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Consolidated Financial Results for the 2nd Quarter Ended March 31, 2023 [IFRS]

May 9, 2023

Listed company name FOOD & LIFE COMPANIES LTD. Listed stock exchange: TSE
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 Scheduled filing date to file May 12, 2023 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, 2023 (October 1, 2022 to March 31, 2023)

(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, 2023	143,298	2.2	5,232	(45.3)	4,602	(49.1)	3,727	(33.3)	3,625	(35.1)	2,758	(57.8)
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)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
2nd Quarter Ended March 31, 2023	31.33		31.11	
2nd Quarter Ended March 31, 2022	48.26		47.96	

(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, 2023	337,094		65,538		65,417		19.1	
Fiscal year ended September 30, 2022	331,982		65,134		65,117		19.3	

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 3rd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	—	0.00	—	22.50	22.50
Fiscal year ending September 30, 2023	—	0.00			
Fiscal year ending September 30, 2023 (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, 2023 (October 1, 2022 to September 30, 2023)

(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, 2023	320,000	13.8	11,000	8.7	9,500	25.6	6,000	65.7	6,000	66.4	Yen 51.87

Note: Revisions to the most recently announced earnings forecasts: No

* 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, 2023	116,069,184 shares	Fiscal year ended September 30, 2022	116,069,184 shares
b. Number of treasury shares at the end of the period	2nd quarter ended March 31, 2023	385,284 shares	Fiscal year ended September 30, 2022	394,448 shares
c. Average number of shares during the period (cumulative from the start of the fiscal year)	2nd quarter ended March 31, 2023	115,677,199 shares	2nd quarter ended March 31, 2022	115,788,904 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 4 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 first half of the consolidated fiscal year ending September 30, 2023, although the restrictions on activity related to COVID-19 were gradually relaxed, the outlook for the Japanese economy remained uncertain due to factors such as the rise in resource prices with the prolonged Russian invasion of Ukraine, the depreciation in the yen, and soaring prices of various commodities.

Similarly, the restaurant sector also continued to face challenging conditions due to the rise in resource prices with the prolonged Russian invasion of Ukraine, the depreciation in the yen, and soaring prices of various commodities.

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 2022	Store openings	Store closures	Six-month period ended March 31 2023
Japan: Sushiro (TOGO)	644 (18)	13	2 (1)	655 (17)
Japan: Sugidama (FC)	67 (15)	8 (1)	2	73 (16)
Japan: Kyotaru	155 (—)	3	14	144 (—)
Japan:Kaiten Sushi Misaki/Misakimaru	103 (—)	—	4	99 (—)
Japan: Others	24 (—)	1	1	24 (—)
Japan total	993 (33)	25 (1)	23 (1)	995 (33)
Overseas: Sushiro (TOGO)	87 (2)	23	—	110 (2)
Overseas: Others	3 (—)	1	—	4 (—)
Overseas total	90 (2)	24	—	114 (2)
Total	1,083 (35)	49 (1)	23 (1)	1,109 (35)

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 143,298 million yen (2.2% year on year), operating profit 5,232 million yen (-45.3% year on year), profit before income taxes 4,602 million yen (-49.1% year on year), and profit for the period attributable to owners of the parent 3,625 million yen (-35.1% year on year).

Operating results by segment are as follows.

(Japan Sushiro Business)

In the Japan Sushiro business, changes in the environment surrounding operating companies, including those in the restaurant industry, have been more rapid and significant than ever before, due to factors such as the rising procurement costs for food ingredients, owing to the weak yen and the decline in fishery resources, as well as soaring costs of logistics, rent, personnel, and equipment and construction materials. As of October 1, 2022, we revised prices at all Sushiro stores in Japan.

Under these conditions, in January 2023, prank videos taken in Sushiro stores were posted on social media and went viral. We consider such conduct as a serious matter that threatens food safety and security in providing our customers with safe and reliable sushi. We are cleaning all teacups and replacing soy sauce bottles at targeted stores. In terms of preventive measures for the future, we are replacing the tableware and seasonings provided on tables with ones that have been disinfected if customers feel uncomfortable, and installing acrylic panels at suburban stores nationwide.

As part of our effort to restore our business performance, the “Ogiri Tenkomori Festival” sold large servings of fatty salmon and sockeye salmon roe and extra large jumbo red rice shrimp, the “Unitoro Festival” served up rich sea urchin wraps using natural sea urchin and meltingly seared sirloin, and large, raw snow crab and rich crab miso ramen noodles were enjoyed as part of the “Crab Festival.”

” As a result of the above, net sales of the Japan Sushiro Business were 98,749 million yen, (-12.1% year on year) and segment profit was 1,929 million yen (-79.0% year on year).

(Overseas Sushiro Business)

In the overseas Sushiro business, operating restrictions due to COVID-19 were relaxed, and in-store eating and drinking gradually headed toward recovery.

Under these conditions, we opened a total of 12 stores in mainland China, including our first store in Chengdu, with the aim of aggressive business expansion. We continued to open new stores in other regions with five stores in Taiwan, three stores in Hong Kong, and three stores in Thailand, and have achieved the opening of 100 stores in the overseas Sushiro business.

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 Crab Fair in mainland China, the Nankai Fair in South Korea, the Gensen Shinpin Festival in Taiwan, the Red Sushi Rice Spring Fair in Hong Kong, the Crab & Tuna Fair in Singapore, and the Shellfish & Spring Fair in Thailand.

As a result of the above, net sales of the Overseas Sushiro Business were 29,663 million yen (+94.5% year on year) and segment profit was 2,683 million yen (+1,268.2% year on year).

(Kyotaru Business)

In the Kyotaru business, the launch of frozen sushi sales through frozen sushi vending machines in December 2022 attracted attention in the takeout business, and the limited edition products, including all four types of eho-maki special sushi rolls for the setsubun end of winter holiday and the seafood hinachirashi scattered sushi for the Hinamatsuri (Doll’s Festival), were well received. We also worked to improve our on-site skills by strengthening sales and improving manufacturing efficiency.

In the Misaki brand, we held the “Misaki Honki Maguro Festival” in January 2023, during which customers enjoyed various cuts of raw bluefin tuna. In addition, in March 2023, we changed the rice blended with red vinegar (aka-shari) that is normally served and offered sushi using a special type of aka-shari with a milder acidity and a full-bodied taste.

As a result of the above, net sales of the Kyotaru Business were 12,448 million yen (+15.6% year on year) and segment loss was 456 million yen.(segment loss was 977 million yen in the same period of previous fiscal year).

(2) Explanation of financial position

1) Assets, liabilities and equity

(Assets)

The balance of total assets increased 5,111 million yen from the end of the previous consolidated fiscal year to 337,094 million yen.

The balance of current assets decreased 40 million yen from the end of the previous consolidated fiscal year to 67,953 million yen. This mainly reflected a 2,550 million yen decrease in cash resulting from repayment.

The balance of non-current assets increased 5,151 million yen from the end of the previous consolidated fiscal year to 269,141 million yen. This mainly reflected a 4,945 million yen decrease in property, plant and equipment resulting from an opening new stores.

(Liabilities)

Total liabilities increased 4,708 million yen from the end of the previous consolidated fiscal year to 271,556 million yen.

The balance of current liabilities increased 23,682 million yen from the end of the previous consolidated fiscal year to 77,749 million yen. This mainly reflected a 19,984 million yen increase in bonds transferred from non-current liabilities.

The balance of non-current liabilities decreased 18,974 million yen from the end of the previous consolidated fiscal year to 193,807 million yen. This mainly reflected a 21,971 million yen decrease in bonds and borrowings resulting from transferred to current liabilities and repayment.

(Equity)

Total equity increased 403 million yen from the end of the previous consolidated fiscal year to 65,538 million yen.

This mainly reflected a 2,603 million yen decrease resulting from cash dividends paid, and a 969 million yen decrease resulting from decrease of foreign currency translation adjustment, alongside the booking of 3,625 million yen in profit for the period.

2) Cash flows

During the 2nd quarter of the consolidated fiscal year ending September 30, 2023, cash and cash equivalents (hereinafter “Cash”) decreased 2,550 million yen from the end of the previous consolidated fiscal year to 48,087 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 19,171 million yen (+15.0% year on year).

This mainly reflected the booking of 4,602 million yen in profit before income taxes, the booking of 12,693 million yen in depreciation and amortization, a 2,193 million yen increase in trade and other payables and a 2,466 million yen in income tax refund, alongside a 1,779 million yen increase in trade and other receivables, and a 1,207 million yen in income tax paid.

(Cash flows from investing activities)

Cash used in investing activities came to 8,202 million yen (-6.8% year on year).

This was mainly attributable to 7,068 million yen in purchase of property, plant and equipment accompanying store openings.

(Cash flows from financing activities)

Cash used in financing activities amounted to 12,939 million yen (versus cash gained 20,262 million yen in the 2nd quarter of the previous fiscal year). This mainly reflected a 8,358 million yen in repayments of lease liabilities, a 2,596 million yen in cash dividends paid and a 2,005 million yen in repayments of long-term borrowings,

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

There are no changes to the consolidated earnings forecasts published on November 4, 2022. The consolidated earnings forecasts 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, 2022	2nd quarter ended March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	50,637	48,087
Trade and other receivables	11,397	10,801
Inventories	3,534	4,075
Other financial assets	457	1,452
Other current assets	1,967	3,538
Total current assets	67,993	67,953
Non-current assets		
Property, plant and equipment	162,490	167,436
Goodwill	30,371	30,371
Intangible assets	55,968	56,031
Equity method investment	178	52
Lease and guarantee deposits	13,420	13,715
Other financial assets	541	541
Deferred tax assets	191	191
Other non-current assets	830	803
Total non-current assets	263,990	269,141
Total assets	331,982	337,094
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	27,435	29,467
Bonds and Borrowings	4,009	23,993
Income taxes payable	189	798
Lease liabilities	15,650	16,550
Other financial liabilities	963	932
Provisions	2,347	2,369
Other current liabilities	3,473	3,640
Total current liabilities	54,067	77,749
Non-current liabilities		
Trade and other payables	23	23
Bonds and Borrowings	88,923	66,952
Lease liabilities	105,624	108,509
Other financial liabilities	100	101
Provisions	4,012	4,143
Deferred tax liabilities	14,092	14,072
Other non-current liabilities	5	6
Total non-current liabilities	212,781	193,807
Total liabilities	266,848	271,556

	Fiscal year ended September 30, 2022	2nd quarter ended March 31,2022
Equity		
Capital stock	100	100
Capital surplus	15,692	15,691
Retained earnings	47,579	48,601
Treasury stock	(1,894)	(1,867)
Other components of equity	3,639	2,891
Total equity attributable to owners of the parent	65,117	65,417
Non-controlling interests	18	121
Total equity	65,134	65,538
Total liabilities and equity	331,982	337,094

(2) Condensed consolidated statement of profit and loss

(in millions, JPY)

	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)	2nd Quarter Ended March 31, 2023 (From October 1, 2022 to March 31, 2023)
Revenue	140,257	143,298
Cost of sales	(65,515)	(64,154)
Gross profit	74,741	79,144
Selling, general and administrative expenses	(66,925)	(73,234)
Other income	3,809	1,017
Other expenses	(2,054)	(1,696)
Operating profit	9,572	5,232
Finance income	212	52
Finance expenses	(448)	(733)
Share of profit (loss) of investments accounted for using equity method	(289)	52
Profit before income taxes	9,046	4,602
Income taxes	(3,457)	(875)
Profit for the period	5,589	3,727
Profit attributable to:		
Owners of the parent	5,588	3,625
Non-controlling interests	1	103
Profit for the period	5,589	3,727
Earnings per share		
Basic earnings per share (yen)	48.26	31.33
Diluted earnings per share (yen)	47.96	31.11

(3) Condensed consolidated statement of comprehensive income

(in millions, JPY)

	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)	2nd Quarter Ended March 31, 2022 (From October 1, 2022 to March 31, 2023)
Profit for the period	5,589	3,727
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	940	(969)
Total of items that may be reclassified subsequently to profit or loss	940	(969)
Other comprehensive income after taxes	940	(969)
Total comprehensive income for the period	6,529	2,758
Attributable to:		
Owners of the parent	6,527	2,655
Non-controlling interests	2	103
Total comprehensive income for the period	6,529	2,758

(4) Condensed consolidated statement of changes in equity

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
Exercise of subscription rights to shares (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

2nd quarter ended March 31, 2023 (From October 1, 2022 to March 31, 2023)

(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, 2022	100	15,692	47,579	(1,894)	3,639	65,117	18	65,134
Profit for the period			3,625			3,625	103	3,727
Other comprehensive income					(969)	(969)	1	(969)
Total comprehensive income	—	—	3,625	—	(969)	2,655	103	2,758
Disposal of treasury shares		(12)		28	(2)	14		14
Purchase of treasury shares				(0)		(0)		(0)
Forfeiture of share acquisition rights		11			(11)	—		—
Share-based payment transactions					233	233		233
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(1)	(2,603)	28	221	(2,355)	—	(2,355)
Balance as of March 31, 2023	100	15,691	48,601	(1,867)	2,891	65,417	121	65,538

(5) Condensed consolidated statement of cash flows

(in millions, JPY)

	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)	2nd Quarter Ended March 31, 2023 (From October 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	9,046	4,602
Depreciation and amortization	10,945	12,693
Impairment losses	1,791	1,541
Finance income	(172)	(52)
Finance expenses	448	733
Increase (decrease) in provision for bonuses	(1,583)	22
Amount of rent offset by lease and guarantee deposits	132	131
Share of loss (profit) of entities accounted for using equity method	289	(52)
Increase/decrease in trade and other receivables, (increase)	2,730	(1,779)
Increase/decrease in inventories, (increase)	(774)	(551)
Increase/decrease in trade and other payables, (decrease)	2,753	2,193
Others	(1,678)	(940)
Subtotal	23,928	18,541
Interest and dividend income received	5	37
Interest paid	(401)	(665)
Income taxes paid	(6,867)	(1,207)
Income taxes refund	—	2,466
Net cash from operating activities	16,665	19,171
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,372)	(7,068)
Proceeds from sale of property, plant and equipment	0	652
Purchase of intangible assets	(792)	(446)
Payments into time deposits	—	(780)
Payments for lease and guarantee deposits	(669)	(1,394)
Others	31	834
Cash flows from investing activities	(8,801)	(8,202)
Cash flows from financing activities		
Proceeds from long-term borrowings	34,000	—
Repayments of long-term borrowings	(2,005)	(2,005)
Repayments of lease liabilities	(7,142)	(8,358)
Payments for commission fees	(2)	(1)
Purchase of treasury shares	(2,000)	(0)
Proceeds from exercise of share acquisition rights	24	14
Cash dividends paid	(2,608)	(2,596)
Others	(6)	6
Cash flows from financing activities	20,262	(12,939)
Net increase/decrease in cash and cash equivalents, (decrease)	28,126	(1,970)
Cash and cash equivalents at beginning of year	29,367	50,637
Effect of exchange rate changes on cash and cash equivalents	416	(580)
Cash and cash equivalents at end of year	57,909	48,087

(6) Notes on condensed consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

(Segment information)

(1) Overview of Reportable Segments

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)

(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, 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.

2nd Quarter Ended March 31, 2023 (October 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Reportable segment				Total	Total adjustments	Consolidated total
	Japan Sushiro Business	Overseas Sushiro Business	Kyotaru Business	Other			
Revenue							
External revenue	98,749	29,663	12,333	2,553	143,298	—	143,298
Intersegment revenue	—	—	116	7	123	(123)	—
Total	98,749	29,663	12,448	2,560	143,421	(123)	143,298
Segment profit (loss) Notes 1	1,929	2,683	(456)	(203)	3,953	1,279	5,232
Other Items							
Depreciation and amortization	7,957	3,331	820	310	12,418	275	12,693
Impairment loss	1,175	98	116	152	1,541	—	1,541

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

2. Adjustment of 1,279 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, 2022 (From October 1, 2021 to March 31, 2022)	2nd Quarter Ended March 31, 2023 (From October 1, 2022 to March 31, 2023)
Employee benefits	37,857	40,213
Depreciation and amortization	10,899	12,661
Utilities expenses	3,133	4,295
Commission expenses	2,359	2,988
Other	12,677	13,078
Total	66,925	73,234

(Earnings per share)

	2nd Quarter Ended March 31, 2022 (From October 1, 2021 to March 31, 2022)	2nd Quarter Ended March 31, 2023 (From October 1, 2022 to March 31, 2023)
Profit for the period attributable to common shareholders of the parent (million yen)	5,588	3,625
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	5,588	3,625
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	5,588	3,625
Average number of shares during the period	115,788,904	115,677,199
Increase in number of common shares used in calculation for diluted earnings per share	726,533	831,977
Average number of common shares during the period after dilution	116,515,437	116,509,176
Basic earnings per share (yen)	48.26	31.33
Diluted earnings per share (yen)	47.96	31.11
Outline of potentially dilutive shares excluded from the calculation of diluted earnings per share due to the absence of dilutive effects	2 kinds of subscription rights to shares (Common shares 70 thousand shares)	3 kinds of subscription rights to shares (Common shares 172 thousand shares)

(Important subsequent events)

Not applicable.