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## Consolidated Financial Results for the Fiscal Year Ended September 30, 2023 [IFRS]

November 10, 2023

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 21, 2023 Scheduled date to commence dividend payment: December 22, 2023  
 Scheduled filing date to file Annual Securities Report: December 22, 2023  
 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, 2022 to September 30, 2023)

#### (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, 2023	301,747	7.3	11,001	8.7	9,864	30.4	8,259	128.1	7,899	119.0	8,708	52.4
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)

	Adjusted EBITDA		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
	Million yen	%	Yen	Yen	%	%	%
Fiscal year ended September 30, 2023	25,659	1.9	68.28	67.76	11.8	2.9	3.6
Fiscal year ended September 30, 2022	25,174	(21.3)	31.16	30.98	5.7	2.4	3.6

Reference: Investment gains/losses by equity method:

Fiscal Year Ended September 30, 2023: 52 million yen

Fiscal Year Ended September 30, 2022: -2,056 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, 2023	350,682	71,744	71,356	19.9	604.36
Fiscal year ended September 30, 2022	331,982	65,134	65,117	19.3	554.51

(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, 2023	42,360	(17,888)	(23,876)	51,228
Fiscal year ended September 30, 2022	29,514	(19,647)	10,539	50,637

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, 2022	—	0.00	—	22.50	22.50	2,603	72.2	4.1
Fiscal year ended September 30, 2023	—	0.00	—	22.50	22.50	2,603	33.0	3.9
Fiscal Year Ending September 30, 2024 (forecast)	—	0.00	—	22.50	22.50		40.0	

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, 2024 (October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes)

	Revenue		Adjusted EBITDA		Operating profit		Profit for the year attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal Year Ending September 30, 2024	350,000	16.0	26,000	1.3	11,500	4.5	6,500	(17.7)	56.19

\* Notes:

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

FOOD & LIFE COMPANIES USA, Corp  
 New: FOOD & LIFE COMPANIES USA, LLC  
 PT. Indonesia Sushiro Restaurants  
 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 30,2023	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	Fiscal year ended September 30,2023	382,884 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)	Fiscal year ended September 30,2023	115,681,282 shares	Fiscal year ended September 30,2022	115,730,819 shares

(4) Formulas for various indicators

Indicator	Formula
Adjusted EBITDA	Operating profit + Depreciation and amortization (excluding depreciation of right-of-use assets) + impairment loss

\* 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) Outlook for the next period” under “1. Overview of operating results” on page 3 of the attached materials.

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## 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, 2023, although a trend of recovery was observed in the movement of people as COVID-19 was downgraded to a Category V infectious disease in May 2023 and restrictions on activity were abolished, the outlook for the Japanese economy remained uncertain due to factors such as prices for raw materials and energy remaining high 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 prices for raw materials and energy remaining high 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	Nine-month period ended June 30 2023
Japan: Sushiro (TOGO)	644 (18)	19	10 (6)	653 (12)
Japan: Sugidama (FC)	67 (15)	15 (3)	3 (1)	79 (17)
Japan: Kyotaru	155 (—)	3	21	137 (—)
Japan:Kaiten Sushi Misaki/Misakimaru	103 (—)	4	12	95 (—)
Japan: Others	24 (—)	2	4	22 (—)
Japan total	993 (33)	43 (3)	50 (7)	986 (29)
Overseas: Sushiro (TOGO)	87 (2)	48	3 (2)	132 (—)
Overseas: Others	3 (—)	2	—	5 (—)
Overseas total	90 (2)	50	3 (2)	137 (—)
Total	1,083 (35)	93 (3)	53 (9)	1,123 (29)

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 301,747 million yen (+7.3% year on year), operating profit 11,001 million yen (+8.7% year on year), profit before income taxes 9,864 million yen (+30.4% year on year), and profit for the period attributable to owners of the parent 7,899 million yen (+119.0% 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 our trust with customers in providing our customers with safe and reliable sushi. We are cleaning all teacups and replacing soy sauce bottles at targeted stores to restore customers' trust. 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 efforts to improve business performance, the “Stamina Festival” offered the perfect stamina products,

including delicious and spicy toppings using large slices of eel and kimchi. As our first anime collaboration, in the “Let’s serve it up!!! Haikyu!! Peak Sushi” collaboration campaign with Haikyu!!, we sold a collaboration menu and goods with collaboration products and customers enjoyed a social media campaign in which they could win collaboration goods and other offerings. In the “Manpuku Dekaneta Festival,” customers enjoyed large-cut medium-fatty tuna, double jumbo scallops, and mountains of shrimp tempura.

In addition, in July 2023, we broadcast a new television commercial nationwide, using rakugo storyteller Shoufukutei Tsurube as Sushiro’s special storyteller. Starting in September, we introduced Digital Sushiro Vision (commonly known as Digiro) which fuses digital vision with conveyor belt lanes on a trial basis at some stores.

As a result of the above, net sales of the Japan Sushiro Business were 205,906 million yen, (-5.6% year on year) and segment profit was 4,881 million yen (-44.7% year on year).

#### (Overseas Sushiro Business)

In the overseas Sushiro business, amid a strong trend of recovery, having completely emerged from the impact of COVID-19, the number of customers declined in September, primarily in mainland China, due to import restrictions and reputational damage caused by the release of ALPS treated water, which began in August. We believe that the impact from the release of treated water will be temporary and are considering effective measures to restore our ability to attract customers.

In this environment, we opened a total of 25 stores in mainland China, including stores in Chengdu and Wuhan, with the aim of aggressive business expansion. We continued to open new stores in other regions with eight stores in Taiwan, eight stores in Hong Kong, six stores in Thailand, and one store in Singapore and have achieved the opening of 130 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 Summer Fair in mainland China, Sushiro Premier in South Korea, the World Select Food Fair in Taiwan, the Thanksgiving Festival in Hong Kong, the Fourth Anniversary Festival in Singapore, and Sankanmori (Three-Piece Sushi Assortment) in Thailand.

As a result of the above, net sales of the Overseas Sushiro Business were 66,132 million yen (+72.7% year on year) and segment profit was 5,293 million yen (141.6% year on year).

#### (Kyotaru Business)

In the Kyotaru business, in the takeout business, in addition to the once-a-month campaign, we have strengthened our product lineup, including the launch of the Weekly Special Festival in which we offer special deals for products on a weekly basis. We also improved display methods and enhanced customer service. In addition, we rebranded Kyotaru, which included updating the brand logo, and implemented various initiatives to evolve it into a brand that is in step with modern times while carrying on with traditions and strengthen profitability. We also worked to improve profitability by closing unprofitable stores.

In the Misaki brand, sales remained strong due to further improvements to aka-shari in addition to the strengthening of sales promotions. The switch to the “Sushi Misaki” brand has also been successful, and we plan to continue switching the brand based on the location. In addition, we will work to enhance the value of the store experience and strengthen profitability by improving the efficiency of store operations and customer service.

As a result of the above, net sales of the Kyotaru Business were 24,446 million yen (+14.2% year on year) and segment loss was 653 million yen (segment loss was 3,023 million yen in the same period of previous fiscal year).

## 2) Outlook for the next period

The Company forecasts revenue of 350,000 million yen (+16.0% year on year), adjusted EBITDA of 26,000 million yen (+1.3% year on year), operating profit of 11,500 million yen (+4.5% year on year), and profit for the year attributable to owners of the parent of 6,500 million yen (-17.7% year on year).

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

### 1) Assets, liabilities and equity

#### (Assets)

The balance of total assets increased 18,699 million yen from the end of the previous consolidated fiscal year to 350,682 million yen.

The balance of current assets increased 3,409 million yen from the end of the previous consolidated fiscal year to 71,401 million yen. This mainly reflected a 1,060 million yen increase in Trade and other receivables and a 932 million yen increase in Other finance assets.

The balance of non-current assets increased 15,291 million yen from the end of the previous consolidated fiscal year to 279,280 million yen. This mainly reflected a 14,125 million yen increase in property, plant and equipment resulting from an opening new stores.

#### (Liabilities)

Total liabilities increased 12,090 million yen from the end of the previous consolidated fiscal year to 278,937 million yen.

The balance of current liabilities increased 27,425 million yen from the end of the previous consolidated fiscal year to 81,491 million yen. This mainly reflected a 19,998 million yen increase in bonds transferred from non-current liabilities and a 2,645 million yen increase in Other current liabilities.

The balance of non-current liabilities decreased 15,335 million yen from the end of the previous consolidated fiscal year to 197,446 million yen. This mainly reflected a 23,971 million yen decrease in bonds and borrowings resulting from transferred to current liabilities and repayment, alongside a 9,065 million yen increase in Lease liabilities.

#### (Equity)

Total equity increased 6,610 million yen from the end of the previous consolidated fiscal year to 71,744 million yen. This mainly reflected a 2,603 million yen resulting from cash dividends paid, alongside the booking of 7,899 million yen in profit for the period.

## (3) Cash flows during the period

In the consolidated fiscal year ended September 30, 2023, cash and cash equivalents (hereinafter "Cash" ) increased 591 million yen from the end of the previous consolidated fiscal year to 51,228 million yen.

The breakdown of cash flows by activities and underlying factors for the consolidated fiscal year ended September 30, 2023 is shown below.

#### (Cash flows from operating activities)

Cash provided by operating activities totaled 42,360 million yen (+43.5% year on year).

This mainly reflected the booking of 9,864 million yen in profit before income taxes, the booking of 26,586 million yen in depreciation and amortization, 4,975 million yen in impairment losses and a 2,580 million yen increase in trade and other payables and 2,414 million yen in income taxes refund, alongside a 2,295 million yen increase in trade and other receivables and a 3,026 million yen in income tax paid.

#### (Cash flows from investing activities)

Cash used in investing activities came to 17,888 million yen (-9.0% year on year).

This was mainly attributable to 15,755 million yen in purchase of property, plant and equipment accompanying store openings.

#### (Cash flows from financing activities)

Cash used in financing activities amounted to 23,876 million yen (versus cash gained 10,539 million yen in the previous fiscal year). This mainly reflected a 17,297 million yen in repayments of lease liabilities, a 4,009 million yen in repayments of long-term borrowings, a 2,598 million yen in cash dividends paid.

Reference: Trends in cash flow indicators

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Ratio of equity attributable to owners of the parent (%)	21.3	19.3	19.9
Ratio of equity attributable to owners of the parent on market value basis (%)	202.3	77.5	84.0
Cash flows to interest-bearing debt ratio (%)	543.3	725.8	523.0
Interest coverage ratio (x)	41.7	31.6	29.7

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, 2024 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, 2022	Fiscal Year Ended September 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	50,637	51,228
Trade and other receivables	11,397	12,457
Inventories	3,534	3,965
Other financial assets	457	1,389
Other current assets	1,967	2,363
<b>Total current assets</b>	<b>67,993</b>	<b>71,401</b>
Non-current assets		
Property, plant and equipment	162,490	176,615
Goodwill	30,371	30,371
Intangible assets	55,968	56,332
Equity method investment	178	52
Lease and guarantee deposits	13,420	14,257
Other financial assets	541	417
Deferred tax assets	191	553
Other non-current assets	830	682
<b>Total non-current assets</b>	<b>263,990</b>	<b>279,280</b>
<b>Total assets</b>	<b>331,982</b>	<b>350,682</b>
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	27,435	30,080
Bonds and Borrowings	4,009	24,007
Income taxes payable	189	1,070
Lease liabilities	15,650	17,901
Other financial liabilities	963	1,362
Provisions	2,347	3,136
Other current liabilities	3,473	3,935
<b>Total current liabilities</b>	<b>54,067</b>	<b>81,491</b>
Non-current liabilities		
Trade and other payables	23	23
Bonds and Borrowings	88,923	64,952
Lease liabilities	105,624	114,689
Other financial liabilities	100	111
Provisions	4,012	4,363
Deferred tax liabilities	14,092	13,307
Other non-current liabilities	5	—
<b>Total non-current liabilities</b>	<b>212,781</b>	<b>197,446</b>
<b>Total liabilities</b>	<b>266,848</b>	<b>278,937</b>

	Fiscal Year Ended September 30, 2022	Fiscal Year Ended September 30, 2023
Equity		
Capital stock	100	100
Capital surplus	15,692	15,676
Retained earnings	47,579	52,875
Treasury stock	(1,894)	(1,840)
Other components of equity	3,639	4,544
Total equity attributable to owners of the parent	65,117	71,356
Non-controlling interests	18	388
Total equity	65,134	71,744
Total liabilities and equity	331,982	350,682

## (2) Consolidated statement of profit and loss

(in millions, JPY)

	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)	Fiscal Year Ended September 30, 2023 (From October 1, 2022 to September 30, 2023)
Revenue	281,301	301,747
Cost of sales	(130,287)	(134,229)
Gross profit	151,014	167,518
Selling, general and administrative expenses	(138,025)	(152,437)
Other income	4,558	1,313
Other expenses	(7,423)	(5,393)
Operating profit	10,123	11,001
Finance income	499	325
Finance expenses	(1,003)	(1,514)
Share of profit (loss) of investments accounted for using equity method	(2,056)	52
Profit before income taxes	7,564	9,864
Income taxes	(3,943)	(1,605)
Profit for the year	3,621	8,259
Profit attributable to:		
Owners of the parent	3,607	7,899
Non-controlling interests	14	360
Profit for the year	3,621	8,259
Earnings per share		
Basic earnings per share (yen)	31.16	68.28
Diluted earnings per share (yen)	30.98	67.76

## (3) Consolidated statement of comprehensive income

(in millions, JPY)

	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)	Fiscal Year Ended September 30, 2023 (From October 1, 2022 to September 30, 2023)
Profit for the period	3,621	8,259
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	(96)	(81)
Total of items that will not be reclassified to profit or loss	(96)	(81)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,188	530
Total of items that may be reclassified subsequently to profit or loss	2,188	530
Other comprehensive income after taxes	2,092	449
Total comprehensive income for the year	5,713	8,708
Attributable to:		
Owners of the parent	5,700	8,337
Non-controlling interests	13	370
Total comprehensive income for the year	5,713	8,708

## (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, 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
Profit for the year			7,899			7,899	360	8,259
Other comprehensive income					439	439	10	449
Total comprehensive income	—	—	7,899	—	439	8,337	370	8,708
Disposal of treasury shares		(27)		55	(8)	19		19
Purchase of treasury shares				(0)		(0)		(0)
Forfeiture of shares		11			(11)	—		—
Share-based payment transactions					485	485		485
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(16)	(2,603)	55	466	(2,098)	—	(2,098)
Balance as of September 30, 2023	100	15,676	52,875	(1,840)	4,544	71,356	388	71,744

## (5) Consolidated statement of cash flows

(in millions, JPY)

	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)	Fiscal Year Ended September 30, 2023 (From October 1, 2022 to September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	7,564	9,864
Depreciation and amortization	22,902	26,586
Impairment losses	6,821	4,975
Finance income	(499)	(325)
Finance expenses	999	1,498
Increase (decrease) in provision for bonuses	(992)	658
Amount of rent offset by lease and guarantee deposits	260	282
Share of loss (profit) of entities accounted for using equity method	2,056	(52)
Increase/decrease in trade and other receivables, (increase)	6,025	(2,295)
Increase/decrease in inventories, (increase)	(1,339)	(389)
Increase/decrease in trade and other payables, (decrease)	756	2,580
Others	(1,339)	914
Subtotal	43,213	44,298
Interest and dividend income received	11	102
Interest paid	(935)	(1,428)
Income taxes paid	(12,775)	(3,026)
Income taxes refund	—	2,414
Net cash from operating activities	29,514	42,360
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,093)	(15,755)
Proceeds from sales of property, plant and equipment	0	655
Purchase of intangible assets	(1,841)	(957)
Payments into time deposits	—	(1,413)
Proceeds from withdrawal of time deposits	—	796
Payments for lease and guarantee deposits	(1,500)	(1,733)
Purchase of investment securities	(200)	—
Equity method investment	(255)	—
Others	242	519
Cash flows from investing activities	(19,647)	(17,888)
Cash flows from financing activities		
Proceeds from long-term borrowings	34,000	—
Repayments of long-term borrowings	(4,009)	(4,009)
Repayments of lease liabilities	(14,905)	(17,297)
Payments for commission fees	(2)	(6)
Purchase of treasury shares	(2,000)	(0)
Proceeds from exercise of share acquisition rights	46	19
Cash dividends paid	(2,609)	(2,598)
Others	18	15
Cash flows from financing activities	10,539	(23,876)
Net increase/decrease in cash and cash equivalents, (decrease)	20,407	596
Cash and cash equivalents at beginning of year	29,367	50,637
Effect of exchange rate changes on cash and cash equivalents	863	(4)
Cash and cash equivalents at end of year	50,637	51,228

(6) Notes on condensed consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

(Segment information)

(1) Overview of Reportable Segments

The Group's reportable segments consist mainly of business 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.

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

(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	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.

Fiscal Year Ended June 30, 2023 (October 1, 2022 to September 30, 2023)

(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	205,906	66,132	24,329	5,380	301,747	—	301,747
Intersegment revenue	—	—	117	44	161	(161)	—
Total	205,906	66,132	24,446	5,423	301,908	(161)	301,747
Segment profit (loss) (Notes 1)	4,881	5,293	(653)	(380)	9,140	1,861	11,001
Other Items							
Depreciation and amortization	16,070	7,571	1,659	642	25,942	645	26,586
Impairment loss	3,904	337	382	353	4,975	—	4,975

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

2. Adjustment of 1,861 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, 2022 (From October 1, 2021 to September 30, 2022)	Fiscal Year Ended September 30, 2023 (From October 1, 2022 to September 30, 2023)
Employee benefits	77,755	83,619
Depreciation and amortization	22,802	26,524
Utilities expenses	7,123	8,465
Other	30,345	33,829
Total	138,025	152,437

## (Earnings per share)

	Fiscal Year Ended September 30, 2022 (From October 1, 2021 to September 30, 2022)	Fiscal Year Ended September 30, 2023 (From October 1, 2022 to September 30, 2023)
Profit for the period attributable to common shareholders of the parent (million yen)	3,607	7,899
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	3,607	7,899
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	3,607	7,899
Average number of shares during the period	115,730,819	115,681,282
Increase in number of common shares used in calculation for diluted earnings per share	695,326	888,514
Average number of common shares during the period after dilution	116,426,145	116,569,796
Basic earnings per share (yen)	31.16	68.28
Diluted earnings per share (yen)	30.98	67.76
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 120 thousand shares)	3 kinds of subscription rights to shares (Common shares 228 thousand shares)

## (Important subsequent events)

Not applicable.