

This is an English translation of the original Japanese-language document. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.

## Consolidated Financial Results for the Fiscal Year Ended September 30, 2022 [IFRS]

November 4, 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: Managing Officer Takeshi Yoshida Phone: 06-6368-1001  
 Scheduled date of annual general meeting of shareholders: December 22, 2022 Scheduled date to commence dividend payment: December 23, 2022  
 Scheduled filing date to file Annual Securities Report: December 23, 2022  
 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 Fiscal Year Ended September 30, 2022 (October 1, 2021 to September 30, 2022)

#### (1) Consolidated operating results (cumulative)

(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		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended September 30, 2022	281,301	16.8	10,123	(55.8)	7,564	(65.0)	3,621	(72.4)	3,607	(72.6)	5,713	(59.3)
Fiscal year ended September 30, 2021	240,804	17.5	22,901	89.9	21,584	104.9	13,119	104.3	13,185	104.2	14,025	116.2

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2022	31.16	30.98	5.7	2.4	3.6
Fiscal year ended September 30, 2021	113.61	113.05	23.2	8.1	9.5

Reference: Investment gains/losses by equity method:

Fiscal Year Ended September 30, 2022: -2,056 million yen

Fiscal Year Ended September 30, 2021: -541 million yen

#### (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	Equity per share attributable to owners of the parent
	Million yen	Million yen	Million yen	%	Yen
Fiscal year ended September 30, 2022	331,982	65,134	65,117	19.3	554.51
Fiscal year ended September 30, 2021	296,001	63,573	63,569	21.3	552.48

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended September 30, 2022	29,514	(19,647)	10,539	50,637
Fiscal year ended September 30, 2021	31,679	(17,286)	2,107	29,367

### 2. Dividends

	Annual dividends					Dividends paid (total)	Payout ratio (consol.)	Dividend on equity (consol.)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended September 30, 2021	—	0.00	—	22.50	22.50	2,612	19.8	4.5
Fiscal year ended September 30, 2022	—	0.00	—	22.50	22.50	2,603	72.2	4.1
Fiscal Year Ending September 30, 2023 (forecast)	—	0.00	—	22.50	22.50		43.4	

Notes:

For more information, refer to “(4) Basic policy on profit distribution, and dividends in current and next period” under “1. Overview of operating results” on page 5 of the attached materials.

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2023 (October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		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, 2023	320,000	13.8	11,000	8.7	9,500	25.6	6,000	65.7	6,000	66.4	Yen 51.87

\* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: Shenzhen Sushiro Restaurants Co., Ltd.  
Chengdu Sushiro Restaurants Co., Ltd. and 1 more companies  
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)	Fiscal year ended September 30,2022	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	Fiscal year ended September 30,2022	394,448 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)	Fiscal year ended September 30,2022	115,730,819 shares	Fiscal year ended September 30,2021	116,059,047 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

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 “(2) Out look for the next period” under “1. Overview of operating results” on page 3 of the attached materials.

## Table of contents for attached materials

1. Overview of operating results .....	2
(1) Overview of operating results during the period .....	2
(2) Overview of financial position during the period .....	4
(3) Cash flows during the period .....	4
(4) Basic policy on profit distribution, and dividends in current and next period .....	5
2. Basic thinking on selection of accounting standards .....	5
3. Consolidated Financial Statements and Important Notes .....	6
(1) Consolidated statement of financial position .....	6
(2) Consolidated statement of profit and loss .....	8
(3) Consolidated statement of comprehensive income .....	9
(4) Consolidated statement of changes in equity .....	10
(5) Consolidated statement of cash flows .....	11
(6) Notes on consolidated financial statements .....	13
(Notes regarding assumption of a going concern) .....	13
(Changes in Method of Presentation) .....	13
(Segment information) .....	13
(Selling, general and administrative expenses) .....	15
(Earnings per share) .....	15
(Important subsequent events) .....	16

## 1. Overview of operating results

### (1) Overview of operating results during the period

#### 1) Operating results during the period

During the consolidated fiscal year ended September 30, 2022, although the quasi-emergency measures to prevent the spread of COVID-19 ended in March 2022 and economic activity gradually normalized, the outlook for the Japanese economy remained uncertain due to factors such as the rise in resource prices with the Russian invasion of Ukraine, a sharp depreciation in the yen, soaring prices of various commodities, and the arrival of the seventh wave of COVID-19 as the Omicron strain was replaced by BA-5 in July 2022.

Similarly, the restaurant sector also continued to face challenging conditions due to the rise in resource prices with the Russian invasion of Ukraine, the depreciation in the yen, soaring prices of various commodities, the arrival of the seventh wave of COVID-19 and other factors.

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	Nine-month period ended June 30 2022
Japan: Sushiro (TOGO)	610 (15)	48 (13)	14 (10)	644 (18)
Japan: Sugidama (FC)	39 (6)	29 (9)	1	67 (15)
Japan: Kyotaru	154 (—)	8	7	155 (—)
Japan:Kaiten Sushi Misaki/Misakimaru	106 (—)	1	4	103 (—)
Japan: Others	29 (—)	2	6	25 (—)
Japan total	938 (21)	88 (22)	32 (10)	994 (33)
Overseas: Sushiro (TOGO)	59 (1)	28 (1)	—	87 (2)
Overseas: Others	2 (—)	—	—	2 (—)
Overseas total	61 (1)	28 (1)	—	89 (2)
Total	999 (22)	116 (23)	32 (10)	1,083 (35)

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

As a result, revenue for the consolidated fiscal year ended September 30, 2022 totaled 281,301 million yen (16.8% year on year), operating profit 10,123 million yen (-55.8% year on year), profit before income taxes 7,564 million yen (-65.0% year on year), and profit for the period attributable to owners of the parent 3,607 million yen (-72.6% year on year).

Operating results by segment are as follows.

#### (Japan Sushiro Business)

The quasi-emergency measures to prevent the spread of infection ended in March 2022, and there has been a gradual recovery of in-store eating and drinking. The Japan Sushiro business held the Sushiro anniversary fair as an initiative to restore business performance. The first phase of the fair featured sales of double fresh salmon plates with the theme of “Shine! Japan’s delicious fish.” The second phase featured sales of fluffy unagi (eel) plates steamed in-store with the theme of “Shine! Japan’s amazing skills.” The third phase offered the equivalent of three yellow plates free of charge to elementary school-age and younger children with the theme of “Shine! Smiling faces of children.”

In June 2022, the Japan Sushiro business was subject to an administrative order from the Consumer Affairs Agency related to the Act against Unjustifiable Premiums and Misleading Representations, and in July 2022 in-store notices about the half-price beer mug campaign were posted before the campaign began in some stores. These incidents among others resulted in a loss of customer trust. In order to prevent similar problems from occurring in the future, we will observe compliance, listen to the voices of customers, ensure improvements are made where needed, and

make company-wide efforts to restore customer trust by striving to make our stores more loved by customers than ever before.

As a result of the above, net sales of the Japan Sushiro Business were 218,058 million yen, (+2.3% year on year) and segment profit was 8,828 million yen (-65.8% year on year).

(Overseas Sushiro Business)

Although operating restrictions on restaurants due to COVID-19 continued in various countries and regions, they have been gradually eased, and restaurant operations are now recovering. Under these conditions, in anticipation of the period after COVID-19, we opened our seventh store in Guangzhou, and opened a new store in Shenzhen. We also made plans to open a store in Chengdu. We continued to open new stores in other regions, including four stores in Taiwan, six stores in Hong Kong, two stores in Singapore, and eight stores in Thailand.

Furthermore, to maintain and increase the number of customers visiting stores, we continued to implement attractive sales promotion and marketing measures in each region, including the Sushiro First Anniversary Festival in Guangzhou, the Prawn Fair in South Korea, the Fatty Tuna 40 Yuan Fair in Taiwan, the Tokoton Hokkaido Sanriku Fair in Hong Kong, the Tenkomori Festival in Singapore, and the Three-Piece Sushi Assortment Festival in Thailand.

As a result of the above, net sales of the Overseas Sushiro Business were 38,298 million yen (+125.5% year on year) and segment profit was 2,191 million yen (segment loss was 1,208 million yen in the same period of previous fiscal year).

(Kyotaru Business)

In the Kyotaru brand, while the recovery in sales in the first half of the year was delayed due to the impact of COVID-19, we continued to implement transition measures such as multi-brand trials and a shift to room temperature for major kamigata sushi and some boxed lunch products (September 2022). In the future, we will enhance the novelty in presentation and further improve customer numbers by making more use of the Kyotaru Central Kitchen, expanding the product lineup, and making innovations in display methods.

In the Misaki brand, after the rebranding in the first half of the year, we continued to implement transition measures, including the revamping of the grand menu at all restaurants and the introduction of a new plate accounting system, although there was a delay in sales recovery due to the impact of COVID-19. In September 2022, we also opened a hybrid restaurant that combines both express lanes and an artisan counter to meet the needs of customers who want a quick meal. We will further verify the services required by customers.

As a result of the above, net sales of the Kyotaru Business were 21,411 million yen and segment loss was 3,023 million yen.

Year-on-year comparison is difficult since this business was included in the scope of consolidation from the third quarter of the previous fiscal year due to the conversion of Kyotaru Co., Ltd. into a consolidated subsidiary. Therefore, year-on-year comparisons have been omitted.

2) Outlook for the next period

The Company forecasts revenue of 320,000 million yen (+13.8% year on year), operating profit of 11,000 million yen (+8.7% year on year), and profit for the year attributable to owners of the parent of 6,000 million yen (+66.4% year on year).

## (2) Overview of financial position during the period

### 1) Assets, liabilities and equity

#### (Assets)

The balance of total assets increased 35,981 million yen from the end of the previous consolidated fiscal year to 331,982 million yen.

The balance of current assets increased 19,151 million yen from the end of the previous consolidated fiscal year to 67,993 million yen. This mainly reflected a 21,270 million yen increase in cash and cash equivalents.

The balance of non-current assets increased 16,830 million yen from the end of the previous consolidated fiscal year to 263,990 million yen. This mainly reflected a 15,937 million yen increase in property, plant and equipment resulting from an opening new stores.

#### (Liabilities)

Total liabilities increased 34,420 million yen from the end of the previous consolidated fiscal year to 266,848 million yen.

The balance of current liabilities decreased 5,793 million yen from the end of the previous consolidated fiscal year to 54,067 million yen. This mainly reflected a 2,535 million yen increase in lease liabilities, alongside a 6,641 million yen decrease in income tax payable and a 1,030 million yen decrease in provisions.

The balance of non-current liabilities increased 40,213 million yen from the end of the previous consolidated fiscal year to 212,781 million yen. This was mainly attributable to a 30,027 million yen increase in bonds and borrowings.

#### (Equity)

Total equity increased 1,561 million yen from the end of the previous consolidated fiscal year to 65,134 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 3,607 million yen in profit for the period and 2,188 million yen increase in foreign currency translation adjustment.

### (3) Cash flows during the period

In the consolidated fiscal year ended September 30, 2022, cash and cash equivalents (hereinafter "Cash" ) increased 21,270 million yen from the end of the previous consolidated fiscal year to 50,637 million yen.

The breakdown of cash flows by activities and underlying factors for the consolidated fiscal year ended September 30, 2022 is shown below.

#### (Cash flows from operating activities)

Cash provided by operating activities totaled 29,514 million yen (-6.8% year on year).

This mainly reflected the booking of 7,564 million yen in profit before income taxes, the booking of 22,902 million yen in depreciation and amortization, 6,821 million yen in impairment losses and a 6,025 million yen decrease in trade and other receivables, alongside a 1,339 million yen increase in inventory and a 12,775 million yen in income tax paid.

#### (Cash flows from investing activities)

Cash used in investing activities came to 19,647 million yen (+13.7% year on year).

This was mainly attributable to 16,093 million yen in purchase of property, plant and equipment accompanying store openings.

#### (Cash flows from financing activities)

Cash used in financing activities amounted to 10,539 million yen (+400% year on year). This mainly reflected a 14,905 million yen in repayments of lease liabilities, a 4,009 million yen in repayments of long-term borrowings, a 2,609 million yen in cash dividends paid, alongside a 34,000 million yen in increase of long-term borrowings.

Reference: Trends in cash flow indicators

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Ratio of equity attributable to owners of the parent (%)	21.4	21.3	19.3
Ratio of equity attributable to owners of the parent on market value basis (%)	129.5	202.3	77.5
Cash flows to interest-bearing debt ratio (%)	570.0	543.3	725.8
Interest coverage ratio (x)	37.2	41.7	31.6

Note:

Ratio of equity attributable to owners of the parent:  $\text{Equity attributable to owners of the parent} / \text{Total assets}$

Ratio of equity attributable to owners of the parent on market value basis:  $\text{Market capitalization} / \text{Total assets}$

Cash flows to interest-bearing debt ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio:  $\text{Cash flows} / \text{Interest payment}$

\* All indicators have been calculated using consolidated financial figures based on IFRS.

\* Market capitalization is calculated as the share price at the fiscal year-end multiplied by the number of shares outstanding (excluding treasury stock) at the fiscal year-end.

\* Cash flow figures reflect the cash flows from operating activities included in the consolidated statement of cash flows. Interest-bearing debt reflects debts subject to interest payments recorded on the consolidated statement of financial position. In addition, interest payments refer to interest payments recorded on the consolidated statement of cash flows.

(4) Basic policy on profit distribution, and dividends in current and next period

The Company regards the return of profits to its shareholders as an important management issue. Our basic policy is to continuously enhance performance and provide ongoing, appropriate profit distribution in line with performance. The Company has decided to pay a final dividend per share of 22.50 yen for the fiscal year ended September 30, 2022 as a result of comprehensively considering the balance between future investment for growth and shareholder returns in the context of the challenging management environment in the fiscal year under review.

In the next fiscal year, the Company plans an annual dividend per share of 22.50 yen assuming the outlook for the next period described on page 3 of the attached materials is achieved.

2. Basic thinking on selection of accounting standards

The Sushiro Group has adopted the International Financial Reporting Standards (IFRS) since the year ended September 30, 2016 with the aim of enhancing the international comparability of its financial information in capital markets as well as overall convenience.

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated statement of financial position

(in millions, JPY)

	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	29,367	50,637
Trade and other receivables	15,004	11,397
Inventories	2,146	3,534
Other financial assets	442	457
Other current assets	1,883	1,967
<b>Total current assets</b>	<b>48,841</b>	<b>67,993</b>
Non-current assets		
Property, plant and equipment	146,554	162,490
Goodwill	30,541	30,371
Intangible assets	54,634	55,968
Equity method investment	1,855	178
Lease and guarantee deposits	12,182	13,420
Other financial assets	487	541
Deferred tax assets	411	191
Other non-current assets	496	830
<b>Total non-current assets</b>	<b>247,159</b>	<b>263,990</b>
<b>Total assets</b>	<b>296,001</b>	<b>331,982</b>
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	26,676	27,435
Borrowings	4,009	4,009
Income taxes payable	6,831	189
Lease liabilities	13,115	15,650
Other financial liabilities	1,419	963
Provisions	3,377	2,347
Other current liabilities	4,432	3,473
<b>Total current liabilities</b>	<b>59,860</b>	<b>54,067</b>
Non-current liabilities		
Trade and other payables	46	23
Bonds and Borrowings	58,896	88,923
Lease liabilities	96,094	105,624
Other financial liabilities	86	100
Provisions	3,233	4,012
Deferred tax liabilities	14,175	14,092
Other non-current liabilities	38	5
<b>Total non-current liabilities</b>	<b>172,568</b>	<b>212,781</b>
<b>Total liabilities</b>	<b>232,428</b>	<b>266,848</b>

	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2022
Equity		
Capital stock	100	100
Capital surplus	15,755	15,692
Retained earnings	46,584	47,579
Treasury stock	(0)	(1,894)
Other components of equity	1,130	3,639
Total equity attributable to owners of the parent	<u>63,569</u>	<u>65,117</u>
Non-controlling interests	<u>4</u>	<u>18</u>
Total equity	<u>63,573</u>	<u>65,134</u>
Total liabilities and equity	<u><u>296,001</u></u>	<u><u>331,982</u></u>

## (2) Consolidated statement of profit and loss

(in millions, JPY)

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Revenue	240,804	281,301
Cost of sales	(110,577)	(130,287)
Gross profit	130,227	151,014
Selling, general and administrative expenses	(115,668)	(138,025)
Other income	11,119	4,558
Other expenses	(2,777)	(7,423)
Operating profit	22,901	10,123
Finance income	68	499
Finance expenses	(844)	(1,003)
Share of profit (loss) of investments accounted for using equity method	(541)	(2,056)
Profit before income taxes	21,584	7,564
Income taxes	(8,465)	(3,943)
Profit for the year	13,119	3,621
Profit attributable to:		
Owners of the parent	13,185	3,607
Non-controlling interests	(66)	14
Profit for the year	13,119	3,621
Earnings per share		
Basic earnings per share (yen)	113.61	31.16
Diluted earnings per share (yen)	113.05	30.98

## (3) Consolidated statement of comprehensive income

(in millions, JPY)

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Profit for the period	13,119	3,621
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of finance assets measured at fair value through other comprehensive income	25	(96)
Total of items that will not be reclassified to profit or loss	25	(96)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	883	2,188
Effective portion of changes in fair value of cash flow hedges	(3)	—
Total of items that may be reclassified subsequently to profit or loss	880	2,188
Other comprehensive income after taxes	906	2,092
Total comprehensive income for the year	14,025	5,713
Attributable to:		
Owners of the parent	14,091	5,700
Non-controlling interests	(66)	13
Total comprehensive income for the year	14,025	5,713

## (4) Consolidated statement of changes in equity

(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 year			13,185			13,185	(66)	13,119
Other comprehensive income					906	906	—	906
Total comprehensive income	—	—	13,185	—	906	14,091	(66)	14,025
Capital reduction	(7)	7				—		—
Exercise of subscription rights to shares	7	7			(13)	0		0
Lapse of subscription rights to shares			3		(3)	—		—
Share-based payment transactions					336	336		336
Dividends			(1,741)			(1,741)		(1,741)
Capital increase of consolidated subsidiaries						—	56	56
Purchase of shares of consolidated subsidiaries		(6)				(6)	6	—
Change in scope of consolidation			(19)			(19)	(4)	(24)
Total transactions with the owners	—	—	(1,757)	—	319	(1,430)	58	(1,372)
Balance as of September 30, 2021	100	15,755	46,584	(0)	1,130	63,569	4	63,573
Profit for the year			3,607			3,607	14	3,621
Other comprehensive income					2,092	2,092	(1)	2,092
Total comprehensive income	—	—	3,607	—	2,092	5,700	13	5,713
Disposal of treasury shares		(42)		106	(13)	50		50
Purchase of treasury shares		(20)		(2,000)		(2,020)		(2,020)
Share-based payment transactions					430	430		430
Dividends			(2,612)			(2,612)		(2,612)
Total transactions with the owners	—	(62)	(2,612)	(1,894)	417	(4,151)	—	(4,151)
Balance as of September 30, 2022	100	15,692	47,579	(1,894)	3,639	65,117	18	65,134

## (5) Consolidated statement of cash flows

(in millions, JPY)

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	21,584	7,564
Depreciation and amortization	18,565	22,902
Impairment losses	2,361	6,821
Finance income	(67)	(499)
Finance expenses	871	999
Increase (decrease) in provision for bonuses	1,794	(992)
Amount of rent offset by lease and guarantee deposits	275	260
Share of loss (profit) of entities accounted for using equity method	541	2,056
Increase/decrease in trade and other receivables, (increase)	(8,077)	6,025
Increase/decrease in inventories, (increase)	61	(1,339)
Increase/decrease in trade and other payables, (decrease)	1,391	756
Others	(1,377)	(1,339)
Subtotal	37,921	43,213
Interest and dividend income received	43	11
Interest paid	(761)	(935)
Income taxes paid	(5,525)	(12,775)
Net cash from operating activities	31,679	29,514
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,273)	(16,093)
Proceeds from sales of property, plant and equipment	252	0
Purchase of intangible assets	(328)	(1,841)
Payments into time deposits	(460)	—
Proceeds from withdrawal of time deposits	460	—
Payments for lease and guarantee deposits	(1,500)	(1,500)
Purchase of investment securities	(227)	(200)
Purchase of subsidiaries	(2,289)	—
Equity method investment	—	(255)
Others	78	242
Cash flows from investing activities	(17,286)	(19,647)
Cash flows from financing activities		
Proceeds from issuance of bonds	19,918	—
Proceeds from long-term borrowings	35,000	34,000
Repayments of long-term borrowings	(38,745)	(4,009)
Repayments of lease liabilities	(12,298)	(14,905)
Payments for commission fees	(15)	(2)
Purchase of treasury shares	—	(2,000)
Proceeds from exercise of share acquisition rights	—	46
Capital contribution from non-controlling interests	14	—
Cash dividends paid	(1,739)	(2,609)
Others	(28)	18
Cash flows from financing activities	2,107	10,539
Net increase/decrease in cash and cash equivalents, (decrease)	16,499	20,407

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Cash and cash equivalents at beginning of year	12,665	29,367
Effect of exchange rate changes on cash and cash equivalents	203	863
Cash and cash equivalents at end of year	29,367	50,637

(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 3rd 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 3rd quarter of the fiscal year ended September 30, 2021 has been reclassified.

As a result, 417 million yen presented in “Others” in “Cash flows from operating activities” in the the fiscal year ended September 30, 2021 has been reclassified as 1,794 million yen in “Increase (decrease) in provision for bonuses” and (1,377) 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 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 3rd 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.

Fiscal Year Ended September 30, 2021 (October 1, 2020 to September 30, 2021)

(Unit: Millions of yen)

	Reportable segment				Total	Total adjustments (Notes 2)	Consolidated total
	Japan Sushiro Business	Overseas Sushiro Business	Kyotaru Business	Other			
Revenue							
External revenue	213,084	16,983	9,267	1,469	240,804	—	240,804
Intersegment revenue	153	—	—	—	153	(153)	—
Total	213,237	16,983	9,267	1,469	240,956	(153)	240,804
Segment profit (loss) (Notes 1)	25,818	(1,208)	181	(1,198)	23,593	(692)	22,901
Other Items							
Depreciation and amortization	14,512	2,595	846	307	18,260	304	18,565
Impairment loss	704	542	393	721	2,361	—	2,361

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

2. Adjustment of 692 million yen in segment profit (loss) is mainly for corporate expenses not attributable to any reportable segment.

Fiscal Year Ended June 30, 2022 (October 1, 2021 to September 30, 2022)

(Unit: Millions of yen)

	Reportable segment (Notes 2)				Total	Total adjustments (Notes 3)	Consolidated total
	Japan Sushiro Business	Overseas Sushiro Business	Kyotaru Business	Other			
Revenue							
External revenue	217,990	38,298	21,072	3,941	281,301	—	281,301
Intersegment revenue	68	—	339	—	407	(407)	—
Total	218,058	38,298	21,411	3,941	281,707	(407)	281,301
Segment profit (loss) (Notes 1)	8,828	2,191	(3,023)	(593)	7,403	2,720	10,123
Other Items							
Depreciation and amortization	15,923	4,467	1,659	441	22,490	412	22,902
Impairment loss	4,170	565	1,881	203	6,821	—	6,821

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

2. 1,881 million yen in Impairment loss in Kyotaru Business includes 170 million yen in impairment loss of goodwill.

3. Adjustment of 2,720 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.

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Employee benefits	67,885	77,755
Depreciation and amortization	18,504	22,802
Utilities expenses	5,060	7,123
Other	24,220	30,345
Total	115,668	138,025

(Earnings per share)

	Fiscal Year Ended September 30, 2021 (From October 1, 2020 to September 30, 2021)	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)
Profit for the period attributable to common shareholders of the parent (million yen)	13,185	3,607
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	13,185	3,607
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	13,185	3,607
Average number of shares during the period	116,059,047	115,730,819
Increase in number of common shares used in calculation for diluted earnings per share	571,081	695,326
Average number of common shares during the period after dilution	116,630,128	116,426,145
Basic earnings per share (yen)	113.61	31.16
Diluted earnings per share (yen)	113.05	30.98
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 23 thousand shares)	2 kinds of subscription rights to shares (Common shares 120 thousand shares)

(Important subsequent events)

Not applicable.