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December 7, 2021

## Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2021 (Based on Japanese GAAP)

Company name: Kura Sushi, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 2695  
 URL: <https://www.kurasushi.co.jp/>  
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Scheduled date of annual general meeting of shareholders: January 25, 2022  
 Scheduled date to commence dividend payments: January 26, 2022  
 Scheduled date to file annual securities report: January 26, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the fiscal year ended October 31, 2021 (from November 1, 2020 to October 31, 2021)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2021	147,592	8.7	(2,678)	–	3,174	179.5	1,901	–
October 31, 2020	135,835	(0.2)	350	(93.6)	1,135	(81.5)	(262)	–

Note: Comprehensive income Fiscal year ended October 31, 2021 ¥2,041 million (–%)  
 Fiscal year ended October 31, 2020 ¥(905) million (–%)

Fiscal year ended	Earnings per share	Diluted earnings per share	Rate on equity	Rate of ordinary profit to total assets	Rate of operating profit to net sales
October 31, 2021	Yen 47.98	Yen –	% 4.1	% 3.4	% (1.8)
October 31, 2020	(6.65)	–	(0.6)	1.5	0.3

Reference: Share of profit (loss) of entities accounted for using equity method  
 Fiscal year ended October 31, 2021 ¥- million  
 Fiscal year ended October 31, 2020 ¥- million

Note: Kura Sushi, Inc. (the “Company”) implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates “earnings per share” and “diluted earnings per share.”

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2021	98,989	54,657	48.7	1,216.39
October 31, 2020	85,102	47,569	51.9	1,116.12

Reference: Equity

As of October 31, 2021 ¥48,238 million

As of October 31, 2020 ¥44,138 million

Note: The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates “net assets per share.”

## (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 period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2021	4,738	(9,477)	2,458	18,748
October 31, 2020	8,935	(8,336)	(1,164)	20,611

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2020	–	0.00	–	40.00	40.00	790	–	1.7
Fiscal year ended October 31, 2021	–	0.00	–	20.00	20.00	793	41.7	1.7
Fiscal year ending October 31, 2022 (Forecast)	–	0.00	–	20.00	20.00		–	

The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Regarding the fiscal year ended October 31, 2020, the Company describes the actual dividend amount before such stock split.

## 3. Consolidated financial results forecast for the fiscal year ending October 31, 2022 (from November 1, 2021 to October 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	188,869	28.0	2,827	–	4,955	56.1	2,878	51.4	72.63

## Notes

- (1) Changes in significant subsidiaries during the fiscal year ended October 31, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - 2) Changes in accounting policies due to other reasons: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of prior period financial statements: No
- (3) Number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2021	41,399,600 shares
As of October 31, 2020	41,399,600 shares

- 2) Number of treasury shares at the end of the period

As of October 31, 2021	1,743,030 shares
As of October 31, 2020	1,853,620 shares

- 3) Average number of shares during the period

Fiscal year ended October 31, 2021	39,621,093 shares
Fiscal year ended October 31, 2020	39,526,120 shares

Note: The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates “total number of issued shares at the end of the period,” “number of treasury shares at the end of the period” and “average number of shares during the period.”

## Reference: Overview of non-consolidated financial results

### Non-consolidated financial results for the fiscal year ended October 31, 2021 (from November 1, 2020 to October 31, 2021)

#### (1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
October 31, 2021	131,562	6.8	(1,612)	–	4,451	50.7	2,668	181.3
October 31, 2020	123,160	0.5	2,058	(56.5)	2,953	(46.3)	948	(71.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
October 31, 2021	67.35	–
October 31, 2020	23.99	–

Note: The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates “earnings per share” and “diluted earnings per share.”

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2021	67,826	43,722	64.5	1,102.51
October 31, 2020	65,887	41,504	63.0	1,049.53

Reference: Equity

As of October 31, 2021 ¥43,722 million

As of October 31, 2020 ¥41,504 million

Note: The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates “net assets per share.”

Notes:

1. Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

2. Explanations on proper use of financial results forecasts, and other special notes

Earnings forecasts and other forward-looking statements in this material are based on data currently available to management and certain assumptions that management believes are reasonable. Actual results may therefore differ materially from these statements for various reasons. In addition, regarding the assumptions on financial results forecasts and other related matters, please refer to “1. Overview of operating results, etc. (1) Analysis of operating results 2) Forecasts for the next fiscal year” on page 3.

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## 1. Overview of operating results, etc.

### (1) Analysis of operating results

#### 1) Operating results during the fiscal year ended October 31, 2021

During the fiscal year ended October 31, 2021 (November 1, 2020, to October 31, 2021), the Japanese economy showed stagnant economic activities of companies and individuals due to the declaration of the state of emergency and the enforcement of semi-emergency coronavirus measures in line with the spread of novel coronavirus disease (COVID-19). In addition, its outlook remains uncertain, including rising crude oil and commodity prices.

The food service industry remained in a tough situation due to the restrictions such as a self-restraint request for business operations and a suspension of offering alcoholic beverages by each local municipality in order to prevent the spread of COVID-19.

Under these circumstances, the Company group (the “Group”) has taken various infection prevention measures with giving first place to the safety of customers and employees. Including the investment on the patented antibacterial sushi cover Mr. Fresh, first introduced in 2011, which protects sushi and plates from droplets containing bacteria, viruses and others during conversation, the Group proactively invested in a contactless service system embedded with self-settlement and self-checkout functions that allow customers to dine without interacting with employees from entering to exiting the restaurant, and completed introducing the system for almost all domestic restaurants in October 2021.

In order to contribute to the sustainable development of the fishing industry, the Group initiated farming “organic young yellowtails,” the first organic aquatic product to be certified by a third party organization in Japan. In this initiative, the Group manages production processes ranging from producing feeds, farming to processing products. To provide safe food products, the Group has developed and provided products that are completely free of the “four major additives (artificial seasonings, artificial sweeteners, artificial colorings and artificial preservatives)” since its founding, and takes proactive initiatives in fish farming for a stable procurement of safe food materials.

The Group launched 30 stores in Japan, seven stores in the United States and 11 stores in Taiwan. Despite the spread of COVID-19, the Group continued to launch stores mainly in the urban areas with an eye towards the post-COVID-19, thereby launching 48 stores in total across the Group. Accordingly, the number of stores at the end of the fiscal year under review was 567, all directly owned (including four Mutenkura stores, one KURA Natural Fish Market store, 32 U.S. stores and 40 Taiwan stores). The capital expenditures amounted to equipment and constructions in line with new openings of ¥10,023 million, facilities, etc. for existing stores of ¥1,931 million and others of ¥517 million, totaling ¥12,472 million. The capital expenditures significantly exceeded the previous fiscal year level of ¥9,403 million.

As a result, net sales of the fiscal year under review amounted to a record high of ¥147,592 million. Ordinary profit was ¥3,174 million and profit attributable to owners of parent was ¥1,901 million.

The financial results by segment are as follows:

#### i) Japan

In September 2021, approximately 90% of stores were significantly subject to business restrictions such as reduced business hours and a suspension of providing alcoholic beverages due to three times declarations of the state of emergency and the enforcement of semi-emergency coronavirus measures.

Under these circumstances, the Group held a monthly fair mainly consisting of its classic products such as crab and tuna-centric menu line-ups. In line with the fair, the Group also implemented a campaign that allows some customers to win popular animation goods such as “Demon Slayer: Kimetsu no Yaiba” goods through its “Bikkura Pon” lottery.

As a result, coupled with obtaining a high evaluation on infection prevention measures such as its contactless service system, comparable-store sales of the fiscal year under review came back to 100.4% when compared with the fiscal year ended October 31, 2019, before COVID-19. After

the declaration of the state of emergency was lifted in October, net sales are on the road to recovery in line with the easing of business restrictions.

As a result, net sales were ¥131,562 million (up 6.8% year on year) and ordinary profit was ¥4,451 million. Net sales of the Japan segment thus renewed its record high during the fiscal year under review.

#### ii) North America

As for the U.S. subsidiary (KSU), seating restrictions for nationwide restaurants were abolished after June 2021. In California, where the Group operates 16 restaurants, restrictions of limiting the seat numbers to 50% were also abolished. As many restaurants closed down the business due to COVID-19, after restaurants resumed normal operations, comparable-store sales exceeded the pre-COVID-19 levels particularly in California and Texas, showing a steady recovery as a whole.

As a result, net sales were ¥6,951 million (up 42.5% year on year) and ordinary loss was ¥1,079 million.

#### iii) Asia

As for the Taiwan subsidiary (KSA), COVID-19 spread in May 2021 and the “Level 3 epidemic alert,” second to the highest among four levels, was issued nationwide on May 21. Eating and drinking were thus prohibited inside restaurants for about two and a half months until the end of July 2021. Afterward, net sales recovered sharply and renewed their record high to ¥9,077 million (up 16.4% year on year). Ordinary loss was ¥136 million due to the prohibition of eating and drinking inside restaurants.

#### 2) Forecasts for the next fiscal year

The Group forecasts the next fiscal year to mark net sales of ¥188,869 million (up 28.0% year on year), ordinary profit of ¥4,955 million (up 56.1% year on year) and profit attributable to owners of parent of ¥2,878 million (up 51.4% year on year).

## (2) Analysis of financial position

#### 1) Overview of assets, liabilities and net assets

At the end of the fiscal year ended October 31, 2021, total assets increased ¥13,886 million from the end of the previous fiscal year to ¥98,989 million. This was mainly due to increases in other (current assets) of ¥3,258 million and property, plant and equipment of ¥11,450 million.

Total liabilities increased ¥6,798 million from the end of the previous fiscal year to ¥44,332 million. This was mainly due to increases in income taxes payable of ¥1,112 million and lease obligations (non-current liabilities) of ¥5,793 million.

Net assets increased ¥7,088 million from the end of the previous fiscal year to ¥54,657 million mainly due to increases in capital surplus of ¥2,439 million and non-controlling interests of ¥2,825 million.

#### 2) Overview of cash flows

Cash flows during the fiscal year ended October 31, 2021, were net cash provided by operating activities of ¥4,738 million, net cash used in investing activities of ¥9,477 million and net cash provided by financing activities of ¥2,458 million. As a result, cash and cash equivalents (the “net cash”) at the end of the fiscal year under review were ¥18,748 million.

The status of cash flows from respective activities during the fiscal year under review and their factors are as follows.

#### Cash flows from operating activities

Net cash provided by operating activities during the fiscal year under review was ¥4,738 million (down 47.0% year on year). This was mainly due to inflows from profit before income taxes of 2,923 million and subsidies received of ¥3,322 million, and an outflow from decrease in accrued consumption taxes of ¥1,776 million.

**Cash flows from investing activities**

Net cash used in investing activities during the fiscal year under review was ¥9,477 million (up 13.7% year on year). This was mainly due to outflows from purchase of property, plant and equipment of ¥8,116 million, loan advances of ¥325 million and payments of guarantee deposits of ¥749 million.

**Cash flows from financing activities**

Net cash provided by financing activities during the fiscal year under review was ¥2,458 million (an outflow of ¥1,164 million in the corresponding period of the previous year). This was mainly due to an inflow from income from capital increase of consolidated subsidiaries of ¥5,257 million, and outflows from repayments of lease obligations of ¥2,849 million and dividends paid of ¥792 million.

## Reference: Cash flow indicators

	Fiscal year ended October 31, 2017	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Equity ratio	65.7%	66.3%	64.5%	51.9%	48.7%
Equity ratio based on market value	190.1%	218.6%	132.1%	146.1%	147.2%
Ratio of interest-bearing liabilities to cash flows	0.5 years	0.5 years	0.5 years	1.7 years	4.6 years
Interest coverage ratio	160.4 times	158.5 times	119.9 times	82.4 times	29.3 times

Notes: Equity ratio: shareholders' equity/total assets

Equity ratio based on market value: market capitalization/total assets

Ratio of interest-bearing liabilities to cash flow: interest-bearing liabilities/cash flows from operating activities

Interest coverage ratio: cash flows from operating activities/interest payment

1. Market capitalization is calculated by multiplying the year-end closing share price by the total number of issued shares at the end of the period (excluding treasury shares).
2. Cash flows from operating activities represent the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing liabilities represent all of the liabilities that bear interest among the entire liabilities recognized in the consolidated balance sheets. In addition, interest payment represents the interest paid in the consolidated statements of cash flows.

**(3) Basic policy on profit distribution and dividends for the current and next fiscal years**

## 1) Basic policy on profit distribution

The Company makes it a basic policy to continue to stably distribute profits to its shareholders while aiming to achieve stable and continued enhancement of corporate value for a long term, in consideration of securing funds to prepare investments necessary for its business operations such as maintaining sound financial position and conducting future business development.

The Company will utilize the funds of its internal reserves as the source of funds for strengthening its financial position and opening new stores towards business expansions, and other demand for funds.

## 2) Dividends for the current and next fiscal years

Regarding the dividends for the fiscal year ended on October 31, 2021, the Company plans to submit the proposal of distributing ¥20 per common shares of the Company to the Board of Directors to be held on December 21, 2021.

In addition, the Company plans to distribute ¥20 per share as dividends for the next fiscal year.

Furthermore, the Company offers special benefits for shareholders in its interim period in order to express gratitude to its shareholders for their constant support and ask for further understanding on its products and services.



## **2. Basic approach to the selection of accounting standards**

The Group plans to apply the Japanese accounting standards for the time being, but will consider the application of other accounting standards if necessary, in light of the future overseas expansion of the Group and the ratio of foreign shareholders.

### 3. Consolidated financial statements and primary notes

#### (1) Consolidated balance sheets

(Millions of yen)

	As of October 31, 2020	As of October 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	20,611	18,748
Accounts receivable - trade	3,854	3,554
Raw materials and supplies	1,715	1,798
Other	1,977	5,363
<b>Total current assets</b>	<b>28,158</b>	<b>29,464</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,284	47,230
Accumulated depreciation	(19,035)	(21,134)
Buildings and structures, net	22,249	26,096
Machinery, equipment and vehicles	5,323	6,474
Accumulated depreciation	(3,716)	(4,181)
Machinery, equipment and vehicles, net	1,607	2,292
Land	4,692	4,836
Leased assets	8,630	10,046
Accumulated depreciation	(4,169)	(4,725)
Leased assets, net	4,460	5,320
Right-of-use assets	9,895	16,881
Accumulated depreciation	(189)	(2,090)
Right-of-use assets, net	9,706	14,791
Other		
Other, net	2,577	3,406
<b>Total property, plant and equipment</b>	<b>45,293</b>	<b>56,744</b>
Intangible assets		
Leased assets	200	224
Other	505	675
<b>Total intangible assets</b>	<b>705</b>	<b>899</b>
Investments and other assets		
Long-term loans receivable	4,428	4,380
Deferred tax assets	355	531
Guarantee deposits	5,411	6,132
Other	750	836
<b>Total investments and other assets</b>	<b>10,945</b>	<b>11,881</b>
<b>Total non-current assets</b>	<b>56,944</b>	<b>69,525</b>
<b>Total assets</b>	<b>85,102</b>	<b>98,989</b>

(Millions of yen)

	As of October 31, 2020	As of October 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,509	6,086
Short-term borrowings	-	805
Lease obligations	2,688	2,996
Accounts payable - other	6,798	6,885
Income taxes payable	1,564	2,676
Other	5,023	3,745
<b>Total current liabilities</b>	<b>22,584</b>	<b>23,195</b>
Non-current liabilities		
Lease obligations	12,356	18,149
Asset retirement obligations	2,093	2,371
Other	499	616
<b>Total non-current liabilities</b>	<b>14,948</b>	<b>21,136</b>
<b>Total liabilities</b>	<b>37,533</b>	<b>44,332</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,005	2,005
Capital surplus	5,183	7,622
Retained earnings	39,203	40,313
Treasury shares	(2,280)	(2,139)
<b>Total shareholders' equity</b>	<b>44,111</b>	<b>47,802</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	26	435
<b>Total accumulated other comprehensive income</b>	<b>26</b>	<b>435</b>
Share acquisition rights	190	354
Non-controlling interests	3,239	6,065
<b>Total net assets</b>	<b>47,569</b>	<b>54,657</b>
<b>Total liabilities and net assets</b>	<b>85,102</b>	<b>98,989</b>

**(2) Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Net sales	135,835	147,592
Cost of sales	60,902	66,795
Gross profit	74,933	80,796
Selling, general and administrative expenses	74,582	83,475
Operating profit (loss)	350	(2,678)
Non-operating income		
Interest income	106	49
Foreign exchange gains	62	206
Commission income	412	443
Sales of store-brand	150	102
Subsidy income	120	5,233
Other	153	129
Total non-operating income	1,005	6,163
Non-operating expenses		
Interest expenses	108	161
Cost of sales of store-brand	80	59
Other	31	90
Total non-operating expenses	220	311
Ordinary profit	1,135	3,174
Extraordinary income		
Gain on reversal of share acquisition rights	80	-
Total extraordinary income	80	-
Extraordinary losses		
Loss on retirement of non-current assets	76	120
Impairment losses	700	130
Total extraordinary losses	776	251
Profit before income taxes	439	2,923
Income taxes - current	1,031	1,670
Income taxes - deferred	421	(166)
Total income taxes	1,453	1,504
Profit (loss)	(1,013)	1,419
Loss attributable to non-controlling interests	(750)	(482)
Profit (loss) attributable to owners of parent	(262)	1,901

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Profit (loss)	(1,013)	1,419
Other comprehensive income		
Foreign currency translation adjustment	107	622
Total other comprehensive income	107	622
Comprehensive income	(905)	2,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(168)	2,310
Comprehensive income attributable to non-controlling interests	(737)	(268)

**(3) Consolidated statements of changes in equity**

Previous fiscal year (from November 1, 2019 to October 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,005	4,146	40,255	(2,354)	44,053
Changes during period					
Dividends of surplus			(789)		(789)
Loss attributable to owners of parent			(262)		(262)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		74		74	148
Capital increase of consolidated subsidiaries		962			962
Net changes in items other than shareholders' equity					
Total changes during period	-	1,036	(1,052)	73	58
Balance at end of period	2,005	5,183	39,203	(2,280)	44,111

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(67)	(67)	167	3,058	47,211
Changes during period					
Dividends of surplus					(789)
Loss attributable to owners of parent					(262)
Purchase of treasury shares					(0)
Disposal of treasury shares					148
Capital increase of consolidated subsidiaries					962
Net changes in items other than shareholders' equity	94	94	23	181	299
Total changes during period	94	94	23	181	357
Balance at end of period	26	26	190	3,239	47,569

Current fiscal year (From November 1, 2020 to October 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,005	5,183	39,203	(2,280)	44,111
Changes during period					
Dividends of surplus			(790)		(790)
Profit attributable to owners of parent			1,901		1,901
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		198		141	339
Capital increase of consolidated subsidiaries		2,240			2,240
Net changes in items other than shareholders' equity					
Total changes during period	-	2,439	1,110	141	3,690
Balance at end of period	2,005	7,622	40,313	(2,139)	47,802

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	26	26	190	3,239	47,569
Changes during period					
Dividends of surplus					(790)
Profit attributable to owners of parent					1,901
Purchase of treasury shares					(0)
Disposal of treasury shares					339
Capital increase of consolidated subsidiaries					2,240
Net changes in items other than shareholders' equity	409	409	163	2,825	3,397
Total changes during period	409	409	163	2,825	7,088
Balance at end of period	435	435	354	6,065	54,657

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	439	2,923
Depreciation	5,290	6,269
Impairment losses	700	130
Interest income	(106)	(49)
Interest expenses	108	161
Gain on reversal of share acquisition rights	(80)	-
Subsidy income	-	(5,233)
Decrease (increase) in inventories	(371)	(71)
Decrease (increase) in trade receivables	(1,961)	327
Increase (decrease) in trade payables	1,373	(466)
Increase (decrease) in accrued consumption taxes	3,162	(1,776)
Other, net	1,529	15
Subtotal	10,085	2,230
Interest received	60	6
Interest paid	(108)	(161)
Subsidies received	-	3,322
Income taxes paid	(1,101)	(658)
Net cash provided by (used in) operating activities	8,935	4,738
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,014)	(8,116)
Proceeds from sale of property, plant and equipment	-	19
Purchase of intangible assets	(218)	(299)
Loan advances	(481)	(325)
Payments of guarantee deposits	(580)	(749)
Proceeds from refund of guarantee deposits	55	83
Other, net	(97)	(89)
Net cash provided by (used in) investing activities	(8,336)	(9,477)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(38)	766
Repayments of lease obligations	(2,218)	(2,849)
Purchase of treasury shares	(0)	(0)
Dividends paid	(788)	(792)
Dividends paid to non-controlling interests	(11)	(29)
Proceeds from exercise of employee share options	-	105
Income from capital increase of consolidated subsidiaries	1,892	5,257
Net cash provided by (used in) financing activities	(1,164)	2,458
Effect of exchange rate change on cash and cash equivalents	210	417
Net increase (decrease) in cash and cash equivalents	(354)	(1,862)
Cash and cash equivalents at beginning of period	20,965	20,611
Cash and cash equivalents at end of period	20,611	18,748



**(5) Notes to consolidated financial statements****Notes on going concern assumption**

Not applicable.

**Segment information, etc.**Segment information

## 1. Description of reportable segments

The reportable segments of the Company are its constituents for which separate financial information is available and which the Board of Directors regularly examines to determine the allocation of management resources and evaluate financial results.

The Group operates the restaurant business with the Company supervising the domestic business, and each local subsidiary supervising North American and Asian businesses.

Each local subsidiary is an independent management unit and plans comprehensive strategies for each region to develop business activities.

Therefore, the Group consists of three reportable segments by region with a basis on the restaurant business: Japan, North America and Asia.

## 2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

Accounting methods for reported business segments are the same as those for preparing consolidated financial statements.

Profit (loss) for reportable segments represents the figures based on ordinary profit (loss).

## 3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment

Previous fiscal year (from November 1, 2019 to October 31, 2020)

(Millions of yen)

	Reportable segments				Amount recognized in the consolidated statements of income (Note)
	Japan	North America	Asia	Total	
Net sales					
Revenues from external customers	123,160	4,879	7,796	135,835	135,835
Transactions with other segments	–	–	–	–	–
Total	123,160	4,879	7,796	135,835	135,835
Segment profit (loss)	2,953	(1,743)	(17)	1,192	1,135

(Note) Profit (loss) for reportable segments matches the ordinary profit (loss) recognized in the consolidated statements of income.

Current fiscal year (from November 1, 2020 to October 31, 2021)

(Millions of yen)

	Reportable segments				Amount recognized in the consolidated statements of income (Note)
	Japan	North America	Asia	Total	
Net sales					
Revenues from external customers	131,562	6,951	9,077	147,592	147,592
Transactions with other segments	–	–	–	–	–
Total	131,562	6,951	9,077	147,592	147,592
Segment profit (loss)	4,451	(1,079)	(136)	3,236	3,174

(Note) Profit (loss) for reportable segments matches the ordinary profit (loss) recognized in the consolidated statements of income.

**Per share information**

(Yen)

	Previous fiscal year (from November 1, 2019 to October 31, 2020)	Current fiscal year (from November 1, 2020 to October 31, 2021)
Net assets per share	1,116.12	1,216.39
Earnings (loss) per share	(6.65)	47.98
Diluted earnings per share	–	–

- Notes: 1. Diluted earnings per share of the previous fiscal year are not described because a net loss per share was recorded although there were potential common shares. In addition, diluted earnings per share of the current fiscal year are not described because there were no potential common shares with dilutive effect.
2. The Company implemented a 2-for-1 stock split of its common shares as of May 1, 2021. Under the assumption that such stock split was implemented at the beginning of the previous fiscal year, the Company calculates earnings (loss) per share.
3. The following are the basis for calculating earnings (loss) per share and diluted earnings per share.

	Previous fiscal year (from November 1, 2019 to October 31, 2020)	Current fiscal year (from November 1, 2020 to October 31, 2021)
(1) Earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	(262)	1,901
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent relating to common shares (Millions of yen)	(262)	1,901
Average number of common shares during the period (Shares)	39,526,120	39,621,093
(2) Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	–
(of which adjustments due to the potential common shares of consolidated subsidiaries) (Millions of yen)	–	–
Overview of potential common shares that were not included in the calculation of diluted earnings per share due to an absence of dilutive effect	–	–

**Significant events after reporting period**

Not applicable.