



# HUB CO., LTD.

JASDAQ 3030

November 2013

## Corporate Presentation

|                       |  |
|-----------------------|--|
| ◆ Name                | HUB CO.,LTD.   |
| ◆ Head office         | 14-10, 3-chome, Sotokanda, Chiyoda-ku, Tokyo   |
| ◆ Established         | May1998 (founded in March1980)   |
| ◆ Capital             | 629 million yen  |
| ◆ Business            | Operation of English-style pubs, etc.  |
| ◆ Number of employees | 225(and 500 temporary staff)   |
| ◆ Shares outstanding  | 1,251,700 shares   |
| ◆ Major shareholders  | Royal Holdings Co., Ltd. (32.8%), Kuze Co., Ltd. (9.8%),<br>Kawachiya Corporation (9.6%) |

## British Pub

British pubs developed between the 18<sup>th</sup> and 19<sup>th</sup> century as a place with cheap lodging house and general store instead of offering alcohol.

“PUB” which stands for “Public House” exists as a place for convenient social interaction for hundreds of years.



British Pub = A place to create regional community

## The History of HUB

The founder of Daiei Mr. Nakauchi who visited England often for retail industry visit was very impressed with the British pub culture.



“This is a place where everyone can get together comfortably”

Make the Japanese society affluent by spreading the alcohol culture different from the Japanese-style pub culture

**HUB started with Mr. Nakauchi’s single-mindedness**

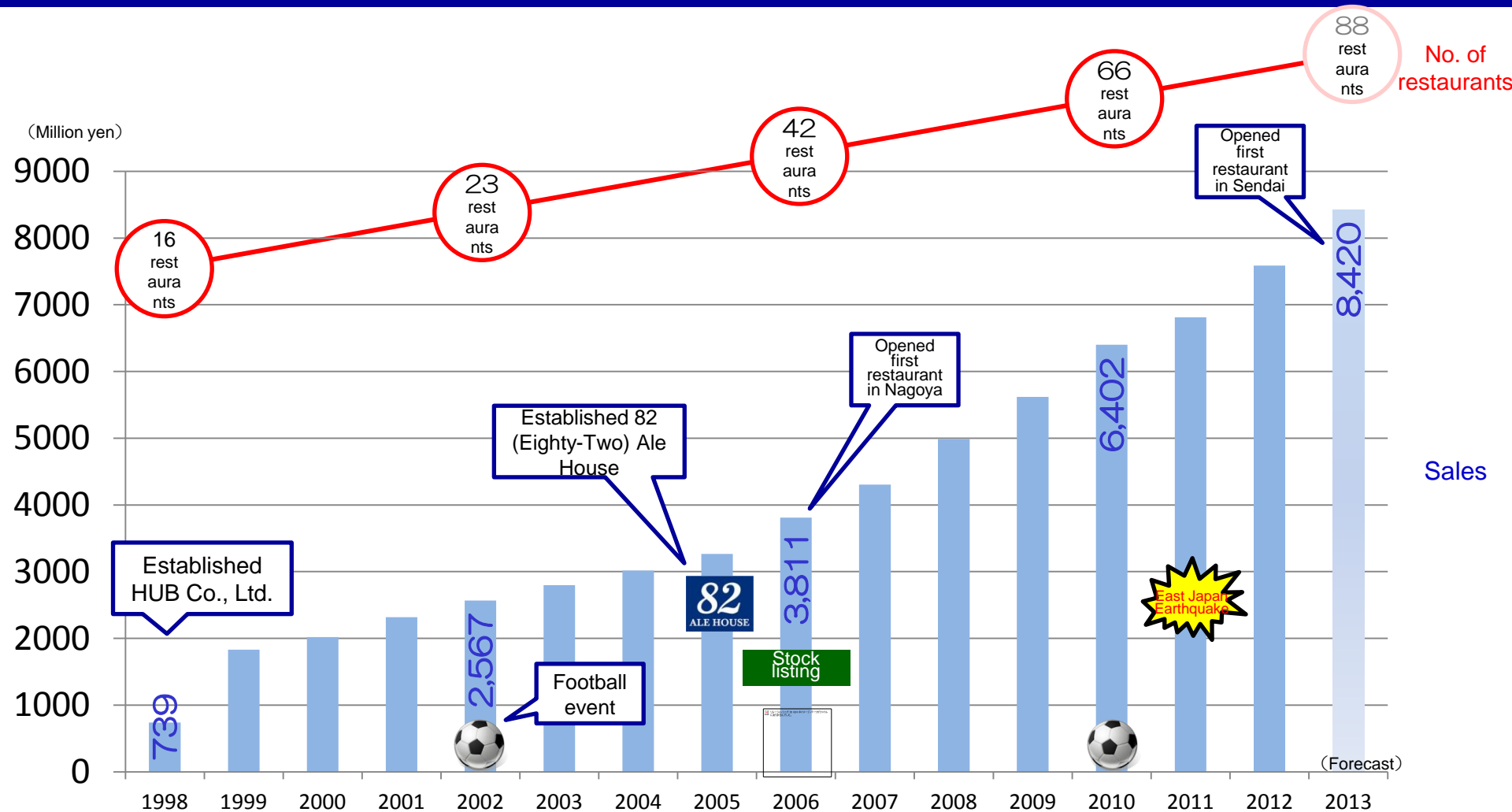
Opened the first HUB in Sannomiya, Kobe in 1980



## Corporate History

- March 1980** HUB CO., LTD. (former HUB CO., LTD.: a wholly owned subsidiary of the Daiei, Inc.) was established. Mr. Nakauchi, the founder of Daiei, was impressed by the British pub culture when he visited England and hoped to duplicate that culture in Japan; he began the operation inside Daiei Group.
- March 1980** Opened the first HUB Kobe Sannomiya restaurant
- November 1986** Dissolved the former HUB CO., LTD. and was taken over by the Daiei Group's Captain Cook.
- September 1989** Rikisyaman, which operated the Japanese style pub business took over the operation from Captain Cook due to a reorganization of the Daiei Group's restaurant business.
- June 1997** Established the HUB format prototype. Opened HUB Ikebukuro-Higashiguchi location.
- May 1998** Daiei Holding Corporation established the current HUB CO., LTD. as its wholly owned subsidiary.
- December 2002** HUB CO., LTD. became a consolidated subsidiary of Katokichi Co., Ltd. because Daiei Inc. transferred 6,568 shares of 9,013 shares it held, which consisted of 5,000 shares transferred to Murasaki Honsya Co., Ltd. and 1,568 shares to Kato Yoshikazu Co., Ltd., both of which belong to Katokichi Group. HUB also became an equity-method affiliate of 21 LADY Co., Ltd. because Daiei similarly sold the remaining 2,445 shares it held to 21 LADY.
- April 2006** Listed on Hercules market of the Osaka Securities Exchange.
- February 2010** FOOD INCLUDE CO., LTD. transferred all 1,720 shares it held and TableMark Co., Ltd. transferred 3,610 shares of 2,390 shares it held to Royal Holdings Co., Ltd., respectively. As a result, Royal Holdings became HUB's largest shareholder among major shareholders and other affiliated company.

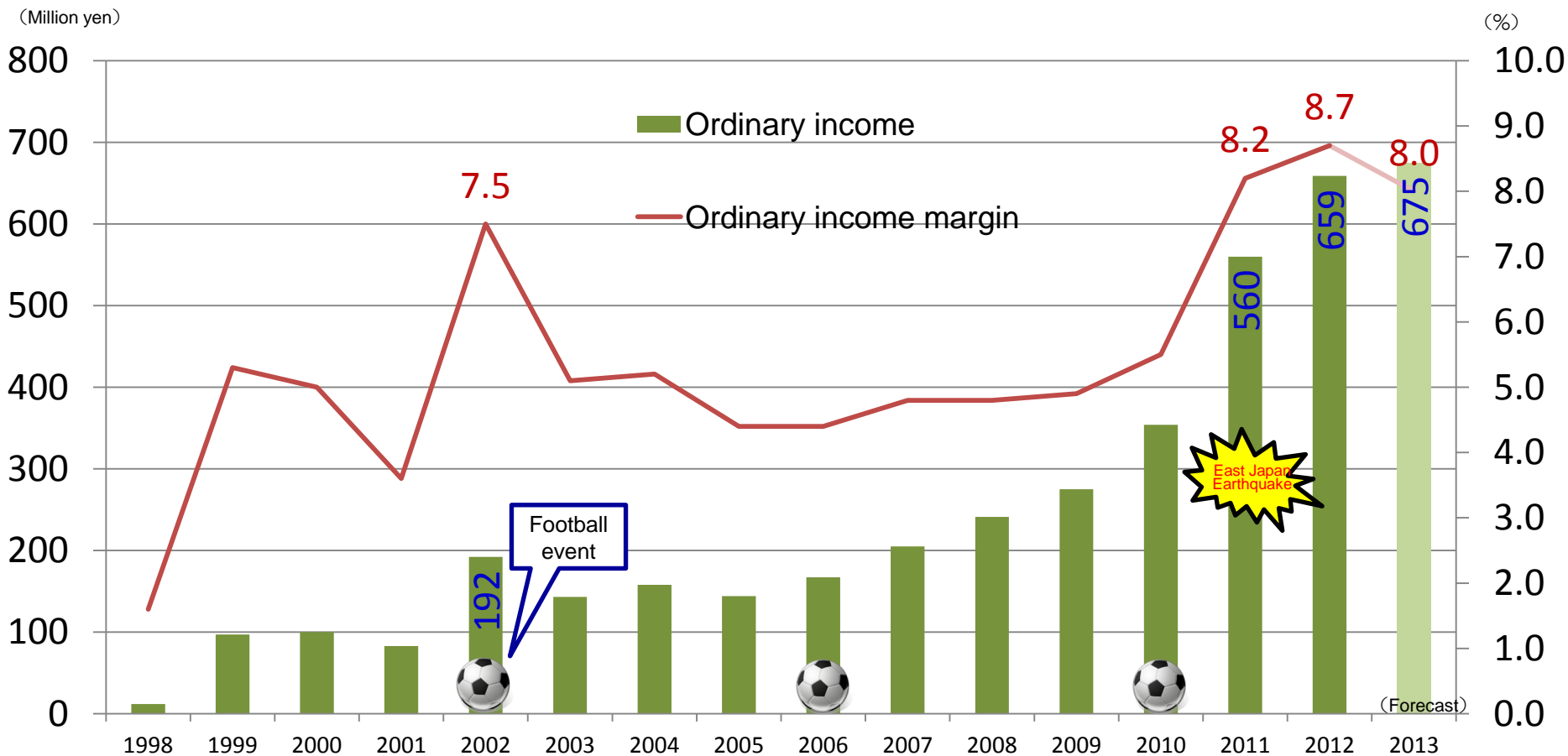
## HUB Co., Ltd. Business Results: Sales/No. of Restaurants



# Corporate Presentation

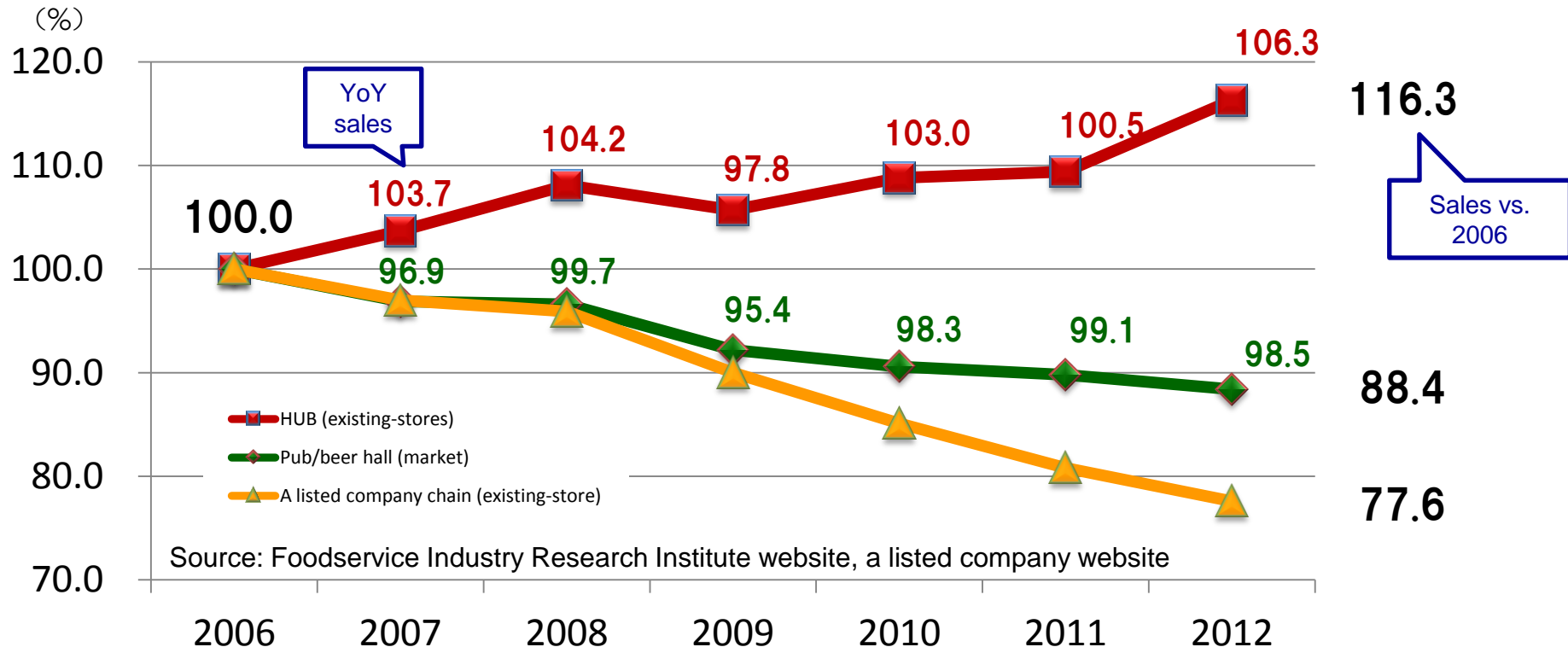


## HUB Co., Ltd. Business Results : Ordinary Income/Ordinary Income Margin



## Recent Management Environment

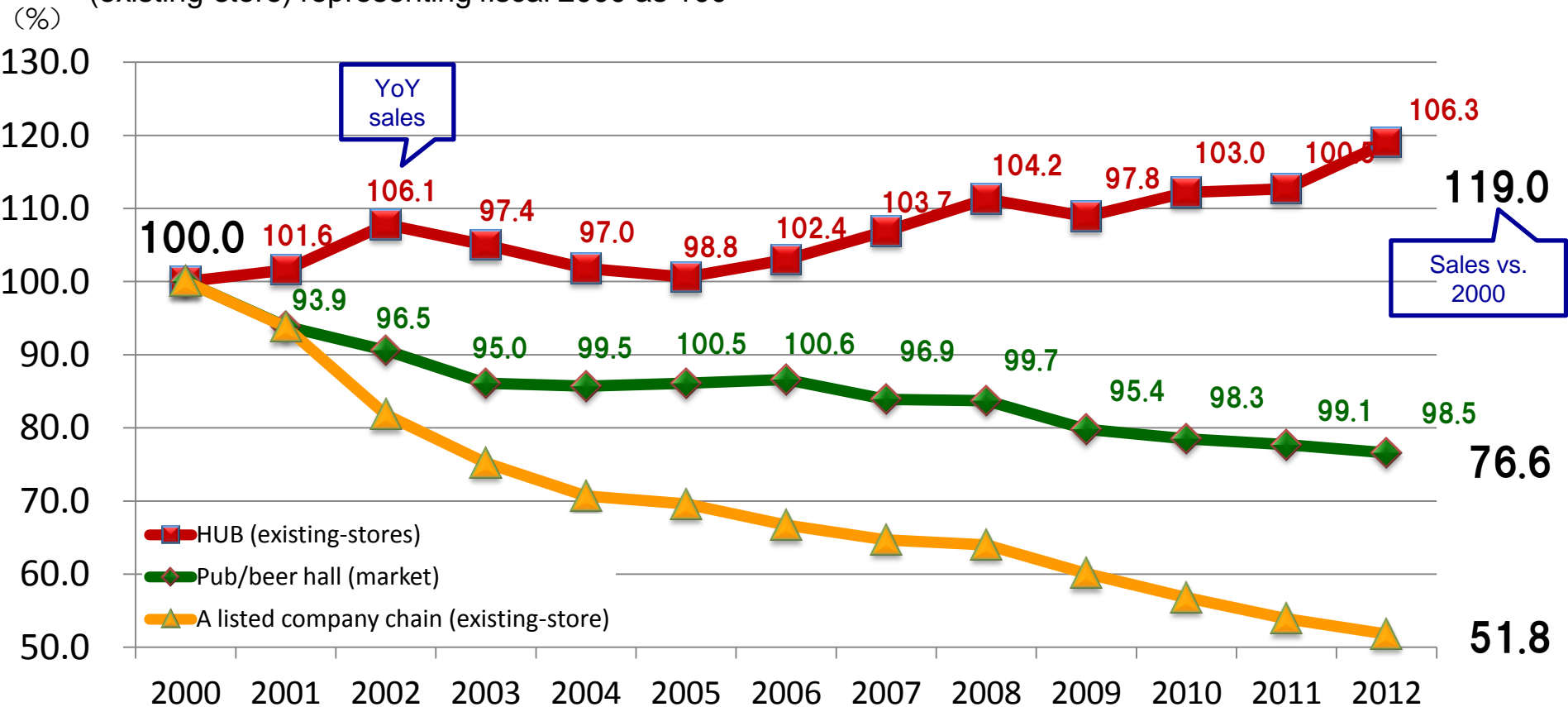
Changes in sales of HUB (existing store) and Japanese-style pub and beer hall and a listed company chain (existing-store) representing fiscal 2006 (listing year) as 100



Steady growth amid shrinking market

## Long-Term Management Environment

Changes in sales of HUB (existing-stores) and Japanese-style pub and beer hall and a listed company chain (existing-store) representing fiscal 2000 as 100



Source: Foodservice Industry Research Institute website, a listed company website



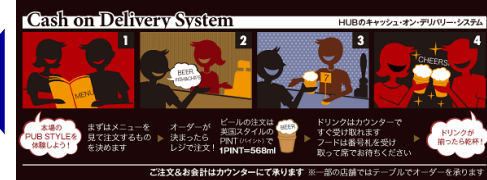
## Alcohol Culture Different from the Japanese-style Pub Culture

Restaurant



Price

Service



Customer



Product range



**COCKTAIL**  
誰もが納得するコストパフォーマンス  
HUBの人気カクテル

**SINGLE MALT WHISKY**  
英国政府公認の  
シングルモルト

**WINE**  
HUBおすすめのワイン

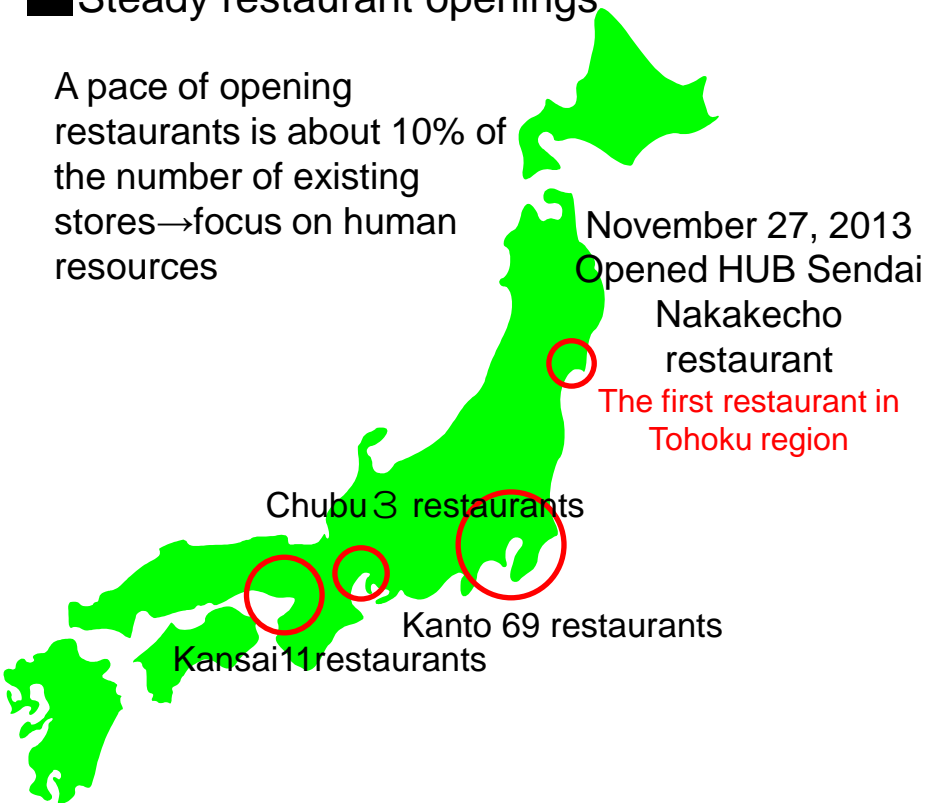
**WORLD WHISKY**  
世界5大ウイスキーを  
バリュー価格で贈る



## Restaurants

### Steady restaurant openings

A pace of opening restaurants is about 10% of the number of existing stores → focus on human resources



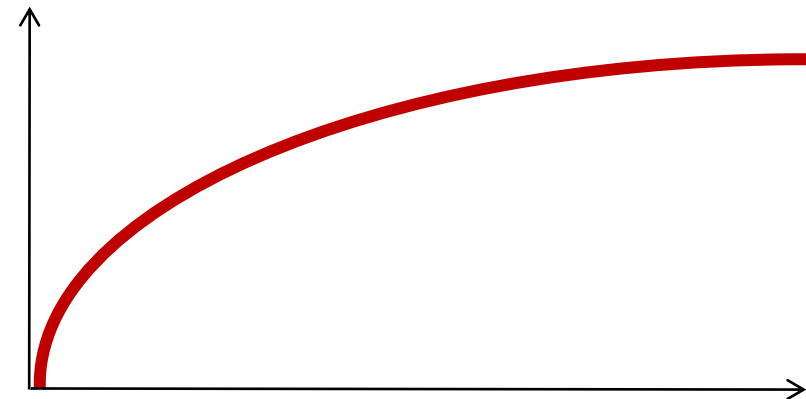
\*As of November 30, 2013  
84 directly-operated restaurants

### No restaurant withdrawals for more than 10 years

Temporary closures and withdrawals of restaurants due to rebuilding

### No extensive renovation in a short period

Sales



Restaurant opening expenses

Recoup in about 5 years

No. format shifting/  
restaurant withdrawals  
→ No additional investment

## Price

Magazine price

# 380yen

Offer menu items for the price of a magazine since its founding

E.g.: At the time of founding (1980) Beer at 180 yen

**VALUE RECOMMENDED**

ほどよく冷えた麦酒

今宵、素の自分に戻るための一杯  
麦芽100%の上質なうまみで  
喉の渇きを潤す最高のひと時  
ここから始まる夜に胸高鳴る

**BEER**  
Draft Beer  
生ビール 350yen~

詳しくはP6をご覧ください

## COCKTAIL

誰もが納得するコストパフォーマンス  
HUBの人気カクテル

不動の人気カクテル、ジントニックをはじめ、ウォッカを使った定番モスコミュールや、女性に人気のカシスソーダ。ラムとコーラで爽やかな切れ味に仕立てたキューバリブレ。多様なアルコールをベースに、様々な素材を組み合わせて作るカクテル。気軽に試せるお手頃価格で自分の好みのカクテルを見つけてみては。



ジントニック  
Gin & Tonic



左から順に

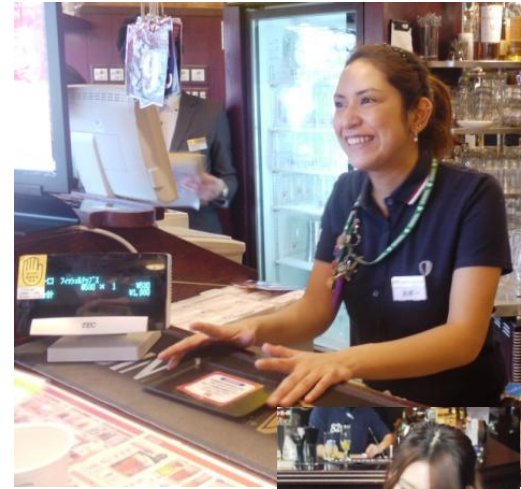
- モスコミュール/Moscow Mule
  - カシスソーダ/Cassis Soda
  - キューバリブレ/Cuba Libre
- Regular Size 各 380yen

## Service

### ■ Cash-on-delivery system

Order at the counter, pay in advance and then take your drink to your table

Can be used for various purposes such as meeting with someone or have after-party as you can choose your table and you pay in advance



### Cash on Delivery System

HUBのキャッシュ・オン・デリバリー・システム

- 1 本場の PUB STYLE を体験しよう!  
まずはメニューを見て注文するものを決めます
- 2 オーダーが決まったらレジで注文!  
BEER FISH&CHIPS
- 3 ビールの注文は英国スタイルの PINT (パイント) で  
1PINT=568ml  
ドリンクはカウンターですぐ受け取れます  
フードは番号札を受け取って席でお待ちください
- 4 ドリンクが揃ったら乾杯!  
CHEERS

ご注文＆お会計はカウンターにて承ります ※一部の店舗ではテーブルでオーダーを承ります

## Customer

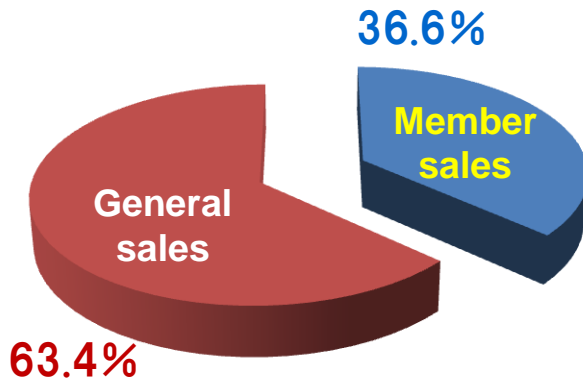
### Members

Strongly recommend to be members

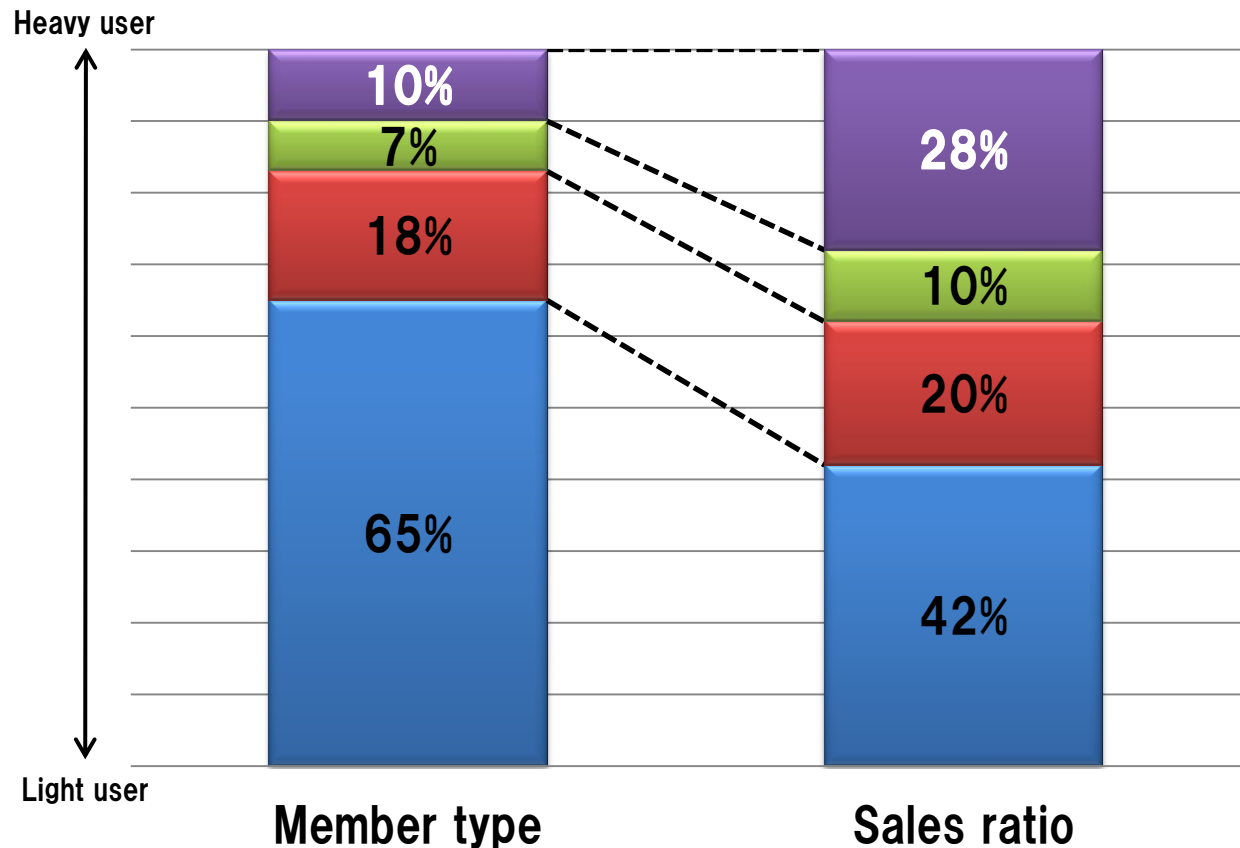
Membership privileges

- ① 5% discount
- ② Earn 10% for every 100 yen and can change to meal vouchers

Percentage of total sales



Top 10% customers (heavy users) account for 28% of member sales



## Product Mix

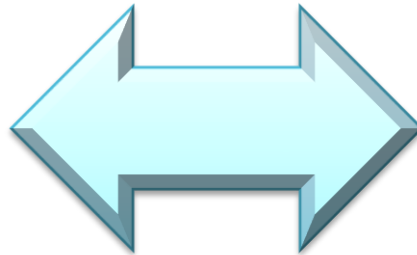
■ Drink:Food=8:2

General Japanese-style  
pub

Drink alcohol with  
delicious food

Mainly food

Sales composition  
Drink : Food = 4 : 6



HUB

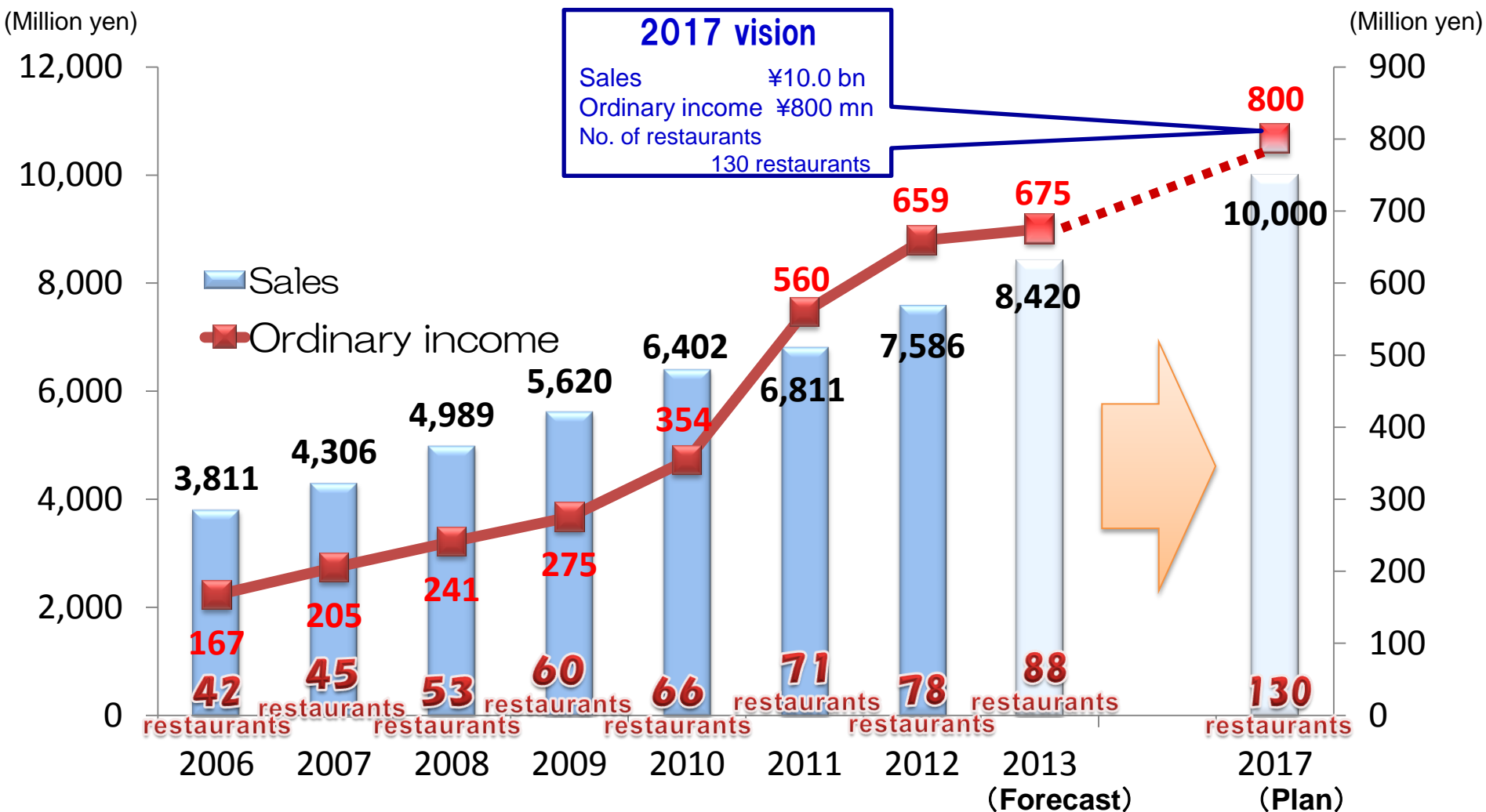
Drink alcohol while talking

Mainly alcohol

Sales composition  
Drink : Food = 8 : 2

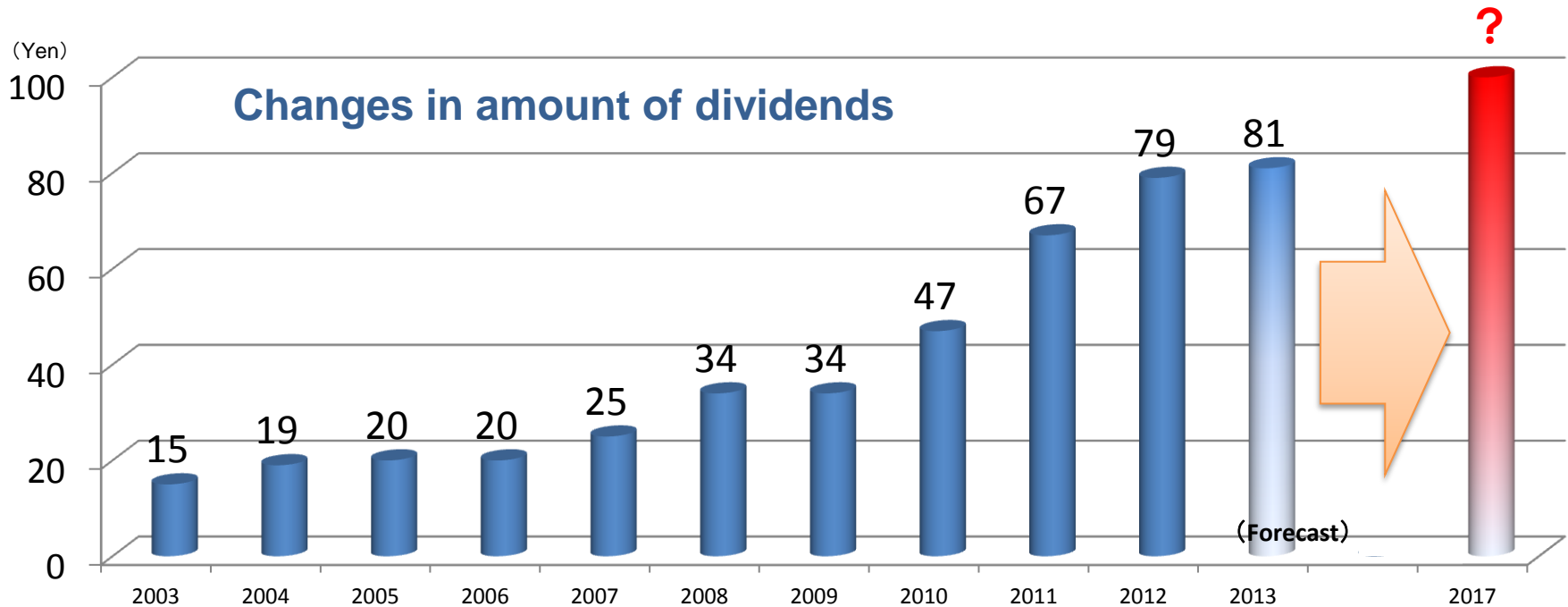
Not compete with Japanese-style pubs due to different motivation for use

## 2017 Vision: Sales/Ordinary Income/No. of Restaurants



## Dividend Policy

While securing a certain amount of retained earnings to positively develop business and to prepare for unforeseen business risk,  
total amount of dividend will be about 15% of ordinary income and a dividend payout ratio of less than 50%



\*HUB resolved to conduct a 100-for-1 stock split and adopt a unit share system which sets a share-trading unit as 100 shares effective September 1, 2013. Accordingly, the amount of dividends are presented assuming that the stock split was conducted in all fiscal years.