Financial Results Summary
FY2022/9

FOOD & LIFE COMPANIES

Nov 4, 2022

CONTENTS

FOOD & LIFE COMPANIES

FY22/9 Financial Results

FOOD & LIFE
COMPANIES

[Consolidated] **Financial Highlights, FY22/9**

- Revenue of Sushiro Japan (the group's core brand), was plateaued, due to COVID (1H) and incidents (2H), but for Overseas Sushiro revenue grew strongly, which led to the group consolidated revenue exceeding JPY 280 bil, 16.8% increase from FY21.
- Profits dropped sharply due to the absence of Advantageous Procurement (JPY 4.0 bil) in FY21, the losses from Impairment in Other Expenses (JPY 6.8 bil) and from Equity Method Investment in Finance Expenses (JPY 2.0 bil)

(in millions, JPY)	FY21/9 (cumulative)		FY22/Q9 (cumulative)			
	Actual	% in Revenue	Actual	% in Revenue	YoY%	vs Forecast [2]
Revenue	240,804	–	281,301	–	16.8%	0.5%
Operating Profit	22,901	9.5%	10,123	3.6%	▲ 55.8%	19.1%
Profit before Income Taxes	21,584	9.0%	7,564	2.7%	▲ 65.0%	26.1%
Profit for the Period	13,119	5.4%	3,621	1.3%	▲ 72.4%	20.7%
EBITDA [1]	31,887	13.2%	25,560	9.1%	▲ 19.8%	–
COGS	110,577	45.9%	130,287	46.3%	0.4pt	–
Store Count	999	–	1,083	–	84	–

[NOTE] (1) EBITDA = 'Operating Profit' adjusted for Depreciation & Amortization (excluding Depreciation of Right-of-Use Asset) and Impairment

Some errors were found in EBITDA figures, so the figures have been revised as of December 6, 2012.

(2) ' vs .Forecast ' is the achievement rate a against full-year forecast announced on Aug 4th

[Consolidated] **Financial Highlights By Segment, FY22/9**

- [Sushiro Japan] Revenue was much lower than expected due to COVID and the incidents. Profits also decreased due to Impairment (JPY 4.1 bil) and the lack of Advantageous Procurement effect of FY21.
- [Sushiro Overseas] The performance recovered steadily after the lifting of COVID restrictions, achieving gig increase both in Revenue and Profits.
- [Kyotaru Business] Turnaround measures (re-branding, etc.) of the entire business currently in progress. But for FY22/9, the business reported loss in Operating Profit due to Impairment (JPY 1.8 bil.), etc.

	Sushiro Japan			Sushiro Overseas[1]			Kyotaru Business[2]			Other Business		
(in millions, JPY)	FY21/9	FY22/9	Increase/ Decrease	FY21/9	FY22/9	Increase/ Decrease	FY21/9	FY22/9	Increase/ Decrease	FY21/9	FY22/9	Increase/ Decrease
Revenue	213,084	217,990	2.3%	16,983	38,298	125.5%	9,267	21,072	127.4%	1,469	3,940	168.2%
Operating Profit (w/o loyalty exchange)	25,665	13,571	▲47.1%	▲697	3,351	–	275	▲2,546	–	▲1,198	▲494	–
Depreciation & Amortization	14,512	15,923	9.7%	2,595	4,467	72.2%	846	1,659	96.1%	307	441	43.6%
Impairment	704	4,170	492.3%	542	565	4.3%	393	1,881	378.1%	721	203	▲71.8%
EBITDA	31,648	23,600	▲25.4%	970	6,272	546.4%	733	▲495	–	▲400	▲206	–
Store Count	610	644	(34)	59	88	(29)	287	282	(▲5)	43	69	(26)

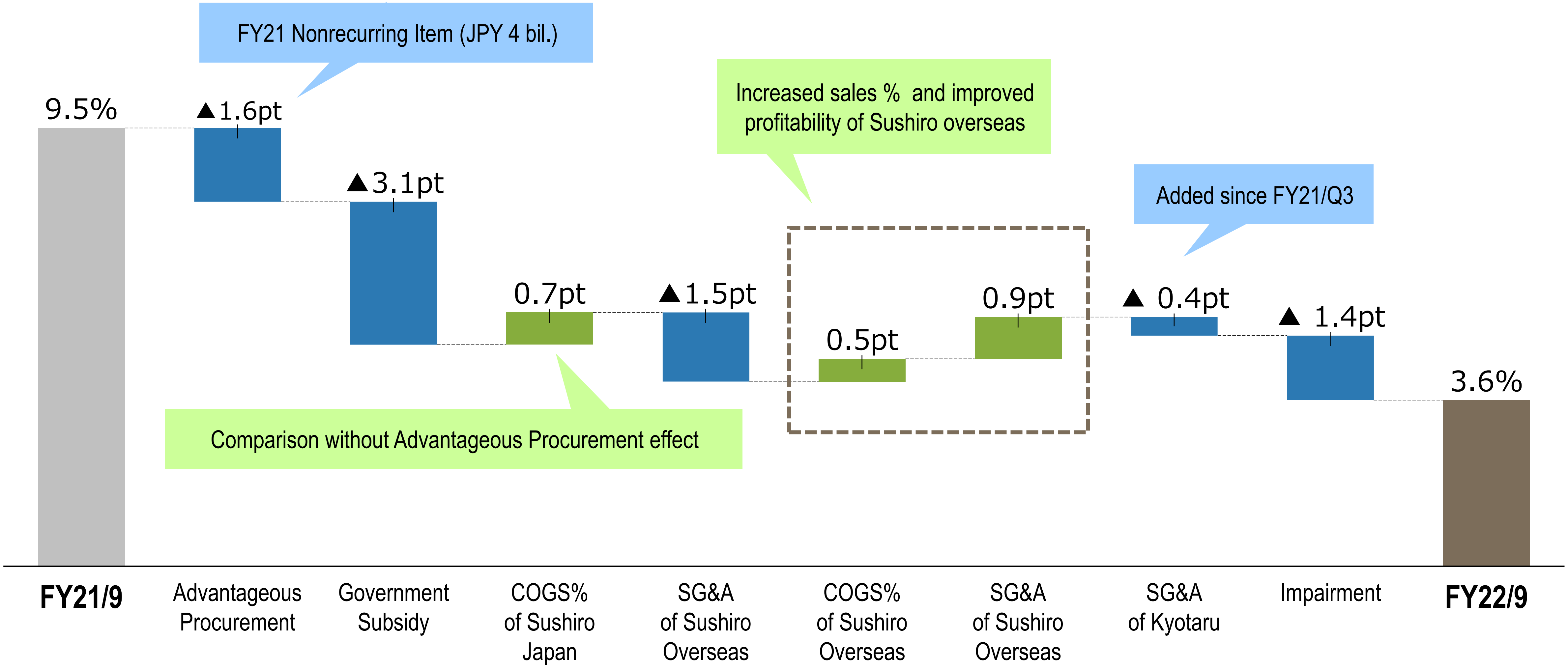
[Note] (1) Sushiro Overseas' includes on Sugidama store opened in Hong Kong in August 2022 (2) Kyotaru business is added from FY21/Q3 results
(3) The difference between consolidated operating profit and the sum of operating profits of all segments is the amount of cross-segment transactions as well as the amount of all-company-level expenses that don't belong to above segments.

[Consolidated] **Financial Highlights By Segment, FY22/ Q1, Q2, Q3, Q4**

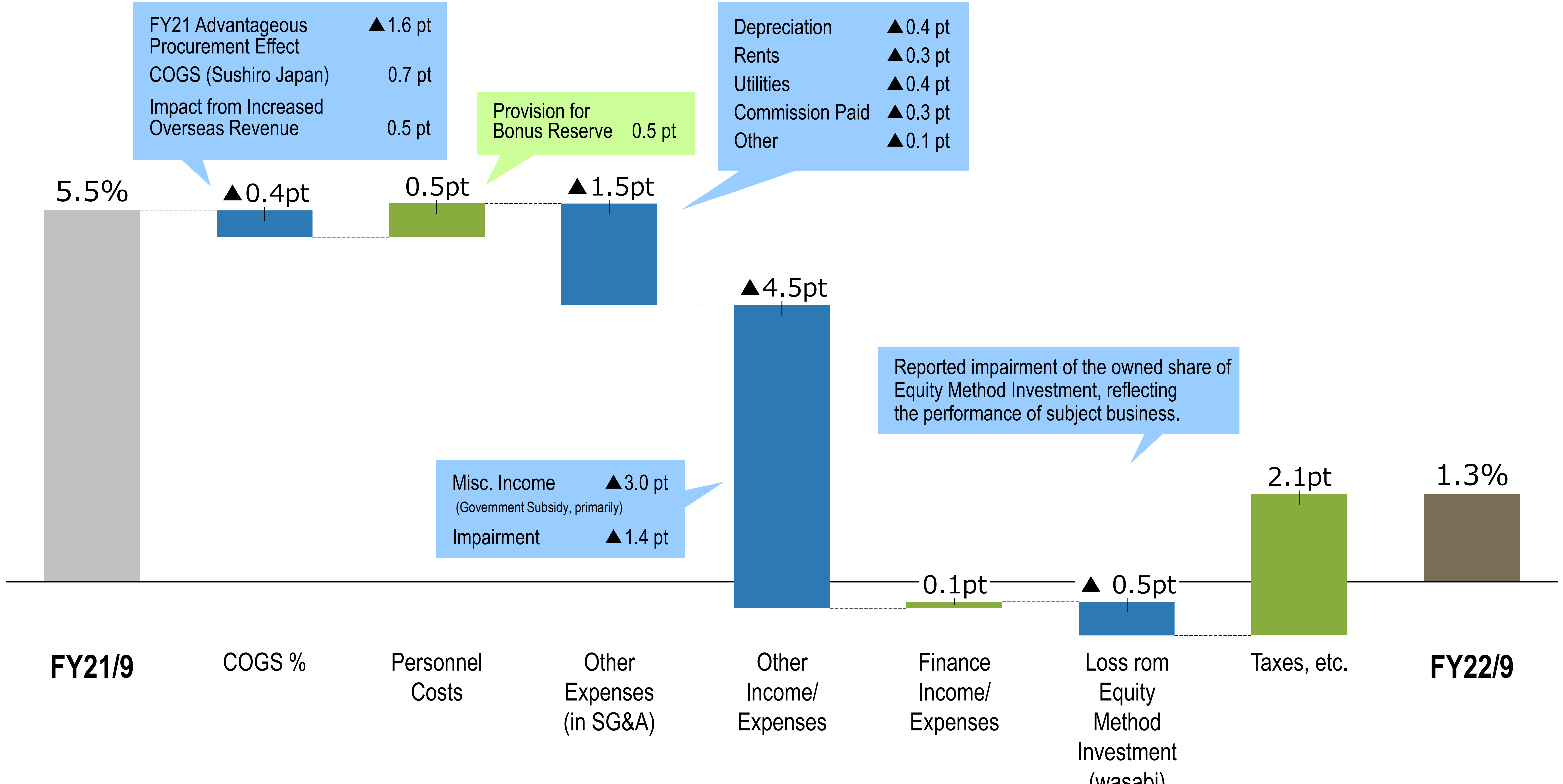
	(in millions, JPY)	Sushiro Japan 実績	Sushiro Japan 比率(2)	Sushiro Overseas 実績	Sushiro Overseas 比率(2)	Kyotaru Business 実績	Kyotaru Business 比率(2)	Other Business 実績	Other Business 比率(2)
Q1 FY22	Revenue	57,424	80.2%	7,493	10.5%	5,708	8.0%	977	1.3%
	Operating Profit (1)	4,762	8.3%	605	8.1%	▲467	▲8.2%	▲233	▲23.8%
	Depreciation	3,842	–	840	–	384	–	86	–
	Impairment	292	–	72	–	303	–	130	–
	EBITDA	6,438	11.2%	1,071	14.3%	▲127	▲2.2%	▲88	▲9.0%
Q2 FY22	Revenue	54,849	79.9%	7,756	11.3%	5,060	7.4%	990	1.4%
	Operating Profit (1)	6,011	11.0%	50	0.6%	▲299	▲5.9%	▲114	▲11.5%
	Depreciation	4,011	–	1,069	–	437	–	99	–
	Impairment	191	–	368	–	401	–	34	–
	EBITDA	7,715	14.1%	1,077	13.9%	128	2.5%	▲63	▲6.3%
Q3 FY22	Revenue	55,481	77.4%	10,149	14.2%	5,076	7.1%	974	1.3%
	Operating Profit (1)	4,025	7.3%	876	8.6%	▲388	▲7.6%	2	0.2%
	Depreciation	4,017	–	1,188	–	419	–	119	–
	Impairment	1,221	–	103	–	174	–	0	–
	EBITDA	6,723	12.1%	1,664	16.4%	▲227	▲4.5%	25	2.5%
Q4 FY22	Revenue	50,236	72.3%	12,900	18.6%	5,227	7.5%	1,000	1.5%
	Operating Profit (1)	▲1,226	▲2.4%	1,820	14.1%	▲1,392	▲26.6%	▲150	▲15.0%
	Depreciation	4,053	–	1,371	–	419	–	137	–
	Impairment	2,466	–	23	–	1,003	–	39	–
	EBITDA	2,724	5.4%	2,461	19.1%	▲269	▲5.0%	▲82	▲8.2%

[Note] (1) Operating profits shown in above table are the figures without Loyalty Payment. (2) Ratio" in the above table : The "Ratio" of "Revenue" of each segment is the percentage in the consolidated revenue. The "Ratio" of "Operating Profit" and "EBITDA" of each segment is the percentage in the segment revenue. (3) The method of cross-segment transactions was changed from FY22/Q2

[Consolidated] **Operating Profit, FY22/9, YoY**



[Consolidated] **Profit for the Period, FY22/9, YoY**

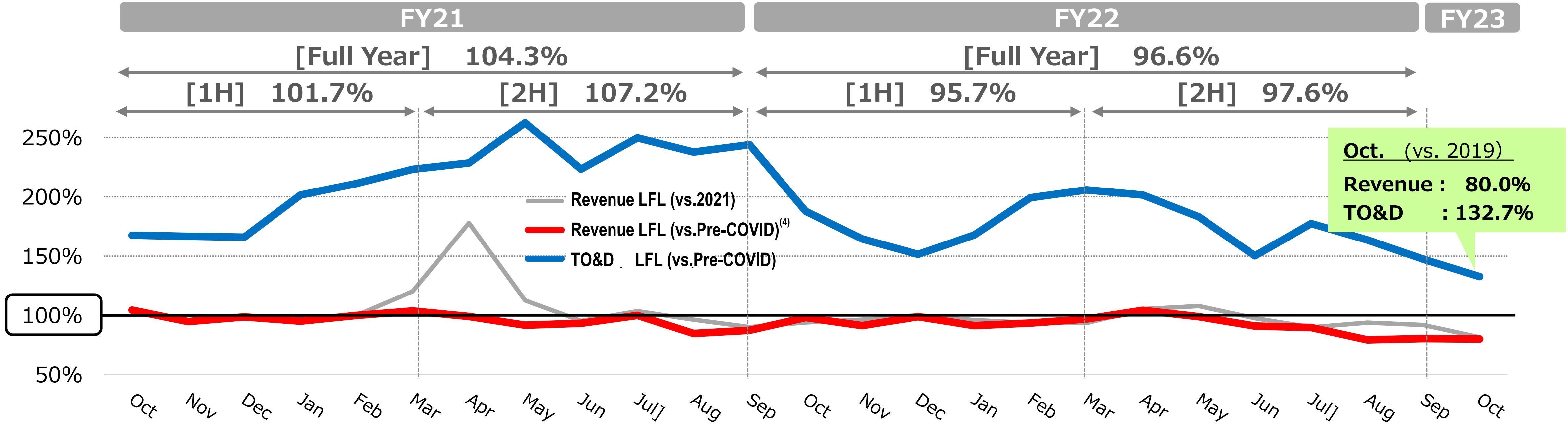


Domestic Business

Overseas Business

[Domestic Business] **Revenue Trend**

Results	On top of the slower-than-expected recovery from COVID, a series of incidents in 2H/FY22 resulted in a significant decline in customer counts, which caused domestic Sushiro's performance to fall far short of expectations.
Challenge	In order to re-start the advertising, we've implemented measures needed to prevent recurrence of similar incidents. And we will continue to closely monitor post-price-change performance and work toward providing products and services that would achieve higher customer satisfaction going forward.
Store Count (1)	**626** stores (+28)



[Note] (1) Store Count at FY22/end, Parenthesis = net increase/decrease of FY22, (2) TO&D = Takeout and Delivery (3) The figures above are of the stores operated under Sushiro brand and located in Japan, and LFL are of the stores in Japan that are in the 15th month of operation or longer. (4) Due to the impact of COVID, the year-on-year comparison for the period from March 2021 through February 2022 are comparisons with the same month two years ago . The figures for March 2022 and after, are compared with the same month three years ago.

[Domestic Business] **To Our Stakeholders**

We issued our 'Statement'

■ **We issued a statement, on Nov 1, titled 'Apologies for the Inappropriate Representations and our Efforts to Restore Customer Confidence' through our company websites (FOOD & LIFE COMPANIES LTD. and Akindo Sushiro Co., Ltd.) and through media.**

弊社の不適切な告知に関するお詫び、並びに、
お客さまの信頼回復に向けた取り組みについて

弊社は、2021年9月及び12月に実施した一部キャンペーンにおきまして、一時期品切れにも関わらず告知を続け、消費者庁から2022年6月に措置命令を受けることとなりました。また、同年7月、生ビールジョッキ半額の店内告知を一部店舗にてキャンペーン開始前に掲出、加えて一部店舗にて品切れの状況を引き起こす事態を生じさせてしまいました。

まずはここに、その他問題も含めました一連の弊社の不適切な告知及びその対応により、お客さまをはじめ、お取引先さま、多くのステークホルダーの皆さまに多大なるご迷惑をおかけし、大きく信頼を損ねてしまいましたことを、深くお詫び申し上げます。

これら一連の問題は、本来スシローが創業以来大切にしてまいりました「お客さまの声に真摯に耳を傾け、お客さまの立場で物ごとの判断をしていくこと」と、「企業として生産性・収益性の向上を追求すること」とのバランスを崩し、誤った経営判断になってしまったことに起因するものと深く反省しております。

今後、同様の問題を起こさないために、私たち経営陣はコンプライアンスを重視し、お客さまの声にもっと耳を傾け、改善すべき点は徹底的に改善し、これまで以上にお客さまから愛されるお店作りを全社一丸となって追求し、お客さまの信頼回復に向けて取り組んでまいりますことを、ここにお約束いたします。

キャンペーンや告知・広告の方針を一新します。

「景品表示法の理解・遵守を徹底するための従業員の教育機会を増やします」

「販促物ツール作成において新たな表示基準を設けるとともに、これまで以上に丁寧に商品をおつくりします」

「キャンペーン商品の販売総量を明示し、期間途中で品切れ※になった場合、公式アプリ・HP、店頭の受付画面などを通じて、お客さまに簡単かつわかりやすい形でお伝えします」
（※ただし、食材の特性によっては食品ロス削減の観点から当日使用量終了時は品切れとさせていただく場合がございます）

これまで以上に、お客さまに寄り添ったサービスを提供します。

「店舗において、新しく定めたガイドラインの教育を定期的に実施し、お客さまにしっかりとご対応する行動を徹底します」

「お客さまの立場に立った店舗運営がより一層出来るように、店舗社員数を増やし、スタッフ教育に充てる時間を確保すると共に、従業員の働き方改革への取り組みを強化します」

「うまいすしを、腹一杯。うまいすしで、心も一杯。」

これはスシローが創業以来掲げてきた理念です。スシローは、この原点に立ち戻り、お客さまの声をカタチにし、お客さまのために今スシローができる精一杯を提供させていただきたいと考えています。

株式会社 FOOD & LIFE COMPANIES
代表取締役社長
水留 浩一

株式会社 あきんどスシロー
代表取締役社長
新居 耕平

[Note] English translations of above quote from the 'Statement' is tentative/unofficial but is shown to help readers understand the content.

[Domestic Business] **What does Sushiro do differently**

We change how we run promotions and ads

■ **Promotion : Standard set of notes to be shown with campaign ads**

10/1, Monday ～ 10/15 Saturday

※ Total number of units to be sold : 3 Million

※ Campaign ends when the total number of units sold is reached

※ Sales may continue after the end of campaign period until the total number of units sold is reached.

※ Limited number of units available per day

[Domestic Business] **New Initiatives**

We change how we run promotions and ads

■ **Promotion : Item status** (for sale, sold out, etc.) **are now available** (The function went live at all stores from Nov. 1st)

Touch Panel (at table)
Four status labels

Sale Ended | Sold Out (Today) | Not For Sale (Today) | In Preparation

<u>Sale Ended</u> The number of unit sold (campaign item) reached targeted total number of the entire campaign

<u>Sold Out (today)</u> The number of units sold reached the number planned for the day.

<u>Not For Sale (today)</u> Sale of the item is not planned for that day. (no ingredient delivery for that day, etc)

<u>In Preparation</u> Sale temporary suspended due to ingredient being prepared, or that store is waiting for the delivery of that day, etc.

Linked

Reception Panel (on arrival)
Status data of Touch Panel linked to Reception Panel

Linked

Website & App (prior to visit)
Data linked to Website & App

Customers can check item status at Touch Panel, Reception Panel, Website & App on a timely manner.

[Domestic Business] **New Initiatives**

We change how we run promotions and ads

■ **Promotion : Item status** (for sale, sold out, etc.) **are now available** (The function went live at all stores from Nov. 1st)

Campaign Top Page (website)

App Top Page

At least one of these items are sold out at least one store. Please check the 'Item Status'

Warning label appears on campaign top page of our website and on the top page of our app

Upcoming Schedule

Planning to re-start the advertising activities (i.e. TVCM) by early December to prepare for the year-end and new-year's high holiday season.

Communicating our messages to our customers

■ **In-store posters carrying our messages to our customers have also been posted since November 2.**

[Note] English translations of above posters are tentative/unofficial, but are shown to help readers understand the content.

[Overseas Business] **Sushiro Revenue and EBITDA by Area**

(in millions, JPY)	FY22 Actual	FY22 % in Revenue (in Total Overseas Revenue)	FY22 EBITDA%[1] (in Revenue of Each Area)	vs. FY21 Change (value)	vs. FY21 YoY %	vs. FY21 Growth % (excl. impact of exchange rate)
Overseas Revenue	**38,298**	―	―	**+ 21,315**	**+ 125.5%**	**+ 101.7%**
KOREA	2,080	5.4%	―	+ 665	+ 47.0%	+ 40.5%
TAIWAN	13,116	34.2%	―	+ 5,976	+ 83.7%	+ 63.2%
HONG KONG	13,991	36.5%	―	+ 7,599	+ 118.9%	+ 93.4%
SINGAPORE	3,238	8.5%	―	+ 1,488	+ 85.0%	+ 60.9%
THAILAND	3,623	9.5%	―	+ 3,354	+ 1,248.8%	+ 1,178.2%
MAINLAND CHINA	2,250	5.9%	―	+ 2,232	+ 12,888.0%	+ 11,395.4%
Overseas EBITDA	**6,272**	―	**16.4%[1]**	**+ 5,302**	**+ 546.4%**	**+ 476.3%**
KOREA	162	―	7.8%	+ 307	*Negative figure for FY21*	*Negative figure for FY21*
TAIWAN	1,823	―	13.9%	+ 1,405	+ 336.1%	+ 287.5%
HONG KONG	3,390	―	24.2%	+ 2,089	+ 160.5%	+ 130.2%
SINGAPORE	450	―	13.9%	+ 779	*Negative figure for FY21*	*Negative figure for FY21*
THAILAND	557	―	15.4%	+ 741	*Negative figure for FY21*	*Negative figure for FY21*
MAINLAND CHINA	▲ 110	―	▲ 4.9%	▲ 18	*Negative figure for FY21*	*Negative figure for FY21*

[Note] (1) Overseas EBITDA 16.4% is an EBITDA% in total 'Overseas Revenue.'

[Overseas Business] Overseas Sushiro segment recovered very strongly from COVID, generating a surplus for FY22/9.

Korea

COVID Impact： SMALL

Results	Revenue recovered steadily after the lifting of restrictions. Achieved a record-high Revenue and full-year operating profit.
Challenge	Staff shortages from the COVID still persist. Further strengthen recruitment activities to stabilize store operations.
Store Count (1)	9 /10 stores （+0)

Hong Kong

COVID Impact： SMALL

Results	Lifting of COVID restrictions allowed full-hour operation. Cost control was also successful that HK segment was profitable for FY22
Challenge	Revenue and profit have growing steadily. We'll further improve its performance by opening more new stores.
Store Count	17 /18 stores (+6)

Thailand

COVID Impact： SMALL

Results	Revenue stayed strong due to aggressive sales promotion, which helped Thailand segment achieve a positive operating income.
Challenge	Work on establishing a profit structure that can work for suburban location. (i.e. implementation of labor-saving equipment)
Store Count	11 /9 stores (+8)

Taiwan

COVID Impact： MEDIUM

Results	Same-store monthly revenue increased. Both customer count and average customer ticket improved due to frequent promotions and strengthened PR/marketing.
Challenge	Strive to improve the value of the customer experience while catching up on missed targets for new store openings.
Store Count	30 /32 stores (+4)

Singapore

COVID Impact： MEDIUM

Results	Same-store revenue started recovering from April (after lifting of restrictions) so overall Singapore performance has recovered.
Challenge	To resolve staff shortage, improve hiring offer, and promote the further use of labor-saving equipment to reduce the workload.
Store Count	11 /15 stores (+2)

Mainland China

Guangzhou
Shenzhen
Chengdu

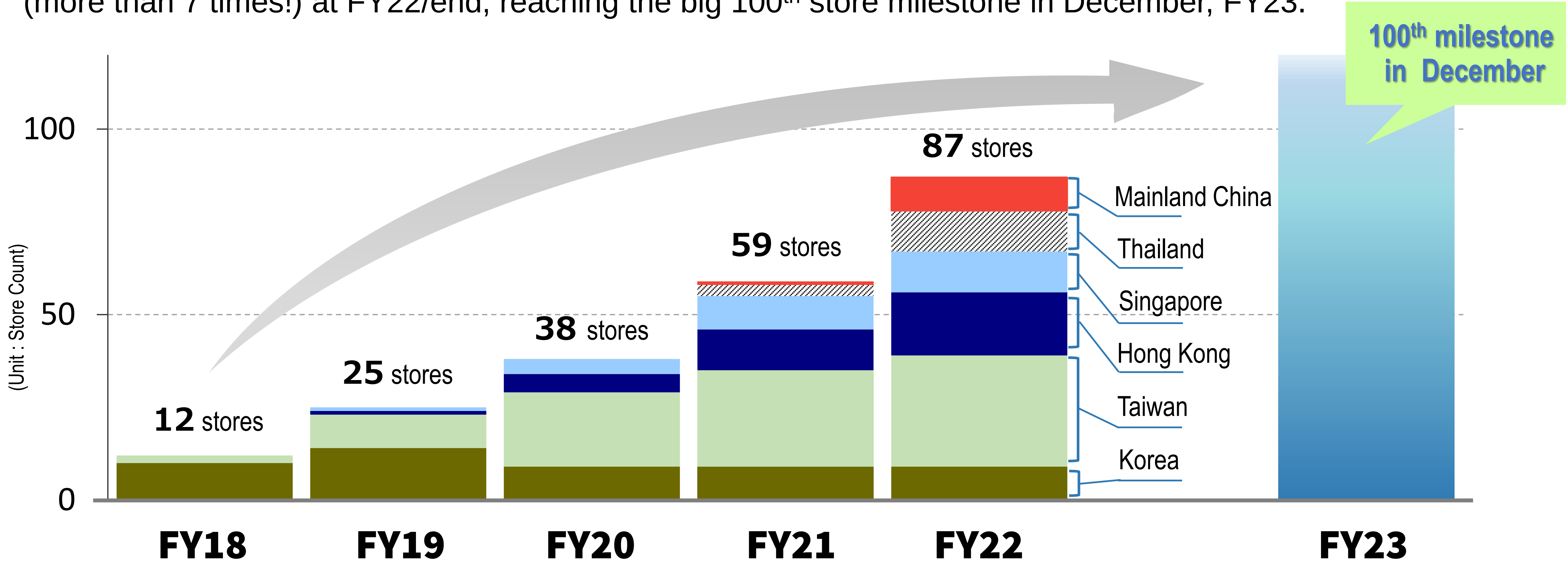
COVID Impact： MEDIUM

Results	Revenue recovered through active use of campaign and SNS, despite the impact of COVID restrictions in Guangzhou.
Challenge	Preparations underway to open the first store in Chengdu. Keeping our focus on recruitment & training and further expand store networks in Guangzhou and Shenzhen.
Store Count	9 /8 stores (+8)

[Note] (1) Store Count : Numerator = Total Number of Stores at FY22/end , Denominator = FY22 Target Number, Parenthesis = net increase/decrease of FY22

[Overseas Business] **Sushiro reaching the 100th store milestone in December**

■ Overseas Sushiro grew very strongly amid the pandemic. The store count grew from 12 at FY18/end to 87 (more than 7 times!) at FY22/end, reaching the big 100th store milestone in December, FY23.



Overseas Revenue (% in Consolidated Revenue)	FY18	FY19–FY20	FY21	FY22
	Approx. 1.8 bil. JPY (about 2%)	• • •	Approx. 17.0 bil. JPY (about 7%)	Approx. 38.3 bil. JPY (about 14%)

[Overseas Business] **The first Sushiro store opened in Shenzhen**

- Located in the giant mall, "ONE AVENUE" in Futian District, where government buildings/facilities are highly concentrated, the very first Sushiro store in Shenzhen has been generating high revenue since its opening in September. The opening of the store No.2 in the city is eagerly awaited.

[PHOTO] ‘SUSHIRO ONE AVENUE’ opened Sep 15 in Shenzhen

In Shenzhen, planning to open the second store by this year-end.
Also in Sichuan Province (Chengdu), preparations are underway to open the first store by the end of FY23.

[Overseas Business] **The first overseas Sugidama opened in Hong Kong**

- The first overseas branch of the Sugidama brand opened in Wan Chai, Hong Kong, a fierce battleground for Japanese cuisine, and also known for its growing popularity of Japanese sake. At Sugidama, not only its customers can enjoy choosing favorites from 20 great Japanese sake selections, but also have fun trying out popular menu items of Sugidama Japan. We’re working now to establish this brand toward potential rollout beyond Hong Kong.

[PHOTO] ‘Sugidama’ opened Aug 3 in Hong Kong

Preparations are underway to open the store No.2 in next Spring

[Domestic Business] **Kyotaru Brand・Misaki Brand**

Kyotaru Brand (Takeout Specialty Store)

- Though revenue recovery was delayed in 1H / FY22 due to COVID, Kyotaru continued to implement turnaround measures such as multi-brand-shop trials, restoration of popular Kamigata sushi (Osaka sushi) and a new launch of ambient-temperature bento lunchbox (September). In 2H / FY22, same-store revenue (vs. pre-COVID 2019) was, though small, on the recovery trend, and in September it has recovered to a level just below 90%. Kyotaru will expand its product lineup by leveraging Kyotaru Central Kitchen, and will work to further improve customer counts by the accentuating the newness and uniqueness in its product displays.

Store Count **157** stores（+3)

Kaiten-sushi Misaki Brand

- Though revenue recovery was delayed also for Misaki, in 1H / FY22 due to COVID, Misaki continued to implement turnaround measures such as grand menu renewal, implementation of auto-bill preparation system, etc. In September, Misaki's same-store revenue (vs. pre-COVID year of 2019) has moved up to a level just below 90%. A hybrid store equipped with the both features of express lane and artisan counter opened in September, in response to customers' desire for a quick meal. Misaki will continue to carry out trails and collect data on the services that customers truly need.

Store Count **84** stores（-1)

[Domestic Business] **Sugidama Brand (Sushi *Izakaya*)**

Results

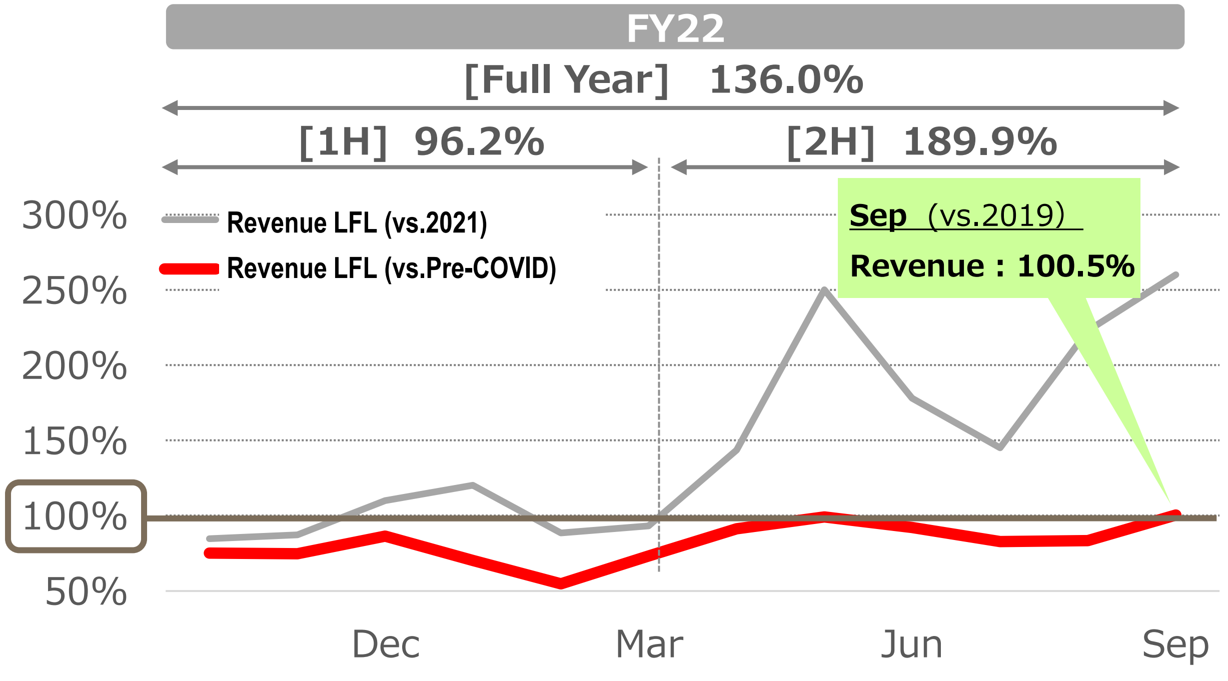
Amid the pandemic, Sugidama brand kept aggressive expansion of its store network. Opened 28 new locations for FY22, and the total store count grew up to 1.7x from the end of FY21. September Revenue LFL (vs.2019) reached +100% level.

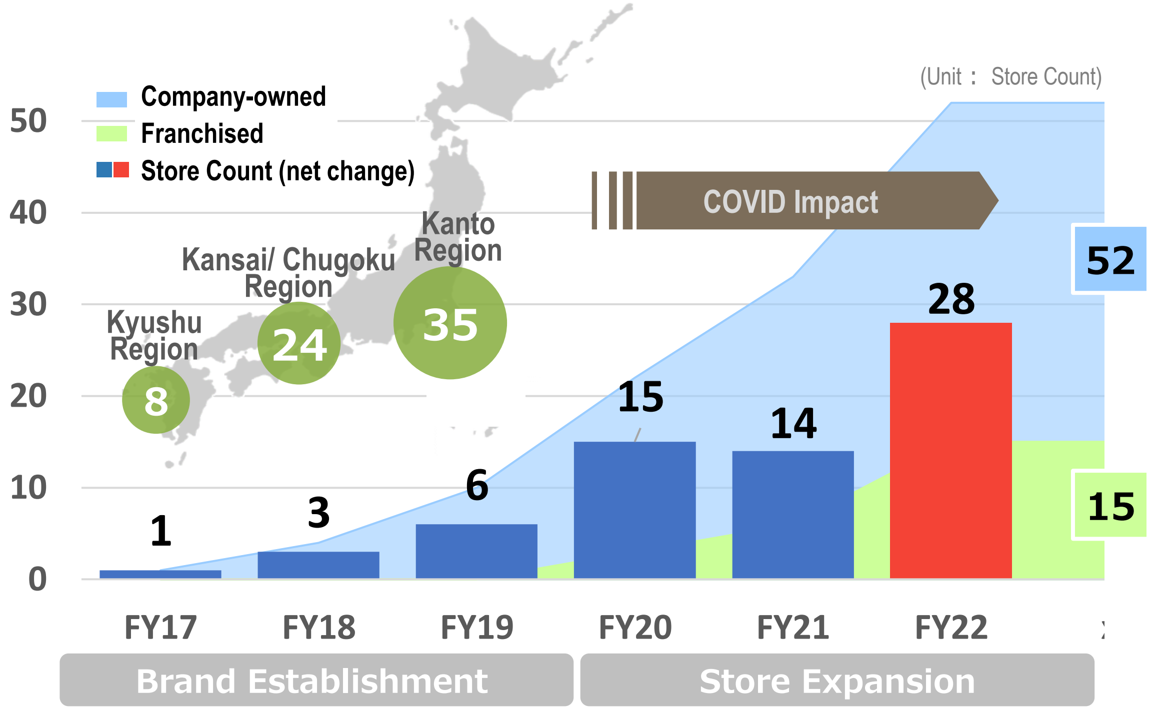
Challenge

Though the performance has been recovering after the lifting of COVID restrictions, human resources remain in short supply. We'll strengthen our recruiting activity to stabilize store operations. Additionally, we aim to expand its market share by further raising the brand recognition.

Store Count

67 stores (+28)





[Note] (1) The bar graph above shows net change (increase/decrease) of each fiscal year.

FY23/9 Forecasts

FY23/9 Forecasts

(in millions, JPY)	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual ③	FY23 Forecast④	Growth% ④/③
Revenue	199,088	204,957	240,804	281,301	320,000	13.8%
Operating Profit	14,546	12,061	22,901	10,123	11,000	8.7%
% in Revenue	7.3%	5.9%	9.5%	3.6%	3.4%	▲0.2pt
Profit Before Income Taxes	14,363	10,536	21,584	7,564	9,500	25.6%
% in Revenue	7.2%	5.1%	9.0%	2.7%	3.0%	0.3pt
Profit for the Period	9,959	6,420	13,119	3,621	6,000	65.7%
% in Revenue	5.0%	3.1%	5.4%	1.3%	1.9%	0.6pt
Earnings Per Share	85.81	55.64	113.61	31.16	51.87	20.71
Revenue LFL (1) (of Sushiro Japan)	107.4%	94.9%	104.3%	96.6%	104.0%	7.4pt
New Store Openings	45	70	388 *101 excl. Kyotaru	116	100～110	–
COGS %	48.1%	47.4%	45.9%	46.3%	45.0%	▲1.3pt
Personnel Costs %	27.5%	28.3%	28.2%	28.2%	28.4%	0.2pt
Other in SG&A	16.7%	17.9%	19.9%	20.9%	22.6%	1.7pt
% of Other Income/Expenses (2)	▲0.3%	▲0.6%	3.5%	▲1.0%	▲0.6%	0.4pt

[Note] (1) Data in above table are of the group total. Revenue LFL is of Sushiro Japan (not the group total) (2) [% of Other Income/Expenses] = [Other Income / Expenses] ÷ [Revenue]

■ Store Opening & CAPEX

	FY22 Actual	FY23 Plan	FY23 CAPEX
Sushiro Japan	48 (13)	18～22 (－)	4 bil. JPY
Sushiro Overseas	29 (1)	50～60	10 bil. JPY
Kyotaru Business	9	12～15	0.3 bil. JPY
Other Business (Sugidama, etc)	30	15～18	0.7 bil. JPY

＊( ) = takeout specialty store

■ Sushiro Japan Business

ASSUMPTION

Q1 performance is expected to stay at around a conservative level, given the impact of the incidents, voluntary suspension of PR activity (TVCM, SNS) and October price change. Then as we re-start the PR activity, we expect the performance would also start to recover in Q2 onwards.

INVESTMENT

Slightly slow down store opening pace. Invest more in areas that would help strengthening store operation (i.e. BPR, renovation, etc.)

OTHER

In September, 2022, work-hour recording rule was changed from 5-minute increment to 1-minute increment

■ Sushiro Overseas Business

INVESTMENT

Will accelerate store expansion in already-operating areas (Mainland China and others). Also will prepare for entry to new markets (aiming to exceed 20% in company's total revenue)

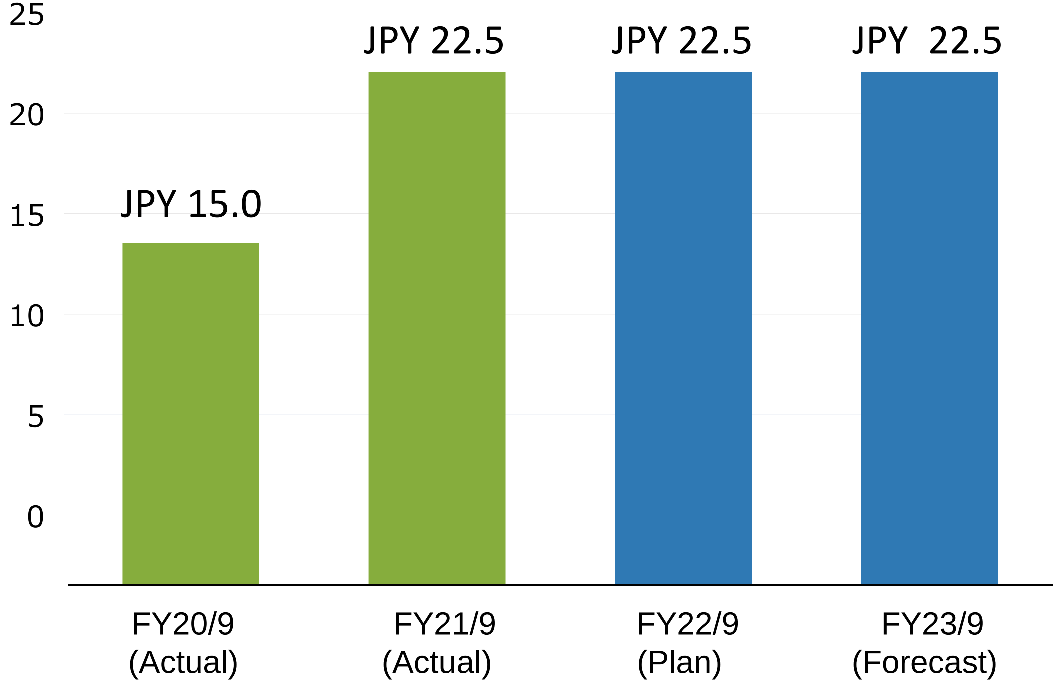
OTHER

Will consider implementing a system that helps to improve efficiency of store operations and store people training.

[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）
- Though FY22/9 results were weaker than expected, we 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 in Japan. (*excl. some of the exceptional stores)
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.

Appendix

[Consolidated] **Financial Position**

Consolidated Statement of Financial Position

(in millions, JPY)

	FY21/9	FY22/9	Change
Current assets	48,841	67,993	19,151
[Cash and cash equivalents]	[29,367]	[50,637]	[21,270]
Non-current assets	247,159	263,990	16,830
[Goodwill]	[30,541]	[30,371]	[▲170]
Assets	296,001	331,982	35,981
Current liab.	59,860	54,067	▲ 5,793
[Borrowings]	[4,009]	[4,009]	[-]
Non-current liab.	172,568	212,781	40,213
[Bonds, Borrowings]	[58,896]	[88,923]	[30,027]
Liab.	232,428	266,848	34,420
Equity	63,573	65,134	1,561
Liab. & Equity	296,001	331,982	35,981
Equity Ratio	21.3%	19.3%	▲ 2.0pt
Net Debt/EBITDA	1.6x	2.0x	0.4x

Consolidated Statement of Cash Flows

(in millions, JPY)

	FY21/9	FY22/9	Change
Operating CF	31,679	29,180	▲2,499
Investing CF	▲17,286	▲19,511	▲2,225
Financing CF	2,107	10,738	8,631
Increase/ decrease in cash and cash equivalents	16,702	21,270	4,567

Consolidated Financial Position

Assets : [Increase] Cash & Cash Equivalents, [Decrease] Trade & Other Receivables

Liab. : [Increase] Lease Liab., Corporate Bonds & Borrowings [Decrease] Income Tax Payables

Equity : [Increase] Quarterly Earnings [Decrease] Treasury Stocks, Dividends

Consolidated Cash Flows

Operating CF: The amount of decrease in Trade Receivables vs.FY21/9 is 14.1 bil JPY more in FY22/9 (mainly, Government Subsidy)

Investment CF: Increased due to Store Opening and Labor-Saving Equipment Devel. (of which, 29 % invested in overseas Sushiro)

Finance CF: [FY22/9] Repayment JPY 38.7 bil. for LT Borrowing

KPIs

Equity Ratio and NetDebt/EBITDA (LTM), both decreased.

ROE lowered from 23.2%(FY21) to 5.7% (FY22) due to the decrease in profit.

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

	FY21/9 at End-of-Term	FY22/9 OPEN	FY22/9 CLOSE	FY22/9 Increase/ Decrease	FY22/9 End-of-Term
Suburban Model (1)	564	29	5 (2)	24	588
Urban Model	31	7 (2)	0	7	38
Takeout Model	15	13	10	3	18
[Japan] Sushiro Brand	610	49	15	**34**	**644**
[Japan] Sugidama Brand (3)	39	29	1	**28**	**67**
[Japan] Kyotaru Brand (Takeout)	154	10	7	**3 (4)**	**157**
[Japan] Kaitenzushi Misaki Brand (Kaisen Misakiko) & Misakimaru Brand	106	1	4	**▲3 (4)**	**103**
Standard Model	58	27	0	27	85
Takeout Model	1	1	0	1	2
[Overseas] Sushiro Brand	59	28	0	**28**	**87**
Other Brands	31	2	8	**▲ 6 (4)**	**25**
All Company Total	999	119	35	**84**	**1,083**

[Note] (1) Suburban Model includes four 110-yen trial stores. (2) Conversion from Suburban Model to Urban Model (Suburban -1, Urban +1)
(3) Sugidama Brand includes FC stores .(4) Brand-converted stores included

Disclaimer

The information in this document is intended only for the purpose of providing information on FOOD & LIFE COMPANIES LTD. (the "Company"). It does not constitute solicitation to purchase shares or any other investment securities issued by the Company, within the jurisdictions of Japan, United States and other countries.

The Company makes no warranties regarding the fairness, authenticity, accuracy, comprehensiveness and reasonableness of the opinions and information in this document.

Furthermore, the Company shall bear no liability whatsoever, for any reason whatsoever, for losses or damages resulting from the use of this document, the use of information included in this document or any other activity involving this document. Information, in this document, on the Company's plans, estimates, forecasts, and expectations, and all other information concerning the future may change significantly without prior notice.

Among the information in this document, any plan, estimation, prediction, expectation or other forward-looking information relating to the Company is based on the Company's assumptions and beliefs derived from the information available to it as of the date on which this document is made and is not an assurance or guarantee that such plan will be implemented or results will be achieved as projected.

Factors such as economic conditions, market trends in the food industry, shifts in customer preferences and fluctuations in the price of raw materials may cause the actual operating results, financial position and other results of the Company to differ materially from those discussed in the information of this document or inferences made therefrom.