Aug. 6, 2015
Skylark Co., Ltd.
(Code 3197)

July 2015 Skylark Group Monthly IR Report

Consolidated same store sales +3.0%

FY2015 (Same Store Sales) (Y/Y%)

Group total	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Sales	3.0%	11.3%	1.2%	2.0%	5.7%	1.0%	3.0%	-	-	-	-	-	3.7%
Customer Traffic	-2.6%	5.8%	-1.9%	-2.5%	1.9%	-2.2%	0.3%	-	-	-	-	-	-0.3%
Average Check	5.8%	5.1%	3.2%	4.5%	3.8%	3.2%	2.7%	-	-	-	-	-	4.0%
Gusto	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Sales	4.7%	11.8%	3.1%	0.9%	5.4%	0.0%	3.3%	-	-	-	-	-	4.0%
Customer Traffic	-2.4%	5.6%	-0.5%	-3.4%	2.1%	-2.4%	2.1%	-	-	-	-	-	0.1%
Average Check	7.2%	5.9%	3.6%	4.4%	3.3%	2.5%	1.2%	-	-	-	-	-	3.9%

FY2014 (Same Store Sales) (Y/Y%)

Group total	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Sales	2.7%	-4.5%	1.9%	5.6%	6.0%	0.2%	0.3%	2.4%	-1.0%	1.6%	5.3%	1.5%	1.9%
Customer Traffic	1.6%	-5.6%	-0.3%	3.6%	2.3%	-2.4%	-3.8%	-1.6%	-5.1%	-2.4%	0.9%	-4.2%	-1.4%
Average Check	1.0%	1.2%	2.2%	2.0%	3.6%	2.7%	4.3%	4.1%	4.4%	4.1%	4.4%	5.9%	3.3%
Gusto	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Sales	0.9%	-4.7%	-0.3%	6.8%	6.1%	0.1%	-0.9%	0.7%	-1.9%	2.4%	7.7%	3.6%	1.7%
Customer Traffic	1.2%	-4.9%	-1.6%	5.0%	1.9%	-2.2%	-4.9%	-2.7%	-6.5%	-1.9%	3.0%	-4.1%	-1.5%
Average Check	-0.3%	0.2%	1.3%	1.7%	4.2%	2.4%	4.2%	3.5%	5.0%	4.4%	4.5%	8.0%	3.3%

(Notes) The data for group total sales is on a domestic consolidated basis and does not include overseas sales. Please see below for the definition of "same store."*
Jan-May figures have been revised from this month due to a data aggregation amendment. Please see below for previous data, adjusted between 0.0pp and 0.2pp.**

Highlights

In July, same store sales for Skylark increased by 3.0% year-on-year. This increase was achieved despite extremely poor weather conditions at the start of the month. Skylark has achieved year-on-year increase in same store sales in 11 of the past 12 months and for 8 consecutive quarters.

In July, the average check continued to rise as customers chose to order higher-priced items and increased orders of side menu items, desserts and drink bar and alcoholic beverage options. During the month, Skylark successfully implemented a number of beer and side dish promotions. Strong results were also achieved through Gusto's Foie Gras Hamburg Steak promotion. Several Skylark brands offered various Unagi (eel) meals to celebrate Ushi-no Hi (Unagi Day), generating a higher AC while exceeding customers' expectations. Strong menu innovation and promotion continue to be key differentiators for Skylark.

Gusto's Foie Gras Hamburg Steak



Gusto's Unagi Bowl



Yumean's Unagi Set



Skylark will continue to increase overall customer satisfaction through efforts in store remodeling, customer service improvement and menu innovation.

***Changes in the definition of "same store"**

From the Jan 2015 IR report, the definition of "same store" has been changed as follows:

- While same store was previously defined as a store which had been open for 18 months or longer, the period has been changed to 13 months or longer, which is the standard within the industry.
- Previously customer traffic did not include traffic from the delivery business. However, in consideration of the increasing impact of the delivery business on sales and customer traffic, we now include traffic from delivery business in customer traffic. The definition is as follows:

  * Customer traffic from delivery = Delivery sales / Average check
- Previously same store sales did not include stores which underwent brand conversion. However, converted stores are now being added to the category of same store sales as conversion is one of our key initiatives for traffic growth.

****Previous data**

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Sales	3.0%	11.2%	1.2%	1.8%	5.5%
Customer Traffic	-2.6%	5.8%	-1.8%	-2.5%	1.9%
Average Check	5.8%	5.0%	3.1%	4.4%	3.6%
Gusto	Jan.	Feb.	Mar.	Apr.	May
Sales	4.6%	11.7%	3.0%	0.7%	5.3%
Customer Traffic	-2.4%	5.6%	-0.4%	-3.4%	2.1%
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