

Financial Highlights and Supplementary Data

FY2022/Q1

Feb 10, 2022



FOOD & LIFE
COMPANIES

[Consolidated] Financial Highlights, FY22/Q1 vs. FY21/Q1 (by Segment)

- [Sushiro Japan] Revenue increased but profit decreased against FY21/Q1, as there was no advantageous procurement this quarter.
- [Sushiro Overseas] Revenue improved against FY21/Q1 due to a slight easing of COVID restrictions. Despite regional differences, overall profit of Sushiro overseas increased.
- [Other Business] Store count increased. While working on minimizing the size of negative EBITDA, we'll continue to patiently prepare for post-COVID demand recovery.

	Sushiro Japan			Sushiro Overseas			Kyotaru Business			Other Business		
	FY21 Q1	FY22 Q1	Increase/Decrease	FY21 Q1	FY22 Q1	Increase/Decrease	FY21 Q1	FY22 Q1	Increase/Decrease	FY21 Q1	FY22 Q1	Increase/Decrease
(in millions, JPY)												
Revenue	55,521	57,424	+3.4%	3,538	7,493	+111.8%	—	5,708	—	471	977	+107.4%
Operating Profit <small>(w/o loyalty exchange)</small>	7,287	4,762	▲34.7%	▲121	605	—	—	▲467	—	▲217	▲233	—
Depreciation & Amortization	3,462	3,842	+11.0%	517	840	+62.5%	—	384	—	73	86	+17.8%
Impairment	30	292	+873.3%	96	72	▲25.0%	—	303	—	84	130	+54.8%
EBITDA	10,749	8,604	▲20.0%	396	1,445	+264.9%	—	▲83	—	▲144	▲147	—
Store Count	571	626	(+55)	41	64	(+23)	—	290	(+290)	30	47	(+17)

[Note] (1) EBITDA = Operating Profit adjusted for Depreciation & Amortization

(2) The difference between consolidated operating profit and the sum of operating profits of all segments is the amount of cross-segment transactions as well as the amount of all-company-level expenses that don't belong to above segments.

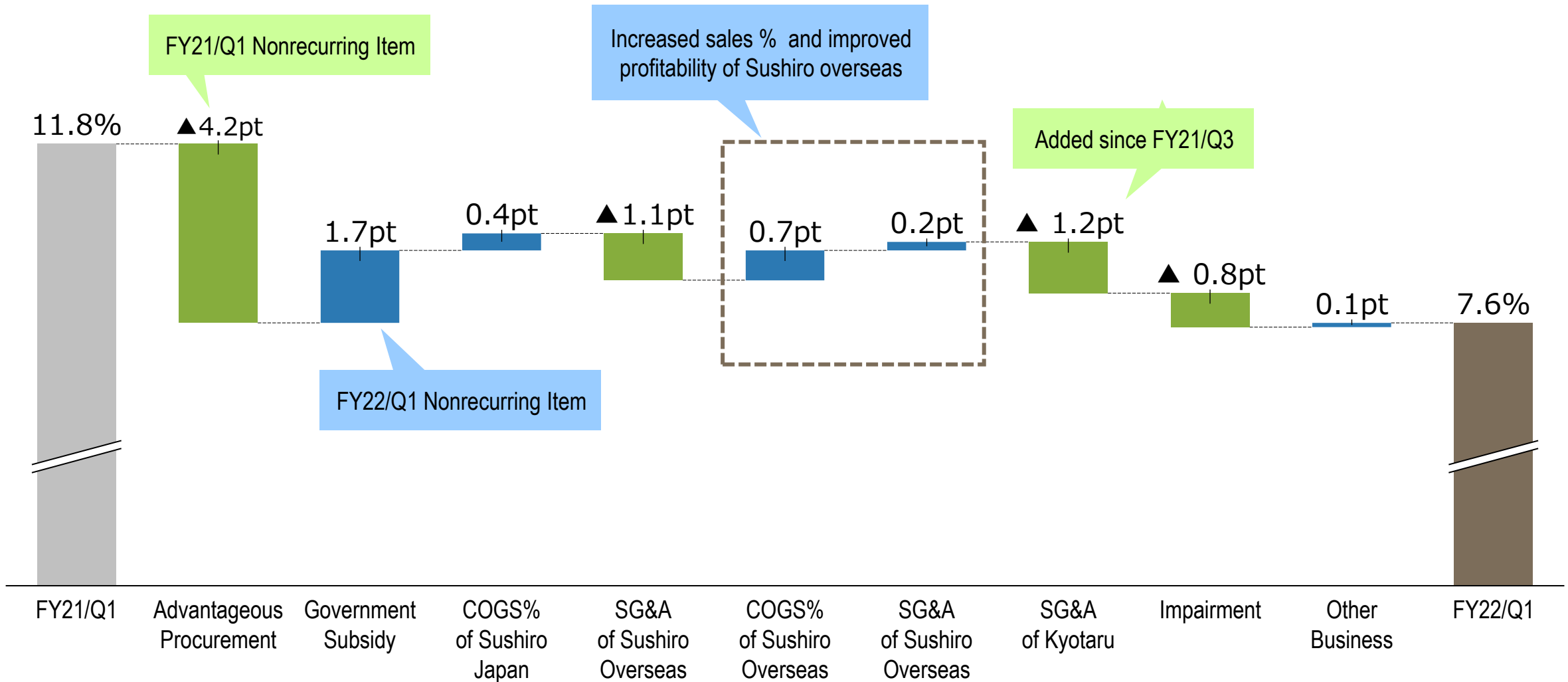
[Consolidated] Financial Highlights, FY22/Q1 vs. FY21/Q1

- Achieved record revenue on a quarterly basis, reflecting the growth of the overseas Sushiro business and the contribution from KYOTARU CO. LTD. that joined the group April 2021. On the other hand, quarterly profit declined vs. FY21/Q1, as there was no advantageous procurement this quarter.
- Sushiro Overseas, a growth driver in the Medium-term Management Plan, made great strides that gave us further confidence in its future growth. Kyotaru Business on the other hand, started to see some synergies effect from integration of HQ functions, but there's still a challenge to recover its sales damaged by COVID. We're hurryingly working on rebuilding Kyotaru business.

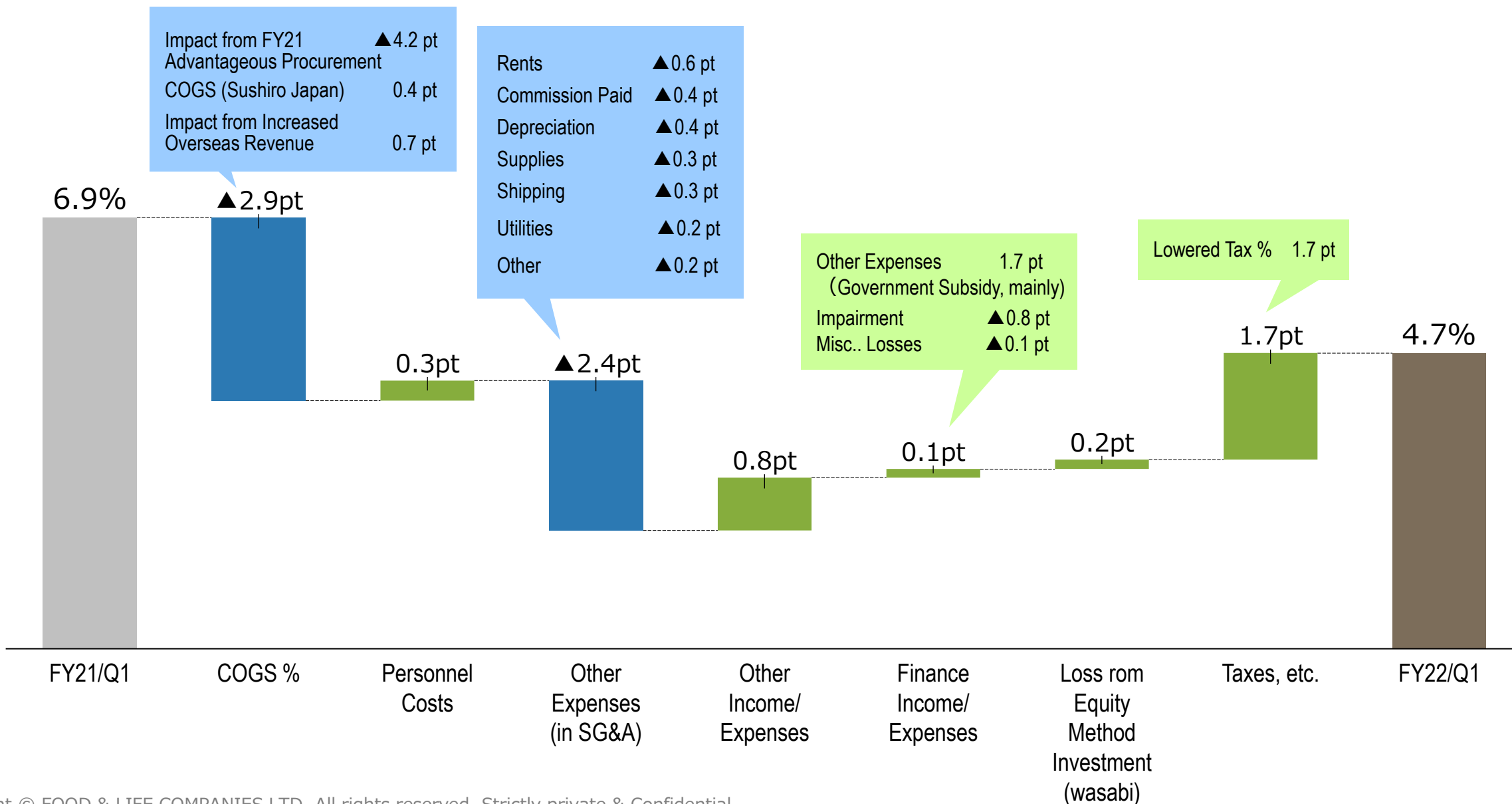
	FY21/Q1		FY22/Q1		YoY%	vs. Forecast *
	Actual	% in Revenue	Actual	% in Revenue		
(in millions, JPY)						
Revenue	59,529	—	71,601	—	+ 20.3%	23.1%
Operating Profit	7,008	11.8%	5,469	7.6%	▲ 22.0%	26.0%
Profit before Income Taxes	6,656	11.2%	5,255	7.3%	▲ 21.1%	27.7%
Profit for the Period	4,091	6.9%	3,388	4.7%	▲ 17.3%	28.2%
COGS	26,267	44.1%	33,668	47.0%	+ 2.9pt	—
Store Count	642	—	1027	—	+ 385	—

* FY22 forecast announced in November 2021.

[Consolidated] Operating Profit, FY22/Q1 vs FY21/Q1



[Consolidated] Profit for the Period, FY21/Q1 vs. FY22/Q1



[Consolidated] Financial Position

Consolidated Statement of Financial Position

(in millions, JPY)	FY21/9	FY21/Q1	Change
Current assets	48,841	43,195	▲5,646
[Cash and cash equivalents]	[29,367]	[24,411]	[▲4,957]
Non-current assets	247,159	250,628	3,469
[Goodwill]	[30,541]	[30,541]	[-]
Assets	296,001	293,823	▲2,178
Current liab.	59,860	57,641	▲2,218
[Borrowings]	[4,009]	[4,009]	[-]
Non-current liab.	172,568	173,173	605
[Bonds, Borrowings]	[58,896]	[57,899]	▲997
Liab.	232,428	230,814	▲1,614
Equity	63,573	63,009	▲564
Liab. & Equity	296,001	293,823	▲2,178
Equity Ratio	21.3%	21.2%	▲0.1pt
Net Debt/EBITDA	1.6x	1.5x	▲0.1x

Consolidated Statement of Cash Flows

(in millions, JPY)	FY21/Q1	FY22/Q1	Change
Operating CF	5,885	8,139	2,254
Investing CF	▲4,252	▲4,437	▲185
Financing CF	14,544	▲8,864	▲23,408
Increase/decrease in cash and cash equivalents	16,177	▲5,162	▲21,339

Consolidated Financial Position

Assets : [Increase] Tangible Fixed Assets [Decrease] Cash & Cash Equivalents
 Liab. : [Increase] Trade & Other Payables, Lease Liab.
 [Decrease] Income Tax Payables, Allowances
 Equity : [Increase] Quarterly Earnings [Decrease] Treasury Stocks, Dividends

Consolidated Cash Flows

Operating CF: The amount of decrease in Trade Receivables, compared to FY21/Q1 is 5.1 bil JPY more in FY22/Q1 (Mainly, Government Subsidy)
 Investment CF: Increased due to Store Opening and Labor-Saving Equipment Delv.
 Finance CF: [FY21/Q1] Raised 20 bil. JPY w/Corporate Straight Bond.
 [FY22/Q1] 2 bil JPY expenditure for acquisition of Treasure Stocks

Financial Position:

No major change in Equity Ratio and NetDebt/EBITDA against FY21/9
 ROE : [FY21/Q1] 7.9% [FY22/Q1] 5.4% (due to profit decrease)

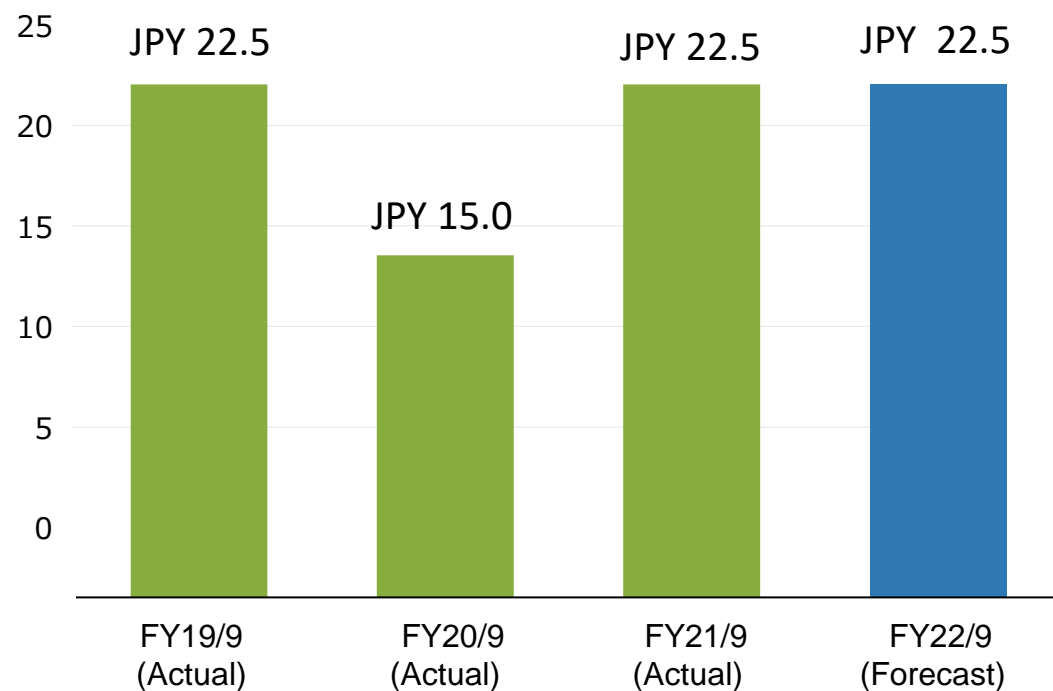
[All Company] Store Opening/Closing in Japan & Overseas Markets

	FY21/9 at End-of-Term	FY22/Q1			at End-of-Term
		OPEN	CLOSE	Increase/ Decrease	
Suburban Model	564	+ 9		+ 9	573
Urban Model	31	+ 2		+ 2	33
Takeout Model	15	+ 5		+ 5	20
[Japan] Sushiro Brand	610	+ 16		+ 16	626
[Japan] Sugidama Brand*	39	+ 6		+ 6	45
[Japan] Kyotaru Brand (Takeout)	154	+ 4	▲ 1	+ 3	157
[Japan] Kaitenzushi Misaki Brand (Kaisen Misakiko) & Misakimaru Brand	106		▲ 1	▲ 1	105
Standard Model	58	+ 4		+ 4	62
Takeout Model	1	+ 1		+ 1	2
[Overseas] Sushiro Brand	59	+ 5		+ 5	64
Other Brands	31		▲ 1	▲ 1	30
All Company Total	999	+ 31	▲ 3	+ 28	1,027

[Ref.] Returns to Shareholders

Dividends

- Conducted a stock split of our common shares at a ratio of 4 shares for every one share, on April 1, 2020. (Past dividends shown below are adjusted for the 1-to-4 split)
- Plan to pay a dividend of JPY 22.5 per share for the FY22/9. (Total dividend amount is to be 2.6 bil. JPY)



Shareholder Benefits

Benefit Type

Meal discount coupons (provided twice a year) that can be used at Sushiro brand stores, Sugidama brand stores, and the stores KYOTARU operates (excl. some stores) in Japan

Criteria & Value

- 100 - 199 shares:**
JPY 2,200 worth of coupons/year
 JPY 1,100 (record date: Sep. 30) JPY 1,100 (record date: Mar. 31)
- 200 - 399 shares:**
JPY 3,300 worth of coupons/year
 JPY 1,650 (record date: Sep. 30) JPY 1,650 (record date: Mar. 31)
- 400 - 799 shares:**
JPY 4,400 worth of coupons/year
 JPY 2,200 (record date: Sep. 30) JPY 2,200 (record date: Mar. 31)
- 800 - 1999 shares:**
JPY 8,800 worth of coupons/year
 JPY 4,400 (record date: Sep. 30) JPY 4,400 (record date: Mar. 31)
- 2000+ shares:**
JPY 22,000 worth of coupons/year
 JPY 11,000 (record date: Sep. 30) JPY 11,000 (record date: Mar. 31)

Notes

One JPY 550 coupon can be used for every JPY 1,100 (incl. tax) spent Coupon can be used in combination with other discount ticket
 This ticket can be used with other types of discount coupon.
 Coupon cannot be used for online takeout order and for delivery order.

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