

# Financial Results Summary

## FY23/Q3

**Aug 7, 2023**



**FOOD & LIFE**  
COMPANIES

# [Consolidated] Financial Highlights, FY23/Q3 (cumulative) vs. FY22/Q3 (cumulative)

- [Revenue] Q3 cumulative consolidated revenue increased YoY. Overseas Sushiro business (especially Hong Kong, Taiwan and Thailand) is the main contributor to the increase.
- [Profits] Operating income decreased, mainly due to the negative impact of the domestic Sushiro business. But on the other hand, Profit for the Period (cumulative) increased YoY, because of the 2,011 mil JPY loss from equity method investment reported in Q3 last year, and also because of the lower estimated effective tax rate in Q3/FY23.

| (in millions, JPY)         | FY22/Q3 (cumulative) |              | FY23/Q3 (cumulative) |              | YoY%   | vs.Forecast <sup>(2)</sup> |
|----------------------------|----------------------|--------------|----------------------|--------------|--------|----------------------------|
|                            | Actual               | % in Revenue | Actual               | % in Revenue |        |                            |
| Revenue                    | 211,937              | —            | 218,914              | —            | 3.3%   | 68.4%                      |
| EBITDA <sup>(1)</sup>      | 21,709               | 10.2%        | 17,598               | 8.0%         | ▲18.9% | —                          |
| Operating Profit           | 12,372               | 5.8%         | 7,933                | 3.6%         | ▲35.9% | 72.1%                      |
| Profit before Income Taxes | 10,173               | 4.8%         | 7,204                | 3.3%         | ▲29.2% | 75.8%                      |
| Profit for the Period      | 5,252                | 2.5%         | 5,902                | 2.7%         | 12.4%  | 98.4%                      |
| COGS                       | 98,372               | 46.4%        | 98,041               | 44.8%        | 1.6pt  | —                          |
| Store Count                | 1,065                | —            | 1,119                | —            | 54     | —                          |

[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/Q3 (cumulative) vs. FY22/Q3 (cumulative)

- **[Sushiro Japan]** Both revenue and profits decreased YoY. But, revenue LFL has been on a slow recovery trend. (84.8% for 1H, 89.4% for Q3 3-months' period)
- **[Sushiro Overseas]** Steady expansion, including entry to Wuhan and Chongqing markets in Mainland China in June 2023.
- **[Kyotaru Segment]** The company's performance is on a recovery track, with "Kaiten-sushi Misaki" continuing to drive sales growth and improvements in the COGS and SG&A ratios.

|  | Sushiro Japan |         |                   | Sushiro <sup>(1)</sup> Overseas |         |                   | Kyotaru Segment |         |                   | Other Segment |         |                   |
|--|---------------|---------|-------------------|---------------------------------|---------|-------------------|-----------------|---------|-------------------|---------------|---------|-------------------|
|  | FY22 Q3       | FY23 Q3 | Increase/Decrease | FY22 Q3                         | FY23 Q3 | Increase/Decrease | FY22 Q3         | FY23 Q3 | Increase/Decrease | FY22 Q3       | FY23 Q3 | Increase/Decrease |
| (in millions, JPY)                             |               |         |                   |                                 |         |                   |                 |         |                   |               |         |                   |
| <b>Revenue</b>                                 | 167,754       | 149,718 | ▲10.8%            | 25,398                          | 46,955  | 84.9%             | 15,844          | 18,308  | 15.6%             | 2,941         | 3,933   | 33.7%             |
| <b>EBITDA<sup>(3)</sup></b>                    | 20,876        | 13,648  | ▲34.6%            | 3,463                           | 7,977   | 130.3%            | ▲143            | 191     | —                 | ▲125          | 218     | —                 |
| <b>Operating Profit (w/o royalty exchange)</b> | 14,797        | 7,217   | ▲51.2%            | 1,531                           | 5,539   | 261.8%            | ▲1,154          | ▲19     | —                 | ▲344          | ▲100    | —                 |
| <b>Depreciation &amp; Amortization</b>         | 11,870        | 12,072  | 1.7%              | 3,097                           | 5,316   | 71.7%             | 1,240           | 1,231   | ▲0.7%             | 304           | 476     | 56.7%             |
| <b>Impairment</b>                              | 1,705         | 2,095   | 22.9%             | 542                             | 103     | ▲80.9%            | 878             | 165     | ▲81.3%            | 164           | 199     | 21.1%             |
| <b>Store Count</b>                             | 645           | 645     | (—)               | 77                              | 120     | (43)              | 280             | 277     | (▲3)              | 63            | 77      | (14)              |

[Note] (1) Sushi Overseas segment includes 2 Sugidama stores operating in Hong Kong (2) 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. (3) EBITDA = Operating Profit (before royalty payment) adjusted for Depreciation & Amortization (excluding Right-of-Use Asset) and Impairment. (This EBITDA calculation method applies to EBITDA from this page onwards)

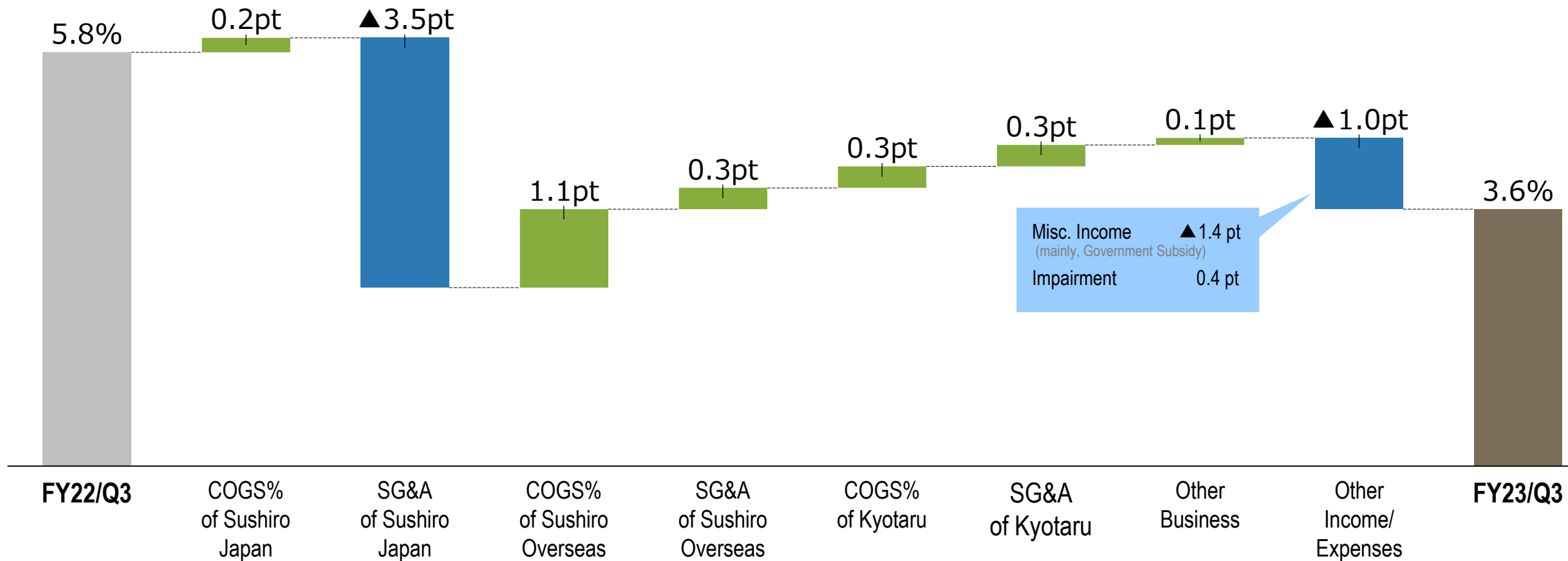
# [Consolidated] Financial Highlights By Segment, FY23/ Q1, Q2, Q3

|                    |                                 | Sushiro Japan |                             | Sushiro Overseas |                             | Kyotaru Segment |                             | Other Segment |                             |
|--------------------|---------------------------------|---------------|-----------------------------|------------------|-----------------------------|-----------------|-----------------------------|---------------|-----------------------------|
| (in millions, JPY) |                                 | Actual        | % in Revenue <sup>(2)</sup> | Actual           | % in Revenue <sup>(2)</sup> | Actual          | % in Revenue <sup>(2)</sup> | Actual        | % in Revenue <sup>(2)</sup> |
| Q1<br>FY23         | Revenue                         | 46,680        | 68.6%                       | 13,845           | 20.4%                       | 6,213           | 8.4%                        | 1,265         | 1.9%                        |
|                    | EBITDA                          | 3,791         | 8.1%                        | 2,489            | 18.0%                       | 49              | 0.8%                        | 52            | 4.1%                        |
|                    | Operating Profit <sup>(1)</sup> | 1,437         | 3.1%                        | 1,521            | 11.0%                       | 13              | 0.2%                        | 19            | 1.5%                        |
|                    | Depreciation                    | 4,051         | —                           | 1,614            | —                           | 400             | —                           | 151           | —                           |
|                    | Impairment                      | 861           | —                           | 98               | —                           | 26              | —                           | —             | —                           |
| Q2<br>FY23         | Revenue                         | 52,069        | 69.2%                       | 15,818           | 21.0%                       | 6,120           | 8.1%                        | 1,288         | 1.4%                        |
|                    | EBITDA                          | 5,093         | 9.8%                        | 2,648            | 16.7%                       | 20              | 0.3%                        | 64            | 5.0%                        |
|                    | Operating Profit <sup>(1)</sup> | 3,451         | 6.6%                        | 2,055            | 13.0%                       | ▲ 100           | ▲ 1.6%                      | ▲ 125         | ▲ 9.7%                      |
|                    | Depreciation                    | 3,905         | —                           | 1,717            | —                           | 420             | —                           | 159           | —                           |
|                    | Impairment                      | 314           | —                           | —                | —                           | 91              | —                           | 152           | —                           |
| Q3<br>FY23         | Revenue                         | 50,969        | 67.4%                       | 17,292           | 22.9%                       | 5,975           | 7.9%                        | 1,380         | 1.8%                        |
|                    | EBITDA                          | 4,763         | 9.3%                        | 2,840            | 16.4%                       | 121             | 2.0%                        | 101           | 7.3%                        |
|                    | Operating Profit <sup>(1)</sup> | 2,329         | 4.6%                        | 1,963            | 11.4%                       | 67              | 1.1%                        | 6             | 0.4%                        |
|                    | Depreciation                    | 4,115         | —                           | 1,985            | —                           | 411             | —                           | 166           | —                           |
|                    | Impairment                      | 921           | —                           | 5                | —                           | 48              | —                           | 47            | —                           |

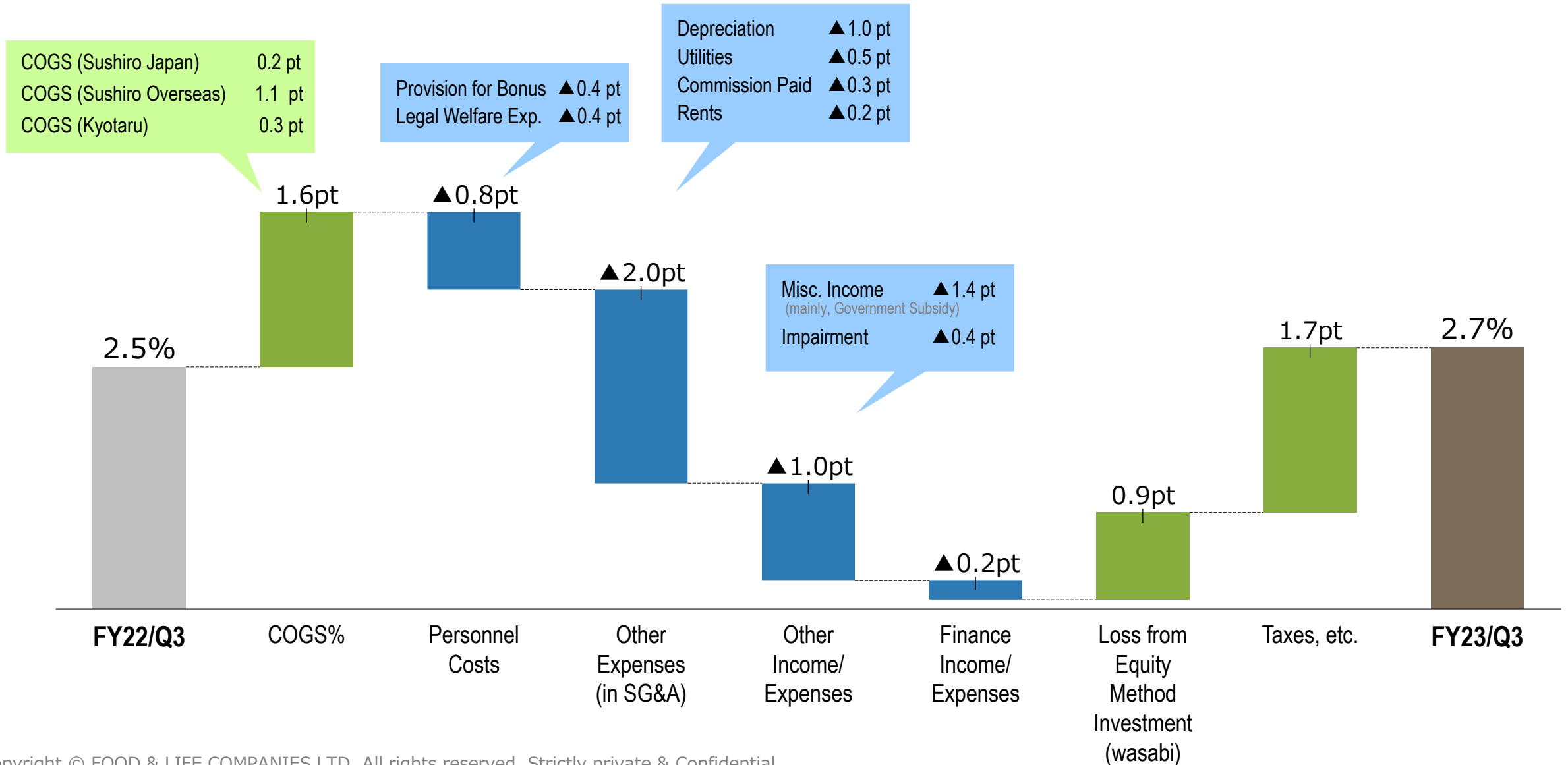
[Note] (1) Operating profits shown in above table are the figures without Loyalty Payment.

(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.

# [Consolidated] Operating Profit, FY23/Q3, YoY



# [Consolidated] Profit for the Period, FY23/Q3, YoY



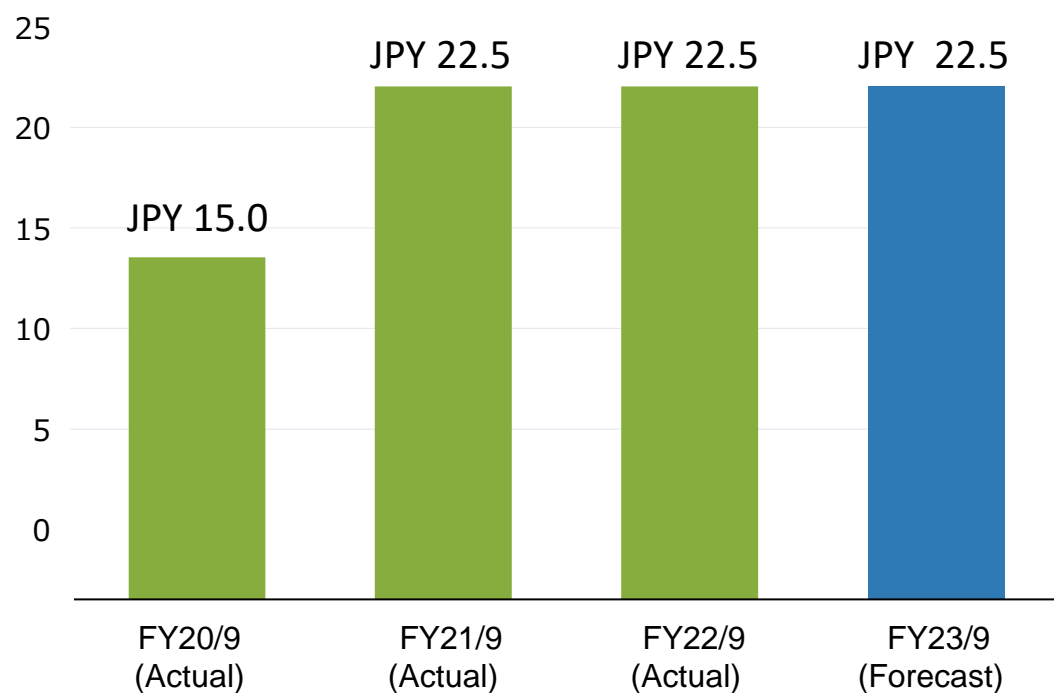
# [Overseas Business] Sushiro Revenue and EBITDA by Area

| (in millions, JPY)      | FY23/Q3 (cumulative) |                             |                             | vs. FY22/Q3 (cumulative) |                          |   |
|-------------------------|----------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|---|
|                         | Actual               | (in Total Overseas Revenue) | (in Revenue of Each Area)   | Change (value)           | YoY %                    | Growth %<br>(excl. impact of exchange rate) |
|                         |                      | % in Revenue                | EBITDA% <sup>(1)</sup>      |                          |                          |   |
| <b>Overseas Revenue</b> | <b>46,955</b>        | —                           | —                           | <b>+ 21,557</b>          | <b>+ 84.9%</b>           | <b>+ 68.5%</b>                              |
| KOREA                   | 1,893                | 4.0%                        | —                           | + 446                    | + 30.8%                  | + 23.6%                                     |
| TAIWAN                  | 13,525               | 28.8%                       | —                           | + 4,616                  | + 51.8%                  | + 43.6%                                     |
| HONG KONG               | 16,593               | 35.4%                       | —                           | + 7,374                  | + 80.0%                  | + 57.7%                                     |
| SINGAPORE               | 3,566                | 7.6%                        | —                           | + 1,423                  | + 66.4%                  | + 44.5%                                     |
| THAILAND                | 5,368                | 11.4%                       | —                           | + 2,964                  | + 123.3%                 | + 102.8%                                    |
| MAINLAND CHINA          | 6,010                | 12.8%                       | —                           | + 4,734                  | + 371.0%                 | + 346.2%                                    |
| <b>Overseas EBITDA</b>  | <b>7,977</b>         | —                           | <b>17.0%</b> <sup>(1)</sup> | <b>+ 4,514</b>           | <b>+ 130.3%</b>          | <b>+ 107.7%</b>                             |
| KOREA                   | 156                  | —                           | 8.3%                        | + 85                     | + 120.6%                 | + 108.5%                                    |
| TAIWAN                  | 2,159                | —                           | 16.0%                       | + 1,006                  | + 87.3%                  | + 77.2%                                     |
| HONG KONG               | 3,629                | —                           | 21.9%                       | + 1,881                  | + 107.6%                 | + 81.9%                                     |
| SINGAPORE               | 691                  | —                           | 19.4%                       | + 490                    | + 244.3%                 | + 198.8%                                    |
| THAILAND                | 1,208                | —                           | 22.5%                       | + 838                    | + 226.4%                 | + 196.5%                                    |
| MAINLAND CHINA          | 134                  | —                           | 2.2%                        | + 213                    | Negative figure for FY21 | Negative figure for FY21                    |

# [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)
- Plan to pay a dividend of JPY 22.5 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 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

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# [Consolidated] Financial Position

## Consolidated Statement of Financial Position

| (in millions, JPY)          | FY22/9   | FY23/Q3  | Change     |
|-----------------------------|----------|----------|------------|
| <b>Current assets</b>       | 67,993   | 67,141   | ▲ 851      |
| [Cash and cash equivalents] | [50,637] | [45,730] | [▲ 4,907]  |
| <b>Non-current assets</b>   | 263,990  | 273,748  | 9,759      |
| [Goodwill]                  | [30,371] | [30,371] | [ - ]      |
| <b>Assets</b>               | 331,982  | 340,890  | 8,907      |
| <b>Current liab.</b>        | 54,067   | 77,362   | 23,295     |
| [Borrowings]                | [4,009]  | [23,993] | [19,990]   |
| <b>Non-current liab.</b>    | 212,781  | 194,556  | ▲ 18,225   |
| [Bonds, Borrowings]         | [88,923] | [65,950] | [▲ 22,973] |
| <b>Liab.</b>                | 266,848  | 271,918  | 5,071      |
| <b>Equity</b>               | 65,134   | 68,971   | 3,837      |
| <b>Liab. &amp; Equity</b>   | 331,982  | 340,890  | 8,907      |
| <b>Equity Ratio</b>         | 19.3%    | 19.8%    | 0.5pt      |
| <b>Net Debt/EBITDA</b>      | 2.0x     | 2.3x     | 0.3x       |
| <b>PBR</b>                  | 4.0x     | 4.8x     | 0.8x       |

## Consolidated Statement of Cash Flows

| (in millions, JPY)                                    | FY22/Q3  | FY23/Q3  | Change   |
|---|----------|----------|----------|
| <b>Operating CF</b>                                   | 23,783   | 27,569   | 3,786    |
| <b>Investing CF</b>                                   | ▲ 14,227 | ▲ 13,980 | 247      |
| <b>Financing CF</b>                                   | 15,623   | ▲ 18,329 | ▲ 33,952 |
| <b>Increase/decrease in cash and cash equivalents</b> | 26,068   | ▲ 4,907  | ▲ 30,975 |

### Consolidated Financial Position

Assets : [Increase] Tangible Fixed Assets, [Decrease] Cash & Cash Equivalents,  
 Liab. : [Increase/Decrease] Corporate Bonds & Borrowings  
 (transfer from Non-current Liab. to Current Liab.)  
 Equity : [Increase] Quarterly Earnings [Decrease] Dividends

### Consolidated Cash Flows

Operating CF: [Increase] JPY 2.7 bil increase in Depreciation and others  
 JPY 10.6 bil increase in Income Taxes/Refunds  
 [Decrease] JPY 2.9 bil decrease in Profit Before Income Taxes  
 JPY 7.5 bil increase in Trade Receivables and others  
 Investment CF: [Decrease] Increased due to Store Opening and Labor-Saving Equipment Devel.  
 (of which, 43.8 % invested in overseas Sushiro)  
 Finance CF: There was an inflow of 34.0 bil JPY as LT Borrowing in FY22/Q3

### KPIs

Equity Ratio and NetDebt/EBITDA (LTM), both decreased.  
 ROE : [FY22/9] 5.7% (actual), [FY23/9] 9.1% (plan)

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

|                       |                         |                | FY22<br>End-of-Term | FY23/03   |           |                       | End-of-Term |
|-----------------------|-------------------------|----------------|---------------------|-----------|-----------|-----------------------|-------------|
|                       |                         |                |                     | OPEN      | CLOSE     | Increase/<br>Decrease |             |
| Dining<br>Format      | Sushiro                 | Japan          | 626                 | 18        | 2         | 16                    | 642         |
|                       |                         | Korea          | 9                   | 0         | 0         | 0                     | 9           |
|                       |                         | Taiwan         | 30                  | 5         | 0         | 5                     | 35          |
|                       |                         | Hong Kong      | 17                  | 4         | 0         | 4                     | 21          |
|                       |                         | Singapore      | 9                   | 0         | 1         | ▲1                    | 8           |
|                       |                         | Thailand       | 11                  | 5         | 0         | 5                     | 16          |
|                       |                         | Mainland China | 9                   | 20        | 0         | 20                    | 29          |
|                       |                         | Guangzhou      | 8                   | 9         | 0         | 9                     | 17          |
|                       |                         | Shenzhen       | 1                   | 6         | 0         | 6                     | 7           |
|                       |                         | Chengdu        | -                   | 5         | 0         | 5                     | 5           |
|                       | Sugidama <sup>(1)</sup> | Japan          | 67                  | 12        | 3         | 9                     | 76          |
|                       | Overseas                | 1              | 1                   | 0         | 1         | 2                     |             |
| Misaki <sup>(2)</sup> | Japan                   | 103            | 7                   | 13        | ▲6        | 97                    |             |
| Takeout<br>Format     | Sushiro                 | Japan          | 18                  | 0         | 1         | ▲1                    | 17          |
|                       |                         | Overseas       | 2                   | 0         | 2         | ▲2                    | 0           |
|                       | Kyotaru <sup>(3)</sup>  | Japan          | 124                 | 2         | 11        | ▲9                    | 115         |
|                       | Multi Brand             | Japan          | 35                  | 2         | 8         | ▲6                    | 29          |
| Others <sup>(3)</sup> |                         |                | 22                  | 3         | 2         | 1                     | 23          |
| <b>Company Total</b>  |                         |                | <b>1083</b>         | <b>79</b> | <b>43</b> | <b>36</b>             | <b>1119</b> |

[Note] (1) 'Sugidama' includes both company-owned and franchised stores. (2) 'Misaki' includes 'Kaiten-sushi Misaki,' 'Sushi Misakimaru,' 'Sushi Misaki,' and 'Tachigui-sushi Misaki.'  
 (3) Due to a change in the categorization method of the store count FY22/end, the store counts for "Kyotaru" and "Others" have been revised.

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