

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended April 30, 2021 (Based on Japanese GAAP)

June 9, 2021

Company name: Kura Sushi, Inc.
 Stock exchange listing: Tokyo
 Stock code: 2695 URL <https://www.kurasushi.co.jp/>
 Representative: President Kunihiko Tanaka
 Director & General Manager Accounting Kyoichi Tsuda TEL 072-493-6189
 Division
 Inquiries: Division
 Scheduled date to file Quarterly Securities Report: June 11, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended April 30, 2021 (from November 1, 2020 to April 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended April 30, 2021	74,584	14.1	304	–	1,185	–	668	–
Six months ended April 30, 2020	65,342	(1.6)	(491)	–	(86)	–	(959)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2021	16.89	16.83
Six months ended April 30, 2020	(24.28)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2021	87,117	47,920	51.2
As of October 31, 2020	85,102	47,569	51.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2020	–	0.00	–	40.00	40.00
Year ending October 31, 2021	–	0.00	–	–	–
Year ending October 31, 2021 (Forecast)	–	–	–	20.00	20.00

3. Notes

- (1) Changes in significant subsidiaries during the six months ended April 30, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of April 30, 2021	41,399,600 shares	As of October 31, 2020	41,399,600 shares
----------------------	-------------------	------------------------	-------------------

Number of treasury shares at the end of the period

As of April 30, 2021	1,740,430 shares	As of October 31, 2020	1,853,620 shares
----------------------	------------------	------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended April 30, 2021	39,584,662 shares	Six months ended April 30, 2020	39,506,044 shares
---------------------------------	-------------------	---------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2020	As of April 30, 2021
Assets		
Current assets		
Cash and deposits	20,611	15,588
Accounts receivable - trade	3,854	3,392
Raw materials and supplies	1,715	1,553
Other	1,977	2,816
Total current assets	28,158	23,351
Non-current assets		
Property, plant and equipment		
Buildings, net	21,328	23,591
Right of use assets, net	9,706	12,106
Other, net	14,259	15,575
Total property, plant and equipment	45,293	51,273
Intangible assets	705	833
Investments and other assets		
Long-term loans receivable	4,428	4,492
Guarantee deposits	5,411	5,827
Other	1,105	1,340
Total investments and other assets	10,945	11,660
Total non-current assets	56,944	63,766
Total assets	85,102	87,117
Liabilities		
Current liabilities		
Accounts payable - trade	6,509	5,883
Accounts payable - other	6,798	6,415
Income taxes payable	1,564	2,321
Other	7,711	6,409
Total current liabilities	22,584	21,029
Non-current liabilities		
Lease obligations	12,356	15,339
Asset retirement obligations	2,093	2,239
Other	499	588
Total non-current liabilities	14,948	18,167
Total liabilities	37,533	39,197

(Millions of yen)

	As of October 31, 2020	As of April 30, 2021
Net assets		
Shareholders' equity		
Share capital	2,005	2,005
Capital surplus	5,183	5,381
Retained earnings	39,203	39,081
Treasury shares	(2,280)	(2,139)
Total shareholders' equity	44,111	44,329
Accumulated other comprehensive income		
Foreign currency translation adjustment	26	246
Total accumulated other comprehensive income	26	246
Share acquisition rights	190	250
Non-controlling interests	3,239	3,094
Total net assets	47,569	47,920
Total liabilities and net assets	85,102	87,117

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended April 30, 2020	Six months ended April 30, 2021
Net sales	65,342	74,584
Cost of sales	29,658	33,719
Gross profit	35,683	40,865
Selling, general and administrative expenses	36,175	40,561
Operating profit (loss)	(491)	304
Non-operating income		
Interest income	73	28
Commission income	202	219
Foreign exchange gains	43	127
Sales of Store-brand	52	35
Subsidy income	–	581
Miscellaneous income	122	43
Total non-operating income	493	1,036
Non-operating expenses		
Interest expenses	51	74
Cost of Sales of Store-brand	25	21
Miscellaneous loss	11	59
Total non-operating expenses	88	155
Ordinary profit (loss)	(86)	1,185
Extraordinary income		
Gain on reversal of share acquisition rights	80	–
Total extraordinary income	80	–
Extraordinary losses		
Loss on retirement of non-current assets	46	46
Impairment loss	377	–
Total extraordinary losses	423	46
Profit (loss) before income taxes	(429)	1,138
Income taxes - current	72	797
Income taxes - deferred	526	9
Total income taxes	599	806
Profit (loss)	(1,028)	332
Loss attributable to non-controlling interests	(69)	(336)
Profit (loss) attributable to owners of parent	(959)	668

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended April 30, 2020	Six months ended April 30, 2021
Profit (loss)	(1,028)	332
Other comprehensive income		
Foreign currency translation adjustment	260	324
Total other comprehensive income	260	324
Comprehensive income	(768)	656
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(785)	888
Comprehensive income attributable to non-controlling interests	16	(231)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended April 30, 2020	Six months ended April 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(429)	1,138
Depreciation	2,552	2,999
Impairment loss	377	–
Interest income	(73)	(28)
Interest expenses	51	74
Subsidy income	–	(581)
Gain on reversal of share acquisition rights	(80)	–
Decrease (increase) in inventories	(178)	166
Decrease (increase) in trade receivables	689	479
Increase (decrease) in trade payables	(1,807)	(651)
Increase (decrease) in accrued consumption taxes	499	(1,605)
Other, net	(1,295)	(1,029)
Subtotal	305	963
Interest received	49	6
Interest paid	(51)	(74)
Proceeds from subsidy income	–	581
Income taxes paid	(1,037)	(90)
Net cash provided by (used in) operating activities	(734)	1,385
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,958)	(3,970)
Purchase of intangible assets	(78)	(192)
Loan advances	(313)	(245)
Payments of guarantee deposits	(286)	(412)
Proceeds from refund of guarantee deposits	39	26
Other, net	(59)	(32)
Net cash provided by (used in) investing activities	(4,656)	(4,826)
Cash flows from financing activities		
Repayments of lease obligations	(1,086)	(1,262)
Purchase of treasury shares	–	(0)
Dividends paid	(787)	(789)
Proceeds from exercise of employee share options	–	70
Net cash provided by (used in) financing activities	(1,873)	(1,980)
Effect of exchange rate change on cash and cash equivalents	259	398
Net increase (decrease) in cash and cash equivalents	(7,005)	(5,022)
Cash and cash equivalents at beginning of period	20,965	20,611
Cash and cash equivalents at end of period	13,960	15,588