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## Consolidated Financial Results for the 1st Quarter Ended December 31, 2020 [IFRS]

February 5, 2021

Listed company name: Sushiro Global Holdings Ltd. Listed stock exchange: TSE  
 Securities code: 3563 URL <http://www.sushiroglobalholdings.com>  
 Representative: President & CEO Koichi Mizutome  
 Inquiries: Corporate Officer Keita Shimizu Phone: 06-6368-1001  
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 Quarterly financial results presentation meeting held: No

(Amounts of less than one million yen are rounded off to the million)

### 1. Consolidated Financial Results for the 1st Quarter Ended December 31, 2020 (October 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st Quarter Ended December 31, 2020	59,529	6.8	7,008	44.9	6,656	41.8	4,091	35.0	4,098	35.2	4,167	24.5
1st Quarter Ended December 31, 2019	55,738	14.8	4,837	18.3	4,693	16.5	3,031	19.9	3,031	19.9	3,348	36.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1st Quarter Ended December 31, 2020	35.31	35.19
1st Quarter Ended December 31, 2019	26.12	26.06

Reference: Adjusted profit for the period: 1st Quarter Ended December 31, 2020: 4,091 million yen (35.0% year on year)  
 1st Quarter Ended December 31, 2019: 3,031 million yen

Notes:

- Sushiro Global Holdings Ltd. ("the Company") uses adjusted profit for the period as an important management indicator. For more information about this indicator, refer to (2) and (3) under "Explanation of Proper Use of Financial Forecasts, and Other Special Matters."
- The Company conducted a stock split of its common shares at a ratio of four shares for every one share on April 1, 2020. Basic earnings per share and diluted earnings per share were calculated based on the total number of issued shares after the stock split on the assumption that the stock split was conducted at the start of the previous consolidated fiscal year.

### (2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
1st Quarter Ended December 31, 2020	263,061	53,412	53,406	20.2
1st Quarter Ended December 31, 2019	237,265	50,920	50,908	21.4

## 2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2020	—	0.00	—	15.00	15.00
Fiscal year ending September 30, 2021	—				
Fiscal year ending September 30, 2021 (forecast)		0.00	—	22.50	22.50

Notes:

(1) Revisions to the most recently announced dividend forecasts: No

(2) The Company conducted a stock split of its common shares at a ratio of four shares for every one share on April 1, 2020.

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2021 (October 1, 2020 to September 30, 2021)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Fiscal year ending September 30, 2021	250,600	22.3	17,300	43.4	16,300	54.7	10,500	63.5	10,500	62.6	Yen 90.48

Note: Revisions to the most recently announced earnings forecasts: No

\* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policy other than 1): None

3) Changes in accounting estimates: None

(3) Total number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)	1st quarter ended December 31, 2020	116,049,984 shares	Fiscal year ended September 30, 2020	116,049,984 shares
b. Number of treasury shares at the end of the period	1st quarter ended December 31, 2020	248 shares	Fiscal year ended September 30, 2020	248 shares
c. Average number of shares during the period (cumulative from the start of the fiscal year)	1st quarter ended December 31, 2020	116,049,736 shares	1st quarter ended December 31, 2020	116,049,736 shares

Notes:

The Company conducted a stock split of its common shares at a ratio of four shares for every one share on April 1, 2020. The total number of issued shares were calculated based on the assumption that the stock split was conducted at the start of the previous consolidated fiscal year.

\* These financial results are outside the scope of quarterly review procedures by certified public accountants or accounting firms.

\* Explanation of Proper Use of Financial Forecasts, and Other Special Matters

(1) Consolidated earnings forecasts

The earnings forecasts and other forward-looking statements presented in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. They do not constitute guarantees by the Company of future performance. Furthermore, actual results and performance may differ materially from these forecasts due to various factors. In addition, for more details on earnings forecasts, please refer to “(3) Explanation of consolidated earnings forecasts and other forward-looking statements” under “1. Qualitative Information on Financial Results for the Period Under Review” on page 3 of the attached materials.

(2) The Company calculates adjusted profit for the period using the formula below.

Adjusted profit for the period = Profit for the period + others

(3) Adjusted profit for the period is a financial metric that is not a measure of performance under International Financial Reporting Standards (IFRS), but the Company regards it as a useful indicator for investor valuation of the results of the Company and its subsidiaries (“the Sushiro Group”). This financial indicator excludes impact from non-recurring expense items (items deemed not to reflect ordinary operating activities, or items that do not appropriately reflect the earnings of the Sushiro Group relative to competitors).

Note that adjusted profit for the period excludes some items that affect profit for the period and therefore has substantial limitations as an analysis tool. Accordingly, it should not be regarded as a replacement for other indicators that are presented in accordance with IFRS. Adjusted profit for the period at the Sushiro Group is calculated differently from the same or similar metrics used at other sector companies. Consequently, it may not be suitable for comparison with other companies, and therefore have reduced utility.

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## 1. Qualitative Information on Financial Results for the Period Under Review

### (1) Explanation of operating results

During the 1st quarter of the consolidated fiscal year ending September 30, 2021, the Japanese economy began to see signs of recovery in consumer spending due to government-led measures to stimulate demand such as the Go To campaigns. Despite this, with the spread of COVID-19 just as these measures were implemented, there is no clear prospect for when the pandemic will be contained, and the outlook remains uncertain.

Although the restaurant sector experienced a temporary recovery, mainly due to the Go To Eat campaigns, the challenging management environment has persisted, including reduced opening hours in some regions accompanying the spread of COVID-19. Under such circumstances, the Sushiro Group worked to enhance product development, in-store food preparation, and health and safety initiatives and services guided by our motto "Tasty sushi for all. Tasty sushi for the heart." and the desire to surprise and move our customers with delicious sushi. In terms of store development, the Sushiro Group opened 20 new stores (domestic: 17 including 1 FC, overseas: 3), closed 2 stores (domestic: 2), bringing the total store count to 642 (domestic: 601 including 4 FC, overseas: 41) at the end of the 1st quarter of the consolidated fiscal year ending September 30, 2021.

As a result, revenue for the 1st quarter of the current consolidated fiscal year totaled 59,529 million yen (+6.8% year on year), operating profit 7,008 million yen (+44.9% year on year), profit before income taxes 6,656 million yen (+41.8% year on year), and profit for the period attributable to owners of the parent 4,098 million yen (+35.2% year on year).

In addition, adjusted profit for the period came to 4,091 million yen (+35.0% year on year).

Notes: Adjusted profit for the period = Profit for the period + others

### (2) Explanation of financial position

#### 1) Assets, liabilities and equity

##### (Assets)

The balance of total assets increased 25,795 million yen from the end of the previous consolidated fiscal year to 263,061 million yen.

The balance of current assets increased 20,773 million yen from the end of the previous consolidated fiscal year to 41,948 million yen. This mainly reflected a 16,189 million yen increase in cash and a 3,442 million yen increase in trade and other receivables.

The balance of non-current assets increased 5,022 million yen from the end of the previous consolidated fiscal year to 221,113 million yen. This mainly reflected an 4,816 million yen increase in property, plant and equipment resulting from an opening new stores.

##### (Liabilities)

Total liabilities increased 23,304 million yen from the end of the previous consolidated fiscal year to 209,649 million yen.

The balance of current liabilities decreased 425 million yen from the end of the previous consolidated fiscal year to 78,377 million yen. This mainly reflected a 1,095 million yen increase in trade and other payables and a 345 million yen increase in provisions, alongside a 1,021 million yen decrease in borrowings, a 584 million yen decrease in other current liabilities, and a 355 million yen decrease in lease liabilities.

The balance of non-current liabilities increased 23,729 million yen from the end of the previous consolidated fiscal year to 131,272 million yen. This was mainly attributable to a 19,921 million yen increase in bonds and borrowings resulting from issuance of bonds and a 3,693 million yen increase in lease liabilities.

##### (Equity)

Total equity increased 2,491 million yen from the end of the previous consolidated fiscal year to 53,412 million yen. This mainly reflected a 1,741 million yen decrease in retained earnings resulting from cash dividends paid and the booking of 4,098 million yen in profit for the period.

## 2) Cash flows

During the 1st quarter of the consolidated fiscal year ending September 30, 2021, cash and cash equivalents (hereinafter "Cash") increased 16,189 million yen from the end of the previous consolidated fiscal year to 28,854 million yen.

The breakdown of cash flows by activities and underlying factors for the 1st quarter of the current consolidated fiscal year is shown below.

### (Cash flows from operating activities)

Cash provided by operating activities totaled 5,885 million yen (-17.8% year on year).

This mainly reflected the booking of 6,656 million yen in profit before income taxes, the booking of 4,125 million yen in depreciation and amortization, a 1,756 million yen increase in trade and other payables, alongside an increase of 3,588 million yen in trade and other receivables, an 635 million yen increase in inventories and 2,558 million yen in income tax paid.

### (Cash flows from investing activities)

Cash used in investing activities came to 4,252 million yen (+19.9% year on year).

This was mainly attributable to 3,355 million yen in purchase of property, plant and equipment accompanying store openings and 425 million yen in payments for lease and guarantee deposits.

### (Cash flows from financing activities)

Cash gained in financing activities amounted to 14,544 million yen (versus cash used 4,972 million yen in the 1st quarter of the previous fiscal year). This mainly reflected 19,918 million yen in proceeds from issuance of bonds, alongside 1,042 million yen in repayments of long-term borrowings, 2,637 million yen in repayments of lease liabilities and 1,694 million yen in cash dividends paid.

## (3) Explanation of consolidated earnings forecasts and other forward-looking statements

There are no changes to the consolidated earnings forecasts announced on November 6, 2020. Furthermore, the consolidated earnings forecasts presented in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual earnings and performance may differ materially from these forecasts due to various factors such as economic trends.

## 2. Condensed Quarterly Consolidated Financial Statements and Important Notes

### (1) Condensed consolidated statement of financial position

(in millions, JPY)

	Fiscal year ended September 30, 2020	1st quarter ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	12,665	28,854
Trade and other receivables	5,142	8,584
Inventories	1,687	2,329
Other financial assets	290	672
Other current assets	1,391	1,509
Total current assets	21,175	41,948
Non-current assets		
Property, plant and equipment	119,667	124,483
Goodwill	30,371	30,371
Intangible assets	54,621	54,562
Equity method investment	2,171	2,054
Lease and guarantee deposits	8,671	9,161
Other financial assets	6	58
Other non-current assets	582	424
Total non-current assets	216,090	221,113
Total assets	237,265	263,061
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	22,150	23,245
Borrowings	36,701	35,679
Income taxes payable	2,479	2,485
Lease liabilities	10,819	10,465
Other financial liabilities	726	814
Provisions	1,287	1,633
Other current liabilities	4,640	4,056
Total current liabilities	78,802	78,377
Non-current liabilities		
Trade and other payables	31	31
Bonds and Borrowings	9,987	29,908
Lease liabilities	78,857	82,550
Other financial liabilities	62	66
Provisions	2,257	2,366
Deferred tax liabilities	16,307	16,307
Other non-current liabilities	43	45
Total non-current liabilities	107,543	131,272
Total liabilities	186,345	209,649
Equity		
Capital stock	100	100
Capital surplus	15,747	15,755
Retained earnings	35,156	37,516
Treasury stock	(0)	(0)
Other components of equity	(95)	35
Total equity attributable to owners of the parent	50,908	53,406
Non-controlling interests	13	5
Total equity	50,920	53,412
Total liabilities and equity	237,265	263,061

## (2) Condensed consolidated statement of profit and loss

(in millions, JPY)

	1st Quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)	1st Quarter Ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
Revenue	55,738	59,529
Cost of sales	(26,890)	(26,267)
Gross profit	28,849	33,262
Selling, general and administrative expenses	(24,043)	(26,108)
Other income	75	95
Other expenses	(43)	(241)
Operating profit	4,837	7,008
Finance income	31	46
Finance expenses	(188)	(212)
Share of profit (loss) of investments accounted for using equity method	13	(186)
Profit before income taxes	4,693	6,656
Income taxes	(1,663)	(2,565)
Profit for the period	3,031	4,091
Profit attributable to:		
Owners of the parent	3,031	4,098
Non-controlling interests	—	(7)
Profit for the period	3,031	4,091
Earnings per share		
Basic earnings per share (yen)	26.12	35.31
Diluted earnings per share (yen)	26.06	35.19

## (3) Condensed consolidated statement of comprehensive income

(in millions, JPY)

	1st Quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)	1st Quarter Ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
Profit for the period	3,031	4,091
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	307	75
Effective portion of changes in fair value of cash flow hedges	11	1
Total of items that may be reclassified subsequently to profit or loss	318	76
Other comprehensive income after taxes	318	76
Total comprehensive income for the period	3,348	4,167
Attributable to:		
Owners of the parent	3,348	4,174
Non-controlling interests	—	(7)
Total comprehensive income for the period	3,348	4,167

## (4) Condensed consolidated statement of changes in equity

1st quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)

(in millions, JPY)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of October 1, 2019	100	15,747	31,859	(0)	(339)	47,367	–	47,367
Cumulative impact resulting from the change in accounting policy			(554)			(554)		(554)
Balance as of October 1, 2020, reflecting the change in accounting policy	100	15,747	31,304	(0)	(339)	46,812	–	46,812
Profit for the period			3,031			3,031		3,031
Other comprehensive income					318	318		318
Total comprehensive income	–	–	3,031	–	318	3,348	–	3,348
Lapse of subscription rights to shares			6		(6)	–		–
Share-based payment transactions					13	13		13
Dividends			(2,611)			(2,611)		(2,611)
Total transactions with the owners	–	–	(2,605)	–	7	(2,598)	–	(2,598)
Balance as of December 31, 2019	100	15,747	31,730	(0)	(14)	47,562	–	47,562

1st quarter ended December 31, 2020 (From October 1, 2020 to December 31, 2020)

(in millions, JPY)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of October 1, 2020	100	15,747	35,156	(0)	(95)	50,908	13	50,920
Profit for the period			4,098			4,098	(7)	4,091
Other comprehensive income					76	76	(0)	76
Total comprehensive income	–	–	4,098	–	76	4,174	(7)	4,167
Lapse of subscription rights to shares			3		(3)	–		–
Share-based payment transactions		8			57	65		65
Dividends			(1,741)			(1,741)		(1,741)
Total transactions with the owners	–	8	(1,738)	–	53	(1,676)	–	(1,676)
Balance as of December 31, 2020	100	15,755	37,516	(0)	35	53,406	5	53,412

## (5) Condensed consolidated statement of cash flows

(in millions, JPY)

	1st Quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)	1st Quarter Ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
Cash flows from operating activities		
Profit before income taxes	4,693	6,656
Depreciation and amortization	3,567	4,125
Impairment losses	40	210
Finance income	(24)	(42)
Finance expenses	188	212
Amount of rent offset by lease and guarantee deposits	71	70
Share of loss (profit) of entities accounted for using equity method	(13)	186
Increase/decrease in trade and other receivables, (increase)	(1,658)	(3,588)
Increase/decrease in inventories, (increase)	(827)	(635)
Increase/decrease in trade and other payables, (decrease)	2,245	1,756
Others	487	(338)
Subtotal	8,771	8,611
Interest and dividend income received	1	1
Interest paid	(142)	(169)
Income taxes paid	(1,474)	(2,558)
Net cash from operating activities	7,155	5,885
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,210)	(3,355)
Purchase of intangible assets	(78)	(154)
Payments into time deposits	—	(291)
Payments for lease and guarantee deposits	(287)	(425)
Purchase of investment securities	—	(52)
Others	27	25
Cash flows from investing activities	(3,547)	(4,252)
Cash flows from financing activities		
Proceeds from issuance of bonds	—	19,918
Net increase (decrease) in short-term borrowings	1,000	—
Repayments of long-term borrowings	(1,042)	(1,042)
Repayments of lease liabilities	(2,361)	(2,637)
Payments for commission fees	(3)	(6)
Cash dividends paid	(2,572)	(1,694)
Others	7	5
Cash flows from financing activities	(4,972)	14,544
Net increase/decrease in cash and cash equivalents, (decrease)	(1,364)	16,177
Cash and cash equivalents at beginning of year	10,341	12,665
Effect of exchange rate changes on cash and cash equivalents	46	12
Cash and cash equivalents at end of year	9,023	28,854

(6) Notes on condensed consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

(Changes in Method of Presentation)

(Condensed Consolidated Statement of Profit and Loss)

The financial materiality of investment gains/losses by equity method increased, and it has therefore been stated separately from the 1st quarter ended December 31, 2020.

(Condensed Consolidated Statement of Cash Flows)

The financial materiality of investment gains/losses by equity method increased, and it has therefore been stated separately from the 1st quarter ended December 31, 2020.

(Segment information)

Segment-specific revenue, income/loss and other items are omitted as the Sushiro Group operates in a single segment.

(Selling, general and administrative expenses)

The breakdown of selling, general and administrative expenses is as shown below.

	1st Quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)	1st Quarter Ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
Employee benefits	15,230	16,035
Depreciation and amortization	3,545	4,116
Utilities expenses	1,117	1,114
Other	4,151	4,843
Total	24,043	26,108

(Earnings per share)

	1st Quarter Ended December 31, 2019 (From October 1, 2019 to December 31, 2019)	1st Quarter Ended December 31, 2020 (From October 1, 2020 to December 31, 2020)
Profit for the period attributable to common shareholders of the parent (million yen)	3,031	4,098
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	3,031	4,098
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	3,031	4,098
Average number of shares during the period	116,049,736	116,049,736
Increase in number of common shares used in calculation for diluted earnings per share	231,427	399,498
Average number of common shares during the period after dilution	116,281,163	116,449,234
Basic earnings per share (yen)	26.12	35.31
Diluted earnings per share (yen)	26.06	35.19
Outline of potentially dilutive shares excluded from the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

Note. The Company conducted a stock split of its common shares at a ratio of four shares for every one share on April 1, 2020. Basic earnings per share and diluted earnings per share were calculated based on the total number of issued shares after the stock split on the assumption that the stock split was conducted at the start of the previous consolidated fiscal year.

(Important subsequent events)

Not applicable.