

(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, 2022	109,621	58,967	45.8	1,264.56
October 31, 2021	98,989	54,657	48.7	1,216.39

Reference: Equity

As of October 31, 2022

¥50,258 million

As of October 31, 2021

¥48,238 million

(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, 2022	9,944	(12,105)	(4,696)	13,169
October 31, 2021	4,738	(9,477)	2,458	18,748

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, 2021	–	0.00	–	20.00	20.00	793	41.7	1.7
Fiscal year ended October 31, 2022	–	0.00	–	20.00	20.00	794	106.6	1.6
Fiscal year ending October 31, 2023 (Forecast)	–	0.00	–	20.00	20.00		–	

3. Consolidated financial results forecast for the fiscal year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

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	209,000	14.2	3,000	–	3,100	26.2	1,100	47.7	27.71

Notes

- (1) Changes in significant subsidiaries during the fiscal year ended October 31, 2022
(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: Yes
 - 2) Changes in accounting policies due to other reasons: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement of prior period financial statements: No
- Note: For more details, refer to page 13 of the attachment, “3. Consolidated financial statements and primary notes, (5) Notes to consolidated financial statements (Changes in accounting policies).”

(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, 2022	41,399,600 shares
As of October 31, 2021	41,399,600 shares

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

As of October 31, 2022	1,655,857 shares
As of October 31, 2021	1,743,030 shares

- 3) Average number of shares during the period

Fiscal year ended October 31, 2022	39,693,558 shares
Fiscal year ended October 31, 2021	39,621,093 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, 2022 (from November 1, 2021 to October 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2022	149,938	13.9	(2,664)	–	1,164	(73.8)	160	(94.0)
October 31, 2021	131,665	6.9	(1,350)	–	4,451	50.7	2,668	181.3

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
October 31, 2022	4.03	–
October 31, 2021	67.35	–

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, 2022	66,451	43,400	65.3	1,091.99
October 31, 2021	67,826	43,722	64.5	1,102.51

Reference: Equity

As of October 31, 2022

¥43,400 million

As of October 31, 2021

¥43,722 million

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.

Contents of the attachment**Index**

1. Overview of operating results, etc.	2
(1) Analysis of operating results	2
(2) Analysis of financial position.....	3
(3) Basic policy on profit distribution and dividends for the current and next fiscal years	5
2. Basic approach to the selection of accounting standards.....	5
3. Consolidated financial statements and primary notes.....	6
(1) Consolidated balance sheets.....	6
(2) Consolidated statements of income and consolidated statements of comprehensive income	8
Consolidated statements of income.....	8
Consolidated statements of comprehensive income.....	9
(3) Consolidated statements of changes in equity.....	10
(4) Consolidated statements of cash flows.....	12
(5) Notes to consolidated financial statements.....	13
(Notes on going concern assumption)	13
(Changes in accounting policies).....	13
(Segment information, etc.).....	13
(Per share information).....	15
(Significant events after reporting period).....	15

1. Overview of operating results, etc.

(1) Analysis of operating results

1) Operating results during the fiscal year ended October 31, 2022

During the fiscal year ended October 31, 2022 (November 1, 2021, to October 31, 2022), while the semi-emergency coronavirus measures in line with the spread of the novel coronavirus disease (COVID-19) were lifted in March 2022 and further progress on vaccination as a prevention measure against the pandemic was made, the severe environment surrounding the Japanese economy continued from the previous fiscal year due to factors including the spread of infection caused by the new variant (Omicron variant). In addition, the outlook remains uncertain with the rising prices of energy and raw materials due to Russia's prolonged invasion of Ukraine, combined with the rapid weakening of the Japanese yen.

As for economies abroad, in Taiwan, although there was a temporary decline of people flow due to the spread of COVID-19, the effect on its socioeconomic activities was limited. In the United States, robust economic conditions continued, supported by its strong economic recovery.

With regard to store development, a total of 49 restaurants (33 restaurants in Japan, 8 in the United States, and 8 in Taiwan) were opened during the fiscal year under review.

Accordingly, the number of stores at the end of the fiscal year under review was 614, all directly owned (including four Mutenkura stores, one KURA Natural Fish Market store, 40 U.S. stores and 48 Taiwan stores).

The Company group (the "Group") will continue to actively open new restaurants in Japan as well as the United States and Taiwan, to contribute to the dissemination abroad of Japanese food culture.

As a result, sales in Japan, the United States, and Taiwan achieved record highs in all three regions, with net sales of the fiscal year under review reaching ¥183,053 million (up 23.9% year on year). Ordinary profit was ¥2,457 million (down 22.6%) and profit attributable to owners of parent was ¥744 million (down 60.8%).

The financial results by segment are as follows:

<Japan>

The Group was affected in 2022 by the decline of people flow and the consequential reduction in the number of customers caused by the semi-emergency coronavirus measures implemented during January to March and the Seventh Wave of infections due to the COVID-19 Omicron variant outbreak from July through September.

The business environment remained difficult with factors such as the rising food price and energy price due to the weaker yen, combined with increased hourly wages of part-time workers as a result of rising demand for restaurant human resources as restaurants resumed normal operations.

Under these circumstances, in December 2021, the Group launched a contactless service system in all restaurants, allowing customers to help themselves without having to be in contact with employees, thus enhancing customer convenience and reducing infection risks, while at the same time achieving significant streamlining of floor operations. In addition, to adapt to the wide range of cost increases, we raised the ¥110-per-plate (tax inclusive) price maintained since our founding to ¥115 (tax inclusive) from October 1, 2022, while reducing the prices of some of its ¥220-per-two (tax inclusive) plates to ¥165 (tax inclusive) as part of a price revision to meet diverse customer needs.

We continued our efforts to introduce various menu proposals to increase customer satisfaction. We held monthly sales promotion fairs centered on classic products such as tuna, raw salmon, and crab, and in July, taking advantage of the characteristics of our Order Lane (ordered products delivery belt) system, we launched a new Freshly made Series featuring dishes such as fresh fried tempura and crispy seaweed. In line with the fair, the Group also implemented a campaign that allows some customers to win popular anime goods, such as those featuring "One Piece" and "BT21," through its "Bikkura Pon" lottery.

As a result, net sales for existing stores were 107.7% compared to the previous fiscal year, and 108.1% when compared with the fiscal year ended October 31, 2019, before the spread of COVID-19, showing steady growth.

On store development, the Group continued to actively open new restaurants in prime locations such as closed restaurant sites of other food service operators. We will continue to proactively open stores in urban areas targeting the anticipated recovery of inbound demand.

As a result, net sales in Japan during the fiscal year under review were ¥149,938 million (up 13.9% year on year) and ordinary profit was ¥1,164 million (down 73.8% year on year).

<North America>

Net sales were strong at the US subsidiary, Kura Sushi USA, Inc. (KSU), as general consumption recovered on the back of improved economic conditions. While many restaurants were unable to continue normal operation due to rising wages and staff shortages, and were forced to shorten business hours or suspend food delivery, KSU managed to maintain normal operation at all restaurants, by strengthening training support to its headquarters-employed staff.

In the second half of the fiscal year under review, as a result of measures including proactive opening of new restaurants focusing on prime locations, revision of product prices in response to the rapid wage increases, as well as cost reduction efforts such as the introduction of robots to deliver drinks to tables, KSU returned to black on half-year operating profit basis for the first time since the spread of COVID-19. On store development, with new restaurant openings in the states of Massachusetts and Virginia, KSU now covers 12 states as well as Washington, D.C.

In the second half, we made up some of the losses incurred under significant negative inflationary impacts in the first half, although not to the extent of fully absorbing the first-half losses. Accordingly, we recorded an ordinary loss of ¥82 million (ordinary loss of ¥1,079 million in the corresponding period of the previous year) against net sales of ¥17,173 million (up 147.0% year on year).

<Asia>

As for the Taiwan subsidiary, Kura Sushi Asia Co., Ltd. (KSA), although there was some limited impact in 2022 on number of guests during May and June, caused by reduced people flow following the rapid spread of COVID-19 from May 2022 onward, we achieved robust sales throughout the fiscal year under review, helped by our well-received tie-in campaigns with popular anime characters such as “Chibi Maruko-chan” and “Crayon Shin-chan.” We also continued our cost reduction efforts through measures such as improvement of store operations.

On store development, we opened new restaurants in urban areas, such as at the major shopping complex Top City Taichung Store, as well as street-facing restaurants in Chiayi City and Tainan City in central and southern Taiwan.

As a result, net sales were ¥15,941 million (up 75.6% year on year) and ordinary profit was ¥1,438 million (ordinary loss of ¥136 million in the corresponding period of the previous year).

2) Forecasts for the next fiscal year

The Group forecasts the next fiscal year to mark net sales of ¥209.0 billion (up 14.2% year on year), ordinary profit of ¥3.1 billion (up 26.2% year on year) and profit attributable to owners of parent of ¥1.1 billion (up 47.7% year on year).

(2) Analysis of financial position

1) Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year ended October 31, 2022, increased ¥10,632 million from the end of the previous fiscal year to ¥109,621 million. This was mainly due to a decrease of ¥5,579

million in cash and deposits, and increases of ¥1,087 million in accounts receivable - trade, and ¥15,525 million in property, plant and equipment.

Total liabilities increased by ¥6,322 million compared to the end of the previous fiscal year to ¥50,654 million. This was mainly due to an increase of ¥523 million in accounts payable - trade, ¥1,320 million in lease obligations (current liabilities), and ¥6,047 million in lease obligations (non-current liabilities), partially offset by a decrease of ¥2,089 million in income taxes payable.

Net assets increased ¥4,309 million from the end of the previous fiscal year to ¥58,967 million, mainly due to increases in foreign currency translation adjustment of ¥1,757 million and non-controlling interests of ¥1,856 million.

2) Overview of cash flows

Cash flows during the fiscal year ended October 31, 2022, were net cash provided by operating activities of ¥9,944 million, net cash used in investing activities of ¥12,105 million and net cash used in financing activities of ¥4,696 million. As a result, cash and cash equivalents (the “net cash”) at the end of the fiscal year under review were ¥13,169 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 ¥9,944 million (up 109.9% year on year). This was mainly due to inflows from profit before income taxes of ¥1,905 million, and depreciation of ¥7,631 million, and subsidy income of ¥3,129 million (the amount of subsidies received including those applied for in the previous period was ¥5,042 million), while outflow from payment of income taxes payable was ¥2,323 million.

(Cash flows from investing activities)

Net cash used in investing activities during the fiscal year under review was ¥12,105 million (up 27.7% year on year). This was mainly due to outflows from purchase of property, plant, and equipment of ¥10,129 million, loan advances of ¥484 million, and payments of guarantee deposits of ¥563 million.

(Cash flows from financing activities)

Net cash used in financing activities during the fiscal year under review was ¥4,696 million (an inflow of ¥2,458 million in the corresponding period of the previous year). This was mainly due to outflows from repayments of lease obligations of ¥3,172 million, net decrease in short-term borrowings of ¥860 million, and dividends paid of ¥792 million.

Reference: Cash flow indicators

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Equity ratio	66.3%	64.5%	51.9%	48.7%	45.8%
Equity ratio based on market value	218.6%	132.1%	146.1%	147.2%	126.2%
Ratio of interest-bearing liabilities to cash flows	0.5 years	0.5 years	1.7 years	4.6 years	2.9 years
Interest coverage ratio	158.5 times	119.9 times	82.4 times	29.3 times	44.6 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 the long term, in consideration of securing funds to prepare investments necessary for its business operations, such as maintaining a 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, 2022, the Company plans to submit the proposal of distributing ¥20 per common share of the Company to the Board of Directors to be held on December 20, 2022.

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, depending on 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, 2021	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	18,748	13,169
Accounts receivable - trade	3,554	4,642
Raw materials and supplies	1,798	2,410
Other	5,363	2,895
Total current assets	29,464	23,118
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,230	56,315
Accumulated depreciation	(21,134)	(24,140)
Buildings and structures, net	26,096	32,175
Machinery, equipment and vehicles	6,474	7,558
Accumulated depreciation	(4,181)	(4,933)
Machinery, equipment and vehicles, net	2,292	2,624
Land	4,836	5,240
Leased assets	10,046	11,089
Accumulated depreciation	(4,725)	(4,921)
Leased assets, net	5,320	6,168
Right of use assets	16,881	24,694
Accumulated depreciation	(2,090)	(4,003)
Right of use assets, net	14,791	20,690
Other		
Other, net	3,406	5,369
Total property, plant and equipment	56,744	72,269
Intangible assets		
Leased assets	224	289
Other	675	961
Total intangible assets	899	1,251
Investments and other assets		
Long-term loans receivable	4,380	4,507
Deferred tax assets	531	327
Guarantee deposits	6,132	6,710
Other	836	1,435
Total investments and other assets	11,881	12,982
Total non-current assets	69,525	86,503
Total assets	98,989	109,621

(Millions of yen)

	As of October 31, 2021	As of October 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,086	6,609
Short-term borrowings	805	–
Lease obligations	2,996	4,316
Accounts payable - other	6,885	7,566
Income taxes payable	2,676	587
Other	3,745	3,482
Total current liabilities	23,195	22,561
Non-current liabilities		
Lease obligations	18,149	24,196
Asset retirement obligations	2,371	2,731
Other	616	1,164
Total non-current liabilities	21,136	28,092
Total liabilities	44,332	50,654
Net assets		
Shareholders' equity		
Share capital	2,005	2,005
Capital surplus	7,622	7,814
Retained earnings	40,313	40,265
Treasury shares	(2,139)	(2,020)
Total shareholders' equity	47,802	48,064
Accumulated other comprehensive income		
Foreign currency translation adjustment	435	2,193
Total accumulated other comprehensive income	435	2,193
Share acquisition rights	354	787
Non-controlling interests	6,065	7,921
Total net assets	54,657	58,967
Total liabilities and net assets	98,989	109,621

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

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Net sales	147,694	183,053
Cost of sales	66,634	82,518
Gross profit	81,059	100,535
Selling, general and administrative expenses	83,475	101,648
Operating loss	(2,415)	(1,113)
Non-operating income		
Interest income	49	73
Foreign exchange gains	206	302
Commission income	223	165
Subsidy income	5,233	3,129
Other	129	150
Total non-operating income	5,841	3,822
Non-operating expenses		
Interest expenses	161	223
Other	90	29
Total non-operating expenses	251	252
Ordinary profit	3,174	2,457
Extraordinary losses		
Loss on retirement of non-current assets	120	45
Impairment losses	130	506
Total extraordinary losses	251	551
Profit before income taxes	2,923	1,905
Income taxes - current	1,670	623
Income taxes - deferred	(166)	203
Total income taxes	1,504	826
Profit	1,419	1,079
Loss attributable to non-controlling interests	(482)	334
Profit attributable to owners of parent	1,901	744

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Profit	1,419	1,079
Other comprehensive income		
Foreign currency translation adjustment	622	3,150
Total other comprehensive income	622	3,150
Comprehensive income	2,041	4,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,310	2,502
Comprehensive income attributable to non-controlling interests	(268)	1,726

(3) Consolidated statements of changes in equity

Previous 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

Current fiscal year (From November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,005	7,622	40,313	(2,139)	47,802
Changes during period					
Dividends of surplus			(793)		(793)
Profit attributable to owners of parent			744		744
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		191		119	310
Capital increase of consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	–	191	(48)	118	262
Balance at end of period	2,005	7,814	40,265	(2,020)	48,064

	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	435	435	354	6,065	54,657
Changes during period					
Dividends of surplus					(793)
Profit attributable to owners of parent					744
Purchase of treasury shares					(0)
Disposal of treasury shares					310
Capital increase of consolidated subsidiaries					
Net changes in items other than shareholders' equity	1,757	1,757	433	1,856	4,047
Total changes during period	1,757	1,757	433	1,856	4,309
Balance at end of period	2,193	2,193	787	7,921	58,967

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,923	1,905
Depreciation	6,269	7,631
Impairment losses	130	506
Interest income	(49)	(73)
Interest expenses	161	223
Subsidy income	(5,233)	(3,129)
Decrease (increase) in inventories	(71)	(566)
Decrease (increase) in trade receivables	327	(1,030)
Increase (decrease) in trade payables	(466)	396
Increase (decrease) in accrued consumption taxes	(1,776)	(796)
Other, net	15	2,349
Subtotal	2,230	7,414
Interest received	6	33
Interest paid	(161)	(223)
Subsidies received	3,322	5,042
Income taxes paid	(658)	(2,323)
Net cash provided by (used in) operating activities	4,738	9,944
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,116)	(10,129)
Proceeds from sale of property, plant and equipment	19	–
Purchase of intangible assets	(299)	(401)
Purchase of shares of subsidiaries and associates	–	(293)
Loan advances	(325)	(484)
Payments of guarantee deposits	(749)	(563)
Proceeds from refund of guarantee deposits	83	82
Other, net	(89)	(315)
Net cash provided by (used in) investing activities	(9,477)	(12,105)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	766	(860)
Repayments of lease obligations	(2,849)	(3,172)
Purchase of treasury shares	(0)	(0)
Dividends paid	(792)	(792)
Dividends paid to non-controlling interests	(29)	(30)
Proceeds from exercise of employee share options	105	159
Income from capital increase of consolidated subsidiaries	5,257	–
Net cash provided by (used in) financing activities	2,458	(4,696)
Effect of exchange rate change on cash and cash equivalents	417	1,278
Net increase (decrease) in cash and cash equivalents	(1,862)	(5,579)
Cash and cash equivalents at beginning of period	20,611	18,748
Cash and cash equivalents at end of period	18,748	13,169

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

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition)

The Company recognizes revenue based on the amount expected to be received in exchange for the goods or services at the time the promised goods or services are transferred to the customer by applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standard”) from the beginning of the fiscal year under review.

Consequently, with regard to point contributions related to customer loyalty programs operated by other companies, which had previously been recorded as selling, general, and administrative expenses, revenue is now recognized according to the amount after deducting the point contributions.

As a result, both net sales and selling, general, and administrative expenses in the fiscal year under review decreased by ¥381 million.

The transitional treatment stipulated in the proviso of Section 84 of the Revenue Recognition Accounting Standard was followed, but there is no impact on retained earnings at the beginning of the period.

(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 based on the restaurant business: Japan, North America, and Asia.

2. Explanation of measurements of net 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 net sales, profit (loss), asset, liability, and other items for each reportable segment
Previous fiscal year (from November 1, 2020 to October 31, 2021)

(Unit: Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recognized in the consolidated statements of income (Note 2)
	Japan	North America	Asia	Total		
Net sales						
Revenues from external customers	131,665	6,951	9,077	147,694	–	147,694
Transactions with other segments	–	–	–	–	–	–
Total	131,665	6,951	9,077	147,694	–	147,694
Segment profit (loss)	4,451	(1,079)	(136)	3,236	(62)	3,174
Segment assets	67,826	19,525	15,572	102,924	(3,934)	98,989
Other items						
Depreciation	4,020	782	1,467	6,269	–	6,269
Increase in property, plant and equipment and intangible assets	7,512	2,624	6,724	16,861	–	16,861

Notes: 1. The adjustments to segment profit (loss) and segment assets include elimination of intersegment transactions.

2. Segment profit (loss) is adjusted to the ordinary profit recognized in the consolidated statements of income.

Current fiscal year (from November 1, 2021 to October 31, 2022)

(Unit: Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amount recognized in the consolidated statements of income (Note 2)
	Japan	North America	Asia	Total		
Net sales						
Revenues from external customers	149,938	17,173	15,941	183,053	–	183,053
Transactions with other segments	–	–	–	–	–	–
Total	149,938	17,173	15,941	183,053	–	183,053
Segment profit (loss)	1,164	(82)	1,438	2,519	(62)	2,457
Segment assets	66,451	27,914	19,315	113,681	(4,059)	109,621
Other items						
Depreciation	4,506	1,072	2,051	7,631	–	7,631
Increase in property, plant and equipment and intangible assets	7,947	5,917	4,382	18,247	–	18,247

Notes: 1. The adjustments to segment profit (loss) and segment assets include elimination of intersegment transactions.

2. Segment profit (loss) is adjusted to the ordinary profit recognized in the consolidated statements of income.

(Per share information)

(Yen)

	Previous fiscal year (from November 1, 2020 to October 31, 2021)	Current fiscal year (from November 1, 2021, to October 31, 2022)
Net assets per share	1,216.39	1,264.56
Earnings (loss) per share	47.98	18.76
Diluted earnings per share	–	18.49

Notes: 1. Diluted earnings per share of the current fiscal year are not described because there were no dilutive shares.
2. The following are the basis for calculating earnings (loss) per share and diluted earnings per share.

	Previous fiscal year (from November 1, 2020 to October 31, 2021)	Current fiscal year (from November 1, 2021, to October 31, 2022)
(1) Earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	1,901	744
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent relating to common shares (Millions of yen)	1,901	744
Average number of common shares during the period (Shares)	39,621,093	39,693,558
(2) Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	(10)
(of which adjustments due to dilutive shares of consolidated subsidiaries) (Millions of yen)	–	(10)
Overview of dilutive shares that were not included in the calculation of diluted earnings per share due to absence of dilutive effect	–	–

(Significant events after reporting period)

Not applicable.