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December 12, 2023

Consolidated Financial Results for the Fiscal Year Ended October 31, 2023 (Based on Japanese GAAP)

Company name: Kura Sushi, Inc.
Stock exchange listing: Tokyo
Stock code: 2695
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Scheduled date of annual general meeting of shareholders: January 26, 2024
Scheduled date to commence dividend payments: January 27, 2024
Scheduled date to file annual securities report: January 29, 2024
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, 2023 (from November 1, 2022 to October 31, 2023)

(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, 2023	211,405	15.5	2,456	–	2,882	17.3	863	15.9
October 31, 2022	183,053	23.9	(1,113)	–	2,457	(22.6)	744	(60.8)

Note: Comprehensive income Fiscal year ended October 31, 2023 ¥3,061 million [(27.6)%]
Fiscal year ended October 31, 2022 ¥4,229 million [107.2%]

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
	Yen	Yen	%	%	%
October 31, 2023	21.72	21.47	1.7	2.4	1.2
October 31, 2022	18.76	18.49	1.5	2.4	(0.6)

Reference: Share of profit (loss) of entities accounted for using equity method
Fiscal year ended October 31, 2023 ¥- million
Fiscal year ended October 31, 2022 ¥- million

(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, 2023	130,119	70,566	41.6	1,363.33
October 31, 2022	109,621	58,967	45.8	1,264.56

Reference: Equity

As of October 31, 2023

¥54,186 million

As of October 31, 2022

¥50,258 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, 2023	13,727	(14,544)	5,495	18,940
October 31, 2022	9,944	(12,105)	(4,696)	13,169

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			
Fiscal year ended October 31, 2022	Yen –	Yen 0.00	Yen –	Yen 20.00	Yen 20.00	Millions of yen 794	% 106.6	% 1.6
Fiscal year ended October 31, 2023	–	0.00	–	20.00	20.00	794	92.1	1.5
Fiscal year ending October 31, 2024 (Forecast)	–	0.00	–	20.00	20.00		–	

3. Consolidated financial results forecast for the fiscal year ending October 31, 2024 (from November 1, 2023 to October 31, 2024)

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	226,200	7.0	2,400	(2.3)	2,800	(2.9)	1,100	27.4	27.67

Notes

- (1) Changes in significant subsidiaries during the fiscal year ended October 31, 2023
(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, 2023	41,399,600 shares
As of October 31, 2022	41,399,600 shares

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

As of October 31, 2023	1,653,927 shares
As of October 31, 2022	1,655,857 shares

- 3) Average number of shares during the period

Fiscal year ended October 31, 2023	39,744,914 shares
Fiscal year ended October 31, 2022	39,693,558 shares

Reference: Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(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, 2023	163,861	9.3	562	–	1,381	18.7	300	87.6
October 31, 2022	149,938	13.9	(2,664)	–	1,164	(73.8)	160	(94.0)

Fiscal year ended	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
October 31, 2023	7.56	–	–	–
October 31, 2022	4.03	–	–	–

(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, 2023	66,611	42,950	64.5	1,080.63
October 31, 2022	66,451	43,400	65.3	1,091.99

Reference: Equity

As of October 31, 2023

¥42,950 million

As of October 31, 2022

¥43,400 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.

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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, 2023

During the fiscal year ended October 31, 2023 (November 1, 2022, to October 31, 2023), the Japanese economy showed signs of recovery in consumer spending and inbound demand following the shift of the new coronavirus classification under the Infectious Diseases Control Law to category 5. On the other hand, the United States and Europe adopted policies to raise interest rates at a rapid pace to cope with rapid inflation, resulting in a weakening of the yen due to the widening interest rate gap between Japan and the United States, and prices rose in Japan, especially for imported products. With the normalization of economic activities, the economic outlook remains uncertain as wages continue to rise due to labor shortages.

While there has been a recovery trend in the restaurant industry, such as improved human flow as the COVID-19 pandemic subsides, changes in lifestyles and increased thriftiness have also become apparent through the COVID-19 pandemic. In addition, the business environment remained challenging due to the impact of increased costs, such as rising raw material prices, logistics costs, labor costs, and utility costs.

Under these circumstances, the Group pursued the original convenience and enjoyment of conveyor-belt sushi through its conveyor-belt sushi lanes while implementing various initiatives related to safety and security, such as anti-bacterial sushi covers.

With regard to store development, a total of 42 restaurants (23 stores in Japan, ten stores in the U.S., six stores in Taiwan, and three stores in mainland China (Shanghai)) were opened. Accordingly, the number of stores at the end of the fiscal year under review was 649, all directly owned (including four Mutenkura stores, one KURA Natural Fish Market store, 50 U.S. stores, 53 Taiwan stores, and three mainland China).

As a result of the above, net sales for the fiscal year under review were 211,405 million yen (up 15.5% year on year), ordinary profit was 2,882 million yen (up 17.3% year on year), and profit attributable to owners of the parent was 863 million yen (up 15.9% year on year).

The financial results by segment are as follows:

<Japan>

In addition to the recovery of human flow, the Company's efforts to set appropriate prices for each product in detail in order to cope with cost increases were effective and contributed to the improvement in profitability. In terms of sales, in April 2023, we introduced in full scale the "Kura no Ippin Series," which allows customers to enjoy seasonal local fish of the region every week, and from July 2023, we are introducing "Kura no Ippin Series" to the restaurants all over Japan. Furthermore, the development of fairs focusing on popular items such as "crab" and "tuna," as well as campaigns such as merchandise giveaways in collaboration with the popular animations "Pokemon" and "Jujutsu Kaisen," resulted in record sales for the fiscal year under review.

As for store development, we opened "Namba Parks South Store" in July 2023 as one of our "Global Flagship Stores," the fifth store in Japan (the second store in Kansai area). We are making efforts to strengthen capturing inbound demand, which is rapidly recovering, especially in urban areas.

At Kura Sushi, Inc., we place great importance on the entertainment value of sushi rotating and have been providing the "enjoyment" that is inherent in conveyor-belt sushi. We utilize our original anti-bacterial sushi covers to make rotating sushi more enjoyable, as well as to provide a safe and secure dining environment by replacing soy sauce jugs and other fixtures with new ones as customers change.

As a result of the above, net sales were ¥163,861 million (up 9.3% year on year) and ordinary profit was ¥1,381 million (up 18.7% year on year).

<North America>

Our U.S. subsidiary, Kura Sushi USA, Inc. (KSU), maintained favorable sales and earnings in the fiscal year under review, thanks to the steady transition of the U.S. economy and the success of its continued efforts to open new stores since the beginning of the fiscal year under review. For the first time since our listing on NASDAQ in August 2019, we have achieved a return to profitability in ordinary profit for the full year.

As a result, net sales were ¥25,975 million (up 51.3% year on year) and ordinary profit was ¥247 million (ordinary loss of ¥82 million in the corresponding period of the previous year).

<Asia>

Taiwan subsidiary Kura Sushi Asia Co., Ltd. (KSA) no longer suffered from the impact of COVID-19 infections, and sales were favorable due to a recovery trend in consumption. In terms of sales promotion, the Company continued its efforts, including the adoption of merchandise gifts for the popular animations “Detective Conan” and “Crayon Shin-chan.” In May 2023, we opened our first overseas Global Flagship Store, “Kaohsiung Shidai Dadao Store,” and achieved year on year increases in sales and profit for the fiscal year under review.

Kura Sushi Shanghai Food and Beverage Management Co., Ltd. (KSS) opened its first store in mainland China, “Dragon’s Dream Zhongshan Park Store,” in June 2023. Two more stores were opened in succession, bringing the total number of stores in mainland China to three at the end of the fiscal year under review.

Regarding the impact on sales, etc., due to Chinese ban of Japanese marine products imports following the release of treated water from the Fukushima Daiichi Nuclear Power Plant and the backlash of public opinion in China, the current situation is calming down, but we will continue to carefully monitor the situation.

As a result of the above, net sales were ¥21,567 million (up 35.3% year on year) and ordinary profit was ¥1,465 million (up 1.9% year on year).

2) Forecasts for the next fiscal year

The Group forecasts the next fiscal year to mark net sales of ¥226.2 billion (up 7.0% year on year), ordinary profit of ¥2.8 billion (down 2.9% year on year) and profit attributable to owners of parent of ¥1.1 billion (up 27.4% 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, 2023, increased ¥20,497 million from the end of the previous fiscal year to ¥130,119 million. This was mainly due to increases of ¥5,771 million in cash and deposits, ¥1,248 million in securities, and ¥12,122 million in property, plant and equipment.

Total liabilities increased by ¥8,898 million from the end of the previous fiscal year to ¥59,553 million. This was mainly due to an increase of ¥927 million in short-term borrowings, as well as increases of ¥526 million in lease obligations (current liabilities) and ¥5,033 million in lease obligations (non-current liabilities).

Net assets increased ¥11,598 million from the end of the previous fiscal year to ¥70,566 million, mainly due to increases in capital surplus of ¥3,086 million and non-controlling interests of ¥7,103 million as a result of a capital increase of consolidated subsidiaries.

2) Overview of cash flows

Cash flows during the fiscal year ended October 31, 2023 were net cash provided by operating activities of ¥13,727 million, net cash used in investing activities of ¥14,544 million, net cash

provided by financing activities of ¥5,495 million, and cash and cash equivalents increased by ¥233 million due to a newly consolidations. As a result, cash and cash equivalents (the “net cash”) at the end of the fiscal year under review were ¥18,940 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 ¥13,727 million (up 38.0% year on year). This was mainly due to inflows from profit before income taxes of ¥2,210 million, depreciation of ¥8,837 million, impairment losses of ¥590 million, and increase in accrued consumption taxes of ¥662 million.

(Cash flows from investing activities)

Net cash used in investing activities during the fiscal year under review was ¥14,544 million (up 20.2% year on year). This was mainly due to outflows from purchase of property, plant and equipment of ¥11,771 million, purchase of securities of ¥1,287 million, and loan advances of ¥603 million.

(Cash flows from financing activities)

Net cash provided by financing activities during the fiscal year under review was ¥5,495 million (an outflow of ¥4,696 million in the corresponding period of the previous year). This was mainly due to inflows from income from capital increase of consolidated subsidiaries of ¥8,572 million and net increase in short-term borrowings of ¥895 million, and outflows from repayments of lease obligations of ¥3,384 million and dividends paid of ¥793 million.

Reference: Cash flow indicators

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Equity ratio	64.5%	51.9%	48.7%	45.8%	41.6%
Equity ratio based on market value	132.1%	146.1%	147.2%	126.2%	109.7%
Ratio of interest-bearing liabilities to cash flows	0.5 years	1.7 years	4.6 years	2.9 years	2.5 years
Interest coverage ratio	119.9 times	82.4 times	29.3 times	44.6 times	50.3 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 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, 2023, 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 19, 2023.

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, 2022	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	13,169	18,940
Accounts receivable - trade	4,642	5,162
Securities	-	1,248
Raw materials and supplies	2,410	2,522
Other	2,895	2,887
Total current assets	23,118	30,761
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,315	63,836
Accumulated depreciation	(24,140)	(27,091)
Buildings and structures, net	32,175	36,744
Machinery, equipment and vehicles	7,558	8,543
Accumulated depreciation	(4,933)	(5,521)
Machinery, equipment and vehicles, net	2,624	3,021
Land	5,240	5,205
Leased assets	11,089	11,485
Accumulated depreciation	(4,921)	(5,703)
Leased assets, net	6,168	5,781
Right of use assets	24,694	31,625
Accumulated depreciation	(4,003)	(5,858)
Right of use assets, net	20,690	25,766
Other		
Other, net	5,369	7,872
Total property, plant and equipment	72,269	84,392
Intangible assets		
Leased assets	289	273
Other	961	1,298
Total intangible assets	1,251	1,572
Investments and other assets		
Long-term loans receivable	4,687	4,925
Deferred tax assets	327	516
Guarantee deposits	6,710	7,000
Other	1,254	950
Total investments and other assets	12,982	13,393
Total non-current assets	86,503	99,357
Total assets	109,621	130,119

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	6,609	7,065
Short-term borrowings	–	927
Lease obligations	4,316	4,843
Accounts payable - other	7,566	8,013
Income taxes payable	587	1,099
Other	3,482	4,222
Total current liabilities	22,561	26,171
Non-current liabilities		
Lease obligations	24,196	29,230
Asset retirement obligations	2,731	2,968
Other	1,164	1,183
Total non-current liabilities	28,092	33,382
Total liabilities	50,654	59,553
Net assets		
Shareholders' equity		
Share capital	2,005	2,005
Capital surplus	7,814	10,900
Retained earnings	40,265	40,294
Treasury shares	(2,020)	(2,003)
Total shareholders' equity	48,064	51,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	2
Foreign currency translation adjustment	2,193	2,986
Total accumulated other comprehensive income	2,193	2,989
Share acquisition rights	787	1,354
Non-controlling interests	7,921	15,024
Total net assets	58,967	70,566
Total liabilities and net assets	109,621	130,119

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

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Net sales	183,053	211,405
Cost of sales	82,518	92,171
Gross profit	100,535	119,234
Selling, general and administrative expenses	101,648	116,777
Operating profit (loss)	(1,113)	2,456
Non-operating income		
Interest income	73	283
Foreign exchange gains	302	70
Commission income	165	179
Subsidy income	3,129	29
Other	150	154
Total non-operating income	3,822	717
Non-operating expenses		
Interest expenses	223	272
Other	29	18
Total non-operating expenses	252	291
Ordinary profit	2,457	2,882
Extraordinary losses		
Loss on retirement of non-current assets	45	81
Impairment losses	506	590
Total extraordinary losses	551	672
Profit before income taxes	1,905	2,210
Income taxes - current	623	1,010
Income taxes - deferred	203	(184)
Total income taxes	826	825
Profit	1,079	1,385
Profit attributable to non-controlling interests	334	522
Profit attributable to owners of parent	744	863

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Profit	1,079	1,385
Other comprehensive income		
Valuation difference on available-for-sale securities	–	6
Foreign currency translation adjustment	3,150	1,669
Total other comprehensive income	3,150	1,676
Comprehensive income	4,229	3,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,502	1,658
Comprehensive income attributable to non-controlling interests	1,726	1,403

(3) Consolidated statements of changes in equity

Previous 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
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
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

Current fiscal year (From November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,005	7,814	40,265	(2,020)	48,064
Changes during period					
Dividends of surplus			(794)		(794)
Profit attributable to owners of parent			863		863
Disposal of treasury shares		27		17	44
Capital increase of consolidated subsidiaries		3,058			3,058
Change in scope of consolidation			(38)		(38)
Net changes in items other than shareholders' equity					
Total changes during period	-	3,086	29	17	3,132
Balance at end of period	2,005	10,900	40,294	(2,003)	51,197

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	-	2,193	2,193	787	7,921	58,967
Changes during period						
Dividends of surplus						(794)
Profit attributable to owners of parent						863
Disposal of treasury shares						44
Capital increase of consolidated subsidiaries						3,058
Change in scope of consolidation						(38)
Net changes in items other than shareholders' equity	2	792	795	567	7,103	8,465
Total changes during period	2	792	795	567	7,103	11,598
Balance at end of period	2	2,986	2,989	1,354	15,024	70,566

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,905	2,210
Depreciation	7,631	8,837
Impairment losses	506	590
Interest income	(73)	(283)
Interest expenses	223	272
Subsidy income	(3,129)	(29)
Decrease (increase) in inventories	(566)	(91)
Decrease (increase) in trade receivables	(1,030)	(499)
Increase (decrease) in trade payables	396	408
Increase (decrease) in accrued consumption taxes	(796)	662
Other, net	2,349	2,112
Subtotal	7,414	14,190
Interest received	33	243
Interest paid	(223)	(272)
Subsidies received	5,042	33
Income taxes paid	(2,323)	(465)
Net cash provided by (used in) operating activities	9,944	13,727
Cash flows from investing activities		
Purchase of securities	-	(1,287)
Proceeds from redemption of securities	-	103
Purchase of property, plant and equipment	(10,129)	(11,771)
Proceeds from sale of property, plant and equipment	-	34
Purchase of intangible assets	(401)	(543)
Purchase of shares of subsidiaries and associates	(293)	-
Loan advances	(484)	(603)
Payments of guarantee deposits	(563)	(345)
Proceeds from refund of guarantee deposits	82	98
Other, net	(315)	(229)
Net cash provided by (used in) investing activities	(12,105)	(14,544)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(860)	895
Repayments of lease obligations	(3,172)	(3,384)
Purchase of treasury shares	(0)	-
Dividends paid	(792)	(793)
Dividends paid to non-controlling interests	(30)	(105)
Proceeds from exercise of employee share options	159	311
Income from capital increase of consolidated subsidiaries	-	8,572
Net cash provided by (used in) financing activities	(4,696)	5,495
Effect of exchange rate change on cash and cash equivalents	1,278	858
Net increase (decrease) in cash and cash equivalents	(5,579)	5,537
Cash and cash equivalents at beginning of period	18,748	13,169
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	233
Cash and cash equivalents at end of period	13,169	18,940

(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 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, 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						
Sales to 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.

Current fiscal year (from November 1, 2022 to October 31, 2023)

(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						
Sales to external customers	163,861	25,975	21,567	211,405	–	211,405
Transactions with other segments	–	–	–	–	–	–
Total	163,861	25,975	21,567	211,405	–	211,405
Segment profit	1,381	247	1,465	3,095	(212)	2,882
Segment assets	66,611	44,541	26,249	137,401	(7,282)	130,119
Other items						
Depreciation	4,815	1,620	2,400	8,837	–	8,837
Increase in property, plant and equipment and intangible assets	5,404	9,356	5,424	20,185	–	20,185

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

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

(Per share information)

(Yen)

	Previous fiscal year (from November 1, 2021, to October 31, 2022)	Current fiscal year (from November 1, 2022, to October 31, 2023)
Net assets per share	1,264.56	1,363.33
Earnings per share	18.76	21.72
Diluted earnings per share	18.49	21.47

Note: The following are the basis for calculating earnings per share and diluted earnings per share.

	Previous fiscal year (from November 1, 2021, to October 31, 2022)	Current fiscal year (from November 1, 2022, to October 31, 2023)
(1) Earnings per share		
Profit attributable to owners of parent (Millions of yen)	744	863
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent relating to common shares (Millions of yen)	744	863
Average number of common shares during the period (Shares)	39,693,558	39,744,914
(2) Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	(10)	(9)
(of which adjustments due to dilutive shares of consolidated subsidiaries) (Millions of yen)	(10)	(9)
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.