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## Consolidated Financial Results for the 2nd Quarter Ended March 31, 2022 [IFRS]

May 6, 2022

Listed company name      FOOD & LIFE COMPANIES LTD.      Listed stock exchange: TSE  
 Securities code:          3563      URL <http://www.food-and-life.co.jp>  
 Representative:          President & CEO Koichi Mizutome  
 Inquiries                  Corporate Officer Hiroshi Ogawa      Phone: 06-6368-1001  
 Scheduled filing date to file      May 13, 2022      Scheduled date to commence  
 Quarterly Securities Report      dividend payment  
 Supplementary briefing materials on quarterly financial results prepared: Yes  
 Quarterly financial results presentation meeting held:      Yes(for institutional investors and analysts)

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

### 1. Consolidated Financial Results for the 2nd Quarter Ended March 31, 2022 (October 1, 2021 to March 31, 2022)

#### (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	%
2nd Quarter Ended March 31, 2022	140,257	17.8	9,572	(27.0)	9,046	(27.1)	5,589	(28.0)	5,588	(28.5)	6,529	(22.7)
2nd Quarter Ended March 31, 2021	119,042	10.1	13,114	59.2	12,414	57.5	7,760	52.7	7,811	53.6	8,445	64.3

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
2nd Quarter Ended March 31, 2022	48.26		47.96	
2nd Quarter Ended March 31, 2021	67.31		67.00	

#### (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	%
2nd Quarter Ended March 31, 2022	331,355	65,716	65,710	19.6
Fiscal year ended September 30, 2021	296,001	63,573	63,569	21.3

## 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, 2021	-	0.00	-	22.50	22.50
Fiscal year ending September 30, 2022	-	0.00			
Fiscal year ending September 30, 2022 (forecast)			-	22.50	22.50

Notes:

Revisions to the most recently announced dividend forecasts: No

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2022 (October 1, 2021 to September 30, 2022)

(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, 2022	295,000	22.5	16,000	(30.1)	14,000	(35.1)	8,700	(33.7)	8,700	(34.0)	Yen 75.18

Note: Revisions to the most recently announced earnings forecasts: Yes

\* 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)	2nd quarter ended March 31, 2022	116,069,184 shares	Fiscal year ended September 30, 2021	116,069,184 shares
b. Number of treasury shares at the end of the period	2nd quarter ended March 31, 2022	399,648 shares	Fiscal year ended September 30, 2021	248 shares
c. Average number of shares during the period (cumulative from the start of the fiscal year)	2nd quarter ended March 31, 2022	115,788,904 shares	2nd quarter ended March 31, 2021	116,049,736 shares

\* 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

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.

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

### (1) Explanation of operating results

During the 2nd quarter of the consolidated fiscal year ending September 30, 2022, although the state of emergency declaration related to COVID-19 was lifted in October and economic activity gradually normalized, the outlook for the Japanese economy remained uncertain. With the prevalence of new mutations of the virus, the movement of people and personal consumption dropped off, and not only was there no clear prospect for when the impact of COVID-19 would come to an end, but crude oil prices also increased sharply and tension escalated in Ukraine.

The restaurant sector also continued to face challenging conditions due to the impacts of COVID-19, the sharp increase in crude oil prices, the situation in Ukraine, and others.

Under such circumstances, FOOD & LIFE COMPANIES LTD. worked to enhance product development, in-store food preparation, and health and safety initiatives and services with “ Discovering new tastiness, Sharing moments of joy ” as our Vision, and the desire to surprise and move our customers with delicious sushi.

In addition, store count by business format is as follows.

#### Group store count by business format

Name of brand	Fiscal year ended September 30 2021	Store openings	Store closures	Two-month period ended March 31 2022
Japan: Sushiro (TOGO)	610 (15)	31 (10)	1 (1)	640 (24)
Japan: Sugidama (FC)	39 (6)	15 (6)	1	53 (12)
Japan: Kyotaru	154 ( - )	4	5	153 ( - )
Japan:Kaiten Sushi Misaki/Misakimaru	106 ( - )	-	4	102 ( - )
Japan: Others	29 ( - )	3	5	27 ( - )
Japan total	938 (21)	53 (16)	16 (1)	975 (36)
Overseas: Sushiro (TOGO)	59 (1)	12 (1)	-	71 (2)
Overseas: Others	2 ( - )	-	-	2 ( - )
Overseas total	61 (1)	12 (1)	-	73 (2)
Total	999 (22)	65 (17)	16 (1)	1,048 (38)

Figures in parentheses show the number of take out only and FC stores.

As a result, revenue for the 2nd quarter of the current consolidated fiscal year totaled 140,257 million yen (17.8% year on year), operating profit 9,572 million yen (-27.0% year on year), profit before income taxes 9,046 million yen (-27.1% year on year), and profit for the period attributable to owners of the parent 5,588 million yen (-28.5% year on year).

Operating results by segment are as follows.

#### (Japan Sushiro Business)

Although there was a temporary recovery in consumer sentiment after the state of emergency declaration was lifted in October 2021, the spread of the Omicron strain from January 2022 onward resulted in the re-imposition of quasi-emergency measures to prevent the spread of infection, and business hours and times for serving alcoholic beverages were shortened. As initiatives to restore business performance, the Japan Sushiro Business sold natural bluefin tuna dishes at the Absolute Champion ' s Sushiro Tuna Fair and a revived lineup of products that were popular in the past at the 100 Yen Festival.

In addition, in order to meet the increased demand for takeout and delivery due to the COVID-19 pandemic, we expanded the number of stores handling delivery and continued to open new takeout specialty stores.

As a result of the above, net sales of the Japan Sushiro Business were 112,340 million yen, (+1.8% year on year) and segment profit was 9,197 million yen (-32.7% year on year).

(Overseas Sushiro Business)

Amid continued operating restrictions on restaurants due to the renewed spread of COVID-19 in various countries and regions, we had opened four stores as of the end of March in Guangzhou (mainland China), where we opened our first store in September 2021. We also continued to open new stores in other regions, including two stores in Taiwan, two stores in Hong Kong, one store in Singapore, and four stores in Thailand in anticipation of the period after COVID-19.

Furthermore, to maintain and increase the number of customers visiting stores despite operating restrictions, we continued to implement attractive sales promotion and marketing measures in each region, including Sankanmori in Taiwan and the New Year Festival in Guangzhou.

As a result of the above, net sales of the Overseas Sushiro Business were 15,249 million yen (+93.6% year on year) and segment profit was 196 million yen (segment loss was 175 million yen in the same period of previous fiscal year).

(Kyotaru Business)

As with the Japan Sushiro Business, despite operating under COVID-19 restrictions, we continued to implement measures to create synergies following the merger (switching of Kyotaru takeout specialty stores to a double-brand with Sushiro, etc.) While the kaiten sushi business has been impacted by COVID-19, we worked on new measures, which included rebranding the business as KaitenSushi Misaki in November 2021.

As part of our efforts to develop the infrastructure for increasing sales, we also boosted the production capacity of the Edomaezushi production line at the Kyotaru Central Kitchen, which is responsible for manufacturing products for the takeout business and took other measures to improve the capacity utilization rate. In addition to these efforts, we worked continuously on measures to create synergies, such as the integration of the headquarters organization and the subsequent integration of operations.

As a result of the above, net sales of the Kyotaru Business were 10,768 million yen ( - % year on year) and segment loss was 977 million yen ( - % year on year).

(2) Explanation of financial position

1) Assets, liabilities and equity

(Assets)

The balance of total assets increased 35,355 million yen from the end of the previous consolidated fiscal year to 331,355 million yen.

The balance of current assets increased 26,749 million yen from the end of the previous consolidated fiscal year to 75,591 million yen. This mainly reflected a 28,542 million yen increase in cash resulting from borrowings etc.

The balance of non-current assets increased 8,605 million yen from the end of the previous consolidated fiscal year to 255,764 million yen. This mainly reflected a 7,374 million yen increase in property, plant and equipment resulting from an opening new stores.

(Liabilities)

Total liabilities increased 33,212 million yen from the end of the previous consolidated fiscal year to 265,639 million yen.

The balance of current liabilities decreased 2,407 million yen from the end of the previous consolidated fiscal year to 57,452 million yen. This mainly reflected a 2,861 million yen increase in trade and other payables, alongside a 3,564 million yen decrease in income tax payable and a 1,643 million yen decrease in provisions.

The balance of non-current liabilities increased 35,619 million yen from the end of the previous consolidated fiscal year to 208,187 million yen. This was mainly attributable to a 32,014 million yen increase in bonds and borrowings.

(Equity)

Total equity increased 2,143 million yen from the end of the previous consolidated fiscal year to 65,716 million yen. This mainly reflected a 2,612 million yen resulting from cash dividends paid and 2,020 million yen resulting from acquisition of treasury stock, alongside the booking of 5,588 million yen in profit for the period.

## 2) Cash flows

During the 2nd quarter of the consolidated fiscal year ending September 30, 2022, cash and cash equivalents (hereinafter “Cash”) increased 28,542 million yen from the end of the previous consolidated fiscal year to 57,909 million yen.

The breakdown of cash flows by activities and underlying factors for the 2nd quarter of the current consolidated fiscal year is shown below.

### (Cash flows from operating activities)

Cash provided by operating activities totaled 16,665 million yen (+4.1% year on year).

This mainly reflected the booking of 9,046 million yen in profit before income taxes, the booking of 10,945 million yen in depreciation and amortization, a 2,753 million yen increase in trade and other payables, a 2,730 million yen decrease in trade and other receivables, alongside a 6,867 million yen in income tax paid and a 1,583 million yen decrease in provision for bonuses.

### (Cash flows from investing activities)

Cash used in investing activities came to 8,801 million yen (+26.2% year on year).

This was mainly attributable to 7,372 million yen in purchase of property, plant and equipment accompanying store openings.

### (Cash flows from financing activities)

Cash used in financing activities amounted to 20,262 million yen (+82.4% year on year). This mainly reflected a 7,142 million yen in repayments of lease liabilities, 2,608 million yen in cash dividends paid, 2,000 million yen in purchase of treasury stock and 2,005 million yen in repayments of long-term borrowings, alongside a 34,000 million yen in increase of long-term borrowings.

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

With regard to the consolidated earnings forecast for the fiscal year ending September 30, 2022, the quasi-emergency measures to prevent the spread of infection were lifted in March 2022, and a policy shift from "Zero COVID-19" to "Living with COVID-19" is underway in Japan and overseas, which means the situation has changed to one in which new COVID-19 infections can be accommodated without halting economic activities. In light of this change, it is now possible to make reasonable forecasts for the third quarter of the fiscal year ending September 30, 2022 and beyond. Therefore, the Company has revised the full-year consolidated earnings forecasts based on the information currently available. Please refer to “FOOD & LIFE COMPANIES Announces Revision of Earnings Forecasts” published on May 6, 2022 for the details.

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 results may differ materially from these forecasts due to various factors including 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, 2021	2nd quarter ended March 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	29,367	57,909
Trade and other receivables	15,004	12,383
Inventories	2,146	2,934
Other financial assets	442	505
Other current assets	1,883	1,860
Total current assets	<u>48,841</u>	<u>75,591</u>
Non-current assets		
Property, plant and equipment	146,554	153,927
Goodwill	30,541	30,541
Intangible assets	54,634	55,146
Equity method investment	1,855	1,677
Lease and guarantee deposits	12,182	12,758
Other financial assets	487	487
Deferred tax assets	411	411
Other non-current assets	496	818
Total non-current assets	<u>247,159</u>	<u>255,764</u>
Total assets	<u><u>296,001</u></u>	<u><u>331,355</u></u>
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	26,676	29,537
Borrowings	4,009	4,009
Income taxes payable	6,831	3,267
Lease liabilities	13,115	14,519
Other financial liabilities	1,419	793
Provisions	3,377	1,734
Other current liabilities	4,432	3,593
Total current liabilities	<u>59,860</u>	<u>57,452</u>
Non-current liabilities		
Trade and other payables	46	48
Bonds and Borrowings	58,896	90,909
Lease liabilities	96,094	99,339
Other financial liabilities	86	100
Provisions	3,233	3,532
Deferred tax liabilities	14,175	14,254
Other non-current liabilities	38	6
Total non-current liabilities	<u>172,568</u>	<u>208,187</u>
Total liabilities	<u><u>232,428</u></u>	<u><u>265,639</u></u>

	Fiscal year ended September 30, 2021	2nd quarter ended March 31,2022
<b>Equity</b>		
Capital stock	100	100
Capital surplus	15,755	15,704
Retained earnings	46,584	49,560
Treasury stock	(0)	(1,919)
Other components of equity	1,130	2,265
Total equity attributable to owners of the parent	63,569	65,710
Non-controlling interests	4	6
Total equity	63,573	65,716
Total liabilities and equity	296,001	331,355

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

(in millions, JPY)

	2nd Quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)
Revenue	119,042	140,257
Cost of sales	(54,221)	(65,515)
Gross profit	64,821	74,741
Selling, general and administrative expenses	(52,823)	(66,925)
Other income	1,746	3,809
Other expenses	(631)	(2,054)
Operating profit	13,114	9,572
Finance income	121	212
Finance expenses	(437)	(448)
Share of profit (loss) of investments accounted for using equity method	(383)	(289)
Profit before income taxes	12,414	9,046
Income taxes	(4,654)	(3,457)
Profit for the period	7,760	5,589
Profit attributable to:		
Owners of the parent	7,811	5,588
Non-controlling interests	(51)	1
Profit for the period	7,760	5,589
Earnings per share		
Basic earnings per share (yen)	67.31	48.26
Diluted earnings per share (yen)	67.00	47.96

## (3) Condensed consolidated statement of comprehensive income

(in millions, JPY)

	2nd Quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)
Profit for the period	7,760	5,589
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	689	940
Effective portion of changes in fair value of cash flow hedges	(3)	-
Total of items that may be reclassified subsequently to profit or loss	685	940
Other comprehensive income after taxes	685	940
Total comprehensive income for the period	8,445	6,529
Attributable to:		
Owners of the parent	8,497	6,527
Non-controlling interests	(51)	2
Total comprehensive income for the period	8,445	6,529

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

2nd quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)

(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			7,811			7,811	(51)	7,760
Other comprehensive income					685	685	(0)	685
Total comprehensive income	-	-	7,811	-	685	8,497	(51)	8,445
Lapse of subscription rights to shares			3		(3)	-		-
Share-based payment transactions					155	155		155
Dividends			(1,741)			(1,741)		(1,741)
Total transactions with the owners	-	-	(1,738)	-	152	(1,586)	-	(1,586)
Balance as of March 31, 2021	100	15,747	41,229	(0)	742	57,818	(39)	57,780

2nd quarter ended March 31, 2022 (From October 1, 2021 to March 31, 2022)

(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, 2021	100	15,755	46,584	(0)	1,130	63,569	4	63,573
Profit for the period			5,588			5,588	1	5,589
Other comprehensive income					940	940	0	940
Total comprehensive income	-	-	5,588	-	940	6,527	2	6,529
Disposal of treasury shares		(30)		81	(13)	37		37
Purchase of treasury shares		(20)		(2,000)		(2,020)		(2,020)
Share-based payment transactions					208	208		208
Dividends			(2,612)			(2,612)		(2,612)
Total transactions with the owners	-	(50)	(2,612)	(1,919)	195	(4,386)	-	(4,386)
Balance as of March 31, 2022	100	15,704	49,560	(1,919)	2,265	65,710	6	65,716

## (5) Condensed consolidated statement of cash flows

(in millions, JPY)

	2nd Quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	12,414	9,046
Depreciation and amortization	8,433	10,945
Impairment losses	536	1,791
Finance income	(89)	(172)
Finance expenses	437	448
Increase (decrease) in provision for bonuses	1,013	(1,583)
Amount of rent offset by lease and guarantee deposits	139	132
Share of loss (profit) of entities accounted for using equity method	383	289
Increase/decrease in trade and other receivables, (increase)	(4,945)	2,730
Increase/decrease in inventories, (increase)	(202)	(774)
Increase/decrease in trade and other payables, (decrease)	3,043	2,753
Others	(1,460)	(1,678)
Subtotal	19,703	23,928
Interest and dividend income received	2	5
Interest paid	(340)	(401)
Income taxes paid	(3,349)	(6,867)
Net cash from operating activities	16,016	16,665
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,021)	(7,372)
Proceeds from sales of property, plant and equipment	252	0
Purchase of intangible assets	(186)	(792)
Payments into time deposits	(294)	-
Payments for lease and guarantee deposits	(706)	(669)
Purchase of investment securities	(52)	-
Others	31	31
Cash flows from investing activities	(6,975)	(8,801)
Cash flows from financing activities		
Proceeds from issuance of bonds	19,918	-
Net increase (decrease) in short-term borrowings	12	-
Proceeds from long-term borrowings	35,000	34,000
Repayments of long-term borrowings	(36,741)	(2,005)
Repayments of lease liabilities	(5,297)	(7,142)
Payments for commission fees	(13)	(2)
Purchase of treasury shares	-	(2,000)
Proceeds from exercise of share acquisition rights	-	24
Cash dividends paid	(1,739)	(2,608)
Others	(32)	(6)
Cash flows from financing activities	11,109	20,262
Net increase/decrease in cash and cash equivalents, (decrease)	20,149	28,126
Cash and cash equivalents at beginning of year	12,665	29,367
Effect of exchange rate changes on cash and cash equivalents	210	416
Cash and cash equivalents at end of year	33,024	57,909

(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 cash flows)

The financial materiality of “ Increase (decrease) in provision for bonuses ” presented in “ Others ” in “ Cash flows from operating activities ” in the 2nd quarter of the fiscal year ended September 30, 2021 increased, and they have therefore been stated separately from the 1st quarter of the fiscal year ending September 30, 2022. In order to reflect these changes in method of presentation, the condensed consolidated statement of cash flows for the 2nd quarter of the fiscal year ended September 30, 2021 has been reclassified.

As a result, (447) million yen presented in “ Others ” in “ Cash flows from operating activities ” in the 2nd quarter of the fiscal year ended September 30, 2021 has been reclassified as 1,013 million yen in “ Increase (decrease) in provision for bonuses ” and (1,460) million yen in “ Others. ”

(Segment information)

(1) Overview of Reportable Segments

The Group ’ s reportable segments consist mainly of business segments. Until the fiscal year ended September 30, 2021, the Group only had a single segment consisting of the sushi business. However, from the 1st quarter of fiscal year ending September 30, 2022, the Group has changed its segment classifications to the Japan Sushiro Business, the Overseas Sushiro Business, the Kyotaru Business, and Other Businesses.

As a result of reviewing its business segments from the perspective of business development, reallocation of management resources, and the actual status of the management and control system, the Group decided to change to the reportable segments described above as the priority businesses in the FOOD & LIFE COMPANIES 2022 - 2024 Medium-term Management Plan.

The major brands included in each reportable segment are as follows.

Japan Sushiro Business: Sushiro and takeout specialty stores operating in Japan

Overseas Sushiro Business: Sushiro and takeout specialty stores operating overseas

Kyotaru Business: All brands managed by KYOTARU CO., LTD. (major brands: Kyotaru, Kaiten Sushi Misaki, and Kaisen Misakiko)

Other Businesses: All brands managed by FOOD & LIFE INNOVATIONS LTD. (major brand: Sugidama)

Segment information for the 1st quarter of the fiscal year ended September 30, 2021 has been disclosed based on the segment classifications after the change.

The Kyotaru Business is business segment relating to KYOTARU CO. LTD., which became a consolidated subsidiary of the Group on April 1, 2021, and its two subsidiaries, and there are no actual figures for the business in the Group for the 2nd quarter of the fiscal year ended September 30, 2021.

(2) Reportable segment revenues and operating results

Revenues and operating results for the Group ' s reportable segments are as follows.

2nd Quarter Ended March 31, 2021 (October 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reportable segment				Total	Total adjustments	Consolidated total
	Japan Sushiro Business	Overseas Sushiro Business	Kyotaru Business	Other			
Revenue							
External revenue	110,323	7,875	-	844	119,042	-	119,042
Intersegment revenue	71	-	-	-	71	(71)	-
Total	110,394	7,875	-	844	119,113	(71)	119,042
Segment profit (loss) Notes 1	13,660	(175)	-	(602)	12,883	231	13,114
Other Items							
Depreciation and amortization	7,031	1,101	-	153	8,286	148	8,433
Impairment loss	64	109	-	363	536	-	536

Notes 1. Segment profit (loss) is reconciled with operating profit on the consolidated statement of profit and loss.

2. Adjustment of 231 million yen in segment profit (loss) is mainly for corporate expenses not attributable to any reportable segment.

2nd Quarter Ended March 31, 2022 (October 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable segment				Total	Total adjustments	Consolidated total
	Japan Sushiro Business	Overseas Sushiro Business	Kyotaru Business	Other			
Revenue							
External revenue	112,273	15,249	10,768	1,967	140,257	-	140,257
Intersegment revenue	68	-	-	-	68	(68)	-
Total	112,340	15,249	10,768	1,967	140,325	(68)	140,257
Segment profit (loss) Notes 1	9,197	196	(977)	(370)	8,046	1,525	9,572
Other Items							
Depreciation and amortization	7,853	1,908	821	185	10,767	178	10,945
Impairment loss	483	439	704	164	1,791	-	1,791

Notes 1. Segment profit (loss) is reconciled with operating profit on the consolidated statement of profit and loss.

2. Adjustment of 1,525 million yen in segment profit (loss) is mainly for corporate expenses not attributable to any reportable segment.

(Selling, general and administrative expenses)

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

	2nd Quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)
Employee benefits	32,012	37,857
Depreciation and amortization	8,416	10,899
Utilities expenses	2,240	3,133
Commission expenses	1,494	2,359
Other	8,661	12,677
Total	52,823	66,925

(Earnings per share)

	2nd Quarter Ended March 31, 2021 (From October 1, 2020 to March 31, 2021)	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)
Profit for the period attributable to common shareholders of the parent (million yen)	7,811	5,588
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	7,811	5,588
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	7,811	5,588
Average number of shares during the period	116,049,736	115,788,904
Increase in number of common shares used in calculation for diluted earnings per share	538,138	726,533
Average number of common shares during the period after dilution	116,587,874	116,515,437
Basic earnings per share (yen)	67.31	48.26
Diluted earnings per share (yen)	67.00	47.96
Outline of potentially dilutive shares excluded from the calculation of diluted earnings per share due to the absence of dilutive effects	A kind of subscription rights to shares (Common shares 8 thousand shares)	2 kinds of subscription rights to shares (Common shares 70 thousand shares)

(Important subsequent events)

Not applicable.