

# Financial Highlights and Supplementary Data

## FY2023/Q1

**Feb 7, 2023**



**FOOD & LIFE**  
COMPANIES

# [Consolidated] Financial Highlights, FY23/Q1 (cumulative) vs. FY22/Q1 (cumulative)

- [Revenue] Though Revenue YoY of Sushiro Japan was weak due to price revision (effective on October 1, 2022) and voluntary restraint of PR activities (i.e. TVCM) 'til November end, Sushiro Overseas continued to perform well during the period. Kyotaru Business segment also started showing a recovery trend.
- [Profits] Operating Income YoY dropped significantly, mainly due to the negative impact from Sushiro Japan. (EBITDA YoY was also negative but smaller compared to Operating Income YoY, owing to a greater contribution from Sushiro Overseas which has higher EBITDA%.)

(in millions, JPY)	FY22/Q1 (cumulative)		FY23/Q1 (cumulative)		YoY%	vs.Forecast <sup>(2)</sup>
	Actual	% in Revenue	Actual	% in Revenue		
Revenue	71,601	—	68,004	—	▲ 5.0%	21.3%
EBITDA <sup>(1)</sup>	8,116	11.3%	5,030	7.4%	▲ 38.0%	—
Operating Profit	5,469	7.6%	1,570	2.3%	▲ 71.3%	14.3%
Profit before Income Taxes	5,255	7.3%	1,078	1.6%	▲ 79.5%	11.3%
Profit for the Period	3,389	4.7%	713	1.0%	▲ 79.0%	11.9%
COGS	33,668	47.0%	30,223	44.4%	▲ 2.6pt	—
Store Count	1,027	—	1,110	—	83	—

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

(2) Progress % against the FY23 forecast announced on November 4, 2022.

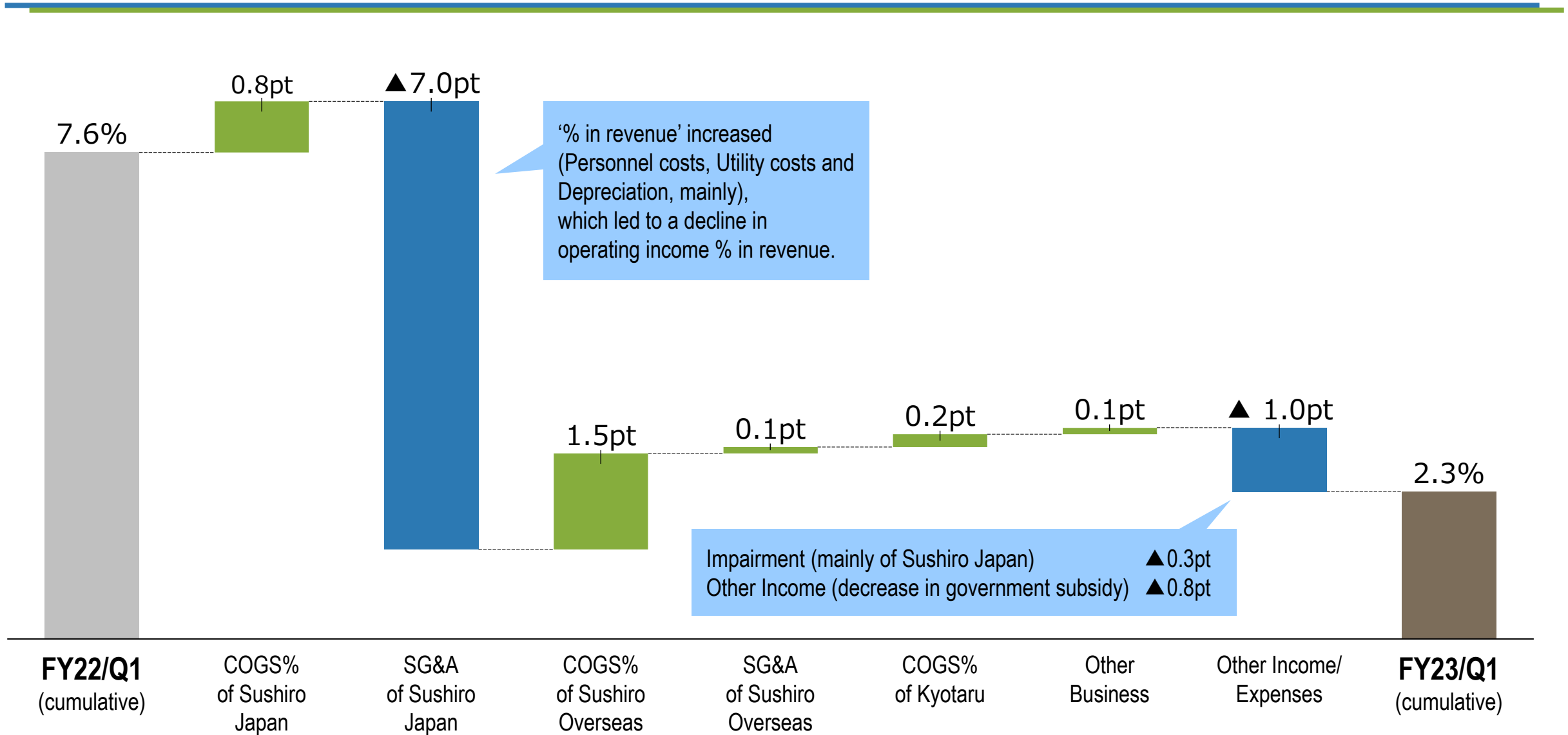
# [Consolidated] Financial Highlights, By Segment, FY23/Q1 (cumulative) vs. FY22/Q1 (cumulative)

- **[Sushiro Japan]** The operating profit decreased, due to a significant decline in revenue (Revenue LFL: October 81.5%, November 74.8%, December 77.7%), and cost increase (utility, etc.)
- **[Sushiro Overseas]** All overseas markets except Mainland China which suffered the zero-COVID restrictions, achieved the increase in both revenue and profits. With its revenue now reaching over 20% of the total, the overseas segment has made a significant contribution to the Q1 profit of the group, proving its steady growth.
- **[Kyotaru Business]** Revenue and profits both increased YoY as 'Kaiten-sushi Misaki' brand's good performance helped the entire Kyotaru business to get back to recovery trend.

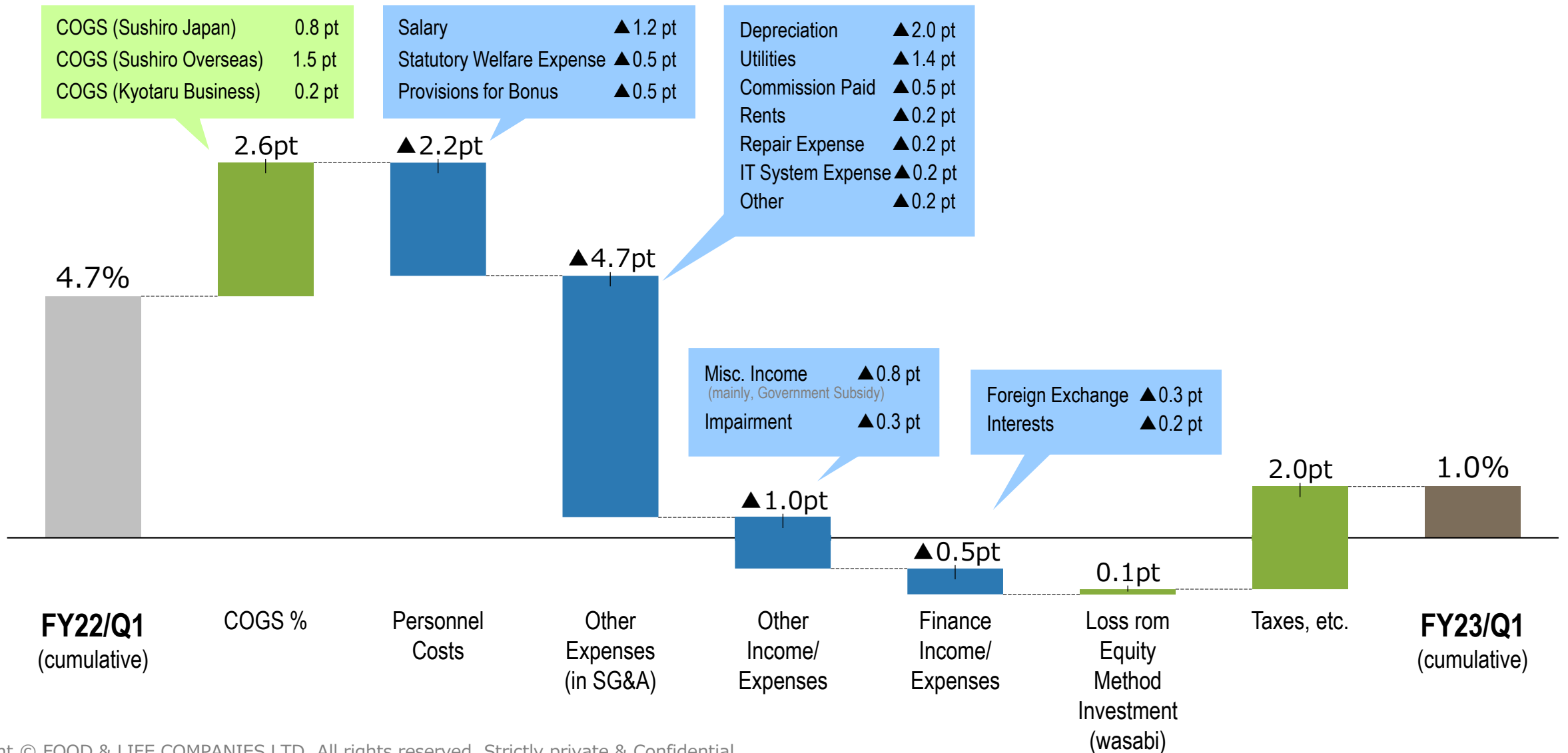
	Sushiro Japan			Sushiro Overseas			Kyotaru Business			Other Business		
	FY22 Q 1	FY23 Q 1	Increase/ Decrease	FY22 Q 1	FY23 Q 1	Increase/ Decrease	FY22 Q 1	FY23 Q 1	Increase/ Decrease	FY22 Q 1	FY23 Q 1	Increase/ Decrease
(in millions, JPY)												
<b>Revenue</b>	57,424	46,680	▲18.7%	7,493	13,845	84.8%	5,708	6,213	8.8%	977	1,265	29.5%
<b>EBITDA</b>	6,438	3,791	▲41.1%	1,071	2,489	132.4%	▲127	49	—	▲87	52	—
<b>Operating Profit</b> (w/o loyalty exchange)	4,762	1,437	▲69.8%	605	1,521	151.4%	▲467	13	—	▲233	19	—
<b>Depreciation &amp; Amortization</b>	3,842	4,051	5.4%	840	1,614	92.2%	384	400	4.1%	86	151	76.0%
<b>Impairment</b>	292	861	194.6%	72	98	36.4%	303	26	▲91.6%	130	—	—
<b>Store Count</b>	626	636	(10)	64	102	(38)	290	298	(8)	47	74	(27)

[Note] (1) 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] Operating Profit, FY23/Q1 (cumulative) vs. FY22/Q1 (cumulative)



# [Consolidated] Profit for the Period, FY23/Q1 (cumulative) vs. FY22/Q1 (cumulative)



# [Overseas Business] Sushiro Revenue and EBITDA by Area

	FY23 / Q1			vs. FY22 / Q1		
	Actual	(in Total Overseas Revenue)	(in Revenue of Each Area)	Change (value)	YoY %	Growth % (excl. impact of exchange rate)
		% in Revenue	EBITDA% <sup>(1)</sup>			
<b>Overseas Revenue</b>	<b>13,845</b>	—	—	<b>+ 6,352</b>	<b>+ 84.8%</b>	<b>+ 58.5%</b>
KOREA	619	4.5%	—	+ 182	+ 41.7%	+ 30.8%
TAIWAN	4,154	30.0%	—	+ 1,309	+ 46.0%	+ 32.1%
HONG KONG	5,222	37.7%	—	+ 2,409	+ 85.6%	+ 50.0%
SINGAPORE	1,230	8.9%	—	+ 602	+ 96.0%	+ 61.2%
THAILAND	1,680	12.1%	—	+ 1,117	+ 198.2%	+ 161.4%
MAINLAND CHINA	940	6.8%	—	+ 733	+ 354.3%	+ 306.9%
<b>Overseas EBITDA</b>	<b>2,489</b>	—	<b>18.0%</b> <sup>(1)</sup>	<b>+ 1,418</b>	<b>+ 132.4%</b>	<b>+ 95.1%</b>
KOREA	68	—	11.1%	+ 66	+ 2,532.2%	+ 2,330.1%
TAIWAN	691	—	16.6%	+ 312	+ 82.2%	+ 64.9%
HONG KONG	1,357	—	26.0%	+ 764	+ 128.9%	+ 84.9%
SINGAPORE	300	—	24.4%	+ 237	+ 376.4%	+ 291.7%
THAILAND	384	—	22.8%	+ 305	+ 391.0%	+ 330.4%
MAINLAND CHINA	▲ 311	—	—	▲ 266	Negative figure in FY22/Q1	Negative figure in FY22/Q1

[Note] (1) This EBITDA% (18.0%) is an EBITDA % in total overseas revenue.  
EBITDA% of each region (i.e. Korea 11.1%, Taiwan 16.6%) are EBITDA % in each region's revenue.

# [Overseas Business] Reached the 100th overseas store milestone, Continued steady performance except for COVID impact in Mainland China



## Korea

### COVID Impact : SMALL

#### Results

After the Itaewon incident at the end of October, sales declined due to the national mourning period, but have recovered steadily since.

#### Challenge

The personnel shortage from the pandemic continues, measures such as a review of benefits will be implemented. Measures to deal with rising COGS must also be taken.

#### Store Count <sup>(1)</sup>

**9** /10 stores (+0)



## Hong Kong

### COVID Impact : MEDIUM

#### Results

Though customer traffic has declined slightly due to consumer behavioral changes from COVID, profitability is favorable thanks to cost control.

#### Challenge

While implementing various measures to capture demand during Chinese New Year, we work on developing mid-to-long-term measures to drive up the traffic.

#### Store Count

**19** /25 stores (+2)



## Thailand

### COVID Impact : SMALL

#### Results

Aggressive PR via SNS contributed significantly to sales growth, and FL control is well in place, resulting in favorable profit gain.

#### Challenge

The next necessary step is to improve sales at suburban stores, and also to establish an efficient business model that ensures profitability.

#### Store Count

**13** /17 stores (+2)



## Taiwan

### COVID Impact : SMALL

#### Results

Aggressive media ads and PR contributed to sales. Cost control was also successful, resulting in favorable profitability.

#### Challenge

Some of the workers are leaving dining industry for semiconductor manufactures which offer better salaries and benefits. Measures to stop the outflow of workers needed. Measures to handle salmon price increase also needed.

#### Store Count

**34** /42 stores (+4)



## Singapore

### COVID Impact : SMALL

#### Results

Despite the challenge of chronic staff shortages, Thai sushiro was able to capture demand after the lifting of restrictions through operational improvements. Both sales and profits are solid.

#### Challenge

While continuing to work on measures to prevent staff vacancies, rent increase has also become an important issue to tackle going forward.

#### Store Count

**11** /13 stores (+0)



## Mainland China

Guangzhou  
Shenzhen  
Chengdu

### COVID Impact : LARGE

#### Results

All 3 areas' sales dropped sharply due to operating restrictions from COVID resurgence.

#### Challenge

Sales have been recovering strongly since January. The most-recent biggest challenge is to capture the surged demand of Chinese New Year.

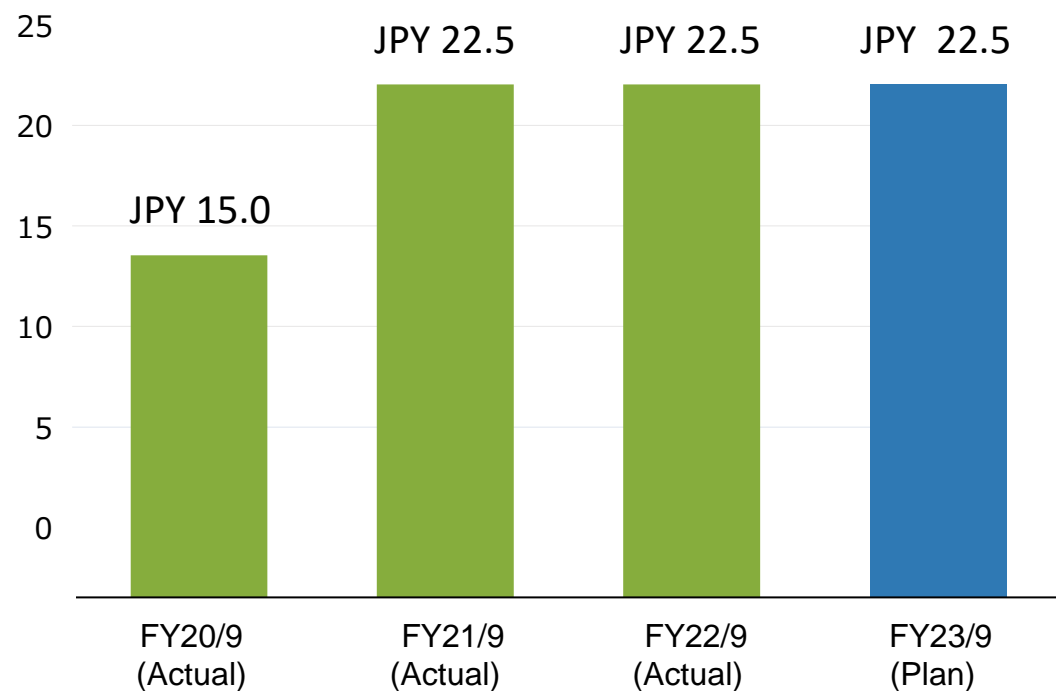
#### Store Count

**15** /39 stores (+6)

# [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)
- Planning a 22.5 dividend per share for the FY23/9.



## 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.

# Appendix

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# [Consolidated] Financial Position

## Consolidated Statement of Financial Position

(in millions, JPY)	FY22/9	FY23/Q1	Change
<b>Current assets</b>	67,993	66,945	▲1,048
[Cash and cash equivalents]	[50,637]	[44,888]	[▲5,749]
<b>Non-current assets</b>	263,990	263,541	▲448
[Goodwill]	[30,371]	[30,371]	[ - ]
<b>Assets</b>	331,982	330,486	▲1,496
<b>Current liab.</b>	54,067	76,437	22,371
[Borrowings]	[4,009]	[23,985]	[19,976]
<b>Non-current liab.</b>	212,781	191,622	▲21,159
[Bonds, Borrowings]	[88,923]	[67,950]	[▲20,973]
<b>Liab.</b>	266,848	268,060	1,212
<b>Equity</b>	65,134	62,427	▲2,708
<b>Liab. &amp; Equity</b>	331,982	330,486	▲1,496
<b>Equity Ratio</b>	19.3%	18.5%	▲0.8
<b>Net Debt/EBITDA</b>	2.0x	2.4x	0.4x

## Consolidated Statement of Cash Flows

(in millions, JPY)	FY22/Q1	FY23/Q1	Change
<b>Operating CF</b>	8,139	6,459	▲1,681
<b>Investing CF</b>	▲4,437	▲4,123	314
<b>Financing CF</b>	▲8,864	▲7,571	1,293
<b>Increase/decrease in cash and cash equivalents</b>	▲4,957	▲5,749	▲792

### Consolidated Financial Position

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

Liab. : [Key Increase/Decrease] 'Corporate Bonds & Borrowings' transfer from 'Non-Current' to 'Current'

Equity : [Key Increase] Quarterly Earnings [Key Decrease] Dividends

### Consolidated Cash Flows

Operating CF: The amount of increase in Trade Receivables vs.FY22/Q1 is 4.7 bil JPY,

4.1 bil JPY decrease in Profit Before Income Taxes, 6.5 bil JPY decrease in Corporate Taxes

Investment CF: Increased due to Store Opening and Labor-Saving Equipment Devel.

(of which, 52% invested in overseas Sushiro)

Finance CF: 1.9 bil JPY payment for acquisition of treasury stocks in FY22/Q1,

0.7 bil JPY in increase in repayment of Lease Liab.

### KPIs

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

ROE lowered from 5.4%(FY22/Q1) to 1.1% (FY23/Q1) due to decrease in profit.

# [All Company] Store Counts in Japan & Overseas Markets

			FY22/9	FY23/Q1			Term-End
			at Term-End	OPEN	CLOSE	Change	
Restaurant	Sushiro	Japan	626	8	1	7	633
		Korea	9	-	-	-	9
		Taiwan	30	4	-	4	34
		Hong Kong	17	2	-	2	19
		Singapore	9	-	-	-	9
		Thailand	11	2	-	2	13
		Mainland China	9	6	-	6	15
		Guangzhou	8	3	-	3	11
		Shenzhen	1	1	-	1	2
		Chengdu	-	2	-	2	2
	Sugidama <sup>(1)</sup>	Japan	67	5	-	5	72
	Overseas	1	-	-	-	1	
Misaki/Misakimaru	Japan	103	-	-	-	103	
Takeout	Sushiro	Japan	18	-	1	▲ 1	17
		Overseas	2	-	-	-	2
	Kyotaru	Japan	123	-	-	-	123
	Multi-Brand Store	Japan	35	1	-	1	36
Other		23	2	1	1	24	
Other			1083	30	3	27	1110

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