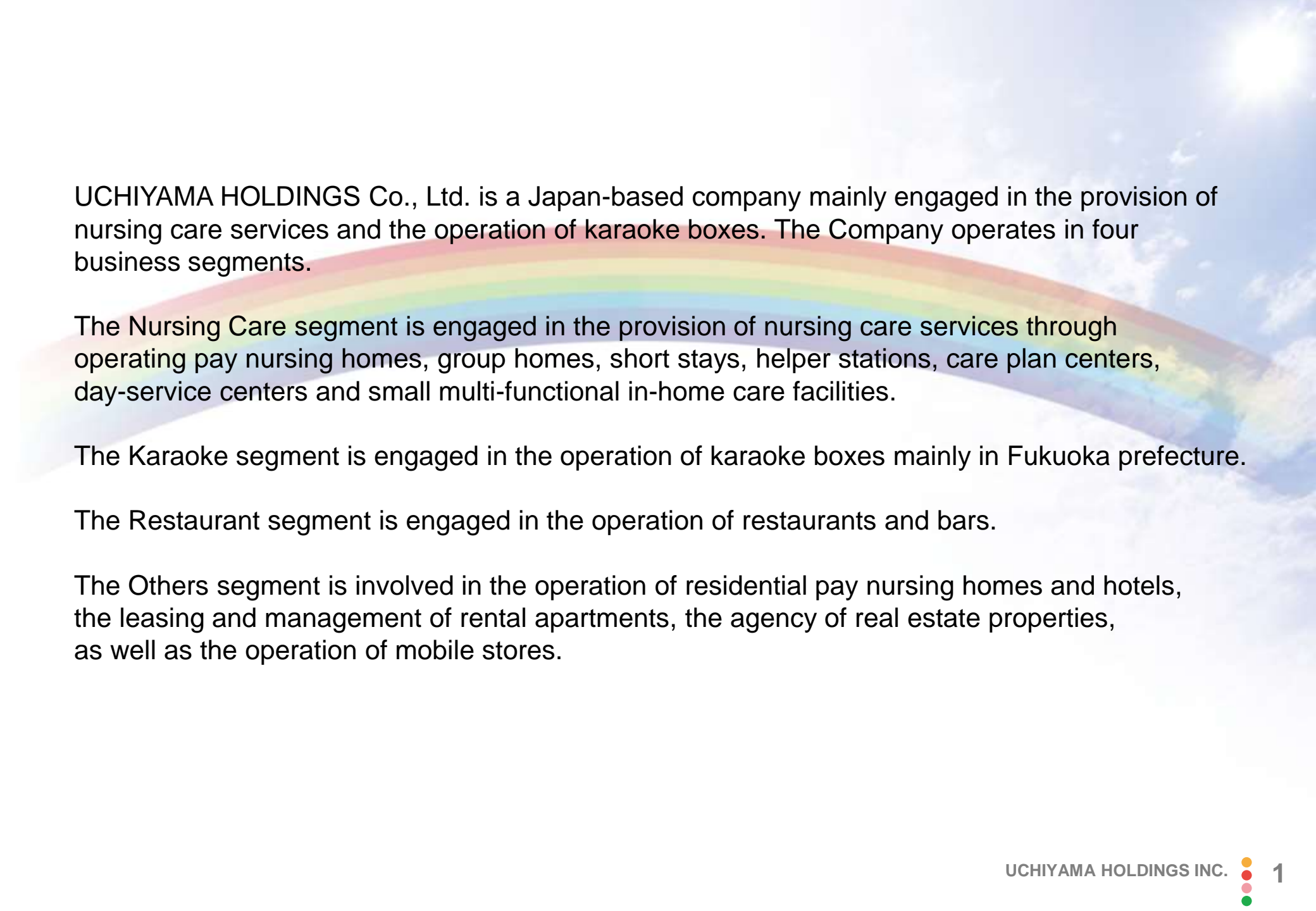


# Corporate Guide



ウチヤマホールディングス  
UCHIYAMA HOLDINGS





UCHIYAMA HOLDINGS Co., Ltd. is a Japan-based company mainly engaged in the provision of nursing care services and the operation of karaoke boxes. The Company operates in four business segments.

The Nursing Care segment is engaged in the provision of nursing care services through operating pay nursing homes, group homes, short stays, helper stations, care plan centers, day-service centers and small multi-functional in-home care facilities.

The Karaoke segment is engaged in the operation of karaoke boxes mainly in Fukuoka prefecture.

The Restaurant segment is engaged in the operation of restaurants and bars.

The Others segment is involved in the operation of residential pay nursing homes and hotels, the leasing and management of rental apartments, the agency of real estate properties, as well as the operation of mobile stores.

# Company Overview (as of March 31, 2018)

Company name:	Uchiyama Holdings Co Ltd
Founded:	October 2, 2006
Representative:	Fumiharu Uchiyama, President
Paid in capital:	2,222,935,560 yen
Number of employees:	4,412 (consolidated, including part-time staff)
Business:	Management of group companies as a holding company, strategic planning of the overall group
Consolidated subsidiaries:	<ul style="list-style-type: none"><li>• Sawayaka Club Co., Ltd.</li><li>• bonheure Co., Ltd.</li><li>• Bonheure(Thailand)Co.,Ltd.</li><li>• KANTEKIYA(THAILAND)CO.,LTD.</li></ul>
Stock listing:	Tokyo Stock Exchange 1 <sup>st</sup> section (since September 11,2014)
(Stock code number):	6059

1F, Uchiyama Dai-20 Building 2-10-10, Kumamoto, Kokurakita-ku Kitakyushu-shi, Fukuoka-ken 802-0044

TEL: 093-551-0002 (main switchboard) FAX:093-531-7577 URL : <http://www.uchiyama-gr.jp/>

# Directors & officers

Mr. Fumiharu Uchiyama has been serving as President and Representative Director in UCHIYAMA HOLDINGS Co., Ltd., as well as President and Representative Director in a subsidiary, since October 2006. He used to serve as President and Representative Director in two Japan-based companies.

Name	Title
<b>Fumiharu Uchiyama</b>	President, President of Subsidiary, Representative Director
<b>Shinichi Ikushima</b>	Senior Managing Director, Chairman of Subsidiary
<b>Yoshiaki Takemura</b>	Senior Managing Director
<b>Shigemi Utano</b>	Senior Managing Director, President of Subsidiary
<b>Takehiro Yamamoto</b>	Senior Managing Director, Manager of Business Planning Office
<b>Nobuyuki Yoshioka</b>	Director
<b>Kenji Kawamura</b>	Director
<b>Koji Futamura</b>	Director
<b>Itsuo Yada</b>	Director
<b>Eiichi Kamio</b>	Director
<b>Taro Shimai</b>	Director Audit&Supervisory Committee Member
<b>Mamoru Sumikawa</b>	Director Audit&Supervisory Committee Member
<b>Shinichiro Kishimoto</b>	Director Audit&Supervisory Committee Member



# Group History

June 1971	Uchiyama Building Co., Ltd. founded in Kitakyushu, Fukuoka.
April 1991	Opened 1 <sup>st</sup> Karaoke Box “Croquette Club Kurosaki branch” in Kitakyushu, Fukuoka.
June 1994	Kono Limited (presently bonheure Co., Ltd.) founded in Kitakyushu, Fukuoka.
November 1995	Opened Izakaya Sake Dining “Zen” (first restaurant managed by the company) in Kitakyushu, Fukuoka
April 2003	Opened “Sawayaka Park Side Shinkawa” (nursing home with care / day service facility) in Kitakyushu, Fukuoka
December 2004	Sawayaka Club Co., Ltd. founded in Kitakyushu, Fukuoka
October 2006	UCHIYAMA HOLDINGS Co., Ltd. founded in Kitakyushu, Fukuoka as holding company of Sawayaka Club Co., Ltd. and bonheure Co., Ltd.
July 2008	Opened Sawayaka Heartpia Myoban (facility with hotel and residential-type elderly people’s home functions) in Beppu, Oita
November 2009	Sawayaka Amanogawa Co., Ltd., a subsidiary of Sawayaka Club Co., Ltd., founded in Hirakata, Osaka
April 2012	UCHIYAMA HOLDINGS Co.,Ltd. listed securities on the Osaka Stock Exchange (presently Tokyo Stock Exchange) and JASDAQ.
December 2012	Sawayaka Club Co., Ltd. absorbed Sawayaka Amanogawa Co., Ltd.
December 2013	Switched listing to Tokyo Stock Exchange 2 <sup>nd</sup> section
September 2014	Switched listing to Tokyo Stock Exchange 1 <sup>st</sup> section

# Management Message



The foundation of Uchiyama Group dates back to 1961, when I inherited a rice retail business which my family started two generations before myself. During the time I was managing our family-owned business, I learned the basics of how to do business and came to uphold the customer first principle. After some time, we started a building rental business and later incorporated it into a real estate company in 1971 in order to allow full-fledged operations. We have since been expanding our business areas, launching karaoke, restaurant, and care service businesses in 1991, 1995, and 2003, respectively.

UCHIYAMA HOLDINGS Co., Ltd. was incorporated in 2006 with a view to establishing a framework for managing business in a strategic and efficient manner. We have Sawayaka Club Co., Ltd., which runs nursing homes, and bonheure Co., Ltd., which operates the karaoke box, restaurant, as well as the real estate business, with the different businesses providing a great deal of synergies to one another.

Focusing on our key objective to become a “company which creates joy for everyone” through the management of our three pillar businesses, namely the care service, karaoke, and restaurant businesses, we have set “serving with compassion,” “respecting the dignity of others,” and “putting customers first” as our group management principles. With this in mind, we are striving to become a company that is indispensable in the local community, and to continually provide services which all the users of our facilities and restaurants can trust. We have also set “young and old living together” as our corporate slogan in order to help everyone put our corporate principles into practice. We ensure through training programs that everyone in the company understands and puts into practice these principles.

Such principle-driven business management has enabled us to achieve high levels of hospitality and customer satisfaction in all the business areas we are operating in. The high level of customer satisfaction is shown for instance in the occupancy rates in our care service facilities, which continue to be much higher than the industry average. Our staff members are also proud to be part of Uchiyama Group and to pursue customer satisfaction. One example is shown in the establishment of the employee stock ownership association in 2006, which was joined by many members of the staff who are working hard to improve the company.

With the listing of our stock in April, 2012, we have renewed our commitment to add more value to our services, step up our growth strategy centering on the care service business, and accelerate nation-wide expansion.

I would like to ask for your continuing support.

Fumiharu Uchiyama President UCHIYAMA HOLDINGS Co., Ltd.

# Business Outline ① Care service business

Our aim is to be an indispensable part of the community through operations based on “creating joy in life” for our users.



Morning pep gathering



Monthly birthday party



Seasonal event



Catering services



Giving a tour to a visitor



Trips to *onsen* in Beppu



Growing vegetables



Fellowship with volunteers

# Business Outline ① Care service business

## A user-friendly, “easy-entry, easy-exit” system, which requires no initial payments to residents

Money could be one of the biggest causes of concern for the residents of elderly people’s homes and their families. In order to eliminate these concerns as much as possible, most facilities in our group operate on a “zero initial payment” system, except for a few which ask for an initial deposit. Our monthly fees are also priced within the average range, which is a great advantage for the residents. Our facilities operate on an “easy-entry, easy-exit” system built on the needs of our users.



## Occupancy rates much higher than our industry peers, backed by provision of quality hospitality with “joy creation” as our theme

In addition to the “easy-entry, easy-exit” system explained above, we work very hard to establish a trusting relationship with our customers, backed by the basic principles of our care services business, namely “serving with compassion,” “respecting the dignity of others,” and “putting customers first,” and through extensive employee education programs to encourage every staff member to take pride in providing our customers services with respect. We strive to provide them with a place where they feel respected, and can enjoy life. Some of the examples include calling everyone Mr. or Ms. (which is very basic), having birthday parties and various other activities such as growing vegetables, cooking, going on *onsen* trips, and other seasonal events. It is perhaps worth noting that our residents give tours to visitors themselves. As a result of these efforts, our care service facilities boast much higher occupancy rates than the industry average.





# Business Outline ① Care service business

Nursing homes with care



**Operating various community-based care service businesses (mainly elderly people's homes with nursing care and residential-type elderly people's homes) to meet the various care service needs of the families of the residents**

For residents of elderly people's homes to continue leading a physically and spiritually healthy life as long as possible, it is essential that good care is provided not only by the staff of the facilities, but also through coordination with their families and the local community. With this in mind, we have selected easily-accessible locations to make it convenient for the families to visit, and at the same time locations that are surrounded by

the nature in order to provide the residents with a healthy environment. We are carrying out a community-based business development based mainly on nursing care facilities and residential-type elderly people's homes, providing day service, short stay services, and setting up helper stations and care planning centers in the facilities, to meet the various needs of the families.

Residential-type elderly people's homes



## Received the "Great Company Award" (the top prize)

Our consolidated subsidiary **Sawayaka Club Co., Ltd.** Received the top prize in the Funai Consulting 3<sup>rd</sup> Great Company Awards, 2012. The prize was awarded based on the evaluation of our efforts to pursue Satisfaction of our elderly customers in the real sense, such as by providing them with a sense of worthiness And feeling that they are contributing to society.

The picture shown on the right is a scene from our staff's monthly birthday party.

These parties are joined not only by the staff and their families but also by the residents of the facilities, who all celebrate the staff having Birthdays in the month.

This unique corporate culture is part of the reason why the company received the prize.

\* In the awards, a great company is defined as a company which has established a unique business model based on a highly social principle, and as a result continues to grow.



# Business Outline ② Karaoke business

Operating 90 branches open 24 hours, in Kyushu and other areas

## Store openings based on a dominant strategy to boost brand value and customer attraction

Thanks to our dominant strategy (i.e. opening multiple branches in a single area) in Kyushu and Yamaguchi regions, our Karaoke box “Croquette Club” brand is now widely recognized, allowing us to open new stores with less difficulties, and steadily attracting customers. We open stores in busy areas in front of train stations, and rural areas, with more focus given to busy districts in the recent years, in order to pursue brand recognition and customer attraction. Through these continuous store opening measures, we have expanded the number of directly-managed branches to about 90 nation-wide. We manage all our branches directly, as this style allows us to hear what our customers are telling us – including requests and complaints – directly; we try to improve customer satisfaction by immediately making necessary changes to our store operations.



## 24-hour operation, creation of a warm, bright atmosphere, and offering a variety of items on the menu have attracted a wide-ranging customer bases

The ages of our customers range from elementary school children to elderly people thanks to our efforts including starting 24-hour operation before most of our industry competitors did, and creating facilities where our customers feel safe and secure, by using designs which create a warm and bright atmosphere, and offering kids rooms and non-smoking rooms.

In terms of the food and beverage menu, which customer satisfaction hinges greatly on, all branches use the grand menu with our industry-leading number of around 200 items. Through this, we meet the needs of different age groups of our clients, and at the same time cater to demands for different types of parties by offering plans combining course menus and karaoke. With these characteristics setting Croquette Club apart, it has steadily increased the number of members to around 1,640,000 at present.



# Business Outline ③ Restaurant business

Operating restaurants of different styles to attract a wide range of clients, mainly in the Fukuoka area



## Store designs and menu popular with female customers; building stores from customers' viewpoint

Through our multi-brand operation, our restaurants attract customers from different age groups. In recent years, we have increasing numbers of groups of female customers having “girls’ night outs.” We develop our menus keeping in mind what they like.

We designed our stores with cozy interiors with many private rooms as well as large party rooms accommodating up to around 30 people to meet our customers’ demand.

Also, we develop our food menu with regional characteristics using locally-produced ingredients, based on a “produce in, consume in, and be of use to the local community” policy. At the same time, we also try to develop menus highly characteristic of each brand.

In addition, we place importance on creating products from the viewpoints of the customers of our restaurants; we pay attention to health and food safety as we develop our menu, so we avoid using artificial colorings, but use healthy ingredients and organic vegetables, and create low calorie dishes. We also make sure that the quality of the food cooked in our restaurants is high, by using dedicated skilled cooks.

# Business Outline ③ Restaurant business

Our dominant strategy (opening different stores in a single area) makes it possible to open stores in prime locations and attract different clienteles.

In our restaurant operations, we develop different styles of business to cater to the needs of different client groups. Currently, we have over 10 brands in our company. This enables us to open multiple stores in a single area, in busy districts such as near train stations. As a result, we are able to attract different clienteles in prime locations, which attract many customers. It also makes it easy for many of our customers to visit different stores run by us. As such, we have successfully built areas where we have a dominant presence, where we can attract customers efficiently and effectively.



Char-grill dining bar  
“Kantekiya”



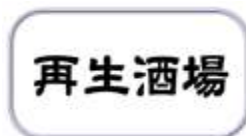
Highball Bar  
Gintengai1923



Bunagaya



Sake and char-grilled  
cuisine “SusU”



Saiseisakaba



Tukinoniwa



Fujiyamazakura



Restaurant offering stone  
oven cooked rice “Fukkura”



Urutiya



ToriClub

# ●●●▶ Synergies between our businesses

Developing stores and facilities which inspire loyalty in customers by designing a structure to breed synergies between our different businesses, and putting in place a sophisticated training system to develop staff with outstanding qualities as people

## 【Synergy between care services and karaoke businesses】

Using karaoke to allow the residents to refresh themselves physically and mentally, and to contribute to prevention of dementia

## 【Synergy between care services and restaurant business】

Make use of our high quality catering services to allow residents to enjoy good food.

Generating synergies between our care service, karaoke, and restaurant businesses has allowed us to keep our customers happy and reduce our costs at the same time.

Each of our three main businesses has a strong catering element, and we have been able to reduce our overall costs by buying in food for all of the businesses together, and using cooking staff efficiently across the businesses.

**Care service business**  
**Karaoke business** **Restaurant business**

To give our care facility residents the highest quality of life, we offer them karaoke, which helps refresh them physically and mentally, and high quality catering services, so they can enjoy good food. By opening our karaoke facilities and restaurants in the same areas, we are able to attract more customers for the group as a whole.

## 【Synergy between restaurant and karaoke businesses】

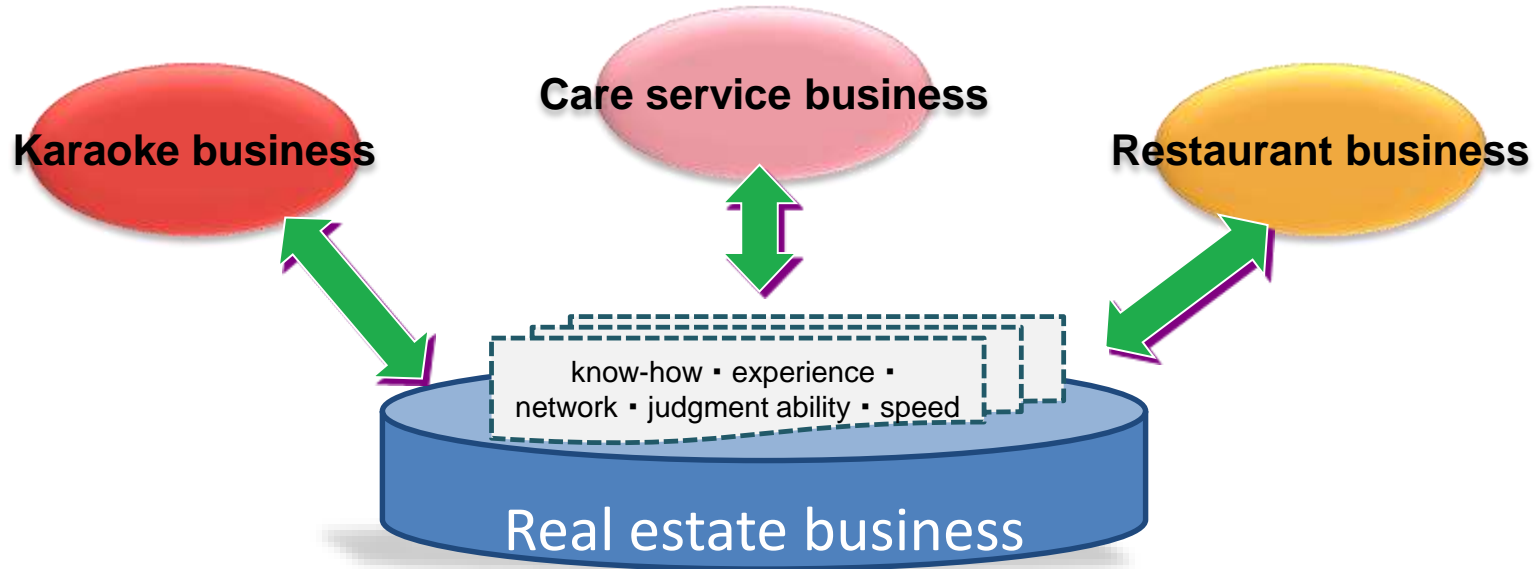
More customers attracted to our stores overall by locating karaoke facilities in entertainment areas, where people tend to go to karaoke after eating.

Synergy between the three businesses  
Costs kept low by buying in food for all the businesses together and making efficient use of cooking staff across the businesses

# ●●●▶ Synergies between our businesses

## Leveraging our real estate business know-how in developing new stores and facilities

We have a great deal of know-how in our original business of real estate, and we make the most of this in our three main businesses, where developing new stores and facilities requires information on which locations are good for new developments. It is also necessary to design and build the facilities. Our knowledge and experience in the real estate business is of great value, as we are able to identify and secure good sites, ensure the facilities are built as quickly as possible, and keep the construction costs down.



**【 Synergy between the real estate business and the three main businesses 】**

Secure the best locations for development where we can attract as many customers as possible, through joint-development of stores/facilities and participating in regional developments.  
Leverage construction know-how developed in the real estate business to keep construction costs down.

# Our vision of our future growth

## Nationwide expansion based on the Uchiyama Group way

We are a Kyushu-based group, and our strategy thus far has been based on building a dominant presence in our three main businesses in the Kyushu region. Going forward, we plan to take this nationwide.

The way we plan to do this is not through the typical geographical expansion strategy. We are not aiming just to open new shops and facilities, but to use the new developments to **create jobs in the local communities** and closely interact with the local communities. Our growth strategy is based on the philosophy “produce in, consume in, and be of use to, the local community.”

Building dominant presence in Kyushu region

