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Consolidated Financial Results for the 3rd Quarter Ended June 30, 2024 [IFRS]

August 2, 2024

Listed company name FOOD & LIFE COMPANIES LTD.

Listed stock exchange: TSE

Securities code: 3563 URL <https://www.food-and-life.co.jp>

Representative: President & CEO Koichi Mizutome

Inquiries Corporate Officer Takeshi Yoshida

Phone: 06-6368-1001

Scheduled date to commence
dividend payment —

Supplementary briefing materials on quarterly financial results prepared: No

Quarterly financial results presentation meeting held: No

(Amounts of less than one million yen are rounded off to the million)

1. Consolidated Financial Results for the 3rd Quarter Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(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	%
3rd Quarter Ended June 30, 2024	264,667	20.9	17,341	118.6	16,387	127.5	10,918	85.0	10,371	82.8	12,610	108.0
3rd Quarter Ended June 30, 2023	218,914	3.3	7,933	(35.9)	7,204	(29.2)	5,902	12.4	5,672	8.1	6,062	(14.4)

	Adjusted EBITDA		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Yen		Yen	
3rd Quarter Ended June 30, 2024	27,403	55.3	89.89		89.02	
3rd Quarter Ended June 30, 2023	17,646	(18.8)	49.03		48.66	

(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		%	
3rd Quarter Ended June 30, 2024	360,310		75,599		74,614		20.2	
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	—	0.00			
Fiscal year ending September 30, 2024 (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, 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	360,000	19.3	36,000	40.3	22,000	100.0	13,000	64.6	112.36

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: 2 (Company name) Beijing Sushiro Restaurants Co., Ltd.
SUSHIRO MALAYSIA SDN. BHD.

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)	3rd quarter ended June 30, 2024	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	3rd quarter ended June 30, 2024	2,945,722 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)	3rd quarter ended June 30, 2024	115,374,194 shares	3rd quarter ended June 30, 2023	115,679,653 shares

(4) Formulas for various indicators

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

* Review on the attached quarterly consolidated financial statements by certified public accountants or accounting firms : No

* 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 third 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 in May 2023, 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, soaring prices of various commodities, and rising labor costs.

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	Nine-month period ended June 30 2024
Japan: Sushiro (TOGO)	653 (12)	11	11 (3)	653 (9)
Japan: Sugidama (FC)	79 (17)	9 (3)	6 (5)	82 (15)
Japan: Kyotaru	137 (—)	3	19	121 (—)
Japan:Kaiten Sushi Misaki/Misakimaru	95 (—)	—	2	93 (—)
Japan: Others	22 (—)	1	2	21 (—)
Japan total	986 (29)	24 (3)	40 (8)	970 (24)
Overseas: Sushiro (TOGO)	132 (—)	27	—	159 (—)
Overseas: Others	5 (—)	4	1	8 (—)
Overseas total	137 (—)	31	1	167 (—)
Total	1,123 (29)	55 (3)	41 (8)	1,137 (24)

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

As a result, revenue for the 3rd quarter of the current consolidated fiscal year totaled 264,667 million yen (+20.9% year on year), operating profit 17,341 million yen (+118.6% year on year), profit before income taxes 16,387 million yen (+127.5% year on year), and profit for the period attributable to owners of the parent 10,371 million yen (+82.8% year on year).

Operating results by segment are as follows.

(Japan Sushiro Business)

Under the theme of "GO! Sushiro 40th Anniversary 'Let's go together! One step ahead of Kaiten-sushi.'", we actively launched the type of campaigns to express & return our gratitude to our customers, and the IP collaboration campaigns to acquire new customers. In late June, we issued '5% discount coupons' to drive up customer traffic. We also offered the popular 'pacific bluefin tuna (lean)' and 'ikura (salmon roe)' in the 'The First Customer Appreciation Event: Golden-Week Fair!' and 'Chutoro (medium fatty tuna) + tuna' in the 'The Second Customer Appreciation Event: Only-Once-A-Year-Offer! Get-One-More! Campaign' for 100 JPY per plate including tax, which were very well received by many of our customers. In collaboration with the popular character "Oshi no KO," we sold desserts and sushi with limited edition goods.

As a new initiative, we implemented "Digital Sushiro Vision," also known as "Digiro," in three of our stores last September, and in the results of the trial operation, we've confirmed that customer count, average customer ticket and customer satisfaction scores have improved. We are now working to implement "Digiro" in 16 more stores by the end of this fiscal year.

"As a result of the above, net sales of the Japan Sushiro Business were 175,570 million yen (+17.3% year on year), and segment profit was 10,399 million yen (+280.9% year on year).

(Overseas Sushiro Business)

In Mainland China, we switched to a selective store opening policy considering the economic downturn, and the store count increased by 8 since the end of FY23, including a newly opened store in Tianjin.

In Asian markets other than Mainland China, we continued steady expansion. In April, we opened one store in the U.S. (categorized in 'Overseas : Others'). And in May, we opened one store in Tianjin, Mainland China, which got off to a good start, with reservations for up to one month ahead being filled immediately after opening. The progress of new store opening in many of our overseas markets was solid, with Taiwan + 4, Hong Kong + 4, Singapore + 1, Thailand + 8, Indonesia + 2 stores since the end of FY23.

As we continue to work on maintaining and on further expanding customer count, we carried out a various attractive promotions and marketing measures in overseas markets. In Singapore, 'Mountain-sized Servings Fair' wowing customers with impress volume of sushi, and 'Sea Urchin & Tuna Campaign' offering highly popular/delicious tuna, which filled the stomachs and the hearts of customers, were well received. Thailand Sushiro, celebrating its 6th anniversary, ran a "The Anniversary Fair" with special sushi rice made with red vinegar.

As a result of the above, net sales of the Overseas Sushiro Business were 65,954 million yen (+40.5% year on year) and segment profit was 5,077 million yen (+23.0% year on year).

(Kyotaru Business)

In the Kyotaru brand, we worked to improve profitability by strategically closing unprofitable stores and switching to selective store openings, while continuing to carry out promotions that make every shopping experience more enjoyable and selling frozen and ambient-temperature sushi on e-commerce sites. In the third quarter (April - June), Kyotaru sold value-price products such as double-sized anago sushi (grilled conger eel), and 'All-You-Can-Dream Set' as a special Father's Day product.

Misaki brand continued to grow as a business which generates stable profits through popular back-to-back monthly and weekly campaigns, fostering excitement among customers. In April, Misaki opened "Take-out Sushi Misaki," a take-out specialty store under the Misaki brand selling Edomae-sushi (Tokyo-style sushi) with sushi rice made with red vinegar, which were already popular with Misaki customers. Misaki brand also held the "Misaki's Fluffy & Delicious Fair" where customers enjoyed freshly steamed eels in the store, and "Misaki Day" & "Super Misaki Day" where customers enjoyed our specialty items at discount prices.

As a result of the above, net sales of the Kyotaru Business were 18,141 million yen (-1.5% year on year) and segment loss was 90 million yen.(segment loss was 566 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 8,692 million yen from the end of the previous consolidated fiscal year to 360,310 million yen.

The balance of current assets increased 517 million yen from the end of the previous consolidated fiscal year to 71,919 million yen. This mainly reflected a 1,807 million yen increase in inventory.

The balance of non-current assets increased 8,175 million yen from the end of the previous consolidated fiscal year to 288,392 million yen. This mainly reflected, a 6,950 million yen increase in property.

(Liabilities)

Total liabilities increased 5,752 million yen from the end of the previous consolidated fiscal year to 284,712 million yen.

The balance of current liabilities decreased 5,209 million yen from the end of the previous consolidated fiscal year to 76,282 million yen. This mainly reflected a 15,000 million yen decrease in bonds and borrowings.

The balance of non-current liabilities increased 10,961 million yen from the end of the previous consolidated fiscal year to 208,429 million yen. This mainly reflected a 11,505 million yen increase in bonds and borrowings.

(Equity)

Total equity increased 2,940 million yen from the end of the previous consolidated fiscal year to 75,599 million yen.

This mainly reflected, the booking of 10,371 million yen in profit for the period, a 7,500 million yen decrease resulting from purchase of treasury shares.

2) Cash flows

During the 3rd quarter of the consolidated fiscal year ending September 30, 2024, cash and cash equivalents (hereinafter “Cash”) decreased 3,244 million yen from the end of the previous consolidated fiscal year to 47,984 million yen.

The breakdown of cash flows by activities and underlying factors for the 3rd quarter of the current consolidated fiscal year is shown below.

(Cash flows from operating activities)

Cash provided by operating activities totaled 40,232 million yen (+45.9% year on year).

This mainly reflected a 2,453 million yen in income tax paid and a 2,068 million yen increase trade and other receivables, alongside the booking of 16,387 million yen in profit before income taxes, the booking of 22,616 million yen in depreciation and amortization, a 1,030 million yen in income taxes refund.

(Cash flows from investing activities)

Cash used in investing activities came to 15,718 million yen (+12.4% year on year).

This was mainly attributable to 13,727 million yen in purchase of property.

(Cash flows from financing activities)

Cash used in financing activities amounted to 28,402 million yen (+55.0% 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 14,802 million yen in repayments of lease liabilities, a 7,504 million yen in purchase of treasury shares, a 3,007 million yen in repayments of long-term borrowings and a 2,598 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 May 10, 2024. 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	3rd quarter ended June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	51,228	47,984
Trade and other receivables	12,457	13,587
Inventories	3,965	5,771
Other financial assets	1,389	1,850
Other current assets	2,363	2,726
Total current assets	71,401	71,919
Non-current assets		
Property, plant and equipment	176,615	183,565
Goodwill	30,371	30,371
Intangible assets	56,332	56,743
Equity method investment	52	52
Lease and guarantee deposits	14,257	14,777
Other financial assets	417	653
Deferred tax assets	1,490	1,496
Other non-current assets	682	735
Total non-current assets	280,217	288,392
Total assets	351,619	360,310
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	30,080	32,172
Bonds and Borrowings	24,007	9,007
Income taxes payable	1,070	4,159
Lease liabilities	17,901	19,568
Other financial liabilities	1,362	1,694
Provisions	3,136	3,639
Other current liabilities	3,935	6,044
Total current liabilities	81,491	76,282
Non-current liabilities		
Trade and other payables	23	23
Bonds and Borrowings	64,952	76,457
Lease liabilities	114,689	113,746
Other financial liabilities	111	110
Provisions	4,363	4,729
Deferred tax liabilities	13,330	13,356
Other non-current liabilities	—	9
Total non-current liabilities	197,468	208,429
Total liabilities	278,960	284,712

	Fiscal year ended September 30, 2023	3rd quarter ended June 30, 2024
Equity		
Capital stock	100	100
Capital surplus	15,676	15,575
Retained earnings	53,787	61,555
Treasury stock	(1,840)	(9,156)
Other components of equity	4,544	6,540
Total equity attributable to owners of the parent	72,268	74,614
Non-controlling interests	391	985
Total equity	72,659	75,599
Total liabilities and equity	351,619	360,310

(2) Condensed consolidated statement of profit and loss

(in millions, JPY)

	3rd Quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 2023)	3rd Quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)
Revenue	218,914	264,667
Cost of sales	(98,041)	(114,548)
Gross profit	120,873	150,120
Selling, general and administrative expenses	(111,278)	(130,710)
Other income	1,085	521
Other expenses	(2,746)	(2,590)
Operating profit	7,933	17,341
Finance income	279	569
Finance expenses	(1,060)	(1,523)
Share of profit (loss) of investments accounted for using equity method	52	—
Profit before income taxes	7,204	16,387
Income taxes	(1,302)	(5,469)
Profit for the period	5,902	10,918
Profit attributable to:		
Owners of the parent	5,672	10,371
Non-controlling interests	230	547
Profit for the period	5,902	10,918
Earnings per share		
Basic earnings per share (yen)	49.03	89.89
Diluted earnings per share (yen)	48.66	89.02

(3) Condensed consolidated statement of comprehensive income

(in millions, JPY)

	3rd Quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 2023)	3rd Quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)
Profit for the period	5,902	10,918
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	160	1,693
Total of items that may be reclassified subsequently to profit or loss	160	1,693
Other comprehensive income after taxes	160	1,693
Total comprehensive income for the period	6,062	12,610
Attributable to:		
Owners of the parent	5,824	12,017
Non-controlling interests	238	594
Total comprehensive income for the period	6,062	12,610

(4) Condensed consolidated statement of changes in equity

3rd quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 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
Cumulative impact resulting from the change in accounting policy			766			766	2	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			5,672			5,672	230	5,902
Other comprehensive income					152	152	8	160
Total comprehensive income	—	—	5,672	—	152	5,824	238	6,062
Disposal of treasury shares		(27)		54	(8)	19		19
Purchase of treasury shares				(0)		(0)		(0)
Forfeiture of share acquisition rights		11			(11)	—		—
Share-based payment transactions					359	359		359
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(16)	(2,603)	54	340	(2,225)	—	(2,225)
Balance as of June 30, 2023	100	15,676	51,414	(1,841)	4,131	69,481	257	69,738

3rd quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)

(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			10,371			10,371	547	10,918
Other comprehensive income					1,646	1,646	47	1,693
Total comprehensive income	—	—	10,371	—	1,646	12,017	594	12,610
Disposal of treasury shares		(130)		184	(40)	14		14
Purchase of treasury shares		(2)		(7,500)		(7,502)		(7,502)
Forfeiture of share acquisition rights		31			(31)	—		—
Share-based payment transactions					421	421		421
Dividends			(2,603)			(2,603)		(2,603)
Total transactions with the owners	—	(101)	(2,603)	(7,316)	351	(9,670)	—	(9,670)
Balance as of June 30, 2024	100	15,575	61,555	(9,156)	6,540	74,614	985	75,599

(5) Condensed consolidated statement of cash flows

(in millions, JPY)

	3rd Quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 2023)	3rd Quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	7,204	16,387
Depreciation and amortization	19,553	22,616
Impairment losses	2,562	1,369
Finance income	(279)	(569)
Finance expenses	1,060	1,523
Increase (decrease) in provision for bonuses	(262)	109
Amount of rent offset by lease and guarantee deposits	194	202
Share of loss (profit) of entities accounted for using equity method	(52)	—
Increase/decrease in trade and other receivables, (increase)	(1,520)	(2,068)
Increase/decrease in inventories, (increase)	(661)	(1,737)
Increase/decrease in trade and other payables, (decrease)	1,174	1,834
Others	91	3,341
Subtotal	29,064	43,008
Interest and dividend income received	57	108
Interest paid	(1,010)	(1,461)
Income taxes paid	(3,010)	(2,453)
Income taxes refund	2,468	1,030
Net cash from operating activities	27,569	40,232
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,511)	(13,727)
Proceeds from sale of property, plant and equipment	650	10
Purchase of intangible assets	(839)	(998)
Payments into time deposits	(1,394)	(2,038)
Proceeds from withdrawal of time deposits	—	1,790
Payments for lease and guarantee deposits	(1,160)	(1,115)
Purchase of investment securities	—	(235)
Others	274	595
Cash flows from investing activities	(13,980)	(15,718)
Cash flows from financing activities		
Redemption of bonds	—	(20,000)
Proceeds from issuance of bonds	—	19,494
Repayments of long-term borrowings	(3,007)	(3,007)
Repayments of lease liabilities	(12,748)	(14,802)
Payments for commission fees	(4)	(11)
Purchase of treasury shares	(0)	(7,504)
Proceeds from exercise of share acquisition rights	19	14
Cash dividends paid	(2,598)	(2,598)
Others	9	11
Cash flows from financing activities	(18,329)	(28,402)
Net increase/decrease in cash and cash equivalents, (decrease)	(4,740)	(3,888)
Cash and cash equivalents at beginning of year	50,637	51,228
Effect of exchange rate changes on cash and cash equivalents	(167)	644
Cash and cash equivalents at end of year	45,730	47,984

(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 third 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.

3rd Quarter Ended June 30, 2023 (October 1, 2022 to June 30, 2023)

(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	149,718	46,955	18,308	3,933	218,914	—	218,914
Intersegment revenue	—	—	116	12	128	(128)	—
Total	149,718	46,955	18,423	3,945	219,042	(128)	218,914
Segment profit (loss) Notes 1	2,730	4,126	(566)	(249)	6,041	1,892	7,933
Other Items							
Depreciation and amortization	12,072	5,316	1,231	476	19,095	457	19,553
Impairment loss	2,095	103	165	199	2,562	—	2,562

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

2. Adjustment of 1,892 million yen in segment profit (loss) is mainly for corporate expenses not attributable to any reportable segment.

3rd Quarter Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(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	175,570	65,954	18,108	5,035	264,667	—	264,667
Intersegment revenue	—	—	32	59	91	(91)	—
Total	175,570	65,954	18,141	5,094	264,758	(91)	264,667
Segment profit (loss) Notes 1	10,399	5,077	(90)	237	15,623	1,718	17,341
Other Items							
Depreciation and amortization	12,197	7,955	1,297	530	21,979	637	22,616
Impairment loss	359	809	177	24	1,369	—	1,369

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

2. Adjustment of 1,718 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.

(Unit: Millions of yen)

	3rd Quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 2023)	3rd Quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)
Employee benefits	61,212	72,959
Depreciation and amortization	19,505	22,563
Utilities expenses	6,278	6,192
Commission expenses	4,530	5,359
Other	19,752	23,638
Total	111,278	130,710

(Earnings per share)

	3rd Quarter Ended June 30, 2023 (From October 1, 2022 to June 30, 2023)	3rd Quarter Ended June 30, 2024 (From October 1, 2023 to June 30, 2024)
Profit for the period attributable to common shareholders of the parent (million yen)	5,672	10,371
Profit for the period attributable to common shareholders used in calculations for basic earnings per share (million yen)	5,672	10,371
Profit for the period attributable to common shareholders used in calculations for diluted earnings per share (million yen)	5,672	10,371
Average number of shares during the period	115,679,653	115,374,194
Increase in number of common shares used in calculation for diluted earnings per share	872,939	1,129,861
Average number of common shares during the period after dilution	116,552,592	116,504,055
Basic earnings per share (yen)	49.03	89.89
Diluted earnings per share (yen)	48.66	89.02
Outline of potentially dilutive shares excluded from the calculation of diluted earnings per share due to the absence of dilutive effects	3 kinds of subscription rights to shares (Common shares 200 thousand shares)	4 kinds of subscription rights to shares (Common shares 313 thousand shares)

(Important subsequent events)

Not applicable.