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Consolidated Financial Results for the 1st Quarter Ended December 31, 2023 [IFRS]

February 9, 2024

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 Scheduled filing date to file February 13, 2024 Scheduled date to commence —
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(Amounts of less than one million yen are rounded off to the million)

1. Consolidated Financial Results for the 1st Quarter Ended December 31, 2023 (October 1, 2023 to December 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	%
1st Quarter Ended December 31, 2023	85,533	25.8	6,123	290.1	5,732	431.6	3,429	380.8	3,257	385.6	2,852	—
1st Quarter Ended December 31, 2022	68,004	(5.0)	1,570	(71.3)	1,078	(79.5)	713	(79.0)	671	(80.2)	(219)	—

	Adjusted EBITDA		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Yen		Yen	
1st Quarter Ended December 31, 2023	9,143	81.4	28.15		27.94	
1st Quarter Ended December 31, 2022	5,039	(38.2)	5.80		5.77	

(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		%	
1st Quarter Ended December 31, 2023	354,645		73,038		72,468		20.0	
Fiscal year ended September 30, 2023	351,619		72,659		72,268		20.1	

(Note) Figures for the fiscal year ended September 30, 2023 are presented after the retroactive application of IAS 12 (revised) "Income Taxes."

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2023	—	0.00	—	22.50	22.50
Fiscal year ending September 30, 2024	—				
Fiscal year ending September 30, 2024 (forecast)		0.00	—	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, 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	%	
Fiscal year ending September 30, 2024	350,000	16.0	26,000	1.3	11,500	4.5	6,500	(17.7)	Yen 56.19

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): Yes

New: 1 (Company name) Beijing Sushiro Restaurants Co., Ltd.

Excluded: —

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: Yes

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)	1st quarter ended December 31, 2023	116,069,184 shares	Fiscal year ended September 30, 2023	116,069,184 shares
b. Number of treasury shares at the end of the period	1st quarter ended December 31, 2023	370,884 shares	Fiscal year ended September 30, 2023	382,884 shares
c. Average number of shares during the period (cumulative from the start of the fiscal year)	1st quarter ended December 31, 2023	115,687,917 shares	1st quarter ended December 31, 2022	115,675,062 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

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 quarter of the consolidated fiscal year ending September 30, 2024, although a trend of recovery was observed in the movement of people as COVID-19 was downgraded to a Category V infectious disease and restrictions on activity were abolished and soaring energy prices and the depreciation of the yen appeared to be stabilizing, the outlook for the Japanese economy remained uncertain due to factors such as the gradual increase in commodity prices and labor costs, the prolonged Russian invasion of Ukraine, and escalating tensions in the Middle East.

Similarly, the restaurant sector also continued to face challenging conditions due to such factors as the gradual increase in commodity prices and labor costs, the prolonged Russian invasion of Ukraine, and escalating tensions in the Middle East.

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 2023	Store openings	Store closures	Three-month period ended December 31 2023
Japan: Sushiro (TOGO)	653 (12)	4	9 (2)	648 (10)
Japan: Sugidama (FC)	79 (17)	3 (1)	2 (1)	80 (17)
Japan: Kyotaru	137 (—)	1	2	136 (—)
Japan:Kaiten Sushi Misaki/Misakimaru	95 (—)	—	1	94 (—)
Japan: Others	22 (—)	—	1	21 (—)
Japan total	986 (29)	8 (1)	15 (3)	979 (27)
Overseas: Sushiro (TOGO)	132 (—)	11	—	143 (—)
Overseas: Others	5 (—)	1	1	5 (—)
Overseas total	137 (—)	12	1	148 (—)
Total	1,123 (29)	20 (1)	16 (3)	1,127 (27)

Figures in parentheses show the number of take out only and FC stores.

As a result, revenue for the 1st quarter of the current consolidated fiscal year totaled 85,533 million yen (+25.8% year on year), operating profit 6,123 million yen (+290.1% year on year), profit before income taxes 5,732 million yen (+431.6% year on year), and profit for the period attributable to owners of the parent 3,257 million yen (+385.6% year on year).

Operating results by segment are as follows.

(Japan Sushiro Business)

In the Japan Sushiro business, we are trialing a new store model at some Sushiro stores with the aim of realizing a more enjoyable and convenient dining experience. We will provide customers with a new in-store experience with the introduction of Digital Sushiro Vision (commonly known as Digiro), which brings back plates of sushi moving around in a digital lane and also features mini-games in which customers can win prizes.

As part of our efforts to improve business performance, the “40th Anniversary! Great Big Thankyou Festival” offered a large cut bigeye tuna and a medium bluefin tuna for 100 yen per plate. A collaboration with OPANCHU USAGI allowed customers to enjoy an original menu with limited-edition collaboration goods and a social media campaign in which they could win limited-edition t-shirts and meal vouchers. In the “Great Big Thankyou Crab Festival,” customers enjoyed raw snow crab, king crab wrap, and crab matsumae wrap.

” As a result of the above, net sales of the Japan Sushiro Business were 58,638 million yen, (+25.6% year on year) and segment profit was 4,456 million yen (segment profit was 39 million yen in the same period of previous fiscal year).

(Overseas Sushiro Business)

In the overseas Sushiro business, the number of customers declined, primarily in mainland China, due to import restrictions and reputational damage caused by the release of ALPS treated water, which began in August 2023. 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 one store in Indonesia, entering that country’s market for the first time. We continued to open new stores in other regions with a total of five stores in Guangzhou, Shenzhen, and Chengdu in China, one store in Taiwan, three stores in Hong Kong, and two stores in Thailand.

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 Fatty Tuna Fair in mainland China, the Elegant Sushiro Taste Dinner Party in South Korea, the Select Food Fair in Taiwan, the Fatty Tuna Festival in Hong Kong, the Autumn Festival in Singapore, and the Grilled Toppings and Fatty Tuna Festival in Thailand.

As a result of the above, net sales of the Overseas Sushiro Business were 19,068 million yen (+37.7% year on year) and segment profit was 1,042 million yen (-5.5% year on year).

(Kyotaru Business)

In the Kyotaru business, we integrated head office functions with FOOD & LIFE INNOVATIONS LTD., a Group company, on October 1, 2023 to improve operational efficiency of the Group and to promote mutual use of the various functions, strengths, and assets possessed by the two companies.

In the Kyotaru brand, we refurbished stores to promote rebranding, 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 addition, many customers purchased Kyotaru kaiseki and osechi dishes (traditional Japanese cuisine and New Year foods) in December for the New Year.

In the Misaki brand, sales remained steady due to improvements to aka-shari in the previous fiscal year and the popularity of various sales promotions. We also continued the transformation of the brand into “Sushi Misaki.” 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 6,262 million yen (-1.1% year on year) and segment loss was 106 million yen.(segment loss was 173 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 3,026 million yen from the end of the previous consolidated fiscal year to 354,645 million yen.

The balance of current assets increased 3,545 million yen from the end of the previous consolidated fiscal year to 74,947 million yen. This mainly reflected a 3,985 million yen increase in trade and other receivables, a 1,562 million yen increase in inventory, alongside a 3,289 million yen decrease in cash resulting from repayment and capital investment etc...

The balance of non-current assets decreased 519 million yen from the end of the previous consolidated fiscal year to 279,698 million yen. This mainly reflected a 759 million yen decrease in property, plant and equipment resulting from an opening new stores.

(Liabilities)

Total liabilities increased 2,646 million yen from the end of the previous consolidated fiscal year to 281,606 million yen.

The balance of current liabilities decreased 13,908 million yen from the end of the previous consolidated fiscal year to 67,583 million yen. This mainly reflected a 19,998 million yen decrease in bonds and borrowings resulting from redemption of bonds.

The balance of non-current liabilities increased 16,554 million yen from the end of the previous consolidated fiscal year to 214,023 million yen. This mainly reflected a 18,492 million yen increase in bonds and borrowings resulting from issuance of bonds.

(Equity)

Total equity increased 380 million yen from the end of the previous consolidated fiscal year to 73,038 million yen.

This mainly reflected the booking of 3,257 million yen in profit for the period, alongside a 2,603 million yen decrease resulting from cash dividends paid.

2) Cash flows

During the 1st quarter of the consolidated fiscal year ending September 30, 2024, cash and cash equivalents (hereinafter "Cash") decreased 3,289 million yen from the end of the previous consolidated fiscal year to 47,939 million yen.

The breakdown of cash flows by activities and underlying factors for the 1st quarter of the current consolidated fiscal year is shown below.

(Cash flows from operating activities)

Cash provided by operating activities totaled 11,229 million yen (+73.9% year on year).

This mainly reflected the booking of 5,732 million yen in profit before income taxes, the booking of 7,249 million yen in depreciation and amortization the booking of 4,871 million yen in impairment losses and a million yen increase in trade and other payables, alongside a 986 million yen in income tax paid and a 1,020 million yen decrease in provision for bonuses.

(Cash flows from investing activities)

Cash used in investing activities came to 5,520 million yen (+33.9% year on year).

This was mainly attributable to 4,493 million yen in purchase of property, plant and equipment accompanying store openings.

(Cash flows from financing activities)

Cash used in financing activities amounted to 8,724 million yen (+15.2% year on year). This mainly reflected a 20,000 million yen in redemption for bonds, a 19,494 million yen in proceeds from issuance of bonds, a 4,705 million yen in repayments of lease liabilities, a 1,002 million yen in repayments of long-term borrowings and a 2,517 million yen in cash dividends paid.

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

There are no changes to the consolidated earnings forecasts published on November 10, 2023. 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, 2023	1st quarter ended December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	51,228	47,939
Trade and other receivables	12,457	16,442
Inventories	3,965	5,526
Other financial assets	1,389	1,909
Other current assets	2,363	3,130
Total current assets	71,401	74,947
Non-current assets		
Property, plant and equipment	176,615	175,857
Goodwill	30,371	30,371
Intangible assets	56,332	56,384
Equity method investment	52	52
Lease and guarantee deposits	14,257	14,213
Other financial assets	417	653
Deferred tax assets	1,490	1,490
Other non-current assets	682	679
Total non-current assets	280,217	279,698
Total assets	351,619	354,645
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	30,080	34,358
Bonds and Borrowings	24,007	4,009
Income taxes payable	1,070	2,392
Lease liabilities	17,901	18,022
Other financial liabilities	1,362	1,445
Provisions	3,136	2,050
Other current liabilities	3,935	5,307
Total current liabilities	81,491	67,583
Non-current liabilities		
Trade and other payables	23	23
Bonds and Borrowings	64,952	83,444
Lease liabilities	114,689	112,695
Other financial liabilities	111	111
Provisions	4,363	4,378
Deferred tax liabilities	13,330	13,363
Other non-current liabilities	—	8
Total non-current liabilities	197,468	214,023
Total liabilities	278,960	281,606

	Fiscal year ended September 30, 2023	1st quarter ended December 31, 2023
Equity		
Capital stock	100	100
Capital surplus	15,676	15,637
Retained earnings	53,787	54,441
Treasury stock	(1,840)	(1,781)
Other components of equity	4,544	4,071
Total equity attributable to owners of the parent	72,268	72,468
Non-controlling interests	391	570
Total equity	72,659	73,038
Total liabilities and equity	351,619	354,645

(2) Condensed consolidated statement of profit and loss

(in millions, JPY)

	1st Quarter Ended December 31, 2022 (From October 1, 2022 to December 31, 2022)	1st Quarter Ended December 31, 2023 (From October 1, 2023 to December 31, 2023)
Revenue	68,004	85,533
Cost of sales	(30,223)	(37,526)
Gross profit	37,780	48,007
Selling, general and administrative expenses	(35,915)	(41,622)
Other income	708	104
Other expenses	(1,004)	(366)
Operating profit	1,570	6,123
Finance income	8	59
Finance expenses	(471)	(451)
Share of profit (loss) of investments accounted for using equity method	(29)	—
Profit before income taxes	1,078	5,732
Income taxes	(365)	(2,302)
Profit for the period	713	3,429
Profit attributable to:		
Owners of the parent	671	3,257
Non-controlling interests	43	172
Profit for the period	713	3,429
Earnings per share		
Basic earnings per share (yen)	5.80	28.15
Diluted earnings per share (yen)	5.77	27.94

(3) Condensed consolidated statement of comprehensive income

(in millions, JPY)

	1st Quarter Ended December 31, 2022 (From October 1, 2022 to December 31, 2022)	1st Quarter Ended December 31, 2023 (From October 1, 2023 to December 31, 2023)
Profit for the period	713	3,429
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(932)	(578)
Total of items that may be reclassified subsequently to profit or loss	(932)	(578)
Other comprehensive income after taxes	(932)	(578)
Total comprehensive income for the period	(219)	2,852
Attributable to:		
Owners of the parent	(260)	2,673
Non-controlling interests	41	179
Total comprehensive income for the period	(219)	2,852

(4) Condensed consolidated statement of changes in equity

1st quarter Ended December 31, 2022 (From October 1, 2022 to December 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, 2022	100	15,692	47,579	(1,894)	3,639	65,117	18	65,134
Cumulative impact resulting from the change in accounting policy			766			766		767
Balance at beginning of current period reflecting the change in accounting policy	100	15,692	48,345	(1,894)	3,639	65,882	19	65,902
Profit for the period			671			671	43	713
Other comprehensive income					(931)	(931)	(1)	(932)
Total comprehensive income	—	—	671	—	(931)	(260)	41	(219)
Disposal of treasury shares		(12)		14	(2)	1		1
Purchase of treasury shares				(0)		(0)		(0)
Forfeiture of share acquisition rights		11			(11)	—		—
Share-based payment transactions					113	113		113
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(1)	(2,603)	14	101	(2,489)	—	(2,489)
Balance as of December 31, 2022	100	15,691	46,413	(1,880)	2,809	63,133	61	63,194

1st quarter ended December 31, 2023 (From October 1, 2023 to December 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, 2023	100	15,676	53,787	(1,840)	4,544	72,268	391	72,659
Profit for the period			3,257			3,257	172	3,429
Other comprehensive income					(584)	(584)	7	(578)
Total comprehensive income	—	—	3,257	—	(584)	2,673	179	2,852
Disposal of treasury shares		(39)		59	(14)	5		5
Purchase of treasury shares				(0)		(0)		(0)
Share-based payment transactions					126	126		126
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(39)	(2,603)	59	111	(2,472)	—	(2,472)
Balance as of December 31, 2023	100	15,637	54,441	(1,781)	4,071	72,468	570	73,038

(5) Condensed consolidated statement of cash flows

(in millions, JPY)

	1st Quarter Ended December 31, 2022 (From October 1, 2022 to December 31, 2022)	1st Quarter Ended December 31, 2023 (From October 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,078	5,732
Depreciation and amortization	6,340	7,249
Impairment losses	984	283
Finance income	(8)	(59)
Finance expenses	471	451
Increase (decrease) in provision for bonuses	(803)	(1,020)
Amount of rent offset by lease and guarantee deposits	67	62
Share of loss (profit) of entities accounted for using equity method	29	—
Increase/decrease in trade and other receivables, (increase)	(3,174)	(3,929)
Increase/decrease in inventories, (increase)	(816)	(1,576)
Increase/decrease in trade and other payables, (decrease)	2,242	4,871
Others	685	552
Subtotal	7,095	12,614
Interest and dividend income received	8	28
Interest paid	(298)	(428)
Income taxes paid	(347)	(986)
Net cash from operating activities	6,459	11,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,738)	(4,493)
Proceeds from sale of property, plant and equipment	—	1
Purchase of intangible assets	(152)	(235)
Payments into time deposits	—	(1,095)
Proceeds from withdrawal of time deposits	—	657
Payments for lease and guarantee deposits	(320)	(259)
Purchase of investment securities	—	(235)
Others	86	139
Cash flows from investing activities	(4,123)	(5,520)
Cash flows from financing activities		
Redemption of bonds	—	(20,000)
Proceeds from issuance of bonds	—	19,494
Repayments of long-term borrowings	(1,002)	(1,002)
Repayments of lease liabilities	(4,060)	(4,705)
Payments for commission fees	—	(3)
Purchase of treasury shares	(0)	(0)
Proceeds from exercise of share acquisition rights	0	5
Cash dividends paid	(2,511)	(2,517)
Others	2	4
Cash flows from financing activities	(7,571)	(8,724)
Net increase/decrease in cash and cash equivalents, (decrease)	(5,235)	(3,016)
Cash and cash equivalents at beginning of year	50,637	51,228
Effect of exchange rate changes on cash and cash equivalents	(514)	(274)
Cash and cash equivalents at end of year	44,888	47,939

(6) Notes on condensed consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

(Changes in Accounting Policies)

The significant accounting policies applied in the Condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year, except for the following.

The Group adopted the following standards from the first quarter of the consolidated fiscal year ending September 30, 2024.

Standard	Standard Name	Outline of newly established/revised standard
IAS 12 (Revision)	Income Taxes	Revision due to initial recognition exemption of deferred tax assets and liabilities
IAS 12 (Revision)	Income Taxes	Disclosure of income taxes resulting from tax laws enacted or substantially enacted to introduce the International Tax Reform - Pillar Two Model Rules

The application of IAS 12 (revised) "Income Taxes" (revised May 2021) clarifies the accounting treatment at initial recognition for transactions that give rise to an equal amount of taxable and deductible temporary differences at the time of the transaction, such that deferred tax liabilities and deferred tax assets are recognized respectively in the consolidated statement of financial position for the taxable and deductible temporary differences.

As a result of the adoption of this standard, the consolidated financial statements for the previous fiscal year have been retroactively revised. As a result, "deferred tax assets" increased by 937 million yen, "deferred tax liabilities" increased by 23 million yen, "retained earnings" increased by 912 million yen, and "non-controlling" interests increased by 3 million yen in the Condensed consolidated statement of financial position at the end of the previous fiscal year.

As a result of reflecting the cumulative impact of the adoption of this standard, the beginning balance of "retained earnings" and the beginning balance of "non-controlling interests" increased by 766 million yen and 2 million yen, respectively, for the first quarter of the fiscal year ended September 30, 2023 in the Condensed consolidated statement of changes in equity.

(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.

1st Quarter Ended December 31, 2022 (October 1, 2022 to December 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	46,680	13,845	6,213	1,265	68,004	—	68,004
Intersegment revenue	—	—	116	5	120	(120)	—
Total	46,680	13,845	6,329	1,270	68,124	(120)	68,004
Segment profit (loss) Notes 1	39	1,102	(173)	(29)	939	630	1,570
Other Items							
Depreciation and amortization	4,051	1,614	400	151	6,216	124	6,340
Impairment loss	861	98	26	—	984	—	984

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

2. Adjustment of 630 million yen in segment profit (loss) is mainly for corporate expenses not attributable to any reportable segment.

1st Quarter Ended December 31, 2023 (October 1, 2023 to December 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	58,638	19,068	6,254	1,573	85,533	—	85,533
Intersegment revenue	—	—	7	17	24	(24)	—
Total	58,638	19,068	6,262	1,589	85,557	(24)	85,533
Segment profit Notes 1	4,456	1,042	106	58	5,661	462	6,123
Other Items							
Depreciation and amortization	4,014	2,454	422	167	7,057	192	7,249
Impairment loss	224	—	34	24	283	—	283

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

2. Adjustment of 462 million yen in segment profit 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.

	1st Quarter Ended December 31, 2022 (From October 1, 2022 to December 31, 2022)	1st Quarter Ended December 31, 2023 (From October 1, 2023 to December 31, 2023)
Employee benefits	19,617	22,958
Depreciation and amortization	6,327	7,233
Utilities expenses	2,381	2,019
Commission expenses	1,390	1,723
Other	6,201	7,689
Total	35,915	41,622

(Earnings per share)

	1st Quarter Ended December 31, 2022 (From October 1, 2022 to December 31, 2022)	1st Quarter Ended December 31, 2023 (From October 1, 2023 to December 31, 2023)
Profit for the period attributable to common shareholders of the parent (million yen)	671	3,257
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	671	3,257
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	671	3,257
Average number of shares during the period	115,675,062	115,687,917
Increase in number of common shares used in calculation for diluted earnings per share	629,589	882,803
Average number of common shares during the period after dilution	116,304,651	116,570,720
Basic earnings per share (yen)	5.80	28.15
Diluted earnings per share (yen)	5.77	27.94
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 145 thousand shares)	3 kinds of subscription rights to shares (Common shares 256 thousand shares)

(Important subsequent events)

Not applicable.