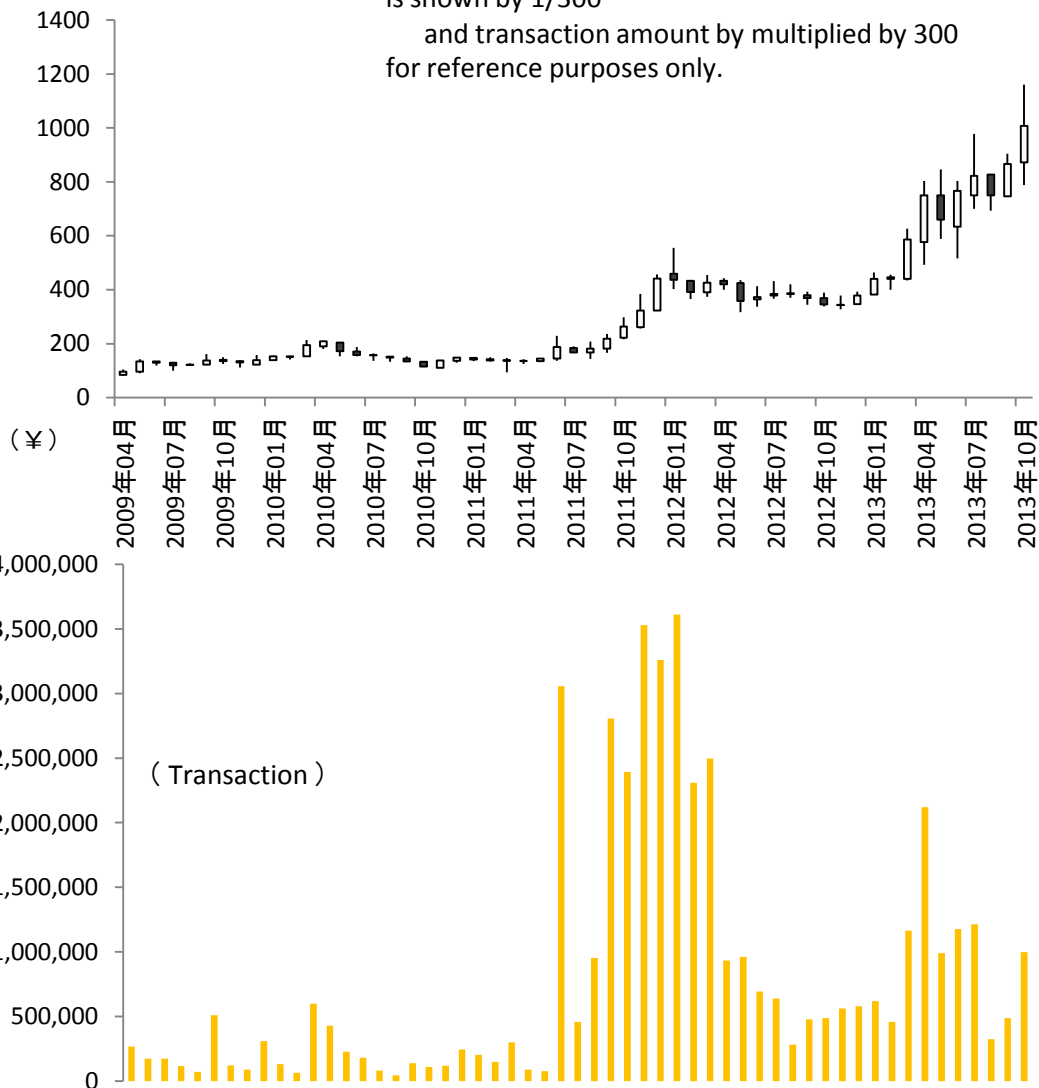
# Stock prices

※On November 1, 2013, share division was made by 300 times. And 100 shares were set as unit number of shares for voting.

## Price changes

For the periods before the division, share price is shown by 1/300 and transaction amount by multiplied by 300 for reference purposes only.

Indices (Nov. 1)	
Price	1,072yen
Total present value	153,454m.yen
Issued shares	14,314,800shares
PER	28.01
Profit per share	35.94yen
PBR	1.09
Asset per share	95,647.85yen
Dividend/Price	0.34%
Dividend per share	3.66yen
End of FY	April 30, 2014
Equity ratio	61.00%
Profit/equity (ROE)	10.74%
Profit/total asset (ROA)	11.94%



**Number of shareholders**

End of APR 2013 | 1, 667

# Store numbers

TENPOS BUSTERS (store numbers RC38 FC6 Purchasing centers 9 Distribution centers 2)

Asakuma RC : 31 FC : 8

Farmers garden : 2 Nanoha: 4 Ebisu-san:5

TENPOS F&M 1 branch

TENPOS Johokan 8 branches

TENPOS Store Planning 9 branches

Studio TENPOS 5 branches (All branches are located in TENPOS BUSTERS stores)

As of February 28, 2014

## Notes to this information

- Except for historic data, all information given here are based on forecast and estimates made by the management under certain assumption and therefore include some risks and uncertainty.
- This is prepared for providing shareholders and investors with information on the company's management policy, plans and financial situation. This is not intended to solicit their investment, and which should be made entirely on their own decision and judgement.
- We are not held responsible for any errors or misprints there of which are made in spite of our best efforts.

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